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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

SENATE—*Monday, June 10, 1996*

The Senate met at 12 noon and was called to order by the Honorable JON KYL, a Senator from the State of Arizona.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, thank You for Your faithfulness. You bless us beyond our expectations and give us what we need on time, and in time. Today, our prayer is for a much better memory of how You have heard and answered our petitions in the past.

We commit this day to count our blessings. We thank You for the gift of life, for our relationship with You, for Your grace and forgiveness, for our families and friends, for the privilege of work to do well, for problems and perplexities that force us to trust You more, and for the assurance that You can use even the dark threads of difficulties in weaving the tapestry of our lives. Knowing how you delight to bless a thankful person, we thank You in advance for Your strength and care today. Thank You not just for what You do, but for who You are, our blessed God and loving Father. In Your holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read as follows:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 10, 1996.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JON KYL, a Senator from the State of Arizona, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. KYL thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, today, there is a period for morning business, with the following Senators in control of the designated times: Senator HOLLINGS, 30 minutes; Senator DOMENICI will be controlling the time from 1 to 3:30; Senator DASCHLE, or his designee, from 3:30 to 4:30; Senator COVERDELL, or his designee, from 4:30 to 5:30.

It is hoped that any Senator wishing to speak on the budget resolution conference report will do so today in order to complete action on the budget during tomorrow's session—hopefully before noon—on that matter. Rollcall votes are possible today.

I indicated, I think, on Thursday that we are still trying to clear a number of the nominees. We have cleared some. We have not had much success in the judicial nomination area. I would like, where we can, to dispose of those before I leave the Senate tomorrow. If you want to have a vote, let us have a vote. I hope we can move the nominations that may be on the calendar—maybe with one or two exceptions—so that those people who have been nominated and have had their hearings will be able to pursue their careers.

I have suggested that, if we cannot agree on the package, we can start down the list and go one at a time. If people want to vote, we will vote on judge A, judge B, judge C. That way, at least we can dispose of some of those matters.

It is also my hope today that we can clear for immediate consideration Calendar No. 253, S. 1438. This deals with the World Trade Organization. In fact, it is an agreement I made with President Clinton. We are talking about passage of the GATT agreement. I was concerned about the World Trade Organization and concerned about there not being enough input from Congress. So there was an agreement between myself and Mickey Kantor, the Trade Representative, and the President, that we would pursue legislation to give Congress additional input and permit Congress, in certain cases, to withdraw—or at least initiate proceedings to withdraw—from the World Trade Organization. It was carefully worked out at one time. At one time, it had cleared on both sides. Senator BYRD had a problem, and I think that problem has now been resolved.

I have not asked for much around here, as far as clearing things for myself, although I have done it for other people. I hope we might be able to clear this without amendment today and send it to the House, so the President will have it on his desk for signature—which he is perfectly willing to do.

It is my understanding that a new offer will be made with reference to health reform, the bill that passed this body by a large margin. It is still my hope—maybe only a hope—that we can complete action on that matter, if not today, sometime tomorrow. In any event, it is my hope that we can get the agreement. If I am not here to vote on it, I hope we can have the agreement. It is going to take some give on all sides. We cannot have people dictate to us and attack us up in the Press Gallery and expect to make any progress. I will not engage in that myself. I do not think that advances the cause of what we are attempting to do.

Hopefully, we can reach some agreement on that today. I will do all I can to make it happen. I think there has to be give and take on each side. I think, in this case, the House has been very forthcoming on a number of issues that we did not want in our bill. It is not in the Senate bill. It is down to the issue of medical savings accounts. The House feels very strongly about it, and I think about half of the Members here feel very strongly about it.

So it seems to me that we ought to reach some accommodation on medical savings accounts and send this bill to the President for his signature. I assume he will sign it. There have been a lot of different proposals made—some rather useless, and others that I think

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

have some merit. Hopefully, we can resolve that.

I understand Senator KASSEBAUM will be sending us—and maybe it is in my office now—a counterproposal, on which I will meet and discuss with my House colleagues, in the hopes that we can resolve that, too, before the day is out.

Mr. KENNEDY. Will the Senator be willing to yield briefly on that subject matter?

Mr. DOLE. Sure.

The ACTING PRESIDENT pro tempore. If the Senator will suspend for a moment, I will take care of another matter.

MEASURE PLACED ON THE CALENDAR—H.R. 3120

The ACTING PRESIDENT pro tempore. I ask the clerk to read a bill for the second time.

The legislative clerk read as follows:

A bill (H.R. 3120) to amend Title 18, United States Code, with respect to witness retaliation, witness tampering, and jury tampering.

Mr. DOLE. Mr. President, I object to further consideration of this bill at this time.

The ACTING PRESIDENT pro tempore. The bill will be placed on the calendar.

Mr. KENNEDY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

HEALTH CARE REFORM

Mr. KENNEDY. Mr. President, I appreciate the majority leader yielding. I join with him in the eternal hope that, perhaps while he is still here, there may be a successful conclusion of this legislation; or, if not, at least an agreement can be made that can be followed up in his absence. I have stated on other occasions that the majority leader has been very much involved in this legislation.

Senator KASSEBAUM has been a real leader on this issue. It has been a bipartisan process in the Senate. Many of the ideas that have been incorporated in the legislation dealing with preexisting conditions, and portability have been incorporated from the legislation that the majority leader has offered in the past. Although we have had differences on the MSA issue, he, nonetheless, has indicated, since the time that he announced he was going to leave the Senate, that he was very hopeful that this legislation could be achieved while he was still here.

As recently as June 6 he indicated that its chances of success—and I think, he accurately portrayed it—are much greater with his presence here than without it. So I urge that the majority leader, because of the importance of this legislation, as well as the importance that he has placed on this legislation, and his involvement in it, that we would get the agreement, hopefully pass it while he was here; and I was even bold enough to suggest that he might want to remain here for the next few days until we were able to get this accomplished. More than 25 million Americans will be helped each year by this legislation, so it should be a top priority.

I want to ask the leader about his willingness to accept a reasonable compromise. I know that I speak in this instance for the President, who is most interested in getting a test of the idea of the MSA's, which is the principal issue at this point. The proposal from the House would provide the MSA's for approximately 80 percent of all the workers in the country. This obviously is unacceptable. I am hopeful that, with the majority leader's assistance, we could have a test of the idea so that we could explore whether it is helpful. I think reasonable people could find ways of finding a test without adopting a proposal which in effect moves toward coverage of 80 percent of the people and then eventually moves toward complete coverage without additional Senate intervention. This program is potentially too destructive to go that route. I hope he will use his own good offices to try to work with all parties to see if a legitimate proposal that could accurately be portrayed as a real test of the idea could be put into place.

There have been four separate proposals that have been advanced by the President and by others. There have been some which have been advanced by our Republican friends.

But this would be a great victory for the American people which I think the majority leader ought to share in if we are able to over the period of these next several hours agree on a real test of the idea, and I mean a reasonable kind of test and examination and evaluation prior to expanding the proposal.

Am I correct that at least the leader is going to try to see if that concept could be at least included in these negotiations?

Mr. DOLE. Mr. President, I thank the Senator from Massachusetts. I understand we have now received a proposal from my colleague, Senator KASSEBAUM. We are in the process of reviewing that proposal. I am not certain that the Senator from Massachusetts has a copy of it. But it indicates that we might be able to reach some compromise. I would like nothing better if we could conclude that today, have conferees appointed, and come to a satisfactory conclusion because, as the Senator outlined, it affects millions of Americans. It should be done. And maybe—speaking for myself, I would like to have it done before I leave. But at least if that cannot happen, I would like to have the agreement before tomorrow at 2 o'clock, and maybe under the Senate rules we could deem it passed sometime after the House takes it up. I will have to check with the Parliamentarian on that. But if we have something to agree to, everybody in the Senate, as the Senator knows, the original bill passed unanimously—hopefully we could reach some agreement today, and at least have the agreement entered. Then the Senator from Massachusetts, the Senator from Kansas, and others could dispose of it later this week.

I thank the Senator.

Mr. KENNEDY. I have not seen the proposal, and I would welcome a chance to review it—and others who have been involved in that endeavor as well; not just myself but others. Senator KASSEBAUM—we take obviously her leadership role very seriously. I hope that this time that we could work out a real evaluation of the concept without exposing tens of millions of our fellow citizens to serious disruption in their health insurance if this does not work as well as its advocated claim. That is basically the issue. I know Senator KASSEBAUM was strongly committed toward an evaluation, a reasonable experimentation, a reasonable assessment, and reporting back. I say that would certainly offer an opportunity to move this forward. I hope that would be the proposal that would be out there rather than just the imposition of the program on a vast number of our citizens. But we will certainly look forward to it.

I thank the Senator.

Mr. DOLE. Mr. President, if I could use my leader time. Is leader time reserved?

The ACTING PRESIDENT pro tempore. Leader time is reserved.

The majority leader.

TRIBUTE TO SAM NUNN

Mr. DOLE. Mr. President, on August 4, 1789, in the first year of existence, the U.S. Senate approved legislation to establish the Department of War. In the nearly 207 years since that date, the Senate has always devoted a great deal of attention to matters of national security.

Few Senators in that time, however, have devoted as much attention as Senator SAM NUNN of Georgia, who will leave this Senate next January after 24 years of service. While Senator NUNN and I have not agreed on every issue, I am just one of many Republicans who has always respected his expertise and admired his patriotism.

I especially recall the affection and admiration which our former colleague Barry Goldwater had for Senator NUNN. During the first 6 years of the Reagan administration, Senator Goldwater and Senator NUNN worked on a bipartisan basis to rebuild America's military.

Senator NUNN has also worked with another military expert, Senator RICHARD LUGAR, in working with the former Soviet Republic to relinquish their nuclear weapons.

On nondefense matters, I have appreciated Senator NUNN's strong support for a balanced budget amendment, product liability reform, and anticrime and antidrug efforts.

The high respect in which Senator NUNN is held in Washington, DC, is echoed in his home State of Georgia. In 1978, Senator NUNN won reelection with 83 percent of the vote. In 1984, he received 80 percent, he ran completely unopposed.

It goes without saying, then, that Senator NUNN could have won reelection this year. He has chosen to leave on his own terms, and I have no doubt that his voice will continue to be an important one for many years to come.

TRIBUTE TO AL SIMPSON

Mr. DOLE. Mr. President, as I look back on my years in the Senate, there are many Members to whom I am indebted for the friendship and support they have given me. I can think of no better friend, however, and no more reliable ally than AL SIMPSON.

As all Members know, AL served for 10 years as Republican whip. And no doubt about it, he made being Republican leader a much easier job. Every time I needed help, every time there was work to be done, every time something was needed as soon as possible, AL SIMPSON was there, getting the job done, and doing it with the one of a kind sense of humor that is his trademark.

AL SIMPSON is not only one of the wittiest men in Washington, he is also one of the most courageous.

From immigration to entitlement reform, he has made a habit of tackling the toughest and most controversial of issues, calling them as he sees them, and letting the cards fall where they may.

A few weeks back, much of Washington gathered to salute AL SIMPSON. Well, actually, much of Washington gathered to salute AL's wife, Ann. I regret that a delayed flight kept me from attending what by all reports was a wonderful evening. Speaker after speaker—Republicans and Democrats alike—rose to salute AL and Ann for all they have done for this institution and this city.

The highlight of the event was when former President George Bush offered an emotional tribute to the man who he called his best friend in the Senate. While AL's retirement means that President Bush is gaining a fishing buddy, it means that the Senate is losing one of its finest.

I have said before that AL SIMPSON embodies the American spirit many associate with the American cowboy. He is honest, independent, and he always judges people not by money or position—but by character.

It was once written that "out where the handclasp's a little stronger, out where the smile dwells a little longer, that is where the West begins."

If that is the case, then the fact of the matter is that the West begins wherever AL SIMPSON is, because wherever he goes, he brings handclasps and smiles with him.

TRIBUTE TO NANCY KASSEBAUM

Mr. DOLE. Mr. President, I guess it is hard to pay tribute to my colleague, Senator KASSEBAUM, because she has done such an outstanding job. And there is no question about it. She is the most popular politician we have had in our State—the most popular "politician in politics," let us put it that way; some do not like the word "politician"—for years.

Over the past several days, I have paid tribute to those colleagues who are retiring from the Senate at the conclusion of the 104th Congress; this is my final tribute.

During my years representing Kansas in the U.S. Senate, it has been my privilege to serve alongside two remarkable colleagues from Kansas.

The first was Jim Pearson, who was a Senator of great common sense and great integrity—a Senator who was widely respected by Members on both sides of the aisle.

For the past 18 years, I have had the privilege of serving alongside another person respected by all Senators for her common sense and integrity—Senator NANCY LANDON KASSEBAUM.

Senator KASSEBAUM is retiring at the end of this session, so she can spend more time with her children and grandchildren. The voters of Kansas, who have cast their ballots for her in overwhelming numbers, understand her desire to come home, but they also understand that this Chamber will be losing one of its most thoughtful and effective Members.

NANCY KASSEBAUM does not speak in a loud voice. She does not clamor for media attention. But as all Senators know, while her voice may be quiet, her will is strong. For 18 years she has simply represented the people of Kansas to the best of her abilities, and she had made a positive difference for Kansas and America in the process.

As a member of the Foreign Relations Committee, Senator KASSEBAUM has made a habit of staking out policies that provide to be prophetic. She was instrumental in the policies that helped to move South Africa away from apartheid, and she saw Saddam Hussein as a danger long before many others.

As ranking member and then Chair of the Labor and Human Resources Committee, she had fought to return dollars and decisions to the local levels, remembering the words of her father, Alf Landon, who once said, "There are some smart people in Washington, DC. There are more of them in Topeka."

Although as of tomorrow, I will no longer be NANCY's colleague, I will still be her constituent. And along with all other Kansans, I will take great pride in being able to say for 6 more months—as I have for 18 years—that NANCY KASSEBAUM is my Senator.

TRIBUTE TO SENATOR JIM EXON

Mr. DOLE. Mr. President, I have often said that the people of Kansas and Nebraska share a great deal in common besides a border. We share commonsense values. We share agricultural interests. We share a preference for public officials who say what they will do, and who do what they say.

For the past 26 years—8 in the Governor's office, and 18 here in the Senate—one of Nebraska's preeminent public officials has been JIM EXON.

A small businessman before he entered public service, Senator EXON has devoted a great deal of time to restoring fiscal responsibility to Government. Senator EXON practices what he preaches, regularly returning a substantial portion of his office allowance to the treasury.

Senator EXON has also proposed a budget freeze, and did vote for the balanced budget amendment last year. And Senator EXON knows how much I regret his decision to now oppose that amendment.

Senator EXON and I have disagreed on a variety of issues over the years, but with me—as with every other Senator—JIM EXON was always upfront and to the point.

I join with all my colleagues in wishing JIM and Pat EXON the best as they return to the State they love so much and have served so well.

TRIBUTE TO ROBERT BYRD

Mr. DOLE. Mr. President, during 1987 and 1988, I delivered a series of nearly 300 brief speeches on the Senate floor to commemorate the long history of this great institution.

Each of these so-called Senate bicentennial minutes focused on a significant person, custom, or event associated with the Senate's development during its first two centuries.

The inspiration for this project came from my fellow floor leader during that 100th Congress, Senator ROBERT C. BYRD. Beginning in 1980, Senator BYRD launched an unprecedented series of hour-long addresses to the Senate detailing this body's rich history. The 100-part series was completed in November 1989.

In recognition of this extraordinary achievement, Congress agreed to publish these addresses in four richly illustrated volumes that today are universally known as "Byrd's Senate History."

Senator BYRD has not only written about the Senate's history, he has also made it. He has set so many major records that he can justly be considered the Cal Ripken and the Michael Jordan of the Senate.

He has held more Senate party leadership offices than any other Member of either party. He has cast more rollcall votes than any Member in history—A record that he continues to break every day the Senate is in session. He has not missed a vote in 12 years, giving him a Senate career voting average of 99 percent.

Finally, ROBERT BYRD is 1 of only 3 Senators in history—that is 3 of 1,827—to have been elected to 7 full 6-year terms.

Not only has he broken all the records, he has also established an example for the rest of us and for the Nation of the best in Senatorial conduct.

ROBERT BYRD's service to the Senate has been characterized by hard work, attention to detail, boundless energy, and intense loyalty.

Mr. President, on October 21, 1988, I dedicated my final bicentennial minute to Senator BYRD and his remarkable contributions as a Senate leader.

And now, on June 10, 1996, my next to last day here in the Senate, I want to repeat the words I said 8 years ago:

> The final chapter in ROBERT BYRD's history is not likely to be written for some time, yet it is safe to say that he has set a standard as a Senator, as a legislative leader, and as a statesman that will stand among the best as long as there is a Senate.

TRIBUTE TO TOM DASCHLE

Mr. DOLE. Mr. President, during my more than 11 years as Republican leader, it has been my privilege to serve across the aisle from three Democrat leaders.

Senator BYRD sat in the leader's chair for 4 of those years, Senator George Mitchell for 6, and Senator TOM DASCHLE for the past year and a half.

When Senator DASCHLE became leader in January 1995, I said then that I had learned that the only way the Senate can run effectively is for the two leaders to have a relationship based on absolute trust.

While Senator DASCHLE and I have disagreed on the vast majority of issues before the Senate, and while he used the Senate rules to the minority's full advantage—just as I did when I was in his position, our relationship has been one of trust and mutual respect.

In fact, Senator DASCHLE has seemed to enjoy the job of minority leader so much, that I have told him one of my wishes on departing the Senate is that he will continue to serve as minority leader for many years to come.

I have also told Senator DASCHLE that serving as a Senate leader when your party holds the While House is oftentimes more frustrating than serving as leader when the opposition party holds the White House. And it is my hope that he will experience those lower frustrations next January.

But I want to thank Senator DASCHLE. We both come from the same part of the country, South Dakota and Kansas, where the weather can do us in, or do the farmers in, which does everybody else in. We both understand the importance of agriculture, but we also understand the importance of other issues that affect our colleagues, whether it is health care or whether it is the WIC Program or food stamps or other things that I worked on a long time ago with another Senator from South Dakota named George McGovern.

So I just congratulate Senator DASCHLE for his great success as the Democrat leader. I thank him for the courtesies he and Linda have extended to me and Elizabeth over the past year and a half. And I wish him the best of luck—not everything he would wish, but the best of luck, particularly when it comes to his own personal work in the Senate and his own personal life.

He does a good job. He works hard. We do not surprise each other. We trust each other; no games. And that is what makes the Senate work.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business with statements permitted not to exceed 5 minutes in length, with Senator HOLLINGS to control 30 minutes and Senator DOMENICI or his designee to control from 1 to 3:30 p.m., the Democratic leader is designated to control from 3:30 to 4:30, and Senator COVERDELL or his designee to control from 4:30 to 5:30.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that we slightly amend the unanimous consent agreement. The distinguished Senator from Massachusetts wants 6 minutes. I ask unanimous consent to yield him the 6 minutes now and that I be granted my full half-hour, until just past 1 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Massachusetts.

Mr. KENNEDY. I thank the Senator from South Carolina for his courtesy.

MEDICAL SAVINGS ACCOUNTS AND THE HEALTH INSURANCE REFORM BILL

Mr. KENNEDY. Mr. President, the insistence of the House Republican leadership on forcing medical savings accounts into the Kassebaum-Kennedy bill has become the Trojan Horse that could destroy health insurance reform.

This untried and dangerous proposal does not belong in the consensus insurance reform bill. It has already been rejected by the Senate. A bill containing it cannot be enacted into law and signed by the President.

The Democrats and the White House have offered a fair compromise, which would provide for a controlled demonstration of the MSA concept to see if it should be expanded. But the House Republican leadership has said that it will be their way or no way. As Majority Leader ARMEY said yesterday, "I will not give up medical savings accounts," and he dared the President to veto the bill.

Senator DOLE is the only one who can break this impasse and persuade House Republicans to abandon their intransigence and pass a bipartisan bill that the President can sign. Senator DOLE clearly understands how important this program is to the American people. When the bill was passed, Senator DOLE said:

> Common sense has finally prevailed. Passage of this bill will not only improve our health care system, it could very well restore the faith of the American public that the work of Congress is not just a series of political stalemates. Even in an election year, we can work on a bipartisan basis to pass legislation that will improve the lives of so many Americans.

Senator DOLE deserves considerable credit for this bill. All of its reforms were also included, in one form or another, in the health insurance bill he introduced in the last Congress. It also includes constructive proposals that he offered for aid to small business, and to help families meet the high cost of long-term care, and to crack down on fraud and abuse in Medicare and Medicaid.

Last week, Senator DOLE said, "I'm afraid if I leave and it's not done, it might not happen." He is right. No one else has the ability to persuade House Republicans to back off their extreme position. If Senator DOLE means what he says, he should postpone his departure from the Senate for a few days and pass this bill. He can do a great deal of good for the American people by staying for a few days and finishing this legislation.

Medical savings accounts are a highly controversial issue that does not belong on this bill except on the basis of a carefully controlled test. MSA's have the potential to severely undermine the current health insurance system that millions of Americans rely on—particularly those with serious illnesses or disabilities.

MSA's are likely to raise health insurance premiums through the roof and make insurance unaffordable for large numbers of citizens. They will discourage preventive care and raise health care costs. They are a multibillion-dollar tax giveaway to the wealthy and healthy at the expense of working families and the sick. Their cost could balloon the deficit.

The Kassebaum-Kennedy bill contains consensus reforms that virtually everyone agrees on. It guarantees that no American will be denied health insurance or be saddled with exclusions for preexisting conditions because they change their job or lose their job, or because their employer changes insurance companies. It provides help to small businesses that want to join together to negotiate lower insurance premiums of the kind that only large corporations can obtain today.

The bill is truly bipartisan. It passed the Labor and Human Resources Committee 16 to 0, without medical savings accounts. It passed the Senate 100 to 0, without medical savings accounts. It will pass the House of Representatives by a wide margin, if the House Republican leadership will permit it to be offered. But, so far, they continue to insist that if medical savings accounts for the special interests are not added to the legislation, there will be no insurance reform for the American people.

Medical savings accounts sound good in theory. Why not encourage businesses and individuals to buy less costly high deductible health insurance policies and put the premium savings into a tax-free account that can be used to pay routine medical costs? But in this case, what sounds like good medicine in theory is quack medicine in practice.

Medical savings accounts are an idea whose time should never come. Under estimates by the Joint Tax Committee, they are a $3 billion tax break for the wealthy and healthy.

As the Center on Budget and Policy Priorities said, "MSA's create new tax shelter opportunities. Use of an MSA would be highly advantageous to substantial numbers of higher income taxpayers. Low- and moderate-income taxpayers would receive little or no tax benefits from using MSAs, because they either do not pay income taxes or pay taxes at much lower rates." The American Academy of Actuaries concluded that medical savings accounts are "Taking money from the unhealthy and giving it to the healthy." The Joint Tax Committee estimated that only 1 percent of the tax benefits would go to people with incomes of less than $30,000.

If more people enroll in these accounts than the estimates predict, the cost could rise to tens of billions of dollars. The Joint Tax Committee estimated that only about 1 million policies would be sold. But other analysts have estimated that enrollment could be many times higher. Those who are loudest in their clamor to reduce the deficit are willing to waste vast sums on this destructive, special interest boondoggle. If we have billions of dollars to spend on health care, we should spend them on reducing the cost of coverage for hard-working American families or on deficit reduction—not on a perverse scheme to transfer benefits from the poor and the sick to the healthy and the rich.

The most troubling aspect of medical savings accounts is the risk that they will destroy the health insurance pool, and price conventional insurance out of the reach of most American families. Medical savings accounts raise premiums for the vast majority of Americans—especially those who are sick and need coverage the most—by siphoning the healthiest people out of the insurance pool. As premiums rise for everyone else, more and more working families will be forced to drop coverage. In the words of the Congressional Budget Office, medical savings accounts "could threaten the existence of standard health insurance." Mary Nell Lenhardt, senior vice president of Blue Cross and Blue Shield concluded that MSA's destroy "the whole principle of insurance."

The Urban Institute found that, even under conservative assumptions about how many people would use medical savings accounts, the premiums for comprehensive policies could increase by 62 percent. If employers chose to contribute only the cost of the MSA, the worker's share of the premium for a comprehensive policy would rise by 300 percent.

American families who choose medical savings accounts could be exposed to financial crisis if someone in the family becomes seriously ill. As the American Academy of Actuaries said, "individuals and families who experience significant medical expenses soon after the establishment of MSA programs will face high out-of-pocket costs. These high out-of-pocket costs will not be randomly distributed. They will be concentrated among older workers and their families and among those with disabilities and chronic illness." The last thing that the American people need—especially those who need health care the most—is another massive increase in the cost of medical care.

Because they encourage high deductible plans, medical savings accounts discourage preventive care. According to the Congressional Research Service, the high deductible plans that come with MSA's mean that poor children are 40 percent less likely to get the care they need, compared to fully insured children. Abandoning preventative care is the wrong direction for health policy.

Medical savings accounts are also a giveaway to the insurance companies who have the worst record of profiting from the abuses of the current system. It is no accident that a company like the Golden Rule Insurance Co. favors medical savings accounts. This company is ranked near the bottom by Consumer Reports because of its inadequate coverage, frequent rate increases, and readiness to cancel policies.

When the Golden Rule Insurance Co. withdrew from Vermont because it was unwilling to compete on the level playing field created by the State's insurance reform, Blue Cross and Blue Shield took over the policies. They found that one in four policies included controversial extensions. Sometimes, arms, backs, breasts, and even skin were written out of coverage. Newborns were excluded unless they were born healthy.

The Republican medical savings account plan includes no provisions to prevent abuses like these. Although MSA's are billed as providing catastrophic protection, there are no prohibitions on unreasonable life-time limits, or excessive copayments when the deductible level is reached. The $3,000 per family deductible level in the bill is a minimum—not a maximum. Companies can establish a much higher level—a $5,000 or $10,000 deductible for example.

The Golden Rule Insurance Co. has refused to share any data about its plans with the American Academy of Actuaries or other impartial analysts. Golden Rule knows that medical savings accounts can't stand the light of day.

Further, Republicans are also anxious to include MSA's in the insurance reform bill, because MSA's are part of their longrun plan to dismantle Medicare and turn it over to private insurance companies. Tactics like that have no place in a consensus insurance reform bill.

Proponents of MSA's make a number of claims about the merits of medical savings accounts—but these claims can't stand the truth-in-advertising test. One major false claim is the allegation that the savings on the premium of a high deductible policy will pay for a medical savings account covering the entire deductible.

The Urban Institute concluded that for an individual policy with a deductible of $2,000, the savings to the employer that would be a meager $251—leaving you exposed to $1,749 in medical costs if you became seriously ill.

The American Academy of Actuaries compared a family comprehensive plan to an MSA with a deductible of $3,000 and found that the family would be exposed to $1,800 in costs before reaching the deductible limit.

Nothing in the Republican plan requires the employer to give all of the savings to the employee. Nothing requires the deductible to cap your liability. The insurance company could continue to charge a 20-percent or even a 50-percent copayment. In fact, they would not be required to have any limit at all on your out-of-pocket payment.

Another claim of the proponents of medical savings accounts is that they would reduce costs because people would shop around for the best care, and wouldn't go to the doctor for trivial illnesses. Every family knows that when someone is sick, the last thing on their minds is going from doctor to doctor to see who will charge the least. No family wants to be in the position of trying to decide whether chest pains or any other symptoms are something that will pass, or something that needs medical care immediately.

Proponents of MSA's try to justify this claim by relying on the Rand health insurance experiment of the 1970's. Joe White of the Brookings Institution points out that, in fact, high deductibles had the effect of reducing necessary care just as much as unnecessary care. People who are sick are not responsible for the high cost of care—health care. Providers are.

Those who support medical savings accounts also say they increase portability by giving you money to spend on health care while you are between jobs. That assumes there will be something in your savings account when you leave your job—and that won't be true for anyone with significant health problems. With hospital costs running $1,000 a day or more, no one can afford the cost of care without insurance. The Kassebaum-Kennedy bill is designed to guarantee access to coverage to people who leave their jobs—but it won't become law if medical savings accounts are attached to it.

Advocates also say that MSA's increase choice, but the American people know better. The choice to pay thousands of dollars for health care you need but cannot afford because of a high deductible is no choice at all.

In addition, Republican proponents of medical savings accounts note that some Democrats have changed their position since the last Congress. The fact is that MSA's have received much more analysis in recent years, and the pitfalls are better understood. I voted against them both times they were offered in the Labor and Human Resources Committee. In the past, President Clinton said that they are something we might explore and experiment with but he has never supported their widespread adoption. Democrats who supported them in the context of comprehensive health reform understood that they would be an add-on to comprehensive coverage with effective cost-control, not a substitute. In fact, the sense of the Senate resolution approved by the Labor and Human Resources Committee on the Health Security Act in 1994 specifically said that they were to be used "in conjunction with the comprehensive benefit package" established by the bill.

Few respectable health policy analysts support medical savings accounts under today's conditions. Editorials in the Washington Post, the New York Times, the Los Angeles Times, and the Boston Globe have condemned them.

Most important, the people who need good coverage are strongly opposed to this program. The major organizations representing consumers, the elderly, the disabled, and working families have vehemently condemned them. Who is best capable of speaking for the interests of American families and who need health care—these organizations, or the Golden Rule Insurance Company?

Most Republican leaders know that Americans want the consensus reforms in this bill and have little interest in medical savings accounts. That is why Representative KASICH said, on March 24, "We will not let medical savings accounts destroy the ability to give people portability and eliminate pre-existing conditions." He made a similar statement yesterday.

On March 29, Speaker GINGRICH said he would not let medical savings accounts stand in the way of a Presidential signature.

But actions speak louder than their words. The House Republican leadership has been unwilling to accept the fair compromise that the President and Democrats have offered on medical savings accounts. And now Republican House Majority Leader ARMEY has made it clear that the Republican strategy is to force the President to veto the legislation, and then try to blame him for the failure to enact the consensus reforms the American people need and deserve.

Whether the issue is tax fairness, preservation of comprehensive health insurance for the vast majority of Americans, or the special interests versus the public interest, medical savings accounts are bad medicine for our health care system. They are a poison pill that will kill health insurance reform. The President has offered a reasonable compromise—but he cannot fulfill his obligation to protect the health and welfare of the American people by swallowing this Republican poison pill.

Senator DOLE understands the importance of insurance reform. Two years ago, on August 17, 1994, he stated on the floor of the Senate, "We will be back. . . . And you can bet that health care will be near the top of our agenda. . . We ought to take all the common parts of these plans, put them together and pass that bill." A week later, he identified the components of reform that he thought were most important. He said, "My second suggestion is one that I have made for almost a year and a half. That we pass into law provisions to help those Americans who cannot afford insurance, who cannot get insurance because of pre-existing conditions, or who cannot keep insurance due to a job change."

Medical savings accounts were not on Senator DOLE's list then, and they should not be on his list now.

Senator DOLE is planning to leave the Senate tomorrow. But he can do the American people an immense service if he will put off his departure for a few days and help pass this bill. He knows how important this bill is. He knows that his participation is essential if House Republicans are to be persuaded to accept a reasonable compromise. I hope he will act now to end this shameful gridlock and give the American people the health reforms they deserve.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Chair.

BALANCED BUDGET

Mr. HOLLINGS. Mr. President, let me revise my original topic. Because the distinguished majority leader is leaving, I want to talk in that context.

When Senator DOLE first came to the U.S. Senate, I had recommended Clement Haynesworth for the U.S. Supreme Court. My distinguished senior colleague had recommended another individual for that post, and I was looking to the Republican side for leadership in support of the Haynesworth nomination. The then distinguished junior Senator from Kansas, who had recently arrived in the Senate, was very, very helpful to this Senator from South Carolina.

Let me get right to the point, Mr. President. I have the greatest respect for Senator DOLE. The fact is that when we had the recent Republican primary in my State of South Carolina, I was asked to give my thoughts regarding who I thought was the best candidate in the Republican field. I categorically replied that of those vying for the Republican nomination, the distinguished Senator from Kansas, Senator DOLE, could handle the job, and there is no doubt in my mind that he could.

I think his difficulties arise from the crowd he has to carry with him, which gets right to the point of this so-called balanced budget amendment to the Constitution.

On last week, the distinguished majority leader said:

> We tried to reach out to those Senators to ensure Social Security surpluses can never again be used to mask deficit spending. I believe that after a suitable phase-in, the Federal budget could be balanced without counting the surpluses in the Social Security trust funds.

Mr. President, that is a remarkable statement, in light of the history of Social Security and the Social Security trust fund.

Specifically, in 1983, the distinguished majority leader served on the Greenspan Commission which was charged with rescuing Social Security. The Greenspan Commission recommended that after a certain period of time—which later that year was agreed to be 1992—Social Security should be off budget. We now talk in the context of Presidential campaigns and children and grandchildren. But the same was true some 13 years ago, when the majority leader, himself a member of the Greenspan Commission, issued its report and said, "Let's put Social Security off budget."

Thereafter in 1990, I offered a resolution before the Senate Budget Committee that removed Social Security outlays and receipts from deficit calculations. By a vote of 20 to 1, the Budget Committee adopted my amendment.

When it reached the floor, I teamed up with the former distinguished Senator from Pennsylvania, Senator John Heinz, and on October 18, 1990, saw the full Senate adopt our amendment by a vote of 98 to 2. We said, Social Security should not be used to obscure the size of the deficit, that it should be off budget and that it should never be included in any reporting of the deficit whether by the President or by Congress.

The distinguished Senator from Kansas voted for that amendment. And on November 5, 1990, President George Herbert Walker Bush signed it into law. Today it stands as section 13301 of the Congressional Budget Act. So much of the confusion over the budget is brought about by the failure of politicians to respect this law. This is true even though the continuing validity of the law has since been reconfirmed several times, by Senator DOLE and Senator HOLLINGS and others.

So I say when the distinguished majority leader says, "We tried to reach out to those Senators to ensure that the Social Security surplus can never again be used to mask deficit spending"—that is already the law. It is required. They act like the constitutional amendment would give us something new. The truth is, Mr. President, that the constitutional amendment trumps and repeals the existing law. That is why we did not get the votes for the balanced budget amendment.

Here is House Joint Resolution 1. The language in section 7 clearly includes Social Security trust funds in deficit calculations. It states, "Total receipts shall include all receipts of the United States Government except those derived from borrowing."

But the Government not only borrows from the public markets but also from the Social Security trust fund. As a result, at least five Senators have said, "You have got our votes if you spell out the exclusion of Social Security trust funds from deficit calculations." If we had included such language, we could have easily passed the amendment.

But the majority leader paints a different picture. That somehow or other we need a constitutional amendment that repeals the protection that we already have in the law. That is where I differ with the distinguished leader. He knows and I know that there are three stages of denial with respect to the Social Security trust fund, as my distinguished friend, Senator DORGAN, has pointed out. First, the statement is made that there is no Social Security trust fund; second, that there is one, but we are not spending it; and, third, there is one, we are spending it, but we will stop in the future.

Therein is the source of the intentional confusion that is being perpetrated on the American public. They know it, and I know it. That is why I wanted to come and correct the record, particularly with respect to the statements made by the chairman of the Budget Committee, Senator DOMENICI, and recent statements made in the press.

Let me just allude to "Clinton's Budget Game," by David S. Broder in the Washington Post, dated Sunday, June 9, 1996.

Mr. President, I ask unanimous consent that this particular editorial be printed in the RECORD in full.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 9, 1996]

CLINTON'S BUDGET GAME

(By David S. Broder)

A recent exchange between Sen. Christopher (Kit) Bond (R-Mo.) and Secretary of Veterans Affairs Jesse Brown casts a clear light on the reality behind the partisan rhetoric of the past week's budget debate.

Bond is chairman of the appropriations subcommittee that handles the VA budget. He was grilling Brown on President Clinton's budget proposal for veterans' health care and hospitalization. For next year, Bond noted, Clinton is urging a level of spending for this politically important constituency more than $1 billion higher than it was in 1995. But in the following two years—after the election—Clinton's budget would cut that spending from $17 billion down to $14 billion, and then slice it further.

How can you meet your obligations to veterans under that budget? Bond asked. "Sen. bond, we cannot," Brown replied. If funding were to remain flat (as Republicans have proposed), "it would force us to deny care to about a million veterans and it would force us to close the equivalent of 41 hospitals. So obviously . . . we will not be able to live with the red line" showing the postelection cuts suggested by Clinton.

And then Brown made this eyebrow-raising statement: "The president understands that. I talked with him personally about it and . . . he gave me his personal commitment that he was going to make sure that the nation honors its commitments to veterans and that he will negotiate the budget each and every year . . . with the veterans of the nation."

Bond: "So you are saying that these outyears mean nothing. It is all going to be negotiated in the future, so we should not worry about the president's budget plan. . . . You are not planning to live with that budget?"

Brown: "I am not planning to live with it. I am not planning to live with your budget . . . nor am I planning to live with the president's line."

Bond: "You do not work for us. You work for the president. You are saying that you do not like our budget, but you know that his budget does not mean anything."

After this remarkable exchange, Bond made similar inquiries of the director of another huge agency, Dan Goldin of NASA. He too said that White House budget officials had told him to make no plans based on the sharp cuts indicated for future years in Clinton's budget. As Goldin put it, "the White House has instructed us to take no precipitous action on out-year budgets, and we are taking them at their word."

To Bond and other Republicans, this looks suspiciously like a shell game. The president has told Congress and the country that he can achieve a balanced budget by 2002, without the serious savings in Medicare and Medicaid that Republicans have proposed. At the same time, he has said that he can keep spending in five or six priority areas at least even with inflation.

He can do all that, he has said, by cutting "less important" spending. Veterans and space budgets are not on his priority list. But the men running these programs say they have assurances that the numbers the White House has given Congress are just paper figures—not mandates to prepare for belt-tightening.

White House Budget Director Alice Rivlin has assured Bond and his colleagues—and then tried to convince me—that there is no contradiction. "Simply put," Rivlin wrote Bond, "the president is committed to the discretionary savings needed to help reach balance in 2002 . . . but will continue to revisit decisions about specific programs one year at a time."

"Nobody is cheating," Rivlin insisted in an interview with me.

"I don't think it washes," Bond said. "It's not an honest budget."

Two things are going on here. Clinton, in his desire to dodge serious cuts in politically popular programs such as Medicare and Medicaid, while promising more spending for education, the environment and law enforcement, is projecting cuts in other programs that are so severe they will be very hard to achieve. That is why people like Brown and Goldin say the cuts are unimaginable.

And second, in order to postpone the pain, Clinton is telling not just the constituents of the endangered programs but their managers that they will have plenty of opportunities in future years to stave off the cuts.

That may not be "cheating," as Rivlin says, but it is playing a game that is too clever by half. Balancing the budget means making tough choices. Clinton is postponing those choices and—by giving people the sense that the goal can be reached without giving up anything that is important—making it that much harder when the crunch comes.

Mr. HOLLINGS. The most objective, most analytical journalist and editorialist that we have writing talks about a budget game. He argues that the "President's budget is suspiciously like a shell game," quoting the distinguished Senator from Missouri, Senator BOND as saying, "It is not an honest budget."

Then let me quote Mr. Broder's words further down.

> That may not be cheating, as Rivlin says, but it's playing a game that is too clever by half. Balancing the budget means making tough choices. Clinton is postponing those choices, and by giving the people the sense that the goal can be reached without giving up anything that's important.

Heavens above. Have we just discovered these budget games? Is the Clinton budget the only one deserving of blame? Just look at the Republican budget. Look at the Bush budgets. Look at the Reagan budgets. Look at the Carter, Ford, and Nixon budgets. We have not had anything but a shell game since Senator Lyndon Baines Johnson balanced the budget back in 1968–1969.

The press—Mr. Broder and others—continually refer to the Republican budget as balanced, but the facts say otherwise. I have in my hand the document itself, the fiscal year 1996 budget resolution conference report. That is what Mr. DOLE says is balanced. "Last year we passed the first balanced Federal budget in a generation." Absolutely false. And they know it.

On page 3 of their own conference report, it shows in black and white that the expected deficit in the year 2002 is $108,400,000,000. And over on page 4, the debt increases in the year 2002—the year of supposed balance—by $185,100,000,000.

How can they talk about a balanced budget when on the face of the document itself it shows a $108 billion deficit? The distinguished majority leader has to know better when he says, "Last year we passed the first balanced Federal budget in a generation." It is absolutely false.

Let me take one other particular statement, because the distinguished leader is, of course, the Republican candidate for President. We are so quick to accuse the other of not leading. In fact, Senator DOLE says that the balanced budget amendment demonstrates that the President lacks leadership. I quote again:

> President Clinton's opposition continues to be the single largest obstacle standing in the way of a balanced budget amendment to the Constitution.

I have not heard anything from President Clinton or the White House concerning the balanced budget amendment. But then again I happen to know that the single greatest obstacle to a balanced budget amendment is the intransigence of the Republican leadership with respect to not protecting the Social Security trust fund.

Because my time is limited, let me say a word about deficits and refer immediately to another article.

Mr. President, I ask unanimous consent to have printed in the RECORD the article in full, the "Ace in the Hole" by John Cassidy in the recent New Yorker magazine dated June 10, 1996.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Yorker, June 10, 1996]

ACE IN THE HOLE

(By John Cassidy)

It was James Carville, Bill Clinton's fast-talking political consultant, who in 1992 put up a now famous handwritten sign at the Little Rock campaign headquarters saying, "The Economy, Stupid." Actually, as Carville reminded me recently, the sign also contained two other statements—"Change vs. more of the same" and "Don't forget health care"—but it was the first one that captured the moment. Indeed, were it not for the economic malaise that gripped the country in late 1991 and early 1992 we might now be discussing a Quayle-Gore Presidential race.

This time around, the economy looks different, which is excellent news for the White House, although it tends to be overshadowed by more dramatic stories, such as the recent Whitewater convictions. A glance at history confirms the point. Of the sixteen occasions over the past century in which sitting Presidents have run for another term, just five incumbents lost: Taft, Hoover, Ford, Carter, and Bush. The elections of 1912 and 1976 must be seen as anomalies—thanks to Teddy Roosevelt's Bull Moose campaign and Richard Nixon's Watergate coverup, the incumbent Republican Party self-destructed in those years—which leaves 1932, 1980, and 1992, all years of financial gloom. In 1932 and 1980, the economy was actually in a slump, and in 1992 it was just emerging from a recession the previous year.

Despite some suggestions to the contrary—notably by the Heritage Foundation, a conservative think tank—this year cannot be compared with 1992, let alone 1980 or 1932. In the first quarter of 1996, inflation-adjusted growth in national output, which is the broadest index of economic performance, was 2.3 per cent on an annualized basis; over the full course of the Clinton Administration, such growth has averaged around 2.5 percent a year. This record is about average for the post-1973 era but well above the growth rate of 1.6 per cent eked out during the Bush Presidency. A number of other measures also suggest that the economy is doing significantly better than it was four years ago: two of the most widely followed are the "misery index," which is the rate of inflation added to the rate of unemployment, and the size of the federal budget deficit.

At the moment, the unemployment rate is 5.4 per cent, and the inflation rate is 2.9 per cent. Added together, these numbers produce a misery index of 8.3, which is an extremely low number. The last year it was lower was 1968, when the unemployment rate was 3.6 per cent and the inflation rate averaged 4.2 per cent. For much of the nineteen-seventies and eighties, the misery index was well into double digits. As recently as 1992, it stood at 10.4.

Perhaps the most important, and least heralded, achievement of the Clinton Administration is the improvement it has wrought in the national finances. According to the Congressional Budget Office, the federal budget deficit for the 1996 fiscal year, which began last October, will be about $145 billion. This is a large number, but it is only half the size of the deficit that the federal government recorded in 1992, which was $290 billion. And these raw numbers don't tell the full story. In ranking budget deficits, economists usually look at them in relation to the size of the economy. Measured in this way, the federal deficit this year will be about 1.9 per cent of the gross domestic product, according to the C.B.O. This figure is down from 4.9 per cent in 1992; indeed, it is the lowest such figure recorded since 1979, the year before Ronald Reagan was elected, when the budget deficit was just 1.7 per cent of G.D.P.

Statistics like these are what prompted President Clinton to make the recent claim, which had all the earmarks of election-year hyperbole, that the United States economy is "the healthiest it's been in three decades." Surprisingly, the President is not the only one making such apparently outlandish statements. In March, DRI/McGraw-Hill, a leading firm of economic consultants, issued a report saying that "normal economic indicators" suggest that the economy "is in its best shape in decades." When I asked David Wyss, the Harvard-trained economist who is the research director of DRI/McGraw-Hill, how he came to make that statement, he explained, "If you look at the economy during the Clinton Administration, you have to say that it's been a success. We have low inflation, full employment, and steady growth. This is really just about the best of all macroeconomic worlds."

To understand how the present economic situation came about, we must go back to a winter morning in Little Rock thirteen days before the Inauguration. On that day, January 7, 1993, the President-elect's entire economic and political team gathered in the Arkansas Governor's Mansion. Leon Panetta, the prospective White House budget director, presented the Bush Administration's final forecast, which had just been released in Washington. It predicted a budget deficit of $305 billion for 1997, an increase of $70 billion over previous estimates. Panetta believed the actual figure could be as high as $360 billion.

By the end of that January day, after six hours of discussions, the nascent Administration had agreed on a course of action that would define the forty-second Presidency. Clinton had been elected on a potentially contradictory platform of tax cuts for the middle class, faster economic growth, and budget-deficit reduction; in Little Rock he decided to sacrifice the first promise and prejudice the second in order to achieve the third.

The result of this decision, following eight months of intense political struggle, was the Omnibus Budget Reconciliation Act of 1993, which pledged to reduce the budget deficit by a total of about $500 billion over four years. This would be achieved through a program of about $250 billion in spending cuts and about $250 billion in tax increases.

Given the centrality of the 1993 budget act to the Clinton Administration's record, it is surprising how little attention has been paid to its results. Even some people in the White House are reluctant to discuss the subject, for fear of reminding voters of the 1993 tax increases. This is odd, because the story that has not been told is that the deficit-reduction policy turned out to be far more successful than even its authors had dared hope—a point made to me by Alan Blinder, a Princeton economics professor and a former vice-chairman of the Federal Reserve Board, who was a White House economic adviser during 1993 and 1994. "The real story is that a calculated risk was taken, and in this case it turned out far better than anybody had any reason to expect," Blinder said. "There are plenty of gambles in life that don't turn out well. This is one that turned out extremely well."

It is easy to forget how controversial the deficit-reduction policy was in 1993, even within the White House. Two books about the first year of the Clinton Administration—Bob Woodward's "The Agenda" and Elizabeth Drew's "On the Edge"—portrayed a government driven by internal dissension. At various points during that year, Hillary Clinton, George Stephanopoulos, Paul Begala, Stan Greenberg, and Mandy

Grunwald all expressed serious doubts about the deficit-reduction strategy. Begala, in particular, complained repeatedly that the White House was "obsessed" with the budget. Even the President himself had mixed feelings. According to Drew, he considered deficit reduction a "rich man's issue," and Woodward says he several times referred to his own budget plan as "a turkey."

The Woodward and Drew books were solid works of reporting, but both essentially stopped at the end of 1993, when the budget act had become law. In terms of how the deficit-reduction policy actually affected the economy, the story only begins then.

The biggest danger back in early 1993 had been that the budget package would tip the economy into another recession. As anyone who suffered through Econ 101 will recall, raising taxes and reducing government spending both tend to reduce the over-all level of demand for goods and services in the economy. President Clinton is a lawyer, not an economist, but he knew enough about the dismal science to see a potential fiasco in the making. "You have to remember that the economy was perceived to be very fragile back then," Gene Sperling, a senior White House economic adviser, recalls. "There was lots of talk about the possibility of a double-dip recession. The President's initial reaction was: If I call for a major fiscal contraction, won't there be a recession?"

At the same time, Republican leaders in Congress were warning of imminent disaster. "I believe this will lead to a recession next year," Newt Gingrich declared following the House vote on the budget package, which ended in a nerve-racking 218–216 victory for the President. "This is the Democrat machine's recession, and each one of them will be held personally accountable."

Even some of the President's economic advisers were worried about the possible impact of the planned spending cuts and tax increases. The economic models they relied on suggested that another slump was unlikely, but the models could not rule out a "growth recession" of the sort that so damaged the Bush Administration. Despite their private fears that history might repeat itself, the economic advisers argued that deficit reduction was the right thing to do—on both theoretical and practical grounds.

The theoretical argument was one that mainstream economists had been making ever since 1981, when Ronald Reagan's tax cuts put the economy on the path to fiscal chaos: budget deficits lead to higher interest rates and lower business investment, and lower investment, in turn, restricts productivity growth and technical progress, which are the keys to future prosperity. Laura D'Andrea Tyson, the Berkeley professor who headed the White House Council of Economic Advisers, repeated this argument to Clinton but coupled it with a more immediate argument: budget deficits not only do long-term damage but can lead to disastrous financial panics in the short or medium term, and these panics, which have stricken many developing countries, occur when investors lose faith in the political system.

From the perspective of mid-1996, it may sound unrealistic to suggest that the United States Treasury could ever experience such a crisis of confidence, but back in 1992 perceptions were different. In the twelve years since Reagan's election, the amount of outstanding federal debt had risen, from $909 billion to more than $4 trillion. Even allowing for growth in the economy, that rise was dramatic. The total federal debt as a percentage of G.D.P. had risen between 1980 and 1992 from 34.4 per cent to 67.6 per cent, and it seemed to be on an inexorable upward trend. "We all attached some not insignificant probability to a scenario of financial-market instability if we didn't take a credible position on the deficit," Tyson told me. "Given the growth of total debt relative to output, there really was a danger that at some point—nobody could know when—the United States could hit a confidence problem."

Bill Clinton didn't need much convincing that budget deficits were bad, but he did need a good deal of reassurance that doing something about them wouldn't wreck his chances of reelection. In making a practical case for deficit reduction, his advisers relied primarily on one of the institutions that the Democratic candidate had railed against in his populist attack on the Reagan-Bush years; the Wall Street bond market.

Their argument was that deficit reduction needn't necessarily be a drag on the economy, as Econ 101 models suggest, because these simple models ignore the effect a credible fiscal plan can have on the bond market. If bond traders could be persuaded that the planned budget cuts were real, they would bid down long-term interest rates, and the decline in rates would provide a boost to the economy which would at least partly offset the proposed higher taxes and lower government spending. The key thing to understand, as the experts explained to the President-elect, was that the long-term interest rate is determined not by the government but by the bond market; in fact, it is basically equal to the nominal coupon on a thirty-year bond divided by the bond's market price, so anything that raises bond prices also reduces long-term interest rates. There was a sequel to the story. If, in addition to the favorable bond-market reaction, the Federal Reserve's response to the budget package was to cut short-term interest rates, which are under its control, then deficit reduction might not slow the economy at all.

When this scenario was laid out for the President-elect in Little Rock, it did not go down well, as Woodward recorded: "At the President-elect's end of the table, Clinton's face turned red with anger and disbelief. 'You mean to tell me that the success of the program and my reelection hinges on the Federal Reserve and a bunch of —— bond traders?' he responded in a half whisper. Nods from his end of the table. Not a dissent."

Clinton's advisers were well aware that relying on the bond market was a high-risk strategy: traders might ignore the budget package, or dismiss it as another Washington gimmick. "We all believed in the direction of the argument, but even the models themselves were uncertain about the size of the effects and how fast they would occur," Tyson recalls. "There was a range of estimates."

In order to provide an alternative short-term stimulus to the economy, the White House proposed an immediate $16 billion program of public investments. "People called it old-fashioned Democratic spending, but it was really done as an insurance policy," Sperling explains. Congress killed the stimulus package, however, leaving the advisers in the White House even more beholden to Wall Street, a place few of them knew well.

The one senior official who knew a lot about bond markets was Robert Rubin, the head of the newly created National Economic Council, for he had only recently left Goldman, Sachs, the highly profitable investment-banking and securities firm, after twenty-six years. Rubin, who later succeeded Lloyd Bentsen as Treasury Secretary, was a passionate believer in deficit reduction; indeed, he saw it as a "threshold issue," which had to be dealt with before anything else positive could happen to the Administration. But even he was far from certain how his former colleagues would react to the budget package. "We'd seen a long period during which the political process had not dealt with the deficit," Rubin explained to me recently. "Given the very high level of skepticism in the markets about the willingness of the system to make tough decisions, it was unclear how long it would take before the market gave us credit for deficit reduction. There was at least the possibility that the skepticism would last much longer than we projected, in which case it could have upended our program."

In the event, the bond market's reaction to the Clinton fiscal plan was remarkably positive. In the twelve months following Clinton's election, long-term interest rates tumbled from 7.75 per cent to a low of 5.78 per cent—the lowest level since the Treasury started selling thirty-year constant-maturity bonds, in 1977. After spiking up sharply in 1994, as the Fed raised short-term rates, long-term rates fell back down, and they have stayed low ever since. At the moment, they are still under seven per cent, which is remarkable for an economy that is in its fifth year of recovery, with unemployment at 5.4 per cent.

It is one of the richest ironies of recent years that the much maligned bond traders, acting entirely in their own interest, bailed out a Democratic Administration that was fighting to raise their marginal tax rates sharply. In the White House, officials watched the action on Wall Street with surprise and delight. "The markets gave credibility to this program more rapidly than folks had expected—and, frankly, more rapidly than I had expected," Rubin says. Even Blinder, who had presented the bond market argument to the President-elect in Little Rock, was stunned. "I never thought we'd get the bond rate down to 5.8 per cent," he now admits. "I don't think any of us thought it would get that low. If you'd polled economists back then and said we're going to drive the long-term interest rate below six per cent, I don't think one in a thousand would have believed you."

With interest rates so low, the economy grew at a rate that made a mockery of the Republicans' dire predictions. In 1994, the first year the deficit package started to bite, the economy expanded by a healthy 3.5 per cent. In 1995, growth fell back to two per cent, but current indications are that it will be back around 2.5 per cent this year.

The easiest way to trace the impact of the falling interest rates is to look at the path of investment, the type of spending most responsive to the cost of credit. Business investment has grown by eleven per cent a year since 1993, which, as Tyson points out, is the highest rate of growth since the Kennedy Administration. As a percentage of G.D.P., investment rose from 12.7 per cent in 1992 to 14.8 per cent in 1994. Much of this extra capital spending has gone into high technology, and especially into computers and telecommunications equipment—areas in which American companies now lead the world. Whether this upturn in investment will lead to a higher rate of productivity growth throughout the economy is unclear—the results so far are somewhat disappointing—but it is precisely what economists of all political hues have been recommending for more than a decade. "I remember saying very clearly in the first year that what this is all about is shifting resources toward interest sensitive private spending," Tyson says. "That is exactly what has happened."

Bob Dole's difficulties in constructing an effective critique of Clinton's economic policies are obvious. (After building a considerable reputation for fiscal rectitude in the Senate, he is now said to be mulling throwing it away by proposing an across-the-board reduction in income-tax-rates.) As a matter of logic, the Republicans have only two alternatives: to say that things are not as good as they seem or to say that things are as good as they seem but Clinton has nothing do with it. Earlier this year, Dole seemed to be veering toward the first approach. Speaking in New Hampshire on February 13th, he said, "Corporate profits are setting records, but so are corporate layoffs. And middle-class families feel less and less secure about the future. There is a wide and growing gap between what the government's statistics say about our economy and how American families feel about it."

It struck me that these words could have been spoken by Carville, by his colleague Begala, or by Labor Secretary Robert Reich. All of them have put a similar argument to me in recent months, and there is clearly some truth in it. Wage for middle-income households have been stagnant since the mid-nineteen-seventies, and the over-all inequality of income and wealth has risen sharply. These long-term problems have not been solved by the Clinton Administration, and they will continue to plague the country long after November's election. The sad fact is that they are so deeply rooted in the way capitalism is evolving that no Presidential candidate—and certainly not a Republican believer in laissez-faire—is in any position to offer a credible remedy in just four years.

Thus, it was always going to be problematical for Dole to pursue a Reichian line for long. Predictably, once a Pat Buchanan was safely in his rearview mirror he eased up on the populist pedal. There may be sound political as well as personal reasons for his switch of tactics. Although the country does face serious problems, there is evidence that most Americans are more upbeat about the economy than Buchanan believes they are. This spring, Frank Newport and Lydia Saad, two top editors of the Gallup poll, published a little-noticed article in *The Public Perspective* addressing the widespread belief that the electorate is still in a funk about the economy. Their conclusion: "When compared to four years ago, Americans' current take on the economy and their personal finances is noticeably bright and certainly suggests that . . . incumbent Bill Clinton is in a much better position vis-a-vis reelection than was George Bush four years ago."

At least three of Gallup's findings are worth mentioning. In January of this year, just fourteen per cent of those polled—down from forty-two per cent in 1992—identified the economy as the most pressing problem facing the country. In March, when Gallup asked people to describe business conditions in their own community, seventy-one per cent said local conditions were "good" or "very good"—a number as high as any recorded since 1961. In the same poll, fifty per cent said they were financially better off than a year previously—up from twenty-nine per cent in June of 1993. In interpreting this finding, Newport and Saad wrote, "Americans are as likely to claim that they are 'better off financially' than they have been at any point at which the comparable questions have been asked since 1976."

If doom and gloom won't work against Clinton, what will? One person who might have the answer is Martin Feldstein, a Harvard professor of economics who was the chairman of the Council of Economic Advisers under Ronald Reagan. Feldstein, who is acting as an informal adviser to Dole, recommends the second option open to the Republican candidate: admit that the economy is doing well but tell the voters that Bill Clinton has nothing to do with it. Shortened to two words, Feldstein's argument could be expressed like this: Alan Greenspan.

"I think that the good performance of the economy can be attributed primarily to the Federal Reserve," Feldstein told me recently from his home, in Belmont, Massachusetts. "Having set the goal of low inflation back in the early nineteen-eighties, they have really stuck to it. That is the principal reason interest rates have come down, and why we have had this long recovery. If you put Saddam Hussein aside, we've been in recovery since 1982. That's where I put the credit, rather than in the tax bill of 1993."

According to Feldstein, whose ideas are likely to figure prominently in Dole's campaign, the lower interest rates induced by Greenspan's policies can also explain most of the budget-deficit reduction that has taken place in the past three years. "If you take the reduction from $290 billion to $145 billion this year, Bill Clinton can indeed say he cut the deficit in half as promised," Feldstein said. "But you can actually explain most of that by the recent decline in unemployment and the rise in economic activity. Only about forty billion of the deficit reduction has been structural."

To support his case, Feldstein and a colleague recently published a research paper arguing that the 1993 tax increase on high-income earners raised less than half as much revenue as the Treasury Department had predicted. The paper covered only the 1993 fiscal year, and the Treasury responded by arguing that the tax shortfall was only temporary, but Feldstein says he is confident that when the data become available the same result will hold up for later years. "In my experience with tax changes, people who don't want to believe the results always say they are temporary," he said.

Feldstein's arguments are open to question, particularly his explanation for the sharp fall in interest rates. It is true that the Fed has been pursuing a counter-inflation policy since the early years of Paul Volcker's reign as chairman (1979–87), but long-term interest rates did not dip below seven per cent until early 1993, when the Clinton deficit-reduction package appeared likely to become a reality. At that point, Greenspan had not altered short-term interest rates in almost two years.

Alan Blinder, the former Clinton adviser, points out that when the President's deficit-reduction program was being discussed, long-term interest rates fell by two percentage points even as the Fed was holding steady. "Furthermore," he adds, "you could see that the cadence of the fall had to do with the budget package. In the late spring and early summer, when the budget looked shaky, interest rates stopped falling. Then the budget passed in August and interest rates plummeted."

Officials in the White House were well aware of how closely their actions were being monitored in the bond market. On one occasion, Lloyd Bentsen suggested on "Meet the Press" that the deficit-reduction package might include an energy tax, as it eventually did. The very next day, bond prices soared, and interest rates dropped to a six-year low. Bensten was so impressed by the market reaction that he clipped a report from the Wall Street Journal and read it aloud at a meeting of the National Economic Council, in the Roosevelt Room.

Feldstein's dismissal of the budget deficit as not being "structural" is also questionable. When professional economists speak of "structural budget deficits," they are not referring to the deficit number that dominates public discussion. The publicly discussed deficit number goes up during economic downturns, when tax payments fall, and down in boom times, when tax payments rise. Structural deficits, by contrast, are calculated by stripping out these cyclical effects, so that the underlying relationship between taxes and spending can be seen regardless of where the economy is positioned in the economic cycle. According to Feldstein, the structural deficit has dropped by at most $40 billion since 1992, and most of the $145 billion fall in the over-all deficit is due to the economic upturn.

An independent arbiter, the Congressional Budget Office, which regularly estimates the structural deficit, found otherwise. According to the C.B.O.'s latest calculations, published last month, the structural deficit fell from $224 billion in 1992 to $154 billion in 1996. These numbers imply that $70 billion—or slightly less than half—of the total fall in the budget deficit since 1992 was caused by the 1993 deficit-reduction package, and slightly more than half was due to the economic recovery.

While the $70 billion estimate is much larger than Feldstein's $40 billion figure, it may actually understate the real impact of the Clinton package—a point I was reminded of the independent economic forecaster David Wyss. According to his calculations, if the 1993 deficit-reduction bill had not been passed the structural deficit would have grown and would now be about $100 billion higher than it actually is.

Wyss also made another point that is often overlooked in the current debate about the budget deficit. "We complain about it, and we should complain about it, but the fact is we now have the lowest budget deficit relative to G.D.P. of any of the major industrial nations," he said. When I looked up the official figures in the semiannual O.E.C.D. Economic Outlook, published by the Paris-based Organization for Economic Coöperation and Development, I found that Wyss was correct. According to the O.E.C.D. projections, the United States structural deficit in 1996 will be about 1.7 per cent of G.D.P. The estimated deficits for Japan, Germany, and the United Kingdom are 2.7 per cent, 2.4 per cent, and 2.5 per cent, respectively. The biggest developed economy I could find with a lower structural deficit than that of the United States was that of Australia.

There is yet another important statistic that is rarely mentioned in the public debate. For the past two years, the United States Treasury has been collecting more money in revenue than Congress has been spending, not counting interest payments on the national debt. Economists refer to this situation as the government running a "primary surplus." What it means is that if we didn't have to service the vast debts run up during the past fifteen years the budget would now be balanced.

Both Alan Greenspan and his predecessor, Paul Volcker, have gone on the record to praise the 1993 package. "I don't think there is any doubt that the package was part of an honest effort to reverse the trend of the

> budget deficit," Volcker told me. "I wouldn't call it particularly structural, in the sense that it didn't involve any constructive changes in the tax system, and it certainly didn't resolve the entitlements problem, but it was an honest-to-goodness attempt to come to grips with the budget deficit."
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> One of the minor mysteries of the current political constellation is why, when deficit reduction is the unquestioned mantra of the moment, President Clinton doesn't get more public credit for reducing the deficit. Unsurprisingly, this infuriates James Carville. "The people who are never called to the bar of justice are all those who said when the President's economic program was passed that it was going to be a disaster!" he shouted on the phone to me. "If people were put on trial for economic stupidity, these people who said the plan would cause hardship would all be felons!"
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> Of course, as I mentioned earlier, one of those criticizing the budget package was Begala, a former colleague of Carville's. Begala no longer works for the White House, but when I tracked him down, in Texas, he was unapologetic about his stand back in 1993. "If reduced to their core, the arguments were these," he said. "The economic advisers saying, 'Do this, because it will be good for the economy.' The political advisers saying, 'If you do this it will hurt us politically.' I think history has proved us both right." Given the disastrous results for the Democrats of the 1994 midterm elections, even some of President Clinton's economic advisers concede the point. Gene Sperling said, "The Republicans, by being so repetitious with their 'largest tax increase in history' line, were able to reinforce a definition which people already had of Democrats. So it's hard to look back and say the political advice had no merit."
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> On the other hand, as Sperling and others point out, the 1993 deficit-reduction package produced a variety of long-term benefits that are only now paying off. "We are going into 1996 with a level of achievements that we could never have had if we had not done this," Sperling said. "Also, the fact that we have brought down the budget deficit puts us in a far better position to protect ourselves against the more severe kind of stuff that the Republicans can throw at us."
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> One of these will be the charge that the President, through his political maneuvering during the past twelve months, scuttled the chances of a bipartisan agreement to balance the budget by the year 2002. Another will be that he had done little to head off the mother of all fiscal crises, which is due to arrive in about fifteen years, when the baby boomers start to turn sixty-five. Both points have merit, and Paul Volcker, for one, believes the President's heart is no longer in deficit reduction. "They're now playing it politically," he said. "You get into this silly business abut whether you balance the budget in ten years or eleven years or seven years. It's all never-never land."
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> These criticisms, while important, do not detract from the policy decisions taken by the President during his first year in office; without the 1993 deficit-reduction package, balancing the budget would not be even a remote possibility. In fact, as Robert Rubin pointed out, without the 1993 package the whole political and economic landscape would look quite different. "We would have continued to have abnormally high interest rates, and that would have choked off the recovery," he told me.
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> When I asked Rubin why, with all his Wall Street experience, he thought the markets had reacted so positively, his reply was a modest one. "I don't know the answer, other than that I know that the President was totally committed to doing this, and he managed to convey that commitment to the American people—and, more important in this case, to the markets—in ways that they believed," he said. Volcker made a similar point. "I think the market had some confidence and satisfaction that this guy came in and took on the budget deficit as a major priority," he said. "The feeling goes beyond the particular budget numbers."
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> Rubin's image of Bill Clinton as a commanding leader who makes tough decisions and sticks with them through good times and bad is not one that gels in the popular imagination, but it was also evoked by Alan Blinder and Gene Sperling. "I was amazed at how committed he was to going for a substantial deficit reduction, even when he saw some of the ugly things that you had to do to the budget to get there," Blinder said. "Basically, he didn't flinch."
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> Sperling praised the President even more highly. "For us on the economic team, we will always think of him as a good decisionmaker," he told me. "When he had hard choices to make, on both the deficit and NAFTA, he listened to everybody for a few days, then he made the call and never looked back."
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> I reminded Sperling of the passages in Woodward's book where the President berated his own advisers and complained about turning the government over to Wall Street interests. Surely these stories were true, I suggested.
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> "Yes," Sperling conceded. "Just like any of us, he felt pain at times when things weren't going his way. But Woodward missed the bigger picture, which was that Clinton did what virtually no President had done before. The real issue is that it was a very good, effective deficit-reduction plan."
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> After talking to Sperling, I reread Woodward's description of a meeting between Clinton and his economic advisers on April 7, 1993. It goes as follows: "'Where are all the Democrats' Clinton bellowed. 'I hope you're all aware we're all Esienhower Republicans here, and we are fighting the Reagan Republicans. We stand for lower deficits and free trade and the bond market. Isn't that great'"
>
> No, not great, but perhaps it's what the country needed after a decade of Reaganomics.

Mr. HOLLINGS. Remember, the entire sing-song and chant, Mr. President, on the other side of the aisle has been "When is the President going to do something?"

So I quote from this particular article.

> There is yet another important statistic that is rarely mentioned in the public debate. For the past 2 years the United States Treasury has been collecting more money in revenue than Congress has been spending, not counting interest payments on the national debt. Economists refer to this situation as the Government running a primary surplus. What it means is that if we didn't have to service the vast debt run up during the past 15 years, the budget would now be balanced.

Imagine that. The very crowd that is accusing the President of not wanting a balanced budget and not doing anything about the deficit, is the very crowd that has caused the deficit.

Bill Clinton did not cause it. He was down in Arkansas during that 10-year period actually balancing budgets. He comes here with these inherited interest costs, and what does he do? He reduced deficits by $500 billion, cuts over 200,000 Federal employees, taxes gasoline, cuts Medicare $57 billion.

Here is a man that has done something being accused of not wanting to do anything. Instead of commenting on the facts, we're treated to tax and spend and liberal Democrats. It is all sloganism. It is all symbols. It is all pollster politicking. It is not the facts. They ought to have ashes in their mouths. We who have been here the past 15 years can be accused of causing this fiscal cancer, but you cannot accuse William Jefferson Clinton of causing any deficit.

I read further from Mr. Cassidy's article, Mr. President.

> Both Alan Greenspan and his predecessor, Paul Volcker, have gone on the record to praise the 1993 package. "I don't think there's any doubt that the package was part of an honest effort to reverse the train of the budget deficit," Volcker told me. "I wouldn't call it particularly structural in the sense that it did not involve any constructive changes in the tax system, and it certainly didn't solve the entitlements problem, but it was an honest-to-goodness attempt to come to grips with the budget deficit."

That was none other than Paul Volcker. Yet, the constant refrain is that the President is dishonest, that he lied, that he is not following his pledge to the people, that he does not care about deficits. Yet he is the only person that has done anything about them.

Now, quickly, with respect the recent statements of Senator DOMENICI, I had to go back, Mr. President, to his talk on June 6, included in the CONGRESSIONAL RECORD. I refer to page S5879. Here, Mr. President, I finally got him to admit that you cannot truly balance the budget without increasing taxes. He explains that if Social Security surpluses are protected, there are few remaining options:

> Frankly, some would get up and say, "No. We're going to do it another way." How? There is only one other way, and that is to dramatically increase taxes. I do not mean a little bit—a huge amount.

Now, Mr. President, I challenged the distinguished chairman of the Budget Committee, last year. I said, "If you can present to me a balanced budget over the 7-year period that excludes Social Security surpluses and does not increase taxes, I would jump off the Capitol dome." Now we have confirmation that it cannot be done. It took us almost a year to get it, but better late than never.

Someone should tell Mr. Broder that the President's budget and the Republican budgets have all been backloaded. This particular balanced budget that Senator DOLE is likewise backloaded. Look at it. Most of the cuts happen after the Presidential election in the year 2000.

I read here, quoting Senator DOMENICI, "Over the next 6 years, from 1997 until 2002, the cumulative unified budget deficit, that is the total receipts less total outlays, a simple proposition, will be $1.1 trillion, according to CBO. Over that same period, Social Security will run a surplus of $525 billion, including $104 billion in the year 2002."

Now, here is the confusion, the misunderstanding, or the categorical falsity. In reality, whether we owe it to the private markets or to future Social Security retirees, it is still an obligation. When the bill comes due, our children and grandchildren will end up having to make good on $1.563 trillion of Social Security IOU's by the year 2006. Our failure to pay back the $522 billion that we already owe Social Security is the height of irresponsibility.

On paper, we should be accumulating a surplus. In reality, we are spending these funds to finance current consumption. By the year 2006 we will owe Social Security $1.563 trillion. I repeat, by the year 2006, under the best case scenario of the Republican plan, $1.563 billion would be owed Social Security.

It should be of little surprise as to why I, or the Senator from North Dakota, or the Senator from California, or others voted against such a resolution.

They are all crying "Jefferson, Jefferson," and "children and grandchildren." But there is a conspiracy of silence when it comes to the $1.563 trillion bill that the Republican plan leaves in the Social Security trust fund. The best way to protect Social Security is to quit decimating it. The distinguished Senator and the chairman of our Budget Committee continued in his speech last week, "I am concerned about the looming and massive Social Security deficits that are on the horizon."

But, Mr. President, looming and massive deficits are not on the horizon; they are here. It is not children and grandchildren, it is us. We wrap ourselves in glowing rhetoric about our children and grandchildren and then do nothing. The truth of the matter is, since posterity can do nothing to us, we see no reason to do anything for posterity. We look to the next election and not the next generation.

Entitlements are continually blamed for our current deficit woes. Yet, Social Security, is in surplus to the tune of $522 billion. Medicare has $130 billion surplus in it this minute. They are not causing our current deficits. Thus, the shell game continues. It is one of the longest running games in town and we all take part in it.

The distinguished chairman of the Budget Committee, who has the next hour and a half, refers to the exclusion of Social Security surpluses in the balanced budget amendment as a smokescreen. I can tell you here and now that we are in trouble when the fire chief in the firehouse cannot only smell the smoke and see the fire, but starts the fire with these misleading statements.

We are in desperate circumstances. We have deficits and debt going through the ceiling. We are spending $1 billion a day just on the interest costs to the national debt, but we continue to fail to face up to this particular problem.

Republicans charge that President Clinton does not care about the deficit, has not done anything about it. But Paul Volcker, the former Chairman, says he is the only one who has made an honest try. Find that statement by Paul Volcker about anybody else's budget. President Clinton made an honest-to-goodness effort in 1993. And the facts show that it is working. I voted for it. But not a single Republican did. They caused the deficits. And if they had not caused this horrendous cost of $1 billion a day, we would not be talking about deficits but would be in surplus under President Clinton's budget.

Mr. President, since nobody is here, let me complete the thought. I use as my text none other than the daddy rabbit of the budget in Reaganomics in back in the 1980's. I quote Mr. David Stockman, the former Director of the Office of Management and Budget, dated March 1993.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From New Perspectives Quarterly, March 1993]

AMERICA IS NOT OVERSPENDING

(BY DAVID A. STOCKMAN)

President Clinton's economic plan deserves heavy-duty critcism—particularly the $190 billion worth of new boondoggles through FY1998 that are euphermistically labelled "stimulus" and "investment" programs. But on one thing he has told the unvarnished truth. There is no way out of the elephantine budget deficits which have plagued the nation since 1981 without tax increases.

In this regard, the full-throated anti-tax war cries emanating from the GOP since February 17 amount to no more than deceptive gibberish. Indeed, if Congressman Newt Gingrich and his playmates had the parental supervision they deserve, they would be sent to the nearest corner wherein to lodge their Pinocchio-sized noses until this adult task of raising taxes is finished.

The fact is, we have no other viable choice. According to the Congressional Budget Office (CBO) forecast, by FY1998 we will have practical full employment and, also, nearly a $400 billion budget deficit if nothing is done. The projected red ink would amount to five percent of GNP, and would mean continuing Treasury absorption of most of our meager net national savings through the end of the century. This is hardly a formula for sustaining a competitive and growing economy.

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax-cutting that shattered the nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance, and their own culpability in it, ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of anti-tax venom, while pretending that economic growth and spending cuts alone could cure the deficit.

It ought to be obvious by now that we can't grow our way out. If we should happen to realize CBO's economic forecast by 1998, wouldn't a nearly $400 billion deficit in a full employment economy 17 years after the event finally constitute the smoking gun?

To be sure, aversion to higher taxes is usually a necessary, healthy impulse in a political democracy. But when the alternative becomes as self-evidently threadbare and groundless as has the "growth" argument, we are no longer dealing with legitimate skepticism but with what amounts to a demagogic fetish.

Unfortunately, as a matter of hard-core political realism, the ritualized spending cut mantra of the GOP anti-taxers is equally vapid. Again, the historical facts are overwhelming.

Ronald Reagan's original across-the-board income tax cut would have permanently reduced the federal revenue base by three percent of GNP. At a time when defense spending was being rapidly pumped up, and in a context in which the then "conservative" congressional majority had already decided to leave 90 percent of domestic spending untouched, the Reagan tax rate cut alone would have strained the nation's fiscal equation beyond the breaking point. But no one blew the whistle. Instead, both parties succumbed to a shameless tax-bidding war that ended up doubling the tax cut to six percent of GNP—or slashing by nearly one-third the permanent revenue base of the United States government.

While delayed effective dates and phase-ins postponed the full day of reckoning until the late 1980s, there is no gainsaying the fiscal carnage. As of August, 1981, Uncle Sam had been left to finance a 1980s-sized domestic welfare state and defense build-up from a general revenue base that was now smaller relative to GNP than at any time since 1940!

In subsequent years, several "mini" tax increase bills did slowly restore the Federal revenue base to nearly its post-war average share of GNP. The $2.5 trillion in cumulative deficits since 1981, however, is not a product of "over-spending" in any meaningful sense of the term. In fact, we have had a rolling legislative referendum for 12 years on "appropriate" Federal spending in today's society—and by now the overwhelming bi-partisan consensus is crystal clear.

Cash benefits for Social Security recipients, government retirees and veterans will cost about $500 billion in 1998—or six percent of prospective GNP. The fact is they also cost six percent of GNP when Jimmy Carter came to town in 1977, as they did when Ronald Reagan arrived in 1981, Bush in 1989 and Clinton in 1993.

The explanation for this remarkable 25 years of actual and prospective fiscal cost stability is simple. Since the mid-1970s there has been no legislative action to increase benefits, while a deep political consensus has steadily congealed on not cutting them, either. Ronald Reagan pledged not to touch Social Security in his 1984 debate with Mondale; on this issue Bush never did move his lips; and Rep. Gingrich can readily wax as eloquently on the "sanctity" of the nation's social contract with the old folks as the late Senator Claude Pepper ever did.

> The political and policy fundamentals of the $375 billion prospective 1998 cost of Medicare and Medicaid are exactly the same. If every amendment relating to these medical entitlements which increased or decreased eligibility and benefit coverage since Jimmy Carter's inauguration were laid end-to-end, the net impact by 1998 would hardly amount to one to two percent of currently projected costs.
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> Thus, in the case of the big medical entitlements, there has been no legislatively driven "overspending" surge in the last two decades. And since 1981, no elected Republican has even dared think out loud about the kind of big changes in beneficiary premium costs and co-payments that could actually save meaningful budget dollars.
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> To be sure, budget costs of the medical entitlements have skyrocketed—but that is because our underlying health delivery system is ridden with inflationary growth. Perhaps Hillary will fix this huge, systemic economic problem. But until that silver bullet is discovered, there is no way to save meaningful budget dollars in these programs except to impose higher participation costs on middle and upper income beneficiaries—a move for which the GOP has absolutely no stomach.
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> Likewise, the "safety net" for the poor and price and credit supports for rural America cost the same in real terms—about $100 billion—as they did in January, 1981. That is because Republicans and Democrats have gone to the well year after year only to add nickels, subtract pennies, and, in effect, validate over and over the same "appropriate" level of spending.
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> On the vast expanse of the domestic budget, then, "overspending" is an absolute myth. Our post-1981 mega-deficits are not attributable to it; and the GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.
>
> It is unfortunate that having summoned the courage to face the tax issue squarely, President Clinton has clouded the debate with an excess of bashing the wealthy and an utterly unnecessary grab-bag of new tax and spending giveaways. But that can be corrected in the legislative process—and it in no way lets the Republicans off the hook. They led the Congress into a giant fiscal mistake 12 years ago, and they now have the responsibility to work with a President who is at least brave enough to attempt to correct it.

Mr. HOLLINGS. Mr. President, I quote:

> The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal responsibility. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of anti-tax venom, while pretending that economic growth and spending cuts alone could cure the deficit. It ought to be obvious by now that we cannot grow our way out.

Mr. President, there it is. Someday, somehow, David Broder and these other columnists will pick up the truth and quit ipso facto reporting balanced budgets. We have do not have a balanced budget plan; all plans use the trust funds. We owe the Social Security trust fund; we owe the Medicare trust fund; we owe the highway, airport, and Civil Service trust funds. We have been borrowed well over a trillion dollars from these trust funds.

In addition, other sleights of hand include factoring in speculative interest dividends for budgetary savings. Mr. President, we started that back in 1990. You know what the projection was? In the 1990 budget, we said we would not only have a balanced budget by 1995, but a $20 billion surplus. Can you imagine that? Instead, there is a $277 billion deficit. That is how far off these are. Yet, Mr. Broder comes up alleges that, "This is too clever by half." Tell him to wake up. He should know better than that.

Mr. President, I am watching history repeat itself. I joined in the opposition to Reaganomics and what Stockman says was the worst mistake we ever made. I joined in the tax increases to try and reverse it. I joined in Gramm-Rudman-Hollings. When they write now, as Senator RUDMAN has, that Senator Hollings wanted a divorce, they should be clear about the facts. Instead of using the automatic cuts as a spear to urge and require fiscal discipline, they started to use it as a shield for fiscal irresponsibility, and I wanted no part in that. I voted for the tax increases here in 1993. At the time, my colleagues on the other side of the aisle said, "Well, you cannot trust that Washington crowd. If they increase the taxes, that means all they will do is increase the spending." False.

In 1993, we increased taxes and cut spending to the tune of $500 billion. In direct result, we have an economy with low unemployment, low interest rates, steady growth, and low inflation. And they say that the President is "too clever by half," and is "postponing choices."

Once again, Mr. President, when they say the President did not make any honest try, perhaps we should remember Mr. Volcker's words on the 1993 package:

> I don't think there is any doubt that the package was part of an honest effort to reverse the trend of the budget deficit.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Parliamentary inquiry; what is the order of business before the Senate?

The PRESIDING OFFICER (Mr. GRASSLEY). We are in morning business. The Senator from New Mexico has control of the time from 1 o'clock until 3:30.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes.

THE BUDGET RESOLUTION

Mr. DOMENICI. Mr. President, I am disappointed that we could not work out an agreement with the minority that would allow us to complete action on the conference agreement on the budget today. I had hoped we could do that so our distinguished majority leader would have an opportunity before he left the Senate to cast his vote in favor of this budget resolution and a balanced budget by the year 2002. The conference agreement on the 1997 budget resolution was completed last Thursday evening and filed Friday morning. Copies of the conference report have been available since early this morning. The House of Representatives Rules Committee will act this evening to report a rule that will allow the House to act on the conference report tomorrow morning and complete action by noon.

Normally, we would simply call up the conference report, discuss the conference report, since it would not be subject to amendment, yield back the statutory 10 hours of time and vote on final passage. Without consent to the contrary, however, here in the Senate, if we were to act on a conference report before the House has acted, the conference report would be subjected to unlimited recommittal motions, and the minority is aware of this opportunity to subject the Senate, and I say Leader DOLE, to an unlimited number of such motions. Therefore, they have not been willing to grant us consent that would allow us to do what we are going to do tomorrow. Once the House sends us this, we will take it up, and obviously there will be no recommittal motions in order, as I understand it, at that point.

We were trying to get the minority to let us start that process today and perhaps complete this before the leader leaves sometime tomorrow, around 12 or 1 o'clock. It means he will not have a chance to vote on it. It does not mean that there will be anything happen to the budget resolution. I assume we will have his successor Senator voting with us, as we have had him.

I will have more opportunity tomorrow to discuss the significance of this budget resolution and what it does. I might just start with one concept for everybody to understand. On the discretionary appropriations, which has been the subject of an awful lot of debate last year which caused many appropriations bills to be vetoed by the President and caused the closure of Government from time to time during that long process of trying to get appropriations completed, we have resolved our differences between the House and Senate.

We have produced a budget resolution that, essentially, has all of the domestic discretionary programs combined at a freeze—same level as last year, according to the Congressional

Budget Office. That is the number that we agreed upon. That means if we take all the riders off those appropriations bills, and I understand that there is some movement in that direction, we can clearly be sending to the President appropriations bills that he ought to sign. Clearly, the American people will understand it very easily. The Republicans do not want to reduce spending. They want to freeze it. They are not out there to close down Government. They just want to say, in a very difficult year, we should freeze the expenditures of the appropriated accounts at last year's level. That is what we will be doing. That is what the appropriations bills are going to reflect in the next 5, 6, 7 weeks.

Hopefully, if we get those done, we can finish our work early or even ahead of time with reference to the appropriations bills which caused so much commotion last year and so much ill-will and ill-feeling between many people in the country and this various series of vetoes and closures. That will be the essence of the Republican approach. Obviously, big savings come in the entitlement reform programs. We will move those through in due course. Once again, we believe we are on the right path. We will discuss what we think the President's approach to Medicare has been. Clearly, he is playing a major shell game with this big program that the senior citizens need so desperately to have attended by way of reform.

We will get into those details tomorrow. I have not sought approval from any of the leadership here to make this statement, but, frankly, I am very hopeful when we finally get on this budget resolution tomorrow, that even though there are 10 hours of debate equally divided, we will finish tomorrow. No motions are in order, no amendments are in order. I see no reason why we cannot finish it tomorrow, even if we take it up sometime in the middle of the afternoon tomorrow. That ought to be plenty of time to debate it and finish tomorrow to get on with other Senate work.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

THE BUDGET RESOLUTION

Mr. GRASSLEY. Mr. President, Senator DOMENICI opened debate on the 1997 budget conference committee report, the agreement that has been ironed out on the differences between the House and the Senate, for presentation to the Senate for final passage, so that the 1997 budget will be behind us and we can start making changes in the programs that will fit these programs into the budget that balances by the year 2002, 6 years from now.

CBO has scored it that way. CBO is a nonpartisan agency that rules on whether or not budgets are balanced and what programs cost and how much income is coming in. They said that this will balance by that time.

The year 2002 is the year that we selected last year to balance the budget by. Our bill was presented to the President last year, and he vetoed it. We are not going to take an extra year to balance the budget when we do it this year. We are going to do it in 6 years now because that is all we have left between now and the year 2002. I hope that my colleagues will vote for that.

In a sense, as the famous baseball player said, "It's deja vu all over again." It is kind of that way with the Balanced Budget Act that we are dealing with today, tomorrow and the next day until it is passed. Because last year we worked for 8 months in 13 committees to pass this 1,800-page Balanced Budget Act of 1995. This was a bill that 13 committees worked on to produce changes in the programs so that the budget would balance in 7 years. We presented this to the President prior to Thanksgiving last year. The President vetoed it, I believe, on December 5.

I remind people of that document existing, that we had the votes to pass it, because often I get the question, which is a question coming from a cynical attitude that people have because we promise more than we can deliver, where people ask, "Do you think you can ever balance the budget?" Well, I like to carry this around with me and remind people, yes, we can balance the budget. Here is the act that for the first time in a generation Congress not only had the document, but the votes to pass it and to present it to the President.

Of course, that is history now. Ultimately, people are going to decide who won or lost with the veto that the President had of that bill last year. It also reminds you that one person can make a difference of having a balanced budget or not. We had a majority in the Senate, we had a majority in the House to pass the Balanced Budget Act of 1995. But one person, the President of the United States, stands between the people and a balanced budget. So historians will have a chance to look at who the big economic losers are in that veto of the Balanced Budget Act.

But the 1997 budget resolution gives us another chance without necessarily losing time because we still meet the deadline by the year 2002. But while we talk about balancing the budget, and we delivered a bill to the President last year to balance the budget and he vetoed it, the time clock is running, the national debt is growing, and interest is accruing on that national debt.

Of course, since we did not balance it last year, and if the President vetoes it this year, we are not going to suffer; it is our children and grandchildren that will suffer because we live high on the hog today, spending beyond our means, satisfying our own materialistic demands, and engaging in the immoral act of worrying about today and forgetting about tomorrow because our children and grandchildren are picking up the bill.

Every one of us in this body, whether we vote for it or against it, bears some of the blame for the situation that this country is in after a generation of deficit spending. Those of us who voted for it last year showed we were a year ahead of everybody else in balancing the budget.

Still, that does not overcome the sin of the deficit spending of a generation and the tremendous load of $18,000 per newborn baby that they carry of that additional debt. Or the 80 percent tax rate that the President's own budget document says our children will have to assume for the interest and the principal of that great debt.

None of this is done in a very perfect fashion. The legislation that we pass is not perfect. How we go about it may not be the perfect way of balancing the budget, but it must be done. It will be done. Everybody is going to pay a little bit towards this effort to get to a balanced budget. Maybe as a practical political exercise, that is the only way it can be done. Some people would say, "Cut out completely this program," and others will say, "We have to save this program," or "increase that program." It can be done that way. Basically, the way we have done it is to make sure every program pays a little bit in the effort to get to a balanced budget.

Ultimately, as a political system, it seems we have figured out we can indeed vote ourselves more money. That is why we have the problems we have. All the people have to do is vote for the guy who promised to protect expensive programs and who promised to let entitlements run wild. That is what has been going on. That is why we have a $5 trillion national debt.

Last year, as a result of a mandate from the election of 1994, the new Members of Congress felt it is time to call a halt to deliver on the promises that have been made to balance the budget, and to do it in 7 years. I am enthused about the 1997 budget resolution before the Senate. I think it is a belt tightener, a conservative one. Every item in it might not be exactly as it would be if I had written it, but broad representation is the nature of our Government. Compromise is the only way to accomplish some of our goals—everybody to give a little bit in the process. This gets us, as the nonpartisan Congressional Budget Office has said, to balance in 6 years. The nonpartisan Congressional Budget Office shows that we should even have a $5 billion surplus by the year 2002. To me, that is a pretty good report card. I note, for significance, that the 1997 budget resolution is the only plan that gets us to zero deficit in 6 years.

Now, somebody would say, "Well, the President says he has offered a budget," but it does not balance as he says it would. The President's aide, Dr. Tyson, has been on the morning talk shows saying that the President's budget balances. What she has not made clear is that the President relies on certain contingency proposals or emergency triggers in the year 2001 that either increase taxes or cut unspecified discretionary spending in order to reach balance by that year. It could be both a tax increase and unspecified discretionary spending cuts.

If the President is on a path of spending throughout the 6-year-period of time that he sets us on in the year 1997, there is no way you get to a balanced budget by the year 2002. You have an $81 billion deficit. Of course, in the meantime, even if this President is reelected, he is back in Arkansas at the time there are future tax increases and/or unspecified spending cuts have to be put in place, so it is not really his worry.

Now, for the President's advisers to say on television that this budget balances, when that is the situation, is a failure to mention the balloon payments that the President has built into his budget plan. These balloon payments are similar to those magic asterisks that David Stockman put in President Reagan's budget when President Reagan promised he would balance the budget in 1984, at the end of his first term. When the President's budget did not balance—and some of the new Senators voted against it at that particular time—the President obviously was a little bit embarrassed, because he made a promise to balance the budget, and his first budget submitted in his administration did not do it by the time he said it would be doing it. So we were all sold on the proposition it could be done in the years 1983 and 1984, so David Stockman put that magic asterisk into the President's first budget.

Did that ever materialize? Of course it did not. Do you think the President's balloon payments of 2001 and 2002 will materialize, whether the balloon payments result in tax increases or in spending cuts, or both? I think it is less than candid for either the President or his Economic Advisers to go on television saying somehow that is going to happen in the year 2001 and 2002, when the President is back in Arkansas, and is going to result in a balanced budget.

Now, when it comes to the budget that we present to this body for approval this week, the 1997 budget resolution conference report, it has no hidden gimmicks or balloon payments in it. Instead, there are only clear, specifically illuminated promises. In other words, we get to true balance in 6 years, because we set this budget on a course to balance much sooner than the President of the United States does. In addition, we get a 6-year $122 billion tax cut primarily made up of a $500 per child tax credit. Some people will criticize that. Some will say it is for the rich when they know in their heart that is not true. They forget that a $1,000 tax cut for a family of four can make a big, big difference, that everybody in this country is not rich, and that the middle-class families of America are going to benefit from that tax cut.

Why a tax cut for families with children? It is because the tax on children is presently unfair. It used to be that the dependency exemptions for children almost nullified the tax liability for families. Those families, obviously, use the tax savings to raise their children. For the personal exemption today that is in the Tax Code, to have the same value relative to family income that it had in 1948, it would have to be $8,000 per child exemption in 1996, instead of the $2,600 per child it is now. Truthfully, to be fair, we need a credit in excess, then, of that $500 per child, to put families back with the same purchasing power that they deserve.

Even with the new tax credit, families will have to continue to tighten their belts. But remember this credit is a credit and not an exemption or deduction. Thus, each child in any family is going to be worth $500 more, regardless of the income of the family. And the phaseout ranges of the credit begin at a lower level of income than do the phaseout ranges of the current dependency credit.

So if any Senators claim that they want to defend families in this budget, the best place to start is by taking money away from Washington and returning it to the families. Families can spend that money more wisely than Washington can spend that money.

Besides that $500 tax credit per child to help empower families, this budget resolution of 1997 reforms entitlements. It would be wonderful if we can continue to allow entitlements to grow unchecked, but that is not possible. Without legislative maintenance, entitlements are going to swallow themselves. We know now that if we do not do something about entitlements, by 2012, the entire budget will be made up of entitlements and interest on the national debt, with nothing even for national defense.

Also, our budget resolution will save $53 billion in welfare programs as we reform welfare and turn it back to the States. Medicare spending is going to go up at a rate that will allow us to consume $72 billion less than under present payout. Of course, we just heard last week that Medicare is racing toward bankruptcy in 5 years. We will not allow that to happen. We allow Medicare spending to go up from $4,700 per person per year to $6,800 per person per year, and its solvency is extended 10 years in this budget resolution. We do this without increasing the regressive payroll tax, and we do it with keeping the part B premium at its present level of 25 percent of total program cost. We freeze discretionary budget authority in this legislation in 1997 at the 1996 level. One place where I disagree with Republicans is that defense spending in our bill is too high. I made an effort on the floor of the Senate to cut that back by $11 billion, but that lost. This budget compromise between the House and Senate reflects that higher level of Defense expenditures. I think that if families are tightening their belts, and other programs in Washington are tightening their belts, and if entitlements have to have their belts tightened, defense contractors ought to have their belts tightened as well.

Finally, the budget process is somewhat changed from last time. This budget resolution offers three separate and independent reconciliation bills. Each bill can live without any of the previous bills. The structure of the two succeeding bills depends upon the success of the preceding one. This is a sound and flexible plan that will allow us to present to the President something that he will not have any excuse for vetoing, as far as I am concerned, considering the fact that he vetoed last year's budget that we gave to him.

The days of our living beyond our means, hopefully, come to an end with the adoption of the budget resolution for 1997. Hopefully, it puts us on a path, for the first time in a generation, to get to a balanced budget. Hopefully, it means that each generation is going to assume its fair share of pain for our programs and for ending the principle of passing on to future generations the cost of our programs for today.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. LUGAR). Without objection, it is so ordered.

Mr. GORTON. Mr. President, I ask unanimous consent that I may be able to use such of the time reserved for the Senator from New Mexico as I may use.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET RESOLUTION

Mr. GORTON. Mr. President, sometime late tomorrow or early on Wednesday the Senate will begin formal consideration of the budget resolution adopted late last week by a conference committee. That budget resolution, in common with its predecessor a year ago, will clearly put the United States on the road to a balanced budget, a goal shared by more than 80 percent of all of our fellow citizens.

To a certain extent, Mr. President, a balanced budget is a goal in the abstract. It is a phrase that sounds good, sounds responsible, but nonetheless is divorced from our day-to-day concerns. It is, however, vitally important to our future, but most particularly to the future of our children and our grandchildren, to those who come after us.

Almost 200 years ago Thomas Jefferson spoke of it as a moral imperative, that it was simply a moral wrong for the politicians of his day or of ours to spend money on programs, however worthy, that they supported, but to refuse to pay the bill, to send that bill to someone else.

Thomas Jefferson's words are as important and as valid today as they were at the beginning of the 19th century. It is our obligation to seek this goal, and not just to seek it, but to put the Nation on a path pursuant to which it will be attained.

It does, of course, go beyond a pure moral imperative. It is a financial imperative as well.

We know by the almost unanimous opinion of economists who dig deeply into this issue that the mere promise of a balanced budget, accompanied by a set of policies that will lead us shortly after the turn of the century to reach one, will have a positive impact. Such a promise will lower the interest rates that men and women pay on the homes they purchase or wish to purchase, on their automobiles and other large consumer purchases, on their businesses, small and large, designed for their own future, and for the creation of opportunity in our society and our economy.

The actual accomplishment shortly after the turn of the century of a balanced budget will mean somewhere between $1,000 and $2,000 per average American family additional in their pockets, partly because of the lower interest rates that I have already described and partly because, all other things being equal, the economy will be that much stronger. There will be that many more and better jobs for Americans in just a very few years from now. This is a case in which the moral imperative and the financial desirability as a course of action lead us in precisely the same direction.

Mr. President, under those circumstances, why is this not only a unanimous goal, but why are not the policies that lead to that equally unanimous? I do not remember during the course of the last year any Member of this body standing before the body and saying, "It is a poor idea. It is not something that we should bother with at all." No, Mr. President, everyone gives at least lip service to the idea, but that lip service goes little further when it comes to the practical methods of attaining the goal. With those who voted no as recently as last week on a constitutional amendment that would mandate attaining a goal, to those who will vote no tomorrow or the next day, the answer will constantly be, "We have to do it differently. I do not like this balanced budget." It is some other balanced budget, my own or someone else's, that is the only way to go. In other words, the details, the tendency for perfection in the mind of each individual Member, interferes with attaining a goal so important both morally and economically.

Mr. President, perhaps all of us could have been accused of that course of action as recently as a handful of years ago. Almost never, in my memory, did anyone seriously propose a budget that led to that balance until the dramatic vote of something more than a year ago in which the balanced budget constitutional amendment, having been approved by the House of Representatives, was defeated here by a single vote. Following that dramatic loss, many Members took much more seriously the lip service they previously had given to a balanced budget. In fact, a majority of this body came up with a budget resolution and then enforcing statutes that would reach that goal by the year 2002.

Regrettably—I think profoundly regrettably—the President of the United States vetoed that proposal with the statement that we ought to do it in a different way. Now, that statement came in spite of the fact that the President of the United States had never previously proposed any way of reaching that goal. Since that veto, Mr. President, not surprisingly, given the predictions of what success would bring, failure has brought an increase in interest rates. Almost half of last year's gain has now been lost. The prospects of the good economics that result from a balanced budget are limited.

The President criticized the budget by reason of what it did to strengthen and preserve Medicare. Yet, just last week, his own Medicare trustees have said the very challenges in the Medicare system that last year's balanced budget was designed to cure have become not better, but worse. Even so, Mr. President, we now have a proposal from the administration called a "balanced budget" that has been severely, and I think appropriately, criticized by Members on this side of the aisle on the ground that it was not real.

Just yesterday in the Washington Post we saw an analysis of some elements of that proposal by a normally relatively liberal columnist who pointed out what we already knew, the President's budget for this year increases spending on a number of politically popular programs and proposes dramatic cuts in those programs next year and the year after. However, Mr. President, when his Cabinet Members in charge of administering those programs were asked how they would deal with those reductions in future years, they assured Members of Congress that, in fact, the President had privately assured that they would never, in fact, take place; that they were, in effect, phony figures designed to create a paper balance that never, in fact, would take place.

Now, Mr. President, we are faced with a dramatic choice: Do we vote in favor of the one proposed budget resolution now available to us that includes difficult but necessary policy decisions to reach this goal desired by so many Americans for so many good reasons, or do we continue to say, "Not this one, not now, wait until next year, do it differently"?

Mr. President, I was one of the dozen Republican Members who joined with a dozen Democratic Members to come up with a different proposal, a bipartisan proposal, to reach the same goal in approximately the same period of time, a proposal that I thought at least in some respects to be superior to the one that is about to come to the floor of this U.S. Senate. Mr. President, that proposal received 46 affirmative votes out of 100 Members of the Senate. That is not quite enough. The reason that it did not quite go over the top was that the President of the United States rejected that proposal to exactly the same extent that he rejected the Republican proposal. He would not endorse it. He would not even say he would sign it if its enforcing legislation was to be passed.

So the first bipartisan attempt in a decade at solving this contracted budget problem has been rejected. Now we are faced with another proposal, almost as good, certainly plenty good enough to reach the goal, which is very, very likely to be passed by a strictly partisan vote, and then to have its enforcing legislation vetoed by the President of the United States. I regret that, Mr. President.

I hope during the course of the debate in the next 2 or 3 days some Members of the other party who worked so hard and so sincerely and so diligently on the bipartisan proposal will see the many similarities between their product, our product, and the one that is now before us, and will generously and with a good heart determine that if they cannot have perfection, they can certainly get—even from their own perspective, with our budget—a vastly superior program to that proposed by the President's administration. I hope that some of them at least will have courage enough to join with us to move the whole project forward, to help us see to it that we do something that we are enjoying to do, like no less a historic personage than Thomas Jefferson, as a matter of moral imperative, and something that will have such a tremendously positive impact on our children and grandchildren in general and generations yet to come, who do not have the right to vote in this fall's election, but who are our responsibility nevertheless.

Mr. President, this is a fine resolution. It is a courageous resolution. It is a moral resolution. It is an effective resolution. It should be passed, and it should be enforced.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I ask unanimous consent that time allocated to Senator DOMENICI in this period of time be allocated to me and that I may use as much time as I may require.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

GETTING BACK TO BASICS: NATO'S DOUBLE ENLARGEMENT

Mr. LUGAR. Mr. President, the visit to Washington of Lech Walesa, the former President of Poland, and the introduction of the NATO Participation Act on the floor of the Senate, suggests that it is time for the Senate to begin to seriously consider the future of the Atlantic Alliance.

It is a particularly important time to take stock of where we stand in the Alliance. Over the past 2 years, the Alliance has discussed and studied many issues ranging from enlargement to command reform to the broader structural reform of the Alliance in order to enable it to carry out new missions.

The time for discussing and studying is now coming to an end. Over the next 12 months, NATO must make decisions in three key areas which will cast the die for European security and the transatlantic relationship for the next decade.

Starting with last week's Ministerial meeting in Berlin, Alliance leaders must decide:

First, will NATO enlarge its membership, and what policies, recognition, and certainty should it give to countries which will not be included in the first selection?

Second, how will NATO reform itself internally to be able to carry out new missions? This includes article 5 defense commitments as well as other non-article 5 missions such as crisis management beyond Alliance borders.

Third, what should be the NATO relationship with Russia during the enlargement process? Should NATO build a parallel cooperative partnership with Moscow?

The ramifications of how well or poorly NATO does its job on these issues are far reaching. We are talking about the laying of the cornerstones of a new European peace order and building a new NATO which deserves that name not only in theory but in reality. If we succeed, we will have set the foundation for decades of European peace and prosperity. If we fail, historians may look back at the early post-cold-war period as a tragic loss of opportunities.

It is in this context that we must weigh the utility of legislative efforts such as the NATO Participation Act.

Above all, we must realize that we are headed into a historical debate over NATO's future, one that will reverberate for many years to come. It is a debate that will be public and which will undoubtedly be controversial—as befits an alliance of democracies wrestling with such important issues. Much of the discussion about the pros and cons of enlargement and other issues have been limited to elites and experts—along with the occasional Senator or Minister. That, too, is going to change.

I look forward to this public debate. I believe that we have an historical window of opportunity to take steps that will secure European peace and stability and which will lock in the freedom and independence won in the revolutions of 1989 and the collapse of communism. I believe that we will win this debate, both in the U.S. Senate and elsewhere in the Alliance, provided that we follow some simple, commonsense guidelines.

Before charting those guidelines, I want to review the basic questions we will undoubtedly face in the U.S. Senate, as well as in the parliaments of both NATO allies as well as candidate countries.

THE VISION THING

In the United States, our political leaders are often asked about what we call the vision thing. What is it you want to achieve and why? What is your vision and how will individual policies fit together with an overall set of objectives? As a U.S. Senator, I am often asked, by some of my colleagues and constituents, why I am still so concerned about NATO and issues such as NATO enlargement now that the cold war is over.

The more distant we get from the heady days of the fall of the Berlin Wall and the collapse of communism, it is more clear that we entered a new era. Dangers still abound in post-cold-war Europe. The revolutions of 1989 not only led to the collapse of communism but also to the end of the peace orders established after two world wars. What is at stake here is order and stability in Europe as a whole. And that is why American interests are involved.

NATO cannot by itself solve all of Europe's problems. But without a stable security framework, we run the risk that the reform and democracy in the East of Europe will not persist but will instead be undercut by destructive forces of nationalism and insecurity. The failure of democracy in the East could not help but have profound consequences for democracy in the continent's western half as well. If history teaches us anything, it is that the United States is always drawn into such European conflicts because our vital interests are ultimately, albeit somewhat belatedly, engaged.

That, in a nutshell, is one reason why I have always been in favor of NATO enlargement. But this is only one reason and one part of my vision, which consists of what I want to prevent, and also what I want to build. I want to build a new transatlantic bargain of a unified and integrated Europe—whole and free—in permanent alliance with the United States. It is a vision of the United States and Europe in a partnership of equals devoted to managing the security of Europe as well as to the pursuit of common interests beyond Europe. The old transatlantic bargain which offered the Europeans a form of American protection in return for American influence must be replaced by a new transatlantic accord.

This is a vision for the Alliance that is no longer necessarily focused on or limited to Europe. This is also a vision for the Alliance that transcends the old cold-war rationale, namely—to deter and, if needed, defend Western Europe against a Soviet attack. It is a vision for a new covenant between the United States and Europe as a force for promoting Western values and interests in Europe and beyond. We need a new and much broader transatlantic agenda and dialog, one that focuses on where and how the United States and Europe can and should act together.

I was one of the earliest proponents in the Congress of NATO enlargement. But I always spoke of enlargement not in isolation but rather as part of a new security partnership between the United States and a unified Europe. The United States is a global power, a country with interests in Europe and beyond. It is also a country that increasingly requires like-minded allies and partners to manage that international security agenda. And as Americans look around, they see no better candidates than our European allies in NATO as that partner.

If this is the vision, then how do we get there? I like the phrase "double enlargement" to capture the twin processes of reform that I believe must take place. NATO must enlarge eastward to integrate the new democracies and it must expand its functional missions beyond border defense to include crisis management and perhaps peacekeeping beyond Alliance borders. In both cases, the Alliance must decide how far it wants to go, both in terms of new members and in terms of new missions. There is no escaping the fact that NATO must simultaneously reform in both areas if it is to successfully meet the challenges we are likely to face in the years ahead. It is a basic American interest that the Alliance not only enlarge to help stabilize Eastern Europe, but that enlargement be part and parcel of a broader transformation that turns Europe into an increasingly effective strategic partner of the United States in and beyond the continent.

CONDITIONS FOR SENATE RATIFICATION

One of the key questions for the NATO Alliance is whether NATO enlargement can be ratified in the U.S. Senate. Nearly every visitor I have in my office from Europe asks me this question. And it is a question about which I have thought a great deal in recent years. The easy answer is that, of course, enlargement is ratifiable—provided a number of preconditions are met. I am going to list my six commandments on what must be done to ensure successful ratification in the U.S. Senate.

But first I want to lay out several broader factors which I believe will help shape the debate in the U.S. Senate. First, the debate about NATO enlargement in the U.S. Senate will not only be about enlargement. It will be about the U.S. role in post-cold-war Europe. It will be about NATO—why we still need it, who should be in it, what it should do, and how it should be reformed.

This will be the first time that this set of issues will be debated at the national level since the end of the cold war. Although many voices in the United States, myself included, have been calling for such a national debate for some time, it simply has not happened. But the NATO enlargement issue is likely to be the catalyst for precisely such a debate. This makes some of my colleagues in Congress nervous. They fear that the isolationists of the left and the right will band together in some kind of unholy alliance to defeat the internationalist center in U.S. politics. In short, they fear that the NATO enlargement debate will kill NATO.

But I think they are wrong. Such a debate can have a very healthy and positive impact in terms of reaffirming the U.S. role in, and consolidating the American commitment to, the new post-cold-war Europe. And, equally important, it is an opportunity to initiate the broader transformation and revitalization of the alliance which is now clearly overdue.

Second, this debate will also be about Eastern and Central Europe and our moral, political, economic, and strategic stake in this part of the world. Several years ago there was a cartoon in an American magazine which showed a young boy pointing to a map and saying to his father: "Eastern Europe, isn't that where the wars start?" Eastern Europe is where two world wars, as well as the cold war, originated in this century. It is a part of Europe that has seen great injustices and enormous cruelty. It is a part of Europe that has had a disproportionate impact on the course of European and world history.

For some Americans, these are reasons to keep the United States out of future instability and possible conflicts—as if a policy of isolation would insulate and protect us from such instability. The lesson I draw is exactly the opposite. The best way to ensure that the United States must never fight a war again over Eastern Europe is to anchor and integrate Eastern Europe into the West once and for all. We must do for Eastern Europe what we did together for Western Europe in the early post-war period—make it secure and integrate it into a broader trans-Atlantic community.

How important is Eastern Europe to the United States? A growing number of Europeans are trying to analyze the size of the Polish ethnic vote, or the political clout of the Baltic-American community and what role they will play in the United States Senate debate. Will the NATO enlargement issue, it is sometimes asked, be the swing issue in key battleground States in the U.S. Presidential race? While interesting, I think all these questions miss the real point. Eastern Europe is important to the United States because it is here that the future destiny of the European Continent will be decided. Eastern Europe, in many ways, holds the key to the future stability of the continent. That is why it is a vital U.S. interest.

The third reason I believe that Senate ratification will happen is that the arguments of the opponents of enlargement can be met and subdued. But let's take a closer look at them, for they will be part of the debate. Critics insist, first and foremost, that the U.S. Senate will not be willing to extend a security guarantee to Eastern Europe. They cite the divisive debates we have seen on Somalia, Haiti, and Bosnia as proof that Americans are tired of foreign commitments.

What these critics overlook is the basic difference between Bosnia and Poland as well as the lesson we should learn from the Bosnia experience. Poland's future stability is seen as central to that of Europe as a whole. Rightly or wrongly, Bosnia's was not. I wish it had been otherwise. But one simply cannot compare the issue of extending a security guarantee to a pro-Western democracy like Poland with the confusing debate we had about what to do as Yugoslavia broke up. This was a conflict whose causes were poorly understood, where the stakes for the United States were not always comprehended, where the United Nations was involved with a confusing mandate and a morally ambiguous set of policies and where the military, political, and humanitarian options of the West were extremely difficult. The lesson from Bosnia is not that we should reject NATO enlargement. It is that the West needs to take steps to prevent the rise of such destructive nationalism and ethnic hatred and we must enlarge NATO to stabilize Eastern Europe before other disasters are imminent.

Moreover, in many ways the West already has an implicit security guarantee to a country like Poland. Can we really imagine the West today not coming to Poland's defense if it were ever to be threatened again? I, for one, cannot. And because I cannot, I think that we must codify that commitment through NATO in order to make sure that it is credible and that deterrence works. If ever confronted with the question of whether the West will stand by Poland or once again betray it to those who seek to do it harm, I believe that the United States, including my colleagues in the Senate, will do the right thing.

The second major reason critics cite against enlargement is cost. Of course NATO enlargement will cost money and resources. But the costs of enlargement may not pose as large an obstacle as some assume. Let us not forget that there are also costs in not enlarging. And alliances save money. By pooling our resources together, we are able to collectively defend our common interests less expensively.

How much NATO enlargement will cost will depend in large part upon how the alliance decides to defend and reassure new members. Because there is no immediate threat to these countries, the alliance can afford to adopt a light defense posture backed up by the ability to reinforce in the region during a crisis. Moreover, the costs of building such a posture can be spread over an extended period. A recent study conducted by the Rand Corp. clearly shows that the costs of enlargement can be kept manageable and spread across the alliance.

The package proposed in the Rand study, for example, could cost an estimated $30 to $40 billion for the alliance as a whole—both new and old members spread over a 10- to 15-year period. While these numbers may seem large, bear in mind, for example, that the cost of building and operating one U.S. Army division for a 10-year period is estimated at $60 billion. In any event, the alliance will be spending a considerable amount of money for defense over the next 10 to 15 years, and the costs of enlargement are unlikely to amount to more than 1 to 2 percent of planned defense spending. The point here is that enlargement is affordable if handled properly, done in a step-by-step fashion and if the costs are spread fairly among both old and new members.

The third reason critics cite against enlargement is the claim that enlargement will only draw new lines in Europe and alienate Moscow. But let us not pretend that lines don't already exist in Europe. What I have never understood about this argument is why these critics are so attached to and nostalgic about the old artificial cold war lines, lines drawn by the acts of Hitler and Stalin over 50 years ago. Expanding and consolidating democracy in the East is not drawing new lines. If allowing new democracies in the East to seek entry into the alliance of their choice is an exercise in line drawing, it is also an exercise in erasing the old artificial lines of Yalta and the cold war. And I look forward to erasing more lines. There is something odd about people in the West who already enjoy a NATO security guarantee telling those who do not have one that extending the guarantee would somehow create a new security problem.

In short, I am not especially impressed by the arguments of the opponents of enlargement. Their prescriptions are really a recipe for doing nothing, for postponing all key decisions. We must demand of them what their future vision of the alliance and the trans-Atlantic relationship is.

But this does underscore that we are going to have a debate in the Senate.

How can we win this debate and ensure successful ratification in the U.S. Senate? I'd like to share with you six commandments on NATO enlargement which, if followed, should help to ensure ratification.

First, show leadership. Leadership is key, above all, Presidential leadership. There is no substitute. This will be a national debate and the President must lead. He must also work closely with the leadership of the U.S. Senate. The sooner he starts this process, the better.

Leadership must not only come from the United States. It must come from Europe too and Germany in particular. And such leadership must be visible both within NATO and beyond. Let me give you one example. If the European Union falters in terms of its own plans for enlargement, it will make NATO enlargement more difficult to sell in the United States because it will be seen by Americans as a European failure to pull its fair share of the bargain.

Second, have a clear moral and political vision and rationale. Enlargement must be seen as the right thing to do. While NATO bureaucrats and diplomats may be consumed by the details of tactics and compromise communique language, what will be crucial in the public debate will be occupying the moral and political high ground. We will ask the opponents of enlargement to lay out their alternative vision—and we will see whose vision is more convincing.

Third, start with the strongest candidates and keep the door open. The enlargement of NATO will start with the strongest candidates for membership. But this does not mean that the alliance is drawing new lines or forgetting about those who, for whatever reasons, cannot be included in the first tranche. Those who are first have an obligation to ensure that stability be extended beyond their borders as well.

Fourth, know the costs and commitments—and who will bear them—in advance. This must be clear and known in advance. We need to understand the burdensharing arrangements before we assume the new commitments. The U.S. Senate will not ratify enlargement until it knows the costs and consequences for both the U.S. Armed Forces and the American taxpayer.

Talking about important details of defense planning issues should not be seen as militarizing the debate. Instead, it is simply prudent and responsible to sort out among ourselves just what these new commitments mean in practice and to develop plans and programs to ensure that NATO has the capabilities to carry them out. This is what alliances are all about.

Fifth, have a strategy for dealing with the have nots. The initial selection of members may be small. When another round of enlargement will take place may be uncertain. Thus, the need to have a clear strategy to underscore that enlargement will not produce a new Yalta. In some cases, the United States has a special relationship with countries that, at that moment, seem unlikely to be included in the first tranche.

The United States and Germany have a special responsibility toward the Baltic States. No U.S. President can enlarge NATO without having an adequate set of policies to sustain Baltic independence. The Baltic States may not be included in the first round of NATO enlargement. This underscores the need for an active policy of engagement with them. It is important that we make it clear that they will be full members if they meet the qualifications; that the door for eventual NATO membership for these countries remains open and that we will expand our cooperation with them in the interim period. Non-NATO countries such as Finland and Sweden should also be encouraged to expand their involvement in the region. Countries such as Germany should take the lead in trying to bring the Baltic countries into the European Union as soon as possible and, if they qualify, in the first tranche.

Sixth, realize the U.S. need for partners beyond Europe. While many Europeans do not want to acknowledge it, the reality is that there is a linkage between burdensharing arrangements within Europe and outside of it. As a U.S. Senator, it is easier for me to argue the case for NATO's double enlargement to the American people than it is for NATO's eastward enlargement alone. Americans understand that we have vital interests in Europe and they are willing to do their share to ensure that the new Europe which is emerging remains stable. They understand a strategy that posits that we and the Europeans are in this together and that we will work together to defend shared interests—both in Europe and beyond. What they will not understand is an arrangement where the United States is asked to do more in terms of extending new security guarantees, and more in terms of budgetary commitments, in order to extend stability to Europe's eastern half—and at the same time be expected to carry, more or less on its own, the responsibility for defending common Western interests outside of Europe.

RUSSIA

This brings us to a discussion of Russia. We all know how important Russia's future is for the future of European and international security. But where does Russia fit into the vision of the trans-Atlantic relationship I have laid out? My vision of the alliance does not depend on the existence or possible emergence of a new Russian threat in the East. We do not want an alliance whose vitality and success depends on failure in Russia. Instead, we want a Russia that will successfully reform—and whose success at reform make it a more interesting and useful strategic partner for the alliance.

The United States and Europe have an enormous stake in the success of the reform process in Russia. A stable and reformed Russia can be an active partner in maintaining security in Europe, in resolving regional conflicts, and in fighting the spread of weapons of mass destruction. We wish to establish a strategic partnership with Russia that takes account of Russia's position in Europe, a partnership that could and should, lead to formalized relationship with the alliance.

Russia's place, in my vision, is clear. I do not see Russia as a candidate member of the alliance. Russia is simply too big, too different. No member of the alliance today or in the foreseeable future would be willing to extend an article 5 guarantee to the Russo-Chinese border. And the Russians—unlike the East Europeans—are not really interested in assuming the obligations and responsibilities that NATO membership entails. At the same time, Russia will inevitably be more than a mere neighbor of this new and enlarged alliance. We hope it will become a partner, indeed a country with which we have a privileged partnership.

The NATO I envision is one which guarantees stability in Central Europe, a stability which is just as much in Russia's interest as our own. The Russians should realize that enlargement is not directed against anyone, certainly not against them. Stabilizing democracy in Eastern Europe does not threaten democracy in Russia. Russia will be better off with Poland in NATO than outside of NATO. A Poland that is secure within NATO will be less anti-

Russian and more interested in cooperation and bridge building. We cannot save reform in Russia by postponing or retarding reform in Eastern Europe.

The Alliance can and should have close strategic relations with Russia. NATO and Russia are allies in IFOR in Bosnia. We hope that this is not a one time affair but the start of a longer and more stable relationship. I hope to see the day when the border between an enlarged NATO and its Eastern neighbors, including Russia, are just as stable and secure as any others in Europe.

But it takes two to tango. Moscow has increasingly spoken out against enlargement, with some Russian commentators already bringing out their list of real or imagined countermeasures that they claim Moscow will have to take. Such talk is counterproductive.

I belong to those who not only supported NATO enlargement from the outset, but who believed that the Alliance should have moved sooner and more resolutely in enlarging. The Clinton administration, as well as the Alliance as a whole, opted for a slower approach than I would have preferred. And they did so in the hope that dealing with Moscow on the NATO enlargement issue would get easier over time as Russia came to understand the Alliance's true motivations.

But by now I think it is crystal clear that a policy of postponing key decisions has not made our lives easier. Some in Russia have misinterpreted Western patience as a sign of Alliance weakness and lack of resolve. Some Russians still believe that they can stop enlargement—and some of them are still tempted to try. As it has become increasingly clear that Russians do not support NATO enlargement, our policy increasingly looks to them like a kind of Chinese water torture. For several years, NATO has issued every couple of months a statement saying that it will enlarge, to which Moscow feels obliged to say that it opposes enlargement. When nothing happens, some observers in Moscow think that they have slowed or even stopped the NATO train.

It is too late now to go back and undo the policy decisions on timing. What is important now is that NATO not waver, that it stick to the agreed-upon timetable and move ahead with the initial decision on enlargement—irrespective of the outcome of the Russian elections.

CONCLUSIONS

Let me sum up.

There are many other factors that could yet shape the U.S. politics of NATO enlargement. If democratic reforms in the candidate states were to stall, the entire enlargement plan might be put on hold. It also makes some difference whom the next President appoints to key posts such as Secretary of State and Secretary of Defense. Overall, however, while ratification of new NATO members faces many obstacles and pitfalls, there is little evidence for the claim that it is politically infeasible.

The real tragedy would be if the Senate, in successfully encouraging the administration through legislation to proceed with the inclusion of new members in the Alliance, jeopardized or neglected the development of a bipartisan consensus and public support necessary to secure the 67 votes it will take in the Senate to ratify NATO enlargement.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. LUGAR. Mr. President, on behalf of the leader, I ask unanimous consent that the previous consent agreement regarding controlled time be amended as follows: Senator COVERDELL, or his designee, be in control from 4 p.m. to 5 p.m.; Senator DASCHLE, or his designee, be in control of 60 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, parliamentary inquiry, if I might. It is my understanding that the hour from 4 to 5 has been designated to myself or my designee, is that correct?

The PRESIDING OFFICER. The Senator is correct. The time between 4 and 5 is to be under the control of the Senator from Georgia.

KEEPING CAMPAIGN PROMISES

Mr. COVERDELL. Mr. President, I am just going to make a very brief statement to begin this hour. I understand the Presiding Officer would like to comment. So if he will allow me, I will make an opening statement, and then I will relieve him in the Chair so that he might make the remarks he chooses.

Mr. President, I have always felt that there should be a relevance, a connection, a linkage between what a public policymaker contends or discusses in the pursuit of office and what he or she does, if fortunate enough to achieve it. I think that much of the cynicism and anxiety that we have seen growing in our country can be tracked back to the failure of too many of us who seek public office relating what we said if we sought it to what we do if we achieve it.

I believe this administration is particularly vulnerable on at least three major subjects. The first one is taxes. This administration came to America and said, "We are going to lower taxes on the middle class." That is what was said. But what was done was that they were increased to unprecedented proportions.

We talked about and have heard the administration talk about its grave concern over drugs and crime, and drug abuse or drug usage, under this administration's watch, have skyrocketed to epidemic proportions. Just last week, there was a perfect example, where the President has said, "I am for a balanced budget," repeatedly, but stood foursquare in front of passage of the balanced budget amendment.

So, as I said, Mr. President—and I want to reiterate it here this afternoon—it is important that there be a linkage, a connection of relevance between what we say as we pursue public office and what we do if we are successful enough to achieve it.

Mr. President, I am going to relieve the Chair. I do not think I need to call for a quorum call. I will relieve the Chair so that he may make his comments.

(Mr. COVERDELL assumed the Chair.)

Mr. GRAMS. Mr. President, I want to follow up on some of the comments that you were making.

A DIFFERENCE IN PRIORITIES

Mr. GRAMS. Mr. President, it is easy to campaign as a champion of the middle class. As you know, President Clinton did it in 1992, when he made the middle-class tax cut the centerpiece of his campaign. His very first television commercial that year featured the candidate looking directly into the camera and telling the voters that they deserve a change. "That is why I have offered a plan to get the economy moving again, starting with a middle-class tax cut," he said.

Of course, we all know what happened to that tax cut a year later. The candidate who pinned his campaign to the hopes and dreams of the middle class became the President who let the middle class down once he moved into the Oval Office. His campaign promise of a tax cut was transformed into a $270 billion tax increase—the largest tax increase in American history. It was change, all right—but certainly not the kind of change the people had asked for or were promised.

Everyone who drives a motor vehicle knows what the President's 4.3-cent-per-gallon tax increase has done to their annual gasoline bills—especially recently, with gas prices around the Nation at such high levels. By boosting the cost of gasoline by nearly $5 billion every year, the gas tax has been particularly damaging for truckers, farmers, and anyone who lives in rural areas of the country.

Senior citizens, even those making as little as $24,000 a year, saw their taxes rise as well once the President's 1993 tax bill increased the taxable portion of their Social Security benefits by 70 percent.

For the more than 80 percent of small business owners who file their income taxes as individuals, President Clinton's 1993 tax increase forced them to pay taxes at a rate as high as 44.5 percent. That is significantly above the corporate rate of 35 percent, and means the folks who run the local plumbing business or TV repair shops are paying taxes at a higher rate than Microsoft or General Motors.

Families, job providers, retirees, motorists—all of us felt the pinch when the President signed his 1993 tax bill into law.

Since President Clinton's election, the Government is taking more from the paychecks of middle-class Americans than it ever has before. The administration and the Democrats in Congress who voted for it and passed it say, but it was only targeted at the rich. But, today, the typical American family faces a total tax burden of 38 percent. In human costs, this means we taxpayers are turning more money over to the Government than we are spending for our family's food, clothing, shelter, and transportation combined. Tax freedom day—the day the American taxpayers are no longer working just to satisfy Uncle Sam and can begin keeping our dollars for ourselves and our families—has jumped ahead an entire week since President Clinton took office.

The various budget plans the President has submitted to Congress over the last year and a half paint a very different picture of priorities. The priorities for which BOB DOLE and our Congressional majority have repeatedly fought have been to protect families from the unreasonable demands of an unregulated Federal Government. The priorities of the President and the Democratic leadership have always been to protect the status-quo government, and too often, at the family's expense.

In his State of the Union Address in January, President Clinton boldly declared that "the era of big Government is over." "Big Government" presumably meant the high taxes that have squeezed the middle class—the gigantic bureaucracy that has made redtape synonymous with Washington inefficiency, and the wasteful spending that has drained the taxpayers of their precious dollars.

But big Government remained alive and well in the budget the President submitted for fiscal year 1997.

That budget was nothing more than the status quo the current administration continues to defend. It did not rein in the big spending that has generated our massive deficit and put our children and grandchildren on the line for decades of our financial mismanagement. It called for $60 billion in tax increases over the next 7 years.

And where are the tax cuts the President has repeatedly promised American families? He offered nothing but token tax relief. His child tax credit began at just $300 per child, was slowly ratcheted up to $500, and then eliminated just 2 years later. By the way, teenagers were too old to qualify for that tax break.

Under the guidance of President Clinton and the Senate Democratic leadership, my colleagues across the aisle attempted to break the 1993 tax increase record when the President's budget came before this body in May. Had they prevailed, the amendments they offered during debate over the budget resolution, combined with the President's own tax mandates, would have amounted to another tax increase of $295 billion, dwarfing the $270 billion increase of 1993. Fortunately, the gentleman from Kansas has heard the demands of the American people in calling for fiscal restraint and relief from a crushing Federal tax burden, and under his leadership, we stood with the taxpayers in rejecting those attempts to further increase taxes on working-class families.

If the majority leader's balanced budget plan, with its $245 billion in tax relief, had been signed into law instead of stopped with a Presidential veto last December, April 15 would have been very different for the millions of Americans who dread the annual arrival of tax day.

Let me describe the tax day that could have been under the Republican balanced budget plan.

A family sits down at the kitchen table to tackle their Federal tax return, but it is not with the sense of foreboding they usually feel this time of year. They have heard that when Congress and the President enacted a balanced budget, they created changes in the tax laws that are making a dramatic difference for middle-class families like theirs.

Because both parents have jobs—let us say one owns their own small business and the other works part time at a local hospital—the first decision they have always had to make in the past was whether to file jointly or as individuals. Back then, filing as a family always came at a cost because of a glitch in the tax code called the marriage penalty. Because the marriage penalty required joint filers to pay higher taxes than if they had filed separate returns, it seemed as though the Government was discouraging family life, instead of trying to nurture it.

But no longer, because they notice immediately under the balanced budget bill that Republicans passed, sent to the President and which he vetoed, they notice that under that plan the marriage penalty had been eliminated, meaning families are no longer unfairly penalized through higher taxes.

That is the tax day I fought for. That is the tax day every Republican supported.

That is hypothetically again under a tax date that could have been.

As this family works through the form, they discover several other ways in which the Federal Government has rewritten the tax code to help bring families together and keep them strong.

They are the proud parents of three children, the youngest of whom they adopted just last spring. To help defray the enormous costs a family can incur during the adoption process, the new laws allow them take a tax deduction of up to $5,000 for adoption expenses. By reaching out to families willing to make room for a child without a home, this new tax policy makes sense, they decide.

To keep their family together, the young couple decided several years ago to move an elderly parent into their home and care for them there. They count themselves fortunate that they have been able to keep three generations together under the same roof, but it has stretched the family budget at times. They are pleased to learn that Congress has recognized this by allowing them to subtract $1,000 from their total tax liability to help offset the cost of caring for an older relative.

For families, the cost of health insurance and medical care can be overwhelming, and the challenges are even greater when they own a farm or a business.

While most working people receive their insurance through their jobs, small business owners and farmers usually purchase their own. Our mythical taxpayer has been able to deduct 30 percent of the cost of the health insurance premiums in past years, but they discover today that under the tax bill, the Balanced Budget Act that the Republicans passed, sent to the President, but again he vetoed, under that bill, the new tax rules would have allowed them a 50-percent deduction for self-employed individuals. It is still not the full 100-percent deductibility that large employers enjoy, but think it is a good start.

One unanticipated expense that recently came their way was the purchase of a new home. That required dipping into an IRA to help finance the downpayment, which used to mean a hefty tax penalty. No longer—families are now allowed to withdraw up to $10,000, penalty free, for first-time home purchases and certain other expenses.

And by the way, the student loan that helped finance a college education is no longer the financial drain it used to be, now that the Federal Government is allowing taxpayers to deduct up to 20 percent of the interest—as much as $500—every year for 5 years.

As they reach the end of the tax form, they discover the best news has been saved for last. After they have calculated their total tax liability, they then subtract a $500 tax credit for each of their three children. That is $1,500 of their own money that Washington is not going to take, which they can put toward meeting the needs of their family, not merely feeding the Federal bureaucracy. And best of all, this $500 per-child tax credit comes in addition to the $2,500 tax exemption for dependents.

They sign their 1040 and seal it away in its envelope, pleased that Washington is finally enacting tax policies that are putting families first.

That is the tax day BOB DOLE delivered to the American people by passing the Balanced Budget Act. Unfortunately, because President Clinton has an entirely different view of tax day—and proved it with his veto pen—the April 15 I have described is nothing more than the tax day that could have been.

While this administration went on the offensive against families by vetoing the $500 per-child tax credit, elimination of the marriage penalty, adoption and eldercare tax credits, and tax incentives designed to create jobs and boost salaries, Republicans, BOB DOLE, and NEWT GINGRICH put this Congress on record as standing squarely alongside the working families of America.

As long as taxes keep rising, the dollars Americans have left over to provide for their families will keep falling. And so it has been the Republicans' goal—the Dole-Gingrich goal—to help Americans earn more money and keep more of the money they earn, so they can do more for themselves, their kids, their communities, their churches.

I look forward to having a President who will sign legislation which helps the hard-working middle-class taxpaying families of America.

Thank you very much, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from North Carolina.

Mr. FAIRCLOTH. I thank the Chair.

(The remarks of Mr. FAIRCLOTH pertaining to the introduction of S. 1853 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. BENNETT). Who yields time?

Mr. COVERDELL. Mr. President, in just a moment I am going to yield up to 5 minutes to the Senator from Wyoming.

Mr. President, over the last couple of years—since August 1993 when we got the largest tax increase in American history—instead of the tax reduction that had been promised—the figure of about $250 billion has been used over and over, and we need to put that figure in context—the actual tax increase from 1994 to the year 2002, or the 7 years that we all talk about, is $500 billion—$500 billion in new taxes from this administration, half a trillion dollars; that instead of the tax relief that was promised. And that is why I say there should be a relevance between what one says as he seeks office and what he does if he is fortunate enough to achieve it.

Mr. President, I yield up to 5 minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I think there is nothing more important as we look toward an election, as we look toward closing this session of the Congress, as voters and citizens, than examining some of the things that are really important in making these decisions.

I think I must tell you I have been distressed, somewhat, over the last couple of years about this tremendous communication system we have where, for the first time ever, whatever happens in the world, you just instantly know about it. I compare that to what it must have been like 100 years ago. In my State of Wyoming, people did not know what in the world happened in Washington. They probably did not care very much, but they did not know for a very long time. Now we know and we have the greatest communications system, but I have to say I think we have developed this sort of spin process to where it is very difficult for us to know what the facts are so we can make decisions. That is really what this whole thing is about. That is what this Congress is about, what this Senate is about, is making choices, hard choices.

I guess, again, I reflect on elections where—obviously, you are not able to talk with candidates about 800 different issues which will be talked about during the course of a year here. So, instead, you have to sort of talk about philosophy and talk about where you stand and talk about the values that you have that you measure the issues against so the people that you talk to can say, "Yes, I understand. I understand that set of issues. So when I measure against that, I have a pretty good hunch as to how those decisions will be made."

Never have we had, I do not think, as clear a set of choices as we have had this year and will have in the coming year. I certainly respect that there are different philosophies and different points of view. We get up here and argue, often, the merits of the issues, which is valid, but when you really get down to it, what we are really talking about is the difference in philosophies.

A balanced budget is probably the most significant item we have talked about this year, the most significant item that has been brought before all of us as citizens: Whether we are going to be responsible for the spending, whether we are going to be morally responsible to pay for it as we use it, whether we are going to be fiscally responsible, to not spend more than we take in. Everyone says that is a great idea, but not everyone agrees with doing something about it. That is the choice you have. We have everyone saying, yes; we want to balance the budget. But then we have a vote and we do not have enough to get a constitutional amendment to do it.

So I think we have some real choices. We have to decide for ourselves what it is that we think is important.

Regulatory relief—I do not think anyone would reject the notion or resist the idea that we are overregulated. Overregulation is difficult for the economy, it causes fewer jobs, it causes less prosperity. We can change it. Everyone is for it, except when you get to it, and then they do not do it.

Welfare reform—we all talk about welfare reform. Is there anybody who says, "Oh, no, we do not need to change welfare, it is perfect"? Of course not. Do we get it done? No; we sent it to the President, and he vetoed it. This is the same President who campaigned on welfare reform.

So, these are the kinds of choices we have to make all the time. It seems to me it has become increasingly important that there is some credibility to where you stand, philosophically, on issues. Should we have less Federal Government or more? That is pretty basic, pretty basic stuff. When you talk about many of these issues, that is really the core issue. Should we do it here? Does it need to be done? Could it be done better? Could we, in fact, shift it to the States, closer to people, where it can better be done? That is a good issue. Less government or more? More regulation or less?

There are even some more basic issues, I think. They have to do with personal responsibility. They have to do with whether or not you really believe—and I really believe, I do believe —that we are responsible for our own actions. My wife happens to be a high school teacher. She probably says more often than anything else, "You are responsible for your own behavior. You are responsible for your own actions." If that is good enough for kids, it is good enough for us, too. That is how you build a strong freedom, a democracy, is people being responsible for their own actions.

But when you take a look at some of the issues we find ourselves saying, discretely, "Well, no, the Government really ought to be responsible for that. After all, there are a lot of things I am really not responsible for, so somebody else must be." That is pretty basic stuff.

BOB DOLE will be here for the last time tomorrow. I cannot help but think here is a man who has served his country for so long and has consistently been for the things that he said he was for, voted for them and supported them. He is not someone who has said, "Yes, I think I am for that," and then shortly after, "Well, I am not sure, I am really for something else. Yes, I am for it, but I am not going to vote for it, not that." BOB DOLE has been consistent in what he is for.

Responsible spending—throughout his career he has been for less government rather than more. He has been on the side of moving more and more government back to the States and local government, closer to people, so people can participate. He has been for self-responsibility, for sacrificing for his country. These are the things that—as I said, I think we had 800 votes or something last year on all these issues. But when you peel it all away, there is some pretty basic, fundamental stuff people either believe in or they do not.

There is another legitimate point of view—more government. A lot of people think the Government does a better job of spending money, that the way to balance the budget is to raise taxes, not to decrease spending. That is a legitimate point of view. I do not happen to share it, but it is a legitimate point of view.

I guess what I am really saying is, we are going to have another opportunity, our biennial opportunity, as citizens, to evaluate where we think we should go, in your Government—in our Government; what you think are the fundamental pillars of defending democracy and freedom.

I have had a couple of chances the last couple of years to go some other places. Frankly, I come back feeling more strongly about the elements of democracy and freedom and self-government than I ever did before. So we have that opportunity now. We will be measuring all of our candidates and all of our issues based on what we think is right and who we think will follow what they said they were going to do, where the credibility lies; people upon whom you can depend to stay with what they say. Mr. President, it seems to me that is kind of the real, old-fashioned, fundamental issue of this country. I am excited we are getting onto it.

I appreciate my friend from Georgia having this conversation about where we are going, his conversation of credibility, of being able to rely on what we say we are going to do, and do it. We have set about to do that this year. I am pretty proud about what we tried to do. I am sorry we have not come to closure on more things, but we have changed the total debate here.

Two years ago, no one was talking about balancing the budget. Now it is not a question of whether we are going to do it, it is a question of how we are going to do it. And that has been because I think we brought, from the last election, many of us, a message that said: "Look, we expect you to make some changes. You say you are going to have less Government, it is going to cost less and have less regulation. Do it." That is what we are seeking to do.

Mr. President, I yield the floor.

Mr. COVERDELL. Mr. President, I know the Presiding Officer would like to make some comments. In a moment, I will replace you so you can do that.

I want to thank the Senator from Wyoming, once again, for the excellent presentation he makes over and over on the Senate floor.

Just a moment ago, I mentioned this $500 billion tax increase that occurred in August 1993. The point I am making, Mr. President, is in 1992, the President said this:

> I've offered a plan to get the economy moving again, starting with a middle-class tax cut.

"Starting with a middle-class tax cut." Within 8 months, it became the largest tax increase in American history on the middle class. An average family in my State is paying $2,600 more in taxes and economic burden as a result of the actions and policies of an administration that promised just the reverse. With that, I will be glad to relieve the Chair.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Chair recognizes the Senator from Utah.

Mr. BENNETT. I thank the Senator from Georgia for his courtesy and his support and his leadership in putting together this afternoon's objectives.

As I understand it, we are talking this afternoon about the crossroads that America finds itself at in this quadrennial year, 1996. It is leap year; it is the year for the Olympics; and it is the year Americans decide who gets to stay in the White House until the next leap year and the next Olympics.

As I look back on 1992, the last time we had one of these elections—I have a very clear memory, because 1992 was the year that I ran for the Senate. It was a very interesting year. President Clinton was then Governor Clinton, and he was attacking an incumbent President. Ultimately, the Clinton message in 1992 came down to a single word. The word was "change." President Clinton was campaigning in favor of change and was calling upon Americans to vote resoundingly for change. I had a very strong reaction to that, because ultimately my campaign for the Senate came down to a single word, and that word was "change." I campaigned for change.

I got here and met the other freshman Senators in that group and found that virtually every one of them, regardless of party, had campaigned for change. I remember one of my colleagues on the Democratic side saying that she received a phone call some 3 weeks after the election and the voter said: "I voted for change. Where is it?"

She said: "I haven't even taken office yet."

The caller said: "Well, you promised me change, and you haven't produced, and I'm impatient."

What kind of a change did President Clinton give us once he did take office and take the oath of office? It was very interesting here as a Member of this body to see what happened. He became, if you will, co-opted by the Democratic leadership in this House and in the other one.

Senator Mitchell said, "You don't need to talk about reducing the size of the congressional staff, we already did that."

"Oh," said President Clinton, "I didn't know that, so we'll allow spending as usual to go on in the Congress."

"Well, what about changing the Tax Code?"

"Oh, you don't need to do that," said Senator Mitchell and Speaker Foley, "we've already taken care of the Tax Code. As a matter of fact, what changes you do need in the Tax Code should be on the upside rather than the downside."

"Oh," said President Clinton. "Well, as long as you tell me that's what it ought to be, I will do it."

I remember the first major battle we had in this Chamber on the issue of change. The President proposed an emergency appropriations bill. Now, Mr. President, what does it mean when you say "an emergency appropriations bill"? I had to ask that question. I was new; I didn't understand. They explained it to me. If you have an emergency appropriations bill, that means it does not have to fall under the restrictions of the reconciliation bill or the budget bill. That means it goes directly into the deficit without stopping any way through. We had a $19 billion emergency appropriations bill on this floor that we had to have to meet all the emergencies.

What were the emergencies? Well, there was a warming hut that needed to be built by a skating rink somewhere in New England. Great emergency. Somehow they had gotten by skating on that pond or that local rink for a long time, but now there was an emergency; we had to have that warming hut. We had to have a whole series of things that were in that genre, and

BOB DOLE from this desk stood up and said, "No."

I realized, from that desk way over there, as a very new freshman, that what we were seeing was not change; it was business as usual. Promise one thing, then when you get to the Congress, when you get in office, cloak everything you do in confusing terms, call this an emergency; but basically pork-barrel spending for the President's political base in the same pattern as it had always been.

What we were seeing was an attempt at business as usual and from Senator DOLE an attempt to stop business as usual and produce change in the way things were done. From this very desk where I stand today, BOB DOLE organized the Republicans in this Chamber who stood together in defiance of business as usual and brought about the first demonstration of real change in the way business is done when, by use of the filibuster, they stopped the President's stimulus package and insisted that those spending items had to be put in the budget.

I remember, Mr. President, we wore buttons that said, "Just pay for it." Do not let it go directly to the deficit and borrow money. Find a place where you would pay for it with some kind of spending cuts someplace else for these emergencies.

When it finally happened, the Presiding Officer remembers, we ended up passing that portion of that appropriations bill that was really needed, but somehow the rest of it disappeared and the Republic survived. The emergency passed and no dire consequences occurred.

I must confess, I do not know if the warming hut on the skating rink ever got built. I rather suspect that it did, if the local community that wanted it wanted it badly enough. But somehow we saw the beginning of real change by virtue of BOB DOLE's leadership standing up to political business as usual in that circumstance, and that went on all through the 103d Congress, until in the election of 1994, the American people said, "We want change," even more loudly than they said it in 1992. Only this time the President got the message in a different fashion. Not one single incumbent of the party opposing the President was defeated in that election. Not one. That is an extraordinary historical fact. This has never happened before, that I know of, in American history.

The Republicans took control of both Houses of Congress and the President suddenly got very, very nervous on the issue of change, because the Republicans were determined to produce change, the change that President Clinton promised before he slipped into the control, if you will, of the Democratic leadership of the Congress, and blame the advocate of business as usual.

As I say, we are coming up to another election. I was at a dinner party a month or so ago where a number of people were talking politics. It is hard to go to a dinner party in this town where people do not talk politics. The host said, "I want to pose a couple questions." He said, "If Bill Clinton is reelected, what will he do in his second term?" or, conversely, "If BOB DOLE is elected, what will he do in his first term?"

Interesting. No one at the party had the slightest idea what the answer to the first question was. Nobody knew what Bill Clinton will do in his second term. Will he revive health care as a major issue? No one knew. Will he try to restructure the Tax Code, either raising or lowering? Nobody knew. What will he do about balancing the budget? Nobody had the slightest idea.

Then someone said, "Well, what would BOB DOLE do if he got elected?" "Oh, he'll work on restructuring the Tax Code. He'll work toward a balanced budget." He will do a whole list of things. I said, "Wait a minute. BOB DOLE is supposed to be the candidate with no vision. Bill Clinton is supposed to be the candidate that has a clear idea where he wants to take the country. Why can't any of you tell me what Bill Clinton will do in his second term, but you all can give me answers to what BOB DOLE would do in his first term?"

We all looked at each other as if we made a great discovery, that Bill Clinton talks about this and he talks about that, and he gives speeches saying we have to reform welfare, and he says the Republicans are right on a whole bunch of issues, and he seems to be co-opting all of the Republicans' positions, but he never really makes it clear what he intends to do if he gets elected.

In the language of the business world, he is keeping his options open. In other words, he is keeping himself in a circumstance where he can go wherever he wants if he gets elected without ever tipping his hand as to what his intentions really are.

Mr. President, let me tell you what I think his intentions really are. I have tried to examine the entrails of this particular owl and see if I can read them and come up with a prediction of the future. So let me take a stab at it.

I believe Bill Clinton does have a clear idea of where he wants to take America. I go back to the 1992 campaign when he was asked for his vision and he said, "I am concerned about the security of every American, the security of their job, the security of their income. I want an America that will make everyone secure."

Have we heard this before? Yes, Mr. President. This sounds like the rhetoric of most European politicians. I believe Bill Clinton wants to make the United States a modern European industrial state. Let us pick one as an example. I do not know whether he has this one in mind.

Germany is a modern industrial European state. I think it is no accident that the first priority that President Clinton had was to give America a health care system modeled on the German model. What happens in a modern European industrialized state? Well, there is a lot of security. If you lose your job in Germany, the Government steps in and you can live for a long time on the kinds of payments the Government will give you.

Indeed, unemployment in Europe is twice as high as it is in the United States and four and five times as long. If you lose your job in the United States, statistically you are likely to find a new one in 6 months. The majority of people who are unemployed find a job within 6 months or less in the United States. Something like 60, 70 percent of the people who are unemployed in Europe stay unemployed for 4 and 5 years.

This is the kind of country we would have if we were a modern European industrialized state: Unemployment twice what it is in the United States today, a tax burden of higher income taxes, higher payroll taxes, and consumption taxes, to boot, that would be close to something like a 14 percent national sales tax—that is the value-added tax level in Europe, different maybe in different countries, but basically around 14 percent—a much higher deficit, and a much higher national debt in proportion to the size of our economy.

As concerned as we are about our national debt, our national debt is the lowest of all of the industrialized countries in the world. President Clinton would like to take us in that direction. I sit on the Joint Economic Committee. President Clinton's principal economic adviser, Dr. Laura Tyson, testified before the committee after the Clinton administration took power.

She said to us on that committee—I still remember it very clearly—she said, "Compared to the other industrialized nations of this world, the United States is seriously undertaxed," and then implied this administration is going to fix that.

No. I think we know the direction in which President Clinton would go in a second term. It is the direction toward turning the United States into a North American version of Germany or France or Sweden, just as those countries are desperately trying to get out from under the kind of governmental control that has grown up there since the Second World War and are grasping to become more like the United States.

There is an alternative, of course, in November. That is the candidate for whom, in my belief, the principal interest is not security, but opportunity, an opportunity for a good job, an opportunity for a good education, an opportunity to contribute, to build, to save, to create circumstances for one's family that can make those circumstances better.

Opportunity is a little scarier than security. But throughout history, opportunity pays better. Countries that are built on opportunity do a whole lot better than countries that focus entirely on security.

So, Mr. President, I thank the Senator from Georgia for giving us this opportunity to talk about the differences that are going to be starkly portrayed between now and November.

As I get ready for the November election, I am going to go back to 1992 in my old play book and pull out the word "change" that worked so well in 1992 for all of us, and recognize that in 1996 BOB DOLE will be the candidate of change and Bill Clinton will be the candidate of the status quo. BOB DOLE will be the one who wants to take the Tax Code and turn it into an engine of opportunity. Bill Clinton will be defending the Tax Code and saying, it is just fine except it needs to be a little higher here or there.

BOB DOLE will be the one who is saying we must change welfare so these people have an opportunity to get off of it. Bill Clinton is the one who will be saying, no, let us hang on to the basic principles of the status quo and across the board.

In 1992, the American people said, "We want change." They got business as usual. In 1994, the American people even said more loudly, "We want change." Unfortunately, they have gotten gridlock because the White House has not gone along with the change that came by virtue of the Congress.

In 1996, the American people will have one more opportunity to say, "We want change," and this time achieve it if they give BOB DOLE the opportunity to carry out that which he has told us he will do instead of voting to keep the status quo.

Mr. President, I yield the floor.

(Mr. BENNETT assumed the chair.)

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I appreciate the remarks of the Senator from Utah. The Senator brings a very interesting perspective when he points to trying to determine what the administration's plan would be in that second term. When you alluded to the industrialized societies of Europe, I was particularly taken with the comment about unemployment, I think running around 12 percent, in Germany today. What was once an enormous competitive force, and we have all thought of as a competitive force, is now struggling with the burdens of a government that ensnares every facet of life for the people of Germany.

I yield up to 10 minutes to the good Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

THE VOID IN MORAL LEADERSHIP—PART XI

Mr. GRASSLEY. Mr. President, we now have the classic example of duplicity in budgeting. It's the first clear example of budgetary duplicity since the infamous magic asterisk made famous by David Stockman. This time, it is by the President himself.

The example is revealed courtesy of my colleague from Missouri, Senator BOND. He has laid out a compelling case that shows when the White House speaks about its budget, it speaks with two voices. One voice emanates from the left side, the other from the right side. Not surprisingly, this is so the President can have it both ways. They can have their cake and eat it too.

The consequence of this duplicity is continued public cynicism. These days, that's a cardinal sin of any political leader. it undermines the confidence of our citizenry in its political leaders and in our system of government.

Those watching from their homes, Mr. President, often get confused by our arcane budget process and terminology. So I want to explain this duplicity in normal, everyday language.

As a big taxer and big spender, the President's political strategy is to spend money to make all his special interests happy. He already passed the largest tax increase in the history of the country back in 1993. Now, he wants to use those revenues to spend more just before he's reelected.

The problem is, his budget would deficit-spend forever. It would never be in balance.

More than 80 percent of the American people want a balanced budget. Republicans criticized the President for not having a balanced budget. The criticism worked. It was scoring points with the public. That's because they support a balanced budget overwhelmingly.

The President was on the political run. So he had a decision to make. He still wanted to spend all the money necessary to make his special interests happy. But he also wanted the public to think he had a balanced budget. That way, he could put a stop to all the criticism about not having a balanced budget. And, he would also not offend his political supporters. In other words, he could have his cake and eat it too.

There's only one problem with this. To pull that off, the President would either have to make tough choices, or he'd have to use some sleight-of-hand. Sleight-of-hand won out.

And so, the President presented his budget to Congress and the public. In doing so, he presented two budgets. One was $67 billion more expensive than the other.

Depending on who he was talking to, he would reference one budget or the other. For instance: If he was talking to critics who said his budget didn't balance, he'd point to the one that's $67 billion cheaper. If he was talking to his special interest friends whom he didn't want to offend, he'd point to the one that had $67 billion more in it.

That way, the President hoped to satisfy everyone, and offend no one.

There's evidence of this.

Senator BOND received testimony from their different heads of agencies that confirm the budgetary shell game. EPA Director Carol Browner, HHS Secretary Donna Shalala, and NASA Administrator Dan Goldin each suggested that the White House told them not to worry about future budget cuts in their agencies that would occur under the balanced budget version.

In other words, the White House fully intends to honor the more expensive budget, rather than the balanced budget. But the President doesn't want to say that before the election so he can't be criticized for having a bloated budget.

What this shell game shows is a White House that plays fast and loose with honesty. It is duplicitous. It's saying one thing out of one side of the mouth, and another out the other side. In the final analysis, the President intends to abandon a balanced budget, should he survive his effort for a second term.

There's an even more serious and destructive game the White House is playing in its budget. The issue is the veterans' budget. The Secretary of Veterans Affairs is the Honorable Jesse Brown. Mr. Brown confirmed this before Senator BOND's subcommittee.

He confirmed that, even though the President's budget would decimate veterans, the President has assured him he will renegotiate the veterans' budget every year. In other words, veterans funding, too—just like all the others—will also go up, allegedly. That would put even more pressure against a balanced budget.

The problem with this example, Mr. President, it's more than simply a shell game. It's a total disavowal of the President's veterans budget, by the President's own people. Worse, by the President himself. It's an official budget that's not official. And that, Mr. President, is a matter of budget integrity. And this budget lacks integrity.

The budget of the United States represents the official statement of policy of a President. If that is true this President's statement of policy is one of duplicity. And it lacks credibility and integrity.

And that, Mr. President, is the mark of a failed leader. A leader who undercuts his own moral authority to lead the Nation. You cannot be a leader if your policies reflect duplicity, a lack of credibility, and a lack of integrity.

This is the 11th in a series of talks, Mr. President, that I have shared with my colleagues on my observations about the President's failure to lead by example. His failure of moral leadership.

If our leaders continue to lead this way, public cynicism—already at dangerous levels—will reach critical mass. We cannot continue to serve the people of our country in this way.

Republicans have tried to lead by example. We put our money where our mouths were. We passed congressional accountability, putting Members of Congress under the same laws as we passed for the rest of the country. We passed a balanced budget last year. And, we'll pass another one later this week.

But the President will veto a balanced budget again, without an honest alternative of his own. This is failed leadership of the worst kind, Mr. President.

Finally, Mr. President, I commend Senator BOND for his outstanding detective work in surfacing this budget duplicity on behalf of the American people.

Mr. COVERDELL. Mr. President, I believe we have gone past the allotted time by several minutes.

I ask unanimous consent that we be allowed up to 15 more minutes to conclude our remarks.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, I commend all the Senators who have come to the floor and discussed the general premise that there should be a relationship between what officeholders say during the course of seeking the office and what they do once they achieve it.

We talked about the fact that the administration talked about a tax reduction to the middle class and then raised taxes on them up to $500 billion. We have talked about this budget duplicity, which we just heard about here today. We talked about the issue of being for a balanced budget, but then coming foursquare against the balanced budget, an amendment to the Constitution that would do nothing more than allow the issue to go to the several States. Yet, there was fear even of letting that go to the people.

I am going to mention one other, as we close out, because the administration has talked frequently about its concern over crime in our country. By anyone's observation today, you cannot separate crime from drugs. And if there is one thing laying at the foot of this administration, it is the fact that they altered dramatically the drug policies that governed from 1980 to 1992—that 12-year period that saw massive reduction in the use of drugs at all levels.

Between 1979—to give some examples, Mr. President—and 1992, drug use was cut in half in America. There is no way we will ever know the millions of families—sisters, brothers, friends, next-door neighbors—that were saved from tragic consequences because of policies that discouraged the use of drugs.

Under this administration, marijuana use among young people has increased an average of 50 percent across all age groups. Teenage drug use has risen every year under this administration. In 1992, at the beginning of the administration, 2.4 million of our youth used drugs. Today, the figure is 3.8 million—up 58 percent. This, Mr. President, is an epidemic.

Use of marijuana, ages 14 to 15, is up 200 percent since 1992. Marijuana use among eighth graders was 3.7 percent in 1992. Today, it is 7.8 percent—a 110-percent increase.

Hallucinogens, LSD and PCP, were at 5.8 percent up to 1992, and now it is 9.3 percent—up 60 percent.

There were 146 people in the office of the drug czar when the President took office. He took it down to 25 people and has only recently discussed increasing it—I am sure as a result of these epidemic numbers that I am describing to you here today.

The list goes on and on. But what has resulted, Mr. President, is that the combination of changing the policies, moving away from interdiction—those budgets went down—and moving away from law enforcement, emphasizing rehabilitation, I would have never believed, Mr. President, that those changes in policy could have such a massive and rapid response. Remember, we had a Surgeon General that was suggesting, early in this administration, that it was OK to legalize drugs.

The fact that these drug policies changed was de-emphasized, and the White House never talked any more about drugs. Some made fun of Nancy Reagan's "Just Say No," but we can use a little bit more of that now. What happened was our youth, very quickly, began to believe that drugs were no longer a problem.

The result has been that, thinking it is no longer a problem, they are more willing to experiment with drug use. The result of that is that we have recreated a drug epidemic in our country of immense proportions, and there are millions of families that are going to suffer the consequences because we have not put up the fight. Whether it is a sister, a brother, a neighbor, someone in our town, someone across the hall in the workplace, we have created millions of casualties in America.

The administration is talking more about drugs, but it is still not getting the job done. President Clinton requests 19.4 percent less funding for prevention in 1997 than he requested in 1996. So we still have a pattern that is ignoring this crisis.

Now, this crisis reverberates through our hemisphere. Our fellow countries in the hemisphere are now coming under a deluge from the drug cartel. President Zedillo of Mexico said that there is no greater threat to his Republic than the drug cartel.

This is a massive crisis that must be confronted very quickly in the balance of this decade as we move to the new century, if we are going to save millions of American casualties, from crack babies to drug use. This is the first time in my life that we have actually witnessed a war that is directed at kids—people 8 to 12 years old.

The last drug crisis focused principally on people who were 16, 17, 18, 19, and 20 and now it has moved down to 8, 9, 10, 11, and 12, and this ought to command the attention of every policymaker—a mayor, a Governor, a county commissioner, and, yes, the President of the United States.

Mr. President, I am about to yield the floor. I want to reiterate what I said when we began—that there should be a relationship between what policymakers say to our citizens and what they do. You ought not to promise tax relief and then raise taxes. You ought not say you are for a balanced budget and then fight it at every turn. You ought not to say that you are fighting to win this drug war and then turn a lot of it off, because that creates cynicism in our country. It really does. It makes people sit back and wonder about their Government. In every way that we can we ought to stress that relationship between what we run for and what we stand for and what we do. There should not be a great distance in the rhetoric and the deed. As near as possible they should match. We have emphasized here this afternoon that in all too many cases in the last 36 months they have not.

SENATOR BOB DOLE

Mr. COVERDELL. In closing, Mr. President, one of the speakers a little earlier, I think Senator BENNETT of Utah, talked about Senator DOLE and this desk. Tomorrow Senator DOLE will leave his beloved Senate. And I said after his announcement that I would never look at this desk and not see the distinguished Senator from Kansas.

So, in closing, I just want to, as a precursor for tomorrow, wish him well, wish him Godspeed, wish him a safe journey, and to be among the millions of Americans to thank him for all that he did for his State, for this Senate, and for the United States of America.

With that, Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HERBERT CLARK AND LOU HOOVER

Mr. GRASSLEY. Mr. President, a distinguished Iowan once wrote: "I prefer to think of Iowa as I saw it through the eyes of a 10-year-old boy. Those were eyes filled with the wonders of Iowa's streams and woods, of the mystery of growing crops. They saw days filled with adventure and great undertakings, with participation in good and comforting things. They saw days of stern but kindly discipline." That 10-year-old Iowa boy later became the 31st President of the United States. Herbert Clark Hoover was the first U.S. President to be born west of the Mississippi River.

President Hoover's home until he was 11 years old was in West Branch, IA. And the Hoover Presidential Library in West Branch is the place where he returned upon his death in 1964. Born into a Quaker family in 1874, he was raised in the Quaker tradition by his parents until their untimely deaths. Then, he was raised by other family members. During his formative years, he was taught the principles of honesty, hard work, simplicity, and generosity.

Herbert Hoover's life was one of great undertakings. An accomplished and successful engineer, he put his organizational skills to work during the First World War. In England at the outbreak of the war he helped, often with his own money, to get his fellow Americans back home. When Belgium was invaded and the Belgian people were in need of food, Herbert Hoover responded. He instituted food relief efforts as the head of the Belgian Relief Campaign. He organized the acquisition, delivery, and distribution of tens of thousands of tons of food. Thousands were saved from a horrible death by starvation. Herbert Clark Hoover proved himself to be one of the great humanitarians of the world.

President Woodrow Wilson subsequently appointed Herbert Hoover as Food Administrator of the United States. From this position he oversaw the Government's food conservation program for the duration of the war.

During the terms of Presidents Harding and Coolidge, Hoover served as the Secretary of Commerce. Then in the election of 1928, the people of this great country honored him by electing him their 31st President. It is important to note that during his public service, Herbert Clark Hoover did not accept a salary from the people. His reward was in his service to his fellow Americans. I wonder how many of us today are prepared to do the same.

Honesty, hard work, simplicity, and generosity—the principles that Herbert Hoover learned as a boy and practiced all of his adult life. These are principles which all of us try to teach our children. Once learned and once practiced, they can change the world.

Lou Henry Hoover, a Waterloo, IA native, was active alongside her husband. She was the first Iowan to be First Lady. Such a splendid couple they made together.

Lou Hoover received eight honorary degrees in recognition of her public service. Twice she was president of the Girl Scouts of America. While in that position, she began the Girl Scouts cookie sales program, which has become an American tradition.

Lou also promoted women's athletics, helping to found the National Amateur Athletic Federation. She served as president of the Women's Division from 1922 to 1940.

Significantly, in 1929, First Lady Lou Henry Hoover broke the White House racial barrier by entertaining the wife of Oscar DePriest, a black Congressman from Chicago.

Many Americans are cynical of those of us in public life today. They think of us as being self-serving. This is unfortunate. This is not healthy for our country. Perhaps if we look closely at the lives of men and women like Herbert and Lou Hoover and try to follow more closely in their footsteps of humanitarianism, dedication to public service, and the spirit of giving freely of themselves, we could begin to regain more of the public's trust.

Iowans proudly gave up the Hoovers to the world. And when the Hoovers gave up this world, Iowans were deeply honored that they chose to return home to Iowa. Herbert and Lou Hoover—great humanitarians of the world—exemplify the Iowa spirit.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, June 7, 1996, the Federal debt stood at $5,133,885,689,631.55.

On a per capita basis, every man, woman, and child in America owes $19,703.31 as his or her share of that debt.

PIKE-HUSKA AMERICAN LEGION AUXILIARY UNIT NO. 230

Mr. PRESSLER. Mr. President, I want to take a moment to pay tribute to the American Legion Auxiliary Unit No. 230 in Aurora, SD, for their actions to encourage democracy. The Pike-Huska Unit provided a forum for voters to meet the candidates for city council and learn more about each candidate's individual platform. As this election year evolves, we are reminded by the Pike-Huska American Legion Auxiliary of the importance of voter education and participation. I believe citizens should closely follow the voting records of their elected officials and keep up on current events. An informed electorate is central to maintaining a truly representative democracy. It is no wonder South Dakotans historically have one of the highest voter participation rates in the Nation—South Dakotans are active believers in democracy.

I ask unanimous consent that the information sent to me by the organization's secretary, Margaret Allstot, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AURORA, SD,
March 27, 1996.

Hon. LARRY PRESSLER,
U.S. Senate, Russell Office Building,
Washington, DC.

DEAR SENATOR PRESSLER: Last evening our American Legion Auxiliary, Unit 230, Pike-Huska Post, Aurora, South Dakota, sponsored an election forum for candidates who are funning for our town council. We had printed flyers notifying both the candidates and the residents of the community of this event. We asked the local Boy Scout Troop to hand distribute the flyers which they did. We asked local residents to be moderator and time-keeper for our forum. We also contacted the local radio station and newspaper to publicise this event. We served coffee and cookies at the end of the forum.

The forum was well attended and issues brought forth and discussed along with meeting the candidates, some of whom were not well known. We felt we had offered a worthwhile project for our Auxiliary Unit, for both Americanism and for Community Service.

I am proud to be a part of an organization who recognizes as its responsibility of helping citizens to be better informed to use their privilege of freedom of voting. Hence, I request that this project be placed in the CONGRESSIONAL RECORD.

Thank you,

Sincerely,

MARGARET ALLSTOT,
Secretary.

"KNOW YOUR CANDIDATES" FORUM, TUESDAY, MARCH 26, 1996

CANDIDATES FOR CITY COUNCIL

Mayor:

2 year: John Barthel, Stu Salzman.

Alderman:

Ward 1, 1 year: Dale Niskimins, Charles Tiltrum.

Ward 1, 2 year: Jon Geise.

Ward 2, 2 year: Bob Anderson, Doris Scanlon.

Come meet your candidates and learn their platforms on many key issues concerning our city government and their duties and goals.

1. Maintenance
2. Law Enforcement Contract
3. Garbage Disposal/Recycling
4. Long-term Goals
5. Special Interests/Improvements/Industry

Sponsored by the American Legion Auxiliary Unit #230, Aurora

NOTICE OF PROPOSED RULEMAKING

Mr. THURMOND. Mr. President, pursuant to section 304(b) of the Congressional Accountability Act of 1995 (2 U.S.C. sec. 1384(b)), a notice of proposed rulemaking—extension for period for comment has been submitted by the

Office of Compliance, U.S. Congress. The notice extends the period for public comment on a notice of proposed rulemaking relating to Section 220(e) of the Congressional Accountability Act, published in the CONGRESSIONAL RECORD dated May 23, 1996.

Section 304(b) requires this notice to be printed in the CONGRESSIONAL RECORD, therefore I ask unanimous consent that the notice be printed in the RECORD.

There being no objection, the notice was ordered to be printed in the RECORD; as follows:

JUNE 7, 1996.

OFFICE OF COMPLIANCE

NOTICE OF PROPOSED RULEMAKING—EXTENSION OF PERIOD FOR COMMENT

A Notice of Proposed Rulemaking [NPR] for the proposed regulations implementing Section 220(e) of the Congressional Accountability Act of 1995, was published in the CONGRESSIONAL RECORD dated May 23, 1996. This notice is to inform interested parties that the Board of Directors of the Office of Compliance has extended the period for public comment on the NPR until July 1, 1996. Any questions about this notice may be directed to the Office of Compliance, LA 200 John Adams Building, Washington, DC 20540-1999; phone: (202)724-9250; fax:(202)426-1913.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I ask unanimous consent I have the opportunity to speak for up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. I thank the Chair.

(The remarks of Mr. ASHCROFT pertaining to the introduction of S. 1854 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

D-DAY

Mr. DOLE. Mr. President, I would like to just make reference to a statement about D-day, which I should have made a few days ago. I want to at least have it in the RECORD before I leave.

Mr. President, 52 years ago on June 6, Gen. Dwight Eisenhower made this dramatic announcement from London:

> People of Western Europe: A landing was made this morning on the coast of France by troops of the allied expeditionary force . . . the hour of your liberation is approaching.

As Eisenhower made that announcement, 130,000 American and Allied troops under his command, stormed onto the beaches along the coast of Normandy, France.

On that same day—June 6, 1944—another 23,000 British and American airborne forces were parachuted or taken by glider to secure critical inland areas.

The courage and dedication exhibited by these soldiers on that day and in the weeks that followed led to the liberation of Europe and the defeat of fascism.

As we mark the 52d anniversary of D-day, we must also look to the future, and remember the lessons that World War II taught us—and holds for us still.

We learned that we cannot turn our backs on what happens in the rest of the world.

We learned that we can never again allow our military to reach low levels of readiness and supplies.

We learned that we cannot appease tyrants and despots.

We learned the critical importance of American leadership.

And, perhaps above all, we learned that while leadership may carry a heavy price—it is a price well worth paying.

Mr. President, on this, my final D-day as a U.S. Senator, I would like to pay tribute to my colleagues who along with this Senator, served their country in World War II.

That rollcall includes the names of: Senator DANIEL AKAKA, U.S. Army; Senator DALE BUMPERS, U.S. Marine Corps; Senator JOHN CHAFEE, U.S. Marine Corps; Senator JAMES EXON, U.S. Army; Senator JOHN GLENN, U.S. Marine Corps; Senator MARK HATFIELD, U.S. Navy; Senator HOWELL HEFLIN, U.S. Marine Corps; Senator JESSE HELMS, U.S. Marine Corps; Senator ERNEST HOLLINGS, U.S. Army; Senator DANIEL INOUYE, U.S. Army; Senator FRANK LAUTENBERG, U.S. Army; Senator DANIEL PATRICK MOYNIHAN, U.S. Navy Reserve; Senator CLAIBORNE PELL, U.S. Coast Guard; Senator BILL ROTH, U.S. Army; Senator TED STEVENS, U.S. Army Air Corps; Senator JOHN WARNER, U.S. Navy; and, of course, our colleague who landed a glider behind enemy lines on D-day, Senator STROM THURMOND, U.S. Army.

Mr. President, on June 6, and all the days to follow, we can best honor those who risked and gave their lives for freedom by rededicating ourselves to the promise that President Reagan made on behalf of America on the beaches of Normandy 12 years ago:

> We will always remember. We will always be proud. We will always be prepared, so we may always be free.

SMALL BUSINESS AGENDA

Mr. DOLE. Mr. President, this is Small Business Week, a time when we honor the entrepreneurs and risktakers who make this country great. It is also a good time for taking stock of what we are doing to enable this Nation's small businesses to grow and prosper—especially without the Federal Government standing in the way. The administration has portrayed itself as a friend of small business, claiming numerous accomplishments. Not surprisingly, those claims are hollow. The Senate and House Small Business Committees each had oversight hearings during the last few days. These hearings were intended to examine implementation of the small business agenda, all of which were part of the final recommendations of the 1995 White House Conference on Small Business. In almost every case, on issues of paramount importance to small business, the administration has opposed its agenda by either threatening to veto legislation, by actually vetoing legislation that gets to the President's desk, and by failing to implement the legislation he has signed into law. One example of the administration's tendency to talk but not to follow through is implementation of the Paperwork Reduction Act. GAO reported yesterday that the administration had set a Government-wide goal of 10 percent reduction. EPA set a 25-percent reduction goal. The reality has been less than 1 percent reduction. The overall paperwork burden remains about the same: around 7 billion hours per year, a huge problem for small businesses which have real work to do.

The Small Business Committee cited a number of legislative initiatives which we have tried to advance. In every case, the administration has stood in the way. The Small Business Committee's report card on these issues gives the administration a failing grade.

In some cases, President Clinton actually vetoed legislation of great importance to small business. Like the Balanced Budget Act, or product liability, which limited the amount of punitive damages that may be assessed against small businesses, but where the administration sided with the trial lawyers. President Clinton vetoed legislation which would have increased the deduction for health insurance costs of the self-employed. He vetoed estate tax reform, which would have reduced the estate tax when a family-owned business passes from one generation to the next. Almost as bad, the administration has threatened to veto almost every bill small business needed. Regulatory reform, which required that every rule ensure that benefits justify costs, was veto-bait to the President. Ironically, these are requirements contained in President Clinton's own Executive order. But an Executive order lacks the enforceability of a statute, and apparently here, too, the administration did not have the courage of its convictions. Likewise, he has threatened to veto legislation that would ensure that farmers, small landowners, or any citizen would be entitled to the constitutional right of compensation if the Government takes his property. The property rights bill would also help small business get through the judicial quagmire they face now.

President CLINTON said he would veto OSHA reform legislation. He has threatened to veto the Team Act, which would allow managers and employees to work together to resolve workplace issues. Likewise, he has threatened to veto repeal of the 1931 Davis-Bacon Act, which makes it hard for many small businesses to participate in Federal contracts.

All in all, the issues of great importance to small business have been blocked by this administration. But we will keep trying to clear the way for the real entrepreneurs who are the backbone of this Nation. We owe them all our thanks. But more importantly, we owe them real action, not just rhetoric.

APPOINTMENT BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, pursuant to Public Law 104–127, appoints the following individuals to the Water Rights Task Force: Sherl L. Chapman, of Idaho, and Richard K. Golb, of California.

APPOINTMENT BY THE DEMOCRATIC LEADER

The PRESIDING OFFICER. The Chair, on behalf of the Democratic leader, pursuant to Public Law 104–127, appoints Elizabeth Ann Rieke, of Colorado, to the Water Rights Task Force.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting one withdrawal and sundry nominations which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

H.R. 3120. An act to amend title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.

EXECUTIVE COMMUNICATION REFERRED

The following executive communication, previously referred to the Committee on Commerce, Science, and Transportation, was referred as indicated:

EC–2782. A communication from the Director for Executive Budgeting and Assistance Management, Department of Commerce, transmitting, pursuant to law, concerning grant and cooperative agreement cost principles, (RIN0605–AA10) received on May 22, 1996; to the Committee on Governmental Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2946. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of two rules includes the rule entitled "The Acid Rain Program," (FRL5513–4) received on May 31, 1996; to the Committee on Environment and Public Works.

EC–2947. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the rule entitled "Hazardous Waste Treatment, Storage, and Disposal Facilities Waste Generators (FRL5509–4) received on June 3, 1996; to the Committee on Environment and Public Works.

EC–2948. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report relative to the review of potential health effects from the use of magnetic levitation for railroad transportation; to the Committee on Environment and Public Works.

EC–2949. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, a report relative to an extreme fire hazard in the State of Texas; to the Committee on Environment and Public Works.

EC–2950. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the report of informational copies of three lease prospectuses; to the Committee on Environment and Public Works.

EC–2951. A communication from the President of the United States, transmitting, pursuant to law, the report concerning the extension of waiver authority for the People's Republic of China; to the Committee on Finance.

EC–2952. A communication from the President of the United States, transmitting, pursuant to law, a report concerning Serbia and Montenegro; to the Committee on Banking, Housing, and Urban Affairs.

EC–2953. A communication from the Corporation For Public Broadcasting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–2954. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report relative to the International Labor Organization; to the Committee on Foreign Relations.

EC–2955. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report relative to the United Nations and the Specialized Agencies; to the Committee on Foreign Relations.

EC–2956. A communication from the Acting Administrator of the U.S. Agency For International Development, transmitting, pursuant to law, the report of economic support fund program allocations for fiscal year 1996; to the Committee on Foreign Relations.

EC–2957. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report relative to the Organization for Security and Cooperation in Europe; to the Committee on Foreign Relations.

EC–2958. A communication from the Under Secretary of State and the Under Secretary of Commerce, transmitting jointly, pursuant to law, a report relative to export controls; to the Committee on Foreign Relations.

EC–2959. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report relative to the International Customs Observer Mission in Bosnia; to the Committee on Foreign Relations.

EC–2960. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the status of Exxon and Stripper Well oil overcharge funds as of September 30, 1996; to the Committee on Energy and Natural Resources.

EC–2961. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on the Colorado River Basin Project during water year 1995; to the Committee on Energy and Natural Resources.

EC–2962. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the San Sevaine Creek Water Project; to the Committee on Energy and Natural Resources.

EC–2963. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the San Sevaine Creek Water Project; to the Committee on Energy and Natural Resources.

EC–2964. A communication from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, the report of the financial statements of the Colorado River Basin Project for fiscal year 1994; to the Committee on Energy and Natural Resources.

EC–2965. A communication from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, the report of the financial statements of the Colorado River Basin Project for fiscal year 1995; to the Committee on Energy and Natural Resources.

EC–2966. A communication from the Chairman of the Mississippi River Corridor Study Commission, transmitting, pursuant to law, a report relative to a Mississippi River National Heritage Corridor; to the Committee on Energy and Natural Resources.

EC–2967. A communication from the Chairman of the Surface Transportation Board, transmitting, pursuant to law, the rule entitled "Exemption from Regulation-Boxcar Traffic," received on June 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2968. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, a rule concerning U.S. Coast Guard Vessel Traffic Services Systems, received on May 31, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2969. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, a rule concerning digital devices received on May 30, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2970. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report concerning the security measures at the Hellenikon International Airport; to the Committee on Commerce, Science, and Transportation.

EC–2971. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report on products used for airport pavement maintenance and rehabilitation; to the Committee on Commerce, Science, and Transportation.

EC–2972. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of three rules including a rule entitled "Groundfish of the Gulf of Alaska," received on May 29, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2973. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled "Groundfish of the Bering Sea and Aleutian Islands Area," received on May 30, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2974. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled "Groundfish Fishery of the Bering Sea and Aleutian Islands Area," received on May 29, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2975. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled "Pacific Halibut Fisheries," received on May 29, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2976. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of six rules including a rule entitled "Vehicle Identification Number Requirements," (RIN2127–AF69, 2127–AF46, 2137–AC66, 2115–AE46) received on June 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2977. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twenty-three rules including a rule entitled "Child Restraint Systems," (RIN2120–AF52, 2120–AF57, 2120–AA63, 2120–AA66, 2120–AA64) received on June 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2978. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Groundfish of the Gulf of Alaska," (RIN0648–AI56) received on May 29, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2979. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Foreign and Domestic Fishing," (RIN0648–AC61) received on May 20, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2980. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of three rules including a rule entitled "General Provisions for Domestic Fisheries," received on June 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2981. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Northeast Multispecies Fishery," (RIN0648–AI94) received on June 3, 1996; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. FAIRCLOTH:

S. 1853. A bill to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property; to the Committee on the Judiciary.

By Mr. ASHCROFT (for Mr. DOLE (for himself, Mr. HATCH, Mr. LOTT, Mr. ASHCROFT, Mr. GRASSLEY, and Mr. INHOFE)):

S. 1854. A bill to amend Federal criminal law with respect to the prosecution of violent and repeat juvenile offenders and controlled substances, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAMM (for himself and Mr. D'AMATO):

S. 1855. A bill to reduce registration fees required to be paid by issuers of securities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FAIRCLOTH:

S. 1853. A bill to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property; to the Committee on the Judiciary.

THE CHURCH ARSON PREVENTION ACT OF 1996

Mr. FAIRCLOTH. Mr. President, over the weekend in my home State of North Carolina, a small black church—the Matthew Murkland Presbyterian Church was destroyed by fire.

This is truly a terrible act. I cannot think of a more despicable act than to burn any church. Nevertheless, this is the 30th such fire for a black church in the last 18 months. In fact, there are reports of another occurring last night.

At this time, we do not know if this is a nationwide effort by some hate group, or the acts of crazed individuals. I would suspect that some of this has been organized, and that some of these are copycat crimes.

Whatever the motivation, the legislation I am introducing would clarify that to burn any church is a Federal crime. Further, this lowers the threshold of damage necessary to make it a Federal crime from $10,000 in damages to $5,000 in damages.

This makes certain that those that are doing this on an organized basis across the Nation will surely be brought to justice for the crimes they are committing.

This is the same bill that Congressmen HYDE and CONYERS have introduced in the House of Representatives.

The President has announced his support for this legislation. It is my hope that the Congress can act on this bill soon and send it to the President.

By Mr. ASHCROFT (for Mr. DOLE (for himself, Mr. HATCH, Mr. LOTT, Mr. ASHCROFT, Mr. GRASSLEY, and Mr. INHOFE)):

S. 1854. A bill to amend Federal criminal law with respect to the prosecution of violent and repeat juvenile offenders and controlled substances, and for other purposes; to the Committee on the Judiciary.

THE VIOLENT AND REPEAT JUVENILE OFFENDER REFORM ACT OF 1996

Mr. ASHCROFT. Mr. President, it seems like the latest incomprehensible tragedy is only the next newspaper away. Today we have an epidemic of juvenile crime. It means that frequently students are unable to focus on their lessons as they seek to enhance their capacity to be of service to themselves, their family, and fellow man as they are in school. They are diverted and distracted because they have concerns about their own safety. They fear they might be robbed or raped. It is not a question of someone throwing spit balls. As a matter of fact, an 8-year-old girl from St. Louis wrote me that crime is real. It has to do with weapons. It has to do with people losing their lives. Young children are afraid. Citizens are afraid to leave their homes because they fear the senseless, mindless attack of predatory youngsters who have become a major threat to the personal security and integrity of individuals in our culture.

We rejoice in the fact there has been some drop in overall crime rates. Frankly, crime rates had nowhere else to go, in general, but down. But they are coming down, and I am pleased by it. But I think it is important we not be deluded, we not be fooled. The fact that, overall, crime rates are coming down should not mask something which should alert us and should literally prompt us into significant response, and that is that, while, overall, crime rates are going down, juvenile crime rates have been skyrocketing. So those components of the crime rate which would signal what we can expect in the future are telling us to beware, to be alert, to brace ourselves, because between 1988 and 1992, juvenile arrests for violent crime increased by 47 percent while adult violent crime arrests increased only by 19 percent. So we had a 2.5-to-1 higher increase, higher explosion in growth in juvenile crime.

Juvenile murders increased by 26 percent, forcible rapes by 41 percent, juvenile robberies by 39 percent, aggravated assaults by 27 percent—an exploding, growing, expanding threat to the safety and security and integrity of the population. Frequently, because we are talking about juveniles, we are finding these individuals are being sent back into classrooms. Teachers do not know what these individuals have done because juvenile records are most frequently sealed. Other students are not aware of the specific conduct, though they frequently know someone has been in trouble. So you get a tremendous wave of insecurity in the classroom.

I think most of us understand, when we work on legislation here, we need a secure environment. We invest substantially in a secure environment here. Yet, when we are preparing the next generation to literally lead America, we have students in our public schools, and teachers, who are having constantly to look over their shoulders, unaware, not knowing, not confident, distressed, discomfited by the fact that we have frequently sent these folks right back into our schools. And our schools are unaware.

I talked to a teacher who indicated she knew there were several people in her classroom who were being housed in a residential juvenile detention facility, sent into the school, some of them even having these electronic shackles, the bracelets they have to wear around their ankle that allows the law enforcement community to monitor their whereabouts. But these students would refuse to tell the teacher the kinds of crimes or offenses which they have been convicted of, so a teacher in the classroom looks at the student and the student says: You know I have been convicted of a crime but I am not going to tell you whether I raped someone or murdered someone or assaulted someone. You just cannot know that.

I submit to you that is not a healthy environment. But it is not just the school environment for which we must be concerned. It is the environment in which we maintain our homes. It is the streets of America, which we must literally reclaim.

I believe the Dole-Hatch bill, which I have just sent to the desk, is a much needed effort to curtail these astronomical growth numbers and to fulfill the first duty of government. We have gotten awfully expansive of government. We teach people how to raise flowers. We address a wide variety of issues—research. But the first, the fundamental duty of government, the reason for which government was initially convened, is to provide for the safety and security and the integrity, the dignity of individual human beings, so we can be free from assault, so we can have the potential of reaching the level of achievement for which God created us and for which God placed in us this potential.

I believe we have to return to that fundamental. The Dole-Hatch bill is a bill which is designed to address violent juvenile criminal activity. It is designed to sweep away the sort of idea that it is something we can ignore or simply patch over. We have to address it constructively. It will remedy misguided Federal efforts to excuse juvenile behavior because people are just juveniles. It will begin to provide a basis for accountability.

I have to say I understand there are a number of juveniles who will not become career criminals. We do not want them to. We would not make that any more likely with this bill. But I think, for very serious juvenile offenders, we have to send a serious signal to them about the nature of their activity.

President CLINTON yesterday warned of a potential wave of juvenile crime in the next 5 years. The truth of the matter is, it is not a wave, it is an explosion. The President recommended a so-called gentle combination of laws and prevention programs to deflect this onslaught of violent teens.

I have to say I believe a gentle combination will not get the job done. I think we have to begin to treat criminals as criminals. For those individuals who commit rape, armed robbery, murder, armed assault, major drug offenses, we cannot have any more gentle approaches. We have to say you are going to have to stand for trial as an adult.

The Federal Government's response, and President CLINTON'S response, his solution, is always to offer more money for social programs such as delinquency prevention, treatment, recreation. I have held hearings around my State. I know the Senator from Iowa has held hearings around his State. We have talked to juvenile officials, those who deal with the juveniles. We have talked to sheriffs. We have talked to prosecutors. We have heard them tell us how juvenile individuals who are involved in criminal acts are simply playing the system. They sometimes look forward to a juvenile detention facility. They know they can hide behind their status as juveniles, that they do not have to be really answerable for their activities.

The administration has not been active in prosecuting those who have offended the Federal laws. There have only been 233 convictions in the Clinton administration of juveniles as adults. I think for the major categories of criminal activity when juveniles are committing crimes which, if committed by adults, would be felonies, we need a serious approach.

One of the things that stunned me about the testimony of Prof. John DiIulio from Princeton, one of the leading criminologists in America, is his report that when he interviews inmates of major prisons, their main worry is about the young prisoners who are going to be sent in. They are so hardened as criminals and have been allowed to be so indiscriminate in their violence before they finally get thrown into jail that the old-time criminals are scared stiff. They are afraid of what is happening.

Those on the inside, the old-time, long-time criminal element in our Nation's prison systems, are fearful because they see what we have done by turning our heads to activity, so long as it is conducted by a juvenile, and allowing individuals to harden their approach to the safety and security and integrity of other individuals, and they are afraid. America needs to respond, and it needs to respond dramatically.

The Dole-Hatch bill, also cosponsored by Senator LOTT and myself and, I am pleased to say, Senator GRASSLEY is to be added as an original cosponsor of the bill, is a measure which would begin to focus the energy and resources of the Federal Government on this part of crime, which is exploding, this part of crime which is growing at an incredible rate: juvenile crime; violent repeat juvenile criminal behavior.

The estimated total amount of Federal appropriations used for at-risk and delinquent youth was more than $4 billion last year. Of these billions sent to the States, a very few million were to be used for investigation, prosecution, and detention. It is time we looked carefully at how we can assist States and how we can carry our share of the load in the Federal Government as it relates to actually prosecuting those individuals who are guilty of committing acts which, if committed as adults, would be clearly and simply felonies.

They threaten the lives of people, they undermine the security of their property, they destabilize and disrupt our educational process. It is something which we cannot tolerate, it is something with which we cannot be coddling, it is something with which we must be forthwith. We can do much more, and the Dole-Hatch bill is an enormous step in the right direction.

Let me briefly give you some of the things that are important about the Dole-Hatch bill which I believe make it a very promising way to address this most serious problem.

One of the difficulties in the area of juvenile laws is the fact that juvenile records frequently have been sealed. Proceedings of juveniles are closed proceedings. Records are not available. Teachers who have to deal with these individuals in schools do not know what they have on their hands.

I talked to the sheriff—and I am sure my colleague from Iowa, Senator GRASSLEY, has talked to local officials—but I talked to the sheriff in Moniteau County, MO. The biggest town in Moniteau County is California, MO. People say they are going to California in central Missouri. People do not think you are going to the west coast, they think you are going to California, MO. It is not a big town.

I asked what his No. 1 crime problem was, and he said it was juveniles coming in from out of State trying to set up a drug operation in Moniteau County and he could not call the States from which these juveniles came and get their records, because there was a big blanket of security, security for the criminal but not for the society, a blanket of nondisclosure over juvenile records. I think it is high time that when people commit felonious acts, when they are criminals, that we have an understanding of what they have done and then when they move on to another jurisdiction, we have to be able to find out what their history is.

I talked to a judge not too long ago. He said he was sentencing an 18-year-old for murder. He thought it was the individual's first offense. Inadvertently did he discover the individual was originally from the west coast and had a juvenile record that included other murders. I do not think it is fair to expect a judicial system to operate in relation to repeat offenders, repeat violent predators and to allow those repeat violent predators to have the presumption that they are first offenders when they have a rap sheet as long as from here to Chicago.

The truth is, if those people do criminal acts, those acts ought to be made available to law enforcement officials, judges, schoolteachers and school officials, not only because we will know how to take steps to protect the other students and the school environment—that would be enough of a reason—but we can do our best to change the way people operate, we can do our best to help them redirect their lives if they are not allowed to hide under a shield of juvenile laws that keep their records from being known.

A significant part of the Dole-Hatch proposal is that such records can be maintained and developed at Federal expense if such records are made available to law enforcement and school authorities, including those outside the State. The juvenile community in America is very mobile. The Bloods and the Crips are no longer focused on the seaboards of this country. I am sure they are in Oklahoma City, like they are in Kansas City and some, from time to time, are found in smaller cities of Missouri and across the United States of America.

It is fundamentally important that we not provide this blanket of security for criminal activity; that we expose to the light of day the acts of individuals whose conduct threatens the very security and integrity and dignity of the American public and also threatens substantially our ability to operate our public schools. I, for one, am loath to see us fail to protect our public education system.

Second, this measure provides States will get 50 percent more in funding if they prosecute as adults juveniles 14 or older who commit murder, rape, armed robbery, aggravated assault, and distribution of controlled substances. The funding will be substantially greater to States who decide to get serious.

I do not think it is unfair at all for the Federal Government to say we are not interested in providing resources just for social programs. If we are really worried about the threat to the integrity, to the security, to the safety of our citizenry, then for States who are really serious about protecting them, we will provide more funding. States who are serious enough to provide real prosecutions will get additional funding.

The bill establishes an Office of Juvenile Accountability to assist the States in the prosecution of offenders and in combating youth violence. To get funding, States would have to make reasonable efforts to ensure by 2002 that juvenile proceedings will be open to the public, that juvenile records will be made available to schools and law enforcement agencies, and that fingerprint records will be kept for all juvenile offenders.

The idea that we have repeat, serious predatory criminals who are not fingerprinted because they are juveniles and we do not have the capacity to follow their activities and to monitor what they are doing is an idea whose time has passed. It is time for us to understand that it is not spitballs in the hall and it is not just truancy. We have major criminal activity, and we should respond to it as such.

Reform of the Federal juvenile justice system would be included here. It would hold juveniles 13 or older accountable as adults for the commission of violent crimes, such as murder and robbery, drug trafficking, or if they have been adjudicated delinquent on three previous offenses which, if the activity had been committed by an adult, would have been felonies.

What we are really talking about here is focusing our attention on those juveniles who have been extremely disruptive and violent and who have decided that they can game or take advantage of the system, and, when they take advantage of the system, to hide under it as juveniles. We have to say there is no hiding place down here. We simply have to say very clearly, "If you're going to make a conscious decision to be involved in criminal activity, then you'll be treated as a criminal, not as a juvenile."

Note what we do not do here. We do not say that everyone's first encounter with the law, if it is for some kind of activity which is not serious, automatically puts them into the adult criminal system. Ninety percent of all the juveniles that encounter our system encounter it once. They have learned their lesson.

This system does not do anything to deal with those individuals unless they have committed murder, rape, armed robbery, armed assault, or major drug trafficking crimes. And you are pretty sure that is not a first encounter of someone with the system. So for the individuals in our juvenile justice system for whom the system has worked, this system does not affect them. But it begins to say, for those in the 10 percent that are involved in the serious, repeat, predatory, violent crimes of rape, armed robbery, armed assault, murder, major drug trafficking, those individuals are to be treated as criminals because they are involved in criminal activity.

It is my judgment that it is beyond time for us to recognize that the times have changed, that criminal activity and juvenile delinquency is not what it once was. It is a new category of offense. It demands a new category of response.

The same responses that have worked in the past will not work in the future, not unless we are willing to accept the tidal wave, this explosion of countercultural crime. It is against the culture which says crime is going down overall. It is countercultural because it is going up dramatically.

We owe it to every man, woman, and child in America to do what we can to protect their integrity for their personal safety, the safety and security of their property as well as their persons. We owe it to every schoolteacher. We owe it to every schoolchild. We owe it to individuals who are trying to prepare themselves for a future in these United States of America so they can build these United States of America rather than tear down these United States of America. We owe them schools that are safe enough in which to learn.

The Dole-Hatch bill, which addresses the core problem of violent, hard-core, repeat juvenile offenders, will do exactly that. It focuses the resources on investigation and prosecution. It does not focus the resources where we have had $4 billion spent previously, coinciding with the explosion of juvenile crime in the culture. It does not deny that effort that is being made to try to provide the right reinforcements and support for individuals who want to stay straight, but it says that effort can no longer characterize solely what we are doing.

We must be willing to get involved in investigation, prosecution, detention, and punishment for individuals involved in predatory crimes which deprive us of our security, of our integrity and our safety. And we must treat those who choose to be criminals as criminals in order to address this serious problem.

So I am pleased to have this opportunity to submit the Dole-Hatch measure addressing this serious problem of violent, repeat, hard-core juvenile offenders and to commend the majority leader and the chairman of the Judiciary Committee for this farsighted measure, which will take serious steps to curtail this threat to the liberty which all Americans have a right to enjoy.

By Mr. GRAMM (for himself and Mr. D'AMATO):

S. 1855. A bill to reduce registration fees required to be paid by issuers of securities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE SECURITIES AND EXCHANGE COMMISSION FEE REDUCTION ACT OF 1996

• Mr. GRAMM. Mr. President, today, I am joined by Banking Committee Chairman D'AMATO in introducing the Securities and Exchange Commission Fee Reduction Act of 1996. This legislation is similar to a bill that was approved overwhelmingly by the House of Representatives earlier this year, and it should enjoy similar support in the Senate.

Today, so-called user fees collected by the Securities and Exchange Commission [SEC] will pay for the entire SEC budget nearly three times over. These fees have become transformed into a tax on investment and capital formation. The legislation that we are introducing today will reduce these excess fees in stages over a period of 5 years until the amounts collected are approximately in line with the budget of the SEC.

Mr. President, permit me to review the history of these fees, so that this bill, and its importance, can be placed in context. For many years a variety of user fees have been assessed to support the budget of the SEC. The most significant of these fees is assessed on new securities issues as they are registered with the Commission. A lesser fee is imposed on New York and American Stock Exchange trades.

From their inception, fees were kept minimal, closely related to the cost of actually running the SEC, and therefore could be called user fees, paid so that the SEC could guard the integrity of our securities markets, a clear benefit to everybody. That began to change with the 1990 budget. The slump in market activity following Black Monday in 1987 caused worry in some quarters that the money generated by existing fees might not keep pace with the growing budget of the SEC. So the registration fees were raised, temporarily. That not only made up for lost revenue, it inadvertently produced annual surpluses of up to $70 million over and above the SEC's budget.

Creating a surplus by raising a fee is a dangerous precedent. Before 1992, the SEC user fees had become a cash cow. Even so, the registration fee ratio was altered again. The surplus then jumped to $180 million and had continued to climb each year since. It will approach $400 million this year.

It it improbable that a more destructive way to raise revenues could be found. Not unlike an increase in interest rates, the registration fees increase the cost of raising equity capital, with the unavoidable result that equity investment is lower than it would otherwise be. These fees have raised the cost of entry into the equity markets.

The cost to the economy is immense. These fees tax our economy's seed capital—the money needed to create a harvest of new jobs, goods, services, economic growth, and opportunity. Clearly, the cost of these taxes imposed on new stock issues and stock trades measured in loss of economic activity must be counted in billions of dollars.

Since a tax on new issues and equity transactions must be among the most inefficient ways to raise revenues, such a tax should never be used to fund general government. That is why I oppose setting fees at a level higher than necessary to fund the SEC. The adoption of this bill will return us to this principle, which governed SEC fees prior to the change in 1990.

These excess fees have been recognized as a tax by the House Ways and Means Committee. This fact resulted in a near shutdown of the SEC 2 years ago in a dispute between the Appropriations and Ways and Means Committees over jurisdiction for tax legislation. To prevent a recurrence of that problem, a compromise was reached whereby the Ways and Means Committee will withhold its objections to such fees being raised in appropriations bills, but only while the excess fees are on track to their elimination. This bill implements that compromise, which also has the full support of the authorizing committee in the House and the SEC.

This legislation is revenue neutral, since the excess SEC fees have not been used for deficit reduction but rather as offsetting collections in appropriations bills. The fees collected for deficit reduction purposes remain unchanged.

Mr. President, this position finds a strong consensus in this Congress. The legislation adopted by the House of Representatives had the support of Republicans and Democrats and was carefully crafted in consultation with the Ways and Means, Commerce, and Appropriations Committees of the other body. I believe that the companion bill we are introducing today will find similar support here.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1855

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Securities and Exchange Commission Fee Reduction Act of 1996".

SEC. 2. REDUCING REGISTRATION FEES.

Section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) is amended to read as follows:

"(b) REGISTRATION FEE.—

"(1) FEE PAYMENT REQUIRED.—

"(A) IN GENERAL.—At the time of filing a registration statement, the applicant shall pay to the Commission a fee that shall be equal to the sum of the amounts (if any) determined under the rates established by paragraph (3).

"(B) PUBLICATION OF FEES.—The Commission shall publish in the Federal Register notices of the fee rates applicable under this subsection for each fiscal year.

"(C) AMOUNTS OF FEES.—In no case shall a minimum fee required by this subsection be greater than $100.

"(2) GENERAL REVENUE FEES.—

"(A) RATE.—The rate determined under this paragraph is a rate equal to—

"(i) during each fiscal year before fiscal year 2002, $200 for each $1,000,000 of the maximum aggregate price at which the subject securities are proposed to be offered; and

"(ii) during fiscal year 2002 and each succeeding fiscal year, $182 for each $1,000,000 of the maximum aggregate price at which the subject securities are proposed to be offered.

"(B) REVENUES OF TREASURY.—Fees collected during any fiscal year pursuant to this paragraph shall be deposited and credited as general revenues of the Treasury.

"(3) OFFSETTING COLLECTION FEES.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), for each $1,000,000 of the maximum aggregate price at which the subject securities are proposed to be offered, the rate determined under this paragraph is a rate equal to—

"(i) $103 during fiscal year 1997;

"(ii) $70 during fiscal year 1998;

"(iii) $38 during fiscal year 1999;

"(iv) $17 during fiscal year 2000; and

"(v) $0 during fiscal year 2001 or any succeeding fiscal year.

"(B) LIMITATION; DEPOSIT.—Except as provided in subparagraph (C), no amounts shall be collected pursuant to this paragraph for any fiscal year except to the extent provided in advance in appropriations Acts. Fees collected during any fiscal year pursuant to this paragraph shall be deposited and credited as offsetting collections in accordance with appropriations Acts.

"(C) LAPSE OF APPROPRIATIONS.—If, on the first day of a fiscal year, a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this paragraph at the rate in effect during the preceding fiscal year, until such a regular appropriation is enacted.''.

SEC. 3. TRANSACTION FEES.

(a) AMENDMENT.—Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"SEC. 31. TRANSACTION FEES.

''(a) EXCHANGE-TRADED SECURITIES.—

''(1) RATE.—Each national securities exchange shall pay to the Commission a fee at a rate equal to—

''(A) $33 for each $1,000,000 of the aggregate dollar amount of sales of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange during the period to which the fee relates under subsection (d); and

''(B) for fiscal year 2002 and each succeeding fiscal year, $25 for each $1,000,000 of such aggregate dollar amount of sales during the period to which the fee relates under subsection (d).

''(2) REVENUES OF TREASURY.—Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.

''(b) OFF-EXCHANGE-TRADES OF EXCHANGE-REGISTERED SECURITIES.—

''(1) RATES.—Each national securities association shall pay to the Commission a fee at a rate equal to—

''(A) $33 for each $1,000,000 of the aggregate dollar amount of sales transacted during the period to which the fee relates under subsection (d) by or through any member of such association otherwise than on a national securities exchange of securities registered on such an exchange (other than bonds, debentures, and other evidences of indebtedness); and

''(B) for fiscal year 2002 and each succeeding fiscal year, $25 for each $1,000,000 of the aggregate dollar amount of sales referral to in subparagraph (A) during the period to which the fee relates under subsection (d).

''(2) REVENUES OF TREASURY.—Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.

''(c) OFF-EXCHANGE-TRADES OF LAST-SALE-REPORTED SECURITIES.—

''(1) COVERED TRANSACTIONS.—Each national securities association shall pay to the Commission a fee at a rate equal to the dollar amount determined under paragraph (2) for each $1,000,000 of the aggregate dollar amount of sales transacted during the period to which the fee relates under subsection (d) by or through any member of such association otherwise than on a national securities exchange of securities (other than bonds, debentures, and other evidences of indebtedness) subject to prompt last sale reporting pursuant to the rules of the Commission or a registered national securities association, excluding any sales for which a fee is paid under subsection (b).

''(2) FEE RATES.—Except as provided in paragraph (4), the dollar amount determined under this paragraph is—

''(A) $12 for fiscal year 1997;

''(B) $14 for fiscal year 1998;

''(C) $17 for fiscal year 1999;

''(D) $18 for fiscal year 2000;

''(E) $20 for fiscal year 2001; and

''(F) $25 for fiscal year 2002 or for any succeeding fiscal year.

''(3) LIMITATION; DEPOSIT OF FEES.—Except as provided in paragraph (4), no amounts shall be collected pursuant to this subsection for any fiscal year beginning before October 1, 2001, except to the extent provided in advance in appropriations Acts. Fees collected during any such fiscal year pursuant to this subsection shall be deposited and credited as offsetting collections to the account providing appropriations to the Commission, except that any amounts in excess of the following amounts (and any amount collected for fiscal years beginning on or after October 1, 2001) shall be deposited and credited as general revenues of the Treasury:

''(A) $20,000,000 for fiscal year 1997.

''(B) $26,000,000 for fiscal year 1998.

''(C) $32,000,000 for fiscal year 1999.

''(D) $32,000,000 for fiscal year 2000.

''(E) $32,000,000 for fiscal year 2001.

''(F) $0 for fiscal year 2002 and any succeeding fiscal year.

''(4) LAPSE OF APPROPRIATIONS.—If, on the first day of a fiscal year, a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this subsection at the rate in effect during the preceding fiscal year, until such a regular appropriation is enacted.

''(d) DATES FOR PAYMENT OF FEES.—The fees required by subsections (a), (b), and (c) shall be paid—

''(1) on or before March 15, with respect to transactions and sales occurring during the period beginning on the preceding September 1 and ending at the close of the preceding December 31; and

''(2) on or before September 30, with respect to transactions and sales occurring during the period beginning on the preceding January 1 and ending at the close of the preceding August 31.

''(e) EXEMPTIONS.—

''(1) COMMISSION AUTHORITY.—The Commission may, by rule, exempt any sale of securities or any class of sales of securities from any fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, the equal regulation of markets and brokers and dealers, and the development of a national market system.

''(2) LOW-VOLUME TRANSACTIONS.—No fee shall be assessed under this section for transactions involving portfolios of equity securities taking place at times of day characterized by low volume and during nontraditional trading hours, as determined by the Commission.

''(f) PUBLICATION.—The Commission shall publish in the Federal Register notices of the fee rates applicable under this section for each fiscal year.''.

(b) EFFECTIVE DATE; TRANSITION.—

(1) EFFECTIVE DATE.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply with respect to transactions in securities that occur on or after October 1, 1996.

(2) OFF-EXCHANGE TRADES OF LAST SALE REPORTED TRANSACTIONS.—The amendment made by subsection (a) shall apply with respect to transactions described in section 31(d)(1) of the Securities Exchange Act of 1934 (as amended by subsection (a) of this section) that occur on or after October 1, 1996.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect the obligation of national securities exchanges and registered brokers and dealers under section 31 of the Securities Exchange Act of 1934, as in effect on the day before the effective date of the amendment made by subsection (a), to make the payments required by such section on March 15, 1997.

SEC. 4. TIME FOR PAYMENT.

Section 4(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(e)) is amended by inserting before the period at the end the following: '', and the Commission may also specify the time that such fee shall be determined and paid relative to the filing of any statement or document with the Commission''.

SEC. 5. ELIMINATION OF UNNECESSARY FEES.

The fees authorized by the amendments made by this Act are in lieu of, and not in addition to, any fees that the Securities and Exchange Commission is authorized to impose or collect pursuant to section 9701 of title 31, United States Code.●

● Mr. D'AMATO. Mr. President, I am pleased to join my distinguished colleague and Securities Subcommittee Chairman, Senator GRAMM, in sponsoring legislation to fully and fairly fund the Securities and Exchange Commission. The Securities and Exchange Commission Fee Reduction Act of 1996 provides a long-term solution to the SEC's current funding problems.

The Securities and Exchange Commission is funded through offsetting collections to increases in its section 6(b) fees. Section 6(b) fees are paid by issuers who register their securities with the Securities and Exchange Commission. In the last several years, the section 6(b) fees assessed on issuers has resulted in fees collected by the agency that far exceeds the cost of regulation. Any fees raised over and above the Securities and Exchange Commission's budget are deposited into the General Treasury for deficit reduction. Last year, the SEC raised approximately $750 million in fees to pay for a budget of less than $300 million.

The section 6(b) fees have become a tax on capital formation. These user fees now raise enough money to fund the SEC three times. The proposed 1997 budget continues this trend by raising the statutory fee level and expanding the fee base. The 1997 budget proposal raises $776 million in fees to fund the SEC's $307 million budget.

The Securities and Exchange Commission Fee Reduction Act will stabilize the SEC's fee structure by reducing fees and increasing appropriations over a 5-year period. It will return the section 6(b) registration fees closer to the statutory level of one-fiftieth of 1 percent and it will create a more equitable fee structure by expanding current section 31 trading fees now paid only for transactions executed on securities exchanges to include transactions on the over-the-counter market. As fees are reduced over the 5-year period, direct appropriations will be used to fund the SEC.

Mr. President, the bill Senator GRAMM and I introduce today will create a permanent funding structure for the SEC that enables the agency to pay for itself. At one point several years ago, Congress considered making the SEC a self-funded agency. The fee structure in H.R. 2972 allows the SEC to be virtually self-funded, yet gives Congress greater control over the agency.

It is critical for Congress to ensure that a stable and fair funding structure exists for the agency responsible for safeguarding our preeminent capital markets. Further, fees paid by participants in the securities markets—particularly for capital formation—should bear a rational relationship to the cost of regulation.

In the words of Securities and Exchange Commission Levitt when testifying before the Commerce, State, Judiciary Appropriations Subcommittee: "In order to continue the Commission's excellent record of effective law enforcement, market oversight, and investor protection the SEC will need a long-term funding mechanism."

Mr. President, the bill we introduce today resolves the long-debated problem of how to provide the Securities and Exchange Commission with a permanent funding structure that allows the SEC to pay for itself. I commend my colleague from Texas for his leadership on this legislation and look forward to working with him to enact the Securities and Exchange Commission Fee Reduction Act of 1996.•

ADDITIONAL COSPONSORS

S. 794

At the request of Mr. LUGAR, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 800

At the request of Mr. COCHRAN, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 800, a bill to provide for hearing care services by audiologists to Federal civilian employees.

S. 1166

At the request of Mr. LUGAR, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1166, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances to safeguard infants and children, and for other purposes.

S. 1189

At the request of Mr. DEWINE, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 1189, a bill to provide procedures for claims for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products.

S. 1460

At the request of Mrs. BOXER, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1460, a bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

S. 1505

At the request of Mr. PRESSLER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1505, a bill to reduce risk to public safety and the environment associated with pipeline transportation of natural gas and hazardous liquids, and for other purposes.

S. 1612

At the request of Mr. HELMS, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1612, a bill to provide for increased mandatory minimum sentences for criminals possessing firearms, and for other purposes.

S. 1735

At the request of Mr. PRESSLER, the names of the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Wisconsin [Mr. FEINGOLD] were added as cosponsors of S. 1735, a bill to establish the United States Tourism Organization as a nongovernmental entity for the purpose of promoting tourism in the United States.

S. 1831

At the request of Mr. PRESSLER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1831, a bill to amend title 49, United States Code, to authorize appropriations for fiscal years 1997, 1998, and 1999 for the National Transportation Safety Board, and for other purposes.

ADDITIONAL STATEMENTS

COMMEMORATING THE BIRTH OF IMRE NAGY

• Mr. D'AMATO. Mr President, I rise today to call my colleagues' attention to the 100th anniversary of the birth of Imre Nagy, the Prime Minister of Hungary during the Hungarian revolt against Soviet Communist domination. Born on June 7, 1896, Nagy was executed after a secret trial for his role in leading the revolt.

His contribution to the Hungarian people and to the cause of freedom did not end with his execution on June 16, 1958. Thirty-one years later, after his secretly interred remains were exhumed, on June 16, 1989, over 100,000 people took part in public funeral services. This was a significant step in the fall of the Soviet Empire, lending impetus to Hungary's internal liberalization.

Over the summer of 1989, Hungary began to dismantle its part of the Iron Curtain on its western border. In September 1989, Hungary opened the border for East German refugees to travel to the Federal Republic of Germany.

This action sparked the exodus of East Germans to the West, and ignited a revolution in East Germany that later spread to Czechoslovakia. It led directly to the fall of the Wall, an event most Americans never expected to see in their lifetimes, and the eventual collapse of the Soviet Union, an even more improbable event.

Imre Nagy was a dedicated Communist, but he was also a patriotic Hungarian, and original thinker, a leader, and a very brave man. He fought for the Bolshevik forces during the Russian Revolution of 1917, and participated in the Bela Kun Communist regime in Hungary in March 1919.

After the fall of that regime, he spent the inter-war years in the Soviet Union, studying and making propaganda broadcasts back to Hungary.

After the Red Army drove Nazi forces out of Hungary at the end of World War II, Nagy returned and participated in the newly established Government, eventually becoming Prime Minister on July 4, 1953.

His rise to power in Hungary coincided with the death of Josef Stalin. He attempted to liberalize the Stalinist system that had been imposed on Hungary. His program of National Communism, however, posed a grave threat to Soviet domination. He was removed from government and expelled from the Hungarian Communist Party in 1955.

However, as the only communist who had the trust of the Hungarian people, he was recalled to be Prime Minister on October 24, 1956, after the Hungarian revolt had begun. He held that position until November 4, 1956, when the Soviet Red Army crushed the revolt in bloody combat.

Nagy sought asylum in the Yugoslav Embassy in Budapest, where he remained until November 22, 1956. Then, apparently believing the promises of safe conduct issued by the Janos Kadar government, he left the safety of the Embassy only to be arrested by Soviet forces.

He was turned over to Hungarian authorities, who tried him in secret and sentenced him to death. He refused an offer of clemency and was executed on June 16, 1958.

He had made the error of taking the promises of communism at face value, when they were false and fundamentally corrupt. He paid with his life for that mistake.

The selflessness, fearless valor, dedication to the cause of freedom, and love for his country Imre Nagy displayed throughout the Hungarian revolt of 1956 helped highlight the hypocrisy and reveal the basic evil nature of Soviet-style communism. It started a fire in the hearts of Hungarians that Soviet tanks and secret police were never able to extinguish.

Imre Nagy gave his life for eternal ideals: freedom, liberty, human dignity, and selfless love of his people. He saw that evil, in the form of Soviet-style communism, triumphed because too many good people, including political leaders, did nothing. Imre Nagy dreamed of change for the better for all Hungarians. He acted upon his dreams, showing true leadership, courage, and determination.

He paid the ultimate price for his convictions, but his sacrifice was not in vain. Hungary, along with other Eastern European nations, regained its independence in 1990, and the Soviet Union itself collapsed in 1991. His executioners killed Imre Nagy's physical body, but they could not kill his spirit. In the end, freedom triumphed, and I am confident that future generations will draw inspiration and courage from his example.

For his contributions to his country and the cause of freedom, Imre Nagy deserves to be remembered, not just by all those of Hungarian descent, but by all who love freedom.●

ORDERS FOR TUESDAY, JUNE 11, 1996

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m., Tuesday, June 11; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, there then be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each; I further ask unanimous consent that Senator NICKLES be in control of the time between 10 and 12 noon, with the exception of 15 minutes between 11:30 and 11:45 be reserved for Senator BYRD, and 10 minutes be reserved between 11:45 and 11:55 for Senator DASCHLE, and, further, that the majority leader be recognized at the hour of 12 noon—approximately 12 noon—and the Senate then stand in recess until the hour of 2:15 immediately following those remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, for the information of all Senators, on Tuesday morning there will be a period of morning business during which the Senate will consider any legislative or executive items that can be cleared. Following the 2 hours under the control of Senator NICKLES, the majority leader will be recognized. Following those remarks, the Senate will recess until the hour of 2:15 for the weekly policy conferences to meet. At 2:15, following the swearing in of Lieutenant Governor Frahm of Kansas as a U.S. Senator, the Senate will begin consideration of the budget conference report under the 10-hour time limitation. It is still hoped that much of the debate time will be yielded back so that the Senate may complete action during Tuesday's session of the Senate.

HEALTH CARE REFORM

Mr. DOLE. Mr. President, let me also indicate to my colleagues that we have just completed a very successful meeting with Republican House Members and Republican Senators on health care reform. We have now reached agreement on the Republican side. Senator KASSEBAUM, Senator ROTH, Congressman ARCHER, Congressman HASTERT, Congressman ARMEY, the Speaker, myself, Congressman KASICH, and many others have been involved in this process.

We believe that we have put together a good, solid, health reform bill that will help millions and millions of Americans. My only regret is that we cannot vote on it before I leave at 2 o'clock tomorrow. But we have the agreement. That is the important thing. I hope now that the Democrats, including the Senator from Massachusetts, Senator KENNEDY, will take a hard look at what we have been able to put together. In our view it goes a long way in ensuring portability. It does a great deal for the self-employed. It does a great deal in making health care affordable. It also will start the MSA process, medical savings accounts, which have broad appeal in this country.

We believe we are on the right track. So now it is up to the White House. It is up to the President. I hope the President will say this is good, this is close enough, maybe not everything he wanted. It is not everything we wanted, but that is the way it works when you go to conference.

So the Republicans have agreed. Now we need to appoint conferees. Hopefully our Democratic colleagues will let us do that tomorrow. They refused to let us appoint conferees. But now since the Republicans have agreed—we are the majority party—I hope there will be an effort to come together. I want to thank particularly my colleague, Senator KASSEBAUM, and also Congressman ARCHER. They both had to give up—you cannot have everything. They both gave considerable amounts in the negotiations. But I think we reached a very good agreement, I mean good in the sense for the American people.

WE ARE ON THE RIGHT TRACK

Mr. DOLE. Mr. President, this is the last time I will close the Senate. I will open the Senate tomorrow morning. I will make a statement sometime around noon tomorrow. But I want to thank all the staff and all my colleagues. And we will all be looking back at what happens in this Congress, what action was taken, what did we do for the American people, what did we do to the American people.

I believe when the record is added up, the asset side, the debit side, the assets will far outweigh the debit side. We are on the right track. We are trying to reduce the role of Government. We are trying to balance the budget, which 83 percent of the American people think we should do. We failed to pass a balanced budget amendment by two votes—two votes last week, and last March by one vote. That is not the end. And I hope that that will happen sometime, if not this year, next year.

But whether it is welfare reform or Medicaid reform or trying to save Medicare, trying to change the tax system, to downsize the IRS, and a lot of things we think should be done, my view is the American people will believe we are on the right track, as long as they are told the truth, and as long as we keep our word. If we do not tell the truth, then you cannot fault the American people for being cynical about Congress and about those of us who have been honored and privileged to serve in the Congress.

So I will keep an eye on all you people now that I am leaving. We will look back from time to time and see how Congress is responding. And I will be back from time to time as my party's nominee to visit with the leadership in the House and the Senate and many of my other friends in the Senate.

So it has been a good ride. I have certainly enjoyed my time as leader of the Republican side, as the majority leader and the minority leader. But I must say, I enjoyed more being the majority leader. There is a thing about being in the majority that is a bit better than being in the minority, particularly when as Republicans we waited so long for it to happen, 40 years. I think the Democrats agree, 40 years is a long wait. But it happened. We are proud of it. And we are proud of America.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. DOLE. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:45 p.m. adjourned until Tuesday, June 11, 1996, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate, June 10, 1996:

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

EVERETT ALVEREZ, JR., OF MARYLAND, TO BE A MEMBER OF THE BOARD OF REGENTS OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES FOR A TERM EXPIRING MAY 1, 1999. (REAPPOINTMENT)

DEPARTMENT OF ENERGY

VICKY A. BAILEY, OF INDIANA, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 2001. (REAPPOINTMENT)

DEPARTMENT OF STATE

WYCHE FOWLER, JR., OF GEORGIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SAUDI ARABIA.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

REGINALD EARL JONES, OF MARYLAND, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 2000, VICE ROSALIE GAULL SILBERMAN, TERM EXPIRED.

CORPORATION FOR PUBLIC BROADCASTING

HEIDI H. SCHULMAN, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING JANUARY 31, 2002, VICE MARTHA BUCHANAN, RESIGNED.

PUBLIC HEALTH SERVICE

THE FOLLOWING CANDIDATES FOR PERSONNEL ACTION IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW AND REGULATIONS:

1. FOR APPOINTMENT:

To be assistant surgeon:

JOHN M. BALINTONA
AL-KARIM A. DHANJI
HEIDI C. ERICKSON
TRACEY A. FORD
ROCHELLE NOLTE
DAVID C. HOUGHTON
JOHN MOHS
MARK A. SHEFFLER
KIMBERLY S. STOLZ

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL IN THE U.S. AIR FORCE WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. HOWELL M. ESTES III [redacted]

THE FOLLOWING-NAMED OFFICER FOR PROMOTION IN THE REGULAR AIR FORCE OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. GILBERT J. REGAN [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE, TO THE GRADE INDICATED, UNDER TITLE 10, UNITED STATES CODE, SECTIONS 8374, 12201, AND 12212:

To be brigadier general

COL. CHRISTOPHER J. LUNA [redacted] AIR NATIONAL GUARD OF THE UNITED STATES.

IN THE ARMY

THE FOLLOWING U.S. ARMY NATIONAL GUARD OFFICER FOR PROMOTION IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 3385, 3392 AND 12203(A):

To to brigadier general

COL. LLOYD E. KRASE [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF SECTION 601(A), TITLE 10, UNITED STATES CODE:

To be lieutenant general

MAJ. GEN. PETER PACE [redacted]

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTION) CHARLES S. ABBOTT [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. THOMAS J. LOPEZ [redacted]

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 U.S.C., SECTION 601:

To be vice admiral

VICE ADM. DONALD L. PILLING, [redacted]

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 U.S.C., SECTION 601:

To be vice admiral

VICE ADM. JOHN S. REDD [redacted]

* * *

WITHDRAWAL

Executive message transmitted by the President to the Senate on June 10, 1996, withdrawing from further Senate consideration the following nomination:

CORPORATION FOR PUBLIC BROADCASTING

HEIDI H. SCHULMAN, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING JANUARY 31, 2002, VICE LESLEE B. ALEXANDER, TERM EXPIRED, WHICH WAS SENT TO THE SENATE ON MAY 23, 1996.

HOUSE OF REPRESENTATIVES—*Monday, June 10, 1996*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore [Mr. HUTCHINSON].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 10, 1996.

I hereby designate the Honorable Y. TIM HUTCHINSON to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the House will stand in recess until 2 p.m.

Accordingly (at 12 o'clock and 33 minutes p.m.), the House stood in recess until 2 p.m.

☐ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. COBLE] at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

With all the discordant voices that are heard in our world and with all the usual pressures from every side, we long for meaning and purpose in our lives and in the lives of those we love. We question at times our own ability to see any design or scheme that would give cohesion to what we do. Yet, in every moment, O God, we can see Your path of faith and hope and love and we can acknowledge those gifts of thanksgiving and gratitude that give meaning in our very hearts and souls. With every word of praise, we celebrate Your gifts to us, O gracious God, and renew Your presence in word and deed. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from American Samoa [Mr. FALEOMAVAEGA] come forward and lead the House in the Pledge of Allegiance.

Mr. FALEOMAVAEGA led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1634. An act to amend the resolution establishing the Franklin Delano Roosevelt Memorial Commission to extend the service of certain members.

COMMUNICATION FROM CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Chief Administrative Officer of the House of Representatives:

U.S. HOUSE OF REPRESENTATIVES,
OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER,
Washington, DC, May 24, 1996.

Re Burton v. Allard.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that the Office of Finance has been served with a subpoena issued by the Superior Court of the District of Columbia.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

SCOT M. FAULKNER.

KING KAMEHAMEHA DAY IN HAWAII

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Speaker, I have just returned from my district, and in doing so I always have to go through the State of Hawaii. Today, the State of Hawaii is celebrating Kamehameha Day, they call it every year, in honor of the great King of Hawaii, Kamehameha.

I want to share with my colleagues some very interesting tributes to this great Polynesian Hawaiian king, whose statue is right here in Statuary Hall as it was a gift from the State of Hawaii commemorating this great island ruler.

Kamehameha had to prove not only his kingship by birth, but he also had to prove his kingship by merit. His rivals were just as big as he. I do not know if my colleagues realize, Mr. Speaker, but the statue that we see here of King Kamehameha is supposed to be life size. This great King of Hawaii was almost 7 feet in stature, weighed almost 300 pounds, and can my colleagues just imagine that his rivals were just as big as he, and having a fleet of some 16,000 canoes, and the population of the Hawaiian community at that time was some 300,000 native Hawaiians that lived during his time.

Prophesies were made before Kamehameha was even born that he would be truly a king of chiefs, and that is why his name is aptly called, The Lonely One, and I ask my colleagues to go see the statue of King Kamehameha in Statuary Hall.

ANOTHER BURNING REEFER

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUNDERBURK. Mr. Speaker, if a Republican President had been responsible for this latest abuse of power and invasion of privacy, we would never hear the end of it, but I predict the left-wing media will try to sweep this incident under the rug. It seems the Clinton administration requested and received highly confidential FBI records of 338 former Reagan and Bush appointees. The White House calls it a bureaucratic mistake. Mr. Speaker, this creation of an enemies list demands a full investigation. I know White House officials say that in spite of ordering these files and keeping them at the White House rather than returning them to the FBI—they did not even look at them. That's like saying they smoked marijuana, but didn't inhale. Mr. Speaker, the American public deserves better, no more excuses and coverup.

PROTECT AND PRESERVE MEDICARE

(Mr. CHRISTENSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHRISTENSEN. Mr. speaker, Medicare is going broke. The latest trustee's report confirms what many of us have been saying for some time now: that Medicare is going broke even faster than predicted.

The Medicare trust fund lost money last year for the first time since 1972 causing the trustees to declare that the Medicare trust fund would be completely bankrupt by the year 2001. That is just 5 years away. As this chart shows based on Congressional Budget Office numbers, it was predicted to go bankrupt in the year 2001.

I refuse to allow Medicare to go bankrupt because of some political advantage. We believe that we have got to work together in a bipartisan fashion, without gimmicks, without tax increases. We need to solve this problem for the American people.

I invite my Democrat colleagues to work together for the American people in saving Medicare. It is the right thing to do; it is the right thing to do for all Americans.

IT IS TIME FOR THE WHITE HOUSE TO COME CLEAN

(Mr. POMBO asked and was given permission to address the House for 1 minute.)

Mr. POMBO. Mr. Speaker, apparently the White House is at it again. This time they raided the confidential FBI files of Republican officials, including former Secretary of State James Baker.

Let me just read from the AP story about this incident:

> But among the unanswered questions were, who at the White House knew the files has been gathered and why they were kept at the White House rather than returned to the FBI? The files, 341 of them, almost all of them former employees of Republican administrations, were stored in the White House security office's vault.

Mr. Speaker, I guess we can all breathe a little easier knowing that not every Republican was investigated. It was only 341 of them.

The White House assures us that this was only a small, innocent bureaucratic mistake. I believe that. I also believe in the Easter Bunny, and that the world is flat. Mr. Speaker, it is time for the White House to come clean.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken today after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

REGARDING THE CHICKAMAUGA AND CHATTANOOGA NATIONAL MILITARY PARK

Mr. POMBO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 848) to increase the amount authorized to be appropriated for assistance for highway relocation regarding the Chickamauga and Chattanooga National Military Park in Georgia, as amended.

The Clerk read as follows:

H.R. 848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN AUTHORIZATION OF APPROPRIATIONS.

Section 1(c) of the Act entitled "An Act to authorize and direct the National Park Service to assist the State of Georgia in relocating a highway affecting the Chickamauga and Chattanooga National Military Park in Georgia", approved December 24, 1987 (101 Stat. 1442), is amended by striking "$30,000,000" and inserting "$51,000,000".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. POMBO] and the gentleman from American Samoa [Mr. FALEOMAVAEGA] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. POMBO].

Mr. POMBO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 848, legislation to increase the authorization ceiling for construction of a bypass road around Chickamauga-Chattanooga National Military Park.

In 1890, Congress designated the Chickamauga-Chattanooga National Military Park as the first national military park, in recognition of several important Civil War engagements which occurred there. Like many of the Civil War engagements, the site of this battle occurred along an important transportation corridor, in this case the route leading into Chattanooga, TN.

Mr. Speaker, there is still a high degree of conflict along that transportation corridor, U.S. Highway 27, but today the conflict is between commuter traffic using this road, and those persons who have come to the park to understand and appreciate the important events which took place there 133 years ago. In fact, 90 percent of the 17,200 vehicles using this road daily, including about 800 18-wheelers, are nonpark visitors. The heavy use of this road intrudes significantly on the historic scene, and makes it almost impossible for visitors of the park to use the road as part of the autotour route.

Several years ago, there was a proposal to expand the highway through the park to four lanes. Such a proposal would only have resulted in a greater number of vehicles going through the park. In 1987, Congress passed a law authorizing a bypass around the park in order to protect the park, and improve safety for nonpark traffic.

Unfortunately, due to the amount of rock encountered and fill required, the cost for this project has risen since the original 1987 estimate. Even with the Federal/State matching requirements, the estimated cost of the Federal Government for this road has risen to about $52 million. However there is no question this funding authorization is needed to ensure the protection of this important park.

I am pleased that Mr. DEAL has sponsored this legislation and I am glad to be able to support him today. Quite a few Members of this body, and the other body, believe that the best thing they can do for the National Park Service, or for their district, is to create a new national park area. I am pleased that Mr. DEAL has focused on taking care of an important historic park which Congress has already set aside; and as this one issue amply illustrates, there is much work to do in our existing park system. This Congress is focusing its attention on those areas rather than adding to the backlog of projects facing the Park Service, and the national deficit at the same time. I commend Mr. DEAL for his work, and encourage all my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 848 would increase the amount authorized for the Federal share of the costs of relocating Highway 27 around the Chickamauga-Chattanooga National Park from $35 million to $51.9 million. A similar version of this bill was passed by the House during the 103d Congress. We have no objection to enactment of this legislation.

The Chickamauga and Chattanooga National Military Park was established in 1890 as the first national military park. It was created to commemorate and interpret the battle of Chickamauga in northern Georgia, which took place from September 19 through 22, 1863. "Chick-Chat" was one of the bloodiest battles of the Civil War. The park is maintained as closely as possible to its historic condition with the terrain, vegetation and historic road system that existed in 1863 largely intact.

However, one of the crucial arteries over which the battle was waged, Lafayette Road, locally known as Highway 27, is now a major commuter and commercial route.

The 3.7 miles of the highway located within the park present a significant impediment to visitor safety and enjoyment of the park, and its increasing use threatens the park's resources.

Public Law 100–211 authorized $30 million in Federal funds to assist the State of Georgia in relocating this section of the highway around the park. The Federal contribution was limited to 75 percent of the total cost of relocation, with the funding contingent upon approval by the Secretary of the Interior of the design and location of the by-pass.

Total appropriated funds stood at $25.446 through fiscal year 1995. Of that, $1.9 was rescinded from the fiscal year 95 appropriation. According to the Federal Highway Administration, the total estimated costs now stand at $69.2 million. The revised Federal share would, therefore, be $51.9 million.

H.R. 848, as reported by the Resources Committee, increases the authorized appropriation to $51.9 million. We note that the Clinton administration also supports enactment of the bill.

□ 1415

The Speaker, I urge my colleagues to support H.R. 848, the bill of the gentleman from California, and I reserve the balance of my time.

Mr. POMBO. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia [Mr. DEAL], the author of the bill.

Mr. DEAL of Georgia. Mr. Speaker, both gentlemen have adequately addressed this issue as to its purposes. I would simply like to elaborate that this is one of the oldest military parks in our country. It is on a major route that has been there for years. Unfortunately, U.S. Highway 27 goes through the middle of Chickamauga-Chattanooga National Battlefield, and when the State was in the process of widening this very important transportation corridor, which it has designs to do all way from the Tennessee border on the top of the State of Georgia all the way to the Florida border on the south, it required that, in order to expand this route, to either do so in the middle of the national military park or to attempt to bypass it. The decision was made in 1987 to build a bypass around the outskirts of the national military park, and it is for that purpose that this authorization is here today.

Mr. Speaker, the cost of the project has increased from its original estimate, and this bill is for the purpose of reaching the authorization level that is currently projected as the cost of the project. The State of Georgia has been more than willing to pay its portion, and had done so and will continue to do so.

I thank both gentlemen for their support of this legislation, and I would urge this Congress to pass this bill so this important project, around one of the most important national military battlefields, can be completed expeditiously.

Mr. Speaker, I would like to begin by thanking the Resources Committee for bringing this bill up for consideration.

H.R. 848 is a bill to increase the authorization of appropriations for the National Park Service to assist the State of Georgia in relocating a highway affecting the Chickamauga and Chattanooga National Military Park. I introduced this same bill during the 103d Congress as H.R. 3516. It passed the House by unanimous consent; however, the other body did not bring up the bill for a vote.

The Chickamauga and Chattanooga National Military Park was established in 1890 to commemorate the Civil War military engagements which took place there and to allow opportunities for future study of these historic battles. The park was administered by the War Department until 1933 when jurisdiction was transferred to the National Park Service. In addition to its inspirational and commemorative values, the park is also used for military instruction, although this military activity was substantially curtailed following its transfer to the National Park Service. Today, the Army Command General Staff continues to bring field classes here to study the military strategies used during the battles.

Specifically, this project reroutes a 3.7-mile section of U.S. Highway 27, which passes through the park by way of a 7-mile-long bypass around the western boundary. This rerouting is necessary to protect the natural and historic resources within the park from damages caused by heavy traffic.

Highway 27 is a major north-south highway through the center of the Chickamauga National Military Park connecting Chattanooga, TN to Florida. It is a well traveled commuter route between northwest Georgia and Chattanooga. On average, 16,200 vehicles pass through the park each day by way of Highway 27.

U.S. Highway 27 serves as a vital north-south link amoung the three States and its renewal is a top priority of the Georgia DOT. Highway 27 presently is undergoing construction from end to end in order to upgrade the highway for substantial commercial usage. When complete, Highway 27 will be a four-lane highway through rural areas of Georgia and will include five-lane bypass sections around urban areas with limited access.

This is an ongoing construction project. Land acquisition is mostly completed and construction contracts have already been awarded. This includes current construction on two bridge structures. A halt in funding would increase future planning and construction costs and affect the overall completion date of this project.

The original authorization was for $30 million. This bill increases the authorization by $21.9 million. The 1987 cost estimate provided by the Georgia Department of Transportation was based on aerial mapping and broad planning values. The 1993 cost estimate provided by the Federal Highway Administration is based on detailed surveys, computer designs, and geotechnical data from on-site investigation. More cut and fill work is required than was initially expected and a large quantity of rock will need to be hauled from the site. Bridge structure designs had to be changed based on geotechnical data and problems with subsurface base materials.

Let me now explain to you how this is another example of the Federal bureaucracy getting in the States way and costing more money. The Georgia Department of Transportation originally wanted to widen the portion of U.S. 27 which went through the park. The Georgia DOT maintained that this plan was the most viable and environmentally attainable choice and also provided the best transportation service. This plan was estimated to cost approximately $3.9 million. In addition, the Georgia DOT was willing to pay for this project with State funds.

However, the National Park Service would not agree to the State's plan. Instead, the Park Service advocated an alternative which would require that a bypass be built around the park. In 1987, Public Law 100–211 authorized this alternative at a cost of $30 million. This law authorized the National Park Service to assist the Georgia Department of Transportation in building the bypass around the park. The agreement between the Park Service and the Georgia DOT set up matching funds of 75 percent Federal to 25 percent State.

To date, a total of $28.046 million in Federal funds has been appropriated through fiscal year 1996. The State of Georgia has contributed around $7 million to meet their end of the agreement. Let me remind you that the original cost estimate for this project was $3 million.

I have news articles with me which show pictures of unfinished bridges. Other articles have been entitled "Road To Nowhere." This is not the kind of thing which restores the public's faith and trust in their Government. In fact, it creates the very opposite opinion.

The State of Georgia was more than willing to take on this project itself; however, the Federal Government would not allow this to occur. Therefore, the Federal Government has an obligation to Georgia to fulfill its part of the agreement.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I note also for the RECORD the gentleman from New Mexico fully supports this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. POMBO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from California [Mr. POMBO] that the House suspend the rules and pass the bill, H.R. 848, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POMBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING RUNNING OF 1996 SUMMER TORCH RELAY THROUGH CAPITOL GROUNDS

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 172) authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes.

The Clerk read as follows:

H. CON. RES. 172

Resolved by the House of Representatives (the Senate concurring).

SECTION 1. AUTHORIZATION OF RUNNING OF 1996 SUMMER OLYMPIC TORCH RELAY THROUGH CAPITOL GROUNDS.

On June 20, 1996, or on such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may jointly designate, the 1996 Summer Olympic Torch Relay may be run through the Capitol Grounds, and the Olympic Torch may be displayed on the Capitol Grounds overnight, as part of the ceremony of the Centennial Olympic Games to be held in Atlanta, Georgia.

SEC. 2. CONDITIONS.

(a) IN GENERAL.—The event authorized by section 1 shall be free of admission charge to the public and arranged not to interfere with the needs of Congress, under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board. The sponsor of the event shall assume full responsibility for all expenses and liabilities incident to all activities associated with the event.

(b) PROHIBITION ON DISPLAY OF ADVERTISEMENTS.—The Architect of the Capitol and the Capitol Police Board shall take such actions as may be necessary to prohibit the display of advertisements for commercial products or services during the event. Such actions shall include measures to ensure that advertisements are not displayed on any vehicle accompanying runners in the Torch Relay.

SEC. 3. STRUCTURES AND EQUIPMENT.

For the purposes of this resolution, the sponsor of the event authorized by section 1 may erect upon the Capitol Grounds, subject to the approval of the Architect of the Capitol, such structures and equipment as are necessary for the event.

SEC. 4. ADDITIONAL ARRANGEMENTS.

The Architect of the Capitol and the Capitol Police Board are authorized to make any additional arrangement that may be required to carry out the event authorized by section 1.

SEC. 5. LIMITATIONS ON REPRESENTATIONS.

A commercial sponsor of the 1996 Summer Olympic Torch Relay may not represent, either directly or indirectly, that this resolution or any activity carried out under this resolution in any way constitutes approval or endorsement by the Federal Government of the commercial sponsor or any product or service offered by the commercial sponsor.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland [Mr. GILCHREST] and the gentleman from Pennsylvania [Mr. MASCARA] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 172 authorizes the use of the Capitol Grounds for the running of the Olympic torch in conjunction with the 1996 Summer Olympics in Atlanta, GA. This torch relay is expected to take place on June 20, and while the resolution allows the torch to be kept on the Grounds overnight, the torch will not be kept there. The torch will continue its journey onward to Atlanta. There are safeguards contained in the resolution to prohibit any advertising in connection with the torch relay, and the event will be open to the public and be free of charge. The sponsors of the event will be responsible for any costs and liabilities for this event. I thank the Speaker of the House, the Honorable NEWT GINGRICH, for sponsoring this resolution, and I am sure I speak for all of my colleagues in wishing the city of Atlanta a most successful olympic event.

I support this resolution and I urge my colleagues to support the measure.

Mr. Speaker, I reserve the balance of my time.

Mr. MASCARA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on June 20, 1996 the torch which will be used to officially open the 1996 summer Olympics will pass through the Nation's Capital on its way to Atlanta for the opening ceremonies. A resolution is needed to authorize use of the Capitol Grounds due to a prohibition against open flames on the grounds. It is with special pride and an honor that the Transportation and Infrastructure Committee can join the rest of the country in welcoming all visitors to the Olympics and show our support for all the athletes who will compete.

The Olympic torch will be carried by runners who have been nominated and chosen from their communities for their outstanding volunteer activities and community service. Approximately every ½ kilometer the torch will be passed to a new runner.

The torch itself features 22 reeds gathered in the center. The reeds represent the 22 times that modern Olympics have been held. The names of the host cities, including Atlanta, are etched on a goldplated band near the base; another band near the crown features the logo for the 1996 Olympic games. A center handle of Georgia hardwood makes the torch easy to carry.

The Olympic flame first became a tradition for the modern Olympics when an Olympic flame was lit and remained burning at the entrance to the Olympic stadium throughout the 1928 Amsterdam games. The lighting of the flame captured the public's imagination and has remained a traditional ceremony for the opening ceremony for the games.

The public is invited and encouraged to attend this event, which is historic for the Capitol Grounds and for the District.

Mr. Speaker, I urge support for House Concurrent Resolution 172, and I reserve the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. MASCARA] for supporting this legislation. I think it is a worthy undertaking, and I look forward to the event in the next couple of weeks.

I also want to thank the gentleman from Minnesota [Mr. OBERSTAR], for his effort in this endeavor.

Mr. MASCARA. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], the ranking member of the full committee.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, during the afternoon of June 20, the Olympic torch, which will signal the start of the Summer Olypmic Games, will pass through the Capitol Grounds. It will have been in relay across the United States for 84 days, starting April 27 of this year in Los Angeles. Including the games, the flame will have been in play throughout the United States for over 100 days. It will travel through 42 States. It will visit 29 State capitols. It will come within a 2-hour distance of 90 percent of the population of the United States.

The flame will visit 11 pairs of cities: Rochester, MN, and Rochester, NY; Albany, GA, and Albany, NY, for example. It travels 150 miles a day, 10 miles an hour, 15 hours a day. There are numerous community celebrations and festivities all across the route, as is befitting an event of this magnitude and significance.

The United Way is the provider of community support and volunteer services for the 1996 Olympic torch relay. It is really impressive that there will be over 10,000 runners carrying the torch. It will move by numerous conveyances:

bicycle, 19-car train, horseback, canoe, steamboat, on the Great Lakes by one of our lakers, aircraft, sailboat. All will be used to carry the flame at one time or another into Atlanta.

Given that impressive array of transportation modes, it is only fitting that the Committee on Transportation and Infrastructure should be the one to manage this legislation. This is an extraordinarily historic event, one of great significance that captures the imagination of young people, now and for generations to come. It is a great honor for this committee to be a part of making this event happen and come here, not only to Washington, but to the Capitol Grounds.

I understand that the flame will pass across the Capitol Grounds between 3:30 and 4:15 p.m. on June 20. I hope all of our colleagues can be there to see it. I hope the public will come and join us, and I invite everyone to participate in this truly wonderful celebration.

I want to thank the gentleman from Maryland for the role he has played in bringing this about. He has dedicated himself to all of the legislation that comes before the Subcommittee on Public Buildings and Economic Development of the Committee on Transportation and Infrastructure with great scholarly approach, and it is very welcome. I appreciate the leadership of the gentleman from Pennsylvania [Mr. MASCARA] and the gentleman from Ohio [Mr. TRAFICANT] on this subject.

Mr. TRAFICANT. Mr. Speaker, on June 20, 1996, the torch which will be used to officially open the 1996 Summer Olympics will pass through the Nation's Capital on its way to Atlanta for the opening ceremonies. A resolution is needed to authorize use of the Capitol Grounds due to a prohibition against open flames on the Grounds. It is with special pride and an honor that the Transportation and Infrastructure Committee can join the rest of the country in welcoming all visitors to the Olympics and show our support for all the athletes who will compete.

The Olympic torch will be carried by runners who have been nominated and chosen from their communities for their outstanding volunteer activities and community service. Approximately every one-half kilometer the torch will be passed to a new runner. In my own district 13 runners participated on Monday, June 10, 1996, by carrying the torch along the shores of Lake Erie. They included Theresa Bishop, Madonna Chism, Colleen Dippolito, Thomas Grantonic, Yong Lee, Steven Meads, Kyle Obradovich, Anthony Parish, Rev. Charles Ready, Gilbert Rieger, Melissa Snyder, Greg Yurco, and John Zimomra. We are exceedingly proud of these young people.

I urge support for this resolution and thank Mr. GILCHREST for his prompt attention to this request.

Mr. MASCARA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland [Mr. GILCHREST] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 172.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING USE OF THE CAPITOL GROUNDS FOR GREATER WASHINGTON SOAP BOX DERBY

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 153) authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

The Clerk read as follows:

H. CON. RES. 153

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION OF SOAP BOX DERBY RACES ON CAPITOL GROUNDS.

The Greater Washington Soap Box Derby Association (hereinafter in this resolution referred to as the "Association") shall be permitted to sponsor a public event, soap box derby races, on the Capitol grounds on July 13, 1996, or on such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may jointly designate.

SEC. 2. CONDITIONS.

The event to be carried out under this resolution shall be free of admission charge to the public and arranged not to interfere with the needs of Congress, under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board; except that the Association shall assume full responsibility for all expenses and liabilities incident to all activities associated with the event.

SEC. 3. STRUCTURES AND EQUIPMENT.

For the purposes of this resolution, the Association is authorized to erect upon the Capitol grounds, subject to the approval of the Architect of the Capitol, such stage, sound amplification devices, and other related structures and equipment as may be required for the event to be carried out under this resolution.

SEC. 4. ADDITIONAL ARRANGEMENTS.

The Architect of the Capitol and the Capitol Police Board are authorized to make any such additional arrangements that may be required to carry out the event under this resolution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland [Mr. GILCHREST] and the gentleman from Pennsylvania [Mr. MASCARA] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 153 would authorize the use of the Capitol Grounds for the annual running of the Greater Washington Soap Box Derby. This event is scheduled for July 13, and again will be held on Constitution Avenue. This resolution provides for the Architect of the Capitol, the Capitol Police Board, and the Greater Washington Soap Box Derby Association to negotiate the necessary arrangements in compliance with rules and regulations governing the use of the Capitol Grounds. The event will be open to the public and be free of charge.

This year marks the 55th year of the running of the Greater Washington Soap Box Derby. Participants range in age from 9 to 16. Winners from this event will compete in the national event to be held in Akron, OH, later this summer.

Participants must design and build their race cars, providing young people with an opportunity to gain valuable skills in aerodynamics and engineering. The event promotes teamwork, a sense of accomplishment, sportsmanship, and provides an opportunity for parents and children to work together for a special challenge.

I am pleased that our colleagues from Virginia Mr. WOLF, Mr. DAVIS, and Mr. MORAN, cosponsored this resolution, along with Members from Maryland, Mr. HOYER, Mr. WYNN, and Mrs. MORELLA, and the gentlelady from the District, Ms. NORTON. I note that my colleague, Mr. HOYER, has been a long time supporter of this annual event.

I support this resolution and urge my colleagues to support the measure.

□ 1430

Mr. Speaker, I reserve the balance of my time.

Mr. MASCARA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on July 13, 1996 the 55th running of the Greater Washington Soap Box Derby is scheduled to take place in Washington, DC, along Constitution Avenue. This year's event is expected to draw over 50 participants from the surrounding communities of northern Virginia, the District of Columbia, and Maryland, making the Washington race one of the largest in the country. Mr. HOYER deserves credit and our support for his continued efforts in behalf of this all volunteer event.

The race is funded through private donations, is staffed completely with community volunteers and is open to the public and all families to enjoy. Use of our beautiful Capitol Grounds has made this event a very popular local event and, in fact, in 1992 Washington, DC, was named one of the outstanding race cities.

Youngsters ages 9 through 16 build and race their own cars. They learn the principles of aerodynamics through construction, practice, and competition. In previous years, resolutions regarding this event have always enjoyed broad bipartisan support. I thank Mr. HOYER again for his continued interest and efforts in this event, and urge support for House Concurrent Resolution 153.

Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. I thank my friend from Pennsylvania for yielding time.

Mr. Speaker, I want to first say to my very close friend and colleague from Maryland, Mr. GILCHREST, who chairs the subcommittee that is reporting these bills to the floor, I want to thank him for his efforts not only this year but in the past to shepherd this bill to the floor so that it could be passed in a timely way, so that the negotiations necessary to effect a successful running of the Soap Box Derby could be accomplished. I also want to thank my friend from Minnesota to whom I refer as the chairman in exile, the ranking member of the full committee, Mr. OBERSTAR.

Mr. Speaker, my comments would have echoed that which the gentleman from Maryland [Mr. GILCHREST] and the gentleman from Pennsylvania [Mr. MASCARA] have already said. This is to be the 55th running of the Soap Box Derby.

For those of us who have lived in the Washington metropolitan area for a long period of time, we know that for a period of time this was run on the hill on Pennsylvania Avenue just after you get to Branch Avenue if you are going out of town, before it if you are coming into town. It came a time when that was no longer feasible and appropriate, and in fact where they were not getting the attendance that was necessary to make this a successful event.

It is, I think, very appropriate that we authorize the use of Constitution Avenue under the jurisdiction of the U.S. Capitol for this purpose. Is there anything more American than the Soap Box Derby? Young people being asked to use their own talents, their own initiative, their own inventiveness in coming to grips with a problem. That is, how to get a vehicle that is not powered by a motor down a hill faster than another vehicle.

As has been stated, these young people learn a lot about aerodynamics, about engineering, and about things that will prove very valuable to them in the future. But more importantly, they learn the traits of self-reliance and competition as well as teamwork, as the gentleman from Pennsylvania [Mr. MASCARA] and the gentleman from Maryland [Mr. GILCHREST] I think both referred to, because they work with others in constructing these cars and in racing these cars.

It is also a celebration, I suggest to my colleagues, in most instances of family, because although these cars are built by the youngsters themselves, I would be surprised if they did not ask dad or even mom for some advice and counsel in the construction of these cars.

The bottom line is, I think it is very appropriate that we have this race on Capitol Hill, this race that, as the gentleman from Pennsylvania [Mr. MASCARA] has pointed out, is now one of the most successful in the United States. We will have some 55 cars in this region participating, which is a lot more people, of course, than that participating. And so I am very pleased to rise in support of this resolution.

I want to also thank in particular, and there are a number of them and I hesitate to cite one, but I will do so because it was Barry Scher. Barry Scher does governmental relations for Giant Food. Giant Food is one of the great corporations in America and one of the great corporations in the Washington metropolitan area. Giant Food unfortunately and tragically just lost its leader, Izzy Cohen. Izzy Cohen was a close and dear friend of mine, a man of unusual sensitivity to the community. Giant was not only a successful business enterprise, it was and is a successful community citizen, a full participant in the welfare and life of the Washington metropolitan community.

And it was Barry Scher, WAYNE, who many years ago said, "You know, we're sponsoring this and we've all talked and we think the best place in Washington to run this race would be on Capitol Hill. Do you think we can get approval to do that?" I said, "I can't see why we would not."

I then went to the Speaker, who at that point in time was Tom Foley, and said, "Mr. Speaker, what do you think about this?" And he said, "I think this is an excellent idea." I think it may have been Jim Howard, but am I correct, JIM? In 1989? I am not? Glenn Anderson. I went to Glenn Anderson from California and talked to him about it. He said, "Sure, this sounds like a good idea." Of course it is sort of like saying do you like apple pie. Who is going to say no?

But the fact of the matter is, ever since we have been passing this resolution, which I think first started in 1990 or 1991, in effecting this race here, it is one of the most successful because this is a terrific setting. It excites the participants, and it is what America ought to be all about.

The tragedy is, very frankly, that on the evening news the day after the race there will not be, perhaps on ABC, CBS, NBC, CNN, C-SPAN, whatever, the victors of that race. It will be some other young people who have not performed and not done the things that we would want, some perhaps more dysfunctional behavior.

It is unfortunate that we focus, Mr. Speaker, on the dysfunctional, our television does that to a fault, rather than the positive contributions that millions of young people are making in America. Many of us have been to college or high school graduations. As a matter of fact, my colleague AL WYNN spoke at an elementary school graduation this morning.

The fact of the matter is, this Soap Box Derby is participated in by young people who are a credit to themselves, to their families, their communities, and to our country.

Again, I thank the gentleman from Maryland [Mr. GILCHREST], the gentleman from Pennsylvania [Mr. MASCARA], and the members of the committee for bringing this resolution to the floor and seeking its earliest possible passage.

I want to thank Chairman GILCHREST, the ranking member Mr. TRAFICANT, the Transportation Committee, and Mr. MASCARA for their continued support of this bill which authorizes the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

For the last 5 years, I have sponsored this resolution along with regional Members and sports fans.

The resolution authorizes the Architect of the Capitol, the Capitol Police Board, and the Greater Washington Soap Box Derby Association to negotiate the necessary arrangements for carrying out the running of the Greater Washington Soap Box Derby in complete compliance with rules and regulations governing the use of Capitol Grounds.

This year marks the 55th running of the Greater Washington Soap Box Derby, and the race is slated for July 13, 1996. Participants ranging from ages 9 to 16 are expected to compete in the early summer race. They come from communities in Maryland, the District of Columbia, and Virginia.

The winners of this local event will represent the Washington metropolitan area in the national race which will be held in Akron, OH, later this year.

The soap box derby provides our young people with an opportunity to gain valuable skills such as engineering and aerodynamics. Furthermore, the derby promotes team work, a strong sense of accomplishment, sportsmanship, leadership, and responsibility. These are positive attributes which participants carry into adulthood.

The young people involved spend many months preparing for this race. The day they actually compete provides them with a sense of achievement and comradery, not only for themselves but also for their families and friends. In addition, this worthwhile event provides the participants, tourists, and local residents with a safe and enjoyable day of activities.

I again want to thank the committee for bringing the bill to the floor and I urge my colleagues to support it.

Mr. MASCARA. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], the ranking member of the full committee.

Mr. OBERSTAR. Mr. Speaker, I, too, want to again compliment the chairman of the subcommittee, Mr. GILCHREST, for his leadership in bringing forth this legislation and for his sensitivity to its significance for young people of the greater Washington area and for young people everywhere. I think this clearly is a worthwhile family event and someday we will probably call this the Steny Hoyer Soap Box Derby Race for Mr. HOYER's leadership and advocacy of this legislation time and again.

I noted with great interest the gentleman's reference to the soap box derby being a family event. As a parent one time of a young aspiring scout when they made these matchbox cars and raced them, I sure hope that the children are doing more of the work in the soap box than the parents are.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I have three daughters, they are now all adults, but the gentleman brings to mind all of the science projects that they did that unfortunately their mother and I spent so much time at assisting them with. But we had a lot of fun and we learned a lot.

Mr. OBERSTAR. Think of all the energy wasted on the learning curve by the parents. But the children certainly learned a great deal.

At a time when our full committee is at a point of bringing to the House floor a bill in a week or so that will restrict the ability of young people to fly an airplane to avoid another tragedy as occurred in the case of the young girl whose airplane crashed, and she was not at the controls, the instructor was the pilot in control and in command of the aircraft, but we are going to be dealing with legislation to prevent that kind of tragedy, I note that this legislation makes it possible for young people of that age group to pilot something that they could appropriately handle and that they should handle and to open wider the doors of opportunity for youngsters 9 through 14 to race their homemade soap box cars.

I may be the only one in this room that can still remember what a soap box really is. Where I grew up in northern Minnesota, boxes of wood were shipped around the country that contained soap and we did in fact make cars out of these old soap boxes. They were quite sturdy pieces of wood to put a set of wheels on them and set one of the younger kids on it and push them along the street. Nothing quite so fancy, I am sure, as is going to be entered in the races here but it does bring back for me some nostalgia.

Mr. HOYER. If the gentleman will yield further, we are, however, going to strain the credibility of the public if they are to believe that we think soap boxes are for racing as opposed to giving speeches.

Mr. OBERSTAR. On that point, I thank the gentleman from Pennsylvania for yielding me the time, I compliment the gentleman from Maryland, and our dear colleague, Mr. HOYER, and urge the enactment of House Concurrent Resolution 153.

Mr. MASCARA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the statements by the gentleman from Minnesota [Mr. OBERSTAR], the gentleman from Pennsylvania [Mr. MASCARA], and the gentleman from Maryland [Mr. HOYER] certainly have hit the mark about this particular tradition. We want it to continue. I want to thank the gentleman from Maryland [Mr. HOYER] for his sense of urgency to make sure that this resolution passed the House today. This is really a family-community affair where people can work together, and I think it will set a pretty good example as we do this every year to not only help build soap-box-derby-type vehicles with your children but also help to hang out the clothes and do the dishes and paint the barn or sweep the sidewalk, all those things that people can do collectively together, to make families stronger.

Mr. Speaker, I urge that we pass this resolution.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from Maryland [Mr. GILCHREST] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 153.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

E. BARRETT PRETTYMAN U.S. COURTHOUSE

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3029) to designate the U.S. courthouse in Washington, DC, as the "E. Barrett Prettyman United States Courthouse".

The Clerk read as follows:

H.R. 3029

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF COURTHOUSE.

The United States courthouse located at 3rd Street and Constitution Avenue, Northwest, in Washington, District of Columbia, shall be designated and known as the "E. Barrett Prettyman United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "E. Barrett Prettyman United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland [Mr. GILCHREST] and the gentleman from Pennsylvania [Mr. MASCARA] each will control 20 minutes.

The Chair recognizes the gentleman from Maryland [Mr. GILCHREST].

□ 1445

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3029 is a bill to designate the U.S. courthouse located at the intersection of 3rd and Constitution Ave., NW., Washington, DC, as the "E. Barrett Prettyman United States Courthouse." Judge Prettyman was a native of Virginia, born in Lexington in 1896. He was the son of the Chaplain of the U.S. Senate during the Wilson administration. He attended Randolph Macon University, and Georgetown University Law School. After graduation, he worked on newspapers, and practiced law with a District firm. He served on the Federal bench for 26 years, from his appointment in 1945 until his death in 1971. During that time Judge Prettyman was regarded as one of America's leading legal scholars and was a pioneer in the areas of judicial reform. He demonstrated an ability to be fair, firm, and thorough.

As a jurist, Judge Prettyman was known for his centrist positions. His most notable opinion concluded that the State Department had the authority to ban U.S. citizens from entering certain areas of the world. His position was upheld by the Supreme Court.

Judge Prettyman participated widely in local civic matters, and served on a Presidential commission inquiry about the U-2 incident.

I am pleased to note the sponsor of the bill, our colleague, TOM DAVIS, testified before the Subcommittee on Public Buildings and Economic Development, as well as a member of the subcommittee, Ms. NORTON, a cosponsor of the bill.

I support the bill and urge my colleagues to pass the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MASCARA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Ms. NORTON and Mr. DAVIS have introduced legislation to honor the distinguished career of Federal judge E. Barrett Prettyman. He served the public on the Federal bench for 26 years, and as chief judge here in the District from 1953 to 1960. Not only was he regarded as an outstanding legal scholar but also he was a leader in judicial reform. Judge Prettyman was a strong advocate for increasing attention to the juvenile justice system here in the District.

In addition to focusing on the needs of juvenile offenders, Judge Prettyman championed the cause of the indigent and founded a program at Georgetown Law School to better train lawyers for the indigent.

This bill honors the life and contributions of an outstanding jurist and public servant and deserves our support.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from the District of Columbia [Ms. NORTON], a cosponsor of the bill.

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I was pleased to introduce the bill to name the U.S. District Court in the Circuit Court of Appeals building for the late Chief Judge E. Barrett Prettyman. The same bill had earlier been introduced by Senator JOHN WARNER in the Senate. I am very pleased that the chair of the Subcommittee on the District of Columbia was also a cosponsor in introducing the bill with me.

Judge Prettyman, a native of Virginia, graduated from Georgetown University Law School, where I still teach a course. He remained associated with Georgetown all of his professional life. I assure my colleagues that the university takes great pride that he is being put forward today to be honored in this manner.

Judge Prettyman served on the Federal bench for 26 years. He was Chief Judge of the United States Circuit Court from 1953 to 1960. Judge Prettyman was widely regarded as one of this country's leading legal scholars and a pioneer for judicial reform. He is particularly remembered for the way he worked to improve the efficiency of the Judiciary.

Judge Prettyman also championed the cause of the indigent and Prettyman fellows work to this day on that issue out of Georgetown University, where he established a program to better assist indigent defendants.

Naming the courts after Judge Prettyman is considered in this city, and I believe by those who know the judge's work, a fitting tribute to one of the most outstanding jurists and legal scholars to hold the bench in this city. I strongly urge my colleagues to support this measure.

Mr. MASCARA. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], the ranking member of the full committee.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding me this time. Again I want to compliment our subcommittee chairman, the gentleman from Maryland, Mr. GILCHREST, for taking the leadership and moving this legislation and especially the District delegate, the gentlewoman from the District of Columbia, ELEANOR HOLMES NORTON, for sponsoring this legislation in honor of Judge E. Barrett Prettyman.

His career and times of service have already been well stated by previous speakers. I just want to say that for me this is a very touching moment. Judge Prettyman has been an inspiration to generations of young attorneys, aspiring young men and women who sought a career in the service of the law and in service of the public, and because he was such an inspiration himself, it is very appropriate that we dedicate a place to carry his name so that as many young people in the future walk into that building and see that name, they will be inspired as we are by the words of Marshall and Webster that sit above this Chamber.

There should always be a person who serves as a role model for career of public service, for giving of oneself to the needs and the purposes of the broad public good as Judge E. Barrett Prettyman did during his career of service to the District of Columbia, but in a larger sense to the service of the law and of all Americans.

Mr. Speaker, I urge the passage of this legislation.

Mr. MASCARA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume to thank the gentlewoman from the District of Columbia [Ms. NORTON] for her effort in this legislation and the gentleman from Pennsylvania [Mr. MASCARA], and again the gentleman from Minnesota [Mr. OBERSTAR] for his valued words for an esteemed jurist, and I urge my colleagues to vote for the legislation.

Mr. Speaker, I have no further speakers at this time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from Maryland [Mr. GILCHREST] that the House suspend the rules and pass the bill, H.R. 3029.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SAMMY L. DAVIS FEDERAL BUILDING

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3186) to designate the Federal building located at 1655 Woodson Road in Overland, MO, as the "Sammy L. Davis Federal Building."

The Clerk read as follows:

H.R. 3186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 1655 Woodson Road in Overland, Missouri, shall be known and designated as the "Sammy L. Davis Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Sammy L. Davis Federal Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland [Mr. GILCHREST] and the gentleman from Pennsylvania [Mr. MASCARA] each will control 20 minutes.

The Chair recognizes the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3186 is a bill to designate the Federal building in Overland, MO, as the "Sammy L. Davis Federal Building." Sammy Davis is a citizen who distinguished himself in the face of mortal danger. In November 1967, while stationed in Cai Lay, Vietnam, as a cannoneer with the 9th Infantry Division, then Private First Class Davis participated in a fierce ground attack. He personally directed fire at enemy positions with a machinegun, to allow cover for his guncrew to position artillery for direct fire. When his comrades were killed manning this artillery piece, Private First Class Davis took up a position on the howitzer and fired at point blank range into enemy positions. After being injured by a mortar attack, he then rescued his wounded comrades who were trapped across a river, by floating an air mattress to the banks of the far side and pulled three men to safety. He continued his efforts despite wounds suffered during this attack, and joined another howitzer crew and fired upon enemy positions until that force broke contact and fled. His efforts and valor resulted in his receiving the Congressional Medal of Honor. Mr. Davis is currently retired, due to disability.

The building being named in honor of Mr. Davis is the U.S. Army Publications Distribution Center, which serves as the center for distribution of technical and supply publications, recruiting materials, forms and testing material, and classified and accountable publications.

Mr. Speaker, young Mr. Davis, with his faith, had the courage to do what he did, and because of his courage he gives us renewed hope on a fairly regular basis that the dedication to this country is always worth it.

Mr. Speaker, I support this bill and urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MASCARA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 3186 introduced by Mr. CLAY of Missouri to recognize the volunteer work, the community service, and the heroic acts of Mr. Sammy L. Davis.

As a young man in Vietnam, Mr. Davis risked his life under fire, to aid his fallen comrades. For his efforts he was awarded the Congressional Medal of Honor. In his later life and career, Mr. Davis remained devoted to examining and lecturing on issues concerning POW's and other matters of importance to veterans.

It is fitting and proper to join Mr. CLAY in honoring Mr. Davis by designating the Federal building in Overland, MO As the "Sammy L. Davis Federal Building".

Mr. Speaker, I reserve the balance of my time.

Mr. MASCARA. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], the ranking member of the full committee.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding me this time. It is not often that we have the privilege in this Chamber to recognize in a very appropriate way a Congressional Medal of Honor winner, a true hero. These are people whose recognition is usually given posthumously because they have made the ultimate sacrifice.

But in the case of Sammy L. Davis, he is among us, not only among us but he is using his, in a sense, platform, his great distinction that he won at extraordinary risk to himself, to serve the needs of the community in the broadest possible sense. A motivational speaker, he talks about the plight of prisoners of war; talks about other issues of interest to veterans. He has given himself a purpose and a career in life greater than any that could have been imagined for him.

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And having the distinction of being one of these truly special people whom our country has recognized with its highest distinction, he merits very special recognition.

I salute the gentleman from Missouri [Mr. CLAY], our colleague, for having introduced this legislation, for urging the designation of the Federal building in Overland, MO, in honor of Sammy L. Davis. It is indeed appropriate, and it is a modest step that we can take to honor this hero.

There is nothing, however, that we can do, not naming and no words, that can ever hope to reach the height that he has achieved in his own service in Vietnam in the defense of the life of others.

I urge the enactment of this legislation.

Mr. MASCARA. Mr. Speaker, having no further requests for time, I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, once again, I thank the gentleman from Pennsylvania [Mr. MASCARA] for his effort and the gentleman from Minnesota [Mr. OBERSTAR] for his eloquent words. Some 25 years ago, the Vietnam war divided this country, but it is people like Mr. Davis who have strengthened the Union in their efforts since then.

Mr. Speaker, I urge my colleagues to vote for this legislation, and I thank Mr. Davis for his contribution to this country.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from Maryland [Mr. GILCHREST] that the House suspend the rules and pass the bill, H.R. 3186.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WILLIAM J. NEALON UNITED STATES COURTHOUSE

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3364), to designate a United States courthouse in Scranton, PA, as the "William J. Nealon United States Courthouse", as amended.

The Clerk read as follows:

H.R. 3364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, shall be known and designated as the "William J. Nealon Federal Building and United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the "William J. Nealon Federal Building and United States Courthouse".

Amend the title so as to read: "A bill to designate the Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, as the 'William J. Nealon Federal Building and United States Courthouse'."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland [Mr. GILCHREST] and the gentleman from Pennsylvania [Mr. MASCARA] each will control 20 minutes.

The Chair recognizes the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3364, as amended, is a bill to designate the Federal building and United States Courthouse in Scranton, PA as the "William J. Nealon Federal Building and United States Courthouse." Judge Nealon is a noted jurist, who is a native of Scranton, PA. He was born in Scranton, attended local schools, and was graduated from Villanova and received his law degree from Catholic University. President Kennedy appointed Judge Nealon to the Federal bench in 1962 after 2 years service on the Lackawanna County Court of Common Pleas. He became the youngest Federal judge in the country at that time. Judge Nealon has served as chief judge for the Middle District of Pennsylvania from 1976 to 1989. In 1983, Judge Nealon was honored as the outstanding Federal trial judge in the United States by the Association of Trial Lawyers of America.

Judge Nealon currently serves as a senior judge and remains active in civic affairs in Scranton. He and his wife are the proud parents of 10 children and 26 grandchildren.

This bill has the support of the community of Scranton, and its able Congressman, Congressman JOE MCDADE, who took the time to appear before the Subcommittee on Public Buildings and Economic Development in support of this legislation. I support the bill and urge my colleagues to support its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. MASCARA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Judge William J. Nealon is not only an outstanding jurist, a committed community leader, a marine, and devoted father of 10 children but also he has made significant social contributions to local colleges, hospitals, and youth organizations. This bill has overwhelming support by various judicial organizations, the local newspaper, Senator SPECTER and Senator SANTORUM, and the mayor of Scranton.

It is most fitting and proper to honor the distinguished career of Judge William J. Nealon by designating the Federal Building and United States Courthouse in Scranton, PA, in his honor.

I urge support for H.R. 3364.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], the ranking member of the full committee.

Mr. OBERSTAR. Mr. Speaker, again, I greatly appreciate the Chair of our subcommittee moving this legislation to honor Judge William J. Nealon and the gentleman from Pennsylvania [Mr. MCDADE] for sponsoring the legislation. It has received the strong support on both sides of the aisle in our committee because of the person who we are recognizing in this very unique way.

Appointed to the Federal bench by President Kennedy, he was the youngest Federal judge in the country at the time, but he comes from an absolutely impeccable background which was very well expressed by Chairman GILCHREST.

The bill has overwhelming bipartisan support and has widespread endorsement of the Pennsylvania Bar Association, Northeastern Pennsylvania Trial

Lawyers Association, numerous civic and charitable organizations. It is wonderful that a person could spend so much time on the Federal bench and be so widely and warmly acclaimed.

It is a very special way in which we can pay tribute to years of dedication to the law and to service of the public by dedicating a building to the honor of Judge William J. Nealon.

For me, coming from northern Minnesota, where for years we shipped iron ore and taconite to the steel mills of Pennsylvania, Scranton was a name much revered and respected and beloved. So, I take a very special pleasure in participating in moving this legislation through subcommittee, full committee and now through the floor linking our two regions of the country through this very unique and distinguished judge. I urge the passage of the legislation.

Mr. MASCARA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I again thank the gentleman from Pennsylvania [Mr. MASCARA] and the gentleman from Minnesota [Mr. OBERSTAR] for their support in this legislation, and I also thank the gentleman from Pennsylvania [Mr. MCDADE], and I hope this honors the people of Scranton, PA, in the most positive way.

Mr. MCDADE. Mr. Speaker, I urge my colleagues to support H.R. 3364, a bill to name the U.S. Courthouse and Federal building in Scranton, PA, after Senior Judge William J. Nealon.

I want to express my gratitude to Public Buildings and Economic Development Subcommittee Chairman WAYNE GILCHREST and ranking Democrat JIM TRAFICANT for their leadership in moving this bill through the committee and on to the House floor.

To my colleagues who may not be familiar with Judge Nealon, I want to say that I introduced this legislation because Judge Nealon is an extraordinary public servant who richly deserves this fitting tribute.

Judge Nealon has served the middle district of Pennsylvania for the past 34 years, longer than any judge in the history of the district since its inception in 1901. He currently serves as a senior judge, after serving as chief judge of the court from 1976 to 1989. President Kennedy appointed Judge Nealon as the U.S. District Judge for the middle district of Pennsylvania on December 15, 1962, making him at that time the youngest Federal judge in the country.

Judge Nealon was honored in 1983 by the Association of Trial Lawyers of America as the Outstanding Federal Trial Judge in the United States. In 1979, he received the Distinguished Judicial Service Award from the Pennsylvania Trial Lawyers Association and has been honored as an outstanding trial judge by the Pennsylvania Defense Institute.

The people of northeastern Pennsylvania have been enriched by Judge Nealon's long record of community service. He has served as a volunteer for numerous educational, medical, youth, and human services organizations. He and his wife, Jean, are the parents of 10 children and 26 grandchildren.

Designation of the courthouse and Federal building, which is currently undergoing a major expansion and renovation, is an appropriate honor for Judge Nealon, a man who has distinguished himself in the Federal judiciary and in his community. He is a man who truly personifies integrity, fairness, good citizenship, and possesses an unyielding commitment to his profession, community, and family.

I urge passage of H.R. 3364.

Mr. GILCHREST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland [Mr. GILCHREST] that the House suspend the rules and pass the bill, H.R. 3364, as amended.

The question was taken.

Mr. GILCHREST. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

ROMAN L. HRUSKA UNITED STATES COURTHOUSE

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3400) to designate the U.S. courthouse to be constructed at a site on 18th Street between Dodge and Douglas Streets in Omaha, NE, as the Roman L. Hruska United States Courthouse, as amended.

The Clerk read as follows:

H.R. 3400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building and United States courthouse to be constructed at a site on 18th Street between Dodge and Douglas Streets in Omaha, Nebraska, shall be known and designated as the "Roman L. Hruska Federal Building and United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the "Roman L. Hruska Federal Building and United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland [Mr. GILCHREST] and the gentleman from Pennsylvania [Mr. MASCARA] each will control 20 minutes.

The Chair recognizes the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Roman Hruska was born in David City, NE in 1903. He attended local schools, and was graduated from the University of Nebraska Omaha campus, and Creighton Law School. He commenced the practice of law in Omaha, and for 8 years served on the Douglas County Board of Commissioners. In 1952 he was elected to the 83d Congress, and in 1954 was elected to the U.S. Senate to serve the unexpired term of Senator Hugh Butler. Senator Hruska served with distinction in the Senate until his retirement in 1976. During his service in the Senate, he rose to be ranking member of the Judiciary Committee, where he reviewed more than 300 nominees for the Federal bench, including nominees to the Supreme Court.

Following his retirement from the Senate, Senator Hruska continued his public service on educational, and civic boards, including service as regent at the University of Omaha. He honors his Czech heritage as vice president and general counsel of the Western Bohemian Fraternal Association, and continues to serve as counsel to the law firm of Kutak, Rock, in Omaha.

This bill has the support of the city of Omaha, and the congressional delegation. Congressman BARRETT, a cosponsor of the bill, appeared before the subcommittee on Public Buildings and Economic Development in support of the bill, and brought statements from other members, and former members Charles Thone and Hal Daub, the current Mayor of Omaha.

I support this bill and I urge my colleagues to pass the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MASCARA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is fitting and proper to honor the career and public service of Senator Roman L. Hruska by designating the Federal building and courthouse under construction in Omaha, NE as the Roman L. Hruska Federal Building and United States Courthouse.

Senator Hruska's distinguished career spanned 24 years, including 2 years of service, from 1952–54, in the House of Representatives where he was known for his steady, unpretentious style and diligent hard work.

While on the Senate Judiciary Committee Senator Hruska became an early advocate of examining the causes and prevention of violence in American society. Determination and attention to detail became the hallmarks of his legislative work.

H.R. 3400 deserves our support and I urge passage of this bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], the ranking member of the full committee.

Mr. OBERSTAR. Mr. Speaker, I compliment Chairman GILCHREST and our ranking member of the subcommittee, Mr. TRAFICANT, on bringing this legislation forward to bring tribute to a former colleague of ours in the House and a former U.S. Senator, Roman Hruska, who had a truly distinguished career both here and in the other body. He was a person most respected for his public integrity and for the great dignity that he brought to the office of U.S. Senator.

It has already been mentioned in the course of previous debate, his unpretentious style, his diligent hard work, his focus on causes and prevention of violence in American society, but he did it all with great dignity and great seriousness of purpose. Not a show horse as we say, but a workhorse, and a very serious workhorse who can be a model for others coming after him and those now serving in both the House and the Senate.

It is entirely fitting and appropriate to designate this Federal building and courthouse now under construction in Omaha, NE, in honor of Senator Roman L. Hruska.

Mr. MASCARA. Mr. Speaker, I would like to acknowledge the diligence and hard work of the gentleman from Maryland [Mr. GILCHREST] and the gentleman from Ohio [Mr. TRAFICANT], our ranking member, both of whom who have been in assistance to me in my new assignment to the Subcommittee on Public Buildings and Economic Develop.

Mr. Speaker, having no further requests for time, I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska [Mr. BARRETT].

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Mr. BARRETT of Nebraska. Mr. Speaker, I am pleased to be here today to support H.R. 3400, a bill a name the new U.S. courthouse in Omaha, NE, after Roman Hruska—a great Nebraskan, public servant, and personal friend.

Roman Hruska got his start in public service in his local county's board of commissioners. He then served in the House of Representatives, representing Nebraska's second district. And after serving only 1 year in the House, he was elected to fill a vacancy in the Senate. Senator Hruska served in the Senate from 1954 to 1976, 22 years.

It was during Senator Hruska's tenure in the Senate that he influenced the Nation's judiciary system. As the ranking member on the Senate Judiciary Committee, Senator Hruska had the opportunity to serve on special commissions to revise the Federal appellate court system, reform the Federal criminal code, and to study the causes and prevention of violence.

On a personal level, it was Roman Hruska who encouraged me to enter public service. He was influential in my decision to seek the chairmanship of the Nebraska Republican Party, and later to represent a district in the Nebraska legislature. And after 12 years in the State legislature, I was ready to go home. However, Roman was there, once again, to urge me to run for my current seat in the House of Representatives. He has been a mentor to me, not only by his words, but also by his actions. His reputation for hard work and integrity was earned, and is widely recognized by many Nebraskans.

Senator Hruska, through his work and dedication to an effective judiciary has influenced many Nebraskans in all walks of life. And in the words of Omaha's current mayor, "There is an abundance of Nebraskan legal professionals whose lives have been profoundly affected by Senator Hruska, and whose career choices have been inspired by him."

Realizing Congress does not lightly select names to designate Federal buildings, I think H.R. 3400 would honor an influential Nebraskan and inspire us all to seek the same goals of integrity and honesty in our lives. I urge my colleagues to support this bill.

Mr. GILCHREST. Mr. Speaker, I want to thank the gentleman from Minnesota [Mr. OBERSTAR], the gentleman from Ohio [Mr. TRAFICANT], and the gentleman from Pennsylvania [Mr. MASCARA] for their able assistance in naming this Federal building and courthouse after such a distinguished jurist and fine American. I want to thank the gentleman from Nebraska [Mr. BARRETT] for his contribution to this legislation.

Mr. BEREUTER. Mr. Speaker, this Member is pleased to be an original cosponsor of H.R. 3400, legislation to designate the new courthouse in Omaha as the Roman L. Hruska U.S. Courthouse and urges his colleagues to support this bill.

It is most appropriate that the new Omaha courthouse be named after Senator Hruska since he is highly respected for his expertise in judicial policy matters. During his long and distinguished career he served his State and his country in several capacities. While he is a native of David City in the First Congressional District, he began his public service career in Omaha on the Douglas County Board of Commissioners—serving as its chairman. Later he was elected to the House of Representatives in 1952, and then to the Senate where he served from 1954 to 1976. He was the ranking Republican on the Senate Judiciary Committee. He also was the chairman of a Presidential commission to revise the Federal appellate court system. Additionally, he served on commissions to reform the Federal criminal code and to study the causes and prevention of violence.

Mr. Speaker, for the foregoing reasons and many others, naming the new courthouse after Senator Roman Hruska would serve as a continuing tribute to his lifetime of service to Nebraska and his devotion to improving the judicial system. This Member strongly urges the passage of H.R. 3400.

Mr. GILCHREST. Mr. Speaker, I urge my colleagues to vote for the bill, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from Maryland [Mr. GILCHREST] that the House suspend the rules and pass the bill, H.R. 3400, as amended.

The question was taken.

Mr. GILCHREST. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that Members have 5 legislative days in which to revise and extend their remarks on the bills and resolutions just debated: House Concurrent Resolution 153, House Concurrent Resolution 172, H.R. 3029, H.R. 3186, H.R. 3364, as amended, and H.R. 3400, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

IDEA IMPROVEMENT ACT OF 1996

Mr. GOODLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3268) to amend the Individuals with Disabilities Education Act, to reauthorize and make improvements to that Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3268

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "IDEA Improvement Act of 1996".

TITLE I—AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

SEC. 101. AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Parts A through D of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) are amended to read as follows:

"PART A—GENERAL PROVISIONS

"SEC. 601. SHORT TITLE; TABLE OF CONTENTS; FINDINGS; PURPOSES.

"(a) SHORT TITLE.—This title may be cited as the 'Individuals with Disabilities Education Act'.

"(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

"PART A—GENERAL PROVISIONS

"Sec. 601. Short title; table of contents; findings; purposes.
"Sec. 602. Definitions.
"Sec. 603. Office of Special Education Programs.
"Sec. 604. Abrogation of State sovereign immunity.
"Sec. 605. Requirements for prescribing regulations.
"Sec. 606. Employment of individuals with disabilities.

"PART B—ASSISTANCE FOR EDUCATION OF ALL CHILDREN WITH DISABILITIES

"Sec. 611. Authorization; allotment; use of funds; authorization of appropriations.
"Sec. 612. State requirements.
"Sec. 613. Local educational agency requirements.
"Sec. 614. Evaluations, reevaluations, individualized education programs, and educational placements.
"Sec. 615. Procedural safeguards.
"Sec. 616. Withholding and judicial review.
"Sec. 617. Administration.
"Sec. 618. Program information.
"Sec. 619. Preschool grants.

"PART C—INFANTS AND TODDLERS WITH DISABILITIES

"Sec. 631. Findings and policy.
"Sec. 632. Definitions.
"Sec. 633. General authority.
"Sec. 634. Eligibility.
"Sec. 635. Requirements for Statewide system.
"Sec. 636. Individualized family service plan.
"Sec. 637. State application and assurances.
"Sec. 638. Uses of funds.
"Sec. 639. Procedural safeguards.
"Sec. 640. Payor of last resort.
"Sec. 641. State interagency coordinating council.
"Sec. 642. Federal administration.
"Sec. 643. Allocation of funds.
"Sec. 644. Authorization of appropriations.

"PART D—NATIONAL ACTIVITIES TO IMPROVE EDUCATION OF CHILDREN WITH DISABILITIES

"Sec. 651. Purpose of part.
"Sec. 652. Eligibility for financial assistance.
"Sec. 653. Comprehensive plan.
"Sec. 654. Peer review.
"Sec. 655. Eligible applicants.
"Sec. 656. Applicant and recipient responsibilities.
"Sec. 657. Indirect costs.
"Sec. 658. Program evaluation.

"SUBPART 1—NATIONAL RESEARCH AND IMPROVEMENT ACTIVITIES

"Sec. 661. General authority to make awards.
"Sec. 662. Priorities.
"Sec. 663. National assessment.
"Sec. 664. Authorization of appropriations.

"SUBPART 2—PROFESSIONAL DEVELOPMENT

"Sec. 671. Purpose.
"Sec. 672. Finding.
"Sec. 673. National activities.
"Sec. 674. Professional development for personnel serving low-incidence populations.
"Sec. 675. Leadership personnel.
"Sec. 676. Service obligation.
"Sec. 677. Outreach.

"SUBPART 3—STATE PROGRAM IMPROVEMENT GRANTS FOR CHILDREN WITH DISABILITIES

"Sec. 681. Purpose.
"Sec. 682. Eligibility and collaborative process.
"Sec. 683. State improvement plans.
"Sec. 684. Use of funds.
"Sec. 685. Minimum State allotments.
"Sec. 686. Authorization of appropriations.

"SUBPART 4—PARENT TRAINING

"Sec. 691. Grants for parent training and information centers.
"Sec. 692. Technical assistance for parent training and information centers.
"Sec. 693. Authorization of appropriations.

"(c) FINDINGS.—The Congress finds the following:

"(1) Disability is a natural part of the human experience and in no way diminishes the right of individuals to participate in or contribute to society. Improving educational results for children with disabilities is an essential element of our national policy of ensuring equality of opportunity, full participation, independent living, and economic self-sufficiency for individuals with disabilities.

"(2) Before the date of the enactment of the Education for All Handicapped Children Act of 1975 (Public Law 94-142)—

"(A) the special educational needs of children with disabilities were not being fully met;

"(B) more than one-half of the children with disabilities in the United States did not receive appropriate educational services that would enable such children to have full equality of opportunity;

"(C) 1,000,000 of the children with disabilities in the United States were excluded entirely from the public school system and did not go through the educational process with their peers;

"(D) there were many children with disabilities throughout the United States participating in regular school programs whose disabilities prevented such children from having a successful educational experience because their disabilities were undetected; and

"(E) because of the lack of adequate services within the public school system, families were often forced to find services outside the public school system, often at great distance from their residence and at their own expense.

"(3) Since the enactment and implementation of the Education for All Handicapped Children Act of 1975, this Act has been successful in ensuring children with disabilities and the families of such children access to a free appropriate public education and in improving educational results for children with disabilities.

"(4) However, the implementation of this Act has been impeded by low expectations, and an insufficient focus on applying replicable research on proven methods of teaching and learning for children with disabilities.

"(5) 20 years of research and experience has demonstrated that the education of children with disabilities can be made more effective by—

"(A) having high expectations for such children and ensuring their access in the general curriculum to the maximum extent possible;

"(B) ensuring that families of such children have meaningful opportunities to participate in the education of their children at school and at home;

"(C) coordinating this Act with other local, educational service agency, State, and Federal school improvement efforts in order to ensure that such children benefit from such efforts and that special education can become a service for such children rather than a place where they are sent;

"(D) providing appropriate special education and related services and aids and supports in the regular classroom to such children, whenever appropriate;

"(E) supporting high-quality, intensive professional development for all personnel who work with such children in order to ensure that they have the skills and knowledge necessary to enable them—

"(i) to meet developmental goals and, to the maximum extent possible, those challenging expectations that have been established for all children; and

"(ii) to be prepared to lead productive, independent, adult lives, to the maximum extent possible;

"(F) providing incentives for whole-school approaches and early intervention to reduce the need to label children as disabled in order to address their learning needs; and

"(G) focusing resources on teaching and learning while reducing paperwork and requirements that do not assist in improving educational results.

"(6) While States, local educational agencies, and educational service agencies are responsible for providing an education for all children with disabilities, it is in the national interest that the Federal Government have a role in assisting State and local efforts to educate children with disabilities in order to improve results for such children and to ensure equal protection of the law.

"(7)(A) The Federal Government must be responsive to the growing needs of an increasingly more diverse society. A more equitable allocation of resources is essential for the Federal Government to meet its responsibility to provide an equal educational opportunity for all individuals.

"(B) America's racial profile is rapidly changing. Between 1980 and 1990, the rate of increase in the population for white Americans was 6 percent, while the rate of increase for racial and ethnic minorities was much higher: 53 percent for Hispanics, 13.2 percent for African-Americans, and 107.8 percent for Asians.

"(C) By the year 2000, this Nation will have 275,000,000 people, nearly one of every three of whom will be either African-American, Hispanic, Asian-American, or American Indian.

"(D) Taken together as a group, minority children are comprising an ever larger percentage of public school students. Large city school populations are overwhelmingly minority, e.g., for fall 1993, the figure for Miami was 84 percent; Chicago, 89 percent; Philadelphia, 78 percent; Baltimore, 84 percent; Houston, 88 percent; and Los Angeles, 88 percent.

"(E) Recruitment efforts within special education at the level of preservice, continuing education, and practice must focus on bringing larger numbers of minorities into the profession in order to provide appropriate practitioner knowledge, role models, and sufficient manpower to address the clearly changing demography of special education.

"(F) The limited English proficient population is the fastest growing in our Nation, and the growth is occurring in many parts of our Nation. In the Nation's 2 largest school districts, limited English students make up almost half of all students initially entering school at the kindergarten level. Studies have documented apparent discrepancies in the levels of referral and placement of limited English proficient children in special education. The Department of Education has found that services provided to limited English proficient students often do not respond primarily to the pupil's academic needs. These trends pose special challenges for special education in the referral, assessment, and services for our Nation's students from non-English language backgrounds.

"(8)(A) Greater efforts are needed to prevent the intensification of problems connected with mislabeling and high dropout rates among minority children with disabilities.

"(B) More minority children continue to be served in special education than would be expected from the percentage of minority students in the general school population.

"(C) Poor African-American children are 3.5 times more likely to be identified by their teacher as mentally retarded than their white counterpart.

"(D) Although African-Americans represent 12 percent of elementary and secondary enrollments, they constitute 28 percent of total enrollments in special education.

"(E) The drop out rate is 68 percent higher for minorities than for whites.

"(F) More than 50 percent of minority students in large cities drop out of school.

"(9)(A) The opportunity for full participation in awards for grants and contracts; boards of organizations receiving funds under this Act; and peer review panels; and training of professionals in the area of special education by minority individuals, organizations, and historically Black colleges and universities is essential if we are to obtain greater success in the education of minority children with disabilities.

"(B) In 1989, of the 661,000 college and university professors, 4.6 percent were African-American and 3.1 percent were Hispanic. Of the 3,600,000 teachers, prekindergarten through high school, 9.4 percent were African-American and 3.9 percent were Hispanic.

"(C) Students from minority groups comprise more than 50 percent of K–12 public school enrollment in seven States yet minority enrollment in teacher training programs is less than 15 percent in all but six States.

"(D) As the number of African-American and Hispanic students in special education increases, the number of minority teachers and related service personnel produced in our colleges and universities continues to decrease.

"(E) Ten years ago, 12.5 percent of the United States teaching force in public elementary and secondary schools were members of a minority group. Minorities comprised 21.3 percent of the national population at that time and were clearly underrepresented then among employed teachers. Today, the elementary and secondary teaching force is 3 to 5 percent minority, while one-third of the students in public schools are minority children.

"(F) As recently as 1991, Historically Black Colleges and Universities enrolled 44 percent of the African-American teacher trainees in the Nation. However, in 1993, Historically Black Colleges and Universities received only 4 percent of the discretionary funds for special education and related services personnel training under this Act.

"(G) While African-American students constitute 28 percent of total enrollment in special education, only 11.2 percent of individuals enrolled in preservice training programs for special education are African-American.

"(H) In 1986–87, of the degrees conferred in education at the B.A., M.A., and Ph.D levels, only 6, 8, and 8 percent, respectively, were awarded to African-American or Hispanic students.

"(10) Minorities and underserved persons are socially disadvantaged because of the lack of opportunities in training and educational programs, undergirded by the practices in the private sector that impede their full participation in the mainstream of society.

"(d) PURPOSES.—The purposes of this title are—

"(1) to ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for employment and independent living;

"(2) to ensure that the rights of children with disabilities and parents of such children are protected;

"(3) to assist States, localities, education service agencies, and Federal agencies to provide for the education of all children with disabilities; and

"(4) to assess, and ensure the effectiveness of, efforts to educate children with disabilities.

"SEC. 602. DEFINITIONS.

"As used in this title:

"(1) ASSISTIVE TECHNOLOGY DEVICE.—The term 'assistive technology device' means any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of a child with a disability.

"(2) ASSISTIVE TECHNOLOGY SERVICE.—The term 'assistive technology service' means any service that directly assists a child with a disability in the selection, acquisition, or use of an assistive technology device. Such term includes—

"(A) the evaluation of the needs of such child, including a functional evaluation of the child in the child's customary environment;

"(B) purchasing, leasing, or otherwise providing for the acquisition of assistive technology devices by such child;

"(C) selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing, or replacing of assistive technology devices;

"(D) coordinating and using other therapies, interventions, or services with assistive technology devices, such as those associated with existing education and rehabilitation plans and programs;

"(E) training or technical assistance for such child, or, where appropriate, the family of such child; and

"(F) training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers, or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of such child.

"(3) CHILD WITH A DISABILITY.—

"(A) IN GENERAL.—The term 'child with a disability' means a child—

"(i) with mental retardation, hearing impairments (including deafness), speech or language impairments, visual impairments (including blindness), serious emotional disturbance, orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities; and

"(ii) who, by reason thereof, needs special education and related services.

"(B) CHILD AGED 3 TO 9.—The term 'child with a disability' for a child aged 3 to 9, inclusive, may, at the discretion of the State and the local educational agency, include a child—

"(i) experiencing developmental delays, as defined by the State and as measured by appropriate diagnostic instruments and procedures, in one or more of the following areas: physical development, cognitive development, communication development, social or emotional development, or adaptive development; and

"(ii) who, by reason thereof, needs special education and related services.

"(4) EDUCATIONAL SERVICE AGENCY.—The term 'educational service agency'—

"(A) means a regional public multiservice agency—

"(i) authorized by State law to develop, manage, and provide services or programs to local educational agencies; and

"(ii) recognized as an administrative agency for purposes of the provision of special education and related services provided within public elementary and secondary schools of the State; and

"(B) includes any other public institution or agency having administrative control and direction over a public elementary or secondary school.

"(5) ELEMENTARY SCHOOL.—The term 'elementary school' means a day or residential school which provides elementary education, as determined under State law, policy, or procedure.

"(6) EQUIPMENT.—The term 'equipment' includes—

"(A) machinery, utilities, and built-in equipment and any necessary enclosures or structures to house such machinery, utilities, or equipment; and

"(B) all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, telecommunications, sensory, and other technological aids and devices, and books, periodicals, documents, and other related materials.

"(7) EXCESS COSTS.—The term 'excess costs' means those costs which are in excess of the average annual per student expenditure in a local educational agency during the preceding school year for an elementary or secondary school student, as may be appropriate, and which shall be computed after deducting—

"(A) amounts received—

"(i) under part B of this title;

"(ii) under part A of title I of the Elementary and Secondary Education Act of 1965; or

"(iii) under part A of title VII of such Act; and

"(B) any State or local funds expended for programs that would qualify for assistance under any such part.

"(8) FREE APPROPRIATE PUBLIC EDUCATION.—The term 'free appropriate public education' means special education and related services that—

"(A) have been provided at public expense, under public supervision and direction, and without charge;

"(B) meet the standards of the State educational agency;

"(C) include an appropriate preschool, elementary, or secondary school education in the State involved; and

"(D) are provided in conformity with the individualized education program required under section 614(d).

"(9) INDIAN.—The term 'Indian' means an individual who is a member of an Indian tribe.

"(10) INDIAN TRIBE.—The term 'Indian tribe' means any Federal or State Indian tribe, band, rancheria, pueblo, colony, or community, including any Alaskan native village or regional village corporation (as defined in or established under the Alaska Native Claims Settlement Act).

"(11) INDIVIDUALIZED EDUCATION PROGRAM.—The term 'individualized education program' or 'IEP' means a written statement for each child with a disability that is developed, reviewed, and revised in accordance with section 614(d) and that includes—

"(A) a statement of the child's present levels of educational performance, including—

"(i) how the child's disability affects the child's involvement and progress in the general curriculum; or

"(ii) for preschool children, as appropriate, how the disability affects the child's participation in appropriate activities;

"(B) a statement of measurable annual goals, including benchmarks or short-term objectives, related to—

"(i) meeting the child's needs that result from the child's disability to enable the child to be involved in and progress in the general curriculum; and

"(ii) meeting each of the child's other educational needs that result from the child's disability;

"(C) a statement of how the classroom was adapted before the student was referred for identification as a child with a disability;

"(D) a justification of the extent, if any, to which the child will not be educated with nondisabled children;

"(E) a statement of the special education and related services and supplementary aids and services to be provided to the child, or on behalf of the child, and any program modifications or support for school personnel necessary for the child—

"(i) to progress toward the attainment of the annual goals described in subparagraph (B); and

"(ii) to be involved and progress in the general curriculum in accordance with subparagraph (A) and to participate in extracurricular and other nonacademic activities;

"(F)(i) a statement of any individual modifications in the administration of State or districtwide assessments of student achievement that are needed in order for the child to participate in such assessment; and

"(ii) if the individualized education program team determines that the child will not participate in a particular State or districtwide assessment of student achievement (or part of such an assessment), a statement of—

"(I) why that assessment is not appropriate for the child; and

"(II) how the child will be assessed;

"(G) the projected date for the beginning of the services and modifications described in subparagraph (E), and the anticipated frequency, location, and duration of those services and modifications;

"(H)(i) beginning at age 14, and updated annually, a statement of the transition service needs of the child under the applicable components of the child's IEP that focuses on the child's courses of study (such as participation in advanced-placement courses or a vocational education or school-to-work program);

"(ii) beginning at age 16 (or younger, if determined appropriate by the IEP Team), a statement of needed transition services for the child, including, when appropriate, a statement of the interagency responsibilities or any needed linkages; and

"(iii) beginning at least one year before the child reaches the age of majority under State law, a statement that the child has been informed of his or her rights under this title, if any, that will transfer to the child on reaching the age of majority under section 615(m); and

"(I) a statement of—

"(i) how the child's progress toward the annual goals described in subparagraph (B) will be measured; and

"(ii) how the child's parents will be regularly informed (by such means as periodic report cards), at least as often as parents are informed of their nondisabled children's progress, of—

"(I) their child's progress toward the annual goals described in subparagraph (B); and

"(II) the extent to which that progress is sufficient to enable the child to achieve the objectives by the end of the year.

"(12) INDIVIDUALIZED EDUCATION PROGRAM TEAM.—The term 'individualized education program team' or 'IEP Team' means a group of individuals composed of—

"(A) the parents of a child with a disability;

"(B) at least one regular education teacher of such child (if the child is, or may be, participating in the regular education environment);

"(C) at least one special education teacher, or where appropriate, at least one special education provider of such child;

"(D) a representative of the local educational agency who—

"(i) is qualified to provide, or supervise the provision of, specially designed instruction to meet the unique needs of children with disabilities;

"(ii) is knowledgeable about the general curriculum; and

"(iii) is knowledgeable about the availability of resources of the local educational agency;

"(E) whenever appropriate, the child with a disability; and

"(F) at the discretion of the parent or the agency, other individuals who have special expertise or knowledge regarding the abilities and disability or disabilities of the child, including, as appropriate, related services personnel who are or who will be working with the child.

"(13) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education'—

"(A) has the meaning given that term in section 1201(a) of the Higher Education Act of 1965; and

"(B) also includes any community college receiving funding from the Secretary of the Interior under the Tribally Controlled Community College Assistance Act of 1978.

"(14) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' means—

"(A) a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for a combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools;

"(B) any other public institution or agency having administrative control and direction of a public elementary or secondary school; or

"(C) an educational service agency.

"(15) NATIVE LANGUAGE.—The term 'native language', when used with reference to an individual of limited English proficiency, means the language normally used by the individual, or in the case of a child, the language normally used by the parents of the child, and includes American Sign Language.

"(16) NONPROFIT.—The term 'nonprofit' as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(17) PARENT.—The term 'parent' includes a legal guardian or surrogate parent.

"(18) PARENT ORGANIZATION.—The term 'parent organization' means a private nonprofit organization (but not including an institution of higher education) that—

"(A) has a board of directors—

"(i) the majority of whom are parents of children with disabilities;

"(ii) that includes—

"(I) individuals working in the fields of special education, related services, and early intervention; and

"(II) individuals with disabilities; and

"(iii) the parent and professional members of which are broadly representative of the population to be served; or

"(B)(i) represents the interests of individuals with disabilities and has established a special governing committee which meets the requirements of subparagraph (A); and

"(ii) has a memorandum of understanding between the special governing committee and the board of directors of the organization which clearly outlines the relationship between the board and the committee and the decisionmaking responsibilities and authority of each.

"(19) PARENT TRAINING AND INFORMATION CENTER.—The term 'parent training and information center' means a center that—

"(A) provides training and information that meets the training and information needs of parents of children with disabilities living in the area served by the center; and

"(B) assists parents—

"(i) to better understand the nature of their children's disabilities and their educational and developmental needs;

"(ii) to communicate effectively with personnel responsible for providing special education, early intervention, and related services;

"(iii) to participate in decisionmaking processes and the development of the IEP;

"(iv) to obtain appropriate information about the range of options, programs, services, and resources available to assist children with disabilities and their families;

"(v) to understand the programs under this title for the education of, and the provision of early intervention services to, children with disabilities; and

"(vi) to participate in school reform activities.

"(20) RELATED SERVICES.—The term 'related services' means transportation, and such developmental, corrective, and other supportive services (including speech-language pathology and audiology services, psychological services, physical and occupational therapy, recreation, including therapeutic recreation, social work services, counseling services, including rehabilitation counseling, orientation and mobility services, and medical services, except that such medical services shall be for diagnostic and evaluation purposes only) as may be required to assist a child with a disability to benefit from special education, and includes the early identification and assessment of disabling conditions in children.

"(21) SECONDARY SCHOOL.—The term 'secondary school' means a day or residential school which provides secondary education, as determined under State law, policy, or procedure, except that it does not include any education provided beyond grade 12.

"(22) SECRETARY.—The term 'Secretary' means the Secretary of Education.

"(23) SPECIAL EDUCATION.—The term 'special education' means specially designed instruction, at no cost to parents, to meet the unique needs of a child with a disability, including—

"(A) instruction conducted in the classroom, in the home, in hospitals and institutions, and in other settings; and

"(B) instruction in physical education.

"(24) SPECIFIC LEARNING DISABILITY.—

"(A) IN GENERAL.—The term 'specific learning disability' means a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations.

"(B) DISORDERS INCLUDED.—Such term includes such conditions as perceptual disabilities, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia.

"(C) DISORDERS NOT INCLUDED.—Such term does not include a learning problem that is primarily the result of visual, hearing, or motor disabilities, of mental retardation, of emotional disturbance, or of environmental, cultural, or economic disadvantage.

"(25) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the territories.

"(26) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

"(27) SUPPLEMENTARY AIDS AND SERVICES.—The term 'supplementary aids and services' means, aids, services, and other supports that are provided in regular education classes or other education-related settings to enable children with disabilities to be educated with nondisabled children to the maximum extent appropriate in accordance with section 612(a)(4).

"(28) TERRITORY.—The term 'territory' means American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the Virgin Islands.

"(29) TRANSITION SERVICES.—The term 'transition services' means a coordinated set of activities for a child with a disability that—

"(A) are designed within an outcome-oriented process, which promotes movement from school to post-school activities, including post-secondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, or community participation;

"(B) are based upon the individual child's needs, taking into account the child's preferences and interests; and

"(C) include instruction, related services, community experiences, the development of employment and other post-school adult living objectives, and, when appropriate, acquisition of daily living skills and functional vocational evaluation.

"SEC. 603. OFFICE OF SPECIAL EDUCATION PROGRAMS.

"(a) ESTABLISHMENT.—There shall be, within the Office of Special Education and Rehabilitative Services in the Department of Education, an Office of Special Education Programs which shall be the principal agency in such Department for administering and carrying out this title and other programs and activities concerning the education and training of children with disabilities.

"(b) DIRECTOR.—The Office established under subsection (a) shall be headed by a Director who shall be selected by the Secretary and shall report directly to the Assistant Secretary for Special Education and Rehabilitative Services.

"(c) VOLUNTARY AND UNCOMPENSATED SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary is authorized to accept voluntary and uncompensated services in furtherance of the purposes of this title.

"SEC. 604. ABROGATION OF STATE SOVEREIGN IMMUNITY.

"(a) IN GENERAL.—A State shall not be immune under the eleventh amendment to the Constitution of the United States from suit in Federal court for a violation of this title.

"(b) REMEDIES.—In a suit against a State for a violation of this title, remedies (including remedies both at law and in equity) are available for such a violation to the same extent as such remedies are available for such a violation in the suit against any public entity other than a State.

"(c) EFFECTIVE DATE.—The provisions of subsections (a) and (b) apply with respect to violations that occur in whole or part after the date of the enactment of the Education of the Handicapped Act Amendments of 1990.

"SEC. 605. REQUIREMENTS FOR PRESCRIBING REGULATIONS.

"(a) PUBLIC-COMMENT PERIOD.—The Secretary shall provide a public-comment period of at least 90 days on any regulation proposed under part B or part C of this title on which an opportunity for public comment is otherwise required by law.

"(b) PROTECTIONS PROVIDED TO CHILDREN.—The Secretary may not implement, or publish in final form, any regulation prescribed pursuant to this title which would procedurally or substantively lessen the protections provided to children with disabilities under this title, as embodied in regulations in effect on July 20, 1983 (particularly as such protections relate to parental consent to initial evaluation or initial placement in special education, least restrictive environment, related services, timeliness, attendance of evaluation personnel at individualized education program meetings, or qualifications of personnel), except to the extent that such regulation reflects the clear and unequivocal intent of the Congress in legislation.

"(c) CORRESPONDENCE FROM DEPARTMENT OF EDUCATION DESCRIBING INTERPRETATIONS OF THIS PART.—

"(1) IN GENERAL.—The Secretary shall, on a quarterly basis, publish in the Federal Register, and widely disseminate to interested entities through various additional forms of communication, a list of correspondence from the Department of Education received by individuals during the previous quarter that describes the interpretations of the Department of Education of this Act or the regulations implemented pursuant to this Act.

"(2) ADDITIONAL INFORMATION.—For each item of correspondence published in a list under paragraph (1), the Secretary shall identify the topic addressed by the correspondence and shall include such other summary information as the Secretary determines to be appropriate.

"(3) RESTRICTIONS ON USE OF CORRESPONDENCE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an item of correspondence published and disseminated under paragraph (1) may not be used in the following:

"(i) An administrative or due process action commenced under section 615.

"(ii) A compliance review or other action relating to a State educational agency conducted by the Department of Education.

"(iii) A compliance review or other action relating to a local educational agency or other agency conducted by a State educational agency.

"(B) EXCEPTIONS.—A restriction on the use of an item of correspondence under subparagraph (A) shall not apply if the item of correspondence—

"(i) is directly related to the particular fact situation, practice, or policy at issue under clause (i) or (iii) of subparagraph (A);

"(ii)(I) was originally directed to one of the parties to the action under subparagraph (A)(i); or

"(II) was originally directed to the particular local educational agency or other agency under subparagraph (A)(iii); or

"(iii) was originally directed to the particular State educational agency under subparagraph (A)(ii).

"SEC. 606. EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES.

"The Secretary shall assure that each recipient of assistance under this Act shall make positive efforts to employ and advance in employment qualified individuals with disabilities in programs assisted under this Act.

"PART B—ASSISTANCE FOR EDUCATION OF ALL CHILDREN WITH DISABILITIES

"SEC. 611. AUTHORIZATION; ALLOTMENT; USE OF FUNDS; AUTHORIZATION OF APPROPRIATIONS.

"(a) AUTHORIZATION.—The Secretary of Education shall provide grants to States and provide amounts to the Secretary of the Interior for the purpose of providing special education and related services to children with disabilities in accordance with this part.

"(b) ALLOTMENT AMONG STATES.—

"(1) RESERVATION FOR THE TERRITORIES.—

"(A) IN GENERAL.—Of the amount appropriated pursuant to subsection (e) to carry out this part for a fiscal year, the Secretary shall allot not more than one percent among the territories in accordance with this paragraph.

"(B) BASIS FOR ALLOTMENT.—The Secretary shall allot to each territory an amount that bears the same proportion to the amount appropriated pursuant to subsection (e) for a fiscal year as the number of individuals aged 3 to 21, inclusive, residing in such territory bears to the aggregate number of such individuals residing in all such territories.

"(C) PROHIBITION ON CONSOLIDATION OF GRANTS.—Section 501 of Public Law 95–134 (48 U.S.C. 1469a; relating to the consolidation of one or more grants provided to certain territories) shall not apply with respect to amounts provided to a territory under a grant under this part.

"(2) SECRETARY OF THE INTERIOR.—Of the amount appropriated pursuant to subsection (e) to carry out this part for a fiscal year, the Secretary shall provide to the Secretary of the Interior an amount equal to 1.226 percent to carry out subsection (d) (relating to special education and related services for Indian children with disabilities).

"(3) STATES.—

"(A) IN GENERAL.—After determining the amount to be allotted to the territories under paragraph (1) and the amount to be provided to the Secretary of the Interior under paragraph (2) for a fiscal year, the Secretary shall allot the remaining amount to the remaining States in accordance with this paragraph.

"(B) BASIS FOR ALLOTMENT.—Except as provided in subparagraph (D), the Secretary shall allot to each State an amount equal to the sum of the following amounts:

"(i) The amount equal to—

"(I) 85 percent of the remaining amount described in subparagraph (A); multiplied by

"(II) the child population percentage of the State (as determined under subparagraph (C)(i)).

"(ii) The amount equal to—

"(I) 15 percent of the remaining amount described in subparagraph (A); multiplied by

"(II) the child poverty percentage of the State (as determined under subparagraph (C)(ii)).

"(C) DETERMINATION OF CHILD POPULATION PERCENTAGE AND CHILD POVERTY PERCENTAGE.—

"(i) CHILD POPULATION PERCENTAGE.—The child population percentage shall be determined by comparing—

"(I) the number of children aged 3 to 21, inclusive, in the State who are of the same age as children with disabilities for whom the State ensures the availability of a free appropriate public education; to

"(II) the number of such children in the remaining States.

"(ii) CHILD POVERTY PERCENTAGE.—The child poverty percentage shall be determined by comparing—

"(I) the number of children aged 3 to 21, inclusive, in the State living in poverty who are of the same age as children with disabilities for whom the State ensures the availability of a free appropriate public education; to

"(II) the number of such children in the remaining States.

"(D) TRANSITION FORMULA.—For each of the fiscal years 1997 through 2005, the Secretary shall allot the remaining amount to the remaining States in accordance with the following:

"(i) FISCAL YEAR 1997.—For fiscal year 1997, the Secretary shall allot to each remaining State the sum of—

"(I) 10 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 90 percent multiplied by the amount determined for such State under subparagraph (E).

"(ii) FISCAL YEAR 1998.—For fiscal year 1998, the Secretary shall allot to each remaining State the sum of—

"(I) 20 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 80 percent multiplied by the amount determined for such State under subparagraph (E).

"(iii) FISCAL YEAR 1999.—For fiscal year 1999, the Secretary shall allot to each remaining State the sum of—

"(I) 30 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 70 percent multiplied by the amount determined for such State under subparagraph (E).

"(iv) FISCAL YEAR 2000.—For fiscal year 2000, the Secretary shall allot to each remaining State the sum of—

"(I) 40 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 60 percent multiplied by the amount determined for such State under subparagraph (E).

"(v) FISCAL YEAR 2001.—For fiscal year 2001, the Secretary shall allot to each remaining State the sum of—

"(I) 50 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 50 percent multiplied by the amount determined for such State under subparagraph (E).

"(vi) FISCAL YEAR 2002.—For fiscal year 2002, the Secretary shall allot to each remaining State the sum of—

"(I) 60 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 40 percent multiplied by the amount determined for such State under subparagraph (E).

"(vii) FISCAL YEAR 2003.—For fiscal year 2003, the Secretary shall allot to each remaining State the sum of—

"(I) 70 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 30 percent multiplied by the amount determined for such State under subparagraph (E).

"(viii) FISCAL YEAR 2004.—For fiscal year 2004, the Secretary shall allot to each remaining State the sum of—

"(I) 80 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 20 percent multiplied by the amount determined for such State under subparagraph (E).

"(ix) FISCAL YEAR 2005.—For fiscal year 2005, the Secretary shall allot to each remaining State the sum of—

"(I) 90 percent multiplied by the amount determined for such State under subparagraph (B); and

"(II) 10 percent multiplied by the amount determined for such State under subparagraph (E).

"(E) BASE AMOUNT FOR 1996.—

"(i) IN GENERAL.—Subject to clause (ii), the amount determined under this subparagraph for a State is the amount that bears the same proportion to the remaining amount (described in subparagraph (A)) for the fiscal year under subparagraph (D) as the amount received by the State under this section for fiscal year 1996 bears to the aggregate of the amounts received by the remaining States (described in subparagraph (A)) under this section for fiscal year 1996.

"(ii) REDUCTION IN AMOUNT.—If the State received an amount under this section for fiscal year 1996 on the basis of children aged 3 to 5, inclusive, in such State, but the State does not make a free appropriate public education available to all children with disabilities aged 3 to 5, inclusive, in the State at the time a determination is made under subparagraph (C), the Secretary shall reduce, on a proportional basis, the amount under clause (i) for purposes of allotting amounts under such subparagraph.

"(F) INCREASE IN ALLOTMENT AMOUNT DURING TRANSITION YEARS.—

"(i) IN GENERAL.— For each of the fiscal years 1997 through 2005, if the amount determined for a State under subparagraph (D) is an amount that is less than the amount received by the State under this section for fiscal year 1996 and—

"(I) the amount of the difference between such two amounts is less than an amount equal to 10 percent of the amount received by the State for fiscal year 1996, then the amount allotted to the State for the fiscal year shall be equal to the amount received by the State for fiscal year 1996; or

"(II) the amount of the difference between such two amounts is equal to or greater than an amount equal to 10 percent of the amount received by the State for fiscal year 1996, then the amount allotted to the State for the fiscal year shall be equal to the sum of (aa) the amount determined for the State under subparagraph (D), and (bb) the amount equal to 10 percent of the amount received by the State for fiscal year 1996.

"(ii) ADJUSTMENT.—If amounts are allotted to one or more States under clause (i) for a fiscal year, the Secretary shall reduce, on a proportional basis, the amounts allotted to the remaining States for which the amount determined under subparagraph (D) is an amount that is greater than the amount received by such States under this section for fiscal year 1996.

"(G) MINIMUM ALLOTMENT.—For each fiscal year for which one of the conditions of subparagraph (F) is met (or such subparagraph does not apply) and subject to the availability of appropriations, for fiscal year 1997 and each subsequent fiscal year, the amount allotted to each remaining State (described in subparagraph (A)) shall not be less than an amount equal to one-third of one percent of the remaining amount (described in subparagraph (A)) for the fiscal year.

"(H) MAXIMUM ALLOTMENT.—

"(i) IN GENERAL.—For fiscal year 1997 and each subsequent fiscal year, the amount allotted to each remaining State (described in subparagraph (A)) under this paragraph shall not be more than an amount equal to

"(I) the sum of—

"(aa) the number of children with disabilities in the State, aged 6 through 21, who are receiving special education and related services, as determined under clause (ii); and

"(bb) if the State is eligible for a grant under section 619, the number of such children in the State, aged 3 through 5; multiplied by

"(II) 40 percent of the average per-pupil expenditure in public elementary and secondary schools in the United States.

"(ii) DETERMINATION OF NUMBER OF CHILDREN.—The number of children with disabilities receiving special education and related services in any fiscal year shall be equal to the number of such children receiving special education and related services on December 1 of the fiscal year preceding the fiscal year for which the determination is made.

"(iii) AVERAGE PER PUPIL EXPENDITURE.—For purposes of clause (i)(II), the term 'average per pupil expenditure', in the United States, means the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made (or, if satisfactory data for such year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the United States (which, for purposes of this subparagraph, means the fifty States and the District of Columbia), as the case may be, plus any direct expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

"(4) SPECIAL RULE WITH RESPECT TO PUERTO RICO.—

"(A) IN GENERAL.—Except as provided subparagraph (B) and notwithstanding paragraph (3), the amount allotted to Puerto Rico for a fiscal year shall bear the same or lower proportion to the remaining amount (described in paragraph (3)(A)) as the amount received by Puerto Rico under this section for fiscal year 1996 bears to the aggregate of the amounts received by the remaining States (as described in paragraph (3)(A)) under this section for fiscal year 1996.

"(B) INCREASE IN ALLOTMENT AMOUNT DURING CERTAIN FISCAL YEARS.—For each fiscal year for which the minimum allotment requirement under paragraph (3)(G) is met, the amount allotted to Puerto Rico for that fiscal year shall be equal to—

"(i) subject to clause (ii), the sum of—

"(I) the amount determined for Puerto Rico under subparagraph (A); and

"(II) the amount equal to 10 percent of such amount determined for Puerto Rico under subparagraph (A); or

"(ii) if the amount determined for Puerto Rico under clause (i) is greater than the amount determined for Puerto Rico under paragraph (3), the amount determined for Puerto Rico under paragraph (3).

"(C) ADJUSTMENT IN AMOUNTS TO REMAINING STATES.—If the amount allotted to Puerto Rico for a fiscal year is determined under subparagraph (A) or (B)(i), the Secretary shall reallot to the remaining States (as described in paragraph (3)(A)), on a proportional basis, any amount not otherwise allotted to Puerto Rico.

"(5) USE OF MOST RECENT POPULATION DATA.—For the purpose of providing grants under this part, the Secretary shall use the most recent population data and data on children aged 3 to 21, inclusive, living in poverty that are available and satisfactory to the Secretary.

"(c) USE OF FUNDS BY STATE.—

"(1) RESERVATION FOR STATE ACTIVITIES.—

"(A) IN GENERAL.—Subject to subparagraph (D), a State may reserve not more than 25 percent of the amount allotted to the State under paragraph (1) or (3) of subsection (b) for a fiscal year for administration and other State-level activities in accordance with subparagraphs (B) and (C).

"(B) STATE ADMINISTRATION.—

"(i) IN GENERAL.—For the purpose of administering programs under this part, including the coordination of activities under this part with, and providing technical assistance to, other programs that provide services to children with disabilities—

"(I) each territory may use up to 3 percent of the amount allotted to the territory for a fiscal year, or $35,000, whichever is greater; and

"(II) each remaining State may use up to 3 percent of the amount allotted to the State for a fiscal year, or $450,000, whichever is greater.

"(ii) USE OF AMOUNTS FOR ADMINISTRATION OF PART C.—If the State educational agency is the lead agency for the State under part C, amounts described in clause (i) may also be used for the administration of part C.

"(C) OTHER STATE-LEVEL ACTIVITIES.—A State shall use any amounts reserved under subparagraph (A) for a fiscal year that are not used for administration under subparagraph (B) for such fiscal year—

"(i) for support and direct services, including technical assistance and personnel development and training;

"(ii) for administrative costs of monitoring and complaint investigation, but only to the extent that such costs exceed the costs incurred for those activities during fiscal year 1985;

"(iii) to establish and implement the mediation process required by section 615(d), including providing for the costs of mediators and support personnel;

"(iv) to assist local educational agencies in meeting personnel shortages;

"(v) to develop a State improvement plan under part D;

"(vi) for activities at the State and local levels to meet the performance goals established by the State under section 612(a)(14) and to support implementation of the State improvement plan under part D if the State receives funds under that part; or

"(vii) to supplement other amounts used to develop and implement a Statewide coordinated services system designed to improve results for children and families, including children with disabilities and their families, but not to exceed one percent of the amount received by the State under this section (such system shall be coordinated with and, to the extent appropriate, build on the system of coordinated services developed by the State under part C).

"(D) REPORT ON USE OF AMOUNTS.—The State shall, as part of the information required to be submitted under section 612, submit a description of—

"(i) how amounts reserved under subparagraph (A) will be used to meet the requirements of this part;

"(ii) how such amounts will be allocated among the activities described in subparagraphs (B) and (C) to meet State priorities based on input from local educational agencies; and

"(iii) what percentage of such amounts, if any, will be distributed to local educational agencies by formula.

"(2) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES AND CERTAIN STATE AGENCIES.—

"(A) IN GENERAL.—The State shall provide at least 75 percent of the amount received under a grant for a fiscal year to local educational agencies in the State that have established their eligibility under section 613, and to State agencies that received funds under section 614A(a) (as such section was in effect on the day before the date of the enactment of the IDEA Improvement Act of 1996) for fiscal year 1996 and have established their eligibility under section 613, for use in accordance with this part.

"(B) METHODS OF DISTRIBUTION.—A State may provide amounts under subparagraph (A) to local educational agencies and State agencies described under such subparagraph on the basis of—

"(i) school-age population;

"(ii) school enrollment;

"(iii) numbers of children with disabilities receiving a free appropriate public education;

"(iv) allocations for previous fiscal years;

"(v) any two or more of the factors described in clauses (i) through (iv); or

"(vi) poverty, in combination with one or more of the factors described in clauses (i) through (iv).

"(C) FORMER CHAPTER 1 STATE AGENCIES.—

"(i) IN GENERAL.—To the extent necessary for each of the fiscal years 1997, 1998, and 1999, the State shall use amounts that are available under paragraph (1)(A) to ensure that each State agency that received amounts in fiscal year 1994 under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in effect on the day before the date of the enactment of the Improving America's Schools Act of 1994) receives, from the combination of funds under paragraph (1)(A) and funds provided under subparagraph (A), an amount equal to—

"(I) the number of children with disabilities, aged 6 to 21, inclusive, to whom the agency was providing special education and related services on December 1 of the fiscal year for which the funds were appropriated, subject to the methods of distribution under subparagraph (B); multiplied by

"(II) the per-child amount provided under such subpart for fiscal year 1994.

"(ii) ADDITIONAL USE OF AMOUNTS.—The State may use amounts described in clause (i) to ensure that each local educational agency that received fiscal year 1994 funds under that subpart for children who had transferred from a State-operated or State-supported school or program assisted under that subpart receives, from the combination of funds available under paragraph (1)(A) and funds provided under subparagraph (A), an amount for each such child, aged 3 to 21, inclusive, to whom the agency was providing special education and related services on December 1 of the fiscal year for which the funds were appropriated, equal to the per-child amount the agency received under that subpart for fiscal year 1994.

"(iii) DETERMINATION OF NUMBER OF CHILDREN.—The number of children counted under clause (i)(I) shall not exceed the number of children aged 3 to 21, inclusive, for whom the agency received amounts in fiscal year 1994 under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in effect on the day before the date of the enactment of the Improving America's Schools Act of 1994).

"(D) REALLOCATION OF AMOUNTS.—If a State educational agency determines that a local educational agency is adequately providing a free appropriate public education to all children with disabilities residing in the area served by that agency with State and local funds, the State educational agency may reallocate any portion of amounts received under a grant under this part that are not needed by that local agency to other local educational agencies in the State that are not adequately providing special education and related services to all children with disabilities residing in the areas they serve.

"(d) USE OF AMOUNTS BY SECRETARY OF THE INTERIOR.—

"(1) PROVISION OF AMOUNTS FOR ASSISTANCE.—

"(A) IN GENERAL.—The Secretary of Education shall provide amounts to the Secretary of the Interior to meet the need for assistance for the education of children with disabilities on reservations aged 5 to 21, inclusive, enrolled in elementary and secondary schools for Indian children operated or funded by the Secretary of the Interior. The amount of such payment for any fiscal year shall be equal to 80 percent of the amount allotted under subsection (b)(2) for that fiscal year.

"(B) CALCULATION OF NUMBER OF CHILDREN.—In the case of Indian students ages 3 to 5, inclusive, who are enrolled in programs affiliated with Bureau of Indian Affairs (hereafter in this subsection referred to as 'BIA') schools and that are required by the States in which such schools are located to attain or maintain State accreditation, and which schools have such accreditation prior to the date of enactment of the Individuals with Disabilities Education Act Amendments of 1991, the school shall be allowed to count those children for the purpose of distribution of the funds provided under this paragraph to the Secretary of the Interior. The Secretary of the Interior shall be responsible for meeting all of the requirements of this part for these children, in accordance with paragraph (2).

"(C) ADDITIONAL REQUIREMENT.—With respect to all other children aged 3 to 21, inclusive, on reservations, the State educational agency shall be responsible for ensuring that all of the requirements of this part are implemented.

“(2) SUBMISSION OF INFORMATION.—The Secretary of Education may provide the Secretary of the Interior amounts under paragraph (1) for a fiscal year only if the Secretary of the Interior submits to the Secretary of Education information that—

“(A) demonstrates that the Department of the Interior meets the appropriate requirements, as determined by the Secretary of Education, of sections 612 (including monitoring and evaluation activities) and 613;

“(B) includes a description of how the Secretary of the Interior will coordinate the provision of services under this part with local educational agencies, tribes and tribal organizations, and other private and Federal service providers;

“(C) includes an assurance that there are public hearings, adequate notice of such hearings, and an opportunity for comment afforded to members of tribes, tribal governing bodies, and affected local school boards before the adoption of the policies, programs, and procedures described in subparagraph (A);

“(D) includes an assurance that the Secretary of the Interior will provide such information as the Secretary of Education may require to comply with section 618;

“(E) includes an assurance that the Secretary of the Interior and the Secretary of Health and Human Services have entered into a memorandum of agreement, to be provided to the Secretary of Education, for the coordination of services, resources, and personnel between their respective Federal, State, and local offices and with State and local educational agencies and other entities to facilitate the provision of services to Indian children with disabilities residing on or near reservations (such agreement shall provide for the apportionment of responsibilities and costs including, but not limited to, child find, evaluation, diagnosis, remediation or therapeutic measures, and (where appropriate) equipment and medical or personal supplies as needed for a child to remain in school or a program); and

“(F) includes an assurance that the Department of the Interior will cooperate with the Department of Education in its exercise of monitoring and oversight of this application, and any agreements entered into between the Secretary of the Interior and other entities under this part, and will fulfill its duties under this part.

Section 616(a) shall apply to the information described in this paragraph.

“(3) PAYMENTS FOR EDUCATION AND SERVICES FOR INDIAN CHILDREN WITH DISABILITIES AGED 3 TO 5.—

“(A) IN GENERAL.—With funds appropriated under subsection (e), the Secretary of Education shall make payments to the Secretary of the Interior to be distributed to tribes or tribal organizations (as defined under section 4 of the Indian Self-Determination and Education Assistance Act) or consortia of the above to provide for the coordination of assistance for special education and related services for children with disabilities aged 3 to 5, inclusive, on reservations served by elementary and secondary schools for Indian children operated or funded by the Department of the Interior. The amount of such payments under subparagraph (B) for any fiscal year shall be equal to 20 percent of the amount allotted under subsection (b)(2).

“(B) DISTRIBUTION OF FUNDS.—The Secretary of the Interior shall distribute the total amount of the payment under subparagraph (A) by allocating to each tribe or tribal organization an amount based on the number of children with disabilities, ages 3 to 5, inclusive, residing on reservations as reported annually divided by the total of such children served by all tribes or tribal organizations.

“(C) SUBMISSION OF INFORMATION.—To receive a payment under this paragraph, the tribe or tribal organization shall submit such figures to the Secretary of the Interior as required to determine the amounts to be allocated under subparagraph (B). This information shall be compiled and submitted to the Secretary of Education.

“(D) USE OF FUNDS.—The funds received by a tribe or tribal organization shall be used to assist in child find, screening, and other procedures for the early identification of children aged 3 to 5, inclusive, parent training, and the provision of direct services. These activities may be carried out directly or through contracts or cooperative agreements with the BIA, local educational agencies, and other public or private nonprofit organizations. The tribe or tribal organization is encouraged to involve Indian parents in the development and implementation of these activities. The above entities shall, as appropriate, make referrals to local, State, or Federal entities for the provision of services or further diagnosis.

“(E) BIENNIAL REPORT.—To be eligible to receive a grant pursuant to subparagraph (A), the tribe or tribal organization shall provide to the Secretary of the Interior a biennial report of activities undertaken under this paragraph, including the number of contracts and cooperative agreements entered into, the number of children contacted and receiving services for each year and the estimated number of children needing services during the 2 years following the one in which the report is made. The Secretary of the Interior shall include a summary of this information on a biennial basis in the report to the Secretary of Education required under this subsection. The Secretary of Education may require any additional information from the Secretary of the Interior.

“(F) PROHIBITIONS.—None of the funds allocated under this paragraph may be used by the Secretary of the Interior for administrative purposes, including child count and the provision of technical assistance.

“(4) PLAN FOR COORDINATION OF SERVICES.—The Secretary of the Interior shall develop and implement a plan for the coordination of services for all Indian children with disabilities residing on reservations covered under this Act. Such plan shall provide for the coordination of services benefiting these children from whatever source, including tribes, the Indian Health Service, other BIA divisions, and other Federal agencies. In developing such a plan, the Secretary of the Interior shall consult with all interested and involved parties. It shall be based upon the needs of the children and the system best suited for meeting those needs, and may involve the establishment of cooperative agreements between the BIA, other Federal agencies, and other entities. Such plan shall also be distributed upon request to States, State and local educational agencies, and other agencies providing services to infants, toddlers, children, and youth with disabilities, to tribes, and to other interested parties.

“(5) ESTABLISHMENT OF ADVISORY BOARD.—To meet the requirements of section 612(a)(18), the Secretary of the Interior shall establish, not later than 6 months after the date of the enactment of the IDEA Improvement Act of 1996, under the Bureau of Indian Affairs (BIA), an advisory board composed of individuals involved in or concerned with the education and provision of services to Indian infants, toddlers, children, and youth with disabilities, including Indians with disabilities, Indian parents or guardians of such children, teachers, service providers, State and local educational officials, representatives of tribes or tribal organizations, representatives from State Interagency Coordinating Councils in States having reservations, and other members representing the various divisions and entities of the BIA. The chairperson shall be selected by the Secretary of the Interior. The advisory board shall—

“(A) assist in the coordination of services within BIA and with other local, State, and Federal agencies in the provision of education for infants, toddlers, children, and youth with disabilities;

“(B) advise and assist the Secretary of the Interior in the performance of the Secretary's responsibilities described in this subsection;

“(C) develop and recommend policies concerning effective inter- and intra-agency collaboration, including modifications to regulations, and the elimination of barriers to inter- and intra-agency programs and activities;

“(D) provide assistance and disseminate information on best practices, effective program coordination strategies, and recommendations for improved educational programming for Indian infants, toddlers, children, and youth with disabilities; and

“(E) provide assistance in the preparation of information required under paragraph (2)(D).

“(6) ANNUAL REPORTS.—

“(A) IN GENERAL.—The advisory board established under paragraph (5) shall prepare and submit to the Secretary of the Interior and to the Congress an annual report containing a description of the activities of the advisory board for the preceding year.

“(B) AVAILABILITY.—The Secretary of the Interior shall make available to the Secretary of Education the report described in subparagraph (A).

“(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part (except for section 619; relating to preschool grants), there are authorized to be appropriated to the Secretary such sums as may be necessary.

“SEC. 612. STATE REQUIREMENTS.

“(a) IN GENERAL.—A State shall be eligible to receive a grant under this part for a fiscal year if, except as provided in subsection (c), the State submits to the Secretary information that demonstrates to the satisfaction of the Secretary that the State has in effect policies and procedures to ensure that it meets each of the following requirements:

“(1) FREE APPROPRIATE PUBLIC EDUCATION.—

“(A) IN GENERAL.—A free appropriate public education is available to all children with disabilities residing in the State between the ages of 3 and 21, inclusive.

“(B) LIMITATION.—Subparagraph (A) shall not apply with respect to children with disabilities aged 3 to 5 and children with disabilities aged 18 to 21 to the extent that such application to those children would be inconsistent with State law or practice, or the order of any court, relating to the provision of public education to children in such age ranges.

“(2) CHILD FIND.—All children with disabilities residing in the State, including children with disabilities attending private schools, regardless of the severity of such disabilities, and who are in need of special education and related services, are identified, located, and evaluated and that a practical method is developed and implemented to determine which children with disabilities are currently receiving needed special education and related services.

"(3) INDIVIDUALIZED EDUCATION PROGRAM.—An individualized education program, or an individualized family service plan that meets the requirements of section 636(d), is developed, reviewed, and revised for each child with a disability in accordance with section 614(d).

"(4) LEAST RESTRICTIVE ENVIRONMENT.—

"(A) IN GENERAL.—To the maximum extent appropriate—

"(i) children with disabilities, including children in public or private institutions or other care facilities, are educated with children who are not disabled; and

"(ii) special classes, separate schooling, or other removal of children with disabilities from the regular educational environment occurs only when the nature or severity of the disability of a child means that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

"(B) ADDITIONAL REQUIREMENT.—

"(i) IN GENERAL.—The State's method of distributing funds shall not result in placements that violate the requirements of subparagraph (A).

"(ii) EXCEPTION.—If the State does not have policies and procedures to ensure compliance with clause (i), the State shall provide the Secretary an assurance that it will revise the funding mechanism as soon as feasible to ensure that such mechanism does not result in such placements.

"(5) PROCEDURAL SAFEGUARDS.—

"(A) IN GENERAL.—Children with disabilities and their parents are afforded the procedural safeguards required by section 615.

"(B) ADDITIONAL PROCEDURAL SAFEGUARDS.—Procedures to assure that testing and evaluation materials and procedures utilized for the purposes of evaluation and placement of children with disabilities will be selected and administered so as not to be racially or culturally discriminatory. Such materials or procedures shall be provided and administered in the child's native language or mode of communication, unless it clearly is not feasible to do so, and no single procedure shall be the sole criterion for determining an appropriate educational program for a child.

"(6) EVALUATION.—Children with disabilities are evaluated in accordance with subsections (a) through (c) of section 614.

"(7) CONFIDENTIALITY.—Agencies in the State comply with section 617(c) (relating to the confidentiality of records and information).

"(8) TRANSITION FROM PART C TO PRESCHOOL PROGRAMS.—Children participating in early-intervention programs assisted under part C, and who will participate in preschool programs assisted under this part, experience a smooth transition to those preschool programs in a manner consistent with section 637(a)(7). By the third birthday of such a child, an individualized education program or, if consistent with sections 614(d)(1)(B) and 636(d), an individualized family service plan, has been developed and is being implemented for the child. The local educational agency will participate in transition planning conferences by the designated lead agency under section 637(a)(7).

"(9) CHILDREN IN PRIVATE SCHOOLS.—

"(A) IN GENERAL.—To the extent consistent with the number and location of children with disabilities in the State who are enrolled in private elementary and secondary schools, provision is made for the participation of such children in the program assisted or carried out under this part by providing for such children special education and related services, except if the Secretary has arranged for services to such children under subsection (f).

"(B) CHILDREN PLACED IN, OR REFERRED TO, PRIVATE SCHOOLS BY PUBLIC AGENCIES.—

"(i) IN GENERAL.—Children with disabilities in private schools and facilities are provided special education and related services, in accordance with an individualized education program, at no cost to their parents, if they are placed in, or referred to, such schools or facilities by the State or a local educational agency in order to comply with this part or with any other provision of law requiring the provision of special education and related services to all children with disabilities in the State.

"(ii) ADDITIONAL REQUIREMENTS.—In all cases described in clause (i)—

"(I) children with disabilities are placed in, or referred to, only those private schools and facilities that the State educational agency determines meet standards that apply to State and local educational agencies; and

"(II) children served in such private schools or facilities retain access to a free appropriate public education in accordance with this part.

"(C) PAYMENT FOR EDUCATION OF CHILDREN PLACED IN PRIVATE SCHOOLS WITHOUT CONSENT OF OR REFERRAL BY THE PUBLIC AGENCY.—

"(i) IN GENERAL.—If the parents of a child with a disability that had previously received special education and related services under the authority of a public agency have enrolled their child in a private elementary or secondary school without the consent of or referral by the public agency, as a result of mediation described in section 615(d), or as a result of a decision rendered under the procedural safeguards of section 615, the public agency may be required to reimburse the parents for the cost of the enrollment, except that the cost of the reimbursement may be reduced or denied—

"(I) if, at least 10 school days prior to the removal of the child from the public school, the parents did not give a written statement of their concerns to the public agency and notice that they intend to place their child in a private school at public expense;

"(II) if, prior to the removal of the child from the public school, the parents did not make the child available for an initial assessment and evaluation by the local educational agency prior to enrollment in the private school; or

"(III) at the discretion of the judge.

"(ii) EXCEPTION.—Notwithstanding the notice requirement in clause (i)(I), the cost of the reimbursement may not be reduced or denied for failure to provide such notice if—

"(I) the parent is illiterate or cannot write in English;

"(II) compliance with clause (i)(I) would likely result in physical or serious emotional harm to the child;

"(III) the school prevented the parent from providing such notice; or

"(IV) the parent had not received notice, pursuant to section 615(d), of the notice requirement in clause (i)(I).

"(10) STATE EDUCATIONAL AGENCY RESPONSIBLE FOR GENERAL SUPERVISION.—

"(A) IN GENERAL.—The State educational agency is responsible for ensuring that—

"(i) the requirements of this part are met; and

"(ii) all educational programs for children with disabilities in the State, including all such programs administered by any other State or local agency—

"(I) are under the general supervision of individuals in the State who are responsible for educational programs for children with disabilities; and

"(II) meet the educational standards of the State educational agency.

"(B) LIMITATION.—Subparagraph (A) shall not limit the responsibility of agencies in the State other than the State educational agency to provide, or pay for some or all of the costs of, a free appropriate public education for any child with a disability in the State.

"(11) OBLIGATIONS RELATED TO AND METHODS OF ENSURING SERVICES.—

"(A) ESTABLISHING RESPONSIBILITY FOR SERVICES.—The Chief Executive Officer or designee of the officer shall ensure that an interagency agreement or other mechanism for interagency coordination is in effect between each public agency described in subparagraph (B) and the appropriate educational agency within the State, in order to ensure that all services described in subparagraph (B)(i) that are needed to ensure a free appropriate public education are provided, including the provision of such services during the pendency of any dispute under clause (iii). Such agreement or mechanism shall include the following:

"(i) AGENCY FINANCIAL RESPONSIBILITY.—An identification of, or a method for defining, the financial responsibility of each agency for providing services described in subparagraph (B)(i) to ensure a free appropriate public education to children with disabilities provided that the financial responsibility of each public agency described in subparagraph (B), including the State Medicaid agency and other public insurers of children with disabilities, shall precede the financial responsibility of the local education agency (or the State agency responsible for developing the child's IEP).

"(ii) CONDITIONS AND TERMS OF REIMBURSEMENT.—The conditions, terms, and procedures under which a local educational agency shall be reimbursed by other agencies.

"(iii) INTERAGENCY DISPUTES.—Procedures for resolving interagency disputes (including procedures under which local education agencies may initiate proceedings) under the agreement or other mechanism to secure reimbursement from other agencies or otherwise implement the provisions of the agreement or mechanism.

"(iv) COORDINATION OF SERVICES PROCEDURES.—Policies and procedures for agencies to determine and identify the interagency coordination responsibilities of each agency to promote the coordination and timely and appropriate delivery of services described in subparagraph (B)(i).

"(B) OBLIGATION OF PUBLIC AGENCY.—

"(i) IN GENERAL.—If any public agency other than an educational agency is otherwise obligated under Federal or State law, or assigned responsibility under State policy or pursuant to subparagraph (A), to provide or pay for any services that are also considered special education or related services (such as, but not limited to, services described in sections 602(1) relating to assistive technology devices, 602(2) relating to assistive technology services, 602(20) relating to related services, 602(27) related to supplementary aids and services, and 602(29) relating to transition services) that are necessary for ensuring a free appropriate public education to children with disabilities within the

State, such public agency shall fulfill that obligation or responsibility, either directly or through contract or other arrangement.

"(ii) REIMBURSEMENT FOR SERVICES BY PUBLIC AGENCY.—If a public agency other than an educational agency fails to provide or pay for the special education and related services described in clause (i), the local educational agency (or State agency responsibility for developing the child's IEP) shall provide or pay for such services to the child. Such local education agency or State agency may then claim reimbursement for the services from the public agency that failed to provide or pay for such services and such public agency shall reimburse the local education agency or State agency pursuant to the terms of the interagency agreement described in subparagraph (A)(i) according to the procedures established in such agreement pursuant to subparagraph (A)(ii).

"(C) SPECIAL RULE.—The requirements of subparagraph (A) may be met through—

"(i) State statute or regulation;

"(ii) signed agreements between respective agency officials that clearly identify the responsibilities of each agency relating to the provision of services; or

"(iii) other appropriate methods as determined by the Chief Executive Officer or designee of the officer.

"(12) PROCEDURAL REQUIREMENTS RELATING TO LOCAL EDUCATIONAL AGENCY ELIGIBILITY.—The State educational agency will not make a final determination that a local educational agency is not eligible for assistance under this part without first affording that agency reasonable notice and an opportunity for a hearing.

"(13) COMPREHENSIVE SYSTEM OF PERSONNEL DEVELOPMENT.—The State has established and implemented, consistent with the purposes of this title and section 635(a)(7), a comprehensive system of personnel development that is designed to ensure an adequate supply of qualified special education and related services personnel necessary to carry out this part, including—

"(A) a statewide, coordinated personnel-development plan that meets the personnel development requirements of a State improvement plan under section 683; or

"(B) a personnel-development plan, developed in consultation with parents of children with disabilities, State and local educational agencies, institutions of higher education, and professional associations that—

"(i) addresses current and projected needs for special education and related services personnel throughout the State;

"(ii) addresses the need for the pre-service and in-service preparation of personnel throughout the State, including regular education personnel, to provide educational services to children with disabilities;

"(iii) includes a system or procedures for recruiting, preparing, and retaining qualified personnel, including personnel with disabilities and personnel from groups that are underrepresented in the field of special education and related services; and

"(iv) is integrated, to the maximum extent possible, with other professional development plans and activities.

"(14) PERSONNEL STANDARDS.—

"(A) IN GENERAL.—The State educational agency has established and maintains standards to ensure that personnel necessary to carry out this part are appropriately and adequately prepared and trained.

"(B) STANDARDS DESCRIBED.—Such standards shall—

"(i) be consistent with any State-approved or State-recognized certification, licensing, registration, or other comparable requirements that apply to the professional discipline in which those personnel are providing special education or related services;

"(ii) to the extent the standards described in subparagraph (A) are not based on the highest requirements in the State applicable to a specific profession or discipline, the State is taking steps to require retraining or hiring of personnel that meet appropriate professional requirements in the State; and

"(iii) allow paraprofessionals and assistants who are appropriately trained and supervised, in accordance with State law, regulations, or written policy, in meeting the requirements of this part to be used to assist in the provision of special education and related services to children with disabilities under this part.

"(C) EXCEPTION.—If the State determines that, within a geographic area of the State there is a shortage of an appropriate number and type of personnel to provide the special education and related services to children with disabilities within such area, and the appropriate public agency has taken steps to recruit and hire such personnel, the State may, subject to public comment and review, temporarily suspend the standards of subparagraph (B)(ii)—

"(i) consistent with State law, for the purpose of recruiting and hiring for such shortage areas the most qualified available individuals who are making progress in applicable coursework; and

"(ii) for a period not to exceed 3 years.

"(15) PERFORMANCE GOALS AND INDICATORS.—The State—

"(A) has established goals for the performance of children with disabilities in the State that—

"(i) will promote the purposes of this title, as stated in section 601(d); and

"(ii) are consistent, to the maximum extent appropriate, with other goals and standards established by the State;

"(B) has established performance indicators the State will use to assess progress toward achieving those goals that, at a minimum, address the performance of children with disabilities on assessments, drop-out rates, and graduation rates;

"(C) will, every two years, report to the Secretary and the public on the progress of the State, and of children with disabilities in the State, toward meeting the goals established under subparagraph (A); and

"(D) based on its assessment of that progress, will revise its State improvement plan under part D as may be needed to improve its performance, if the State receives assistance under such part.

"(16) PARTICIPATION IN ASSESSMENTS.—

"(A) IN GENERAL.—Children with disabilities are included in general State and district-wide assessment programs, with appropriate accommodations, where necessary. As appropriate, the State or local educational agency—

"(i) develops guidelines for the participation of children with disabilities in alternate assessments for those children who cannot participate in State and district-wide assessment programs; and

"(ii) develops and, beginning not later than July 1, 1999, conducts those alternate assessments.

"(B) REPORTS.—The State educational agency makes available to the public, and reports to the public with the same frequency and in the same detail as it reports on the assessment of nondisabled children, the following:

"(i) The number of children with disabilities participating in regular assessments.

"(ii) The number of those children participating in alternate assessments.

"(iii) The performance of those children on regular assessments (beginning not later than July 1, 1997) and on alternate assessments (not later than July 1, 1999), if doing so would be statistically sound and would not result in the disclosure of performance results identifiable to individual children.

"(17) SUPPLEMENTATION OF STATE, LOCAL, AND OTHER FEDERAL FUNDS.—

"(A) IN GENERAL.—The State ensures that amounts provided under a grant to the State under this part, except as provided in subparagraph (B), will be used to supplement State, local, and other Federal funds (including funds not under the direct control of State or local educational agencies) expended for special education and related services, and not to supplant those funds.

"(B) WAIVER.—The Secretary may waive, in whole or in part, the requirements of subparagraph (A) if the Secretary determines that the State has provided clear evidence that all children with disabilities in the State have available a free appropriate public education or that, such a waiver would allow the State to improve the delivery of special education and related services to children with disabilities in the State.

"(18) PUBLIC PARTICIPATION.—Prior to the adoption of any policies and procedures needed to comply with this section (including any amendments to such policies and procedures), the State ensures that there are public hearings, adequate notice of the hearings, and an opportunity for comment available to the general public, including individuals with disabilities and parents of children with disabilities.

"(19) STATE ADVISORY PANEL.—

"(A) IN GENERAL.—The State has established and maintains an advisory panel for the purpose of providing policy guidance with respect to special education and related services for children with disabilities in the State.

"(B) MEMBERSHIP.—Such advisory panel shall consist of members appointed by the Governor, or any other official authorized under State law to make such appointments, that is representative of the State population and that is composed of individuals involved in, or concerned with, the education of children with disabilities, including—

"(i) parents of children with disabilities;

"(ii) individuals with disabilities;

"(iii) teachers;

"(iv) representatives of institutions of higher education that prepare special education and related services personnel;

"(v) State and local education officials;

"(vi) administrators of programs for children with disabilities;

"(vii) representatives of other State agencies involved in the financing or delivery of related services to children with disabilities;

"(viii) at least one representative of a vocational, community, or business organization concerned with the provision of transition services to children with disabilities; and

"(ix) representatives from the State juvenile and adult corrections agencies.

"(C) SPECIAL RULE.—A majority of the members of the panel shall be individuals with disabilities or parents of children with disabilities.

"(D) DUTIES.—The advisory panel shall—

"(i) advise the State educational agency of unmet needs within the State in the education of children with disabilities;

"(ii) comment publicly on any rules or regulations proposed by the State regarding—

"(I) the education of children with disabilities; and

"(II) the procedures for distribution of amounts received by the State under a grant under this part;

"(iii) advise the State educational agency in developing evaluations and reporting on data to the Secretary under section 618;

"(iv) advise the State educational agency in developing corrective action plans to address findings identified in Federal monitoring reports under this part; and

"(v) advise the State educational agency in developing and implementing policies relating to the coordination of services for children with disabilities.

"(b) STATE EDUCATIONAL AGENCY AS PROVIDER OF FREE APPROPRIATE PUBLIC EDUCATION OR DIRECT SERVICES.—If the State educational agency provides free appropriate public education to children with disabilities, or provides direct services to such children, such agency—

"(1) shall comply with any additional requirements of section 613(a), as if such agency were a local educational agency; and

"(2) may use amounts that are otherwise available to such agency under this part to serve those children without regard to section 613(a)(2)(A)(i) (relating to excess costs).

"(c) EXCEPTION FOR PRIOR STATE PLANS.—

"(1) IN GENERAL.—If a State has on file with the Secretary policies and procedures that demonstrate that such State meets any requirement of subsection (a), including any policies and procedures filed under this part as in effect before the date of the enactment of the IDEA Improvement Act of 1996, the Secretary shall consider such State to have met such requirement for purposes of receiving a grant under this part.

"(2) MODIFICATIONS MADE BY STATE.—Subject to paragraph (3), an application submitted by a State in accordance with this section shall remain in effect until the State submits to the Secretary such modifications as the State deems necessary. This section shall apply to a modification to an application to the same extent and in the same manner as this section applies to the original plan.

"(3) MODIFICATIONS REQUIRED BY THE SECRETARY.—The Secretary may require a State to amend its application at any time as a result of the Secretary's compliance reviews under parts B and C. The Secretary shall reduce or shall not provide any further payments to the State educational agency until the Secretary is satisfied that the State educational agency is complying with that requirement.

"(d) APPROVAL BY THE SECRETARY.—

"(1) IN GENERAL.—If the Secretary determines that a State is eligible to receive a grant under this part, the Secretary shall notify the State of that determination.

"(2) NOTICE AND HEARING.—The Secretary shall not make a final determination that a State is not eligible to receive a grant under this part until after providing the State—

"(A) with reasonable notice; and

"(B) with an opportunity for a hearing.

"(e) ASSISTANCE UNDER OTHER FEDERAL PROGRAMS.—Nothing in this title permits a State to reduce medical and other assistance available, or to alter eligibility, under titles V and XIX of the Social Security Act with respect to the provision of a free appropriate public education for children with disabilities within the State.

"(f) BY-PASS FOR CHILDREN IN PRIVATE SCHOOLS.—

"(1) IN GENERAL.—If, on the date of enactment of the Education of the Handicapped Act Amendments of 1983, a State educational agency is prohibited by law from providing for the participation in special programs of children with disabilities enrolled in private elementary and secondary schools as required by subsection (a)(9), the Secretary shall, notwithstanding such provision of law, arrange for the provision of services to such children through arrangements which shall be subject to the requirements of such subsection.

"(2) PAYMENTS.—

"(A) DETERMINATION OF AMOUNTS.—If the Secretary arranges for services pursuant to this subsection, the Secretary, after consultation with the appropriate public and private school officials, shall pay to the provider of such services for a fiscal year an amount per child that does not exceed the amount determined by dividing—

"(i) the total amount received by the State under this part for such fiscal year; by

"(ii) the number of children with disabilities served in the prior year, as reported to the Secretary by the State under section 618.

"(B) WITHHOLDING OF CERTAIN AMOUNTS.—Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State educational agency the amount the Secretary estimates would be necessary to pay the cost of services described in subparagraph (A).

"(C) PERIOD OF PAYMENTS.—The period under which payments are made under subparagraph (A) shall continue until the Secretary determines that there will no longer be any failure or inability on the part of the State educational agency to meet the requirements of subsection (a)(9).

"(3) NOTICE AND HEARING.—

"(A) IN GENERAL.—The Secretary shall not take any final action under this subsection until the State educational agency affected by such action has had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or the Secretary's designee to show cause why such action should not be taken.

"(B) REVIEW OF ACTION.—If a State educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A), such agency may, not later than 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based the Secretary's action, as provided in section 2112 of title 28, United States Code.

"(C) REVIEW OF FINDINGS OF FACT.—The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(D) JURISDICTION OF COURT OF APPEALS; REVIEW BY UNITED STATES SUPREME COURT.—Upon the filing of a petition under subparagraph (B), the United States court of appeals shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"SEC. 613. LOCAL EDUCATIONAL AGENCY REQUIREMENTS.

"(a) IN GENERAL.—A local educational agency shall be eligible for assistance under this part for any fiscal year if, except as provided in subsection (b), such agency submits to the State educational agency information that demonstrates to the satisfaction of the State educational agency the following:

"(1) CONSISTENCY WITH STATE POLICIES.—The local educational agency, in providing for the education of children with disabilities within its jurisdiction, has in effect policies, procedures, and programs that are consistent with the State policies and procedures established under section 612.

"(2) USE OF AMOUNTS.—

"(A) IN GENERAL.—Amounts provided to the local educational agency under this part—

"(i) shall be used only to pay the excess costs of providing special education and related services to children with disabilities;

"(ii) shall be used to supplement State, local, and other Federal funds and not to supplant such funds;

"(iii) except as provided in subparagraph (B), may not be used to reduce the level of expenditures for the education of children with disabilities made by the local educational agency from State or local funds below the level of those expenditures for the preceding fiscal year;

"(iv) may be used, notwithstanding clause (i) or any other provision of this part, for the costs of special education and related services provided in a regular class or other education related setting to a child with a disability in accordance with the child's individualized education program, even if one or more nondisabled children benefit from those services; and

"(v) may be used, in accordance with subsection (f) and notwithstanding clause (i) or any other provision of this part, to develop and implement a coordinated services system.

"(B) EXCEPTION.—Notwithstanding the restriction in subparagraph (A)(iii), a local education agency may reduce the level of expenditures where such reduction is attributable to—

"(i) the departure, by retirement or otherwise, of special education personnel;

"(ii) a decrease in the enrollment of children with disabilities;

"(iii) the termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the State educational agency, because the child—

"(I) has left the jurisdiction of the agency;

"(II) has reached the age at which the obligation of the agency to provide a free appropriate public education to the child has terminated; or

"(III) no longer needs such program of special education; or

"(iv) the termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

"(3) INFORMATION FOR STATE EDUCATIONAL AGENCY.—The local educational agency shall provide the State educational agency with information necessary to enable the State educational agency to carry out its duties under this part, including, with respect to paragraphs (14) and (15) of section 612(a), information relating to the performance of children with disabilities participating in programs carried out under this part.

"(4) PUBLIC INFORMATION.—The local educational agency shall make available to parents of children with disabilities and to the general public all documents relating to the eligibility of such agency under this part.

"(b) EXCEPTION FOR PRIOR LOCAL PLANS.—

"(1) IN GENERAL.—If a local educational agency or State agency has on file with the State educational agency policies and procedures that demonstrate that such local educational agency, or such State agency, as the case may be, meets any requirement of subsection (a), including any policies and procedures filed under this part as in effect before the date of the enactment of IDEA Improvement Act of 1996, the State educational agency shall consider such local educational agency or State agency, as the case may be, to have met such requirement for purposes of receiving assistance under this part.

"(2) MODIFICATION MADE BY LOCAL EDUCATIONAL AGENCY.—Subject to paragraph (3), an application submitted by a local educational agency in accordance with this section shall remain in effect until the such agency submits to the State educational agency such modifications as the local educational agency deems necessary.

"(3) MODIFICATIONS REQUIRED BY STATE EDUCATIONAL AGENCY.—The State educational agency may require a local educational agency to amend its application at anytime as a result of the compliance reviews of the State educational agency under parts B and C. This paragraph shall apply to a modification to an application to the same extent and in the same manner as this section applies to the original plan.

"(c) NOTIFICATION OF LOCAL EDUCATIONAL AGENCY OR STATE AGENCY IN CASE OF INELIGIBILITY.—If the State educational agency determines that a local educational agency or State agency is not eligible under this section, the State educational agency shall notify such local educational agency or State agency, as the case may be, of that determination and shall provide such local educational agency or State agency with reasonable notice and an opportunity for a hearing.

"(d) LOCAL EDUCATIONAL AGENCY COMPLIANCE.—

"(1) IN GENERAL.—If the State educational agency, after reasonable notice and an opportunity for a hearing, finds that a local educational agency or State agency that has been determined to be eligible under this section is failing to comply with any requirement described in subsection (a), the State educational agency shall reduce or shall not provide any further payments to the local educational agency or State agency until the State educational agency is satisfied that the local educational agency or State agency, as the case may be, is complying with that requirement.

"(2) ADDITIONAL REQUIREMENT.—Any State agency or local educational agency in receipt of a notice described in paragraph (1) shall, by means of public notice, take such measures as may be necessary to bring the pendency of an action pursuant to this subsection to the attention of the public within the jurisdiction of such agency.

"(3) CONSIDERATION.—In carrying out its responsibilities under paragraph (1), the State educational agency shall consider any decision made in a hearing held under section 615 that is adverse to the local educational agency or State agency involved in that decision.

"(e) JOINT ESTABLISHMENT OF ELIGIBILITY.—

"(1) IN GENERAL.—A State educational agency may require a local educational agency to establish its eligibility jointly with another local educational agency if the State educational agency determines that the local educational agency would be ineligible under this section because the local educational agency would not be able to establish and maintain programs of sufficient size and scope to effectively meet the needs of children with disabilities.

"(2) AMOUNT OF PAYMENTS.—If a State educational agency requires the joint establishment of eligibility under paragraph (1), the total amount of funds made available to the affected local educational agencies shall be equal to the sum of the payments that each such local educational agency would have received under section 611(c) if such agencies were eligible for such payments.

"(3) REQUIREMENTS.—Local educational agencies that establish joint eligibility under this subsection shall—

"(A) adopt policies and procedures that are consistent with the State's policies and procedures under section 612(a); and

"(B) be jointly responsible for implementing programs that receive assistance under this part.

"(4) REQUIREMENTS FOR EDUCATIONAL SERVICE AGENCIES.—

"(A) IN GENERAL.—If an educational service agency is required by State law to carry out programs under this part, the joint responsibilities given to local educational agencies under this subsection shall—

"(i) not apply to the administration and disbursement of any payments received by that educational service agency; and

"(ii) be carried out only by that educational service agency.

"(B) ADDITIONAL REQUIREMENT.—Notwithstanding any other provision of this subsection, an educational service agency shall provide for the education of children with disabilities in the least restrictive environment, as required by section 612(a)(4).

"(f) COORDINATED SERVICES SYSTEM.—

"(1) IN GENERAL.—A local educational agency may not use more than 5 percent of the amount such agency receives under this part for any fiscal year, in combination with other amounts (which shall include amounts other than education funds), to develop and implement a coordinated services system designed to improve results for children and families, including children with disabilities and their families.

"(2) ACTIVITIES.—In implementing a coordinated services system under this subsection, a local educational agency may carry out activities which include—

"(A) improving the effectiveness and efficiency of service delivery, including developing strategies that promote accountability for results;

"(B) service coordination and case management that facilitates the linkage of individualized education programs under this part and individualized family service plans under part C with individualized service plans under multiple Federal and State programs, such as title I of the Rehabilitation Act of 1973 (vocational rehabilitation), title XIX of the Social Security Act (Medicaid), and title XVI of the Social Security Act (supplemental security income);

"(C) developing and implementing interagency financing strategies for the provision of education, health, mental health, and social services, including transition services and related services under this title; and

"(D) interagency personnel development for individuals working on coordinated services.

"(3) COORDINATION WITH CERTAIN PROJECTS UNDER ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—If a local educational agency is carrying out a coordinated services project under title XI of the Elementary and Secondary Education Act of 1965 and a coordinated services project under this part in the same schools, such agency shall use amounts under this subsection in accordance with the requirements of that title.

"(g) DIRECT SERVICES BY THE STATE EDUCATIONAL AGENCY.—

"(1) IN GENERAL.—A State educational agency shall use the payments that would otherwise have been available to a local educational agency or to a State agency to provide special education and related services directly to children with disabilities residing in the area served by that local agency, or for whom that State agency is responsible, if the State educational agency determines that the local education agency or State agency, as the case may be—

"(A) has not provided the information needed to establish the eligibility of such agency under this section;

"(B) is unable to establish and maintain programs of free appropriate public education that meet the requirements of subsection (a);

"(C) is unable or unwilling to be consolidated with one or more local educational agencies in order to establish and maintain such programs; or

"(D) has one or more children with disabilities who can best be served by a regional or State program or service delivery system designed to meet the needs of such children.

"(2) MANNER AND LOCATION OF EDUCATION AND SERVICES.—The State educational agency may provide special education and related services under paragraph (1) in such manner and at such locations (including regional or State centers) as the State agency considers appropriate. Such education and services shall be provided in accordance with this part.

"(h) STATE AGENCY ELIGIBILITY.—Any State agency that desires to receive a subgrant for any fiscal year under section 611(c) shall demonstrate to the satisfaction of the State educational agency that—

"(1) all children with disabilities who are participating in programs and projects funded under this part receive a free appropriate public education, and that those children and their parents are provided all the rights and procedural safeguards described in this part; and

"(2) the agency meets such other conditions of this section as the Secretary determines to be appropriate.

"SEC. 614. EVALUATIONS, REEVALUATIONS, INDIVIDUALIZED EDUCATION PROGRAMS, AND EDUCATIONAL PLACEMENTS.

"(a) EVALUATIONS AND REEVALUATIONS.—

"(1) INITIAL EVALUATIONS.—

"(A) IN GENERAL.—A State educational agency, other State agency, or local educational agency shall conduct an initial evaluation, in accordance with this paragraph and subsection (b), before the initial provision of special education and related services to a child with a disability under this part.

"(B) PROCEDURES.—Such initial evaluation shall consist of procedures—

"(i) to determine whether a child is a child with a disability (as defined in section 602(3)); and

"(ii) to determine the educational needs of such child.

"(C) PARENTAL CONSENT.—

"(i) IN GENERAL.—The agency proposing to conduct an initial evaluation to determine if the child qualifies as a child with a disability as defined in section 602(3)(A) or 602(3)(B) shall obtain an informed consent from the parent of such child before the evaluation is conducted. Parental consent for evaluation shall not be construed as consent for placement for receipt of special education and related services.

"(ii) REFUSAL.—If the parents of such child refuse consent for the evaluation, the agency may continue to pursue an evaluation by utilizing the mediation and due process procedures under section 615(e).

"(2) REEVALUATIONS.—A local educational agency shall ensure that a reevaluation of each child with a disability is conducted—

"(A) if conditions warrant a reevaluation or if the child's parent or teacher requests a reevaluation, but at least once every 3 years; and

"(B) in accordance with subsections (b) and (c).

"(b) EVALUATION PROCEDURES.—

"(1) NOTICE.—The local educational agency shall provide notice to the parents of a child with a disability, in accordance with subsections (b)(3), (b)(4), and (c) of section 615, that describes any evaluation procedures such agency proposes to conduct.

"(2) CONDUCT OF EVALUATION.—In conducting the evaluation, the local educational agency shall—

"(A) use a variety of assessment tools and strategies to gather relevant functional and developmental information, including information provided by the parent, that may assist in determining whether the child is a child with a disability and the content of the child's individualized education program, including information related to enabling the child to be involved in and progress in the general curriculum or, for preschool children, to participate in appropriate activities;

"(B) not use any single procedure as the sole criterion for determining whether a child is a child with a disability or determining an appropriate educational program for the child; and

"(C) use technically sound instruments that may assess the relative contribution of cognitive and behavioral factors, in addition to physical or developmental factors.

"(3) ADDITIONAL REQUIREMENTS.—Each local educational agency shall ensure that—

"(A) tests and other evaluation materials used to assess a child under this section—

"(i) are selected and administered so as not to be discriminatory on a racial or cultural basis; and

"(ii) are provided and administered in the child's native language or other mode of communication, unless it is clearly not feasible to do so; and

"(B) any standardized tests that are given to the child—

"(i) have been validated for the specific purpose for which they are used;

"(ii) are administered by qualified personnel; and

"(iii) are administered in accordance with any instructions provided by the producer of such tests; and

"(C) the child is assessed in all areas of suspected disability.

"(4) DETERMINATION OF ELIGIBILITY.—Upon completion of administration of tests and other evaluation materials—

"(A) the determination of whether the child is a child with a disability as defined in section 602(3) or section 602(3)(B) will be made by a team of qualified professionals and the parent of the child in accordance with paragraph (5); and

"(B) a copy of the evaluation report and the documentation of determination of eligibility will be given to the parent.

"(5) SPECIAL RULE FOR ELIGIBILITY DETERMINATION.—In making a determination of eligibility under paragraph (4)(A), a child shall not be determined to be a child with a disability based on any of the following:

"(A) Lack of instruction, including instruction in reading or math.

"(B) Limited English proficiency.

"(C) Cultural or environmental factors.

"(D) Economic disadvantage.

"(c) REEVALUATION PROCEDURES.—

"(1) IN GENERAL.—As part of any reevaluation to assess a child under this section, the individualized education program team and other qualified professionals, as appropriate, shall—

"(A) review existing evaluation data on the child, including current classroom-based assessments and teacher and related services providers observation; and

"(B) on the basis of that review and input from the child's parents, identify what additional data, if any, are needed to determine—

"(i) whether the child continues to have a disability, as described in section 602(3)(A)(i) or section 602(3)(B);

"(ii) the child's present levels of performance and educational needs; and

"(iii)(I) whether the child continues to need special education and related services; and

"(II) if so, any additions or modifications to the special education and related services to enable the child to meet the objectives set out in the individualized education program of the child and to participate, as appropriate, in the general curriculum.

"(2) TESTS AND OTHER EVALUATION MATERIALS.—The local educational agency shall administer such tests and other evaluation materials as may be needed to produce the data identified by the IEP Team under paragraph (1)(B).

"(3) REQUIREMENTS IF ADDITIONAL DATA NOT NEEDED.—If the IEP Team and other qualified professionals, as appropriate, determines that no additional data are needed to determine whether the child continues to be a child with a disability, the local educational agency—

"(A) shall notify the child's parents of—

"(i) that determination and the reasons for it; and

"(ii) the right of such parents to request an assessment to determine whether the child continues to be a child with a disability; and

"(B) shall not be required to conduct such an assessment unless requested to by the child's parents.

"(d) INDIVIDUALIZED EDUCATION PROGRAMS.—

"(1) REQUIREMENT THAT PROGRAM BE IN EFFECT.—

"(A) IN GENERAL.—At the beginning of each school year, each local educational agency, or State educational agency, as the case may be, shall have in effect, for each child with a disability in its jurisdiction, an individualized education program, as defined in section 602(11).

"(B) PROGRAM FOR CHILD AGED 3 TO 5.—In the case of a child with a disability aged 3 to 5, inclusive, an individualized family service plan that contains the material described in section 636, and that is developed in accordance with this section, may serve as the IEP of the child if using that plan as the IEP is—

"(i) consistent with State policy; and

"(ii) agreed to by the agency and the child's parents.

"(2) DEVELOPMENT OF IEP.—

"(A) IN GENERAL.—An individualized education program team shall develop the IEP described in paragraph (1). In developing such IEP, the IEP Team, subject to subparagraph (B), shall—

"(i) consider the child's strengths and the parents' concerns for enhancing their child's education;

"(ii) consider the results of the initial evaluation or most recent reevaluation;

"(iii) in the case of a child whose behavior impedes his or her learning or that of others, consider, when appropriate, strategies, including positive behavior management interventions and strategies to help the child behave in an appropriate and responsible manner conducive to learning;

"(iv) in the case of a child with limited English proficiency, consider the language needs of the child as such needs relate to the child's IEP;

"(v) in the case of a child who is blind or visually impaired, provide for instruction in braille and the use of braille unless all members of the IEP Team concur that, after an evaluation of the child's reading and writing skills, needs, and appropriate reading and writing media (including an evaluation of the child's future needs for instruction in braille or the use of braille), instruction in braille or the use of braille is not appropriate for the child;

"(vi) consider the communication needs of the child, and in the case of a child who is deaf, hard-of-hearing, blind, or communicatively disabled, consider the language and communication needs of the child; and

"(vii) consider whether the child requires assistive technology services or devices.

"(B) REQUIREMENT WITH RESPECT TO REGULAR EDUCATION TEACHER.—The regular education teacher of the child, as a member of the IEP Team, shall, to the extent appropriate, participate in the development of the IEP of the child, including the determination of appropriate positive behavior-management interventions and strategies consistent with subparagraph (A)(iii) of this paragraph, and the determination of supplementary aids and services, program modifications, and support for school personnel consistent with section 602(11)(E).

"(3) REVIEW AND REVISION OF IEP.—

"(A) IN GENERAL.—The local educational agency shall ensure that, subject to subparagraph (C), the IEP Team—

"(i) reviews each IEP at least once a year to determine whether the annual goals for the child are being achieved; and

"(ii) revises the IEP to address—

"(I) any lack of expected progress toward the annual goals and in the general curriculum, where appropriate;

"(II) the results of any reevaluation conducted under this section;

"(III) information about the child provided to, or by, the parents, as described in section 602(11)(F)(ii); or

"(IV) the child's anticipated needs as otherwise appropriate.

"(B) CERTAIN CHILDREN WITH DISABILITIES.—

"(i) IN GENERAL.—In the case of a child with a disability who has demonstrated a pattern of behavior that significantly impairs the education of the child, or the education of the classmates of the child, and the ability of the teacher of the child to teach, if such teacher initiates or requests an IEP meeting, then the appropriate authority shall convene an IEP meeting to review the child's educational program, related services, supplementary aids and services, and placement.

"(ii) REVIEW OF IEP.—In carrying out a review of the IEP of the child, the IEP Team shall determine—

"(I) the appropriateness of the current IEP of the child;

"(II) whether or not special education and related services have been appropriately provided to the child;

"(III) whether or not other supplementary aids or services, including teacher training, are needed to address the behavior of the child; and

"(IV) subject to clauses (iii) and (iv), whether or not the placement of the child should be changed.

"(iii) DETERMINATION OF CHANGE IN PLACEMENT.—Prior to proposing a change in the placement of the child, the IEP Team shall first consider and then document the following:

"(I) The cumulative record over a reasonable period of time describing the frequent behaviors exhibited by the child that significantly impairs the education of the child, the education of the classmates of the child, and the ability of the teacher of the child to teach.

"(II) Documentation of the efforts made to address the behavior of the child, the use of supplementary services or strategies (including the use of behavior management plans) that have been implemented over a reasonable period of time and have failed to address the behavior of the child in a manner that would enable the child to remain in the current educational placement of the child without significantly impairing the education of the child, the education of the classmates of the child, and the ability of the teacher of the child to teach.

"(III) The training made available to the teacher or teachers of the child.

"(iv) EXPEDITED DUE PROCESS HEARING.—If the IEP Team determines that a change in placement of the child is appropriate, and the parents of the child disagree with such determination, then either party may request an expedited due process hearing in accordance with section 615(f)(2).

"(C) REQUIREMENT WITH RESPECT TO REGULAR EDUCATION TEACHER.—The regular education teacher of the child, as a member of the IEP Team, shall, to the extent appropriate, participate in the review and revision of the IEP of the child.

"(4) FAILURE TO MEET TRANSITION OBJECTIVES.—If a participating agency, other than the local educational agency, fails to provide the transition services described in the IEP in accordance with section 602(11)(F)(ii), the local educational agency shall reconvene the IEP Team to identify alternative strategies to meet the transition objectives for the child set out in that program.

"(5) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed—

"(A) to decrease the amount of information that a parent receives concerning the progress of the child of such parent; or

"(B) to increase the amount of paperwork for the teachers, related services personnel, and administrators of such child.

"(e) EDUCATIONAL PLACEMENTS.—Each local educational agency or State educational agency shall ensure that the parents of each child with a disability are members of any group that makes decisions on the educational placement of their child.

"SEC. 615. PROCEDURAL SAFEGUARDS.

"(a) ESTABLISHMENT OF PROCEDURES.—Any State educational agency or local educational agency that receives assistance under this part shall establish and maintain procedures in accordance with this section to assure that children with disabilities and their parents are guaranteed procedural safeguards with respect to the provision of free appropriate public education by such agencies.

"(b) TYPES OF PROCEDURES.—The procedures required by this section shall include—

"(1) an opportunity for the parents of a child with a disability to examine all records relating to such child and to participate in meetings with respect to the identification, evaluation, and educational placement of the child, and the provision of a free appropriate public education to such child, and to obtain an independent educational evaluation of the child;

"(2) procedures to protect the rights of the child whenever the parents of the child are not known, the agency cannot, after reasonable efforts, locate the parents, or the child is a ward of the State, including the assignment of an individual (who shall not be an employee of the State educational agency, the local educational agency, or any other agency that is involved in the education or care of the child) to act as a surrogate for the parents;

"(3) written prior notice to the parents of the child whenever such agency—

"(A) proposes to initiate or change; or

"(B) refuses to initiate or change;

the identification, evaluation, or educational placement of the child, in accordance with subsection (c), or the provision of a free appropriate public education to the child;

"(4) procedures designed to assure that the notice required by paragraph (3) is in the native language of the parents, unless it clearly is not feasible to do so;

"(5) an opportunity for mediation in accordance with subsection (e);

"(6) an opportunity to present complaints with respect to any matter relating to the identification, evaluation, or educational placement of the child, or the provision of a free appropriate public education to such child;

"(7) procedures that require the parent of a child with a disability, or the attorney representing the child, to provide notice (which shall remain confidential)—

"(A) to the State educational agency or local educational agency, as the case may be, in the complaint filed under paragraph (6); and

"(B) that shall include—

"(i) the name of the child, the address of the residence of the child, and the name of the school at which the child is attending;

"(ii) a description of the nature of the problem of the child relating to such proposed initiation or change, including facts relating to such problem; and

"(iii) the proposed resolution of the problem; and

"(8) procedures that require the State educational agency to develop a model form to assist parents in filing a complaint in accordance with paragraph (7).

"(c) CONTENT OF PRIOR WRITTEN NOTICE.—The notice required by subsection (b)(3) shall include—

"(1) a description of the action proposed or refused by the agency;

"(2) an explanation of why the agency proposes or refuses to take the action;

"(3) a description of any other options that the agency considered and the reasons why those options were rejected;

"(4) a description of each evaluation procedure, test, record, or report the agency used as a basis for the proposed or refused action;

"(5) a description of any other factors that are relevant to the agency's proposal or refusal; and

"(6) a statement that the parents of a child with a disability have protection under the procedural safeguards of this title and, if this notice is not an initial referral for evaluation, the means by which a copy of a description of the procedural safeguards can be obtained.

"(d) PROCEDURAL SAFEGUARDS NOTICE.—

"(1) IN GENERAL.—A copy of the procedural safeguards available to the parents of a child with a disability shall be given to the parents, at a minimum—

"(A) upon initial referral for evaluation;

"(B) upon each notification of an individualized education program meeting and upon reevaluation of the child; and

"(C) upon registration of a complaint under subsection (b)(6).

"(2) CONTENTS.—The procedural safeguards notice shall include a full explanation of the procedural safeguards written in the native language of the parents, unless not feasible to do so, and written in an easily understandable manner, available under this section and under regulations promulgated by the Secretary relating to—

"(A) independent educational evaluation;

"(B) prior written notice;

"(C) parental consent;

"(D) access to educational records;

"(E) opportunity to present complaints;

"(F) the child's placement during pendency of due process proceedings;

"(G) procedures for students who are subject to placement in an interim alternative educational setting;

"(H) requirements for unilateral placement by parents of children in private schools at public expense;

"(I) mediation;

"(J) due process hearings, including requirements for disclosure of evaluation results and recommendations;

"(K) State-level appeals (if applicable in that State);

"(L) civil actions; and

"(M) attorney's fees.

"(e) MEDIATION.—

"(1) IN GENERAL.—Any State educational agency or local educational agency that receives assistance under this part shall ensure that procedures are established and implemented to allow parties to disputes involving the provision of free appropriate public education to children with disabilities by any such State educational agency or local educational agency to resolve such disputes through a mediation process.

"(2) REQUIREMENTS.—Such procedures shall meet the following requirements:

"(A) The procedures shall ensure that the mediation process—

"(i) is voluntary on the part of the parents and may be terminated by either party after a good faith effort has been made by the party terminating the mediation process; and

"(ii) is conducted by a qualified and impartial mediator who is trained in effective mediation techniques.

"(B) The State shall maintain a list of individuals who are qualified mediators and knowledgeable in laws and regulations relating to the provision of special education and related services.

"(C) The State shall bear the cost of the mediation process.

"(D) Each session in the mediation process shall be scheduled in a timely manner and shall be held in a location that is convenient to the parties to the dispute.

"(E) An agreement reached by the parties to the dispute in the mediation process shall be set forth in a written mediation agreement.

"(F) Discussions that occur during the mediation process shall be confidential and may not be used as evidence in any subsequent due process hearings or civil proceedings, and the parties to the mediation process may be required to sign a confidentiality pledge prior to the commencement of such process.

"(G) The State shall determine whether or not attorneys may attend or otherwise participate in the mediation process after offering the opportunity for parents and representatives of school districts to participate in the mediation process prior to any due process filing without attorneys present.

"(f) IMPARTIAL DUE PROCESS HEARING.—

"(1) IN GENERAL.—Whenever a complaint has been received under section 614(d)(3)(B), or subsection (b)(6) or (k) of this section, the parents involved in such complaint shall have an opportunity for an impartial due process hearing which shall be conducted by the State educational agency or by the local educational agency, as determined by State law or by the State educational agency.

"(2) DISCLOSURE OF EVALUATIONS AND RECOMMENDATIONS.—

"(A) IN GENERAL.—At least 10 school days prior to a hearing conducted pursuant to paragraph (1), each party shall disclose to all other parties all evaluations and recommendations based on the offering party's evaluations which the party intends to use at the hearing.

"(B) PROHIBITION.—Any party which fails to meet the requirement of subparagraph (A) shall be barred from introducing such evaluations and recommendations at such hearing.

"(3) LIMITATION ON CONDUCT OF HEARING.—A hearing conducted pursuant to paragraph (1) may not be conducted by an employee of the State educational agency or the local educational agency involved in the education or care of the child.

"(4) ADDITIONAL REQUIREMENTS WITH RESPECT TO HEARINGS FOR CERTAIN CHILDREN WITH DISABILITIES.—A hearing conducted pursuant to paragraph (1) that is based upon a complaint received under section 614(d)(3)(B) shall, in addition to the requirements contained in this subsection, comply with the following additional requirements:

"(A) In determining whether or not the decision by the IEP Team to change the placement of the child is justified and appropriate, the hearing officer shall, at a minimum, review the information under clause (iii) of such section.

"(B) The child shall remain in the current educational placement of the child until the hearing officer reaches a final decision under this subsection.

"(C) The hearing officer shall make a determination of findings and reach a final decision not later than 20 days after the first day of the hearing, or, at the discretion of the hearing officer, not later than 30 days after such first day of the hearing.

"(D) The placement of the child, including the placement of the child during any due process or judicial proceeding, shall be determined in accordance with the final decision of the hearing officer under this subsection, unless the parents and the State or local educational agency agree otherwise.

"(g) APPEAL.—If the hearing required by subsection (f) is conducted by a local educational agency, any party aggrieved by the findings and decision rendered in such a hearing may appeal such findings and decision to the State educational agency. Such agency shall conduct an impartial review of such decision. The officer conducting such review shall make an independent decision upon completion of such review.

"(h) SAFEGUARDS.—Any party to a hearing conducted pursuant to subsection (f), or an appeal conducted pursuant to subsection (g), shall be accorded—

"(1) the right to be accompanied and advised by counsel and by individuals with special knowledge or training with respect to the problems of children with disabilities;

"(2) the right to present evidence and confront, cross-examine, and compel the attendance of witnesses;

"(3) the right to a written, or, at the option of the parents, electronic verbatim record of such hearing; and

"(4) the right to written, or, at the option of the parents, electronic findings of fact and decisions (which findings and decisions shall be made available to the public consistent with the requirements of section 617(c) (relating to the confidentiality of data, information, and records) and shall also be transmitted to the advisory panel established pursuant to section 612(a)(18)).

"(i) ADMINISTRATIVE PROCEDURES.—

"(1) IN GENERAL.—A decision made in a hearing conducted pursuant to subsection (f) shall be final, except that any party involved in such hearing may appeal such decision under the provisions of subsection (g) and paragraph (2) of this subsection.

"(2) RIGHT TO BRING CIVIL ACTION.—

"(A) IN GENERAL.—Any party aggrieved by the findings and decision made under subsection (f) who does not have the right to an appeal under subsection (g), and any party aggrieved by the findings and decision under this subsection, shall have the right to bring a civil action with respect to the complaint presented pursuant to this section, which action may be brought in any State court of competent jurisdiction or in a district court of the United States without regard to the amount in controversy.

"(B) ADDITIONAL REQUIREMENTS.—In any action brought under this paragraph the court—

"(i) shall receive the records of the administrative proceedings;

"(ii) shall hear additional evidence at the request of a party; and

"(iii) basing its decision on the preponderance of the evidence, shall grant such relief as the court determines is appropriate.

"(3) JURISDICTION OF DISTRICT COURTS; ATTORNEYS' FEES.—

"(A) IN GENERAL.—The district courts of the United States shall have jurisdiction of actions brought under this section without regard to the amount in controversy.

"(B) AWARD OF ATTORNEYS' FEES.—In any action or proceeding brought under this section, the court, in its discretion, may award reasonable attorneys' fees as part of the costs to the parents of a child or youth with a disability who is the prevailing party.

"(C) DETERMINATION OF AMOUNT OF ATTORNEYS' FEES.—Fees awarded under this paragraph shall be based on rates prevailing in the community in which the action or proceeding arose for the kind and quality of services furnished. No bonus or multiplier may be used in calculating the fees awarded under this subsection.

"(D) PROHIBITION OF ATTORNEYS' FEES AND RELATED COSTS FOR CERTAIN SERVICES.—(i) Attorneys' fees may not be awarded and related costs may not be reimbursed in any action or proceeding under this subsection for services performed subsequent to the time of a written offer of settlement to a parent if—

"(I) the offer is made within the time prescribed by Rule 68 of the Federal Rules of Civil Procedure or, in the case of an administrative proceeding, at any time more than ten days before the proceeding begins;

"(II) the offer is not accepted within 10 days; and

"(III) the court or administrative hearing officer finds that the relief finally obtained by the parents is not more favorable to the parents than the offer of settlement.

"(ii) Attorneys' fees may not be awarded relating to any meeting of the IEP Team unless such meeting is convened as a result of a judicial action or proceeding.

"(E) EXCEPTION TO PROHIBITION ON ATTORNEYS' FEES AND RELATED COSTS.—Notwithstanding subparagraph (D), an award of attorneys' fees and related costs may be made to a parent who is the prevailing party and who was substantially justified in rejecting the settlement offer.

"(F) REDUCTION IN AMOUNT OF ATTORNEYS' FEES.—Except as provided in subparagraph (G), whenever the court finds that—

"(i) the parent, during the course of the action or proceeding, unreasonably protracted the final resolution of the controversy;

"(ii) the amount of the attorneys' fees otherwise authorized to be awarded unreasonably exceeds the hourly rate prevailing in the community for similar services by attorneys of reasonably comparable skill and experience;

"(iii) the time spent and legal services furnished were excessive considering the nature of the action or proceeding;

"(iv) the attorney representing the parent did not provide to the school district the appropriate information in the due process complaint in accordance with subsection (b)(7); or

"(v) the amount of attorneys' fees requested is not consistent with the extent of the success of the parents;

the court shall reduce, accordingly, the amount of the attorneys' fees awarded under this subsection.

"(G) EXCEPTION TO REDUCTION IN AMOUNT OF ATTORNEYS' FEES.—The provisions of subparagraph (F) shall not apply in any action or proceeding if the court finds that the State or local educational agency unreasonably protracted the final resolution of the action or proceeding or there was a violation of this section.

"(j) MAINTENANCE OF CURRENT EDUCATIONAL PLACEMENT.—Except as provided in subsection (k), during the pendency of any proceedings conducted pursuant to this section, unless the State or local educational agency and the parents otherwise agree, the child shall remain in the then current educational placement of such child, or, if applying for initial admission to a public school, shall, with the consent of the parents, be placed in the public school program until all such proceedings have been completed.

"(k) PLACEMENT IN ALTERNATIVE EDUCATIONAL SETTING.—

"(1) AUTHORITY OF SCHOOL PERSONNEL.—School personnel under this section may, to the same extent as a court, order a change in the placement of a child with a disability—

"(A) to an appropriate interim alternative educational setting, another setting, or suspension, for not more than 10 school days (to the extent such alternatives would be applied to children without disabilities); and

"(B) to an appropriate interim alternative educational setting for the same amount of time that a child without a disability would be subject to discipline, but for not more than an additional 45 school days if—

"(i) the child carries a weapon to school or to a school function under the jurisdiction of a State or a local educational agency;

"(ii) the child possesses or uses illegal drugs or sells or solicits the sale of medications or illegal drugs while at school or a school function under the jurisdiction of a State or local educational agency; or

"(iii) the child causes serious injury while at school or at a school function under the jurisdiction of a State or a local educational agency.

"(2) AUTHORITY OF HEARING OFFICER.—A hearing officer under this section may, to the same extent as a court, order a change in the placement of a child with a disability to an appropriate interim alternative educational setting for not more than 45 school days if—

"(A) the maintenance of the current placement of such child is substantially likely to result in injury to the child or to others; and

"(B) the hearing officer—

"(i) determines that the public agency has demonstrated by substantial evidence that the requirement of subparagraph (A) has been met;

"(ii) considers the appropriateness of the child's current placement; and

"(iii) considers whether the public agency has made reasonable efforts to minimize the risk of harm including the use of supplementary aids and services.

"(3) DETERMINATION OF SETTING.—The alternative educational setting described in paragraph (1) or paragraph (2) shall be determined by the individualized education program team.

"(4) MANIFESTATION DETERMINATION REVIEW.—

"(A) IN GENERAL.—If a change in placement or disciplinary proceeding, including expulsion, is contemplated as a result of an action described in paragraph (1) or paragraph (2)—

"(i) not later than 3 school days after the date on which such action has been taken the parents shall be notified of such action; and

"(ii) not later than 15 school days after the date on which such action has been taken a review shall be conducted of the relationship between the child's disability and the behavior described in paragraph (1).

"(B) INDIVIDUALS TO CARRY OUT REVIEW.—A review described in subparagraph (A) shall be conducted by the IEP Team and other qualified personnel.

"(C) CONDUCT OF REVIEW.—

"(i) IN GENERAL.—In carrying out a review described in subparagraph (A), the individuals described in subparagraph (B) shall consider appropriate factors, including—

"(I) the appropriateness of the child's placement;

"(II) the consistency of the implementation of the child's entire IEP, including the technical soundness of the behavior strategies used;

"(III) evaluation and diagnostic results, which may include any such results supplied by the parents or guardian of the child; and

"(IV) observations of the child.

"(ii) ADDITIONAL REQUIREMENTS.—The IEP Team may determine that the behavior of the child was not a manifestation of such child's disability only if the IEP Team first determines that the disability—

"(I) did not impair the ability of the child to understand the impact and consequences of the behavior; and

"(II) did not impair the ability of the child to control the behavior.

"(5) DETERMINATION THAT BEHAVIOR WAS MANIFESTATION OF DISABILITY.—If the result of the review described in paragraph (4) is a determination that the behavior of the child with a disability was a manifestation of such child's disability and the parents of such child agree with such determination, the educational placement of such child may be changed. If the parents do not agree with such determination or with such changed educational placement, an immediate appeal may be made to a hearing officer to determine whether the child's placement should be changed. Any party aggrieved by the determination of the hearing officer may initiate a due process hearing as described in subsection (f).

"(6) DETERMINATION THAT BEHAVIOR WAS NOT MANIFESTATION OF DISABILITY.—

"(A) IN GENERAL.—If the result of the review described in paragraph (4) is a determination that the behavior of the child with a disability was not a manifestation of such child's disability, the relevant disciplinary procedures applicable to children without disabilities may be applied in the same manner in which they would be applied to children without disabilities. If the parents do not agree with such application, a due process hearing, as described in subsection (f), may be initiated. Any determination under paragraph (4) that a child's behavior was not a manifestation of a disability shall be reviewed by a hearing officer under subsection (f), whether or not the child's parents request a hearing, before educational services to the child may be terminated under this paragraph. During the pendency of such due process procedures, the child shall continue to receive educational services in the alternative educational setting.

"(B) SPECIAL RULE.—Where application of the relevant disciplinary procedures in subparagraph (A) would result in the expulsion of the child without the receipt of educational services, the child may be expelled only if—

"(i) the child carries a weapon to school or to a school function under the jurisdiction of a State or local educational agency; or

"(ii) the child possesses or uses illegal drugs or sells or solicits the sale of medications or illegal drugs while at school or a school function under the jurisdiction of a State or local educational agency.

"(7) EXPEDITED HEARING.—The State or local educational agency shall arrange for an expedited hearing in any case described in this subsection when requested by the parent.

"(8) ADDITIONAL REQUIREMENTS.—

"(A) MAINTENANCE OF ALTERNATIVE EDUCATIONAL SETTING.— If the parent of a child described in this section requests a hearing pursuant to subsection (f), the child shall remain in the alternative educational setting in which such child was placed during the pendency of any proceedings under this subsection, unless the parents and the State or local educational agency agree otherwise.

"(B) PROTECTIONS FOR CHILDREN NOT YET ELIGIBLE FOR SPECIAL EDUCATION AND RELATED SERVICES.—

"(i) IN GENERAL.—A child who has not been determined to be eligible for special education and related services under this part and who has engaged in behavior that violated any rule or code of conduct of the local educational agency, including any behavior described in paragraph (1), may assert any of the protections provided for in this part if the local educational agency had knowledge (as determined in accordance with this subparagraph) that the child was a child with a disability before the behavior that precipitated the disciplinary action occurred.

"(ii) BASIS OF KNOWLEDGE.—A local educational agency shall be deemed to have knowledge that a child is a child with a disability if—

"(I) the parent of the child has expressed concern in writing (unless the parent is illiterate or has a disability that prevents compliance with the requirements contained in this subclause) to personnel of the appropriate educational agency that the child is in need of special education and related services;

"(II) the behavior of the child demonstrates the need for such services;

"(III) the parent of the child has requested an evaluation of the child pursuant to section 614; or

"(IV) the teacher of the child, or other personnel of the local educational agency, has expressed concern about the behavior of the child to the director of special education of such agency or to other personnel of the agency.

"(iii) CONDITIONS THAT APPLY IF NO BASIS OF KNOWLEDGE.—

"(I) IN GENERAL.—If a local educational agency does not have knowledge that a child is a child with a disability (in accordance with clause (ii)) prior to taking disciplinary measures against the child, the child may be subjected to the same disciplinary measures as measures applied to children without disabilities, who engaged in comparable behaviors consistent with paragraph (2).

"(II) LIMITATIONS.—If a request is made for an evaluation of a child during the time period in which the child is subjected to disciplinary measures under paragraph (1), the evaluation shall be conducted in an expedited manner. If the child is determined to be a child with a disability, taking into consideration information from the evaluation conducted by the agency and information provided by the parents, the agency shall provide special education and related services in accordance with the provisions of this part, except that, pending the results of the evaluation, the child shall remain in the educational placement determined by school authorities.

"(C) REFERRAL TO AND ACTION BY LAW ENFORCEMENT AND JUDICIAL AUTHORITIES.—Nothing in this part shall be construed to prohibit an agency from reporting a crime committed by a child with a disability to appropriate authorities or to prevent State law enforcement and judicial authorities from exercising their responsibilities with regard to the application of Federal and State law to crimes committed by a child with a disability.

"(9) DEFINITIONS.—For purposes of this subsection, the following definitions apply:

"(A) ILLEGAL DRUG.—The term 'illegal drug'—

"(i) means a controlled substance within the meaning of any of paragraphs (1) through (5) of section 202 of the Controlled Substances Act (21 U.S.C 812); but

"(ii) does not include a controlled substance within the meaning of paragraphs (1) through (5) of section 202 of such Act if—

"(I) such controlled substance is legally possessed or used under the supervision of a licensed health care professional; or

"(II) such controlled substance is legally possessed or used under any other authority under such Act or under any other provision of Federal law.

"(B) SERIOUS INJURY.—The term 'serious injury' means an injury that involves substantial risk of death, extreme physical pain, obvious or protracted disfigurement, loss of the use of bodily members or organs, broken bones, or significant endangerment to an individual's emotional health or safety that is the result of a physical or verbal assault.

"(C) WEAPON.—The term 'weapon' has the meaning given the term 'dangerous weapon' under paragraph (2) of the first subsection (g) of section 930 of title 18, United States Code.

"(l) RULE OF CONSTRUCTION.—Nothing in this part shall be construed to restrict or limit the rights, procedures, and remedies available under the Constitution, the Americans with Disabilities Act, title V of the Rehabilitation Act of 1973, or other Federal laws protecting the rights of children with disabilities, except that before the filing of a civil action under such laws seeking relief that is also available under this part, the procedures under subsections (f) and (g) shall be exhausted to the same extent as would be required had the action been brought under this part.

"(m) TRANSFER OF PARENTAL RIGHTS AT AGE OF MAJORITY.—

"(1) IN GENERAL.—A State that receives amounts from a grant under this part may provide that, when a child with a disability reaches the age of majority under State law (except for a child with a disability who has been determined to be incompetent under State law)—

"(A) the public agency shall provide any notice required by this section to both the individual and the parents;

"(B) all other rights accorded to parents under this part transfer to the child;

"(C) the agency shall notify the individual and the parents of the transfer of rights; and

"(D) all rights accorded to parents under this part transfer to children who are incarcerated in an adult or juvenile Federal, State, or local correctional institution.

"(2) SPECIAL RULE.—If, under State law, a child with a disability who has reached the age of majority under State law is determined not to have the ability to provide informed consent with respect to the educational program of the child, the State shall establish procedures for appointing the parent of the child, or another appropriate individual, to represent the educational interests of the child throughout the period of eligibility of the child under this part.

"SEC. 616. WITHHOLDING AND JUDICIAL REVIEW.

"(a) WITHHOLDING OF PAYMENTS.—

"(1) IN GENERAL.—Whenever the Secretary, after reasonable notice and opportunity for hearing to the State educational agency involved (and to any local educational agency or State agency affected by any failure described in subparagraph (B)), finds—

"(A) that there has been a failure by the State to comply substantially with any provision of this part; or

"(B) that there is a failure to comply with any condition of a local educational agency's or State agency's eligibility under this part;

the Secretary shall, after notifying the State educational agency, withhold any further payments to the State under this part.

"(2) NATURE OF WITHHOLDING.—If the Secretary withholds further payments under paragraph (1), the Secretary may determine that such withholding will be limited to programs or projects, or portions thereof, affected by the failure, or that the State educational agency shall not make further payments under this part to specified local educational agencies or State agencies affected by the failure. Until the Secretary is satisfied that there is no longer any failure to comply with the provisions of this part, as specified in subparagraph (A) or (B) of paragraph (1), no further payments shall be made to the State under this part, or payments by the State educational agency under this part shall be limited to local educational agencies and State agencies whose actions did not cause or were not involved in the failure, as the case may be. Any State educational agency, State agency, or local educational agency that has received notice under paragraph (1) shall, by means of a public notice, take such measures as may be necessary to bring the pendency of an action pursuant to this subsection to the attention of the public within the jurisdiction of such agency.

"(b) JUDICIAL REVIEW.—

"(1) IN GENERAL.—If any State is dissatisfied with the Secretary's final action with respect to the eligibility of the State under section 612, such State may, not later than 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings upon which the Secretary's action was based, as provided in section 2112 of title 28, United States Code.

"(2) JURISDICTION; REVIEW BY UNITED STATES SUPREME COURT.—Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(3) STANDARD OF REVIEW.—The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"SEC. 617. ADMINISTRATION.

"(a) RESPONSIBILITIES OF SECRETARY.—In carrying out this part, the Secretary shall—

"(1) cooperate with, and (directly or by grant or contract) furnish technical assistance necessary to, the State in matters relating to—

"(A) the education of children with disabilities; and

"(B) carrying out this part; and

"(2) provide short-term training programs and institutes.

"(b) RULES AND REGULATIONS.—In carrying out the provisions of this part, the Secretary shall issue regulations under this Act only to the extent that such regulations are necessary to ensure that there is compliance with the specific requirements of this Act.

"(c) CONFIDENTIALITY.—The Secretary shall take appropriate action, in accordance with the provisions of section 444 of the General Education Provisions Act (20 U.S.C. 1232g), to assure the protection of the confidentiality of any personally identifiable data, information, and records collected or maintained by the Secretary and by State and local educational agencies pursuant to the provisions of this part.

"(d) PERSONNEL.—The Secretary is authorized to hire qualified personnel necessary to conduct data collection and evaluation activities authorized by subsection (a) and section 618 without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates, except that no more than twenty such personnel shall be employed at any time.

"SEC. 618. PROGRAM INFORMATION.

"(a) IN GENERAL.—Each State that receives assistance under this part, and the Secretary of the Interior, shall provide data, which may be based on a sampling of data, each year to the Secretary on—

"(1) the number of children, categorized by race, ethnicity, gender, and disability, who are receiving—

"(A) a free appropriate public education; or

"(B) early intervention services because—

"(i) such children have developmental delays; or

"(ii) such children have a diagnosed physical or mental condition that has a high probability of resulting in developmental delay;

"(2) the progress of the State, and of the children with disabilities in the State, toward meeting the goals established under section 612(14);

"(3) the types of early intervention services provided to such children;

"(4) the number of children with disabilities, categorized by race, ethnicity, gender, and disability—

"(A) participating in regular education programs;

"(B) in separate classes, separate schools or facilities, or public or private residential facilities;

"(C) who have been otherwise removed from the regular education environment; and

"(D) in various early intervention settings;

"(5) for each year of age from age 14 to 21, the number of children with disabilities, categorized by race, ethnicity, gender, and disability, who, because of program completion or for other reasons, stopped receiving special education, and the reasons why such children stopped receiving such special education;

"(6)(A) the number of children with disabilities, categorized by race, ethnicity, gender, and disability, who, under section 615(k), are removed to an interim alternative educational setting;

"(B) the acts or items precipitating such removals; and

"(C) the number of children with disabilities who are expelled from school without receiving services; and

"(7) any other information required by the Secretary.

"(b) DISPROPORTIONALITY.—

"(1) IN GENERAL.—Each State that receives assistance under this part, and the Secretary of the Interior, shall provide for the collection and examination of data to determine if significant disproportionality based on race is occurring in the State with respect to—

"(A) the identification of children as children with disabilities, including the identification of children as children with disabilities in accordance with a particular impairment described in section 602(3); and

"(B) the placement in particular educational settings of such children.

"(2) REVIEW AND REVISION OF POLICIES, PRACTICES, AND PROCEDURES.—In the case of a determination of significant disproportionality with respect to the identification of children as children with disabilities, or the placement in particular educational settings of such children, in accordance with paragraph (1), the State or the Secretary of the Interior, as the case may be, shall provide for the review and, if appropriate, revision of the policies, procedures, and practices used in such identification or placement to ensure that such policies, procedures, and practices comply with the requirements of this Act.

"SEC. 619. PRESCHOOL GRANTS.

"(a) IN GENERAL.—The Secretary shall provide grants under this section to assist States to provide special education and related services, in accordance with this part—

"(1) to children with disabilities aged 3 to 5, inclusive; and

"(2) at the State's discretion, to 2-year-old children with disabilities who will turn 3 during the school year.

"(b) ELIGIBILITY.—A State shall be eligible for a grant under this section if such State—

"(1) is eligible under section 612 to receive a grant under this part; and

"(2) makes a free appropriate public education available to all children with disabilities, aged 3 to 5, inclusive, residing in the State.

"(c) AMOUNT.—

"(1) IN GENERAL.—From the amount appropriated for any fiscal year pursuant to the authorization of appropriations under subsection (m), the Secretary shall allot to each eligible State the amount it received for fiscal year 1996 under this section (as this section was in effect on the day before the date of the enactment of the IDEA Improvement Act of 1996).

"(2) INSUFFICIENT FUNDS.—

"(A) IN GENERAL.—If the amount appropriated under subsection (m) for a fiscal year is insufficient to make the full allotments described in paragraph (1), the Secretary shall—

"(i) first, reduce the allocation to any State whose number of children aged 3 to 5, inclusive, is less than the number of such children in such State in fiscal year 1995 by the same percentage by which such number of children declined from the number of children in fiscal year 1995; and

"(ii) second, if necessary, ratably reduce the allocations of all States, including those allocations reduced under clause (i).

"(B) AVAILABILITY OF ADDITIONAL FUNDS.—If additional funds become available to make allocations under this section, the allocations that were reduced under subparagraph (A) shall be increased on the same basis as such allocations were reduced.

"(d) ALLOTMENT OF REMAINING FUNDS.—After making allotments under subsection (c), the Secretary shall allot any remaining funds to eligible States on the basis of their relative population of children aged 3 to 5, inclusive.

"(e) SPECIAL RULE WITH RESPECT TO PUERTO RICO.—Notwithstanding any other provision of this subsection, the amount allotted to Puerto Rico for a fiscal year shall bear the same or lower proportion to the amount appropriated pursuant to subsection (m) as the amount received by Puerto Rico under this section for fiscal year 1996 bears to the aggregate of the amounts received by all States under this section for fiscal year 1996.

"(f) DETERMINATION OF POPULATION FIGURES.—For the purpose of providing grants under this section, the Secretary shall use the most recent population data that are available and satisfactory to the Secretary.

"(g) RESERVATION FOR STATE ACTIVITIES.—A State may reserve not more than 25 percent of the amount allotted to the State under this section for a fiscal year for administration and other State-level activities in accordance with subsections (h) and (i).

"(h) STATE ADMINISTRATION.—

"(1) IN GENERAL.—A State may use up to 3 percent of the amount allotted to the State under this section for a fiscal year for the purpose of administering this section, including the coordination of activities under this part with, and providing technical assistance to, other programs that provide services to children with disabilities.

"(2) USE OF AMOUNTS FOR ADMINISTRATION OF PART C.—If the State educational agency is the lead agency for the State under part C, amounts described in paragraph (1) may also be used for the administration of such part C.

"(i) OTHER STATE-LEVEL ACTIVITIES.—Each State shall use any funds it retains under subsection (g) and does not use for administration under subsection (h)—

"(1) for support services (including establishing and implementing the mediation process required by section 615(d)), which may benefit children with disabilities younger than 3 or older than 5 as long as those services also benefit children with disabilities aged 3 to 5, inclusive;

"(2) for direct services for children eligible for services under this section;

"(3) to develop a State improvement plan under part D;

"(4) for activities at the State and local levels to meet the performance goals established by the State under section 612(a)(14) and to support implementation of the State improvement plan under part D if the State receives funds under that part; or

"(5) to supplement other funds used to develop and implement a Statewide coordinated services system designed to improve results for children and families, including children with disabilities and their families, but not to exceed one percent of the amount received by the State under this section for a fiscal year.

"(j) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

"(1) REQUIREMENT TO MAKE SUBGRANTS.—Each State that receives a grant under this section for any fiscal year shall distribute at least 75 percent of the grant funds to local educational agencies in the State, and to State agencies that received funds under section 614A(a) (as such section was in effect on the day before the date of the enactment of the IDEA Improvement Act of 1996) for fiscal year 1996, that have established their eligibility under section 613.

"(2) METHODS OF DISTRIBUTION.—A State may distribute funds under paragraph (1) on the basis of—

"(A) total school age population;

"(B) school enrollment;

"(C) numbers of children with disabilities aged 3 to 5, inclusive, receiving a free appropriate public education;

"(D) allocations for previous fiscal years;

"(E) any two or more of the factors described in subparagraphs (A) through (D); or

"(F) poverty, in combination with one or more of the factors described in subparagraphs (A) through (D).

"(k) PART C INAPPLICABLE.—Part C of this Act does not apply to any child with a disability receiving a free appropriate public education, in accordance with this part, with funds received under this section.

"(l) PROHIBITION ON CONSOLIDATION OF GRANTS FOR TERRITORIES.—The provisions of section 501 of Public Law 95–134 (48 U.S.C. 1469a; relating to the consolidation of one or more grants provided to certain territories) shall not apply with respect to amounts provided to a territory under a grant under this section.

"(m) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated to the Secretary such sums as may be necessary.

"PART C—INFANTS AND TODDLERS WITH DISABILITIES

"SEC. 631. FINDINGS AND POLICY.

"(a) FINDINGS.—The Congress finds that there is an urgent and substantial need—

"(1) to enhance the development of infants and toddlers with disabilities and to minimize their potential for developmental delay;

"(2) to reduce the educational costs to our society, including our Nation's schools, by minimizing the need for special education and related services after infants and toddlers with disabilities reach school age;

"(3) to minimize the likelihood of institutionalization of individuals with disabilities and maximize the potential for their independently living in society;

"(4) to enhance the capacity of families to meet the special needs of their infants and toddlers with disabilities; and

"(5) to enhance the capacity of State and local agencies and service providers to identify, evaluate, and meet the needs of historically underrepresented populations, particularly minority, low-income, inner-city, and rural populations.

"(b) POLICY.—It is therefore the policy of the United States to provide financial assistance to States—

"(1) to develop and implement a statewide, comprehensive, coordinated, multidisciplinary, interagency system of early intervention services for infants and toddlers with disabilities and their families;

"(2) to facilitate the coordination of payment for early intervention services from Federal, State, local, and private sources (including public and private insurance coverage); and

"(3) to enhance their capacity to provide quality early intervention services and expand and improve existing early intervention services being provided to infants and toddlers with disabilities and their families.

"SEC. 632. DEFINITIONS.

"As used in this part:

"(1) AT-RISK INFANT OR TODDLER.—The term 'at-risk infant or toddler' means an individual under 3 years of age who would be at risk of experiencing a substantial developmental delay if early intervention services were not provided to the individual.

"(2) COUNCIL.—The term 'council' means a State interagency coordinating council established under section 641.

"(3) DEVELOPMENTAL DELAY.—The term 'developmental delay', when used with respect to an individual residing in a State, has the meaning given such term by the State under section 635(a)(1).

"(4) EARLY INTERVENTION SERVICES.—The term 'early intervention services' means developmental services which—

"(A) are provided under public supervision;

"(B) are provided at no cost except where Federal or State law provides for a system of payments by families, including a schedule of sliding fees;

"(C) are designed to meet the developmental needs of an infant or toddler with a disability in any one or more of the following areas—

"(i) physical development;

"(ii) cognitive development;

"(iii) communication development;

"(iv) social or emotional development; or

"(v) adaptive development;

"(D) meet the standards of the State in which they are provided, including the requirements of this part;

"(E) include—

"(i) family training, counseling, and home visits;

"(ii) special instruction;

"(iii) speech-language pathology and audiology services;

"(iv) occupational therapy;

"(v) physical therapy;

"(vi) psychological services;

"(vii) service coordination services;

"(viii) medical services only for diagnostic or evaluation purposes;

"(ix) early identification, screening, and assessment services;

"(x) health services necessary to enable the infant or toddler to benefit from the other early intervention services;

"(xi) social work services;

"(xii) vision services;

"(xiii) assistive technology devices and assistive technology services; and

"(xiv) transportation and related costs that are necessary to enable an infant or toddler and the infant's or toddler's family to receive another service described in this paragraph;

"(F) are provided by qualified personnel, including—

"(i) special educators;

"(ii) speech-language pathologists and audiologists;

"(iii) occupational therapists;

"(iv) physical therapists;

"(v) psychologists;

"(vi) social workers;

"(vii) nurses;

"(viii) nutritionists;

"(ix) family therapists;

"(x) orientation and mobility specialists; and

"(xi) pediatricians and other physicians;

"(G) to the maximum extent appropriate, are provided in natural environments, including the home, and community settings in which children without disabilities participate; and

"(H) are provided in conformity with an individualized family service plan adopted in accordance with section 636.

"(5) INFANT OR TODDLER WITH A DISABILITY.—The term 'infant or toddler with a disability'—

"(A) means an individual under 3 years of age who needs early intervention services because the individual—

"(i) is experiencing developmental delays, as measured by appropriate diagnostic instruments and procedures in one or more of the areas of cognitive development, physical development, communication development, social or emotional development, and adaptive development; or

"(ii) has a diagnosed physical or mental condition which has a high probability of resulting in developmental delay; and

"(B) may also include, at a State's discretion, at-risk infants and toddlers.

"SEC. 633. GENERAL AUTHORITY.

"The Secretary shall, in accordance with this part, make grants to States (from their allocations under section 643) to assist each State to maintain and implement a statewide, comprehensive, coordinated, multidisciplinary, interagency system to provide early intervention services for infants and toddlers with disabilities and their families.

"SEC. 634. ELIGIBILITY.

"In order to be eligible for a grant under section 633, a State shall demonstrate to the Secretary that the State—

"(1) has adopted a policy that appropriate early intervention services are available to all infants and toddlers with disabilities in the State and their families, including Indian infants and toddlers with disabilities and their families residing on a reservation geographically located in the State; and

"(2) has in effect a statewide system that meets the requirements of section 635.

"SEC. 635. REQUIREMENTS FOR STATEWIDE SYSTEM.

"(a) IN GENERAL.—A statewide system described in section 633 shall include, at a minimum, the following components:

"(1) A definition of the term 'developmental delay' that will be used by the State in carrying out programs under this part.

"(2) A timely, comprehensive, multidisciplinary evaluation of the functioning of each infant or toddler with a disability in the State, and a family-directed identification of the needs of each family of such an infant or toddler, to appropriately assist in the development of the infant or toddler.

"(3) For each infant or toddler with a disability in the State, an individualized family service plan in accordance with section 636, including service coordination services in accordance with such service plan.

"(4) A comprehensive child find system, consistent with part B, including a system for making referrals to service providers that includes timelines and provides for participation by primary referral sources.

"(5) A public awareness program focusing on early identification of infants and toddlers with disabilities, including the preparation and dissemination by the lead agency designated or established under paragraph (8) to all primary referral sources, especially hospitals and physicians, of information for parents on the availability of early intervention services, and procedures for determining the extent to which such sources disseminate such information to parents of infants and toddlers.

"(6) A central directory which includes information on early intervention services, resources, and experts available in the State and research and demonstration projects being conducted in the State.

"(7) A comprehensive system of personnel development, including the training of paraprofessionals and the training of primary referral sources respecting the basic components of early intervention services available in the State, that is consistent with the comprehensive system of personnel development described in section 612(a)(13) (or with the personnel development requirements for State improvement plans under section 683) and may include—

"(A) implementing innovative strategies and activities for the recruitment and retention of early education service providers;

"(B) promoting the preparation of early intervention providers who are fully and appropriately qualified to provide early intervention services under this part;

"(C) training personnel to work in rural and inner city areas; and

"(D) training personnel to coordinate transition services for infants and toddlers served under this part from an early intervention program under this part to preschool or other appropriate services.

"(8) Policies and procedures relating to the establishment and maintenance of standards to ensure that personnel necessary to carry out this part are appropriately and adequately prepared and trained, including—

"(A) the establishment and maintenance of standards which are consistent with any State approved or recognized certification, licensing, registration, or other comparable requirements which apply to the area in which such personnel are providing early intervention services; and

"(B) subject to subsection (b), to the extent such standards are not based on the highest requirements in the State applicable to a specific profession or discipline, the steps the State is taking to require the retraining or hiring of personnel that meet appropriate professional requirements in the State;

except that nothing in this part, including this paragraph, prohibits the use of paraprofessionals and assistants who are appropriately trained and supervised, in accordance with State law, regulations, or written policy, to assist in the provision of early intervention services to infants and toddlers with disabilities under this part.

"(9) A single line of responsibility in a lead agency designated or established by the Governor for carrying out—

"(A) the general administration and supervision of programs and activities receiving assistance under section 633, and the monitoring of programs and activities used by the State to carry out this part, whether or not such programs or activities are receiving assistance made available under section 633, to ensure that the State complies with this part;

"(B) the identification and coordination of all available resources within the State from Federal, State, local and private sources;

"(C) the assignment of financial responsibility in accordance with section 637(a)(1) to the appropriate agencies;

"(D) the development of procedures to ensure that services are provided to infants and toddlers and their families under this part in a timely manner pending the resolution of any disputes among public agencies or service providers;

"(E) the resolution of intra- and interagency disputes; and

"(F) the entry into formal interagency agreements that define the financial responsibility of each agency for paying for early intervention services (consistent with State law) and procedures for resolving disputes and that include all additional components necessary to ensure meaningful cooperation and coordination.

"(10) A policy pertaining to the contracting or making of other arrangements with service providers to provide early intervention services in the State, consistent with the provisions of this part, including the contents of the application used and the conditions of the contract or other arrangements.

"(11) A procedure for securing timely reimbursement of funds used under this part in accordance with section 640(a).

"(12) Procedural safeguards with respect to programs under this part, as required by section 639.

"(13) A system for compiling data requested by the Secretary under section 618 that relates to this part.

"(14) A State interagency coordinating council that meets the requirements of section 641.

"(15) Policies and procedures to ensure that, consistent with section 636(d)(5)—

"(A) to the maximum extent appropriate, early intervention services are provided in natural environments; and

"(B) the provision of early intervention services for any infant or toddler occurs in a setting other than a natural environment only when early intervention cannot be achieved satisfactorily for such infant or toddler in a natural environment.

"(b) MODIFICATION OF PERSONNEL REQUIREMENT.—If a State determines that the requirement of subsection (a)(8)(B) would significantly inhibit the ability of the State to contract with, or employ, an appropriate number and types of personnel to provide early intervention services to infants and toddlers with disabilities in a geographic region, the State may, subject to public notice and comment, temporarily suspend the requirement for the region, in a manner consistent with State law and for a period not exceeding 3 years, with respect to the most qualified available individuals in shortage areas who are making annual progress in applicable coursework.

"SEC. 636. INDIVIDUALIZED FAMILY SERVICE PLAN.

"(a) ASSESSMENT AND PROGRAM DEVELOPMENT.—A statewide system described in section 633 shall provide, at a minimum, for each infant or toddler with a disability, and the infant's or toddler's family, to receive—

"(1) a multidisciplinary assessment of the unique strengths and needs of the infant or toddler and the identification of services appropriate to meet such needs;

"(2) a family-directed assessment of the resources, priorities, and concerns of the family and the identification of the supports and services necessary to enhance the family's capacity to meet the developmental needs of the infant or toddler; and

"(3) a written individualized family service plan developed by a multidisciplinary team, including the parents, as required by subsection (e).

"(b) PERIODIC REVIEW.—The individualized family service plan shall be evaluated once a year and the family shall be provided a review of the plan at 6-month intervals (or more often where appropriate based on infant or toddler and family needs).

"(c) PROMPTNESS AFTER ASSESSMENT.—The individualized family service plan shall be developed within a reasonable time after the assessment required by subsection (a)(1) is completed. With the parents' consent, early intervention services may commence prior to the completion of such assessment.

"(d) CONTENT OF PLAN.—The individualized family service plan shall be in writing and contain—

"(1) a statement of the infant's or toddler's present levels of physical development, cognitive development, communication development, social or emotional development, and adaptive development, based on objective criteria;

"(2) a statement of the family's resources, priorities, and concerns relating to enhancing the development of the family's infant or toddler with a disability;

"(3) a statement of the major outcomes expected to be achieved for the infant or toddler and the family, and the criteria, procedures, and timelines used to determine the degree to which progress toward achieving the outcomes is being made and whether modifications or revisions of the outcomes or services are necessary;

"(4) a statement of specific early intervention services necessary to meet the unique needs of the infant or toddler and the family, including the frequency, intensity, and method of delivering services;

"(5) a statement of the natural environments in which early intervention services shall appropriately be provided, including a justification of the extent, if any, to which such services will not be provided in a natural environment;

"(6) the projected dates for initiation of services and the anticipated duration of such services;

"(7) the identification of the service coordinator from the profession most immediately relevant to the infant's or toddler's or family's needs (or who is otherwise qualified to carry out all applicable responsibilities under this part) who will be responsible for the implementation of the plan and coordination with other agencies and persons; and

"(8) the steps to be taken to support the transition of the toddler with a disability to preschool or other appropriate services.

"(e) PARENTAL CONSENT.—The contents of the individualized family service plan shall be fully explained to the parents and informed written consent from such parents shall be obtained prior to the provision of early intervention services described in such plan. If such parents do not provide such consent with respect to a particular early intervention service, then the early intervention services to which such consent is obtained shall be provided.

"SEC. 637. STATE APPLICATION AND ASSURANCES.

"(a) APPLICATION.—A State desiring to receive a grant under section 633 shall submit an application to the Secretary at such time and in such manner as the Secretary may reasonably require. Such application shall contain—

"(1) a designation of the lead agency in the State that will be responsible for the administration of funds provided under section 633;

"(2) a designation of a person responsible for assigning financial responsibility among appropriate agencies;

"(3) information demonstrating eligibility of the State under section 634, including—

"(A) information demonstrating to the Secretary's satisfaction that the State has in effect the statewide system required by section 633; and

"(B) a description of services to be provided to infants and toddlers with disabilities and their families through the system;

"(4) a description of the uses for which funds will be expended in accordance with this part;

"(5) a description of the procedure used to ensure that resources are made available under this part for all geographic areas within the State;

"(6) a description of State policies and procedures that ensure that, prior to the adoption by the State of any other policy or procedure necessary to meet the requirements of this part, there are public hearings, adequate notice of the hearings, and an opportunity for comment available to the general public, including individuals with disabilities and parents of infants and toddlers with disabilities;

"(7) a description of the policies and procedures to be used—

"(A) to ensure a smooth transition for toddlers receiving early intervention services under this part to preschool or other appropriate services, including a description of how—

"(i) the families of such toddlers will be included in the transition plans required by subparagraph (C); and

"(ii) the lead agency designated or established under section 635(a) will—

"(I) notify the local educational agency for the area in which such a child resides that the child will shortly reach the age of eligibility for preschool services under part B, as determined in accordance with State law;

"(II) in the case of such a child who may be eligible for such preschool services, with the approval of the family of the child, convene a conference among the lead agency, the family, and the local educational agency at least 90 days (and at the discretion of all such parties, up to 6 months) before the child is eligible for the preschool services, to discuss any such services that the child may receive; and

"(III) in the case of such a child who may not be eligible for such preschool services, with the approval of the family, make reasonable efforts to convene a conference among the lead agency, the family, and providers of other appropriate services for children who are not eligible for preschool services under part B, to discuss the appropriate services that the child may receive;

"(B) to review the child's program options for the period from the child's third birthday through the remainder of the school year; and

"(C) to establish a transition plan; and

"(8) such other information and assurances as the Secretary may reasonably require.

"(b) ASSURANCES.—The application described in subsection (a) shall contain the following:

"(1) A satisfactory assurance that the State will—

"(A) make such reports in such form and containing such information as the Secretary may require to carry out the Secretary's functions under this part; and

"(B) keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports and proper disbursement of Federal funds under this part.

"(2) A satisfactory assurance that Federal funds made available under section 633 will be used to supplement and increase the level of State and local funds expended for infants and toddlers with disabilities and their families under this part and in no case to supplant such State and local funds.

"(3) Such other information and assurances as the Secretary may reasonably require by regulation.

"(c) STANDARD FOR DISAPPROVAL OF APPLICATION.—The Secretary may not disapprove such an application unless the Secretary determines, after notice and opportunity for a hearing, that the application fails to comply with the requirements of this section.

"(d) SUBSEQUENT STATE APPLICATION.—If a State has on file with the Secretary a policy, procedure, or assurance that demonstrates that the State meets a requirement of this section, including any policy or procedure filed under part H (as in effect before the date of the enactment of the IDEA Improvement Act of 1996), the Secretary shall consider the State to have met the requirement for purposes of receiving a grant under this part.

"(e) MODIFICATION OF APPLICATION.—An application submitted by a State in accordance with this section shall remain in effect until the State submits to the Secretary such modifications as the State determines necessary. This section shall apply to a modification of an application to the same extent and in the same manner as this section applies to the original application.

"SEC. 638. USES OF FUNDS.

"In addition to using funds provided under section 633 to maintain and implement the statewide system required by such section, a State may use such funds—

"(1) for direct early intervention services for infants and toddlers with disabilities, and their families, under this part that are not otherwise funded through other public or private sources;

"(2) to expand and improve on services for infants and toddlers and their families under this part that are otherwise available; and

"(3) to provide a free appropriate public education, in accordance with part B, to children with disabilities from their third birthday to the beginning of the following school year.

"SEC. 639. PROCEDURAL SAFEGUARDS.

"(a) MINIMUM PROCEDURES.—The procedural safeguards required to be included in a statewide system under section 635(a)(10) shall provide, at a minimum, the following:

"(1) The timely administrative resolution of complaints by parents. Any party aggrieved by the findings and decision regarding an administrative complaint shall have the right to bring a civil action with respect to the complaint in any State court of competent jurisdiction or in a district court of the United States without regard to the amount in controversy. In any action brought under this paragraph, the court shall receive the records of the administrative proceedings, shall hear additional evidence at the request of a party, and, basing its decision on the preponderance of the evidence, shall grant such relief as the court determines is appropriate.

"(2) The right to confidentiality of personally identifiable information, including the right of parents to written notice of and written consent to the exchange of such information among agencies consistent with Federal and State law.

"(3) The right of the parents to determine whether they, their infant or toddler, or other family members will accept or decline any early intervention service under this part in accordance with State law without jeopardizing other early intervention services under this part.

"(4) The opportunity for parents to examine records relating to assessment, screening, eligibility determinations, and the development and implementation of the individualized family service plan.

"(5) Procedures to protect the rights of the infant or toddler whenever the parents of the child are not known or cannot be found or the child is a ward of the State, including the assignment of an individual (who shall not be an employee of the State or any person, or any employee of a person, providing early intervention services to the infant or toddler or any family member of the infant or toddler) to act as a surrogate for the parents.

"(6) Written prior notice to the parents of the infant or toddler with a disability whenever the State agency or service provider proposes to initiate or change or refuses to initiate or change the identification, evaluation, placement, or the provision of appropriate early intervention services to the infant or toddler with a disability.

"(7) Procedures designed to assure that the notice required by paragraph (6) fully informs the parents, in the parents' native language, unless it clearly is not feasible to do so, of all procedures available pursuant to this section.

"(8) The right of parents to use mediation in accordance with section 615(e), except that—

"(A) any reference in such section to a State educational agency shall be considered to be a reference to a State's lead agency established or designated under section 635(a)(8);

"(B) any reference in such section to a local educational agency shall be considered to be a reference to a local service provider or the State's lead agency under this part, as the case may be; and

"(C) any reference in such section to the provision of free appropriate public education to children with disabilities shall be considered to be a reference to the provision of appropriate early intervention services to infants and toddlers with disabilities.

"(b) SERVICES DURING PENDENCY OF PROCEEDINGS.—During the pendency of any proceeding or action involving a complaint by the parents of an infant or toddler with a disability, unless the State agency and the parents otherwise agree, the infant or toddler shall continue to receive the appropriate early intervention services currently being provided or, if applying for initial services, shall receive the services not in dispute.

"SEC. 640. PAYOR OF LAST RESORT.

"(a) NONSUBSTITUTION.—Funds provided under section 643 may not be used to satisfy a financial commitment for services which would have been paid for from another public or private source but for the enactment of this part, except that whenever considered necessary to prevent a delay in the receipt of appropriate early intervention services by an infant, toddler, or family in a timely fashion, funds provided under section 643 may be used to pay the provider of services pending reimbursement from the agency which has ultimate responsibility for the payment.

"(b) REDUCTION OF OTHER BENEFITS.—Nothing in this part shall be construed to permit the State to reduce medical or other assistance available or to alter eligibility under title V of the Social Security Act (relating to maternal and child health) or title XIX of the Social Security Act (relating to medicaid for infants or toddlers with disabilities) within the State.

"SEC. 641. STATE INTERAGENCY COORDINATING COUNCIL.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—A State that desires to receive financial assistance under this part shall establish a State interagency coordinating council.

"(2) APPOINTMENT.—The council shall be appointed by the Governor. In making appointments to the council, the Governor shall ensure that the membership of the council reasonably represents the population of the State.

"(3) CHAIRPERSON.—The Governor shall designate a member of the council to serve as the chairperson of the Council, or shall require the council to so designate such a member. Any member of the council who is a representative of the lead agency designated under section 635(b)(8) may not serve as the chairperson of the council.

"(b) COMPOSITION.—

"(1) IN GENERAL.—The council shall be composed as follows:

"(A) PARENTS.—At least 20 percent of the members shall be parents of infants or toddlers with disabilities or children with disabilities aged 12 or younger, with knowledge of, or experience with, programs for infants and toddlers with disabilities. At least one such member shall be a parent of an infant or toddler with a disability or a child with a disability aged 6 or younger.

"(B) SERVICE PROVIDERS.—At least 20 percent of the members shall be public or private providers of early intervention services.

"(C) STATE LEGISLATURE.—At least one member shall be from the State legislature.

"(D) PERSONNEL PREPARATION.—At least one member shall be involved in personnel preparation.

"(E) AGENCY FOR EARLY INTERVENTION SERVICES.—At least one member shall be from each of the State agencies involved in the provision of, or payment for, early intervention services to infants and toddlers with disabilities and their families and shall have sufficient authority to engage in policy planning and implementation on behalf of such agencies.

"(F) AGENCY FOR PRESCHOOL SERVICES.—At least one member shall be from the State educational agency responsible for preschool services to children with disabilities and shall have sufficient authority to engage in policy planning and implementation on behalf of such agency.

"(G) AGENCY FOR INSURANCE.—At least one member shall be from the agency responsible for the State governance of insurance, especially in the area of health insurance.

"(H) HEAD START AGENCY.—A representative from a Head Start agency or program in the State.

"(I) A representative from a State agency responsible for child care.

"(2) OTHER MEMBERS.—The council may include other members selected by the Governor, including a representative from the Bureau of Indian Affairs, or where there is no BIA operated or funded school, from the Indian Health Service or the tribe/tribal council.

"(c) MEETINGS.—The council shall meet at least quarterly and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

"(d) MANAGEMENT AUTHORITY.—Subject to the approval of the Governor, the council may prepare and approve a budget using funds under this part to conduct hearings and forums, to reimburse members of the council for reasonable and necessary expenses for attending council meetings and performing council duties (including child care for parent representatives), to pay compensation to a member of the council if such member is not employed or must forfeit wages from other employment when performing official council business, to hire staff, and to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this part.

"(e) FUNCTIONS OF COUNCIL.—

"(1) DUTIES.—The council shall—

"(A) advise and assist the lead agency designated or established under section 635(b)(8) in the performance of the responsibilities set out in such section, particularly the identification of the sources of fiscal and other support for services for early intervention programs, assignment of financial responsibility to the appropriate agency, and the promotion of the interagency agreements;

"(B) advise and assist the lead agency in the preparation of applications and amendments thereto;

"(C) advise and assist the State educational agency regarding the transition of toddlers with disabilities to preschool and other appropriate services; and

"(D) prepare and submit an annual report to the Governor and to the Secretary on the status of early intervention programs for infants and toddlers with disabilities and their families operated within the State.

"(2) AUTHORIZED ACTIVITY.—The council may advise and assist the lead agency and the State educational agency regarding the provision of appropriate services for children aged birth to 5, inclusive.

"(f) CONFLICT OF INTEREST.—No member of the council shall cast a vote on any matter which would provide direct financial benefit to that member or otherwise give the appearance of a conflict of interest under State law.

"SEC. 642. FEDERAL ADMINISTRATION.

"Sections 616, 617, 618, and 620 shall, to the extent not inconsistent with this part, apply to the program authorized by this part, except that—

"(1) any reference in such sections to a State educational agency shall be considered to be a reference to a State's lead agency established or designated under section 635(a)(8);

"(2) any reference in such sections to a local educational agency, educational service agency, or a State agency shall be considered to be a reference to an early intervention service provider under this part; and

"(3) any reference to the education of children with disabilities or the education of all children with disabilities shall be considered to be a reference to the provision of appropriate early intervention services to infants and toddlers with disabilities.

"SEC. 643. ALLOCATION OF FUNDS.

"(a) RESERVATION OF FUNDS FOR TERRITORIES.—

"(1) IN GENERAL.—From the sums appropriated to carry out this part for any fiscal year, the Secretary may reserve up to one percent for payments to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands in accordance with their respective needs.

"(2) CONSOLIDATION OF FUNDS.—The provisions of Public Law 95-134, permitting the consolidation of grants to the territories, shall not apply to funds those areas receive under this part.

"(b) PAYMENTS TO INDIANS.—

"(1) IN GENERAL.—The Secretary shall, subject to this subsection, make payments to the Secretary of the Interior to be distributed to tribes, tribal organizations (as defined under section 4 of the Indian Self-Determination and Education Assistance Act), or consortia of the above entities for the coordination of assistance in the provision of early intervention services by the States to infants and toddlers with disabilities and their families on reservations served by elementary and secondary schools for Indian children operated or funded by the Department of the Interior. The amount of such payment for any fiscal year shall be 1.25 percent of the aggregate of the amount available to all States under this part for such fiscal year.

"(2) ALLOCATION.—For each fiscal year, the Secretary of the Interior shall distribute the entire payment received under paragraph (1) by providing to each tribe, tribal organization, or consortium an amount based on the number of infants and toddlers residing on the reservation as determined annually divided by the total of such children served by all tribes, tribal organizations, or consortia.

"(3) INFORMATION.—To receive a payment under this paragraph, the tribe, tribal organization, or consortia shall submit such information to the Secretary of the Interior as is needed to determine the amounts to be allocated under paragraph (2).

"(4) USE OF FUNDS.—The funds received by a tribe, tribal organization, or consortia shall be used to assist States in child find, screening, and other procedures for the early identification of Indian children under 3 years of age and for parent training. Such funds may also be used to provide early intervention services in accordance with this part. Such activities may be carried out directly or through contracts or cooperative agreements with the BIA, local educational agencies, and other public or private nonprofit organizations. The tribe, tribal organization, or consortia is encouraged to involve Indian parents in the development and implementation of these activities. The above entities shall, as appropriate, make referrals to local, State, or Federal entities for the provision of services or further diagnosis.

"(5) REPORTS.—To be eligible to receive a grant under paragraph (2), a tribe, tribal organization, or consortia shall make a biennial report to the Secretary of the Interior of activities undertaken under this subsection, including the number of contracts and cooperative agreements entered into, the number of children contacted and receiving services for each year, and the estimated number of children needing services during the 2 years following the year in which the report is made. The Secretary of the Interior shall include a summary of this information on a biennial basis to the Secretary of Education along with such other information as required under section 611(f)(3)(D). The Secretary of Education may require any additional information from the Secretary of the Interior.

"(6) PROHIBITED USES OF FUNDS.—None of the funds under this subsection may be used by the Secretary of the Interior for administrative purposes, including child count, and the provision of technical assistance.

"(c) STATE ALLOTMENTS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), from the funds remaining for each fiscal year after the reservation and payments under subsections (a) and (b), the Secretary shall first allot to each State an amount that bears the same ratio to the amount of such remainder as the number of infants and toddlers in the State bears to the number of infants and toddlers in all States.

"(2) MINIMUM ALLOTMENTS.—Except as provided in paragraphs (3) and (4), no State shall receive an amount under this section for any fiscal year that is less than the greatest of—

"(A) one-half of one percent of the remaining amount described in paragraph (1); or

"(B) $500,000.

"(3) SPECIAL RULE FOR 1997 THROUGH 1999.—

"(A) IN GENERAL.—Except as provided in paragraph (4), no State may receive an amount under this section for any of the fiscal years 1997 through 1999 that is less than the sum of the amount such State received for fiscal year 1994 under—

"(i) part H (as in effect on the day before the date of the enactment of the IDEA Improvement Act of 1996); and

"(ii) subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as in effect on the day before the date of the enactment of the Improving America's Schools Act of 1994) for children with disabilities under 3 years of age.

"(B) EXCEPTION.—If, for fiscal year 1998 or 1999, the number of infants and toddlers in a State, as determined under paragraph (1), is less than the number of infants and toddlers so determined for fiscal year 1994, the amount determined under subparagraph (A) for the State shall be reduced by the same percentage by which the number of such infants and toddlers so declined.

"(4) RATABLE REDUCTION.—

"(A) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all States are eligible to receive under this subsection for such year, the Secretary shall ratably reduce the allocations to such States for such year.

"(B) ADDITIONAL FUNDS.—If additional funds become available for making payments under this subsection for a fiscal year, allocations that were reduced under subparagraph (A) shall be increased on the same basis as such allocations were reduced.

"(5) DEFINITIONS.—For the purpose of this subsection—

"(A) the terms 'infants' and 'toddlers' mean children under 3 years of age; and

"(B) the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(d) REALLOTMENT OF FUNDS.—If a State elects not to receive its allotment under subsection (c), the Secretary shall reallot, among the remaining States, amounts from such State in accordance with such subsection.

"SEC. 644. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1997 through 2001.

"PART D—NATIONAL ACTIVITIES TO IMPROVE EDUCATION OF CHILDREN WITH DISABILITIES

"SEC. 651. PURPOSE OF PART.

"The purpose of this part is to support national, State, and local activities aimed at improving educational, early intervention, and transitional services and opportunities for children with disabilities.

"SEC. 652. ELIGIBILITY FOR FINANCIAL ASSISTANCE.

"No State, State educational agency, local educational agency, educational service agency, or other public institution or agency may receive a grant, contract, or cooperative agreement under this part which relates exclusively to programs, projects, and activities for children aged 3 to 5, inclusive, unless the State, or, in the case of an agency or institution, the State in which the agency or institution is located, is eligible to receive a grant under section 619.

"SEC. 653. COMPREHENSIVE PLAN.

"(a) IN GENERAL.—The Secretary shall develop and implement a comprehensive plan for ongoing activities conducted by the Secretary under this part.

"(b) USE OF KNOWLEDGE IN DEVELOPING PLAN.—To the maximum extent appropriate, the Secretary shall ensure that the plan is based upon the knowledge gained from research on practices that have been proven effective in improving the achievement of children with disabilities.

"(c) CONSULTATION.—In developing the plan, the Secretary shall consult the following persons:

"(1) Individuals with disabilities.

"(2) Parents of children with disabilities.

"(3) Representatives of State and local educational agencies and educational service agencies.

"(4) Private schools.

"(5) Institutions of higher education.

"(6) Other Federal agencies.

"(7) The National Council on Disability.

"(8) National organizations with an interest in, and expertise in, providing services to children with disabilities and their families.

"(9) Any other professionals determined appropriate by the Secretary.

"(d) DEADLINE.—The plan shall be developed not later than the date that is 12 months after the date of the enactment of the IDEA Improvement Act of 1996.

"SEC. 654. PEER REVIEW.

"(a) IN GENERAL.—The Secretary shall use a panel of experts who are competent, by virtue of their training, expertise, or experience, to evaluate an application under this part that requests more than $75,000 in Federal financial assistance.

“(b) COMPOSITION OF PANEL.—A majority of a panel described in subsection (a) shall be composed of individuals who are not employees of the Federal Government.

“(c) PAYMENT OF FEES AND EXPENSES OF CERTAIN MEMBERS.—The Secretary may use available funds appropriated to carry out this part to pay the expenses and fees of panel members who are not employees of the Federal Government.

“SEC. 655. ELIGIBLE APPLICANTS.

“Except as otherwise provided in this part, the persons who, and the agencies that, may apply for receipt of grants, contracts, or cooperative agreements under this part are the following:

“(1) Institutions of higher education.

“(2) State educational agencies.

“(3) Local educational agencies.

“(4) Educational service agencies.

“(5) Other public agencies.

“(6) Private nonprofit organizations.

“(7) Indian tribes and tribal organizations (as defined under section 4 of the Indian Self-Determination and Education Assistance Act).

“(8) For-profit organizations.

“SEC. 656. APPLICANT AND RECIPIENT RESPONSIBILITIES.

“(a) GENERAL REQUIREMENTS ON APPLICANTS AND RECIPIENTS.—The Secretary may not make a grant to, or enter into a contract or cooperative agreement with, a person or agency under this part unless—

“(1) the person or agency involves individuals with disabilities, and parents of children with disabilities, in planning, implementing, and evaluating activities conducted under the grant, contract, or agreement;

“(2) the person or agency, where appropriate, evaluates the potential for replication and widespread adoption of such activities; and

“(3) the person or agency prepares their findings and work product in a format useful for a specific audience specified by the Secretary, such as parents, administrators, teachers, early intervention personnel, related services personnel, or individuals with disabilities.

“(b) ADDITIONAL REQUIREMENTS IMPOSED AT DISCRETION OF SECRETARY.—The Secretary may require that a person who, or agency that, is awarded a grant, contract, or cooperative agreement under this part—

“(1) assume a portion of the cost of carrying out the grant, contract, or agreement;

“(2) disseminate the findings and work product of the person or agency; and

“(3) collaborate with other such persons and agencies.

“SEC. 657. INDIRECT COSTS.

“The Secretary—

“(1) may not permit any recipient of Federal funds under this part to use more than 25 percent of such funds for indirect costs; and

“(2) may further limit the extent to which any such recipient may use such funds for such costs.

“SEC. 658. PROGRAM EVALUATION.

“The Secretary may use funds appropriated to carry out this part to evaluate any activity carried out under this part.

“Subpart 1—National Research and Improvement Activities

“SEC. 661. GENERAL AUTHORITY TO MAKE AWARDS.

“The Secretary may make grants to, and enter into contracts and cooperative agreements with, eligible entities to carry out research and improvement activities that further the purpose of this part and are consistent with the priorities established under section 662.

“SEC. 662. PRIORITIES.

“(a) IN GENERAL.—In making awards under this subpart, the Secretary may, without regard to the rule making procedures under section 553 of title 5, United States Code, limit such awards to, or otherwise give priority to—

“(1) projects that address the improvement of the academic performance of children with disabilities;

“(2) projects that address one or more—

“(A) age ranges;

“(B) disabilities;

“(C) grades in school;

“(D) types of educational placements or early intervention environments;

“(E) types of services; or

“(F) content areas such as reading;

“(3) projects that address the needs of children based on the severity of their disability;

“(4) projects that address the needs of—

“(A) low-achieving students;

“(B) underserved populations;

“(C) children from low-income families;

“(D) children with limited English proficiency;

“(E) unserved and underserved areas;

“(F) particular types of geographic areas, such as inner-city or rural areas; or

“(G) institutionalized children in juvenile and adult correctional institutions;

“(5) any activity that is expressly authorized in this title;

“(6) a large-scale longitudinal study designed to provide information on the long-term impact of education agency disciplinary procedures on children with disabilities;

“(7) research and development projects including—

“(A) projects that advance knowledge about—

“(i) teaching and learning practices, and assessment techniques, instruments, and strategies, including behavioral strategies, that lead to improved results for children with disabilities;

“(ii) the developmental and learning characteristics of children with disabilities in a manner that will improve the design and effectiveness of interventions and instruction; or

“(iii) the coordination of education with health and social services;

“(B) large-scale longitudinal studies designed to produce information on the long-term impact of early intervention and education on results for individuals with disabilities;

“(C) model demonstration projects to apply and test research findings in typical service settings to determine the usability, effectiveness, and general applicability of such research findings in such areas as improving instructional methods, curricula, and tools such as textbooks, media, and other materials; and

“(D) projects which apply research and other knowledge to improve educational results for children with disabilities by—

“(i) synthesizing useful research and educational products;

“(ii) ensuring that such research and products are in appropriate formats for distribution to administrators, teachers, parents, and individuals with disabilities; or

“(iii) making such research and products available through libraries, electronic networks, parent training projects, and other information sources, including the National Information Dissemination System under part D of title IX of Public Law 103–227;

“(8) projects which provide technical assistance to—

“(A) States—

“(i) to link States to other technical assistance resources, including special and general education resources; or

“(ii) in gaining access to information, including information on research and best practices; or

“(B) State educational agencies, State lead agencies serving infants and toddlers with disabilities under part C, and other organizations and agencies that play a critical role in providing for the participation of children with disabilities in State and local assessments;

“(9) activities to produce, and promote the use of, knowledge to address the special needs of children who have a high likelihood of needing special education and related services in order to reduce, through early intervention, the need for special education services later in life;

“(10) educational media activities including—

“(A) through September 30, 1998, video description, open captioning, or closed captioning;

“(B) video description, open captioning, or closed captioning of educational, news, and informational materials;

“(C) through September 30, 1998, distribution of captioned and described materials and videos;

“(D) distribution of captioned and described educational, news, and informational materials and videos; and

“(E) recording free educational materials, including textbooks, for visually impaired and print-disabled students in elementary, secondary, post-secondary, and graduate schools; and

“(11) projects to assist institutions of higher education in appropriately serving students with disabilities, including deaf students.

“(b) DEFINITION.—As used in this section, the term ‘low-incidence disability’ means—

“(1) a visual impairment, a hearing impairment, or simultaneous visual and hearing impairments;

“(2) a significant cognitive impairment; or

“(3) any impairment for which a small number of personnel, with highly specialized skills and knowledge, are needed nationwide in order for all children with disabilities who have the impairment to receive early intervention services or a free appropriate public education.

“(c) REPORT.—If the Secretary awards a grant, contract, or cooperative agreement under this subpart prior to February 1, 1998 with respect to an educational media activity described in subparagraph (A) or (C) of subsection (a)(10), the Secretary, after consulting with the chairman of the Federal Communications Commission, shall submit to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate, not later than April 15, 1998, a report on the progress that the Federal Communications Commission is making towards meeting the requirements imposed on the Commission under section 713 of the Communications Act of 1934 (47 U.S.C. 613).

“SEC. 663. NATIONAL ASSESSMENT.

“(a) PURPOSE OF ASSESSMENT.—The Secretary shall carry out a national assessment of activities carried out with Federal funds under this title in order—

“(1) to determine the effectiveness of the title in achieving the purposes of the title;

"(2) to provide information to the President, the Congress, the States, local educational agencies, and the public on how to implement the title more effectively; and

"(3) to provide the President and the Congress with information that will be useful in developing legislation to achieve the purposes of this title more effectively.

"(b) CONSULTATION.—The Secretary shall plan, review, and conduct the national assessment under this section in consultation with researchers, State practitioners, local practitioners, parents of children with disabilities, individuals with disabilities, and other appropriate individuals.

"(c) SCOPE OF ASSESSMENT.—The national assessment shall examine how well schools, local educational agencies, States, other recipients of assistance under this title, and the Secretary are achieving the purposes of this title, including—

"(1) the performance of children with disabilities in general scholastic activities and assessments as compared to nondisabled children;

"(2) providing for the participation of children with disabilities in the general education curriculum;

"(3) helping children with disabilities make successful transitions from—

"(A) early intervention services to preschool education;

"(B) preschool education to elementary school; and

"(C) secondary school to adult life;

"(4) placing and serving children with disabilities, including children from underserved populations, in the least restrictive environment appropriate;

"(5) preventing children with disabilities, especially children with emotional disturbances and specific learning disabilities, from dropping out of school;

"(6) assessing the use of disciplinary measures, and the effect of such use, with children with disabilities as compared to nondisabled children;

"(7) coordinating services provided under this title with each other, with other educational and pupil services (including preschool services), and with health and social services funded from other sources;

"(8) addressing the participation of parents of children with disabilities in the education of their children; and

"(9) resolving disagreements between education personnel and parents through activities such as mediation.

"(d) INTERIM AND FINAL REPORTS.—The Secretary shall submit to the President and the Congress—

"(1) an interim report that summarizes the preliminary findings of the assessment not later than October 1, 1998; and

"(2) a final report of the findings of the assessment not later than October 1, 2000.

"SEC. 664. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart such sums as may be necessary for each of the fiscal years 1997 through 2001.

"(b) MINIMUM AMOUNTS.—Subject to subsection (c), the Secretary shall ensure that, for each fiscal year, at least the following amounts are provided under this subpart to address the following needs:

"(1) $12,832,000 to address the educational, related services, transitional, and early intervention needs of children with deaf-blindness.

"(2) $4,000,000 to address the postsecondary, vocational, technical, continuing, and adult education needs of individuals with deafness.

"(c) RATABLE REDUCTION.—If the total amount appropriated to carry out this subpart for any fiscal year is less than $135,600,000, the amounts listed in subsection (b) shall be ratably reduced.

"Subpart 2—Professional Development

"SEC. 671. PURPOSE.

"The purpose of this subpart is to help ensure that—

"(1) personnel responsible for serving children with disabilities, including general and special education personnel, related services personnel, and early intervention personnel, have the knowledge and skills necessary to help such children—

"(A) meet developmental goals and, to the maximum extent possible, those challenging expectations that have been established for all children; and

"(B) be prepared to lead productive, independent adult lives to the maximum extent possible;

"(2) there are adequate numbers of such personnel to meet the needs of children with disabilities; and

"(3) the skills and knowledge of personnel responsible for serving children with disabilities reflect the best practices, as determined through research and experience, particularly with respect to the inclusion of children with disabilities in the regular education environment.

"SEC. 672. FINDING.

"The Congress finds that the conditions noted in paragraphs (7) through (10) of section 601(c) can be greatly improved by providing opportunities for the full participation of minorities through the implementation of the following recommendations:

"(1) Implementation of a policy to mobilize the Nation's resources to prepare minorities for careers in special education and related services.

"(2) Focusing such policy on—

"(A) the recruitment of minorities into teaching; and

"(B) financially assisting Historically Black Colleges and Universities and other institutions of higher education (whose minority student enrollment is at least 25 percent) to prepare students for special education and related service careers.

"SEC. 673. NATIONAL ACTIVITIES.

"(a) PROGRAM AUTHORIZED.—The Secretary may make grants to, and enter into contracts and cooperative agreements with, eligible entities to support activities of national significance that—

"(1) have broad applicability; and

"(2) will help ensure that the purpose of this subpart is met.

"(b) AUTHORIZED ACTIVITIES.—In carrying out this section, the Secretary may support any activity that is consistent with subsection (a), including—

"(1) the development, evaluation, demonstration, or dissemination of effective personnel preparation practices for personnel to work with children with disabilities;

"(2) promoting the transferability of licensure and certification of teachers and administrators among State and local jurisdictions;

"(3) developing and disseminating models that prepare teachers with strategies, including behavioral management techniques, for addressing the conduct of children with disabilities that impedes their learning and that of others in the classroom; and

"(4) supporting Historically Black Colleges and Universities and institutions of higher education with minority enrollments of at least 25 percent for the purpose of preparing personnel.

"SEC. 674. PROFESSIONAL DEVELOPMENT FOR PERSONNEL SERVING LOW-INCIDENCE POPULATIONS.

"(a) PROGRAM AUTHORIZED.—The Secretary may make grants to, and enter into contracts and cooperative agreements with, eligible entities to meet the purpose of this subpart by supporting preparation for personnel who will provide educational and related services to children with low-incidence disabilities and personnel who will provide early intervention services to infants and toddlers with disabilities.

"(b) AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—Individuals who may be prepared pursuant to this section include personnel who—

"(A) are currently prepared in the fields of educational, related, or early intervention services; and

"(B) are studying—

"(i) to obtain degrees, certification, licensure, or endorsements in one or more of such fields; or

"(ii) to meet competency requirements in one or more of such fields.

"(2) SCHOLARSHIPS.—The Secretary may include funds for scholarships, with necessary stipends and allowances, in awards under this section.

"(c) APPLICATIONS.—Any application for assistance under this section shall propose to provide preparation that addresses a significant need, as shown by letters from one or more States stating that the State—

"(1) intends to accept successful completion of the proposed personnel preparation as meeting State personnel standards for serving children with low-incidence disabilities, or for serving infants and toddlers with disabilities; and

"(2) needs personnel in the area or areas in which the applicant proposes to provide preparation, as identified in the State's comprehensive system of personnel development under part B or C, or in the State's State improvement plan under subpart 3.

"(d) DEFINITION.—For purposes of this section, the term 'low-incidence disability' has the meaning given such term in section 662(b).

"SEC. 675. LEADERSHIP PERSONNEL.

"(a) PROGRAM AUTHORIZED.—The Secretary may make grants to, and enter into contracts and cooperative agreements with, eligible entities to meet the purpose of this subpart by preparing educational, related service, and early intervention leadership personnel (including teacher-preparation faculty, administrators, researchers, supervisors, and principals) so that they are prepared to help children with disabilities—

"(1) meet developmental goals and, to the maximum extent possible, those challenging expectations that have been established for all children; and

"(2) be prepared to lead productive, independent adult lives to the maximum extent possible.

"(b) AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—In carrying out this section, the Secretary may support any activity that is consistent with subsection (a), including—

"(A) preparation of personnel at the advanced graduate, doctoral, or post-doctoral levels; and

"(B) professional development of leadership personnel.

"(2) SCHOLARSHIPS.—The Secretary may include funds for scholarships, with necessary stipends and allowances, in awards under this section.

"(c) PREFERENCES.—In making awards under this section, the Secretary shall give preference to projects at institutions of higher education that have successfully integrated the professional development of general and special education personnel.

"SEC. 676. SERVICE OBLIGATION.

"Each application for funds under section 674 or 675 shall include an assurance that the applicant will ensure that individuals who are prepared under the proposed project will subsequently perform work related to their preparation or repay all or part of the cost of such preparation.

"SEC. 677. OUTREACH.

"(a) PLAN FOR OUTREACH SERVICES.—The Secretary shall develop a plan for providing outreach services to the entities and populations described in subsection (b) in order to increase the participation of such entities and populations in competitions for grants, contracts, and cooperative agreements under this subpart.

"(b) ENTITIES AND POPULATIONS DESCRIBED.—The entities and populations referred to in subsection (a) are—

"(1) Historically Black Colleges and Universities and other institutions of higher education whose minority student enrollment is at least 25 percent;

"(2) eligible institutions, as defined in section 312 of the Higher Education Act of 1965;

"(3) nonprofit and for-profit agencies at least 51 percent owned or controlled by one or more minority individuals; and

"(4) underrepresented populations.

"(c) FUNDING.—For the purpose of implementing the plan required under subsection (a), the Secretary shall, for each of the fiscal years 1997 through 2002, expend 1 percent of the funds appropriated for the fiscal year involved for carrying out this subpart.

"(d) DILIGENCE.—The Secretary shall exercise the utmost authority, resourcefulness, and diligence of the Secretary to meet the requirements of this section.

"(e) REPORT.—Not later than January 31 of each year, beginning with fiscal year 1997 and ending with fiscal year 2002, the Secretary shall submit to the Congress a final report on the progress toward meeting the goals of this section during the preceding fiscal year. The report shall include—

"(1) a full explanation of any progress toward meeting the goals of this section; and

"(2) a plan to meet the goals, if necessary.

"(f) UNDERREPRESENTED POPULATIONS DEFINED.—For purposes of this section, the term 'underrepresented populations' means populations such as minorities, the poor, individuals with limited English proficiency, and individuals with disabilities.

"Subpart 3—State Program Improvement Grants for Children with Disabilities

"SEC. 681. PURPOSE.

"The purpose of this subpart is to assist States in reforming and improving their systems for providing educational and early intervention services, particularly their systems for professional development, to improve the achievement of children with disabilities.

"SEC. 682. ELIGIBILITY AND COLLABORATIVE PROCESS.

"(a) ELIGIBLE APPLICANTS.—A State may apply for a grant under this subpart for a grant period that is not less than one year, but is not greater than 4 years.

"(b) CERTIFICATION THAT COLLABORATIVE PROCESS HAS BEEN USED.—A State that desires to receive a grant under this subpart shall certify to the Secretary that a collaborative process with persons described in subsection (c) has been used in developing the State improvement plan described in section 683.

"(c) COLLABORATIVE PROCESS PARTICIPANTS.—

"(1) REQUIRED PARTICIPANTS.—The collaborative process referred to in subsection (b) is a State process for making decisions which includes as participants, at a minimum, the Governor of the State and representatives, appointed by such Governor, of—

"(A) parents of children with disabilities;

"(B) parents of nondisabled children;

"(C) individuals with disabilities;

"(D) organizations representing individuals with disabilities and their parents;

"(E) community-based and other nonprofit organizations related to the education and employment of individuals with disabilities;

"(F) the lead State agency official or officials for part C;

"(G) local educational agencies;

"(H) general and special education teachers;

"(I) the State educational agency;

"(J) the State advisory panel established under part B; and

"(K) the State interagency coordinating council established under part C.

"(2) OPTIONAL PARTICIPANTS.—The collaborative process may include, at the Governor's discretion, representatives, appointed by the Governor, of—

"(A) individuals knowledgeable about vocational education;

"(B) the State agency for higher education;

"(C) institutions of higher education;

"(D) schools of education;

"(E) the State vocational rehabilitation agency;

"(F) public agencies with jurisdiction in the areas of health, mental health, social services, and juvenile justice; and

"(G) any other individuals designated by the Governor.

"SEC. 683. STATE IMPROVEMENT PLANS.

"(a) IN GENERAL.—A State that desires to receive a grant under this subpart shall submit to the Secretary a State improvement plan that is integrated, to the maximum extent possible, with State plans under the Elementary and Secondary Education Act of 1965 and the Rehabilitation Act of 1973, as appropriate.

"(b) DETERMINING CHILD AND PROGRAM NEEDS.—

"(1) IN GENERAL.—Each State improvement plan shall identify those critical aspects of early intervention, general education, and special education programs (including professional development, based on an assessment of State and local needs) that must be improved to enable children with disabilities to meet the goals established by the State under section 612(a)(14).

"(2) REQUIRED ANALYSES.—To meet the requirement of paragraph (1), the State improvement plan shall include at least—

"(A) an analysis of all information, reasonably available to the State, on the performance of children with disabilities in the State, including—

"(i) their performance on State assessments and other performance indicators established for all children, including drop-out rates and graduation rates;

"(ii) their participation in postsecondary education and employment; and

"(iii) how their performance on the assessments and indicators described in clause (i) compares to that of non-disabled children;

"(B) an analysis of State and local needs for professional development for personnel to serve children with disabilities that includes, at a minimum, relevant information on current and anticipated personnel shortages, and on the extent of certification or retraining necessary to eliminate such shortages, that is based, to the maximum extent possible, on existing assessments of personnel needs; and

"(C) a summary of the information and analysis provided by the State to the Secretary under parts B and C on the effectiveness of the State's systems of early intervention, special education, and general education in meeting the needs of children with disabilities.

"(c) IMPROVEMENT STRATEGIES.—Each State improvement plan shall—

"(1) describe the strategies the State will use to address the needs identified under subsection (b)(1), including—

"(A) how it will hold school districts and schools accountable for educational progress of children with disabilities;

"(B) how it will provide technical assistance to school districts and schools to improve results for children with disabilities;

"(C) how it will address the identified needs for in-service and pre-service preparation to ensure that all personnel who work with children with disabilities (including both professional and paraprofessional personnel who provide early intervention services, special education, general education, or related services) have the skills and knowledge necessary to meet the needs of children with disabilities, including a description of how—

"(i) the State will prepare general education and special education personnel with the content knowledge and collaborative skills needed to meet the needs of children with disabilities, including how the State will work with other States on common certification criteria;

"(ii) the State will prepare professionals and paraprofessionals in the area of early intervention with the content knowledge and collaborative skills needed to meet the needs of infants and toddlers with disabilities;

"(iii) the State will work with institutions of higher education and other entities that prepare (on both a pre-service and an in-service basis) personnel who work with children with disabilities to ensure that such institutions and entities develop the capacity to support professional development programs which reflect actual education practices and techniques;

"(iv) the State's requirements for licensure of teachers and administrators, including certification and recertification, will be modified to support an adequate supply of personnel with the necessary skills and knowledge (including, where appropriate, strategies for developing reciprocal certification agreements and common certification requirements with other States); and

"(v) the State will work to develop collaborative agreements with other States for the joint support and development of programs to prepare personnel for which there is not sufficient demand within a single State to justify support or development of such a program of preparation;

"(D) how it will work in collaboration with other States, particularly neighboring States, to address the lack of uniformity and reciprocity in the credentialing of teachers and other personnel;

"(E) strategies that will address systemic problems identified in Federal compliance reviews, including shortages of qualified personnel; and

"(F) how the State will assess, on a regular basis, the extent to which the strategies implemented under this subpart have been effective; and

"(2) describe how the improvement strategies under paragraph (1) will be coordinated with public and private sector resources.

"(d) REPORTING PROCEDURES.—Each State that receives a grant under this subpart shall submit performance reports to the Secretary pursuant to a schedule to be determined by the Secretary, but not more frequently that annually.

"(e) PLAN APPROVAL.—The Secretary shall approve a State improvement plan under this section if it—

"(1) meets the requirements of this part;

"(2) has been developed in accordance with the requirements of section 682; and

"(3) in the opinion of the Secretary, has a reasonable chance of achieving the purposes of the grant.

"(f) PLAN AMENDMENTS.—

"(1) MODIFICATIONS MADE BY STATE.—Subject to paragraph (2), a plan submitted by a State in accordance with this section shall remain in effect until the State submits to the Secretary such modifications as the State determines necessary. This section shall apply to a modification to a plan to the same extent and in the same manner as this section applies to the original plan.

"(2) MODIFICATIONS REQUIRED BY SECRETARY.—The Secretary may require a State to amend its State improvement plan at any time as a result of the Secretary's compliance reviews under parts B and C. The Secretary may not provide further funding under this subpart to the State until such amendments are made.

"SEC. 684. USE OF FUNDS.

"(a) IN GENERAL.—A State that receives a grant under this subpart may use the grant to carry out any activities that are described in the State improvement plan and that are consistent with the purpose of this subpart. Such activities may include the awarding of subgrants, but only if the subgrants are made to local educational agencies. Any such local educational agency may award subgrants to any person. Such activities may also include the awarding of contracts to appropriate entities.

"(b) USE OF FUNDS FOR PROFESSIONAL DEVELOPMENT.—A State that receives a grant under this subpart shall use not less than 75 percent of the funds it receives under the grant for any fiscal year to ensure that there is a sufficient supply of personnel who have the skills and knowledge necessary to enable children with disabilities to meet developmental goals and to meet the needs of such children, including working with other States on common certification criteria.

"(c) GRANTS TO TERRITORIES.—The provisions of Public Law 95-134, permitting the consolidation of grants to the territories, shall not apply to funds received under this subpart.

"SEC. 685. MINIMUM STATE ALLOTMENTS.

"A State that receives a grant under this subpart shall receive an amount that is—

"(1) not less than $200,000, in the case of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico; and

"(2) not less than $40,000, in the case of a territory.

"SEC. 686. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart such sums as may be necessary for each of the fiscal years 1997 through 2001.

"Subpart 4—Parent Training

"SEC. 691. GRANTS FOR PARENT TRAINING AND INFORMATION CENTERS.

"(a) PROGRAM AUTHORIZED.—The Secretary may make grants to, and enter into contracts and cooperative agreements with, parent organizations to support parent training and information centers to carry out activities under this subpart.

"(b) REQUIRED ACTIVITIES.—A parent training and information center that receives assistance under this section shall—

"(1) assist parents to understand the availability of, and how effectively to use, procedural safeguards under this title, including the use of alternative methods of dispute resolution, such as mediation;

"(2) serve the parents of children with the full range of disabilities; and

"(3) annually report to the Secretary on—

"(A) the number of parents to whom it provided information and training in the most recently concluded fiscal year; and

"(B) the effectiveness of strategies used to reach and serve parents of children with disabilities, including underserved parents of children with disabilities.

"(c) OPTIONAL ACTIVITIES.—A parent training and information center that receives assistance under this section may—

"(1) provide information to teachers and other professionals who provide special education and related services to children with disabilities;

"(2) assist students with disabilities to understand their rights and responsibilities under section 615(j) on reaching the age of majority; and

"(3) establish cooperative partnerships with parent organizations, and other organizations assisting families of children with disabilities, in the community.

"(d) APPLICATION REQUIREMENTS.—Each application for assistance under this section shall identify with specificity the special efforts that the applicant will undertake to—

"(1) ensure that the needs for training and information of parents of underserved children with disabilities in the area to be served are effectively met; and

"(2) work with community-based organizations.

"(e) DISTRIBUTION OF FUNDS.—

"(1) INITIAL AWARDS.—

"(A) IN GENERAL.—The Secretary shall make at least one award to a parent organization in each State, unless the Secretary does not receive an application from such an organization in each State of sufficient quality to warrant approval.

"(B) SELECTION REQUIREMENT.—The Secretary shall select among applications submitted by parent organizations in a State in a manner that ensures the most effective assistance to parents, including parents in urban and rural areas, in the State.

"(2) ADDITIONAL AWARDS.—

"(A) IN GENERAL.—The Secretary may make additional awards to community-based parent organizations in each State.

"(B) SELECTION REQUIREMENT.—The Secretary may make additional awards in a manner that ensures that parents of children with disabilities in low-income, high-density, and rural areas have access to parent training and information centers that provide appropriate training and information.

"SEC. 692. TECHNICAL ASSISTANCE FOR PARENT TRAINING AND INFORMATION CENTERS.

"(a) PROGRAM AUTHORIZED.—The Secretary may provide technical assistance for developing, assisting, and coordinating parent training and information programs carried out by parent training and information centers receiving assistance under section 691.

"(b) AUTHORIZED ACTIVITIES.—The Secretary may provide technical assistance to a parent training and information center under this section in areas such as—

"(1) effective coordination of parent training efforts;

"(2) dissemination of information;

"(3) evaluation by the center of itself;

"(4) promotion of the use of technology, including assistive technology devices and assistive technology services;

"(5) reaching underserved populations;

"(6) including children with disabilities in general education programs;

"(7) facilitation of transitions from—

"(A) early intervention services to preschool;

"(B) preschool to school; and

"(C) secondary school to postsecondary environments; and

"(8) promotion of alternative methods of dispute resolution.

"SEC. 693. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart such sums as may be necessary for each of the fiscal years 1997 through 2001.".

TITLE II—MISCELLANEOUS PROVISIONS

SEC. 201. AMENDMENT TO ESEA TO COORDINATE IDEA AND SCHOOLWIDE PROGRAMS.

Section 1114(a)(4) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6314(a)(4)) is amended—

(1) in subparagraph (A), by striking "Secretary (other than formula or discretionary grant programs under the Individuals with Disabilities Education Act)," and inserting "Secretary,"; and

(2) in subparagraph (B), by inserting "special education and related services under an individualized education program, procedural safeguards," after "civil rights,".

SEC. 202. EFFECTIVE DATES.

(a) PARTS A, B, AND C.—Except as provided in subsection (b), parts A, B, and C of the Individuals with Disabilities Education Act, as amended by title I, shall take effect on July 1, 1997.

(b) SECTION 605.—Section 605 of such Act, as amended by title I, shall take effect upon the enactment of this Act.

(c) PART D.—Part D of such Act, as amended by title I, shall take effect on October 1, 1997.

SEC. 203. REPEALERS.

(a) PART I.—Part I of the Individuals with Disabilities Education Act is hereby repealed.

(b) PART H.—Effective July 1, 1997, part H of such Act is hereby repealed.

(c) PARTS E, F, AND G.—Effective October 1, 1997, parts E, F, and G of such Act are hereby repealed.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Michigan [Mr. KILDEE] each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3268, the IDEA Improvement Act, which amends the Individuals with Disabilities Education Act.

This bill will take major steps toward better education for children with disabilities and, as a result, will increase the ability of these children to become productive, fully participating citizens in their communities. This legislation will improve special education by doing the following:

Placing an emphasis on what is best educationally for children with disabilities instead of burdensome paperwork requirements; giving teachers more flexibility and schools lower costs; enhancing parental input; and making schools safer for students and teachers.

There are many important changes to IDEA in this legislation. I might add that after 1½ years of work by the committee, the disabilities community and the education community asked if they could recommend some changes to the legislation.

We told them they could have a week to suggest changes to the legislation if they brought together all of the leaders of the disability and education communities. I did not know what they would recommend, but they managed to put together a strong package of suggestions under the leadership of Madeline Will and Patti Smith. This legislation includes the vast majority of the changes recommended by that large group of education, disability, and parent organizations, who worked together closely in the past weeks to recommend improvements to our legislation prior to our committee markup.

I have strong letters of support for the bill from groups like the National School Boards Association and the National Association of Elementary School Principals. They term this legislation an "excellent step" and a bill which "contains many improvements and reforms that will improve services for students with disabilities."

I include those for the RECORD:

NATIONAL ASSOCIATION OF
ELEMENTARY SCHOOL PRINCIPALS,
Alexandria, VA, June 5, 1996.

Hon. RANDY CUNNINGHAM,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE CUNNINGHAM: On behalf of the National Association of Elementary School Principals, I am writing to urge you to work to bring H.R. 3268, the Idea Improvement Act of 1996, to the House floor as soon as possible. We believe it would be beneficial to bring the bill up for floor consideration under suspension of the rules.

NAESP supports the bill that emerged from the Economic and Educational Opportunities Committee because we consider it to be an improvement over current law. We believe that IDEA is a well-intended law that needs to be updated to address the realities of today's schools. H.R. 3268 is an excellent step in that direction, particularly with respect to its school safety provisions.

We hope you will do what you can to foster the timely consideration of IDEA by the full House of Representatives. Thank you for your attention to this matter.

Sincerely,

SALLY N. MCCONNELL,
Director of Government Relations.

NASBA,
June 7, 1996.

Hon. WILLIAM F. GOODLING,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE GOODLING: The National School Boards Association (NSBA), on behalf of the more than 95,000 local school board members, believes the Individuals with Disabilities Education Act (IDEA) is a valuable law that has provided millions of students with disabilities the opportunities they need to achieve their potential. H.R. 3268 reauthorizing IDEA contains many improvements and reforms that will improve services for students with disabilities and make special education programs work more effectively across the country. It is also carefully crafted compromise legislation that incorporates many recommendations of both parents groups and educators. For these reasons, NSBA urges members of Congress to vote for the legislation.

H.R. 3268 addresses many of the key school safety provisions raised by NSBA, and local educators across the country. H.R. 3268 will make it significantly easier for school officials to protect the safety of all students and school personnel. Specifically, H.R. 3268 will make additional behavioral interventions available to students; and in the modest number of cases where such interventions are not successful, dangerous students could be educated in more appropriate placements.

The legislation also contains several provisions designed to provide schools with greater flexibility in administering the law, and to provide additional funding sources for financing special education services. For example, H.R. 3268 will make more resources available for educating students by reforming the overly adversarial dispute resolution process. As this legislation proceeds toward enactment, NSBA also will work to secure additional changes that are needed to control the costs of IDEA.

H.R. 3268 will help improve school safety for all students, result in improved services for students, and take important steps to reduce the litigiousness of IDEA. We urge your support for this legislation. For further information, please contact William Bruno, Director of Federal Programs.

Sincerely,

SAMMY J. QUINTANA,
President.
THOMAS A. SHANNON,
Executive Director.

Mr. Speaker, the changes in the IDEA Improvement Act will have a positive, measurable impact on the lives of millions of students with disabilities. When enacted, the bill will help children with disabilities learn more and learn better, which should be the ultimate test of any education law. Students with disabilities will now be expected, to the maximum extent possible, to meet the same high educational expectations that have been set for all students by States and local schools.

There will be an emphasis on what works instead of filling out paperwork. No longer will teachers be forced to complete massive piles of unnecessary, federally required forms and data collection sheets. These changes will mean more time for teachers to dedicate to their students, and fewer resources wasted on process for its own sake.

The IDEA Improvement Act will help cut costly referrals to special education by emphasizing basic academics in the general education classroom. In the 1993-94 school year, 2.44 million of our Nation's 4.79 million special education children were there because they have learning disabilities. Many of these problems could be addressed with better academics in the early grades.

Under our bill, following every evaluation of a child for special education services, school personnel will need to consider whether the child's problems are the result of lack of previous instruction. Too often, children whose problems come from a lack of reading skills enter special education because they were not properly taught how to read in their primary years.

The IDEA Improvement Act will eliminate many of the financial incentives for overidentifying children as disabled. The change in the Federal formula, which I will talk about shortly, will reduce the Federal bonus for identifying additional children as disabled. The legislation will also ensure that States do not use placement-driven funding formulas that tie funds to the physical location of the child. These formulas currently drive overidentification and costs.

The legislation will also help ensure that assignment to special education is not permanent. Children are often referred to special education in early grades and then never leave. Once identified and placed in special education these children remain there throughout their primary and secondary education. Part of the problem lies with the child not keeping pace academically with his peers. Special education plans often have no link to the general education curriculum. Therefore, children remain in special education because they lose contact with what other children their age are learning and can no longer keep up. This legislation will ensure that the general curriculum is part of every child's education plan or justifies why it is not.

The bill will assure parents' ability to participate in key decision-making meetings about their children's education and ensure that they will have better access to their child's school records. They will also be updated no less regularly than the parents of nondisabled students through parent-teacher conferences and report cards.

The bill ensures that States will offer mediation services to resolve disputes. This change will encourage parents and schools to work out differences in a less adversarial manner. Currently, if the parents and the school cannot resolve their differences in the IEP meeting they have no choice but to file for a due process hearing and attorneys become involved. Providing mediation early in the process will cut the costs related to litigation.

Local principals and school administrators will be given more flexibility. There will be simplified accounting and flexibility in local planning. No longer will accounting rules prevent even incidental benefits to other, nondisabled children for fear of lost Federal funding.

The bill will make schools safer for all students, disabled and nondisabled, and for their teachers. We will enable schools to quickly remove violent students and those who bring weapons or drugs to school, regardless of their disability status.

The bill will ensure that such children can quickly be moved to alternative placements for 45 days, during which time the child's teachers, principal, and parents can decide what changes, if any, should be made to the child's IEP and placement.

The legislation will also ensure that disability status will not affect the school's general disciplinary procedures. In discipline cases, the child's individualized education program team will determine whether the child's actions were a result of their disability. If it was not, schools will need to take the same action with disabled children as they would with any other child.

Part C, the infants and toddlers program, has been changed to strengthen the intent of past Congress to promote early intervention services to infants and toddlers in natural environment settings. Under this bill, State policies and procedures implementing this program will direct the provision of services in natural settings. This requirement will not mean that all services, such as physical therapy, must be provided in the child's home. Rather, if the infant's or toddler's IFSP team chooses to provide services in a restricted setting the child's individualized family services plan will need to justify why this location is most appropriate.

Early intervention services were not intended to be provided using a medical model. Early intervention services should enhance the learning and development of the infant or toddler with a disability, and the ability of the family to meet the special needs of their child. To accomplish this the family must be trained to provide as many of the child's services as possible.

Center or clinic based programs are very expensive. This emphasis on natural settings, besides being the most appropriate location for providing services to infants and toddlers, will lower the costs for the States as they implement these changes. This issue of where services will be provided and the costs relating to the different choices is one which will continue to be worked out as we proceed to conference.

Finally, I would like to talk about the formula which will determine the Federal appropriation each State will receive. Let me say first of all—no State will lose funds for 3 years. Forty-six States lose no funds through the first 6 years of the transition to the new formula. This bill phases in the process from allocating funds to the States based on a child count of children with disabilities to a population-based formula for a factor for poverty. The new formula is based 85 percent on the number of children in the State and 15 percent on State poverty statistics.

This is a major step in the move to reduce the overidentification of children as disabled, particularly African-American males who have been pushed into the special education system in disproportionate numbers. The Clinton administration recognized the problem with the current system in its bill, suggesting a population-based formula with new funding. Many of my Democrat colleagues also recognized the importance of this change when they introduced that bill last year as H.R. 1986.

In 1994, the Department of Education's inspector general recommended changing the formula in a manner similar to the way we have changed it in this bill. They called the current formula a bounty system that encourages putting children in special education when they should not be.

Before I conclude, I want to note that this legislation represents over a year of hard work by the members of this committee.

□ 1530

But I would like to thank one colleague in particular for his dedication to the bill. The subcommittee chairman, the gentleman from California, Mr. DUKE CUNNINGHAM, has led this bill through its yearlong journey to a vote today. He has dedicated many hours to crafting an outstanding piece of intricate and comprehensive legislation. Mr. CUNNINGHAM has my sincere thanks.

I would also like to thank Mr. GREENWOOD, Mr. GUNDERSON, Mr. TALENT, Mr. SOUDER, Mr. RIGGS, Mr. CLAY, Mr. KILDEE, and Mr. MILLER, and all others who have worked in a bipartisan manner to improve the IDEA, and particularly the staffs headed by Todd Jones on our side and Sarah Davis on the other side.

The IDEA Improvement Act is the most important change to America's special education system since the passage of Public Law 94-142 in 1975. Overall, America's special education system as has been structured has not accomplished what has been necessary to educate our children with disabilities. There is broad agreement on the need to change. Results are important. Accountability is important. I believe this bill will help give America's children with disabilities what they were promised 21 years ago: the real opportunity to receive a quality education. I ask that my statement be included in the RECORD.

Mr. Speaker, thank you for permitting me to present for consideration H.R. 3268, the IDEA Improvement Act, which amends the Individuals With Disabilities Education Act. This bill will take major steps toward better education for children with disabilities, and as a result will increase the ability of these children to become productive, fully participating citizens in their communities.

This legislation will improve special education by: placing an emphasis on what is best educationally for children with disabilities instead of burdensome paperwork requirements; giving teachers more flexibility and schools lower costs; enhancing parental input; and making schools safer for students and teachers.

There are many important changes to IDEA in this legislation. It includes the vast majority of the changes recommended by a large group of education, disability, and parent organizations, who worked together closely in the past weeks to recommend improvements to our legislation prior to our committee markup. That cooperation itself is historic. Never before have so many groups with such divergent viewpoints come together on behalf of children with disabilities. I hope the result is an ongoing dialog and continuing effort to meet the needs of our children.

I have strong letters of support for the bill from the National School Boards Association and the National Association of Elementary School Principals. They term this legislation an "excellent step" and a bill which "contains many improvements and reforms that will improve services for students with disabilities." I would ask that they be entered in the RECORD.

The changes in the IDEA Improvement Act will have a real and positive impact on the lives of millions of students with disabilities. When enacted, the bill will help children with disabilities learn more and learn better, which should be the ultimate test of any education law. Students with disabilities will now be expected, to the maximum extent possible, to meet the same high educational expectations which have been set for all students by States and local schools. There will be an emphasis on what works instead of filling out paperwork. No longer will teachers be forced to complete massive piles of unnecessary, federally required forms and data collection sheets. These changes will mean more time for teachers to dedicate to their students, and fewer resources wasted on process for its own sake.

The IDEA Improvement Act will help cut costly referrals to special education by emphasizing basic academics in the general education classroom. In the 1993–94 school year, 2.44 million of our Nation's 4.79 million special education children were there because they have learning disabilities. Many of these problems could be addressed with better academics in the early grades.

The IDEA Improvement Act has addressed this issue in several ways. First, following every evaluation of a child for special education services, school personnel will need to consider whether the child's problems are the result of lack of previous instruction. Too often, children whose primary problems result from a lack of reading skills enter special education because their problem was not properly addressed with basic academics. This change will result in fewer children being improperly identified as disabled because their actual need, lack of skills, will be noted and addressed in a general education setting.

Second, the bill's discretionary training program will provide necessary training for general education teachers that is not being provided today. Current federal training grant programs ultimately focus their resources on preservice for special education teachers, because universities that receive the grants are deciding what the priorities for training are. While such training is important, where local teachers and schools are given the opportunity to decide what priorities are most important, they consistently cite in-service training, particularly for general education teachers, and pre-service training for early grade general education and reading teachers. This bill will refocus Federal efforts by putting the decision making power with States and local schools, who are in a better position to recognize and serve their local needs. This will mean teachers with better skills in the critical early grades, which will lead to better taught children and ultimately, fewer special education referrals.

Third, the IDEA Improvement Act will eliminate many of the financial incentives for overidentifying children as disabled. The change in the Federal formula, which I will talk about shortly, will reduce the Federal bonus for identifying additional children as disabled. Hopefully, States will follow suit, moving toward similar formulas. The legislation will also ensure that States do not use placement-drive funding formulas that tie funds to physical location of the child. Such incentives encourage children to be placed in more restrictive settings, from which they are less likely to ever leave. They also encourage placement in special education in the first place, particularly children with mild disabilities that might best be served in general education classrooms with more assistance, instead of separate classrooms.

The legislation will also help ensure that assignment to special education is not permanent. Children are often referred to special education in early grades and then never leave. Part of the problem lies with the child not keeping pace academically with their peers. Special education plans often have no link to the general curriculum. Therefore, children remain in special education because they lose contact with what other children their age are learning and can no longer keep up. This legislation will ensure that the general curriculum is part of every child's individualized education program [IEP] or justified why it is not.

The bill will assure parents' ability to participate in key decision-making meetings about their children's education and they will have better access to school records. They will also be updated no less regularly than the parents of nondisabled students through parent-teacher conferences and report cards. Parents will be in a better position to know about their child's education, and will be able to ensure that their views are part of the IEP team's decision making process.

The bill ensures that States will offer mediation services to resolve disputes. Mediation has proved successful in the nearly three-quarters of the States that have adopted it. This change will encourage parents and schools to work out differences in a less adversarial manner. The bill will also eliminate attorney's fees for participating in IEP meetings, unless they have been ordered to by a court or hearing officer. The purpose of this change is to return IEP meetings to their original purpose, discussing the child's needs.

Our legislation will reduce litigation under IDEA by ensuring that schools have proper notice of a parent's concerns prior to a due process action commencing. In cases where parents and schools disagree with the child's IEP, the school will have real notice of the parent's concerns prior to due process. We hope that this will lead to earlier resolution of such disputes without actual due process or litigation.

Local principals and school administrators will be given more flexibility. There will be simplified accounting and flexibility in local planning. No longer will accounting rules prevent even incidental benefits to other, nondisabled children for fear of lost Federal funding.

The bill will make schools safer for all students, disabled and nondisabled, and for their teachers. Expanding upon current procedures for students with firearms, we will enable schools to quickly remove violent students and those who bring weapons or drugs to school, regardless of their disability status. The bill will ensure that such children can quickly be moved to alternative placements for 45 days, during which time the child's teachers, principal, and parents can decide what changes, if any, should be made to the child's IEP and placement.

The legislation will also ensure that disability status will not affect the school's general disciplinary procedures where appropriate. In discipline cases, the child's individualized education program team will determine whether the child's actions were a manifestation of his or her disability. If they were not, schools will need to take the same action with disabled children as they would with any other child. This would include expulsion in weapons and drug cases where that is permitted by local or State law.

Part C, the infants and toddlers program, has been changed to strengthen the intent of past Congresses to promote early intervention services to infants and toddlers in natural environments. Under this bill, State policies and procedures implementing this program will direct the provision of services in natural settings. This requirement will not mean that all services, such as physical therapy, must be provided in the child's home. Rather, if the infant's or toddler's IFSP team chooses to provide services in a more restrictive setting, the child's individualized family services plan will need to justify why this location is most appropriate.

Early intervention services were not intended to be provided using a medical model. Early intervention services should enhance the learning and development of the infant or toddler with a disability, and the ability of the family to meet the special needs of their child. Center or clinic based programs are very expensive. This emphasis on natural settings, besides being the most appropriate location for providing services to infants and toddlers, will lower the costs for the States as they implement these changes. The issue of where services will be provided and the costs relating to the different choices is one which will continue to be worked out as we proceed to conference.

Finally, I would like to talk about the formula which will determine how much of the Federal appropriation each State will receive. Let me say first of all no State will lose funds for 2 years; 49 States lose no funds through the first 5 years of the transition to the new formula. This bill moves from allocating funds to the States based on a child count of children with disabilities to a population-based formula with a factor for poverty. The new formula is based 85 percent on the number in the State and 15 percent on State poverty statistics. This is a major step in the move to reduce the overidentification of children as disabled, particularly African-American males who have been pushed into the special education system in disproportionate numbers.

The Clinton administration recognized the problem with the current system in its bill, suggesting a population-based formula with future funding. Many of my Democrat colleagues also recognized the importance of this change when they introduced that bill last year as H.R. 1986. In 1994, the Department of Education's Inspector General recommended changing the formula exactly as we have changed it in this bill. They called the current formula a bounty system that encourages putting children in special education when they should not be.

Obviously, when a change this large is undertaken, some States will gain in the count and others will be reduced. In an effort to hold the negative impact on States to a minimum, the first 10-percent of the funds which a State would lose will be held harmless. In effect this means that during the transition to the new formula, any State which loses 10 percent or less will see no reduction in funding. Those States that would lose more than 10 percent are held harmless for that 10 percent. For example, if a State's 1996 allocation were to be $120 million, and the transition formula would allocate $104 million to the State in 2002, that State would still receive $116 million; that is, the $104 million allocation plus 10 percent of the 1996 allocation, which amounts to $12 million.

Aside from the part C and funding formula changes, there are several other small and technical changes in today's bill from the bill reported out of committee last month. These include: noting the role of education service agencies in the findings and purposes, and updating some of the statistics used in the findings; ensuring that knowledge about the child or special expertise is required to be on the IEP team, not special knowledge or special expertise; properly placing one of Mr. MILLER's markup amendments within the procedural safeguards section; making the language in Mrs. MINK's amendment consistent with the terms used in the bill; ensuring that the professional standards suspension provision only applies to the highest standard provision, not to all professional standards; ensuring that the Secretary has the authority to actually make awards and grants under part D, subpart 1; and making technical and cross-reference changes to implement the intent of the bill.

Before I conclude, I want to note that this legislation represents over a year of hard work by the members of this committee. But I would like to thank one colleague in particular for his dedication to this bill. Subcommittee Chairman

DUKE CUNNINGHAM has led this bill through its year long journey to our vote today. He has dedicated many hours to crafting an outstanding piece of intricate and comprehensive legislation. Mr. CUNNINGHAM has my sincere thanks.

I also want to thank Mr. GREENWOOD, Mr. GUNDERSON, Mr. TALENT, Mr. SOUDER, Mr. RIGGS, Mr. CLAY, Mr. KILDEE, Mr. MILLER, and all the others who have worked in a bipartisan manner to improve the IDEA.

The IDEA Improvement Act is the most important change to the America's special education system since the passage of Public Law 94–142 in 1975. Overall, America's special education system as it has been structured has not accomplished what is necessary to educate our children with disabilities. There is broad agreement on the need to change. Results are important. Accountability is important. I believe this bill will help give America's children with disabilities what they were promised 21 years ago: the real opportunity to receive a quality public education.

Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3268, the IDEA Improvement Act of 1996, and urge my colleagues in the House to do the same.

This is a relatively young law. In fact, we have recently celebrated the 20th anniversary of the historic enactment of this bill. It seems almost impossible to imagine, Mr. Speaker, that just two short decades ago children were routinely excluded from one of our most important institutions in this country, public schools. IDEA and the improvements we are proposing to make in this reauthorization are among the proudest legacies of this Congress and our committee. And let me say to my good friend, the gentleman from Pennsylvania [Mr. GOODLING], that although this has been sometimes a very difficult process, it has been a very productive process, and I want to thank the gentleman for his patience and his determination, that we designed a reauthorization bill that could gain bipartisan support.

I would also like to thank my subcommittee chairman, the gentleman from California, Mr. DUKE CUNNINGHAM, who is tireless in his desire to find common ground between a myriad of conflicting viewpoints and approaches.

Finally, I would like to express my gratitude to the participants of the IDEA consensus group for their remarkable devotion to the children and families served by this law. This law is as virtuous as it is because of them, and I thank them for the hundreds of hours they committed to helping us fashion a proposal which we have before us today.

I would like to say a word about one of the improvements in this bill. When this bill is signed into law it will require new interagency agreements that will provide a means of improving related services to disabled students by sharing costs across the widest possible fiscal base. There are many Federal, State, county, and municipal agencies that could provide related services for disabled students, but currently do not. The principal reason why all appropriate agencies do not provide such services is that those served by special education are considered the sole responsibility of the public school system. I think that it makes both fiscal and programmatic sense to involve all services providers while maintaining the current seamless delivery systems in schools.

Public school systems now shoulder the fiscal responsibility for special education. As the cost of health care has continued to rise, the absence of an effective cost-sharing mechanism has unfairly focused attention on the costs of special education. Relying on local school budgets for the cost of health, mental health, and social services causes needless conflict with parents over the scope of services and the cuts in programs for both disabled and nondisabled students.

According to a recent editorial in Education Week, special education costs now are about $35 billion nationally. By some estimates a full 6 billion of those costs could be shared. That is only a fraction of total local, State, and Federal spending on health care and social and mental health services, but it is a huge amount for local schools.

And before I yield, I want to thank the administration for providing the blueprint for this proposal. Importantly, the bill will refocus the provision of services under IDEA towards improving educational results by promoting greater participation in the general curriculum an the assessments that measure student progress and by affirming that school reform efforts must include children with disabilities.

The bill also promotes improvements in teaching and learning in two ways: through a strong commitment to providing teachers and families with the tools and training they will need to improve achievement; and, second, by reducing administrative burdens at all levels and increasing administrative flexibility. We are sending a signal to schools that we want better results for children, not unread paperwork.

I want to thank the chairman for his great work on this bill, and I want to thank also the subcommittee chairman, the gentleman from California, Mr. DUKE CUNNINGHAM, and I want to thank their staff also, especially, Sally Lovejoy, Todd Jones, and Doris Husted, along with Sarah Davis and Melissia Benton on our staff. Their prodigious effort really has been instrumental and essential in writing this bill. We at times had points in this bill where we thought we could go no further, but because of their patience and their tenacity and that of DUKE CUNNINGHAM and the good work between our staffs, we were able to write a bill that we can be proud of, and I want to thank all those involved in that.

Madam Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Madam Speaker, today, we debate the Individuals With Disabilities Education Act which mandates a free appropriate public education for children with disabilities and provides Federal funding to State and local education agencies in helping to meet this goal. IDEA is the main Federal law intended to support and improve early intervention and special education for infants, toddlers, children, and youth with disabilities. The centerpiece of IDEA is the Grants to States Program that assists States to serve school age children with disabilities.

The legislation we debate today is comprehensive. However, the two issues which I will address in my time allotted are first, cessation of services for disabled students, and second, the streamlining of special purpose programs under IDEA.

The first issue is the cessation of services for disabled students. In other words, the issue is whether a disabled school-age student can be expelled from school indefinitely without educational services for certain unacceptable behavior. The cessation of educational services to children with disabilities is one of the most controversial changes to IDEA. Current law allows schools to use disciplinary procedures on children with disabilities, including expulsion, but these procedures cannot result in a cessation of services. This is an issue which received considerable and contentious debate and discussion during deliberations on this legislation.

To set this issue in perspective, current law permits the school to suspend a child for up to 10 school days whenever a student poses an immediate threat to the safety of others. Further, if a child with a disability is determined to have brought a firearm to school, the child may be placed in an interim alternative education setting in accordance with State law, for not more than 45 days.

The Senate reported bill contains language which permits the child to be placed in an interim alternative educational setting for 35 days if a child with a disability has a dangerous weapon in his/her possession, engages in the illegal use, possession, or distribution of drugs, or engages in behavior that results in or is substantially likely to result in serious bodily injury. The Senate provision could result in the student being expelled without follow-up services if the behavior relates to weapons or drugs or was found to be unrelated to the child's disability.

The result of the House provisions as it relates to disciplinary measures is that students whose actions are found to be unrelated to their disability may be expelled without services for weapons and illegal drug cases if so provided by State law.

Federal law is supporting the expulsion of school-age students from school indefinitely without providing some type of alternative services. Without special services, the outcomes for children with disabilities in this situation are much worse than for children without disabilities. When we sanction this in Federal law, we are supporting the cessation of education services to students with disabilities who are the most vulnerable.

The question is are we mandating a disservice to students and/or to society when we permit school-age students to be thrown into the streets without any alternative placement? Are we simply creating a worse criminal law problem later?

Although there has been a frequent reference to the minuscule number of student affected by this change, our concern is that any number is too many.

I intend to carefully follow the implementation of this legislation and carefully follow the result of this provision.

An additional issue that I will address is the streamlining of the special purpose programs under IDEA. Currently, under IDEA, there are 14 special purpose programs that authorize discretionary grants to support early intervention and special education research, demonstration projects, teacher training, and information dissemination. The House bill would consolidate these 14 programs into 4.

The concern is that support for certain vital functions might be lost in the transition to the four new progams. The Federal role in the area of early intervention and special education research and development, without question, has led to improved outcomes for children with disabilities. Although specific program headings will disappear in the new legislation, that should not suggest that our work is done in these areas. The education of students with disabilities will not improve without a strong Federal role that advances the knowledge base and tools of educators.

I urge my colleagues to very carefully consider this legislation.

Mr. GOODLING. Madam Speaker, I yield 6 minutes to the "DUKE" from California, Mr. CUNNINGHAM, the subcommittee chairman who piloted this through his subcommittee.

Mr. CUNNINGHAM. That is the California DUKE, not the Louisiana Duke, Madam Speaker.

Madam Speaker, can our colleagues imagine having a child with disabilities and no place to go, that the school refuses to teach that child, and they have no hope that that child will have a bite at the American dream? Well over 21 years ago, Madam Speaker, there was a program established to address this problem, IDEA. And it is said, well, why fix a program that is working good? First of all, IDEA was up for reauthorization. And today we live in a computer age. We do not use typewriters. It is time for a new approach, and like each bill that comes before us, the direction that we set forth was to try and do this in a bipartisan manner.

I want to thank my colleague, the gentleman from Michigan [Mr. KILDEE]. When he was the chairman of my subcommittee, he was very fair and worked very closely with me, as he does now as ranking member.

Second, I would like to thank the gentleman from Pennsylvania [Mr. GOODLING]. As chairman, he led well. He did not micromanage. He gave me the reins that I needed to be able to go forth.

I would like to thank especially the California legislature and all the principals and superintendents that I had meetings and hearings with on this bill. On IDEA, I had more meetings than I have had on national security. My colleagues cannot realize the different interest groups that come into play. And to get a consensus of teachers, of schools, and parents on a bill like this has been very, very difficult and very trying.

But we have done it. And I think that the reauthorization and the improvement of this act is going to help children.

First priority was to help schools achieve more of their budgetary accounts toward special-education children. Many of the procedures that schools were forced to go through, along with lawsuits and the dollars going to lawyers and paperwork, were taking away from the actual dollars that we wanted to focus to kids. So we set forth and tried to resolve that problem.

We wanted to allow schools to function well, and serve not only special education children, but all children better, so that those dollars were not taken away. In many cases today, we would have lengthy litigation. In California there is one case where over $1 million dollars was taken away from the school system through unwise litigation. We resolved that problem, and we got the consensus of both the parent groups and the schools. That was difficult.

Madam Speaker, I do not know if our colleagues have ever taken a dirt clod and thrown it at a wasps' nest. But all the little wasps, when you do that, start dancing around, and they are going to sting. When we take a look at the challenges present in IDEA and the problems that we have gone through in bringing this bill to the floor, I think we have done a pretty good job.

We found that school boards did not know what their responsibilities were, teachers did not know what their responsibilities were, and parents did not always know what the law entailed and were trying to overprescribe special-education requirements to the schools. In the end, it resulted in a lot of lawsuits to the schools.

So what did we do? We said in the first due process meeting between a parent and a school that a lawyer cannot be present. Because if there is a lawyer there, the school has got to have one, and that takes dollars away from the system. So at this first due process meeting, we try and encourage mediation where two people or two groups can sit down and save the focus and save the dollars to go back into the education of children.

Madam Speaker, I know there are a couple of other speakers that wanted to speak. And I know the gentlewoman from Maryland [Mrs. MORELLA] did. I will submit the rest of this for the RECORD. In this bill, we replace confusion with clarity and simplicity. I think it is a great improvement. I could not have done that without the gentleman from Michigan [Mr. KILDEE], through his guidance. And I could not have done it without the leadership of my chairman, the gentleman from Pennsylvania [Mr. GOODLING]. We have prepared here to thank the staffs and the different people; the other Members have already done that so I will not say that again. But I will submit it for the RECORD.

I urge all Members to support the IDEA Improvement Act.

Mr. Speaker and Chairman GOODLING, thank you for recognizing me in support of my bill, the IDEA Improvement Act.

This legislation is based upon one principle: That children with disabilities deserve a fighting chance to grow up and achieve the American dream. And to have that fighting chance, children need an excellent education.

So a year and a half ago, we set out to make the Nation's special education law better. America has had a national special education law for 21 years. By many measures, it has succeeded. Children who were regarded as helpless now receive an education. Families who were powerless to get schooling for their children now get it. And schools who lacked direction in how to provide special education now have it.

But we can do better. It's taken many meetings, and a lot of time. But with the agreement of Republicans and Democrats, families and educators, we have done better for our schools and for our Nation's children. Together, we have developed the first comprehensive reform of our Nation's special education law. We have made it better for our children with disabilities. And we have improved schools' ability to run the program.

Chairman GOODLING has outlined this legislation in detail. Let me highlight four areas which I find particularly important.

First, we believe it is important for schools and families to focus on quality education, instead of bureaucratic paperwork. So we have made several improvements in the IEP, the Individualized Education Program that is required for every child with a disability. For the first time, the IEP must focus on the educational progress of the child, not merely list pre-programmed services.

Second, we believe it is important to make every special education dollar count. Every dollar that pays for attorneys or unnecessary paperwork is a dollar that cannot buy a book, pay a teacher, or educate a child. So where there is disagreement between families and schools over how to best educate a child with a disability, we strongly encourage them to work it out through mediation.

Third, we believe we must restore fairness to the distribution of Federal money under IDEA. While the current formula was written for a good reason, problems have arisen. The Department of Education inspector general found that some States over identify children into special education, and get more than their fair share of Federal money. That's not right. So we gradually transition away from that unfair formula, toward one based upon population, a small poverty factor, and a hold harmless for several affected States. I agree that Congress should provide more funding for local schools to meet this mandate. And I have joined several other Members in requesting it.

And fourth, is the issue of discipline. Under the law today, there is disagreement and confusion among schools and families, over how and when to discipline children with disabilities. This is particularly tough in the most difficult and violent cases. But we replace confusion with clarity and simplicity. We ensure safe classrooms and safe schools. And we maintain agreed-upon procedural safeguards for children with disabilities.

We have made many other improvements in the IDEA Improvement Act, such as consolidating and focusing programs, and reforming professional development for teachers. We have simplified our schools's administration of special education.

But everything we have done returns to this one principle: That children with disabilities deserve an excellent education, so they have a fighting chance at the American dream.

Because in America, children with learning disabilities should discover the world of reading. Children with emotional disturbances should acquire the confidence they need through learning and achievement. Children who were once thought to be helpless should grow to become active, working, and productive citizens of our communities. In America, the best Nation on Earth, we can and do work together to make things better.

I would like to thank my chairman, BILL GOODLING, for his leadership, and for working closely together with me on this bill. My Youth Subcommittee's ranking member, DALE KILDEE, proved his friendship again, as a friend of mine and a friend of our Nation's children.

I also would like to recognize: Todd Jones, Doris Husted, and Sally Lovejoy from the committee majority staff, Frank Purcell of my personal staff, Sara Platt Davis of the committee minority staff, Steve Aleman from CRS, legislative counsels Susan Fleishmann and Mark Synnes and all the representatives of schools, teachers, and families of children with disabilities, whose time and contributions to this effort made the IDEA Improvement Act possible. Thank you.

I urge all Members to support the IDEA Improvement Act.

Mr. KILDEE. Madam Speaker, I yield 5 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Madam Speaker, I appreciate the opportunity to speak in support of this important legislation. I appreciate all of the hard work that has been done on both sides of the aisle to make this reauthorization a bipartisan effort. I think it is very important that we make changes to this law, and I know there are some positive changes in this bill. I would just like to take a second and remind folks of the progress that the Individuals With Disabilities Education Act has made during the past 20 years.

In 1974, before the passage of IDEA, there were 70,655 children living in State institutions compared to 4,000 children in 1994. In 1994, the average State institution expenditure was $82,256 per child. So it is clear that this law is saving the Government and taxpayers an awful lot of money.

The number of students with disabilities completing high school with a diploma or certificate increased from 55 percent in 1984 10 years ago to 64 percent in 1992.

According to a Harris poll, 44 percent of all people with disabilities have some college education today, compared to only 29 percent in 1986. Forty-seven percent of people without disabilities have some college education.

Fifty-seven percent of youth with disabilities are competitively employed within 5 years of leaving school today, compared to an employment rate of only 33 percent for older people with disabilities who have not benefited from IDEA.

So it is clear this law is having a tremendous positive effect on the lives of individuals with disabilities, and I am supportive of continuing to make changes that strengthen the IEP process and involve regular education teachers and parents; coordinating education with health and social services; ensuring mediation is available to parents; and reducing some of the Federal burden on local school districts.

By and large, I feel that we have made a great deal of progress on this legislation and I appreciate the bipartisan work that has been done to this end to strengthen the personnel standards provisions, eliminate the part H demonstration proposal, and strengthen the manifestation determination process. I do, still have a couple of concerns that I hope can be resolved during conference.

Specifically I am still uncomfortable with the formula change and I would like to go on record in support of current law.

Twenty years ago, when this law was adopted, Congress found that 1 million children with disabilities were participating in regular school programs, but because their disabilities were undetected, they were prevented from having a successful school experience.

This was the critical reason that Congress decided to base the IDEA formula on the numbers of students identified with disabilities, a law guaranteeing the free and appropriate education for these children, must have some mechanism for ensuring that children with disabilities are identified and served.

In my State, 7 percent of the population is Native American. With 50,000 native people and nearly 8,000 native children spread throughout 7 reservations in very remote locations, it is extremely difficult to find children with disabilities in these areas. It is critical for Montana to have its State allocation based on the number of students with disabilities so that there is some incentive to reach out to this population and find those kids in desperate need of services.

I have heard the argument that this formula may create some situations of overidentification in some areas or populations. But, it just does not make sense to me. If a State identifies a child with disabilities, they must then serve that child, and the Federal Government is not giving them nearly enough money to provide those services.

I also have concerns that time is running short on getting this legislation through conference committee. The Senate is adamantly opposed to this change and we do not have the time to engage in a formula fight.

I am also still very concerned to see this Congress moving in the direction of ceasing educational services for disabled children under certain circumstances. Cessation of services for any student with disabilities is simply not necessary to ensure the goal of school safety. The bill before us today already allows for the following actions to be taken for students who have engaged in serious misconduct involving weapons, drugs, or misbehavior causing serious injury: Students can be immediately suspended from school for up to 10 school days—2 weeks; school personnel can order a change in placement of the child to an interim alternative placement for an additional 45 school days—9 weeks. During this time, the school can review the child's placement, services, recommend changes in placement after the 45-day period concludes, or subject the child to other disciplinary procedures.

I support these provisions, but fail to see how the cessation of educational services will result in anything other than harming our students with disabilities.

It is important to consider the real life impact that cessation will have on these children as we consider changing a long-standing Federal commitment to educating children with disabilities.

Students with disabilities who are expelled or suspended under current law are typically kids with learning disabilities or emotional problems. Research tells us that these are kids whose long-term prospects are very grim if they are separated from all educational services.

The majority of kids with these disabilities who drop out of school are arrested. Their prospects for employment are poor. And, the odds are stacked against them for ever succeeding in the long-run.

If we really care about our communities, and safe schools, we should be investing in continuing the services these individuals need to become good citizens, not cutting off any chance of beating the odds.

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Mr. GOODLING. Madam Speaker, I encourage my colleague, the gentleman from Montana [Mr. WILLIAMS], to look at the new formula, and hopefully, since that is the direction the administration wanted to go, we can do something different than the Senate has done.

Madam Speaker, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Madam Speaker, I thank the gentleman for yielding me the time.

Madam Speaker, I rise in praise of Congressmen BILL GOODLING, RANDY CUNNINGHAM, and DALE KILDEE, and all of the members of the Committee on Economic and Educational Opportunities for moving IDEA to the House floor. This is a very important piece of legislation that must be reauthorized this year. IDEA has made it possible for millions of children and youth with disabilities to gain an education. IDEA has enabled millions of children to grow up to become productive and contributing members of society.

Let me share with you the story of Cecilia Pauley. Cecilia was born with Down's syndrome. She has loving parents and brothers and sisters who give her their time and attention, and have helped her with her school work.

Cecilia attends a regular high school in Montgomery County, MD. She has been an inspiration to other students at the school. She works in the school nurse's office, and next year she will start college. Cecilia gives many speeches to large groups, and she inspires others to work up to their potential. Without IDEA, Cecilia could not have succeeded.

Last week, I spoke at the graduation of two students at Stephen Knolls School in Montgomery County, MD—a school for multiply disabled. Anthony Barbaro and Laurie Springer and their families were uplifted by such caring education. They learned life skills. Principal Jane Jackson and staff are committed to the program.

As a former teacher, I remember the days when, only two decades ago, disabled children were unserved and underserved. At a time when we, as a Nation, are upgrading our system of education to make our students more competitive globally, we cannot afford to lower our standards for any segment of our student population.

Again, I commend Mr. CUNNINGHAM and Mr. GOODLING for their excellent work in bringing this bill to the House floor.

Mr. KILDEE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I would like to also thank people from the department who played a very important role in this: Judy Heuman, Tom Hehir, Carol Cichowski, Paul Riddle, Patricia Leahy, Theta Zwesa, Susan Craig, Judy Wurtzel, Connie Garner, and Susan Leonard.

Madam Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, I too would like to join in some of the accolades and in commending the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from California [Mr. CUNNINGHAM] on the Republican side, and the gentleman from Michigan [Mr. KILDEE] and the gentleman from California [Mr. CLAY] on the Democratic side; for this, truly, is legislation that has taken educational opportunities to equality for maybe young people that were not being served and were virtually being ignored. This is important legislation because this legislation will bring the sense of not just empathy to so many disabled young people, but efficiency to so many of these young people seeking an education, seeking to better themselves.

Madam Speaker, we would think that with all these accolades, that this would be perfect legislation. I do not think that this body has ever dealt with perfect legislation. I would just point out one particular area of deep concern to me and why I think we need to continue to move this legislation in conference into a more fair manner in terms of the funding formula.

Historically we have based our funding formula under IDEA on the basis of targeting it to those individuals who are disabled. When we marked this bill up in committee, a State like Indiana lost about 22 percent of its funds not because we had a number of disabled people move out of our State and go to more populous States. We still have the same number of disabled; but many of these moneys now are being moved to more populous States because the formula has shifted from targeted to people with disabilities to targeted to States with bigger populations.

Madam Speaker, while I recognize the chairman, in improving this bill and going from about a 22 percent loss in the State of Indiana, he now has incorporated the hold-harmless provision, we now go to about 11 percent loss. I would encourage him, and I hope to work with him in conference so that I might represent my State in committee, in conference, and work to improve the formula so that it is judicious, it is fair to disabled children whether they live in South Bend, IN, or Sacramento, CA. We have to make sure they get these services.

Madam Speaker, just as a final example, if we were doing wetlands legislation on the House floor, we would not target the wetlands legislation to the most populous States or base it upon population. We would say where are the wetlands? Are they in Indiana, or are more of them in the South or the North? This formula should not be based upon population, because each and every one of these disabled children deserves the equal opportunity to education that this reauthorization bill will bring to them. I encourage more movement toward a newer formula that is fair to all children.

Mr. GOODLING. Madam Speaker, I yield myself 30 seconds.

I would indicate, Madam Speaker, that the gentleman's State of Indiana will not lose any money for 5 years under this bill, and probably will ultimately not lose any money because of increasing appropriations. What we are trying to do in this bill is stop over-identification of children with disabilities and just serve those who really have disabilities. With this bill, we will eliminate the financial incentives for placing children into special education when they do not actually have disabilities. It is unfair to those children who, as I indicated earlier, are often black male children.

But to ensure that education is not disrupted, this bill provides that 49 States lose nothing for 5 years and probably nothing ever as we increase the amount of money appropriated under this bill.

Mr. MILLER of California. Madam Speaker, I would like to express my qualified support for H.R. 3268, the IDEA Improvement Act of 1996. While this bill makes some important changes in the 20-year-old law providing special education and related services to 5.8 million disabled children and youth, I have some serious reservations about several aspects of the bill. Nonetheless, I believe it is very important to move this legislation forward with the hopes that some of my remaining concerns will be satisfactorily resolved in conference with the Senate.

I would like to especially thank Chairman GOODLING for the spirit of bipartisanship that marked the latter days of our negotiations over this bill. The majority came a very long way in accommodating concerns that I shared with other members of the minority on the Opportunities Committee as well as with the parent, disability, and education groups that have such a vital stake in the future of IDEA.

This legislation contains a number of provisions, many of which were taken from the administration bill, that will improve IDEA and bring the education of disabled children into the 21st century. These include requirements that schools hold disabled students to the highest possible standards and that they be accountable for educational results. The education of disabled children must be part and parcel of school reform. The bill also strengthens and improves provisions relating to the evaluation of disabled children and development of their individualized education programs, [IEP] to promote the participation of the child in the general curriculum while ensuring that the range of necessary services to address that child's needs remain available. I believe that provisions making the classroom teacher a fuller participant in the design as well as the implementation of the child's program are particularly valuable.

In this regard, amendments added in committee by Mrs. MINK and Mr. GREENWOOD are well-crafted responses to concerns about disruptive disabled students that should ensure that the classroom teacher's concerns are taken into consideration. These amendments rightfully place the responsibility for addressing the disruptive disabled student in the IEP process. The purpose is to ensure that children with behavioral problems receive the proper support and services. It is imperative, however, that children with disabilities not be considered disruptive based on a lack of understanding of the nature of the disability or its effect on behavior, disruption caused by devices, accessibility, auxiliary aides, or services used by the child, a failure to provide services, including behavioral management, or behavior inherent to the disability itself, such as seizures.

I have been particularly concerned about changes affecting due process rights of children under IDEA, those core protections that make this law work and provide the key balance of interests between parents and school districts. While I am pleased that a number of changes were accepted by the majority that increase my comfort level, including my amendments increasing due process protections for children who face cessation of services as a result of disciplinary actions, I remain troubled about several remaining issues.

First and foremost is that the bill authorizes States to cease services for disabled children as a disciplinary measure, albeit on a highly restricted basis. This is wrong and the vast majority of education and disability groups agree. In California, the legislature recently passed a law that requires the provision of educational services to all expelled students. If the California Legislature can conclude that this sound educational and social policy does not compromise school safety then Congress should. Unfortunately, the Senate bill gives us no leeway to change this provision.

Second, I believe that when an offense that will result in serious disciplinary action is the least bit subjective, only an objective party—a hearing officer—should have the authority to order a change in placement. The bill allows a principal to change a disabled child's placement for up to 55 schooldays under the loosely defined category serious injury, which means, among other things a verbal assault. Not only does this definition need to be tightened up, but the decision to change placement should certainly be that of a hearing officer rather than a school official.

There are other areas I would like to see addressed in conference. For example, I am not convinced that a change in the interstate formula is merited or will resolve problems with overidentification. I do think that schools need to have a certain stake in child-find and that the current child-based formula provides this. I am also concerned about provisions allowing personnel standards to be waived, and would prefer to see the issue of personnel shortages to be handled with measures to increase the capacity of States to meet personnel needs. I am also very concerned that critical technological research and development for disabled children will come to a halt with the bill's ending discretionary authorities for such activities.

We will have the opportunity to address most of these issues in conference, and it is with this confidence that I urge my colleagues to support this bill.

Mr. GILMAN. Madam Speaker, I rise today in support of the Individuals with Disabilities Education Improvement Act [IDEA] and commend its sponsor, the distinguished chairman of the Subcommittee on Early Childhood, Youth and Families, Mr. CUNNINGHAM, and the distinguished chairman of the Committee on Economic and Educational Opportunities, Mr. GOODLING, for all of their diligent work in bringing this important bipartisan legislation to the floor.

This measure effectively incorporates numerous initiatives that have been proposed by educators and school board members in my district. This bill seeks to give the classroom teacher the ability to maintain adequate discipline with regard to special education students. While previous law prohibited a school from suspending or expelling a disabled student for more than 10 days, except in the situation where the student has brought a gun to school, this bill provides for removal to an alternative placement for students who bring weapons to school, bring illegal drugs to school or illegally distribute legal drugs in schools, students who engage in assault or battery, and students, who by proof of substantial evidence present a danger to himself or others. I believe that this bill effectively addresses that issue of classroom safety, while still maintaining protection for the students against arbitrary placement changes.

Furthermore this measure requires States to make mediation available to school authorities and parents who disagree over a disabled student's educational plan, instead of forcing the parties to move their dispute into the court. It is our hope that an increase in the use of mediation will reduce the acrimony involved in these disputes and will save money that has in the past been spent on attorney fees. Furthermore it is my hope that the new formula changes phased in over 10 years will reduce over-identification and promote the effective use of government resources.

Accordingly, Mr. Speaker, I urge my colleagues to support this worthy measure to reform our Nation's special education programs.

Mr. FAWELL. Madam Speaker, I rise in support of H.R. 3268, the Individuals with Disabilities Education Act Improvement Act of 1996.

In 1975, the original version of the Individuals with Disabilities Education Act [IDEA] was signed into law. This comprehensive statute, ensuring the right of children with disabilities to a free, appropriate public education, has guaranteed that over 5 million children with disabilities are provided the services they need to reach their educational goals.

H.R. 3268 makes changes to provisions in IDEA which will improve the academic achievement of students by helping teachers identify classroom placements which most fit children's needs. The legislation will make necessary changes in provisions governing mediation and attorney's fees, ensuring that dollars for IDEA go to the education of children, not to court fees.

The IDEA Improvement Act has bipartisan support and incorporates a majority of recommendations formulated by a broad group of disability organizations, education groups, parent representatives, and others. I am pleased at the support for this historic civil rights law and the House's commitment to providing teachers and families with the tools and training they need to help disabled students succeed in school.

I commend Chairman BILL GOODLING, and Subcommittee Chairman DUKE CUNNINGHAM for their hard work on this bill, and urge the House's support.

Mrs. MINK of Hawaii. Madam Speaker, I rise today to express my support for H.R. 3268, which reauthorizes the Individuals With Disabilities Education Act. This is not a perfect bill. There are some provisions that I have concerns about, however, the bill does go a long way to improve the current act and I believe will in the end improve educational services for children with disabilities.

Since the enactment of the Education for All Handicapped Children Act in 1975, IDEA's predecessor, we have made tremendous strides in improving education for children with disabilities. This act, among other things, has stressed the importance of inclusion or mainstreaming children with disabilities into the regular classroom.

As more children with disabilities have been included in regular classroom instruction, however, regular education teachers have not always been given the appropriate training, supplementary aids and services, and support to best meet the educational needs of disabled children in their classrooms. In addition, regular education teachers have had very little input into the educational plan for disabled children, known as an Individualized Education Plan [IEP] required for each child covered under IDEA.

Ways to manage a child's behavior or even punish a child appropriately—if necessary—have not been clearly spelled out for regular education teachers. Can they use techniques used with other children? Are there special techniques to use for a particular disabled child? Many of these questions go unanswered and the regular education teacher often feels helpless to keep control over his/her classroom and appropriately deal with the child with a disability should the child act out, as all children tend to do from time to time.

This bill recognizes these problems that have developed as the educational setting for disabled children has changed, and makes several key changes to IDEA which will assure that the regular education teacher is a much greater participant in the development of a child's education plan, so teachers do not feel that their hands are tied when it comes to children with disabilities.

First, the bill includes the regular education classroom teacher as a member of the IEP team, and requires that this teacher participate in the development of the child's IEP. Second, the bill includes an amendment I authored which further clarifies that regular education teachers must be included in the development of specific part of the IEP, including a behavioral management plan of a child, supplementary aids and services needed for that child to participate in a regular classroom, and other support for school personnel to assure appropriate services to a disabled child in a regular classroom.

Finally, another amendment added in committee requires that if a child with a disability has a pattern of severe disruptions within the classroom, the regular education teacher can convene an IEP team meeting and discuss what can be done, whether it is additional support and services in the classroom, or a change in placement for the child.

These are important changes that will go a long way in assuring that all those involved in the education of disabled children, special education teachers, parents, administrators, and regular education teachers will be included in the effort to provide the best education possible for children with disabilities.

Mrs. JOHNSON of Connecticut. Madam Speaker, I rise in strong support of H.R. 3268, the Individuals With Disabilities Education Improvement Act [IDEA] and commend Chairman GOODLING and Subcommittee Chairman CUNNINGHAM for their thoughtful, fair, and important work on this issue. I am pleased that this bill received strong bipartisan support from the committee and that a broad coalition of interested groups was able to work together in the development of this legislation.

I believe in the right of a child with a disability to a free, appropriate public education and I believe IDEA needed revision to assure the goals of our laws are achieved in a way that preserves opportunity for all and better reflects the advances that have been made in the area of special education. Also, we needed change so States can better manage the regulatory and financial burden of the current law so our resources can be more effectively focused on educational needs.

Unfortunately, schools have had to spend valuable time and resources dealing with discipline and litigation problems that are wasting valuable education dollars and preventing a fair and consistent approach to schools' efforts to develop personal discipline in students. H.R. 3268 will help address these issues in a positive way to benefit all students in the Nation's schools.

Mr. CASTLE. Madam Speaker, the Individuals With Disabilities Act has been in existence since 1975 to ensure that all children have access to a free and appropriate public education. Prior to the enactment of IDEA, disabled children were often denied adequate public education.

Some studies have found that more than one-half of the children with disabilities in the United States did not receive appropriate educational services prior to enactment of IDEA, and 1 million children with disabilities were excluded entirely from public schools. IDEA has successfully helped States provide quality education to millions of disabled students across America. This legislation is critically important to millions of disabled children in America, not to mention their families, their friends, and their teachers.

The bill updates IDEA for modern times, preserving its strengths and strengthening its weaknesses. For example, the bill makes IDEA more efficient by reducing redtape, while maintaining protections for disabled children. It makes schools safer by allowing schools to treat disabled children the same as nondisabled students where their behavior is not related to the child's disability. It increases parental involvement in key decisionmaking meetings about their child's education and placement. It provides teachers with the knowledge and training to effectively support students' learning. It gives States more flexibility in using resources. And it reduces the number of formal disputes by establishing premeditation systems where parties try to resolve their disagreements without lawyers.

The bill also tries to address the problem of children being improperly and overly identified as disabled by modifying the funding formula for part B, which is the centerpiece of IDEA. The current formula gives funds to States on the basis of the number of students who have been identified as disabled. The proposed formula gives funds to States based on the number of school-aged children in the State and State poverty statistics. The new formula is phased in over 10 years. This formula change is intended to discourage the overidentification of children with disabilities. I understand and support this policy objective. The proposed formula is more rational and meritorious than allowing local schools to identify disabled students.

I was concerned, however, that this formula would hurt States that legitimately had higher rates of disability. Fortunately, the Committee on Economic and Educational Opportunities recognized the importance of protecting States, including small States like Delaware. The formula has been modified to prevent States from facing significant funding reductions which could have hampered their ability to provide a free and appropriate public education to disabled children.

The committee had an important opportunity to improve IDEA and build on its previous successes, and it worked in a bipartisan manner to achieve this goal. I want to commend the committee leadership and staff for its excellent work in drafting this bill, and I urge my colleagues to give this bill their support.

Mr. SAWYER. Madam Speaker, I would like to begin by thanking Chairman GOODLING and Chairman CUNNINGHAM for their thoughtful work on this bill. IDEA is one law where common ground has always been possible, but never easy. Today, we are closer to that common ground than many thought probable a month ago. All of those who have had a hand in bringing us to this point deserve to be commended.

When the markup of this bill was originally scheduled in our committee, I was concerned that we would have come away with a bill that no one was happy with, and I hoped that a postponement would give us time to reach bipartisan consensus. I sent a letter to Chairman GOODLING explaining my concern. Chairman GOODLING did postpone the markup from its originally scheduled time and today, after many hours of productive negotiations among the various groups with an interest in this bill as well as among those of us on the committee, we have a bill which is in many ways better than some thought possible.

I am particularly pleased that the chairman decided to continue the authorization for a discretionary grant program for professional development as well as the requirement that States establish a comprehensive system of professional development. Although there are a few specific points that I hope we can clarify in conference negotiations with the Senate, it is important that we have included these two provisions.

I have always believed that a strong system of professional development will fortify this bill. With changing technologies, methods of teaching, and the emerging and changing needs of today's children, a strong system of professional development is essential. We need to focus on developing and maintaining a force of qualified personnel to teach children with a wide range of special needs. Especially recognizing the considerable shortages of qualified special education teachers in some areas of this country, it is crucial that we take the lead at the national level by placing a high priority on providing for quality systems of professional teacher development.

But professional development is not only important to maintaining a quality special education teaching force. Training and retraining is also necessary for teachers whose classroom management problems are complicated. Teachers in today's classrooms are addressing situations that they were never educated to deal with. I have every confidence that today's teachers can deal with these situations, but we need to recognize that they need and want the proper training to do so.

I am confident that classrooms can be better life-learning environments when they contain many different children with many unique qualities and talents. However, a solid system of professional skills development is the key to making these classrooms good learning and teaching environments for everyone involved.

This kind of comprehensive professional development is important on many levels. Our committee has had to balance questions of how to discipline children with disabilities in this bill, but I believe that this would not be such a prevalent issue if we had the resources to train teachers appropriately. Children whose needs are understood and accounted for, and teachers who are trained to manage special difficulties that arise, will need for the discipline provisions of this bill. I think we would all like to see that happen.

Along with professional development, another key to making this bill work well is the ability to assess children's needs properly. I offered an amendment at the full committee level that was designed to add to the definition of evaluation in this bill to ensure that children's needs are properly assessed with technically sound instruments in all areas of their suspected disability before any decisions are made about how and where they can learn best. I am grateful that with a small amount of rewording, the chairman and I were able to come to an agreement on this amendment. It is now a part of the bill before us today. This was a fine example of bipartisanship and a willingness to find common ground.

I know that this bill is not perfect in everyone's eyes, and I know that many of us have deep reservations about the Federal Government sanctioning cessation of educational services for any child. However, I think most of us now agree that it is a strong piece of legislation that will go far to improve and enhance education for disabled children and learning environments for all children.

Thank you again to everyone who worked to make certain that the good that this law has done for disabled children over the past 20 years will continue.

Mrs. ROUKEMA. Mr. Speaker, I regret to say that I am opposed to this bill in its current form.

As a member of the Economic and Educational Opportunities Committee for the past 15 years who has been involved in similar special education reauthorization discussions, let me begin by commending full committee Chairman GOODLING and subcommittee Chairman CUNNINGHAM for their efforts to develop a compromise IDEA reauthorization bill that can be supported by a coalition of parent groups, disability groups, and school groups. In doing so, they have continued the bipartisan spirit that IDEA has always enjoyed.

With that said, I must express my strong disappointment with and opposition to the bill's funding formula. Although the formula has been modified to decrease disproportionate funding losses absorbed by States such as New Jersey, I do not believe that it goes far enough. While the changes to the funding formula represent progress, the formula itself will continue a funding war between the States. And, the victims will be the children.

The issues affecting the special education Federal funding formula are extremely complicated and State-specific. For example, there is disagreement among special education experts as to whether or not there is a correlation between poverty and disability incidence rate, which is why the administration's funding formula for new money does not include a poverty factor. A perfect example of this is suburban Detroit which, although it is the wealthiest district in Michigan, it has that State's highest identification level.

These are exactly the types of reasons that the Senate Labor Committee passed its IDEA reauthorization bill without changing the current formula, and why the Washington-based coalition of parent, disability and school groups decided to take no position on the current formula despite having taken a position on all other areas of this bill.

Everyone recognizes that there are problems with the current special education system, particularly those related to the overidentification of disabled students. That is why changes in current law included in this bill, such as placement-neutral funding, are so important. States and local education agencies that have experienced overidentification will be forced to re-evaluate their systems for identification and placement. However, these changes cannot take place overnight.

Because IDEA is a tremendous underfunded mandate, we have no justification for taking even more of this small pot of money away from States like New Jersey who have done nothing but comply with the statutory and regulatory requirements of IDEA.

Many advocates for IDEA reform truly believe that once children are classified as disabled they are committed to special education for life. Well, if this is the case, it does not matter how much more or less money flows to New Jersey, because we will still have 200,000 children in special education. And, because the law entitles each of these children to a free appropriate public education, the State and localities will have no choice but to find this additional shortfall of Federal money and provide the services required under the law.

In order to make sure that participating children receive adequate special education services, we must make every effort to employ professionals qualified to meet their needs. To that end, I have voiced my concerns about the bill's provisions on professional standards, and will continue to do so. The bottom line is that, without properly trained special education providers, disabled children dependent on such services will never obtain the education they need. When that happens, our special education system will have failed. However, I am confident that this will not happen, but that we will build on the many reforms of this bill by strengthening both the professional standards language and the funding formula in conference.

However, until these additional changes are made, I must oppose H.R. 3268.

Mrs. CHENOWETH. Mr. Speaker, today I rise in support of H.R. 3268, the IDEA Improvement Act of 1996. I have kept very close watch on this very important legislation because my personal concerns and the concerns of the countless idahoans who have contacted me with their deep interest in the need for IDEA. I am very pleased to see that the bill before us reflects a balanced approach that I am proud to support. The legislation gives proper consideration to both the needs of the individual children and the needs of public schools that educate our children.

This bill takes major steps to improve IDEA. It provides new flexibility to parents. Parents will now have a well defined roll in the placement team as well as the learning plan team. This enhancement of the parents' roll gives them better access to school records and offers mediation services to resolve disputes before court costs begin running up.

Another important step this bill takes is the assistance it provides to school principals with additional flexibility to the schools. This legislation provides for increased local funding, simplified accounting, and fewer paperwork and procedural requirements. Most importantly this legislation creates safer schools for all students, disabled and non-disabled, and for teachers. This is accomplished by expanding opportunities for teacher training, ensuring the inclusion of appropriate supportive aids and services in the child's educational program; and enabling principals to quickly remove violent students and those who bring weapons or drugs to school from their current classrooms.

Don't take my word for it, listen to the comments I have received from the following groups.

The American Federation of Teachers wrote me:

> The teachers are put in the best possible position to meet the needs of their students.

Idaho School Boards Association President-Elect, Vern Newby, wrote:

> The re-authorization, as proposed, is a step in the right direction. The primary consideration is that local School Boards do what is best for all the kids.

Idaho Parents Unlimited Executive Director, Debra Johnson wrote:

> We support H.R. 3268 and we appreciate your support of it as well. From the very beginning we have both agreed that maintaining a strong federal law that guarantees supports for students with disabilities is not only in Idaho's interest, it is in the nations best interest.

This legislation truly addresses the concerns that I have communicated to the Economic and Educational Opportunities Committee, and for that all of the committee members have my heartfelt thanks. I would especially like to thank Chairman GOODLING and Chairman CUNNINGHAM for their very good, hard work that made for a strong bill that I am proud to support.

I urge all of my colleagues from both sides of the aisle to join me in support for this greatly needed reform and re-authorization of IDEA. By voting "yes" we ensure that all children will have proper opportunities to excel in a stable learning environment.

Mr. KILDEE. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GOODLING. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Ms. GREENE of Utah). The question is on the motion offered by the gentleman from Pennsylvania [Mr. GOODLING] that the House suspend the rules and pass the bill, H.R. 3268, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOODLING. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3268, IDEA Improvement Act of 1996.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ANTARCTIC ENVIRONMENTAL PROTECTION ACT OF 1996

Mr. WALKER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3060) to implement the Protocol on Environmental Protection to the Antarctic Treaty.

The Clerk read as follows:

H.R. 3060

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Antarctic Environmental Protection Act of 1996".

TITLE I—AMENDMENTS TO THE ANTARCTIC CONSERVATION ACT OF 1978

SEC. 101. FINDINGS AND PURPOSE.

Section 2 of the Antarctic Conservation Act of 1978 (16 U.S.C. 2401) is amended to read as follows:

"SEC. 2. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that the Antarctic Treaty and the Protocol on Environmental Protection to the Antarctic Treaty establish a firm foundation for the comprehensive protection of the Antarctic environment, the continuation of international cooperation, and the freedom of scientific investigation in Antarctica.

"(b) PURPOSE.—The purpose of this Act is to provide legislative authority to implement, with respect to the United States, the Protocol on Environmental Protection to the Antarctic Treaty.".

SEC. 102. DEFINITIONS.

Section 3 of the Antarctic Conservation Act of 1978 (16 U.S.C. 2402) is amended to read as follows:

"SEC. 3. DEFINITIONS.

"For purposes of this Act—

"(1) the term 'Administrator' means the Administrator of the Environmental Protection Agency;

"(2) the term 'Antarctica' means the area south of 60 degrees south latitude;

"(3) the term 'Antarctic Specially Protected Area' means an area identified as such pursuant to Annex V to the Protocol;

"(4) the term 'Director' means the Director of the National Science Foundation;

"(5) the term 'harmful interference' means—

"(A) flying or landing helicopters or other aircraft in a manner that disturbs concentrations of birds or seals;

"(B) using vehicles or vessels, including hovercraft and small boats, in a manner that disturbs concentrations of birds or seals;

"(C) using explosives or firearms in a manner that disturbs concentrations of birds or seals;

"(D) willfully disturbing breeding or molting birds or concentrations of birds or seals by persons on foot;

"(E) significantly damaging concentrations of native terrestrial plants by landing aircraft, driving vehicles, or walking on them, or by other means; and

"(F) any activity that results in the significant adverse modification of habitats of any species or population of native mammal, native bird, native plant, or native invertebrate;

"(6) the term 'historic site or monument' means any site or monument listed as a historic site or monument pursuant to Annex V to the Protocol;

"(7) the term 'impact' means impact on the Antarctic environment and dependent and associated ecosystems;

"(8) the term 'import' means to land on, bring into, or introduce into, or attempt to land on, bring into or introduce into, any place subject to the jurisdiction of the United States, including the 12-mile territorial sea of the United States, whether or not such act constitutes an importation within the meaning of the customs laws of the United States;

"(9) the term 'native bird' means any member, at any stage of its life cycle (including eggs), of any species of the class Aves which is indigenous to Antarctica or occurs there seasonally through natural migrations, and includes any part of such member;

"(10) the term 'native invertebrate' means any terrestrial or freshwater invertebrate, at any stage of its life cycle, which is indigenous to Antarctica, and includes any part of such invertebrate;

"(11) the term 'native mammal' means any member, at any stage of its life cycle, of any species of the class Mammalia, which is indigenous to Antarctica or occurs there seasonally through natural migrations, and includes any part of such member;

"(12) the term 'native plant' means any terrestrial or freshwater vegetation, including bryophytes, lichens, fungi, and algae, at any stage of its life cycle (including seeds and other propagules), which is indigenous to Antarctica, and includes any part of such vegetation;

"(13) the term 'non-native species' means any species of animal or plant which is not indigenous to Antarctica and does not occur there seasonally through natural migrations;

"(14) the term 'person' has the meaning given that term in section 1 of title 1, United States Code, and includes any person subject to the jurisdiction of the United States and any department, agency, or other instrumentality of the Federal Government or of any State or local government;

"(15) the term 'prohibited product' means any substance banned from introduction onto land or ice shelves or into water in Antarctica pursuant to Annex III to the Protocol;

"(16) the term 'prohibited waste' means any substance which must be removed from Antarctica pursuant to Annex III to the Protocol, but does not include materials used for balloon envelopes required for scientific research and weather forecasting;

"(17) the term 'Protocol' means the Protocol on Environmental Protection to the Antarctic Treaty, signed October 4, 1991, in Madrid, and all annexes thereto, including any future amendments thereto to which the United States is a party;

"(18) the term 'Secretary' means the Secretary of Commerce;

"(19) the term 'Specially Protected Species' means any native species designated as a Specially Protected Species pursuant to Annex II to the Protocol;

"(20) the term 'take' means to kill, injure, capture, handle, or molest a native mammal or bird, or to remove or damage such quantities of native plants that their local distribution or abundance would be significantly affected;

"(21) the term 'Treaty' means the Antarctic Treaty signed in Washington, DC, on December 1, 1959;

"(22) the term 'United States' means the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States; and

"(23) the term 'vessel subject to the jurisdiction of the United States' includes any 'vessel of the United States' and any 'vessel subject to the jurisdiction of the United States' as those terms are defined in section 303 of the Antarctic Marine Living Resources Convention Act of 1984 (16 U.S.C. 2432).".

SEC. 103. PROHIBITED ACTS.

Section 4 of the Antarctic Conservation Act of 1978 (16 U.S.C. 2403) is amended to read as follows:

"SEC. 4. PROHIBITED ACTS.

"(a) IN GENERAL.—It is unlawful for any person—

"(1) to introduce any prohibited product onto land or ice shelves or into water in Antarctica;

"(2) to dispose of any waste onto ice-free land areas or into fresh water systems in Antarctica;

"(3) to dispose of any prohibited waste in Antarctica;

"(4) to engage in open burning of waste;

"(5) to transport passengers to, from, or within Antarctica by any seagoing vessel not required to comply with the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.), unless the person has an agreement with the vessel owner or operator under which the owner or operator is required to comply with Annex IV to the Protocol;

"(6) who organizes, sponsors, operates, or promotes a nongovernmental expedition to Antarctica, and who does business in the United States, to fail to notify all members of the expedition of the environmental protection obligations of this Act, and of actions which members must take, or not take, in order to comply with those obligations;

"(7) to damage, remove, or destroy a historic site or monument;

"(8) to refuse permission to any authorized officer or employee of the United States to board a vessel, vehicle, or aircraft of the United States, or subject to the jurisdiction of the United States, for the purpose of conducting any search or inspection in connection with the enforcement of this Act or any regulation promulgated or permit issued under this Act;

"(9) to forcibly assault, resist, oppose, impede, intimidate, or interfere with any authorized officer or employee of the United States in the conduct of any search or inspection described in paragraph (8);

"(10) to resist a lawful arrest or detention for any act prohibited by this section;

"(11) to interfere with, delay, or prevent, by any means, the apprehension, arrest, or detention of another person, knowing that such other person has committed any act prohibited by this section;

"(12) to violate any regulation issued under this Act, or any term or condition of any permit issued to that person under this Act; or

"(13) to attempt to commit or cause to be committed any act prohibited by this section.

"(b) ACTS PROHIBITED UNLESS AUTHORIZED BY PERMIT.—It is unlawful for any person, unless authorized by a permit issued under this Act—

"(1) to dispose of any waste in Antarctica (except as otherwise authorized by the Act to Prevent Pollution from Ships) including—

"(A) disposing of any waste from land into the sea in Antarctica; and

"(B) incinerating any waste on land or ice shelves in Antarctica, or on board vessels at points of embarcation or debarcation, other than through the use at remote field sites of incinerator toilets for human waste;

"(2) to introduce into Antarctica any member of a nonnative species;

"(3) to enter or engage in activities within any Antarctic Specially Protected Area;

"(4) to engage in any taking or harmful interference in Antarctica; or

"(5) to receive, acquire, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any native bird, native mammal, or native plant which the person knows, or in the exercise of due care should have known, was taken in violation of this Act.

"(c) EXCEPTION FOR EMERGENCIES.—No act described in subsection (a) (1), (2), (3), (4), (5), (7), (12), or (13) or in subsection (b) shall be unlawful if the person committing the act reasonably believed that the act was committed under emergency circumstances involving the safety of human life or of ships, aircraft, or equipment or facilities of high value, or the protection of the environment.".

SEC. 104. ENVIRONMENTAL IMPACT ASSESSMENT.

The Antarctic Conservation Act of 1978 is amended by inserting after section 4 the following new section:

"SEC. 4A. ENVIRONMENTAL IMPACT ASSESSMENT.

"(a) FEDERAL ACTIVITIES.—(1)(A) The obligations of the United States under Article 8 of and Annex I to the Protocol shall be implemented by applying the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to proposals for Federal agency activities in Antarctica, as specified in this section.

"(B) The obligations contained in section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) shall apply to all proposals for Federal agency activities occurring in Antarctica and affecting the quality of the human environment in Antarctica or dependent or associated ecosystems, only as specified in this section. For purposes of the application of such section 102(2)(C) under this subsection, the term 'significantly affecting the quality of the human environment' shall have the same meaning as the term 'more than a minor or transitory impact'.

"(2)(A) Unless an agency which proposes to conduct a Federal activity in Antarctica determines that the activity will have less than a minor or transitory impact, or unless a comprehensive environmental evaluation is being prepared in accordance with subparagraph (C), the agency shall prepare an initial environmental evaluation in accordance with Article 2 of Annex I to the Protocol.

"(B) If the agency determines, through the preparation of the initial environmental evaluation, that the proposed Federal activity is likely to have no more than a minor or transitory impact, the activity may proceed if appropriate procedures are put in place to assess and verify the impact of the activity.

"(C) If the agency determines, through the preparation of the initial environmental evaluation or otherwise, that a proposed Federal activity is likely to have more than a minor or transitory impact, the agency shall prepare and circulate a comprehensive environmental evaluation in accordance with Article 3 of Annex I to the Protocol, and shall make such comprehensive environmental evaluation publicly available for comment.

"(3) Any agency decision under this section on whether a proposed Federal activity, to which paragraph (2)(C) applies, should proceed, and, if so, whether in its original or in a modified form, shall be based on the comprehensive environmental evaluation as well as other considerations which the agency, in the exercise of its discretion, considers relevant.

"(4) For the purposes of this section, the term 'Federal activity' includes all activities conducted under a Federal agency research program in Antarctica, whether or not conducted by a Federal agency.

"(b) FEDERAL ACTIVITIES CARRIED OUT JOINTLY WITH FOREIGN GOVERNMENTS.—(1) For the purposes of this subsection, the term 'Antarctic joint activity' means any Federal activity in Antarctica which is proposed to be conducted, or which is conducted, jointly or in cooperation with one or more foreign governments. Such term shall be defined in regulations promulgated by such agencies as the President may designate.

"(2) Where the Secretary of State, in cooperation with the lead United States agency planning an Antarctic joint activity, determines that—

"(A) the major part of the joint activity is being contributed by a government or governments other than the United States;

"(B) one such government is coordinating the implementation of environmental impact assessment procedures for that activity; and

"(C) such government has signed, ratified, or acceded to the Protocol,

the requirements of subsection (a) of this section shall not apply with respect to that activity.

"(3) In all cases of Antarctic joint activity other than those described in paragraph (2), the requirements of subsection (a) of this section shall apply with respect to that activity, except as provided in paragraph (4).

"(4) Determinations described in paragraph (2), and agency actions and decisions in connection with assessments of impacts of Antarctic joint activities, shall not be subject to judicial review.

"(c) NONGOVERNMENTAL ACTIVITIES.—(1) The Administrator shall, within 2 years after the date of the enactment of the Antarctic Environmental Protection Act of 1996, promulgate regulations to provide for—

"(A) the environmental impact assessment of nongovernmental activities, including tourism, for which the United States is required to give advance notice under paragraph 5 of Article VII of the Treaty; and

"(B) coordination of the review of information regarding environmental impact assessment received from other Parties under the Protocol.

"(2) Such regulations shall be consistent with Annex I to the Protocol.

"(d) DECISION TO PROCEED.—(1) No decision shall be taken to proceed with an activity for which a comprehensive environmental evaluation is prepared under this section unless there has been an opportunity for consideration of the draft comprehensive environmental evaluation at an Antarctic Treaty Consultative Meeting, except that no decision to proceed with a proposed activity shall be delayed through the operation of this paragraph for more than 15 months from the date of circulation of the draft comprehensive environmental evaluation pursuant to Article 3(3) of Annex I to the Protocol.

"(2) The Secretary of State shall circulate the final comprehensive environmental evaluation, in accordance with Article 3(6) of Annex I to the Protocol, at least 60 days before the commencement of the activity in Antarctica.

"(e) CASES OF EMERGENCY.—The requirements of this section, and of regulations promulgated under this section, shall not apply in cases of emergency relating to the safety of human life or of ships, aircraft, or equipment and facilities of high value, or the protection of the environment, which require an activity to be undertaken without fulfilling those requirements.

"(f) EXCLUSIVE MECHANISM.—Notwithstanding any other provision of law, the requirements of this section shall constitute the sole and exclusive statutory obligations of the Federal agencies with regard to assessing the environmental impacts of proposed Federal activities occurring in Antarctica.

"(g) DECISIONS ON PERMIT APPLICATIONS.—The provisions of this section requiring environmental impact assessments (including initial environmental evaluations and comprehensive environmental evaluations) shall not apply to Federal actions with respect to issuing permits under section 5.

"(h) PUBLICATION OF NOTICES.—Whenever the Secretary of State makes a determination under paragraph (2) of subsection (b) of this section, or receives a draft comprehensive environmental evaluation in accordance with Annex I, Article 3(3) to the Protocol, the Secretary of State shall cause timely notice thereof to be published in the Federal Register.".

SEC. 105. PERMITS.

Section 5 of the Antarctic Conservation Act of 1978 (16 U.S.C. 2404) is amended—

(1) in subsection (a) by striking "section 4(a)" and inserting in lieu thereof "section 4(b)";

(2) in subsection (c)(1)(B) by striking "Special" and inserting in lieu thereof "Species"; and

(3) in subsection (e)—

(A) by striking "or native plants to which the permit applies," in paragraph (1)(A)(i) and inserting in lieu thereof "native plants, or native invertebrates to which the permit applies, and";

(B) by striking paragraph (1)(A) (ii) and (iii) and inserting in lieu thereof the following new clause:

"(ii) the manner in which the taking or harmful interference shall be conducted (which manner shall be determined by the Director to be humane) and the area in which it will be conducted;";

(C) by striking "within Antarctica (other than within any specially protected area)" in paragraph (2)(A) and inserting in lieu thereof "or harmful interference within Antarctica";

(D) by striking "specially protected species" in paragraph (2) (A) and (B) and inserting in lieu thereof "Specially Protected Species";

(E) by striking "; and" at the end of paragraph (2)(A)(i)(II) and inserting in lieu thereof ", or";

(F) by adding after paragraph (2)(A)(i)(II) the following new subclause:

"(III) for unavoidable consequences of scientific activities or the construction and operation of scientific support facilities; and";

(G) by striking "with Antarctica and" in paragraph (2)(A)(ii)(II) and inserting in lieu thereof "within Antarctica are"; and

(H) by striking subparagraphs (C) and (D) of paragraph (2) and inserting in lieu thereof the following new subparagraph:

"(C) A permit authorizing the entry into an Antarctic Specially Protected Area shall be issued only—

"(i) if the entry is consistent with an approved management plan, or

"(ii) if a management plan relating to the area has not been approved but—

"(I) there is a compelling purpose for such entry which cannot be served elsewhere, and

"(II) the actions allowed under the permit will not jeopardize the natural ecological system existing in such area.".

SEC. 106. REGULATIONS.

Section 6 of the Antarctic Conservation Act of 1978 (16 U.S.C. 2405) is amended to read as follows:

"SEC. 6. REGULATIONS.

"(a) REGULATIONS TO BE ISSUED BY THE DIRECTOR.—(1) The Director shall issue such regulations as are necessary and appropriate to implement Annex II and Annex V to the Protocol and the provisions of this Act which implement those annexes, including section 4(b) (2), (3), (4), and (5) of this Act. The Director shall designate as native species—

"(A) each species of the class Aves;

"(B) each species of the class Mammalia; and

"(C) each species of plant,

which is indigenous to Antarctica or which occurs there seasonally through natural migrations.

"(2) The Director, with the concurrence of the Administrator, shall issue such regulations as are necessary and appropriate to implement Annex III to the Protocol and the provisions of this Act which implement that Annex, including section 4(a) (1), (2), (3), and (4), and section 4(b)(1) of this Act.

"(3) The Director shall issue such regulations as are necessary and appropriate to implement Article 15 of the Protocol with respect to land areas and ice shelves in Antarctica.

"(4) The Director shall issue such additional regulations as are necessary and appropriate to implement the Protocol and this Act, except as provided in subsection (b).

"(b) Regulations To Be Issued by the Secretary of the Department in Which the Coast Guard Is Operating.—The Secretary of the Department in which the Coast Guard is operating shall issue such regulations as are necessary and appropriate, in addition to regulations issued under the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.), to implement Annex IV to the Protocol and the provisions of this Act which implement that Annex, and, with the concurrence of the Director, such regulations as are necessary and appropriate to implement Article 15 of the Protocol with respect to vessels.

"(c) Time Period for Regulations.—The regulations to be issued under subsection (a) (1) and (2) of this section shall be issued within 2 years after the date of the enactment of the Antarctic Environmental Protection Act of 1996. The regulations to be issued under subsection (a)(3) of this section shall be issued within 3 years after the date of the enactment of the Antarctic Environmental Protection Act of 1996.".

SEC. 107. SAVING PROVISIONS.

Section 14 of the Antarctic Conservation Act of 1978 is amended to read as follows:

"SEC. 14. SAVING PROVISIONS.

"(a) Regulations.—All regulations promulgated under this Act prior to the date of the enactment of the Antarctic Environmental Protection Act of 1996 shall remain in effect until superseding regulations are promulgated under section 6.

"(b) Permits.—All permits issued under this Act shall remain in effect until they expire in accordance with the terms of those permits.".

TITLE II—AMENDMENTS TO ANTARCTIC PROTECTION ACT OF 1990

SEC. 201. FINDING AND PURPOSE.

Section 2 of the Antarctic Protection Act of 1990 (16 U.S.C. 2461) is amended to read as follows:

"SEC. 2. FINDING AND PURPOSE.

"(a) Finding.—The Congress finds that the Protocol on Environmental Protection to the Antarctic Treaty prohibits indefinitely Antarctic mineral resource activities.

"(b) Purpose.—The purpose of this Act is to provide legislative authority to implement, with respect to the United States, Article 7 of the Protocol on Environmental Protection to the Antarctic Treaty.".

SEC. 202. PROHIBITION OF ANTARCTIC MINERAL RESOURCE ACTIVITIES.

Section 4 of the Antarctic Protection Act of 1990 (16 U.S.C. 2463) is amended by striking "Pending a new agreement among the Antarctic Treaty Consultative Parties in force for the United States, to which the Senate has given advice and consent or which is authorized by further legislation by the Congress, which provides an indefinite ban on Antarctic mineral resource activities, it" and inserting in lieu thereof "It".

SEC. 203. ADDITIONAL AMENDMENTS.

(a) Repeals.—Sections 5 and 7 of the Antarctic Protection Act of 1990 (16 U.S.C. 2464 and 2466) are repealed.

(b) Redesignation.—Section 6 of the Antarctic Protection Act of 1990 (16 U.S.C. 2465) is redesignated as section 5.

TITLE III—AMENDMENTS TO THE ACT TO PREVENT POLLUTION FROM SHIPS

SEC. 301. AMENDMENTS.

(a) Definitions.—Section 2 of the Act to Prevent Pollution from Ships (33 U.S.C. 1901) is amended—

(1) by redesignating paragraphs (1) through (10) of subsection (a) as paragraphs (3) through (12), respectively;

(2) by inserting before paragraph (3), as so redesignated by paragraph (1) of this subsection, the following new paragraphs:

"(1) 'Antarctica' means the area south of 60 degrees south latitude;

"(2) 'Antarctic Protocol' means the Protocol on Environmental Protection to the Antarctic Treaty, signed October 4, 1991, in Madrid, and all annexes thereto, and includes any future amendments thereto which have entered into force;"; and

(3) by adding at the end the following new subsection:

"(c) For the purposes of this Act, the requirements of Annex IV to the Antarctic Protocol shall apply in Antarctica to all vessels over which the United States has jurisdiction.".

(b) Application of Act.—Section 3(b)(1)(B) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(b)(1)(B)) is amended by inserting "or the Antarctic Protocol" after "MARPOL Protocol".

(c) Administration.—Section 4 of the Act to Prevent Pollution from Ships (33 U.S.C. 1903) is amended—

(1) by inserting ", Annex IV to the Antarctic Protocol," after "the MARPOL Protocol" in the first sentence of subsection (a);

(2) in subsection (b)(1) by inserting ", Annex IV to the Antarctic Protocol," after "the MARPOL Protocol";

(3) in subsection (b)(2)(A) by striking "within 1 year after the effective date of this paragraph,"; and

(4) in subsection (b)(2)(A)(i) by inserting "and of Annex IV to the Antarctic Protocol" after "the Convention".

(d) Pollution Reception Facilities.—Section 6 of the Act to Prevent Pollution from Ships (33 U.S.C. 1905) is amended—

(1) in subsection (b) by inserting "or the Antarctic Protocol" after "the MARPOL Protocol";

(2) in subsection (e)(1) by inserting "or the Antarctic Protocol" after "the Convention";

(3) in subsection (e)(1)(A) by inserting "or Article 9 of Annex IV to the Antarctic Protocol" after "the Convention"; and

(4) in subsection (f) by inserting "or the Antarctic Protocol" after "the MARPOL Protocol".

(e) Violations.—Section 8 of the Act to Prevent Pollution from Ships (33 U.S.C. 1907) is amended—

(1) in the first sentence of subsection (a) by inserting "Annex IV to the Antarctic Protocol," after "MARPOL Protocol,";

(2) in the second sentence of subsection (a)—

(A) by inserting "or to the Antarctic Protocol" after "to the MARPOL Protocol"; and

(B) by inserting "and Annex IV to the Antarctic Protocol" after "of the MARPOL Protocol";

(3) in subsection (b) by inserting "or the Antarctic Protocol" after "MARPOL Protocol" both places it appears;

(4) in subsection (c)(1) by inserting ", of Article 3 or Article 4 of Annex IV to the Antarctic Protocol," after "to the Convention";

(5) in subsection (c)(2) by inserting "or the Antarctic Protocol" after "which the MARPOL Protocol";

(6) in subsection (c)(2)(A) by inserting ", Annex IV to the Antarctic Protocol," after "MARPOL Protocol";

(7) in subsection (c)(2)(B)—

(A) by inserting "or the Antarctic Protocol" after "to the MARPOL Protocol"; and

(B) by inserting "or Annex IV to the Antarctic Protocol" after "of the MARPOL Protocol";

(8) in subsection (d)(1) by inserting ", Article 5 of Annex IV to the Antarctic Protocol," after "Convention";

(9) in subsection (e)(1)—

(A) by inserting "or the Antarctic Protocol" after "MARPOL Protocol"; and

(B) by striking "that Protocol" and inserting in lieu thereof "those Protocols"; and

(10) in subsection (e)(2) by inserting ", of Annex IV to the Antarctic Protocol," after "MARPOL Protocol".

(f) Penalties.—Section 9 of the Act to Prevent Pollution from Ships (33 U.S.C. 1908) is amended—

(1) in subsection (a) by inserting "Annex IV to the Antarctic Protocol," after "MARPOL Protocol,";

(2) in subsection (b)(1) by inserting "Annex IV to the Antarctic Protocol," after "MARPOL Protocol,";

(3) in subsection (b)(2) by inserting "Annex IV to the Antarctic Protocol," after "MARPOL Protocol,";

(4) in subsection (d) by inserting "Annex IV to the Antarctic Protocol," after "MARPOL Protocol,";

(5) in subsection (e) by inserting ", Annex IV to the Antarctic Protocol," after "MARPOL Protocol"; and

(6) in subsection (f) by inserting "or the Antarctic Protocol" after "MARPOL Protocol" both places it appears.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. WALKER] and the gentleman from California [Mr. BROWN] each will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today to bring before the House of Representatives H.R. 3060, the Antarctic Environmental Protection Act of 1996. I, along with Congresswoman CONNIE MORELLA, Congressman TOM DAVIS, Congressman GEORGE BROWN, and 16 other members from the Science Committee, introduced H.R. 3060 on March 12, 1996, to enable the United States to implement the 1991 Protocol on Environmental Protection to the Antarctic Treaty.

Madam Speaker, Antarctica is a true environmental and scientific treasure. It is a wilderness of vast proportions, accounting for 10 percent of the total land mass of the world, more than the United States and Mexico combined. From penguins to killer whales, Antarctica is also home to an abundance of fish and wildlife. Equally important, Antarctica's mile-deep sheet of ice and snow stores an estimated 90 percent of the Earth's fresh water. This vast frozen glacier influences sea level, global tides, and atmospheric processes.

Antarctica is not just a natural wonder but an almost boundless scientific laboratory which has already yielded great insights on the nature of the world we inhabit. Antarctica is the ideal platform for scientific research on complex questions of atmospheric chemistry and thermodynamics which will increase our understanding of global environmental phenomena such as climate change, ocean circulation, and stratospheric ozone depletion. Antarctica also can increase our understanding of the forces of evolution and produce commercialization opportunities in the field of biochemistry through biological breakthroughs such as the discovery of fish containing antifreeze proteins hundreds of times more effective than their synthetic chemical counterparts.

There is little question that the scientific value of Antarctica is directly tied to the pristine nature of its environment. Conversely, much of the research done in the Antarctic is vital to the understanding of our global environment. If we impose too onerous restrictions on American researchers, our ability to understand the world's environment will suffer. H.R. 3060 charts a middle course, one that I am confident will preserve Antarctica as the Earth's best environmental laboratory.

Madam Speaker, H.R. 3060 provides the legislative authority necessary for the United States to implement the 1991 Protocol on Environmental Protection to the Antarctic Treaty. The protocol represents an important addition to the uniquely successful system of peaceful cooperation and scientific research that has evolved under the Antarctic Treaty of 1959. Originally, 12 nations including the United States and the Soviet Union signed the landmark treaty, which entered into force June 23, 1961, preserving Antarctica as a peaceful haven for scientific research at the height of the cold war. Since that time, 14 additional nations have acceded to the treaty, making up the current list of 26 consultative parties.

In 1991 the consultative parties agreed to strengthen the Antarctic's environmental protections through a Protocol on Environmental Protection. The protocol builds upon the Antarctic Treaty in an effort to improve the treaty's protections for the Antarctic environment. The protocol reaffirms the treaty's use of Antarctica exclusively for peaceful purposes and accords priority to scientific research among the permitted activities.

The protocol prohibits mineral resource activities, other than for scientific research, in Antarctica. Its annexes, which form an integral part of the protocol, set out specific rules on environmental impact assessment, conservation of Antarctic fauna and flora, waste disposal and management, the prevention of marine pollution, and area protection and management.

The protocol, however, is not self-executing. It requires each of the consultative parties to enact instruments of ratification to codify the terms of the protocol before it can enter into force.

To date, 20 of the 26 consultative parties have ratified the protocol. The six nations which have yet to take action are: Belgium, Finland, India, Japan, Russia, and of course the United States. The United States took its first step to ratifying the protocol in 1992 when the U.S. Senate gave its advice and consent to ratification of the protocol. Now, the United States must enact the Antarctic Environmental Protection Act of 1996 to become a party to the protocol. Passage of H.R. 3060 will be a powerful incentive to Belgium, Finland, India, Japan, and Russia to expeditiously ratify the protocol.

Madam Speaker, the two previous Congresses failed to ratify the 1991 Environmental Protocol to the Antarctic Treaty. Time is running out. The 104th Congress has a historic opportunity to protect the Earth's largest remaining wilderness. The rest of the world is waiting to see if the United States is serious about protecting Antarctica.

H.R. 3060 now has over 28 cosponsors. I want to thank, in particular, Congresswoman MORELLA and Congressman BROWN for their tireless support of this bill. This legislation has been a truly bipartisan effort and is a testament to what can be accomplished when rhetoric is replaced by reason.

Madam Speaker, I am proud to say that H.R. 3060 enjoys universal support. Today, all Members should have received in their offices a letter from the League of Conservation Votes, the Antarctic Project, World Wildlife Fund, Greenpeace, Sierra Club, and the Antarctic and the Southern Ocean Coalition, urging them to support the bill. The National Science Foundation and the Department of State have also testified in support of enactment of H.R. 3060.

Madam Speaker, if you care about environmental research, environmental conservation or simply support living up to U.S. international commitments, you should support H.R. 3060. I urge all my colleagues to join me in voting for H.R. 3060.

□ 1600

Madam Speaker, I reserve the balance of my time.

Mr. BROWN of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of H.R. 3060, which will allow the United States to implement the Protocol on Environmental Protection to the Antarctic Treaty.

I am pleased that the Science Committee has acted on a bipartisan basis to help preserve one of the last pristine regions of the globe and to ensure that Antarctica's enormous value as a scientific laboratory is not degraded. I congratulate Chairman WALKER for moving the bill expeditiously in committee and for his efforts in working with the other committees of jurisdiction in order to bring the bill before the House with dispatch.

The Antarctic Treaty has been a noteworthy success for more than 35 years in providing a framework for international collaboration in scientific research. The Environmental Protocol builds on the Antarctic Treaty to extend and improve the treaty's effectiveness for ensuring the protection of the Antarctic environment. It designates Antarctica as a natural reserve, devoted to peace and science, and sets forth environmental protection principles and specific rules applicable to all human activities on the continent.

The need to protect the Antarctic environment is fully understood by the scientists from many nations who conduct research there in a broad range of areas in the physical and biological sciences. Antarctica is especially important as a research platform for studies of world climate and global environmental change. But it is also a unique laboratory for research in specialized areas of astronomy and astrophysics and in biology for studying such effects as adaptation of organisms under environmental extremes. Failure to ratify the protocol could impair much of this research.

The Antarctic Treaty parties have devised the Environmental Protocol to provide a set of principles and procedures that will ensure that all nations institute effective environmental safeguards. The protocol has received broad support because it was developed through consultation with the research community and with the nongovernmental organizations that are advocates for the environment.

The protocol was signed in 1991 and was approved by the Senate well over 3 years ago. It is time—it is past time for the United States to move forward to final ratification.

The remaining hurdle to ratification is the requirement to provide new legislative authority to enable enforcement by Federal agencies of all provisions of the protocol. There has been disagreement in the past about how best to ensure that the provisions of the Environmental Protocol are enforced, while avoiding excessive disruption to the Antarctic research program. But as was confirmed by a hearing before the Science Committee this past April, we now have in H.R. 3060 a bill which finds an acceptable compromise for balancing environmental protection concerns against the value of the scientific research program.

H.R. 3060 has been endorsed by scientists, by environmentalists, and by the Federal agencies responsible for administering the U.S. national program in Antarctica. All recognize the importance of protecting this unique world resource, while allowing the valuable research carried out there to go forward. Passage of H.R. 3060 today by the House will move the United States closer to final ratification of the protocol and will help spur action by the remaining nations which have not completed ratification.

Madam Speaker, H.R. 3060 is a bipartisan bill that will ensure that a sensible and comprehensive environmental protection regime is instituted to govern all international activities conducted in Antarctica. The bill has been enthusiastically endorsed by those most affected by its provisions and closest to the issues involved. I urge my colleagues to support passage of this measure.

Madam Speaker, I reserve the balance of my time.

Mr. WALKER. Madam Speaker, I yield 5 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. I thank the gentleman for yielding me the time.

Madam Speaker, as an ardent longtime supporter for the protection of the Antarctic Continent and its surrounding seas, I am proud to be a very strong original cosponsor of H.R. 3060, the Antarctic Environmental Protection Act.

It is now 4½ years since the United States signed the Antarctic Treaty and the Antarctic Treaty consultative parties opened for signature and protocol on environmental protection. This protocol, which was initiated by the United States, has been under consideration by Congress during both the Bush administration and the early years of the Clinton administration, but has not been ratified by Congress. This bill would do that.

I am extremely grateful for the encouragement, prompt response and the leadership shown by Chairman, BOB WALKER. I also want to thank the ranking member, GEORGE BROWN, and the other cosponsors of this bill.

The bill reflect diligent work with the National Science Foundation, the State Department and a group of four environmental organizations which monitor Antarctic activities to produce a bill which succinctly lays out the specifics for guaranteeing environmental protection of the Antarctic and its reservation for purely scientific research. It has truly been a cooperative effort among all interested parties.

I think that the most spectacular benefit has been that the bill that we see before us represents a no-reservations consensus. I want to personally thank Chairman WALKER, who has been so positive in leading this process forward. it does show we can work together on a bipartisan basis.

Madam Speaker, many of us feel that Antarctica is very, very far away. I visited there 2 years ago. After the long flight to New Zealand, a brief stop to suit up at Christchurch, and then a 2,400 mile flight to McMurdo Station, I too, felt it was a long way from Washington. However, the Antarctic symbolize the essence of basic science research in which the United States as clearly established a leadership role.

Presently, 20 countries out of the 26 of the Antarctic Treaty consultative parties have signed the protocol. Most of these countries signed the treaty at Madrid on October 4, 1991. With passage of H.R. 3060 today and, hopefully, swift agreement with the Senate bill that passed the Commerce Committee last week, America will act as a beacon to guide the remaining countries, Russia, Japan, India, Belgium and Finland, to complete the action.

This protocol reaffirms the treaty's reservation of the Antarctic as an area set aside for peaceful purposes and specifically for scientific research. It will protect fauna and flora from the effects of human activities, impose strict limits on the discharge of pollutants, and require environmental impact assessments of all planned governmental and nongovernmental activities. It also protects the Antarctic from all activities except scientific research relating to mineral resources for at least 50 years, unless the there is unanimous agreement of the treaty parties.

Let me just briefly highlight a few of the 136 exciting and unique scientific experiments currently going on in Antarctica or dependent on it. These are activity supported by the National Science Foundation. For example, there is research by an Augustana College geologist involving a hunt for dinosaurs and other animal remains from as early as the Triassic period.

Equally intriguing is research led by the University of Wisconsin and the University of California at Berkeley and Irvine, with others, using the largest neutrino detector on earth to look for those high energy subatomic particles that are spawned by supernovas or other sources beyond our galaxy.

The West Antarctic ice cover is being studied by the University of Texas at Austin, again with others, for its rapid and dramatic changes that can lend insight into our effort to learn about the potential rise in sea level across the globe.

Then, too, studies led by Johns Hopkins University involve the launch of one of the world's largest solar telescopes beneath a huge balloon to help understand magnetic fields at the sun's surface.

On a more commercial note, a Coast Guard ship is now being built in a partnership with the National Science Foundation. This is an unusual cooperative adventure, and construction is now underway.

I urge the House to pass H.R. 3060 as a major step toward carrying out our treaty obligations agreed to in 1991. With support from the House Committee on Science, the Department of State, the National Science Foundation, and representatives from the Antarctica Project, Greenpeace U.S., Greenpeace International, and the World Wildlife Fund, this legislation will establish and codify the work of many nations in the Antarctic.

Madam Speaker, I urge support of this House for the legislation.

GENERAL LEAVE

Mr. BROWN of California. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks in connection with the bill before us.

The SPEAKER pro tempore (Ms. GREENE of Utah). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCHIFF. Madam Speaker, the bill before us today is H.R. 3060, the Antarctic Environmental Protection Act of 1996. As chairman of the Basic Research Subcommittee, our committee has jurisdiction over the National Science Foundation, the agency who will be most impacted by this bill. They strongly support this bill and my compliments to both sides of the aisle for all their hard work on crafting this legislation.

H.R. 3060 provides the legislative authority necessary for the United States to implement the 1991 Protocol on Environmental Protection to the Antarctic Treaty. The protocol, which resulted from a United States initiative, represents an important addition to the uniquely successful system of peaceful cooperation and scientific research that has evolved under the Antarctic Treaty.

The U.S. Senate gave its advice and consent to ratification of the protocol in 1992. All that remains for the United States to become a party to the protocol is to enact the necessary implementing legislation.

Implementation of the protocol has been a priority of both Republicans and Democrats since the protocol was negotiated in 1991. The protocol builds upon the Antarctic Treaty to improve the treaty's effectiveness for ensuring the protection of the Antarctic environment.

I feel this bill reflects America's continued commitment to the protection of the Antarctic environment. I urge my colleagues to support the bill.

Mr. PORTER. Madam Speaker, I rise in strong support of H.R. 3060. This bill will implement the Protocol on Environmental Protection to the Antarctic Treaty that the United States and 25 other countries agreed to in 1991. The protocol builds upon the Antarctic Treaty to extend and improve the treaty's effectiveness as a means for protecting the Antarctic environment.

The Antarctic Continent is larger than the United States and Mexico combined and represents 10 percent of the Earth's land mass. Antarctica has a central role in regulating the Earth's environmental processes and possesses an abundance of fish and wildlife. The unique nature of the region also provides a research environment that is crucial to understanding and monitoring global warming, ozone depletion and atmospheric pollution.

The protocol reaffirms the status of the Antarctica as an area reserved exclusively for peaceful purposes, including in particular scientific research, and sets forth a comprehensive, legally binding system of environmental protection applicable to all human activities in Antarctica. In addition, by ratifying this protocol, the United States is providing international leadership. Of the 26 nations that signed the protocol, only 22 have ratified it. With the U.S. commitment, it is believed that the remaining three countries will soon become parties to the protocol.

I urge all Members to support this importance legislation.

Mr. BROWN of California. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WALKER. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. WALKER) that the House suspend the rules and pass the bill, H.R. 3060.

The question was taken.

Mr. WALKER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 5 p.m.

Accordingly (at 4 o'clock and 14 minutes p.m.), the House stood in recess until approximately 5 p.m.

□ 1700

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 5 p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the chair will not put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 3364, by the yeas and nays; H.R. 3400, by the yeas and nays; and H.R. 3060, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

WILLIAM J. NEALON UNITED STATES COURTHOUSE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3364, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland [Mr. GILCHREST] that the House suspend the rules and pass the bill, H.R. 3364, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 340, nays 0, answered "present" 1, not voting 93, as follows:

[Roll No. 222]

YEAS—340

Abercrombie
Andrews
Archer
Armey
Bachus
Baesler
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blute
Boehlert
Boehner
Bonior
Bono
Borski
Boucher
Brewster
Brown (CA)
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chrysler
Clay
Clayton
Clement
Clinger
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Cremeans
Cubin
Cummings
Cunningham
Davis
de la Garza
Deal
DeLauro
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Emerson
English
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Mascara
McCollum
McCrery
McHale
McHugh
McIntosh
McKeon
McKinney
McNulty
Meek
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Orton
Oxley
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Ramstad
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Slaughter
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zimmer

ANSWERED "PRESENT"—1

Chenoweth

NOT VOTING—93

Ackerman
Allard
Baker (CA)
Baker (LA)
Barr
Barton
Bateman
Bishop
Bliley
Blumenauer
Bonilla
Browder
Brown (FL)
Brown (OH)
Brownback
Bryant (TX)
Calvert
Chapman
Christensen
Clyburn
Crapo
Danner
DeFazio
DeLay
Dellums
Deutsch
Doolittle
Ehrlich
Engel
Ensign
Fattah
Filner
Flake
Foglietta
Foley
Ford
Frisa
Frost
Furse
Gephardt
Gibbons
Gordon
Hansen
Harman
Hastings (FL)
Hayes
Hunter
Inglis
Istook
Jefferson
Johnson, Sam
Kennedy (RI)
Lantos
Largent
Latham
Lincoln
Martini
Matsui
McCarthy
McDade
McDermott
McInnis
Meehan
Menendez
Metcalf
Moran
Nadler
Ortiz
Owens
Packard
Payne (NJ)
Pryce
Quillen
Rangel
Reed
Richardson
Rohrabacher
Roukema
Schaefer
Schiff
Schumer
Skelton
Smith (NJ)
Stenholm
Thomas
Torkildsen
Torricelli
Towns
Waters
Waxman
Wise
Young (FL)
Zeliff

□ 1729

Messrs. LINDER, TIAHRT, and MOLLOHAN changed their vote from "nay" to "yea".

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to designate the Federal building and United States courthouse located at 235 North Washington Avenue in Scranton, Pennsylvania, as the 'William J. Nealon Federal Building and United States Courthouse'.".

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. MCCARTHY. Mr. Speaker, during Rollcall Vote No. 222 on H.R. 3364 I was unavoidably detained. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. MORAN. Mr. Speaker, during Rollcall Vote No. 222 on H.R. 3364 I was unavoidably detained. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. CHRISTENSEN. Mr. Speaker, on Rollcall Vote No. 222 I was unavoidably detained. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. DEUTSCH. Mr. Speaker, on Monday, June 10, I was unavoidably absent for rollcall vote No. 222, the vote on H.R. 3364. Had I been present, I would have voted "aye."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. (Mr. LAHOOD). Pursuant to provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electric device may be taken on each additional motion to suspend the rules on which the Chair has postponed further proceeding.

ROMAN L. HRUSKA UNITED STATES COURTHOUSE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3400, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland [Mr. GILCHREST] that the House suspend the rules and pass the bill, H.R. 3400, as amended, on which the yeas and nays are ordered.

The Chair will remind Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 339, nays 4, not voting 91, as follows:

[Roll No. 223]

YEAS—339

Abercrombie
Andrews
Archer
Armey
Bachus
Baesler
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blute
Boehlert
Boehner
Bonior
Bono
Borski
Boucher
Brewster
Brown (CA)
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chrysler
Clay
Clayton
Clement
Clinger
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Cremeans
Cubin
Cummings
Cunningham
Davis
de la Garza
Deal
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Emerson
English
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hoyer
Hutchinson
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
McCollum
McCrery
McHale
McHugh
McIntosh
McKeon
McKinney
McNulty
Meek
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Orton
Oxley
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Rahall
Ramstad
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Slaughter
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zimmer

NAYS—4

Chenoweth
LaFalce
Torres
Williams

NOT VOTING—91

Ackerman
Allard
Baker (CA)
Baker (LA)
Barr
Barton
Bateman
Bliley
Blumenauer
Bonilla
Browder
Brown (FL)
Brown (OH)
Brownback
Bryant (TX)
Calvert
Chapman
Christensen
Clyburn
Crapo
Danner
DeFazio
DeLay
Dellums
Doolittle
Ehrlich
Engel
Ensign
Fattah
Filner
Flake
Foglietta
Ford
Frisa
Frost
Furse
Gephardt
Gibbons
Gordon
Hansen
Harman
Hastings (FL)
Hayes
Houghton
Hunter
Inglis
Istook
Jefferson
Johnson, Sam
Kennedy (RI)
Lantos
Largent
Latham
Lincoln
Matsui
McCarthy
McDade
McDermott
McInnis
Meehan
Menendez
Metcalf
Nadler
Ortiz
Owens
Packard
Payne (NJ)
Pelosi
Pryce
Quillen
Radanovich
Rangel
Reed
Richardson
Rohrabacher
Roukema
Schaefer
Schiff
Schumer
Skelton
Smith (NJ)
Stenholm
Taylor (NC)
Thomas
Torkildsen
Torricelli
Towns
Waxman
Wise
Young (FL)
Zeliff

☐ 1738

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to designate the Federal building and United States courthouse to be constructed at a site on 18th Street between Dodge and Douglas Streets in Omaha, Nebraska, as the 'Roman L. Hruska Federal Building and United States Courthouse'."

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. MCCARTHY. Mr. Speaker, during rollcall vote No. 223 on H.R. 3400 I was unavoidably detained. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. CHRISTENSEN. Mr. Speaker, on rollcall No. 223, I was unavoidable detained, had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. MCDERMOTT. Mr. Speaker, during rollcall votes No. 222 and 223 on H.R. 3364 and

3400 I was unavoidably detained. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Ms. FURSE. Mr. Speaker, on rollcall 222 and 223 I was delayed by the flight coming in. If I had been present, I would have voted "aye" on both of those.

ANTARCTIC ENVIRONMENTAL PROTECTION ACT OF 1996

The SPEAKER pro tempore (Mr. LAHOOD). The pending business is the question of suspending the rules and passing the bill, H.R. 3060.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. WALKER] that the House suspend the rules and pass the bill, H.R. 3060, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 352, nays 4, not voting 78, as follows:

[Roll No. 224]

YEAS—352

Abercrombie
Andrews
Archer
Armey
Bachus
Baesler
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blumenauer
Blute
Boehlert
Boehner
Bonior
Bono
Borski
Boucher
Brewster
Brown (CA)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crane
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Emerson
English
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McIntosh
McKeon
McKinney
McNulty
Meek
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Orton
Oxley
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Ramstad
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stokes
Studds
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zimmer

NAYS—4

Chenoweth
Cooley
Stockman
Stump

NOT VOTING—78

Ackerman
Allard
Baker (CA)
Baker (LA)
Barr
Barton
Bateman
Bliley
Bonilla
Browder
Brown (FL)
Brown (OH)
Bryant (TX)
Calvert
Chapman
Clyburn
Crapo
DeFazio
DeLay
Dellums
Doolittle
Ehrlich
Engel
Ensign
Fattah
Filner
Flake
Foglietta
Ford
Frisa
Frost
Gephardt
Gibbons
Gordon
Hansen
Harman
Hastings (FL)
Hayes
Hunter
Inglis
Istook
Jefferson
Johnson, Sam
Kennedy (RI)
Lantos
Largent
Latham
Lincoln
McDade
McInnis
Meehan
Menendez
Metcalf
Nadler
Ortiz
Owens
Packard
Pryce
Quillen
Rangel
Reed
Richardson
Rohrabacher
Roukema
Schaefer
Schiff
Schumer
Smith (NJ)
Stenholm
Taylor (NC)
Thomas
Torkildsen
Torricelli
Towns
Waxman
Wise
Young (FL)
Zeliff

□ 1746

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BARTON of Texas. Mr. Speaker, on rollcall No. 222, 223, and 224 I was unavoidably delayed by weather problems that affected airline flights from Dallas to Washington. Had I been present, I would have voted "yea" on all three votes.

PERSONAL EXPLANATION

Mr. JEFFERSON. Mr. Speaker, I was unavoidably detained when rollcall votes 222, 223, and 224 were taken. Had I been present, I would have voted "yea." I was detained because my plane was an hour late in taking off.

PERSONAL EXPLANATION

Mr. BONILLA. Mr. Speaker, on rollcall No. 222, 223 and 224, I was unavoidably detained by bad weather in Dallas on my connecting flight to Washington. Had I been present, I would have voted "yea" on all these votes.

PERSONAL EXPLANATION

Mr. SCHAEFER. Mr. Speaker, I was unable to cast votes on rollcall votes 222, 223, and 224. Had I been present, I would have voted for H.R. 3364, to designate a U.S. courthouse in Scranton, PA, as the William J. Nealon United States Courthouse; H.R. 3400, to designate the U.S. courthouse to be constructed in Omaha, NE, as the Roman L. Hruska U.S. Courthouse; and H.R. 3060, to implement the protocol on environmental protection to the Antarctic Treaty.

PERSONAL EXPLANATION

Mr. LATHAM. Mr. Speaker, I was absent for rollcall votes 222, 223, and 224 on June 10, 1996. Had I been present, I would have voted "yea" on all three votes.

PERSONAL EXPLANATION

Mr. ENSIGN. Mr. Speaker, due to travel difficulties on Monday, June 10, I missed rollcall votes 222, 223, and 224. Had I been present, I would have voted "aye" on each of these rollcall votes.

TRIBUTE TO LSU TIGERS

(Mr. TAUZIN asked and was given permission to address the House for 1 minute.)

Mr. TAUZIN. Mr. Speaker, I rise in this brief minute to allow all of us collectively to share the joy and pride of all the LSU alumni across America with the extraordinary success of the LSU baseball program and the great success of Coach Skip Bertman, who has now brought the LSU Tigers the third championship of the College World Series this weekend.

Mr. Speaker, I ask my colleagues to share with me the pride of this wonderful LSU team and this great coach who will now be the Olympic coach for the United States team in Atlanta. LSU. Go, Tigers.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would ask Members not to doff hats in the Chamber.

TRIBUTE TO LSU TIGERS AND WOMEN'S TRACK TEAM

(Mr. MCCRERY asked and was given permission to address the House for 1 minute.)

Mr. MCCRERY. Mr. Speaker, I would like to add my congratulations to the LSU Tigers baseball team and say ditto to the words of my colleague, the gentleman from Louisiana [Mr. TAUZIN].

I would also like to remind everyone that just a few seeks before LSU's baseball triumph the women's track team from LSU also won the national championship for the umpteenth time in my lifetime. They have a great program there, so congratulations to the women's track team at LSU and Skip Bertman's baseball team.

Go, Tigers.

INTRODUCTION OF THE CALIFORNIA HOMEOWNER EARTHQUAKE PROTECTION ACT

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, I am today introducing the California Homeowner Earthquake Protection Act, legislation granting tax-exempt status on State authorities established for the purpose of providing earthquake insurance. As a 30-year insurance professional the chairman of the House Appropriations Subcommittee overseeing FEMA and Federal disaster assistance, I am concerned about an emerging insurance crisis in my State.

California Governor Pete Wilson is poised to sign a measure establishing the California Earthquake Authority [CEA], a unique publicly run and privately financed State program to supply earthquake insurance for millions of homeowners in our State. The California Homeowner Earthquake Protection Act will add viability to the CEA and will address a looming and potentially devasting crisis affecting every homeowner—the ability to purchase affordable earthquake insurance.

Under California State law, insurance companies that sell homeowners coverage are required to offer earthquake protection as well. However, as a result of the 1994 Northridge earthquake which resulted in over $1.2 billion in insured losses, many insurance companies are now moving out of the marketplace. In fact, of those companies that offered earthquake coverage before the Northridge earthquake, 95 percent no loner offer policies to homeowners. In the near term, over 1 million families may not have their homeowner coverage renewed.

The CEA is designed to provide $10.5 billion in earthquake coverage funded by insurance carriers, reinsurers, investors, and policy holder assessments. The success of this innovative public-private partnership, which will provide immediate insurance relief for hundreds of thousands of California homeowners, condominium owners, mobile home owners, and renters, depends largely upon the IRS granting the CEA tax-free status. Tax-exempt status would allow the Authority's reserves to accumulate free of Federal income taxes. The IRS, which had promised a tax exemption to the CEA in February, withdrew its decision without warning or explanation in April. Legislation at the Federal level is now necessary to require the IRS to stand by its initial decision.

Continued uncertainty over the tax status of the CEA threatens to kill this public-private partnership. I urge my colleagues to join me, Gov. Pete Wilson, California Insurance Commissioner Chuck Quackenbush, and other in this bipartisan effort to protect California homeowners. We must act now to avert a financial crisis every bit as devastating as the Northridge earthquake itself.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

AFRICAN-AMERICAN CHURCH ARSONS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolinia [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, church buildings can be burned to the ground, but the spirit of the church will always stand.

The recent rash of church arsons in African-American communities throughout the United States leaves one wondering if anyplace is safe, if anyplace is secure, if anyplace is sacred.

But because those who have done these unthinkable acts have targeted the very places we hold most dear and most precious, there is no doubt in my mind that good will come from this evil.

Even after a ravaging fire, something remains.

It may only be a blade of grass, but from that blade of grass will come a beautiful landscape.

It may only be an idea that remains, a determined spirit, but from that idea, that spirit, will come another church.

As Dr. Martin Luther King, Jr. often stated, eloquently and profoundly, "You can kill the dreamer, but you cannot kill the dream."

Mr. Speaker, I must admit that I was stunned when the church arsons hit home.

Last Thursday, when the Matthews-Murkland Presbyterian Church in Charlotte, NC became another one of the more than thirty African-American churches to be burned over the past 18 months, the shock and amazement of this deed left me dazed and numb.

I thought, How could anyone violate what is most cherished, most precious to a civilized society?

But then, there was Oklahoma City and the World Trade Center in New York.

We live in very puzzling and troubling times.

Yet, from the ashes of Oklahoma and the ruins of New York, something remains, and something emerges.

Good ultimately prevails over evil.

And, it is in that spirit, Mr. Speaker, that I rise to urge all of my colleagues to use this week to also rise in swift resounding voices to condemn this evil and to demonstrate that it will not be tolerated.

President Clinton on Saturday outlined a four-step plan that he has put in place in response to these acts.

Among those steps is the creation of a task force involving the Justice and Treasury Departments and more than 200 law enforement officers.

It is now time for the Congress to step forward.

First, we should all support the bipartisan legislation introduced by our colleagues, Mr. CONYERS and Mr. HYDE.

That legislation would make it easier to bring prosecutions and stiffen the penalties against those who target houses of worship.

Second, I would urge support for a resolution I am introducing, calling on the collective outrage of congress and denouncing these arsons.

It is my hope that such a resolution can be considered this week and that as many Members who wish will have the opportunity to speak in favor of the resolution.

And, finally, we should all, work within our respective communities to help prevent future arsons.

The President told the story of Rev. Terrence Mackey, who awakened one morning to a spot in a field where his church had stood the day before.

Reverend Mackey was concerned about what he could say to his daughter about what had happened.

Eventually, he said to his daughter, "They didn't burn down the church. They burned down the building in which we hold church. The church is still inside all of us."

These acts of hate have inspired acts of love.

Oftentimes when evil people have burned a church building, good people of every race and color and religion have worked together to rebuild the church.

When three African-American churches were burned in Alabama, a group of unpaid volunteers from the Washington area stepped forward to help.

When the St. John Baptist Church in Dixiana, SC was the target of repeated vandalism, a group of African-Americans and whites, Democrats, and Republicans, those with money and those without, organized the Save St. John Baptist Church Committee, and they rebuilt the church.

But this church, just a couple of miles from where the Ku Klux Klan meets, was also burned to the ground.

Yet, with the help of many, diverse volunteers, it too will be rebuilt.

And, when the church in Charlotte was burned down, the pastor preached forgiveness, and the congregation knew in their hearts that help would come to rebuild.

At the end of the day, evil loses and good wins.

On June 15, Reverend Mackey, his daughter, the congregation, and friends will undertake a symbolic march from the site of the old church in Greeleyville, SC, to the site of their new church.

My resolution urges all Members on June 15 to join with Reverend Mackey, his daughter, his congregation and others, in whatever gesture is deemed appropriate, to say to those who would promote evil—that you have burned our churches, but cannot burn our spirit.

Mr. Speaker, after a fire, something always remains, a blade of grass, a spirit.

Mr. Speaker, if I may borrow from the Bible on this occasion, I am reminded of Ecclesiastes, chapter 3, verses 1 through 8.

It states, in part, "To every thing there is a season, and a time to every purpose under the heaven. A time to keep silence and a time to speak."

Mr. Speaker, this is a time to speak, and I urge my colleagues to join me in speaking against these dreadful deeds.

□ 1800

IN HONOR OF GEN. FRED McCORKLE, USMC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES. Mr. Speaker, I rise this afternoon to recognize a truly outstanding Marine Corps officer and to ask all of my colleagues to join me in giving our congratulations and best wishes to Maj. Gen. Fred McCorkle. General McCorkle leaves North Carolina this month to take command of the 3rd Marine Aircraft Wing at Miramar, CA.

It was recently, in his present assignment as the commanding general at Marine Corps Air Station Cherry Point, NC, that I had the honor of getting to know Fred McCorkle. I quickly found a deep respect for his ability to challenge the men and women under his command, not only to excel within their profession, but to foster a relationship with the surrounding community of Havelock, NC. Beyond his all of duty, he has brought the people of Craven County and the base community closer together. He has become a role model to thousands of young men and women serving in our Nation's Armed Services. It will be difficult to top his accomplishments.

I am confident that we will continue to hear the name Fred McCorkle associated with exceptional work in the Marine Corps. More likely, we will begin to hear how well "the Assassin"—the famous call sign he received in flight school—is doing on the west coast. While the Assassin may, as he says, have "performed open heart surgery, been to the moon, and spoken to Elvis," such achievements do not begin to compare with the fine work he accomplished as the commanding general at Marine Corps Air Station Cherry Point, NC. This year, under his command, Marine Crops Air Station Cherry Point received the coveted Commander-in-Chief's Annual Award for Installation Excellence.

During the last 3 years, General McCorkle has served with distinction as the commander of the Marine Corps Air Bases Eastern Area, and the commanding general at the Marine Corps Air Station, Cherry Point, NC. His service to the Marine Corps, Congress, and to the Nation as a whole, has always been characterized by selfless devotion to duty and unflagging dedication to country and corps. It is a privilege for me to recognize the many accomplishments General McCorkle has achieved during his 28 years of military service.

Born in San Francisco, CA, Fred McCorkle lived most of his life in Johnson City, TN. He went on to earn a bachelor of science degree in education from the East Tennessee State University in 1966, and a masters in administration from Pepperdine University in 1979. After completing Officer Candidates School and the Basic School at Quantico, VA, he attended Naval Flight School at Pensacola, FL, and was designated a naval aviator in January 1969.

General McCorkle went on to enhance his professional education while attending the Marine Corps Command and Staff College in 1980 and the National War College at Fort McNair in 1984. His staff tours include aviation land forces plans officer at the Aviation Plans and Programs Department from 1980–84, and branch head of the Aviation Plans, Programs, Budget, Joint Matters and Policy Branch at Headquarter Marine Corps in 1992.

His operational assignments include billets as commanding officer at the Marine Aviation Weapons and Tactics Squadron One, at Yuma, AZ, from 1986–88; assistant operations officer and operations officer of the 2d Marine Aircraft Wing at Cherry Point, NC, from 1989–90; and as commanding officer of the Marine Aircraft Group 29 at Marine Corps Air Station New River, NC, in 1992.

General McCorkle served in Vietnam with the Marine Medium Helicopter Squadron 262 from 1969 to 1970 where he flew more than 1,500 combat missions. Every day in Vietnam, Fred McCorkle put the future of his country before his own, as he flew an unbelievable average of two combat missions a day. Throughout his career, in fact, he has accumulated more than 5,200 flight hours.

As you might imagine, he has earned several personal decorations that include: the Legion of Merit with three gold stars; the Distinguished Flying Cross with a gold star; the Purple Heart; the Air Medal with single mission award and 76 strike/flight awards; Navy Commendation Medal with Combat "V"; and the Navy Achievement Medal.

Mr. Speaker, Fred McCorkle and his lovely wife Kathy have made many sacrifices during their 28 years of service with the corps. During the past 2 years that I have had the privilege of working with General McCorkle, his efforts have significantly improved the readiness and spirit of the corps, and thus the military preparedness of our Nation. Knowing Fred as I do, I have no doubt that the same can be said about his entire career. North Carolina will miss his presence and professionalism. Those of us who have had the privilege and honor to know Fred and Kathy McCorkle will miss their dedication and friendship.

Assassin, congratulations on your new assignment on the west coast. I wish you well as you assume your new command. You are a great marine and a great American. Good luck and God speed—Semper Fi.

MFN FOR CHINA: TIME TO STAND FOR RECIPROCITY IN TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, tomorrow it is my understanding that the Subcommittee on Trade of the House Committee on Ways and Means will be holding hearings on the very important issue of China and the renewal of most-favored-nation trade status with China. I am here this evening to enter remarks in the RECORD because the committee scheduled these hearings very quickly, without much public notice, and is allowing no Member of Congress to testify on this very important issue.

If I had been allowed to testify tomorrow, I would be one Member of Congress who would state that I strongly believe that this issue deserves more than a perfunctory hearing largely closed to the public, and to the membership, because a new course in our relations with China must be struck; a course that reflects the rule of law and benefits the wider populace of both our great nations rather than the base material interests of a few who trade off that closed marketplace.

Congress has been voting annually on China and its preferred trade status since 1974 when Jackson-Vanik was signed into law, which tied the internal politics of nonmarket economies to their external trading relations with the United States. Jackson-Vanik was a good idea in 1974, and it remains a good idea today if anybody would bother to go back and read it.

The amendment provided a classic carrot-stick approach to policy. The carrot was the U.S. market. The stick was taking away any nation's most favored trading status if it hurt us or it did not live up to our highest ideals. While China has been gorging itself these many years on the carrot of our marketplace, somewhere along the line we lost the stick to effect change in regard to China's attitudes and policies toward our country and toward the citizens of both our nations.

Every year since 1974, President after President, from President Ford to President Clinton, have stood before this Congress and the American people to assure us that our trading relations with China will improve if China's most-favored-nation status is renewed for just 1 more year. This, of course has not happened.

If we refer to this chart here, over the past decade alone the United States has recorded a 1,000 percent increase in our trade deficit with China. Just this year alone, it is projected to be even higher than ever in the past, over $40 billion of additional debt, another record.

Thirty-three percent of China's exports come here to this market. One out of every three products they send someplace else in the world ends up on our shelves. At this pace, China will surpass Japan in the next 2 to 3 years as the nation with which we possess the largest trade deficit in the world. And of course, as our trade deficits have been getting larger and larger every year, the pull-down on our wage levels is greater and greater very year and the erosion of our manufacturing base greater and greater every year as we watch it replaced with service jobs that pay so much less.

If we look at what is happening, however, under China MFN it effectively says to China they have a 2-percent tariff rate to get into our market, but guess how much China's tariff rate is against our goods, even with MFN? Thirty to forty percent. Thirty to forty percent. What kind of a deal is it for our country where we lower our barriers to their goods, but they refuse to lower their barriers to ours? What kind of a deal is it for us?

China is a closed command economy with tariff rates much higher than our own and, beyond that, exchange rates which they manipulate that actually increase the price of our goods into their market by over 50 percent. We know, beyond the exchange rates, beyond tariff barriers, our own U.S. Trade Representative has stated in a report that there are so many nontariff barriers that China also employs to prevent our goods from going into that land, and also is known for other trade abuses involving arbitrary standards, testing, labeling, certification. Their government procurement process remains largely closed to foreign competition. They engage in export subsidies, theft of intellectual property, and they employ an array of barriers to our services and foreign investment.

There is no question who benefits from the renewal of China MFN. It is not the American worker. It is companies like Wal-Mart that employ 700 different contract shops, that employ people in China at 10 cents an hour to make everything from toys to Nike shoes that they then send back into our market, and our people's prices are not lowered. Forty percent of our own apparel industry, for example, has been wiped out, out of this country, replaced by Chinese production, and it is as though nobody here in Washington has even been hit with a brick bat over the head.

Let me say that in the days ahead I will be putting in the RECORD additional information about what China MFN actually means to our country and the people of China. It is time to stand for the rule of law and reciprocity in trade.

NATIONAL GUARD AND RESERVE FORCES IN BOSNIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I rise today to bring attention to the first class, professional job that our Reserve and National Guard forces are doing who have been called up to serve in Bosnia. These citizen soldiers have voluntarily left their regular employment and have answered the call once again when the country has needed them. As I speak today, men and women from the reserves are filling critical positions in the rebuilding of that wartorn region of the Balkans. These actions have been highlighted today by an article on the front page of the Wall Street Journal. I want to share this article with my colleagues:

[From the Wall Street Journal, June 10, 1996]

EXECUTIVE ACTION—AN ARMY RESERVE UNIT GUIDES RECONSTRUCTION OF POSTWAR BOSNIA

(By Thomas E. Ricks)

PALE, BOSNIA AND HERZEGOVINA.—U.S. Army Col. Michael Hess, in his pin-striped blue suit, leather suspenders, yellow tie and longish hair, looks more like an international banker than a military officer. And the issue on the table at this relief workers' meeting has a distinctly unmilitary flavor.

"This distribution of diapers, where is that going to be?" the colonel asks. In eastern Bosnia, replies the woman from Care International.

Despite his civilian camouflage, Col. Hess plays a key role in the six-month-old U.S. military effort in Bosnia. He is operations officer of the 353rd Civil Affairs Command, a little-known Bronx, N.Y. Army Reserve unit that is quietly coordinating the NATO-led peace-keeping mission here with international civil-reconstruction efforts. With its wealth of military experience and civilian skills, the unit tries to help bond Bosnia together economically, physically and politically. Members currently work with, to name a few, the Sarajevo tram system, utilities, the international agency overseeing national elections and the local World Bank office.

The 353rd can tackle such diverse tasks because its soldiers make up what may be the world's most economically sophisticated military unit. Col. Hess, once an armored-cavalry commander, is Citicorp's relationship manager for Scandinavia, Finland, and the Benelux nations. The 353rd also includes a professor of financial economics, a vice president of the U.S. unit of a Dutch Bank holding company, a Schering-Plough Corp. environmental engineer, a mechanical engineer, the supervisor of bus maintenance for New York City and a Merrill Lynch & Co. broker.

In Sarajevo, the Bosnian capital, the 353rd functions as a band of armed middlemen, melding military units from 34 nations and more than 100 diverse relief and aid groups. "We explain to the military who these guys are and what their capabilities are—and explain to these [other] guys what the military does," Col. Hess says. "The military thinks [relief workers] are a bunch of tree huggers, and they think the military is a bunch of protofascists. In fact, we're all dedicated professionals on both sides," he says.

When U.S. forces entered Bosnia in December, fearful of snipers and mines, combat units of the First Armored Division occupied the limelight. But the past six months have gone more smoothly than expected. U.S. forces have suffered only one hostile death as the three warring factions were separated, heavy weapons placed in holding areas, and minefields mapped and, in places, cleared.

PREPARING FOR ELECTIONS

Now there is more emphasis on civilian tasks, notably on preparing for extraordinarily complex national elections in September. This moves the fighting bankers and bureaucrats of the 353rd to the forefront. If the U.S. mission is judged a success, it may well be due as much to the 353rd's calculators and laptops as to the howitzers and machine guns of the First Armored.

"These guys are doing fantastic work to support the elections," says Ed Joseph, the liaison officer between the military and the Organization for Security and Cooperation in Europe, which will oversee the elections. Already, soldiers of the 353rd have computerized the messy Bosnian voting rolls and begun teaching instructors who will train poll operators.

As the U.S. military shrinks to fit post-Cold War circumstances, it necessarily makes more use of its 970,000-strong reserves and National Guard. From an old Turkish castle overlooking Sarajevo, a Kansas National guard unit operates a countermortar radar system. Reservists from New York staff the U.S. military press office in Tuzla. A recent Air Force C–130 flight into northern Bosnia had a crew from the West Virginia Air National Guard; the commander is an American Airlines pilot and his navigator a writer of computer war games for BDM International Inc. Many of the reservists will head home this month, having completed their six-month stint.

"They're downsizing the military, but they're not downsizing what the military has to do, so they're using reservists to pick up the load," says Jeff Lane, a military pilot who is a database engineer for Lockheed Martin Corp.

A CENTRAL ROLE

No reserve unit has a more central role than the 353rd. "For most military people, looking at civil affairs is like pigs looking at a wristwatch," Col. Hess says. They "kind of like it, are intrigued by it, but they don't really know what it does." As recognition dawns that American success turns on non-military goals, the 353rd has been allowed to commit "mission creep" and become deeply involved in Bosnia's economic and political affairs.

As troubleshooter for Carl Bildt, the former Swedish prime minister who oversees the civilian rebuilding effort, Col. Hess is here to assess humanitarian problems in Serb-held territory of eastern Bosnia. Sipping espresso in the marketplace of Pale, the Bosnian Serb "capital," he hears a deep rumble in the distance. It isn't clear whether it is an exploding antitank mine or just thunder. Col. Hess seems unruffled. "That's interesting," he shrugs.

He joins a meeting of international aid workers, where his natty attire contrasts sharply with that of the man from the French aid group Medicin Sans Frontieres, with his blue jeans, sandals, shoulder-length hair and cigarette holder.

Col. Hess has been a suit-and-tie man since taking master's degrees simultaneously in European history at Columbia University and in business at New York University a decade ago. For Citicorp in northern Europe, he both handles inquiries and sells the bank's services. Essentially, he says, "I'm a facilitator" for Citicorp—"not very different from this job."

KEY TO PEACE

Each officer of the 353rd feels his speciality holds the key to peace. Maj. William Robbins, Jr., chief of maintenance for the New York City Transit Authority's bus department, is one example. To implement the peace agreement, he says in a gravely New York voice, "the biggest thing is freedom of movement." Thus, his job includes getting more Sarajevo trams on the tracks to free buses for intercity travel—letting more people cross factional boundaries as envisioned by the peace accord signed in Dayton, Ohio.

He strides through Sarajevo's main tram yard wearing fatigues, complete with as Screaming Eagle patch of the 101st Airborne Division on his right shoulder commemorating two years as an infantryman in Vietnam. He pauses before Bus 259, which has 62 bullet holdes in its windshieid and 26 more in the engine panel below. Its engine, wiring and axles are being cannibalized for other buses.

"One of the things I didn't expect is how closely related it would be to what we do" in New York, he says. Bullet holes aside, the main differences are the mines still embedded along the tramway in suburbs formerly held by Bosnian Serbs. Maj. Robbins is lining up a Norwegian aid group to get the mines removed so workers can repair the line. A shell creater in Sarajevo, he adds, isn't really different from a Bronx pothole: "It does the same damage to the undercarriage of the vehicle."

Mines also are a problem for Lt. Col. Mark Dunaiski, a former product engineer from Texas Instruments, Inc., who is the 353rd's electricity liaison officer. For Bosnians, electricity carriers profoundly political implications. "Electricity," he says, "is one of the few national systems . . . that ties them together." Because the system crisscrosses everyone's territory, he says, the various sides must cooperate quietly even when refusing to admit it in public. For example, Bosnian Serbs will provide power to Gorazde, the embattled Muslim pocket in eastern Bosnia, which in turn will pass power to the southern Serb town of Foca. When Col. Dunaiski found that mines along transmission lines were blocking repair work, he had Army helicopters fly local technicians to examine damage from the air.

NUMBER, PLEASE

Col. John Stroeble uses telecommunications to bind together Bosnia's factions. Formerly of AT&T Corp., he sees an analogy between the breakup of AT&T and the breakup of Yugoslavia. Bizarre at first blush—after all, Sprint and MCI never literally opened fire on Ma Bell—the comparison makes sense as he talks about the politics of Balkan area codes. Bosnian Serbs now use the 381 country code, the same as Serbia proper. Col. Stroeble wants them to switch to the 387 used by Bosnia and to re-establish telephone links to Sarajevo, creating the physical conditions for dialogue. "Telecommunications and electronic media were kind of like a weapon in this war," he says.

He also is clearing up after the North Atlantic Treaty Organization. Partly because of its autumn bombing raids against Serb command and control systems, nine of 11 radio transmission towers for telephones in Bosnian Serb territory were destroyed. He is trying to establish cellular service, which "would be quite helpful to the economy and the elections."

MILITARY MIGHT

The soldier-executives of the 353rd sometimes use military might to get their work done. After departing Serbs destroyed the waterworks in a Sarajevo suburb, Maj. Larry Adrian, 353rd water-supply expert who works as an environmental manager for Schering-Plough, asked French and Italian troops to establish a perimeter so a major well field wouldn't be hit during the next transfer of territory under peace-agreement terms.

But he was too late to protect a water station in the hills northeast of Sarajevo. He points at the charred remains of its controls, installed with exquisite workmanship by the Austro-Hungarian empire in 1892. Before abandoning the station, he says, Bosnian Serbs "ripped the guts out, took out the switches and controls, which cost a lot of money, and then they trashed it." He points to pipes conveying water from springs deep inside the mountain. "They just walked through with a sledge-hammer and broken the pipes. It annoys you because it's sheer destruction." He has Italian army engineers building a water bypass so locals can clean the mess.

When Lt. Col. Mark Cataudella, a mechanical and electrical engineer from Providence, R.I., arrived in Sarajevo, his top priority as natural-gas liaison officer was addressing injuries wrought by the city's estimated 67,000 illegal natural-gas connections, which during the seige accounted for most of the energy consumed in the city. The lethal combination of unauthorized taps, homemade burners and odorless gas led to explosions that killed four to six people every month. He worked with a British aid group and the French military to rebuild a gas-distribution facility to odorize the gas and maintain constant pressure. Since then, there have been no deaths from gas explosions.

But the turnover of Serb-held suburbs keeps him busy in unexpected ways. When the first district was transferred, departing residents left behind nasty surprises by opening gas valves, causing several small fires. "For the next transfer, we put soldiers on top of the valves," he says. That created a new problem: "They knew the gas was off, so it made it easier for them to take meters and regulators."

In each area where the 353rd operates, rebuilding is complicated by Bosnia's simultaneous conversion from socialism to free markets. Smoothing that change is the main task of two 353rd members detailed to the World Bank office here. "It used to be the ministry would tell [banks] to lend money to a certain concern, and at the end of the year they'd get an interest payment," says Col. Renato Bacci, in civilian life a vice president of the American-services unit of ABN Amro Holding NV, the Dutch bank holding company.

Col. Bacci, a Chicagoan, is teaching Bosnian bankers about cash-flow statements and balance sheets. His colleague, Lt. Col. Gerry Suchanek, a former Special Forces officer who teaches economics at the University of Iowa, says that "everything I do at home is teaching capitalism. Everything I do here is similar."

Asked what business book best applies to his unit's work here "Managing Chaos" perhaps? Brig. Gen. Thomas Matthews says his soldiers are writing the real book. "Let's put it this way," says the commander, who is a district sales manager for AT&T's Lucent Technologies Inc. spinoff. "The art of war is very mature. It goes back thousands of years to Sun Tzu. The art of peace is much newer. . . . We're learning about it here."

AMERICA'S ECONOMIC LULL BEFORE THE STORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, I intend to get into something else, but just on what the gentlewoman from Ohio has just mentioned, let me say this: Some people think because the stock market is at record highs that that means that everything is OK, but I think we need to ask ourselves, are we really in the lull before the storm? Because in the last 3 years, 1.5 million people have lost their jobs due to corporate downsizing, and as one of the national newscasts reported a few days ago, almost all of the people, unlike in the eighties, almost all of the people who lost their jobs in the nineties have stayed out of work on average about twice as long as in the eighties and they have had to take jobs at far less pay than the ones they lost.

In addition to that, we had a $153 billion trade deficit last year, and every leading economist will tell us that conservatively we lose 20,000 jobs per billion dollars. So that means we lost over 3 million jobs due to poor trade policies just in the last year.

And then, even more importantly than that, Mr. Speaker, our unemployment rate is relatively low but our underemployment rate is terrible. We have millions of college graduates who cannot find jobs in the fields for which they were trained, and we are ending up with the best educated waiters and waitresses in the entire world. We need to work on these things if we are going to straighten this country out and make it a land of opportunity again, as if should be.

LIBERAL BIAS OF NATIONAL MEDIA

Mr. Speaker, tonight I wanted to get into the very liberal bias of the national news media.

Mr. Speaker, a couple of weeks ago, the superintendent of the Prince Georges County, MD school system revoked an invitation to U.S. Supreme Court Justice Clarence Thomas to speak at a graduation ceremony.

Another high-ranking Prince Georges official called this action the "epitome of intolerance and bigotry."

She was certainly correct.

Today, in the U.S.A. Today newspaper, columnist Richard Benedetto, has written an outstanding column about this and about the very unfair way in which the liberal national news media treats conservatives.

In fact, this liberal bias, this double standard, is so obvious that longtime CBS correspondent Bernard Goldbert, wrote recently that "the old argument that the networks, and other media elites have a liberal bias, is so blatantly true that it's hardly worth discussing anymore."

In fact, the Freedom Forum and U.S.A. Today recently conducted a poll of Washington reporters and Bureau chiefs and found that only 2 percent classified themselves as conservatives.

At any rate, back to today's column by Mr. Benedetto.

Mr. Speaker, I submit the following article for the RECORD.

[From the U.S.A. Today, June 10, 1996]

MEDIA SILENT ON RIGHT'S RIGHTS

(By Richard Benedetto)

Picture this:

Supreme Court Justice Ruth Bader Ginsburg is invited to speak at an awards ceremony at a suburban Washington, D.C., school. A member of the school board who is also a member of the Christian Coalition objects because Ginsburg supports abortion rights.

The board member threatens demonstrations. The school superintendent, seeking to avoid a messy scene, withdraws the invitation.

Of course, this never happened. But imagine it did.

Women's groups would have been outraged. The American Civil Liberties Union would have denounced it as an egregious breach of free speech. The hue and cry in the media would have made it a national cause celebre. Liberal politicians would have been incensed.

A similar incident did occur last month, except the Supreme Court justice was not Ginsburg—it was Clarence Thomas, a conservative and the only black member of the nation's highest court.

Remarkably absent from the debate were the free-speech groups that usually rush to the defense of those being prevented from legitimately expressing their views, no matter how controversial. Black and civil rights groups also took a pass.

And the national news media largely ignored or played down the story.

It's the kind of thing that provides ammunition to anyone who believes the media are in the clutches of liberals. In this case, the complaint wouldn't be that a liberal bias crept into how the story was reported, but that it influenced how the story was played—or not played.

Why hasn't more attention been paid? Maybe it's because Thomas doesn't hold the "right" opinions.

In the lexicon of political correctness, support of abortion rights is good; opposition to affirmative action is bad. And for those with the temerity to go against the grain, the laws of free speech and rules of civility apparently don't apply.

One of the few national columnists to defend Thomas was Richard Cohen of The Washington Post. While he doesn't subscribe to all the jurist's views, he argued Thomas has a right to be heard. "The black inner city has gone to hell in a handbasket while (Thomas' critics) have been leading the African-American community," Cohen said. "If they are so sure that their path is the correct one, they should spend less time vilifying Clarence Thomas and more time engaging in a battle of ideas."

The invitation for Thomas to speak at the school followed a student field trip to the Supreme Court. There, Thomas was the only justice to invite the students into his chambers. For 90 minutes he patiently spoke and answered questions. The invitation was extended by the PTA as a thank you.

Thomas, unlike the other justices, routinely visits with students when they tour the court.

These days we walk around wondering why our young people seem to be in the grip of a moral and spiritual crisis. When public officials, community leaders and news media demonstrate such double standards, the reasons why should be clearer.

□ 1815

BURNING OF BLACK CHURCHES

The SPEAKER pro tempore (Mr. JONES). Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this poignant picture in the Washington Times says it all. It is a parishioner praying in a church in North Carolina that has been under siege and burned down last Thursday.

As we reflect on the Constitution of the United States, we realize that the first amendment is one of the more fundamental rights of this Nation. In that amendment, in addition to the right to free speech, is the right to freedom of religion, the opportunity for all of us as Americans to be able to worship in peace and as we please.

In fact, as this Nation was founded, we were founded on the very tenets and underpinnings of religious freedom. It seems, however, a few in this Nation would want to lay siege upon the Constitution of the United States of America. I find it both outrageous and inexcusable and, therefore, am calling upon all of those of goodwill to rise up in opposition to what may be random, what may be conspiratorial but what may be ugly and deadly.

I join my colleague,the gentlewoman from North Carolina, in supporting her resolution calling upon this Congress to denounce these vicious activities. I rise this evening in the shadow of two very serious burnings in Texas, my home State. I rise as a member of the House Committee on the Judiciary, having participated in hearings just a week or so ago calling upon the President and the Attorney General to first of all organize a coordinated effort to attack this siege and I am glad to say that as of this weekend, after a meeting with ministers of churches who have been burned, such a coordinated effort was first established along with an 800 toll-free number and, yes, of course, an increased effort to determine the cause and the perpetrators of these heinous acts.

Tomorrow the House Committee on the Judiciary will mark up legislation dealing with the penalizing and the effort to obstruct those who would lay siege upon the Constitution of the United States of America.

I would simple say the tragedy in Texas has determined that there were at least three perpetrators. But the one thing we do know is that the houses of prayer, no matter where they are, should be sacred institutions of which all of us respect their existence and the right of those individuals to worship.

It is important also that we acknowledge the racial underpinnings of these acts and certainly not run away from the tensions that have been created in the last 2 years amongst our people in this country. It would simply ask, as the ministers have asked, that we pray and that we have the opportunity to join together as humankind to stand up against these tragedies and atrocious acts.

I call upon my colleagues in the U.S. Congress to support this resolution of outrage, and I call upon the President and the Attorney General to seriously emphasize that the perpetrators, wherever they are, will be caught and brought to justice. If need be, I would ask that we entertain the idea of the National Guard being sent into these respective places, so that we can find some sense of solace and comfort to those who feel they are under siege.

I do ask those who are part of the investigatory process to be sure that they do not make those who are the members of the churches the victims and that the investigation be done in a manner that respects the tragedy that has occurred. We certainly want to get to the bottom of it. We do not want to throw stones. We do not want to have misinformation. But we certainly want to get the right information, the best information, the information that will allow us to fairly solve these crimes.

And most of all, Mr. Speaker, we ask that we will have the ability to save lives and not have something similar to the atrocity and the very sinful and terrible act of the 1963 church bombings that took the lives of four little girls.

I stand here because I want to save lives. Let us join together in this investigation, taking it extremely seriously. Let all parties join together and provide the necessary information on the toll free act. Let us swiftly pass legislation that may in fact prosecute those individuals more quickly and certainly let us rise together as a house to denounce these atrocities collectively in a resolution sponsored by my colleague from North Carolina to denounce these church arson burnings.

Let us join together as Americans so that we can safely and freely pray together in our houses of worship.

OUR NATION'S DRUG POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MICA] is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I come before the House tonight to talk about a situation as serious as the one my colleague has just enumerated with the burning of the black churches in this country. Certainly I support her comments, and everything should be done in that regard to resolve this situation.

Mr. Speaker, I want to talk about another serious situation, and that is the lack of a national drug policy. I represent central Florida, a beautiful area between Orlando and Daytona Beach. I am so fortunate. Other areas of the country sometimes have problems, and we have problems. But it is normally a very tranquil place. People work and go to school. But lately I get home, got home last weekend and turn on the television. I do not know whether I am in Washington, DC, with the murders, with the atrocities that are being committed by certain individuals in our society or whether I am in Detroit or New York or wherever. Sometimes you read the conflicts. But last weekend, we had a 13-year-old car hijacking. We had the incident of 18-year-olds involved in murders, some double murders. I look out in the community, and I have seen people that I have worked with who have lost family now in this drug war. I wonder where our Nation's drug policy is.

Really, what you sow, I guess, is what you reap in this business. I am really disappointed in the President and this administration. I come before the House tonight to talk about the drug policy. I am afraid that under the President, it has been an absolute disaster. I guess when you take some actions like the President has taken, first thing he did was dismantle the drug czar's office and fire everyone in the White House with only a handful left working on the drug czar.

Then he appointed Joycelyn Elders our Nation's number one health official. And what did she say? She said: Just say maybe, maybe we should legalize drugs. Then we stopped sharing the drug information with our South American and other allies in the drug region. We saw how our policy was a disaster in that regard, only through an uproar in Congress did some of that get changed.

Then we witnessed the destruction of our drug interdiction program, how we found recently assets that were destined for drug interdiction got diverted to Haiti, to other projects, how the Coast Guard, who in the Caribbean had a $630 million budget and now is getting up to maybe $370 million to fight drugs, a dramatic decrease in interdiction because this President wanted the money to go for treatment. I submit to my colleagues tonight that treating just folks in this drug war is like treating the wounded in a battle.

Mr. Speaker, we have seen the results. The results are absolutely startling. Tonight I want to talk about a report that is out by the Drug Abuse Warning Network which talks about the increases of cocaine, which talks about the increases of marijuana, which talks about the increases of heroin. It is not just among our adult population. It is now in our children.

Look at this chart, which details, and you can see from the 1980's, how drug abuse and drug use are going down. In 1992, when this policy kicked in, you see what has happened here, with 12th graders, with 10th graders, and even 8th graders. This is not an acceptable situation.

Let me read from this report that just came out last week. The Drug Abuse Warning Network, commonly known as DAWN, collects data from hospitals and other reporting agencies. The news according to this report is terrible.

Let me quote it: Compared with the first half of 1994, which was the high water mark for drug related emergency room cases, cocaine related emergency increased 12 percent, from 68,000, to 76,000. In heroin related episodes, that rose 27 percent. Marijuana related episodes increased 32 percent and methamphetamines and some of the designer drug cases grew by about 35 percent. So we have seen the results in our emergency rooms and our communities, with some of our children, some of our young people out of control.

Mr. Speaker, let me also cite this report that we have seen what has happened with cocaine prices. On cocaine prices, we see the consequences of the changes in this administration's policy. Cocaine prices actually went down, and we made cocaine more available. Prices were from $172 a gram to $137. So in interdiction where we have dismantled the program we see the direct results.

I serve on the committee that oversees our drug policy. Let me tell you, the report that we came up with on our assessment of this situation is detailed in this report released in March. I brought it before the Congress. It should also be startling to everyone in the media, everyone in the public, and everyone in this Congress. This details increases in heroin use, cocaine use, designer drug use. What is interesting even in the marijuana area is that the marijuana that was used in the 1960's and 1970's was nowhere near as powerful as what this report says is 30, 40 times as powerful and is messing up the brains and the genes and the minds of our young people. That is one of the problems that we see with crime, with disorder and again with the use of these drugs by our young people.

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So the reports are in. The Congress, my subcommittee over at International Affairs and Oversight has released this report. We now have the report of the drug abuse warning network that shows that the problem is even worse than what this chart details before us.

But I think, my colleagues, that it is time that we took back our children, I think it time that we took back our schools, that we took back our streets, we took back our communities, the violence that we have seen, the crime that is related to drug abuse. My sheriffs and police chiefs have told me that 70 percent of the criminals that they have incarcerated are involved with drugs, and narcotics and illegal substances.

So we know where the problem is. It is not going to be answered by curfews, it is not going to be answered by regulating cigarettes, it is not going to be answered by uniforms or V-chips. It is going to be answered by the highest leadership of this country, the White House, taking this issue seriously. It is going to be answered by this Congress providing more resources to a drug interdiction program and education programs, some of which have been gutted by this administration, and making drug abuse and misuse a serious topic of conversation because it is ruining our ability to live as a society.

We heard about the black churches that have been destroyed across the Nation. Well, just in this city since I have been in Congress the last 3½ years, 1,000, in excess of 1,000, young black males between the ages of 14 and 45 have lost their lives in a drug war. I asked the President in any war I would send in the National Guard, and when we saw what was going on here with the deaths, he denied our activity. I participated in a hearing in San Juan today, and we found that where they brought in the National Guard where they had high intensity or problems that, in fact, they took their streets back.

So we are going to have to take whatever measures are necessary because we are in a war. The victims in this war are children. We are losing a generation. Our jails are filled. We cannot put any more people in prison, so we are going to have to concentrate on what has become a national scandal and a national problem, and that is drug abuse and drug misuse. The direction the President has been heading in is the wrong direction. We need to get in the right direction, and we need every American to speak out on this, not just in Congress, but throughout the land.

Mr. Speaker, we must solve this problem or we are not going to again have safe streets or have our children have an opportunity for the future.

CHURCH BURNINGS STRIKE MY DISTRICT

The SPEAKER pro tempore (Mr. JONES). Under a previous order of the House, the gentleman from Texas [Mr. HALL] is recognized for 5 minutes.

Mr. HALL of Texas. Mr. Speaker, last night two churches in Greenville, TX, the fourth district that I represent, were damaged by fires which are suspected to be acts of arson. These are the latest in a long and tragic series of church burnings that have struck predominantly black, southern churches in the past 18 months. Whether these burnings eventually are found to be part of a conspiracy, isolated incidents, or "copy-cat" crimes, these are crimes that must be given top investigative priority.

Members of the blue dog coalition, of which I am a member, have joined with members of the Congressional Black Caucus in asking Attorney General Janet Reno to give this issue the full and focused attention of the Department of Justice. In recent weeks, we have received assurance that the Department is committed to thorough investigation of these burnings, and yesterday Attorney General Reno gave her personal assurances to a delegation of ministers. As we speak here tonight, agents from the FBI and the Bureau of Alcohol, Tobacco and Firearms are in Greenville investigating these recent burnings.

I would like to commend the efforts of the distinguished gentleman from Louisiana, Mr. CLEO FIELDS, and the distinguished gentleman from Alabama, GLEN BROWDER, for their leadership on this issue, and I join others in the blue dog coalition, the Congressional Black Caucus, other Members of Congress, and the majority of Americans in condemning these acts of violence. Whether these are crimes of hate or random incidents of vandalism and arson, this is a disturbing pattern of violence in America that must receive our serious attention.

The issue is not merely the physical damage resulting from these fires. I am confident that the congregations of Greenville's New Light House of Prayer and the Church of the Living God will unit to repair their churches and will be joined in that effort by the Greenville community at large. The issue is that these fires represent an act of violence that must not be tolerated in a free and civil society. When we read about church burnings or awaken one morning to discover that a suspicious fire has damaged a church in our own community, we are reminded that religious freedom is the solid rock upon which our great Nation was founded and which must be preserved and protected.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H. CON. RES. 178, CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1997

Ms. GREENE of Utah, from the Committee on Rules, submitted a privileged report (Rept. No. 104–615) on the resolution (H. Res. 450) waiving points of order against the conference report to accompany the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3603, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Ms. GREENE of Utah, from the Committee on Rules, submitted a privileged report (Rept. No. 104–616) on the resolution (H. Res. 451) providing for consideration of the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

IMPACT OF REPUBLICAN CUTS ON MEDICARE AND MEDICAID

The SPEAKER pro tempore. Under the Speaker's announced policy on May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, on previous occasions during these special orders I have talked about the impact of the Republican cuts in Medicare and the fact that the Republican leadership proposals on Medicare would cut the Medicare Program so much that most of the money, or a good percentage of the money that would be cut, would be used for tax breaks for wealthy Americans and also that the changes in the Medicare Program that have been proposed by the Republican leadership would negatively impact the Medicare Program by essentially depriving many senior citizens of their choice of doctor, pushing them into managed care programs; if they did not go into managed care of HMO programs, they would actually experience rather large increases in out-of-pocket expenses because the protections that exist under current law whereby a doctor can charge only 15 percent more than what Medicare pays would basically be repealed.

I have been very critical of the various components of the Medicare Program that the Republicans have proposed. Well, tonight I wanted to repeat some of that, but perhaps even more so, go into some of the changes that are being proposed for the Medicaid Program because tomorrow we are likely to take up on the House floor the Republican budget bill, the conference bill that comes back from both the House and the Senate, and that includes major provisions and incorporates the changes, if you will, in the Medicare and the Medicare Programs that the Republican leadership has proposed.

In addition, starting tomorrow and after tomorrow, once that budget is adopted, as I expect it will be by the Republicans or by the Republican majority, we will start seeing individual committees take up different components of that budget proposal, including the Medicare and the Medicaid components, and actually come forward, the committees will come forward, with legislation that provides a lot more details about exactly how the Republicans and the leadership plan to make changes in Medicare and Medicaid. Specifically, tomorrow my committee, the Committee on Commerce, which has a Subcommittee on Health and the Environment, will actually have a hearing on the Medicaid changes that would likely be brought up and voted on in the committee some time later this week.

The problem that I have with the Medicaid Program in some ways is very similar to the problem that I have with the Republican Medicare proposal. The cuts are too deep, they negatively impact the program because the money is taken away from the program and used for other purposes, primarily tax breaks for wealthy Americans, but in the case of the Medicaid Program, unlike the Medicare Program, the Medicaid Program is essentially repealed outright because its entitlement status, the guarantee that Medicaid recipients have now that they will receive certain health care coverage or even health care coverage, is basically taken away, and the program is what we call block-granted to individual States. The States get a certain amount of money. They can decide pretty much on their own how they decide to disburse that money. If they decide that certain categories of people should no longer be eligible for Medicaid, it is pretty much up to them to make that decision, and even those who continue to be covered by Medicaid in many cases will find that the scope of their coverage or services that are rendered available to them are significantly less or significantly poorer quality.

Now, many people think of the Medicaid Program as a program for poor people, and that is essentially true, and the Medicare Program, of course, is for all seniors regardless of their income status. Medicaid, on the other hand, is for people of any age who fall below a certain income. But in this country, in these United States, most of the Medicaid Program money, most of the money that the Federal Government and the State governments contribute to Medicaid, actually pays for senior citizens who are staying in nursing homes. So Medicaid is, although it is not exclusively for senior citizens by far, the majority of the money goes to pay for senior citizens services, and it is just as important to the seniors of this country, almost as important, I should say, as Medicare itself.

I want to keep stressing that, that Medicaid is primarily a program, or at least financially a program, that pays for seniors' health care, primarily again in nursing homes.

Mr. Speaker, I wanted to talk about some of the reasons more specifically why I oppose this Republican Medicaid Program and the changes that are being proposed by the Republican leadership. The budget that we will be voting on most likely tomorrow would reduce Federal spending on Medicaid over the next 6 years by $72 billion. This means that compared with what the Congressional Budget Office, or the CBO, estimates is necessary to maintain the program's current level of coverage, the Federal Government would be spending $72 billion less, a cut in Federal Medicaid spending would be 16 percent below the amount CBO estimates is necessary or needed to maintain the program at its current level.

So once again you are going to be hearing from the other side of the aisle, and they are going to be saying, well, we are actually increasing the amount of money that we spend on Medicaid in the same way that we are increasing the absolute amount of money that we are spending on Medicare. But if you look at inflation and the actual cost to take care of the people that are in the Medicaid Program now, just as in Medicare, and project how many people would be in those programs over the next 5 or 6 years, you realize very quickly that the amount of money that is going to be made available will not cover the needs of those Americans who would normally be eligible for Medicaid or Medicare.

In addition, Medicaid, unlike Medicare, is 50 percent paid by the States. So what the Federal Government does in how it relates to what the States pay is also significant, and under the Republican budget, which we will be voting on most likely tomorrow, the States would be allowed to decrease their spending, and State Medicaid spending would fall by $178 billion over the next 6 years, more than twice as much as the Federal spending would be cut.

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So we could say that the total cut in Medicaid spending, both Federal and State, would be $250 billion, or 18 percent.

There is no way, Mr. Speaker, this program can continue to cover this same number of people and provide the same level of services with that level of cut. It is unprecedented. Of course, it is not intended to cover the same amount of people. The anticipation has to be that a lot of people will simply not be eligible for Medicaid anymore.

As I said, the Republican bill would repeal the Medicaid Program and replace it with a block grant to the States. More specifically, the Republican bill repeals the individual Medicaid entitlement effective October 1 of this year.

What does that mean when we talk about entitlements? Entitlements historically have been if you are eligible because of income or other criteria for a program, you are guaranteed that you would have that health care coverage. Essentially what this Republican bill does is take away the entitlement status of Medicaid, so no one is actually guaranteed that they are going to have health insurance. Basically, States would be entitled to fix the amounts of Federal dollars and could vary the benefits they offer from person to person and area to area.

I want to stress again, and I do not think I can stress enough, that we are primarily here, in terms of dollars, talking about nursing home coverage for senior citizens. The Republican bill puts the elderly, especially the frail elderly in nursing homes, and their families at risk of paying large amounts of out-of-pocket expenses for needed care and of losing much of their current coverage altogether.

The Republican bill repeals the current entitlement that low-income Americans have needed nursing home care, again effective October 1. Again, if you were below a certain income now, you are guaranteed nursing home coverage. You will not be under this bill. The bill repeals the current requirement that nursing home services and other benefits be sufficient in scope, allowing States to limit coverage to, say, 14 days per month, or 2 months per year. Elderly nursing home patients and their families would have to pay for the care received during those periods the States chose to cover. Not only can the States decide not to cover certain people for nursing home care, but they can decide they will only cover them for 14 days, half a month, or a certain number of months per year, and basically say you have to pay; and since these people do not have the money to pay themselves, their families, their children, their grandchildren, would have to pay those expenses in the nursing home.

The Republican bill also repeals the current law requiring that States pay nursing homes reasonable and adequate rates for the services they provide to Medicaid patients, and it prohibits nursing homes from suing States in Federal court to enforce the reasonable and adequate payment standard.

Oftentimes what happens now is that States will decide that in order to save money, they will reduce the reimbursement rate that goes from Medicaid to the nursing homes. A lot of times in the past the nursing homes could get together and say, look, that is not enough money to pay for care. We would have to cut back on the amount of nurses that are available. We would have tot cut back on various services. They sue in the Federal court and they say, "This is not enough to pay for the proper services that we offer," and many times they win. Sometimes that do not. They would not be able to bring suit anymore, and there would not be a requirement anymore that the States set a rate at what is reasonable to actually cover the costs of the nursing home care.

The Republican bill also repeals the current law prohibition against the imposition of cost-sharing requirements on Medicaid nursing home patients. So, as a result, I will give an example, States could require each beneficiary to contribute $25 per day, say, toward the cost of nursing home care. Since most of the beneficiary's income is already applied towards the cost of care, because we are talking about low-income people, the burden of this additional cost-sharing would, as a practical matter, fall on the individual's family.

Mr. Speaker, what we are seeing here is a major shift historically. When seniors were not able to afford nursing home care, the State and the Federal Government contributed and paid for that care. What we are going to see increasingly is that the burden will fall more and more on the children and the grandchildren. I think some people say that is fine, let the children or the grandchildren pay; but when we think about the fact that those children may have the educational expenses for their children or may have other costs that they incur in order to pay for their children or their regular lives, it is very difficult for many of them to now have to shell money out of pocket to pay for nursing home care for their parents or their grandparents.

Mr. Speaker, I wanted to talk a little bit about what this Republican Medicaid plan does for children. The bill basically strips over 18 million poor children of the health insurance coverage which they are guaranteed under current law, children with disabilities or health conditions that are expensive to treat, and their families are at a particular risk of losing coverage.

The bill repeals the current entitlement to a basic benefit package for every American child under 13 living in a family in poverty. This repeal, which will essentially terminate health insurance coverage for over 18 million children, would become effective October 1. The bill also repeals the current requirement that States provide basic health care coverage to children age 13 up to 18, living in poverty, and under the Republican bill, coverage to these children would be at the option of each State.

Finally, the Republican bill repeals the current law requirement that physician, hospital, and other so-called guaranteed benefits be sufficient in scope for children. As a result, States would be allowed to limit children to, say, one physician visit per month or 5 hospital days per year. Just as with the seniors in the nursing homes, the children, the coverage for children, could be limited by just taking out whole categories of children who would not have health insurance, and would then be among the ranks of the uninsured, or basically by limiting the kinds of services that the children would receive under the program.

I see that my colleague, the gentleman from New York [Mr. HINCHEY], is here. I yield to him to talk about Medicaid or Medicare, which I know is very important to him and his district.

Mr. HINCHEY. Mr. Speaker, I thank the gentleman for blocking out this time and giving me an opportunity to join him in this discussion.

I know that the gentleman is very concerned, as I am and I think many of the people in this House are, about the future of both Medicare and Medicaid. Last week we saw once again the trustees, the Medicare trustees, issue their annual report. It is a report, of course, that they issue every year. When they issued their report last year, the Medicare trustees reported that legislation that would reduce costs by only $89 billion over a 7-year period would be sufficient to maintain Medicare's financial security. So it is not an awfully difficult job to do. A relatively small amount of money over that 7-year period will ensure the future stability of Medicare for at least another decade beyond that.

Most of this legislation, which would extend Medicare's viability another decade, required only the continuation of existing Medicare laws that were scheduled to expire. So, simply by taking laws that are about to expire and extending them into the future, that alone will provide us with most of the funds that we need to ensure the strength and viability of Medicare for at least another 10 years. Many of us, including you and I, cosponsored legislation that would continue those laws and would meet that $89 billion goal.

Relatively small shifts in reimbursement levels and technical changes can produce substantial savings without requiring any dramatic overhaul of the Medicare Program. Our colleagues on the other side of the aisle here, whose real intention is to destroy Medicare, are proposing to cut much greater funds out of the program. Their proposal last year, of course, was for $270 billion out of Medicare. They have dropped that back a little bit this year. It is something in the neighborhood of $220 to $240 billion that they would cut out of Medicare this year in their budget proposal over a 7-year period.

We know that there have been many times in the past, and Medicare has been around now for 30 years, there have been many times when the trustees have reported that Medicare would run out of funds, in some cases in as short a time as only 2 years. There were a couple of periods back in the decade of the 1980s, for example, when the trustees came in with their report and said unless the Congress takes some action of some kind to strengthen the fund, the fund will be exhausted in 2 years. Of course, Congress took that action, and the fund was extended for years into the future.

Now the trustees, in their most recent report, have said that the fund is secure for another 5 years. There is nothing that has to be done for another 5 years and it will be secure, but sometime within that 5-year period the Congress will have to act.

That has always been the case. Medicare was created on a pay-as-you-go basis back in 1965. It was not as though Lyndon Johnson, who was President then, found a big pot of money someplace and said, well, this is going to be the Medicare trust fund. We have just discovered this fund and we are going to turn it into the Medicare trust fund. Nothing like that, of course, happened. What they did was set up the Medicare Program and established its funding on a pay-as-you-go basis, year after year after year, assuming that the program would be effective, that the American people would support it, and so therefore the Congress would continue to support it with the necessary funds.

Now the majority party here has come and has reacted to this recent revelation, this recent report from the trustees that stipulates that Medicare is fine for 5 years, and they are trying to instill panic in the general population, particularly those people who are receiving Medicare, elderly people. They are vulnerable to this. They are worried about their health care. So when someone in the House of Representatives stands up here on the floor and stamps their feet and makes a big to-do, pretending that Medicare is about to go bankrupt, when in fact it is stronger today than it has been many times in the past, senior citizens become concerned, because it is the health insurance that they need to get the health care they need to sustain their health and to sustain their lives. Their children become concerned, too, because without Medicare they know that they would have to sustain substantial costs which in many cases for working people would be far beyond their ability to sustain.

Mr. Speaker, it is really, I think, scandalous the way some people here have tried to turn this routine report from the Medicare trustees that comes out every year, how they have tried to turn it into a political football, and they are trying to exploit this report by pretending it is something that it is not. It is not a call for alarm, certainly not panic. It is simply the requirement, annual requirement that the law stipulates that the trustees must do, and that is to report to Congress and to the United States every year on the condition of the fund. The fund, with 5 years, is obviously a lot stronger than it was back in the 1980s, when a number of times, at least twice, there were only 2 years left in the fund.

Congress has responded throughout this 3-year period. In the last 13 years, for example, Congress has adjusted the Medicare fund nine times to respond to recommendations that were contained in the annual report of the Medicare trustees. So this report this year is nothing extraordinary, it is nothing new. It is the routine, annual reporting of the trustees to the Congress, and it is our responsibility to respond to that either this year or next year.

The proper response is, as I indicated when I first started speaking a few moments ago, the proper response is to look at the existing law, take some of those things that are about to expire, extend them on into the future so that they will produce the needed revenues, and the mere $89 billion over 7 years, a far cry from the $270 billion that our friends on the other side of the aisle are trying to chop out of the program, simply by extending provisions in the existing law you can obtain the $89 billion over 7 years and ensure the strength and solvency of the fund for at least another decade, which is the kind of thing that the Congress has done over and over and over again throughout the 30-year history of Medicare.

But it comes as no surprise to you nor to me that these folks are trying to exploit this report, to turn it into a source of panic and concern, when really there is no need for concern, let alone panic. It comes as no surprise to us because we know that the majority leader of the Senate, who is now about to retire, was bragging here on an October day last year when he was addressing a very conservative group of people here, when he was trying to appeal to them as a candidate for the Republican nomination for President, he was trying to appeal to them by saying to this very right-wing group, "If you want someone who is really conservative, then I think I am the guy you want, because I have been against Medicare from the very beginning." He bragged about being one of only 12 people to vote against Medicare when it was first proposed on the floor of this House. he was a Member of the House in those days, in 1965.

He bragged about being only one of 12 people to oppose the Medicare legislation, and he seemingly makes no bones about it, frankly. He was proud of the fact that he was against it then. He said he has been against it ever since, and he is against it today. Why, he explained? Because, and this is the real kind of silly part of his argument, he said, "Because I knew it would not work then and I know it does not work now."

The fact of the matter is that millions of American seniors have benefited from the Medicare Program. It has provided them with excellent health care; not that it is perfect by any means. There are things we have to do and will do to improve the program. But the fact of the matter is that Medicare has served the senior citizens, 65-year-or-older population in this country, very well now for more than 30 years. And of course we know that the Speaker of our own House, coincidentally that same week in October of last year, speaking to a group of insurance executives at the time, said this to them.

He said, "We are not going to attack Medicare directly. No, no. We are not going to do that. That would be politically unwise," he said. "What we are going to do is attack it circuitously, by going around the back, withdrawing the funds from the program"; hence their proposal for a $270 billion reduction, "withdraw the funds from the program and let Medicare wither on the vine."

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That was his approach to these insurance executives, who of course many of them would like to see Medicare be destroyed, because that would give them some opportunity to perhaps sell some health care insurance to some people who do not need it now because of the fact that they have Medicare.

So it comes as no surprise to us, it ought to come as no surprise to the American people that there are certain people in this House as well as in the other body that are trying to exploit this routine report from the Medicare trustees, turn it into something it is not, pretend that it is cause for concern and try to exploit it for political reasons, which I think is frankly unconscionable. Nevertheless, that is what they are trying to do, when in fact this is a routine report.

It is simply the trustees fulfilling their obligations to report to the Congress and to the American people, and this Congress or the next one, which will be elected in November, will do exactly what Congresses have done in each and every case in the past. They will do the responsible thing. They will extend these programs out. They will take the appropriate action to ensure that this Medicare Program, which has served the country and particularly our elderly population so well now for so long, will continue to do precisely that.

So I wanted to come over and join you in this discussion because I think that these are matters that are important and ought to be said. In fact, I think that they ought to be said as often as possible.

Mr. PALLONE. I appreciate the gentleman coming down and saying the things that he said. It is so true. I think it is really an ideological phenomenon that basically the Republican leadership does not favor Medicare or Medicaid, and that is essentially because I think that they believe that whether it is for seniors or it is for low-income people, there really should not be a government-funded or run health care program.

The bottom line is that these programs were established because we knew that the majority of seniors were not able to get health insurance. When Medicare was established in 1965, the majority of seniors did not have health insurance coverage. Certainly people who are eligible now for Medicaid who are very low income, there is no way for them to get health insurance coverage unless the Government provides a program like Medicaid.

But what the gentleman was saying about how the Republican leadership is trying to use this Medicare trustees' report as a way to justify their radical changes, if you will, that they are suggesting for Medicare, is so true.

I just have some statistics here that show that right now the Medicare trust fund actually has a $125 billion balance and there is no danger that claims will not be paid. I have people coming up to me because they hear what the Republicans say, and they say, "Is my Medicare going to be paid this year?"

As the gentleman points out, even though the trustees' report indicated that it would only be solvent for another 5 years, that is actually better than many previous trustees' reports which were only for 2 years. Also, when the gentleman was talking about the actions by the House, the Democrats in 1995 and 1996 actually proposed on the floor amendments to the budgets that would have corrected the problem.

We had a vote on a proposal of the gentleman from Florida [Mr. GIBBONS], the ranking member on the Committee on Ways and Means, the Democratic ranking member, last year during the budget debate to cut, I guess, $90 billion out of Medicare. That is exactly what the trustees' report said was necessary in order to keep the program solvent for the next decade. The President's budget was offered on the floor this year that would have achieved the same goal, and the Republicans voted against it.

Basically what they are trying to do is, they are trying to increase the cuts significantly more, as the gentleman said, than what is necessary to keep the program solvent. I have maintained that is primarily in order to pay for these tax breaks that go primarily to very wealthy Americans.

So I think it is only fair, as the gentleman is doing, to point out where this debate really is. What we are seeing are efforts on the part of Speaker GINGRICH and the Republican leadership to make real changes in the Medicare Program and also in Medicaid, as I was talking earlier that are essentially going to have a negative impact on these programs and ultimately force them to disappear or, as I guess the Speaker said, wither on this vine. I think that was his quote, that Medicare should wither on the vine.

Mr. HINCHEY. It is clear that that is his intention. I think you are right for pointing out that there are certain ideological differences. There are things relating to public policy that separate the Democratic Party from the Republican Party, not every member of the Republican Party, because there are people in the Republican Party who very much appreciate Medicare, who like it, regard it as something very positive and want to support and sustain it.

It happens, however, that the leadership in this House feels quite differently and the leadership in the Senate feels quite differently. They are very strongly opposed to it. They have said so themselves. They make no bones about it. They are not reticent about their opposition to it. They have been quite clear in the things that they have said. They are opposed to the continuation of Medicare, as they are opposed to the continuation of Medicaid, and they are trying to destroy these programs by taking the lifeblood from them, the funding that is necessary to keep them going.

Something else that the gentleman said really stuck me, also. I was at a housing unit over in Binghamton, which is a city in my district, over the weekend. It is a very lovely place. It is well run, it is well kept. It is 16 years old, was funded by the Federal Government. It was built 16 years ago but it is maintained so well that one would think it was only 4 or 5 years old. it is in very good condition.

This is a building that houses senior citizens and people with multiple disabilities. If it were not for buildings like this, these people frankly in many cases would have no place to go. So here they have an opportunity to live independently and live in a secure environment and one that is quite pleasant. In fact, in the back yard there was a lovely landscaping operation and a garden where people had planted some vegetables, tomatoes, and things like that, to harvest in the summer harvest.

They were deeply concerned when I talked to them about Medicare. They had heard some of the things that were reported here. They had heard about the Medicare trustees' report, they had heard about the kind of twists on that report that had been placed upon it by certain Members of this House on the other side of the aisle, and they were deeply concerned.

They were wondering if they were going to continue to have their health insurance, if it was going to continue to be viable. I had to assure them that, yes, of course it was, that this report was not anything unusual, it was simply the routine report put out by the trustees.

But there are people here in Washington who do not like Medicare. They have never like it, as BOB DOLE has said quite clearly. He was against it from the very beginning back in 1965. He did not like it then, he does not like it now. That is his right, of course, not to like it. He is certainly entitled to his opinion.

We think he is wrong. We believe earnestly that he is wrong. We recognize that Medicare has served this country very well, particularly our elderly population and the families of older people as well. But they do not like it and they are opposed to it. They would like to see it ended, and they are trying to destroy it by these continuing efforts to cut the funds out of the program so that, in the words of Speaker GINGRICH, it would just wither on the vine.

Mr. PALLONE. I am somewhat familiar with the gentleman's district, not so much with Binghamton but with Endicott, which is also in your district, I believe.

Mr. HINCHEY. Yes, it is.

Mr. PALLONE. Because my father-in-law and mother-in-law both grew up, until they went off to college, lived in Endicott, and I have been up there a few times. It in many ways very similar to a lot of areas in my district where there is an aging population in many ways. You have a lot of the senior citizens, maybe a little out of proportion to some other areas of the State or other States.

The problem that I see with all this, not only with Medicare and Medicaid, with the Republican proposals, is that if you cut people off the rolls or if you cut back the services that are covered by Medicare and Medicaid you cause, which is what they are doing basically, a lot more out-of-pocket expenses. What I see is the burden shifting increasingly to the children and the grandchildren of these senior citizens. Because many of them are not going to be able to afford the additional costs out of pocket.

Some people have said to me, "Oh, that's okay, let the children and the grandchildren pay for it." First of all, you have the phenomenon that some will not. But beyond that, how far can they go? A lot of younger people have their own children to raise and they are not expecting that they are going to have to shell out large amounts of money to pay for nursing home care for their parents or their grandparents or these other doctor and physician services.

What we are talking about here is not just something that relates to senior citizens but relates to the population as a whole because of the cost shifts that would occur. I do not know that we have been able to get that out a lot, but I think that it is a phenomenon that we need to speak out about.

Mr. HINCHEY. The gentleman is absolutely right, of course. It is critically important. I know the families in my district, and I know that my district is not unusual, this is true of families across the country, are struggling today because of the fact that incomes have been stagnating, in some cases even declining. From 1989 to 1992, average incomes in this country for working people actually went down. That is an extraordinary fact. So working people are having a difficult time as it is just trying to maintain their standard of living. In many cases it is slipping a bit. They are trying to put some money aside for the education of their children, perhaps for their retirement, in the case of young people trying to put some money aside for the purchase of a first home or perhaps to start a business, something of that nature. and if they had to suddenly be forced to bear the additional costs of tending for the health care needs of their parents and grandparents absent Medicare and Medicaid, I think for many people that I know, certainly in my family and many of my friends and the people that I know and the people that I represent across my district, it would be an absolute impossibility. They just could not do it.

This is a situation that although it affects our elderly population, our senior citizens, most directly because it is their health care, after all, but by extension it affects in a very direct and very solid way everybody in the country. Everyone in this country would be affected if we were to lose the Medicare Program. I think that that is why this program is supported so overwhelmingly. Every indication, polls and other samplings of public opinion indicate that the American people support Medicare, they understand its value, how it has helped their parents and grandparents, what it means to them and their economic circumstances, and they support its continuation. They want it improved as you and I want it improved. There are problems with Medicare in the area of fraud and abuse that need to be improved and I am happy that the administration has taken some very solid steps recently updating the computer operation so that cross-checking of bills can be done much more quickly and much more accurately. There have been instances of double billing in Medicare from some doctors. Most doctors, of course, would not do that. But in any population of any group of people, you are going to find some who will try to exploit the system. And so we have had examples of double billing from some physicians in Medicare, and these changes in the administration of Medicare that are being brought on line by the Clinton administration, updating the computers, making them more powerful, giving them the ability to cross-check and cross-reference bills, will sharply reduce the incidence of fraud and abuse in the Medicare system, and we need to continue to do that.

It is estimated that as much as $1 billion a year is found in fraud and abuse in Medicare. I think if we continue to work on that, we can get that down to a very small number. I do not think that we are ever going to eliminate it completely, but I think we can get it down to a very small number and that will be additional funds, of course, which will be available to improve the quality of the program and the quality of health care that is available to the people who depend upon it.

Mr. PALLONE. One of the things that I was going to get to tonight, and obviously there is so much to be said about Medicare and Medicaid that we could talk forever, but one of the things that Democrats have been critical of in the Republican changes to the Medicaid Program is a provision that actually repeals statutory safeguards that have protected against some fraud and abuse. I think people have the notion that the reform proposals that have come forward on the floor here over the last year would somehow curb fraud and abuse, but in many cases they repeal existing statutory protections against fraud and abuse.

For example, in the Medicaid Program over the past 10 years the largest single abuse of Federal Medicaid funds has been the use by some States of what is called illusory financing schemes. This is where they have these fictitious payments to disproportionate share hospitals and then the State substitutes Federal for State dollars effectively reducing the State's share of program costs.

In 1991 and again in 1993 Congress enacted legislation designed to curb these abuses where they set up these fictitious funds and the Republican bill expressly repeals these statutory safeguards essentially reopening the door to abuse of the Federal Treasury by States if they want to lower their own Medicaid spending without reducing the amount of Federal Medicaid funds that they would fall down on.

□ 1915

So again, one would think when we are getting a reform proposal that we would be cutting back on the fraud and abuse, but in effect what this does, in block granting the money, it actually takes away some of the safeguards that have been used by the Federal Government to prevent the States from basically coming up with these illusory finance schemes.

We might say what State would do that, but, of course, States do that because they are trying to save money and cut back on the amount of State dollars and use the Federal funds in ways they are not supposed to.

Mr. HINCHEY. Absolutely. I served in the State legislature, and I know State legislatures and Governors are not embarrassed about trying to use Federal funds in creative ways to solve their own budgetary problems.

In New York, for example, where the State still does not have a budget in place, it is months overdue, if they had the opportunity to manipulate Federal funds in a way that would allow them to produce a budget easily, without them having to do some difficult things within the context of their own responsibility, I believe they would do it and they would not care about the loss of the Federal program. They would just sort of gloss over that.

So there is a lot of irony here, unquestionably. Not only do our friends on the other side of the aisle over here want to cut Medicare by $270 billion so they can pay for a $245 billion tax cut, most of the proceeds of which would go to upper-income people, but, as the gentleman pointed out, they are slashing away, and the bill is still before the House, the one that calls for a $270 billion cut, they are slashing away at the existing provisions which attack fraud and abuse.

What they would do in that bill is this: They would raise the standards of proof so it would be more difficult for investigators and law enforcement people to prove fraud in the system. So if there were people out there ripping the system off, under their proposal it would be tougher to catch them. So the white collar crooks ripping off the Medicare system would get away with murder based on their proposal because they would make it much more difficult for the authorities to catch up with them.

And, in addition to that, they go further. When and if they were ever caught under their proposal, they reduce the penalties. So anyone caught abusing the system through fraud or other ways, not only would it be tougher to catch them under their proposal but if they were ever caught the penalties for stealing from the system would be substantially reduced.

It is an incredible irony and I think it indicates quite clearly how dedicated they are to the destruction of the Medicare Program. They want to take the money out of it and use if for unnecessary tax cuts. And, for the most part, people are sensible enough not to want them because they understand that that money ought to be used to keep this program strong, and if there is any extra money lying around here in Washington it ought to be used to balance the budget.

Not only do they want to do that, but out of one side of their mouth they talk about the budget deficit and out of the other side they talk about big tax cuts. It is quite extraordinary, frankly.

Mr. PALLONE. I agree. And the other thing that has really been, I think, not exposed enough is this whole way in which they go about adding more out-of-pocket expenses under Medicare. Last year when we had the Medicare proposal, they were actually increasing the costs of the part B premium, the amount that seniors pay under Medicare for their physician's care. Those premiums were skyrocketing over the next 5 or 6 years, and we managed to basically scuttle that because the President said he would not sign it. I guess he actually vetoed the bill.

But now what they are trying to do in this bill that is going to come to the floor tomorrow is essentially say that if an individual refuses to join an HMO or a managed care system, and they want to stay in the traditional Medicare Program where they choose their own doctor or their own health provider, then they no longer have the guarantee that the doctor or provider cannot charge them 15 percent beyond what Medicare pays. There is actually no limit.

So when I hear my colleagues on the other side say, well, you are given all the choice you want here; you can stay in traditional Medicare or go to an HMO, or you can have all the choices you want, what kind of choice do you have if you stay in the traditional Medicare Program and then the doctor can charge you an unlimited amount of copayment? You are not going to be able to stay with this very long unless you have unlimited resources, which obviously most seniors do not.

I have been trying to explain that as much as possible to my own constituents because I think they cannot imagine a situation where the doctors can charge an unlimited amount beyond what Medicare bills. But that is only forbidden now because of the statutory restrictions on it.

Mr. HINCHEY. Right. There are statutory restrictions which were put into place not too long ago, as a matter of fact, were they not? I think a decade or so ago.

Mr. PALLONE. That is right.

Mr. HINCHEY. They were put into place because it had become clear that overbilling had become rampant in the system, and this was something that was done to ensure fairness and to prevent overbilling.

I think the point that the gentleman has just raised is important, and it reminded me of something that I have here. The Physician's Payment Review Commission, which is a nonpartisan panel of experts that advises Congress on Medicare policy, had the following to say. They said, and I quote, this change that our friends, the Republicans want to make here, which would allow unscrupulous physicians to overbill Medicare patients by large amounts, they say, and I quote, "could leave beneficiaries exposed to substantial out-of-pocket liability in the range of 40 percent of the bill."

So the effect of their proposal, which will be, I think, here before us tomorrow or later this week, is it tomorrow?

Mr. PALLONE. Probably tomorrow, but I guess we do not know for sure.

Mr. HINCHEY. Yes. Could be tomorrow or could be Wednesday. In any case, what they want to do is take the limit off the billing ceilings for health care, and that would expose Medicare beneficiaries, the people who are reliant upon Medicare, to pay out of their pockets an additional 40 percent.

Now, again, what they are trying to do here is transparent. It is so easy to see through their motivation. They are trying to destroy confidence in the program. They think that if somehow they could get this bill passed, I do not know how they think they could get it passed, I mean the President would obviously veto if it ever gets to him, the Senate probably has more sense than to ever take it up, but what they want to do is to establish a new law which would require Medicare beneficiaries to pay, on tap of their copayments and on top of other insurance that they might have now, under their proposal, an additional 40 percent out-of-pocket for routine health care procedures.

Now, that is guaranteed to undermine the public's confidence in the Medicare system and it is precisely what they want to do. It is clearly their motivation. It is so transparent that anyone, no matter how myopic they might be, can see through it.

So over and over again they want to destroy this Medicare Program in one way or another by cutting the funding out of it, by pretending the Medicare trustees report is something it is not, trying to elicit fear on the part of people who are depending upon Medicare, and now by attempting to pass a bill which would provide that doctors can charge almost as much as they want and elderly people would have to pay 40 percent out-of-pocket.

It is really, I think, scandalous.

Mr. PALLONE. I am glad you mentioned this. I was actually assuming, which I see from the document I have, which is similar to yours from this Physician's Payment Review Commission, I was assuming that that 40 percent included the copayment, but that is actually beyond the copayment.

Mr. HINCHEY. Yes.

Mr. PALLONE. So you could have a 20 percent copayment and then have this 40 percent out-of-pocket beyond the traditional copayment, which is incredible when you think about it. Who is going to be able to afford that? I mean, very, very few.

Mr. HINCHEY. Oh, yes. That is exactly right. On top of everything else it is as much as an additional 40 percent. So if their bill ever became law, what we would have in the case of a senior citizen who required some surgery of some kind, say for example, that in an addition to the payments that would be made through Medicare and whatever additional insurance they might have, they would then be faced with the need to pay thousands of additional dollars out of their own pocket. And that is just absurd.

Mr. PALLONE. The other thing that I was thinking about when the gentleman was talking about this extra out-of-pocket expense is the fact that the majority of seniors now are covered by medigap. So they are already buying a supplemental insurance policy, in many cases called medigap, that covers services and out-of-pocket expenses in some cases as well.

I know that I saw an article in the New York Times just a few weeks ago that talked about how costs for Medigap supplemental insurance were going up in our States, the New York metropolitan area, New York, New Jersey, and Connecticut, something like 14 percent over the next year. So when one thinks about all these extra out-of-pocket costs for the seniors that would result, I would assume also that those Medigap premiums would soar as well, because as fewer services were covered, we would see even a higher cost for Medigap.

How far can these people go? How far can the seniors go?

Mr. HINCHEY. Well, there seems to be no limit on the temerity of some of the majority party in this House and their ability to attack Medicare and Medicaid.

I know you have talked about Medicaid earlier. In my State, and I assume it is probably similar in New Jersey, 80 percent of the funding in the Medicaid Program in New York goes to pay for the expenses of senior citizens and people with multiple disabilities in nursing homes or similar settings.

Mr. PALLONE. Exactly.

Mr. HINCHEY. Obviously, what would happen to the families of those people if Medicare were changed in the way that they are proposing to change it, to block grant it, reduce the amounts of money that is available, send what is left in the form of block grants to the States, the States then would have to add on administrative costs or take out of that administrative costs because now they will have to run the program and be responsible for parts of it. They would have to hire people to do that. They would have to have office space and most of the things that would be associated with making additional costs, which would take money out of the Medicaid Program.

As the gentleman mentioned earlier, there is always the temptation for State governments, when they have access to Federal funds, to use them in what might be called creative ways and to spend that money out of the Medicaid system to help balance a budget or to do something else for some other kind of expenditure in some way.

The result of all of that would be far less money available for Medicaid recipients, elderly people in nursing homes, people with multiple disabilities in nursing homes. I ask myself, what would the families of those people do? How would they cope with that? How would they manage under those circumstances?

I can tell the gentleman in the case of many of the people I know, the families of people who have elderly parents in nursing homes or who have someone in their family who is severely handicapped with a severe physical disability as a result of an automobile accident, perhaps, or as a result of a condition at birth in some instances, they simply would not be able to deal with it. They do not have the financial resources.

So people would end up being taken and put into closets somewhere. We have all heard the horror stories that existed prior to the establishment of Medicare and Medicaid; how people, left to their own devices, without the resources to handle these situations in competent ways, what they had to resort to. And I know that we would be in many instances put back into those same circumstances. We have to prevent that and the way we can prevent it is by keeping these programs alive and preventing the opponents of Medicare and Medicaid from having their way, preventing them from destroying these programs, which is precisely what they want to do.

Mr. PALLONE. I appreciate what the gentleman is saying, and I think that over the next few weeks we will be pointing out more and more about how Medicare and Medicaid are negatively impacted by these Republican proposals.

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In many ways, even though we have not talked as much, we have talked about it, but there has not been as much discussion on the floor about Medicaid. In many cases the changes proposed on Medicaid are even more drastic, but I think fewer people will be covered. The impact on senior citizens is just as great, as the gentleman said, because so many senior citizens in nursing homes or other institutions will no longer be covered or will not have adequate coverage and will see increasing out-of-pocket expenses.

The same things we talked about for Medicare in terms of the overcharges, that is also in the Medicaid legislation that the Republicans have proposed. Those overcharges will not be paid by the seniors but will be paid by the family in many cases.

I thank the gentleman for coming down and joining me in discussing this. I know that over the next few weeks we are going to be talking about it more and more, and even though the budget comes before the House tomorrow, a lot of the details will be worked out in the various committees leading up to reconciliation, as we call it, later this year. So we are going to have to continue to fight this battle to preserve Medicare and Medicaid.

Mr. HINCHEY. I thank the gentleman. This is one of the most critical subjects we have before this Congress, and the more light we can shed on those proposals, the better off the American people will be. They will be able to make competent decisions based on factual information rather than pretend on hysterical statements that we have seen coming out of some of the people in the House over the last couple of days.

Mr. PALLONE. I thank the gentleman.

CONCERNS FOR AMERICA'S FUTURE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Indiana [Mr. SOUDER] is recognized for 60 minutes as the designee of the majority leader.

Mr. SOUDER. Mr. Speaker, Saturday was a historic day in America, well, at least in Indiana or at least in my house, because my daughter graduated from high school and it was a big event. I do not feel like I should have a daughter graduating from high school. It makes one feel older. It makes one reflective about when they graduated and what their hopes and dreams were at that point in life. Everything seems like it is going to go on forever, that the risks are small, that the adventures are great.

I remember my dad gave a plaque to my band instructor in my little high school in Leo. He thought it was the most hilarious thing, and the band director thought it was the most hilarious thing, and they posted it up over the band director's office so that every day when we practiced we had to see this sign that said, "Why can't all of life's problems come when we are young and know all the answers?" I think that is the way many young people feel.

At the same time, we get the sense that many of them are very concerned about their future as well. I think any parent, and many children, who look at what is going on around them, wonder what is going to happen in the next, 10, 20, 30 years. What if the vision on MTV actually becomes the complete reality in a few years? What if the attitudes towards the opposite sex that are reflected in those music videos, the rape, the abuse, the derogatory language toward women, would become the standard in our society? What if the violence that we see in the movies, and in those videos, and the talk of suicide that is rampant in today's rock music would become the reality of the society, even more than it is today?

What if the TV show families, very few of which represent the majority of America, were to become the reality of America for my daughter and my two sons? The Internet and computers have brought an incredible opportunity for all Americans in the education area. We, on our home computer, to be able to tap into the encyclopedias, to be able to tap into the type of educational games and the many things that all of us can go through Internet and other things is miraculous. But on the other hand one can get manuals on how to perform rape and all sorts of pornography right into our house, where we have little or no control as a family, and some of us can get accidentally into our house even when we want to try to control it.

In addition to that, what about the incredible national debt that has just been dumped on my daughter? We just heard a special order which illustrates why we cannot get real change in America. Medicare is going broke. They can talk around it as much as they want to talk around it, but the fact is that it is going broke and every report brings its final reckoning day another year closer in spite of the administration's attempts to cover it up.

And what do we do? We come up with this excuse and this kind of rhetoric, and we do not address it. We have all this big fuss about whether or not the Republicans were mean-spirited and shut down the government because of trying to cut government for senior citizens, when in fact our program was 75 cents a month different from the President's program, when in fact the President had proposed less growth in Medicare spending than the Republicans did just 2 years before we came into office; when in fact the President's proposal wanted to wait and delay those changes until after the election.

The ultimate of the problem that we came to try to Washington to try to change, we in the freshman class, yet we just heard an hour about there not being a problem in Medicare and whistling in the dark as the program goes broke.

My daughter is being struck with a long-term national debt because this government and the people in Washington do not get what the people in America do, which is, unless we change our behavior and start transferring some of the power back to Indiana and back to the homes and individuals and businesses and communities where they can take control of their lives, my daughter and my sons are going to be stuck with everybody else's debt from their irresponsible spending and lack of willingness to gain control of that.

And, furthermore, as we watch our freedoms being eroded, both because of the breakdown of moral values in our society and the breakdown of the willingness of local communities to handle the problems and the general takeover by Washington over our lives and our decisions and our flexibility, and see that power come here to Washington, what type of society is my daughter going to have? How much freedom is she going to have to maneuver?

Are we going to have so killed our market that we are only going to have a few oligopolistic companies or monopolistic companies from which to choose for a career? Is it going to be such a government that we have no economic growth because the government takes such a huge percentage of the taxes or runs up the deficit so high that the interest rates absorb a phenomenal number?

Unless we somehow change the inflationary nature of the health care for senior citizens from 10 percent down to more approximating the 2 percent of the health care growth rate that occurs in the rest of society, our entire Nation is going to go broke.

Unless we deal with Social Security, 43 percent of my daughter's income, 43 percent, will be going to FICA taxes within the next 15 years. We have to deal with these questions, and we in Washington cannot just keep trying to excuse it so we can get elected to the next one and hope we can retire before we have to deal with it and stock our children with it.

But these are not even the main concerns that I want to talk here about tonight. I came here to talk about two, and they are not directly related but they affect our families and our society. One is welfare, and the other is drug abuse.

One of the problems in our society is that we cannot really have freedom unless we have personal responsibility. If people do not exercise personal responsibility, freedom is gradually eroded.

Mr. Speaker, I do not think that putting a policeman on every street corner and building prisons everywhere is going to solve the problem of crime. But the people in America and the people in Indiana are not going to stand for the inability to walk in their neighborhood, the inability to go shopping, the inability to talk to their neighbors without fear of being shot. So they will demand that we put a policeman in every corner and build more prisons if we have to. Freedom gets eroded.

The same if we do not control the pornography and the sexual appetites in this country. If we have to worry whether our daughters and wives and our families and single women are concerned whether they are going to get raped, then we are going to have more crime protection and more liberties will be restricted. If we do not get control of the budget and more and more money goes to taxes, more liberties will be restricted there. With freedom comes responsibility.

I believe that one of the dangers of what this administration is doing is they talk the conservative talk. When the President was here early this year, he sounded like the former occupant of my congressional seat, Dan Quayle. He sounded like somebody who was going to promote family values.

He said the era of big government was over. He talked about balancing the budget. In fact, he has gone around the country running all of these different ads about what a great conservative he is, but the problem is that the actions do not match.

Let us look particularly at welfare. We can have an honest difference in policy as to what the Federal Government should do and what the government should do on welfare, but what really frustrated me, I was a staffer here on the House side for 4 years and on the Senate side for 4 years and 2 years in the district, so I have been around. But to be in the middle of it, it is really disappointing to see how much posturing there is and how little really comes often from the heart.

There are honest liberals and honest conservatives, but much of it is just reelection gimmicks, and the rhetoric on the House floor gets very disturbing when we see that. It is one thing if a person says, "Look, I believe we need a welfare program, we need to expand that welfare program." I believe that we have at least one Member of the House who is a member of the Socialist Party and is open about what he believes. One should stand up and say, "I believe the Federal Government should do this."

But it is another thing to say, "I do not believe the Federal Government should do it," but then, as the President does, veto every welfare reform bill that comes to him and try to say in TV commercials that in fact he supports welfare reform.

We have been trying to do some welfare reform, but quite frankly part of the reason we are vulnerable when we do things like oppose the minimum wage—which I opposed not because I am not concerned about working families who are trying to make it on a low income, but I am concerned about the people who are going to be laid off because of this bill—but part of the reason many of my friends in the Republican Party voted for the minimum wage bill and why Republicans do not seem to know how to handle the welfare issue, is that we have not articulated a vision for how working families and those people struggling to get out of poverty, those people who are working poor and trying to move up to the next level, we as Republicans have been remiss in trying to articulate a vision. So, we become vulnerable when some of these controversies occur.

Let me start with a very simple point which to me seems so basic, that it is amazing that here in Washington we have to debate it.

That simple point is this: I do not believe that anybody on welfare should be making more or have any more take-home income than somebody working full-time on minimum wage. That seems so simple, does it not? That if somebody is working 40 hours a week for minimum wage, why should somebody not working be making more money through government transfer payments?

I had in our family business in my small town, this has been a number of years ago, we had what we called the second spot on one of our delivery trucks. It was an entry level position, a turnover slot that paid just slightly more than the minimum wage at that time.

I had a college graduate come in looking for a job, and at that point he was getting welfare benefits and his wife had a baby. He said that he would really like to work. He believed that it was the right thing to do to work, but in fact he could bring in this many more dollars staying on welfare than he could working, and would I meet the difference? He said if I came within a thousand dollars of the difference he would take the job, and I did.

There is something wrong with a society where that is the case. Right now, depending on your family mix and what State one is in and a few variables, somebody on welfare can usually get around $15,000. A minimum wage is more like $10,000.

I would take that differential, and by this I do not mean AFDC. We hear Aid to Families with Dependent Children as the welfare program. We have housing programs, we have Medicaid with health care, we have child care programs, we have transportation programs, we have job training programs. I mean the whole range of those benefits. We ought to have a basic point that says it is not going to be above minimum wage, take the dollar differential and help those who are working.

The people who are working should be getting the health benefits in the transition, so that each dollar they make, they get to keep most of it, so that we have the change in the Federal benefit level being slightly less than the change in what they are earning, so there is always an incentive to earn more which we do not currently have in our system.

It seems so eminently logical that we think somewhere along the line someone would try to do this, that instead of rewarding not working we would reward working, and we would build that incentive in for the working families and try to encourage people to work rather than order them to work. We can continue to try to order people to work but we also need to encourage people to work.

We also need to trust more in the people back home. Quite frankly, the people in Indiana, in fact the people in northeast Indiana, know a whole lot more about how to deal with the welfare problem than the people here in Washington know how to deal with the problem in northeast Indiana. This is generally true but it is not just rhetoric anyone.

We have Governors all across this Nation who have been innovative in their attempts to handle the welfare question, whereas Washington has floundered and been ineffective on the welfare question here in Washington.

We had the President praise the Wisconsin program and he said he would try to grant them a waiver, and he was a bit stunned when we actually passed it through the House. We are tired of the talk; we want to see the walk. We passed it through last week and now the Wisconsin model can go forward.

□ 1945

Furthermore, we heard a little bit more about Medicaid a little bit earlier tonight. Do you know in a Government Reform subcommittee that has oversight of this, what stunned me was, do you know that in the Medicaid Program, even though it has been increasing, the actual dollars to poor children and the actual dollars to the seniors have been declining. Do you know why? Because this Congress made—not this particular Congress, but the Congress here in Washington over the last couple years—made people who abuse drugs and alcohol eligible for Medicaid.

A tremendous growth in the Medicaid Program was mandated out of Washington that the State of Indiana and other States, Indiana, for example, did not cover that, had to absorb the cost of drug and alcohol abusers.

So we hear rhetoric about Medicaid helping poor children and rhetoric about Medicaid helping seniors, but in fact a Washington mandate said that they had to cover drug and alcohol abusers. Part of the reason, in fact a major reason why we are giving flexibility to the States on the question of Medicaid is so they can set their standards. And in Indiana, there will be more dollars for low income children and more dollars for seniors under the Republican plan because not every drug abuser and everybody who is abusing alcohol, who I feel very sorry for them, but there is a little bit of a question here, when working families cannot get health coverage and people who choose life styles that are self-destructive can get health coverage, there is some kind of a mismatch. It is your tax dollars that are being spent this way.

So my first point, and I will not belabor this first point any further, is that I think we can generally agree that the welfare program, as it currently stands, is not working.

Let me move to the drug issue. I have talked here on the House floor a number of times, and my friend from Florida, JOHN MICA, earlier talked about this tonight. But in Fort Wayne and in northeast Indiana we have had a tremendous problem with crack cocaine, in particular, as well as other forms of cocaine. We have had a huge increase in LSD, and we have been battling this problem for longer than most cities. It came down from Detroit 12 to 14 years ago and has been expanding.

This mentality of the drug abuse, particularly, and it is not just in the, while much of the activity is taking place in the central city of Fort Wayne, those who are abusing it are not just those residents there. The people from the suburbs and small towns have come in and they destroy those neighborhoods by patronizing the dealers in those neighborhoods. It has now started to expand outside of the central city of Fort Wayne. It is concentrated in the central city of Fort Wayne.

There that culture of crime and the desire for quick money has—not every case of these have been proven to be drug related, but they are usually drug abusers and the culture has infected it. We see at two different times about a year apart pizza delivery boys being shot for the cash they have on them. We had a 13 year old shot by a younger child. Police Chief Neil Moore in Fort Wayne told me a terrible story about a little girl who he found naked in a crack house, who had been selling her body for rocks of crack cocaine. And she was so small that they could fit a, they cut holes out of a burlap bag to put her arms and legs through and she was selling her body for drugs.

Yet what do we see coming out of Washington? We see, if you are going to smoke, do not smoke cigarettes, smoke marijuana. I did not inhale. Oh, we are going to take the things that we are using down there and divert one of the AWACS things up to Alaska to look for oil spills. We are going to send one over to Bosnia. And relax some of the interdiction efforts of the drugs are pouring into my hometown and around this country.

And it is not surprising that we have seen an increase in the amount of cocaine coming into America. We have seen an increase in the purity of that cocaine coming into America. And we have seen a decline in the price. While Washington is talking and posturing in other ways, we have been drowning. And we have reversed, instead of going down as we were for years in drug abuse, we are going back up. Instead of young people going down in their approval of marijuana and cocaine, it has gone back up. We are inundated again when you to go the mall, it feels like I am back in the late 1960's again. You see marijuana leaves on hats and on shirts and on the front of album covers. All of a sudden we are back in a drug culture.

I was fortunate enough to go with Congressmen HASTERT and ZELIFF and MICA down to Mexico and Central America and South America. And we met with the leaders of those countries and were saying that they needed to crack down on the cocaine and the coca leaves and the coca growing and all the transit into America. But do you know what else they said, they said, your appetite for drugs in America is also destroying our countries. And while they need to work harder at interdiction efforts, we also need to realize that we are not just destroying America, we are destroying the countries who want that money that our abuse and insatiable demand for drugs is causing.

When we look at this soaring drug and alcohol abuse in our society and the terrorism that it is causing in our neighborhoods and when you go in, have I visited a number of African-American schools in inner city Fort Wayne. One thing that always strikes me is almost every student there will have some story about how they are scared to go out at night, how a cousin was shot, how somebody was going through the neighborhood and got shot, that their lives are filled with terror because we are refusing to grapple with this problem in America.

So drug abuse is a big problem. So what are we going to do? Well, the first thing is we need growth and opportunity. Yes, that means one of the things we need is tax cuts. I know that that just drives the other side of the aisle crazy, but it works. And we need various types, both in the general society so there is economic growth, also in the urban areas and places where unemployment is high. That is not my focus tonight. But tax cuts do work. If the Government sucks all the dollars here to Washington and does not turn it into industries where you have high productivity rates, where you have a high velocity of the money, to use the business term sense, I have both an undergraduate business degree and a master's degree and velocity of money is one of the key things that you can get out of private sector that you do not get out of public sector. Unless we have that economic growth we can sit here and talk and we can play money shuffle games all we want, but unless that money grows, all we are doing is reshuffling a deck rather than, as Kennedy and Kemp, would say having a rising tide that lifts all boats.

Then I also agree, I think it was Congressman RANGEL who has said that we also have to worry about those boats that got stuck on the shoals. In other words, while a rising tide might lift most boats, some do not lift. And I am not going to argue that there should not be a minimal safety net.

In think, as Nicholas Eberstat has argued in an eloquent paper that I heard him present a number of years ago, there is a difference between destitution and poverty. Poverty is a relative term. You will never get rid of poverty. But destitution is an absolute term. Nobody should freeze; nobody should die of hunger; nobody should not have some sort of a roof over their heads. They do not necessarily need a color TV. They do not necessarily need individual private rooms for each of the kids. There is a standard here. But we ought to have the decency to say there is going to be a minimal safety net in society.

Furthermore, for those people who want to move up, for those people who want to work, we need some job training programs. I differ from some of my Republican colleagues, I think we have a lot of problems with affirmative action, but I believe affirmative action has played an important role. And I believe it would be a mistake to suddenly eliminate all these programs.

I also believe in certain things we need reach out efforts to reach out to particular minority communities often who felt disenfranchised in society and when all of a sudden you say here is an opportunity does not mean they necessarily rise up. They may have faced past discrimination. They may have faced past persecution, or they may simply not have had the family exposure around them to see how to capitalize on those opportunities. I do not believe it is inappropriate for Government to sometimes help give a hand up. But the goal needs to be how do we move somebody with the hand up. How do we move them into the workplace? How do we make them productive citizens? How do they become full and participating members of society, not to breed the dependence which the current government programs have largely done.

Furthermore, I believe that we need to look at some of the innovative proposals that have been put out. I am a cosponsor of Congressman TALENT of Missouri and Congressman WATTS of Oklahoma's different package to promote urban opportunity. I also, my former boss in the U.S. Senate, DAN COATS, has an initiative to do that. I think we should encourage and the party should encourage those.

I myself have pushed the charitable deduction, an increase in the charitable deduction. Let me tell you why. I have seen programs in urban centers around this Nation that have had a huge impact. Very seldom have they been Government programs. Let me give you a couple examples.

Rev. Lee Earl of Detroit, who is now working with Bob Woodson at the National Center on Neighborhood Enterprise, at one conference where they had grass roots activists, foundations, people from the government, he was getting this pitch about why religious groups should not have any access to the funds.

He said, let me tell you, and this is a paraphrase, I do not want to pull all these words in Lee's mouth, but the paraphrase is this. He said, my church operates a child care center. My church does job training. We have housing. We do drug rehab. We do all these different things, and we are having an impact on the city. Yet what I see out of the Federal Government, talking to HUD in particular, are housing projects that are crumbling, drug treatment programs that do not work, job training programs that do not work, and I see the whole range of failed programs. Yet you tell me that unless I do it your way we do not get access to the funds.

Part of the problem here is that I, like many Americans, am nervous about who might get the dollars if you do it through the regular Government transfer programs.

Let me give you another problem with the Government transfer programs. I just spoke at the Abundant Life Ministries, a jail ministry program, about 2 weeks ago. They have turned down a big Government grant.

They have been tremendously effective. I have met with a couple of individuals who have been through 13 different drug treatment programs and they know how to beat every system. But when they gave their life to Jesus Christ they changed. And Abundant Life Ministries can get the Government money to help more people like them as long as they do not mention Jesus Christ. As long as they take out the components that works, they can have the money.

Now, this is going to be the way the Government operates. So one of the things we need to do—let me give you another example. There is a teen pregnancy program in northeast Indiana operated by a Christian organization that just got a grant. They can only talk about teen pregnancy if they do not mention anything about religious in the teen pregnancy. Excuse me?

If this is going to be the way the Government grants programs work, we need to make sure that more of the dollars get into the private sector where they are actually having an impact.

In San Antonio alone, with Juan Rivers and Freddie Garcia's program down there, I personally met over 200 addicts and dealers who have now become Christians, who are back in their communities, who have been working and having an impact on drug abuse. Yet the department of alcohol and mental health in Texas for awhile was considering shutting them down because they do not have degrees. They are not licensed drug counselors.

Do you know what? The magic of this is they were not doing drug counseling. They were changing people's lives. When people's lives changed, they got rid of drugs.

We need to figure out how we balance the rights of individuals not to fund churches on the other side and at the same time get money into the hands of programs that are actually working.

In my home district, for example, Rev. Ternae Jordan's son was at a music lesson at a local YMCA. He was sitting on the couch out by the door and was shot in the back of the head by two kids who were shooting outside. The whole city was traumatized by the event. The son recovered, but it led to Reverend Jordan starting a program called Stop the Madness, trying to crack down and encourage neighborhood groups to work on the drug program.

Mr. Speaker, recently I was privileged to attend the seventh anniversary celebration at the Greater Progressive Baptist Church in Fort Wayne, IN honoring Rev. Ternae Jordan. Pastor Jordan has been a leader in Fort Wayne in many ways, not the least being through his antidrug organization, Stop the Madness. I particularly enjoyed this eloquent tribute by Cheryl Story, which I now include in the RECORD.

NOW, LET'S TALK ABOUT THE PASTOR

(By Cheryl Story)

As a Pastor, Rev. Jordan, along with Angela, must not only have Faith, (belief without proof, but they must have Hope: Desire joined with expectation, the opposite of doubt with an anticipated promise of expected benefits and blessings.)

Now Rev. Jordan's substance material is ordained by God. Therefore, regardless of the magnitude of the metamorphosis of his physiological structure, that is whether he gets old, his hair turn gray, if his teeth fall out, whether he gets ugly or remains handsome, Ternae Sr.'s substance will not change. It does not matter how much he accomplishes and achieves in this life or how many mistakes he makes, how much good he does or how many lies you tell on him, his substance remains the same for he will always be a Preacher and a Pastor.

The Pastor is on duty 24 hrs. Day & Night. He polices the Community, he provides assistance/comfort to those in need. He must be an Educational Instructor, Therapist/Counselor, Philosopher/Psychiatrist, Mediator, some folk's 1st Attorney, a Marriage Officiator, a Funeral Eulogist, a Sick Room Specialist and a Dying Hour Confidant.

The Pastor must be a Persuaded Preacher, for he is a Salvation Salesman, a Paradise Pusher, a Jesus Junkie, a gansta for God, a Jehovah Witness, your best friend and satan's worse enemy. For Faith can and will move Mountains.

What is it that turns an ordinary man into an Addictive Apostle who is obviously strung out on a Jesus, who hung out on a Hill, who sends us a comforter, who calls himself The Holy Ghost, that runs with a Spirit that spoke Himself into being GOD, who ordained this man before he entered his mother's womb? I tell ya it was "Faith!" For March of 1989, Rev. & Angela took leave of their home, accepted the Greater Progressive Baptist Family, stepped out on Faith and told their God, "Send me, I'll go," and left their Comfort Zone behind them.

"THE EVIDENCE OF THINGS NOT SEEN"

Evidence is the Proof of a Pastor's Faith. Let me give you a little documentation and you can determine the truth. When Pastor arrived, if you joined one of the four Auxiliaries you were guaranteed to automatically become an officer. Now we grown spiritually from skeletal Auxiliaries to full scale Ministries. We've got an up-front discipled Deacon Brd., a unified Trustee Brd., morning & night Bible Study & Prayer Meetings. I remember when our one choir consisted of the Nelson & Trice families with 5 or 6 others mixed in, now God has blessed us to have a full choirstand of children's choir, a dynamic young adult choir, a 30 & over Generation choir a full Mass Choir. We got Pam, 2 Dres, Tony, 2 Pianists, Gor'don and Sheila all in the same House. I'm talking about Faith & Evidence now.

The Lord has blessed us with CWF, a Brotherhood Men's Support Group and Promisekeepers. We had an old organ and ragged mikes, now we got high tech equipment and state of the art sound room. Sometimes we couldn't even make payroll or pay our bills and God has given us financial increase thru tithing members. Seven years ago, if you came to Church at 12:30 p.m. you could pick & choose your own "Praying ground" now it's standing room only by 11:00 a.m. We got Birthing of a Vision and Stop the Madness now has nationwide video presentations.

We've got an intergrated Congregation and we participated in inter-racial Church Fellowhips. Pastor Jordan is a Jefferson Community Service Award winner, the NAACP's Golden Anniversary Man of the Year and everybody else's Man of the Year. Certainly God has ordered the Steps of Rev. Ternae Tsgarias Jordan and We've Come This Far by Faith!

Also in addition to the Stop the Madness program in Fort Wayne, I just visited a couple of weeks ago with Rev. Jesse White and his daughter's wonderful computer program. Rather than just talk about the problems, Rev. John Perkins from Pasadena, CA, said too many people get their satisfaction from feeling good about talking about the problems rather than doing something about the problems.

Reverend White has a computer program where people come back, get the training and then either get a job or move up in their jobs because they have the skills with which to work in the job market.

It is one thing to whine about stuff; it is another thing to do it. People like their church and their program need to be encouraged, as another pastor in Fort Wayne, who is a friend of mine, Rev. Otha Aden has a similar program in the southeast side of Fort Wayne working with kids in the after school southside opportunities program where he, too, has working with local businesses, has computers there and is trying to promote among the young people in that hard hit area the importance of getting the training so that they can be important factors in the growth of Fort Wayne and in their neighborhoods and their families.

Another friend of mine, Shirley Woods, has started a center right in the middle of an area. There are five different crack houses in the immediate vicinity of where she started this neighborhood center for Saturdays and afternoons after school and in the summer, and it is not just an activities center for the kids. She also has some educational training and family training programs with the families and trying to work with the virtues and the things that families need to rehabilitate their families.

There are just a few. Another program in Fort Wayne at the Cooper Teen Center, they have been out here a couple times to visit with me. Andre Patterson and Carl Johnson have a program, Simba, of black pride and self-esteem with these kids and giving them training skills.

There is hope. I have been into Newark, South Bronx, I have been in the center of, just after the riots in LA, into San Antonio, inner city Chicago, some of the toughest housing projects, as well as in a rural area in Appalachia for multiple days, that everywhere you go, even where it seems most dismal, somebody is having an impact.

There are these little flower gardens in the middle of the toughest area where people are having an impact. What we need to do in America is figure out how to encourage those little gardens, how to give them the funds and encourage people to give them the funds so that they grow.

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Rather than stomping them out through massive government from implying to America that the solution to America's problems is the Federal Government, or any government really, that it can be a supplement, it can be a time to be there when you are in great need, it can give a stimulus and some training. But it is not the ultimate answer to our problems.

That is the vision that we Republicans are trying to communicate, that the answers to America lie in people's heart, they lie in the families, they lie in the communities, they lie in the local governments, and only then to Washington, and hopefully we can accomplish that, and we will continue to try to communicate that message, and I thank the people in northeast Indiana for giving me the chance and for having so many of us here who share these views, and hopefully for my daughter who just graduated and for my sons who are still coming up, that they can look at America with hope and with opportunity rather than the type of America that we can see on MTV and the type of pessimism I fear we are going to have if we fall back into the trap of the deficit spending in the collapse of the families and morality.

CHURCH BURNINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana [Mr. FIELDS] is recognized for 60 minutes.

Mr. FIELDS of Louisiana. Mr. Speaker, Members of the House, tonight I am joined by my colleague, the gentleman from Illinois [Mr. JACKSON], who will also talk about an issue that we both have a great deal of compassion about as well as other Members of this Congress who will join us later to talk about an issue that we are somewhat complexed about because of the amount of church burnings across America, particularly in the southern part of our country. So tonight, Mr. Speaker and Members of the House, we would like to take the remainder of this hour to talk about the church burnings across the southern part of the country.

Mr. Speaker, over 63 churches over the past 5 years were burned. All of these were African-American churches; 20 of those cases have been solved at this point. And before I go any further, I would like to commend the Justice Department, who has been working extraordinarily hard in trying to bring a resolution to the many recent church burnings across the country, and in particular I want to commend Deval Patrick, who is the Assistant Attorney General for Civil Rights. That department has been working profusely night and day to try to ascertain as much information as possible as relates to these burnings, and I would like to commend him and his staff for all the work that they are doing, and I would like to also commend him for the support that he has given to legislation to make penalties much more tougher and bring people to justice much quicker. And he will be on the Hill tomorrow, as I appreciate it, trying to convince the Committee on the Judiciary to pass legislation in that regard.

I would also like to commend Jim Johnson, who is with the Department of the Treasury, who is the Assistant Secretary for Enforcement. They are working night and day to try to get as much information as possible as relates to the church burnings, and he has worked relentlessly in trying to obtain as much information as possible; and, of course, the personnel over at the entire division, Janet Reno, who on yesterday and on today met with many of the pastors of the churches that were burned from across the South, and I appreciate her compassion and the diligence she has shown in trying to bring people who are the perpetrators of these crimes to justice.

The President should be commended as well for his commitment to expending as much resources as possible through this administration to ascertain any information that is possible to bring these senseless burnings to an end.

Mr. Speaker and Members, I would like to share with the Members of the House very briefly the most recent churches that were burned across the country. I mentioned that there was 63 in the past 5 years, 20 of those cases unresolved, and I think as of last night 21 because a fire was, as I appreciate it, a church was set afire on last night in the State of Texas.

In the State of Alabama, Mr. Speaker, there are a total of 5 churches that were burned. On December 22, 1995, Mount Zion Baptist Church, which is an African-American church, was burned in that particular State. On January 11, 1996, Little Mount Zion Baptist Church in Green County was set afire. On that same day Mount Zoar Baptist church in Green County was set afire. In both of these cases or both of these churches, the ATF agents have already ruled that arson was the cause of these fires. On February 28, 1996, New Liberty Baptist Church in Tyler was set afire, and on March 25, 1996, Missionary Baptist Church in Selma. A total of five churches in the State of Alabama have been burned since December 22, 1995, to this present day.

In the State of Georgia there was one case of arson. On March 27, 1996, Gay's Hill Baptist Church in Millen was burned.

And in Louisiana, my State and my own district, we have had over five church burnings. One was Saint Charles Baptist Church, which was the fifth church that was burned, and that was burned on April 11, 1996, which is the most recent burning in the State of Louisiana. On February 1, 1996, Cyprus Grove Baptist Church in East Baton Rouge Parish was set afire, and Saint Paul Free Baptist Church in East Baton Rouge Parish and Sweet Home Baptist Church in Baker, which is adjacent to East Baton Rouge Parish, and St.Thomas Chapel Benevolent Society in East Baton Rouge Parish. All four of these churches, Mr. Speaker and Members of the House, were set afire the same night, and on April 11, 1996, as I stated earlier, Saint Charles Baptist church was set afire as well.

In the State of Mississippi we have identified two to three cases of arson. On March 5, 1996, St. Paul Church was burned, and on March 30, 1996, El Bethal Church was burned.

And in North Carolina there were four incidents. One that comes to mind the quickest was the 93-year-old wooden sanctuary that was once used by the congregation of Matthews-Murkland, which was a Presbyterian church, and that was in Charlotte, North Carolina, and that church was burned on June 7, which was the most recent burning in 1996.

And in South Carolina there were five churches. Mount Zion AME Church was burned, and on August 15, 1995, St. John Baptist Church; June 22, 1995, Macedonia Baptist Church; and April 13, 1996, Rosemary Baptist Church. Finally, on April 26, 1996, another Baptist church was burned in the State of South Carolina, and the gentleman from South Carolina [Mr. CLYBURN], who had worked profusely on this and also in the CBC to inform Members of these church burnings, has been working very hard with ATF and with the FBI and the Justice Department to try to get as much information as possible, and perhaps he will join us in this colloquy later tonight.

The State of Tennessee had a total of six burnings. January 13, 1995, Johnson Grove Baptist Church in Denmark and Macedonia Baptist Church in Crockett County; they both burned the same night, on the 13th of January. On January 31, 1995, Mount Calvary Baptist Church was burned, and on December 30, 1995, Selma Baptist Church in Fruitland was burned, and on January 8, 1996, Inner City Church in Knoxville was burned to the ground, and on May 14, 1996, Mount Pleasant Baptist Church, which is being investigated at this point, is still under investigation, and they have not yet ruled this church to be a church that was burned by arson.

And last, the State of Texas, on June 6, 1996, New Lighthouse of Prayer in Greenville.

And a Church of Living God was burned in Virginia on February 21, 1996;

Glorious Church of God and Christ in Richmond was burned.

The gentleman from Illinois [Mr. JACKSON], we have talked about what could we do as Members of Congress to try to assist in stopping this avalanche of church burnings across the southern part of our country, and we were happy to learn that the ATF decided to publicize a 1–800 number, so we urge Members of this Congress to please inform their constituencies of the 1–800 number that their constituents can take advantage of if they know of any information whatsoever about any of these church burnings, and I am told that toll free number is 800–ATF–FIRE, which is a 24-hour a day, 7-day-a-week number where any citizen in this country who has any information whatsoever about church burnings in America can, in fact, call this number, and agents will respond.

We feel that this country should have zero tolerance for anyone who would have the audacity and the gall to burn anything, but particularly, particularly, a church. For a person to light a match to a place of worship in this country shows no respect, first of all, to himself, to the individual who chooses to do it, and certainly does not show any respect to human life. And we are committed to work with the Justice Department, the ATF, and the FBI, and all of the investigative agencies. As Members of Congress, we are committed to supporting this effort so that we can bring it to some conclusion.

And this is a bipartisan effort, both Democrats and Republicans. We all agree that there should not, none of us, have any tolerance for individuals who would burn a place of worship. We started this coalition with the blue dog Democrats, as a matter of fact, about 3 months ago when these church burnings first started to set some type of pattern across the southern part of our country, and then that coalition expanded, of course, to the entire Congress.

So I am thankful to all of the Members who have been participating in briefings on church burnings, and I am very thankful to the Justice Department and the administration for their zero-tolerance attitude for this type of behavior and action across the country.

At this time I am going to yield to my colleague from Illinois, Mr. JACKSON.

Mr. JACKSON of Illinois. Mr. Speaker, let me thank the distinguished gentleman from Louisiana [Mr. FIELDS] for allowing me the opportunity to participate this evening in this special order. I certainly want to join my colleagues along with the gentleman from Louisiana [Mr. FIELDS] and the gentleman from Illinois [Mr. HYDE] from the other side of the aisle, and the gentlewoman from North Carolina [Mrs. CLAYTON], the gentleman from Georgia [Mr. LEWIS], members of the Congressional Black Caucus, members of the progressive caucus in this Congress, in condemning those who are burning churches, defacing synagogues in our Nation, and certainly congratulate those who are seeking to bring the perpetrators to justice.

Attorney General Janet Reno has been working diligently along with Deval Patrick, along with the members of the FBI and the ATF, to bring these perpetrators to justice. It is my understanding, after having talked with Mr. Patrick, that this is one of the largest civil rights investigations that has ever taken place in our Nation's history.

I am hoping that the distinguished gentleman from Louisiana, after I read a brief history of church burnings in our Nation, put them in some particular context, will certainly join me in a colloquy about church burnings and what it is that we can do to bring an end to this climate.

There are those who have said in the civil rights community that this is not only an indication of the climate and the times that we find ourselves in, but that there is indeed a conspiracy, if not a conspiracy of individuals who have met on this subject, certainly a conspiracy of culture.

□ 2015

If there can be said to be a bright side about these incidents, it is that blacks and whites, Christians, Jews, Protestants, and Catholics, the Rainbow Coalition and the Christian Coalition have united against these acts and they have come together calling for more Federal resources to go into the investigative efforts to bring the perpetrators to justice.

Mr. Speaker, some in the civil rights community have referred to this form of church-burning as cultural conspiracy, a cultural conspiracy that tolerates, if you will, a kind of racism. The fires have drawn the attention of rights' groups because of the historical legacy of black churches being repeatedly burned during the 1950's and the 1960's. While others have indicated that while those in white sheets have historically been burning churches, we are now living in a climate where those in blue suits are legislating against the civil rights of many Americans, and also those in black robes are indeed passing down judicial decrees that are severely restricting the principles of equal protection under the law.

When we look at what has taken place in this Nation since 1990, 57 houses of worship have been destroyed as a result of fire and vandalism in 15 States. Only 13 cases have been successfully prosecuted and closed. A total of 30 incidents have been reported thus far in 1996 alone. Since 1986, there have been reports of suspicious fires almost ever year. Most blazes occurred in rural, isolated areas where water had to be transported to the site by volunteer companies.

In eight of the cases, where arrests have been made, perpetrators have been white. One was even a fireman. Seventeen fires were set during black history month or other important civil rights anniversaries, such as Martin Luther King, Jr.'s assassination; the march across the Edmond Pettis Bridge in Selma, AL in the month of March; or near the time the Martin Luther King, Jr. Holiday is celebrated.

The States that have been hardest hit are Tennessee with eight churches, Louisiana with five churches, Alabama with five churches, and in Louisiana, four of the five churches were torched on February 1, 1996, in East Baton Rouge Parish. I believe the gentleman from Louisiana represents this parish.

The interesting thing about February 1, 1996 is that it is the anniversary of the Greensboro sit-in's, where students from North Carolina A&T State University—my alma mater in 1960—fought for public accommodations. Of the Louisiana churches—Cyprus Grove Baptist Church, St. Paul's Free Baptist Church, Sweet Home Baptist Church, Thomas Chapel Benevolent society—all four were located within a 6-mile radius of each other. The St. Charles Baptist Church, the fifth church, was burned on April 11, 1996 in Paincourtville, Louisiana and citizens, again, who are concerned should know that that number is 888–ATF–FIRE. If there is any information that you can provide and that Members of Congress can provide through their networks to alert the proper authorities about these church burnings, they certainly should do that.

I want to put this in a particular historical context, which I think is certainly appropriate for these times. I wanted to do a little research before commenting further on the climate within which churches have historically burned in this Nation. Before I go any further, I certainly want to commend the gentlewoman from North Carolina, Mrs. EVA CLAYTON, for the legislation that she is sponsoring, along with other Members of Congress who are sponsoring legislation to challenge perpetrators of church-burnings and synagogue defacings in our Nation.

I think what is probably most instrumental when we look at church-burnings in our Nation is that while we are living in a climate and in an environment where there are those who would say that race is still not a factor in American life, while we are hearing more decrees from the court that are certainly suggesting that the court should be going in a direction of colorblindness.

There is one thing that is clear about American history, and that is that race is really not a side issue. It is not an addendum to American history. It is central to the entire history of our Nation from a constitutional perspective: three-fifths human voting status, article 1, section 2 of the constitution; the "such persons" clause, article 1, section 9; the persons held to service or labor clause, article 4, section 2, paragraph 3; article 5, prohibiting any amendment of the slave trade and capitalization tax clauses before the year 1808.

It was William Lloyd Garrison and his liberator who condemned the Constitution at that time as a covenant with death and in agreement with hell. It is only because of constitutional amendments, amendments that ended slavery, that guaranteed the right to vote, that subsequently established the principles of equal protection under the law for all Americans, that the Constitution has indeed endured.

Look at our Nation's Capitol. Even the location of our Nation's Capital, it was determined, should be the by-product of a compromise made at the time the Congress was in Philadelphia. The Congress of the United States is presently located between Maryland and Virginia, the compromise between a free State, Maryland, and that of slave State, Virginia. Look at the number of States that were entered into the Union on the issue of race. Slave and free States were admitted together to keep balance in this institution between those who were interested in abolishing the institution of slavery and those who wanted to keep it.

I raise these particular concerns because when we look at the Tilden-Hayes Compromise of 1877, when a Democratic President was subsequently elected, and by and large a conservative court ran the Supreme Court of the United States, there was an assumption about the progress that many minorities in our Nation began making after 1863. Twenty-two African-Americans served in this institution as a result of the Emancipation Proclamation. Beyond that, 131 historically black colleagues were also founded.

But once the Tilden-Hayes compromise took place, when Democrats and Republicans, two parties with one assumption at that time—to stop the progress that African-Americans and other minorities were making in our Nation so quickly—they withdrew troops from the South that is, they withdrew Federal protection from the South, and as a result, the Klan, the Ku Klux Klan, those Knights of the Ku Klux Klan became more evident. Beyond that, churches began to burn at unparalleled rates.

So in 1996, when we look at the parallels between what took place in 1896 with Plessy versus Ferguson and decisions that are coming out of our Court in 1996, we are certainly looking at a climate where we are withdrawing some of the principles that indeed fought historically against these acts, acts against church burning, acts against racial hatred in the South.

So I would certainly put in that context a challenge to both Democrats and Republicans on both sides of the aisle as we try and find creative solutions to resolving this particular crisis. We must, when they talk about cultural conspiracy, and I have heard several civil rights leaders refer to this as a cultural conspiracy.

What do they mean when they say cultural conspiracy? I am the gentleman from the south side of Chicago. I am a big Chicago Bulls fan. Everyone in the Congress certainly knows that. I do believe that Michael Jordan and Scotty Pippin of the Chicago Bulls will win a championship and bring it home to Chicago.

When Michael Jordan shoots a 3-point shot, I say to the gentleman from Louisiana [Mr. FIELDS], he manages to shoot that shot from the 3-point line, and wherever he is, Jesse, Junior, in Chicago jumps up excited because Michael Jordan just made a basket. But guess what? Michael Jordan fans in Los Angeles also jump up and shout. Michael Jordan fans in Dallas and Michael Jordan fans in Florida, Michael Jordan fans all across our country and indeed Michael Jordan fans around our world, they jump up, a kind of conspiracy, if you will, for Michael Jordan, because he represents the common denominator through which all of us relate, many of us relate to the Chicago Bulls.

When we talk about cultural conspiracies with respect to church burnings, when politicians fan race hatred, fan the fears of racial animosity within our Nation at the top, they create a kind of cultural conspiracy. In 1964, in reaction to Brown versus The Board of Education, Goldwater ran his campaign talking about States' rights. It was a way of saying that States had a way under the equal protection clause of the Constitution of the United States.

In 1968, in response to the 1967 and 1968 riots, Nixon ran his campaign on law and order. In 1972 Wallace ran his campaign in reaction to integration on busing. In 1976, even Carter, a Democrat, ran his campaign and announced his candidacy from Georgia, gave a speech in Indiana, talking about ethnic purity; a Democrat. In 1980 Reagan talked about welfare queens, and in 1988 it was Bush who used Willy Horton, and even our own President, in 1992, who used Sister Soljah in his bid to become the President of the United States.

In 1996 what are the issues that are quickly approaching the election season? Affirmative action, a big issue in California, the CCRI, California Civil Rights Initiative; welfare reform. We have taken care of many of the substantive issues, but what is left are those issues that exacerbate those racial fears and racial tension. My appeal in this climate to both parties to help avert this whole notion of a cultural conspiracy would be that we rise above racial politics in 1996 and do what is in the best interests of the American people.

Mr. FIELDS of Louisiana. Mr. Speaker, I think I hear what the gentleman is saying. The gentleman is saying, as I appreciate it, that we as public officials who are looked upon on a day-to-day basis for leadership, be it in our own districts or be it throughout the country, we have to be, first of all, more tolerant of each other, and we must also realize that we have to lead by example and try to talk about concentrating more on those things that bring us together than to put so much emphasis on those things that may divide us.

I think the gentleman is correct. Many times, all too often people in public life, people who run for office use issues as a wedge rather than a magnet to bring people together, but a wedge to divide. I do not know if this is what we get, the church-burning is a result of what we get as a result of dividing and not healing and bringing people together. I do not know if that is the reason or not.

But I do think the gentleman certainly makes a very compelling argument in that respect. It goes to show you that people do in fact, if that is one of the by-products of division in this Congress, division in government, if one of the by-products is somebody going to go put a match to a church, then we have to be very careful in terms of how we lead and govern.

Mr. JACKSON of Illinois. If the gentleman will continue to yield, Mr. Speaker, can we indeed separate church-burnings from the blowing up of a Federal building in Oklahoma, anti-Federal Government; the Government is too large, the Government is the source of our problem? Can we indeed separate church-burnings from the Freemen's movement and militias on the rise across our Nation, those who are declaring that their individual plots of land are not part of the United States?

I am suggesting that there is a cultural conspiracy that is much broader than just the churches. We are living in a very dangerous climate where we are not only burning churches but we are also burning opportunity, and while we are burning opportunities not only for African-Americans and Latino-Americans, we are also burning opportunities in large numbers for poor white Americans, and many of those poor white Americans, along with African-Americans, Latinos, and others, are indeed reacting to this climate.

One of the things we must do is rise above it. They take their cues from us. If they see us on this floor race-baiting and using cold words and cold language to accomplish short-term political ends, if they see us doing it at the national Presidential level, if they see us doing it in the U.S. Senate, the by-product is certainly intolerance that takes place within our communities, which no freestanding and no uplifting human being should absolutely tolerate.

Mr. FIELDS of Louisiana. I thank the gentleman, Mr. Speaker. That leads me to the point of legislation. The gentleman spoke of the legislation that was introduced by the gentlewoman from North Carolina [Mrs. CLAYTON] and also to legislation that was introduced by the gentleman from Michigan [Mr. CONYERS] and the gentleman from Illinois [Mr. HYDE] as a matter of fact. I am a coauthor of those pieces of legislation, and will be fighting profusely to pass those pieces on this floor, and to even make them stronger, because in listening to the President's address on Saturday, I do agree with the President. This legislation not only needs to be supported by Members of Congress but it also needs to be strengthened. I am going to be working with members of this body to strengthen this legislation.

I agree with you, we need more than legislation, because we have heard time and time again, one cannot legislate morality. We need more than tougher laws on the books. We need more than a good speech from an individual or a group of individuals. We need positive action. I think that just seeing Democrats and Republicans come together on legislation to prevent further harm to churches or to try to show some attention, bring some attention on a very serious problem is a good indication that we can in fact work together.

But all too often we do it later, rather than sooner, and I think you are right, we have too much race-baiting, for lack of a better word, in this country. It is not only in the Congress, it is in State legislatures. Now there is affirmative action, a thing that was created by people, legislators who thought and who felt a genuine need in their heart and mind and in their soul to bring people together and to give individuals who have been discriminated against for years and years an opportunity, no a guarantee but a mere opportunity to be treated fair.

☐ 2030

That thing we call affirmative action is now a racial buzz word, and people use it to divide people instead of bringing people together, and I think that is unfortunate. But the gentleman is right, we have to lead by example. If we want racial harmony in our society and in our country, then the best example is the one that we make ourselves, and it is not only on this floor but throughout our daily lives.

Mr. JACKSON of Illinois. One of the things I did when I ran for Congress in the Second Congressional District of Illinois is I indicated I would rather lose my race right rather than win it wrong, that I did not want to come to Congress at anyone else's expense.

In the Second Congressional District I ran against some very formidable opponents, but one of the things I did not want to do was destroy their reputations or their character just so that JESSE Jr. could serve in this body. I knew I was young enough, had the energy enough to run every time until I won, with the ability to build the consensus that was necessary to provide the kind of hope for the people of my district.

I say that to put it in any context. When we hear Presidential candidates who run for political office and on the one hand they equate the song "We Shall Overcome" with whistling "Dixie," there is no difference, a Presidential candidate said, between "We Shall Overcome" and whistling "Dixie," they are both freedom movements.

Well, if whistling "Dixie," protecting the Confederacy, is part of a freedom movement and "We Shall Overcome" can be equated, it certainly suggests that either we are all missing the boat or that something is taking place within our Nation that has not been healed even since the Civil War. So I would certainly challenge those Presidential candidates to keep the Presidential campaign focused on issues of substance to people as it affects their daily lives.

The gentleman mentioned affirmative action. I heard some of our colleagues earlier on the other side of the aisle talking about affirmative action. He is right. In 1996 affirmative action has become a buzz word.

But the reality is affirmative action is really an outgrowth of the 1954 Brown versus Board of Education decision. Affirmative action is a conservative remedy to offset historical action, historical negative action against groups of people in our society that have been historically denied.

For example, I did a television show last weekend with one of the distinguished gentlemen from the other side of the aisle, and we talked about affirmative action. We talked about affirmative action as equal opportunity, that is, providing opportunity for those who have been historically locked out in our society, and I might add that the primary beneficiaries of affirmative action in our Nation have been white women, not African-Americans. While there are those in our country who would paint affirmative action as the program that has provided unusual, unfair advantage to African-Americans, the primary beneficiaries of affirmative action in the State of Illinois and in States around our Nation have been businesses owned by white women.

But why is affirmative action so important? Yes, white women have been discriminated against, African-Americans have been discriminated against, and there is a legacy of ongoing discrimination that still takes place within our Nation.

The example that I use so regularly across our country is this. When we look to find qualified basketball players to play at any Big 10 or Division I basketball school in our country, we go all over the country. We have boosters who write the coach and say, "Coach, listen, there is a 7-foot-4 basketball player here in our local township who can play basketball. Why don't you give them an opportunity, give them a tryout, send them a letter or try and get them to sign a letter of intent?"

So we go all over the country, primarily because we have an institution in place called boosters to provide information for coaches, and that is why we find so many prominent African-Americans playing basketball in Division I schools.

The problem is this: When it comes around to finding qualified African-Americans who can teach or qualified women who can teach, qualified African-American female, Latino and Asian-American administrators at these schools, suddenly the same aggressive recruitment mechanism that went into finding qualified ball players is not applied when it comes to finding qualified teachers. They always say, "Well, we looked in the local pool, the local municipality and we couldn't find African-Americans or women or Latinos or Asian-Americans who were qualified."

What affirmative action simply suggests as it relates to that kind of opportunity is that those institutions must be as aggressive in trying to find qualified black Ph.D.'s and female Ph.D.'s and Latino Ph.D.'s just as they went and found qualified African-American ball players who play ball in parks across our country and in our high schools.

Mr. FIELDS of Louisiana. I agree with the gentleman. I think one of the problems we have with affirmative action is a perception problem. People try to view affirmative action as two parallel lines, if you will, where we take somebody who is not qualified and we elevate them to the level of somebody who is. But in all actuality, that is not affirmative action.

Affirmative action should be viewed instead as a circle, where every person in the circle, they are all qualified to do the job, to perform the obligation of the contract, but there is one problem. Though there are women in the circle, they never get chosen. Very few of them get an opportunity to fly a plane, though they are qualified pilots. Though there are a lot of African-Americans in the circle who can perform the obligation of the contract, they never get an opportunity to even bid.

So affirmative action is not two parallel lines where we take somebody who is not qualified and elevate them to the level of somebody who is. It is instead a circle where everybody within the circle, one of the prerequisites that one must have in order to get into the circle are qualifications. A person has to be qualified to get into the circle.

The only problem is, but for affirmative action, many qualified people within that circle would never get an opportunity to compete. People do not get jobs because of affirmative action. Women do not get jobs because of affirmative action, blacks, Hispanics, Latinos. They get jobs because they are qualified. They only get an opportunity to compete.

I want to also mention a meeting that I had today. We started the special order off talking about the church burning and now the byproducts of it. I met with the ministers from my district. About four of them were in my office today, after meeting with the Justice Department, and it is amazing, I guess it is not really amazing but it is encouraging, which is a better word, to see these ministers who have had their churches burned to the ground, not lose faith.

One of the ministers when asked by, I guess, the Justice Department what penalty he thinks should be imposed, he said, "Well, 15 years of going to Bible school, or 10 years of going to Bible study and working with the choir and the church." These are individuals who have lost their buildings, not their churches, because it takes more than a torch to burn a congregation. That was only a building.

To know that those congregations all across the southern part of our country are still meeting, meeting in homes, meeting in parking lots, even meeting at other churches and those ministers still leading that flock, it brings a breath of fresh air. So for individuals who think they can kill the spirit by burning the church, they are going to have another think coming, because it really does not even weaken it. I have even been in my own State where it has made some of these churches even stronger.

I would like to thank those individuals. I do not know about in other areas of the State but the local community. When we went through this calamity in Louisiana of the initial church burning, four in on night, to see the business community and to see the community at large come together to try to pool resource to help support those congregations is absolutely extraordinary.

It just goes to show the good that we have in so many people. If we can just advocate that good, not only in times of disaster as the gentleman stated, but advocate that good will that we all have within ourselves as often as possible, then hopefully those kind of hate crimes will go away and be a thing of the past.

Mr. JACKSON of Illinois. Let me say if there is any bright side to this very unfortunate series of events that have been taking place in our Nation, it is that African-Americans and Jewish-Americans and I have seen Catholic Americans along with Protestant Americans come together, the Rainbow Coalition coming together philosophically with the Christian Coalition to condemn these acts. This is something that historically I would think, considering the partisan nature of politics in our country, would not necessarily be the case, but they have moved beyond their partisan differences, because any group of individual who would attack a church is certainly beneath the dignity of what we refer to and call ourselves Americans. And so those who are doing it should stop and those who have information about those who are doing it should call 888–ATF–FIRE and certainly call the ATF and let them know that they have some information about these unfortunate turn of events in our country.

I thought it was important to put these church burnings in a historical context, because all too often the history of racism and sexism and classism and church burnings and climate setting in our Nation and the role that we play as elected officials in fanning those fires, that is, helping those fires get worse. We are not just burning churches, we are also burning opportunity in our Nation. Burning opportunity forces reaction in our Nation in terms of those who are getting an advantage through affirmative action, through other programs that were designed to help the poor regardless of their race, sex, color or class, in this particular climate we see that there is an emergence, if you will, of more church burnings and this kind of racial hatred.

I want to go back just quickly to affirmative action because we are talking about not just burning churches but burning opportunity in our Nation. To hire someone because they are unqualified is absolutely illegal. That is illegal in our Nation. Affirmative action does not mandate that one hire someone because they are unqualified. I think the analogy that the gentleman from Louisiana raises about an airline pilot is certainly correct. You do not hire an African-American to fly a plane or hire a woman or a Latin or an Asian-American to fly a plane simply because of their color. Who would want to fly in a plane in this country if you hired someone who did not know how to fly a plane? That is ridiculous. But it does mean that if African-Americans and if women historically have not flown planes in our Nation, have not been given an equal opportunity of flying a plane, then the airline industries across our Nation must go out of their way and do something that they have historically not done, go out of their way to find qualified African-American men from Tuskegee, Tuskegee pilots, find qualified women, black, white, brown, Asian, who can fly planes and give them an opportunity.

I cannot help but remember and think about the significance of the late Secretary of Commerce Ron Brown's most recent trip to Bosnia-Herzegovina, the former war-torn Yugoslavia. Ron Brown was a big supporter of affirmative action. I certainly hope that his support of affirmative action and equal opportunity does not get lost in his legacy. But for Ron Brown's very unfortunate and untimely demise along with many of our mutual friends who were on that plane, the only thing we probably would have known about that trip from the media accounts was the fact that they were giving hamburgers to soldiers in the former Yugoslavia. But when the plane crashed, we also discovered something else. We found out who else was on the plane, business people, predominantly white businessmen, CEO's of major corporations across our country, who were going to Yugoslavia to rebuild the former war-torn republic, really to receive a grant from the Federal Government that we had provided in this institution for any U.S. company that wanted to go there and rebuild it. They were using a military plane, they were using military personnel, and the Secretary of Commerce was escorting those businesspeople, predominantly white, male-owned companies on a trip for opportunity.

Why was Ron Brown such a big supporter of affirmative action? Because he wanted those business people on those trips that only he knew as Secretary of Commerce that he was really taking to come back to the United States and do business with African-Americans and women and Asians and Native Americans and those who for whatever reason could not be participants on those international trips. Ron Brown knew that the U.S. Government was providing opportunity for those business people in foreign markets and they also had some obligation as a matter of law, not as a matter of good will or good feeling or how we think about people but as a matter of law to come back to this Nation and do business with African-Americans and with women and with Asians who could not make that trip. Ron Brown was about expanding opportunity, and affirmative action was a factor in his program.

Mr. FIELDS of Louisiana. I thank the gentleman for those comments. In closing, I can only say that we have a long way to go and we can make it there if we do it together and we can get there a lot quicker. There is an old saying that you can get it a place a lot quicker if everybody pulls in the same direction. The more we pull in the same direction, the sooner we will get to that destination, that promised land, so to speak, that Dr. King talked about where we all could work together and more forward. Hopefully one day we will not have these senseless burnings like we have today, senseless bombings like we have had in the past, but people will grow to be tolerant of each other and respect each other and learn how to live with each other.

I would only say in closing to those churches and those ministers and those congregations, I am just pleased that Attorney General Janet Reno and the President; Deval Patrick, the Assistant Attorney General; the ATF and all the enforcement mechanisms that we have at our disposal here in this government are all working together in concert with each other to try to change or to try to at least bring these individuals, the perpetrators of these heinous crimes to justice so that they can be duly prosecuted under the law.

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That is their function. We can do something probably even more profound than that. Not only can we pass legislation, and we will, but we can lead by example and try to bring out the best in people.

There is no rhyme nor reason whatsoever for an individual to put a torch to a church, a place of worship in this country. That is a sad day in our society when we have individuals setting fires at places of worship, and we would hope that it would cease and would cease right away.

And for those individuals in our respective districts who know any information whatsoever, it is incumbent upon us to publicize this 888–ATF–FIRE number. That is our responsibility, I would say to the gentleman from Illinois. It is our responsibility to go back to our respective districts in these several States and try to public that 888——

Mr. JACKON of Illinois. ATF–FIRE.

Mr. FIELDS of Louisiana. ATF–FIRE number, and encourage any individuals with any information whatsoever to call that number and give it to the proper authorities so that we can at least bring those individuals to justice.

Mr. Speaker, I yield back the balance of my time to the gentleman.

Mr. JACKSON of Illinois. Mr. Speaker, I certainly want to thank the distinguished gentleman from Louisiana for his very kind and very gentle remarks. I would certainly hope those of us in this body, really on both sides of the aisle and certainly those of us who occupy the Supreme Court of the United States and the White House, that we would be particularly sensitive that it is but by the grace of God that the churches that have been burnt, that there have not been full congregations or any congregations in those churches at those times.

But let us also be cognizant of the role that we play with our debates on the floor of this House, with the way in which we conduct ourselves in our Democrat versus Republican politics back home, with the implementation of strategies that have not brought out the very best in people but have, indeed, exacerbated fears and brought out the very worst in people.

I certainly want to commend the distinguished gentleman from Louisiana for the way in which he has conducted himself publicly and the role he has tried to play it bringing African-Americans, white Americans, Asian-Americans, native Americans and all of the different of Americans under one big tent called America.

With that, Mr. Speaker, we yield back the balance of our time.

Mr. HILLIARD. Mr. Speaker, a southern nightmare has returned to the once quiet and tranquil rural counties of America's southland which has many of our citizens concerned.

A wave of church arsons is sweeping across the South, taking with it many rural, mostly black churches, as well as the confidence and security that many of these communities once felt.

Mr. Speaker, if this were 1956, I would blame it on the States's-Rights activists, but this isn't 1956, this is 1996, and I thought Bull Conner was dead.

Just like a bad dream which comes in the middle of the night, so also, come these arsons, enveloped in darkness and all too reminiscent of the Bad Old Days when the nightriders of the Ku Klux Klan practiced their evil under the cover of darkness and with the assistance of the torch.

The number of incidents, as of May 21, 1996, given in testimony before the Judiciary Committee, was 57 across the United States.

Now, the number of church arsons has risen to 58.

The number has risen to 58 because this last Sunday, another fire tragically burned the Rising Star Baptist Church, in Greensboro, AL, to the ground, and leaving an entire congregation without a house of worship.

The fire is still under investigation. Tragically, under the cover of darkness, a beautiful quiet community in west Alabama's agricultural heartland has again experienced another church arson. This makes the ninth arson of a black church in Alabama.

In light of these events, the names of these Alabama churches now evoke a rollcall of despair, a string of broken dreams, and a hallmark of heartache. Allow me to cite the names of the Alabama churches which have burned: Mount Zion Baptist Church; Mount Zoar Baptist Church; Little Zion Baptist Church; New Liberty Baptist Church; Jerusalem Baptist Church; Bucks Chapel Church; Oak Grove Missionary Baptist Church; Pine Top Baptist Church; and now Rising Star Baptist Church.

Mr. Speaker, I can not say definitely that these fires are the direct result of a resurgence of racism, but they are the deliberate result of hatred, ignorance, and lawlessness.

Although these fires have burned down many rural churches in Alabama and across the United States, these fires have not burned out my optimism for the progress which Alabama and the South have made in my lifetime, in the area of race relations.

I know, it is a far from a perfect situation which exists today in Alabama, or in America, but if we realize this fact, and continue to progress and grow, we will reach Dr. King's promised land. And just like Dr. King, "I may not be with you, when you get there," but if this day comes after my work on earth is done, I assure you that I will be there in spirit.

In closing, allow me to say that crosses may not be burning in Alabama tonight, but our churches are in flames and these criminals must be brought to justice.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHRIFF (at the request of Mr. ARMEY), for today and Tuesday, June 11, on account of official business.

Mr. ROHRABACHER (at the request of Mr. ARMEY), for today, on account of delayed transportation.

Mr. HASTINGS of Florida (at the request of Mr. GEPHARDT), for today and Tuesday, June 11, on account of personal reasons.

Mr. UNDERWOOD (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of official business.

Mrs. LINCOLN at the request of Mr. GEPHARDT), for today and the balance of the week, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mrs. CLAYTON, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. JONES) to revise and extend their remarks and include extraneous material:)

Mr. BURR, for 5 minutes, on June 11.

Mr. BURTON of Indiana, for 5 minutes each day, today and on June 11, 12, 13, and 14.

Mr. RIGGS, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes each day, on June 11, 12, and 13.

Mr. BUYER, for 5 minutes each day, on June 11, 12, and 13.

Mr. MICA. for 5 minutes each day, today and on June 11, 12, and 13.

Mr. CHAMBLISS, for 5 minutes each day, on June 11 and 12.

(The following Member (at his own request) and to revise and extend his remarks and include extraneous material:)

Mr. HALL of Texas, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mrs. MALONEY.
Mr. DELLUMS.
Mr. POSHARD.
Mr. FAZIO of California.
Mr. WARD.
Mr. LANTOS.
Mr. MONTGOMERY.
Mr. CONYERS.
Mr. BERMAN.
Mr. TORRICELLI.
Mr. HASTINGS of Florida.
Mr. ACKERMAN.
Mr. PAYNE of New Jersey.
Mr. DEUTSCH.

(The following Members (at the request of Mr. JONES) and to include extraneous matter:)

Ms. ROS-LEHTINEN.
Mr. BOEHNER.

(The following Members (at the request of Mr. FIELDS of Louisiana) and to include extraneous matter:)

Mr. BENTSEN.
Mr. FARR of California.
Mr. PARKER.
Mr. KENNEDY of Rhode Island

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1634. An act to amend the resolution establishing the Franklin Delano Roosevelt Memorial Commission to extend the service of certain members; to the Committee on Resources.

ADJOURNMENT

Mr. JACKSON of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 49 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 11, 1996, at 9 a.m.

NOTICE OF PROPOSED RULEMAKING EXTENSION OF PERIOD FOR COMMENT

U.S. CONGRESS,
OFFICE OF COMPLIANCE,
Washington, DC, June 7, 1996.

Hon. NEWT GINGRICH,
Speaker of the House, U.S. House of Representatives, Washington, DC

DEAR MR. SPEAKER: Pursuant to Section 304(b) of the Congressional Accountability Act of 1995 (2 U.S.C. §1384(b)), I am transmitting on behalf of the Board of Directors the enclosed notice for publication in the Congressional Record.

The Congressional Accountability Act specifies that the enclosed notice be published on the first day on which both Houses are in session following this transmittal.

Sincerely,

GLEN D. NAGER,
Chair of the Board.

JUNE 7, 1996.

OFFICE OF COMPLIANCE

NOTICE OF PROPOSED RULEMAKING—EXTENSION OF PERIOD FOR COMMENT

A Notice of Proposed Rulemaking [NPR] for the proposed regulations implementing Section 220(e) of the Congressional Accountability Act of 1995, was published in the CONGRESSIONAL RECORD dated May 23, 1996. This notice is to inform interested parties that the Board of Directors of the Office of Compliance has extended the period for public comment on the NPR until July 1, 1996. Any questions about this notice may be directed to the Office of Compliance, LA 200 John Adams Building, Washington, DC 20540-1999; phone (202) 724-9250; fax: (202) 426-1913.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3448. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of May 1, 1996, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 104-230); to the Committee on Appropriations and ordered to be printed.

3449. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—List of Regulated Substances and Thresholds for Accidental Release Prevention; Final Rule—Stay of Effectiveness (FRL-5516-6) received June 6, 1996, pursuant to 5 U.S.C. 801(a) (1) (A); to the Committee on Commerce.

3450. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—40 CFR Parts 1528 and 1552 Acquisition Regulation (FRL-5517-4) received June 6, 1996, pursuant to 5 U.S.C. 801(a) (1) (A); to the Committee on Commerce.

3451. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's major final rule—Risk Management Program Regulations for Chemical Accident Release Prevention, as required by section 112(r) of the Clean Air Act—received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3452. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Ohio (FRL-5506-5) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3453. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Protection of Stratospheric Zone (FRL-5518-1) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3454. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Indiana (FRL-5509-5) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3455. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; State of New Mexico; Approval of the Vehicle Inspection and Maintenance Program, Emissions Inventory, and Maintenance Plan; Redesignation to Attainment Albuquerque/Bernalillo County, New Mexico; Carbon Monoxide (FRL-5514-2) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3456. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plans; California State Implementation Plan Revision, Five Local Air Pollution Control Districts (FRL-5464-4) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3457. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Virginia; Approval of Alternative Compliance Plans for the Reynolds Metals Graphic Arts Plants (FRL-5514-6) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3458. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Shelton, Washington) [MM Docket No. 95-156] received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3459. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Woodville and Liberty, Mississippi; Clayton and Jena, Louisiana) [MM Docket No. 94-115] received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3460. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Blossom, TX, DeQueen, Arkansas, and Coalgate, Oklahoma) [MM Docket No. 95-75] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3461. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Clovis and Madera, California) [MM Docket No. 90-45] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3462. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—

Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Woodville and Liberty, Mississippi; Clayton and Jena, Louisiana) [MM Docket No. 94-115] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3463. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Chester, Shasta Lake City, Alturas, McCloud and Weaverville, California) [MM Docket No. 94-76 and MM Docket No. 94-77] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3464. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.606(b), Table of Allotments, TV Broadcast Stations (Virginia Beach, Virginia) [MM Docket No. 95-77] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3465. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Shelton, Washington) [MM Docket No. 95-156] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3466. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Revocation of Certain Regulations Affecting Food [Docket No. 95N-310F] received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3467. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Environmental Review for Renewal of Nuclear Power Plant Operating Licenses (RIN: 3150-AD63) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3468. A letter from the Director, Defense Security Assistance Agency, transmitting notification of a cooperative project concerning a NATO mid-term modernization program which will improve the airborne early warning and control system [AEW&C] mission capabilities of NATO E-3A aircraft, simulators, and training cargo aircraft (Transmittal No. 11-96) received June 7, 1996, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

3469. A letter from the Director, Defense Security Assistance Agency, transmitting notification of an umbrella cooperative project with Canada covering future collaboration on research, exploratory development, and advanced development whose maturation may lead to technologically superior conventional weapon systems (Transmittal No. 12-96) received June 7, 1996, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

3470. A letter from the Director, Defense Security Assistance Agency, transmitting notification of a cooperative project concerning improvements to a modular electronic subsystem for the purpose of enhancing both air and ground electronic warfare detection capabilities (Transmittal No. 10-96) received June 7, 1996, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

3471. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Notification of Foreign Official Status—Elimination and Reinvention of Regulations (Office of Protocol, Department of State) (22 CFR, Part 4) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3472. A letter from the Secretary of Health and Human Services; transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, and the semiannual management report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3473. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-268, "Police Officers Outside Employment Amendment Act of 1996"—received June 7, 1996, pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

3474. A letter from the Federal Co-Chairman, Appalachian Regional Commission, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3475. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—Texas Regulatory Program (Office of Surface Mining Reclamation and Enforcement) [SPATS No TX-027-FOR] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3476. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Pacific Coast Groundfish Fishery; Whiting At-Sea Processing [Docket No. 951227306-6117-02; I.D. 053096A] received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3477. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Gulf of Mexico Fisheries Disaster Program [Docket No. 960322092-6159-02; I.D. 032596B] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3478. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Seymour, TX—Docket No. 95-ASW-01 (Federal Aviation Administration) (RIN: 2120-AA66) (1996-0036) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3479. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Guymon, OK—Docket No. 95-ASW-22 (Federal Aviation Administration) (RIN: 2120-AA66) (1996-0037) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3480. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Artesia, NM—Docket No. 95-ASW-08 (Federal Aviation Administration) (RIN: 2120-AA66) (1996-0035) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3481. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Victoria, TX—Docket No. 95-ASW-20 (Federal Aviation Administration) (RIN: 2120-AA66) (1996-0052) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3482. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Guthrie, TX—Docket No. 95-ASW-17 (Federal Aviation Administration) (RIN: 2120-AA66) (1996-0050) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3483. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Proposed Establishment of Class E Airspace; Soncra, TX—Docket No. 95-ASW-07 (Federal Aviation Administration) (RIN: 2120-AA66) (1996-0045) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3484. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (24) [Amendment Number 1733] (Federal Aviation Administration) (RIN: 2120-AA65) (1996-0016) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3485. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (27) [Amendment Number 1732] (Federal Aviation Administration) (RIN: 2120-AA65) (1996-0015) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3486. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Decision of the United States Supreme Court Concerning an Agency Interpretation of the Federal Hours of Service Laws; Change in Agency Interpretation; Enforcement Policy Regarding Violations of Laws as Previously Interpreted (Federal Railroad Administration) (49 CFR Part 228) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3487. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security Zone Regulations: U.S. Coast Guard Base Miami Beach; Miami Beach, FL [COTP Miami 96-039] (RIN: 2115-AA97) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3488. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Lake Erie, Detroit to Cleveland [CDG09-96-002] (RIN: 2115-AA97) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3489. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Ohio River, Miles 309.0 to 312.5; Vicinity of the Huntington West End Bridge, Huntington, WV [COTP Huntington 96-008] (RIN: 2115-AA97) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3490. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Harborwalk Boat Race; Sampit River, Georgetown, SC [CGD07-96-015] (RIN: 2115-AE46) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3491. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulatory Reinvention Initiative: Pipeline Safety Program Procedures; Reporting Requirements; Gas Pipeline Standards; and Liquefied Natural Gas Facilities Standards (Research and Special Programs Administration) [Docket No. PS-125; Notice 2] (RIN: 2137-AC28) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3492. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—National Standards for Traffic Control Devices; Metric Conversion (Federal Highway Administration) [FHWA Docket No. 96-20] (RIN: 2125-AD63) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3493. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Polices Relating to Rulemaking Proceedings (RIN: 2105-AC55) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3494. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Kaiser, MO; Camdenton, MO; Sedalia, MO; West Plains, MO; Point Lookout, MO; St. Charles, MO; Monett, MO; Butler, MO; Monroe City, MO; etc. (11) (Federal Aviation Administration) [Docket No. 96-ACE-2] (Rin: 2120-AA66) (1996-0053) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3495. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standards for Approval for High Altitude Operation of Subsonic Transport Airplanes (Federal Aviation Administration) (RIN: 2120-AB18) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3496. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-10 Series Airplanes and Model MD-11F (Freighter) Airplanes (Federal Aviation Administration) (Docket No. 95-NM-120-AD) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3497. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Textron Lycoming Model TIO-540-S1A Reciprocating Engines (Federal Aviation Administration) (Docket No. 91-ANE-29) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3498. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-9-80 Series Airplanes, Model MD-88 Airplanes, and MD-90 Airplanes (Federal Aviation Administration) (Docket No. 96-NM-111-AD) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3499. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Aviat Aircraft, Inc. Models S-1S, S-1T, S-2, S-2A, S-2S, and S-2B Airplanes (formerly known as Pitts Models S-1S, S-1T, S-2, S-2A, S-2S, and S-2B Airplanes) (Federal Aviation Administration) [Docket No. 96-CE-23-AD; Amendment 39-9645; AD 96-12-03] (RIN:2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3500. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Canadair Model CL-215-1A10 Series Airplanes (Federal Aviation Administration) (Docket No. 96-NM-61-AD) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3501. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model MD-11 Series Airplanes (Federal Aviation Administration) (Docket No. 96-NM-56-AD) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3502. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Twin Commander Aircraft Corporation 500, 680, and 690 Series Airplanes (Federal Aviation Administration) (Docket No. 96-CE-22-AD) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3503. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; The New Piper Aircraft, Inc. Models PA31, PA31-300, PA31-325, and PA31-350 Airplanes (Federal Aviation Administration) (Docket No. 90-CE-60-AD) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3504. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Jetstream Model 4101 Airplanes (Federal Aviation Administration) (Docket No. 95-NM-133-AD) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3505. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300 B2 and B4 Series Airplanes, Excluding Model A300-600 Series Airplanes (Federal Aviation Administration) Docket No. 95-NM-161-AD) (RIN: 2120-AA64) received June 6, 1996, pursuant to 5 U.S.C. 801(a)91)(A); to the Committee on Transportation and Infrastructure.

3506. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army concerning Humboldt Harbor and Bay, CA, dated October 30, 1995, submitting a report together with accompanying papers and illustrations (H. Doc. No. 104-231); to the Committee on Transportation and Infrastructure and ordered to be printed.

3507. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Post-Vietnam Era Veterans' Educational Assistance: Miscellaneous (RIN: 2900-AH64) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3508. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Autopsies (RIN: 2900-AI07) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3509. A letter from the Chairman, U.S. International Trade Commission, transmitting a copy of the 85th quarterly report on trade between the United States and China, the successor states to the former Soviet Union, and other title IV countries during 1995, pursuant to 19 U.S.C. 2440; to the Committee on Ways and Means.

3510. A letter from the Under Secretary of Defense, transmitting the Department's report entitled "Quality of Research Under the DOD Small Business Innovation Research [SBIR] Program," pursuant to Public Law 102-564, section 106 (106 Stat. 4256); jointly, to the Committees on National Security and Small Business.

3511. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 96-31: Assistance Program for Russia, pursuant to Public Law 103-87, section 577(a) (107 Stat. 973); jointly, to the Committees on International Relations and Appropriations.

3512. A letter from the Board of Directors, Office of Compliance, transmitting a notice for publication in the CONGRESSIONAL RECORD, pursuant to Public Law 104-1, section 304(b)(1) (109 Stat. 29); jointly, to the Committees on House Oversight and Economic and Educational Opportunities.

3513. A letter from the Assistant Secretary of the Army (Civil Works), transmitting the U.S. Army Corps of Engineers Division Restructuring Plan, pursuant to Public Law 104-46, title I (109 Stat. 405); jointly, to the Committees on Transportation and Infrastructure and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOODLING: Committee on Economic and Educational Opportunities. H.R. 3268. A bill to amend the Individuals with Disabilities Education Act, to reauthorize and make improvements to that act, and for other purposes; with an amendment (Rept. 104-614). Referred to the Committee of the Whole House on the State of the Union.

Mr. DREIER: Committee on Rules. House Resolution 450. Resolution waiving points of order against the conference report to accompany the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the U.S. Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002. (Rept. 104-615). Referred to the House Calendar.

Mr. LINDER: Committee on Rules. House Resolution 451. Resolution providing for consideration of the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-616). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLILEY (for himself, Mr. DINGELL, Mr. BILIRAKIS, Mr. WAXMAN, Mr. MOORHEAD, Mr. BRYANT of Texas, Mr. OXLEY, Mr. TOWNS, Mr. SCHAEFER, Mr. STUDDS, Mr. UPTON, Mr. PALLONE, Mr. FRANKS of Connecticut, Mrs. LINCOLN, Mr. GREENWOOD, Mr. DEUTSCH, Mr. CRAPO, Mr. RUSH, Mr. DEAL, of Georgia, Ms. FURSE, Mr. BILBRAY, Mr. STUPAK, Mr. WHITFIELD, Mr. MANTON, Mr. GANSKE, Mr. RICHARDSON, Mr. GORDON, and Mr. MARKEY):

H.R. 3604. A bill to amend title XIV of the Public Health Service Act (the "Safe Drinking Water Act"), and for other purposes; to the Committee on Commerce.

By Mr. LEWIS of California:

H.R. 3605. A bill to amend the Internal Revenue Code of 1986 to clarify the exemption from tax for State funds providing coverage for losses on property arising from earthquakes; to the Committee on Ways and Means.

By Ms. LOFGREN:

H.R. 3606. A bill to amend the Communications Act of 1934 to restore freedom of speech to the Internet and to protect children from unsuitable online material; to the Committee on Commerce.

By Mr. SANDERS:

H.R. 3607. A bill to amend chapter 35 of title 44, United States Code, popularly known as the Paperwork Reduction Act, to ensure that Federal agencies give priority to reducing paperwork burdens on small businesses having 50 or fewer employees; to the Committee on Government Reform and Oversight, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SANDERS (for himself, Mr. FRANK of Massachusetts, Mr. BARRETT of Wisconsin, Mr. STARK, and Mr. MILLER of California):

H.R. 3608. A bill to amend section 818 of the National Defense Authorization Act for fiscal year 1995 to prohibit additional payments for restructuring costs under defense contracts and to revise certain reporting requirements relating to such costs; to the Committee on National Security.

By Mr. SHAYS (for himself and Mr. FARR):

H.R. 3609. A bill to authorize appropriations for the payment of U.S. arrearages in assessed contributions to the United Nations for prior years and to authorize appropriations for the payment of assessed contributions of the United States for U.N. peacekeeping operations; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 351: Mr. MOORHEAD.

H.R. 1010: Ms. LOFGREN, Mr. FORD, Mr. SCARBOROUGH, Mrs. SCHROEDER, and Mr. EHLERS.

H.R. 1733: Mr. BURR.

H.R. 2246: Mr. WYNN and Ms. JACKSON-LEE.

H.R. 2391: Mr. FUNDERBURK and Mr. WELDON of Florida.

H.R. 2442: Mr. HALL of Ohio and Mr. ROHRABACHER.

H.R. 2587: Mr. LONGLEY.

H.R. 2701: Ms. VELAZQUEZ.

H.R. 2867: Mr. HOSTETTLER.

H.R. 2925: Mr. KINGSTON.

H.R. 2962: Mr. ACKERMAN, Mr. MILLER of California, Mr. GEJDENSON, and Mr. VENTO.

H.R. 3083: Mr. GALLEGLY.

H.R. 3087: Mr. NORWOOD

H.R. 3119: Mr. PETERSON of Minnesota.

H.R. 3161: Mr. KOLBE and Mr. GORDON.

H.R. 3199: Mr. SHAW, Mr. WELLER, Mr. QUILLEN, and Mr. COMBEST.

H.R. 3234: Mr. GOODLING, Mr. UPTON, Mrs. MYRICK, Mr. RADANOVICH, Mr. SOUDER, Mr. DOOLITTLE, and Mr. WELDON of Florida.

H.R. 3244: Mrs. COLLINS of Illinois, Mr. ARMEY, Mr. TOWNS, Mr. HASTINGS of Florida, Mrs. MEEK of Florida, Mr. FRAZER, and Mr. ROMERO-BARCELO.

H.R. 3251: Mr. HEFLEY.

H.R. 3252: Mr. WATT of North Carolina, Mr. WYNN, Mr. FATTAH, and Mrs. CLAYTON.

H.R. 3294: Mr. SPRATT and Mr. DELLUMS.

H.R. 3332: Mr. RANGEL, Mr. DELLUMS, Mr. SCOTT, Mr. CLYBURN, Mr. JOHNSTON of Florida, Mrs. COLLINS of Illinois, Mr. FRAZER, Mr. DEFAZIO, Mr. STARK, and Mr. EVANS.

H.R. 3354: Mr. NETHERCUTT.

H.R. 3449: Mr. BONILLA, Mr. EVANS, and Mr. LAUGHLIN.

H.R. 3465: Ms. JACKSON-LEE of Texas, Mr. GEJDENSON, Mr. SHAYS, Mr. OLVER, Mr. HAMILTON, Mr. HOYER, Mr. LEWIS of Georgia, Ms. RIVERS, and Mr. DOOLEY.

H.R. 3525: Mrs. MYRICK, Mr. CHABOT, and Mr. FATTAH.

H.R. 3551: Mr. WELDON of Florida and Mr. LOBIONDO.

H.R. 3571: Mr. FRISA, Mr. ENGEL, Mr. HOKE, Mr. ACKERMAN, Mr. MANZULLO, Mr. LAZIO of New York, Mr. SCHUMER, Mr. MANTON, Ms. MOLINARI, and Mr. NEAL of Massachusetts.

H.R. 3577: Mr. ROHRABACHER, Mr. TRAFICANT, Mr. BURTON of Indiana, and Mr. DORNAN.

H. Con. Res. 145: Mr. CALVERT.

H. Con. Res. 173: Mr. SAXTON, Mr. VISCLOSKY, Mr. MCNULTY, and Mr. SERRANO.

H. Res. 30: Mr. PASTOR.

H. Res. 439: Mr. TATE.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3603

OFFERED BY: MR. DEFAZIO

AMENDMENT. No. 1: At the end of the bill (page 69, after line 5), insert the following new section:

SEC. . (a) LIMITATION ON USE OF FUNDS.—None of the funds made available in this Act may be used for predator control efforts under the Animal Damage Control Program in the western region of the United States, except when it is made known to the Federal official having authority to obligate or expend such funds that the control efforts protect human health or safety or endangered or threatened species.

(b) CORRESPONDING REDUCTION IN FUNDS.—The amount otherwise provided by this Act for salaries and expenses with respect to the Animal Damage Control Program under the heading "ANIMAL AND PLANT HEALTH INSPECTION SERVICE" is hereby reduced by $13,400,000.

H.R. 3603

OFFERED BY: MR. GOSS

AMENDMENT. No. 2: Page 17, line 17, after the first dollar amount, insert the following: "(reduced by $16,209,000)".

H.R. 3603

OFFERED BY: MR. GOSS

AMENDMENT. No. 3: Page 51, strike line 17 and all that follows through page 52, line 24, and insert the following:

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

For necessary expenses for commodities supplied in connection with dispositions abroad pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), $837,000,000, to remain available until expended.

H.R. 3603

OFFERED BY: MR. GOSS

AMENDMENT NO. 4: Page 51, line 23, strike "1727–1727f,".

Page 52, line 4, insert "and" before "(3)".

Page 52, line 7, strike '; 'and (4)" and all that follows through "Act" on line 9.

Page 52, line 11, insert "such" before "title".

Page 52, line 12, insert "such" before "title".

H.R. 3603

OFFERED BY: MR. HOBSON

AMENDMENT NO. 5: On page 69, after line 5, add the following new section:

SEC. . None of the funds made available in this Act may be used to administer a peanut program that maintains a season average farmers stock price for the 1997 crop of quota peanuts in excess of $625 per ton.

H.R. 3603

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 6: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 726. None of the funds appropriated or otherwise made available by this Act for market access activities under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to promote the sale or export of alcohol or alcoholic beverages. None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries of employees of the Department of Agriculture who provide assistance under such section to promote the sale or export of alcohol or alcoholic beverages.

H.R. 3603

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 7: At the end of the bill (page 69, after line 5), insert the following new section:

SEC. 726. None of the funds appropriated or otherwise made available by this Act for market access activities under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to promote the sale or export of alcohol or alcoholic beverages. None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries of employees of the Department of Agriculture who provide assistance under such section to promote the sale or export of alcohol or alcoholic beverages.

H.R. 3603

OFFERED BY: MR. LUCAS

AMENDMENT NO. 8: Strike section 728, page 66, line 15, through page 67, line 3.

EXTENSIONS OF REMARKS

WILL THE DETROIT NEWSPAPER AGENCY PLEASE COME TO THE BARGAINING TABLE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. CONYERS. Mr. Speaker, 333 days ago more than 2,000 union employees of the Detroit Newspaper Agency were forced to strike after the Detroit News and Detroit Free Press refused to bargain with them in good faith. In the 5 years before the strike, the relevant unions conceded to management demands to eliminate nearly 1,000 jobs and gave up countless pay raises to help make these newspapers profitable, but this profit only made the newspapers eager for more.

When these papers began to earn more than $1 million per week, instead of using this money to rehire workers and restore pay raises to the workers who made it possible, they said it was time for more sacrifices.

Today, the Detroit News and Detroit Free Press are losing almost $5 million per week because of reaction to their antiworker business tactics, but the newspapers claim that they no longer need the striking workers. Even though the NLRB has issued two unfair labor practice complaints against the Detroit newspaper for their bad faith bargaining and unilateral imposition of changes in working conditions, they refuse to even begin negotiating with the unions.

I urge my colleagues to join with me in reexamining the Newspaper Preservation Act of 1970 which sanctions, joint operating agreements, like the one under which the Detroit newspapers operate. The joint operating agreement gives the combined Detroit News and Detroit Free Press a powerful weapon against the unions by providing them limited antitrust immunity for the purpose of combining certain operations, such as printing and other production operations.

Before the workers were forced to strike, the Detroit Newspaper Agency earned $56 million in 1 year; this year, with the workers striking, they are expected to lose $250 million. It is clear that Gannett and Knight-Ridder are willing to sacrifice their economic well-being in order to gain the upper hand in labor-management relations. I urge the Detroit Newspaper Agency to please come to the bargaining table and end this impasse.

HONORING THE 50TH WEDDING ANNIVERSARY OF MR. AND MRS. FRANK FOUREZ, JR.

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. POSHARD. Mr. Speaker, I rise today to honor a truly remarkable accomplishment. On June 29, 1996, Frank and Lawanda Bea Fourez of Christopher, IL, will celebrate their golden wedding anniversary. I refer to this as an accomplishment because anyone that has been married knows the work involved in maintaining this blessed institution. It requires love, patience, and above all, a devotion to your mate to supersedes all else. I want to personally congratulate the Fourez on reaching this milestone, as well as send my best to their large and undoubtedly proud family.

It seems that Frank and Lawanda Bea understand devotion. Just 20 and 16 when they wed, the couple has spent over two-thirds of their lives together. Since their union they have witnessed the fallout from a world war, the beginning and end of the cold war, and all of the trials and tribulations of a young Nation taking on the challenges of world leadership and its own civil harmony. And through all of these monumental changes, their life together has been incredibly consistent. They have relied on the staples of family and community, living in Christopher for all 50 years. The Fourezs had seven children, and are enjoying a bounty of grandchildren and great-grandchildren, currently numbering 16. Loyalty is a way of life, as Frank worked as a sales manager for Central Wholesale Liquor Co. in Mt. Vernon for 35 years before retiring.

Mr. Speaker, it takes truly special people to persevere and thrive throughout a 50-year relationship. The Fourez family clearly is an example that our entire Nation can look to in terms of family values and the vital place of a loving family in our society: I wish Frank and Lawanda Bea limitless joy while they celebrate this occasion and many more years of happiness. It is an honor to represent them in the U.S. Congress.

TRIBUTE TO CAPT. ROBERT J. PLANTE

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. FARR of California. Mr. Speaker, I rise today to pay tribute to a man who has served and led his country in the Navy for over 28 years. Capt. Robert J. Plante, who began his career as a naval aviator in February 1968, is now retiring as commanding officer of the Fleet Numerical Meteorology and Oceanography Center in Monterey, CA, a position he assumed in 1992.

Captain Plante has led a distinguished life. He graduated from the University of Illinois/Illinois Institute of Technology in 1966 with a bachelor of science degree in chemical engineering and political science. By 1973 he had not only completed naval flight training but also became an aircraft commander at the Naval Air Station in Brunswick, ME, and successfully completed his masters degree in meteorology from the Naval Postgraduate School.

For the following 9 years after graduation, Captain Plante served his country at numerous Navy bases around the world. He earned such titles as officer in charge, Naval Weather Service Environmental Detachment for the Midway Islands; command duty officer and aviation division officer at Fleet Weather Control at Norfolk, VA; meteorological officer aboard the USS *Saratoga*, and finally, from 1979 to 1981, officer in charge, Naval Oceanography Command Detachment, Keflavik, Iceland.

In the ensuing years Captain Plante continued to move up in both rank and duties. After his graduation from the Naval War College in Newport, RI in 1982 he became the commander of the Naval Oceanography Command. Two years later he was assigned to commanding officer of the Naval Oceanography Command Facility at Bay St. Louis, MS. For the following 3 years Captain Plante distinguished himself as Division Director for the Oceanographer of the Navy, Division Director for Welfare Systems Engineering Policy and Standards at the Space and Naval Warfare Systems Command, commanding officer of the U.S. Naval Oceanography Command Center/Joint Typhoon Warning Center at Guam, and finally in August 1990 he assumed his duties as Chief of Staff for the Commander at Naval Oceanograph Command.

Captain Plante is the distinguished recipient of the Legion of Merit Medal, the Meritorious Service Medal with a gold star. The Navy Commendation Medal with two gold stars, the Navy Unit Commendation Ribbon and the National Defense Service Medal. Along with these esteemed awards Captain Plante has also been prestigiously recognized as "Fellow" in the American Meteorological Society.

The above list of titles and awards which Captain Plante holds is only a part of the reason for this tribute to a great man. His constant drive to succeed, his continued push to assume more responsibilities, and his outstanding leadership qualities are the main reasons we recognize him today. I know I am speaking for all of my constituents to say that we are lucky to have benefited from Captain Plante's service to his country.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

REMARKS HONORING TROY CHAMBER PRESIDENT ROY E. CARLSON

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. BOEHNER. Mr. Speaker, it is my privilege and pleasure to recognize Roy E. Carlson for his years of service to the chambers of commerce in Ohio and Michigan. Roy has been with the Troy Chamber of Commerce for the past 10 years, and with his previous experience, has been professionally associated with the chamber for a total of 30 years. He has decided to retire at the end of this month. Though all of us who know Roy are happy for him for his upcoming retirement, we know his shoes will be hard to fill.

Roy has devoted his time promoting economic development wherever he worked. Prior to his 10 years of service to the Troy Area Chamber of Commerce, Roy was executive vice president of the Findlay, OH, Area Chamber of Commerce. Before that he was manager of the Marshall MI, Chamber of Commerce. He is also active in the Ohio Development Association, Chamber of Commerce Executive of Ohio, and the Japan-Ohio International Network.

I have had the opportunity to get to know Roy over the past 6 years and watched him work tirelessly to promote growth in the Troy, OH, area. His labor has benefited the community by bring new business opportunities and jobs for Miami County and the surrounding area. His drive and vision for Troy and Miami County have truly made a difference. Roy's position as president of the Troy Area Chamber of Commerce may be filled, but Roy can never truly be replaced.

Therefore, Mr. Speaker, I wish to recognize Roy E. Carlson for his service to his community through his leadership in the chamber of commerce. May be enjoy his years of retirement and take great pleasure in knowing that what he has accomplished over the years through his economic development efforts has touched the lives of those in the communities where he has served.

TRIBUTE TO JUDGE WILMONT SWEENEY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. DELLUMS. Mr. Speaker, it is with great pride and appreciation that I call to your attention the extraordinary accomplishments of a devoted public servant, a noted and revered jurist, and a dear friend and colleague.

Judge Wilmont Sweeney has just retired from the Superior Court of Alameda County, where he had served for 17 years and had been presiding judge of the Juvenile Division for 15 of those years. He was appointed by Gov. Jerry Brown, Jr., in 1979, elected in 1980 and reelected in 1986. Prior to that he had been appointed in 1974 by Gov. Ronald Reagan as judge of the Municipal Court of the Berkeley-Albany Judicial District of Alameda County, and elected to that position in 1978. His rulings and contributions on the bench have been hailed by many for their legal acumen, wisdom, and care for children and the families that have come before him. He has been a leader, locally and at the State level, in promoting juvenile law legislation and in raising public awareness of children's issues.

Prior to his judicial service, Wilmont Sweeney had served as a member of the Berkeley City Council—1961 to 1974—and as vice mayor of the city—1967 to 1974. To that task he brought his thoughtful deliberation, advice, and decisionmaking to a whole range of nettlesome issues in a community that was the epitome of diverse interests and opinions. He became legendary for his reasonableness and ability to help bring persons with opposing points of view to positions of agreement, compromise, or accommodation.

From 1955 to 1974, Wilmont Sweeney was in private practice, handling all kinds of legal cases, in Oakland, CA. He first worked with criminal law attorney Clinton White as a sole practitioner. He then served as a partner with the law firm of Wilson, Metoyer, Sweeney, and Broussard.

Wilmont Sweeney was born in Austin, TX. He served to sergeant in the U.S. Army during World War II from 1944 to 1946 and then in the U.S. Army Reserve from 1948 to 1949. He received a B.A. in 1950 from the University of California, Berkeley in Political Science and a J.D. In 1955 from Hastings College, San Francisco, CA. While at Hastings, he was the Note and Comment Editor of the Hastings Law Journal from 1954 to 1955. He was admitted to the California Bar, the U.S. Court of Appeals, Ninth Circuit, and the U.S. District Court, Northern District of California in 1955, and to the U.S. Supreme Court in 1967.

Judge Sweeney has served on numerous public service boards, commissions, and committees; and, he has been the recipient of many awards and recognition for that service. Just a few examples will be given here: the Benjamin Ide Wheeler Award as Berkeley's Most Outstanding Citizen in 1971; the W. Byron Rumford Humanitarian Medal in 1987; Certificate of Commendation for outstanding accomplishments on behalf of abused and neglected children from the State of California's Department of Social Services in 1987; Judge of the Year Award from the Alameda County Lawyers Club in 1988; Unsung Hero Award from the Oakland Crack Task Force for his outstanding community involvement in drug prevention and education in 1990; the State's first Juvenile Court Judge of the Year Award by the Juvenile Court Judges of California in 1992; and, the Chief Probation Officers' Timothy Fitzharris Award in recognition of his major contributions to the field of probation services.

On Thursday, June 13, 1996, the Alameda County Bar Association and a host of friends will honor Judge Sweeney upon his retirement as judge of the superior court and presiding judge of juvenile court. I join in thanking Judge Sweeney for all his numerous contributions to the well-being of our society, and for his selfless efforts that span 35 years of elected public service. Additionally, I would note that all of us have been very blessed and fortunate to have had such a remarkable human being in our midst.

CONGRATULATIONS TO THE CASEY-WESTFIELD SOFTBALL TEAM

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. POSHARD. Mr. Speaker, as spring fades into summer and commencement addresses are heard across this great land, it is time for another seasonal rite, that of State softball championships. I rise today to congratulate the young women of Casey-Westfield High School in Casey, IL, who recently captured their fourth class A State championship in the last 10 years. They continue to be a source of enormous pride for their entire community, and I hope they relish this tremendous accomplishment for years to come.

Head Coach Denny Throneburg and assistants Dave Shawver and Michelle Stinson deserve a great deal of credit for directing the Lady Warriors to a school record 38 win season. Coach Throneburg has been at the helm since the program's inception 19 years ago, and currently has an astonishing 527–50 record during that time. During their championship run, the Lady Warriors surrendered just two runs in three games posting two shutouts, including a 9–0 win in the title game. This kind of dominance was a fitting close to a remarkable season.

Mr. Speaker, as an ex-baseball coach, I appreciate what it takes to field such a superb unit. Softball is a team game, but it breaks down to individuals knowing their assignments and executing them at crucial moments. This requires fundamentals, intelligence, and a commitment to excellence that is beautiful to behold when it manifests itself. I believe it was best summed up by a spectator at this year's State tournament who told Coach Throneburg that the State tournament just was not the same without Casey-Westfield involved. This is high praise for not only a class team and coach, but for the entire school, the families, and all of the fans of these talented women. I am very proud to represent Casey in the U.S. Congress, and I wish the players all of the best in their future endeavors. I would like to read their names for the record: Kylie Redman, Terri Kemper, Trisha Hupp, Bethany McClellan, Melinda Hickox, Heather Sanders, Debbie Hall, Jenny Wimbley, Monica Sudkamp, Rachael McClellan, Heather Black, Katie McClellan, Angela Webber, Stephanie Stephen, Sarah Lemond, Dara Throneburg, and Lyndsay Sanders.

TRIBUTE TO SCHOOL LUNCH PROGRAM

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. FAZIO of California. Mr. Speaker, I rise today in honor of the 50th anniversary of the

National School Lunch Program. This highly successful program serves over 25 million meals annually to the children of California's Third Congressional District.

In 1946, President Truman signed the National School Lunch Act, which was designed to ensure the nutritional health of the Nation's students. Some 7.1 million children were served by the program by the end of its first year. Currently, the National School Lunch Program serves breakfasts, lunches, and afternoon snacks, to more than 25 million children across the country.

In spite of the School Lunch Program's obvious successes, the program was targeted for draconian cuts by the Republican Congress. Under the Republican plan, cuts in the School Lunch Program would have cost California about $1 billion over 4 years.

I am proud to have opposed these cuts, and I salute the National School Lunch Program, for its 50 years of success in feeding our Nation's children. This is an excellent example of government that works.

TRIBUTE TO MARIANNE BARRIOS

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. BERMAN. Mr. Speaker, I am honored to pay tribute to Marianne Barrios, the energetic photojournalist-general manager of the San Fernando Sun. This year Marianne is being given special recognition by the Mission Hills Chamber of Commerce for many years of service to the chamber and the northeast San Fernando Valley. Those of us lucky enough to know Marianne know that this honor is richly deserved.

Marianna is best known for her work with the San Fernando Sun. Readers of the paper know that she does an exceptional job keeping people informed. She makes a point of coming to grand openings, rallies, chamber events—I have enjoyed seeing Marianne at many of these over the years—and covering the various communities in San Fernando and the northeast valley. All of us who care about the area owe a huge debt of gratitude to Marianne for her work.

As busy as she is with the San Fernando Sun, Marianne somehow finds time for other activities. For example, she is a member of the Foothill Area Boosters Association, the San Fernando Valley Police Advisory Council and the northeast valley chapter of the America Heart Association. In addition, she is a present or past board member of New Directions for Youth, the San Fernando and Mission Hills Chambers of Commerce and the Holy Cross Medical Center Century Club.

The devoted mother of a 15-year-old son, Marianne spends much of her time working with organizations dedicated to improving the lives of children. It is another way in which she has made an invaluable contribution to the community.

I ask my colleagues to join me today in saluting Marianne Barrios, whose selflessness and dedication is a shining example to us all.

TRIBUTE TO GESU CATHOLIC CHURCH OF MIAMI

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Ms. ROS-LEHTINEN. Mr. Speaker, it gives me tremendous pleasure to pay tribute to Gesu Catholic Church of Miami, which has for the past 100 years been the spiritual heart for the people of south Florida. As Miami celebrates its centennial anniversary, so too does the Gesu Catholic Church. Together the city and the church have been harmonious partners in a relationship that has seen Miami become a premier city of the United States and the Americas.

As the first house of worship in Miami, Gesu's contributions to the cultural, religious, educational, and charitable development of south Florida have been enormous. Indeed, Gesu has been a loving place of worship that has allowed many community leaders including Steve Clark, mayor of the city of Miami, J.L. Plummer, commissioner of the city of Miami, and Arthur Estopiñan, my chief of staff in Washington, DC, a site of reflection and inspiration.

For my chief of staff, Arthur Estopiñan, the church takes on a special significance. Arthur worked part time after school in the rectory since he was 13 years old until after graduating from college, helping to coordinate liturgies with Father John Edwards, S.J.; Father Bill Mayer, S.J.; and Father Donald Pearce, S.J. The loving influence that the Jesuits at Gesu have shown Arthur enabled him to become a man of the highest moral character.

Gesu has served as a beacon of hope for many people from many different lands who came to this great Nation in search of freedom. It is a historic landmark that has a devoted following of parishioners that come together to celebrate their faith and heritage. The American people should be extraordinarily proud of the accomplishments of Gesu during the past century and I am confident that Gesu will have an equally outstanding history in the century to come.

LIMITATION ON ASSISTANCE FOR INDIA

HON. MIKE WARD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. WARD. Mr. Speaker, I wish to take this opportunity to explain why I oppose the amendment to the bill making fiscal year 1997 appropriations for foreign operations, offered by the gentleman from Indiana [Mr. BURTON]. The gentleman's amendment sought to limit appropriations to India for development assistance or to nongovernmental organizations and private voluntary organizations operating within India.

Action of this nature would send the wrong message, Mr. Speaker. In my view, instead it would behoove our Government to take steps that would serve to encourage the progress being made in India on several fronts.

On one front, the voter turnout in India's most recent national elections is evidence of the continued growing support for democracy. Another front worthy of note is the improvements and reforms made in the area of human rights. Finally, I believe the Government of India is to be commended for the initiatives undertaken to liberalize the economy and to recast its markets.

I am pleased that 295 other House Members chose to join me in rejecting this amendment, Mr. Speaker. Our vote speaks of our and the United States' support for a strong relationship between our governments.

CONGRATULATIONS TO LOIS J. LECRONE ON HER RETIREMENT

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. POSHARD. Mr. Speaker, I rise today to mark a very special occasion. My good friend Lois J. LeCrone is retiring on June 30, 1996 from the CEFS Economic Opportunity Corp. in Sullivan, IL, where she has served as the senor volunteer program director. I congratulate her on 30 years of exceptional dedication to the cause of senior citizens and for always being a consummate professional.

Those that know Lois understand her contributions to her field as well as her deep personal commitment. She has been at the forefront of a movement that recognizes that seniors have a lot left to give to their communities. Improving the quality of life for our older citizens is more than making sure they have sufficient health care and savings, but showing them that they can still make a significant contribution to society in general. Lois has helped countless people give back to those around them while providing each of them a priceless feeling of self-worth. This work takes patience, but as I believe Lois would tell you, the rewards are worth the effort.

Mr. Speaker, our country needs more people like Lois to remind us of the importance of not just doing your job, but of doing it with compassion, grace, and attention to detail. By setting such a high standard we come to expect and demand excellence, and that should be our collective goal no matter what the field. I wish Lois all the best in this new phase of her life. I have enjoyed working with her as well as representing her in the U.S. Congress. I am sure she has a lot to give of herself, and for that I am very grateful.

PERSONAL EXPLANATION

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. HASTINGS of Florida. Mr. Speaker, I regret that I will be absent from the U.S. Congress on Monday, June 10 and Tuesday, June 11 for personal reasons.

DAY OF PORTUGAL

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. TORRICELLI. Mr. Speaker, I rise today in honor of the Dia de Portugal, or Day of Portugal, which commemorates Portugal's numerous achievements and rich cultural heritage. This is a day for the Portuguese community to rejoice in the strides they have made as a people. More important, it provides the rest of the world the opportunity to heighten its awareness of this valuable segment of our society.

Perhaps the most significant aspect of the day is its connection to the Portuguese poet Luis de Camoes. June 10 marks his birthday, and is thus an excellent occasion to recognize his contributions of Portugal's language and culture. As the Portuguese equivalent of Dante and Chaucer, Camoes gave the people a voice for their innermost hopes and dreams. His eloquent turns of phrase are a noted source of pride for the Portuguese people.

However, in this day and age, I believe it is important to realize that Portugal has even more to be proud of. Its economy has battled high unemployment rates to achieve greater economic growth, and is now projected to join Europe's single currency in the near future. In addition, foreign investors are attracted by the government's plans to privatize and decrease the budget deficit. Further progress will help Portugal move through the Europe's ranks and increase its economic standing.

The rest of the international community should pause to reflect on this remarkable progress and join the Portuguese community in celebration.

GEORGE SOROS MAKES THE CASE FOR POSTPONING THE BOSNIAN ELECTION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. LANTOS. Mr. Speaker, George Soros, my good friend and the chairman of one of the largest and most widely praised philanthropic organizations in the world, put forth a very strong argument for postponing the Bosnian elections until there is stronger evidence that the goals set by the Dayton Accords for free and fair elections have been met. His op-ed, which appeared in the Wall Street Journal, makes a well-reasoned case for delaying the elections until indicted war criminals are arrested, freedom of movement is established, a free press exists, and lines of communication are opened between and within ethnic groups.

The Soros foundation/Open Society Foundation is one of the primary philanthropic organization dedicated to promoting free societies throughout the world. George Soros has demonstrated his commitment to making the peace process work in Bosnia by pledging $15 million for TV broadcasting prior to the elections. These funds, in conjunction with the commitment of the United States and the world community, will be of enormous help in executing free and fair elections once preconditions are set.

I urge my colleagues to read and consider Mr. Soros' insightful comments on this difficult issue that we must debate as the time for elections and the withdrawal of the implementation force troops draws near.

[From the Wall Street Journal, May 29, 1996]

POSTPONE THE BOSNIAN ELECTIONS . . .

(By George Soros)

I am deeply committed to making the Dayton peace process work. My foundation, among its many projects, has prepared a $15 million plan for providing pluralistic TV broadcasting to most of Bosnia prior to the elections, and the U.S. and European governments have pledged substantial funds to turn the plan into reality. Yet I feel compelled to voice a protest against the impending decision of the Organization for Security and Cooperation in Europe to certify that conditions are suitable for holding "free and fair" elections in Bosnia by Sept. 14.

IMMENSE PRESSURE

The OSCE head of mission in Bosnia, career U.S. diplomat Robert Frowick, has been under immense pressure from the U.S. government to issue the certification required under the Dayton agreement; two of his top aides have resigned in protest. The International Helsinki Federation issued a report on May 23 documenting that virtually none of the conditions spelled out in the Dayton agreement has been met:

Indicted war criminals have not been arrested. Gen. Ratko Mladic is in charge of the Bosnian Serbe army, issues all orders and communicates with the NATO Implementation Force (IFOR) commander through an interpreter. Radovan Karadzic continues to dominate the political scene, sacking the prime minister of Republika Srpska, Rajko Kasagic, who was willing to cooperate with U.N. representative Carl Bildt, but as a sop to Mr. Bildt, Mr. Karadzic has now promised not to make any further public appearances.

Freedom of movement remains severely restricted. Although official boundary checkpoints have been turned over to IFOR, they have been effectively replaced by mobile checkpoints, where the authorities representing all three ethnic factions routinely refuse to accept documents issued by the others. Signatures required to register political parties cannot be gathered across ethnic lines, hindering opposition parties seeking to attract a multiethnic constituency. For instance, the Liberal Democratic Party based in Sarajevo and the Social Liberal Party based in Banja Luka, which were united before the war and which are trying to form a common platform, cannot meet or even speak by telephone because of a lack of phone lines.

Freedom of expression and independent broadcast and print media are virtually nonexistent in so-called Herzeg Bosna (a Croatian ethnic enclave within the Bosnian-Croatian Federation) and in Republika Srpska. The situation is somewhat better in Bosnian territory, with an independent press in cities such as Sarajevo, Tuzla and Zenica and with some independent local TV and radio stations. Under present conditions the three nationalist parties that rule their separate entities control the relevant media, giving them an unfair advantage. The media under their control continue to foment ethnic and religious hatred, in contradiction of the Dayton agreement.

Freedom of association is severely repressed, leaving little chance for opposition parties to solidify support. The Helsinki Federation report cities specific instances.

The failure of the international community to secure the return of refugees (only about 60,000 out of the estimated 2.4 million have returned), coupled with election rules that allow people to vote where they now live, will legitimize the results of ethnic cleansing.

It is easy to understand what drives U.S. policy, but it is less easy to condone it. The timetable for the Bosnian elections is determined by the timetable for the withdrawal of IFOR troops, which is governed by the U.S. presidential election. President Clinton has of course made a commitment that U.S. troops would begin returning home by the end of the year. U.S. voters, who are so far removed from the problems of Bosnia and not well informed about the issues at stake, are primarily interested in whether the president will keep his word.

To conduct early elections in Bosnia, it would have been necessary to arrest the indicted war criminals before the momentum of Dayton dissipated. But the military has been traumatized by its experience in Somalia, and the Pentagon refused to accept the mission. The Clinton administration put its faith in Slobodian Milosevic, but he could not or would not deliver. To order IFOR into action against the advice of the military would expose President Clinton to a pre-election risk that he is determined to avoid.

But to persevere in the present course entails even bigger risks. Bosnia will set a precedent for the post-Cold War world. By insisting on going through with the elections we would breech the conditions of the Dayton peace plan we engineered, provide a blueprint for legitimating ethnic cleansing and undermine the principles of international law we sought to establish by creating the War Crimes Tribunal.

FURTHER CONFLICT

Bosnia cannot be split into separate ethnic entities without further conflict. The Serbs have carved out a contiguous territory for themselves (although the area around Breko remains contested), and the Croat nationalists of Herzeg Bosna aim at no less. Even the military concedes that it would be easier to maintain its presence than to reintroduce troops after fighting has erupted again.

The failure of the international community in Bosnia is already affecting the behavior of neighboring Yugoslavia and Croatia, and it will be a source of never-ending recrimination between the U.S. and Europe. President Clinton may be able to avoid Bosnia becoming an election issue, but it would surely haunt his second term in office.

BOB DAYTON, MIKE GRIFFIN AND GENE SHERIDAN HONORED

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents in the 5th Congressional District of New York, and the citizens of the village of Port Washington, in Nassau County, in recognizing the Port Washington Youth Activities [PYA] as it celebrates its sixth hall of fame dinner dance.

This year, the PYA will honor three individuals, Bob Dayton, Mike Griffith, and Gene

Sheridan for their dedication and support of youth activities in the community. These individuals will be inducted into the Port Washington Youth Activities Hall of Fame.

Bob Dayton was a significant force in the developmental days of PYA; he served as coach, commissioner, officer, and director for more than 13 years. Mike Griffith is being cited for his athletic achievements in basketball at the collegiate level in the 1970's. Many of his skills and dedication to excellence were developed in his active days as a youth in the PYA basketball and baseball programs. Finally, Gene Sheridan is being honored for having distinguished himself as commissioner, director, and a coach of youngsters in the lacrosse, basketball and football programs for more than 12 years and still remains active today.

All three of these gentlemen are being recognized for their individual and collective contributions to youth sports. Their achievements are an excellent reflection upon themselves, their families, and their community, and represent the true American spirit of dedication and voluntarism embodied by the PYA. These three men are most deserving of this honor, and merit the special appreciation of their neighbors and friends.

Mr. Speaker, I ask all my colleagues in the House of Representatives to join me now in honoring Bob Dayton, Mike Griffin, and Gene Sheridan, and in congratulating the Port Washington Youth Activities for its generous contributions and dedicated service to the community.

THANKS TO THE STUDENTS OF DECATUR'S EISENHOWER HIGH SCHOOL

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. POSHARD. Mr. Speaker, I rise today to speak about our youth and the promise that tomorrow holds for them. We hear a great deal about how these are tough times to be growing up. There are pressures on children today that did not exist in the past, and with the pace of technological and social change, the world is a much less predictable place. But at the same time these new realities present daunting challenges, there are equal opportunities to meet these obstacles and accomplish great things. When seen in this light, it truly is an exciting time to be alive and young.

Recently a small group from Eisenhower High School in Decatur, IL, visited me here in Washington. Mike Frahlman, Ryan Snyder, Nick Phipps, Brian Stolz, and Corey York, accompanied by their teacher Hugh Good, embodied this spirit of infinite possibility. I was struck by their desire for knowledge, the intelligence of their questions, and their intuitive sense of the possibilities for accomplishment that await them. Our brave new world needs such enterprising young minds to take on the questions that the 21st century holds. Not only did I enjoy our conversion, but I felt even more at ease about our future as a country because of the experience.

Mr. Speaker, far too often we hear about the failures of our young people rather than the positive contributions they provide to all of us on a daily basis. I want the record to reflect that I have great confidence in the youth of the United States of America. I would like to thank the fine students of Decatur Eisenhower High School for reaffirming my faith, and for the excellent example they provide their peers. It is an honor to represent them in the U.S. Congress.

DR. DAVID MILLICAN RETIRES FROM SOUTH McCOMB BAPTIST CHURCH

HON. MIKE PARKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. PARKER. Mr. Speaker, today I stand in the Halls of Congress to ask you to join me in paying tribute to Dr. David Alan Millican, pastor of South McComb Baptist Church, author and hospital chaplain, Dr. Millican will be retiring in July after 33 years of service at the church.

Born in 1934 in Hamilton, AL, David Millican entered the ministry at the age of 19 and was ordained into the ministry at Shadowlawn Baptist Church in Prichard, AL, in 1954. He attended William Carey College in Hattiesburg, MS, where he graduated in 1958, and married Marion Doris Powe of Waynesboro, MS. He received his masters of divinity degree at the New Orleans Baptist Theological Seminary in 1964 and his doctor of ministry in 1983 from Luther Rice Seminary.

From 1954 to 1963, Dr. Millican served at Myers Memorial Baptist Church as missions pastor and Smithtown Baptist Church as pastor, both located in Eight Mile, AL, as well as pastoring Pecan Grove Baptist Church in Ellisville, MS, and First Baptist Church in Stonewall, MS. He became pastor at South McComb Baptist Church in 1963.

When the Bible speaks of serving others and serving Jesus Christ, it is not difficult to think of David Millican. Dr. Millican has an extensive record of denominational work, having served on numerous committees and boards including the Mississippi Baptist Convention and the Board of Ministerial Education. His service is not limited, however, to church activities. He has served terms on the advisory committees of the McComb City Board and the McComb Public Schools. He is a member of the McComb Exchange Club, of which he served a term as its president and was chosen to be its Man of the Year. His civic activities also have included serving as chairman of the board of the Pike County Chapter of the American Cancer Society and as a member of the board of directors of the State chapter of the American Cancer Society.

But his first love has always been sharing the gospel of Jesus Christ. In McComb alone, Dr. Millican has baptized 591 people. Over the 42 years he has been a pastor, he has officiated at 1,100 funerals and married 452 couples. He has published a book entitled "Bible Readings and a Thought for a Day" and has written many articles for Southern Baptist publications. He also started a hospital visitation ministry with between 30 and 40 area volunteers, which he intends to continue even in retirement. He has conducted 235 revivals across America in addition to evangelistic crusades in the Philippines, Korea, and Argentina. Wherever he goes, Dr. Millican's message is the same: "Win people to Christ. That's the only hope."

People such as David Millican inspire hope. He has given his life toward serving others here and abroad and sharing with them faith and friendship. He has invested his life in the people of McComb and has shared in their times of sorrow and their times of joy. In July, Dr. Millican will retire. Maybe he will write another book or maybe he will carry out his joke about watching Mrs. Doris work in the yard while he relaxes with a soft drink. But most likely, Dr. Millican will continue to preach the word of God, minister to the sick and pray for the men, women and children who have become nearly as much a part of his family as his own three children.

Mr. Speaker and colleagues, I ask you to join me in thanking Dr. and Mrs. David Millican for sharing their life and faith and in wishing them the best in the years to come. Dr. Millican, may God bless your life as richly as you have blessed those whom you have served. Thank you.

TRIBUTE TO THE CADETS OF THE TEXAS 945TH CADET WING

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. BENTSEN. Mr. Speaker, I rise to honor the cadets of the Texas 945th Cadet Wing, an Air Force Junior Reserve Officer Training Corp [JROTC] unit at North Shore High School in my congressional district. They recently were selected as an Air Force JROTC meritorious unit for the 1995–96 school year. This distinction is reserved for only a select group of Air Force JROTC schools. This is an especially impressive accomplishment because North Shore's JROTC program is only 2 years old.

The regional commander of the JROTC in Houston chose to honor North Shore's AFJTROC unit based on its outstanding performance and its commitment to the Air Force's core values of integrity, service before self, and excellence. Other criteria included the cadet corps briefing, drill ability, adherence to dress and grooming standards.

The North Shore unit's remarkable success is the result of a total community commitment. The administrators, staff, faculty, and instructors have provided vision and leadership and the cadets have provided the uncommon commitment necessary to achieve this goal. North Shore has more than 300 cadets enrolled and the district, school, community, and parents are all involved. This is truly an exceptional educational program.

I want to recognize the superior program management by Col. Thomas McCay, the senior military science instructor at North Shore High School, and his dedicated and knowledgeable assistant instructors, Major Pfeifer and Master Sergeant Murphy. They have received excellent support from faculty and staff at North Shore. The principal of North Shore High School, Mr. Malcolm Dennis, also deserves special recognition. Mr. Dennis fought hard to get this JROTC unit started at North Shore over 3 years ago. His efforts are now paying great dividends.

Last, but unquestionably, the most important factor in this unit's selection as a meritorious unit is the outstanding performance of the cadets throughout the year and particularly on the day of the annual inspection. The unit has demonstrated that it has taken the core Air Force values to heart. Its record reflects a commitment to learning, a commitment to leadership, and especially a commitment to service, whether presenting the colors at community functions, cleaning up our neighborhoods, or delivering Christmas baskets to veterans at the VA Hospital.

Mr. Speaker, it is not surprising that this unit has received such an honorable distinction as a meritorious unit. During its first year of existence, over 2 years ago, North Shore's JROTC unit was recognized as the best first-year unit in the Houston area. For that recognition alone, the unit deserves our special congratulations.

Many people view JROTC as only a military training program. It is much more than that. It is an educational and citizenship program that brings out the best in all. The cadets participating in Air Force JROTC program have started on the road of lifetime service and excellence. I honor them for showing that they have the will and the character to work hard and accomplish great things. I know that under the leadership of Col. Thomas McCay, and his staff, the unit will continue to put their knowledge, skills, and experience to work, not just for themselves, but for their community and country as well.

My congratulations to all the cadets and the entire North Shore community.

COMMEMORATING DIA DE PORTUGAL

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mr. KENNEDY of Rhode Island. Mr. Speaker, today is celebrated throughout the world as the Dia de Portugal.

Every year on June 10, people of Portuguese descent around the world honor their heritage on Dia de Portugal ("Day of Portugal"). This is a time for all friends of Portugal to pause and consider the many achievements of that great nation over the centuries and to celebrate the cultural traditions, practices, and customs of Portugal.

June 10 is the date of birth of Portugal's greatest poet, Luis de Camoens, who lived from 1524 to 1580.

He is the author of the Portuguese national epic, "The Lusiads," published in 1572. In this grand poem, Camoens did for the Portuguese language what Chaucer did for English and what Dante did for Italian.

As well, he gave eloquent expression to the deepest and highest aspirations of the Portuguese people.

Millions of Americans are proud of their Portuguese heritage, and millions more are enriched by living in neighborhoods and communities which are defined by the dynamic presence of Portuguese-Americans.

My State of Rhode Island has one of the largest Portuguese-American populations in our country. The ties between Rhode Island and Portugal go back to the very origins of our State, and the contributions made by the Portuguese can be seen every day.

Portuguese explorers dared to cross the oceans in search of new frontiers, and thanks to that courage, our Nation is enriched by traditions brought by the sons and daughters of Portugal.

Whether it was from Dighton Rock in 1502, the Touro Synagogue in 1658, or by whaling ships in the 1830's, the Portuguese undoubtedly were among the very first immigrants to settle on our shores.

Unfortunately, anti-immigrant fervor brought Portuguese immigration down to a trickle after 1921.

But there was an exception made in 1958, when President Eisenhower signed legislation introduced by then-Senator John F. Kennedy that allowed families affected by the volcanic eruption in the Azores to come to America.

In 1965, President Johnson fulfilled President Kennedy's dream and signed legislation lifting the discriminatory Quota Act. Once again, New England could open its arms to the Portuguese. Lifting the quota allowed many families to reunite, and bring together many generations.

At a time when the family is under great strain, and too often breaking under that strain, the example of family unity set by the Portuguese is a profound lesson for all of us.

Everywhere Rhode Islanders turn, the Portuguese presence is seen. It is seen in the dozens of social clubs throughout our State. It is felt in the excitement of the Feshta and the dignity of the religious procession. It is represented here today by community leaders who are from all walks of life.

This contribution is felt in many other States and hundreds of communities across this Nation.

Portugal is a close and valued ally.

Trade between our two nations is active and will surely grow. The recently completed Agreement on Cooperation and Defense provides for continued access to the Lajes Air Base in the Azores, as well as cooperation in nonmilitary matters. This base was critical to supporting our troops in Operation Desert Storm and Operation Restore Hope in Somalia.

Portugal's economy is making tremendous progress, and soon the world will see the growth that has taken place in recent years. In 1998, Portugal will host the World Expo. The topic for Expo 1998 is: "The Oceans: A Heritage for Our Future."

Expo 1998 will provide an ideal opportunity for Portugal to showcase its thriving industry while at the same time celebrating its uniquely rich heritage in ocean exploration. I am pleased that the United States will be participating in this event, and I congratulate the House for having earlier voted in favor of this participation.

Today is a day for us to celebrate the contributions made to the United States by the Portuguese community. It is a time for us to celebrate the ties between the United States and Portugal. This is a relationship with a great history, and promising future.

BILL SICKLICK REMEMBERED AT GOUVERNEUR HOSPITAL

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 10, 1996

Mrs. MALONEY. Mr. Speaker, I rise today to honor the memory of a beloved constituent, Bill Sicklick. Today, the Gouverneur Hospital Nursing Facility Diagnostic and Treatment Center in my district is dedicating a new conference area to be named the William "Bill" Sicklick Conference Room. This room could not be dedicated to a more worthy person.

Bill Sicklick died on April 25, 1995, and his passing affected the Grand Street Cooperative Village immensely. During the years he lived among us, he was a beloved husband, father, grandfather, son-in-law, neighbor, and friend. He walked our streets looking out for his neighbors as an auxiliary policeman, and he rose to become an officer of this group, earning the respect and admiration of the New York Police Department and fellow auxiliary members. Bill also served on community planning board three for almost 25 years where he was elected as both vice chair and secretary.

Despite all of his other community service positions, Bill's fondest service was the 20 years he served as a member and chairperson of the skilled nursing facility committee of the Gouverneur Community Advisory Board. He loved the patients, and they loved him. He served them well—taking them for walks in their wheelchairs, dropping by to chat, and keeping an eye out to see that all was well in the SNF unit.

Bill Sicklick was well known for his dedication and commitment to Gouverneur Hospital, its patients, and the Lower East Side community. It is only fitting that a room in this hospital should bear his name. I respectfully urge my colleagues to take a moment today to remember Bill Sicklick—a man who represented everything that is noble about community service.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, June 11, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 12

9:30 a.m.
Appropriations
To hold joint hearings with the Special Committee on Aging on investing in medical research, focusing on health care and human costs.
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1726, to promote electronic commerce by facilitating the use of strong encryption.
SR-253

Special on Aging
To hold joint hearings with the Committee on Appropriations on investing in medical research, focusing on health care and human costs.
SD-138

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on Department of Defense financial management issues.
SD-192

1:00 p.m.
Agriculture, Nutrition, and Forestry
To hold hearings on S. 1166, to improve the registration of pesticides, to provide minor use crop protection, and to improve pesticide tolerances to safeguard infants and children.
SR-328A

2:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

Special on Special Committee
To Investigate Whitewater Development Corporation and Related Matters
To resume hearings to examine certain matters relative to the Whitewater Development Corporation.
SH-216

JUNE 13

9:00 a.m.
Labor and Human Resources
Aging Subcommittee
To hold hearings to examine whether working America is adequately preparing for retirement.
SD-430

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to resume mark up of proposed legislation to authorize appropriations for the Federal Aviation Administration, and to consider other pending calendar business.
SR-253

Energy and Natural Resources
To hold hearings on S. 1844, to direct a study of the opportunities for enhanced water based recreation.
SD-366

10:00 a.m.
Finance
To hold hearings on S. 1795, Personal Responsibility and Work Opportunity Act.
SD-215

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Department of Education.
SD-138

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Office of National Drug Control Policy.
SD-192

JUNE 14

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the General Accounting Office, and the Architect of the Capitol.
S-128, Capitol

1:00 p.m.
Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee
To hold hearings to examine the status of the hemisphere.
SD-419

JUNE 18

9:00 a.m.
Rules and Administration
To hold hearings on public access to government information in the 21st century, focusing on the Government Printing Office depository library program.
SR-301

9:30 a.m.
Agriculture, Nutrition, and Forestry
Research, Nutrition, and General Legislation Subcommittee
To hold hearings to review a report to the Department of Agriculture by the Advisory Committee on Agricultural Concentration, and to examine other livestock industry issues.
SR-328A

Commerce, Science, and Transportation
To hold oversight hearings on the Federal Communications Commission.
SR-253

10:00 a.m.
Judiciary
To hold hearings to examine oversight of the Department of Justice witness security program.
SD-226

JUNE 19

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine issues relating to salmon recovery research.
SR-253

Rules and Administration
To continue hearings on public access to government information in the 21st century, focusing on the Government Printing Office depository library program.
SR-301

JUNE 21

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Secretary of the Senate, the Sergeant At Arms, and the Government Printing Office.
S-128, Capitol

JUNE 25

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to examine the security status of national computer information systems and networks.
SD-342

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Library of Congress.
S-128, Capitol

JUNE 26

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1726, to promote electronic commerce by facilitating the use of strong encryption.
SR-253

Energy and Natural Resources
To hold hearings on S. 1804, to make technical and other changes to the laws dealing with the territories and freely associated States of the United States, on a proposed amendment relating to Bikini and Enewetak medical care, and to hold oversight hearings on the law enforcement initiative in the Commonwealth of the Northern Mariana Islands.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to examine the security status of national computer information systems and networks.
SD-342

Rules and Administration
To hold hearings on proposed legislation authorizing funds for the Federal Election Commission, and on campaign finance reform proposals.
SR-301

Indian Affairs
To hold hearings on proposals to reform the Indian Child Welfare Act.
SR-485

SEPTEMBER 17

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
334 Cannon Building

POSTPONEMENTS

JUNE 12

10:00 a.m.
Judiciary
To hold hearings on S. 1740, to define and protect the instiution of marriage.
SD-226

HOUSE OF REPRESENTATIVES—*Tuesday, June 11, 1996*

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. SHAW].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 11, 1996.

I hereby designate the Honorable E. CLAY SHAW, Jr., to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties with each party limited to 25 minutes, and each Member other than the majority and the minority leader limited to 5 minutes, but in no event shall debate continue beyond 9:50 a.m.

The Chair recognizes the gentleman from Arizona [Mr. HAYWORTH] for 5 minutes.

THE CREDIBILITY CANYON

Mr. HAYWORTH. Mr. Speaker, I rise this morning first to bring greetings to you and those who look in from the Grand Canyon State of Arizona. As proud as Arizonans and indeed all Americans are of the Grand Canyon, rhetorically and in terms of actions within this city of Washington, DC, there is, indeed, a credibility canyon, not a gap but a canyon, an everwidening chasm between the rhetoric of our President and the reality of his actions and inactions.

The headlines in this morning's Washington Times indicate how this credibility canyon continues to widen. Lists of files may be incomplete. White House stories face Hill questions. But, Mr. Speaker, there are more than questions which will emanate from this Chamber and in committee. There are questions that the American people have about the stewardship of the Presidency, about the veracity of claims made by this President and, again, the disparity between the rhetoric and the reality.

How unfortunate it is, Mr. Speaker, that this administration and, in particular, this President are not defined by the innocent question, what can he do or what can we do together to solve America's problems. Indeed, Mr. Speaker, the question that we hear from coast to coast and, indeed, in the Sixth District of Arizona, is this one: How can the President explain it away this time? What verbal gyrations, gymnastics, contortions will be brought to bear to put the best face on obtaining hundreds of FBI files on members of the Republican Party? Our President would have us believe plaintively that it was "an honest snafu."

Well, he is partially right. Snafu is an accurate term. But as for the first word mentioned, the American people have serious questions.

It is a tragedy that those in the executive branch fail to understand the missive of Mark Twain, who wrote that history does not repeat itself but it rhymes. Mr. Speaker, I read with interest the comments of Daniel Schorr, the liberal media commentator who to his credit in the wake of what transpired 25 years ago during a Republican administration now says of this administration, what makes these people believe that the FBI is their private domain to do their private bidding in terms of political investigations. Indeed, the challenge exists for journalists in this town. Indeed, one wonders where the next team of Woodward and Bernstein might be found, and one also wonders what the results of an investigation would bring or, given the prevailing advocacy of journalists in this town, would the book written be titled, maybe "One or Two of the President's Low-Level Functionaries" instead of the title "All the President's Men."

It is very interesting, Mr. Speaker, to come here from elsewhere, to come here from the heartland of America and to see this dichotomy between rhetoric and reality. Mr. Speaker, this Congress will move to close the credibility canyon.

CONGRATULATIONS TO THE COLORADO AVALANCHE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I hope everybody knows what this is because if they do not, they are going to by the end of the day. In Colorado, this is gold. This is the wonderful jersey of the Avalanche who last night won all of our hearts by winning the Stanley Cup in four straight games—four straight games. And this was their very first season in Colorado.

Now, my district is normally a mile high, but today I think it is 2 miles high. I cannot tell you the excitement. And I know I should apologize to all of you who are here who were awakened last night at about 1:04 in the morning when the winning goal was made, but we are not going to apologize because we think it is great that you were awakened by people from Colorado cheering everywhere.

In fact, we are even talking this morning about renaming the Rocky Mountains to the Hockey Mountains. I think they are going to find that hockey fever has taken over and is absolutely captivating.

Some of the things that I particularly want to point out as we talk today is this wonderful, wonderful team. You just heard 5 minutes of the same kind of thing we hear over and over again. The fabulous thing about this Avalanche team is they have acted as a team. I do not know if it was their marvelous Canadian trained organization, whatever, but you do not see egos popping out. You see them working together and liking each other, and look what they did in 1 year. There may be some real messages there for politicians, some tremendous messages for politicians.

So I think I would be remiss not to thank our wonderful neighbors to the north in Quebec who helped train this great team and, of course, everybody is particularly fond of the goalie who happens to share my first name, but we are so proud of him. But he would not want to be singled out because they really see themselves as a total working unit. That is kind of a novel concept when it comes to politics, but it could be something we could all learn from.

We know today that Colorado is going to be a work-free zone. It is going to be a total work-free zone. The question is whether the whole week we are going to be a work-free zone only because we are celebrating this great victory. I think all of America can celebrate it, and I mean all of North America, Canadians and North Americans because of the great example they set in showing how to do this, how to do this together, how to do this without ego, how to make it not look like they were kind of throwing it to drag it out and make more money, all the things that have circulated around some of

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the things we have heard in professional sports. This is about values, and they have really shown us some tremendous values that are the kind that we traditionally had in sports.

That is wonderful to see come back again. So to see the young people in Colorado out there with their roller blades playing hockey is very exciting. I will tell you, we may not have had the hockey players we would like to have had in the past, but I will bet this next generation is going to be there. It is basically going to be because of the leadership and the example of these wonderful, wonderful men who wore this wonderful, wonderful jersey. I think if anybody wants one of these, good luck. I am not giving mine up, and they are not giving theirs up.

The SPEAKER pro tempore. This gentleman from Florida would say to the gentlewoman from Colorado that she is justifiably proud, but I did find some pain in her comments.

IN HONOR OF EUGENE ROSSITCH, JR., M.D.

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from North Carolina [Mr. BURR] is recognized during morning business for 5 minutes.

Mr. BURR. Mr. Speaker, this Sunday is Father's Day, a day when millions of Americans will thank their fathers for the special role they play in all our lives—for being a protector and a provider, for being a counselor, a mentor and a friend. On this morning, I would like to take a few moments to share with my colleagues the story of a gifted doctor, a trusted teacher and most importantly a wonderful father, the story of Dr. Eugene Rossitch, Jr.

On November 18, 1994, Gene Rossitch drowned off a Florida beach while successfully saving his young son. I would like to focus this morning, however, on the inspirational life of Gene Rossitch, who accomplished so much in his 35 years with us.

On February 18, 1959, in Guines, Cuba, Eugene and Carmen Rossitch were blessed by the birth of their first child, Gene Rossitch, Jr. In 1962, when little Gene was 3 years old, his parents left Cuba with only one suitcase and their wedding picture and moved the family to the United States. The Rossitches settled in my hometown of Winston-Salem, NC, where they raised Gene and his four younger brothers.

With the support and guidance of a loving and successful family, Gene began to compile a record of extraordinary academic achievement that marked his entire life. While in high school, Gene was the State president of the North Carolina National Honor Society before graduating first in his class from Bishop McGuiness High School in Winston-Salem.

Gene then attended the University of North Carolina at Chapel Hill as a Morehead Scholar. He graduated from UNC Phi Beta Kappa and then pursued his medical studies at the Duke University School of Medicine. While at Duke, Gene was awarded the John H. Watson, Jr., Medical Fellowship and was inducted into the Alpha Omega Alpha Medical Honor Society.

Following his internship at the Duke University Medical Center, Gene began his residency in neurological surgery at Duke, which included 2 years as a research fellow in neurosurgery at Brigham and Women's and Children's Hospitals. During that time, Gene became the first recipient of the Cushing History of Medicine Fellowship. And shortly thereafter, he completed a clinical fellowship in spinal surgery at Duke.

Gene's remarkable career then led him back to Massachusetts, where he was appointed assistant professor of surgery at Harvard Medical School and attending neurosurgeon at the Brigham and Women's and Children's Hospitals in 1992. Gene was the spinal surgery specialist at both hospitals.

Dr. Gene Rossitch's service was not limited to the operating room. Gene served on the premedical advisory board of the Currier House at Harvard University, on the Greater Boston Spinal Cord Injury Planning Counsel, and on the emergency medical services task force on spinal cord injury. Gene was also very active in national neurosurgery organizations. For example, he was chairman for the program evaluation committee for the 1994 Congress of Neurological Surgeons Annual Meeting and he had major roles in several other national meetings.

Dr. Gene Rossitch's commitment to finding new ways to treat spinal injury patients can be found in the 61 original scientific journal publications he either authored or coauthored. Gene was also the coeditor of three books. Two dealt with the history of neurosurgery and the third, "A Handbook of Neurosurgery for House Officers and Medical Students." demonstrates Gene's desire to share his vast knowledge with his fellow surgeons of how to treat spinal cord injuries.

While at the Brigham and Women's and Children's Hospitals, Dr. Rossitch supervised the research work of a number of medical students, residents and visiting research fellows. Gene also served as a preceptor for the Introduction to Clinical Medicine Course at the Harvard Medical School.

I have never encountered a more impressive record of service and achievement than that of Dr. Gene Rossitch, Jr. He was recognized by his patients and by those in his field as a gifted and gentle surgeon and caregiver, as an innovative researcher, and as a trusted mentor and teacher of spinal cord injury medicine.

Dr. Gene Rossitch's career is a testament to this young man's dedication to his studies, his sincere concern for his fellow man, and to a willingness to fully utilize the gifts that God bestowed upon him. But as a friend of the Rossitches, I know that the true center of Gene's remarkable life was his family. Gene met his wife Cindy while attending the Duke University School of Medicine and was blessed with three children: Eugene III, Katharine, and Elizabeth. And despite the demands of his clinical schedule, Gene always found time to spend with his family and could be seen on weekends at Chuck E. Cheese, art galleries, and ice cream parlors with his wife and children.

Perhaps the best way to look at how special a person Gene was is to see him through the eyes of the mother of one of his patients. The day before Gene left for Florida with his family for their vacation, he performed a 7-hour operation repairing a congenital abnormality in the neck of Michael O'Loughlin, a 12-year-old boy.

The night before Mike's surgery, the boy was in terrible pain and Mrs. O'Loughlin asked Gene whether they were doing the right thing by operating. Mrs. O'Loughlin remembers asking Dr. Rossitch whether he would perform the operation if Mike were his own son. Gene told here, "Absolutely, without question." Mrs. O'Loughlin tells how Gene insisted that the operation be done at Brigham and Women's Hospital because he preferred their operating room. And when the hospital refused to take Mike because he was underage and underweight, Gene went before the hospital board to get permission.

The day of the operation, the procedure took much longer than the family expected. But at 7 o'clock, Gene Rossitch came out to tell them everything had gone perfectly. Gene also told the family that the x rays had not shown how serious the problem had been and how glad he was that he had performed the operation before leaving on vacation. Mrs. O'Loughlin says, "I absolutely believe Gene Rossitch saved Mike's life."

A few days later, Gene's last heroic act was to save his own son from drowning in choppy ocean waters near Ft. Lauderdale. I find Gene's last, heroic act a fitting one because Gene Rossitch's lifwork had been saving the lives of others.

And since his death, his colleagues have seen fit to honor the life and work of Gene Rossitch. The Humane Society of the Commonwealth of Massachusetts has honored Gene with their silver medal and has donated $2,500 toward a children's fund named in honor of Dr. Rossitch that has been established at Brigham and Children's Hospital. On June 27, there will be a dedication of the Eugene Rossitch, Jr., M.D. Residents' Library at the Brigham and Children's Hospital in Boston, MA. And finally, on November 22, the Duke Medical Alumni Association will honor

Gene Rossitch by posthumously awarding him its Humanitarian Award.

Literally thousands of people enjoy more fulfilling lives because they were touched by the life of Gene Rossitch. And on this Father's Day, I will join Gene's family, his colleagues, his patients, and his community in thanking God that I was fortunate enough to come into contact with the remarkable life of Dr. Gene Rossitch, Jr.

□ 0915

DOLE LEAVING THE SCENE

The SPEAKER pro tempore (Mr. SHAW). Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. DURBIN] is recognized during morning business for 5 minutes.

Mr. DURBIN. Mr. Speaker, today is the day of the "great escape." The presumptive Republican Presidential nominee, ROBERT DOLE, is leaving the U.S. Senate after 35 years of service on Capitol Hill.

As a loyal Democrat, let me first salute Mr. DOLE. His service to his country, both in World War II and since, has been exemplary. He has been a legislative leader, one that is virtually unparalleled in terms of his own party's leadership, and he has been at the table when many of the most important legislative achievements of the last several generations have been enacted, and I salute him for that.

But I certainly do understand why he wants to escape from the 104th Congress, the Congress which the gentleman from Georgia [Mr. GINGRICH] called his "revolution."

Take a look at what Mr. DOLE is leaving behind as he leaves Washington, DC. First, the failure of this 104th Republican Congress to enact meaningful health insurance reform. Families that I speak to across the State of Illinois and around the country are justifiably concerned about the availability and cost of health insurance. There is a bipartisan bill, the Kennedy-Kassebaum bill, that is languishing now between the House and the Senate waiting for enactment. Mr. DOLE will be leaving Washington without the enactment of this important health insurance reform legislation to help working families.

Second, Mr. DOLE is leaving town without a minimum-wage increase. That is something that is long overdue. Fortunately, 30 or 40 Republicans broke from Speaker GINGRICH here in the House of Representatives and joined the Democrats in passing minimum-wage increase legislation just a few weeks ago, but Mr. DOLE will be leaving town without this bill being enacted into law.

He came into Chicago a few weeks ago and took off his tie, and put on a sports coat and said, "I'm just a plain individual out here running for President, just one of the people." I hope he gets a chance in that capacity to meet some minimum-wage workers, and I hope they get a chance to ask Mr. DOLE why he left town without helping them and their families cope with the increasing cost of raising their families and providing for a sound future.

He will be leaving town without a balanced budget, and that is something which could have been achieved with bipartisan cooperation.

Mr. DOLE will be leaving Washington without this 104th Congress having acted to expand access to educational opportunity. Instead, the Gingrich-Dole agenda cut back on college student loans for kids from working families. I do not understand that. I would not be standing here today if it were not for a college student loan through the Federal Government. My story has been repeated millions of times over in the United States: kids from working families who could not afford college tuition turn to the Government for a helping hand. Instead of providing that hand, the Gingrich-Dole Congress has basically cut off educational opportunity for so many kids, not only at the college level but also at the lower levels.

There has been no real welfare reform when there should have been. We ought to be able to agree that this welfare system can be reformed meaningfully, that we can, in fact, have provisions that are tough on work but not tough on kids, and unfortunately the Gingrich-Dole proposal was not one that really would reform welfare and help people come off of welfare and become taxpayers.

There are no tax cuts for working families that Mr. DOLE can point to from the 104th Congress. The Gingrich-Dole Republicans have wanted to make tax cuts for the wealthy, to cut Medicare to come up with money to give to wealthy individuals.

But what the President has proposed is much more sensible: Let us give working families a helping hand to pay for the college education of their kids. Now, that is something that families all over America can identify with. People, when they have a new baby in the family, go over and greet the new baby and congratulate the new parents, and after a few minutes inevitably the conversation turns to, well, we better start saving some money for this little boy or this little girl and their college education.

President Clinton has a proposal to give working families a helping hand, a tax deduction or a tax credit to pay for college education expenses. Mr. GINGRICH and Mr. DOLE will hear nothing of this, and, as a consequence, Mr. DOLE will leave Washington without having done anything in the 104th Congress to help expand that opportunity.

There have been no improvements in pension security. A lot of workers across America are paying into pension funds wondering if the time comes when they retire that the money will be there. The gentleman from Georgia [GINGRICH] has provided in his own bill opportunities for corporations to raid these pension funds. The people that I speak to, the workers I speak to, want security in those pension funds. It is a shame that Mr. DOLE is leaving Washington without the 104th Congress having addressed that.

And, finally, no improvements in environmental protection. In fact, the Republican budget that Mr. GINGRICH and Mr. DOLE worked on would cut the number of Superfund sites that will be eradicated in this country.

It is understandable that Mr. DOLE is leaving Washington. Certainly we can understand why a presidential candidate would want to leave the scene of this political accident known as the 104th Congress.

IT IS TIME TO FACE OUR REAL PROBLEMS IN THIS COUNTRY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. MICA] is recognized during morning business for 5 minutes.

Mr. MICA. Mr. Speaker and my colleagues, I picked up this morning's newspaper with dismay and read about the President of the United States traveling across the country. I guess he was in Las Vegas yesterday looking for answers to some of the problems facing our Nation. In particular he said he is obsessed with the juvenile crime problems. So he is wandering around the country trying to find out what has caused juvenile crime.

I submit, Mr. Speaker and my colleagues, he does not really have to look too far. All he has to do is look at his policies and see what has generated crime particularly with our juveniles in this country. I submit, Mr. Speaker, that if we look at the policy of the past 40 years—the policy of the other side of the aisle, we will see what they have sown we are now reaping with our children.

I submit that people who laughed at Dan Quayle when he talked about family values are now having a sober moment, and all we need do my colleagues, is look at what we have legislated in this country to see what our children are doing. I submit, Mr. Speaker, that the President of the United States can offer curfews, he can offer uniforms, he can offer to regulate cigarettes, he can offer to put v-chips in televisions, and those are not the answers of what is wrong or what will cure the problems with our young people.

I say to my colleagues that what this Congress has done, creating a system of dependency, creating a system of welfare, creating a system where a child has not seen a parent work, where we have lost the work ethic, where the answer is that government should come up with another program, another credit, another directive from Washington; that is what the answers have been, and this is what we receive.

And then we look at the problems. The President is meeting with local law enforcement agencies' officers and agencies, and I have met with them, and they tell us that 70 percent of the crime in this country is related to drugs. We spent, during the Reagan and the Bush administration, years getting drug use to go down, telling students just say "no," and what did this President do? First he fired just about everyone in the drug czar's office. What was his next step? He hired a chief health officer of the country, who turned into a farce, Jocelyn Elders, and what did she say? She said, "Just say 'maybe'." Our kids are not dumb; they saw what this meant: Try it. And they are trying it, and we are reaping the harvest of this administration.

And then he cut interdiction, interdiction, 70 percent of the drugs coming through Mexico, and rewarded Mexico. This is the policy that we have seen. We know we can legislate, and unless we pass legislation that encourages families to care for their own, unless we return to Judeo-Christian values, until we have a tax policy that does not take away opportunities for our young people to work with minimum wage, unless we say that, "Children, yes, you have to work and you will receive. We must stop asking what Washington can do for you. It's what you can do for yourself."

Until we get back to some work ethic in this country, until we stop forcing people to live in public housing—I saw on television where a little girl choked to death on a roach in public housing and last night watched on TV the public housing that we would not put our dog in, and that is the alternative that is offered by the other side, these old ideas, and that is what we are seeing in our public housing facilities.

So the problem is here in Congress. We have created the problem. And we will have a choice, the American people will have a choice. Do we continue down the path of the last 40 years, do we continue with ignoring the drug policy? The President mentioned children in one speech 46 times, but he rarely mentions the drug problem in this country: heroin on the increase, methamphetamines, designer drugs, cocaine, marijuana that is frying the brains of our young people, and he will not mention it, and the media will not mention it.

Someone has got to mention it because this is destroying this generation, and I have had it with this administration, I have had it with this President, and I have had it with the solutions of the other side of this aisle, and it is time we got serious and answered the real problems facing our children and our country.

AMERICAN WORKERS NEED PORTABILITY IN HEALTH INSURANCE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 4 minutes.

Mr. PALLONE. Mr. Speaker, today is a very sad day from the point of view of the Nation's health insurance needs, and I say that because later on this morning there will be a motion to go to conference on the health care insurance reform bill, the Kennedy-Kassebaum bill as it is known, and will also be dealing with a budget that has come back from a conference between the House and the Senate which makes major negative—has a major negative impact on the Medicare and Medicaid Program. And it really did not have to be this way, but unfortunately the Republican leadership keeps insisting on raiding Medicare and Medicaid primarily to pay tax breaks for wealthy Americans and also insists on putting in what I call, and the President has called, I think, the poison pill into the Kennedy-Kassebaum health care reform legislation of medical savings accounts.

If I could just take a minute, Mr. Speaker, to explain why I think that there are some very bad developments that are occurring today primarily because of the Republican leadership's insistence on catering to special interests. The Kennedy-Kassebaum health care reform bill was basically put forward by the two Senators on a bipartisan basis because they recognized that increasingly it is difficult for many people to get health insurance in this country. People who were working, people who are out there who are employed have a difficult time getting health insurance or transferring their health insurance if they lose their jobs or they go to a new job. And so on a bipartisan basis the Senators, Senator KENNEDY and Senator KASSEBAUM, said that they would like to make some changes, relatively minor changes, but still significant for a lot of people in this country, that would allow people, when they lose a job or change jobs, to take their health insurance with them, this so-called portability concept, and also that people who have preexisting conditions, who have had handicaps, who have operations or whatever, who oftentimes find it difficult to buy health insurance would not be shortchanged, would still be able to buy health insurance because preexisting conditions, health conditions, could not be a basis, in many cases, for denying them coverage.

Well, we were all very much in favor of that. But here comes the Republican leadership, specifically Speaker GINGRICH, that want to attach to that very good legislation what they call medical savings accounts, which I call nothing more than a way for the healthy and the wealthy in this country to take advantage of health insurance at the expense of everyone else. What medical savings accounts do is basically allow people to opt for catastrophic coverage, and they pay out of pocket for the coverage for other daily expenses that are not part of that catastrophic umbrella policy.

The problem with it is that it breaks the health insurance pool. The reason why health insurance stays at a certain level and the price does not go up even more is because everyone is in the insurance pool. But if we take the healthy and wealthy out of the pool and we give them a catastrophic umbrella policy, then the people that are left in the insurance pool end up paying more because they are poorer and less healthy. And that is what the medical savings accounts seek to do. They are healthy, wealthy savings accounts essentially, and we know that the consequence of them is that the average costs of health insurance will go up for those people who are employed and in the work force.

□ 0930

So I once again say today, we must put a stop to this Republican policy. Essentially it is an effort to act for special interests. There is the Golden Rule Insurance Co. that has contributed a lot to the Republican Party over the years that has been advocating these special type of accounts for the healthy and the wealthy and until we put a stop to it we are not going to see the basic health insurance reforms that are important as part of the Kennedy-Kassebaum bill. We also have the budget coming up today which once again makes deep cuts in Medicare and Medicaid to pay primarily for tax breaks for wealthy Americans. On Medicare what we are seeing is cuts of about $168 billion and also major restructuring of Medicare that will result in doctors being allowed for the first time to overcharge the seniors. Seniors right now are capped.

The SPEAKER pro tempore (Mr. SHAW). The time of the gentleman has expired.

MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas, Mr. GENE GREEN, is recognized during morning business for 4 minutes.

Mr. GENE GREEN of Texas. Mr. Speaker, a lot of people who are here today and Members that are watching in their offices, this is our morning hour that each of us can get up and talk at this time for 4 minutes on issues that concern us.

A lot of us, whether you are Republican or Democrat, were concerned last week about the Medicare trustees issuing their report on the status of the Medicare trust fund. The trustees said that if nothing is done, the trust fund will be insolvent in the year 2001. This is a serious problem which the Congress should address in a bipartisan way.

However, instead of addressing this short-term problem of Medicare, because it is a short term, it was addressed in 1993 and extended it, and now we need to do it again. We should have done it in 1995 and now we should do it in 1996, to move the year out from 2001 to 2005 and hopefully 2010. But the Republican majority continue to insist that the way to do that is to cut Medicare trust funds and yet at the same time provide even more money in tax cuts.

Again this year the numbers have gone down. In 1995 we were looking at $270 billion cuts in Medicare and $245 billion in tax cuts. Well, this year it has gone down to where we want to cut $168 billion in Medicare over 6 years and provide another $176 billion in tax cuts. The cuts in Medicare are the cuts in the expected growth. The reason that is hard, I know a lot of times people listen and say, "Well, it's not really a cut in Medicare," and it is not. There is a growth in Medicare. But we have to have the expected growth in Medicare because there are more seniors growing into Medicare every day and if we just match inflation, then we are going behind and the people who are there now, the 70-year-olds, the 80-year-olds who are on Medicare are going to see a cut in the services they have. That is why it is a cut in Medicare even though it is a cut in the growth. But again we need to deal with Medicare and not talk about the tax cuts because they are irresponsible.

There is no free lunch. We learned that in the 1980's when Congress passed tax cut after tax cut and yet increased spending. You cannot cut taxes and increase spending. That is what they are looking for. There is no pain-free that you can do. But they have conveniently forgot that the last time Congress did this in the 1980's with a Republican President and Democratic Congresses, that is why we now have a $5 trillion debt, and that is why it needs to be dealt with. But that was not done just by Democrats. In fact the last balanced budget we had in this country was in 1969 at the height of the Vietnam war and also at the height of the Great Society. So do not let anyone tell you that the Great Society causes debt. It is Congress not being able to control its expenditures on a yearly basis. We are still living with these consequences of the 1980's.

Now we have the summer movie season. For a year and a half the Republicans have been trying to write a sequel to the supply-side deficit from the 1980's. We call that "The Original." In Congress they offered the tax cuts and told the public we would grow ourselves out of deficits and into prosperity. In the sequel now we are seeing they want to offset their tax cuts with Medicare cuts. Unfortunately for the American people the sequels are rarely as good as the original and that is what worries me.

One of the other ways that they talk about preserving Medicare is medical savings accounts. Again we are considering a bill today for health care for everyone and hopefully we would have a health care reform bill. But it is going to die on the cross of the medical savings accounts and that is what is frustrating, because medical savings accounts, I can go out now or any individual can go out and buy a high deductible insurance policy now that says, "OK, I'll pay my first $5,000." The problem is that the Republicans and medical savings accounts want to give that $5,000 as a deductible on their taxes. This is the same Congress in the 1980's that removed the tax deductions for average individuals for buying regular medical care policies. If we are going to do it for the rich, then we need to do it for everyone who buys any type of health care policy. Let us make all health care premiums deductible and not just those for the rich.

HOUSE SET TO ELIMINATE BILINGUAL VOTING BALLOTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Wisconsin [Mr. ROTH] is recognized during morning business for 5 minutes.

Mr. ROTH. Mr. Speaker, later today the House Judiciary Committee will mark up legislation repealing the federally mandated law which requires bilingual voting ballots. It is about time this action was taken.

In the United States today there are some 375 voting districts across this country that require the printing of ballots in foreign languages.

In theory, these services should not be needed at all. Voting rights are extended to American citizens and, by law, English is a requirement for citizenship in this country. In 1905 this Congress passed a law that said that in order for one to be a citizen and to vote, one had to have a working knowledge of the English language, so we should not even be providing government services in direct contradiction to the spirit of the law.

So I think this legislation which is before the Committee on the Judiciary today is preeminently legislation that we should be addressing now and should also be voting on this session of the Congress. These services of bilingual ballots are very expensive and unnecessary. By and large, multilingual ballots are rarely requested and even less often used than they are anticipated.

In one recent election in California, it cost something like $100 per ballot that was used. So not only are bilingual ballots in contradiction to the present law, the spirit of the law, but also they cost the taxpayers one heck of a lot of money.

These ballots have other, more serious costs associated with them, too. For example, providing these special services creates the fiction that newcomers in this country can enjoy all the benefits of citizenship without learning the language of the land.

It is important to remember that if one wants to be successful and have their children be successful in our country, that the new Americans I think realize more than anyone else that the ladder of opportunity, the rungs of that, are the English language. Because in order for one to read a want ad, in order for one to fill out applications, in order for one to become integrated into the society, English is extremely important. One cannot become successful unless one has a good understanding of the English language. I think reality tells us that this is true.

Also, exercising one's rights of citizenship involves more than just casting a vote. It means making a thoughtful decision regarding the issues and the candidate. Multilingual voting ballots give individuals the right to vote without granting them the power to cast an informed vote. How can a person who is not versed in at least a working knowledge of the English language take part in the political campaign, listen to the debates, listen to the issues and therefore cast an informed ballot?

Mr. Speaker, multilingual ballots are another vestige of the 1960's obsession with the Great Society and the caretaker state in the 1960's, when we had the Great Society and government was going to do everything for everybody. Now this vision of government is bankrupt and we must dismantle the legislative relics of that era. That is why the legislation which is only a first step that is being taken up in the Committee on the Judiciary today is so important, because it is getting us back on the track of commonsense government again.

THE 104TH CONGRESS IS LEAST PRODUCTIVE SINCE WORLD WAR II

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Connecticut [Ms. DELAURO] is recognized during morning business for 5 minutes.

Ms. DELAURO. Mr. Speaker, today is BOB DOLE's last day in the U.S. Senate. I would like to salute the legacy of outstanding public service that BOB DOLE has given to this great country of ours.

While it is his last day, I truly do understand why he would like to depart the Congress of the United States. If we take a look at what has occurred in the 104th Congress, we can get some idea why anyone would want to distance themselves from this failed 104th Congress.

The gridlock strategies that have been imposed by the Speaker of the House, Mr. GINGRICH, have led to the dubious distinction for the GOP-controlled 104th Congress as the least productive Congress since World War II. By any measure, the 104th Congress has been a failure.

This lack of productivity of this Congress has been noted by neutral commentators. Helen Dewar of the Washington Post has written, "Their ambitions have far outstripped their legislative achievements, resulting in one of the least productive sessions in modern history, a session long on promise and short on results." Similarly Kevin Phillips, who is a partisan, a Republican analyst, has noted, "The 104th Congress may be the worst in 50 years."

First we can examine the number of bills that have been enacted, and as of June 11 this Dole-Gingrich Congress has enacted a total of 150 public laws, the lowest total at this point in the Congress going back to World War II. Second, not only have they failed to pass a number of laws, but what they have succeeded in doing is doing harm to men, women, and children in this country.

If we do not want to take a look at the numbers and numbers of laws that have been passed, that is fair. But what we do need to do is take a look at policy, and what kind of policy have they implemented and what kind of policy have they tried to derail. Let us take a look at that. By pursuing an extremist agenda, the Dole-Gingrich Congress has failed to deliver any kind of results to the American people.

Specifically, no health insurance reform, no minimum wage increase, no balanced budget, no expansion of access to educational opportunity, as a matter of fact, cutting off avenues of educational opportunity to young men and women in this country and cutting a school loan program. I could not have gone to college without student loans. Why do others who have them and had them in coming here want to let them go for others in this country? No welfare reform. No tax cuts. No improvements in pension security, and no improvements in environmental protection.

Let me tell my colleagues one specific area in which they will do and are contemplating doing great harm to the American public, and that is in the area of Medicare and Medicaid, hurting seniors in this country. All they are asking, after a lifetime of work and playing by the rules, is a decent and a dignified and a secure retirement.

Today on this floor we will discuss a budget resolution that has come back after being debated by the House and the Senate, and the stakes are high in this debate today because Medicare and Medicaid are going to be cut in a sweeping way if the Republican majority has its way, if Mr. GINGRICH has his way. Today 37 million seniors depend on Medicare, and we in the Congress have a solemn obligation to make sure that they can count on it. Medicare must be protected.

Medicare and Medicaid once again are on the chopping block, with a $168 billion cut in the Medicare Program, $72 billion in the Medicaid Program. Let me just say that today 99 percent of our seniors are covered through the Medicare Program. They have health insurance because of Medicare.

□ 0945

There are people here who would tell you they are not going to cut this program, and in fact that is precisely what they are going to do. They are going to remove the restrictions that are now placed on doctors and hospitals, where they cannot overcharge seniors. Those will be gone.

I implore the American public, listen to the debate today, and do not allow this Gingrich Congress to do harm to seniors in this country.

RECESS

The SPEAKER pro tempore (Mr. SHAW). Pursuant to clause 12 of rule I, the House stands in recess until 10 a.m.

Accordingly (at 9 o'clock and 45 minutes a.m.), the House stood in recess until 10 a.m.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 a.m.

PRAYER

The Reverend Dr. Donald F. Christian, Office of the Bishop, Evangelical Lutheran Church in America, Washington, DC, offered the following prayer.

Almighty God, You are the giver of all that is good and the provider of all that is needed, so we offer our gratitude this day for Your many gifts and blessings. For the diversity of Your created order seen all about us in the animal, vegetable, and mineral worlds, for the beauty of life which can be observed in plants, the places, and the people of Your kingdom, our voices join together to proclaim our gratitude. Yet, we must also confess that we have sometimes allowed Your gift of diversity to divide us and thereby allow animosity, hatred, and even bigotry to enter our lives and Your world. We acknowledge, that our sometimes frantic activity has permitted us to be less than grateful for nature's beauty of color and its symphony of music provided without cost to one and all alike. Good Lord, forgive us. So, we begin this day, with bowed heads and humble spirits accepting our dependency upon You, offering our gratitude for Your kindness, and seeking mercy for our shortcomings. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. TRAFICANT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. TRAFICANT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 5, rule I, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain fifteen 1-minutes on each side.

LET US GET TO THE TRUTH NOW ABOUT WHY THE WHITE HOUSE OBTAINED FBI FILES ON 349 REPUBLICANS

(Mr. BOEHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHNER. Mr. Speaker, by now we all know about the White House's FBI files, background files, on some 349 Republicans here in Washington. A couple of them happened to be staffers that work for me. Now, only the White House knows why they asked for these files, and only the White House knows what they have done with these files over the last several years.

Mr. Speaker, I think it is time for the White House to come clean, to work with the FBI so that we have no more coverups, and that we get to the bottom of this truth on this issue now, not after the election in November.

AFRICAN-AMERICAN CHURCH ARSON

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, there have been 32 suspicious fires at African-American churches across the United States since 1995. It is time for Congress to stand up and speak out.

Last Thursday, when the Matthews-Murkland Presbyterian Church in Charlotte, NC, became another one of the churches to be burned over the past 18 months, the shock and amazement of this deed left me dazed and numb.

How could anyone violate what is most precious to our society? That is why I want to urge all of my colleagues to use this week to rise in swift and resounding voices to condemn this evil and to demonstrate that it will not be tolerated.

First, we should all support the bipartisan legislation introduced by our colleagues, Mr. CONYERS and Mr. HYDE. That legislation would make it easier to bring prosecutions and stiffen the penalties against those who target houses of worship.

Second, I would urge support for a resolution I am introducing, calling on the collective outrage of Congress and condemning the arson. And, finally, we should all, work within our respective communities to help prevent future arson.

There is a time to keep silence and a time to speak. Now is a time to speak.

THE ANSWERS AND EXCUSES, MY FRIENDS, ARE BLOWING IN THE WIND

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUNDERBURK. Mr. Speaker, how many FBI files must a President search before he becomes a President? The answers and excuses, my friends, are blowing in the wind, the excuses are blowing in the wind.

How long must 341 files be kept until the Clinton administration has a chance to read them? The answers and excuses, my friends, are blowing in the wind, the excuses are blowing in the wind.

How many White House employees does it take to gather an enemies list? The answers and excuses, my friends, are blowing in the wind, the excuses are blowing in the wind.

Finally, how long does it take before the Clinton administration puts an end to all the coverups? The answer, Mr. Speaker, appears to be blowing in the White House wind.

OUR VETERANS DESERVE BETTER THAN EMPTY REPUBLICAN RHETORIC

(Mr. FILNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FILNER. Mr. Speaker, for over 50 years veterans' programs and benefits have been viewed as matters far too important for partisan bickering. Democrats and Republicans worked together to create the most generous and successful array of veterans' programs in the world.

Unfortunately, this bipartisan tradition supporting veterans' matters is in the process of being destroyed by our colleagues on the other side of the aisle. We have all heard and read the rhetoric put out by our Republican colleagues asserting their strong support for our Nation's veterans, and they have implied that President Clinton does not care about veterans; in fact, that he would balance the budget on the backs of veterans.

But, Mr. Speaker, let us look at the facts. The Republican budget that has been presented for fiscal year 1997 slashes the President's request for veterans' funding by $573 million. Our Nation's veterans deserve better than empty Republican rhetoric. They have more than earned our real support and respect.

Mr. Speaker, let us quit playing games with this special group of citizens and get down to the hard work of establishing and maintaining meaningful programs and benefits for our veterans.

IT MAKES YOU WONDER, DOESN'T IT?

(Mr. HEFLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEFLEY. Mr. Speaker, during the 1992 campaign, Bill Clinton was asked to sign a waiver that would have authorized the FBI to make public any files that revealed his anti-Vietnam war activity. He refused. In fact here is what his press secretary said at the time: "It's a personal file. He's not going to do it."

But after the election, after Bill Clinton was in the White House, suddenly all of his anxieties about looking through other people's FBI files disappeared into thin air. Someone at the White House authorized a search of 341 Reagan and Bush administration employees, including James Baker, the Secretary of State.

So, let me get this straight. The President who was morally indignant at anyone wanting to look at his FBI file, is now looking through the FBI files of his political opponents.

It makes you wonder, doesn't it, Mr. Speaker?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WALKER). The Chair reminds Members that they are not to use personal references to the President of the United States.

WHITE HOUSE MISTAKENLY OBTAINS SECRET FBI FILES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. The White House said they made a mistake when they improperly obtained secret FBI files on 339 Americans who just happened to be friends of Mr. Reagan and Mr. Bush. Mistake? Who is kidding whom here? This was a deliberate political act. It is disgusting. It is wrong.

But what really grabs me is how many ways can you destroy a family? Billy Dale, the boss of the travel office, targeted, fired, acquitted in less than 90 minutes. Shame, ladies and gentlemen. Whether it is a Democrat or a Republican, anyone who uses the power of the FBI and the IRS to target political opponents is not only wrong, they may have committed a crime.

There should be an investigation. And, as a Democrat, I say when we play partisanship with political machinations like this, we throw the Constitution out.

WHITE HOUSE "SO WHAT" RESPONSE

(Mr. WATTS of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATTS of Oklahoma. Mr. Speaker, it was reported over the weekend that the Clinton administration had used the FBI to obtain the confidential records of former Reagan and Bush administrations employees. The White House passed this off as a mere bureaucratic mistake; an oversight not to be repeated; really, just a small matter that is not worthy of a serious examination.

Mr. Speaker, I long ago stopped trying to figure out the Clinton administration. Their response to any accusation of improper or illegal activity is always the same: So what.

It goes something like this; Whitewater, so what. Troopergate, so what. Cattle futures, so what. Travelgate, so what. Cabinet members resigning in disgrace, so what. Twenty-two White House officials with legal defense funds, so what. Paula Jones, so what.

Mr. Speaker, the White House's "so what" response to the improper or illegal use of the FBI only confirms that they are hiding something from the American people.

REPUBLICANS SERVING WARMED-OVER VERSION OF REJECTED MEDICARE PLAN

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I, for one, give the new majority credit for finding creative things to do with cold leftovers.

You see, the budget they're serving today is nothing but a warmed-over version of the same misplaced priorities that the American people rejected last year.

Take away the sugarcoating, and you've got crucial education programs targeted for deep cuts or elimination.

Minus the garnish, you've got a Medicare plan that will make seniors pay more for less, while their hospitals close.

And, when you remove the trimmings on their budget, you end up with huge tax breaks for the wealthy special interests we simply can't afford.

Mr. Speaker, this is not a blueprint for balancing the budget—it's a recipe for disaster. So, I say to the new majority: Keep your cold leftovers.

It's time to give the American people what they want—a balanced budget that moves our Nation forward without leaving behind those who depend on us most—our children, seniors, families, and our environment.

ANOTHER CLINTON SCANDAL BREWING: FBI FILES RAIDED

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, the paper shredders over at the White House are abuzz with activity. Yet another Clinton scandal is brewing involving a coverup and the abuse of power.

Evidently, the Clinton administration raided the FBI files of 341 Bush and Reagan employees. Not only were these people investigated, but their files were kept inside the vault of the White House security office.

Information gleaned from these files was passed along to Clinton appointee Craig Livingstone, whose boss was Associate Counsel William H. Kennedy, a former Rose law firm partner with Hillary Clinton.

Mr. Speaker, why did the White House want these files? What kind of information were they after? Are there other people who were investigated?

In 1992, Bill Clinton refused to make public any FBI files about his anti-Vietnam activity. But as President he has no reservations whatsoever about raiding the FBI files of his Republican opponents.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair again reminds Members that personal references to the President are not supposed to be made.

REPUBLICAN MEDICARE PLAN: SECOND VERSE, SAME AS THE FIRST

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, here we have the second verse same as the first but with a lower in tone.

Mr. Speaker, the Republican majority is continuing its attack on Medicare. Last year they wanted to cut the growth in Medicare $270 billion and provide for a tax cut of $245 billion. While they still have their sights set a little lower this year, they still want to cut Medicare $168 billion.

□ 1015

Now they say that it is cutting Medicare or that it is cutting the growth of Medicare, but again let us reason that if you have more people getting to be 65 and people 65 living longer, you have to have growth even more than inflation that they say. At the same time they want to give this tax cut of $176 billion only to some of the wealthiest. For the second year in a row the Republican majority is using the trustees' report to talk about how bad they need to do it.

If Medicare is in trouble, then let us take that savings and plow it back into Medicare, and not use it to give tax cuts or to balance the budget. I hope that our Republican majority will change their second verse.

THE CARE FOR HUMAN LIFE IS THE OBJECT OF GOOD GOVERNMENT

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I had a town meeting Saturday in Hampton, FL, and Janice Sanford was there at the town meeting and she gave me hundreds of petitions dealing with the partial-birth abortion veto by the President. President Clinton has once again demonstrated that he favors legal, unrestricted, and easily available abortions on demand, even in the ninth month of pregnancy.

Mr. Speaker, Thomas Jefferson once said,

> The care of human life and happiness, and not their destruction is the first and only legitimate object of good government.

I share this commitment to actively support legislation that sustains the Federal Government's traditional goals in family planning.

Members of both Houses of Congress already voted to promote these goals when we said no to partial-birth abortions. I strenuously oppose President Clinton's veto of the ban, and urge my colleagues to say no once again when we have the opportunity to override this veto.

Once again, I congratulate Janice Sanford for her active efforts to demonstrate this by the petition she gave me last Saturday.

AMERICA NEEDS A NEW GARDENER

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, America needs a new gardener. When Speaker GINGRICH insists that Medicare should be permitted to wither on the vine, it is time to find a gardener who knows the difference between strengthening Medicare and allowing it to shrivel.

That is not EverGrow that Speaker GINGRICH is proposing to pour on the vine of Medicare; it is the salt of neglect, of decades of neglect of the health care security of American families. That is not a green thumb that the Speaker is offering; it is the darkened green thumb of neglect of the health care security of American families.

Mr. Speaker, we should focus on the Medicare trustees' report, for the real issue is trust. Should we trust the people who want to let Medicare shrivel on the vine, or should we trust those who overcame the opposition of BOB DOLE and the Republicans of that era to build Medicare into a garden whose fruits of health care security are available to every American?

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. HEFLEY. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole under the 5-minute rule: Committee on Agriculture; Committee on Banking and Financial Services; Committee on Commerce; Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on International Relations; Committee on the Judiciary; Committee on Resources; Committee on Transportation and Infrastructure; Committee on Veterans' Affairs; and the Permanent Select Committee on Intelligence.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. WALKER). Is there objection to the request of the gentleman from Colorado?

There was no objection.

REPORT ON H.R. 3610, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

Mr. YOUNG of Florida (during consideration of H.R. 2909) from the Committee on Appropriations, submitted a privileged report (Rept. No. 104-617) on the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore (Mr. WALKER). All points of order are reserved on the bill.

CORRECTIONS CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Corrections Calendar.

The Clerk will call the bill on the Corrections Calendar.

SILVIO O. CONTE NATIONAL FISH AND WILDLIFE REFUGE EMINENT DOMAIN PREVENTION ACT

The Clerk called the bill (H.R. 2909) to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that act only by donation or exchange, or otherwise with the consent of the owner of the lands.

The Clerk read the bill, as follows:

H.R. 2909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Silvio O. Conte National Fish and Wildlife Refuge Emminent Domain Prevention Act".

SEC. 2. RESTRICTION ON METHOD OF ACQUISITION OF LANDS FOR PURPOSES OF THE SILVIO O. CONTE NATIONAL FISH AND WILDLIFE REFUGE ACT.

Section 106 of the Silvio O. Conte National Fish and Wildlife Refuge Act (Public Law 102-212; 16 U.S.C. 668dd note) is amended by adding at the end the following new subsection:

"(e) RESTRICTION ON METHOD OF ACQUISITION.—The Secretary may acquire lands for purposes of this title only by donation or exchange, or otherwise with the consent of the owner of the lands.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. SAXTON] and the gentleman from Massachusetts [Mr. STUDDS] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

MODIFICATION OFFERED BY MR. SAXTON

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that on page 2, line 5 of the bill, the word "Emminent" be corrected to read "Eminent."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2909, the Silvio O. Conte National Fish and Wildlife Refuge Eminent Domain Prevention Act, was introduced by Congressman CHARLES BASS on January 31, 1996. The bill directs the Secretary of the Interior to acquire lands for the Silvio O. Conte Refuge only with the consent of the landowner. Unlike many refuges, the Conte refuge spans four States—Vermont, Connecticut, Massachusetts, and New Hampshire. Landowners surrounding the refuge are concerned that eminent domain will be used to condemn their properties, so the Fish and Wildlife Service will be able to purchase the properties without the owners' consent. At the subcommittee's legislative hearing, the Fish and Wildlife Service did acknowledge that there is precedent for similar willing seller language already set in law. The Service also maintains that it does not intend to use eminent domain as a land acquisition tool for the Conte Refuge. That being the case, codifying this prohibition into statutory language would not adversely affect Fish and Wildlife Service operations. It would, however, serve the useful purpose of quelling landowner concerns.

I urge an "aye" vote on this bill in support of property owners' rights.

Mr. Speaker, I reserve the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, believe it or not, I rise in opposition to H.R. 2909, because it is both an example of bad policy and bad process. When the Corrections Day Calendar was originally proposed, it was touted as a way to address bureaucracy that is particularly dumb, or to address obviously silly, redundant Government regulations in a rapid fashion. H.R. 2909 does not address silly Government regulations or bureaucracy, it addresses one of the fundamental powers granted to the Federal Government by the Constitution—the power of eminent domain. Supporters of this bill may claim that it is about protecting private property. But there is a world of difference between uncompensated takings of private property and the rare and judicious use of eminent domain to acquire private property, for fair market value, to protect public wildlife resources.

The Corrections Day Calendar was ostensibly created to expedite the passage of noncontroversial, bipartisan legislation. This legislation is controversial. I and a number of my colleagues on the Resources Committee oppose it. The administration opposes it. And environmental groups such as the Sierra Club, the Wilderness Society, and the Audubon Society oppose it. Lastly, I believe that if our late friend and colleague, Silvio Conte, were alive today, he would join me in opposing this legislation. Since the Fish and Wildlife Service has no intention to use eminent domain to acquire land for the refuge, H.R. 2909 is a solution in search of a problem.

It is my understanding that corrections day legislation should be narrow in scope. But, since H.R. 2909 sets a bad precedent for the entire 92 million acre National Wildlife Refuge System, it is much broader in scope than the problem it purports to address.

The Corrections Day Calendar was never intended to circumvent the committee process. However, the Corrections Day Advisory Group considered H.R. 2909 for placement on the Corrections Day Calendar a month and a half before the Resources Committee reported the bill.

The Silvio Conte National Fish and Wildlife Refuge represents a new kind of wildlife refuge that will protect a total of 78,000 acres using a combination of conservation easements, cooperative agreements, and cost-sharing partnerships. This approach minimizes the need for Federal land acquisition: Only about 6,500 acres, spread over the States of New Hampshire, Vermont, Connecticut, and Massachusetts, will be under Federal ownership. And how is this innovative approach rewarded? By the adoption of punitive legislation that restricts the ability of the Fish and Wildlife Service to protect public wildlife resources when they are threatened.

The Fish and Wildlife Service is entrusted with the power of eminent domain to acquire lands for the greater public good. Although eminent domain authority is a tool of last resort for the Service, without it there is ultimately no way to protect land already purchased with taxpayer dollars from adjacent harmful development or to prevent the destruction of critically important wildlife habitat. If we deny the Service this tool, we make it that much more difficult to protect effectively the public interest in habitat conservation.

Furthermore, this bill exclusively ties the hands of the Federal Government in protecting the public interest in fish, game, and wildlife habitat. I am not aware of any attempts to restrict eminent domain authority when it is applied to highways, dams, or other public works projects in New England. In establishing a differential standard for application of the power of eminent domain, H.R. 2909 relegates wildlife habitat protection to second-class status. That is wrong.

For these reasons, I oppose H.R. 2909 and feel that it was inappropriately placed on the Corrections Calendar. I urge the House to reject this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. SAXTON. Mr. Speaker, I yield such time as he may consume to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Speaker, I rise in support of this piece of legislation. I would like to thank the gentleman from New Jersey [Mr. SAXTON] and the gentleman from Alaska [Mr. YOUNG] for moving this bill promptly, in an expeditious fashion. I believe that their understanding of the time-sensitive nature of this matter in allowing H.R. 2909 to move in an expeditious manner is important.

Mr. Speaker, simply put, as we have heard, this bill will smooth the road for the creation of the Silvio O. Conte Refuge by reassuring local residents, and folks who live in the affected areas, that their land will not be taken by eminent domain as a result of efforts to create this very important refuge.

The Conte refuge was established in 1991, and subsequently went through 4 years of hearings and input. The result of the plan, which seeks to protect the entire Connecticut River Valley from its headwaters in northern New Hampshire to the area in southern Connecticut where it flows into the Atlantic Ocean, is the scope of the bill.

In undertaking this task, the Fish and Wildlife Service has identified virtually all water sources that empty into the Connecticut as potential areas to protect. Consequently, nearly 50 percent of my district, which is a large rural district, and clearly close to half of the district of the gentleman from Vermont [Mr. SANDERS], will be potentially affected by this refuge, including, I might add, many major metropolitan areas, cities, towns, rights-of-way and so forth.

Mr. Speaker, it is important to realize that the Connecticut River, which flows through many diverse regions of New England, has many different characteristics in different areas. I might use the analogy, if I could, to the shape of an oak tree in describing the Connecticut River.

Like any river, near its mouth on the Long Island sound it is like a pencil line, but as it gets farther north it branches out and branches out and branches out until finally up in Coos County, and in Essex County over in Vermont, it covers the entire county. In my district, half of Grafton County, all of Sullivan County, and all of Cheshire County. It is a huge area which it covers.

Mr. Speaker, I am not here today to take issue with protecting the Connecticut River. It is a very important project, and I fully support the Silvio O. Conte Wildlife Refuge. However, I feel that there are efforts that need to be undertaken in order to assure that there is cooperation between not only the folks that live along the river's edge and will be affected, and as I said it is more than just folks living along the edge of the river, but also the respective legislatures in New Hampshire and Vermont and potentially Connecticut and Massachusetts.

There have been bills introduced in New Hampshire that would create considerable restrictions on the ability of the Fish and Wildlife Service to effect this important refuge project, and it is all based upon the fact that there is fear on the part of landowners that the Fish and Wildlife Service will use their eminent domain power to take property unnecessarily away from people who are trying to make a living off of it.

Mr. Speaker, the fact remains that this is not good for the future creation and growth of the wildlife refuge, but it is also not good for farmers and other individuals who depend, and have depended now for generations, upon the land to make a living.

Mr. Speaker, I would also point out that the gentleman from Massachusetts [Mr. STUDDS], my good friend, has pointed out that this bill does not qualify or may not qualify for the Corrections Day Calendar. I would point out that this bill codifies U.S. Fish and Wildlife's intent using statutory authority of eminent domain for the purposes of the refuge. The potential financial burden, underlined, of large scale eminent domain takings could be high on the taxpayers of America.

The refuge plan represents a new approach by the U.S. Fish and Wildlife Service in that it does not have well-defined boundaries. It is not an island or specific area, it is a watershed. Therefore, areas that could be affected by eminent domain are ambiguous.

The bill protects the average family and small business by ensuring that the U.S. Fish and Wildlife Service does not arbitrarily take their land for the purposes of a refuge that is not clearly defined. And, last, the bill promotes the well-being of everyone by removing one of the final stumbling blocks to the successful creation of this refuge to protect the Connecticut River for all of New England.

Mr. Speaker, I would also point out that there is ample precedent for this change in the law. There are 33 different precedents in law in which eminent domain as a mechanism for acquiring land has been inserted; I think the most notable of which is the wildlife refuge in Massachusetts known as the Atchafalaya, or something like that, wildlife refuge in which the exact same language is in law there.

Mr. Speaker, I would point out that as one who supports the Silvio O. Conte Wildlife Refuge, as one who was personally acquainted with Congressman Silvio O. Conte, I would take issue with my distinguished colleague from Massachusetts and I would say that Congressman Conte would have wanted to see the wildlife refuge developed with the full cooperation and consent of the Federal Government, Congress, as well as the people who would be affected by this wildlife refuge.

Now, as a former State senator and a member of the legislature in New Hampshire, I was pleased to have sponsored shoreline protection legislation in New Hampshire, rivers protection laws in New Hampshire, as well as serving 2 years on the Land Conservation Investment Program, which is a program similar to what is envisioned by Silvio O. Conte Wildlife Refuge, in which $50 million was allocated to protect key pieces of real estate that are environmentally sensitive and important for the State of New Hampshire.

□ 1030

Not once did we, we did not have eminent domain in the law obviously, and we never needed it. The fact is we do not need to have the hand of Federal Government taking people's property away from them against their will when there is plenty of property available and more than the Federal Government will ever have the money to purchase to begin with.

What we need here is cooperation, which is in the New Hampshire tradition, and I think in the tradition that will be beneficial to the creation and long-term preservation of this very important ecosystem, the Connecticut River.

Mr. STUDDS. Mr. Speaker, in the spirit of corrections, let me say to the gentleman from New Hampshire, the Atchafalaya Refuge is in Louisiana, which is a very long way from Massachusetts and New Hampshire. May I also say that things must be blissful indeed in the Granite State if the biggest thing you have to worry about is the specter of the Federal Government grabbing an acre in the name of Silvio Conte. I think it must be a lovely existence you have up there. Some of us can think of real problems that need solutions.

Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, when this new Congress led by its antienvironmental zealots came here they said they were going to do business in a new way. And sure enough, we find business in a new way. We solve problems that do not exist. What we have here is not simply an assault on the Federal Government or an opportunity to try to create barriers to protect what I think virtually all of our citizens recognize is a heritage that we want to pass on to our children and grandchildren, but what we have is an attempt to hobble the Government from being able to defend itself. Should we have a refuge area and suddenly someone comes in and has a pollution problem that they refuse to remedy, the Federal Government would have no legal ability to enjoin that action. They would have to sit by and watch the entire refuge be decimated because we are about to take away the legal rights that Government has always had from time immemorial.

I guess I am somewhat confused. If we are fighting the Civil War over again on States rights, then it seems to me that maybe we ought to have a real bill that just disbands the Federal legislature. But if we are going to continue to have a Federal role, and let me assure you that many of these States with this anti-Federal attitude come rushing here for Federal resources, much as the Freemen did for their farms. We do have one country; do we not? National resources are worth protecting. What we are going to do here is not so much protecting any individual or State right. What we are doing is taking action to prevent something that is virtually never used but to ensure that, if Federal land is in the process of being degraded, the Federal Government will have no legal ability to protect its investment and the taxpayers' investment.

Mr. SAXTON. Mr. Speaker, I yield myself 1 minute.

I just would like to say to the gentleman from Connecticut that I am kind of surprised hearing his opposition this morning, particularly since the gentleman is from the State of New Jersey and inasmuch as the chairman of the full committee, the gentleman from Alaska [Mr. YOUNG], offered the gentleman an opportunity to take Connecticut out of this bill. So it surprises me that the gentleman declined the opportunity to take Connecticut out of the bill, saying that apparently Connecticut ought to be included. And now the gentleman is opposed to the bill. I do not understand, Mr. Speaker.

Mr. STUDDS. Mr. Speaker, if the gentleman will promise to be nice, I yield 2 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, I think that this is an important principle. Frankly, if I did not think it would violate that principle, I would have been happy to accept an agreement to exempt Connecticut. I would be happy to accept that.

Mr. SAXTON. Mr. Speaker, if the gentleman will yield, let me reoffer, we have decided on our side that we are happy to grant the gentleman unanimous consent to take Connecticut out.

Mr. GEJDENSON. Mr. Speaker, if the gentleman will ask unanimous consent to exempt Connecticut, I will accept that exemption.

Mr. SAXTON. Mr. Speaker, it is the gentleman's State. I will not ask unanimous consent.

Mr. GEJDENSON. I will ask unanimous consent to exempt Connecticut from the bill.

The SPEAKER pro tempore. The gentleman will have to have his unanimous-consent amendment in writing.

Mr. GEJDENSON. Mr. Speaker, I will return.

Mr. STUDDS. Mr. Speaker, if I may briefly observe, before yielding to my colleague from Massachusetts, I look forward with great anticipation to the gentleman on the other side offering analogous language on all future public works and highway bills so that the power of eminent domain may not be waived to frighten the good people of New Hampshire or of any other State.

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. OLVER] who holds the seat once held by out late esteemed colleague, Silvio Conte, who, if he were here today, I suspect would be in the well with a pheasant or a moose mocking all of us.

Mr. OLVER. Mr. Speaker, today I rise as the Member of Congress who has had the honor of following in office one of the greatest Members of this body in this century on his legacy of environmental protection and conservation for the people of the first district of Massachusetts.

Out of all of Silvio Conte's great successes and legislative accomplishments, perhaps his legacy of conservation is what he will be remembered for more than anything else. Which is what makes the Conte Fish and Wildlife Refuge so fitting for this man who has had such a tremendous impact on the people of the Connecticut River Valley.

Sil Conte was a sportsman and a conservationist and he understood the interrelationship between the two.

He knew that, like most resources, you can't just continue to draw from it without renewal and continual reinvestment.

That's what conservation is all about.

Silvio Conte's favorite pastimes included fishing and bird watching. And he knew that as a Member of this body, he was in a position to ensure that future generations would have that opportunity.

Sil Conte was wise enough to know that waterfowl and other migratory birds, as well as anadromous fish, know no boundaries or manmade borders.

Which is why the bill before us today is a sneak attack on the concepts of conservation. This bill permanently removes the authority of the Fish and Wildlife Service to prevent activities that negate the purposes of the refuge.

After 130, yes, 130, public meetings, the 3 Members sponsoring this legislation, and the 7 from Massachusetts and Connecticut even more affected by it, know perfectly well that the Fish and Wildlife Service is keenly aware of the concerns that this bill aims to address.

We also know that the Service cannot proceed effectively to secure the purposes of Public Law 102–212, the Silvio Conte National Fish and Wildlife Refuge Act, without full cooperation from private citizens.

The cooperative arrangements the Conte Refuge includes is what makes this refuge a model for the National Wildlife Refuge System.

The problem with this bill is that it forever ties the hands of the Fish and Wildlife Service in its management in carrying out its responsibilities.

This bill mocks the constitutional protections already provided against takings. The Constitution was not meant to be offered a la carte. We can't just pick the sections we like and ignore those we don't care for.

The people of the first district are fiercely independent in the proud Yankee tradition. However, they also have a proud tradition in believing in government and the good that it can do.

The Connecticut River is today swimmable and boatable because the Federal Government took action under the Clean Water Act back in 1972.

When we passed the Silvio Conte fish and wildlife legislation we affirmed the purposes of conserving, protecting, and enhancing important fisheries habitat, important wetlands, and other habitat for a broad variety of plants and wildlife.

These species are held in the public trust. the public trust depends on the Federal Government to act as its guardian. I believe that the people in my district depend on the Fish and Wildlife Service to guide the protection of the natural environment.

The choice is simple. You can either vote with those who have been swayed by rumor and distrust of the Federal Government. Or you can vote for the environment, for the refuge, and for its inhabitants—the 2 million people but also the black bear, moose, the bald eagle, red fox, bobcat, coyote, beaver, lynx, salmon, shad, striped bass, herons, egrets, piping plover, osprey, and the kingfisher.

And so today we're again faced with making choices for the Silvio Conte Refuge. It is a refuge. Let it live out the true meaning of its name.

And as for its namesake, let the refuge continue to honor him in the legacy of conservation on which he spent his life's work.

As the Member now serving the first district, the district that Silvio Conte served so well for more than 30 years, I ask that you vote against this bill—so that the House can take up this matter in a more appropriate forum outside of the Corrections Day Calendar.

Mr. SAXTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut [Mr. GEJDENSON].

AMENDMENT OFFERED BY MR. GEJDENSON

Mr. GEJDENSON. Mr. Speaker, I ask unanimous consent to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GEJDENSON: Page 2, line 16, after "lands" insert "in New Hampshire and Vermont".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut to amend the bill?

Mr. SAXTON. Reserving the right to object, Mr. Speaker, I do not plan to object. I would like to point out that I am not quite sure what is different about the constituencies that live in the 2 States which will be exempted under this unanimous consent request.

In the case of Mr. BASS' constituents, he is concerned, the gentleman from New Hampshire, Mr. BASS, is concerned that his constituents feel comfortable with the process that will be ongoing. And apparently Mr. GEJDENSON and the gentleman from Massachusetts do not share the same concerns or their constituents do not share the same concerns as to how the process will proceed without the protection which will be eliminated by virtue of this unanimous-consent request.

Mr. BASS. Mr. Speaker, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from New Hampshire.

Mr. BASS. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from New Jersey but also point out that the nature of the districts through which the Connecticut River runs in Massachusetts and Connecticut is considerably different geographically than that of New Hampshire and Vermont. So as a result, I believe that there is justification for this amendment in that the sheer territory covered by the potential for eminent domain proceedings in Massachusetts and Connecticut is substantially smaller than in New Hampshire and Vermont. I certainly would not object to this amendment.

Mr. SAXTON. Mr. Speaker, continuing my reservation of objection, I would just conclude by saying that inasmuch as the gentleman from Connecticut and the gentleman from Massachusetts apparently do not wish to afford their constituents the same protections that Mr. BASS does, I will not object.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut to amend the bill?

There was no objection.

The SPEAKER pro tempore. Without objection, the amendment is agreed to.

There was no objection.

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

I am sorry this debate has gone this long. I would think all of us would be more than a little embarrassed by having devoted the amount of time we have to this matter. There is no problem here that needs solving, none whatsoever.

I am prepared to concede to the gentlemen from over there that New Hampshire and Vermont are larger than Connecticut and Massachusetts. I am prepared to concede for some reason they have a more profound paranoia than southern New England. I could care less whether one State or another is covered. I never mentioned my own State in my own remarks. My objection is to the principle involved here as to whether we will allow the Federal Government to have as a last resort the constitutionally sanctioned provision of eminent domain in the public interest.

I noted with some interest not that it was a particular State or States but that it was only at wildlife legislation, not at highways, not at public works, but the paranoia seems to be finely focused in this instance in the hills of northern New England.

□ 1045

It is beyond me. I do not understand it. I do not know why we have to discuss it here. I do not know why it rises to the level of being considered by this House. I think we should apologize to our colleagues for the amount of time we spent on this. It is more than a little bit silly. No one thinks it is going to become law. It will die in the Chamber of the winds across the hall, and, anywhere else, it will die by other means.

So, Mr. Speaker, with apologies to my brethren and sisters for the amount of time we have taken, I yield back the balance of our time.

Mr. SAXTON. I yield myself such time as I may consume.

A, I do not apologize; and, B, this is not silly. This is a protection of people's right to own property without having to be afraid of Big Brother coming along and taking it from them.

I would say further, Mr. Speaker, that the refuge system, as chairman of the Fish and Wildlife and Ocean Subcommittee, the refuge system is something that I have taken great pains to protect and to enhance the process through which it works. That is why we passed a bill earlier this year to reform the process so that people will want the process to continue to move forward so that they will not be afraid that refuges and refuge managers and the Fish and Wildlife Service will become Big Brother and take over their property.

And so, Mr. Speaker, I do not apologize in any sense of the word, nor do I believe this is silly. I think it is a very serious issue.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Speaker, I thank the gentleman from New Jersey [Mr. SAXTON] for yielding this time to me, and I would only say that there are, and I have here, precedent after precedent after precedent in public works for the type of exemption that we are talking about in this particular piece of legislation.

What is most significant about this effort is that it is going to help preserve the Connecticut River basin. It is going to create an environment of cooperation amongst all of the parties involved, and all we are saying is that the Fish and Wildlife Service's promise not to use eminent domain in any instance in this particular project, we are going to hold them to their word.

Now, it happens to be important to me that we preserve the Connecticut River basin, but it is also important to me that we protect the rights of landowners and that we prevent this bill, this problem, from slowing the long-term process.

Mr. Speaker, I would also like to ask for unanimous consent that my colleague from Vermont [Mr. SANDERS] be recorded in support of this bill and be allowed to place a statement in the RECORD in support of the bill.

The SPEAKER pro tempore [Mr. WALKER]. Would the gentleman from New Hampshire modify his request regarding a statement in the RECORD? The gentleman cannot have a request that the gentleman be recorded in favor.

Mr. BASS. A statement in the RECORD, to amend my unanimous-consent request.

The SPEAKER pro tempore. Without objection, that will be covered under general leave.

Mr. SAXTON. Mr. Speaker, there are a couple of Members on the other side who would like to have time at this time. I would be either happy to yield to them myself or to ask unanimous consent to have the gentleman's time restored.

The SPEAKER pro tempore. Without objection, the gentleman from Massachusetts [Mr. STUDDS] can reclaim the balance of his time.

Mr. STUDDS. Mr. Speaker, it never occurred to me anyone else would want to speak on this matter.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I thank very much the managers of this bill for giving me an opportunity to speak, and I do not come here to speak on the substance of the bill, but the process.

When the whole idea of the Corrections Day Calendar was proposed, I raised a lot of concern about it because I thought it might be a vehicle for special interest proposals, for controversial matters cloaked, perhaps, in a cover that maybe they are not as controversial as they otherwise would be perceived to be. I thought my misgivings were misplaced when I went on the corrections day advisory committee and participated in the process where up to now we have never produced a bill that is controversial except for the very first one. All the others have been noncontroversial, bipartisan, clear-cut corrections of Federal law.

But this bill is a controversial matter. It affects the gentleman from Massachusett's [Mr. OLVER] district, and he is opposed to the bill, the administration vigorously opposes it, the gentleman from California [Mr. MILLER], as a ranking Democrat on the Committee on Resources, and the gentleman from Massachusetts [Mr. STUDDS], the ranking Democrat on the subcommittee, oppose the bill; Sierra Club and other environmental groups oppose the bill.

Mr. Speaker, this is not appropriate for the Corrections Day Calendar, and I am very disappointed that this bill has been put on as a corrections day matter. When it came before the corrections day advisory committee, no Democrat was present, there was a ballot vote where the Republicans voted one way and whatever Democrats voted the opposite way.

The person who was in charge of the corrections day advisory committee was advised that this was controversial and that had Democrats been at the meeting, we would have opposed the idea of being on the Corrections Day Calendar. The fact that this bill is on the calendar as a corrections matter undermines the whole idea of the validity of a Corrections Day Calendar.

So I wanted to speak out on this issue, opposing this proposal not only in substance, which others can speak more articulately about, but in terms of the process itself.

Mr. STUDDS. Mr. Speaker, I yield 2 more minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Speaker, I thank the gentleman for his indulgence. I just wanted to respond to comments made on the other side and, in fact, in part to agree with them.

The gentleman from New Hampshire points out and agrees that the nature of the territory is quite different. Of the 2 million people living in the Connecticut River watershed area that is the subject of the Silvio Conte Fish and Wildlife Refuge Act, 80 percent of them live in Massachusetts and Connecticut, whereas 80 percent of the land involved in that area is in New Hampshire and Vermont, at least 80 percent of the total land area involved. And in terms of the amount of acreage that has been proposed after 3 years of study with hundreds of meetings, all of them public meetings, all over the Connecticut River basin, less than 20 percent of the very tiny amount of land being proposed as possible refuge sites actually occurs in the States involved, in the States of Vermont and New Hampshire. So the territory is very, very different.

In our area, the support for the original language of the Silvio Conte Fish and Wildlife Act is extremely strong and extremely deep, and so for that reason it is appropriate, and we believe that it should certainly be possible, that if there is a critical bog, one of those critical areas under consideration or a critical fish habitat area, that we should not be in a position where one owner may negate the purposes of the protection under the Silvio Conte Fish and Wildlife Refuge Act, one owner may completely negate the purposes of the public interest.

So in that sense this is an appropriate kind of an amendment, and I might point out that there is a very similar case. And I will let the gentlewoman from Connecticut speak for herself.

Mr. SAXTON. Mr. Speaker, I yield such time as he may consume to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Speaker, I just like to say that in response to my distinguished colleague from California, as he well knows, just prior to his arrival here on the floor we did exempt by unanimous-consent amendment the States of Massachusetts and Connecticut, which was so eloquently advocated by my distinguished colleague from Massachusetts [Mr. OLVER] in mentioning that 80 percent of the people involved by or covered by this wildlife refuge live in the States of Massachusetts and Connecticut, whereas 80 percent of the land is in New Hampshire.

Although just a small portion of the total area has been designated thus far to be part of the wildlife refuge, the fact is that this is an open-ended project, as it should be, and there are, as I recall, some 80,000 acres potentially affected by it. So it does have the potential to become quite a bit more substantial, which is not all that bad.

I would also point out that the New Hampshire Forest Society, the Appalachian Mountain Club, and other environmental groups based in New Hampshire strongly support the passage of this legislation.

Mr. SAXTON. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, I have real concerns with this legislation. The Conte Refuge is unique. It is an urban refuge. Its goal was never to be achieved through the acquisition of large tracts of land. Rather, its goal was to restore the Connecticut watershed through partnerships, conservation easements, cooperative agreements, environmental education with the Fish and Wildlife Service providing technical expertise and serving as the catalyst for the effort, and in fact it is moving along very well and holds enormous potential for the whole Northeast as being a very positive contribution to the preservation of our wilderness areas and the quality of our life in the Northeast.

As my colleagues know, we have preservation laws not only to preserve lands, but to preserve historic buildings, and whenever we try to preserve something, people do give up certain rights because preservation carries with it certain responsibilities.

Now, in my district the Appalachian Trail runs right through it, and the Government does have the right of eminent domain, if they need it in that instance, and we had to go through a very painful relocation of a portion of the trail for very good reasons of safety and so on. And in the course of those negotiations with various property owners we were able to negotiate good solutions with all but one, and that one person simply could not see the public interest, but could only see the private interest. And if the Government had not had the right of eminent domain, which they never had to exercise, but if they had not had that right, that citizen would never have been required to stay at the table. And by staying at the table we did finally get a negotiated solution that was satisfacotry to the citizen and satisfactory to the Government in terms of achieving the public goal of a safe and beautiful trail across the eastern seaboard.

So eminent domain is rarely used by the Government, but it does provide clear and convincing, in a sense, elbow to remind the individual citizen that there is a larger public interest that the Congress recognized in establishing the Conte Refuge. I think the goals of the Conte Refuge can be achieved without any eminent domain actions; I am absolutely convinced of that. But to withdraw that from the law for this particular project I think is to set a precedent that is very destructive and also fundamentally counters the public interest that lies behind not only this designation, but other designations, and also underlies our belief in things like historic preservation tax credits.

So I oppose this bill.

Mr. SAXTON. Mr. Speaker, I would ask the gentleman does he have any further speakers?

Mr. STUDDS. Not to my knowledge, I would say to the gentleman.

Mr. SAXTON. Mr. Speaker, with that understanding I yield such time as he may consume to the gentleman from New Hampshire [Mr. BASS] for his closing statement.

Mr. BASS. Mr. Speaker, I thank the gentleman from New Jersey for yielding this time to me, and I would just like to point out that there is an enormous difference between an effort to preserve a trail and an undertaking that will potentially affect 80,000 acres of property.

I would also point out that the scope of this piece of legislation is now, by unanimous-consent amendment, limited to the States of New Hampshire and Vermont. Now, this is a very critical issue for folks in New Hampshire and Vermont, and the gentleman from Vermont [Mr. SANDERS] and I have joined together in a bipartisan effort to create a modicum of protection for folks who make a living off of the land that might be affected by this potential wildlife refuge.

Nobody opposes the idea of the Silvio Conte Wildlife Refuge. We want it to go ahead. But we feel that this amendment, which is supported by numerous environmental groups in my home State of New Hampshire, and I suspect also in Vermont, is important to us. I would point out that there are 33 other precedents for use of this limitation on eminent domain proceeding, and to the best of my knowledge it has worked very well in all of those instances.

So I would urge the body to support this bill along with its unanimous-consent amendment. It is important for Vermont and New Hampshire, and it is important for the future of this very significant wildlife refuge.

Mr. YOUNG of Alaska. Mr. Speaker, H.R. 2909, the Silvio O. Conte National Fish and Wildlife Refuge Eminent Domain Prevention Act, prevents the Fish and Wildlife Service from purchasing land for inclusion in the Conte Refuge without the consent of the owner.

I served with Silvio Conte for nearly 20 years, and I know that he cared deeply about the protection of migratory bird habitat and the creation of this refuge. This bill will further both of those goals by increasing public support for this refuge.

Local residents want to see important habitat protected, but some fear the Federal Government's sometimes heavy-handed land acquisition policies. This bill allows the Service to preserve important habitat, but also protects property owners from overzealous bureaucrats. The protections in this bill will enhance the public's support of the refuge since surrounding property owners will know that their property cannot be taken without their consent.

H.R. 2909 would allow condemnations for the purposes of settling title issues and determining price as long as the property owner consents to such actions. There is precedent for this bill. In 1988, Congress enacted a law, Public Law 98–548, which established a Federal wildlife refuge in Louisiana and stipulated that the Fish and Wildlife Service could only obtain lands for inclusion in this refuge from willing sellers.

Furthermore, in the testimony of the Department of the Interior on H.R. 2909, the administration witness stated that "since 1989, the Fish and Wildlife Service has not used condemnation without the consent of the owner, and does not intend to use if for this unique refuge". The testimony went on to say that "no condemnation is planned for any aspect of this project." Putting the force of law behind this policy will clearly enhance public support for this refuge.

This bill is widely supported by environmental and conservation groups in New Hampshire, including the Appalachian Mountain Club, the New Hampshire Farm Bureau, the New Hampshire Timberland Owners Association, and the Society for the Protection of New Hampshire Forests.

I commend Congressman BASS for introducing this measure, and I urge an "aye" vote on this important property rights bill.

Mrs. VUCANOVICH. Mr. Speaker, I understand the concerns of the gentleman from California [Mr. WAXMAN]. If he will recall, the advisory group met on March 20 of this year to consider five bills for the Corrections Calendar. While no members of the minority were present at that meeting, all members of the advisory group are allowed, and were allowed following that meeting, to participate by expressing their views even though they may not be able to attend our meetings.

Following our March 20 meeting, we reviewed the input from all our members and a consensus was reached to recommend H.R. 2909 to the Speaker for placement on the Corrections Day Calendar when reported out of the committee of jurisdiction, in this case the Resources Committee. Once recommended, all corrections day legislation must travel through the regular legislative process and be reported.

I recognize that the corrections day process is new to many and that we all have demanding schedules. However, being a member of a panel such as the Corrections Day Advisory Group requires members' attendance in order that we may be able to carry out its purpose.

Mr. FAWELL. Mr. Speaker, I rise in opposition to H.R. 2909, the Silvio O. Conte National Fish and Wildlife Refuge Eminent Domain Prevention Act. This bill seeks to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to require that the Fish and Wildlife Service may only acquire lands for the refuge through donations, exchanges, or otherwise through the consent of the landowner.

As a former practicing attorney involved in eminent domain cases, I have concerns about the precedent set by this legislation. The Fish and Wildlife Service, like any other agency, has the power of eminent domain. This power, derived from the fifth amendment, assures citizens that their land will not be taken for public use, without just compensation. Current Fish and Wildlife Service policy directs such acquisitions only from willing sellers. In the last 10 years, less than 2 percent of the Service's acquisitions nationwide were acquired through the use of eminent domain. The Fish and Wildlife Service is not abusing the power of eminent domain. I see no reason why Congress should take away the legitimate power of the Fish and Wildlife Service to act in the public interest.

Mr. Speaker, I am opposed to this bill. I strongly support the establishment of the Silvio Conte National Fish and Wildlife Refuge, and the enactment of cooperative efforts to preserve the Connecticut River watershed. However, I urge Members to reject this measure which ties the hands of the Government to act in the public interest.

Mr. SAXTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUDDS. I have no further requests for time.

I want to close by commending the gentlewoman from Connecticut on the eloquence of her lesson in civic responsibility.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and (three-fifths having voted in favor thereof) the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 2909, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1100

THE JOURNAL

The SPEAKER pro tempore (Mr. WALKER). Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STUDDS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 347, nays 50, not voting 37, as follows:

[Roll No. 225]

YEAS—347

Ackerman
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooley
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Eshoo
Evans
Ewing
Farr
Fawell
Fields (LA)
Fields (TX)
Flake
Foley
Forbes
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefner
Herger
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter

Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Lantos
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy
McCollum
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Royce
Salmon
Sanders
Sawyer
Saxton
Scarborough
Schaefer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torres
Traficant
Upton
Velazquez
Vento
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—50

Abercrombie
Borski
Bunn
Clay
Collins (IL)
Costello
DeFazio
Durbin
Engel
English
Everett
Fazio
Filner
Flanagan
Foglietta
Fox
Funderburk
Gephardt
Geren
Gillmor
Gutknecht
Hefley
Heineman
Hilleary
Hilliard
Hutchinson
Jacobs
Jones
LaFalce
Lewis (GA)
Markey
Martini
McDermott
Menendez
Pickett
Pombo
Rush
Sabo
Sanford
Schroeder
Smith (MI)
Taylor (MS)
Thompson
Towns
Visclosky
Volkmer
Waters
Weller
Yates
Zimmer

NOT VOTING—37

Andrews
Baker (LA)
Bateman
Brown (CA)
Brown (FL)
Bunning
Calvert
Chapman
Clyburn
Dornan
Ensign
Fattah
Ford
Gibbons
Harman
Hastings (FL)
Hayes
Hoyer
Johnson, Sam
Kleczka
Largent
Lincoln
McCrery
McDade
Meehan
Molinari
Moran
Nethercutt
Peterson (FL)
Pryce
Riggs
Roukema
Schiff
Schumer
Torkildsen
Torricelli
Zeliff

□ 1120

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3103, HEALTH COVERAGE AVAILABILITY AND AFFORDABILITY ACT OF 1996

Mr. ARCHER. Mr. Speaker, pursuant to clause 1 of rule XX and by direction of the Committee on Ways and Means, I move to take from the Speaker's table the bill (H.R. 3103) to amend the Internal Revenue Code of 1986 to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. WALKER). The gentleman from Texas [Mr. ARCHER] is recognized for 1 hour.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the customary motion to go to conference. I believe the minority has a motion to instruct conferees.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. ARCHER].

The motion was agreed to.

MOTION TO INSTRUCT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. DINGELL moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the House bill H.R. 3103 be instructed—

(1) to recede to the Senate amendment except with respect to section 305 of the Senate amendment; and

(2) with respect to such section (A) to consider whether the enactment of such section would result in an increase in premiums for private health plans and (B) if so, to provide for concurring with such section with an amendment that adjusts such section to provide for the maximum coverage of mental health services under health plans without increasing such premiums.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. DINGELL] will be recognized for 30 minutes in favor of his motion. Does the gentleman from Texas [Mr. ARCHER] wish to be recognized in opposition to the motion?

Mr. ARCHER. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes in opposition to the motion.

The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, here we go again. Once again our friends and colleagues on the Republican side have spent days and weeks behind closed doors. Our colleagues have been negotiating with themselves. They have been excluding Members on this side of the aisle. They have been excluding the President. They have been using their usual highly partisan style, strategy and technique.

They have stuck a controversial and objectionable medical savings account provision in their bill to serve the Dole for President campaign and to assist special interest friends in the health insurance industry.

Mr. Speaker, our motion to instruct is simple: It tells the House conferees, "Do not reinvent the wheel." We have before us a good bill which came from the Senate. It was totally noncontroversial. It properly rejected a broad medical savings account provision as unwise and fiscally irresponsible. The instruction tells House conferees that with the exception of one provision on which further analysis may be needed, simply recede to the Senate.

On that one provision, an important bipartisan amendment to provide mental health parity offered by our friends and colleagues, Mr. DOMENICI and Mr. WELLSTONE, it instructs the conferees to study the issue and to consider whether the provision would raise health insurance premiums. If the provision is found to raise premiums, the motion tells the conferees to do their best to adjust it to provide for the maximum possible mental health coverage without raising premiums and within the scope of the conference.

Make no mistake, my colleagues: The conference committee is about to be appointed, but it is one which already has its decisions made. All the important decisions are in place. Once more, the extremist Republican majority has told the American people and the President of the United States, "It's our way or the highway."

The Congress has an opportunity this year to enact a noncontroversial, a bipartisan, a consenus health insurance reform bill, a small one but an important one, a bill that would make health insurance more widely available to the American people. Some 28 million people will benefit from the enactment of this legislation. It is a bill which would assure portability, guaranteed access and renewal. It would limit preexisting condition exclusions, and set up purchasing pools for small business.

This is a bill which was so broadly supported that it passed the Senate of the United States 100 to nothing. The Republican majority is not content, however, to stop here with a good bill. They could not resist playing politics with the health and security of the American people. And in spite of the President's good faith offer to negotiate a carefully constructed pilot program on MSA's, they just could not resist sending a bill that will have to be vetoed.

The beneficiaries of this will be the health insurance industry, and then only a part of it. The people who will suffer from this choice are the American people. Some 28 million Americans will not get the benefits of this legislation.

My Republican colleagues locked the doors. They locked out the American people. They ignored the will of the other body, which voted against MSA's, and they crowbarred this curious provision into the bill.

As they have done over and over again in this Congress, they bent the rules and, quite frankly, they are in the process of making a mockery of the conference structure of the two bodies.

Mr. Speaker, who is going to pay in the end for this partisanship? It is going to be the American people, 28 million of whom will be denied the benefits of significant improvements in health insurance and major reform.

Let us have a real conference with genuine bipartisan dialog and negotiation. Bring the President into the process in good faith, not by distorting the process by making the agreement beforehand and then telling the President to fly off.

A Presidential signature is going to be difficult. Let us get the Presidential signature. Let us enact the legislation. Let us support the motion to instruct.

□ 1130

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. THOMAS], the respected chairman of the subcommittee of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, it is with great pleasure and a certain amount of pride that I take the floor this morning, finally, as we appoint the conferees to meet with the Senate on our health insurance package.

I find it somewhat ironic that this package passed the House some time ago, passed the Senate on April 16, but it is not until June 11 that we are naming conferees. That is simply because the Senate stalled. The Senate would not go forward. The Senate Democrats wanted to play politics with health care once more.

We discovered, Mr. Speaker, that the President's mediscare tactics over the last year cost the American people more than $100 billion when we compare the 1995 Medicare trustees report with the 1996 Medicare trustees report. If we follow the wishes of the former chairman of the Committee on Commerce and pass this motion to instruct, we are once again going to be part of an operation that delays and obfuscates.

Mr. Speaker, the gentleman said that the negotiations that we have been carrying on with the Senate tried to crowbar provisions into the package. One man's crowbar is another's compromise and accommodation, and I just find it totally ironic that the gentleman from Michigan, given his history of rather cavalier and arrogant management of conference reports, would, in fact, make such a comment.

He alluded to the fact that the Senate package passed the floor 100 to 0. If that is the case, why is the motion to instruct not to go with the Senate program? Oh no, he knows there were flaws in the Senate bill. So on the one hand he says we have to go with the Senate, they are wise, they were bipartisan, they passed it 100 to 0, but, oh, by the way, in the motion to instruct, we do want to make changes in the Senate provision.

Well, let me tell my colleagues, the House and the Senate coming together has created historic legislation. We believe the President will be compelled to sign this package. We changed the language in the fraud and abuse area so that someone committing a bookkeeping error would not be liable to the penalties. Rather it is deliberate ignorance or reckless disregard of the law, rather than a simple bookkeeping error.

Mr. Speaker, we have cleared away a lot of the paperwork logjam that has been there way too long. We cleaned up the long-term care insurance area, changing the Tax Code to allow seniors to deduct this off of their medical expenses. That has been left to languish far too long. And on MSA's, the agreement between the House and the Senate is to begin on January 1 with employers of less than 50 employees. Currently, out of the 29 million in that category, only 3 million have health insurance. The MSA's will afford health insurance for millions of Americans if we disregard the motion to instruct.

Mr. DINGELL. Mr. Speaker, I yield myself 30 seconds.

The distinguished gentleman from California has referred to me in a most kindly fashion. He has also alluded to the fact that the deal has already been cut. I would note that this is interesting from the standpoint of the business at hand.

He has also said some other things. He has tried to blame the Democrats in the Senate for the action of the Republican Presidential nominee, the gentleman from Kansas, Mr. DOLE, who is the majority leader over there until this afternoon, I am told, at which time he will be leaving. But it will be noted that this good majority leader has not, during the time that the gentleman from California complains, appointed the conferees.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the press reports indicate that Republicans have reached a deal among themselves and at long last, after 2 months, they want to appoint conferees, which I presume is for taking pictures and presenting us with a done deal. Not exactly what I would consider an open and fair legislative process.

My colleagues across the aisle have purposely turned their backs on the best opportunity of the year for a bipartisan bill that would have been developed openly and fairly. It is completely backward from the normal process and is designed to end run the will of a majority of the Senate in opposition to medical savings accounts.

Mr. Speaker, we do not know many, many of the important deals of the back room deal. If it is like previous ones that handed billions of dollars to the American Medical Association in exchange for support of an ill constructed and conceived Medicare bill, or if it is similar to a payoff of the supporters of GOPAC and the Republican Party to pay off the Golden Rule Insurance Co., we can be pretty sure that those deals are in there.

The Senate passed a good bill. It did a better job on mental health amendments, which provided parity, which I assume the Republicans do not care about mental health. It did not deal roughshod with malpractice, and recognizes that 80,000 people are killed in hospitals each year. It weakened antifraud, or the Republican bill weakens antifraud and the Senate did not. The Senate did away with the MEWA's and is a better bill all around.

The Senate bill provides 80 percent deductibility for the self-employed. It covers all companies, not just those with less than 50 workers, and it is a better protection for the purchase of an individual insurance policy.

Mr. Speaker, for individuals, for U.S. citizens, the Senate is a better bill. The House bill is better for large contributors to the Republican Party. The House bill is a better bill for rich doctors. The House bill is a better bill for insurance companies. It is not as good a bill for individuals in this country.

It would be in the best interest of our constituents, of all people in this country, to go back, accept the Senate bill and recognize that we have thereby done a good job.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume. I rise in opposition to the motion to instruct.

Mr. Speaker, it seems ironic to me that the minority wants us to abandon all of the bipartisan work that occurred in the House of Representatives and simply accept the Senate bill. It is also interesting that the only part of the Senate bill that they do not want us to accept at face value is the provision on mental health.

Amazing. They want us to dump malpractice reform, which is driving up the cost of health care for all Americans. But, of course, that is what the trial lawyers want. So they want that to be totally dumped.

They want us to dump the ability of small businesses to be able to pool together to get their insurance prices down so that they can compete with large companies. They want that thrown overboard.

They want all of the revisions that will help to cut the cost of paperwork and administrative redtape dumped.

They want us to dump the provisions that will help those who are in terminal illness from being able to have accelerated death benefits out of their insurance policies, like those on AIDS, so that they can expend that money for their health care in the last 2 years of their lives.

They want the elderly to be dumped and the ability that we provide in the House bill for them to be able to have long-term care deductibility on their insurance premiums.

They want all that to be thrown over and accept at face value everything in the Senate bill except the provision that the Senate put it to help those who have mental illness.

Mr. Speaker, this is a weird motion to instruct, and I think the House should clearly turn it down because it exposes the minority for what they really are. They do not want real health care reform, they just want issues.

We have a very good bill in the House, passed overwhelmingly by a bipartisan vote, and we will work from that to negotiate with the Senate so that we can end up with a better bill than what the Senate has created.

Mr. Speaker, I reserve the balance of my time.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, it is a sad day today in the House of Representatives on health care reform. We know that this process began in the President's State of the Union address where he called upon this House, on a bipartisan basis, to pass the Kennedy-Kassebaum bill, with the goal essentially of expanding insurance coverage basically for people who have preexisting conditions, who have not been able to get health insurance, or for those who have trouble because they lose their health insurance when they lose their job or transfer from job to job.

We had a bipartisan consensus to move on these two issues, portability and preexisting conditions, to expand insurance coverage. But, instead, from the very beginning, the Republican leadership insisted on these medical savings accounts, which is nothing more than a special interest way of providing catastrophic health care coverage that most Americans, except for the healthy and the wealthiest among us, will not be able to take advantage of.

It was all done because essentially it was a payback. The Golden Rule Insurance Co. has made big contributions to the GOP, and they would reap big profits if the MSA proposal becomes law. They have given about $1.2 million basically to various GOP causes. So from the very beginning there were not conferees appointed because we know that the other side, the Republicans, wanted to include the MSA's, and they still have.

Mr. Speaker, with this proposal today, our understanding is that when the conference is done they will simply ratify a proposal that still allows these MSA's to be included. It is a shame, because the Kennedy-Kassebaum bill was crafted to keep premiums affordable because it would not impact the insurance risk pool by encouraging healthy individuals to drop coverage.

The MSA provision does the opposite. It is the poison pill. It basically makes it so that only the healthy and the wealthy can take advantage of this catastrophic coverage, and Americans who do not choose to join the MSA's, because of the high risks involved, will see their health insurance premiums increase.

The end result then, Mr. Speaker, is health insurance premiums increase for the average American. And instead of having more people insured, which was the very purpose for the President's call back in his State of the Union address, we will have less Americans insured.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

The gentleman's comments are just not founded on facts. The Rand Corp. has done a study about medical savings accounts, the Journal of American Medicine has come out with a study, and both of them say there will not be adverse selection. Both of them do not support in any way the gentleman's comments that this would help the rich or this would help only those who are healthy. Not so at all. All of the empirical data puts that down.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], the respected chairman of the Subcommittee on Oversight of the Ways and Means Committee.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this is an extraordinary opportunity for this House and this Congress. We have the opportunity in the conference process to come to agreement on a bill, and we can already see the agreement out before us that will guarantee to the working people of America the right to move from job to job without losing their health insurance due to preexisting conditions.

Why would we want to limit conferees' ability to merge the fraud and abuse provisions of the House and Senate bill and choose those provisions that are really strongest but also most protective against small minor mistakes and making those as criminal?

Why would we want to tie the conferees' hands and not let them include administrative simplification provisions worth billions and billions of dollars in savings to our health care system?

Why would we not want them to consider a compromise in the medical savings account that does not open up the right to medical savings account to the big givers of the Republican Party, as my colleague, the gentleman from California [Mr. STARK], claims, but rather only opens it up to the employees of small businesses, 50 or under?

Frankly, Mr. Speaker, those folks are not big givers to either party. They are just folks who do not have health insurance and need an opportunity to have this choice.

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It is a small, modest compromise. It requires a study, and it requires a congressional vote after 3 years before an expansion. It is just the right kind of compromise that the House and Senate are capable of coming to to move forward with the public business so that we can guarantee portability to America's workers, so that we can guarantee long-term deductibility of long-term insurance premiums; truly the right answer to controlling Medicaid spiraling costs, absolutely the right answer to make long-term health care premiums deductible.

That is in this. As important a reform as this Congress has ever considered in the health care area. We have the opportunity to serve the public well.

Mr. Speaker, I oppose the special instructions of the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I congratulate the gentleman from Michigan [Mr. DINGELL] for the work he has done on health care reform. I am pleased that we are finally going to conference on this health reform bill.

Since the President's State of the Union Address, there has been bipartisan support in passing legislation that would eliminate preexisting conditions for people who lose their jobs and need to change from one group plan to another, or from a group plan to an individual plan.

We have wanted portability, both Democrats and Republicans have asked for us to move this legislation, and I am pleased that at last we are going to conference in order to get this done.

Mr. Speaker, I support the motion of the gentleman from Michigan to instruct the conferees, and let me give two reasons that I hope that the final bill that we will vote on will contain.

First, mental health parity. Mental health parity is important to help start to remove the historical discrimination against mental illness in this Nation. There has been a lot of talk that that may increase the premium cost. Let me give the experience of the State of Maryland.

Mr. Speaker, we have enacted mental health parity in our State that is effective against State-regulated health insurance plans. We have found no appreciable increase in premium costs as a result of establishing parity.

Mr. Speaker, when consumers have reasonable access to health care, we find that we have more cost-effective health care; we do not force people into more costly circumstances. We have found in-patient care actually decline as a result of providing mental health parity. We would hope that the final bill that comes to the floor from conference will include mental health parity.

The second reason I support the gentleman's proposal is the MEWA provision that allows employers to join together but preempts the abilities of our States to regulate. We talk about we want the States to do more, but the MEWA provisions in the House bill would prevent our States from regulating. The State of Maryland has enacted small market reforms. The MEWA provisions would prevent that.

Mr. Speaker, I urge my colleagues to support the motion.

Mr. ARCHER. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois [Mr. HASTERT], a gentleman who has contributed so much to the development of health care policy in the House.

Mr. HASTERT. Mr. Speaker, it is interesting to hear the debate, especially from the other side of the aisle. It is also interesting to hear the rhetoric from the other side of the aisle that tries to create a class warfare on a piece of legislation that is really for what the American people want.

If my colleagues would look at this bill, this does not treat any special interests, it does not take any upper-income group and give them a special deal. What it does is allow working Americans, people who work for small businesses, people who are self-employed to, have a choice.

Is that so wrong to do, to give people choices on what they want with their health care future; what they want to do to choose a health care policy that best suits them and their family? A health care choice that they have the opportunity to begin to take care of their long-term health care future if they wish to do that? That is exactly what is in this bill.

Mr. Speaker, we give portability and affordability. That was our goal: To let people have the ability to get health care insurance, even when they change jobs, group to group or group to individual. That they are not denied health care because they or their family have a preexisting condition. That is out of this bill. We are there. They have the ability to have that portability. They have the ability to move from job to job.

Also, one of the things that we do here is long-term care so seniors who worry about their golden years and beyond those times when maybe they are able to take care of themselves, that they are not thrown out into the issue that they have to give up all of their resources that they are able to take their life insurance, in fact if they had a catastrophic health care problem that they could convert that life insurance tax free into long-term care insurance, and also treats long-term care insurance in a tax issue that is just like any other health care insurance. It is tax deductible. Does that not make sense? I think it makes a lot of sense.

Deductibility, for those people who have never had the break in small business, where big businesses can go and deduct their health care insurance as an expense against their business, small business has never had that. Sometimes we have given them 25 percent; sometimes it has been zero, because the Congress has not acted, and then now it is 30 percent.

Mr. Speaker, we try to move that to parity. We try to give those people, and we do in this bill, 80-percent deductibility, so small-business people have the ability to go out and buy insurance and get the same break that big businesses get.

Fraud and abuse: The American people know that fraud and abuse is one of the biggest issues out there, that one out every 10 health care dollars gets wasted. Wasted. And any senior citizen will tell you that waste, fraud, and abuse is rampant in our system.

Mr. Speaker, we address waste, fraud, and abuse in this issue. We take that issue down and say that we are going to draw the line of those few people in the health care providers that take advantage of the poor, that take advantage of the old, that take advantage of people who need health care and get slicked into something that they cannot afford.

Mr. Speaker, I have to say that the gentleman from New Jersey [Mr. PALLONE], who spoke a few minutes ago, made this big issue and talked about class warfare and something for the rich. I just have to say that that is just not so.

Now, I would never accuse that gentleman of not telling everything that he knows, but let me say this: He offered the same motion on the floor when we discussed health care reform, this same piece of legislation, and it was defeated overwhelmingly in this House. And now he is coming back from a second bite of the apple, I think that is a little bit much.

Mr. Speaker, let us talk about medical savings accounts. Medical savings accounts in this bill give the people who are small-business people the ability to give their employees a choice. Now, I thought in a democracy such as the United States of America, that choice is really what democracy is all about, small "D" democracy.

Choice is what people can choose. Choice puts the market in. Choice gives the ability to go out and buy the best program for the best amount of money.

Now, if we think government is smarter than the people, if we insist on big government programs, then we would want to deny people choice. We want to deny them the ability to do the right thing. This piece of legislation gives people choice. It allows them to do the right thing for themselves and their family.

Mr. Speaker, I salute the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means, and the gentleman from Virginia [Mr. BLILEY], chairman of the Committee on Commerce, for doing the right thing in this bill, coming out with a piece of legislation that really gives us true health care reform, something that we have not seen in this Chamber for 20 years. It is time we pass it and it is time we pass it in the House version.

The SPEAKER pro tempore. Without objection, the gentleman from New Jersey [Mr. PALLONE] will be recognized to yield the time previously allocated to the gentleman from Michigan [Mr. DINGELL].

There was no objection.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Speaker, what we are engaged in here today is basically a sham. The Republicans have met by themselves and decided what this bill is going to contain. And much of what the gentleman from Illinois [Mr. HASTERT] says is correct. There are a lot of good things in this bill.

But, Mr. Speaker, this proposal is designed to be vetoed by the President. Now, if we answer 10 issues and all of them are good, we have portability, and we make it so that preexisting conditions cannot prohibit consumers from getting insurance and so forth, if we had 10 issues that were good and we knew we could get them, but we had one other issue that the President said, "If you put that in, I am going to veto it," why would we put it in except unless we wanted the President to veto it?

The Republicans have no intention of passing this bill. They stuck that poison pill of medical savings accounts in simply because they know the President has given his word. He has told them in advance, "If you put that in, gentleman and ladies, I am going to veto this bill." So, they do it anyway.

Now, the question then is why, after 2 years of fighting, do they have a secret conference committee make the decisions and put a bill out here on the floor that they know the President is going to veto?

Mr. Speaker, my answer is that they have no intention of doing anything to fix the American's problem with health care in this country. There are now 44 million people in this county, and the number is growing every single day, and yet they refuse to make the very small changes of portability and getting rid of preexisting conditions.

In fact, Mr. Speaker, they are going to kill the mental health provisions. As a psychiatrist, I know that people who have mental health problems in their family have a very difficult time getting coverage. And this bill that the Senate put together was a good proposal. It ought to be accepted, but, in fact, they have put in a poison pill.

Mr. ARCHER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would ask the gentleman from Washington why is it that in this motion to recommit the only thing in the Senate bill that is not protected is the mental health provisions? The only thing that this motion to recommit says to the conferees that they can take out of the Senate bill is the mental health provision, the very thing that the gentleman says is so important? Why is that in this motion to instruct?

Mr. McDERMOTT. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Washington.

Mr. McDERMOTT. Mr. Speaker, I thank the gentleman for giving me an opportunity to respond to that. On our side, we figured out that we have to make compromises to get things through.

Mr. ARCHER. Mr. Speaker, to say that the gentleman wants to compromise that, and not take the Senate language, but not compromise anything else, why is that the only part that the Democrats are willing to compromise? That seems very strange.

The gentleman, particularly because of his background, I would think would want that to be taken out of this motion to instruct.

Mr. Speaker, I yield 1½ minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS. Mr. Speaker, I would ask the gentleman from Washington if he would like to come to the mike. I will give him time on my time to respond to a question I would like to ask him, because in his statement he was quite emphatic that if the medical savings accounts as we are beginning to work them out with the chairwoman on the Senate side from Kansas, that if, in fact, we work out something that is acceptable to the gentlewoman from Kansas, that the President is going to veto it.

Mr. Speaker, the gentleman from Washington spoke with such certainty that this was a poison pill. I guess I would ask the gentleman if it is included and the President signs it, what does it tell the gentleman about the President? Why is he so certain the President is going to veto the package if it has the compromised MSA language in it?

Mr. McDERMOTT. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Washington.

Mr. McDERMOTT. Mr. Speaker, I think the President has made it pretty clear that if my colleagues on the other side of the aisle put the medical savings accounts in, and this proposal is not some kind of pilot program. The gentleman knows that. It goes for 3 years, then it becomes open to the whole world. My view is that the gentleman is going to continue and——

Mr. THOMAS. Mr. Speaker, reclaiming my time, I was amazed as to how certain the gentleman from Washington was that the President would veto it. I think that certainty does not come from knowledge; it comes from fear that the President will, in fact, sign the legislation because it is a reasonable compromise and is going to leave a lot of people who have been very unwilling to be reasonable out on the limb.

Mr. Speaker, we are going to test that hypothesis very soon because I believe the President will sign this very responsible health insurance reform package.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

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Ms. DELAURO. Mr. Speaker, today will be remembered as a sad day in this Congress, a day when we missed an opportunity to help millions of working families. Once again congressional Republicans serve up legislation to help wealthy special interests. This bill, which started off as a good bipartisan bill that would have helped working families, people who move from job to job, to maintain their health insurance, prohibit preexisting condition, add parity for mental illness, this bill has been hijacked by Speaker GINGRICH and by Majority Leader DOLE.

Under the banner of reform, the House passed a bill that raises health care costs, hurts consumers and increases the number of uninsured. By including medical savings accounts, skimming the healthy and the wealthy out of the traditional insurance pool, we will see in fact insurance costs go up. Do not take my word for it. Take the American Academy of Actuaries, not a liberal group by any stretch of the imagination. They estimated that this skimming process would result in a 61-percent increase in health care premiums for those who remain in traditional plans.

Let me tell my colleagues why do we have such bad policy here in the House. We will find out in a second here when we know that the company that provides most of these medical savings accounts, the Golden Rule Insurance Co., has been the third largest donor to Republican political campaigns, more than a million dollars to the Republican Party over the last 4 years. That is why we see this addition to this bill.

Sadly, this is a bad piece of legislation. Let me repeat, under the banner of reform this bill as passed will raise health care costs. It hurts consumers and it will increase the number of uninsured. We had a wonderful opportunity to pass help for working families in this country. Because of special interests, the Republican majority has denied that opportunity to working families today.

Mr. ARCHER. Mr. Speaker, I reserve the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I rise in support of the motion to instruct because it puts us on a fast track to real bipartisan market-based health care reform by adopting the Senate bill.

Mr. Speaker, my Republican colleagues have been negotiating amongst themselves and would now have us buy what we might call a pig in a poke, sight unseen, take it or leave it. We do not know but we think they have made some beneficial corrections to the original Republican bill, including the dropping of MEWA's or an unregulated small business insurance product and allowing for full deduction of health insurance costs for the self-employed which was actually in the Democratic substitute which I offered along with the gentleman from Michigan [Mr. DINGELL] and the gentleman from South Carolina [Mr. SPRATT]. We think that is good, but we do not know if it is real in there.

Unfortunately, we have fiddled away several months in order for the Republicans to force an iffy and untested, unsure tax incentive on the entire Nation. While there may be merit in the medical savings accounts, we really do not know and we should not hold up portability and preexisting condition discrimination for a pilot project. That is why the Republican Senate rejected the Dole MSA amendment when this bill was considered in the other body.

It is unclear and we do not know whether MSA's will result in a dilution of the insurance pool. We do not know whether or not employers will choose to substitute lesser benefits for their employees. We do not know what the real fiscal impact will be. So it comes down to a basic fact of why not pass what we all agree upon and get it done and come back and look at that. But our colleagues do not want to do it.

I would also add, Mr. Speaker, that we do not know whether or not this bill would still contain duplicative medigap insurance premiums which would cause senior citizens who pay twice for what they are getting only once. Quite frankly, what we ought to do is to go back and pass a guarantee of issue of medigap insurance for senior citizens since the Republican Medicare plan seeks to force seniors to managed care anyway. But we do not know what that bill is going to do with that. Mr. Speaker, the fact of the matter is they have been dealing amongst themselves. Let us pass a bill that we all agree upon and let the American people have a victory for once.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

As I listen to the comments from the other side of the aisle, I can only conclude that the Democrats really want to have it both ways. They want to talk about special interests, but they do not want to talk about the special interests and the trial lawyers who will not let us have medical malpractice reform. They do not want to talk about that. They want to talk about secret agreements. Yet the reason that we have not gone to conference after all these weeks is because in the other body one Senator has prohibited, prevented the appointment of conferees. In the other body, we are told, well, you have to reach an informal agreement amongst yourselves before we can consider the appointment of conferees.

We should not be able to have this argument both ways.

Then their argument is that, oh, well, of course, this is going to be vetoed because there is a poison pill in here, and that poison pill is medical savings accounts. God forbid that we let people choose their own health care and spend their own money in order to determine what the best value of health care is for each individual, the ultimate in portability. When you have a medical savings account, if you do change jobs, you clearly carry it with you. It is yours. It is the ultimate in portability.

If it is a poison pill, how can it be that 80 percent of the American people by polls, survey after survey, support medical savings accounts? Why is it poison when 80 percent of the people say, give me that choice in my individual life?

Mr. Speaker, I reserve the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, there is a lot of smoke screening going on here. The issue is not malpractice insurance. I think the Republicans are ready to drop that. The issue is MSA's and whether they will be included. There is a good reason. The reason it was held up, the whole conference on the other side, was because the majority leader, as I understand it, wanted to stack the conference with Members who are in favor of MSA's.

Let me just indicate the problems with MSA's, as they came through the House. First of all, there is a health policy issue. That is, if you allow people to go into these, the healthier people, they are likely to raise the premiums for everybody else. That is the problem. There is a second problem and that relates to tax policy.

As they passed the House, here is what people could do, and I understand the gist of this remains in the agreement that none of us have seen. That is, people, especially wealthier people who would benefit, could put moneys into MSA's, they could accumulate income from those investments; they would not be taxed. At a certain age they could withdraw that without penalty. I think it was 59 here. Maybe it has been raised. If they kept the moneys until death, it would not be subject to taxation upon death.

So essentially what we have is an incentive for wealthier people. It is kind of an IRA for wealthy people.

By the way, they could take the money, they could keep it in there and spend other income on health care. That is why we say, just as my colleague tied Medicare to tax breaks for very wealthy people, we are tying what is needed here, and that is portability and protection against preexisting conditions to a proposal that is mainly going to be a tax benefit for wealthier people. It is not a choice issue. It is that issue. And my colleague has never faced up to it.

That is why we are questioning MSA's in addition to the health policy. We need to respond to this. Otherwise we are going to have our opposition and a veto from the President.

Mr. ARCHER. Mr. Speaker, I yield 1 minute and 30 seconds to the gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Speaker, I have a great deal of respect for the gentleman from Michigan, but he is just uninformed or he does not know what he is talking about. When he talks about smoke screen, it is the incredible smoke screen that is coming up on the other side of the aisle.

Medical savings accounts can accrue, true. But when you withdraw, if you withdraw that medical savings account for anything except health care, you pay a 15-percent penalty. Nobody is going to try to accrue this money and then try to pull it out with a 15-percent penalty. That is far above what advantage they get in the tax benefit. Also it is not for rich people. This is for small business people and self-employed people. That is the way the bill was written. Those people who work day in and day out with the sweat of their brow so that they can afford health care for their family and they can have a choice of health care for their family.

Finally let me say, when a person is 65 years of age, yes, he can withdraw that money and pay his taxes on it or he could withdraw that money and put it into long-term care. Boy, is that not a problem in this country? Or he can withdraw that money and pay for a catastrophic health care problem in his family. That is certainly a problem, especially if you are over 56 years of age. What the Members on the other side of the aisle are doing is trying to deny senior citizens the ability to have health care security and long-term health care security. That is where the smoke screen is, Mr. Speaker.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, these are very simple instructions. It says, say yes to Kennedy-Kassebaum. Say yes to portability. Say yes to a ban on preexisting conditions. That is what our instructions here today are to the negotiators. Let us get this done.

It says no to medical savings accounts and no to medical malpractice caps. It says no to all of the special interest feeding frenzy which is now building up around this bill.

American families are concerned about job lock; they cannot move with their medical insurance. They are afraid that they have preexisting conditions that will make it impossible for them to ever get new insurance, so we are trying to protect them. But now what happens is all the special interests ride in with this very important bill and they try to turn it into a goodie grab bag for all of their special interest concerns.

Kennedy-Kassebaum is not perfect, but it is a very good bill; and it is what the American people want: portability, preexisting conditions protected against.

My mother always said that half a loaf is better than none. I support Kennedy-Kassebaum, even though it is really a couple of slices and I know that the American people want a whole loaf so that they have not only health insurance which is accessible but also affordable. But we cannot get that done this year. There will be no bill.

Unfortunately, the leadership, the House and Senate leadership has taken a couple of good, wholesome slices of health insurance reform and slapped a whole lot of extraneous junk food on top, creating a health care hoagie of medical savings accounts, caps on medical malpractice awards and other unhealthy additives. These anchovies and olives and onions are certain to tickle the taste buds of a very few special interests but cause heartburn for millions of consumers.

Mr. Speaker, the House and Senate Republican leadership has taken a noncontroversial health care bill and turned it into a special interest feeding frenzy. That is wrong, just plain wrong.

We should put the needs of American families above the demands of the gluttons of Gucci Gulch outside the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Again, it would be very good if we could stick to the facts. What this motion to instruct does is it takes a whole Senate bill, dumps everything in the House bill, takes the whole Senate bill, except for one thing, help for the mentally ill. It says, no, the mentally ill can be thrown overboard, but everything else that is in the Senate bill, you have to accept.

□ 1215

It says no to small-business pooling that will let them compete with major corporations. That is what it says no to. That is in the House bill, not in the Senate bill. It says no to paperwork simplification. It says no to fraud and abuse. We cannot attack fraud and abuse. We got a very touch good provision in the House bill; the Senate does not. Says no to long-term care facilitation so people can protect themselves in that way.

It says yes to the trial lawyers; no malpractice reform.

This will likely be the only health care bill that passes the Congress this year.

Why should the American people be kept waiting for things that they want, that are so popular with them?

The American people need this bill. For the first time, working Americans will be able to leave their jobs without having to worry about losing their health insurance due to a preexisting condition.

We should move quickly to enact a conference report that powerfully fights fraud and abuse in the health care system. It has often been said that could be as much as 10 percent of health care costs. The Senate bill does not have that; the House bill rightfully does in this one health care train that will leave the station this year.

This bill can create new criminal penalties against those who engage in health care fraud and a national health care fraud and abuse control program to coordinate Federal, State, and local law enforcement actions.

We can end the discrimination in the Tax Code against more than 3 million small self-employed business people, increasing the deductibility of health insurance to 80 percent for the self-employed and giving them the opportunity to select, if they wish, medical savings accounts.

We can make health care more affordable to senior citizens by passing into law two of the Contract With America items that allow tax deductions for long-term health care needs, like nursing home and health care coverage in long-term care. Also, terminally ill patients receive benefits by allowing them to receive tax-free, accelerated death benefits on their insurance policies while they are terminally ill.

And, finally, we can pass a bill that includes the ultimate and best in portability, which is medical savings accounts. MSA's are a valuable option in the health care market because they put people in control of their own health care decisions. They are popular with 80 percent of the American people. The only reason I can believe that they have been made so controversial by the other side, because they are not controversial with the American people, is because they are the single biggest bulwark to the Federal Government taking over our entire health care system, and so many on the other side would like nothing more than what President Clinton proposed in the last Congress, which is a complete Federal takeover of the health care system. The American people do not want that.

MSA's have a bipartisan history in the House. Over 40 Democrats voted for them here in the House. They were originated in the first bill by myself and the gentleman from Indiana [Mr. JACOBS], a Democrat. And Democrats over and over again have supported them.

Under a compromise that has been informally agreed to at the demands at the Senate prior to going to conference, which it should not have been that way, and had the Democrat Senators not held up the appointment of conferees in the Senate we would have this done some time ago, but under that informal agreement MSA's would be available to people to work in small businesses with employment of under 50 employees and to the self-employed, and employers with bigger numbers of employees and individuals would have to wait for 3 additional years. But 29 million Americans work in companies with 50 or fewer employees, and just 3 million, only 3 million, have health insurance.

Mr. Speaker, we should open the door to then, and we will with this bill. Our MSA option will for the first time give the uninsured access to health care. For too many working Americans, health insurance is not even an option; it simply is not offered at all, especially for those who work in small business.

So I am bewildered to hear the critics of MSA's who would rather keep people without health care than allow this important option to be enacted into law, and it is only an option, not a mandate.

MSA's stand for medical savings accounts, but MSA's really stand for Medical Security Act. With MSA's people can be secure in the health care needs knowing that they can take their health insurance with them, and for those without insurance, MSA's represent a wonderful way to be safe and secure for illness.

We should delay no further. We have appointed conferees or authorized the appointment of conferees. Let us reject this motion to instruct. Let us work this out. Let us add good features that are in the House bill in this one-time-only health care reform package that can move into law this year.

Mr. Speaker, I reserve the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman for yielding this time to me.

What has happened on this very simple bill? Kassebaum-Kennedy was a simple bill that dealt with two problems. It dealt with the problem of preexisting condition and the problem with portability. Then Speaker GINGRICH and Republican leaders have chosen to attach to this bill all kinds of special-interest provisions for the largest insurance companies in America. All we are asking simply is that the House pass, that we instruct conferees to do what the Senate did when the Senate passed this bill unanimously a hundred to nothing and when the Senate defeated medical savings accounts. All we are asking is that Kassebaum-Kennedy be dealt with cleanly and simply, that we have a ban on preexisting condition and that we deal with the problems of portability so people can move their insurance from one employer to another employer.

All Speaker GINGRICH wants to do, what he wants to do is load up this bill with special-interest provisions to pay back big insurance companies that have helped Republican campaigns in the last couple of years.

The choice is clear. Vote "yes" on health reform. Vote "yes" on the motion to instruct.

Mr. HASTERT. Mr. Speaker, I move to take the words of the gentleman down.

The SPEAKER pro tempore (Mr. WALKER). The gentleman from Ohio [Mr. BROWN] will suspend, and the gentleman from Illinois [Mr. HASTERT] has demanded the words be taken down.

The gentleman from Ohio will be seated while the clerk transcribes the words.

☐ 1240

Mr. HASTERT. Mr. Speaker, I withdraw my demand.

The SPEAKER pro tempore (Mr. WALKER). The gentleman from Illinois withdraws his demand. The time of the gentleman from Ohio [Mr. BROWN] has expired.

Without objection, the gentleman from Illinois [Mr. HASTERT] will control time.

There was no objection.

Mr. HASTERT. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, we heard a lot of rhetoric back and forth in this Chamber today. I think there has been some good discussion of issues. I think that we should talk about medical savings accounts and get the facts out about medical savings accounts and other issues in this bill. But I think this House does not do itself any honor when in my opinion we try to impugn a Members' motives of why an issue is included or an issue is not included. I guess we could go back and forth in this Chamber and point fingers at each other for this issue or that issue or this support or that support, but I think we really need to focus on what those issues are and the positives and negatives, and I will just say that I will continue to watch and in my opinion when we impugn other Member's motives, of either side of this aisle, I do not think that should be tolerated in this Congress, and I will try to make sure that it does not occur.

Mr. PALLONE. Mr. Speaker, I would inquire about the time that remains.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. PALLONE] has 7 minutes remaining and the gentleman from Illinois [Mr. HASTERT] has 3 minutes remaining.

Mr. PALLONE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Speaker, I rise in support of the motion to instruct conferees offered by the gentleman from Michigan [Mr. DINGELL] and in opposition to the partisan agreement reached last night.

I oppose this agreement because a small band of Republicans have insisted on including a provision sure to provoke a Presidential veto.

The medical savings account provision favors their wealthy patrons over those citizens in dire need of health insurance reform.

This legislation began as true bipartisan effort in both houses of Congress.

The bill's twin goals of affordability and portability were also supported by the President. On the night of the State of the Union address, almost 5 months ago, he promised to sign this bill in its original form.

Indeed, the other body passed their version of this bill by a 100-to-0 margin. But this extremely rare example of bipartisanship was hijacked by Republicans in the House who do not seem to want reform.

The MSA provision allows the healthy wealthy to opt out of the insurance pool and build up their own medical savings accounts.

The result of this is that conventional insurance pools are broken up and those who are both sick and unable to afford MSA's are potentially left to fend for themselves.

The long-term effect of this double affliction is to increase the number of Americans who must go without health insurance. This provision completely defeats the purpose of health insurance reform.

There is a saying in the other body, "99 is never enough." Unanimity is required. If 100 U.S. Senators can agree on health insurance reform legislation, why can we not?

I urge my colleagues to oppose this reported conference agreement and pass a bill that we can all agree on and that the President will sign. The American people need health insurance reform. Let us not snatch it away from them for partisan political gain.

Mr. HASTERT. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means.

Mr. ARCHER. I thank the gentleman for yielding time.

Mr. Speaker, this is like a broken record. There is no empirical data to support what the gentleman from California just said.

Apparently the other side of the aisle has decided that they want to kill the opportunity for freedom of choice on the part of individuals and small employers to be able to select their own doctor and to pay their own medical bills. I do not know why they want to do that, but they have made that decision.

Now they have come up with this phrase that it benefits only the healthy and the wealthy. There is no data to support that. In fact, just the reverse. Both the Journal of American Medicine and the Rand Study showed just the opposite. The empirical data that we do have shows that there will be no adverse election.

We cannot continue to listen to this patented rhetoric of it only helps the healthy and the wealthy with no empirical data to support it.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. HASTERT] has 1¾ minutes remaining, the gentleman from New Jersey [Mr. PALLONE] has 5 minutes remaining, and the gentleman from New Jersey has the right to close.

Mr. PALLONE. Mr. Speaker, may I inquire as to how many speakers they have on the other side that remain?

Mr. HASTERT. We only have one.

Mr. PALLONE. Mr. Speaker, I yield 1½ minutes to the gentleman from Rhode Island [Mr. KENNEDY].

☐ 1245

Mr. KENNEDY of Rhode Island. Mr. Speaker, you do not really need a lot of empirical information to understand that insurance companies only make money off of healthy people, and that if they had a choice in this world of profit making, sick people cost them money. It is a given. It is common sense.

So what we were able to do in this Kennedy-Kassebaum bill is get two things that kept insurance companies from blocking health insurance to all kinds of people, even people who needed health insurance: Preexisting condition and portability.

There is agreement on it, and it is wonderful that even Republicans on the other side of the aisle agreed with this concept, that we needed to rein in the insurance companies on this issue.

We have agreed to come this far. Why do we need to jeopardize something that has already been agreed on because we want to put in this medical savings account? We have agreed on all this. Now what do they want? The Republicans in the House want to add this medical savings account.

Guess who supports this? Insurance companies. Guess why? Because, again, it allows them to only insure healthy people and block out health insurance for sick people that is going to cost them money.

Just think about who is behind this, and I think you will be able to understand why you do not need any empirical evidence to know why medical savings accounts are going to be the killer of health care reform.

Mr. HASTERT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I just want to review this and say we have had a lot of rhetoric, as I said before, back and forth. The gentleman from Rhode Island talks about class warfare, how only the rich. That is completely false. There is no empirical data. That is why we have a study in this bill to look at what medical savings accounts actually do.

For the party on the other side of the aisle that supports big government decisions, that blocked out medical savings accounts because they do not want people to make choices, that they do not want people to test the market for themselves and to see what price and what services are best suited to themselves and their families, I think this is a crazy argument. But so be it.

What we need to do is to pass this legislation. We need to appoint the conference committee. We need to go ahead and meet as a conference, and then work out what differences there are. It is surprising to me that the same party that blocked in the other body the ability for us to name conference committee members so that we can sit down and discuss this issue is now saying, "Well, this is an inside, clandestine, bipartisan agreement."

We had to sit down and go through the conduits to talk to the White House, to talk with the other side in the other body, in order for us to be able to name conferees. It that is not a stalling of the process, when one Member in the Senate can stall and hold up the process for the American people, having portability, having health care choice, having long-term care for senior citizens, when that happens, that is not democracy. We need to pass this bill today.

Mr. PALLONE. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan [Mr. BONIOR] the distinguished minority whip.

The SPEAKER pro tempore (Mr. WALKER). The gentleman from Michigan [Mr. BONIOR] is recognized for 3½ minutes.

Mr. BONIOR. Mr. Speaker, I rise today to urge my colleagues to support this motion to instruct, to restore the simple straightforward bill to protect people's health care which passed by the Senate by a vote of 100 to 0.

Mr. Speaker, I am not arguing for some partisan position only by my party. If this motion passes, we will have a bill that all Republicans, all Democrats, all Americans can support. It is not that we are supposed to come here and try to figure out this health care bill in an hour's debate. We are supposed to work across party lines.

Are my colleagues on this side of the aisle so ideologically driven, so completely out of touch with the real lives of the American people, that they would destroy any chance for health care reform with this partisan, divisive amendment?

The clock is ticking, and if we do not act soon, this will go down in history as one of the least productive Congresses in the history of this country. So far, not a single thing has been done to improve the lives of ordinary Americans. Is that something my colleagues want to live with on this side of the aisle? The minimum wage, we passed it here, it is going to die. Pension reform, nothing happening. Education reforms, nothing is happening.

Now we are at the goal line and have a chance to put across a bill that will guarantee coverage for people, so if they lose their jobs or change their jobs they will have health insurance, and we have this medical savings account, which the Washington Post, the New York Times, Consumers Report, even the Wall Street Journal, has indicated is for the healthy and the wealthy. Yes, Mr. ARCHER, the healthy and the wealthy, driving everybody else's rates up in regular insurance pools.

Mr. Speaker, I urge my colleagues, on behalf of the 637,000 Michiganders who will benefit by this bill, minus this medical savings account, to vote for the motion to instruct and to send a message to the country. This is the least we can do in this do-nothing Congress, is pass a small, scaled-down health care bill that will protect them and this country.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this motion to instruct will almost certainly insure the signing into law, of this badly needed health insurance reform legislation which will help millions of working American men and women. The House Republicans have the hubris to include in their version, elements which they know will provoke a veto by the President. In particular, the special interest medical savings accounts and malpractice liability provisions have corrupted this legislation and condemned it and the millions it would help. It seems to be obvious that my Republican colleagues are much more interested in scoring political points with their special interest friends than actually passing legislation which will greatly help the actual people they were elected to represent.

By adopting the slightly modified Senate bill as our own, we can send to conference a clean and trouble-free bill that the President has stated he will indeed sign. It will be free of the untested and unproven medical savings accounts. While we can all speculate as to what will happen if we let loose upon the Nation, this new health insurance creature, we do not really know. And before we radically change how the men, women, and children receive their fundamental health care, I believe that more time and study should be applied to the issue and possibly a pilot experiment done. I say this because MSA's have the potential to drive up premiums for those who can least afford it and drive others into the ranks of the uninsured. The devil is in the details and the details I have seen are very devilish to be sure. This issue is so controversial, the Senate cannot even appoint its conference committee members. That fact alone should cause my colleagues to stop and reassess their priorities and their intentions—whether it is to pass real legislation which will help all Americans or to repay their political debts.

The citizens of this country want this reform, clean and unspoiled. If this Congress does nothing else, this reform bill is one of the most important things we can do during this session. This legislation will remove from the nightmares of millions of Americans the fear they are now plagued with—loss of health insurance benefit and costly medical bills they cannot pay. I urge all Members to vote for this motion and secure the health rights of all Americans. Passing the Senate version cleanly will help Texans and Americans to obtain health insurance in spite of preexisting condition and be able to carry their health insurance with them when they leave their job.

Mrs. LINCOLN. Mr. Speaker, I rise today to share my views regarding the motion to instruct conferees on H.R. 3103, the Health Coverage Availability Act, offered by my friend from Michigan, Mr. DINGELL.

I support coverage of mental health benefits by insurance companies, as long as the coverage does not cause a large increase in premiums for everyone else in the insurance pool. Mental health illnesses are a significant problem in this Nation, and if left untreated, can cause serious harm to the patients as well as their loved ones. In addition, it is fiscally responsible to provide mental health treatment because proper preventive measures allow many patients to lead productive lives without having to be admitted into expensive long-term-care facilities. Mr. DINGELL's motion asks for the maximum level of mental health coverage that does not drive up the premium costs for others, and I am supportive of this motion.

In addition, the motion deletes medical savings accounts [MSAs] from H.R. 3103. Although I supported final passage of H.R. 3103 in late March because of the importance of providing workers health insurance portability, I did not support the MSA provisions as written in the bill. If we are going to include MSAs in this legislation, I believe that we should implement them on a demonstration basis so we can test the cost effectiveness of MSAs as well as the impact they would have on the insurance pool as a whole. We must ensure that the health and well-being of all Americans is the most important consideration regarding the establishment of MSAs, not just the health of those who can afford a special account.

Mr. Speaker, H.R. 3103 has many important provisions. It prohibits insurance companies from denying health care coverage to workers who move to another company, or who lose their jobs or become self-employed. The legislation also bars insurers from excluding coverage of preexisting illnesses for more than a year. In addition, this bill increases the tax deduction for health insurance costs paid by the self-employed, and it expands the opportunity for small businesses to form coalitions to provide them with health insurance.

Enactment of these measures is too important to be held up by disagreements on mental health benefits and MSAs. Therefore, I hope that we will move swiftly toward compromise on these issues so that we can provide our constituents with quality health insurance reform legislation.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. PALLONE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 182, nays 235, answered "present" 2, not voting 15, as follows:

[Roll No. 226]

YEAS—182

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia

Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gephardt
Gilman
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pomeroy
Rahall
Rangel
Reed
Richardson
Rivers
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NAYS—235

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Goodlatte
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

ANSWERED "PRESENT"—2

Goodling
Jacobs

NOT VOTING—15

Bateman
Brown (FL)
Calvert
Deutsch
English
Gejdenson
Gibbons
Harman
Hastings (FL)
Hayes
Lincoln
McDade
Schiff
Stenholm
Torricelli

☐ 1315

Messrs. SAXTON, ROEMER, HORN, and HOSTETTLER changed their vote from "yea" to "nay."

Mr. GILMAN changed his vote from "nay" to "yea."

So the motion to instruct was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1315

The Speaker pro tempore (Mr. WALKER). Without objection, the Chair appoints the following conferees: Messrs. ARCHER, THOMAS, BLILEY, BILIRAKIS, GOODLING, FAWELL, HYDE, MCCOLLUM, HASTERT, GIBBONS, STARK, DINGELL, WAXMAN, CLAY, CONYERS, and BONIOR.

There was not objection.

GENERAL LEAVE

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3540, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 445 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3540.

☐ 1316

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3540) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes, with Mr. HANSEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, June 5, 1996, the amendment offered by the gentleman from Indiana [Mr. BURTON] had been disposed of and the bill had been read through page 97, line 8.

Pursuant to the order of the House of Thursday, June 6, 1996, no amendments to the bill are in order except the following amendments, if offered by the member specified or a designee: amendments Nos. 54, 58, and 76 by the gentleman from Wisconsin [Mr. OBEY]; amendment No. 10 by the gentleman from Massachusetts [Mr. FRANK]; amendment No. 69 by the gentleman from Indiana [Mr. SOUDER]; and amendment No. 75 by the gentleman from New Jersey [Mr. ZIMMER].

Debate on each amendment and all amendments thereto will be limited to 20 minutes, equally divided and controlled by the proponent and an opponent, except that amendments Nos. 54 and 10 shall each be debatable for 45 minutes.

Consideration of these amendments shall proceed without intervening motion except one motion to rise if offered by the gentleman from Alabama [Mr. CALLAHAN].

AMENDMENT NO. 58 OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 58 offered by Mr. OBEY: On page 97, after line 5, insert:

"SEC. 573. None of the funds made available under the heading "Foreign Military Financing Program" may be made available for any country when it is made known to the President that the government of such country has not agreed to the Department of Defense conducting during the current fiscal year nonreimbursable audits of private firms whose contracts are made directly with foreign government and are financed with funds made available under this heading (as well as subcontractors thereunder) as requested by the Defense Security Assistance Agency."

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 10 minutes in support of the amendment, and the gentleman from Alabama [Mr. CALLAHAN] will be recognized for 10 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment restores through a limitation a requirement that foreign countries agree to an outside audit as a condition of receiving FMF grants from the United States. It was included in the foreign operations bill some time ago as a result of several rather notable bribery cases involving U.S. funds and foreign officials.

It is my understanding that the chairman is prepared to accept this amendment because it is drafted as a limitation. Its effect is slightly different than current law. I can assure the chairman I have no intention to change current law, and would work with him in conference to restore the language of current law in the appropriate place in the bill.

Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I accept the amendment. I have no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The amendment was agreed to.

AMENDMENT NO. 76 OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 76 offered by Mr. OBEY: On page 97, after line 5, insert:

"SEC. 573. Not more than 100,000,000 of the funds made available under the heading "Foreign Military Financing Program" may be made available for use in financing the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act to countries other than Israel and Egypt."

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 10 minutes in support of the amendment, and the gentleman from Alabama [Mr. CALLAHAN] will be recognized for 10 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, again, this amendment restores language, again through the device of a limitation which has been carried in the foreign operations bill for several years. It limits to $100 million the amount that can be spent for direct commercial contracts, except for Egypt and Israel. Its effect is to limit the extent to which countries can contract on their own for goods and services and thereby escape the oversight requirements of the Export Control Act.

Mr. Chairman, it is again an antifraud safeguard. I attempted during debate on the bill last week to restore this language in identical form in the appropriate place in the bill, but the gentleman from New York [Mr. GILMAN] made a point of order against the amendment because it was legislative in nature. Because I feel so strongly about the need to include this provision in the legislation, I am now offering it in the form of a limitation.

Again, because of the requirement to do so in this form, its effect is slightly different than the current law, but it is my understanding that the chairman will accept the amendment. I can assure him I have no intention of changing current law, and will work with him to bring it into compliance as we meet in conference.

Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do intend to accept the amendment, but before the vote, I had agreed with the gentlewoman from Texas [Ms. JACKSON-LEE] that we would enter into a colloquy. She has a committee hearing that she has to attend to, and I agreed to let her come in at this point to have a colloquy.

Mr. OBEY. Mr. Chairman, if the gentleman would yield for just a second before doing that, I also have an agreement to yield to the gentleman from Texas [Mr. WILSON] on the remainder of my time.

Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. WILSON].

Mr. WILSON. Mr. Chairman, I simply rise to read into the RECORD a letter that I received from the Turkish Ambassador early this week:

DEAR MR. CONGRESSMAN: Yesterday's House action in adopting two anti-Turkey amendments to the FY 1997 foreign aid bill is not fitting for U.S.-Turkish relations. I cannot overemphasize the importance of these issues in Turkey. It was inevitable that House passage of these amendments would provoke a strong reaction from the Turkish people, who question anew the benefits of our five decades of alliance with the United States and self-sacrificing support for U.S. policy.

The initial step we have taken in response is to inform the U.S. Government that Turkey declines U.S. economic assistance. The basis of our friendship with the United States has never been foreign aid, even in years past when the amounts were much greater. Rather, our friendship has been based on shared interests, interests which are gravely jeopardized by yesterday's developments.

Nevertheless, I do want to recognize that many Members stood up for strong U.S.-Turkish friendship. I want to express my appreciation to you for your leadership against these pernicious amendments. I hope you will continue to work to ensure that these provisions are not enacted into law, and offer you my total cooperation.

Mr. Chairman, I read that into the RECORD just to emphasize one more time what I consider to be the grave consequences that resulted from what I considered to be unwise action.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I think the gentleman makes an excellent point that many times we get wrapped up in debate on the floor of this House and we do not recognize what an audience worldwide we have. Last week the House sent a strong message to Turkey about something that took place decades ago and yet we do not chastise or demand certain apologies from other countries who have committed atrocities, even in later years.

I agree with the gentleman from Texas about his concern. I have the same letter from the ambassador, and I think that the Congress made a mistake in the language that we inserted in the bill. I hope that it will not cause any injury to the fact that Turkey is a tremendous ally of ours in any NATO endeavor, and I hope that this Congress will not forget that during the Persian Gulf war and during other wars, Turkey has always been there, and that we have bases that we are utilizing in Turkey that are strategically important to our national defense and to the defense of other allies of ours throughout the world.

So I think we made a mistake. But the debate was heard, and it is a lesson to all of us that what we say here is very important.

Mr. WILSON. Mr. Chairman, that is right.

Mr. CALLAHAN. Mr. Chairman, what we say on the floor of this House is taken very seriously by countries all over the world, and I hope that some day we will be able to convey our appreciation to the Turks for the contributions that they have made in the past.

Mr. WILSON. Mr. Chairman, I thank the gentleman from Alabama very much, and I would simply remind him that if the Turks wanted to today, they could open the spigot on the Iraqi pipeline and bust the embargo, just as one example.

Mr. CALLAHAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Chairman, at this time I would like to enter into a colloquy with the gentleman from Alabama regarding human rights in Ethiopia, as the House continues to consider this foreign aid bill.

Let me thank the chairman, first of all, for the work that he has done with my office as we have worked on this, even last year, as the gentleman may recall. I think it is very important that we move forward on this issue.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I am happy to enter into a colloquy with the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished chairman of the House Committee on Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs for participating, as I said, in this colloquy, especially in light of the limited time that we have remaining to debate this important legislation.

There are numerous reports that the Ethiopian Government is harassing and unfairly detaining journalists, academicians, opposition party officials and other citizens. These events raise questions about freedom of speech, freedom of the press and the independence of the judiciary within Ethiopia.

I know that we have come a long way, Mr. Chairman, but I would ask the question, does the gentleman think that the United States Government should do more to support human rights in Ethiopia as we move this foreign operations bill forward?

Mr. CALLAHAN. Mr. Chairman, yes. I encourage the State Department, as a matter of fact, to carefully assess the situation in the country and use its influence with the Ethiopian Government to encourage them to improve human rights. I would note that the current government in Ethiopia is light years ahead of the former regime in terms of human rights.

Ms. JACKSON-LEE of Texas. Mr. Chairman, as the gentleman recalls, I successfully offered an amendment to the 1996 foreign operations appropriations bill which requires the State Department to closely monitor human rights progress in Ethiopia as it monitors funds for Ethiopia. We have been in dialog with the State Department, I have had a briefing, and that is why I rise again today. We realize that all is not well, even though possible progress may have been made.

The gentleman supported my amendment. As the State Department obligates the funds for Ethiopia in fiscal year 1997, I think that it is still critically important that the department continue to carefully monitor the country's human rights progress. Some progress has occurred but much remains to be done.

I strongly believe that Congress should be on record in the debate on H.R. 3540, the foreign operations appropriations bill for fiscal year 1997, as encouraging the State Department to continue this monitoring of Ethiopia. Does the gentleman from Alabama agree?

Mr. CALLAHAN. Mr. Chairman, yes, I do agree. I believe that it is our role as Members of Congress not to dictate foreign policy to the executive branch but to express strong messages of concern to the State Department on human rights violations by countries who receive U.S. foreign assistance.

□ 1330

I am pleased that we have had this opportunity to discuss this important issue.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for his kindness in allowing me to again bring this very important issue to the Congress. I appreciate his interest and concern about this matter. The numerous citizens in Houston and around the country who trace their ancestry to Ethiopia and all Americans who believe in democracy and human rights appreciate as well the opportunity to focus the Nation's attention on this issue.

I do believe with the ability of the State Department to continue to monitor these human rights violations that we will find ourselves better placed to assist the Ethiopian people and those of Ethiopian ancestry.

Mr. CALLAHAN. Mr. Chairman, I have no objection to the Obey amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ZIMMER

Mr. ZIMMER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ZIMMER: Page 97, after line 5, insert the following:

PROHIBITION ON DEVELOPMENT OF SHOPPING CENTER NEAR THE FORMER AUSCHWITZ CONCENTRATION CAMP

SEC. 573. It is the sense of the Congress that the Government of Poland should prohibit development of a shopping center within the 500-yard protective zone surrounding the former Auschwitz concentration camp in the town of Osweicim, Poland.

Mr. CALLAHAN. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman from New Jersey [Mr. ZIMMER] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Chairman, I yield myself such time as I may consume.

The amendment I am offering is very straightforward. I would put the Congress of the United States on record opposing commercial development within the internationally recognized protective zone surrounding Auschwitz, the former Nazi death camp in Poland. I know that a point of order is being reserved because of technical rules rather than substance by the chairman of the subcommittee, but I strongly believe that the voice of Congress should be heard on this matter. The foreign operations appropriations bill before us is an appropriate vehicle given the nearly $70 million in assistance that we give to Poland.

Mr. Chairman, this is a very timely amendment. Last year, a developer put into motion plans to construct a shopping mall immediately opposite the Auschwitz main gate and within a 500-yard protective zone that surrounds Auschwitz. The proposed mall included retail stores, a supermarket, a fast food stand, and a large parking lot.

In March, the Polish Government officially halted the project after worldwide criticism denouncing it as desecration of the world's largest Holocaust site. The Government at the time said its decision was final. Yet just last week, wire services reported that the project developer had resumed construction in defiance of the Government's order and continued work for 2 days before construction was again suspended.

Mr. Chairman, Auschwitz is a place of profound significance. It is a haunting reminder of the depravity and corruption that humanity at its worst is capable of. That reminder is the most powerful protection we have against such horrors occurring again.

Auschwitz is also a precious memorial to the lives of 1½ million people, mainly Jews, whose lives were so horribly sacrificed to that depravity and that corruption.

The idea of stores, a supermarket, and fast food stands being built within the protective boundaries of Auschwitz assaults both intellect and sensibility. It is an insult to those who died in the Holocaust. It is an insult to those who survived the Holocaust, ant it is an insult to all of us the world over who believe that the significance of Auschwitz must never be distorted or lost.

The Government of Poland has stated emphatically that it will not allow such commercial development to go forward. I applaud that promise and the efforts the Government has made to keep it. I hope the entire Congress will go on record joining this opposition to what is nothing less than an act of sacrilege.

Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, first let me commend the gentleman for bringing this amendment to the floor today.

I think it is of great importance and my personal thanks to him for doing so.

Mr. Chairman, I have often been amazed during my time in the Congress by some of the incredible events that occur from time to time that are brought to our attention. I have seldom been appalled. Today I am appalled, appalled at the proposal of a developer in Poland to build a commercial development right next to Auschwitz death camp. Imagine if you will for just a moment a strip mall built at a place, for example, inside Arlington Cemetery, just about the same thing. I cannot believe that you can honor the millions of Catholics and Gypsies and Jews slaughtered by the Nazis with this kind of development.

This is desecration and, frankly, I think it pretty sick.

I call on the Polish Government to honor its commitment to disallow this project, and I call on the United States Government to use its full authority to assist the Polish Government in this endeavor.

Once again, I want to commend the gentleman from New Jersey [Mr. ZIMMER] for bringing this to the floor today.

Mr. CALLAHAN. Mr. Chairman, further reserving my point of order, I would also like to thank the gentleman for bringing this issue to the attention of this Congress. Many Americans and a lot of Members of this House share the concerns that the gentleman has expressed. However, since the amendment is legislative in nature and should be addressed by the Committee on International Relations, I hope be brings this issue to the attention of the gentleman from New York [Mr. GILMAN], the chairman of the authorizing committee.

Since the amendment is legislative, I would hope the gentleman would withdraw his proposal. If this issue has not been resolved to the gentleman's satisfaction or at least fully considered by the appropriate committee of the House by the time of conference with the Senate, I pledged to the gentleman that I will do my best to include language in the statement of the managers similar to his amendment. But once again, I thank him for bringing his amendment to the attention of the House and his willingness to hopefully withdraw the amendment.

Mr. ZIMMER. Mr. Chairman, based on those assurances, I will withdraw the amendment. Before doing so, I yield such time as he may consume to the gentleman from New York [Mr. ENGEL] who has introduced freestanding legislation on this subject some months ago.

Mr. ENGEL. Mr. Chairman, I thank the gentleman from New Jersey for yielding me the time.

I just wanted to comment on this. I have, as the gentleman says, submitted a resolution talking about the events outside of the Auschwitz death camp. I want to make just a couple of very brief points. That is, I think we all agree that it is totally inappropriate to think about any kind of mall or commercial development at actually such a place that should almost be sacred ground with so many people murdered and martyred there.

I think it is an absolute outrage that this mall would even have been contemplated being built. It violates agreements that the Polish Government has made internationally, stating that within a certain amount of feet or meters from the Auschwitz death camp that nothing like this could happen. It is absolutely an outrage that one would even consider. And when you consider that the town is 7 kilometers away, it is even more insulting to think that a mall could not have been built in the town or near the town but would be built at the entrance, to the infamous entrance to the death camp where those horrible words, those lies, Arbeit Macht Frei, work makes you free, were put by the camp.

So many of us have been trying for many, many months to point out this outrage and to get the assurance from the Government of Poland that this would not continue. I must say the Government of Poland, to its credit, has shown that it does not want the mall to be built, has attempted to give me assurances that it will not be built. And I would hold them to their word. I think it is very, very important that a government that makes these international agreements adheres to them.

I just want to say to my colleague from New Jersey and to others who have expressed similar concerns and outrage with the thought of this happening that I intend to pursue my resolution which is cosponsored by the other gentleman from New Jersey [Mr. SAXTON]. We will pursue it in the Committee on International Relations. We think it is appropriate that Congress goes on record as opposing it.

I do, again, want to say that I am happy that we have been getting positive responses from the new leaders of Poland and from the Polish Government who have told us that this will not be built. With those assurances and the fact that it is bipartisan and we are going to work to pass my resolution, I welcome the help and support of the gentleman from New Jersey.

Mr. GILMAN. Mr. Chairman, I want to take the opportunity to commend the gentleman from New Jersey [Mr. ZIMMER] for his pending amendment, which would express the sense of Congress that the Government of Poland ensure that construction never takes place at the site of the infamous Auschwitz concentration camp.

Although we have received commitments from the Polish Government that they will not permit development at Auschwitz, periodically there are problems with local developers. Accordingly, the Polish authorities are to be commended for their commitment to the sanctity of Auschwitz and the memories of the millions of innocent men, women, and children who crossed its portals.

However, as our concern is still appropriately registered on this sensitive matter, I am pleased to cosponsor this amendment with Mr. ZIMMER. Under leave that will be obtained I would request that the statement issued last week by the Polish Government be made a part of the RECORD.

EMBASSY OF THE REPUBLIC OF POLAND,
Washington, DC, June 5, 1996.

As regards the latest Reuter release on the alleged resumption of the construction of a shopping center near the state Museum of Auschwitz-Birkenau, please be informed of the following—as received from official sources in Warsaw:

1. No construction work has been resumed.

2. There is no change in the clear position of the Government of Poland, as well as of the local authorities concerning the decision to halt the construction made on March 22.

3. The press spokesperson of the Government called the announced intention of the developer to resume the project "the investor's lawlessness". Moreover, the Chief of the Office of the Council of Ministers while confirming the previously undertaken decision of the Government, emphasized its firmness to execute the decision by administrative measures.

Mr. ZIMMER. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. OBEY: On page 97, after line 5, insert:

"SEC. 573. None of the funds appropriated under the heading 'International Military Education and Training' may be made available for Cambodia and Thailand."

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 22½ minutes and a Member in opposition will be recognized for 22½ minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. ROEMER] who has some comments he wants to make about an amendment that was left out of the agreement.

Mr. ROEMER. Mr. Chairman, I thank the gentleman from Wisconsin for yielding his time to me.

I will not offer this amendment. I am precluded from offering this amendment due to the UC that was arrived at last week, but I think that this was a noncontroversial amendment that both Republicans and Democrats would have agreed to. We had it in the June 5 RECORD last week, amendment number, it was actually H.R. 3540, amendment No. 78, page 97. This amendment dealt with the ongoing conflict between the Russians and the Chechens.

Certainly on last year's foreign operations bill, we got up and we spoke about the need to bring an end to this war that has killed probably over 30,000 Chechens and maybe close to 5,000 Russians. This ongoing war threatens not only the human rights situation in Russia. It threatens their economic stability, when they are transferring so much money that we are loaning through the IMF, trying to bring their economy back to stability and back to growth, when they are now taking this money to fight a war and kill Chechens day after day in a brutal and inhuman manner.

We attached some successful legislation last year to the foreign operations bill that cut $5 million out of aid to Russia, saying we must bring an end to this war. And this is a signal from the American people and the U.S. Congress that we want to see it end now. No longer will this war go on. We are not going to subsidize this war.

I think it was successful. Now they have entered into successful negotiations where they have exchanged protocols over the weekend, where they have agreed on exchange of prisoners. They have agreed on a cease-fire. This resolution simply says they have broken half a dozen cease-fire agreements already, stick to this one.

The Congress applauds you. Republicans and Democrats applaud Mr. Yandarbiyev and Mr. Yeltsin for this agreement. Stick to it and stick to it after the June 16 election in Russia. I know the gentleman from Virginia [Mr. WOLF] has been over to Chechnya and seen this conflict and this tragedy go on and on and on, when the Russians first engaged the Chechens and thought they could overrun this country in a period of a couple days.

Well, 18, 19, 20 months later we still see this brutality going on. So this resolution simply says, keep up the good work on diplomatic negotiations. Please abide by the two protocol agreements signed over the weekend. Please try to come to some kind of resolution on the territorial status of Chechnya and after the elections continue this good will and this diplomacy.

I would hope that in conference that the distinguished chairman would continue to bring this kind of issue before the State Department and make this a priority. I hope that in some way with this dialog and hopefully with the colloquy and Members with like interests, the gentleman from Alabama [Mr. CALLAHAN] and the gentleman from Virginia [Mr. WOLF] and others, that we can keep this issue as a vital part of foreign policy between the United States and the Russian people.

□ 1345

Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in response to the gentleman from Indiana [Mr. ROEMER], let me say that I am glad that he brought this to the attention of the House. It is rather amazing to me how we can pick on a little country like Indonesia and at the same time be sending millions of dollars to Russia and letting them slaughter 30,000 people in Chechnya and not even mentioning it in this bill.

So I think that the gentleman is absolutely correct in bringing this issue to the attention of the Congress, and we will certainly address this issue at some point in conference.

Mr. ROEMER. Mr. Chairman, I thank the gentleman.

Mr. CALLAHAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. WOLF] for a colloquy.

Mr. WOLF. Mr. Chairman, I just wanted to bring to the attention of the body there is a man named Robert Hussein who was converted to Christianity in Kuwait. As a result of his conversion to Christianity on May 29, a court in Kuwait has found him guilty, and the punishment is potential death. And the endangered species in this world today that we talk about so much are Christians. Christians are being persecuted around the world more today than any other time in this century, and I just wanted to urge the gentleman from Alabama if he would follow this because, if he recalls, and I know he does, during the 1980's we in a bipartisan way, Republicans and Democrats, stood firm with those of the Jewish faith who were persecuted in Russia. In fact, I am concerned that the persecution will begin again after this election. They are basically privatizing anti-Semitism in Russia.

So it is important for us to rally to the defense of those who are being persecuted, and because of so many Christians being persecuted in the Middle East and other places, and Robert Hussein, who has been potentially sentenced to death, and the fact that the United States Government sent hundreds of thousands of troops in defense of Kuwait and 300 Americans died, if the gentleman from Alabama would be sympathetic in following this issue, particularly later this year, but next year if this does not change, or if anything should happen to Mr. Hussein.

Mr. CALLAHAN. Reclaiming my time, Mr. Chairman, let me say that I just found out about this atrocity that is evidently going to take place, or possible could take place in Kuwait, and I cannot fathom any government in any land condoning the execution of an individual for switching religions, especially to Christianity. And for me to hear this is most appalling.

I should remind the Kuwait Government, just as we reminded the Turkish Government, erroneously so I think, about something that took place. A great majority of the people that came to defend Kuwait, that granted them the sovereignty over their nation, were Christian people. It is an insult, in addition to being absolutely morally wrong, it is an insult to the American people to have that government at this point begin to condemn to death people who choose a certain religion.

So I appreciate very much the gentleman bringing the mater to the attention of the floor. I hope that some Kuwaiti representatives are listening somewhere, and I hope that they hear our message, that this is not something that we in the United States can or should tolerate.

Mr. WOLF. I thank the gentleman from Alabama [Mr. CALLAHAN] for that very strong statement.

Mr. Chairman, on May 29, 1996, a judge in the Kuwaiti family court declared Robert Hussein to be an apostate. The judge, Amar Al-Sabiti, also gave a written ruling stating that Mr. Hussein's wife should be divorced from him and his possessions should be distributed among his heirs and he could be killed. "The Imam [ruler] should kill him without a chance to repent."

Hussein Qambar Ali, a convert from Islam to Christianity, is in the midst of a national court case. This decision by the court sets a precedent as to whether or not the Kuwaiti Constitution will be interpreted under Islamic Sharia law. This would mean that the constitutional religious freedom guarantees would be void and a convert—or apostate—could be killed with impunity.

Hussein has changed his name to Robert Hussein. Robert got into this situation through a court case over the custody of his children. His estranged wife, a Muslim, will not allow him to see his children despite his winning custody of them in court. Robert returned to court to have the decision enforced, and everything has been in an uproar as Hussein publicly confessed his conversion to Christianity.

Several Muslim lawyers have filed cases against Hussein wanting him to be charged with apostasy. Members of Parliament have called for his death. Hussein has had to live in hiding, has lost his family business due to his family not allowing him to be part of it as he is no longer a Muslim. The Sharia family court is looking at the case to see if it has jurisdiction or if this is a civil matter because it deals with Hussein's civil rights: child custody, inheritance, and most importantly, freedom of religion.

The United States still has troops in Kuwait. American troops died while fighting to protect Kuwait from Iraq and Saddam Hussein.

We should urge the Kuwaiti Government to make a public statement supporting Hussein's constitutional rights and his freedom of religion and guaranteeing his protection from death threats from those who want to kill him. Also, the Kuwaiti Government should ensure that their judicial process has integrity, both in the legal representation Hussein should have, which he does not have, and in showing the legitimacy of Kuwait's Constitution—Will it stand?

Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I want to thank the gentleman for bringing to the floor's attention this violation of human rights. Any time we find intolerance with regard to religion is something the entire Congress should stand up and fight against, and for that reason I commend the gentleman for his efforts and want to join with him in expressing abhorrence of what Kuwait has done with regard to this case.

Mr. CALLAHAN. Reclaiming my time, Mr. Chairman, I once again rise reluctantly in opposition to the amendment that the gentleman from Wisconsin would offer, because I deeply respect his vast knowledge of world affairs.

However, while I hold my friend's foreign policy views in high regard, I must tell him that I do not think that this amendment will achieve his objective. It will simply undermine, I think, our relationship with a key friend in South Asia.

The United States has an extensive security relationship with the Government of Thailand. Our military conducts numerous joint exercise programs with the Thai military, including frequent port visits by the United States Navy. The United States also actively collaborates with the Thai military.

In addition, the prepositioning of munitions and other military equipment improves the readiness and logistical reach of United States forces in this region.

Thailand's cooperation and reconnaissance support for our counterdrug effort is essential to the United States ability to cut drug trafficking in Asia.

And finally, Thailand is equally essential to the success of the Joint Task Force for Full POW-MIA Accounting and its effort to answer the remaining questions about Americans missing in action.

IMET training itself is invaluable for the Thai military. In my opinion, it improves professional conduct and capabilities of the Thai military while training them to improve, at the same time, their human rights performances.

So I hope that the gentleman will see my view on this. Recognizing how I respect him, I will also assure the gentleman from Wisconsin [Mr. OBEY] that I will work closely with the gentleman to strengthen language to emphasize the message he is trying to give and that I will work with him to put strong language in the bill in conference.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me first of all take just a moment to comment on the remarks of the gentleman from Virginia [Mr. WOLF] with respect to Kuwait. I am certainly not familiar with the incident to which he referred, but let me say that, as one Member of Congress, I have to say that I have never in my life found a government or a royal family as arrogant or as condescending as the Kuwaiti Government and royal family, and I have never seen a government more quick to pursue its own personal and political interest above the interests of its own people more than the Kuwaiti Government.

I will never forget going to Kuwait City after Kuwait had been liberated by NATO and United States forces, talking to a good many Wisconsin GI's who were in Kuwait who told me that, when the first United States aid came into Kuwait City, that we had Kuwaiti officials saying to them, "Yes, do send it into this neighborhood; no, don't send the aid into that neighborhood," because the latter neighborhood had been populated by people who were not political supporters of the royal family. So they were perfectly willing to see loyal Kuwaiti citizens denied assistance after that war simply because of their political beliefs.

So I would certainly join with the gentleman from Alabama [Mr. CALLAHAN] in expressing the desire to do whatever can be done from the outside to affect the conduct of that government, which I found to be incredibly arrogant and insufferable through the years that I have had any experience dealing with them.

Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. WILSON] before I make my statement on the amendment that is before us, after which I will withdraw the amendment.

Mr. WILSON. Mr. Chairman, I would like to have a colloquy with the gentleman from Virginia [Mr. WOLF].

Notice has been given of a hearing before our subcommittee chaired by the gentleman from Alabama [Mr. CALLAHAN] on which we all serve, and this concerns Kuwaiti business practices, this hearing. I believe it is in about 2 weeks, and I would be curious to know, and I would encourage, that perhaps we might expand that hearing on this business practices to include this matter that the gentleman brought before the House.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Virginia.

Mr. WOLF. That would be wonderful because I am very concerned about the man's life. He has been threatened and sentenced to actually death, so I think it would be good if the gentleman and Mr. CALLAHAN would do that.

Mr. WILSON. Mr. Chairman, it is, of course, up to the gentleman from Alabama, but the hearing is scheduled for June 19; that is next week.

Mr. CALLAHAN. Mr. Chairman, would the gentleman yield?

Mr. WILSON. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I have no reservation whatsoever about including this subject matter in the hearing that we have scheduled. The hearing we have scheduled is to discuss some of what I think are unfair business practices by the Government of Kuwait. But we can include human rights as well, and certainly this is a gross human rights violation, and I think that we should, and I will, after consultation with the gentleman, be happy to include in our hearing or part of our hearing a discussion of this execution that is pending there.

Mr. WOLF. Mr. Chairman, if the gentleman would continue to yield, I want to thank the gentleman from Alabama [Mr. CALLAHAN] for doing that, and the gentleman from Texas [Mr. WILSON], I thank him for bringing that to our attention.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, having dispensed with all of that, let me new explain what it is that has motivated me to bring this proposal before the body.

Mr. Chairman, I will acknowledge that choosing the route of limiting IMET funds in order to get at this problem is a blunt instrument. The problem is that there are no other instruments available at this point. We have a very serious problem in that we are concerned about continuing timber sales by the Khmer Rouge, sales which are occurring with the complicity both of the Cambodian Government and the Thai military.

Last year this committee heard allegations that both the Cambodian and Thai military were cooperating in facilitating the sale of tropical timber from areas controlled by the Khmer Rouge in Cambodia. As a result, last year's bill contained language which is repeated in this year's bill which requires the President to terminate assistance to any country organization that he determines is cooperating tactically or strategically with the Khmer Rouge and military operations or which is not taking steps to prevent a pattern or practice of commercial relations between its members and the Khmer Rouge.

Now, for those of my colleagues who have forgotten, the Khmer Rouge are those people who are responsible for the slaughter, the wholesale slaughter, of millions of innocent people because they were even more fanatic than the Red Guards under Mao Tse-tung in China, and they just wiped out millions and millions of people.

Mr. Chairman, the problem with the language that was contained in the bill last year is that it was worded in a way as to be worthless because it does not fit the facts of what is going on. In fact, the Thai military is allowing private Thai companies to develop commercial relations with the Khmer

Rouge to buy their timber and then allow its transport through their territory. So the pattern of commercial relations takes place between the companies themselves and the Khmer Rouge, not the military in the Khmer Rouge; and therefore the language of the bill last year was circumvented.

I am told that that means that the Khmer Rouge are, through this device, through this ruse, are obtaining $10 million or $20 million a month. Now, I do not think Americans want to see the Khmer Rouge get a dime, and I certainly do not think they want us to have an aid relationship with a country, with a government, which is facilitating the delivery of that kind of assistance to some of the most blood thirsty people in the history of the planet.

And so I offer this language because it was the only way that we could reach either of the governments in power.

I would say that the Prince of Cambodia himself was recently quoted in the press as saying, quote, "Thai traders in the Khmer Rouge would surely find a way to make a deal to export felled logs from its controlled area so the legitimate Cambodian Government would lose income." So I guess what he is saying is "If you can't beat them, join them." It seems to me that we have got to find a way to shut this down, and that is why I suggested this amendment.

But I know the administration has great concerns about going after IMET; in this case for other reasons. And so what I would like to do is to withdraw the amendment, with the understanding that the subcommittee chairman would help in conference so that we can try to strengthen the language which is in the existing bill so that we do not, to the greatest extent possible—we end the fact that government to which we are providing aid seems to be cooperating in a device by which money is allowed to flow to the hands of some of the bloodiest fools in the history of this world.

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Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the distinguished ranking member of the Committee on Appropriations for yielding.

Mr. Chairman, I certainly share the gentleman's concern about the activity that is going on and the complicity, at least among commercial interests there, perhaps involving the governments as well. I do appreciate the gentleman's statement that the IMET tool is a blunt instrument and probably not the way to proceed. I think we have perhaps a more effective way to pressure the parties concerned, and that might be through the international community's massive financial support for the Government of Cambodia.

There is an op-ed piece in today's Washington Post on this very subject. In fact, this gentleman brought a resolution to the floor which was passed last March expressing the concern of what is happening in Cambodia.

What I think we might focus on is that July 11 and 12 donors meeting, a donors conference on Cambodia. I think that offers the international community a golden opportunity.

We could call on the United States to take the lead at this meeting to impress upon the leaders in Phnom Penh who clearly play a part in this continuing problem of logging the KR-controlled territory. We could call on them for the recognition that there is a need for sustainable logging practices and transparency in government contacting that I think could help resolve the KR's logging issue, and therefore avoid problems with Thailand and with the Government of Cambodia.

So I offer that suggestion which I think all of us should pursue, and advance it here for the administration to consider making it a priority at that July 11 and 12 meeting.

Mr. OBEY. Mr. Chairman, I thank the gentleman for his comments. Let me simply say, I think we need to understand that in addition to everything else I have said, in the meantime the Khmer Rouge are continuing to plant new land mines every blessed day they can. That further displaces innocent Cambodians, and it just seems to me that the worldwide community has an obligation to respond to this problem.

I would say that, with the concurrence of the subcommittee chairman, I will withdraw this amendment with the understanding that if we cannot get some language that really does the trick this year, and if we cannot get other action coming in other ways as the gentleman from Nebraska suggested, then blunt instrument or no, it will leave me with no alternative but to go after IMET next year and I intend to do it with a vengeance.

Mr. CALLAHAN. Mr. Chairman, if the gentleman will yield before withdrawing his amendment, let me just say that I share the goal of the gentleman from Wisconsin. I think that we cannot tolerate the type of activity for which he is concerned. However, I do not think that this is the way to do it.

I appreciate very much the gentleman's position. I do pledge to work with him to ensure that our amplified message is given to those governments, that we are not going to tolerate this and that indeed, if they do not change or unless they show some indication of nonsupport, that we are very seriously going to consider next year the possibility of reducing the IMET Program there. But I appreciate very much the gentleman withdrawing the amendment.

Mr. OBEY. I thank the chairman. As I say, I recognize that IMET is a blunt instrument to use, so it may be the wrong way to proceed. We will now have a year to find out, and if we do not get some real action that affects things in real ways on the ground, we will have no choice but to go back at it next year.

Mr. BEREUTER. Mr. Chairman, H.R. 3540 allows continued International Military and Education Training [IMET] for Thailand and Cambodia. The Obey amendment would prohibit IMET for these countries. Passage of the Obey amendment will not save the taxpayers one dime, but would merely force the administration to move the IMET funds to some other countries.

This Member considers such a prohibition unwarranted and unwise. Here is why.

Thailand is a long-time treaty ally with a democratic form of government, located along key strategic international waterways. American forces conduct more than 40 joint exercises with Thailand each year—more than any other country in Asia. These exercises are important to the readiness and training of American, as well as Thai, forces in Asia. Moreover, Thailand provides the Seventh Fleet with easy access to its military facilities when needed, most recently during Desert Shield and Desert Storm. Particularly in light of the closure of our basis in the Philippines, use of Thai facilities allows us to maintain our forward deployed presence in the crucial Southeast Asia/Indochina region.

The close military-to-military ties we enjoy with Thailand are fostered by the fact that so many military leaders in Thailand have been trained in the United States through the IMET program. Not only does this American training provide us access to key Thai leaders, but it also engenders a natural preference for U.S. military hardware and supplies. The sale of defense equipment to Thailand allows important interoperability with U.S. forces in the region and creates high-paying American jobs in the important manufacturing sector. Just recently McDonnel Douglas won a $600 million contract for fighter aircraft to Thailand.

THAI-KR COOPERATION

The basis for today's Obey amendment is evidence of continued commercial cooperation between some Thai companies and the genocidal Khmer Rouge forces in neighboring Cambodia. This Member's staff has been fully briefed on this issue, and I know it would be naive to suggest that no such cooperation exists, particularly in the logging industry. Despite this commercial cooperation, however, there remains some question about the extent of Thai Government involvement and complicity in this trade.

In this Member's view, the use of IMET funding, both for Thailand and Cambodia, as a stick against commercial cooperation with the KR is misguided. A much more effective way to pressure the parties concerned is through the international community's massive financial support for the Government of Cambodia.

The upcoming July 11–12 Donors' Conference on Cambodia offers the international community a golden opportunity. This Member calls on the United States to take the lead at this meeting to impress upon the leaders in Phnom Penh—who clearly play a major part in the continued problem of logging in KR-controlled territory—of the need for sustainable logging practices and transparency in government contracting which would contribute much to resolving the KR logging issue. The international community still provides 40 percent of the national budget of Cambodia and should use this leverage to promote more responsible policies on Cambodia's leaders.

CAMBODIA HUMAN RIGHTS

This Member also believes we should use the Donors' Conference to improve human rights and democracy in Cambodia. On March 26, 1996, this body passed House Resolution 345, which this Member introduced, which expresses serious concern about deteriorating human rights conditions in Cambodia. This Member remains concerned about government repression in Cambodia, particularly in light of the recent murder of an outspoken Cambodian journalist. We should not, however, use IMET as a club against Phnom Penh. Instead we should insist that the IMET courses offered to Cambodia contribute to human rights training for Cambodia's military and use the July Donor's Conference to pressure the Cambodian Government for a return to openness and respect for dissent.

This Member urges his colleagues to vote "no" on the Obey amendment.

Mr. OBEY. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. SOUDER

Mr. SOUDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 69 offered by Mr. SOUDER: Page 97, after line 5, insert the following:

LIMITATION ON ASSISTANCE TO MEXICO

SEC. 573. None of the funds appropriated or otherwise made available by this Act may be obligated or expended for the Government of Mexico, except if it is made known to the Federal entity or official to which funds are appropriated under this Act that—

(1) the Government of Mexico is taking actions to reduce the amount of illegal drugs entering the United States from Mexico; and

(2) the Government of Mexico—

(A) is taking effective actions to apply vigorously all law enforcement resources to investigate, track, capture, incarcerate, and prosecute individuals controlling, supervising, or managing international narcotics cartels or other similar entities and the accomplices of such individuals, individuals responsible for, or otherwise involved in, corruption, and individuals involved in money-laundering;

(B) is pursuing international anti-drug trafficking initiatives;

(C) is cooperating fully with international efforts at narcotics interdiction; and

(D) is cooperating fully with requests by the United States for assistance in investigations of money-laundering violations and is making progress toward implementation of effective laws to prohibit money-laundering.

The CHAIRMAN. The gentleman from Indiana [Mr. SOUDER] is recognized for 10 minutes in support of his amendment.

Mr. SOUDER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment will prohibit any funds available in this bill from going to Mexico unless the agency receiving the funds certifies that Mexico has taken specific antinarcotics actions.

I want to thank the cosponsors of this bill: Chairman BILL ZELIFF of New Hampshire, who has been a leader in our Congress' effort to reduce drug abuse, cosponsored this last year with me; also International Relations Committee Chairman GILMAN us a cosponsor. Other original cosponsors include my friend from Florida, Mr. MICA, who has been active on the subcommittee; the gentleman from Massachusetts, Mr. BLUTE; the gentleman from Washington, Mr. METCALF; the gentleman from Indiana, Mr. MCINTOSH; the gentleman from North Carolina, Mr. FUNDERBURK; the gentleman from Arizona, Mr. SHADEGG; the gentleman from Oklahoma, Mr. COBURN; and the gentlewoman from California, Mrs. SEASTRAND.

The problem is real simple. The State Department's 1996 Narcotics Control Strategy concluded that no country in the world poses a more immediate narcotics threat to America than Mexico. Mexican drug lords now supply more than 70 percent of the cocaine sold and 80 percent of the marijuana imported into the United States, as well as growing quantities of heroin and methaphetamines. Drug seizures in Mexico lagged for most of 1995, and the final seizure total remained flat and well below the record level. They are making progress but they need to make more.

At the same time the DEA administrator, Mr. Constantine, and the State Department have recently expressed serious concern that Mexico has, "become the money laundering haven of choice for initial placement of U.S. drug cash into the world's financial system." Drug dealers are literally packing 18-wheel trucks full of cash and driving them to Mexico for laundering. Up to 90 percent of drug cartel profits move through Mexico.

I was very privileged to go with the CODEL from this Congress to Mexico, as well as Panama, Colombia, Peru, and Bolivia, and we met with President Zedillo as well as the foreign minister and members of the House and Senate of Mexico. I was convinced, as were the others with us, that President Zedillo and the leadership of Mexico has a strong commitment to trying to reduce the narcotics flow to America.

I also understand their point that it is our demand that is propelling much of the growth of coca leaves around the country, the distribution, and what is coming into our country. We do have to work on our internal problems but they also must work on the exporting of drugs into America.

I also understand the difficulty of patroling the long borders we have with Mexico, particularly as we open trade. That is all true. Few issues are as explosive as the immigration issue and the NAFTA issue as well as the drug issue, the support of the peso and the environmental questions along the borders.

If our two great nations are to work together, we have to have a strong continued commitment from the Government of Mexico not just to talk but to crack down on the drug lords.

This particular amendment passed last year 411-0 when we asked for a rollcall vote. It is the actions that must be changed and stiffened in the future. I want to continue to point out that I am impressed with the sincerity of the Government of Mexico and I am particularly impressed with their commitments, but we need to see additional and continued progress on this issue.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SOUDER. I yield to the gentleman from New York, the chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Souder amendment and commend the gentleman from Indiana for this initiative.

Illicit drugs are an international threat to all countries: corruption, addiction, and lawlessness exact an enormous price. Because drug cartels have extraordinary resources, no country can fight this problem alone. Producer countries, transit countries, and consumer countries all share in the costs of the drug scourge and, therefore, must all share the responsibility for solving the problem.

One very conservative estimate places the annual cost of drug abuse to U.S. society at $67 billion—in terms of crime, lost productivity, and health care. Other estimates run as high as $500 billion. Another tangible impact is on U.S. youth. Data suggest that if cocaine abuse were listed on death certificates, it would constitute the leading cause of death of people 14 to 44 years of age in New York City.

Experience proves that concerted efforts that attack each link in the drug chain can produce dramatic results. For example, new levels of cooperation have led to significant strides against the Cali cartel kingpins. With a vigorous program that addressed each of the pillars—eradication, interdiction, enforcement, education, and treatment—cocaine use in the United States dropped 80 percent in that period, from 5.8 million users down to 1.3 million.

According to the United States Drug Enforcement Agency, drug trafficking groups in Mexico have become the primary suppliers of drugs abused in the United States. Up to 70 percent of the cocaine available in the United States transits Mexico; 50 percent of marijuana is produced in Mexico; Mexican traffickers are now the largest suppliers of methamphetamine sold in the United States; and Mexican heroin is the predominant form of that product found in the Western United States.

Several years ago, Mexican drug organizations partnered with Colombian producers to smuggle cocaine into the United States. As their expertise and operational capabilities grew, Mexican cartels began to demand 50 percent of the shipment as payment for their smuggling services; as a result, the wealth and reach of these local criminal bands grew dangerously as they gained an independent foothold in the lucrative wholesale business in the United States.

In addition to taking control of the methamphetamine trade, drug organizations in Mexico have also become major figures in the diversion of precursor chemicals that are used to produce methamphetamine. It is apparent that these Mexican cartels have used the largesse of the cocaine trade to develop the capacity to manufacture as well as transit their own product, methamphetamine, whose use in major cities in the Western and Southwestern United States is on the rise.

With the fall of the Cali cartel, their Mexican partners may be uniquely positioned to fill the void, given the proximity to the United States market, our 2,000-mile common border, and the political and economic disruptions in Mexico, both countries may suffer dramatically in the very near term.

In March, President Clinton certified Mexico as fully cooperative with United States antidrug efforts. The administration asserted that the Mexican Government had pledged a major offensive against the drug cartels and drug-related corruption and, in 1995, had intensified antinarcotics efforts, prosecuted corrupt officials, and sought to expand cooperation with the United States and other governments.

Some in Congress disagree emphatically with President Clinton's certification of Mexico's antidrug efforts, in light of infamous, well-publicized examples of corruption. They note that, although the Mexican Government may have the political will to fight illicit drugs, corruption is common enough to undermine good intentions.

All sides can agree that drug cartels have become so wealthy and powerful that they can undermine the best efforts of any government. In the United States, we fight internal corruption through strict internal inspection and integrity controls and generally well-paid, professional police forces. We also rely on a professional, independent prosecutorial system that deters and detects corruption in law enforcement services.

Law enforcement experts note that Mexico's antidrug efforts do not have these tools at their disposal. They are hampered by weaknesses in their legal structure: the law does not provide for the use of wiretaps, confidential informants, or witness protection programs; prosecutors cannot build cases for conspiracy to break the law; and money laundering is not a criminal offense.

These experts assert that these tools are indispensable to efforts to fight organized crime in the United States and they are needed badly by Mexico's law enforcement agencies. United States cooperation, including the sharing of vital law enforcement intelligence, can be expanded further if Mexico strengthens its own antidrug units.

It should be noted that the Mexican Government has moved within the last few months to adopt some of these legislative measures to strengthen their capability to pursue and prosecute drug traffickers.

The Souder amendment is simple and straightforward. It conditions United States aid to Mexico on efforts by the Mexican Government to reduce the amount of illegal drugs entering the United States. It also expects that government to apply its own law enforcement resources and cooperate fully with us to break up the drug cartels operating in Mexico and to fight money laundering.

By passing this amendment, we do not prejudge Mexico and we do not excuse our own country from doing all that it can to fight drugs. As a matter of fact, many of my colleagues and I would like to see greater funding for antidrug cooperation in this legislation—and we will be working to achieve that objective.

Mr. Chairman, the drug cartels pose an international threat. We must work with Mexico and other friends throughout the world to meet this deadly challenge.

Once again, I commend Mr. Souder for his amendment and urge my colleagues to fully support his amendment.

Mr. SOUDER. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. MICA].

Mr. MICA. I thank the gentleman for yielding me the time.

Mr. Chairman, the amendment offered by the gentleman from Indiana should be adopted overwhelmingly by the House of Representatives, and I commend the gentleman for his leadership on this issue. We serve on the same investigations and oversight subcommittee of the Committee on Government Reform and Oversight. We have looked at the lack of a national drug policy. We heard the chairman of this committee speak just a minute ago about 70 percent of the hard drugs coming into this country, we found in our committee examination, are coming in through Mexico.

The United States has bent over backward to help Mexico and this Congress has aided Mexico with a trade agreement. I did not agree with some of the provisions of that particular trade agreement. This administration bailed out Mexico. I cannot think of a nation who has done more to help an ally, to help a partner in the Western Hemisphere than the United States or this administration or this Congress.

And what do we get in return? Seventy percent of the illegal drugs. We even went so far as to certify Mexico as compliant and we decertified Colombia, yet the onslaught of hard drugs coming through Mexico is absolutely appalling. The results should astound every Member of Congress and every American.

Look at this chart showing what has happened here since 1992 when this administration extended this helping hand. Our 12th graders, our 10th graders, our 8th graders are getting slaughtered. Cocaine is coming in record amounts, heroin is coming in, marijuana is coming in.

This amendment sends a message to Mexico that this Congress, this administration, these representatives of the people who are seeing their children slaughtered in the streets, who are seeing juvenile crime skyrocket through the ceiling are saying, "Hey, wait a minute, Mexico, we have taken it all we can and we are going to send you a message that we want this stopped."

It is a very clear message. The latest data by DAWN is absolutely startling. Cocaine-related emergencies increased 12 percent; heroin-related episodes increased 27 percent. This is for the first half of 1995. Marijuana-related episodes, 32 percent. Methamphetamines, 35 percent. Designer drugs are killing our young people and creating crime; 70 percent of the crimes in my district are committed by people who are involved in narcotics and they are coming through Mexico. This sends a message: Stop. And we mean it.

Mr. SOUDER. Mr. Chairman, I yield the balance of my time to the gentleman from Arizona [Mr. KOLBE].

The CHAIRMAN. The gentleman from Arizona is recognized for 30 seconds.

Mr. KOLBE. Mr. Chairman, I claim the time in opposition so that I may have more time to speak.

The CHAIRMAN. The gentleman from Arizona is in opposition?

Mr. KOLBE. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Arizona [Mr. KOLBE] is recognized for 10 minutes.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will not use the entire 10 minutes and I think this amendment is going to go by voice. But let me say about this amendment that, while I think that no one disagrees with the intent of this amendment that we should have cooperation with Mexico, that I do think that it at least bears mentioning here on the floor what is happening, and the, I think, positive things that have happened with Mexico.

I just listened to my colleague from Florida. I could not agree with him more that what is happening in this country is terrible and what is happening with the rise of drug addiction among young people and youth using drugs, hard drugs, is a very serious problem. There is no question that we should be very concerned about it, and there is no question we should be concerned about both the source of these drugs and how they get to this country.

It is the how they get to this country, the channel, that we are talking about here today, because for the most part the hard drugs we are talking about, the cocaine, the heroin, are not produced in Mexico but they become the transit point, the place from which these are transported into the United States. As we have been more effective in south Florida in cutting off the drugs coming in from South America, we have now found that Mexico and Central America are the key places in which these drugs come in.

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Let us not in a sense blame the messenger, blame the people who are simply there geographically at our doorstep, because of our problem we have. I think clearly Mexico has a responsibility to work with us on this, and I think they are. That is what I wanted to take this time, just to mention some of the things that have happened in Mexico under the Zedillo administration.

Not long ago, just a few months ago, the Mexican Government, at our request, arrested and expelled very promptly from Mexico to the United States so we could try the individual, Juan Garcia Abrego, the head of the Gulf cartel, one of the key people we had been trying to get apprehended and get into the United States for drug violations. That was a major step by the Mexican Government to cooperate with us.

I might say as the chairman of the United States-Mexico Interparliamentary Meeting just a few weeks ago in Mexico, I heard from Mexican parliamentarians about how they thought this was outrageous because they had violated their own legal procedures and protections in extraditing this individual so promptly and quickly to the United States, and yet it is what we requested. I think we should at least acknowledge when we are talking about this there have been positive steps that have taken place.

At the end of May, a couple of weeks ago, the Mexicans arrested and expelled Jose Luis Pereyra Salas, a major Bolivian drug trafficker. So they are picking up some of these major drug traffickers, they are getting at the head of this Hydra of drug cartels that is operating there in Mexico.

They recently extradited two Mexican nationals, something they were not able to do before, to the United States, who were wanted for heinous crimes. That is an important departure from their past procedures on extraditions. Under the extradition treaty, we have been able to get American nationals extradited to the United States, but never Mexican nationals. Now, the two that were extradited, they were not extradited on drug-related crimes, but they were heinous crimes, one of which has been talked about in this body on several different occasions by one of our colleagues. So that was an important step.

But I think the most important thing that I think should be mentioned today is the passage in Mexico within the last 6 weeks of the most important, the first and most important, money laundering legislation to counter money laundering, and the first time that Mexico has taken up this issue.

There is no question, the Mexican banks, as has happened with banks all over the world, whether in the Cayman Islands or whether sometimes in Switzerland or often in the United States, banks inadvertently, or sometimes through sloppiness or carelessness or sometimes because they do not care, allow themselves to be used for money laundering. That is why you need to have tough laws that make it clear to the banks what their responsibilities are in money laundering.

This legislation was drafted and worked on, they asked us for some assistance on it, we gave them technical assistance. This is their legislation. But we think it is a very good piece of legislation. Now they have to go through the process of making it work, of getting all the rules to implement it, the specifics to the banks, what they must do. But it is a very tough piece of legislation. It is what we have been asking the Mexicans to do for a long period of time.

I rise only to mention this, because I think it is important at the same time we say, and I think it is appropriate that we say that money under this law should not go to the Mexican Government, or any government for that matter, that is not cooperating with us on drug interdiction and interdicting drug trafficking. We would not be sending money to those countries. But I think it is important at the same time that we say that, that we do acknowledge that there have within some important steps that have been made by Mexico.

Mr. Chairman, I yield 1½ minutes to the gentleman from Alabama [Mr. CALLAHAN].

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, this deals with another slightly different subject, but I rise to engage the chairman of the Subcommittee on Foreign Operations, Mr. CALLAHAN, in a colloquy.

I would like to ask, Mr. Chairman, that earlier I had intended to offer an amendment to increase funding for the Micro and Small Enterprise Development Program. Although I did not offer that amendment, I strongly support this program. This is a highly successful program that helps people help themselves.

By helping poor people to increase their income and assets, we are enabling them to improve their own welfare, health, housing and education, all at a very small cost-effective investment. This is a program that works, and this is the type of activity that we as a Congress should be encouraging.

Mr. Chairman, when the opportunity presents itself, as you go into conference with the other body, it is my understanding you will work with me to support additional assistance for the Micro and Small Enterprise Development Program.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I thank the gentleman from Florida for his observations and share his support for the Micro and Small Enterprise Development Program.

I would be pleased to work with the gentleman, and with others in this body and the other body to support and possibly even expand this program.

Mr. Chairman, we are going to accept the amendment.

Mr. KOLBE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. SOUDER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment pursuant to the unanimous-consent agreement.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FRANK of Massachusetts: Page 97, after line 5, insert the following new section:

PROHIBITION OF IMET ASSISTANCE FOR INDONESIA

SEC. 573. None of the funds appropriated in this Act under the heading "International Military Education and Training" may be made available to the Government of Indonesia.

PARLIAMENTARY INQUIRY

Mr. WILSON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WILSON. How much time will there be on this amendment and how will it be allocated?

The CHAIRMAN. The gentleman from Massachusetts, [Mr. FRANK] will be recognized for 22½ minutes, and a Member opposed, the gentleman from Alabama [Mr. CALLAHAN], will be recognized for 22½ minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. I ask unanimous consent, because I will be due in a markup, that I be permitted to turn over the management for our side of the time to the gentleman from Rhode Island [Mr. REED].

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment would strike out the international military education and training for the country of Indonesia. Indonesia made an international solemn agreement through the U.N. to take over the area known as East Timor. Indonesian rule in East Timor has been one of the most oppressive and brutal we have seen.

East Timor had been controlled by Portugal. This is a case where colonialism looks pretty good to people in retrospect. Indeed it is to the credit of the people of Portugal that they have continuously spoken out against the oppression which the Government of Indonesia has visited on the people of East Timor.

What the Indonesians have done is simply violate their international obligations, agreements they had made, to treat the people of East Timor fairly. There continues to be one of the most oppressive regimes. The people of East Timor, who have sought to preserve their own identity, their freedom of religion, freedom of speech, have been consistently and brutally mistreated.

That is going to be documented in the debate. But I want to deal now with the arguments we are going to hear that will say, oh, yes, the Indonesians have not done what they should do, but this is not the way to do it.

One thing should be very clear. When we are talking to those who specialize in foreign policy, to them there is never a way to do anything. Whatever method anyone puts forward for dealing with any wrong anywhere in the world turns out to be not the right method at a given time. Any effort to try to vindicate human rights will run up against a whole variety of arguments. One is that we must rely on Indonesia, in part for its strategic stability.

One thing that strikes me when we debate foreign policy, we are constantly being told that America must be careful less we alienate, unsettle, destabilize, other nations. How come nobody ever has to worry about what we think?

I do not understand the logic that says because we are quite wealthy and quite powerful, we therefore must accept the fact that our views ought to be disregarded and we must worry about offending others? Is the relationship between the United States and Indonesia useful in preserving stability? I believe it is. I believe it is so useful, that the Indonesians will not jeopardize it based on this.

The argument is always given that we should not take this or that step because we will anger some nation who has been the recipient of our protection, cooperation and investment. None of these nations that I am aware of are doing this as a favor to us. They are doing it because it is even more in their self-interest than ours.

There is a particular reason why I think it is important for us to begin a policy of refusing American assistance to blatant violators of human rights is Indonesia and elsewhere in Asia. There is a distressing pattern in much of South Asia of people, nations, progressing economically, while showing a fundamental disregard for democracy and human rights.

One of the things we like to tell ourselves has been there is some necessary connection between expanding free market economy, between capitalism at its best, and democracy. I wish I were more confident of that. But I think the pattern is emerging in much of Asia where nations are showing a capacity to develop economically while remaining from the standpoint of human rights quite retarded.

Indonesia is a nation with very little democracy internally, a great deal of corruption, and with a terribly oppressive record against East Timor. I believe there are important strategic reasons why they welcome American cooperation sufficiently so they are not going to repudiate it altogether. The question is: Do we do anything whatsoever to effectuate our view that the systematic mistreatment of the people of East Timor must stop? I know we will be told, at least I have been told this privately, we have changed the IMET around. It now becomes a force for good, naked to the eye. I do not understand how that argument can be made when we see a continuation of the pattern on the part of Indonesia of a systematic mistreatment of those people.

Therefore, in pursuance of human rights, in pursuance of the obligation the world has to the people of East Timor who were turned over to Indonesia through international means, and in defense of the principle that human rights cannot simply be disregarded, I hope this amendment is adopted, and that the Indonesian Government will get a strong message from the United States that this behavior is not acceptable.

Mr. Chairman, with that, I reserve the balance of my time, which will hereafter be managed by the gentleman from Rhode Island [Mr. REED].

Mr. CALLAHAN. Mr. Chairman, in response to the gentleman from Massachusetts, I hope his amendment is not adopted.

Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I regret that I rise to oppose the Frank amendment, which would prohibit international military, education and training [IMET] for Indonesia.

The provision contained in the amendment before us would restrict the IMET program to the more human rights oriented expanded IMET courses. This provision is identical to existing law in the fiscal year 1996 foreign operations appropriations bill, as well as the authorization bill that was adopted by both the House and the Senate.

However, while I am opposing this amendment, I want to make it clear that I continue to have strong reservations about Indonesia's human rights record. Indonesia's military has an abhorrent human rights record. There is no debating that fact. The House needs to speak with one voice in condemning the continuing human rights abuses being perpetuated by the military.

That said, it is my view that continuing an IMET program in Indonesia will enhance rather than diminish United States ability to positively influence Indonesia's human rights policies and behavior. We need to stay engaged with the Indonesian military. Providing IMET will contribute to the professionalism and human rights sensitivity of Indonesia's military.

Accordingly, Mr. Chairman, I urge my colleagues to oppose the Frank amendment.

Mr. REED. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of this amendment, which is offered by myself and my colleagues, Mr. FRANK of Massachusetts, Mr. KENNEDY of Massachusetts, and Mr. KENNEDY of Rhode Island. It would prohibit all military education and training funds for Indonesia, IMET funds.

Currently, Indonesia receives expended IMET. Unfortunately, the Indonesian military has not made progress in improving its human rights record. The record is very clear. Indeed, the Department of State's "Country Reports on Human Rights Practices for 1995" states that the Indonesian Government continues to commit serious human rights violations in East Timor.

The report further states:

> The armed forces continued to be responsible for the most serious human rights abuses.

On East Timor, no progress was made in accounting for missing persons following the 1991 Dili incident or the 10 other Timorese that disappeared in 1995.

☐ 1430

And finally, "The armed forces used excessive force in making arrests following anti-integration rioting in Dili in October."

Mr. Chairman, our IMET resources are designed to provide training for other military forces around the world. It is not designed to encourage or in any way aid or abet in such human rights abuses. And, in fact, one would hope that these resources and the training that is involved with them would be a strong barrier against such abuses of human rights.

We are not at this juncture criticizing the IMET program. The IMET program, as it is practiced around the world, is a valuable source of American foreign policy and military preparedness and national security strength for our country and our allies. But we cannot, I think, sit idly by, watching these abuses in East Timor against a people who were the victims of an invasion 20 years ago and continue to fund this type of military support for their regime, their military, those people who have been identified by our State Department as being the perpetrators of these types of human rights abuses.

In 1992, Congress, in a sense of shock and outrage, cut off IMET funds to East Timor. In 1991, on film, the British Broadcasting Corp. filmed the massacre of 250 East Timor residents by the forces of the Indonesian Armed Forces. That was such a shocking revolting incident that we acted properly and cut off those funds. We restored those moneys, but we restored those moneys with the idea that the Indonesian military had learned their lesson; that they would not continue these practices of human rights abuses.

Sadly, sadly, Mr. Chairman, that lesson has not been learned. It is incumbent upon us today to once again reiterate our strong opposition to these abuses and to do it in a palpable, tangible way, to do it by eliminating IMET funds for the Government of Indonesia and their armed forces. This is a position which, I think, has strong support in many different quarters.

Mr. Chairman, I will at the appropriate time introduce a letter in the extension of remarks from the Catholic Conference in support of this amendment, and included in that letter is the following language: "Curtailing IMET funding to Indonesia constitutes a small but symbolically important expression by our government of the need for Indonesia to show greater will in resolving these problems." We cannot allow another 20 years of abuses to continue in East Timor.

I would also say for the record, which I think is important, Mr. Chairman, we have spent our the last several days debating this bill, in different guises, talking about Desert Storm and over valiant efforts to liberate Kuwait from the unprovoked aggression of Iraq in 1991.

Well, the similarities in this situation are ironic but associate, but in this situation it was the Government of Indonesia that struck a defenseless country, overran it without any justification under international law, and today not only do we not condemn that invasion vigorously but we continue to assist the Indonesian military. It would be as if we had stood by idly and passively in the gulf and now today continued to assist the Iraqi Armed Forces.

So, Mr. Chairman, I think justice and human rights and sound policy is on the side of this amendment and I hope it passes.

Mr. Chairman, I reserve the balance of my time.

Mr. CALLAHAN. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. WILSON], the ranking Democrat on our subcommittee.

Mr. WILSON. Mr. Chairman, I thank the gentleman for yielding me this time. I rise in opposition to the amendment. Of course, the administration is also opposed to the amendment.

Mr. Chairman, IMET for Indonesia was completely cut off from 1992 to 1995. In fiscal year 1996, as part of a compromise on the issue, Congress agreed to allow for expanded IMET only. This means any training provided has to contain some elements of human rights training. The bill contains the same restriction as last year, that is only expanded IMET for Indonesia which ensures training and human rights.

I would, therefore, vigorously oppose this amendment. The committee has taken a compromise position and it should be sustained.

Mr. Chairman, I would like also to read a couple of paragraphs from a letter that I just received a few minutes ago from Secretary of Defense Perry and General Shalikashvili.

> Strategically located Indonesia, with the world's fourth largest population, is increasingly important to United States interests. It is influential regionally, where it has been a force for stability, and globally. As we continue to rationalize and economize on our overseas military deployments, military cooperation with key countries such as Indonesia becomes an ever greater element in our ability to project power and influence. The IMET program in Indonesia enhances rather than diminishes U.S. ability to positively influence Indonesia's human rights policies.

That from the Secretary of Defense.

Finally, Mr. Chairman, I would say that the United States has very, very broad interests in Indonesia, ranging from vast commercial contracts to arms sales. It represents one of Asia's most promising expanding markets for American goods, with the United States occupying 12 percent of total imports. Our aid program helps protect the environment, improve conditions in East Timor, open opportunities for U.S. business, and stop the spread of AIDS. Any of those reasons, I submit, are reason enough to vote against this amendment and I urge the House to do so.

Mr. REED. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I rise today in support of the Frank amendment to eliminate international military education and training funding for Indonesia.

First of all, I would like to commend Chairman CALLAHAN for his efforts to address my concerns on this issue. I appreciate his support for expanded IMET for Indonesia when I know he might rather have allowed Indonesia to receive full IMET assistance. However, as the chairman knows, I still have very serious concerns about Indonesia's human rights record.

In 1992, we voted to end all IMET assistance for Indonesia because of that country's abysmal human rights record and their continued oppression of the people of East Timor. Despite the lack of improvement in Indonesia's human rights record, and the opposition of myself and many of my colleagues, a modified IMET program was approved for Indonesia in the Foreign Operations Appropriations Act for fiscal year 1996.

When this provision was added to the foreign aid bill last year, we said we would monitor the human rights situation in Indonesia very carefully and act accordingly this year. Well, the State Department's country report on Indonesia was released in March, and according to the report, "The Government continued to commit serious human rights abuses."

The State Department report also said that in Indonesia "reports of extrajudicial killings, disappearances, and torture of those in custody by security forces increased." Not decreased. Not stayed the same. Increased. Should we really be sending Indonesia more military assistance now when they have not addressed these critical human rights issues? I don't think so.

Indonesia's policy in East Timor is about the oppression of people who oppose Indonesia's right to torture, kill, and repress the people of East Timor. It is about the 200,000 Timorese who have been slaughtered since the Indonesian occupation in 1975; 200,000 killed out of a total population of 700,000. It is about genocide.

I urge my colleagues to support this amendment and send a message to Indonesia that we will not tolerate continued human rights abuses.

Mr. CALLAHAN. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Nebraska [Mr. BEREUTER], chairman of the Subcommittee on Asia and the Pacific of the Committee on International Relations, the House of Representatives' most leading expert on Southeast Asia and on trade and American businesses in the region.

Mr. Chairman, I appreciate his coming to the floor and especially waiting for an hour to make his observations.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for his kind remarks.

I rise in strong opposition to the amendment by the gentleman from Massachusetts [Mr. FRANK]. We have to remember always, when we approach these issues, what is in our national interest and what is not; what has a positive impact and what does not.

Mr. Chairman, as the gentlewoman from New York began to make clear, Indonesia does not have an IMET Program from us, they have an E-IMET Program or an expanded IMET Program, and there is quite a difference. In fact, an expanded IMET Program is specifically oriented to focusing on improving human rights activities and practices within a military.

We also have to get over the idea that the IMET or E-IMET Program is a grant of assistance to a foreign government. We do it because it is in our national interest to increase military-to-military cooperation, and because it is in our strategic interest to have this relationship.

There are many economic and strategic reasons why the E-IMET Program should be continued for Indonesia, but I would like to focus on the Human rights concerns and why, in fact, the frustrations of the gentleman from Massachusetts [Mr. FRANK] are not well taken. He can certainly be frustrated with the failure, as he sees it, to improve conditions in East Timor, but, in fact, the E-IMET Program is designed specifically to deal with human rights issues and human rights policies within the military. The E-IMET Program improves their performance in that respect. It is to our advantage, if we are interested in improving the human rights conditions.

The E-IMET Program is one of the most effective tools that we have for promoting both our security interests and improving human rights performance in other countries. The IMET or E-IMET Program in Indonesia enhances rather than diminishes our ability to influence the Indonesian military's policies and behavior.

Now, I understand that the gentleman from Massachusetts, and both gentlemen from Rhode Island have very big Portuguese American populations in their districts. These are great people, exceptional Americans, but they have to, in fact, I think be educated to the fact that there are better methods for improving human rights performance than to deny E-IMET.

Mr. Chairman, the E-IMET Program is bringing results within the military, and I will provide an example in a few minutes. The E-IMET Program exposes Indonesia's military students to western values, to civilian rule, and to the role of a professional military in a democracy. It will encourage efforts underway in the Indonesian military to improve professionalism, accountability, and respect for human rights.

The E-IMET Program for Indonesia, which is a product of this gentleman's amendment in a foreign aid bill in the past, is all that H.R. 3540 allows for Indonesia. It is designed to address issues, again, in democracy, human rights, military justice, and the concept of civilian control over the military. We should support human rights training for Indonesia through E-IMET, and this Member urges his colleagues for that reason to vote "no" on the Frank amendment.

As some of my colleagues know, one of the troubled areas in Indonesia right now is a part of the island that is a part of Indonesia called Irian Jaya. The legal adviser on the staff of the Kodam command in Jayapura, Irian Jaya, it has recently been revealed, is the author of a human rights handbook distributed to all troops in the command; it contains his innovations. They have also issued rules of engagement annexes to operational orders, which specifically says what troops should do and, more important, what they should not do when they engage in field operations in that respect.

I am talking very specifically about how they treat the citizens of their country, regardless of religion.

□ 1445

It has been said that since January when he started issuing these rules of engagement annexes, there have been no human rights violations in the Indonesian military in Irian Jaya. When asked where he came up with these innovations, he said it all came out of his experience at the U.S. Army Judge Advocate General's School, where he was an IMET student.

Let me end by reminding my colleagues why the E-IMET Program is a positive step toward improving human rights in Indonesia. The United States engagement with the Indonesian military, through IMET and specifically through E-IMET and other programs, enhances our ability to influence Indonesian human rights behavior and serving our broader interests in the region.

Second, it provides the Indonesian military with the human rights courses in the E-IMET Program that will contribute to their professionalism and the human rights sensitivity of the Indonesian military.

Third, in 1991, Congress established the expand E-IMET Program with four explicit objectives, three of which directly relate to human rights issues: A, to foster greater respect for the principles of civilian control of the military; B, to improve military justice and military codes of conduct in accordance with internationally recognized human rights; and the third of the four points that relates to human rights, to enhance cooperation between the military and local police in the area of counternarcotics.

Mr. Chairman, these elements in our E-IMET Program are exactly what we need to have happening within the Indonesian military. The human rights concerns that we have with Indonesia should be addressed by appropriate means. The E-IMET Program is an appropriate means to address human rights performance within the Indonesian military.

Mr. Chairman, I ask my colleagues, therefore, to reject the Frank amendment. It is not only a questionable amendment in its impact; it is a step in exactly the wrong direction.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island [Mr. KENNEDY].

Mr. KENNEDY of Rhode Island. Mr. Chairman, I rise today as a supporter of IMET. This is a program which is right in the right time and in the right place, but IMET in Indonesia at this time represents the wrong place at the wrong time.

Congress did the right thing in 1992, when at the urging of my predecessor from Rhode Island, Ron Machtley, we cut off IMET to Indonesia. When Congress did that, they sent a clear message to the dictatorship in Jakarta. They said: You need to stop the human rights abuses in East Timor; your record in East Timor does not merit your receiving IMET.

Last year, unfortunately, Congress restored IMET to Indonesia. Since this time human rights abuses have continued and have gotten worse. Another year will just provide more encouragement for those carrying out these abusive practices.

Since Indonesia brutally invaded East Timor 20 years ago, almost one-third of the population has been killed. One-third of the population has been killed. This could not have happened without the knowledge and participation of the military, the very military that we are going to reward if we pass this IMET in this bill and if we do not pass the Frank amendment.

Mr. Chairman, the record of leadership in Indonesia is clear and unmistakable. After the Santa Cruz massacre, General Try Sutrisno, the commander of the Indonesian military at the time, and he is now currently the vice president of Indonesia, was quoted as saying that those who had gathered at the cemetery were disrupters who must be crushed. He said, and I quote, "Delinquents like these have to be shot, and we will shoot them," he said. General Mantriri, the regional commander for East Timor, was quoted just after the Santa Cruz massacre as saying, quote unquote, that, "The massacre was proper," and, I quote, "We do not regret anything."

These are the words of the military commanders that this U.S. Congress is about to lend assistance to. These very military commanders who are saying these things.

These abuses continue. Just yesterday, just yesterday, there are reports that are yet to be confirmed that East Timorese youths were shot at by police forces in Baucau. They were protesting the destruction of the portrait of the Virgin Mary, and youths took to the streets. There are reports that house-to-house searches were conducted.

My office has learned that Bishop Bello, who is recognized by all as the conscience of East Timor and is one of the most respected human rights leaders in the world and was one of the finalists for the Nobel Peace Prize last year, Bishop Bello was more upset than friends have said they have heard him in years.

Mr. Chairman, I think we need to send a clear message to the leaders of Indonesia that we will not sit by and let these abuses continue. And I urge my colleagues to support the Frank amendment and send a clear message to Indonesia we are not going to sanction continued abuses of human rights.

Mr. CALLAHAN. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia [Mr. PICKETT].

Mr. PICKETT. Mr. Chairman, I am here in opposition to this amendment not because I condone the human rights policies of Indonesia but because I am very, very strongly committed to our own Nation's defense program. Make no mistake about it, the IMET program is one of the most valuable tools that we use as a Nation to engage in preventive defense on behalf of our country.

This program enables us to bring to this country distinguished military officers from other countries and train them in the way that our military does business, in the way our military relates to the civilian sector, and the way our military works with other militaries around the world. It is a very important program. It is not a program designed exclusively for the benefit of in this case Indonesia or, for that case, any other foreign nation. It benefits the United States of America.

It makes our defense program stronger. It extends the scope of influence of the United States of America.

When these people come and visit in this country, they take back with them characteristics that we cannot communicate or instill any other way. And time and again we have heard the military of our Nation talk about working with other military members that are in foreign countries and having a first-time relation with them because of the fact that these people have come to the United States of America, have worked in our schools here, have worked with our military people, and have taken back with them personal relationships that they continue to build on year after year after year.

It is a magnificent investment that we make, and one that has returned dividends manyfold on the money that has been invested in it. It should not be looked upon as simply a gift over something to trade off for some kind of conduct of another nation. It is much, much too valuable for that. This is a very strong component of our Nation's defense program. And you might ask, well, why is it in the foreign operations bill? And my answer is I do not know. I think it more properly belongs in the defense appropriations bill. But nevertheless we are here with it. But we should not let the fact that it is in the foreign operations bill obscure from us the reality that this is indeed a defense expenditure and one that is a very valuable component of our Nation's defense program and experience has shown that it works well.

For example, the top three military officers in Indonesia have all participated in this program, and they are people that our military works with on a regular basis, based upon the contacts that have been built up as a result of their working with the IMET program.

As has been said before, this program is going to enhance rather than diminish the ability of our Nation to influence the conduct of Indonesia in the way it handles its human rights policies.

I would urge the Members to recognize the importance of this program to our own military and to reject this amendment because I think it will not serve the long-term interests of our Nation.

Mr. REED. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I respect a great deal both the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Virginia [Mr. PICKETT] and their comments.

Mr. Chairman, this is not an amendment attempting to undercut the very important goals of IMET. I spent 12 years in the U.S. Army, and I had the opportunity to actually train with and serve with foreign officers who were brought into this country through the IMET program. It is a very valuable program and a very worthwhile program. And it does, as the gentleman from Virginia indicated, give our country an opportunity to impress upon foreign officers our values, both our democratic values and our professional standards.

But the other side of that equation is that this program gives, in many respects, an imprimatur to the military forces that participate in the program, and I think we have to ask very serious questions at this juncture, given the record in Indonesia, whether we want to give the imprimatur to the armed forces of Indonesia. There have been indications that progress is being made.

But progress in human rights in East Timor is in the eye of the beholder. And I would refer to the letter I made reference to before from the Catholic Conference from Father Drew Christiansen: "Rather than improvements in human rights, there have been over the past year numerous reports from authoritative sources of continued harassment and arrests of many, especially young people, seeking to express in a nonviolent fashion their disagreement with the status quo. There continue to be vicious attacks by gangs of paramiliataries and a climate of fear created by the security forces that at times amounts to a reign of terror."

And so I would argue, based upon the observations of Father Christiansen and his colleagues in the Catholic Conference, that our IMET training has not achieved success yet and, in fact, what it does is provide a symbolic approval of these operations in East Timor by Indonesian security forces. And also it has not yet moved forward the Government of Indonesia together with other world leaders in the world community to recognize their occupation, their illegal occupation of East Timor, and to give justice to the East Timor and to its people. And I think in that regard we have again invoked the leverage of withdrawing IMET from the armed forces of Indonesia.

Now, the gentleman from Nebraska talked about the strategic value of Indonesia. I believe there is strategic value there. But I would point out that in the period from 1992 until about a year or so ago, when we restored expanded IMET, the Government of Indonesia did not turn away from the United States, did not seek to ally itself with other regional powers. And I would suspect that if once again we revoked IMET, they would not turn away from us, turn away from their own self-interest, which is a relationship with the United States in the world community.

We are not at all seeking to undercut the economic ties that we are developing with the Government of Indonesia. Those ties, I think, also are based upon mutual self-interest, but what we are doing is trying to establish very clearly that the Government of Indonesia and its armed forces must act with more sensitivity, more consideration of the people of East Timor, and if they cannot do that, they then would not be allowed to participate in this expanded IMET. And for all of the above reasons, I would urge that this measure be adopted and the amendment be accepted by the committee.

Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Massachusetts [Mr. FRANK], which would cut off all IMET to Indonesia.

Mr. Chairman, I notice that the gentleman from Massachusetts [Mr. FRANK] had other business and could not be here to hear the extended debate; not here to hear the eloquent statements of people that are knowledgeable in this affair. But I am sure that had he been here, no doubt he might have taken serious consideration to withdraw this amendment.

But since it has not been withdrawn, as the gentleman knows, the subcommittee has been very attentive to this issue and in last year's bill we agreed to provide expanded IMET to Indonesia. Expanded IMET is only for training the military in the areas of democratization, respect for human rights, and the rule of law. It really should be called restricted IMET.

Because our fiscal year 1996 bill was not enacted into law until early this year, Indonesia really has not had the benefit of this type of training. The committee's position this year simply reflects last year's compromise on this issue—it allows the expanded IMET program to work with Indonesian officers to improve their human rights performance. No military training is provided. Personally, I support full military training for Indonesia, but I reached a compromise with my colleagues on the committee and last year I supported the House position in conference.

Currently the administration is planning visits to Indonesia by the U.S. Naval Justice School's Military Justice Mobile Education Team and the U.S. Naval Postgraduate School's Civil-Military Relations Mobile Education Team. Are these really the types of IMET programs that the House should be prohibiting? Well, that is exactly what the amendment by the gentleman from Massachusetts will do.

I strongly oppose this counterproductive amendment which will deny, I repeat deny, human rights training to the Indonesian military. Please vote "no" on the Frank amendment.

Mr. UNDERWOOD. Mr. Chairman, I rise today in support of the Frank, Kennedy, Reed and Kennedy amendment to the fiscal year 1997 foreign operations appropriations bill which will prohibit all international military education [IMET] funding for Indonesia.

The Indonesia invasion and occupation of East Timor in 1975 was the beginning of a period of repression and human rights abuses in East Timor that has continued for over 20 years. It has claimed the lives of 200,000 Timorese, one-third of the original population. It has been done in defiance of the U.N. Security Council, which has twice called on Jakarta to withdraw without delay. The United States fully supported these resolutions.

The human rights situation remains serious in East Timor. In this year's State Department Country Report on Human Rights Practices, the Department notes "the most serious abuses, by Indonesia, include harsh repression of dissidents in East Timor * * * Reports of extrajudicial killings, disappearances and torture of those in custody by security forces increased."

Since the November 12, 1991, Santa Cruz Cemetery massacre, in which Indonesian troops armed with American M–16's gunned down more than 200 Timorese civilians, Congress has taken a series of initiatives which have begun to shift the direction of United States policy.

While imperfect, the ban on IMET funding for Indonesia has been one source of leverage. First imposed in October 1992, the ban has sent an important message to Indonesia about our concerns regarding human rights in East Timor. By approving IMET military training funds, Congress turns a blind eye to continued abuses in East Timor and lets Indonesia off the hook.

The political issue in East Timor is a very basic one: The people simply want the right to vote in a U.N.-supervised referendum, in which they would be given the right to choose whether they want to be independent or become part of Indonesia. Without any international pressure on the regime in Jakarta, the ability of the people in East Timor to exercise their right of self-determination will continue to be infringed upon.

Mr. KIM. Mr. Chairman, I rise in strong opposition to the Frank amendment to prohibit the use of international military education and training funds for Indonesia. It appears to me that this amendment is designed only to insult Indonesia and would have only negative effects on United States-Indonesian relations. Furthermore, if enacted, I believe this amendment would actually hinder the kind of changes and increased respect for human rights its proponents claim to seek.

First, let's be clear on what IMET is. IMET is not guns and ammunition. It's not even combat training. The IMET program sponsors up and coming Indonesian military officers to come to the United States to receive either technical training—like accounting—or professional education including military justice and human rights awareness. Thus, IMET participants are exposed to the very issues about which the sponsors of the Frank amendment are most concerned. How better to ensure that the Indonesian military enhances its professionalism and sensitivity to the human rights concerns we've identified than to include this in their training? Especially when the Indonesian military wants this training? They are seeking our help. If the sponsors of this amendment listen to their own words, then they would see that we ought to continue to provide this training.

Second, IMET also plays an important role in improving United States-Indonesian security ties. Indonesia occupies a very central and strategic position in Southeast Asia. Indonesia is a key member of ASEAN and a moderate leader of the non-aligned movement. It is the world's largest Moslem country. Indonesia is very supportive of the United States presence in Southeast Asia and provides us with places in lieu of bases. The modest support the Indonesian military receives from IMET goes a long way in solidifying this relationship. It also provides our own military with exposure to senior and mid-level Indonesian military officers with all of the associated benefits such relations provide.

Third, with 190 million people, Indonesia is a growing market for American goods and services. Last year alone, the United States exported $3.3 billion, an increase of over 20 percent from last year. Indonesia is the host to over $6 billion in United States investments. Whether we like it or not, IMET has, in part, come to represent a bellwether of United States engagement with Indonesia. It has become a symbol of United States attitude toward Indonesia. Therefore, to prohibit IMET will be seen by Indonesians—all Indonesians, not just the Suharto government—as a slap. Unlike most of my colleagues, as a first generation Asian-American, I have a pretty good understanding of how East Asians think. And, I can assure every one of you, this will be interpreted as a direct insult against the Indonesian Nation as a whole.

Such an insult will have a direct and negative affect on all aspects of our relationship, including economic ties. At risk are jobs and incomes of Americans rights here at home. The only ones really cheering for the misguided symbolism of the Frank amendment are our Asian and European competitors.

Finally, I am sensitive to the situation in East Timor. Unfortunately, the history as well as the future of East Timor is not as simple and black and white as proponents of this amendment claim. Progress is being made with regard to East Timor, though I agree that more is needed. However, cutting IMET will have no positive effect on East Timor. The Frank amendment is merely pandering to only special interest in East Timor at great expense overall U.S. interests in the region. In fact, as I pointed out, prohibiting of IMET could actually setback the process of improving human rights in Indonesia.

Therefore, I urge my colleagues to vote for America's best interests and reject this misguided amendment.

Ms. PELOSI. Mr. Chairman, I rise in support of the Frank-Kennedy-Reed amendment to prohibit IMET for Indonesia. I appreciate Chairman CALLAHAN's initiative last year and again this year to limit IMET for Indonesia to expanded-IMET only. Nonetheless, in light of continuing human rights abuses and Indonesia's economic strength I do not believe that the Indonesian military should be trained with United States taxpayers' dollars.

According to the U.S. State Department's country reports on human rights practices for 1995, human rights in Indonesia continued to be a problem. The report notes that—in Indonesia "there continued to be numerous, credible reports of human rights abuses by the military and police * * *." The human rights problems in Indonesia noted by the State Department report include:

> The (Indonesian) Government continued to commit serious human rights abuses. The most serious abuses included harsh repression of dissidents in East Timor, Aceh, and Irian Jaya. Reports of extrajudicial killings, disappearances, and torture of those in custody by security forces increased. Reports of arbitrary arrests and detentions and the use of excessive violence (including deadly force)

in dealing with suspected criminals or perceived troublemakers continued.

The State Department's report also states:

> Elements of the armed forces continued to be responsible for the most serious human rights abuses. Military leaders in some cases showed willingness to admit publicly abuses by military personnel and take action against them, including in a brutal incident in East Timor. Punishment, however, rarely matched the severity of the abuse.

Some of our colleagues will argue that IMET benefits the United States by increasing the professionalism of the armed forces of other nations. That may, in some cases, be true. Unfortunately, history is now littered with cases of egregious human rights abuses being perpetrated by people who received U.S. military training. In some countries, IMET training endows those who receive it with a mantle of prestige and privilege. IMET provides a seal of approval of sorts for military people who receive it and therefore bestows a seal of approval on their military practices. The United States should not be in a position of supporting repressive or abusive practices either in an explicit or implicit way.

It is clear, to those who are willing to look, that the human rights situation in East Timor is terrible. The State Department's report provides documentation of some of last year's atrocities, many of which were perpetrated by the military. These practices have not ended. I have in my possession a list provided by a reputable human rights organization of 17 East Timorese people who have been arrested, beaten and tortured by the Indonesian armed forces at various locations around East Timor since January 1996. This list is incomplete, but it is representative of the ongoing practices of the Indonesian military.

The repressive activities of the Indonesian armed forces are by no means limited to East Timor, which Indonesia occupies illegally. They also occur in many other places in Indonesia, including Irian Jaya, where NGO and church sources provided eyewitness accounts of over 40 victims of torture by the Indonesian military in late 1994 and early 1995.

I urge my colleagues to express their concern about human rights abuses in Indonesia by supporting the Frank-Kennedy-Reed amendment to prohibit IMET for Indonesia.

Mr. TORRICELLI. Mr. Speaker, I rise today in strong opposition to funding for expanded international military and education training [IMET] for Indonesia. The actions perpetrated by Indonesia against the people of East Timor have been no less than reprehensible and do not deserve to be condoned by this Government. I do not question the efficacy of IMET programs in general, but rather the value to be gained by the United States in providing assistance to the Indonesian Government. As a champion of human rights throughout the world, the United States should make every effort to ensure that systematic aggression, like that against the East Timorese, is not allowed to continue. In order to do this, though, it is imperative that the Indonesian Government receives a firm answer from this country—such behavior will not be tolerated.

Indonesia's invasion of East Timor spawned an era of oppression directed against the East Timorese. Torture, abductions, disappearances, and massacres have all been common occurrences under its rule. The result has been the annihilation of nearly one-third of the East Timorese population. Portugal has strenuously objected to Indonesia's conduct in East Timor, but these objections have gone unheeded. Instead, the international community has silently accepted the situation. However, I refuse to stand idly by as the Indonesian Government is no less than rewarded for its actions with funds from this country.

The violence which has been unleashed against the people of East Timor must be stopped. A restoration of IMET funding to Indonesia, though, does not send this message. Rather, it encourages the Indonesian military to perpetuate the cycle of abuse. The East Timorese must be recognized for the basic human dignity we all share. For this reason, I stand opposed to this country's financial support of the Indonesian regime.

Mr. POSHARD. Mr. Chairman, I support the Frank amendment for the elimination of international military and education training [IMET] funding for Indonesia. I believe this is a focused and unmistakable message to the Government of Indonesia that their strong arm tactics in regard to human rights, especially concerning the people of East Timor, will not be condoned by the United States. At the same time, this action will not adversely affect the strong economic recovery that has increasingly, helped to pull the people of Indonesia out of poverty over the last 30 years.

The State Department has clearly documented the torture and killing of civilians, epecially nonviolent activists for self-determination in East Timor. Until good faith efforts to ensure the safety of the East Timorese are put in affect, talks on the political status of that country between Indonesia and Portugal, under the auspices of the United Nations, cannot go forward. This amendment will help to bring both Indonesia and East Timor in concert with the greater international community.

IMET brings foreign military officials to the United States for military training, which includes instruction in human rights standards. While this is certainly a laudable program, in this case it confers acceptance on the recent practices of the Indonesian Armed Forces. The last decade has seen increased improvement in relations between the United States and Indonesia, and the selected use of such targeted pressure will promote these trends and extend them to the issues of human rights and even workers rights. I support this trajectory and I support this amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I rise in support of the amendment, which would prohibit IMET—foreign assistance for military education and training—to the Government of Indonesia.

For over 20 years, international human rights advocates have been calling attention to abuses by the Indonesian Government in its occupation of East Timor. There is evidence that United States military assistance has helped to further the atrocities in East Timor.

Indonesia's armed forces invaded East Timor in 1975, only weeks after East Timor had attained independence from Portugal. Since then, the Indonesian army has carried out a campaign of what amounts to ethnic cleansing against the Timorese through a program of forced migration. Persecution has been particularly harsh against the Christian majority.

More than 200,000 Timorese—out of a total population of 700,000—have been killed directly or by starvation in forced migrations from their villages since the Indonesian invasion.

There are recent reports of a renewed campaign of repression of Catholics in East Timor. These reports include atrocities such as the smashing of statutes of the Virgin Mary. The campaign has also been directed personally against the Catholic Bishop of Dili, Bishop Belo. His phones are tapped, his fax machine is monitored, his visitors are watched, and his freedom of movement is restricted. But Bishop Belo persists in his courageous efforts to defend justice, peace, and the preservation of the dignity of his people. Recently, he has set up a church commission to monitor human rights abuses, and a radio station to disseminate information and news.

Mr. Speaker, the people of East Timor comprise a sovereign nation. They differ from most Indonesians in language, religion, ethnicity, history, and culture. They are entitled to independence and freedom. And in the meantime, they are entitled to fundamental human rights including the freedom of religion.

Supporters of expanded IMET for Indonesia argue that since one of the purposes of such aid is to educate the military about human rights, we should provide such aid no matter what they do. But this presumes a willingness on the part of the government to change its dismal record. In the absence of such willingness, the only real effect of expanded IMET is to send a signal to the world that our disapproval of the Indonesian military—which we expressed after the 1991 massacre by cutting off all IMET—has softened. This is the wrong signal at the wrong time. We must not put our stamp of approval on a regime that massacres children in churchyards and then remains defiant.

I urge a "yes" vote on the amendment.

□ 1500

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. REED. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 149, noes 272, not voting 13, as follows:

[Roll No. 227]

AYES—149

Andrews
Barrett (WI)
Becerra
Beilenson
Blute
Bonior
Borski
Boucher
Brown (OH)
Cardin
Clay
Clayton
Clement
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
Danner
DeFazio
DeLauro
Dellums
Doggett
Duncan
Durbin
Ehlers
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake

Foglietta
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Funderburk
Furse
Gejdenson
Gutierrez
Gutknecht
Hall (OH)
Hefner
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaHood
Lantos
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Moran
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Porter
Poshard
Rahall
Ramstad
Rangel
Reed
Rivers
Rohrabacher
Ros-Lehtinen
Roukema
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Slaughter
Smith (NJ)
Spratt
Stark
Stearns
Stockman
Stokes
Stupak
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Wamp
Ward
Waters
Watt (NC)
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—272

Abercrombie
Ackerman
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Frelinghuysen
Frisa
Frost
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Knollenberg
Kolbe
LaFalce
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manton
Manzullo
Martinez
Matsui
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Minge
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Portman
Pryce
Quillen
Quinn
Radanovich
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Roth
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stenholm
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Tiahrt
Traficant
Vucanovich
Walker
Walsh
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—13

Bateman
Brown (CA)
Calvert
Deutsch
Gibbons
Harman
Hastings (FL)
Lincoln
McDade
Rose
Schiff
Studds
Torricelli

□ 1520

Ms. BROWN of Florida and Mr. WAXMAN changed their vote from "aye" to "no."

Ms. WATERS and Messrs. CLAY, FLAKE and VOLKMER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

(Mr. CALLAHAN asked and was given permission to address the Committee for 1 minute.)

Mr. CALLAHAN. Mr. Chairman, I yield to the gentleman from Illinois [Mr. PORTER] for a colloquy.

Mr. PORTER. Mr. Chairman, very recently, elections were held in Albania that international observers feel were rife with irregularities—including ballot stuffing, physical intimidation of voters and other acts of fraud and coercion. This is a grave cause of concern and I would inquire whether the Chairman would be open to consideration of provisions withholding assistance to Albania unless new elections are held.

Mr. CALLAHAN. I understand the gentleman's concern over the disturbing elections in Albania, and I will remain open to consideration of this matter in our conference committee with the Senate on this legislation.

Mr. PORTER. Mr. Chairman, I thank the gentleman from Alabama.

Mr. CHAIRMAN. Pursuant to the rule and the order of the House of June 6, 1996, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HEFLEY) having assumed the chair, Mr. HANSEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3540) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 445, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CALLAHAN. Mr. Speaker, I yield for a few seconds to the gentlewoman from California [Ms. PELOSI] for a comment.

Ms. PELOSI. Mr. Speaker, in the few seconds that I have allocated to me I want to commend the gentleman from Alabama [Mr. CALLAHAN], our chairman, for his excellent leadership of our subcommittee and for his shepherding us through these different issues. While I do not agree with all that is in the bill, I do commend the gentleman.

In addition to commending our excellent chairman, the gentleman from Alabama [Mr. CALLAHAN], for his magnificent shepherding of this legislation through subcommittee, full committee and to the floor, I want to join with him in acknowledging the fine work of our ranking member, the gentleman from Texas [Mr. WILSON]. While he will be on the floor when we take up the conference report, I am certain, this is the last bill that he brings to the floor from the committee, and I know that all the members of the subcommittee join our colleagues in commending him and thanking him for his leadership on the committee, his good humor in the face of strong opposition on some issues in the committee and his leadership to rally us around some of the issues of agreement.

With that, I want to once again commend the gentleman from Alabama [Mr. CALLAHAN]. I do not think our colleagues have any idea how difficult it is for this bill, to reach consensus on it, and we are all deeply in the debt of the gentleman.

Mr. CALLAHAN. Reclaiming my time, I am sorry that the confusion and the timing does not permit us to do justice to the gentleman from Texas, who is sitting in on his last few minutes of an appropriation bill, who has been sitting here for 19 years doing this same thing every 2 years. And I would like to thank also the subcommittee members who have worked so hard and are so allied with us in trying to formulate a bipartisan bill. And certainly the staff deserves recognition for the yeoman job that they have done, as does the gentleman from Wisconsin [Mr. OBEY] and all the people of our committee.

The gentleman from Utah [Mr. HANSEN] also deserves recognition for his yeomanship and his great handling of this bill sitting in the Speaker's chair.

Mr. Speaker, once again, in the final passage of this bill there have been those who came and tried to increase this level of spending that we do on foreign aid, but thanks to this committee and this Congress, we are cutting foreign aid, we are cutting the President's request by a billion dollars, we have now, with the passage of this bill, reduced the level of appropriation for foreign operations to less than 1 percent of our total budget.

So this is a vote to cut foreign aid and to appropriate responsibly what limited amount of money we are going to. I would encourage each Member to vote "aye" to cut foreign aid and to pass this responsible legislation.

Mr. DURBIN. I rise in support of assistance to Israel in the Foreign Operations Appropriations Act for fiscal year 1997.

The legislation before us today includes the President's full request for assistance to Israel, including economic support funds, foreign military finance grants, counterterrorism assistance, and funds for the resettlement of refugees from Eastern Europe. In addition, the legislation requires that this assistance be provided on an expedited basis.

The security and the prosperity of the United States are intricately interwoven with the security and prosperity of Israel. The American people and the people of Israel are inseparably joined by a common heritage, shared values and democratic forms of government. The threats to Israel—from political conflict, extremism, economic instability and the proliferation of weapons of mass destruction—are also threats to the people of the United States.

We have seen historic changes in the Middle East in recent years as Israel has reached out to its neighbors for peace. But real dangers and significant obstacles to peace remain.

The people of Israel have just recently held elections and voted for new leaders. This is a time of transition for Israel, and Israel's people must know that the United States will remain a steadfast and strong ally.

The assistance we provide to Israel will strengthen our most important ally in the Middle East, deter aggression from hostile nations in the region, and ultimately protect the security of the United States. This assistance will help Israel to preserve a qualitative advantage in defense, even though it is heavily outspent by its larger neighbors. It will help Israel to absorb the economic cost of maintaining a strong defense. And it will once again assure the people of Israel, and its adversaries, of unwavering American support.

We must support Israel because it is the right thing to do, and because it is the wise course to take. I urge my colleagues to support the President's request for assistance to Israel and vote for final passage of the Foreign Operations Appropriations Act for Fiscal Year 1997.

Ms. PELOSI. I commend Chairman CALLAHAN and Ranking Member WILSON for their successful efforts for the second year in a row in putting together a foreign aid bill which has bipartisan support. As a member of the Foreign Operations Subcommittee, I know the work that has gone into this bill and the efforts that have been made to bridge many differences on the purpose, the priorities, and the funding level of our foreign aid programs. I would like to thank the subcommittee staff, Charlie Flickner, Bill Inglee, John Shank, and Lori Maes, and our Democratic staffpersons Mark Murray and Kathleen Murphy for their hard work on this bill.

In the current fiscal climate, we have to make many difficult choices cutting funding for many worthy programs. Our decisions must be based on fact, not myth. We have before us today one of the most misunderstood and maligned bills the Congress is regularly privileged to consider. The misperceptions surrounding foreign aid are legion and we, as leaders, have an obligation to set the record straight.

We will hear today from some of our colleagues that the American people do not support foreign aid. That is not true. The American people's overwhelming humanitarian response to crisis, to famine, to tragedy overseas, is evidence of their concern. According to recent surveys, Americans believe we should spend 15 percent of our budget on foreign aid—they think we spend 40 percent on foreign aid—and do not know that we spend less than 1 percent on foreign aid. Today's bill continues the recent downward trend in spending on foreign aid, providing $1 billion less than the President's request for fiscal year 1997, and $458 million less than the fiscal year 1996 level.

Foreign aid is a good investment in a number of ways. Our limited foreign aid dollars provide returns to our country many times over through assisting our allies and increasing our national security, providing much-needed humanitarian relief and easing human suffering. In addition, we get numerous economic benefits from our foreign aid investments. Eighty percent of our development assistance is spent here in the United States, providing jobs for American workers, and expanding markets abroad.

I support a number of this bill's provisions and thank Chairman CALLAHAN, in particular, for his continued leadership in providing funding for global AIDS programs and for his assistance in addressing my concerns about some reporting requirements related to Hong Kong. That said, I cannot ignore the parts of this bill which I believe should be changed. I am particularly concerned about the impact of funding cuts on programs to meet the needs of the poorest of the poor around the world, including IDA and the IADB's Fund for Special Operations. I am also concerned about the reduced ability of our foreign aid programs to meet the development challenges on the continent of Africa. I believe we should reinstate the Development Fund for Africa as a separate account and provide funding for the African Development Bank and African Development Foundation, for example.

And, I am particularly concerned about the consequences for the global environment of cuts in funding for global environment programs and of cuts in funding and restrictions on population assistance funds.

Overpopulation is a threat to us all. The world is already experiencing a serious strain on its natural resources; increased population growth at current rates will only increase environmental degradation. We cannot be close-minded or short-sighted on this issue. What happens in other countries must be of interest here at home. Pollution does not stop at our borders. Diseases also do not stop at our borders. Stabilizing population growth is critical to us all.

In addition, I am very concerned that the population provisions contained in this bill will have the opposite impact of what our well-meaning colleagues intend. The 35-percent cut in population assistance funding contained in this bill can be expected to result in 7 million couples in developing countries left without access to modern, safe contraceptive methods; 4 million women experiencing unintended pregnancies; 1.6 million more abortions; 8,000 more women dying in pregnancy and childbirth, including those from unsafe abortions; and 134,000 infant deaths. These are not abstract arguments. These are real people whose suffering and whose deaths that we have the power to prevent.

U.S. foreign assistance has been at the forefront in saving lives, building democracy and achieving economic growth in the developing world. While failures associated with foreign aid programs have been well publicized, the success stories receive little attention. We can be proud that hundreds of millions of people around the world have achieved substantial improvements in their living standards around the world. We can be proud of the millions of children in developing countries whose lives have been saved by the immunization programs which we have funded.

Yes, improvements can still be made. Everything can always be improved. The administration should be commended for the progress it has made in increasing the efficiency and effectiveness of our development programs. We should make every effort to fund these programs at adequate and appropriate levels. This bill is a step in that direction.

Mr. FAZIO of California. Mr. Speaker, I rise to offer my support for the foreign operations appropriations measure before us today. I am not satisfied with all of the bill's provisions, notably the continued restrictions on international family planning. However, I believe that this bill contains some provisions that deserve our support, including our Nation's continued commitment to the Middle East peace process.

A new era in U.S. foreign assistance has been taking shape since the end of the cold war. New trends are developing which will guide the direction of our foreign policy and foreign assistance programs well into the next century. In light of these changes, I believe it is important for the United States to remain committed throughout the world. Such a commitment will serve to advance our global interests and influence.

This bill will appropriate $11.9 billion for foreign aid and export assistance, $1 billion less than the administration's request and $458 million less than the fiscal year 1996 appropriation.

Mr. Speaker, I am pleased that the committee has continued to show its support for sustainable agriculture programs. Programs like the small ruminants collaborative research support program at the University of California, Davis, promote sustainable agriculture in the developing world in the conjunction with the U.S. system of land grant colleges and universities. Finding and implementing sustainable, environmentally safe, agricultural techniques and crops is critical to providing long-term food security in Africa and throughout the world.

In addition, I would like to express my support for the efforts of Representatives VISCLOSKY, BILIRAKIS, DURBIN, and others to strengthen the Humanitarian Aid Corridor Act and increase pressure on Turkey to lift its 3 year blockade of United States relief supplies to Armenia.

This amendment will send a clear message to Turkey that the United States Congress will not tolerate, much less subsidize, the illegal blockade of American humanitarian relief aid to needy populations in Armenia. Turkey's embargo not only perpetuates the humanitarian crisis in Armenia, but also increases the costs of American assistance programs because of the necessity to circumvent Turkey. The amendment will ensure that Turkey complies with the Humanitarian Aid Corridor Act before it receives any additional economic support funds.

I would also like to extend my support for the amendment offered by Representatives RADANOVICH and BONIOR. This amendment would withhold $3 million of United States aid to Turkey until the Turkish Government has acknowledged the atrocities committed against the Armenian people. By linking Turkey's denial of this genocide to United States foreign aid levels, this amendment provides a practical incentive for Turkey to finally acknowledge its role in this genocide. Moreover, it would begin to decrease regional tensions and open the door to improved relations between Armenia and Turkey.

I would also like to express my support for the amendment offered by Mr. KENNEDY of Massachusetts to prohibit funding for the U.S. Army's School of the Americas. While the amendment was withdrawn, his underlying bill, H.R. 2652, is a legislative proposal worth supporting.

The School of the Americas and its graduates have linked the United States to some of the worst human rights violators in Latin America. These human rights abusers have been responsible for murders, coups, and numerous disappearances. This shameful record casts doubts on the intentions of the United States and damages our relationships. We need to take a serious look at the school and the awful legacy that it has left in Latin America.

I believe that reasonable, responsible levels of foreign assistance will continue to serve the economic, humanitarian, political, and strategic interests of the United States. I urge my colleagues to support this legislation.

Mr. CONYERS. Mr. Chairman, I rise today in opposition to the foreign operations bill, H.R. 3540. This bill contains a provision regarding Haiti which I, along with many members of the Congressional Black Caucus, oppose.

The foreign operations bill contains a provision, known as the Dole amendment, which prohibits Haiti from receiving any nonhumanitarian assistance from the United States unless the President certifies quarterly that democracy is secure in Haiti. Additionally the provision points to the investigation of three murders in Haiti and the status of their investigation.

It is unnecessary and unreasonable for the United States to require this certification every 3 months. Democracy is blossoming in Haiti, and we can point to the peaceful transfer of power there last year as a sign that democracy and democratic principles are spreading in that nation. The elections there last summer were peaceful and successful.

This year the committee has identified three murders that they claim were political and suggest this is a sign of a feeble government. More than 4,000 murders which occurred during the time when former President Aristide was deposed are under current investigation, along with the three in question. All crimes in Haiti deserve equal scrutiny under the law—not just the three murders identified by the committee.

The United States should do all we can to help solve these murders. But placing this unnecessary burden on the Haitian Government does not serve the United States or Haiti well when the Haitian investigators are concentrating on solving these crimes. The United States must continue to support the implementation of Haiti's economic revitalization so that we can see democracy fully mature in that nation.

Mr. REED. Mr. Chairman, on June 11, 1996, I voted in favor of H.R. 3540, the foreign operations appropriations bill. While I still have some concerns about this legislation, including the continued restrictions on international family planning and funding of expanded-IMET for Indonesia, overall I believe this legislation includes several important provisions which deserve the support of the House.

First, this bill provides crucial funding for our allies in the Middle East. H.R. 3540 recognizes our ongoing commitments to Israel and Egypt, providing $3 billion and $2.1 billion respectively in economic and military aid.

As our Democratic ally in the Middle East, Israel has been a leader in the effort to bring peace to this region of the world. The peace process is under tremendous pressure and we need to continue to show our strong support as Israel and its neighbors continue to seek peace. It is crucial that we maintain this funding and continue our efforts on behalf of the peace process in the Middle East.

H.R. 3540 also takes important steps to strengthen the Humanitarian Corridor Act. As a cosponsor of the Humanitarian Aid Corridor Act, I was extremely troubled with the President's waiver of the Humanitarian Aid Corridor Act for Turkey on May 16, 1996. I am pleased that the House overwhelming approved Mr. VISCLOSKY's amendment which cut economic aid to Turkey by $25 million until it lifts its blockade of U.S. humanitarian relief to Armenia. This amendment will send a strong message to Turkey that the United States will not condone its continued illegal occupation of Northern Cyprus and the internationally condemned blockade of U.S. humanitarian assistance to Armenia. We should not allow humanitarian assistance to be used as a political weapon while innocent victims are deprived of food, fuel, and medical supplies, whether it be in the wake of a natural disaster or armed aggression.

I also supported Mr. RADANOVICH's amendment to withhold a small portion of aid to Turkey until the government acknowledges the Armenian genocide. We cannot ignore the atrocities that the Armenian people suffered between 1925 and 1923 or the continued denial of this horrible chapter in history. The victims of this holocaust, as well as the survivors and their families, deserve the recognition of this crime against humanity.

As I stated earlier, I remain concerned about several provisions in the bill. I offered an amendment with my colleague, Mr. FRANK of Massachusetts, to prohibit funding of E-IMET for Indonesia. The Indonesian Government continues to commit egregious human rights abuses against the people of east Timor, and, indeed, incidents of abuse by the Indonesia military increased over the past year, according to the State Department. While I am disappointed that this amendment did not pass, I urge my colleagues to continue to pressure the Indonesian government to adhere to international human rights standards and to hold Indonesia accountable for its human rights record.

Overall, this bill provides $11.9 billion for foreign aid operations, a cut of $460 million from last year's level of funding. I believe it is in the best interest of the U.S. to maintain a strong presence abroad. This legislation supports our commitment to the international community while addressing the fiscal realities we face here at home. Thank you, Mr. Speaker.

Mr. KENNEDY of Rhode Island. Mr. Chairman, on June 11, I voted in favor of H.R. 3540, the foreign operations appropriations bill.

I believe that this legislation contains some very important measures that will strengthen America's position in the world, offer critical help to allies, and bolster the Humanitarian Aid Corridor Act approved by this House earlier.

I remain troubled, however, by several measures in this bill, including the continued restrictions on international family planning, the funding of expanded IMET for Indonesia, and by the reductions in development aid to some of the poorest nations in the world.

We face a critically important stage in securing peace in the Middle East. Through hard work and commitment we have achieved much in recent years. There is much left to achieve before the people of the Middle East enjoy a true and lasting peace. H.R. 3540 allows us to build on the achievements in peace that we have already secured by giving economic and military aid to our allies, Egypt and Israel. At this important juncture in the peace process, it is important for us to reaffirm our commitment to our allies and to the peace process to which we must remain committed.

The bill also makes important steps forward in our commitment to child survival. I applaud the creation of this distinct account, with it focused mission and spending. These are some of the most important funds provided under the bill. This account will make a real difference in the lives of millions of children, and help struggling nations build more secure futures.

I was very pleased to see the House adopt two very important amendments that reaffirm our commitment to Armenia. As an original cosponsor of the Humanitarian Aid Corridor Act I am pleased to see this important, principled measure strengthened. This strengthening is needed because the measure, approved by Congress last year, was waived by the President. Congress is sending an unmistakable message to the Government of Turkey that its continued illegal occupation of Cypress and its unpardonable blockade of Armenia are criminal and must cease.

As well, I am pleased that the House passed Mr. Radanovich's amendment which withholds a portion of United States aid to Turkey until that government acknowledges the Armenian genocide. History shows us that the horrors of the past can not be forgotten. That when we allow denial and distortion to replace truth, we all reduced, and the security of the future is undermined.

I commend my colleague, Mr. OBEY, for his amendment which sets the stage for greater additional support to the War Crimes Tribunal in the Hague. As the author of a resolution affirming support for the War Crimes Tribunal I am gratified to see us stand behind this institution with the kind of support that will make a real difference in helping the tribunal successfully fulfill its mission.

I firmly believe that the tribunal is engaged in one of the most important tasks under way today. The tribunal is dedicated to bringing to justice those who have committed crimes of such horror that we barely fathom their enormity. The tribunal will bring an end to the centuries of violence and retribution. It is this cycle of lawlessness that is the breeding ground of conflict and of war. If we can break this cycle, if we subdue the instinct of revenge, we can build a more secure future where peace will be possible.

While this bill makes several important strides forward in the advancing the cause of protecting human rights, I remain deeply troubled by the House's unwillingness to revoke IMET to Indonesia. I was honored to join my colleague from Massachusetts, Mr. FRANK, in introducing an amendment that would cut off IMET to Indonesia. I am a supporter of IMET, but this is the wrong time and the wrong place for IMET.

Finally, I want to express my reservations over the reductions in aid to some of the world's poorest nations. We face very serious budget challenges that require us to make difficult choices, and many programs which mean a great deal to my constituents are being cut and they are suffering. We must, however, continue to recognize our responsibility as citizens of this planet. We are a great and wealthy nation. We are a shining example that free people all over the world look to. Assisting those who are struggling is one of the duties of leadership.

Contrary to what many think, this aid is, and always has been, a modest part of our budget and we realize a good return on this investment. A little aid can go a long way in building democracies and free economies, and when these achievements have been secured, we live in a richer and more stable world.

In the current budget environment, we must spend our limited resources very carefully. We face serious and very pressing problems here at home, and we are not able to spend all we should on these. It is in light of these challenges that I support the bill before us. It will make America stronger.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device and there were—yeas 366, nays 57, not voting 11, as follows:

[Roll No. 228]

YEAS—366

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Burr
Burton
Buyer
Callahan
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Dellums
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Dunn
Durbin
Edwards
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamilton
Hastert
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Mink
Moakley
Molinari
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Porter
Portman
Poshard
Pryce
Quinn
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schumer
Scott
Seastrand
Serrano
Shadegg
Shaw
Shays
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Stupak
Talent
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Upton
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NAYS—57

Barrett (NE)
Beilenson
Bunning
Campbell
Chenoweth
Coburn
Combest
Condit
Conyers
Cooley
Danner
DeFazio
Doolittle
Duncan
Ehlers
Everett
Fattah
Foglietta
Gutknecht
Hall (TX)
Hancock
Hansen
Hefley
Herger
Jacobs
Jones
Laughlin
Lucas
McDermott
Meyers
Miller (CA)
Minge
Mollohan
Montgomery
Neumann
Oberstar
Payne (NJ)
Pombo
Quillen
Rahall
Roemer
Rogers
Rohrabacher
Sanders
Schroeder
Sensenbrenner
Shuster
Solomon
Stark
Stump
Tanner
Taylor (MS)
Traficant
Velazquez
Volkmer
Whitfield
Young (FL)

NOT VOTING—11

Bateman
Calvert
Deutsch
Gibbons
Harman
Hastings (FL)
Lincoln
McDade
Radanovich
Schiff
Studds

□ 1546

Mr. HEFLEY changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DEUTSCH. Mr. Speaker, I missed two rollcall votes earlier today because I was unavoidably detained. Had I been present, I would have voted "no" on rollcall vote No. 227 and "yes" on rollcall vote No. 228.

PERSONAL EXPLANATION

Ms. HARMAN. Mr. Speaker, because my flight from California was delayed, I was unable to be present to vote on several rollcall votes.

Had I been present, I would have voted "present" on rollcall 225, approval of the journal.

I would have voted "yes" on rollcall vote 226, the motion to instruct House conferees to H.R. 3103, the bill to improve the portability and continuity of health insurance coverage.

I would have voted "yes" on rollcall vote 227, Mr. FRANK's amendment to prohibit IMET funds for Indonesia.

And I would have voted "yes" on rollcall vote 228, final passage of the foreign operations appropriations bill for fiscal 1997.

PROVIDING FOR CONSIDERATION OF H.R. 3603, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 451 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 451

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI, clause 7 of rule XXI, or section 302(c) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend. At the conclusion of consideration of the bill for amendment the Committee shall rise and report to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 3603 pursuant to the first section of this resolution, the appropriate allocation of new discretionary budget authority within the meaning of section 302(f)(1) of the Congressional Budget Act of 1974 shall be $12,802,000,000. The corresponding level of budget outlays shall be $13,349,000,000.

The SPEAKER pro tempore (Mr. HEFLEY). The gentleman from Georgia is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 451 is an open rule providing for consideration of H.R. 3603, the Agriculture, Rural Development, Food and Drug Administration and related agencies appropriations bill for fiscal year 1997.

The rule provides for 1 hour of general debate divided equally between the chairman and ranking minority member of the Committee on Appropriations.

The rule waives clause 2(l)(6) of rule 11, clause 7 of rule 21, or section 302(c) of the Budget Act against consideration of the bill. The rule also waives clause 2 of rule 21—which prohibits unauthorized appropriations and legislation on an appropriations bill—and waives clause 6 of rule 21—which prohibits reappropriating unexpended balances of appropriations in general appropriations bills—against provisions of the bill.

Under the conditions of House Resolution 451, after the reading of the final lines of the bill, a motion to rise, if offered by the majority leader or his designee, will have precedence over a motion to amend.

Mr. Speaker, this rule continues two new approaches on appropriations bills that were implemented during last year's appropriations process. First, the rule accords priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD. The rule does not require preprinting, but simply encourages Members to take advantage of the option in order to facilitate consideration of amendments on the House floor and to inform Members of the details of pending amendments.

Second, House Resolution 451 provides that the Chairman of the Committee of the Whole may postpone recorded votes on any amendment and that the Chairman may reduce voting time on postponed questions to 5 minutes, provided that the vote immediately follow another recorded vote and that the voting time on the first in a series of votes is not less than 15 minutes. This will provide a more definite voting schedule for all Members and hopefully will help guarantee the timely completion of the appropriations bills.

House Resolution 451 also provides for one motion to recommit, with or without instructions, as is the right of the minority Members of the House. Finally, in section 2 of the rule, House Resolution 451 provides that the section 602(b) allocations in the budget resolution conference report will be in effect for the consideration of this legislation.

Mr. Speaker, House Resolution 451 is a typical open rule to be considered for general appropriations bills. This rule does not restrict the normal open amending process in any way and any amendments that comply with the standing rules of the House may be offered for consideration. I know of a number of Members who wish to modify the bill through the amendment process, and I look forward to a thorough debate on those measures. While a vast number of amendments is not expected, the rule permits those Members who have amendments every opportunity to offer them.

H.R. 3603 appropriates a total of $53 million, which is $10.3 billion less than was appropriated last year and is $5.8 billion less than the amount requested by the President. The Appropriations Committee has once again had to balance a wide array of interests and make tough choices with scarce resources.

Specifically, the bill provides $8.7 billion for child nutrition programs which is $706 million more than last year and $3.7 billion in funding for the special supplemental nutrition program for women, infants, and children. It also provides $768 million for conservation programs, $1.87 billion for rural economic and community development programs, $27.6 billion for the food stamp program, and $7.41 billion for agricultural programs. It is also important to note that the appropriations and authorizing committees provided full freedom to farm contract funding.

I also wish to note that, under title 6 funding for the Food and Drug Administration, the Appropriations Committee has redirected funds from program management to assist with the medical device approval process. For some time, the FDA has not met its deadlines for approval of some food additive petitions, drugs and medical devices and I hope that we have sent the message that this Congress expects the FDA to meet their statutory approval requirements.

As we work to get our fiscal house in order, we must ensure that all funding is spent efficiently and where it is needed most. This bill achieves this goal. Notwithstanding the constraints we now face after decades of fiscal irresponsibility, H.R. 3603 effectively funds programs for food safety, human nutrition, rural development, environmental conservation and agricultural research. In terms of our agricultural base, we must assure the well-being of our farmers, the health and nutrition of our citizens and the state of the environment. This bill responsibly maintains functions that are crucial to the health and safety of the American consumer and the future success of this Nation's farming communities.

H.R. 3603 was favorably reported out of the Committee on Appropriations, as was the open rule by the Rules Committee. I urge my colleagues to support the rule so that we may proceed with general debate and consideration of the merits of the bill.

Mr. Speaker, I submit the following material for the RECORD:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of June 10, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open[2]	46	44	72	59
Structured/Modified Closed[3]	49	47	33	27
Closed[4]	9	9	17	14
Total	104	100	122	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of June 10, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of June 10, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	
H. Res. 450 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume and I thank my colleague from Georgia, Mr. LINDER, for yielding me the time.

Mr. Speaker, House Resolution 451 is an open rule which will allow full and fair debate on H.R. 3603, a bill appropriating $52.7 billion in fiscal year 1997 for agriculture, rural development, Food and Drug Administration, and related agencies.

As my colleague from Georgia has described, this rule provides 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations.

Under this rule, germane amendments will be allowed under the 5-minute rule, the normal amending process in the House. All Members, on both sides of the aisle, will have the opportunity to offer amendments.

The Rules Committee reported the rule by a voice vote.

I recognize that the Appropriations Committee was forced to make difficult choices in allocating a shrinking pie. However, I am disturbed with the levels appropriated under title II of Public Law 480 Food for Peace Program which provides American-grown food to foreign countries to combat hunger and malnutrition.

With the greatest agricultural productivity in the world, the United States is the best positioned nation to provide international food aid. However, since 1993, the quantity of U.S. food shipped to hungry people of the world has already been cut in half. As the United States has backed away from its responsibility, so have other donor nations.

The committee approved the President's request of $837 million for this program, which is an increase of $16 million over last year's level. However, because grain price increases exceed the funding increase, the result will severely erode the purchasing power of Food for Peace and drive down to record lows the amount of food that we send to poor countries.

The money in this bill for title II will only purchase an estimated 1.8 million metric tons, falling well short of the 2.25 million metric ton minimum floor level authorized in the 1995 farm bill.

This represents a meager 23 percent of the amount shipped only 4 years earlier.

I want to stress that the money is used to purchase American-grown commodities. Thus, this program has a direct benefit to our own farmers, processors, shippers, ports, baggers, fortifiers, and workers.

The prospect of any further cuts in U.S. food assistance is especially alarming in light of recent reports from the Department of Agriculture and the U.N.'s Food and Agriculture Organization that point to a looming gap between food needs and supplies. Conditions in Africa are especially alarming, with an estimated 22 million people facing a food emergency and 9 million at risk of malnutrition in east Africa alone.

During the Rules Committee consideration of this bill, I requested a waiver to offer an amendment that would have permitted a transfer of money from the Export Enhancement Program to the Food for Peace Program at the discretion of the Agriculture Secretary. My proposed amendment was similar to a provision in the farm bill that was adopted on the House floor last year, but that was later dropped in conference. The amendment would not require any program to be cut. However, the committee rejected my request.

Mr. Speaker, I am disappointed that I will not have an opportunity to offer my amendment. I will continue to look for a way to at least maintain the amount of food aid we give to poor countries because I believe that we have a moral responsibility as a world leader, because I believe that our Food for Peace Program helps American farmers and has the support of the American people, and because I know this program means the difference between life and death for millions of people.

Unless more funds can be added to this account, the United States will be unable to respond to food emergencies around the globe and many could die. Our Nation has the power to avert this tragedy.

I am frustrated that we refuse to use that power to save lives.

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Mr. Speaker, I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GOSS], a colleague on the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank my friend from Tucker, GA, for yielding me this time. I rise in strong support of this fair and open rule. When it comes to the core congressional responsibility of spending, and savings, Americans' tax dollars, it is vital that all Members have the opportunity for direct input. It is through open rules that we provide this opportunity to those Members who do not sit on the Appropriations Committee, and I am pleased to note that our record for rules on appropriations bills this year is 100 percent open.

Mr. Speaker, this Congress' record on restoring fiscal responsibility is also impressive. It is hard to believe that just 2 years ago our congressional budgets never sought to reach balance—now we are on a glidepath to balance the budget by 2002. It hasn't been easy to do; we've met with strong resistance from the White House and others, but we have persisted and I applaud Chairman LIVINGSTON and the Appropriations Committee for having the strength and the courage to stay the course. Of course, there will always be areas of disagreement over specific issues, and the bill before us today—the agriculture appropriations bill—has its share of controversial provisions. Under this open rule, I look forward to a full debate on all of these important spending decisions. I urge my colleagues to support this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume to say that at the beginning of this Congress the Republican majority claimed the House was going to consider bills under an open process, and I would like to point out that 65 percent of the legislation this session has been considered under a restrictive process, and I include for the RECORD information regarding same.

The information referred to follows:

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 63	Open	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive	N/A.
S. 2	Senate Compliance	N/A	Closed	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1530	National Defense Authorization Act; FY 1996	H. Res. 164	Restrictive	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive	2R/2D.
H.R. 743	The Teamwork for Employees and Managers Act of 1995	H. Res. 226	Open	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive	1D.
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive	1D.
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive	1D.
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive	5R.
H.R. 2539	ICC Termination	H. Res. 259	Open	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed	2R.
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed	1D; 2R.
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed	N/A.

PROCEDURE IN THE 104TH CONGRESS 2D SESSION

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed	N/A.
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed	N/A.
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; Rule tabled	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social Security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive	2D/2R.
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed	N/A.
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed	N/A.
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive	N/A.
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive	1D
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open	N/A.
H.R. 2715	Paperwork Elimination Act of 1996	H. Res. 409	Open	N/A.
H.R. 1675	National Wildlife Refuge Improvement Act of 1995	H. Res. 410	Open	N/A.
H.J. Res. 175	Further Continuing Appropriations for FY 1996	H. Res. 411	Closed	N/A.
H.R. 2641	United States Marshals Service Improvement Act of 1996	H. Res. 418	Open	N/A.
H.R. 2149	The Ocean Shipping Reform Act	H. Res. 419	Open	N/A.
H.R. 2974	To amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims.	H. Res. 421	Open	N/A.
H.R. 3120	To amend Title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.	H. Res. 422	Open	N/A.
H.R. 2406	The United States Housing Act of 1996	H. Res. 426	Open	N/A.
H.R. 3322	Omnibus Civilian Science Authorization Act of 1996	H. Res. 427	Open	N/A.
H.R. 3286	The Adoption Promotion and Stability Act of 1996	H. Res. 428	Restrictive	1D; 1R.
H.R. 3230	Defense Authorization Bill FY 1997	H. Res. 430	Restrictive	41 amends; 20D; 17R; 4 bipartisan
H.R. 3415	Repeal of the 4.3-Cent Increase in Transporation Fuel Taxes	H. Res. 436	Closed	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 3259	Intelligence Authorization Act for FY 1997	H. Res. 437	Restrictive	N/A.
H.R. 3144	The Defend America Act	H. Res. 438	Restrictive	1D.
H.R. 3448/H.R. 1227	The Small Business Job Protection Act of 1996, and The Employee Commuting Flexibility Act of 1996.	H. Res. 440	Restrictive	2R.
H.R. 3517	Military Construction Appropriations FY 1997	H. Res. 442	Open	N/A.
H.R. 3540	Foreign Operations Appropriations FY 1997	H. Res. 445	Open	N/A.
H.R. 3562	The Wisconsin Works Waiver Approval Act	H. Res. 446	Restrictive	N/A.
H.R. 2754	Shipbuilding Trade Agreement Act	H. Res. 448	Restrictive	1R.
H.R. 3603	Agriculture Appropriations FY 1997	H. Res. 451	Open	N/A.

*Contract Bills, 67% restrictive; 33% open. **All legislation 1st Session, 53% restrictive; 47% open. ***All legislation 2d Session, 65% restrictive; 35% open. ****All legislation 104th Congress, 57% restrictive; 43% open. *******Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

Mr. LINDER. Mr. Speaker, I yield back the balance of my time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SKEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3603 and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. HEFLEY). Is there objection to the request of the gentleman from New Mexico?

There was no objection.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore (Mr. HEFLEY). Pursuant to House Resolution 451 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3603.

The Chair designates the gentleman from Virginia [Mr. GOODLATTE] as Chairman of the Committee of the Whole, and requests the gentleman from Georgia [Mr. LINDER] to assume the chair temporarily.

□ 1603

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes with Mr. LINDER (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New Mexico [Mr. SKEEN] and the gentleman from Illinois [Mr. DURBIN] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from New Mexico [Mr. SKEEN]

Mr. SKEEN. Mr. Chairman, I am pleased to bring before the House today H.R. 3603, a bill making appropriations for fiscal year 1997 for Agriculture, Rural Development, Food and Drug Administration and Related Agencies.

This bill is the product of 15 days of hearings conducted in March and April. We have published seven volumes of hearing records totaling 5,775 pages, with all the budget presentations and the full testimony of 304 witnesses including 19 Members of Congress.

Mr. Chairman, the bill was voted out of the subcommittee unanimously on May 30 and from the full committee on June 6. It was filed on June 7 and the copies of the bill, as amended, and the report have been available since Monday morning.

Our original allocation required us to cut nearly $1 billion in budget authority from $13 billion in discretionary spending, a nearly impossible task. However, our allocation situation improved considerably up to the day of the full committee markup, making our situation still difficult but much better than the original one, and for that I want to thank the gentleman from Louisiana, Chairman LIVINGSTON, for his help and his understanding of our situation.

Mr. Chairman, I would like to make clear for the benefit of all my colleagues, because we had several inquiries today, that the extra allocation mentioned in the press this morning is already factored in our bill. No extra allocation was given to this subcommittee that was not already factored into the full committee markup last week.

The bill totals $52.7 billion in budget authority, which is $10.4 billion less than fiscal year 1996, and $5.8 billion less than the administration requested. The mandatory spending total in the bill is $39.9 billion and the discretionary is $12.8 billion.

This bill meets our targets for both budget authority and outlays. In discretionary spending the bill reduces the budget authority by $509 million and outlays by $228 million from fiscal year 1996.

Our priorities for funding this year, I think, are shared by most Members of the House, regardless of party. They are nutrition, food safety, research, rural development and the maintenance of programs that keep American agriculture strong and progressive.

Like all the appropriations subcommittees, we were severely hampered by the very late arrival of th Administration's budget, and complicating our task was the fact that the Administration budget proposal did not reflect the reality of the recently passed farm bill.

Mr. Chairman, I would like now to summarize some of the major spending and saving elements of the bill.

The reorganizing and streamlining of the Department of Agriculture, which began in the Bush administration, continues. Some 43 agencies have been reduced to 29, and the work force has been reduced by 10,000 staff years since 1993. Our bill reduced Farm Service Agency salaries by more than $48 million from fiscal year 1996.

Nearly two-thirds of the USDA budget is spent on nutrition and feeding programs, mainly mandatory programs such as food stamps and school lunch. WIC—the Women, Infants and Children feeding program—is a discretionary account but it may be the most important one we have in our jurisdiction. WIC is maintained at last year's funding level but with a substantial carryover. Some of this carryover may be directed to other critical programs at the discretion of the Secretary of Agriculture.

Child nutrition programs, including school lunch, school breakfast, and the child and adult food programs are funded at $8.7 billion.

Spending on rural development has been reduced by more than $258 million from fiscal year 1996 but we have consolidated programs and given the administration the flexibility it requested to better meet the requirements of each individual State.

Before I conclude, Mr. Chairman, I must say I read with considerable disappointment statements in the press attributed to Secretary Glickman regarding funding levels for rural development. When I met with the Secretary about a month ago to discuss the Fund for Rural America, he was not able to indicate what plans the administrations had for this new $100 million program, even though he personally lobbied for its inclusion in the

Farm Bill 3 months earlier. The administration also continues to ignore the serious problem for loan programs caused by the rise of interest rates.

Furthermore, the subcommittee was told back in February that an additional $36 million would be transferred from WIC carryover funds into rural and water and sewer programs, which the administration claims he is a very high priority with them. This authority was given to USDA in the fiscal year 1996 appropriations bill and, as of last week, those funds have still not been transferred.

I would strongly suggest to the Secretary, with the best of intention, that the best use of time and resources at USDA is in planning and executing actual projects that benefit rural America and not in the issuing of vague press releases and endless bureaucratic turf battles.

Mr. Chairman, I would like to thank all the members of the subcommittee and their staffs for their help on this bill, and they have all made substantial contributions. To my Republican friends, the gentleman from Indiana, JOHN MYERS, the gentleman from New York, JIM WALSH, the gentleman from Arkansas, JAY DICKEY, the gentleman from Georgia, JACK KINGSTON, the gentleman from California, FRANK RIGGS, the gentleman from Washington, GEORGE NETHERCUTT, and the gentleman from Louisiana, our full committee chairman, BOB LIVINGSTON. And to my Democratic friends, the gentleman from Wisconsin, DAVE OBEY, the distinguished ranking member of the committee, the gentleman from Illinois, DICK DURBIN, who is ranking on the subcommittee, the gentlewoman from Ohio, MARCY KAPTUR, the gentleman from Arkansas, RAY THORNTON, the gentlewoman from New York, NITA LOWEY, and the gentleman from California, VIC FAZIO. I would also like to commend the staff, headed by Mr. Tim Sanders, with Carol Murphy and John Ziolkowski, and also the USDA detailee, Martin Delgado, and my own personal member of that committee, Mr. Jaime Castillo.

Mr. Chairman and Members of the House, this bill supports programs that benefit every one of your constituents every day. It has nutrition programs for the young and the elderly, conservation programs that not only protect farmland but protect the watersheds that provide drinking water to our cities, food safety inspection, drug and medical device programs for every American consumer, and trade and rural development programs that support millions of jobs in rural and urban areas.

We have met our balanced budget obligations and we have done our best to meet the needs of food and fiber producers, consumers, public health and safety in rural America. It is a bipartisan bill to which Member on both sides of the aisle have made a contribution.

Mr. Chairman, last year we were given strong bipartisan support for the bill as passed by the House and the conference report. As a result, the bill was signed into law quickly after passage, and not one day, I repeat, not one day was lost in providing your constituents with the important programs in this bill. There was no shutdown in agriculture.

This bill deserves that same kind of support and treatment again this year, and I respectfully ask for my colleagues' help and their vote on final passage.

Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume, and I want to thank the gentleman for recognizing me to claim the other side's opening time.

I would like to salute first my colleague from New Mexico for a fine job under very difficult circumstances.

Mr. Chairman, we all know we are serious about budget deficit reduction, and as we have learned many years ago in the Committee on Appropriations, we deal in the reality of limited funds and unlimited needs. Our subcommittee, like so many others, has tried to fairly balance those two opposing situations. I think we have done a good job, although I will say there are some parts of it that I would like to have seen us do a little better job on.

Most people, when they hear the budget for the U.S. Department of Agriculture, think in terms of farmers and ranchers and do not think about the other major responsibilities of the department.

The gentleman from New Mexico [Mr. SKEEN] properly noted the responsibility of this department in the area of nutrition. One of the programs that I have focused on in my tenure in the House of Representatives, serving on the subcommittee, is the WIC Program, the supplemental feeding program for women infants and children. It is a program which is designed to help low-income mothers during their pregnancy and, after they have given birth, to raise healthy children.

I happen to think it is one of the single most important investments that U.S. taxpayers make. This program literally reaches and helps 40 percent, 40 percent of the infants in America. We are talking about a program that is essential to make certain that babies are born strong, healthy, with a fighting chance to become productive citizens.

This program, through the U.S. Department of Agriculture, is a Godsend in many parts of America where, otherwise, pregnant mothers would go without this assistance, counseling, and nutritional advice, and the basic foodstuffs that feed them during their pregnancies. And children, of course, new to the world, in those formative months, need the very best. This program was worked to make sure this happens.

Mr. Chairman, I am happy my colleague from New Mexico shares my dedication to this program. It should be bipartisan. It is a bipartisan program. I think our goal is to reach some 7.6 million, I am not certain of the exact figures as I stand here, by the end of this next fiscal year. And I hope we can do that in a bipartisan fashion.

We are hopeful that what we have done in this bill will provide the necessary funds for WIC to meet its goal of enrollment. I think the subcommittee has spoken informally, and we should put on the record here our commitment to return, if necessary, and ask for additional funds, if needed, to make sure the WIC Program is not underfunded. I hope that it is not.

I believe we have taken care of them, and if that is not the case, then I think there is a general feeling that we must return and make sure that is done.

Mr. Chairman, let me speak about several other items in the bill that I think are important.

□ 1615

Agriculture research is often overlooked by people. We have colleagues of ours on the floor of the House who like to stand at these microphones and giggle about the names of some of these ag research projects. The Pink Bull Work project, they giggle. The Boll Weevil Eradication project. The Screw Worm project, and their sides are bursting as they laugh about the names of these projects.

Little do they know that the critical research that is being done in these areas is absolutely essential, not only for the farmers and ranchers involved, but for consumers and environmentalists. Our efforts to eradicate pests that attack cotton in America are essential because that is one of the crops that uses so many ag chemicals. As we find ways to reduce the pests assaulting cotton, we reduce the need for the use of ag chemicals and potential danger from runoff.

So I hope that some of my friends, particularly from the city, who like to get a good belly laugh over some of these ag research programs would be honest enough to take the time, as I have, to understand how important these programs are.

Mr. Chairman, I am sorry that we have had to cut back on ag research. It is an area where we should be spending our money and our investment.

I have to commend the chairman for the $30 million additional in the Food Safety and Inspection Service. Each of us in America takes for granted the safety of meat and poultry and fish and food products that we buy at the grocery store. If we travel to a Third World country, we not only worry about the purity of the drinking water and the safety, but also the safety of the food that is being served to us. Has it been cooked long enough to be safe to eat?

That is usually not a concern in the United States because we have a good Food Safety and Inspection Service. We are in the process of making it dramatically better by moving to new technological ways to measure the danger to consumers and to go after them. This investment of $30 million will help us reach that goal so that the hundreds and sometimes thousands of Americans who suffer from food contamination each year will be protected.

The cutback in funds for soil and water conservation is hurtful, and I hope that we can revisit this at some time in the future to restore some of these funds. It is an essential part of any effort to keep the environment clean, and I can tell my colleagues that our friends who live in rural areas are anxious to be part of that partnership.

These are families that live on farms and drink the water out of wells a few hundred feet away from the crops that are being planted. They want their water safe in the wells around the farms and they do not want the runoff to endanger the drinking water of any other American.

I also want to say that the rural development funds are down in amount, up in flexibility. We are going to find out whether that works; if we give the department more flexibility in rural development, whether it is in water or sewer development, whether that can overcome a cutback in some funding. When it comes time for budget deficit reduction we often have to make that kind of a choice.

This is a good bill. There are parts of it that I disagree with. That is not unusual. There were parts that I disagreed with when I was Chair of this subcommittee. But we have to bring a bill to the floor that is an honest compromise to achieve the purpose of this subcommittee and this appropriation. My colleague from New Mexico has done that. I salute him for it. Though we may disagree from time to time on the floor, our friendship and collegiality are never in jeopardy and it will not be in the course of this debate.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank my friend, the gentleman from Illinois [Mr. DURBIN], who is leaving this body to go to the never-never land of the endless quorums. I want to say that we certainly have had a great relationship. This is what this is all about. Notwithstanding party differences, that has been a small item.

Mr. Chairman, it has been a delight to work with the gentleman when he was chairman. The gentleman gave me the model of what a chairman should really do and be like, and I appreciate that very much.

It is sweet just to be able to return a favor in kind. I want to wish the gentleman well, up to a point. We are not going to measure that point at all. Mr. Chairman, he is a great gentleman, DICK DURBIN, and it was a great pleasure to serve with him.

Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I thank the chairman for yielding me this time. I, too, rise in support of this legislation, this appropriation.

Mr. Chairman, as has been said already, I guess the best that can be said is that it is adequate. It is not the appropriation many of us would like to see if we had a free hand in spending the taxpayers' money. Maybe it is a good thing we do not have that free hand.

One area that I think we are making a mistake, and the gentleman from Illinois [Mr. DURBIN] mentioned this, is ag research. Farmers today, this year if they were financially able to carry their crops and their grain into later this year, made a profit. But they have been able to make a profit because we have been able to research to increase yields with less costly production, and we have been finding more uses for agricultural products through research.

So, Mr. Chairman, this is one area that I think we are making a mistake, and it is not the fault of this subcommittee but it is the fault of the system, that we ought to be making more money available for research because that is what is going to keep the American farmer in production, keep the American farmer on the farm and, most importantly, will keep them competitive in the world.

Much of the world today would like to buy foods. Many of the countries that need it worst do not have the money to buy from the United States. We have the capacity, thank goodness, in this country to produce more than we use.

So if we can continue the research to be competitive in the world, giving farmers the tools that they can produce a crop cheaper and therefore be able to sell it cheaper and still stay in business, this is what we should be doing. This appropriation unfortunately, through no fault of this subcommittee, does not do as good a job in research as we would like to do.

Mr. Chairman, I thank the gentleman from New Mexico [Mr. SKEEN] for the time, and I thank the staff and everyone who has worked so hard for this bill.

Mr. DURBIN. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, the first thing I would like to do is to say something about the gentleman from Illinois [Mr. DURBIN], who as Members know is serving his last year in this House because he has had the bad judgment to decide he wanted to run for the U.S. Senate.

Mr. Chairman, I think that it is fair to say that if people put together any list of the 10 Members of Congress who they would describe as being the most honest and the most passionate in terms of defending the public interest, the gentleman from Illinois [Mr. DURBIN] would be on it.

There is no question that any time he comes to the floor he knows his subject. He is speaking because of what he believes, and he always does it with grace and with honor, and I think has represented the finest traditions of the history of this House. He is as close to a perfect definition of being a true public servant as any human can possibly be.

We are going to miss him greatly. We are going to miss his talent. We are going to miss his sense of fairness. We are going to miss his sense of judgment and his insistence on always putting the public interest first.

That does not mean I have always agreed with him. I have not. But he has been a tremendous addition to this committee and this House. He is a worthy and will be a worthy successor to PAUL SIMON. He is in that tradition of clean as well as effective government, and he continues that proud tradition that Senator Paul Douglas established so many years ago. He was Mr. Integrity. Senator Douglas was also a man who understood as much about the way this economy works as almost anybody in the history of this Congress.

I think the people of Illinois and the people of America will be served by Mr. DURBIN's service in the other body, should the people of Illinois be wise enough to elect him to the U.S. Senate, and I am confident they will.

I would also like to take a moment to talk about this bill. It is being brought to the floor by a chairman, the gentleman from New Mexico [Mr. SKEEN], who everyone understands is a legislator's legislator. He always finds a way to try to work out problems in a fair-minded and intelligent way, and he has performed in fine, bipartisan tradition, and I respect that very much. I enjoy the opportunity to serve in the same Congress with the gentleman.

Mr. Chairman, I would like to make just a couple of comments about the bill itself. Coming from a rural district, I regret the fact that the committee could not find a way to provide more support for rural sewer and water. Members have to come from a rural district to understand how important programs like that are.

I have many communities in my district that are 200, 300, 400 people; not exactly the large metropolitan areas of this world. I have many, many communities, the majority of households from those communities are headed either by women or someone who is retired. Communities like that do not have the income base, they do not have the property tax base to meet the environmental cleanup needs that face so many of those communities.

They really need much more help than they are getting from both their State governments and the Federal Government, and I think that we have an obligation to try to find ways to provide more help to them because they are, in essence, when they are faced with environmental cleanup requirements, they are faced with the responsibility to clean up problems that somebody from yesterday left those communities.

I hope that as this bill moves through the process, we will find ways to help those communities more.

Second, I have to say a word about something that is not in this bill. The last farm bill that went through this House, the authorizing bill, contained a provision which allows a few States in the northeast section of the country to set up what I would define as a dairy cartel. Under that proposal, the northeastern States can band together. They can, in effect, establish tariffs on dairy products that are produced outside of the northeast region and sold in that region of the country.

That cartel could also be used to artificially subsidize dairy products that are exported from that region of the country into other regions of the country. I do not believe that that is fair to my farmers. I do not think it is fair to farmers in any other section of the country.

When we add that to the already egregious and incredibly unfair milk marketing order system which will pay farmers from one region of the country $2 and $3 per hundred pounds of milk more than they will pay them if they come from my region of the country, I think that that is just another example of how the Federal Government has screwed up national dairy policy.

Mr. Chairman, I would like to offer an amendment which eliminates that provision, but I think, frankly, there is no point in doing that, given the way things have been brought about in this Congress on that provision. But I would certainly hope that the administration itself does not allow that northeast dairy cartel to come into being, and if they proceed to try to do it, I would hope that in the courts it would be declared unconstitutional.

I wish that there were a way to effectively get at that in this bill. I have been thinking about offering an amendment, but I recognize reality, and I think we will have to rely on the administration and the courts to do what needs to be done to provide fairness and justice for farmers in all regions of the country.

With that, Mr. Chairman, I again congratulate the gentleman from Illinois and wish him well in the election, and I thank the gentleman from New Mexico [Mr. SKEEN], chairman of the subcommittee, as well.

Mr. DURBIN. Mr. Chairman, I thank the gentleman for his kind remarks.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I say once again that I thank the gentleman from Wisconsin [Mr. OBEY] for the kind words. He can be a meddlesome individual at times; he has been anything but that. It is a pleasure working with him and I admire his style and his tenacity. I just do not admire some of the things that he says. That is a fair given. But the gentleman from Wisconsin is a great gentleman and I appreciate it.

Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Chairman, I rise today in strong support of our bill, H.R. 3603, and its accompanying report that provides funding for agriculture, rural development, Food and Drug Administration and related agencies.

☐ 1630

I commend the distinguished chairman, the gentleman from New Mexico [Mr. SKEEN], and the ranking member, the gentleman from Illinois [Mr. DURBIN]. I tell both of them that I enjoyed very much working with them and the cooperation that they have shown me throughout this process and to all of us.

I would also like to thank the subcommittee staff for the great work that they did.

In this bill we have had to make very difficult choices. The subcommittee had to reduce discretionary spending by over $500 million, causing painful reductions in rural housing and development programs. Nevertheless, we have continued to provide sufficient funding for critical agricultural research. In fact, we increased it by $47 million, and the total amount for ag research is $1.5 billion.

Spending on agriculture research enables the American farmer to deliver an abundant and affordable food supply to a largely urban population and to a hungry world and provides for a large portion of the American trade surplus.

I am also glad to report that this bill provides critical funding for conservation programs. Conserving, improving, and sustaining our natural resources and environment has to be one of our Nation's top priorities. Agriculture today is facing greater challenges than ever before in meeting public demands for environmental protection. Agriculture has been identified as a major contributor to nonpoint source water pollution. In fact, water quality is the most rapidly emerging issue impacting on agriculture today.

This appropriations bill provides the Soil Conservation Service with the necessary resources to provide planning and technical assistance for watershed projects and to help farmers implement conservation compliance plans on highly erodible lands. With many of our Nation's rivers and lakes being threatened by agricultural related nonpoint source pollution, we need to utilize best management practices to conserve our soil and water resources. These practices would include soil erosion control, animal waste management, plant nutrient management, the building of manure lagoons and pesticide and chemical management. The benefits from this conservation planning will result in reduced erosion and sedimentation, cleaner water, reduction of health hazards, improved fish and wildlife habitat, and protection of wetlands and flood prevention.

In this bill we are also able to expand the wetlands reserve by providing an additional 130,000 acres of wetlands. Last year the committee was not able to provide any funding for this program. While I would have liked to have seen more lands set aside for wetlands protection, this committee has added eight new States to the Wetlands Reserve Program and enrolled 130,000 additional acres so that we can better preserve and protect our precious wetlands.

This bill was a real challenge in terms of our priorities, but we strongly funded our nutrition programs. We increased funding for the School Lunch Program, the School Breakfast Program, the Child and Adult Program, Food Program, the Food Stamp Program, the Emergency Food Assistance Program; all of these programs were increased in funding.

There was a lot of political hay made last year about cut, cut, cut, cut, cut, but a lot of untruths were being told at the time. All of the nutrition programs in fact are increasing. WIC was held constant, however. There was a large surplus carried over from last year that will help to fund the program. We are committed to the nutrition of this Nation and to providing everyone who is in difficulty with the proper nutrition that we can and should provide.

Mr. Chairman, I strongly, again, appreciate your hard work on this and the ranking member and urge its adoption.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Chairman, I should say that I echo all of those wonderful remarks that have been made both for the gentleman from New Mexico [Mr. SKEEN], and for the gentleman from Illinois [Mr. DURBIN]. So I will not take my 2 minutes, but you know that they are well meant.

What I do want to bring up though is that the issue of research and research has become a very important part of the agriculture industry, not only for things to provide a safer and better food product for our country and our citizens but also to help control some diseases that can potentially have some very adverse effects on very important products that are grown within our States.

In this particular issue, the State of Florida, with oranges, last fall the USDA had identified a brown citrus aphid infestation is some parts of Florida. This actually is something that transmits CTV which can pose a very formidable threat to our industry. It actually has not only and will not only hit Florida, but it also has an opportunity to go into Arizona, California, and Texas. Most of this is commercial but some of this is backyards.

What we are asking is that we look at some of these areas in the eradication of the brown citrus aphid. I think there is some money in this bill for some in California, but there is maybe not too much in Florida. So I am just raising the issue on the floor so that, as we go into conference, we might be able to look at where there has been some identifiable issues and that we might look at this as we go into conference and hopefully help Florida with their actual $8 billion, $9 billion industry and the economy to the State of Florida.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, if I may, may I compliment both sides. I do want to compliment the fairness as well as the tireless service that the ranking member has provided and the fairness that the chairman has provided.

I do want to raise the issue about rural development because I spoke on this floor before about rural development and on both sides we acknowledged there was a need.

As I remember, when it went to conference, we had to work it out with the Senate in order to get $400 million. Again, you can say that is flexibility. But apparently we in the House somehow will not rise to the occasion to provide more money. We have to depend on the Senate to do that. I would hope that since it is not in the bill as much as it should be, we will do it.

One other area I am very much concerned is the lack of the appropriation at the level for minority farmers. Again, that is an area of concern. Five years ago there was considerably more commitment. Over the years we never have met that commitment. I would hope that we would find the opportunity to provide for those resources.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would like to enter into a colloquy with the gentleman from New Mexico, chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

After reviewing the report of the Agriculture, Rural Development, FDA, and Related Agencies appropriations bill, I am very concerned about the funding level of the 502 Rural Housing Direct Loan Program. The committee bill provides $83 million for the 502 Direct Program. This is a reduction of $67.8 million from the 1996 level. As the Chairman knows, the 502 Direct Program provides funds for home mortgage loans for low-income residents of rural areas who do not have adequate access to private mortgage programs or other Government housing programs.

However, to offset this reduction, the committee report states that it intends that the $100 million made available under the Freedom to Farm Act be used for rural, housing, development and research programs beginning January 1, 1997.

Last year, the gentleman from New Mexico worked with me and other supporters of rural housing to improve the final 1996 funding level for the 502 Program. I would like the gentleman's assurance that he will continue to work with me to ensure adequate funds are made available from the fund for rural America for the 502 Home Loan Program. And, if possible, to provide additional direct funding for the 502 Program during conference with the Senate on this legislation.

Mr. Chairman, I yield to the gentleman from New Mexico [Mr. SKEEN] for his response.

Mr. SKEEN. Mr. Chairman, I thank the gentleman from Delaware who has been one of the strongest and most consistent supporters of rural development programs. As a former Governor, he is particularly knowledgeable about their benefits.

I know that these programs are not funded at the level that the gentleman would like to see or for that matter that I and other colleagues would like to see. But the appropriations process is about hard choices and that is what we have done here in order to meet our goal of balancing the budget and funding critical programs.

I would like to point out to the gentleman that the fund for rural America will make available $100 million on January 1, 1997 and $200 million more in the 2 succeeding years. This money is over and above what is in the bill now. We have instructed the Secretary to use this fund as a primary backup for critical housing, water and sewer programs. I will be happy to work with the gentleman to follow up on this also.

We have provided for the transfer of excess WIC money, as we did last year, at the Secretary's discretion. Finally, I want to assure the gentleman that rural housing and our other rural development programs are among our highest priorities. If there is a possibility to find additional funding in the conference with the Senate, we will certainly give it a try.

Mr. CASTLE. Mr. Chairman, I thank the gentleman.

Mrs. CLAYTON. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentlewoman from North Carolina.

Mrs. CLAYTON. Mr. Chairman, I also want to join in support of the gentleman from Delaware [Mr. CASTLE] who we joined in an amendment last time on the 502 housing. In that rural America has more than just housing, it gives to the administration flexibility for housing, rural development as well as for minority farmers.

Could the gentleman affirm what the level for minority farmers and small farmers in the rural fund may be?

Mr. SKEEN. Mr. Chairman, if the gentleman will continue to yield, fund for rural America is whatever the Secretary chooses. He has that discretion within the budget to do it and the fund for rural America.

Mrs. CLAYTON. Mr. Chairman, how about the disadvantaged farmers?

Mr. SKEEN. One million in our bill.

Mrs. CLAYTON. Separate in your bill?

Mr. SKEEN. In our bill.

Mrs. CLAYTON. But they have flexibility in rural America as well?

Mr. SKEEN. Yes.

Mrs. CLAYTON. You remember there was a discussion about at least moving it up to 2 million. There was not any acceptance of that at all?

Mr. SKEEN. Well, we just could not push it through the screen that way because we had very severe shortages in funding so we had to leave it at the level we had it. I am sorry that we could not raise it to $2 million.

Mr. DURBIN. Mr. Chairman, I yield 4 minutes to the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK of Hawaii. Mr. Chairman, I regret I have to break the harmony of the comments on the floor, as the Chair has noted, but I must rise in great distress over a provision that has been included in this appropriation bill. That has to do with the sugar program.

In the bill that we have today, there is a section that places a cap on the raw sugarcane prices that the growers may expect to receive. I find that decision of the committee to lay on the sugar program a limit, a cap as to what the growers can expect to receive as an unconscionable interference with the market.

We have heard on the floor so many times Members belaboring the fact that we have to support open commerce, free enterprise, free trade and allow market conditions to determine the fate of our commerce, especially in the agricultural area. Yet we have before us today an amendment to the appropriations bill which is legislation on an appropriations bill, by the way, which sets a cap at 21 cents.

I have sent letters to members of the Committee on Appropriations indicating that if this cap were permitted to remain in the legislation, and I hope it does not when it goes to conference, I hope it is removed, I hope the Senate does not do the same thing, because the effect in my district will be to actually eliminate the potential for our industry because we cannot produce it at 21 cents.

Sugar, the cost of production of sugar in my district ranges around 22 cents, 23 cents. I have been informed by the cane growers on the island of Kauai that if this bill becomes law and the cap remains on the price of cane sugar, that they will be driven out of business. That is thousands of jobs in my area.

I do not believe that that is the intent of this body. We had an effort here to kill the entire sugar program not too long ago. We were able to defeat that amendment.

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So this House has spoken already, that such an effort is contrary to the best interests of this country. Yet we have this amendment which has been placed in this bill, and I am going to be forced to vote against the bill because I cannot vote against a major portion of the industry of my State.

The Department of Agriculture advises us that they will not know how to even implement this type of restriction. As far as these experts in the Department can determine, the only way that they can regulate and assure the enforceability of a 21-cent cap is to increase the imports.

So the Department says that they are unclear as to what the mechanisms for enforcing it are. They do not really know what the refiners are paying. In some States, I understand there is a kickback or a discount on the price, and so their only ability to regulate a 21-cent price cap for the growers is through an influx of more imports in the sugar area, and that, of course, will be extremely destructive for the rest of the sugar industry in Florida, in the beet sugar areas.

So I submit that this idea comes from those who wish to destroy the industry, and they have had their chance here. They brought their amendment to destroy by eliminating the program, and they were defeated, and so this effort is simply another backdoor way of making sure that our domestic industry goes down.

So I plead with the Members of this House to remember the debate with respect to the repeal of the sugar program and vote against the passage of this bill.

Mr. BEREUTER. Mr. Chairman, this Member rises in support of H.R. 3603, the Agriculture appropriations bill for fiscal year 1997.

Mr. Chairman, this Member certainly recognizes the severe budget constraints under which the full Appropriations Committee and the Agriculture Appropriations Subcommittee operated. This Member is especially pleased that the earlier funding problems were resolved so that there will be full funding for the protection flexibility contracts authorized in the farm legislation enacted earlier this year. Clearly, this is good news for our Nation's farmers.

This Member is also grateful and pleased that this legislation includes funding for several important projects of interest to the State of Nebraska.

First, this Member is pleased that H.R. 3603 includes $15.7 million for hazardous waste management and that the report includes language regarding the need to conduct a private water well quality assessment related to the health risks of communities in Nebraska and other States due to the use of fumigants in Commodity Credity Corporation grain storage sites.

This Member would like to take this opportunity to draw attention to a potentially serious problem facing a large number of communities throughout Nebraska and Kansas, and undoubtedly elsewhere too—and including this Member's hometown of Utica, NE. These problems resulted from the use of fumigants containing carbon tetrachloride by the USDA through stored Commodity Credit Corporation grain in Nebraska and other States, primarily from the 1940's through the early 1970's. Carbon tetrachloride contamination of the groundwater at many of these sites is a serious problem. Approximately 290 communities in Nebraska and 268 in Kansas has USDA grain bin storage sites and potentially remain at risk because the problem has not been fully investigated and addressed in many of these communities. As previously mentioned, this Member's hometown of Utica, NE, is one of the sites which is contending with contamination of its water supply as a result of a carbon tetrachloride, a carcinogen, from a grain storage facility. In addition to the contamination of public water supplies, numerous private wells are also affected. Private wells known to be contaminated have had treatment installed or have been removed from service, but far too little has been done to help identify such wells.

This Member has been actively involved in seeking solutions to this problem for a number of years. In fact, this Member worked with then-Secretary of Agriculture Clayton Yeutter to develop a hazardous waste management and response program within USDA. Sufficient Federal funding of this program is necessary to address this hazardous situation and to ensure the safety of drinking supplies of people living near, and downgradient from, old CCC grain storage sites. Although the carbon tetrachloride problems have begun to be addressed at many of these sites, the progress has been slow and somewhat random. An overall strategy needs to be developed.

To ensure that a timely and comprehensive approach is taken, this Member joins with the State of Nebraska in recommending an accelerated response in a three-phased strategy:

One, an immediate private water well quality assessment for those communities which have not yet had a complete assessment and providing emergency bottled water supplies as needed.

Two, environmental site characterization to determine sources and the extent of soil and groundwater contamination.

Three, remedial cleanup of contaminated sites and long-term groundwater monitoring.

This Member is also pleased that the bill provides $423,000 for the Midwest Advanced Food Manufacturing Alliance. The alliance is an association of 12 leading research universities and corporate partners. Its purpose is to develop and facilitate the transfer of new food manufacturing and processing technologies.

The alliance awards grants for research projects on a peer review basis. These awards must be supported by an industry partner willing to provide matching funds. During its second year of competition, the alliance received 33 proposals requesting a total of $1,165,033, but it was limited to funding 10 proposals for a total of $350,000. Matching funds from industry totaled $1,268,937, with an additional $370,311 from in-kind funds. These figures convincingly demonstrate how successful the alliance has been in leveraging support from industry.

Mr. Chairman, the future viability and competitiveness of the U.S. agricultural industry depends on its ability to adapt to increasing worldwide demands for U.S. exports of intermediate and consumer good exports. In order to meet these changing worldwide demands, agricultural research must also adapt to provide more emphasis on adding value to our basic farm commodities. The Midwest Advanced Food Manufacturing Alliance can provide the necessary cooperative link between universities and industries for the development of competitive food manufacturing and processing technologies. This will, in turn, ensure that the U.S. agricultural industry remains competitive in an increasingly competitive global economy.

This Member is also pleased that this bill includes $200,000 to fund a drought mitigation project at the agricultural meteorology department at the University of Nebraska-Lincoln. This level of funding will greatly assist in the further development of a national drought mitigation center. Such a center is important to Nebraska and all arid and semi-arid States. Although drought is one of the most complex and least understood of all natural disasters, no centralized source of information currently exists on drought assessment, mitigation, response, and planning efforts. A national drought mitigation center would develop a comprehensive program designed to reduce vulnerability to drought by promoting the development and implementation of appropriate mitigation technologies.

Another important project funded by this bill is the Alliance for Food Protection, a joint project between the University of Nebraska and the University of Georgia. The mission of this alliance is to assist the development and modification of food processing and preservation technologies. This technology will help ensure that Americans continue to receive the safest and highest quality food possible.

The report also includes important language directing the Agricultural Research Service to continue to fund the perennial grass germ plasm project at the University of Nebraska-

Lincoln. Unfortunately, the administration's budget deleted funding for the warm grass genetics and breeding project at the Lincoln ARS unit. However, the $270,000 called for in the report will ensure the continuation of this productive research project which has a tremendous record of accomplishment.

Also, this Member is pleased that H.R. 3603 includes $1.2 million for the new section 538, the rural rental multifamily housing loan guarantee program. The program provides a Federal guarantee on loans made to eligible persons by private lenders. Developers will bring 10 percent of the cost of the project to the table, and private lenders will make loans for the balance. The lenders will be given a 100-percent Federal guarantee on the loans they make. Unlike the current section 515 Direct Loan Program, where the full costs are borne by the Federal Government, the only costs to the Federal government under the 538 Guarantee Program will be for administrative costs and potential defaults.

Mr. Chairman, finally this member also appreciates the subcommittee's support for the very successful Department of Agriculture's 502 Unsubsidized Loan Guarantee Program. The program has been very effective in rural communities by guaranteeing loans made by approved lenders to eligible income households in small communities of up to 25,000 residents in nonmetropolitan areas and in rural areas. The program provides guarantees for 30-years fixed-rate mortgages for the purchase of an existing home or the construction of a new home. The loan amount may be up to 100 percent of a home's market value, with a maximum mortgage amount of $67,500.

Mr. Chairman, in conclusion, this member supports H.R. 3603 and urges his colleagues to approve it.

Mr. BAKER of California. Mr. Chairman, statistics can be boring, eye-glazing, and mind-numbing. Yet they can also be illuminating, disturbing, and striking. When it comes to statistics concerning breast cancer, the latter category is clearly in play.

Breast cancer is the second leading cause of cancer deaths among women. In 1996 approximately 184,300 women will be diagnosed with invasive breast cancer; 44,300 women are expected to die of this disease by the end of the year. This is troubling news, and forces us to consider how best to combat this destructive illness.

At present, breast cancer cannot be prevented. However, there are steps women can take in order to detect breast cancer in its earliest stages. The easiest, most common technique is a breast self-exam [BSE], which can make the difference between life and death. I have supported legislation to encourage breast cancer screening through making exams easily available to poor women through Medicaid, and by giving employers a tax break for costs incurred in making breast exams available to their employees.

Noninvasive breast self-exams are essential to the thousands of women seeking to combat this deadly cancer. Currently, the only technique readily available for women to perform this procedure at home is soap and water. Yet American ingenuity has once again risen to the occasion and created a new device to aid women with BSE's.

This device is called the sensor pad. It consists of two plastic sheets coated with lubricant. That's it: no involved machinery, no elaborate high-technology gadgetry, no invasion of the body. It is a method of detecting lumps that heightens sensitivity to a greater degree than soap and water.

Although the sensor pad is a promising, helpful device for women, the FDA has chosen not to make it available to all women and has approved it under a prescription-only status. This means that instead of costing a woman $21.15 for a sensor pad, it will cost her an estimated $70. This is outrageous.

I am an original cosponsor of H.R. 3504, the Breast Cancer Detection Act which urges the FDA to reverse its prescription only status to this pad and other breast cancer detection devices and allow the manufacturer to produce them for all women, not just women who can afford to see their doctors.

It is vital to the health of all American women to routinely perform breast self-exams. I believe that by giving all women a choice of methods, less women will die of breast cancer because they will perform BSE's and detect breast cancer in its early stages.

Clearly, inclusion of the provisions of H.R. 3504 in the fiscal year 1997 Agriculture, Rural Development, and Food and Drug Administration Appropriations Act—H.R. 3603—will provide American women with more tools to determine whether or not they have breast cancer. I am pleased that H.R. 3504 is part of H.R. 3603, and look forward to its passage into law.

Mrs. MINK of Hawaii. Mr. Chairman, 3 months ago we passed the Federal Agriculture Improvement and Reform Act of 1996, better known as the freedom to farm bill. The 1996 farm bill was touted as the best deal for consumers because it removed the Government from the operation of farm programs and opened the sugar market to domestic competition. The cap on raw sugar prices added in this bill breaks faith with this policy. It sabotages the lowest part of the triangle: The grower. Moreover, it hands unlimited profits to the refinery and it opens the doors to foreign sugar. It deliberately wastes the grower for more profits for the refinery.

Under the Federal Agriculture Improvement and Reform Act of 1996, Congress eliminated marketing allotments and allowed an additional 1.5 million tons of imported sugar into the domestic market. We also requested America's sugar growers to pay an additional $288 million in market assessments to help pay for deficit reduction. These changes essentially took Government out of managing the sugar market. By placing a price cap, this amendment repeals the free market principle. The purpose of the cap is to ultimately eliminate our domestic sugar production, drive America's sugar growers out of business and allow foreign subsidized sugar to dominate the U.S. market. Instead of heeding our decision to save the domestic sugar program as evidenced by the defeat of the Miller-Schumer amendment in the farm bill, opponents are now seeking the same result by including a price cap for raw sugar in H.R. 3603.

According to the USDA, the only way to meet the 21.15 price cap is by increasing the amount of imported sugar allowed into the United States, exactly what the mega users want. The lower priced sugar helps the users and the imported sugar helps the refineries. By allowing more imported sugar into the United States, the downward pressure on raw sugar prices will likely result in increased sugar forfeitures with greater costs to the American taxpayer.

Since last November, the price margin between raw and refined sugar has increased significantly. Presently, Dominos refinery is asking 32 cents for its refined sugar, while raw sugar prices are 22 cents—a difference of 10 cents. Refineries are enjoying high margins of profit because beet sugar producers are expected to harvest less yields for the next couple of years. The USDA has predicted that this price difference will remain the same or even increase. This 10-cent difference is on top of the 1- to 2-cent discount that processors already give to many sugar refiners. Judging from these numbers, the only ones to benefit from the price caps are the refineries and the users. It doesn't matter to them if there are no domestic growers left. I rise to warn this Nation of the loss of an important farm product. If these price caps are adopted, many of America's sugar growers will go out of business. In the State of Hawaii, the remaining sugar growers, with the exception of one owned by a refinery, will likely be forced out of business. Sugar continues to be an essential component of Hawaii's economy, surpassed only by tourism and defense. In 1994, the sugar industry generated $248 million for the State's economy and directly and indirectly employed 6,000 workers. There are 121,000 acres of sugar land in production today. If the price caps on raw sugar become law, our sugar industry, except for the refinery owned plantation, will possibly close.

A cap on raw sugar prices is contrary to the basic principles of the free market. Rather than allowing free competition in the domestic sugar industry, raw sugar price caps shackles the market with price controls to favor the user, without cost benefit to the consumer. I can't imagine this Congress knowingly voting for price controls at the grower level, but not at the refined sugar level. It makes no sense at all. A price cap on raw sugar is a death sentence against America's sugar growers and defies market principles espoused by all members of the majority party. I strongly urge my colleagues to vote against the bill.

Mr. SKEEN. Mr. Chairman, I yield back the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. LINDER). All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the

Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend.

The Clerk will read.

The Clerk read as follows:

H.R. 3603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, $2,836,000: *Provided,* That not to exceed $11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further,* That none of the funds appropriated or otherwise made available by this Act may be used to detail an individual from an agency funded in this Act to any Under Secretary office or Assistant Secretary office for more than 30 days: *Provided further,* That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104–127.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $4,231,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $11,718,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,986,000.

CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $4,283,000: *Provided,* That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $613,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, $120,548,000: *Provided,* That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, $5,000,000, to remain available until expended; making a total appropriation of $125,548,000.

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, $15,700,000, to remain available until expended: *Provided,* That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, $28,304,000, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch, $3,728,000: *Provided,* That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of congressional relations: *Provided further,* That not less than $2,241,000 shall be transferred to agencies funded in this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, $8,138,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, $63,028,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, as amended, including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98: *Provided,* That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $27,749,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural

Research Service, and the Cooperative State Research, Education, and Extension Service, $540,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $54,176,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture notwithstanding 13 U.S.C. 142(a–b), as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $100,221,000, of which up to $17,500,000 shall be available until expended for the Census of Agriculture: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, $702,831,000: *Provided*, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or $250,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, $59,600,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $163,671,000 to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a–361i); $19,882,000 for grants for cooperative forestry research (16 U.S.C. 582a–582–a7); $26,902,000 for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); $44,235,000 for special grants for agricultural research (7 U.S.C. 450i(c)); $11,769,000 for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); $96,735,000 for competitive research grants (7 U.S.C. 450i(b)); $4,775,000 for the support of animal health and disease programs (7 U.S.C. 3195); $650,000 for supplemental and alternative crops and products (7 U.S.C. 3319d); $500,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; $475,000 for rangeland research grants (7 U.S.C. 3331–3336); $3,000,000 for higher education graduate fellowships grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); $4,000,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); $1,000,000 for a higher education minority scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); $2,000,000 for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); $4,000,000 for aquaculture grants (7 U.S.C. 3322); $8,000,000 for sustainable agriculture research and education (7 U.S.C. 5811); $9,200,000 for a program of capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University 7 U.S.C. 3152(b)(4), to remain available until expended (7 U.S.C. 2209b); $1,450,000 for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103–382; and $9,605,000 for necessary expenses of Research and Education Activities, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, $411,849,000.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For establishment of a Native American institutions endowment fund, as authorized by Public Law 130–382 (7 U.S.C. 301 note), $4,600,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture, where not otherwise provided, $30,449,000, to remain available until expended (7 U.S.C. 2209b).

EXTENSION ACTIVITIES

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93–471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, $260,438,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, $58,695,000; payments for the pest management program under section 3(d) of the Act, $10,783,000; payments for the farm safety program under section 3(d) of the Act, $2,855,000; payments for the pesticide impact assessment program under section 3(d) of the Act, $3,214,000; payments to upgrade 1890 land-grant college research, extension, and teaching facilities as authorized by section 1447 of Public Law 95–113, as amended (7 U.S.C. 3222b), $7,549,000, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, $908,000; payments for a groundwater quality program under section 3(d) of the Act, $10,733,000; payments for the agricultural telecommunications program, as authorized by Public Law 101–624 (7 U.S.C. 5926), $1,167,000; payments for youth-at-risk programs under section 3(d) of the Act, $9,554,000; payments for a food safety program under section 3(d) of the Act, $2,365,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, $3,192,000; payments for Indian reservation agents under section 3(d) of the Act, $1,672,000; payments for sustainable agriculture programs under section 3(d) of the Act, $3,309,000; payments for rural health and safety education as authorized by section 2390 of Public Law 101–624 (7 U.S.C. 2661 note, 2662), $2,628,000; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326, 328) and Tuskegee University, $24,337,000; and for Federal administration and coordination including administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341–349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $6,271,000; in all, $409,670,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, $618,000.

Animal and Plant Health Inspection Service

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, $435,428,000, of which $4,500,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further*, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 1997 the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Of the total amount available under this heading in fiscal year 1997, $98,000,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that the remainder of title I through page 29, line 17, be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The remainder of title I is as follows:

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $3,200,000, to remain available until expended.

Agricultural Marketing Service

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109, $37,592,000, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $59,012,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $10,576,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,200,000.

Grain Inspection, Packers and Stockyards Administration

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 for employment under 5 U.S.C. 3109, $22,728,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES

Not to exceed $43,207,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees.

Office of the Under Secretary for Food Safety

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, $446,000.

Food Safety and Inspection Service

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, the Poultry Products Inspection Act, as amended, and the Egg Products Inspection Act, as amended, $574,000,000, and in addition, $1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102–237: *Provided*, That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)): *Provided further*, That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Office of the Under Secretary for Farm and Foreign Agricultural Services

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Consolidated Farm Service Agency, Foreign Agricultural Service, and the Commodity Credit Corporation, $572,000.

Farm Service Agency

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, $746,440,000: *Provided*, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further*, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $1,000,000 shall be available for employment under 5 U.S.C. 3109.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $100,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government: *Provided further*, That this amount shall be transferred to the Commodity Credit Corporation: *Provided further*, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), $1,000,000, to remain available until expended.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $600,000,000, of which $550,000,000 shall be for guaranteed loans; operating loans, $2,345,071,000, of which $1,700,000,000 shall be for unsubsidized guaranteed loans and $200,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $1,000,000; for emergency insured loans, $25,000,000 to meet the needs resulting from natural disasters and for credit sales of acquired property, $25,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $27,975,000, of which $22,055,000 shall be for guaranteed loans; operating loans, $96,840,000, of which $19,210,000 shall be for unsubsidized guaranteed loans and $18,480,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $54,000; for emergency insured loans, $6,365,000 to meet the needs resulting from natural disasters; and for credit sales of acquired property, $2,530,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $221,046,000, of which $208,446,000 shall be transferred to and merged with the "Farm Service Agency, Salaries and Expenses" account.

OFFICE OF RISK MANAGEMENT

For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), $62,198,000: *Provided*, That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, as amended, such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b).

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1997, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $1,500,000,000 in the President's fiscal year 1997 Budget Request (H. Doc. 104–162)), but not to exceed $1,500,000,000, pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a–11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1997, the Commodity Credit Corporation shall not expend more than $5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961: *Provided*, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

The CHAIRMAN pro tempore. The Clerk will continue to read.

The Clerk read as follows:

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, $693,000.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed $100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alternation or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, $619,392,000, to remain available until expended (7 U.S.C. 2209b), of which not less than $5,835,000 is for snow survey and water forecasting and not less than $8,825,000 is for operation and establishment of the plant materials centers: *Provided*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed $250,000: *Provided further*, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c)): *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e–2).

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that the remainder of title II, through page 34, line 7, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The remainder of title II is as follows:

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August

4, 1954, as amended (16 U.S.C. 1001–1009), $10,762,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $110,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1005, 1007–1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and in accordance with the provisions of laws relating to the activities of the Department, $101,036,000, to remain available until expended (7 U.S.C. 2209b), of which up to $15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93–205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010–1011; 76 Stat. 607), the Act of April 27, 1935 (16 U.S.C. 590a–f), and the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), $29,377,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $6,325,000, to remain available until expended, as authorized by that Act.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

TITLE III—RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, $588,000.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT (INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the rural housing insurance fund, as follows: $3,300,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which $2,300,000,000 shall be for unsubsidized guaranteed loans; $35,000,000 for section 504 housing repair loans; $15,000,000 for section 514 farm labor housing; $58,654,000 for section 515 rental housing; $600,000 for section 524 site loans; $50,000,000 for credit sales of acquired property; and $600,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, $89,210,000, of which $6,210,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, $11,081,000; section 514 farm labor housing, $6,885,000; section 515 rental housing, $28,987,000: *Provided*, That no funds for new construction for section 515 rental housing may be available for fiscal year 1997; credit sales of acquired property, $4,050,000; and section 523 self-help housing land development loans, $17,000.

Mr. WALSH. Mr. Chairman, I move to strike the last word.

Mr. Speaker, my purpose in rising today is to enter into a colloquy with my chairman, the gentleman from New Mexico [Mr. SKEEN] regarding the section 515 rural rental housing program.

As my colleague knows, the fiscal year 1997 Agriculture Appropriations bill we are now considering, does not provide any funds for section 515 new construction, and actually cuts the program by two thirds from the current fiscal year. This program has been useful in my district providing housing for low income families, creating jobs, and attracting important economic development to a rural area. It has been a successful public-private partnership. Therefore, I wish to express some concern about this issue.

Mr. Chairman, as you know, the section 515 Rural Housing program provides affordable rental housing to very low-income and low-income rural families, handicapped, and elderly residents. It is the Federal Government's only directly targeted tool for meeting the multifamily housing needs of rural America. The average income of a tenant in a section 515 project is under $7,300. However, in 1993, problems and abuses in the section 515 program were uncovered and investigated by the General Accounting Office [GAO], the House Appropriations Committee's surveys and investigations staff, and the U.S. Department of Agriculture's inspector general. In the summer of 1994, the House Appropriations Committee investigative report on section 515 and section 521 was released, under the gentleman's and Congressman DURBIN's leadership.

Without going into a great deal of detail, after hearings, audits, and many meetings, the House passed H.R. 3838, the Housing and Community Development Act of 1994. This effort developed a list of reforms to the section 515 program. The House again passed a bill in this Congress, H.R. 1691, the Homesteading and Neighborhood Restoration Act, which included similar provisions to the reforms in H.R. 3838. Unfortunately, however, the Senate has not taken any action on this issue.

Mr. Chairman, the gentleman and ranking minority member, Mr. DURBIN, are to be commended for bringing these problems to our attention. The section 515 program is in need of reform.

However, according to the 1990 census, there were still 7.6 million people below the poverty line in the rural United States, 13 percent of the total rural population. Adding to this problem is the fact that almost 2.7 million rural residents currently live in substandard housing and 1.8 million live in overcrowded housing units. This year there are 200,000 applicants on the waiting list for apartments in rural areas. The section 515 program is serving a significant rural need, and the fiscal year 1997 level of funding is not adequate to meet even a fraction of that need.

I might add that most States, including New York, are running the program honestly and effectively, and, Mr. Chairman, I agree with you the Senate needs to address this issue. It is my intention to discuss the reform of the section 515 program with Senator ALFONSE D'AMATO, chairman of the Senate Banking Committee. It is my hope that reasonable reforms of the section 515 program can be considered in the Senate agriculture appropriations bill or other housing authorization legislation.

Mr. Chairman, I would like to request that if the Senate does consider reforms of the section 515 Rural Rental Housing Program, if the gentleman would be willing to reopen the issue, and provide funding for section 515 new construction.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I thank the gentleman from New York [Mr. WALSH]. I appreciate his concern about the funding of section 515, new construction.

The 515 program has a worthy objective. It is a goal which all of us share in providing multifamily housing in rural areas.

Several years ago, when this subcommittee investigated this program, we found that some developers were ripping off the Federal Government. We proposed to the Committee on Banking and Financial Services some significant reforms in this program. The Committee on Banking and Financial Services passed housing authorization bills which adopted most of what we proposed on a bipartisan basis. Then a new Congress came in. The same thing occurred under the new Congress. The Republican-controlled Banking Subcommittee on Housing, which I believe the gentleman from New York [Mr. LAZIO] chairs, passed reform legislation along the lines we have suggested. Again, as in the previous Congress, the bill died in the Senate.

This subcommittee is very frustrated. We want to fund this program. We do not want to waste taxpayers' dollars. If we can pass the reforms suggested in both bills, this program will be funded as it should be. The gentleman from New York is right. We need to meet our obligation here, but to do it in a way that we can do it with a straight face and say we are doing the right thing by taxpayers.

I am pleased that the gentleman intends to speak to the chairman of the Senate Committee on Banking. The opportunity to put this program on track is in their hands, and I would like to see the Senate act on those reforms.

The CHAIRMAN pro tempore. The time of the gentleman from New York [Mr. WALSH] has expired.

(By unanimous consent, Mr. WALSH was allowed to proceed for 1 additional minute.)

Mr. WALSH. Mr. Chairman, I yield to the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Chairman, I, too, appreciate the gentleman's concern and support the goal of the section 515 program.

Unfortunately, our lower allocation for the entire appropriations bill this year necessitated a careful review of our funding priorities. We simply do not have the ability to fund programs about which we are uneasy. While many members of our subcommittee support rural housing programs, section 515 has been beset with problems, as mentioned in the colloquies that have taken place before this one. The Agency, through administrative actions, has addressed numerous weaknesses in the program, however, statutory changes are necessary to further rid the program of fraud and abuse.

The House has acted twice on the reforms. It is now time for the Senate to act. Of course, we would be willing to consider the gentleman's request once we have seen movement by the Senate on this particular program.

Mr. WALSH. Mr. Chairman, I pledge that I will pursue this aggressively with the Senator from New York and see if we can get these reforms passed.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $366,205,000, which shall be transferred to and merged with the appropriation for "Rural Housing Service, Salaries and Expenses".

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that the remainder of title III through page 46, line 10, be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico.

There was no objection.

The remainder of title III is as follows:

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, as amended, $493,870,000; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this amount not more than $5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during fiscal year 1997 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $26,000,000, to remain available until expended (7 U.S.C. 2209b).

RURAL HOUSING ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, agreements, and grants, as authorized by 7 U.S.C. 1926, 42 U.S.C. 1472, 1474, 1479, 1486, and 1490(a), except for sections 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, $73,190,000, to remain available until expended, for direct loans and loan guarantees for community facilities, community facilities grant program, rural housing for domestic farm labor grants, supervisory and technical assistance grants, very low-income housing repair grants, rural community fire protection grants, rural housing preservation grants, and compensation for construction defects of the Rural Housing Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That no funds for new construction relating to 515 rental housing may be available for fiscal year 1997: *Provided further*, That of the funds made available in this paragraph not more than $1,200,000 shall be available for the multi-family rural housing loan guarantee program as authorized by section 5 of Public Law 104–120: *Provided further*, That if such funds are not obligated for multi-family rural housing loan guarantees by June 30, 1997, they remain available for other authorized purposes under this head: *Provided further*, That of the total amount appropriated, not to exceed $1,200,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities as authorized by Public Law 103–66: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Housing Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended, title V of the Housing Act of 1949, as amended, and cooperative agreements, $53,889,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $520,000 may be used for employment under 5 U.S.C. 3109.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, $18,400,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of $40,000,000: *Provided further*, That through June 30, 1997, of the total amount appropriated $3,345,000 shall be available for the cost of direct loans, for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, $7,246,000.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $12,865,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, $2,830,000. In addition, for administrative expenses necessary to carry out the direct loan program, $654,000, which shall be transferred to and merged with the appropriation for "Salaries and Expenses."

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901–5908), $6,000,000 is appropriated to the alternative agricultural research and commercialization revolving fund.

RURAL BUSINESS—COOPERATIVE ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, $51,400,000, to remain available until expended, for direct loans and loan guarantees for business and industry assistance, rural business grants, rural cooperative development grants, and rural business opportunity grants of the Rural Business—Cooperative Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional

Budget Act of 1974, as amended: *Provided further*, That $500,000 shall be available for grants to qualified nonprofit organizations as authorized under section 310B(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932): *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, of the total amount appropriated, not to exceed $3,000,000 shall be available for cooperative development: *Provided further*, That, of the total amount appropriated, not to exceed $148,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for business and industry loans for empowerment zones and enterprise communities as authorized by Public Law 103-66 and rural development loans for empowerment zones and enterprise communities as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Business-Cooperative Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended; section 1323 of the Food Security Act of 1985; the Cooperative Marketing Act of 1926; for activities relating to the marketing aspects of cooperatives, including economic research findings, as authorized by the Agricultural Marketing Act of 1946; for activities with institutions concerning the development and operation of agricultural cooperatives; and cooperative agreements; $25,680,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $260,000 may be used for employment under 5 U.S.C. 3109.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, $125,000,000, 5 percent rural telecommunications loans, $75,000,000; cost of money rural telecommunications loans, $300,000,000; municipal rate rural electric loans, $525,000,000; and loans made pursuant to section 306 of that Act, rural electric, $300,000,000, and rural telecommunications, $120,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, $4,818,000; cost of municipal rate loans, $28,245,000; cost of money rural telecommunications loans, $60,000; cost of loans guaranteed pursuant to section 306, $2,790,000: *Provided*, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $29,982,000, which shall be transferred to and merged with the appropriation for "Salaries and Expenses."

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year 1997 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be $175,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), $2,328,000.

In addition, for administrative expenses necessary to carry out the loan programs, $3,500,000.

DISTANCE LEARNING AND MEDICAL LINK PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., as amended, $7,500,000, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: *Provided*, That the costs of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

RURAL UTILITIES ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, $496,868,000, to remain available until expended, for direct loans and loan guarantees and grants for rural water and waste disposal, and solid waste management grants of the Rural Utilities Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, through June 30, 1997, of the total amount appropriated, $18,700,000 shall be available for the costs of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities, as authorized by Public Law 103-66: *Provided further*, That, of the total amount appropriated, not to exceed $18,700,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of the Consolidated Farm and Rural Development Act, as amended: *Provided further*, That, of the total amount appropriated, not to exceed $5,000,000 shall be available for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That an amount not less than that available in fiscal year 1996 be set aside and made available for ongoing technical assistance under sections 306(a)(14) (7 U.S.C. 1926) and 310(B)(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932).

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, as amended, and the Consolidated Farm and Rural Development Act, as amended, and cooperative agreements, $33,195,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $105,000 may be used for employment under 5 U.S.C. 3109.

The CHAIRMAN pro tempore. Are there any amendments?

If not, the Clerk will read.

The Clerk read as follows:

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Consumer Service, $454,000.

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–1769b), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1772–1785, and 1889); except sections 17 and 19; $8,652,597,000, to remain available through September 30, 1998, of which $3,218,844,000 is hereby appropriated and $5,433,753,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c); *Provided*, That none of the funds made available under this heading shall be used for studies and evaluations; *Provided further;* That up to $4,031,000 shall be available for independent verification of school food service claims.

□ 1700

AMENDMENTS OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. VOLKMER:.

On page 47, line 4 of the bill after the words "used for" insert "new" and on page 48, line 19 of the bill after the words "used for" insert "new".

The CHAIRMAN pro tempore (Mr. LINDER). Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Chairman, this is for the purpose of making it clear that the appropriation on further studies and evaluations by this office over USDA will only be prospective for the coming year. It does not include any evaluation and studies that are ongoing at the present time, so that valid studies like for the electronic benefit transfer, WIC program, and stuff, that will continue.

I have worked this out with the gentleman from New Mexico and the gentleman from Illinois. I do not believe there are any objections to the amendments.

Mr. SKEEN. Mr. Chairman, I rise in support of the gentleman's amendments. It was not the intention of the committee to stop any ongoing studies. The Department currently has 62 studies that are at one stage or another and plans to start 36 new studies in fiscal year 1997. The committee's action was intended to prevent the start of new studies for 1 year and give the Department time to complete the 62 ongoing studies. I accept the gentleman's clarification.

Mr. DURBIN. Mr. Chairman, I move to strike the last word. I have no objection to the amendments offered by the gentleman from Missouri.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Missouri [Mr. VOLKMER].

The amendments were agreed to.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $3,729,807,000, to remain available through September 30, 1998: *Provided*, That none of the funds made available under this heading may be used to begin more than two studies and evaluations: *Provided further*, That up to $6,750,000 may be used to carry out the farmers' market nutrition program from any funds not needed to maintain current caseload levels: *Provided further*, That, of the total amount of fiscal year 1996 carryover funds that cannot be spent in fiscal year 1997, any funds in excess of $100,000,000 may be transferred by the Secretary to other programs in the Department of Agriculture, excluding the Forest Service, with prior notification to the House and Senate Appropriations Committees: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: *Provided further*, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011–2029), $27,615,029,000: *Provided*, That funds provided herein shall remain available through September 30, 1997, in accordance with section 18(a) of the Food Stamp Act: *Provided further*, That $100,000,000 of the foregoing amount shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That $1,174,000,000 of the foregoing amount shall be available for nutrition assistance for Puerto Rico as authorized by 7 U.S.C. 2028.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), the Emergency Food Assistance Act of 1983, as amended, and section 110 of the Hunger Prevention Act of 1988, $166,000,000, to remain available through September 30, 1998: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), section 4(b) of the Food Stamp Act (7 U.S.C. 2013(b)), and section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), $205,000,000, to remain available through September 30, 1998.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, $104,487,000, of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $128,005,000, of which $2,792,000 may be transferred from the Export Loan Program account in this Act, and $1,005,000 may be transferred from the Public Law 480 program account in this Act: *Provided*, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392): *Provided further*, That funds provided for foreign market development to trade associations, cooperatives and small businesses shall be allocated only after a competitive bidding process to target funds to those entities most likely to generate additional U.S. exports as a result of the expenditure.

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701–1715, 1721–1726, 1727–1727f, 1731–1736g), as follows: (1) $216,400,000 for Public Law 480 title I credit, including Food for Progress programs; (2) $13,905,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985, as amended; (3) $837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) $29,500,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: *Provided*, That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further*, That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Food for Progress Act of 1985, as amended, including the cost of modifying credit agreements under said Act, $177,000,000.

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 480 are utilized, $1,750,000.

AMENDMENT OFFERED BY MR. GOSS

Mr. GOSS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. GOSS: Page 51, line 23, strike "1727–1727f,".

Page 52, line 4, insert "and" before "(3)".

Page 52, line 7, strike "; and (4)" and all that follows through "Act" on line 9.

Page 52, line 11, insert "such" before "title".

Page 52, line 12, insert "such" before "title".

Mr. GOSS. Mr. Chairman, this amendment goes to title III of Public Law 480. We have taken a close look at Public Law 480. There are some pluses and minuses to it. The pluses that we have talked about in the past are the business for American flag shipping, the compassion and humanitarian relief that so many are concerned about and the champion, the gentleman from Ohio [Mr. HALL], spoke so eloquently about it yesterday in the Rules Committee and an area which I have a great deal of sympathy.

Mr. Chairman, this amendment was to go to title III which is basically the grants proposition in Public Law 40. It does not touch the humanitarian programs in title II or some of the other programs that I think serve a very good purpose in title I that basically come under the loans programs.

The question here is not an awful lot of money but the question here is a program that is not working very well that does have negative consequences and the money could be better spent elsewhere. I have conferred with Chairman LIVINGSTON if in fact this $29 million would not do better in title I or title II than title III and I think Chairman LIVINGSTON is going to speak on that in a moment.

So my view is to zero out title III and to leave to the wisdom of others, who I think, as I say, are going to speak on this, that $29.5 million to get it more on target.

What are my reasonings on this? We have now got some reports that we have been taking an increasing look at that are talking about the problems of waste, fraud, and abuse in Public Law 480. This does not get to all of those. But what it does get to is that those countries where we are distorting the market by creating a surplus of food coming from us where the people who should be in the position of creating, a lifting up by their own bootstraps to feed themselves are being unfairly competed with by local UST foods under title III. Consequently we get a negative effect. We are not helping people create their own development in their own country. We are creating a counterincentive for them to have their hand out and become dependents on welfare of the American taxpayers. That is not what we want to do.

We want to encourage development in these programs; we want the United States to be compassionate; we want people to be fed who are in true need and in true hunger and we can do that through titles I and II. This simple amendment takes the $29.5 million out of title III and makes it available for reallocation.

Mr. Chairman, I yield to the distinguished gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Committee on Appropriations.

Mr. LIVINGSTON. I thank my friend from Florida for yielding to me.

Mr. Chairman, while I take no position on his amendment, I would say to our colleagues that if his amendment succeeds, it would be my intention to take the full amount that has been deleted from title III and move it into title I so that we would in fact have no change in the overall spending for food aid under the bill.

One may make the case that title I is better administered than title III, and if that is the case, then the money will be better spent in that fashion. I commend the gentleman for his diligence in trying to make sure that the American taxpayers' dollars are well spent. As I say, while I do not necessarily support the amendment, I do intend to move the money to title I in the event that he is successful.

Mr. GOSS. Mr. Chairman, reclaiming my time, I have nothing further to add to this. I think it is a very straightforward explanation. I would be very happy to respond to any questions from those in opposition.

Mr. DURBIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I stand in opposition to this amendment. Keep in mind that we have reduced the amount of money under title III, Public Law 480, from $50 million to $29 million. I am almost speechless, and that is something for a politician, when I consider that we are now trying to take away $29 million spent by the United States of America in the poorest countries of the world, literally the poorest of the poor. The money is given to professional private voluntary organizations which use the food to convert into cash to put into programs to feed the poorest people in the world literally.

In order for a country to qualify for this $29 million, I say to my friend from Florida, there is a requirement under the law that the annual income has to be less than $742 a year. We are talking about people, and I have visited people in Bangladesh, which has to be a basket case among this family of nations that we live in for disastrous consequences from cyclones and hurricanes to flooding and drought.

This money is given to local organizations through the conversion of grain into cash and then given back to the people to feed their babies, to feed their infants. to make certain that we do not see the horror on the television of people starving to death. That is what title III is all about.

Mr. Chairman, the grain companies are not going to notice $29 million more in title I, but we are going to notice it when they visit countries like Bangladesh, Bolivia, Honduras, Sri Lanka, and Ethiopia where the poorest of the poor rely on this program. A nation as rich as the United States, as compassionate as the United States, can surely spare $29 million out of a $1.5 trillion budget for the poorest of the poor around the world.

I guarantee my colleague from Florida that if his amendment goes through and we see the kind of famine and disaster we have seen in nations, there will be an outpouring not only from private citizens but from this Government to come to their aid. Please do not cut off this basic program which provides food. This is not a boondoggle.

The gentleman says it is used to distort the market mechanism. The market mechanism in Bangladesh? Has the gentleman been there? Has he seen their market mechanism? It is not a question of driving to the supermarket. It is a question of whether the baby has milk, whether or not there are basic foodstuffs to feed children.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Chairman, the purpose of my amendment is not to take away food from those who are truly needy or in any way to diminish the American contribution for true compassionate service needs. My aim is to try and get more mileage out of our dollar. That is why Chairman LIVINGSTON has made the statement that he has. The parts of this program that are doing the very thing that the gentleman is speaking about, and speaking so eloquently about, are title I and title II. Title III is where the abuse has been. It is the mechanism I am after.

Mr. DURBIN. Let me reclaim my time. I think the gentleman has made his point. I think the gentleman needs to take the time to read what is done with the title III money. The gentleman will understand that when you spread $29 million over the poorest countries in the world, you literally give a tiny helping hand.

Let me give an example. In Honduras, the title III money is being used for purposes such as providing food to 1.3 million children and nursing mothers. In Sri Lanka they have developed a Food Stamp Program for the poorest of the poor who live in rural areas; in Bangladesh, establishing a strategic food reserve so that farmers can basically have food when they go through these droughts and lose everything.

I would say to the gentleman, if we need to find $29 million more for title I, I will work overtime to find it. Please do not take it out of title III. We have cut this program dramatically. It is a program that truly is a compassionate program. I have been there. I have seen it. The gentleman just does not understand the gravity of this program and its importance to some of the poorest people in the world.

I urge my colleagues, do not do this in the name of false economy. If we have a famine and a disaster, we will respond with much more than $29 million. Please defeat this amendment.

Mr. LIVINGSTON. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. I thank the distinguished chairman of the Committee on Appropriations for yielding.

Mr. Chairman, again I think we are going at cross purposes here and I realize that I have hit a chord of real compassion which has made the gentleman be, I think, very concerned but totally unnecessarily so. We have a commitment from the chairman of the Committee on Appropriations that programs that are passing muster, which are titles I and II, much better in getting right to the compassion need are the appropriate place for this money to go.

What brought my attention to this particular title problem was a problem that happened in Somalia where the war lords were abusing this title, I am told, and requiring people to come into the city, for political reasons, in order to get this food. This was using this sort of as a political chip to coerce people, who are in dire straits, as we all know, which helped escalate to another serious problem that regrettably we saw another tragedy involving American servicemen on. We go to the IG's reports at USAID on this matter and start looking at the fraud, waste, and abuse. I have no problem in sharing America's wonderfully blessed abundant resources with those truly in need, subject, of course, to rational and prudent constraints of our own domestic needs in this country. I am only suggesting that if we have mechanisms that are not performing well and we find ourselves being taken advantage of, we see abuse to our largesse being made, we see our compassion being misdirected, we see ourselves being taken advantage of, played the fool, made a sucker of because of our legitimate compassionate feelings, it seems to me that we ought to correct the mechanism. That is all I am trying to accomplish here. If we have got something that does not work, we need to admit it rather than just saying, "Oh, gosh, somebody may starve."

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The answer is, oh, gosh, we may be able to save more people if we get rid of a mechanism that is faulty and put the money in something that works. That is all I am trying to say.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Illinois.

Mr. DURBIN. I thank the gentleman.

I would like to say to my friend from Florida, I think we share the same goal. I do not want to see a single penny wasted. I do not want to see a single taxpayer's dollar misused for political purposes or otherwise. But does the gentleman realize in titles I and II we have over $1 billion being spent by this country?

The gentleman is talking about taking $29 million out of title III because he is upset with one or two allocations around the world. I would say to the gentleman, I have a list here in my hand of five allocations which he should applaud, where this title III money is being used to literally feed starving people.

Please, do not kill the whole program in countries like Ethiopia, Sri Lanka, Honduras, Bolivia, and Bangladesh, because you have some objection to what happened in Somalia.

Mr. GOSS. Mr. Chairman, if the gentleman will yield further, I guess I would finish this by saying that humanitarian an emergency feeding programs, which are the type the gentleman are talking about, that come under title II, are going to remain not only fully funded, but probably enhanced under this amendment. We are going to get more money where the need is doing it this way than we are by just maintaining the status quo of a program that has already been cut, because, frankly, it is not doing the job it should be doing, and, frankly, it has got some problems. The people, properly the gentleman from Louisiana [Mr. LIVINGSTON] and his people, have seen there is trouble there. Consequently, they have cut some money.

I merely suggested we got a good first step, why not take the rest of the stem and get rid of title III, and do it right through titles I and II and get the job done well. I think the consequence is we end up taking care of more serious needs than not. My motive is none other than that.

What struck the chord yesterday was the gentleman from Ohio [Mr. HALL] trying in the Committee on Rules to find a way to get the Committee on Rules to grant an exception for a waiver that would basically get more money into title II. We could not do it on the Committee on Rules, so I thought this would be a fair way to try and accommodate the desires of the gentleman from Ohio [Mr. HALL].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. GOSS].

The amendment was rejected.

The CHAIRMAN. Are there further amendments to this paragraph?

If not, the Clerk will read.

The Clerk read as follows:

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, $3,381,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed $2,792,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Foreign Agricultural Service, and of which not to exceed $589,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Farm Service Agency.

EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $5,500,000,000 in credit guarantees under its export credit guarantee program extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 202 (a) and (b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $907,499,000, of which not to exceed $87,528,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this appropriation and remain available until expended: *Provided*, That fees derived from applications received during fiscal year 1997 shall be subject to the fiscal year 1997 limitation: *Provided further*, That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

In addition, fees pursuant to section 354 of the Public Health Service Act may be credited to this account, to remain available until expended.

In addition, fees pursuant to section 801 of the Federal Food, Drug, and Cosmetic Act may be credited to this account, to remain available until expended.

None of the funds appropriated or made available to the Federal Food and Drug Administration shall be used to implement any rule finalizing the August 25, 1995 proposed rule entitled "The Prescription Drug Product Labeling; Medication Guide Requirements," except as to any specific drug or biological product where the FDA determines that without approved patient information there would be a serious and significant public health risk.

Section 3 of the Saccharin Study and Labeling Act (21 U.S.C 348 nt.) is amended by striking out "May 1, 1997" and inserting in lieu thereof "May 1, 2002".

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $21,350,000, to remain available until expended (7 U.S.C. 2209b).

RENTAL PAYMENTS (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Food and Drug Administration which are included in this Act, $46,294,000: *Provided*, That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 5 percent of the funds made available for rental payments (FDA) to or from this account.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, as amended, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1994, as authorized $10,290,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; $55,101,000, including not to exceed $1,000 for official reception and representation expenses: *Provided*, That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia to cover the Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $37,478,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1997 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 667 passenger motor vehicles, of which 643 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 703. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U.S.C. 427, 1621–1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, and integrated systems acquisition project; Farm Service Agency, salaries and expenses funds made available to county committees; and Foreign Agricultural Service, middle-income country training program.

New obligational authority for the boll weevil program; up to 10 percent of the screwworm program of the Animal and Plant Health Inspection Service; Food Safety and Inspection Service, field automation and information management project; funds appropriated for rental payments; funds for the Native American institutions endowment fund in the Cooperative State Research, Education, and Extension Service, and funds for the competitive research grants (7 U.S.C. 450i(b)), shall remain available until expended.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 710. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year 1996 or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.

SEC. 711. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 712. With the exception of grants awarded under the Small Business Innovation Development Act of 1982, Public Law 97-219, as amended (15 U.S.C. 638), none of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service that exceed 14 percent of total Federal funds provided under each award.

SEC. 713. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 714. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 1997 shall remain available until expended to cover obligations made in fiscal year 1997 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. 715. Such sums as may be necessary for fiscal year 1997 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 716. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the "Buy American Act").

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 717. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service and the Animal and Plant Health Inspection Service may use cooperative agreements to reflect a relationship between Agricultural Marketing Service or the Animal and Plant Health Inspection Service and a State or Cooperator to carry out agricultural marketing programs or to carry out programs to protect the Nation's animal and plant resources.

SEC. 718. None of the funds in this Act may be used to retire more than 5% of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute.

SEC. 719. None of the funds appropriated or otherwise made available by this Act may be used to provide food stamp benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

SEC. 720. None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out a market promotion/market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to the U.S. Mink Export Development Council or any mink industry trade association.

SEC. 721. None of the funds appropriated or otherwise made available by this Act shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by 16 U.S.C. 3837.

SEC. 722. Of the funds made available by this Act, not more than $1,000,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture except for panels used to comply with negotiated rule makings.

SEC. 723. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out an export enhancement program if the aggregate amount of funds and/or commodities under such program exceeds $100,000,000.

SEC. 724. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a farmland protection program in excess of $2,000,000 authorized by section 388 of Public Law 104-127.

SEC. 725. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a wildlife habitat incentives program authorized by section 387 of Public Law 104-127.

SEC. 726. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a conservation farm option program in excess of $2,000,000 authorized by section 335 of Public Law 104-127.

SEC. 727. None of the funds appropriated or otherwise made available to the Department of Agriculture shall be used to transmit or otherwise make available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

SEC. 728. None of the funds made available in this Act may be used to pay the salaries of employees of the Department of Agriculture who make payments pursuant to a production flexibility contract entered into under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127; 7 U.S.C. 7211) when it is made known to the Federal official having authority to obligate or expend such funds that the land covered by that production flexibility contract is not being used for the production of an agricultural commodity or is not devoted to a conserving use, unless it is also made known to that Federal official that the lack of agricultural production or the lack of a conserving use is a consequence of drought, flood, or other natural disaster.

SEC. 729. None of the funds appropriated or otherwise made available by this Act shall be used to extend any existing or expiring contract in the Conservation Reserve Program authorized by 16 U.S.C. 3831-3845.

SEC. 730. None of the funds made available in this Act may be used to maintain the price of raw cane sugar (as reported for an appropriate preceding month for applicable sugar futures contracts of the Coffee, Sugar, and Cocoa Exchange, New York) at more than 117½ percent of the statutory loan rate under section 158 of the Federal Agriculture Improvement and Reform Act (title 1 of Public Law 104-127).

SEC. 731. None of the funds appropriated in this Act may be used to carry out the provisions of section 918 of Public Law 104-127, the Federal Agriculture Improvement and Reform Act.

SEC. 732. (a) IN GENERAL.—Any owner on the date of enactment of this Act of the right to market a nonsteroidal anti-inflammatory drug that—

(1) contains a patented active agent;

(2) has been reviewed by the Federal Food and Drug Administration for a period of more than 96 months as a new drug application; and

(3) was approved as safe and effective by the Federal Food and Drug Administration on January 31, 1991, shall be entitled, for the 2-year period beginning on February 28, 1997, to exclude others from making, using, offering for sale, selling, or importing into the United States such active agent, in accordance with section 154(a)(1) of title 35, United States Code.

(b) INFRINGEMENT.—Section 271 of title 35, United States Code shall apply to the infringement of the entitlement provide under subsection (a).

(c) NOTIFICATION.—Not later than 30 days after the date of the enactment of this section, any owner granted an entitlement under subsection (a) shall notify the Commissioner of Patents and Trademarks and the Secretary for Health and Human Services of such entitlement. Not later than 7 days after the receipt of such notice, the Commission and the Secretary shall publish an appropriate notice of the receipt of such notice.

Mr. SKEEN (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title VII, through page 68, line 22, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. SKEEN

Mr. SKEEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKEEN: General Provisions: On page 66 strike all on line 9 through 14.

Mr. SKEEN. Mr. Chairman, my amendment deletes the limitation on the Department of Agriculture that would have prevented them from sending questions that had been submitted to the Department to third parties, including OMB. The past several years, we have had difficulty in getting questions back from the Department in a timely manner that are related to our hearings. It turns out that many times the holdup was not at the agency or Department level, but was with the OMB.

Although there was a rumor that this year some questions were reviewed by non-Federal people, that could not be confirmed. We have since had discussions with OMB, and will drop this provision, in hopes that next year the Committee can receive prompt response to its questions.

Mr. DURBIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am in complete agreement with this amendment. It is long overdue. It was a portion of the bill that was very controversial, behind closed doors. I think the gentleman has made the right decision. It greatly improves the bill, and I support the amendment.

Ms. KAPTUR. Mr. Chairman, I move to strike the requisite last word.

Mr. Chairman, I wanted to rise in support of the entire bill and commend our chairman, the gentleman from New Mexico [Mr. SKEEN], and our ranking member, the gentleman from Illinois [Mr. DURBIN], who is handling this bill for the last time here in the House, and wish him well in the other body as of next January, and to thank the gentleman from New Mexico for working with all of us on the committee, on both sides of the aisle, to continue support for American farmers, who are the most productive in the world.

Mr. Chairman, just for the record, let me say that in view of how much we have cut spending in this bill to meet the budget mark, let no one doubt which committee in this Congress is taking seriously the mandate to balance our budget. Our discretionary spending levels have been going down dramatically over the past several years.

Frankly, if you ask me, one way to solve the entitlement and mandatory spending problems and overruns we face as a country, it would be to collapse the jurisdiction of all those entitlement and mandatory spending programs right here in the Committee on Appropriations. We do a good job of it. I just want to thank the chairman for his leadership.

Mr. Chairman, the bill provides $52.6 million in total budget authority for USDA and related agencies, a level that is $10.51 billion below the fiscal year 1996 appropriations and $5.9 billion below the Administration budget request for fiscal year 1997. Let no one doubt which committee in this Congress takes serious by its mandate to balance the budget. Our discretionary spending levels are on a consistently downward slope. Frankly, if you ask me one way to solve the entitlement and mandatory spending overrun in other committees of this Congress would be to transfer their jurisdiction here. This is the only, committee that has a proven track record of deficit reduction.

The bill includes a total of $12.8 billion for discretionary programs which is $508 million less than the amount appropriated in fiscal year 1996 and $1.3 billion less than the budget request.

For mandatory programs, which are nearly 80 percent of the funding in this bill, the committee provides $39.9 billion, a decrease of $9.9 billion below the amount available for fiscal year 1996 and $4.5 billion below the budget request.

Mr. Chairman, those who serve farmers and work with Agriculture are taught over and over again that there is a big difference between money and wealth. Our job on this Committee on Agriculture is to help create the wealth of America through the investments that we make in agriculture.

Market-oriented farm policy means farming for the market and not the Government, and requires investments in research which will keep agriculture competitive as we move into the new century.

The committee faced tough choices given our spending constraints. Yet, while faced with tight budget constraints we were still able to shift resources to priority programs.

In order to adequately fund critical programs like agricultural research and food safety, we needed to look at all programs funded in this bill including the new mandatory programs created by the farm bill.

Much discussion has focused on the $100 million cut in farm program payments that was included in the subcommittee mark. I did not support efforts to restore this funding—$100 million out of $5.2 billion, is reasonable particularly when you consider that prices are record levels. At a time when we are on a path to balanced budget, it makes no sense to add new mandatory programs or to provide a windfall in farm payments.

I am particularly pleased that this bill also includes a provision which I offered and passed unanimously at subcommittee which requires farmers to plant in order to receive production flexibility payments under the new farm bill. This is a good Government amendment that allows taxpayers to get something in return for their investment in agriculture. The amendment allows for exemptions for conserving uses and weather-related exceptions.

As one supportive Member has described it, this is the "just don't sit on the tractor" amendment. This amendment basically says to receive a Federal payment you must work for it. If we expect welfare recipients to work for Federal payments, why shouldn't farm payments go only to those who work.

Since this amendment was offered I have heard from a number of tenant farmers who have been told by their landlords that their annual leases will not be renewed, so that the landlord can collect the full transition payment. For example, a rice farmer in Texas called my office today to say that the land he had farmed for the past 20 years was being taken away from him. He paid $80 an acre for rent and under the payment structure of the new farm bill that landlord could receive $160 an acre. Since the signup for the new farm bill is in effect through July 12 we can make no estimate as to how widespread this concern is. But I want to serve notice today, that I will offer this amendment year after year until this provision which allows landlords to "take the money and run" is fixed.

And another farmer wrote me recently,

> By all accounts my farming operation is rated as one of the top five in my county. We (my father and brother) combine ourselves so we rely on no outside help . . . We specialize in production of rice, corn and soybeans. We lease 75% of ground to farm which is the cause of our problem.
>
> The landowner can now, terminate a lease of the tenant, . . . with the sole purpose of collecting the payment and not producing any crops on that land. . . . it allows investors to buy real estate and use the payment to help pay for the land, while not allowing a producer to farm it. . . . It was not the intent of this legislation to give land owners or any one the chance to exploit this bill into another public relations nightmare.

I must however express my opposition to the cap on sugar payments that is included in this bill. While I will not offer a motion to strike this provision, its impact will be devastating to the sugar beet farmers in my District. This bill caps the U.S. raw sugar price at 117.5 percent of the loan rate, or 21.5 cents per pound. This about 1.5 cents below current prices. According to USDA, so much foreign sugar would have to be imported to reduce the raw sugar price to the capped level, that the refined sugar prices beet producers receive for their crop would plummet to about 24 cents per pound from the current 32 cents per pound. This cap will reduce the value of the sugar produced by beet growers by $650 million.

Traditional farm programs continue to receive a decreasing portion of our spending and in my view we should target our scarce agricultural dollars to small family farmers. I opposed the recent farm bill because I do not believe that it did enough to target assistance to family farmers and to provide them with a safety when times are bad. While the farm bill made progress by enacting a $40,000 payment limitation, I remain concerned that large corporate farmers can still have access to Federal payments.

In the decade of the 1980's we have slowly eroded the basis of American agriculture—the family farmer—and are moving in the direction of large corporate farms. We must address the increased concentration in agricultural markets that is squeezing family farmers out of business. We must also ensure that commodity prices are maintained at a level high enough to compensate for costs of production and to maintain standards of living in order to attract and retain individuals in farm production. And further, we must also negotiate trade agreements which encourage and enhance the ability of family farmers to compete in world markets.

In agriculture trade, we must also work to recapture lost markets and increase exports. As American agricultural exports grow, foreign agriculture exports are being shipped to the United States in greater magnitude. Since 1981, our agricultural exports have declined from $43.8 billion to a low of $26.2 billion in 1986 and are projected to be a record $60 billion next year. At the same time agricultural imports have increased from $10.8 billion to approximately $25 billion in 1995. In many cases these are products our own farmers could be selling.

In closing, I want to again commend the chairman and the ranking member for putting together a good bill. I urge the Members to support this fiscally responsible measure.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New Mexico [Mr. SKEEN].

The amendment was agreed to.

Mr. SKEEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. CHAMBLISS) having assumed the chair, Mr. GOODLATTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 3603, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Programs for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. CHAMBLISS). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FRELINGHUYSEN (at the request of Mr. ARMEY), for today after 5 p.m. and June 12.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes on June 13.

Mr. VOLKMER, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. KINGSTON) to revise and extend their remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes on June 13.

Mr. BEREUTER, for 5 minutes, today.

Mr. RIGGS, for 5 minutes, today.

Mr. DORNAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCNULTY) and to include extraneous matter:)

Mr. COYNE.
Mr. VENTO.
Mr. DIXON.
Mr. HALL of Ohio.
Mr. KANJORSKI.
Mr. RANGEL.
Ms. KAPTUR.
Mr. HAMILTON.
Ms. ESHOO.
Mr. DEUTSCH.
Mrs. LINCOLN.
Mr. GORDON.
Mr. BONIOR.
Ms. DELAURO.

(The following Members (at the request of Mr. KINGSTON) and to include extraneous matter:)

Mr. BEREUTER.
Mr. MYERS of Indiana.
Mr. HOUGHTON.
Mr. SCHAEFER.
Mr. COX of California.
Mrs. VUCANOVICH.
Mrs. ROUKEMA.

ADJOURNMENT

Mr. BEREUTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 12, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3514. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Opportunities for Youth: Youthbuild Program (FR-4038) (61 CFR 25124) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3515. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Mortgage Insurance on Condominium Units in Non-FHA Approved Projects (FR-3655) (61 CFR 26982) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3516. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Section 8 Tenant-Based Programs: Technical Amendments (FR-4055) (61 CFR 27162) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Florida: Committee on Appropriations. H.R. 3610. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-617). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUYER (for himself, Mr. FILNER, Mr. STUMP, and Mr. MONTGOMERY):

H.R. 3611. A bill to extend the authority for the homeless veterans' reintegration projects for fiscal years 1997 through 1999, and for other purposes; to the Committee on Veterans' Affairs, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GIBBONS (for himself, Mr. MCDERMOTT, Mr. MATSUI, Mr. CARDIN, and Mr. LEWIS of Georgia):

H.R. 3612. A bill to reform the Nation's welfare system by requiring work and demanding personal responsibility; to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Banking and Financial Services, Economic and Educational Opportunities, the Judiciary, Commerce, the Budget, National Security, International Relations, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. JOHNSON of South Dakota:

H.R. 3613. A bill to require the Secretary of the Army to acquire permanent flowage and saturation easements over land that is located within the 10-year floodplain of the James River, SD, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. LANTOS (for himself and Ms. ESHOO):

H.R. 3614. A bill to amend title 10, United States Code, to provide that certain individuals who would be eligible for military retired pay for nonregular service but for the fact that they did not serve on active duty during a period of conflict may be paid such retired pay if they served in the U.S. merchant marine during or immediately after World War II; to the Committee on National Security.

By Mrs. VUCANOVICH (for herself, Mr. ENSIGN, and Mr. HAYES):

H.R. 3615. A bill to amend the Harmonized Tariff Schedule of the United States to correct the tariff treatment of certain silver and gold bars, and for other purposes; to the Committee on Ways and Means.

By Ms. WOOLSEY:

H.R. 3616. A bill to amend the Job Training Partnership Act to provide for the establishment of standards to ensure long-term economic self-sufficiency for participants in adult training programs carried out under part A of title II of that act, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mrs. CLAYTON (for herself, Mr. BONIOR, Mr. RICHARDSON, Ms. DELAURO, Mr. KING, Mr. PAYNE of New Jersey, Mr. SANDERS, Mr. WARD, Mr. FRAZER, Mr. FORD, Mr. BROWDER, Mr. NORWOOD, Mr. HILLIARD, Mr. HINCHEY, Mr. OWENS, Mr. HALL of Ohio, Mr. FIELDS of Louisiana, Mr. MEEHAN, Mr. FROST, Mr. HASTINGS of Florida, Mrs. MALONEY, Mr. LANTOS, Mr. DELLUMS, Mr. FRANKS of Connecticut, Mr. WAXMAN, Mr. CLYBURN, Mrs. MYRICK, Mr. ABERCROMBIE, Mr. FARR, Mr. JACKSON, Mr. GILCHREST, Ms. NORTON, Ms. WOOLSEY, Ms. FURSE, Ms. ESHOO, Mr. PALLONE, Mrs. THURMAN, Mrs. KENNELLY, Mr. SHAYS, Mr. CLAY, Ms. JACKSON-LEE, Ms. KAPTUR, Mr. WATT of North Carolina, Mr. FOGLIETTA, Mr. THOMPSON, Mr. MILLER of California, Mr. LEWIS of Georgia, Ms. PELOSI, Ms. ROYBAL-ALLARD, Mr. WYNN, Mr. EDWARDS, Mr. CLEMENT, Mrs. SCHROEDER, Miss COLLINS of Michigan, Mr. RUSH, Mr. TORRICELLI, Mr. STOKES, Mr. ROSE, Mr. CUMMINGS, Mr. HEFNER, Mr. TALENT, Mrs. MEEK of Florida, Mr. FLAKE, Ms. PRYCE, Mr. SERRANO, Mr. BISHOP, Mr. FATTAH, Ms. SLAUGHTER, Ms. RIVERS, Mr. NADLER, Mr. FRANK of Massachusetts, Ms. VELAZQUEZ, Ms. WATERS, Mrs. COLLINS of Illinois, Mr. STARK, and Mr. BARRETT of Wisconsin):

H. Con. Res. 183. Concurrent resolution condemning the recent rash of arson against African-American churches across the United States, pledging to assist law enforcement authorities in apprehending the persons responsible for such acts of arson, supporting bipartisan legislation which would facilitate the prosecution of arsonists and create more severe penalties for arson against houses of worship, and encouraging the people of the United States to work in their communities to prevent future acts of arson against African-American churches; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

[Omitted from the Record of June 10, 1996]

221. By the SPEAKER: Memorial of the House of Representatives of the State of New Hampshire, relative to House Joint Resolution 25 urging the Federal Energy Regulatory Commission, the U.S. Environmental Protection Agency, the Council on Environmental Quality, the U.S. Congress, and the President of the United States to implement increased competition in the electric utility industry in a manner that furthers environmental improvement and promotes full and fair competition including equitable and appropriate environmental regulation for all electricity generators; to the Committee on Commerce.

222. Also, memorial of the House of Representatives of the State of New Hampshire, relative to House Concurrent Resolution 27 urging Congress to reauthorize certain aspects of the Safe Drinking Water Act; to the Committee on Commerce.

223. Also, memorial of the Senate of the State of New Jersey, relative to Senate Resolution No. 28 encouraging the New Jersey congressional delegation to support Federal legislation providing for greater local television coverage for the State of New Jersey; to the Committee on Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 218: Mr. BACHUS.

H.R. 248: Mr. FRANK of Massachusetts.

H.R. 573: Mr. BLUTE and Mr. SERRANO.

H.R. 598: Ms. FURSE, Mr. HOLDEN, Mr. JEFFERSON, and Mr. CANADY.

H.R. 778: Mrs. FOWLER.

H.R. 784: Mr. WATTS of Oklahoma, Mr. KNOLLENBERG, and Mr. DELAY.

H.R. 972: Ms. PRYCE.

H.R. 1000: Mr. HALL of Ohio and Mr. MEEHAN.

H.R. 1049: Mr. THOMPSON.

H.R. 1386: Mr. CHRYSLER, Mr. BARR, Ms. HARMAN, and Mr. SPENCE.

H.R. 1500: Mr. LATOURETTE.

H.R. 1758: Mr. SANDERS and Mr. ACKERMAN.

H.R. 2089: Mr. BARRETT of Nebraska.

H.R. 2244: Ms. KAPTUR and Mr. TATE.

H.R. 2246: Mr. ENGEL.

H.R. 2306: Mr. TALENT.

H.R. 2320: Mr. FRANKS of New Jersey, Mr. DOOLEY, and Mr. MCDERMOTT.

H.R. 2335: Mr. CLINGER, Mr. MICA, Mr. CLEMENT, Mr. BRYANT of Tennessee, Mr. TAUZIN, Mr. SPRATT, Mr. NETHERCUTT, Mr. LIVINGSTON, Mr. BARTON of Texas, Mr. KLINK, and Mr. FIELDS of Texas.

H.R. 2416: Mr. ZELIFF.

H.R. 2489: Mr. EVANS, Mr. ROMERO-BARCELO, Mrs. SEASTRAND, Mr. TORKILDSEN, Ms. WOOLSEY, and Mr. YATES.

H.R. 2651: Mr. TORRICELLI.

H.R. 2779: Mr. CANADY, Mr. GOSS, Mr. HOEKSTRA, and Mr. PACKARD.

H.R. 2796: Ms. NORTON.

H.R. 2807: Mr. MARTINI.

H.R. 2820: Mr. RIGGS.

H.R. 2834: Mr. COYNE and Mr. DOYLE.

H.R. 2951: Mrs. LOWEY, Ms. FURSE, Mr. MARKEY, and Miss COLLINS of Michigan.

H.R. 2976: Mr. ACKERMAN, Mr. DOOLEY, Mr. QUILLEN, and Mrs. VUCANOVICH.

H.R. 3037: Mr. JOHNSON of South Dakota, Mr. MCHUGH, and Mr. ROBERTS.

H.R. 3038: Mr. COOLEY.

H.R. 3118: Mr. KENNEDY of Rhode Island and Mr. LIPINSKI.

H.R. 3179: Mr. FILNER, Ms. JACKSON-LEE, Mrs. MALONEY, Mr. TORRES, Mr. MANTON, Mr. TORRICELLI, Mr. FROST, and Ms. LOFGREN.

H.R. 3181: Mr. HOKE and Mr. DELLUMS.

H.R. 3270: Mr. MCKEON.

H.R. 3332: Mr. LEWIS of Georgia, Mr. TOWNS, Miss COLLINS of Michigan, and Mr. GEJDENSON.

H.R. 3351: Mr. FATTAH.

H.R. 3423: Mrs. MYRICK.

H.R. 3426: Mr. MCDERMOTT, Mr. SCARBOROUGH, Mr. PAYNE of Virginia, Mr. KLECZKA, Mr. BARRETT of Wisconsin, Mr. DURBIN, Mr. EVANS, Ms. NORTON, and Mr. LIPINSKI.

H.R. 3447: Mr. RIGGS, Mr. DICKEY, and Mr. BALDACCI.

H.R. 3498: Mr. ACKERMAN.

H.R. 3504: Mr. BOEHNER, Mr. BROWN of Ohio, Mr. FARR, Mr. FROST, Mr. LIPINSKI, Mr. NEY, Ms. NORTON, Mr. OLVER, Mr. ROHRABACHER, and Mr. WALSH.

H.R. 3525: Mr. ABERCROMBIE, Mr. FRAZER, Mr. HASTINGS of Florida, Ms. VELAZQUEZ, Mr. BRYANT of Texas, Mr. MINGE, Mr. BONIOR, Ms. LOFGREN, Mr. GONZALEZ, Mr. BERMAN, Ms. NORTON, Mr. WATT of North Carolina, Mr. SERRANO, Mr. HILLIARD, Ms. RIVERS, Ms. WATERS, Mr. WAXMAN, Mr. FROST, Mr. CLEMENT, Mr. BARRETT of Wisconsin, Ms. JACKSON-LEE, Mr. SCOTT, Mrs. SCHROEDER, Mr. SCHUMER, Mr. FRANK of Massachusetts, Mr. NADLER, Mr. REED, Mr. BECERRA, Mr. FORD, Mr. CHAPMAN, Mrs. KENNELLY, Mr. WARD, Mr. EDWARDS, Mr. WATTS of Oklahoma, Mr. CUMMINGS, Mr. JOHNSTON of Florida, Mr. PARKER, Mr. TANNER, Mr. KINGSTON, Mr. FIELDS of Louisiana, Mr. CHAMBLISS, Mr. DUNCAN, Mr. SPENCE, Mr. PACKARD, Mr. HALL of Ohio, Mr. MCHUGH, Mr. GALLEGLY, Mr. FLANAGAN, and Mr. GRAHAM.

H.R. 3587: Mr. FAZIO of California, Mr. YATES, Mr. ACKERMAN, and Mr. FROST.

H. Con. Res. 10: Mr. LEVIN and Mr. GOODLING.

H. Con. Res. 51: Mr. KLUG and Mr. LEVIN.

H. Con. Res. 83: Mr. ACKERMAN.

H. Con. Res. 145: Mr. EVANS and Mr. LEVIN.

H. Con. Res. 156: Mr. BRYANT of Texas, Mrs. MINK of Hawaii, Mrs. MORELLA, and Mrs. COLLINS of Illinois.

H. Res. 220: Mr. ABERCROMBIE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSTON of Florida, Mr. MCNULTY, Mr. TORRICELLI, Mr. MORAN, Mr. BALDACCI, Mr. LANTOS, Mr. ENGEL, and Mr. EVANS.

H. Res. 439: Mr. MCHALE.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3603

OFFERED BY: MR. BONO

AMENDMENT NO. 9: Page 69, after line 5, insert the following new section:

SEC. . It is the sense of Congress that, not later than the date of the enactment of this Act, the Secretary of Agriculture should—

(1) release a detailed plan for compensating wheat farmers and handlers adversely affected by the karnal bunt quarantine in Riverside and Imperial Counties of California, which should include—

(A) an explanation of the factors to be used to determine the compensation amount for wheat farmers and handlers, including how contract and spot market prices will be handled; and

(B) compensation for farmers who have crops positive for karnal bunt and compensation for farmers who have crops which are negative for karnal bunt, but which cannot go to market due to the lack of Department action on matching restrictions on the negative wheat with the latest risk assessments; and

(2) review the risk assessments developed by the University of California at Riverside and submit a report to Congress describing how these risk assessments will impact the Department of Agriculture policy on the quarantine area for the 1997 wheat crop.

H.R. 3603

OFFERED BY: MR. DURBIN

AMENDMENT NO. 10: Page 69, after line 5, insert the following new section:

SEC. 734. Of the funds made available in this Act to the Department of Agriculture, the amount provided for "Rural Utilities Assistance Program" is increased, the amount provide for "Distance Learning and Medical Link Program" is increased, and none may be used; by $22,500,000, by $2,500,000, and to carry out or pay the salaries of personnel who carry out any extension service program for tobacco or to provide or pay the salaries of personnel who provide crop insurance for tobacco for the 1997 or later crop years; respectively.

H.R. 3603

OFFERED BY: MR. SCHUMER

AMENDMENT NO. 11: Page 69, after line 5, insert the following new section:

SEC. 734. (a) LIMITATION ON USE OF FUNDS.—None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out, a market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

(b) CORRESPONDING REDUCTION IN FUNDS.—The amount otherwise provided in this Act for "Commodity Credit Corporation Fund—Reimbursement for Net Realized Losses" is hereby reduced by $90,000,000.

H.R. 3603

OFFERED BY: MR. VOLKMER

AMENDMENT NO. 12: On Page 48, line 17, strike "*Provided further*, That none of the funds made available under this heading shall be used for studies and evaluations:"

H.R. 3610

OFFERED BY: MR. SANDERS

AMENDMENT NO. 1: Page , after line , insert the following new section:

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department of Defense for any costs incurred by the contractor when it is made known to the Federal official having authority to obligate or expend such funds that such costs are restructuring costs associated with a business combination that were incurred on or after August 15, 1994.

H.R. 3610

OFFERED BY: MR. SANDERS

AMENDMENT NO. 2. Page , after line , insert the following new section:

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department of Defense for any costs incurred by the contractor when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such costs are restructuring costs associated with a business combination that were incurred on or after August 15, 1994; and

(2) the reports for 1995 and 1996 that are required under section 818(e) of Public Law 103–337 (10 U.S.C. 2324 note) have not been submitted to Congress yet.

H.R. 3610

OFFERED BY: MR. SANDERS

AMENDMENT NO. 3: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department when it is made known to the Federal official having authority to obligate or expend such funds that the payment is for the costs of compensation with respect to the services of any one individual at a rate in excess of $200,000 per year. For purposes of this section, the term "compensation" includes salaries, bonuses, deferred compensation, stock options and payouts, certified indirect costs, restructuring costs, and performance-based payments.

SENATE—*Tuesday, June 11, 1996*

The Senate met at 9 a.m., and was called to order by the Honorable PAUL COVERDELL, a Senator from the State of Georgia.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, there is no greater joy than to be Your friend. Along with Abraham and Moses, and men and women throughout the ages, we accept the awesome privilege of a friendship with You. To be called a friend of God is a source of strength and courage. When this assurance pervades our minds, hearts, and wills, we can pray for Your guidance and know that You will not only show us the way, but walk with us.

Thank You for helping us be the kind of friends to others that You have been to us. May we express Your loyalty, faithfulness, and consistency. We are thankful for the lasting friendships established and deepened over the years here in the Senate. These friendships weather the storms of conflict, party differences, and political tensions.

Today, on behalf of both parties, I express our gratitude to You, Father, for our friend, BOB DOLE. Thank You for his commitment to You expressed so faithfully in his leadership and service here in the Senate. He leaves the Senate this afternoon, but You know he can never leave the place he holds in our hearts. Bless him with the knowledge of Your love and our esteem. In the name of Jesus. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The assistant legislative clerk read as follows:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 11, 1996.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Paul COVERDELL, a Senator from the State of Georgia, to perform the duties of the Chair.

STROM THURMOUND,
President pro tempore.

Mr. COVERDELL thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader, the Senator from Kansas.

SCHEDULE

Mr. DOLE. Mr. President, there will be a period for morning business this morning from 9 o'clock until 10 o'clock. I ask unanimous consent that from 9:45 a.m. until 10 o'clock, I might have that 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. From 10 o'clock to 12 noon, the time will be under the control, I think, of Senator NICKLES. At 12 o'clock or thereabouts, I will make a brief statement. Then there will be recess until 2:15 for the weekly policy luncheons. At 2:15, the Senate will swear in SHEILA FRAHM, as a U.S. Senator, as my successor.

Following the swearing in, it is my understanding we will begin debate on the budget resolution, the conference report, 10 hours, and votes, therefore, are possible on the budget resolution conference report or any other items that may be cleared for action.

We are still trying to break the logjam on nominations. I am not certain we can get that done before noon today. I know we have cleared some nominations. We will take those up, hopefully, between 9:15 and 10 o'clock. I repeat what I have said many times: I do not like holding nominations and have not made it a practice personally. Hopefully, those who have the problems can work them out either today or after I am gone, because there are many families here trying to make plans. Holding up their nominations makes it difficult.

Of course, personally, I am still hopeful we can clear the World Trade Organization legislation. At one time it was cleared in the U.S. Senate. All it does is to give Congress a role in the event there are arbitrary decisions made by faceless, nameless bureaucrats in Geneva where we can exit from the World Trade Organization. It seems to me it is something we would want to do. It is supported by the President, supported by Mickey Kantor, the former U.S. Trade Representative. In fact, it was part of an agreement when I agreed to support it, standing with the President on the White House lawn—the GATT agreement which was part of that agreement. I hope the administration would be helpful.

As I understand, all the holds are on the other side of the aisle. I would like to complete action on that before noon today. If it is not possible, it is not possible. Senator DASCHLE had indicated on Thursday he would be pleased to help. I am certain he will over the next few hours. If anybody has any problems with that legislation, I think if they understood it—and it is not very complicated—it simply says that Congress should have a role, too.

There is a great deal of concern by people all over America who may have lost their jobs to foreign competition—at least they believe they have lost their jobs to foreign competition—they are concerned about all these, whether it is GATT or NAFTA, all these trade agreements where we are exporting jobs. This gives Congress the responsibility and a role in determining whether or not we should withdraw from the World Trade Organization.

In my view, it is legislation that should have been passed sometime ago. I understand it is acceptable to the House if we can free it from the Senate. Senator BYRD has had an interest in it. He has improved it some. He has an amendment, I think, that strengthens it more. It is not a partisan issue. I hope we can clear it this morning. If not, I know sometimes things do not work in this place.

I also thank Chaplain Ogilvie for his thoughts and his prayers.

Between now and 9:45, I assume the time will be equally divided.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The Chair advises the majority leader there is a period of morning business with Senators permitted to speak not to exceed 5 minutes.

GODSPEED TO SENATOR DOLE

Mr. COCHRAN. Mr. President, I rise to join all of those in the Senate today to wish Godspeed to our distinguished majority leader and colleague, BOB DOLE, as he departs the Senate and embarks upon his campaign for the Presidency of the United States. I do not know of any other event that is more important to all of us or to the country this year than his election as President. I am really glad in one sense to see him concentrate his full energies and attention on that objective.

When I think about BOB DOLE's leaving the Senate, I think about when I came to the Senate he was already established as one of the true legislative leaders of the Senate, although he occupied no elected position of leadership in the Senate. It was my good fortune

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

to serve on two committees with him as a freshman Member of this body—the Agriculture Committee and the Judiciary Committee. He was not intending to serve on the Judiciary Committee that year either, but he was drafted to serve. We did not have enough Members to fill out the ranks on the Republican side. Senator KENNEDY from Massachusetts just assumed the chairmanship of that committee. It was a very highly visible committee.

I recall Senator DOLE coming on the committee. Of course, he had been a lawyer, a county attorney in Kansas. He brought to that committee good judgment and experience on a number of issues. I can recall what I would think would be referred to as an obscure bill that year that the committee worked on, which was bankruptcy reform. After a lot of hearings, a lot of effort to resolve issues and to get a bill reported out, it was Senator DOLE who, when it appeared there was not going to be any action on that issue, came up with a proposal that turned out to be the centerpiece of bankruptcy reform.

It was that way on the Agriculture Committee. We would be locked in tough debate, arguments, differences of views based on regional considerations, sometimes party differences. The chairman from Georgia, Senator Talmadge, was trying to get everybody together. Time after time after time it was BOB DOLE who ended up being the force and the catalyst that brought the committee to a point where it agreed and reported out legislation. That legislation would ultimately become law.

Senator DOLE, as a member of the Finance Committee—I did not have the good fortune to be a member there—but as chairman of that committee, I can recall his handling legislation on the floor of the Senate into the late hours of the evening with the patience and the calm determination to see the bill through, dealing with the competing interests, the offering of amendments, Democrats and Republicans alike, getting a fair hearing on their proposals of what should be in the bill and what should not be in the bill. And finally, after sometimes days, bringing that bill to a point where it would pass the Senate and then ultimately be enacted into law.

A legislative leader, in the truest sense of the word, on a wide range of issues, some issues that other Senators did not want to work on, like in the Agriculture Committee, the nutrition issues, working out the difficulties in determining eligibility for food stamps, for School Lunch Program participation, how much would the Federal Government contribute, how much would State and local governments contribute, how much would individuals have to pay for these benefits, and on and on, the minutia, the tough, hard decisions. He was there to help make those decisions and to help shape a consensus of support for legislation on those issues when others could not do it, did not bring the skill and the determination and the capacity to do it that BOB DOLE brought to the challenge.

It was no wonder, when Howard Baker left the Senate in 1984, following the elections that year, the Senate turned to BOB DOLE and elected him leader. He has proven himself over and over again to be a confident, fair, courageous, decisive leader, driven by character, integrity, and the notion of what is good for the public interest, not just what is good for the party interest or partisan consideration, but the general interests that serve the people of our great country. It is with that kind of leadership that we have come to appreciate the genius of BOB DOLE and the outstanding way in which he has discharged the responsibilities of leader.

We are going to have a tough job. I know that some people are talking about the succession, and who is going to replace BOB DOLE. The fact is that nobody is going to replace BOB DOLE. Nobody has the capacity to do all the things that he has done in the U.S. Senate. It has really been an honor—a great honor—and a wonderful opportunity to have had the privilege of serving on some of the committees he has served on, some he has chaired, and to be a part of this Senate that has been led by BOB DOLE, the Senator from Kansas.

So we wish him all the best and know that he will enjoy many more successes and many more triumphs in the years ahead. We are confident of that, and we bid him a fond farewell.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

TRIBUTE TO SENATOR BOB DOLE

Mr. KYL. Mr. President, I would like to join the Senator from Mississippi in paying tribute to the Senator from Kansas, the distinguished majority leader. All of us who have served in this body can tell stories—even those of us who have served a very short period of time, such as myself—that reflect the qualities of BOB DOLE's leadership. Those of us who are partisan Republicans can only hope that a majority of American citizens can get to know BOB DOLE as well as we know him. If they do, then those of us who would like to see BOB DOLE be President know that the American people would choose wisely in that case. We recognize our partisanship in this matter, but I think even those who are on the other side of the aisle would acknowledge that the majority leader is a man of great character, judgment, and leadership skills that, frankly, are greater than most public servants who have the opportunity to represent people in this country.

So I join with my colleague from Mississippi in paying tribute to the majority leader, and I wish him well in his future endeavors.

A 15-PERCENT ACROSS-THE-BOARD TAX CUT

Mr. KYL. Mr. President, I want to speak for a few minutes this morning about a recommendation that has been made to the distinguished majority leader by a group of economists. I am talking about the proposal to cut income tax rates by 15 percent across-the-board. I know that some people will criticize this as political, but, frankly, in a representative democracy, the whole idea is to do things that the people want. I submit that if the people respond positively to this idea, clearly, it will have been the right thing to do. I believe people will respond positively because they have been asking for tax relief.

The point of an across-the-board cut in tax rates is that it helps to stimulate the economy. Therefore, it is the most productive in terms of providing for economic growth, which helps all people.

This is the kind of rate cut that produced more revenues to the Treasury under the administrations of John F. Kennedy and Ronald Reagan. This is the kind of tax rate cut that has been proposed and that I submit Majority Leader DOLE would be wise to call for in his Presidential campaign. John F. Kennedy, of course, said back in 1962, "A rising tide lifts all boats," to illustrate the point that across-the-board tax rate cuts help everybody. It helps the economy grow. Therefore, it does not matter what place you are on the ladder of economic progress, whether in the middle, or at the high end, or even at the lower end of the ladder; a growing economy helps everyone because it provides for more job opportunities, it provides for more payment to workers, more opportunities for savings and investment and expansion of the economy, which, as a result, helps everyone.

But the point that I want to briefly make this morning is that it also helps us in dealing with the problem of reducing the Federal budget deficit and providing for the needs of Government. There is a paradox in economics that provides that, up to a certain point, actually reducing tax rates can provide more revenues to the Treasury. In the brief minute or two I have this morning, let me address that a little bit more.

Obviously, there are two tax rates that produce no tax revenues to the Treasury. One is 0 and the other is 100. The point of mentioning 100 is to make the point that you can tax people too much—to the point that they will stop doing the things that produce the revenue that would then come into the

Treasury. When you have tax rates of 90 percent or 80 percent or 70 percent, even, people find other things to do with their money. Either they do not work as hard and generate the income, or they find ways to shelter that income or defer it so that they do not have to pay taxes. The result is that tax increases do not produce the revenues they are projected to produce. That fact is true of the 1993 Clinton tax increase. People just changed their behavior as a result of the increased taxes.

The same thing is true when tax rates are cut. When John F. Kennedy did it and when Ronald Reagan did it, revenues to the Treasury increased dramatically. It is like having a weekend sale. The merchant does not do this to lose money when he reduces the price on his goods. He reduces the price on the goods in order to attract more people to buy more goods so that even though he is making less per item, he makes far more in gross terms. That is exactly what happens when the Government reduces marginal tax rates, and what economists predict would happen if there were an across-the-board 15-percent tax reduction in our income tax rate.

Under the Reagan administration, Mr. President, not only did interest rates fall as a result of the tax rate cut, but our economy grew for the longest sustained period in the peacetime history of the United States and, importantly, revenues to the Treasury increased between $60 billion and $80 billion a year. In the John F. Kennedy administration, income tax rates were reduced from a range of 20 to 91 percent to a range of 14 to 70 percent. Revenues to the Treasury rose 66 percent by 1969. In the States it was the same thing. During former Governor DuPont's administration in Delaware, in 1979, the top rate was cut from 19.8 percent to 7.1 percent. By 1993, State revenues had doubled and employment increased by 36 percent. Welfare caseloads fell by 40 percent.

The point I am trying to make here is really very simple. In this time when we are all focused on deficit reduction, there are a lot of people who are deathly afraid of reducing tax rates on the assumption that it will reduce revenues to the Treasury. In fact, they even propose increasing tax rates. But the fact of the matter is that at least certain kinds of rate reductions—and this certainly includes across-the-board marginal income tax rate reductions—have resulted in increased revenues to the Treasury every time they have been accomplished.

Those who say that we cannot afford a tax cut if we are serious about balancing the budget seem to view the economy as a zero-sum game. It is, in my view, a very cynical view that seeks to divide people, baiting them with envy and greed; no one can ever do better unless someone else does worse. It is like trying to divide a pie into ever more slices, satisfying no one in the process.

Some of us think that we should try to make every American better off. We want to grow the economy—bake a bigger pie—so that all Americans can do better. That is what happened during the Reagan years. I noted some of the benefits of the Reagan tax cuts earlier in my remarks, but other good things happened as well. Real median family income grew every year but one between 1982 and 1989, rising $4,564 or 12.6 percent. Inflation virtually disappeared by 1986, protecting all Americans, particularly senior citizens on fixed incomes.

And for those who suggest that it was the wealthiest who benefited most from tax cuts, I would point out that from 1981 through 1988, the share of all income taxes paid by the top 1 percent of all taxpayers rose each and every year from a low of 17.89 percent to a high of 27.58 percent.

The high-tax policies of the 1990's have had just the opposite effect. Real median family income has declined $2,108 or 5.2 percent. Since the beginning of 1995, the economy has only grown at a yearly rate of 1.6 percent. More than a third of the new jobs created have gone, not to people just entering the work force or getting off of welfare, but to people who are taking an extra job just to make ends meet. Interest rates, which declined during most of 1995, are rising again after President Clinton vetoed the balanced budget and tax relief package that Congress sent him.

Until Congress forced President Clinton to get serious about limiting Federal spending last year, deficits were forecast at $200 billion a year for the foreseeable future—despite record high taxes. What that proves is that sluggish economic growth and overspending, not a lack of revenue, are the real causes of the Nation's deficit problem.

Mr. President, I would note that revenues as a percentage of gross domestic product [GDP] have actually fluctuated around a relatively narrow band—18 to 20 percent of GDP—for the last 40 years. Revenues amounted to about 19 percent of GDP when the top marginal income tax rate was in the 90 percent range in the 1950's. They amounted to just under 19 percent when the top marginal rate was in the 28 percent range in the 1980's. Why the consistency? Because tax rate changes have a greater effect on how well or how poorly the economy performs than on the amount of revenue that flows to the Treasury relative to GDP.

In other words, how Congress taxes is more important than how much it can tax. The key is whether tax policy fosters economic growth and opportunity, measured in terms of GDP, or results in a smaller and weaker economy. Nineteen percent of a larger GDP represents more revenue to the Treasury and is, therefore, preferable to 19 percent of a smaller GDP.

Mr. President, I want to conclude by contrasting the proposed across-the-board income tax rate cut with some of the other tax cut proposals that have been offered. As Grover Norquist of Americans for Tax Reform said recently, paraphrasing Mae West, "All tax cuts are good tax cuts, and even bad tax cuts are good tax cuts." In other words, just about anything we do to leave more money in people's pockets is a good thing.

I very strongly supported the $500-per-child tax credit that was in the Balanced Budget Act last year. I cosponsored the proposal with Congressman FRANK WOLF of Virginia when I served in the House of Representatives with him in 1994. I would also support President Clinton's proposed education credit. But the $500-per-child credit and the education credit, unlike the proposed 15-percent across-the-board rate cut, would help only families with children or those in pursuit of a college education.

The benefit of the across-the-board approach is that it reaches out to all Americans. Everyone would benefit. It says to the American people that we trust them to spend their money in ways that are best for themselves and their families. It would allow people to keep more of every dollar earned from their extra effort in the work place—no matter what kind of work they do—and from their extra investment—no matter what kind of investment they make. The broad nature of the tax cut, applying to all forms of work and investment, ensures that effort and capital are steered to the most productive activities in the economy instead of those activities that the Government deems most important through targeted tax credits or deductions.

It is also the fairest way to provide tax relief. Everyone would be treated the same; tax rates would be cut 15 percent across the board, boosting take-home pay and relieving a major source of anxiety among people with middle and low incomes.

Notably, a 15-percent rate cut would take revenues as a share of GDP back to where they were before Clinton took office—to 19.2 percent from the current 20.4 percent—effectively repealing the Clinton tax increase.

Therefore, I think it would be a very wise thing for Majority Leader BOB DOLE in his quest for the Presidency—and, frankly, for President Bill Clinton, as he seeks reelection—to embrace the concept that the American people could not only do well individually as a result of a reduction in income tax rates, but also that this would help to stimulate the economy and, ironically, or paradoxically, as I said, end up providing more revenues to the Treasury to help us with deficit reduction and the financing of all of the important things that we want to finance as a result of the Federal Government's efforts.

Mr. President, I hope that as this debate continues, we will be able to discuss the concept of tax rate reductions. I hope to cosponsor legislation to that effect, and I hope we can begin the debate with the American people so that a consensus can be developed and, as a result of this election, we will have a mandate to reduce marginal income tax rates across the board.

REPUBLICAN PROPOSAL ON MEDICAL SAVINGS ACCOUNTS AND THE HEALTH INSURANCE REFORM BILL

Mr. KENNEDY. Mr. President, yesterday, House and Senate Republicans announced a compromise on medical savings accounts. In reality, this compromise is a capitulation to House Republicans who are more interested in creating an issue and serving a special interest constituency than in passing a bill.

Medical savings accounts have become the Trojan horse that could destroy health insurance reform. This untried and dangerous proposal does not belong in the consensus insurance reform bill. It has already been rejected by the Senate. A bill containing it cannot be enacted into law and signed by the President.

Democrats and the White House have offered a fair compromise, which would provide for a controlled and limited test of the MSA concept to see if it should be expanded. But the House Republican leadership has said that it will be their way or no way. As Majority Leader ARMEY said on Sunday, "I will not give up medical savings accounts," and he dared the President to veto the bill. The latest proposal clearly reflects this partisan strategy.

The Republican leadership pretends their proposal is a fair attempt to deal with concerns about medical savings accounts. But it is nothing of the kind. Under their proposal, medical savings accounts could be sold to all small businesses and the self-employed immediately. This opens MSA's to a massive market consisting of more than 40 million workers—one-third of the Nation's entire labor force. This is hardly a controlled, limited test.

Even more serious, experts agree that the small business sector of the health insurance market is the most vulnerable to the disruption that medical savings accounts would cause. The Joint Tax Committee concluded that sales of medical savings accounts would be concentrated in small- and medium-sized firms.

The proposal would clearly go beyond the bounds of what is acceptable, even if it stopped there. But it does not. After 3 years in which medical savings accounts are sold to this vast market, the accounts would be expanded to everyone. Only if both the House and Senate voted to stop the expansion would it be prevented. This is not a test. It is a travesty.

The great danger of medical savings accounts is that they are likely to raise health insurance premiums through the roof and make insurance unaffordable for large numbers of citizens. They will discourage preventive care and raise health care costs. They are a multibillion-dollar tax giveaway to the wealthy at the expense of working families and the sick. Their cost could balloon the deficit by tens of billions of dollars.

The most troubling aspect of medical savings accounts is the risk that they will destroy the health insurance pool, and price conventional insurance out of the reach of most American families. Medical savings accounts will raise premiums for the vast majority of Americans—especially those who are sick and need coverage the most—by siphoning the healthiest people out of the insurance pool. As premiums rise for everyone else, more and more working families will be forced to drop comprehensive coverage. In the words of the Congressional Budget Office, medical savings accounts "could threaten the existence of standard health insurance." Mary Nell Lenhardt, senior vice president of Blue Cross and Blue Shield concluded that MSA's destroy "the whole principle of insurance."

The leading proponents of medical savings accounts are insurance companies like the Golden Rule Co., which have been the worst abusers of the current system. The strongest opponents of medical savings accounts are organizations representing working families, senior citizens, consumers, and the disabled, who have the most to lose if the current system of comprehensive insurance is destroyed. We know whose voice should be heard when Congress decides this issue—not the voices of greedy special interests, but the voices of those who depend on adequate insurance to get the care they need at a price they can afford.

The Kassebaum-Kennedy bill passed the Senate by a bipartisan vote of 100 to 0, without medical savings accounts. It passed unanimously, because it contained the noncontroversial, important insurance reforms that everyone agreed on. The American people deserve to see those reforms enacted, not jeopardized by the last-minute addition of a partisan poison pill.

House Republicans should not turn a bipartisan bill that could be passed by both Houses today and signed by the President tomorrow into just another election year issue. The American people deserve a fair compromise on this highly controversial issue, and I continue to be hopeful that we can find a satisfactory compromise to save this needed bill.

To those who genuinely believe that medical savings accounts offer an improvement in the health care system, I say let us work together to devise a fair test of the concept that will not put millions of American families at risk. The American people's hopes for insurance reform should not be held hostage to a partisan, special interest agenda.

Mr. President, I yield the floor.

Mr. GRAHAM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. Mr. President, I ask unanimous consent to speak for 10 minutes for purposes of introducing two bills.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, thank you.

(The remarks of Mr. GRAHAM pertaining to the introduction of S. 1859 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Delaware.

TRIBUTE TO SENATOR BOB DOLE

Mr. ROTH. Mr. President, it is difficult, if not impossible, to adequately address the congressional career of our departing majority leader in a 5-minute floor statement. His accomplishments in his 35 years as a Congressman and Senator—his successes achieved while serving 11 years as Republican leader—could fill volumes.

Indeed, hours could be spent rehearsing BOB DOLE's impressive record: His heroism in World War II; his early political career in the Kansas House of Representatives, followed by his successes here in Washington; his efforts in 1964 to secure passage of the Civil Rights Act; his historic work with Senator MOYNIHAN in 1983 to save the Social Security trust fund; his engineering the vote in 1991 to authorize U.S. forces to turn back Saddam Hussein's tyranny in the Middle East; his support for Kemp-Roth and the 22-percent reduction in income taxes that ushered America into the longest peacetime economic expansion in history; his staunch stand against President Clinton's 1993 record-setting $241 billion tax increase.

These are only a few of the milestones in BOB DOLE's journey from modest beginnings in America's heartland to his noble objective today. Time will not permit us to go beyond a few random milestones. But then again, Mr. President, the truth is that the greatest leaders need the least amount of praise. They have written their stories in the hearts and minds of the people they serve.

Senator BOB DOLE has done just that. His story is one of courage, persistence, character, discipline, and determination—the determination to overcome odds that would have vanquished a lesser individual. He is a man of deep convictions and proven abilities. And everyone who has had the opportunity to serve with him understands that just as solid as his past record, is his vision for the future. He has outlined that vision in absolute terms. And with BOB DOLE there are no surprises. As long as I have known him, his words have been exceeded by his deeds.

I believe that at the center of BOB DOLE's vision is his economic message, that we "deal with the deficit, and * * * couple that with tax cuts." Toward this end, Senator DOLE is both tenacious and pragmatic. He knows the correlation between low taxes and economic growth, and he has proposed serious tax cuts.

BOB DOLE has been an effective leader during a time when this body addressed some of the most critical issues in history: The need for a balanced budget amendment; the need to strengthen and preserve Medicare; the need to provide effective, portable, and affordable health care coverage for Americans; the need to guarantee the future of Social Security; the need to keep a strong defense—a defense marked by high morale and the best, most effective materiel available. He understands these issues intimately—as well as anyone—and he knows what must be done to see that these need are met.

Mr. President, I will miss BOB DOLE. And though I wish him all the best in his new endeavors, I will miss his daily leadership here on the Senate floor. I will miss his quick wit; his sense of humor. I will miss his deliberate style, and his uncanny ability to turn assertive and aggressively intellectual into a cohesive team.

On a personal note, I am grateful for the chance I have had to serve with BOB DOLE. I am grateful for our friendship, for our years working together on this floor. Like other great majority leaders who have gone before, Senator DOLE leaves his mark on this institution. As the Congressional Quarterly recently pointed out, "* * * as majority leader, [Bob Dole] proved a point that badly needed proving * * *. The Senate could be led."

PUBLIC/PRIVATE PARTNERSHIPS FOR WASTEWATER TREATMENT FACILITIES

Mr. LOTT. Mr. President, I rise today to urge action to foster public/private partnerships for wastewater treatment facilities. Today, Federal regulations and the tax code inhibit the ability of State and local governments to create public/private partnerships. By getting Washington out of the way, local governments can acquire the much needed freedom to better manage competing demands for scarce governmental resources, and to make infrastructure and servicing decisions that are best for their citizens and the environment.

What, my colleagues might ask, are public/private partnerships, and why do they make good sense for wastewater treatment?

The answer is that public/private partnerships are voluntary, cooperative arrangements between a State or local government and a private sector entity whereby that private sector entity agrees to perform a public purpose service that would otherwise require the government to perform as well as pay for the service. In the wastewater treatment context, for example, it involves a private entity building, improving, maintaining, and operating, under long-term lease or as owner, sewage treatment plants. The private entity invests private sector capital to build or upgrade a plant to meet Clean Water Act standards and other legal requirements. The State or local government and the Federal Government are spared the need to spend scarce public funds on these plants, while retaining the ability and authority to ensure compliance with all laws and reliable, fairly priced service to their citizens.

Such public/private partnerships cut costs and improve services. The private owner/operator is held accountable by local government to the citizens it services, to ensure that it maintains quality service and competitive pricing. Studies have shown that private operation of public purpose facilities can result in a savings to State and local taxpayers of between 16 and 77 percent because of the superior expertise and specialization of private firms as well as the built-in incentives that are created through competition. As EPA has recognized, private companies often can also construct, improve, and maintain facilities more cost effectively than can the government by taking advantage of economies of scale and cost-reducing advances in technology long before their public counterparts. Transferring a wastewater treatment facility to a private entity can also generate cash for local governments to use to finance other necessary improvement projects. Furthermore, if impediments to these and other public/private partnerships were removed, it is estimated that as much as $7.7 billion per year in new revenues could be generated through Federal income taxes paid by the private owners of facilities that would be exempt under public ownership.

In addition to these fiscal considerations, public/private partnerships in the wastewater treatment area also further environmental goals that might otherwise be indefinitely delayed. EPA estimates that existing and additional publicly owned treatment works and other wastewater infrastructure needs will require approximately $137 billion in capital investment over the next 20 years to comply with Clean Water Act requirements. Even the most optimistic scenarios give no reason for blithe confidence that such enormous sums will be readily available from Federal or State and local treasuries. Given that qualified, experienced private companies can finance, build, own and operate wastewater treatment facilities in a cost-effective and reliable manner, we should take advantage of this opportunity to encourage State and local governments to look to the private sector to meet the needs of their communities, use scarce dollars to meet other pressing needs, and simultaneously achieve the environmental goals of the Clean Water Act.

In light of these benefits of public/private partnerships for wastewater, one might ask: What's the problem; why have they not gone forward in more of the many communities that see them as desirable; and why is legislation needed?

Federal legislation is needed because three aspects of current law either impede or fail to provide adequate incentives and certainty for these partnerships.

First, Federal regulations discriminate against private entities owning public purpose wastewater treatment works by denying them the domestic sewage exemption available to a public owned treatment work [POTW] under the Clean Water Act. It is impossible for a private entity to own and operate a plant under a partnership agreement unless that plant is considered a POTW.

Second, there is no Federal statutory assurance that local governments may transfer existing treatment plants to private firms without having to pay back to the Federal Government the Federal grant money originally used to build or improve the plant. The Clean Water Act contains no such requirement, but Federal regulations require total repayment for transfers of wastewater and other infrastructure to a private entity. Recognizing the counterproductive effects of those requirements, Presidents Bush and Clinton issued Executive order requiring only partial payback for certain wastewater plant transfers. Legislation is needed to address this issue in law and provide certainty to communities for planning.

Finally, the Tax Code also hinders private investments in wastewater treatment facilities. In order to stimulate public/private partnerships for wastewater treatment, it is essential to ensure that Federal tax provisions do not discourage private sector investment and long-term operation of treatment plants. The changes to the

Tax Code I have in mind are appropriate for wastewater treatment facility public/private partnerships because these transactions will not alter the original public purposes served by wastewater treatment facilities—providing wastewater services to communities. I would be delighted to provide my colleagues with details of these important changes.

Legislative initiatives seeking to address some of these problems have been undertaken, but they are either trapped in a more comprehensive bill or address a broad array of public/private partnerships extending well beyond wastewater treatment. Moreover, none of the initiatives thus far addresses the significant disincentives created by provisions of the Tax Code.

The House has taken steps to address some of these points. The Clean Water Act Amendments of 1995, H.R. 961, passed by the House a year ago, includes provisions that statutorily define public owned treatment works so that regulations are based on the purpose and actual operations of a wastewater treatment facility rather than the identity of its owner. It would provide the legal certainty necessary for State and local governments to transfer wastewater treatment facilities to qualified private sector companies. In addition, it provides for a grant repayment approach whereby the State and local governments are able to recover their investment in the wastewater treatment facility, and then are only required to repay the undepreciated portion of any Federal grants. While the House provision on grant repayment is a step in the right direction, I believe that the Federal-aid Facility Privatization Act, S. 1063, of which I am a cosponsor, takes a better approach to the difficult problem faced by municipalities that are confronted with deteriorating infrastructure of all kinds, obsolete technology, tougher regulatory requirements, and a shortage of funds to finance and operate the wide variety of essential infrastructure projects that need improvement. S. 1063 improves on the House grant repayment provision by allowing total forgiveness of those grants. The local governments are really the best ones to decide how to use the money the Federal Government has given them for public purposes.

Mr. President, I would hope that my colleagues will consider this matter carefully, and that we can get together and do it soon. It should be a win-win for everyone. Removing the Federal obstacles to public/private partnerships for wastewater treatment does not cut government service, it only cuts government restrictions and burdens—something we in America need to be doing. Doing so will also save money, yield environmental benefits, and serve as a pilot for similar challenges by fostering an innovative, market-based approach without increasing the burden on State and local governments.

FISCAL YEAR 1997 BUDGET RESOLUTION

Mr. DOLE. Mr. President, soon the Senate will act on the conference report on the fiscal year 1997 budget resolution. I had hoped that the Senate could have passed this conference report by today, but final action will occur soon.

When the Senate passes the fiscal year 1997 budget resolution, it will be doing important work because no policy is more important to the economic future of all Americans, and particularly to the future of our children, than a balanced budget.

We will also be fulfilling our promise to the American people to balance the budget by the year 2002. I am proud of our achievement in keeping our promise to the American people and I am proud of this budget.

The fiscal year 1997 budget resolution balances the Federal budget in 6 years.

It reduces overall Federal spending by more than $700 billion over the next 6 years.

It provides family tax relief of $122 billion for a $500-per-child tax credit to help America's working families.

It provides for real welfare reform.

And it would prevent the Medicare program from pending bankruptcy. The Medicare trustees reported last week that Medicare is going broke more quickly and in this budget we save Medicare from bankruptcy in the year 2001.

That's why this is a good conference agreement. It represents some compromises between the House and the Senate. No one got everything they wanted. But it's the right budget for now and for putting us on strong course for the next century.

Mr. President, it is no small accomplishment that all of us now agree that the budget should be balanced by the year 2002. That's a big change from this time last year when we were debating the budget. Now it's not just Republicans saying it, but all of us, from Republicans to blue dog Democrats to the President. That in itself is good news for America.

But we're not there yet. Last year we passed the first balanced budget in a generation. But President Clinton vetoed it.

I hope all Senators will support this budget resolution to finally get the job done. This budget will help define for the American people which of us are for more Washington spending and which of us are for less Washington spending; which of us are for more taxes and which of us are for less taxes. And most importantly, which of us are willing to do what's necessary to stop the stranglehold that the deficit places on our economic future.

Some say deficits don't matter. But the fact is that the Federal budget deficit is like a tax hike on working families.

The deficit drives up interest rates—and not by a little but by a lot. It is a stealth tax that every family with a home, every father and mother with a child in college, every young person who buys a car must pay, and pay, and pay.

What does this stealth tax cost in dollars? Over $36,000 on a typical home mortgage. More than $1,400 on an ordinary student loan. Nearly $700 on a typical car loan.

Remember that in 1994, the Federal Government spent $203 billion in interest on the Federal debt—more than it spent on education, job training, public works, and child nutrition combined. In 1994, Americans paid an average of $800 per person in taxes just to service interest on the debt—again, not to pay off the debt or even to reduce the debt, just to pay the interest on the debt.

We simply cannot continue to mortgage America's future. If we continue current tax and spending policies, future generations will be saddled with effective tax rates of more than 80 percent.

Mr. President, let's do what's right. Let's pass the fiscal year 1997 budget resolution. Let's do everything we can this year to preserve the American dream of economic security for future generations of Americans. Our children and our grandchildren deserve no less from us.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, let me indicate in advance, I want to get consent in a second to proceed to some nominations. There are 34. We are still trying to clear others. I still hope we can clear some of the judges. I ask my friends on both sides of the aisle to see if they cannot come together here in the next hour or two and free up many of the judicial nominations. But we are making progress. I think this is some indication of that. I thank my colleagues and Senator DASCHLE and his colleagues.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, I ask unanimous consent that, in executive session, the Senate proceed en bloc to the following nominations on today's Executive Calendar: Nos. 490, 491, 492, 495, 496, 497, 540, 541, 542, 549, 550, 551, 552, 553, 556, 557, 558, 559, 562, 564, 565, 566, 567, 568, 569, 570, 571, 572, 578, 601, 602, 603, 604, 605, and all nominations placed on the Secretary's desk in the Coast Guard.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. I further ask unanimous consent that the nominations be confirmed en bloc; that the motions to reconsider be laid upon the table; that any statements relating to the nominations be placed in the RECORD; that the President be immediately notified of the Senate's action; and further, that the Senate then return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations considered and confirmed, en bloc, are as follows:

LEGAL SERVICES CORPORATION

LaVeeda Morgan Battle, of Alabama, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 18, 1998. (Reappointment)

John N. Erlenborn, of Illinois, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1998.

Edna Fairbanks-Williams, of Vermont, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1998. (Reappointment)

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

Norman I. Maldonado, of Puerto Rico, to be a Member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 1999.

Luis D. Rovira, of Colorado, to be a Member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 2001.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

Donna Dearman Smith, of Alabama, to be a Member of the Board of Trustees of the Barry Goldwater Scholarship and Excellence in Education Foundation for a term expiring March 3, 1998.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

William L. Wilson, of Minnesota, to be a Member of the Advisory Board of the Saint Lawrence Seaway Development Corporation.

COMMUNICATIONS SATELLITE CORPORATION

Barry M. Goldwater, Sr., of Arizona, to be a Member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1998. (Reappointment)

Peter S. Knight, of the District of Columbia, to be a Member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1999. (Reappointment)

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

C.E. Abramson, of Montana, to be a Member of the National Commission on Libraries and Information Science for a term expiring July 19, 2000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Robert B. Rogers, of Missouri, to be a Member of the Board of Directors of the Corporation for National and Community Service for a term of three years. (New Position)

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

Elmer B. Staats, of the District of Columbia, to be a Member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 2001. (Reappointment)

NATIONAL MUSEUM SERVICES BOARD

David A. Ucko, of Missouri, to be a Member of the National Museum Services Board for a term expiring December 6, 1999.

Alberta Sebolt George, of Massachusetts, to be a Member of the National Museum Services Board for a term expiring December 6, 1998, vice Ruth K. Watanabe, term expired.

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

Audrey Tayse Haynes, of Kentucky, to be a Member of the National Institute for Literacy Advisory Board for a term expiring October 13, 1998.

Mary Dodd Greene, of Texas, to be a Member of the National Institute for Literacy Advisory Board for a term expiring October 12, 1998.

Mark Edwin Emblidge, of Virginia, to be a Member of the National Institute for Literacy Advisory Board for a term expiring September 22, 1998.

Toni G. Fay, of New Jersey, to be a Member of the National Institute for Literacy Advisory Board for a term expiring October 12, 1998.

Richard L. Morningstar, of Massachusetts, for the rank of Ambassador during his tenure of service as Special Advisor to the President and to the Secretary of State on Assistance to the New Independent States (NIS) of the Former Soviet Union and Coordinator of NIS Assistance.

Dane Farnsworth Smith, Jr., of New Mexico, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal.

George F. Ward, Jr., of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Namibia.

Sharon P. Wilkinson, of New York, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Burkina Faso.

Kenneth C. Brill, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

Day Olin Mount, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Iceland.

Charles O. Cecil, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

David C. Halsted, of Vermont, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chad.

Prudence Bushnell, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya.

Morris N. Hughes, Jr., of Nebraska, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

DEPARTMENT OF JUSTICE

John R. Lacey, of Connecticut, to be a Member of the Foreign Claims Settlement Commission of the United States for a term expiring September 30, 1998. (Reappointment)

NUCLEAR REGULATORY COMMISSION

Hubert T. Bell, Jr., of Alabama, to be Inspector General, Nuclear Regulatory Commission.

NATIONAL TRANSPORTATION SAFETY BOARD

James E. Hall, of Tennessee, to be Chairman of the National Transportation Safety Board for a term of 2 years. (Reappointment)

DEPARTMENT OF DEFENSE

Robert E. Anderson, of Minnesota, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring June 20, 2001.

Lonnie R. Bristow, of California, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring June 20, 2001.

Shirley Ledbetter Jones, of Arkansas, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring May 1, 2001.

IN THE COAST GUARD

Coast Guard nominations beginning Vincent Wilczynski, and ending James R. Dire, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1996.

Coast Guard nomination of Andrew J. Sorenson, which was received by the Senate and appeared in the Congressional Record of May 22, 1996.

STATEMENT ON THE NOMINATION OF AUDREY TAYSE HAYNES

Mr. FORD. Mr. President, I rise today in support of the nomination of Audrey Tayse Haynes to the National Institute of Literacy Advisory Board. Audrey Tayse Haynes, a fellow Kentuckian, is a distinguished community and business leader. She currently serves as the executive director of Business and Professional Women U.S.A. and the National Federation of Business and Professional Women's Foundation.

Audrey's credentials are outstanding and her background in education is exemplary. Aside from receiving her bachelors degree and her masters degree in social work from two of Kentucky's finest institutions of higher education, Spalding University and the University of Kentucky, Audrey served as the executive director of the Kentucky Literacy Commission from 1989 to 1993. In addition, she has served as a member of both the Kentucky State Board for Elementary and Secondary Education and the National Association of Literacy Directors. She has also received the honor of being a distinguished recipient of the Martha Wilkinson Education Award.

Audrey Tayse Haynes has made significant contributions to the Commonwealth of Kentucky through her tenure as director of human resource development for the Kentucky Department of Mental Health and Retardation, as director of prevention and training programs at training and development resources and as a chemical dependency counselor. The combination of Audrey's background in education and human services with her excellent leadership ability make her an ideal candidate for the National Institute of Literacy Advisory Board. I wholeheartedly support this nomination and urge my colleagues to vote to confirm this deserving nominee. I thank the Chair and I yield the floor.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now return to legislative session.

WORLD TRADE ORGANIZATION

Mr. DOLE. Mr. President, I will not make a unanimous-consent request, but I will just say, again, a word about the WTO modification, the World Trade Organization.

As I indicated earlier this morning, it seems to me it is not a partisan measure. It just gives Congress some input, some authority and some responsibility. We know the American people are concerned about job loss, about exporting jobs and about all these international faceless, nameless bureaucrats who make decisions that might impact on their job. So it occurred to me the Congress should have some say, and we should be able to initiate withdrawal from the World Trade Organization.

I think if we go back and look at the past, we will find that most Presidents are reluctant to do that, regardless of party. So this would give Congress, Democrats and Republicans—probably working together—a right to initiate withdrawal from the World Trade Organization. To me, those who voted against NAFTA or GATT—this pertains only to GATT, the World Trade Organization—but this would be sending a very strong signal.

It would also, I think, be helpful; it might send a strong enough signal that some of our unfair competitors in foreign countries understand that we are serious about this. We are concerned about American jobs, whether they be in Georgia or Kansas, wherever, and that we in Congress are accountable. We are on the ballot every 6 years or every 2 years.

So I hope sometime before—let us just pick a number, say 2 o'clock—we can clear this and pass it. If not, I will leave it up to my friend from Georgia to take care of it after I am gone.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

IDEA

Mr. DOLE. Mr. President, on April 14, 1969, I gave my first speech on the Senate floor. I spoke about people with disabilities—the challenges they face in their daily lives and how appropriate services can make a big difference by giving them a shot at opportunities others take for granted. Thus, as I leave the Senate today, it is with a sense of symmetry and continuing mission that I am pleased today to rise in support of the Individuals with Disabilities Education Act.

I might say, we hoped to have that cleared. There is some problem.

IDEA, as it is often called, gives States important financial help to educate students with disabilities and, in turn, provides students with disabilities with the guarantee of a free and appropriate public education.

Mr. President, there are some issues that transcend politics, foster a bipartisan spirit, and result in legislation that makes a real and lasting difference. In my view, disability has always been one of those issues.

Perhaps no legislation has been more important in improving opportunity for young people with disabilities than IDEA. In 1975, I was honored to help craft the first IDEA legislation.

At that time, as unbelievable some may find it today, millions of young people were not allowed into school, simply because they had a disability.

IDEA has helped change that, and IDEA is as important today as it was 21 years ago. But the world has changed, and so, too, must IDEA.

This latest reauthorization bill cuts administrative redtape, provides States more flexibility in spending Federal funds, demands greater accountability for educational results and helps educators maintain safe schools—without sacrificing any of the important protections IDEA gives students with disabilities.

I want to acknowledge the hard work of Senators FRIST and HARKIN. Their efforts have paid off in a good bill, and I congratulate them.

Mr. President, I do not know what judgments historians of the future will make of my record in the Senate. But, for me, I can think of no more important issue in a personal sense than disability, one that I have pursued with more constancy or greater pride, or has made a greater difference in people's lives. I hope others will reflect that what I did was right, not merely convenient.

(The remarks of Mr. DOLE pertaining to the introduction of S. 1856 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

CAMPAIGN FINANCE REFORM

Mr. DOLE. Mr. President, later today I will introduce a bipartisan commission bill on campaign finance reform, something I talked about in 1990—not last week or last year, and it is in the RECORD. In fact, Senator Mitchell and I even experimented with our own limits commission. The problem was there was not any enforcement there, so Congress did not do anything.

I am no rocket scientist, and I have been here long enough to know that if Republicans were in charge, we will try to have a bill better for us, and if the Democrats are in charge, they will want a bill that is better for them. I will introduce a bill later, along with a statement calling for a bipartisan commission which would have some teeth in it so, if they made recommendations, Congress would act up or down. I hope it is something we could get our arms around. It will not happen soon, but I think we need to focus on it.

We are into another election cycle. I know there is a lot of criticism by a lot of people about fundraising. None of us likes to do it. I do not. I believe we can address this in a responsible, objective way by finding people outside of politics who understand the problem and can deal with it and treat all of us fairly, whether we are, again, Republicans or Democrats. I yield the floor.

The ACTING PRESIDENT pro tempore. The Chair advises that under a previous order, the time between 10 o'clock and 12 noon is under the control of the Senator from Oklahoma. The Chair recognizes the Senator from Oklahoma.

TRIBUTE TO SENATOR BOB DOLE

Mr. NICKLES. Thank you, Mr. President. I yield to the Senator from Kansas, Senator KASSEBAUM, 5 minutes.

Mrs. KASSEBAUM. Mr. President, I think it is appropriate that Senator DOLE, in one of his last acts of the Senate, introduced legislation to provide for security of the Medicare trust fund. It was his strong endorsement and leadership at the beginning of the

1980's that addressed the solvency of the Social Security system. Just yesterday, he was instrumental in bringing a number of us together to address the concerns of health insurance reform. It is my hope we can reach across the aisle and forge with the administration a lasting piece of legislation addressing many of the concerns regarding health insurance reform.

For nearly 18 years, Mr. President, Senator DOLE and I have served as partners in representing Kansas in the U.S. Senate and in working on many other issues. We have not always agreed, but far more often we have agreed. More importantly, Mr. President, we have respected each other's dedication. Today, that partnership ends, at least in its current form.

This day creates many mixed emotions. Like others in this Chamber, I will miss BOB DOLE's steady presentation and his can-do attitude that has helped the Senate through so many rough times. I know Kansans also view his departure with some trepidation.

At the same time, I believe that Senator DOLE has made the right choice by deciding to focus all of his time, energy, and skill on the Presidential campaign. It is a mark of his dedication and commitment that he would give up so much in order to bring his very best to the challenge at hand. It also, I think, marks his confidence.

In our years together here, BOB DOLE and I have created a spirit of cooperation and teamwork in representing our State. There is no one who understands middle America and grassroots sentiment better than BOB DOLE. That is where his roots are. We have joined forces many times to see the needs of Kansans were addressed and that the concerns of Kansans were voiced clearly and forcefully. I could not have asked for a better partner in helping me. I hope my support for him in those efforts has been worthwhile as well.

Our work together has ranged across the spectrum of issues and problems. Countless hours were spent helping farmers get through the credit crunch of the 1980's. No one understood that better than BOB DOLE. Today, there are family farms across our State and our Nation who still work their own lands due to BOB DOLE's leadership.

We have gone to bat repeatedly to assist our aviation manufacturers to get fair treatment in world markets. Today, there are thousands of aircraft workers producing airplanes that might never have been sold without BOB DOLE's firm hand and persistent efforts. Senator DOLE took the lead in the effort to rebuild McConnell Air Force Base in Wichita, KS, after a devastating tornado swept through the outskirts of Wichita. He saw to it that every small town in Kansas had a tornado warning siren to protect its citizens.

Mr. President, through all of these years, no challenge has been too large and no concern has been too small for Senator DOLE. Our State motto is ad astra per aspera, "to the stars through difficulties." I have never known Senator DOLE to not look at a challenge and find a way to address it. He has been a tireless champion for our State in every farm bill, every tax bill, every bill of any kind that touched Kansas and, more importantly then, by extension, the Nation. As a direct result of his efforts, our State is a better place to live, to work, and to go for school. His legacy is written not merely in laws but in a better life for every Kansan.

It is with a mixture of regret and pride that I say goodbye to Senator DOLE today. We will miss him deeply. I will miss him most of all. I know that there is other work for him to do now, other challenges to be met, and I have no doubt at all that he will do that job and meet that challenge. BOB DOLE is a remarkable man with an extraordinary life story, yet on this day all I can offer him is a heartfelt thank you for all that he has done for me and for Kansas and the Nation.

I yield the floor.

Mr. NICKLES. Mr. President, I thank the Senator from Kansas for her eloquent remarks. She has known Senator DOLE and worked with Senator DOLE maybe closer than any of us over the last several years. She, likewise, will be retiring this year and certainly will be missed by all of us in this body. She has brought a certain degree of civility that is certainly needed in this body. I compliment Senator KASSEBAUM for her statement.

Next, I call on Senator GRAMS from Minnesota.

Mr. GRAMS. I thank the Senator. Mr. President, I want to pay tribute to a man who, for 20 some years, while in the broadcast news industry, I used for sound bites and sources of information. I have now had the pleasure, over the last 2 years, to work with him in the Senate and am now able to call him a friend.

BOB DOLE's name alone stirs up many images among the American people. BOB DOLE—war hero, Congressman, Senator, party chairman, majority leader, Presidential candidate.

Yet, when I think of BOB DOLE, other words come to mind: midwesterner, mentor, colleague, and most of all, friend. I'm sure that all of us in this Chamber feel the same way, and today, we honor BOB DOLE, our leader, our distinguished colleague from Kansas, our friend.

As BOB leaves Washington to return home back to the heartland of our great Nation, I wanted to share some of my thoughts about this man whose life story and distinguished career reflects the very values we cherish most as Americans.

BOB was born and raised in Russell, KS—living the small town American life about which legends are made. His family was not wealthy; in fact, during the Depression, the Doles, like many families, had to put together just to make ends meet, moving into the basement of their home in order to rent out the rest of their house.

As a young man, BOB worked as a popular soda jerk at a local drug store, learning early on the lessons of hard work, fiscal responsibility and the value of a hard-earned dollar.

Growing up in Kansas taught BOB the importance of patriotism and sacrifice. It's not surprising that at the age of 19, BOB answered the call to serve his country by joining the Army to fight in World War II.

And by now, everyone should be familiar with the story of BOB crawling out of his foxhole during heavy shelling in the hills of Italy to save a wounded colleague, only to be hit by Nazi machinegun fire.

There are some for whom love of country and self-sacrifice are just phrases—words to be used for a holiday speech. For BOB DOLE, it is the standard under which he has led his life—a badge of honor he wears even today.

The 3 years and nine operations it took for BOB to rehabilitate required strength and perseverance, a burden too great for some to carry. But BOB DOLE was never one to give up—not even under the most difficult of circumstances.

His determination to recover and get back on his feet was backed up by the now-legendary support of his friends, family and community, when the people of Russell passed around a cigar box to raise the $1,800 needed to pay BOB's medical bills.

BOB has never forgotten their generosity. He still keeps that cigar box, the receipts and the love and support they represent in his office, and recalling those days still overwhelms him with heartfelt emotion.

Upon recovering from his war injuries, BOB wanted to give something back to his community—he chose public service. Since receiving his law degree in 1952, public service has been exactly what BOB DOLE's life has been about. Public service has led him all the way to the U.S. Senate, and now, the White House.

The character traits that BOB DOLE learned since his humble beginnings in small town America have been reflected in his everyday work as a Senator.

BOB has consistently worked for a Government that serves the people but is a accountable to the taxpayers who pay for it, and a society that is based on people helping people without creating a permanent dependency on Government.

These principles have been apparent in his efforts to balance the Federal budget, return hard-earned tax dollars to the middle class, overhaul the welfare system, and preserve programs like Medicare for generations to come.

I am proud to say that I had the opportunity to stand at BOB DOLE'S side during these debates, to have worked with him in making our Nation a better place for our children and grandchildren.

But BOB has been more than just a colleague—he's been my friend. When I campaigned for my seat in the Senate, BOB came into Minnesota five times. As a fellow Midwesterner, BOB knows my State, its people, and our heritage. Minnesotans like BOB DOLE; he is one of us.

BOB'S friendship extends beyond the 1994 campaign. Shortly after arriving in the Senate, I got caught up in one of last year's biggest fights over national policy: whether or not to include tax cuts in the budget. I promised the people of Minnesota that I would not support a budget that did not include tax relief for the middle class.

BOB understood my pledge, and though he could not, as Senate majority leader, take public sides on the debate, he privately encouraged me to stick to my guns, telling me not to give way on my principles. Sure enough, when the final budget came out, tax cuts were included, thanks in no small part to BOB DOLE'S support.

On May 15, I had the opportunity to join many of my colleagues in standing with BOB again as he announced his resignation from the Senate. Like many of those who heard the speech, I was moved by his words, particularly when he said to the American people: "I will stand before you without office or authority, a private citizen, a Kansan, an American, just a man."

I thought to myself about this man—a man who has served his Nation in times of war and peace with honor and integrity, who carries through when he gives his word, who has sacrificed so much of himself for the country he loves so dearly.

BOB is not a man who learned his political philosophy from a book, but instead, developed it as the result of his life experiences, from the people whose lives he has touched and whose lives touch him, and the commonsense wisdom one can only expect from a son of the Midwest.

It is with this wisdom and the good feelings of all of us who have known and grown to respect BOB that he closes this chapter of his incredible life story, only to open a new one—full of the promises and hope that have marked his life. And while I am saddened to see him go, I am comforted by the fact that the Senate's loss is the American people's gain.

I look forward to traveling with BOB across this great country, a country he has served with distinction throughout his life, and introducing to the American people, a man I am honored to call my friend, BOB DOLE.

Mr. NICKLES. Mr. President, I thank the Senator from Minnesota for his comments. I call upon Senator BENNETT from Utah for 5 minutes.

Mr. BENNETT. I thank the Senator. Mr. President, we here in the greater Washington area have been celebrating the remarkable baseball career of Cal Ripken. I sometimes do not like sports analogies, but I would like to draw on one relating to Cal Ripken, and other sports heroes, to give you my take on the majority leader, the Senator from Kansas, BOB DOLE.

We have sports heroes in the various sports that we follow in this country, who will have a brilliant season, and as a result of that brilliant season, be all over the papers as a tremendous performer. And then something happens and they fade from our consciousness.

If I can switch from the Orioles for just a moment and go back to the New York Yankees, I would like to talk about Roger Maris, who set a record for the most home runs in a single season. When you think of the primary home run hitter of the Yankees, you do not think of Roger Maris, you think of Babe Ruth, or of the modern counterpart to Babe Ruth, Hank Aaron. Babe Ruth had a brilliant season, with 60 home runs. But the reason we remember him is because he endured over a long period of time and set the record for the most home runs in an entire career, which stood until Hank Aaron came along and did more over an entire career.

We must judge Senators, public leaders, not on the basis of a brilliant season, or a brilliant speech, or a brilliant campaign, but by what they do over a long career.

BOB DOLE came to the U.S. Senate in 1969, the year Richard Nixon assumed the Presidency. I was in Washington at the time and had the privilege of serving in the Nixon administration. It was known around town that BOB DOLE was the "rookie of the year." BOB DOLE was the brightest star of the new Senators taking office as a result of the 1968 campaign. Now, did he have a single brilliant season? Fast-forward the tape. In 1976, BOB DOLE was chosen as the party's Vice Presidential nominee. It was not a flash in the pan in his first experience in the Senate. He was a national figure chosen to be number two on the ticket. That ticket failed. Did BOB DOLE fade? In 1985, after Howard Baker retired from the Senate, BOB DOLE was chosen by his colleagues to be the majority leader, and then he went on to serve longer in that position than any other Republican in history.

When we look at this man, we can pick out the brilliant seasons here and there, but the real legacy of BOB DOLE is the long career, putting together a string of brilliant seasons and a long legacy of service.

I remember, as a new Senator, listening to the then majority leader, George Mitchell, talk about service in the Senate. He said that it is a great honor to serve in the Senate of the United States, and that very few people have had that honor. And then he went on to say, with some truthfulness and a little wry smile, that many of those people disappear and are forgotten after they have left the Senate and leave behind no legacy whatsoever. He said that only a few make a serious difference by virtue of their service in the Senate. And then he said that one of those that we serve with, whom we know will be remembered for his towering contribution—and these are not his exact words, but I am not doing violence to them—will be BOB DOLE.

I thought that was a particularly generous tribute for George Mitchell to pay to his adversary across the aisle. That comes to mind now as we contemplate Senator DOLE leaving this arena in order to compete in another. It is not the brilliant season, it is not one particular campaign, or one particular legislative accomplishment that we remember. We honor the fact that this man has been at the center of American politics for longer than any of the rest of us, in a serious way, in the serious debates, addressing the serious issues.

So we wish him all the best, regardless of party, on a personal basis, and as a personal tribute to the fact that we have been privileged to serve with one of the great Americans of our history, the Senator from Kansas, the majority leader, our friend, BOB DOLE.

Mr. NICKLES. Mr. President, I thank the Senator from Utah for his excellent speech. I appreciate his comments very much. Next, I will yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, I come to the floor of the U.S. Senate today to bid farewell to a friend, a leader, a colleague, and an authentic American hero. BOB DOLE embodies what is right about America. Seasoned by the values and humble atmosphere of small-town America, the experience of war, and perseverance through physical trials, BOB DOLE has earned the respect and admiration of us all.

He is a legendary legislator who is known for his honesty, integrity, and fair-mindedness. BOB DOLE is an authentic war hero who stood on the front lines in the fight against tyranny and sacrificed so that others may live in freedom. He understands the commitment and sacrifice necessary to protect and preserve freedom.

I would like to share a couple of stories with my colleagues, one having to do with a trip to France back in the mid-1980's. I had an opportunity to respond to questions from a French audience for almost 2 hours and at the end of that, had the opportunity to ask them a question. I told them I was going to be returning to America in a few days, and I wanted to know what they would tell me to tell the people of Florida about what they thought of our Nation. The first several people who came and stood up said that we think of America as a great, dynamic, growing country, and one that is providing opportunities for millions of Americans.

The third person that stood up was a fellow who was probably his late seventies or early eighties, a little bit wobbly, steadying himself with a cane, and looked me square in the eye, and he said, "When you go back to America, you tell the people of your country that we will never forget that it was the American GI that liberated our little town."

The second story is the opportunity that I had, along with some of my other colleagues here on the floor of the U.S. Senate, to be in Italy with BOB DOLE at the time he returned to the battlefield where he was wounded and stood on the road as he looked over to the area in which he laid for 9 hours before being rescued. Later, we walked down the street of this little town where BOB DOLE laid a wreath at a monument in memory of those individuals who gave their lives in defense of freedom and liberation of Italy. As I stood by his side that day, I truly understood that this was a man who understood the importance of freedom; that freedom is the core of all human progress, and while the price of freedom may be great, there is no price so great as the loss of freedom.

We can see the mettle of the man in his decision to leave behind leadership of the U.S. Senate to pursue the Presidency. He is doing it because it is simply the right thing to do.

BOB DOLE has so much to give America through his experience and his wisdom. While this is a day of reflection, it is also a day of anticipation. I am confident that BOB DOLE is not done serving his country, and America will be better for it.

Thank you, Mr. President.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank our colleague from Florida.

I yield 5 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. I thank you, Mr. President. I thank the Senator from Oklahoma.

Mr. President, today we are saying farewell to our leader in the Senate so that he can become the leader of our Nation and of the free world. This is a remarkable man who can shoulder this great burden. This is a man who has shown that he is worthy of our trust. He has kept his promises to the American people, starting with balancing the budget. For the first time we are on a track to balancing the budget in 7 years due to the leadership of BOB DOLE. It is the first time in 40 years that Congress has made the decision that we must not burden our children and grandchildren with the kind of debt that has been built up by Congresses of the past.

This is a man who can be Commander in Chief of our country. He has respect for our military. He respects the people who have chosen to protect the freedom of America. He understands the need for peace—not through unilateral disarmament, but through strength. And he will not send our troops into harm's way unless there is a U.S. security interest. He has shown that through his leadership on the Senate floor to make sure that we do not commit American lives unless there was a U.S. security interest.

He has fought for the working American family. He grew up in Russell, KS. He knew poverty. He knew what it was like to struggle to make ends meet. That is why his priority was tax relief for the hard-working families of this country such as the $500-per-child tax credit and homemaker IRA's. It was Senator DOLE who led the way for the homemaker to have retirement security, just like those who work outside the home do. And it was Senator DOLE who passed that bill in Congress only to have it vetoed by President Clinton. He fought to lower the marriage penalty because he wants the American family to stay strong.

He has been a leader in the fight for women's health issues. During his time as majority leader, we have increased the spending for research on women's health care concerns. He is trying to make sure that we have a strong health care system—a strong Medicare system that will be there for those who will need it in the future.

He is fighting for the spirit of entrepreneurship to be kept in this country because he knows it is the small business people that make the economy grow and prosper in America and takes the new people into our system for jobs. He knows that, and that is why he is trying to provide regulatory relief.

We have passed the free trade agreements, so our small businesses are going to be able to compete for those jobs. Senator DOLE knows, and he has led the way for regulatory relief for our small business people so that they will be able to grow.

He has been a defender of private property rights because he believes in the fifth amendment to the Constitution.

Finally, Mr. President, he has been good for our border concerns. He is trying to help us deal with the severe problem of illegal immigration. He is doing that by trying to make sure that we have the help we need in the border States to meet these terrible issues that are of such concern to our country right now.

So we are saying goodbye today to our Senate leader, a man who has proven his mettle time and time and time again; a man who understands what America is all about and who has voluntarily said that he would rather be going out across this great country talking to the people who are working, who know what the problems and concerns are for the heartland of America. He would rather be out there talking to them one on one, listening to their concerns and telling them what he would like to do to make their lives better. He has chosen that over the traffic of Washington, DC.

He has his priorities straight. He wants to keep the American dream—his dream that every child in this country will have the same opportunities that he did to reach his or her full potential, and he means to make America a place that will allow that to happen.

So we are saying farewell to a Senate leader today, but we are saying farewell to a leader of this group so that he can take on the greater challenge with his spirit and his integrity of leading our great Nation in the free world.

We wish him farewell, and we will be with him out in the heartland of America talking to the concerns of the people of this country.

Thank you, Mr. President.

Mr. NICKLES. Mr. President, I thank our colleague from Texas for a beautiful statement.

I now yield 5 minutes to the Senator from Colorado, Senator CAMPBELL.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Thank you, Mr. President.

Mr. President, it is a great honor for me today to join my colleagues in recognizing the outstanding accomplishments of one of the greatest Senators in this great institution: BOB DOLE.

This is a special day in history for those of us gathered here in this Senate Chamber. For on this day in 1775, the Continental Congress did something this body has been doing ever since—it appointed a committee. We have come a long way since then. But this committee's job was to write the Declaration of Independence which has protected our freedom and liberty ever since. The committee was composed of Thomas Jefferson, Benjamin Franklin, John Adams, Robert Livingston, and Roger Sherman. While no congressional committee has ever done a more important job, BOB DOLE's service of 36 years in Congress as legislator, Finance Committee chairman, and majority leader has had a profound impact on the course of our Nation.

Although he has worked on behalf of countless individuals, families and communities, BOB DOLE has stood out as a champion of veterans in Congress.

Therefore, as a member of the Veterans' Affairs Committee, I rise today and join with veterans from across the country and throughout this Congress in honoring a lifetime of achievement by my friend—a warrior, a leader, a hero.

In modern times, the word "hero" is often bandied around a great deal. But after much reflection, perhaps Ralph Waldo Emerson's perception of heroism best describes how so many of us feel about BOB DOLE. Emerson said: "The characteristic of heroism is its persistency. The heroic cannot be the common, nor the common heroic."

BOB DOLE is a man who has risen to uncommon and heroic heights. And, as it is with most heroes, he seldom speaks of his accomplishments.

He represents, I guess, the best of our country's warriors and heroes. The story of what he went through in 1943 while attending Kansas University and joining the U.S. Army is legendary. As a second lieutenant platoon leader, he went into training with the 10th Mountain Division, which was based in my State of Colorado. Perhaps his only mistake at that time was not buying the land around the training site, because that has become what we know as Aspen today. But certainly it was that highly trained infantry of the 10th Mountain Division that began the final attack April 14, 1945, which led to his wounds of World War II. He went off to war to defend the Nation and our freedoms. And, as a result of that wound, of course, he went through nine operations, which several other Senators have told about, and 2 years of recovery.

I guess, just to talk about wounds and recovery is one thing, but the Germans have a saying. They say, "He who laughs at scars has suffered no wounds."

When we think of the time it cost and the terrible pain Senator DOLE must have gone through, through that recovery time, we know there is a difference between talking about it and actually going through it.

BOB DOLE's legacy as a warrior, hero, and statesman reminds us of another outstanding American leader, President Dwight D. Eisenhower. Senator DOLE, then a member of the Kansas House of Representatives, first met General Eisenhower on a rain-soaked day in the spring of 1952 when the General returned home to Abilene, KS, to officially launch his Presidential campaign. It was most fitting, therefore, when Senator DOLE was awarded the Eisenhower Leadership Prize in 1995 by the Eisenhower World Affairs Institute for lifetime accomplishments which reflect Eisenhower's legacy of integrity and leadership.

As President Eisenhower said 41 years ago:

> Of the nations of today the future will say that there were two kinds: Those that were intelligent, courageous, decisive and tireless in their support of high principles—and those that disappeared from the earth. The true patriots give their best to assure that our country will also be found in the first of these categories.

BOB DOLE clearly stands among the true patriots.

As a decorated World War II veteran, his service on behalf of our Nation's veterans can be seen in four major areas: benefits, POW/MIA issues, education, and health care.

Veterans who have served their country deserve and have earned quality benefits. Toward this end, the Dole GI bill, introduced in 1995, revamps the veterans benefit program and brings it up to date and in line with the needs of veterans today.

He also authored legislation in 1996 to create the Veterans Transition Benefit Commission. Its purpose is to ensure that veterans leaving the military due to downsizing have access to the necessary assistance to return to civilian life in the most productive manner.

On the difficult POW/MIA issue, BOB DOLE has been in the forefront, seeking answers and helping families who do not know the fate of their loved ones. BOB DOLE is considered the 1970 founder of the POW/MIA League of Families. Since then, he has continued to assist families to get a full accounting and disclosure of the fate of their loved ones.

This past Memorial Day over 100,000 veterans converged in D.C. on The Mall, as they do every Memorial Day, angry in their belief that many people in government have abandoned them. BOB DOLE has not abandoned them, nor will he ever abandon the veterans of the United States.

In the area of veterans health, BOB DOLE has a special and deeply personal understanding of the importance of quality health care and the power of rehabilitation. He has worked to provide a service-connected presumption for certain diseases, expand the number of disorders for which former POW's could receive disability compensation.

Although we served in different wars, Senator DOLE in World War II and myself in Korea, we share with all veterans a unique perspective on life and country. If war teaches you anything, it is that the world is a mixture of vulnerability and enduring strength, and that it is the job of the human spirit to strike the balance we call peace. BOB DOLE has never wavered from the pursuit of peace.

This courageous leader understands so much about the price of freedom, and as he goes forth from this Chamber, let him know that our hearts, our prayers, and the hopes of all America's veterans go with him.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank Senator CAMPBELL for his outstanding statement.

Next, I yield to Senator THOMAS, from Wyoming, 5 minutes.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I rise today to join in the tribute to Senator BOB DOLE. Certainly, his accomplishments extend over many areas, but I want to limit my remarks specifically to health care.

His record is one that truly demonstrates compassion, dedication and selflessness. This is not a man who simply talks about quality health care. He knows the importance of it firsthand.

Of course, we all know the story, BOB DOLE's valiant service in World War II. He spent 4 agonizing years in a hospital bed. It was this experience that led to his commitment to give each and every American the security of knowing health care is there today and will be there tomorrow.

Proof of such dedication is reflected, not just in the way he votes on major issues, but also in smaller efforts like helping to keep a 12-bed hospital in rural Kansas open, or creating employment opportunities for persons with disabilities. These are little things that do not always receive a lot of fanfare, but over the course of 35 years, they build a solid legislative record.

As the Wyoming State chair for the Senator's 1988 Presidential bid, I came to know and understand the person who has so willingly fought the good fight to make insurance more affordable and accessible to all. For instance, during the 1970's, when many policymakers were advocating a nationalized health care system, it was BOB DOLE who recognized the flaws of such an approach. Rather than let the Federal Government be in control of individual medical decisions, he coauthored a more simple, practical piece of legislation, the 1979 Dole-Danforth-Domenici health insurance bill. The initiative aimed to improve access to health care, but in a manner that did not turn the reins over to Washington, DC. He had the foresight back then to keep reform affordable and free of Federal mandates. This same philosophy continues.

A few years ago when the Congress considered the Clinton health care plan, it was BOB DOLE who warned against the ill effects of federalizing our health care system. As an experienced legislator, he reminded Congress that increased taxes and price controls are not the way to improve coverage for the uninsured.

But, before I reflect on the Senator's more recent accomplishments, I want to highlight an issue near and dear to the hearts of Wyoming people—rural health care. In the 1980's, hospital closures were plaguing rural America and providers were vacating these communities for urban practices. To be exact, 237 rural hospitals closed during the decade. There would have been more if not for BOB DOLE's commitment to a notable package of rural health care reforms. Reforms that improved Medicare reimbursement rates to small hospitals, created primary care centers, and recruited vital family practitioners. These solutions helped to revitalize our communities and gave rural families the same access to quality medical care as their urban counterparts.

As someone who hails from a town of 500-people, I know the importance of such measures. If a rural hospitals closes, it often devastates a community. Jobs are lost and individuals are left without care during times of a medical emergency.

Establishing a successful rural health care delivery system can be very difficult. Yet Senator DOLE and his staff have helped make that goal more plausible.

I am sure I speak for many members of the Rural Health Care Caucus when I say, "Thank you."

Mr. President, BOB DOLE's commitment to quality health care extends to senior citizens as well. Last year, when Medicare was projected to be bankrupt in 2002, it was our leader who fought to preserve the program well into the next century. His plan provided thoughtful solutions to complex problems while still maintaining spending increases for every senior citizen. Unfortunately, the President rejected the proposal, not because it did not do enough, but because it was politically expedient thing to do.

Despite the administration's refusal to save Medicare from insolvency, BOB DOLE continues to work on behalf of the elderly. Just 1 month ago, before he announced his intention to leave the Senate, he steered passage of an amendment to the Health Insurance Reform Act. The measure helps alleviate the burden of long-term care costs, which is becoming all the more important as nursing home expenses rise.

Mr. President, these are a few of the many accomplishments of BOB DOLE. Unfortunately, time does not permit me to list them all. But the purpose of reciting his achievements is not to boast about our longest serving Republican leader. Rather, it is to provide insight into the man who represents the State of Kansas.

He has served his State and his country well. He is one of the most effective and wise legislators of our time.

Great legislators should be measured by their actions, not by their words. BOB DOLE's actions on health care clearly state where his priorities are. So my friend, BOB DOLE, good luck. It has been a pleasure serving with you and I know you will continue to serve our country in the future.

I yield the floor.

Mr. NICKLES. Mr. President, I thank Senator THOMAS, from Wyoming, for his remarks.

I yield to the Senator from Rhode Island, Senator CHAFEE, 5 minutes.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I wish to comment briefly today upon BOB DOLE's record in an area where I have devoted a considerable amount of time, namely the environment. Under BOB DOLE's leadership, we have been able to continue the proud tradition, the Republican tradition, of protecting our environment. That is a tradition that dates back to Teddy Roosevelt. It is interesting to note that BOB DOLE came to the Senate in 1969. Shortly thereafter the modern era of environmental law began to take shape.

In 1970, he supported President Nixon's creation of the Environmental Protection Agency, and he has supported every major environmental law since he arrived in the Senate; all of which have come about in the past 25 years.

What are some of these laws? The National Environmental Policy Act, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Endangered Species Act, Superfund, the Resource Conservation and Recovery Act to control hazardous waste, and on the list goes.

Mr. President, those bipartisan efforts have brought about an extraordinary, tangible change in our Nation. The successful protection of the environment has been called the greatest social achievement of the United States of the past quarter century. Let us consider briefly the successes we have had under the laws that were enacted with the help and support of BOB DOLE.

In the 15 years 1975 to 1990, automobile miles traveled in the United States increased by 70 percent. They went to 2.2 trillion vehicle miles per year in those 5 years—increased by 70 percent. But in the same period, hydrocarbon emissions were cut in half. Lead in the air, for example, has a terrible effect on the mental development of children, especially in congested inner cities. Because in the mid-1970's we mandated the use of unleaded gasoline, lead in the air has declined by 98 percent. That is an extraordinary achievement.

EPA has just completed a study showing that the positive effects of air pollution controls have been enormous. The study found that, in 1990, Americans received roughly $20 of value in reduced risks of death and illness and other adverse effects, $20 of value for every $1 of expenditure spent on air pollution control.

What about clean water? In 1970, only one-third of the lakes, rivers and streams in the United States of America were considered fishable and swimmable. Now, not one-third but two-thirds of the lakes, rivers and streams in America are considered fishable and swimmable, and the percentage continues to rise every year.

Since its enactment in 1973 by a vote of 99 to nothing, the Endangered Species Act has achieved remarkable results. Populations of whooping cranes, brown pelicans, peregrine falcons and many other formerly endangered species have come back from near extinction. So there is a lot of good news out there, and much of that success is due to BOB DOLE's leadership in this Senate.

Senator DOLE recognized early on the importance of dealing with the threats to our global environment. Under his leadership, the Senate approved, in 1987, the Montreal protocol, dealing with substances that deplete the ozone layer. Then that was followed by the 1990 London amendments to eliminate the production and use of chlorofluorocarbons, CFC's, and other chemicals that destroy our protective ozone layer.

Last year, BOB DOLE cosponsored a bill that was developed by the Committee on Environment to amend the Safe Drinking Water Act. The result was approval by the Senate in a recorded vote of 99 to nothing, and that is a tribute to BOB DOLE's leadership.

He was a key architect of this year's farm bill which demonstrated his interest and commitment to protecting the environment. The 1996 farm bill produced one of the most significant conservation packages ever enacted into law, and BOB DOLE was a key player in every step of that farm bill.

BOB was a champion of the free-market approach to controlling acid rain in the 1990 Clean Air Act amendments, and that free-market approach is working.

With his support, we are exploring similar approaches to protecting wetlands through mitigation banking and to create incentives for private landowners to protect endangered species—use the free-market approach.

Eighty-six years ago, the first of the great environmental Presidents, Teddy Roosevelt, said the following:

> Of all the questions which can come before this Nation, short of the actual preservation of its existence in a great war, there is none which compares in importance with the central task of leaving this land even a better land for our descendants than it is for us.

We have seen from his work in the Senate that those are sentiments that BOB DOLE heartily agrees with.

On a personal note, may I say it has been a joyful experience for me to have been associated with BOB DOLE for the past 20 years here in the Senate.

May success and happiness be in his future, and we wish him Godspeed. I thank the Chair.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my colleague from Rhode Island for his excellent remarks.

I now yield 5 minutes to Senator GRAMM from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, by his skill and courage, BOB DOLE has earned a place in history, alongside the modern giants like Lyndon Johnson and Bob Taft, as one of the greatest leaders in the history of the Senate.

I think it is fair to say that of all the people who I have worked with in my service in the House and the Senate, BOB DOLE is the greatest legislator, and I am very proud to have served with BOB DOLE in a period which inevitably will be called in the history books the "DOLE era."

BOB DOLE has my strong support and my deep affection as he leaves the Senate he loves to fight for the leadership of a nation that he loves even more. I think for many of us here today, this is a sad moment. BOB DOLE has been the leader of the Republicans in the Senate every day that I have served in the Senate. My first vote that I cast 12 years ago when I came to the Senate was a vote to make BOB DOLE the majority leader.

I have known him as an ally and an adversary. I think I can say I know BOB DOLE pretty well. I know that he is a good and great man. I know that as Americans get to know him in the coming months that they are going to conclude that he has the leadership and the convictions that we need to change America.

So as he leaves us in the Senate, I am delighted that he is leaving us to seek higher service, and I am confident that he is going to get an opportunity to provide that service. I am very proud to join his colleagues today in paying tribute to him, the greatest legislator of his era, as he serves his last day in the Senate.

I yield the time that is remaining back to the Senator from Oklahoma.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment Senator GRAMM for an outstanding and very strong statement.

I now yield to Senator SNOWE from Maine 5 minutes.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I thank the Senator from Oklahoma for yielding this time.

I rise today to join my colleagues in honoring the preeminent Republican leader in the history of the U.S. Senate, Senator BOB DOLE. Throughout his distinguished career, Senator DOLE has served the people of Kansas, as well as this Nation, with honor, distinction, and integrity.

We gather on this bittersweet occasion to pay tribute to a remarkable man for his lifelong commitment to America, as well as his unparalleled leadership in this august institution. As President Reagan said so eloquently in describing Senator DOLE as a leader, "It's not just a job description, it's a description of the man."

His leadership has touched virtually every aspect of public policy, but I would like to speak specifically on a topic that has been of paramount importance to me throughout my career—an area where Senator DOLE has been a champion, an area where he has made a difference, and that is on behalf of America's women.

Mr. President, Senator DOLE's commitment to ensuring fairness and opportunity for America's women is not a newfound phenomenon. In fact, it has always been an integral part of who BOB DOLE is. Throughout his career, Senator DOLE has fought to make America what Susan B. Anthony called the "true Republic: men, their rights and nothing more; women, their rights and nothing less."

In his personal and professional life, BOB DOLE has been guided by a singular belief that every individual—regardless of gender—has the right to fulfill his or her God-given potential.

BOB DOLE has always known that we cannot have a truly representative democracy unless women are represented at every level of government and society. Not content just to rely on words, he has taken action.

As chairman of the Republican Party, over two decades ago, he appointed the first woman in the history of the party as deputy chair. As Senate majority leader, he appointed the first woman as Secretary of the Senate. And he was the first Senate leader in history, Republican or Democrat, to select a woman, whom we all have known, the extraordinarily capable and talented Sheila Burke, as his chief of staff.

It is not just women on the Hill who have benefited from Senator DOLE's efforts. The lives of women in small towns, big cities, and everywhere in between in America have been improved as a result of Senator DOLE's leadership.

From his Retirement Equity Act of 1983, which protected women from an arbitrary pension system that left them without a pension after their husbands died before retirement age, to his Sexual Assault Prevention Act, which finally expanded the rights of women after years of taking a back seat to criminals in our justice system, BOB DOLE was at the forefront of the fight to guarantee economic opportunity and personal safety.

BOB DOLE recognized that 2.5 million women are battered annually, the single greatest cause of injury to American women, and he saw that as being unconscionable. It was under his leadership that the Violence Against Women Act was fully funded for the first time ever.

But his leadership did not end there. Senator DOLE also recognized that the highest echelons of corporate America did not reflect the true landscape of this Nation. Where others did not or would not, BOB DOLE saw barriers which are rarely penetrated by women, and he believed those lines were made for crossing. As Senator DOLE himself has said, "The issues boil down to equal access and equal opportunity." BOB DOLE knows there is something wrong when women are not represented in the upper levels of management in corporate America, and that is why he authored the Glass Ceiling Commission, the first ever Federal commission that created the most comprehensive report on how business could make full use of our Nation's human capital.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NICKLES. Mr. President, I yield the Senator from Maine an additional 2 minutes.

Ms. SNOWE. Mr. President, Senator DOLE's commitment to women goes beyond the workplace. Under his leadership, the Senate passed legislation to provide Medicare coverage of a drug that was proven effective in the fight against breast cancer. He created a tax credit for expenses associated with the long-term care of elderly spouses who are sick or family members, especially important for women because they represent 78 percent of our Nation's primary caregivers.

For those who found themselves in need of a helping hand, BOB DOLE has been the driving force behind meaningful, compassionate welfare reform, to transfer welfare into workfare and move people from the welfare rolls to the payrolls. He made sure it was not done on the backs of children by ensuring that we inserted $3 billion in additional child care funding, and this bill passed the Senate with 87 votes.

In another commitment to women and families, he joined with me in providing for tough child support enforcement provisions to send a message to deadbeat parents that the days of parental irresponsibility are over.

The bottom line is, Mr. President, the record goes on and on. The record shows that when it comes to America's women, you can count on BOB DOLE.

Finally, on a personal level, I would like to express my deepest appreciation for Senator DOLE's friendship and wise counsel over the years, not only here in the U.S. Senate but throughout my years in the House of Representatives. As he takes leave of this institution he loves so much, he and Elizabeth take with them our profound respect, our great admiration, our heartfelt friendship, our deep gratitude and our prayers for Godspeed as he and Elizabeth embark on an exciting and historic new chapter in their lives.

I am reminded of what Winston Churchill said when the tide had turned in favor of the allies. He said this:

> This is not the end. It is not even the beginning of the end. But it is, rather, the end of the beginning.

Thank you, Mr. President. I yield the floor.

Mr. NICKLES. Mr. President, I thank Senator SNOWE for her outstanding comments.

I now yield 5 minutes to the senior Senator from Wyoming, Senator SIMPSON.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, it is my great pleasure to comment about my friend BOB DOLE. We have heard all of the facts and the extraordinary history of the man's life and his life in the Senate, and it indeed is extraordinary. We all have known that. He is the very best—the very, very best.

I will be saying much about this man in the next months, for this is a leader, a real leader, not just in the title he held but way down inside, and that is a gift. That is the ability to lead, to engender trust and loyalty and the admiration—even grudging sometimes—of your toughest adversaries, and he has had that and it will serve him well.

One of the great and singular honors in my life was to serve as his assistant for 10 years. I was his first lieutenant. He was the captain. We had a pretty good platoon, a good company, too, and a good battalion. It was one wonderful run. I must say that some joy of it was lost, was sometimes when we took our work too seriously—but we never took ourselves too seriously. When you have a couple of gentlemen with a rather spirited sense of humor, it does spark up and brighten the day. I love those types.

I learned much from this man. I learned not to judge, to try to make things work, to have ultimate patience. That is what I really have not learned yet. It is out there though. He gave me some good tips. In those times, I found this man to be true, honest, and so natural, a very remarkable gentleman. By taking leave from here in this honorable way, the American people will come to see him as we do, as I do—fair, strong, firm, a man of great resolve.

With this extraordinary woman Elizabeth at his side, Elizabeth Hanford Dole, they will surely captivate and unite this country in their quest, for she is a person of great personal faith and an inspiration to many of us. And his daughter Robin too, what a fine woman, making a fine impression all over America, as she is deeply involved in the campaign activities. Those are the things we will see the BOB DOLE family doing in these months to come.

A legislator, a listener, a loyalist. No one served President George Bush with more loyalty than BOB DOLE. He was always supporting the man who defeated him, supporting him to the hilt. That is class.

I have no sadness. No, I am excited to know that this man will be out there in America, and that the people of America will see what we here have always seen in this man, a man of deep, personal conviction, a man of deep moral fortitude, guts, always telling the truth, and the strong leadership—a man who can make a decision and stick with it. Bold and courageous are other examples of his leadership—purposeful, direct, and decisive.

So here we go. He will seek this job in the same way he has sought everything in his life, with that great energy, from that spirit. He has great capability, so very competent, and we will all see this man as a deeply sensitive man, a decent—very decent—and caring man. I think America is longing for that.

I wish him well, with this magnificent woman of charm and grace at his side. God bless them both for, indeed—he is all the man there is.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank Senator SIMPSON for his comments and for the excellent working relationship that he has enjoyed with Senator DOLE over the years. As all of us know, he is retiring as well. Certainly, he will be missed. His wit and wisdom will be missed in this body, as well.

I yield 5 minutes to the Senator from Iowa, Senator GRASSLEY.

Mr. GRASSLEY. Mr. President, today the Senate loses its leader, but our Nation and its people gain a leader. What this country needs at this time is to see a good example coming from its political leaders. What this country needs is moral leadership. It is truly lacking, of course, in the current White House. I have been speaking out on this subject of lack of moral leadership, with several specific examples of that failed leadership by the President and First Lady, since March 19.

It is not enough to call BOB DOLE a friend, a steady presence in the Senate, an ally. It is more important to know his qualities. These qualities are what make BOB DOLE a leader. Above all else, BOB DOLE has earned respect. You gain respect, Mr. President, by first showing respect for others. He has done so. He has shown respect for his fellow Kansans, for working men and women of America, for America's farmers, for the small business entrepreneur, to his colleagues, for his party, but, most of all, respect for America.

When you get BOB DOLE, you get someone who will do what he says he will do. That means you get a man of integrity. You get a person of accountability. He does not point the finger. The buck stops with BOB DOLE. He takes responsibility for his actions. That is important, Mr. President, because this is what America needs and needs right now. At a time when public cynicism is riding a crest, fueled by the actions from current leaders in the White House, we need BOB DOLE's tie of leadership, because historically, the best leaders are those who have integrity, who demonstrate fairness, and who have compassion.

If I have learned nothing else about BOB DOLE in my 16 years serving with him in the U.S. Senate, it is that he is a person of integrity, a person who treats people fairly, and a person who has and demonstrates compassion. One of the best experiences I have had with BOB DOLE was campaigning with him in my State of Iowa. The first time was in 1988. The next time was this year. Whenever I introduced BOB DOLE to the people of Iowa, I introduced him as one of us. Iowans knew right away exactly what I meant. It meant that BOB DOLE has the same roots as we have—Midwestern, small town, rural, traditional values. He never forgot where he came from and how he got there. That is the mark of a humble public servant. That is what our country so desperately needs today.

Yes, I will miss BOB DOLE as a friend and a political ally. I will miss him more as a leader. I take comfort in the fact that in losing a leader, the country is gaining one. For that, I can only be truly grateful.

I say to citizen DOLE, your new journey of a thousand miles begins with this first step that you are taking today of leaving the Senate, saying goodbye to the people's branch of Government, and going out among the people themselves. I wish you, BOB DOLE, great success as our future leader.

Mr. NICKLES. Mr. President, I wish to thank Senator GRASSLEY from Iowa for an outstanding statement.

I yield 6 minutes to the Senator from Oklahoma, Senator INHOFE.

Mr. INHOFE. Mr. President, while I was presiding, I listened to the accolades and the very warm remarks that have been aimed toward our leader, BOB DOLE, and so richly deserved by Senator DOLE. I could think of only two characteristics that have not been brought up yet. They came from two experiences that I had.

One was back when I was a very fresh, new, freshman Senator. I happened to have been supporting PHIL GRAMM for President of the United States, who was a primary opponent of BOB DOLE's, only to find that he and I had a trip to take together from Washington out to Independence, KS, since we had been active in getting a very significant product liability bill passed that put America back into making airplanes again. I got to thinking of traveling all the way with a guy when I was actually opposing him. I was very uncomfortable about it. I can tell you during the entire trip, you would have thought I was his, BOB DOLE's, chairman. I have never seen a person so absolute in his forgiveness and understanding.

Second, a couple of years ago I can remember when BOB DOLE was coming in to do a fundraiser for me at 7:30 in the morning in Tulsa, OK. By coincidence, it happened to be the morning after the night they considered President Clinton's soft-on-crime bill. BOB DOLE was really wrapped up in that. That was one of the disappointments he had. He lost it by one vote.

He got on a plane, it had to be sometime after midnight, came all the way to Oklahoma in a driving rainstorm, and was there at 7:30 in the morning. His staff was exhausted. He looked like he was just showing up for his first prom.

I have never seen a guy with energy like he has. The two characteristics, boundless energy and compassionate forgiveness, are two characteristics that will serve America in a grander way. What a guy.

Mr. NICKLES. I thank Senator INHOFE, my colleague, for his statement.

I now yield 5 minutes to the Senator from Washington, Senator GORTON.

Mr. GORTON. Mr. President, nothing I can say here today can add to the richness or the depth of the picture that has already been presented over the course of the last 2 weeks or so by other Members of this body and by those outside of this body with respect to our candidate for President and our retiring majority leader, Senator BOB DOLE. All I can do is to take that photograph from a very slightly different angle and, I hope, make it at least a slightly deeper photograph of a great man.

This is important, however, because the BOB DOLE we, who have worked with him for a year or for a decade, know is not the BOB DOLE as he has been pictured to our fellow citizens all across the United States. It is exactly for that reason, of course, that he is leaving us and his magnificent and, I believe, rewarding career in this body to share his real character, his real personality with all of the people of the United States in his quest for the Presidency.

BOB DOLE is, I think, first of all, a man of extraordinary patience—perhaps the single most significant requirement for a leader of a body of 99 other Members, all of whom most of the time feel that they are in possession of absolute truth or the precise way in which the Senate should conduct its business.

BOB DOLE seems never to have lost a sunny equanimity, even under the most difficult circumstances. His wit seems never to have deserted him. His willingness to listen to advice and counsel—almost always unsolicited—seems to have been infinite, and at the same time that he has been willing to listen and been willing to consider the views from disparate sectors, he has been possessed by a deep dedication to principle, to direction, and to love of country.

On the one hand, people in politics are criticized for being too rigid and not understanding and, on the other hand, for being too compromising. BOB DOLE is neither. He has that rare combination of a dedication to principle and a willingness to listen and to accommodate the principles and ideas of others, which has made him a great success, has caused him to be the longest-serving leader of this party in the history of the U.S. Senate.

And so because of those winning traits of personality and those deeper traits of character and principle, each of us who remain here in the Senate will be slightly the lesser by reason of his leaving. He, on the other hand, will be the better for it—for this surprising and principled decision, for his willingness to present himself to the American people without the protection of any office on which to fall back.

I believe, Mr. President—and I believe firmly—that this open risk-taking, courageous BOB DOLE, whom we have known for as long as each of us has been in the Senate, and whom his friends, neighbors, and family have known from his youth, will become increasingly known by, respected by, and loved by the people of the United States as he presents these traits of character and personality to them during the balance of this campaign.

So we wish him bon voyage, the best of good luck, and we wish to the American people a new President with all of these wonderful characteristics for leadership and for making our country a better and stronger place in which to live.

Mr. NICKLES. Mr. President, I thank Senator GORTON from Washington for an outstanding statement.

I yield 5 minutes to Senator ASHCROFT from Missouri.

Mr. ASHCROFT. Mr. President, when Abraham Lincoln walked onto the battlefield at Gettysburg to commemorate what had been done there, he succinctly encapsulated the understanding that deeds far surpass words in terms of value. He said, "The world will little note nor long remember what we say here, but it can never forget what they did here."

We are not talking this morning just to be talking, to be saying things, but it is a way of helping people understand what BOB DOLE has done, who he has been, the depth of his care, and the breadth of his knowledge of how we need to proceed in America. It has been properly said that the world does not care how much you know until they know how much you care. And because BOB DOLE has not been a person to sound his own trumpet, to tell people about himself, I think people have mistaken him. They have not understood how much he cared, because BOB DOLE has been a person who has answered the call every time the call has come. He has not only answered the call, he has answered the call with everything—everything—at his disposal, the entirety of his existence.

In 1945, BOB DOLE nearly gave up his life—and there would have been those who said it was gone—to the call of duty. And, today, he relinquishes the power and prerogatives of policy development in the Senate because he, similarly, will pursue a call from his country, a call that we are pleased that he hears, a call to shape the tomorrows in which we live, a call to reestablish the fundamental values of American greatness, to align himself with the virtues of the American people, rather than the vices of a system that has really guided us down the wrong path.

In 1945, Lt. BOB DOLE volunteered to lead his company to take out a German machinegun nest. He scrambled out of a shell hole in order to rescue a fallen comrade. The Germans sighted DOLE and blew apart the right side of his back. Few people would have had the courage to live as he has lived. He willed himself to recovery, with God's help, and with the help of his neighbors. He willed himself to law school, and he willed himself to run for office.

Many of the medical experts at the time had given up on BOB DOLE. A doctor from Chicago decided to try some things that were virtually experimental and gave his services. The people of Russell, KS, donated their nickels, dimes, quarters, and dollars in the cigar box at the pharmacy down on the corner to cover the expenses.

BOB DOLE made a commitment that he would be an individual of service. We need that kind of determination. We need that kind of grit. We need individuals who have looked the very most serious of all circumstances in the face and have said, "With God's help, we can overcome, we can prevail." And that is BOB DOLE.

Well, America needed BOB DOLE when, in 1945, he was willing to give himself totally. They needed him when he went to the U.S. House of Representatives, they needed him when he became a Senator, and it needs him today.

All of us know the statistics. A child born today will end up paying $187,000 in interest on the national debt if we do not do something about it. BOB DOLE has devoted himself not just to a balanced budget—sure, he sent two balanced budgets to the President this year—but to the structure of a balanced budget; that is a balanced budget amendment to the Constitution.

BOB DOLE knows that American families spent about 3 percent of their income on taxes in the 1950's, and now we spend almost 40 percent. He understands that Americans have an ability to spend on themselves and to do for themselves, if Government will stand aside. He understands that, for a long time, Washington has acted as if Government were the answer—faith in Government, governmentalism. He knows that is not the solution, that Washington's one-size-fits-all solution is not the way to solve this Nation's problems. He knows that when we placed that faith in Government, instead of ourselves, we injured ourselves.

BOB DOLE really is going to go to the American people and say: You have the quality, the character, and the capacity to do those things that are necessary to shape the next century constructively. I am delighted that he has so much commitment to this responsibility that he would say, "I walk away from the U.S. Senate in order to offer myself to the American people."

When the American people learn about BOB DOLE and get to know him the way we in the Senate know him, they will ask and demand that he be President of the United States. It will be a pleasure, as a Member of the U.S. Senate, to remember his outstanding service to the people, not just in the military, in the House and the Senate, but as the leader of this Republic. I am grateful for the opportunity to make these remarks regarding our majority leader.

I yield the floor.

Mr. NICKLES. Mr. President, I compliment the Senator from Missouri. That was a truly outstanding statement. I want to announce to my colleagues that I have several colleagues seeking a lot more time than we have available. I hate to disappoint colleagues because I know many wanted to speak prior to Senator DOLE's speech at noon. We may not be able to accommodate everybody. I cannot accommodate everybody on the floor, and that disappoints me greatly. If I stay on the order of requests, the Senator from New Mexico actually has been here for some time, and I know the Senator from Arizona has also. We actually have a unanimous-consent request that would allow Senator BYRD to speak at 11:30. And the Senator from Virginia and the Senator from New Jersey would like to speak. That makes it very difficult.

I would call on the Senator from New Mexico. I yield 5 minutes to the Senator from New Mexico.

If my colleagues could not spend all of that time it would be greatly appreciated.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Thank you very much.

Mr. President, fellow Senators, I think what I will do is start with wit. I think everybody remembers BOB DOLE for a lot of things. I am going to mention five or six that make him my great friend. But I want to hearken back to a budget debate in 1990 that was a brief moment when we were going to have a shutdown even back then for a very short period of time. And the tourists in the community were all kind of in turmoil because of various things that were going to be closed. And Senator DOLE said the following: "If you are hanging around with nothing to do and the zoo is closed, come over to the Senate. You will get the same kind of feeling, and you will not have to pay for it."

Mr. President, nobody should think that a statement like that in any way denigrates this great man.

I am really at a loss to say goodbye to him. But I am quite convinced that he is leaving as a legend. He leaves a legacy of leadership second to none in the entire history of the U.S. Senate. He leaves a legacy of laws and concerns that are so broad and so deep that I am doubtful whether his story ends in looking over the entire panorama of Senators from the beginning. I am very doubtful that they will find a Senator with such a legacy.

Let me start with senior citizens. In 1983, Social Security was going bankrupt. Who took the lead in the Senate to make it solvent for 30 to 40 years? Senator BOB DOLE. When it comes to the young people of America, some people choose to talk about programs. I choose to say BOB DOLE's deep and abiding concern for our young people is epitomized by his constant fight to live within our means so that we do not have to have our children and grandchildren pay our bills. Everything, from seniors to children and everything in between, has received the attention of this great man.

In fact, I will find it difficult. I think my feet will find me walking down that hall and my feet will find me going into that office because I have done that so many times when we needed leadership.

The legacy of leadership that he leaves will be sorely missed, and only history will indicate its true depth. Besides having wit, without which it is tough to run the Senate, he had courage. Can anyone forget the night when we wheeled Pete Wilson in? He had an appendectomy. We brought him in here from the hospital bed so we could get the vote, and so that Vice President Bush voting from the Chair could assure us of what would have been a balanced budget long before today that failed not because of BOB DOLE's leadership but because of something else.

So anybody following him better know that they better be honest; they better tell the Senate the truth for he knew no other way.

As he leaves, there is a bit of sorrow and even sadness, at least in my heart. But in a very real sense I am very, very happy because I think the American people now have a chance to meet, to know, and to understand the BOB DOLE that we know. If they get that chance, he will be the next President. He will be the next President of this great land where the same leadership that he gave to us will be there for everyone.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I yield the floor.

Mr. SPECTER. Mr. President, I join my many colleagues in expressing my congratulations to Senator DOLE for a historic career in the Congress of the United States, which ended with his resignation today, and I also express my regrets that we will no longer have ROBERT J. DOLE as our majority leader and as our Republican leader.

I speak for both the Commonwealth of Pennsylvania, which I represent, and in a sense, also for Russell, KS, because Senator DOLE and I both grew up in Russell, KS. I moved to Russell from Wichita when I was 12 years old, so I have known Senator DOLE for a good many years. My father, Harry Specter, was a friend of his father, Doran Dole. My dad was in the junk business, and the only scale big enough at the time to weigh the junk yard truck was the Dole scale and elevator run by BOB DOLE's father. Our brothers, Kenny Dole and Morton Specter, both passed away at the same time, approximately 3 years ago.

Senator DOLE's story is a story like Horatio Alger, except that BOB DOLE's story, compared to Horatio Alger, looks like Horatio Alger was born with a silver spoon in his mouth. Both the Doles and the Specters, figuratively, lived on the wrong side of the tracks. It is a true story that the Dole family, during the depression, moved out of the first floor of their home to live in the basement to help defray expenses at a very tough time when Kansas was a dust bowl. BOB DOLE grew up and worked at Dawson Drugs at the soda fountain. There is sort of a legendary and famous story about how he would flip the ice cream and catch it behind his back. I recounted that story not long ago on a campaign appearance for the Presidency in Delaware County. BOB added that sometimes when the ice cream fell to the floor, it became a chocolate shake. He went to college—a tough thing to do in the early 1940's. Russell High School had the State debating championship, but BOB DOLE chose not to be a debater. He was a renowned high school athlete. And then we all know of his heroics during World War II, and of his injuries and how he laid his life on the line. He did not suffer loss of life but did suffer loss of limb, and came back with a phenomenal rehabilitation. So he has a real understanding of what it is like to pull yourself up by your bootstraps when you have neither bootstraps nor arms to pull yourself up by; and has a real feeling for the disabled; and a real understanding of the need for medical care; and a real understanding of what it is like to be an underdog. That historic, monumental rehabilitation has been recounted on many occasions.

Then he became a State legislator while going to law school. He came back and was county attorney, in Russell, KS. He told the story today about how his parents had been Democrats and how he became a Republican, checking the local registrations. I originally heard the story in Russell, about how he was courted by both parties to become their nominee for county attorney and then checked the registration in Russell County and found it was 2 to 1 Republican. And as Senator DOLE has said previously, as a matter of conscience he instantly became a Republican. And then so much of the rest is history: Elected to the House of Representatives in 1960 serving four terms, and then to the U.S. Senate in 1969.

I have had the privilege of serving with him in this body for the last 15½ years. I watched him, as the chairman of the Finance Committee, and he did a really extraordinary job in that capacity. It was in that capacity that I think Senator DOLE earned the confidence of his colleagues for the leadership position that he sought in 1984.

I recall the 1982 tax bill, when Senator Baker, then the majority leader, stood at the leadership position, and at 11:45 p.m. on that complex bill said that there were 63 amendments pending, amendments like mushrooms grew overnight, and that we were going to plow ahead. Standing beside him was Senator DOLE, the chairman of the Finance Committee. Senator Baker said Senator DOLE thought we ought to persevere. We worked through the night, as it was Senator Baker's custom to do on occasion. There were, perhaps, half a dozen rollcall votes, many more voice votes, many amendments dropped. At 6:30 a.m. we walked out of the Chamber having finished an extraordinary bill, which showed BOB DOLE's leadership.

Then we had the extraordinary election for majority leader in 1984, contested by Senator TED STEVENS and Senator PETE DOMENICI and Senator DICK LUGAR and Senator Jim McClure. We had to have a series of ballots. First one dropped and then the next and then the next. And finally—and I happened to be sitting next to Senator DOLE on the left-hand side of the Chamber in the rear of the whole Senate when Senator DOLE won by a narrow margin of 28 to 25; two votes changed and Senator DOLE went on to be the leader. I was in the photo in the scene when Senator DOLE shook hands.

He was an extraordinary leader in many, many ways. Always a conciliator, always with a velvet touch. Some of us were not too easy to lead, in terms of the votes. But never a demand, never a ruffled feeling, never a sense of pressure or, certainly, not undue pressure.

I recall legislation changing the Grove City decision by the Supreme Court of the United States, as illustrative of what Senator DOLE would do. Senator Packwood and Senator HATCH were on opposite ends of the issue. Suddenly Senator DOLE came up with compromise language. In unison, Bob Packwood and ORRIN HATCH said, "But that is unsatisfactory because it will leave the issue open to controversy as to what it means." Senator DOLE smiled and said, "That's the perfect solution." It wasn't quite that language, but Senator DOLE got it worked out.

Today's speech by Senator DOLE, I think, was historic. I hope he can continue to speak with the same easygoing manner, the same light touch, the same sense of substance, and at the same time, the same sense of humor. Because I think if Senator DOLE does that, he will really establish a rapport with the American people for his next challenge.

In a sense, Senator DOLE's farewell address to the Senate has significant similarity to George Washington's farewell address. It was a different time, a different tempo, different tenor, but I think it was a historic farewell address. This Chamber was filled with respect and admiration, and, really, love.

I do not know, if on prior Senate occasions, there has been a recording of the time sequence for the length of applause, but that event speaks for itself as Senator DOLE moved from one part of the Chamber to the other, surrounded by his colleagues, both Democrats and Republicans; many of the colleagues expressing themselves on more than one occasion.

Then a few of us who were privileged to be his fellow Republicans in the Republican caucus had an opportunity to hear Senator DOLE's last speech in the Mansfield Room. The balcony, now named for Senator DOLE, as we have paid tribute to a few of our colleagues by memorializing their presence, became that accolade.

Then, at 3 or a little after 3, a number of us were waiting outside in the boiling Sun to watch him walk down the Senate steps for the last time, at least the last time on the day of his resignation. The steps were filled with well-wishers, staff, and citizens from all walks of life. He came down and it was a symbolic transition from the U.S. Senate, where he had achieved such heights, walking out as citizen DOLE, to see the people of America.

When he finished saying goodbye to his colleagues on the steps, he moved across the yard to greet Americans who were waiting to see him, smell him, touch him. From there he moved over to the large crowd that was assembled between the two chambers. I think it was a very, very significant and a symbolic move, as he has left the U.S. Senate in his quest for the Presidency of the United States.

It was obviously not an easy decision for ROBERT J. DOLE to make, to leave the embellishments and accouterments of office, as majority leader, one of the loftiest positions in the Government of the United States or in the world. But he did so in his quest for what he saw as a higher calling.

In the contemporaneous time period with his departure, he addressed one of the toughest issues in America, the issue of abortion, which has been the most divisive issue facing America since the Civil War, with his characteristic and traditional Solomon-like judgment. It is a political issue, but worthy of a moment or two, leaving the Republican platform intact to accommodate one segment of the party and offering the olive branch, the spirit of tolerance and the big tent to another segment of the party. Almost, in a sense, squaring the circle and accommodating almost seemingly irreconcilable differences. But that has been the life of Senator DOLE. That has been his tradition as a young man growing up on the plains of Kansas where he learned, really, fundamental American values—accountability, integrity, honor, and trust, serving his Nation so well in war and serving his Nation so well in peace.

Seeing him go is a tough thing for all of us who have known him, in many ways over the years. We wish him the very best as he continues in his quest to serve America.

I ask unanimous consent that my comments appear in the CONGRESSIONAL RECORD in advance of Senator DOLE's statements. All of us could not be recognized in the limited time before he spoke today, and although it is obvious on the face of my comments that they were made after he spoke, I would ask they appear in advance of his text, including my unanimous-consent request, so the sequence makes some semblance of sense.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, today we pay tribute to a man who has served his country ably and well for well over 50 years, and who will be remembered for his leadership of an institution that is not easily led.

From his humble beginnings in the town of Russell, KS, BOB DOLE has taken seriously, and has exercised responsibly, his call to serve. While those of us who have served with him in this institution are disappointed to see him go, and will miss him, he has greater challenges and rewards ahead. I believe BOB DOLE will go on to engage this Nation in a critical debate over the next few months about where America is headed as we approach the turn of the century. The United States, and the office of the Presidency, need BOB DOLE's leadership desperately. The words "noble" and "man of integrity" are not often used to describe the current occupant of the White House. Yet they are words that come to mind immediately to describe BOB DOLE.

BOB DOLE did not shirk his responsibility to fight for his country during World War II. He accepted it, fought bravely in Italy, and nearly paid the ultimate price—his life, for his country. BOB DOLE is now willing to sacrifice his political career in order to meet the challenge of defeating Bill Clinton, restoring fiscal sanity to American Government, and restoring honor to the office of the Presidency.

BOB DOLE has been well prepared through 27 years of Senate service to assume the Presidency. He has led Republicans through long years in the minority, and has more recently led us to some significant accomplishments in our effort to roll back Government and ever-increasing Government spending.

BOB DOLE's skills are not well known to most Americans, because many Americans are unfamiliar with what it takes to make this side of Congress work. The Founding Fathers set up the U.S. Senate as an institution to protect the rights of the minority. This is a place where, in fact, a Senator adhering to minority viewpoint has much greater power in many ways than a Senator whose view reflects the will of the majority party. One Senator can hold up landmark legislation simply by taking to the floor and refusing to relinquish it. A significant minority, 41 Senators of 100, can thwart the will of the majority party simply by refusing to cut off debate.

BOB DOLE understands these challenges. As minority leader for many of the 9 years I have been in the Senate, he used the rules effectively to protect the rights of a significant minority. This was referred to in the media as gridlock, but it is really the way the institution was designed, to protect the Nation from the passions of the moment and to provide for reasoned, reflective debate.

Since assuming the role of majority leader, he has managed to overcome challenges raised by the Democratic minority, and hold his troops together to pass significant legislation. Under his watch, the Senate has passed and sent to the President the first balanced budget in a generation, meaningful welfare reform, the Congressional Accountability Act, legislation preventing unfunded mandates on State and local entities, and regulatory relief. The President has vetoed the two most significant of these initiatives: namely a balanced budget and welfare reform.

The speeches we give today in honor of BOB DOLE sound a lot like eulogies, but they are in reality reminiscences of a stage in BOB DOLE's life. He will go on to do even greater things. He will continue his long and distinguished career of service to country by holding its highest office, and will restore to that office the respect and honor of the American people.

Mr. FAIRCLOTH. Mr. President, as we all know, BOB DOLE will resign from the Senate to run for the Presidency today.

It was a courageous decision—but also a sad one for the Senate.

I am personally proud of Senator DOLE. I think it is the right decision.

I strongly believe that when the American people are given the chance to know Senator DOLE and his wife Elizabeth better—the polls will change dramatically—and he will be elected President.

Senator DOLE was raised in an era in America when hard work and strong values were rewarded. This is an era that we can have once again in America, if BOB DOLE is elected President.

When Senator DOLE's country called on him to serve—he went, and almost gave his life. He didn't flee the country and protest against it from overseas.

When his family struggled in the depression—they didn't seek a Government handout—instead they rented their own home and lived in the basement to get by.

He didn't allow his war injuries to sideline him in a hospital for the remainder of his life—instead he picked himself up and rose to one of the highest positions in the Government and became a candidate for Vice President and now a candidate for President.

BOB DOLE will bring to the Office of President the values of his upbringing. He will not spend the taxpayers' money irresponsibly. He will not put this country further into debt. He will not coddle criminals that threaten our communities. He will not tolerate drug use in the White House or tolerate a disrespect for our Armed Forces.

This is the BOB DOLE that has been our majority leader. And, I am confident this is the man that American people will want to be their President.

Ms. MIKULSKI. Mr. President, I want to echo my colleagues' gratitude to a remarkable Senator and majority leader, BOB DOLE. Few Members of Congress can boast similar years of commitment to our country. In fact, Senator DOLE's entire life has been dedicated to public service; from his brave service in World War II, to his service in the Kansas State Legislature, the U.S. House, and for the past 27 years our U.S. Senate. He has devoted his life to serving the people of Kansas and our country. I truly admire his agility in handling the people's business in this body, the U.S. Senate.

It will be difficult to imagine the Senate floor without BOB DOLE. We have always had a cordial and collegial working relationship. I have admired his wily way of moving legislation. He often commented on my way with a quip.

I think it's fair to say that members of both parties have learned from BOB DOLE. His mastery of Senate procedure, and his skill at moving legislation, are matched by few in this Chamber.

I thank Senator DOLE for his service in the Senate. In an age when over half of married couples can't stay dedicated to each other for 10 years, it's remarkable for someone to stay dedicated to an institution as tempestuous as the U.S. Senate for 27 years.

With deep admiration and respect for a trusted colleague, I wish Senator DOLE all the best.

Mrs. FEINSTEIN. Mr. President, BOB DOLE first came to Congress at a time when the world—and he himself—was still recovering from the wounds of war, and America, catapulted into world leadership, was about to enter one of the most difficult periods in our young history as our Nation became bitterly divided over the Vietnam conflict.

These events shaped the man who came to Washington to represent his home State of Kansas back in 1960. And, from my experience in working with him over the last few years in the U.S. Senate, it is clear that BOB DOLE never forgot the values those experiences taught him. He has left an imprint on this body that deserves our recognition and our thanks.

Having nearly given his life for his country in the battle for freedom, BOB DOLE brought strong convictions about honor and public service with him to the U.S. Congress.

And, having seen this Nation spill blood in battling its own conscience, he understood that—even in the rough and tumble world of politics—we can not afford to forget the warnings of our predecessors: United we stand; divided we fall. BOB DOLE'S tenure as majority leader reflected these convictions.

He leaves the Senate having made an indelible mark on this body with his ability as a leader, his skill as a statesman, and his commitment to the service of his country.

I have not always agreed with BOB DOLE, but I have never found his door closed. That, to me, says more about the man than anything else. In my view, the mark of a true statesman is his willingness to listen to all sides of an issue in a search for common ground. But the mark of a leader is the ability to move people forward in spite of our differences in search of progress.

Although I have not known BOB DOLE for very long—I came to this body in 1993 and worked with him, first as minority leader, then as majority leader—I have come to hold high respect for him, and think of him fondly. These are very tumultous times, and his was no easy task.

I have been particularly struck, time and again, by his willingness to seek solutions by forging agreements—even in circumstances where he had the votes to win on an issue and did not need to regotiate.

I remember when the issue of moving the United States Embassy in Israel to Jerusalem arose last year in Congress.

Senator DOLE had all the votes he needed to pass a resolution supporting the move. And yet, he listened to those of us who had concerns about the impact the wording of this resolution would have on what, at the time, was a very delicate phase of the peace negotiations in the Middle East.

He did not have to listen. He chose to listen, and he chose to address our concerns. And we passed better legislation as a result. That is leadership.

I have been struck by his forthrightness as majority leader—his word was his commitment, and his commitment was a matter of honor. These have been difficult times. But, although he and I did not always end up on the same side of an issue, I knew BOB DOLE cared more about the integrity of the democratic process than he cared about short term political gain, and that he respected each and every Senator's place in that process—because we represent the America people.

No, we did not always agree. But even on issues where we disagreed, I always knew where I stood, and I knew I could trust his word.

ROBERT DOLE will be remembered for his lifetime of service to the American people, and for helping to shape the course of our Nation during some of the most pivotal times.

He deserves our praise and our thanks, and we wish him and Elizabeth well.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, next in order for appearance, I know on the unanimous-consent request Senator BYRD had this time. He is not here right now. I yield to the Senator from Arizona 5 minutes.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, when Americans came home from World War Two the time reserved for celebrating their hard won victory was of necessity brief. Joyous though those celebrations were, they had to give way quickly to the hard work of repairing the damage done to families and communities by the long separations and tragic losses which war visits on the victors as well as the vanquished.

But Americans, having defeated the Axis Powers, were upon the moment of that success obliged to assume the new responsibility of leading the free world's resistance to the imperial ambitions of our former ally, the Soviet Union. By so doing, they undertook a mission of immense proportions and difficulty, but great historic significance and nobility.

For it was the Americans who fought so valiantly from Guadalcanal to Normandy who would then devote their lives to ensuring that the second half of this century not collapse into the bloody calamities or succumb to the aggression of freedom's adversaries that made this century one of the most violent and tragic times in recorded human history. At both the mid point and the end of the 20th century, these Americans ranked among the greatest generations of our countrymen. They are accorded that distinction for their dedication to their country's cause and humanity's hope, and for the dimensions of the victories won by their devotion, selflessness, ingenuity and courage.

Even in this distinguished company, BOB DOLE stands out. When he returned from war he could not, as many of his comrades could, immediately pursue the veteran's dream of building a peaceful and prosperous life. He had to first rebuild himself. The exemplary courage and determination he brought to his own recovery is the stuff legends are made of. And they are also America's good fortune for they are the same virtues he offered in his subsequent years of service to the advancement of our country.

In these days when more and more young Americans are attracted to the mores of the detached and indifferent cynic, to the affectations of Hollywood anti-heroes, BOB DOLE's life is a rebuke to those corrupting influences on our popular culture. When I am asked by anxious parents: where are today's American heroes by whose example I can instruct my children?; the list of such Americans I can offer in response is still a long one. But I can identify no better example than the man to whom we wish good luck today. BOB DOLE is what an American hero is supposed to be.

His sacrifice in war and his hard road to recovery earned BOB DOLE the peace and quiet to live a life of personal pursuits, of individual attainment and success. But he chose instead to chase his country's dreams. And in America's historical mission to contain and defeat Soviet imperialism and to wrench from this violent century some greater hope for humanity's progress in the next. BOB DOLE brought the patriotic optimism of the young soldier off to war, but he brought also the veteran's appreciation for the dimension and seriousness of the task before us. He enlisted again in the war against totalitarians, and again he is in the front ranks of those who earned the victory.

BOB DOLE'S Senate leadership was essential to the efforts of Presidents Reagan and Bush to win the cold war. He built majority coalitions for the defense build up of the 1980's, helping to restore the readiness and modernization of our Armed Forces which had been so badly neglected in the previous decade.

He has been a consistent and skillful advocate for ballistic missile defense beginning in 1973 with his support for the Sam-D, the predecessor to the Patriot missile, continuing with his support for SDI and ending most recently with his sponsorship of the Defend America Act. In his determination to provide Americans with an affordable and adequate defense from the greatest danger facing our country, BOB DOLE has shown the vision and the will required to meet the security threats that will confront policymakers in the 21st century.

Senator DOLE organized congressional support for Reagan Doctrine policies which gave critical assistance to freedom fighters confronting Soviet aggression from Nicaragua to Afghanistan. Together with his support for our defense build up and a strategic defense system, Senator DOLE's commitment to sustaining the front line resistance to Soviet imperialism hastened the collapse of the Soviet Union, and made possible the liberation of millions whose rights had long been denied them as citizens of captive nations.

As cracks in the Soviet empire became the breech that brought down the Berlin Wall, BOB DOLE hastened the final dissolution of the Soviet Union by sponsoring the Direct Aid to the Republics Act which provided direct assistance and trade relations to the Soviet Republics, bypassing Moscow, and further weakening the Kremlin's control over its subject peoples.

In the first crisis of the post-cold-war world, Iraq's invasion of Kuwait, BOB DOLE cautioned President Bush to seek congressional authority for Operation Desert Storm, and then employed his peerless legislative skills to win majority support for authorization over a very determined opposition, sending a message of American unity to Saddam Hussein.

More recently, BOB DOLE's consistent, principled support for the legitimate Government of Bosnia and the strong Senate majority he built for his position forced our own Government and our allies to replace their previous indecision and indifference with the resolve to enable the Bosnian people to resist aggression, and determine for themselves their nation's fate.

Mr. President, my time is nearly up, and the brevity of this tribute his required me to offer only an abbreviated, very incomplete list of BOB DOLE's many important contributions to the security of the United States. Suffice it to say, that BOB DOLE is a statesman who has worked tirelessly and effectively to protect other Americans from having to pay as a high a price for love of country as he was once asked to pay.

Before I close, Mr. President, I would like to offer a personal expression of gratitude to my leader.

I have had the honor in my life of being commanded by a great many brave, resourceful, and decent leaders, but none more so than our friend, BOB DOLE. A long time ago, in another walk of life, I lived for a period of time without liberty. I and a great many men whose courage and honor enabled me to endure that experience wanted nothing more than to keep faith with our country and for our country to keep faith with us. When well-intentioned Members of this institution unwittingly attempted to break faith with us by denying support for the war necessary to ensure our eventual liberation, BOB DOLE led the opposition to that effort. For 7 weeks he forcefully debated a cutoff of funding while so many of America's sons remained the prisoners of our enemies. All the while he waged that debate, BOB DOLE wore a bracelet that bore my name. I have never properly thanked him for the great honor he did me. I wish to do so now. For myself, for my comrades who came home with me, and for the many thousands who did not, thank you, BOB, for the honor of your concern and support for us. We fought in different wars, but we kept the same faith.

BOB DOLE leaves the Senate now, and all of us, Democrat and Republican alike, know in our hearts we will not soon see his like again in our ranks. But he leaves only to continue his service to America from another office. I take considerable comfort from that. For I know that the tasks that confront us as we consolidate our cold war victories and make for our children and our children's children another, better world than the one in which we lived most of our lives require the service of an American who appreciates from his experience and from his heart the indispensability of American leadership. This is a daunting responsibility, which is shared by all of us. But I am reassured that we will not be found wanting in our assignment by my confidence that BOB DOLE will soon be our leader again and that our Nation will still benefit from the service of this honorable man.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I compliment Senator MCCAIN for an outstanding, moving, inspirational speech that I hope my colleagues will have a chance to review.

I ask unanimous consent to postpone the time allocated to Senator BYRD and Senator DASCHLE to 11:45.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. I yield to the Senator from New Jersey, 2 minutes.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, today BOB DOLE will leave the Senate. I have served with him for nearly 18 years, during which time, at different times, he has been the ranking member and chairman of the Finance Committee, minority leader, and majority leader.

Over the years I have disagreed with him often, but I have also worked with him on many things, from one of my first amendments in the Senate on the strategic petroleum reserve to closing tax loopholes in 1982 to tax reform in 1986 to maternal and child health care issues to GATT agreements to aid to the Bosnian Moslems and countless other issues.

BOB DOLE is a good man and an extraordinary legislator. Although he is personally shy, he knows how to build a political consensus, use power, make things happen. He keeps his word, which is an essential ingredient in building trust. He listens well, a trait of the very best legislators.

Any time you are trying to build a bipartisan majority, which is more the way it used to be in the Senate than the way it is now, you have to be able to listen. You have to understand intuitively where someone's bottom line is. And when an agreement will not be reached, you cannot view the other person as flawed, corrupt, and stupid, and expect that tomorrow they will forget your attitude. I do not remember BOB DOLE ever acting out of a grudge or perhaps even harboring one. He never burned his bridges.

One afternoon in my office more than a few years ago, Senator DOLE and I visited with a Russian politician named Boris Yeltsin whose visit I was sponsoring. Yeltsin had been over an hour late and we were 25 minutes into our discussion when one of his aides informed him he was an hour late for a meeting with Secretary of State Baker, to which Yeltsin responded by saying, "Humph, who cares about an appointed minister when I am meeting with those who are elected by the people."

To which DOLE responded, "He's got his priorities right."

That was the voice of BOB DOLE, the democrat, the man who has a deep and abiding respect for the will of the people. Time and time again the people of Kansas gave him their votes. Although Senator DOLE has given his life to public service, I sense he would be one of the first in this body to admit that a legislator's accomplishments are like sand castles built at the edge of the ocean surf—short-lived and often forgotten.

Therefore, the only thing that any of us as Senators have is whether those who worked with us gave us their respect, and those who elected us felt well-served. In Senator DOLE's case, I think the answer to each is yes.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I yield 1 minute to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, last year I indicated to my colleague from West Virginia, Senator BYRD, that one of the real privileges of my being able to serve in the U.S. Senate was to serve here while he served in the U.S. Senate. I told Senator BYRD that. I was thinking last evening that I feel the same way about Senator DOLE. It has been an enormous privilege to serve in the Senate at the same time that Senator DOLE has served in this Senate. He has demonstrated an enduring commitment to public service that represents the kind of public service that we owe a substantial debt for in our country. He is truly the Cal Ripken of public service in the Senate year after year after year, doing his job and doing it the way the American people hope public servants will do their jobs.

I am here today only to say I wish Senator ROBERT DOLE well. The Senate will miss him. Those of us who have had the privilege of working with him honor his commitment to public service.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I thank my colleague from North Dakota, and I yield 2 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, from his earliest days on the sports fields through his military career to his days in the Senate, BOB DOLE's destiny was and is leadership. How greatly has he enriched the lives of all of us here in the U.S. Senate. Like my good friend, Senator BRADLEY, I was there on the Yeltsin trip. I remember that. I also remember accompanying Senator DOLE to a hilltop in Italy, near the small village where he was struck down by enemy fire. But the hand of destiny reached down, the hand of Providence, and brought him back to serve this great Nation, to serve the world, and to become a great leader.

He will take his place—modestly, he might not acknowledge this—but he will take his place with Everett Dirksen, with whom our distinguished senior colleague, Mr. BYRD, served; with Howard Baker and with Hugh Scott. In that row of great Republican leaders, he has earned his spot.

Commander in Chief, a position to which he aspires, and a position in the Constitution of the United States he has fought to preserve on the floor of this Senate from the first day that he stepped entered this Chamber, irrespective of who has been in that office. He has been a staunch defender of the prerogatives of the Commander in Chief. I was proud to join with him on January 12, 1991, when we stood together for the Persian Gulf resolution, to give the Commander in Chief the authority to use force in the gulf. That was a hard-fought battle, a debate ending in a vote of 52 to 47.

Most recently, in my own endeavors, he stood beside me. He did not have to do it. He stood beside one of his colleagues in the name of friendship and he said, "It's not all politics. It's friendship."

Mr. President, I close by reading a brief quotation that I carry with me at all times. It relates to BOB DOLE. Thomas Jefferson once said:

I had laid it down as law to myself, to take no notice of the thousands of insults issued against me but to trust my character to my own conduct and to the good sense and candor of my fellow citizens.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment my colleague from Virginia and now recognize the Senator from West Virginia, Senator BYRD.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I rise to say farewell to my friend and longstanding colleague, the able Senator from Kansas, the Senate majority leader, BOB DOLE. BOB DOLE has responded to the call of duty throughout all of his adult life, and we are all the richer for his dedication and his work. His life and his service have made a difference.

American politics is a rough and tumble occupation, and we in this Chamber are all too familiar with the savagery, the criticism, the negativity that have so infected political life in our day. But there are times when politics must be put aside, and the honest, heartfelt contributions that we each and all make as servants of the people must be acknowledged.

I congratulate the majority leader on his long and distinguished service in the Senate, and before that in the House of Representatives, and before that, in the Kansas Legislature, to which he was elected at the young age of 26. As one of his fellow Americans, I thank him for his service and his bravery during World War II.

It has been a privilege and it has been a pleasure to work with Senator DOLE in the leadership positions given to both of us by our colleagues, first when he was majority leader and I was minority leader, and then when our roles were reversed.

Senator DOLE and I are the only floor leaders in Senate history to move from majority leader to minority leader and then back again to majority leader. I guess it is a classic case of what comes around goes around; or what goes around, comes around. Often, I have pondered this turning of the Senate wheel, a continuing rotation of individuals of different temperaments and talents, of opposing beliefs and varied backgrounds.

I have been honored to serve in the Congress of the United States for almost 44 years. I have witnessed the comings and I have witnessed the goings of many fine men and women. Some were extraordinary leaders, like Joe Martin, of Massachusetts; Sam Rayburn, of Texas; Lyndon Johnson, of Texas; Everett Dirksen, of Illinois; Hugh Scott, of Pennsylvania; and Howard Baker, of Tennessee; and Mike Mansfield, of Montana; who served as Senate majority leader for 16 years. Many made outstanding contributions to their country and were considered irreplaceable in their time. And yet our brief appearance upon the Senate stage is only temporary. It is applauded, remarked upon and then forgotten, washed away like footprints in the sand by the next turn of the wheel and the next wave of events.

But through it all, the Senate endures and goes on like Tennyson's brook—forever. It is far, far greater than the sum of its 100 parts.

Senator DOLE, in his four terms in the House and five in the Senate, has been a serious and successful legislator. He was the 1,645th person to have taken the oath of U.S. Senator. He has served as leader of his party in the Senate longer than any other Republican—10 years, 11 months and 20 days, today. BOB DOLE has served longer as a Republican in Congress—35 years, 5 months and 8 days—than any other current Republican Member of the Senate and House. Additionally, he is the only Kansas Senator to have chaired the Senate Finance Committee.

He has earned the respect of his colleagues. He has been a hands-on leader, often working personally with other Senators and staff to craft legislative compromises and solutions to difficult national questions.

As Republican leader, both when he served as majority leader and as minority leader, he was always available to work on solutions to problems of both a national and international nature. He gave his time, including the hours spent away from the Chamber and the Hill, wrestling with those solutions.

I have fond memories of the time that we worked together in the 100th Congress, when I served as majority leader and he was the minority leader, and we succeeded in crafting important legislation, including the landmark Omnibus Trade and Competitiveness Act of 1988. Together, we developed a new trade tool for the United States called "the super 301 law," which required annual reviews of foreign trade practices, the identification of priority foreign country practices against American products, and the triggering of automatic investigations against such countries' practices.

Senator DOLE has been particularly attentive and active in the foreign policy and national security areas. While we have not always agreed on specific policies, he has been a major contributor to our Nation's policies regarding the Soviet Union before its collapse, arms control, Bosnia, and the Gulf war with Iraq, to name a few important examples.

When he was majority leader in 1985 and I was minority leader, together we created the arms control observer group to monitor arms control negotiations and treaties with the Soviet Union. Together, we led a Senate delegation to the opening of United States-Soviet arms control negotiations in Geneva that year. We also traveled together at the request of President Reagan to Moscow to celebrate the historic exchange of instruments by Presidents Reagan and Gorbachev ratifying the INF treaty.

In the order of domestic policy, Senator DOLE has been a long-time central figure on farm legislation. He has amassed an impressive record of service on behalf of the disabled and the handicapped. He has particularly advanced the cause of handicapped children.

While I have enjoyed working together with BOB DOLE, and sometimes have equally enjoyed working at odds with him on various issues, I am saddened that he is leaving the Senate. He will cast a long shadow as he goes.

It isn't enough to say in our hearts
That we like a man for his ways;
It isn't enough that we fill our minds
With psalms of silent praise;
Nor is it enough that we honor a man
As our confidence upward mounts;
It's going right up to the man himself
And telling him so that counts.

So when a man does a deed that you really admire,
Don't leave a kind word unsaid.
In fear to do so will make him vain
And cause him to lose his head.
But reach out your hand and tell him, "Well done,"
And see how his gratitude swells.
It isn't the flowers we strew on the grave,
It's the word to the living that tells.

And so I say to my friend, BOB DOLE, "Well done."

The PRESIDENT pro tempore. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, let me begin by complimenting the distinguished Senator from West Virginia for his eloquence. Following his words is a very difficult task.

Senator DOLE has said that he wants to be judged now as just a man. But I think history will judge him as something more—a good leader, a good Senator, a good American. When you are from a small State in the Midwest, there seems to be a sense of pride in someone who makes it to the top the hard way, with hard work, with fairness, with adherence to principle.

Regardless of politics, religion or education, when someone starts at the lower rung and makes it all the way up, there is a pervasive feeling of ownership, of affinity that he is one of our own, a Midwestern sense of self-respect that he is like us, and now just look at where he is, what he has done and how he has done it. That is especially true when adversity hits. When someone rises above adversity to make it against the odds, the admiration grows greater. The greater the adversity, the greater the adherence to principle and decency, the greater the admiration.

Maybe that is why someone from South Dakota, someone of different politics, different religion, different education can reflect on the admiration that I hold for BOB DOLE with the sincerity that I do now.

I have had the good fortune to work closely with the majority leader now for 18 months. The conditions for a good working relationship could not have been much worse. We had just lost the majority. He was the likely nominee to run against a Democratic President, and the House Republican leadership, now also in the majority, had proposed a Contract With America. Of course, the events over the past year and a half could easily have led to bitterness and personal animosity of major consequence. I have no doubt that in virtually any other set of circumstances, there would have been no other result.

The fact that it did not occur, and in spite of it all we remained friendly, is due to BOB DOLE and who he is. His civility, his pragmatism, his quick wit, his self-effacing humor have not only served him well these past 45 years of public life, but have served his colleagues and his country well, too. His sense of fairness and decency is a standard by which all people in public life should be held. He believes in the institutions of democracy and has helped guide his party and this body in a way that has enhanced them, too.

While our philosophical differences are great, his willingness to do what is difficult has been a source of admiration and respect for us all. His courage in standing for principle has been evident from the start.

It was there when he broke ranks with his party to support the landmark civil rights measures of the 1960's, most notably the Civil Rights Act of 1964 and the Voting Rights Acts of 1965 and 1982.

It was there when he championed landmark nutrition programs with a visionary leader and a giant from South Dakota whose name was George McGovern.

It was there in 1991 when he and our colleague, TOM HARKIN, arguably did more for the disabled than anyone in our Nation's history.

And it was there in this Congress when, against all political advice, he fashioned a resolution on Bosnia that led to broad support for our troops being stationed there.

I am grateful to Senator DOLE for that leadership, for the decency and fairness he has demonstrated to me over these past 18 months. I have learned from him. It has been an invaluable education.

It has always impressed me that BOB DOLE would come to my office for a meeting—the seasoned leader coming to the newcomer, the majority leader, coming to the minority leader's office. I thought it was yet another demonstration of BOB DOLE's grace and demeanor. I know now that it was. I also learned that in doing so, this man, with the experience of thousands of such meetings, could always be the one to determine when the meeting was over.

I regret that we did not accomplish more together in these last 2 years. Obviously, bad timing was a factor. Our accomplishments have been eclipsed by our partisanship in the eyes of the American people. Still, nothing should cloud America's view of just a man from Kansas who began with little, who in fighting for this country lost almost all that he had, who came back to help lead his party and his country with courage and civility, who leaves this place with the gratitude of us all.

While I cannot wish him ultimate success at his next political venture, Linda and I wish Elizabeth and BOB DOLE well in their new life ahead. May it be filled with good health and much happiness. I yield the floor.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDENT pro tempore. The able Senator from Oklahoma is recognized.

Mr. NICKLES. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I rise on behalf of all my colleagues in the Senate, Democrat and Republican, to say thank you to Senator DOLE for his years of service in Congress, House and Senate, but especially the Senate, especially for his leadership, for his willingness to really embody what leadership is all about.

The man from Russell, KS, has indeed done very well. The man from Russell, KS, has overcome a lot of difficulties, and truly been a national hero. I was with Senator WARNER, Senator MACK, and Senator DOLE in Italy where Senator DOLE nearly lost his life in Castel Diano, and I realized what real leadership was all about, that a young man from Russell, KS, risked his life, almost gave his life, to reestablish freedom in a faraway land. I saw the love and respect that the people had in northern Italy for Senator DOLE, and my respect and admiration for him only grew. It has grown as we have shared many fine years in serving together, and I thought about this, most of our colleagues here have only known Senator DOLE as the leader or minority leader. Some have had the pleasure of serving with Senator Baker and Senator BYRD, as majority leader, but to our leader, we want to say thank you for your service not only to Kansas but to our country, for reaching out in bipartisan fashion and making great changes for this country.

I remember when you were elected chairman of the Finance Committee, tax rates were 70 percent. When you were finished, they were 28 percent. The economy really grew. You forged bipartisan working relationships with everyone. You are well liked by every Member in this body.

I want to apologize to my friends and colleagues that have been coming to me for the last hours, saying, "I want to speak," because we could not accommodate all the requests. I ask unanimous consent following the swearing in of Senator FRAHM, that we will keep the RECORD open for the remainder of the day so that remarks can be added to the remarks made earlier this morning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NICKLES. To our leader, I say that you embody what we think is great about a leader. That is character. That is integrity. That is loyalty. You have earned the respect not only of your colleagues, you have earned the respect of all Americans.

To our leader, again, a man from Russell, KS, you are our friend. You will always be our friend. We wish you and Elizabeth every success this year.

THE ROBERT J. DOLE BALCONY

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to immediate consideration of Senate Resolution 258 that I now send to the desk.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will report.

The Assistant Secretary of the Senate read as follows:

A resolution (S. Res. 258) to designate the balcony adjacent to rooms S-230 and S-231 of the United States Capitol Building as the "Robert J. Dole Balcony."

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. NICKLES. Mr. President, the resolution that I now send to the desk on behalf of myself and Senator DASCHLE is a resolution that follows a great tradition in the Senate where we name rooms, sometimes buildings, after our colleagues. We have buildings—the Russell Building, Hart, and Dirksen, all named after outstanding Senators.

On the first floor of this building we have the Hugh Scott Room named after a former Republican leader, and down the hall the Mansfield Room, another great leader who served the longest as Senate majority leader, and we also have the Howard Baker Room that is now the Office of Senator DOLE. All these honors were a very fine and noble tribute.

But the tribute we name today, or the one we are making today is naming the balcony adjacent to the Office of the Republican Leader as the Robert J. Dole Balcony. It was Senator DOLE who asked this balcony be made accessible to legislators and to the leaders. I can tell you that there has been a lot of good legislative work done on that balcony. I can also tell you that sometimes the balcony is called "the DOLE Beach."

To our leader, we wanted to have a lasting remembrance, because you are part of this Capitol. You are part of this institution. You are one of the reasons why this institution is greatly respected, because of the respect we have for you.

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 258) was agreed to, as follows:

S. RES. 258

Resolved, That the balcony adjacent to rooms S-230 and S-231 of the United States Capitol Building is hereby designated as, and shall hereafter be known as, the "Robert J. Dole Balcony".

The PRESIDENT pro tempore. The able majority leader, Senator DOLE of Kansas, is recognized.

Mr. DOLE. I appreciate very much the resolution just passed. Will it be in big letters or neon? I know it cannot have any political advertising on it. Just have the name out there in lights the next few months. I thank all of my colleagues.

FAREWELL ADDRESS OF SENATOR ROBERT J. DOLE

Mr. DOLE. Mr. President, I want to go back 136 years ago this summer. A committee arrived in Springfield, IL—Senator SIMON probably knows the story—and it formally notified Abraham Lincoln that the Republican Party had nominated him to run for President. History records that Lincoln's formal reply to the news was just two sentences long. And then as he surveyed the crowd of friends gathered outside his home, as I survey the crowd of friends here in the galleries and on the floor, he said, "Now I will no longer defer the pleasure of taking each of you by the hand." So I guess, as Lincoln said then, 136 years ago, if all of us who are leaving this year—and I am only one, and I know we have the same thoughts and the same emotions—if we can all go out and shake hands with all the people who were responsible for us being here, it would take a long time.

You begin with your family. You, obviously, begin with your parents, your brothers, your sisters, and you think about all the support they have provided and all the good things that happened. And you think about the Senate. You think about your family, your remarkable, wonderful wife and daughter, who have seen victories and seen defeats and have put up with, as all our spouses and children do around here, with late hours, not being home on weekends, and all the demands that go with serving in the Senate.

So I am very honored to have my wife Elizabeth and my daughter Robin in the gallery today.

[Applause.]

I know they join me in expressing our deep appreciation to everyone here and the people of Kansas. As all of us go back who are leaving this year, thinking about leaving in a couple of years, or whatever, you think about the people who sent you here and the people who tried not to send you here—once you are here, you forget about those. [Laughter.]

And they are all your constituents, whether Democrats, Republicans, or Independents. And four times, my friends in Kansas, Republicans and Democrats and Independents, I believe, gave me their votes for the House of Representatives and five times they have given me their votes to the U.S. Senate. I think to all of us, such trust is perhaps the greatest gift that can come to any citizen in our democracy, and I know I will be forever grateful, as everyone here will be forever grateful, to our friends and our supporters who never gave up on us, who never lost their confidence in us. Maybe they did not like some of our votes, or maybe they did not like other things, but when the chips were down, they were there. We all think of all the phone calls and all the letters and all the visits of people who come to your office with big problems and small. Or you think about the town meetings you have attended. I have attended, as have some others here, town meetings all over America. They are pretty much the same. They are good people, they have real questions, and they like real answers.

I always thought that differences were a healthy thing and that is why we are all so healthy, because we have a lot of differences in this Chamber. I have never seen a healthier group in my life. [Laughter.]

And then there are those on our staff. Sometimes we forget to say thank you. I have had one member of my staff for 30 years, and others for 19, and so on. They have been great, and they have been loyal, and they have been enthusiastic. Their idealism and intelligence and loyalty have certainly meant a lot to me, and I think a lot to other people in this body, and other staff members, and the people they work with on a daily basis. Many are on the Senate floor or in the gallery today. I just say, thank you very much. We have had a little fun along the way, too. It gets kind of dull around here from time to time, so you have to have a little fun. When you really want to have fun to get away, you can go out to the beach—which is now my "beach," and I will try to pack it up this afternoon. All of those who served in the Senate—and I see some of my former colleagues here today—and all those who serve the Senate, whether the Parliamentarian or the page, I thank you for all of us for your tireless service.

I do not want my friends in the press gallery to fall out of their seats in shock. But let me add in acknowledgment of those who have worked here in this building I also salute you. I think it is fair to say that we do not always agree with everything you said or wrote, but I know that what you do off this floor is as vital to American democracy as anything we do on it. And we have to keep that in mind.

So I say that it has been a great ride. There have been a few bumps along the way. I have learned a lot from people in this room. I have even gone to Senator BYRD when I was the majority leader to ask his advice on how to defeat him on an issue. If you know ROBERT BYRD as I do, he gave me the answer. But it was not easy. I mean, this man is determined. I know that in his first book, his great works about the Senate, he writes about when I became the majority leader. He very candidly writes in his book that he had his doubts about this BOB DOLE because I might be too partisan, or I might not work with the minority leader. But I have heard him say a number of times since that I demonstrated that I was not that partisan. And if I understood one thing, as my successor will understand, it is that unless the two leaders are working together, nothing is going to happen in this place. We have to trust each other, as Senator DASCHLE and I have, as Senator Mitchell and I have, as Senator BYRD and I have. And I also have great respect for Senator Mansfield and Senator Baker, though I did not have the privilege of being in the leadership at that time.

I say to all those who have been in the leadership positions, it is a difficult life. After 2 o'clock today when somebody calls me about bringing up their amendment, I will say that it is all right with me; bring it up any time you want, and I will not stand in your way. [Laughter and Applause.]

I am looking at one of the giants in the Senate right now, Senator THURMOND. And I looked at others on the way in, like Senator BYRD. I thought about Senators Baker, Dirksen, Russell, and many, many more, Democrats and Republicans, who love this place, who have made it work. I repeat frequently the statement of Senator Dirksen—and I do not know whether he made it on the floor—who said, "A billion here, a billion there, and soon it will add up to real money." If only he could come back today, it would be "a trillion here and a trillion there."

Then there was Hubert Humphrey. Nobody ever understood how BOB DOLE and Hubert Humphrey could be such good friends. We did not have a problem at all. And he used to say of his own speeches, "I never thought they were too long. I enjoyed every minute." [Laughter.]

I remember we were in the hallway one day talking about the talk shows. And, of course, I was only watching them in those days, but he was on one every Sunday. It used to be issues and answers for the normal guest. But for Hubert it was issue and answer—then the time was up.

And then there was Senator Mansfield in just the reverse. When he was on a Sunday talk show, it was "yep," "nope," "maybe." Ten minutes into the program, they were out of questions. [Laughter.]

I remember Russell Long. I remember during the Reagan landslide, I was going to be chairman of the Finance Committee. I did not know how to tell Russell—and I did not. I said, "Who is going to tell Russell?" Nobody was going to tell Russell. Dave Durenberger was there, and I remember the first vote we had. I got to sit in the chair, but when they called the roll, they called the minority side first and then the other side. They said, "Mr. Chairman,"—this was my first time—and he voted "aye."

It is a true story. Then there is Phil Hart and DAN INOUYE. We all met in Battle Creek, MI, at the Percy Jones General Hospital—Lieutenant Colonel Hart, Lieutenant INOUYE, and Lieutenant DOLE. We were all patriots. The best bridge player at Percy Jones Hospital was DAN INOUYE. Probably one of the best men I ever knew was Phil Hart. He had a flesh wound in his right elbow area, and from morning to night he spent his time running errands or getting tickets for patients to the Detroit Tigers games. His wife was Jane Briggs. It was Briggs Stadium—Briggs owned the Tigers at that time. There was not anything that Phil Hart would not do—not only there but when he came to the U.S. Senate. So I left my proxy with the last of the Percy Jones General Hospital caucus, with DAN INOUYE. I wrote him a letter today, I said you've got my proxy. If anything comes up regarding Percy Jones General Hospital, which is closed——

[Laughter.]

vote me present.

[Laughter.]

I could go on and on. I am not like Senator BYRD because nobody can do it the way Senator BYRD does it.

But I think of all of these people who have come and gone and of all of the new bright stars that are here today on both sides of the aisle, and there is one thing that you do know for certain. This is a great institution.

I have learned another thing that we have all learned in this Chamber and this town. Your word is your bond. If you do not keep your word around here, it does not make much difference what your amendment may be, or whatever it may be. And it is important to all of us. As far as I know everybody that I know on either side observed that rule. It is true in any business or in any profession. It is more true in politics because the American people are looking at us, and they want us to tell the truth. It does not mean that we have to agree. It does not mean we cannot have different motivations. I learned that leadership is a combination of background and backbone. I learned a lot about that from the likes of Senator BYRD and others that I watched and watched.

I know that Senator WARNER is the first person to ever mention to me—one day we were at the same place having lunch. He said, "You ought to think about running for leader." I said, "Me?" So I thought about it. [Laughter.]

I thought TED STEVENS was going to be the leader. Where is TED? Something happened on the way to the vote. [Laughter.]

I walked out of there surprised. When Howard Greene held up his hand, I knew that I must be the leader.

So I would just say that we all know how the political process works. Some people are cynical. Some people think it is awful. Some people do not trust us. But the people who watch this thing day in and day out have a better understanding.

Some people ask me. I remember the Speaker—the Speaker is present—telling me just 10 minutes ago, he really understands now more about the Senate. We have different rules. I love the House of Representatives. I never wanted to be in the House of Representatives. I wanted to be in the Senate. I wanted to be in the Senate where you can have unlimited debate, where any Senator on either side on any issue can stand up and talk until they drop.

The record is held by the Presiding Officer, Senator THURMOND.

The PRESIDENT pro tempore. Twenty-four hours and eighteen minutes. [Laughter and Applause.]

Mr. DOLE. That is why you are seldom asked to be an after dinner speaker. [Laughter.]

Mr. President, I think sometimes around here we think we have to have everything. "We have to have total victory. I will not settle for less. It has to be my way, or no way." Well, Ronald Reagan said once, "If I can get 90 percent of what I want, I would call that a pretty good deal." Ninety percent is not bad. You can get the other 10 percent later. It is a small amendment then. [Laughter.]

Better understand that—take the 90 and then work on the 10.

I want to say, too, that I read that my resignation and my decision to leave caused astonishment in some quarters, and I do not begrudge anyone their surprise. But I would just want to disabuse anybody about the Senate. This is the great opportunity, and there are hundreds and hundreds and thousands and thousands of people who would give anything they had to be a Member of this body. That is the way it should be. It is very competitive.

So I have said the truth is that I would no more distance myself from the Senate than I would from the United States itself. This is a body that is the reflection of America. It is what America is all about. We come from different States and different backgrounds with different opportunities and different challenges in our lives. And, yes, the institution has its imperfections and occasional inefficiencies. We are like America; we are still a work in progress in the U.S. Senate.

So I would say to my colleagues that I remember way back when I ran for the Kansas Legislature. We had a Democratic law librarian who thought young people ought to get involved in politics. She found two Republicans and two Democrats, and talked us into running for the State legislature. We did not know anything about politics. We did not know what party we were in. We were students; veterans going to school under the GI bill. I thought about which party to belong to. I have said in jest, from time to time I went back to my hometown and went up to the courthouse and found out there were more Republicans than Democrats. And I became a committed Republican. [Laughter.]

It is not quite accurate. But my parents were Democrats.

I remember the first time I was ever approached by a reporter. Here I was a brandnew law student, a brand new legislator. I did not know anything about anything. They said, "Well, what are you going to do now for your district?" Or something of that case. I said, "I am going to sit around and watch for a couple of days, and then stand up for what is right."

Well, that is what we all do around here. I hope I have done it over the years.

I will take a minute or two to indulge in some of the things that we all have different interests in. I have been deeply involved in agriculture, as many of you have here, because Kansas is a farm State. When I came to Congress, I was on the House Agriculture Committee. I have been on the Senate Agriculture Committee ever since. So I am proud of having served the farm families of Kansas and around America who make a lot of sacrifices.

This year we did not have a wheat crop, hardly at all, in Kansas because of the drought. I am advised by Senator DORGAN that they are not going to have much of one because of the rains and the water.

So farmers make a lot of sacrifices. I remember back during the Vietnam debate. Some of us were here. Some were on each side of the issue. The so-called Cooper-Church amendment that went on and on and on, week after week after week on whether we ought to withdraw our troops, or shut off funding, which I thought was wrong. As I look back on it, I think I was right because we had courageous men like BOB KERREY, JOHN MCCAIN, and others in this Chamber who were risking their lives, and they deserved our support. That was a big debate at the time.

I have also been proud to be involved in nutrition programs. Somebody mentioned that earlier today. I remember working with Senator McGovern on that, and there was a conservative article saying I cannot be a conservative because I know George McGovern. I think George McGovern is a gentleman and has always been a gentleman. But we worked together on food stamps. I will confess, when I made my first tour with George McGovern, I said, "This guy is running for President." I was not convinced. There were a lot of skeptics in this Chamber; probably some on each side. You cannot have truer motives. It is always something political. But after being on that trip about 2 or 3 days, I changed my mind. Senator HOLLINGS from South Carolina was in the forefront of that effort. He remembers how bad it was.

So we worked together on food stamps, the WIC Program, and the School Lunch Program, particularly when it affected poorer Americans. I think, as I look at it, that no first-class democracy would treat its people like second-class citizens.

I remember standing on this floor managing the Martin Luther King holiday bill. We had the majority. It was a proud day for me. It is now a national holiday.

The first speech I ever made on the floor was April 14, 1969, about disabled Americans. There are a lot of people in this room who have worked on this program. I know Senator KENNEDY and Senator HARKIN and Senator Durenberger, when he was here, and Senator Jennings Randolph before—maybe before many of you came—was in the forefront. We stood with many who could not stand on their own, and the highlight was passing the Americans With Disabilities Act. Forty-three million Americans—they are not all seriously disabled, but there are many in wheelchairs, many who cannot even sit up. It was a very impressive sight to be at the White House the day that bill was signed by President Bush, and I am forever grateful. I know Senator KENNEDY and Senator HARKIN are. Have you ever seen so many wheelchairs at the White House at a signing ceremony? Never. And now more and more Americans with disabilities are full participants in the process. They are in the mainstream.

So, I remember in 1983—I know PAT MOYNIHAN remembers—we were standing right over in this aisle. We had a bipartisan commission on Social Security. We had met week after week, month after month. It was about to go down the drain. We had about given up. Everybody was disgusted. We were getting short-tempered. We were Democrats and Republicans. At the time the late John Heinz was a member of the commission. As member of the Finance Committee, I was a member. Senator MOYNIHAN was a member. And Senator MOYNIHAN—I think just by chance or fate or whatever—and I happened to meet in this aisle on my right. We said we have to try one more time to rescue Social Security—one more time.

It was not a partisan issue. And we did. That afternoon we convened three more people, we had five of the commission, and it was not long until we were back on track. We finally made it happen, and 37 million people have gotten their checks on time.

I think I read in the Washington Post just this weekend, Social Security is going to be in pretty good shape until the year 2029. So that is a pretty good fix. Maybe, as I said earlier in the day, that is a pattern we can follow for Medicare for the long-term solution: Take it out of politics as we did on Social Security, make it work, make it solvent. And the people who get the credit are the people who get the checks—37 million of them. So, we reached across partisan lines.

So, I worry a little about the future. I worry about our defenses. I know there are a lot of very talented people here who are going to continue to do that. I am not here to make a partisan speech or even a partisan reference, but I would hope that we would keep in mind there are still threats around the world and also keep in mind that we are the envy of the world.

I learned, meeting with a lot of leaders, foreign leaders, as leaders get to do in this business—the chairmen of the Foreign Relations Committee, Senators HELMS and PELL and others, Senator LUGAR when he was chairman—I remember when the Berlin Wall came down and the Soviet empire collapsed, a lot of people started coming to America. They were leaders. They were young and they were old and they were men and they were women, and they did not come for foreign aid. The cynics said, "Oh, they are coming after more of our money." They knew we did not have any. But for the first time in 70 years, in some cases, they had a right to travel. They could get on an airplane without checking with the government and waiting for a year or 2 years or 3 years. They could go to church, they could vote—all these basic rights that we take for granted. And they came to America.

Some are now Presidents, like Lech Walesa, some are leaders of their party. As they came to our offices, and I am certain it was true in every other office, they did not ask for money. They wanted to come to America to see America. They wanted to take a look at America. And I can recall almost everyone who left my office, sometimes with tears streaming down their cheeks, saying, "We want to be like America."

We are the envy of the world. That is why so many people want to be like we are.

So, we have lit Liberty's torch with a glow that can truly light the world. That is what America is all about. We are much more than a place on a map. We are the United States, and we are a beacon of hope. We are a magnet for the oppressed and a shield against those who would put the soul itself in bondage.

I think we did that in Kuwait, and we may be called on to do it again. But I would guess one thing. I would hope, when they catalog all the amendments and all the bills and do all the commentaries, whenever it is all over for us here, that we have left our children something other than a legacy of debt. Our children are important. None of us have a perfect solution, but there has to be some solution here where we can come together, Republicans and Democrats, because everybody loves their children. Everybody loves their grandchildren. We have all these young pages here. We have an example every day of young people who want to get ahead, who are willing to work. They just want the opportunity.

I think, if I could hope that anything might happen, it probably will not happen today, but this year or next year—I felt strongly about the balanced budget, but not enough people did. But that will be around.

So I would close with, again, thanking all of my colleagues. I do not believe—I am just trying to think back—I do not believe we have ever had any real disagreements. I remember one time, I remind the Democratic leader, that I offered an amendment that you thought you were going to offer, and I made a mistake. I was not trying to one-up the Senator from South Dakota. So I withdraw my amendment. Then he offered the amendment. I think that is called civility.

So, I would close with the words of my hero, Dwight Eisenhower, because he was our supreme commander. He also came from Abilene, KS; born in Texas but quickly moved to Kansas. He was only 2 years old. It took a while. But, in any event—this is his quote.

> As we peer into society's future, we—you and I—and our Government—must avoid the impulse to live only for today, plundering, for our own ease and convenience, the precious resources of tomorrow.
>
> We cannot mortgage the material assets of our grandchildren without risking the loss of their political and spiritual heritage. We want democracy to survive for all generations to come, not to become the insolvent phantom of tomorrow.

I think those words are just as good today as they were 35 years ago when

President Eisenhower spoke them. We can lead or we can mislead as the people's Representatives, but whatever we do, we will be held responsible. We are going to be held responsible and accountable. I am not talking about 1996. I am talking about any time over the next century.

So the Bible tells us that to everything there is a season, and I think my season in the Senate is about to come to an end. But the new season makes this moment far less the closing of one chapter than the opening of another. We all take pride in the past, but we all live for the future.

I agree with prairie poet Carl Sandburg, who told us:

Yesterday is wind gone down,
a sun dropped in the West.
I tell you that there is nothing in the world,
Only an ocean of tomorrows,
A sky of tomorrows.

Like everybody here, I am an optimist. I believe our best tomorrows are yet to be lived. So I, again, thank you.

God bless America, and God bless the U.S. Senate.

[Applause, Senators rising.]

RECESS

The PRESIDENT pro tempore. Under the previous order, the Senate now stands in recess until 2:15 p.m.

Thereupon, at 12:51 p.m., the Senate recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. BROWN].

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER [Mr. COATS]. Without objection, it is so ordered.

Mr. LOTT. I believe, Mr. President, momentarily we will have the introduction and swearing in of the new Senator from Kansas.

For a moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

CREDENTIALS—RESIGNATION AND APPOINTMENT

The VICE PRESIDENT. The Chair lays before the Senate a letter of resignation from the Honorable ROBERT J. DOLE, a Senator from the State of Kansas.

Without objection, it will be considered as read.

The letter is as follows:

UNITED STATES SENATE,
OFFICE OF THE REPUBLICAN LEADER,
Washington, DC, June 11, 1996.

Hon. AL GORE,
President of the U.S. Senate,
United States Capitol, Washington, DC.

DEAR MR. VICE PRESIDENT: I hereby resign my office as a United States Senator from Kansas effective June 11, 1996 at 2:00 p.m. eastern daylight time.

Sincerely,
BOB DOLE.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of SHEILA FRAHM, appointed a Senator by the Governor of the State of Kansas on June 11, 1996, to represent such State in the Senate of the United States until the vacancy of the term ending January 3, 1999, caused by the resignation of the Honorable ROBERT J. DOLE, is filled by election as provided by law.

Without objection, it will be considered read.

The Certificate of Appointment is as follows:

State of Kansas, Office of the Governor
CERTIFICATE OF APPOINTMENT

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Kansas, I, Bill Graves, the Governor of Kansas, do hereby appoint Sheila Frahm a Senator from Kansas to represent Kansas in the Senate of the United States until the vacancy therein, caused by the resignation of Bob Dole, is filled by election as provided by law.

Witness: His excellency our Governor Bill Graves, and our seal hereto affixed at Topeka, Kansas, this 11th day of June, in the year of our Lord 1996.

By the Governor:
BILL GRAVES,
Governor.
RON THORNBURGH,
Secretary of State.

CEREMONY OF ADMINISTRATION OF OATH OF OFFICE TO SHEILA FRAHM AS SENATOR FROM THE STATE OF KANSAS

The VICE PRESIDENT. The new Senator will now present herself at the desk for the administration of the oath of office.

Mrs. FRAHM, escorted by Mr. DOLE and Mrs. KASSEBAUM, advanced to the desk of the Vice President; the oath prescribed by law was administered to her by the Vice President; and she subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

(Mrs. HUTCHISON assumed the chair.)

Mr. LOTT. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Madam President, I ask unanimous-consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. LOTT. Madam President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein for up to 5 minutes each until the hour of 3:30 p.m.

Mr. EXON. Reserving the right to object, and I do not intend to object. Is it the Senator's intention that we would go to the budget then at 3:30? Is that the plan?

Mr. LOTT. Madam President, if I can respond to the distinguished Senator from Nebraska, it is our hope that the Senate could consume much of the 10 hours allocated to the budget conference report this afternoon. That is provided, of course, under the statute. We would be able to set the final vote on the conference report for midafternoon on Wednesday, in all probability. Certainly, we are now consulting with the Democratic leader, and he is making sure that that is agreeable.

We hope to have a unanimous-consent request on that in, hopefully, a few minutes. Between now and 3:30, since a number of Senators did not have an opportunity to speak this morning in tribute to Senator DOLE, we hope that can be done in this hour. Then we hope to begin on the budget resolution.

Mr. EXON. I have no objection whatsoever. This Senator was one of those, also, who wishes to speak. I will be seeking 5 minutes of my own time for that subject during the next hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO SENATOR BOB DOLE

Mr. LOTT. Madam President, there is no question that some of the most eloquent speeches I have heard since I have been in the Senate were presented this morning by Senators on both sides of the aisle as a tribute to our good friend and majority leader, BOB DOLE. They really were very impressive in terms of the relationship that Senators have had with Senator DOLE and their love for him and for this institution. Many Senators have enjoyed working with Senator DOLE and have learned a great deal from him. Certainly, I am one of those that has been studying at the feet of BOB DOLE. It has been something to behold. He is truly a master of how to get things done. We can all learn from that. I hope that I am one that has learned and will remember those lessons.

I served in the House for a number of years after having worked for a Democratic Congressman named Bill Colmer, the chairman of the Rules Committee. Until this very day, when I remember the lessons I should have learned from that old gentleman, I do well. When I forget those lessons, I usually get in trouble. So I think that as we go through life and as we go through political life, as we work in Government, and as we go through our daily activities in the Senate, there are certain giants like BOB DOLE that we can and should all learn from.

Madam President, there is a little known custom, I guess, in the Senate for Members to carve their names in the drawers of their desks. In fact, when constituents come on the floor when we are not in session, that is one of the things they find most interesting. They pull the drawers out and see who signed these desks.

When you look into some of these desks, you find the great—and sometimes not so great—names of the past. They are a veritable rollcall of our country's history.

In 28 years in the Senate, BOB DOLE did more than make his mark upon a congressional desk. He made his mark upon this institution, not just its legislation, but more importantly, its character.

He devoted most of his career to the Senate, but not because this Chamber and its business were an end in itself. For BOB DOLE, serving the Senate was serving his country.

That service took precedence over most other considerations in his life.

Indeed, it took precedence over his Presidential campaign—until today.

The reason BOB DOLE will not be with us on the Senate floor after today is no great secret.

The reason is that he was convinced he would better serve his country by restoring leadership to its Presidency than by handling the day to day affairs of the Congress.

We all know it was hard for him to leave, and it was hard for us to see him leave. It affected us all, and it reminded us once again who we are and what we are about in this institution. Those who really know BOB DOLE know that he is leaving not out of ambition for higher rank, but out of determination to finish the fight and be in a position to do all that he can do for his country.

That fight, in terms of his country's future, is every bit as important as the fight which gravely injured the young BOB DOLE in 1944.

There are some who think of duty as a burden, heavy to bear and best shrugged off onto someone else.

There are others who embrace duty, and carry it proudly, and do not put it down until the journey is done.

In walking out of this Chamber today, BOB DOLE carries with him a lifetime of duty.

As we saw him exit this door, we all felt an emotional surge, and every Member of this Senate knows he will not put that responsibility and duty down.

No one would understand better than BOB that not every Senator wants him to succeed in his present mission. Indeed, a goodly part of this body will move Heaven and Earth to prevent that success.

That is not perfidy. It is democracy.

It is something BOB DOLE went to war to defend, and something he still can appreciate more than most of us.

But I dare say, despite the political and partisan divisions on this Senate floor, as we quite often experience, all of us understand something historic is happening here today.

Something none of us will soon forget.

It brings to my mind two other reluctant departures in our Nation's past.

The first would be Washington's reluctant leaving of Mount Vernon to assume a position he did not seek, but which his countrymen insisted he take.

The second would be Lee's agonized departure from his post of military honor to fulfill what he considered a higher duty.

Were he here, BOB DOLE would modestly dismiss any comparison with Washington or Lee—or any other of American's great statesmen of the past.

He would rather let the future judge such things, and so should we.

Whatever the outcome of this year, whatever the course of its conflicts and controversies, the future holds a place for BOB DOLE as a giant of the Senate, a man set apart from most by a quiet passion for his country that we are only now beginning to understand.

But Lord willing, we will benefit from it for years to come.

I yield the floor, Mr. President.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. COATS). The Senator from Nebraska.

Mr. EXON. Mr. President, I thank the Chair. I wish to associate myself with the remarks by the distinguished Senator from Mississippi.

I just want to say a few words about my friend BOB DOLE. I suspect my feelings are not significantly different by what has been thought and what has been said by my colleagues on both sides of the aisle. So aside from the BOB DOLE that we all know so very, very well, I just want to say that I was pleased to be here and to hear that excellent speech that Senator DOLE gave as his farewell address in the U.S. Senate. It was sad in lots of ways, and yet it was so reassuring to see someone of the integrity, the ability, the character, and the good nature of BOB DOLE spelled out in that speech so very, very well. I hope that many, many people in the United States heard that speech by my friend and colleague, the man from Kansas.

I have worked with him so very, very long on so many issues. Many times we have been on the same side, but on many of the items we have been on opposite sides. But never, as Senator DOLE mentioned in his speech this morning, has he ever, to my knowledge, violated that cardinal rule of the U.S. Senate—unwritten, which is just as effective: A man's word or a woman's word is their bond. In all of these nearly 18 years that I have had the pleasure of my association with BOB DOLE, I have never known Bob even to give a hint of breaking his word, because if there was ever a man in the U.S. Senate for whom we all know his word is his bond, that is BOB DOLE.

On a personal note, I just want to say when I saw Bob walk out after his address, it took me back to times in all of our lives when there have been breakups. I suppose the first was when we graduated from grade school and that old gang of ours broke up and went on through our educational process. And certainly it is true. When you left the service of the United States of America, that old gang was broken up. That old gang that BOB DOLE was with was suddenly broken up when he nearly gave his life in combat, in defense of the national security interests of the United States of America and the free world. But I thought of that breakup when I saw BOB walk out that door an hour or so ago.

BOB DOLE meant so much to me because, despite our differences from time to time, we always had an excellent personal working relationship. He came into Nebraska on two or three occasions to support my opponent in one of my races. But never did BOB DOLE say anything bad about JIM EXON, even though he could have probably found some legitimate things that he could and maybe should have said. But that was not BOB's way. BOB came into Nebraska, and he campaigned for my Republican opponent—not against JIM EXON. I think that is the mark of not only a great statesman but a very effective leader, which he was of his party as majority leader on that side, but also someone that you could be truly proud of and call your friend.

Little known outside the Senate, I suspect, was BOB's strongest characteristic, and that was his sense of humor. I am not sure that the public at large has understood that. But I have had an ongoing relationship—very friendly—with BOB DOLE on many, many occasions. In fact, this year when he was running for President of the United States, I suggested to him—and he knew it was facetious—that I might consider a draft to be his Vice Presidential running mate, if he was interested in that. BOB knows that I am a Democrat—always have been and always will be, and we had lots of jokes about that. But over the years of friendship, over the years of serving on very tough issues, sometimes we were maybe at sword's point, one would think, when we were debating a measure of some importance on the floor of the U.S. Senate. BOB DOLE never lost his sense of humor. He never forgot his sense of humor. And I think that is what helped carry him through probably that life-threatening wound that he received in battle and probably through some of the more heated debates that have taken place here on the Senate floor. I have never seen BOB DOLE do anything but smile when someone said something or told him something that he thought was humor.

So I am saddened by the fact that a coworker for whom I have great respect, has made a choice that I think was the right choice for him to make, especially with regard to the heavy responsibility that he carries for his party, and he will carry in the Presidential election this year. In that regard, maybe I can sum up my feelings, friendship, and understanding with BOB DOLE by a statement that I made to him in one of our more humorous conversations maybe 6 months ago right in the heat of those very tough Republican primaries for President of the United States. I said to BOB DOLE, "You know, BOB, if we have to have a Republican President"—then I repeated it—"if we have to have a Republican President, I hope it is you." People that do not understand humor might think that was a cutting thing for JIM EXON to say, but BOB DOLE knew what I was saying. BOB DOLE knows that myself and all, likely, on both sides of the aisle respect not only the man's talent but the man's sense of responsibility and his sense of humor which has endeared him to those of us on both sides of the aisle.

Godspeed, BOB DOLE, to you and your wonderful wife, Elizabeth. You are a great couple. And whatever the future holds, we will always hold you in high esteem.

I thank the Chair. I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

TRIBUTE TO SENATOR BOB DOLE

Mr. HATCH. Mr. President, I thank my colleague from Nebraska for his kind remarks about our friend BOB DOLE, which were very eloquent. I think he expressed it beautifully for a lot of Democrats. I think everyone in this body has tremendous esteem and affection and love for BOB DOLE. He is one of the all-time great Senators. There is no question about it. He will go down in history as one of the all-time great Senators.

Mr. President, 20 years ago, when I was first sworn in as the junior Senator from Utah, BOB DOLE was among the first of my Republican colleagues to come up and put his arm around me, and helped guide me and helped me to learn the ropes.

I rise today to thank him for that, and for his extraordinary leadership in the years since. When the citizens from Kansas elected BOB DOLE as their Senator, they chose a man who epitomizes the qualities of mainstream America, a team player, a war hero who demonstrated tremendous courage and perseverance both on the battlefield and afterward, a hard worker and an honest and decent man, a man whom all Americans can look up to.

By now, most of us are aware of the wounds Lieutenant DOLE suffered on that April morning in 1945. That was about the same time that my brother was killed in the Second World War. BOB DOLE could have been killed too, and almost was.

We have also heard about his amazing and long recovery. But less is known about how BOB DOLE was injured. Richard Ben Cramer's book, "What it Takes," tells us how:

> Dole got his men down to the low stone wall. Dole could have stayed in the middle [of the platoon]. But he knew his job, and he did it. He was out in front, with the lead squad.
>
> They were pinned down quick. They were pinned down in the field, when a farmhouse on the left opened fire: a Jerry machine-gun nest . . . the men in the field were hamburger.
>
> Dole had to get that machine gun. The lead squad was going to have to flank that house and get that nest of Krauts [sic]. Sergeant Carafa assumed he'd be going out with the squad, but Dole said, "Sergeant, I'll take 'em."

BOB DOLE saw many men die trying to knock out that machine gun. It was that morning, trying to take it out, that he was wounded. BOB DOLE could have let someone else go out with the squad. BOB DOLE could have stayed behind and provided cover. BOB DOLE could have stayed in the middle. Instead, BOB DOLE was out in front.

BOB DOLE has been out in front ever since. He became a skillful legislator. He knew how to get things done around here. But he also knew that duty required him to take action when it wasn't always in his own best interest or when he saw public policy going down the wrong path.

Take, for example, his leadership on addressing the crime issue. Throughout his career, BOB DOLE consistently supported legislation to fight crime and help the victims of crime. From the Organized Crime Control Act of 1969 to the 1996 Antiterrorism and Effective Death Penalty Act, BOB DOLE has fought to bring accountability to the criminal justice system. But, in 1994, Senator DOLE stood up for what he thought was right and opposed the so-called Crime Control Act of 1994 because it was a pork-laden, big dollar, Great Society social spending boondoggle. Some of our colleagues thought we had lost our minds when we opposed a so-called crime bill in an election year. But BOB DOLE did it because it was the right thing to do.

He worked tirelessly for comprehensive habeas corpus reform. He worked to crack down on frivolous inmate lawsuits and was at the forefront of reform when, in 1984, he cosponsored the Sentencing Reform Act, which brought truth-in-sentencing to the Federal system.

Mr. President, Senator DOLE has been a leader and a fighter for civil rights from the beginning of his career. Senator DOLE knows full well that prejudice and artificial barriers can hold a person down. As a Member of the other body, he voted for landmark legislation including the Civil Rights Act of 1964 and the Voting Rights Act of 1965. He was a leader in the effort to extend the Voting Rights Act in 1982. In 1967, then Congressman DOLE voted for the Age Discrimination in Employment Act. In 1990, Senator DOLE supported the expansion and clarification of this law to protect older workers from the loss of their employee benefits.

Senator DOLE led the passage of the Martin Luther King holiday bill. It was a bill I voted against, and I consider it the worst mistake I have made in my 20 years here. I thought that we should not add another holiday due to both the public and private sector costs involved. But, frankly, in hindsight, I made a mistake.

BOB DOLE, however, did what was right, and he brought that bill up and helped to pass it.

He played a key leadership role in enacting the landmark Americans With Disabilities Act. I worked hard on that bill, and I know what he did. I was in the late night meetings. As the ranking Republican on the Labor and Human Resources Committee, I was in the leadership meetings. I have to tell you, without BOB DOLE, that bill would not have passed. The ADA extended civil rights protections and opportunities to millions of Americans with disabilities. I can remember when it passed, he and I had tears in our eyes because it was such a monumental day.

Yes, BOB DOLE has been there for the big fights, let me tell you.

BOB DOLE recognizes that rights inhere in individuals, not groups. In 1995, he introduced the Equal Opportunity Act, which prohibits racial, ethnic, and gender preferences in Federal employment, Federal contacting, and federally administered programs. He sparked a healthy and timely national debate on affirmative action. In his view, every American should be treated with equal rights under the law, without preference based on race, ethnicity, or gender.

BOB DOLE helped build the Republican Party that we have today. He helped build the Republican majority we have today. There were no litmus tests under BOB DOLE's leadership. He successfully knit together Senators from Alaska to Virginia to form a working team whose sole purpose was to achieve the goals for America that we all held in common—goals that I personally believe we hold in common with the American people.

We are going to miss BOB DOLE in the U.S. Senate. I suspect even his worthy adversaries on the Democratic side have come to admire his determination, skill, and faithfulness to the people he represents. I believe there is unanimous agreement in this body that BOB DOLE served with honor and distinction as one of the greatest Senators in the history of this Federal Republic.

I have to say something here that I am sure BOB DOLE does not know, but I am going to say it publicly because it means so much to me. My brother died shortly before BOB DOLE got wounded in the Second World War. My brother was very dear to me. I was only 10 years old when he died. When we received the news, I immediately got a white streak of hair on the right side of my forehead because it was such a shock to me.

He was killed in the Ploiesti oil raid, which, of course, was the pivotal oil raid of the European war because it knocked out all of the Vienna-Austrian oilfields that Hitler depended on. But Jess' death was a tremendous shock to us.

When I came to the Senate, BOB DOLE put his arm around me. He looked like my brother, to a large degree. My brother had the same color hair, was about the same height, about the same build. My brother was a football player as well. He looked a lot like my brother. I have always considered BOB DOLE, for good or bad, to be my brother.

I have tremendous respect and admiration for this man, this fellow who has given so much to his country and who, if everybody in America knew him—knew him like we do—there would be no question that he would be the next President of the United States.

I have to say I love BOB DOLE. Elaine does, too. We love his wife Liddy. She is a tremendous human being. As both chairman and ranking member of the Labor Committee, I worked with Liddy Dole, who served as President Bush's Secretary of Labor. I have to tell you I appreciated those days and appreciated her kindnesses to me and her great work for the country.

Today, BOB DOLE is leaving the Senate to pursue a different calling. Yet it still is the calling of public service. He did not have to leave the Senate. Nobody could have pushed him out of here. It would have been safer to stay. But we have already learned that BOB DOLE does not stay safely in the foxholes. That is not what we expect of our leaders, and BOB DOLE, in my opinion, has what it takes.

Whatever the future may hold for BOB and Elizabeth Dole, I just want to wish them both happiness and Godspeed.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The President pro tempore of the Senate, the distinguished Senator from South Carolina, is recognized.

Mr. THURMOND. Mr. President, in recent years, many in the media, the public, and even some Members of Congress, have come to regard those who seek positions in the public sector with some amount of contempt and mistrust. Most of us in this Chamber know such characterizations are not only unfair and inaccurate, but do much to harm the sanctity and reputation of a body dedicated to debate and providing for the Nation.

The large majority of those who become Government officials are honorable individuals, but there are a handful of Senators in particular whose conduct and dedication to service are above reproach, and who stand as living contradictions to those who believe that this is an ineffective and partisan body. These Senators are men and women of principle who are dedicated to the noble cause of working to benefit all the people of the United States. Today, it is with great regret that I mark the departure of a man who sets a standard for service to the Senate and the Nation that is truly unmatched—the majority leader and Senator from Kansas BOB DOLE.

I doubt it came as a surprise to anyone in Russell, KS, when BOB DOLE first ran for elected office in 1951. The bright young war veteran and attorney had already established a well-deserved reputation for courage and hard work when he declared his candidacy for a seat in that State's House of Representatives. It was these two simple attributes that not only help BOB DOLE to win that election, but have helped to guide him through life of challenges, hardships, and accomplishments.

The heartlands of the Kansan prairies are where BOB DOLE learned about being tough and not giving in when in the same situation the average person might simply give up the fight. While this is a region of simple beauty, kind people, and strong values, during the time of BOB DOLE's youth it was also a place that was rife with hardships for those who lived there. It was a place where hard work was not a virtue, it was a necessity for survival, especially during the Nation's most severe economic crisis, the Great Depression.

In his hometown of Russell, KS, BOB DOLE also learned about things such as patriotism and a commitment to serving the Nation. He was taught that these words represented more than mere ideas or ideals, they were part of the responsibilities of citizenship in this great land. During World War II, BOB DOLE served his country as an officer in the Army, and when he was ordered to lead an attack on a German-held hill in Italy, Lt. BOB DOLE never had any question about his duty. It was this dedication to duty, a commitment to serving the Nation, and pure, unadulterated courage that sent Lieutenant DOLE up that hill, and it was those same qualities that not only saved his life after being gravely wounded by hostile fire, but gave his life purpose in the years following his near life-ending injuries.

As he lay in a hospital bed, it took a man of fortitude, determination, and courage to face 39 months of surgery, convalescence, and rehabilitation. It took courage, fortitude, and determination for BOB DOLE to face the fact that his dream of becoming a doctor and helping others had ended. It took courage, fortitude, and determination for him to make the decision to not make his disabilities a handicap, but to force forward with life and to dedicate himself to serving others through public service rather than medicine. It took a man of fortitude, determination, and courage to learn again how to do all the things that you and I take for granted; to go back to school in order to finish his undergraduate degree and earn a law degree; and, to begin his career. Simply put, it took grit to survive what BOB DOLE survived and to essentially start life anew.

Since entering politics and public service, BOB DOLE has never looked back and he has never faltered in his duties. He has approached each position he has held with enthusiasm and has earned a reputation for thoroughness, fairness, and honesty. These qualities, along with those outlined earlier, endeared him to his fellow Kansans who sent him on to positions of progressively more importance and responsibility. From the Kansas Legislature, he served as Russell County attorney, and then as a U.S. Congressman for four terms before coming to the U.S. Senate in 1968. It is here that I met BOB DOLE and immediately took a liking to this serious-minded fellow veteran who had a pragmatic approach to the issues before the Nation, and a fire in him to serve.

Over the next 28 years, I became quite fond of Senator DOLE as a colleague and a friend. I was pleased to watch him grow into his position as a Senator and to become one of the leading spokesmen for our party not only in this body, but throughout the Nation. His abilities as a public servant did not escape many, including President Gerald Ford, who selected Senator DOLE to be his running mate in 1976. The longer BOB DOLE served in the Senate, the more prominent and critical his role became in the legislative process. His razor sharp mind gave him an encyclopedic familiarity with legislation and legislative procedure, both which he put to good use as he ascended the ladder of Senate leadership.

Furthermore, his years of experience as a Member of Congress gave him an insight into the affairs or the Nation that could be matched by a few with whom he served, and made him a valued advisor to fellow Senators, and to Presidents. In short, BOB DOLE was, and continues to be, a man of tremendous abilities and background whose experience allows him to have an impact on the governing of the United States that is unique and nothing short of beneficial.

It seems hard to believe that BOB DOLE is leaving the Senate. After almost 30 years of prominent and dedicated service, he seems as much a part of this building as the statute of Armed Freedom which sits atop the Capitol and guards the District and the Nation. More important and significant than merely enduring the rigors and battles of the Senate for almost three decades is that during his life and in his tenure in Congress, BOB DOLE has made a difference in the history of the United States. Among other things, he has stood tall for a budget that will not saddle future generations with an unfair debt; he has fought hard to give our men and women in uniform the resources they need to keep America free and safe; he remained firm on the need for drawing the line against the crime and criminals that prey on innocent Americans; he did not flinch in working to contain our former Communist enemies; and, he has worked hard to ensure that the United States maintains the most dynamic economy in the world. Time and time again, BOB DOLE has been on the right side of the issues, working to create legislation and policy that is beneficial to the citizens of this Nation, and leading this body toward a vision of an America that is safe, wealthy, and full of opportunity as long as there is a United States. It is with no small regret that I say I will miss my colleague, my leader, and most importantly, my friend, BOB DOLE. I wish him well and thank him for his service, and for the example he has set for selflessness, patriotism, and humility.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, today a giant in the annals of the U.S. Senate, Senator ROBERT DOLE of Kansas, the Republican leader, has chosen to leave this great institution to pursue and, I believe to win the Presidency of the United States. The Senate will never be quit the same; for Senator DOLE has that rare and admired quality of making things happen, getting things done, and moving this tradition-layered institution forward.

All of BOB DOLE'S adult life had been spent in service to the American public and today he has not ended that service. He is just entering the final phase of his public service—campaigning for the highest office in the land.

Mr. President, for the past 16 years, I have been privileged to represent the people of the State of Alaska in the Senate. And throughout my tenure in the Senate, BOB DOLE has been a friend to the people of Alaska and a leader who has always been sensitive to the special needs of our young State.

BOB has traveled extensively in Alaska. And he understands that unlike States that entered the Union in the 18th and 19th centuries, Alaska, which has only been a State since 1959, is far more dependent than other States on decisions made in Washington.

Almost 70 percent of Alaska is owned by the Federal Government. Fifty-four million acres of Park Service land is in Alaska—68 percent of all Park Service land in the Nation. Fifty-seven million acres of designated wilderness is located in Alaska. That's over 60 percent of all wilderness lands in the country.

And 76 million acres of Fish and Wildlife Service land is in Alaska—That's 85 percent of all Fish and Wildlife Service land in the United States.

The purpose in providing these statistics is to reiterate to my fellow Senators that almost any economic activity that is done in Alaska can only get started if the Federal Government does not stand in the way. BOB DOLE has always understood that.

BOB DOLE also understands that our natural resources can be developed in a responsible manner using our best technology without harming our environment.

BOB DOLE does not sell America's technology and ingenuity short—he believes that it is better to harvest our abundant resources in an environmentally responsible manner rather than sending our dollars and jobs overseas by importing resources.

Mr. President, BOB DOLE has served as the Republican leader for more than 11 years-longer than any Republican leader in history. He has had to juggle and balance the interests of States as different as Florida and Alaska in order to get legislation from the drawing boards to President's desk.

Throughout all of the time I have known BOB, he has never sacrificed what is important to Alaska's 600,000 citizens in order to get a piece of legislation adopted. In fact, it was BOB DOLE'S leadership that ensured that for the first time last year, Congress authorized oil exploration in ANWR.

And when BOB DOLE moves to the White House next year. Alaskans can be assured that the roadblock to our economic development will finally be removed. He knows that America's economic security cannot be assured so long as we are dependent on foreign countries for more than 50 percent of our energy needs.

Mr. President, Alaskans will miss Senator DOLE'S leadership and sensitivity to our State's needs. I will miss him as a person and friend that I have grown accustomed to talking with every day. BOB DOLE'S destiny will take him to even greater challenges and responsibilities next year. And I know he will always keep Alaska's special needs in mind whenever he makes decisions on economic policy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, we have just said goodbye to the majority leader, who has just retired. He has left the Senate with great support from those of us who have known him and really do have a great love for BOB DOLE.

I have known him since he was a Member of the House. I was not a Member of the House, but I knew he was there in the House. BOB DOLE and I came to the Senate at the same time. As he leaves today, I am, as he just said, the sole survivor of the class of 1968. He has been a great friend of mine. I have been on the floor before to say how I felt about BOB DOLE.

I have also remarked about the fact that he has also been a great friend of the State I represent. He assisted us greatly in the passage of the Alaska Native Land Claims Settlement Act, which paved the way for the trans-Alaska pipeline. He assisted me many times in matters pertaining to the oceans—the Fishery Conservation Act, which protects the fisheries off our shores. He voted with us on the Alaska Lands Act, on issues that we tried to change in that bill in 1980. He and Elizabeth Dole were very helpful in assisting us on the Alaska Railroad transfer. As a matter of fact, as I have told many of my friends, their Christmas card that year was the photograph of the Secretary of Transportation and her husband standing at the back of the superintendent's car on the Alaska Railroad. That was Elizabeth's trip to Alaska, and BOB was traveling with his wife in her official capacity. He was of great assistance to me at the time that we had the terrible disaster of the *Exxon Valdez* oilspill. I could go on and on and talk about things that BOB has done with me.

What I really want to talk about, though, today is BOB DOLE as a leader.

As he said to some of us today, he believed that, as the leader, he tried to reach out to those of us here in the Senate who might disagree with him, and reach out to Americans. Recently, we had a report of a poll in my State that showed BOB DOLE is more popular than almost any of us who are elected officials in Alaska. He is well known in the north country because they know that he has gone out of the way on the campaign trail to go as far away as Alaska. I am one of those.

There are not very many of us remaining here now who saw service in World War II. Part of my role has been to work as chairman of the Defense Appropriations Subcommittee to assure that we keep the mandate we received from the Constitution to provide for the common defense.

BOB DOLE has never, ever voted against those of us who believe in a strong defense. He joined all of us who worked together in the Reagan years to see to it that we could rebuild our national defenses—really our total military capability—at the time that the Soviets were going into an enormous military monolithic Communist dictatorship. He was quite successful in getting the Senate to help President George Bush at the time of the Desert Storm victory. He knows the value of defense. One of the issues he is talking about now, as he leaves us, is our missile defense system.

He has told us himself today about his role in the Disabilities Act. He has worked with us in child nutrition, and he certainly has been responsible for the family tax credits coming back to where they should be. We hope to really increase those in the future. As was remarked here on the floor by our leader, he has reduced the tax rates in our country from a maximum of 90 percent to a maximum of just over 30 percent—for most Americans, 28 percent.

But I am really full of memories today as we have seen our leader leave us because, as he mentioned in his statement, in 1984, I, too, was a candidate to become the leader of the Senate. After several votes, it came down to a contest between Senator DOLE and myself. During the counting of the vote, he came over and congratulated me and thought that I had won. To the contrary. He won the election by a narrow vote. At that time, I asked for recognition and asked Senate Republicans to vote unanimously for Senator DOLE because it was clear we needed a united Republican group in the Senate to move forward. In retrospect, I think that was probably one of the smartest moves I ever made and one of the best votes I cast—to assure that BOB DOLE was elected the leader of the Republican side unanimously. He has shown us what he can do.

I want the Senate to know how much he demonstrated his philosophy of reaching out. After that election, he asked me to come see him, and he told me that he had some things in mind. For instance, one of the things he wanted to do was have the Senate more involved in the oversight of the arms control negotiations that were going on at that time. He asked me to chair the arms control observers group which he created at that time. He got the support of the minority, and we created a bipartisan group that played, I think, a very successful role in working on arms control negotiations.

He also came to me—I think this is probably not too well known in the Senate—and said that he was disappointed that the move to bring television to the Senate had failed, and he asked me if I would work with others in the Senate to bring that about. It was at that time a privilege, really, to represent the leader in meeting with Senators from the other side and on our side of the aisle. There were some Senators who changed their positions when they realized that the new leader was very sincere and wanted to have the American public know what was going on in the Senate.

I think that the Senate has been changed by television coverage in the Senate—some good and some bad, but mostly good. I believe it has demonstrated for the country what is ahead of us if BOB DOLE is successful in his new quest, because he does reach out for people. He makes sure that everyone involved around him has a meaningful role and listens. He listens to advice. If there is one thing that I think can be assured in the days ahead, it is that candidate DOLE is going to listen to America and America is going to listen to candidate DOLE. For myself, I can think of no better thing for the country than to know that we go to the beginning of the new millennium with a new President.

So I hope, Mr. President, that this day, this decision that my good friend has made to leave this Senate, which he loves and we all love, proves to be the right decision for him and for the country. I know that he has not left our hearts because those of us who know him will be with him all the way along the trail.

As the statement made by Theodore Roosevelt was read today in our meeting, as we gave him the bust of Teddy Roosevelt, BOB DOLE has known both victory and defeat, and he has shown his courage and his ability to stay the course. I believe he has what it takes. I hope he will know victory in the days ahead.

Mr. FEINGOLD. Mr. President, I rise to salute the energy, intelligence, and personal strength of a man who is leaving a remarkable career in the U.S. Senate, the majority leader, Senator ROBERT DOLE.

Many of my colleagues have worked with Senator DOLE far longer than I, but it didn't take me long after I arrived here in 1993 to develop a healthy respect for his skill as a legislator and for his ability to lead his Republican colleagues. Moreover, it quickly became clear to me that Senator DOLE is a man shaped and defined by his ability to meet challenges without flinching and to overcome them.

He has been accorded well-deserved praise from both sides of the aisle, and his colleagues on the other side have demonstrated their respect for his abilities by making him the longest-serving Republican majority leader in the Senate's history.

Mr. President, Senator DOLE's government career since he joined the Senate in 1968 is widely known and respected. He has played a pivotal role in the passage of several pieces of important legislation, including, for example, the landmark Americans With Disabilities Act in 1990.

For many years, Senator DOLE was a supporter of legislation to protect civil rights. For example, his efforts were crucial in the passage of the renewal of the Voting Rights Act in 1982.

His imprint is also on the Food Stamp Program, on Social Security, and other important measures.

One legislative achievement that may not get much notice, but which helps some of our Nation's most vulnerable people, is Senator DOLE's support for the Program of All-Inclusive Care for the Elderly, or PACE. Senator DOLE and I share an interest in this innovative long-term care program, which is a nationwide effort to integrate services for certain elderly Medicare and Medicaid patients. PACE has managed to provide an extensive array of services while saving money, both laudable goals.

On another issue—committing United States forces to Bosnia—Senator DOLE and I were in disagreement, but even though we were on opposite sides of the final vote to send American troops there, I recognized his efforts to work for bipartisanship and to take a risk to support what he regarded as the necessary action in this area.

Mr. President, it is unfortunate that, during an election year, the Senate is so often consumed by partisan tensions and maneuvers. Nevertheless, the U.S. Senate is an institution where it is possible to reach across the aisle and find common ground.

Senator DOLE has devoted many, many years to the Senate and to working on issues of enormous public interest. He has earned the respect and admiration of all of his colleagues, Republicans and Democrats alike.

Mr. President, BOB DOLE will be long-remembered in the U.S. Senate, and this Chamber will simply not be the same without him.

Mr. LEVIN. Mr. President, today the Senate loses one of its true legislative craftsmen. When I came to the Senate, BOB DOLE had already earned a reputation as a legislator, a Republican who could cross the aisle to work with Democrats to solve problems and reach compromise. This is the essence of the Senate. I soon learned that the reputation of the Senator from Kansas was well earned. Over the years my respect for his ability to craft a legislative solution has grown. We will all miss his skill.

We will also miss BOB DOLE for his sense of humor. The Senate can be a place of high drama, high pressure, and sometimes high dudgeon. BOB DOLE, who has himself shown a real bite from time to time, and who is a tough fighter for his point of view, more often than not is able to defuse the situation, and sometimes disarm his opponents with a quip or a flash of his wit which leaves them laughing.

But, most of all, Mr. President, BOB DOLE will be remembered in the Senate as a man of his word. There is no greater compliment which one Senator can pay to another.

In this body, a Senator is only as good, only as reliable, only as effective, as his or her word. Senator ROBERT DOLE has earned the respect of all who have served with him in this Senate.

Mr. COHEN. Mr. President, there are few true heroes in this country, but one who has lived in our midst for many years is BOB DOLE, who has accomplished so much in his life and is going off to accomplish more. He was a hero in war who now and forever will bear the scars of his service to his country. And he is a hero in peace—a man who can maneuver through the legislative trenches with grace and daring, avoiding minefields and pitfalls, running the gauntlet while dodging bomb blasts from his opponents.

He leaves us today to enter a new battleground, where, I have no doubt, he will prevail with the same creativity and tenacity that had made him such an able Senate leader.

BOB DOLE has the experience, the temperament, and the judgment to be President. He is a man of honor and courage who understands the workings of Government at the highest levels but has never lost his understanding of common men and women. That's because he is a common man, who through the sheer force of his intellect and industry has reached uncommon heights.

There are, of course, many stories that could be told to illustrate the spirit and fortitude that has brought BOB DOLE to such heights, but two of my favorites date to 1952, the year he was elected county attorney in Russell, KS, and began his political career.

One night after Bob was elected, a man named Huck Boyd was driving through Russell after midnight and saw the light still on at the county courthouse. Huck Boyd was editor of a weekly newspaper and thought there might be a break-in, so he pulled over to investigate. It turns out that BOB DOLE, the new county attorney, was still working at his desk. And it also turns out that Huck Boyd was Kansas' member of the Republican National Committee, and was so impressed by this hard-working young man that he started talking him up throughout Kansas as a future political superstar.

But the quote I like best comes from the story of the 1952 county attorney election itself. Two young men who had come back from World War II were running—BOB DOLE and Dean Ostrum. Dean was a bright young man who had enjoyed many of life's advantages and was the son of perhaps the best lawyer in Russell. BOB DOLE didn't have all the advantages of life, had seen more adversity in 29 years than most people see in a lifetime, and was the son of Doran Dole who worked in a local creamery. As the campaign wore on, Bob outthought and outhustled his opponent, won by 200 votes, and launched his political career. The quote I like is from Dean Ostrum years after the campaign was over:

"How long was my day? I don't know, but it wasn't as long as BOB DOLE's I'm sure of that."

Forty-four years later that statement still rings true. No one I know has ever outworked BOB DOLE.

One of the reasons I believe so strongly in BOB DOLE's candidacy is because we share common views and values. We believe that consensus and compromise make for good government. We believe that rigid ideas and hardened positions drive people apart and lead to stalemate and paralysis. We believe in Ronald Reagan's theory of the big tent—that the Republican Party is a caring and compassionate organization that welcomes people of all backgrounds, a party that does not demean minorities by ridiculing their ancestry, a party that speaks of hope and promise and does not exploit fears and anxieties.

We believe in a strong national defense, that America cannot be the world's policeman, but neither can we afford to become a prisoner of world events. Some want to walk away from the world, but BOB DOLE knows the world won't walk away from us.

We believe that the best protection for American industry and workers is to open up our minds through education, training, and competition—not by shutting down our ports. We believe we must prevent illegal immigration but not punish those who seek the blessings of America by complying with our laws.

BOB DOLE, like Ronald Reagan before him, has dedicated his life in public service to tearing walls down around the world and not putting them up around America.

We also share a common belief that for government to operate most effectively—or in this day and age some might say to operate at all—it is necessary for policymakers to understand that goals cannot always be achieved at once. Progress must often come in small steps. BOB DOLE understands that principle better than most and he has the judgment, gleaned from years of experience, to know when those steps can be taken safely—or when one more step will send us hurtling over a dangerous precipice.

BOB DOLE understands that power and responsibility must be returned to the States. We have a $5 trillion debt that is gobbling up our children's economic future, and we know we have to slay this monster or it will surely slay us.

The man who stood for so many years beside us in the Senate does not appear to be wearing armor. But he is. It's made of a composite stronger than anything that can be manufactured by campaign strategists, pollsters, or spin-meisters. It's made of a belief in God, country, family, honor, and duty.

I have known BOB DOLE for more than 20 years as both a friend and a leader. He is a man of good heart and good humor who calls forth the better angels of our nature.

As President of the United States, he will make America safe and sound for us and our children. As President of the United States, he will help make the world safe for America.

Mr. LUGAR. Mr. President, as BOB DOLE leaves the U.S. Senate today, we are participating in a celebration unlike anything we have witnessed in the Senate for many years, and are unlikely to see again in this century. The abundant flow of affection in the midst of applause and tears are testimony to our recognition of BOB DOLE's investment in the Senate, our recognition of the hold his leadership has on our perceptions of the Senate, and the meaning of statesmanship, public service, and patriotism.

Senator BOB DOLE of Kansas was easily reelected to a fifth term in the U.S. Senate. After 8 years of service in the U.S. House of Representatives, he is in his 28th year of Senate service. On most days in the U.S. Senate and in most battles, BOB DOLE has been the voice and the very visible, energetic leader of the Republican Party.

BOB DOLE is the personification of hard work, constructive intelligence, personal loyalty and the determination to succeed against all odds.

His life has been filled with honors and recognition for significant achievements. But perhaps the defining moments of his life were those he spent on a mountainous Italian battlefield.

The troops he led as an Army infantry lieutenant were exposed to deadly enemy machine gun fire. He led the charge to eliminate the enemy emplacement. He absorbed withering fire which tore his body and almost ended his life.

His heroism was recognized promptly. But his ability to force feeling and movement into his wounded body, to restore some hope that he could feed himself, dress himself, and function as a working, contributing man, took years of agonizing treatment, therapy, and persistence beyond comprehension.

BOB DOLE is intellectually and physically tough because his very life and being have depended upon that toughness. But those same fateful experiences have undergirded his compassionate championship of all handicapped Americans who have counted upon him to extend a strong hand back to pull them into the fullness of life in America.

From his early days in Russell, KS, BOB DOLE has understood the struggle of many families to keep food on the table. He has been the Senate champion for thoughtful nutrition programs, including comprehensive knowledge about food stamp distribution and a host of food programs for the working poor of our country.

I first met BOB DOLE when he was Chairman of our national party, and later as our Vice Presidential nominee in 1976. In the days following that election, I called BOB DOLE to thank him for his leadership and to ask for his help in fulfilling my first Senate campaign pledge, namely, to seek a seat on the Agriculture Committee. Even at a time of his own personal discouragement, he was characteristically helpful to me. I was seated at the end of the minority side of the table as the most junior member. I have witnessed for 20 years the mastery of BOB DOLE as a farm legislator.

His energy level is astonishing. His capacity to entertain new ideas and his generous ability to boost other people have strengthened my enthusiasm for this remarkable Kansan.

He deserves the opportunity to serve our Nation as its President. The Nation deserves his Presidency, which could be a term of remarkable achievement based on his innate courage and wisdom, and his universal experience with public persons and public issues.

I will be one who strives to help him realize new dimensions of leadership, because I have witnessed his integrity and I have confidence in his judgment. For the moment, I believe it is most important simply to recognize that to applaud BOB DOLE is to applaud the vitally important concept that good people arise in America to assume great responsibilities. Our country is stronger because this Senator always saw his duty and inspired so many Americans to follow him.

Mr. KENNEDY. Mr. President, I join in wishing the majority leader well—but not too well—as he takes his leave of the Senate.

He and I have differed on many occasions on many issues during the many years we have served together. But we have also been able to find many opportunities to work well together on many different issues of both foreign and domestic policy, and I have great respect for his ability as a Senator and Senate leader.

Of course, I liked it better when he was minority leader instead of majority leader.

In fact, we have worked closely on many significant issues over the years. I think particularly of the Americans With Disabilities Act in recent years. Senator DOLE was a strong supporter from the beginning. He stepped in early and often, and prevented many abrasive confrontations on that bill. As a result, it was enacted with broad bipartisan support in Congress, and has become one of Senator DOLE's and Congress' most notable achievements.

Senator DOLE and I also worked well together on other civil rights bills, on voting rights bills, on child nutrition legislation, and a range of other issues. In addition, we served together on the Senate Judiciary Committee for 6 years at the end of the 1970's and the beginning of the 1980's, and I was consistently impressed with his day-to-day ability on the issues and his tireless energy and dedication.

I also have many warm memories of the daily radio debates we did together for 4 years in the 1980's on our program called "Face Off." We were usually, but not always, facing in opposite directions on the issues, but Senator DOLE's intelligence and wit always shone through, and helped make the daily analyses both enlightening and enjoyable.

Often, even in the most contentious debates in the Senate, his excellent sense of humor was particularly effective, and he used it skillfully to defuse the tensest moments.

Now, Senator DOLE leaves the Senate with a record of many accomplishments that have served the Senate well, the Congress well, the State of Kansas well, and the people of America well.

I join Senators on both sides of the aisle who have found it a great privilege, a great honor, and a great education to work with Senator DOLE over the years. We admire his leadership and statesmanship, and we value his friendship. We respect him, and we will miss him very much in the months and years ahead.

Mr. FRIST. Mr. President, I rise today, as have my Senate colleagues, to pay tribute to the distinguished Senate majority leader, Senator ROBERT DOLE of Kansas.

Mr. President, the great American patriot Henry Clay, who also served as a Member of the House and the Senate, once said, "Of all the properties which belong to honorable men, not one is so highly prized as that of character."

He was right. As imperfect beings, we all strive to cultivate virtuous qualities—we endeavor to be kind; we are mindful to be courteous; in trying times, we struggle to maintain a sense of humor, but character, as the fiery turn-of-the-century evangelist, Dwight L. Moody, once so bluntly defined it, "is what you are in the dark."

Character is not something one can put on, like a new set of clothes. It is not something one trots out on special occasions, like courtly manners. It is not something one can pretend to possess. Yet, despite its ethereal quality, character is unmistakably apparent. It is the steady hand in times of crisis, the quiet voice in times of stress. It is courage in the face of adversity, strength of purpose, when all else seems to fail. It is a "property," as Henry Clay put it, whose value is beyond measure, a characteristic no amount of money can buy.

Mr. President, ROBERT DOLE is a man of character. A man who has remained true to his convictions; a man unafraid to defend his beliefs; a man who says what he thinks, and means what he says. He is a doer, not a talker; a fighter, not an equivocator; a leader not a dodger.

Today he leaves the U.S. Senate and the battlefield he's loved so well for so many years, the Senate floor. But he goes not gentle into the good night. He leaves on one last mission. He leaves to engage perhaps the most important battle he will ever fight—a battle not just for the heart and soul of America, but—more importantly—for the future of America. A battle that will lose or save America for the next generation; a battle to accomplish what all generations except ours have done before us—leave America a better place for our children and our grandchildren.

Mr. President, it is a battle that must be fought; a battle that must be won. And I can think of no one better to lead the mission than BOB DOLE.

Mr. COATS. Mr. President, today Senator DOLE becomes citizen DOLE. He has every right to be proud of that hard, courageous decision. We in the Senate have every reason to be sorry for it.

Senator DOLE leaves a legacy of lasting influence. He led this body to historic accomplishments, including the rescue of Social Security and the first balanced budget in a generation. He led his party, 2 years ago, to historic victory. And now he has accepted one more opportunity to serve—one more chance to lead.

This is the common thread that runs through an uncommon life—leadership. He has provided a definition of the term.

Senator DOLE has mastered the art of consensus. He knows when a breakthrough depends on one well-placed word. He knows how to cool tempers and emphasize agreement. He knows how to turn the chaos of this process into tangible achievements. These are rare and important qualities.

But this is only half of the story. I have seen another side of Senator

DOLE's leadership. He once put it this way:

> I believe there is a place for honest negotiation in politics. It is an essential part of Democracy. Every political movement, and every public official, however, must locate a place where compromise ends—a core of conviction where we keep our conscience. There comes a time when even practical leaders must refuse to bend or yield.

For Senator DOLE that core of conviction is basic and clear, permanent and solid: safe streets, strong families, military strength, fiscal responsibility, a decent public culture. These commitments are nothing new and everything important. They are rooted deeply in the soil of the midwest in the lessons of a small town in his experiences of suffering and service. BOB DOLE understands the secret strength of America, because he embodies it.

Senator DOLE understands that Americans value freedom and responsibility, but must still care for one another in times of crisis and need. He understands the fears at the edge of poverty, because he felt them in his youth. He understands the price of liberty, because he paid it himself. He fights strongly, because he believes deeply. We have come to depend on this core of conviction, based on the lessons of a life.

In his legislative career, Senator DOLE has displayed both elements of true leadership: consensus and conscience, flexibility and firmness. He is an example to all of us who work with him—who follow him—who respect him. Leaving the security of the Senate is just another example of the moral courage we have come to know the essence of leadership at the moment of testing.

T.S. Eliot wrote, "in my end is my beginning." This is the end of a distinguished legislative career. It is the beginning of a new mission. That mission takes Senator DOLE beyond this body, and we regret it. But I am convinced it will take him to the White House. Senator DOLE—citizen DOLE—has only begun his service to this Nation.

Mr. CRAIG. Mr. President, I rise to honor and remember our distinguished majority leader, our colleague, and our friend, BOB DOLE, as he prepares to leave the Senate.

When you work with or around BOB DOLE, you soon realize: He has consistent values and an unwavering commitment to them.

He's been in there fighting for a balanced budget—not because of some green eyeshade interest in the numbers, but because he knows its a moral issue.

He's been fighting for years, consistently, for a balanced budget constitutional amendment because he understands this is a principle of fundamental fairness, and he understands how the Constitution really works, protecting the basic rights of the people by preventing the Government from abusing its powers.

I've worked with BOB DOLE on other constitutional issues, from protection of second amendment rights to private property rights.

When Congress passes the 28th amendment—the balanced budget amendment—some time in the near future, even though he will have left the Senate, it will be, in part, a monument to Senator DOLE's years of hard work.

I remember many events, many battles, high points and defeats, as BOB DOLE and I have worked together for the balanced budget amendment.

When I was in the House, in the early 1980s, CHARLIE STENHOLM, a Democrat from Texas, and I started CLUBB—Congressional Leaders United for a Balanced Budget.

Pete Wilson was our Senate Co-Chair and BOB DOLE was a charter member.

When we met with taxpayer groups, and stood on the steps of the Capitol with mail bags full of hundreds of thousands of letters and petitions from Americans everywhere—BOB DOLE was always there with us, promoting the balanced budget amendment.

CLUBB worked with taxpayer groups to schedule Members of Congress around the country to meet with local leaders, State legislatures, and others on behalf of the balanced budget amendment.

I remember back to 1985–86 and how it impressed me that, here was the majority leader of the U.S. Senate, a man busy with every issue before Congress—and he took the time and effort to travel whenever he could, wherever he could, to bring the balanced budget crusade to Americans everywhere.

And last year, after our constitutional amendment fell one vote short, and then again this year, he showed that the Senate could break with history and make history, could muster enough courage, under his leadership, to actually produce a balanced budget.

Citizen, Senator, Majority Leader BOB DOLE has worked, fought, and spoken to the Nation for the balanced budget amendment because he cares about the future of our Nation; because he cares about our children, and what kind of opportunity we leave for them; because he cares about having a country that provides for the security of our seniors and the best possible jobs for our working men and women.

Many, many aspects of BOB DOLE's life have demonstrated how much he cares about people, especially the helpless, and about our country.

Much has been said about his record as a war hero and his war injuries. And, of course, much has been said about his public service.

Unlike many in politics, he has not just sympathized with people's pain, he has been there.

Doctors first said he would not live because of his war injuries. Then they said he would never walk again.

But he did much more than walk—he soared on the wings of self-sacrifice and service to others.

Because of the values he learned growing up in Russell, KS, because of the lessons of life, he understands people and cares about people.

This understanding has shown through in his leadership here in the Senate, where he has been perceptive about the strengths of his colleagues and what things are important to them.

It has particularly struck me how he, as leader, has always looked to match those strengths and interests with the tasks at hand to give his colleagues leadership opportunities, and to accomplish something good for the Nation.

The Senate will miss his leadership, his dedication, his integrity, and how he cares about people.

And in the coming months the Nation will learn much more about those qualities, and will call upon him for one more heroic mission.

Mr. SANTORUM. Mr. President, I rise today to join my colleagues in paying tribute to the Senator from Kansas.

The significance of this day should not be diminished by reference to or discussion of the gentleman's future pursuits. They should more importantly reflect the tenure and service that he has already given his State of Kansas, the office of majority leader, the institution of Congress, and this country as a whole.

Mr. President, I remember my first direct interaction with BOB DOLE in 1993 as we crafted fundamental entitlement reform to the supplemental security income system. I could talk today of our work in shaping the direction of our Nation's social policies, more recently during a very intense debate here last fall on a comprehensive welfare reform package. I was honored to have been of assistance to him in managing the floor discussion, and it was during this debate that Senator DOLE's guiding hand was once again exhibited in maneuvering this body through one of the more contentious and important discussions of national policy.

As the youngest member of this body, however, it is with a different perspective that I would like to focus my remarks today. Many of BOB DOLE's most significant experiences, especially his service in defending this country in World War II, largely precede my 38 years. His 35 years of service and leadership in Congress roughly bridges the span of my life. And while I have only had the honor to serve under his direct leadership in the Senate for a year and a half, I have indirectly benefited from BOB DOLE's sacrifices, courage, and convictions for the better part of my life.

Today's speeches have been filled with personal reflections, tributes to service, and legislative and policy histories that all have been influenced by the gentleman from Kansas. As moving and genuine as these reflections have been, time and history will truly capture and attest to the magnitude of Senator DOLE's service and the importance of his departure.

Rapid change in the character and makeup of both Chambers has marked my 6-year service in the U.S. Congress. Since my election in 1990, the U.S. Congress has experienced not only one of the largest single year turnovers since the 1974 elections, but has also ushered in a historic change in the majority parties of both houses.

And in the midst of this profound change, individuals like the Senator from Kansas have remained a stabilizing force to this institution. As it is far too easy to get lost in the direction of our own careers, we must not allow ourselves to lose sense of those who have shaped the institution of Congress and those who have left a lasting imprint on the direction of our Nation. History will undoubtedly record Senator DOLE as one of those people.

As the longest serving majority leader in the U.S. Senate, Senator DOLE possesses an instinctive ability to navigate the Senate's process of forced compromise. While at times during this session these abilities have served as a source of personal consternation, I readily acknowledge that these are qualities that a leader must exhibit to carry out the duties and responsibilities of this Chamber. These are qualities that a leader must espouse to bridge the ideological differences that manifest themselves in the direction of our policies.

Clearly, the history and service of Senator DOLE's 35 years in Congress is an inspiration to all of us and a challenge as we, in his absence, try to foster and maintain the integrity and direction of the institution of the Senate.

The hallways of the Senate will long be filled with the images of Senator DOLE's presence and the echoes of his trademark late night walks from this Chamber, through the Vice President's lobby, and to the majority leaders office overlooking America's Mall of monuments to this Nation—the view across what will now be known as the BOB DOLE balcony.

Mr. President, it is indeed a distinct honor to congratulate and thank the Senator from Kansas for his service to our country. I rise with the distinction of being a U.S. Senator from Pennsylvania and the honor of being a colleague of the Senator from Kansas. I rise with the privilege of representing 12 million Pennsylvanians in the rich tradition and history of Senators Hugh Scott, John Heinz, and Harris Wofford, who have had the honor to serve with Senator DOLE at this very desk before me, and have been enriched by the shared service and experiences. But most importantly, I rise as a personal beneficiary of the Senator's sacrifice, his service, his steadfastness, and his wisdom.

In closing, Mr. President, I stand today with the privilege of speaking in some small way for those Pennsylvania voices in sharing our blessing for the continued strength, courage, and conviction in life's pursuits for Mr. DOLE and his family.

Mr. D'AMATO. Mr. President, I rise for a final, heartfelt tribute to Senator DOLE.

In another unselfish act on behalf of his country, Senator DOLE will leave the Senate where he has so well served the people of Kansas in order to better serve the American people as our next President.

Mr. President, by any definition, BOB DOLE is a great man—a man whose entire life has been dedicated to serving his country with honor, with courage, and with integrity.

BOB DOLE is an American hero. He fought to defend this country during times of war. And throughout his career he has fought for policies to ensure prosperity and security at home and peace around the world.

Mr. President, BOB DOLE has remained dedicated to the same causes and principles that led him into public service over 40 years ago. He is a man certain of his core values, and anchored to his unwavering principles of service to country, honoring individual freedom, and bettering the lives of every American.

Mr. President, BOB DOLE represents what's right about America: integrity, courage, compassion, and patriotism.

Mr. President, it will be difficult to imagine the Senate without BOB DOLE's strong presence and skillful leadership. BOB DOLE's monumental legislative achievements—first as a legislator and now as leader—are the direct result of his strongly held convictions, his forceful advocacy, his skill at debate, and his respect and tolerance for other Senators' views, perspectives, and experiences.

His native State of Kansas and the many noble causes he has championed over the years have benefited from his legislative skills. As his colleagues, we know—and history will record—that he has had an indelible influence on this body, our Government, our people, and our times that will be felt well into the next century. He will leave an imprint deeper and stronger than few Senators in history can rival.

Mr. President, some personal comments on Senator DOLE are unavoidable at this moment. How could a Midwestern-Kansas conservative from a rural and agricultural State become friends and have so much in common with an ethnic second-generation Italian from Long Island?

In BOB DOLE's own words:

> Al D'Amato and Bob Dole—at first glance it seems like an unlikely friendship. One was raised on his mother's pasta in the heart of America's largest city. And the other was raised on his mother's fried chicken on the plains of rural Kansas. But when New Yorkers sent Al to the United States Senate in 1980, it didn't take me long to discover that we had a great deal in common.
>
> Both of us call them like we see them. Both of us believe in the neighborhood values that made America great—values like hard work and personal responsibility. Both of us don't give up without a fight. And both of us have never forgotten from where we came.

Mr. President, these insightful words are from BOB DOLE's introduction to my book. They reveal BOB DOLE's basic decency, his solid foundations, and his strong character. These are the qualities that attract people to BOB DOLE and the reasons he is so admired.

Mr. President, as my dear friend, colleague, and leader, BOB DOLE, departs the Senate to pursue the Presidency; he leaves with my continued admiration and support. His unique and historic journey has taken an unexpected but necessary turn. With his beloved Elizabeth beside him in his quest for the Presidency, I know my friend has made the right choice.

Mr. President, the Senate will miss BOB DOLE and I will certainly miss my friend.

Mr. MOYNIHAN. Mr. President, one of the stories BOB DOLE likes to tell in speeches and interviews has to do with the events in the first 2 weeks of 1983 when, quite literally, the Social Security system was saved. As with many tales told on political campaign trails, it is not one hundred percent accurate. We all recall that opening passage from Huckleberry Finn in which Huck tells us that we will recognize him from the book about Tom Sawyer which was written by Mr. Mark Twain, "and he told the truth mainly."

Which BOB DOLE does. The only part of the tale he leaves out is his own role. It could not have happened without him. To the contrary, he made it happen.

I was there. I so attest. It was January 3, 1983. A new Congress was convening. I had just been sworn in for a second term. This was agreeable enough, indeed, hugely so, but there was a cloud over the occasion. I had gone on to the Finance Committee in 1977 and had worked on the Social Security Amendments of that year, under the superb leadership of Gaylord Nelson. We had realized the actuarial troubles the Social Security Trust Fund would face with the curious demography of the baby boom on the still-distant but recognizable horizon. We put in place a number of F.I.C.A. tax increases to provide for this. And thought our work was done. Then came the second oil shock and the great inflation of the late 1970's. For the first time in our history price increases ran ahead of wage increases. The Trust Funds sank to the point of approaching insolvency. In 1981, the new director of the Office of

Management and Budget, David Stockman, warned the country to expect the "world's largest bankruptcy" on a date certain in the near future. It wasn't as bad as that, but Robert J. Myers, the former chief actuary, knew it was bad enough and he passed this on. President Reagan called for and Congress created a Commission on Social Security Reform, headed by Alan Greenspan. We met all through 1982, but could come to no agreement on what to do. The year ended, the Commission ended, an inconsequential report was drafted.

But something had, in fact, happened. BOB DOLE, a member of the Commission, had listened. He always listens, as Senators know. But this time he was listening to information quite at odds with all he had ever heard. That Social Security was not a crazy New Deal Ponzi scheme certain to go broke one day. That day being at hand. Which is what so many members of his party were willing to believe. No; he learned, largely from Myers, there were difficulties but they could be resolved and should be resolved.

On that January 3 morning, Senator DOLE had an op-ed article in The New York Times. I ask unanimous consent that it be reprinted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 3, 1983]

REAGAN'S FAITHFUL ALLIES

(By Bob Dole)

WASHINGTON.—In this city, which makes history but prefers headlines, today's hottest story is President Reagan's problem with his allies on Capitol Hill. But those who believe that they see a divisive split between the President and Congressional Republicans ignore Ronald Reagan's many achievements, misunderstand the role of Congress, and exaggerate the tension between the Presidency and Congress that has naturally existed since the Founding Fathers found room for both in the Constitution.

It is important to understand that Presidents of both parties have always had differences with their friends on Capitol Hill. Thomas Jefferson had to endure a Speaker of the House who was not only a fellow Democrat but his own son-in-law and who had the irritating habit of publicly charging members of the Jefferson Administration with corrupt land speculation.

Abraham Lincoln found his military decisions criticized by his own party's select committee on the conduct of the war, and his nascent plans for Reconstruction roadblocked by the so-called radical Republicans.

Theodore Roosevelt's pioneering efforts to regulate commerce and preserve the natural splendors of the West ran counter to the property-loving instincts of Republican legislators.

Franklin Delano Roosevelt saw the wave of his personal popularity crest in 1937, when disgruntled Democrats shot down his plan to pack the United States Supreme Court.

Lyndon B. Johnson failed to unite Democrats behind the Vietnam war and, in the end, abdicated. So did Richard M. Nixon when many of his strongest supporters made clear their distaste for his handling of Watergate. Earlier still, Mr. Nixon watched as two Supreme Court nominees were torpedoed by Republican Senators.

Jimmy Carter's term was rendered all but irrelevant by Democrats of the Kennedy stripe. Now, after two years of remarkable leadership, the equal of anything seen in this city since the heyday of Lyndon Johnson's Great Society, it has become fashionable to claim that Ronald Reagan's mastery over Congress has become frayed and that his options for future guidance have narrowed to little more than graceful acquiescence.

Much of this is the product of journalistic boredom or perhaps, Democratic wishful thinking. Those interested in the sounds of genuine partisan division ought to pitch their hearing to the tunes of Mondale and Glenn and Hart and Hollings and Askew and Cranston.

What's more, those now debating responsibility for next year's agenda all too easily overlook Ronald Reagan's achievement in setting the decade's agenda. They forget that the President has already engineered a major shift in relations between the individual and his Government. And, in their own preoccupation with current headlines, they obscure a personal history of political resourcefulness and a gift for compromise familiar to anyone who has examined Ronald Reagan's Governorship in California.

So, before Republicans start believing the fashionable theory of a White House-Capitol Hill split, we ought to remind ourselves that we are led by a persuasive chief executive, that we enjoy strong, experienced leadership in both houses of Congress and that the issues confronting us present as much opportunity as peril.

Social Security is a case in point. With 116 million workers supporting it and 36 million beneficiaries relying on it, Social Security overwhelms every other domestic priority. Through a combination of relatively modest steps, including some acceleration of already scheduled taxes and some reduction in the rate of future benefit increases, the system can be saved. When it is, much of the credit, rightfully, will belong to this President and his party.

Similarly, the mashed-potato circuit echoes to the plaintive cries of born-again protectionists who address the symptoms and not the illness plaguing our economy. Whether through local-content legislation or export subsidies, they would scuttle free trade and risk a global war, with tariffs and other trade barriers as lethal weapons. Wrong as they may be in their prescription, these new economic isolationists have struck a responsive chord in a nation deeply worried about present and future employment. Again, the trade issues provide Republicans at both ends of Pennsylvania Avenue with the potential to reach out to working people, to demonstrate not only verbal concern but practical solutions.

The nation's headline writers like to call President Reagan The Great Communicator. Historians, I'm convinced, will label him the Great Reformer. It is his willingness to question this city's conventional (and costly) wisdom that Republicans must emulate as we tackle priorities too pressing to put off. No one is more eager to extend the Reagan revolution and to avoid political trench warfare in the coming session than Congressional Republicans.

The atmosphere within which the new Congress convenes will be shaped by perceptions that, in politics, are sometimes the equivalent of reality. And it is as a supporter of the President's objectives that I express concern about perceptions of his program. Clearly, they will not be improved so long as the Congress, public and news media discern an imbalance between human needs and military hardware. When the Constitution mandated the Federal Government to provide for the general welfare, it said nothing about the generals' welfare.

The problem of perception might also be improved by a closer partnership between the White House and its natural allies on Capitol Hill. A modest but useful first step would be more frequent and constructive give-and-take sessions with G.O.P. leaders. For we, no less than his own department Secretaries and other personnel, belong to the President's official family. And we, no less than they, wish the next two years to be as successful as the last two.

Certainly, tackling Social Security and trade issues will engender controversy. But the alternative is momentum surrendered and an anxious public disillusioned. This President has always insisted that purely political considerations will not affect his judgment. That is one more reason why he is free to propose and achieve reforms on a historic scale. By doing so, he insures that he will not have to wait for history to express gratitude.

Those who say that the bloom is off the rose for Ronald Reagan forget that the rose is a perennial. With a little imaginative gardening now, it will blossom handsomely in 1984.

Mr. MOYNIHAN. Mr. President, note that paragraph about Social Security. ". . . The system can be saved."

I had read it. I went up to Senator DOLE on the floor and said, "Bob, if you think that, and I think you are right, oughtn't we give it one more try?" He asked me if I could meet with him the next day. Both of us were planning vacations, but this came first. At 4 o'clock next, Tuesday, January 4, we met in his office. I give you now the events of the next 13 days. They are written from my daily schedule, but think Bob DOLE all along.

Tuesday, January 4, 1983, 4:30 p.m.: Senators Dole and Moynihan meet with Robert J. Myers re Social Security.

Wednesday, January 5, 2:00 p.m.: Senator Moynihan meets privately with Alan Greenspan, Congressman Conable and Robert J. Myers re Social Security.

4:30 p.m.: Meeting at James Baker's residence with Senator Dole, Cong. Conable, Robert J. Myers and Alan Greenspan.

Friday, January 7, 8:30 a.m.: Meeting at Blair House re Social Security.

2:30 p.m.: Senators Dole and Moynihan meet with Robert J. Myers.

Saturday, January 8, 9:30 a.m.: All-day confidential meeting at residence of James Baker—also with Richard Darman.

Tuesday, January 11, 5:15 p.m.: Confidential meeting at Blair House.

Wednesday, January 12, 3:15 p.m.: Meeting re Social Security at Blair House.

Friday, January 14, 10:30 a.m.: Meeting with David Stockman, Richard Darman and Robert Myers in Senator Moynihan's office.

Saturday, January 15, 11:00 a.m.: All-day meeting re Social Security at Blair House—Agreement reached.

Monday, January 17, 7:10 a.m.: Senators Dole and Moynihan, and James Baker interviewed on ABC "Good Morning America" re Social Security.

Indeed, I have a handwritten note in my Economist Diary, "Noon Jan. 3, 10:00 p.m., Jan. 15, 13 days."

Thirteen days that changed the world for a good many Americans. They were Dole days and should never be forgotten.

Mr. KERRY. Mr. President, though I cannot join my Republican colleagues in wishing Senator DOLE success in his next endeavor, I join with Senator DASCHLE and all of my colleagues in wishing the distinguished majority leader and his wife and daughter good health and every happiness in the future. To leave his beloved institution after such a long and illustrious public service career—for whatever reason—is, I am sure, difficult, but there is no greater reward than the legacy of honorable public service.

Though we may not have agreed on many issues in the time we have served together in this body, there is one in particular we agreed on and we worked together to make it happen. The Brockton, MA Little League became a national model for the establishment of a challenge division for little leaguers with disabilities, thanks to the efforts of Senator DOLE. He is a fellow veteran and a man of proven personal courage and deep political conviction. He has been an integral part of the history of this institution and he will be missed.

Whatever our politics, whatever our philosophy of Government, this Nation, the democratic process, and the U.S. Senate are well served by those who have both the courage to survive against the odds in the face of extraordinary personal hardship, and the common sense to seek reasonable compromise for the survival of the Nation. The distinguished majority leader's life has indeed been one of personal courage and political compromise. His record of public service speaks for itself, and as he leaves here today, we wish him well. As colleagues, we must put politics aside for a moment, remember the man and his career, and say to the distinguished major leader: Thank you for the lesson in service and democracy that you have given us.

"THE MEASURE OF A MAN"

Mr. NICKLES. Mr. President, today we recognize the departure of a great friend and colleague, Majority Leader ROBERT DOLE, from the U.S. Senate. In honor of his departure, I ask unanimous consent to have printed in the RECORD a poem by Albert Caswell, a longtime guide for the U.S. Capitol, which pays tribute Majority Leader ROBERT DOLE.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE MEASURE OF A MAN

(By Albert Caswell)

What is the measure of a man?
Today, high atop the Senate we sit and understand.
What is the measure of a man?
It's not power, wealth, or looks, but how we conduct our lives.
This alone, is what put us in the record books.
What is the measure of a man?
In the Senate this day, comes a great leader of character and class,
Who climbed every mountain the Lord put in his path.
What is the measure of a man?
For against all odds, time and again, his back to the wall,
One Robert Dole, heart of a lion, has always stood tall.
What is the measure of a man?
Yet for all his strength and all his glory,
His warmth, kindness, and humor tell the story.
What is the measure of a man?
He walks in, stillness in the gallery, listen closely, hear the silent tears.
Historians and friends sadly know, a man of his stature will not come our way for many years.
What is the measure of a man?
For on this day, June 11, 1996, Robert Dole gives up his greatest love of all,
To answer our nation's cry for leadership, he hears the call.
Today, we see and understand,
What is truly the measure of a man.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—H. CON. RES. 178

Mr. LOTT. Mr. President, I ask unanimous consent that debate now begin on the conference report to accompany the current budget resolution, House Concurrent Resolution 178, and that once the Senate receives the conference report, it be considered as having been read and all time consumed be considered used as part of the statutory 10-hour time limit.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask unanimous consent that request be vitiated. We need to get one final clearance on that.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, for the information of all Senators, we are hoping that the Senate can momentarily begin debate on the budget resolution and conference report. All interested Senators, interested in coming to debate the budget conference report, are encouraged to do so this afternoon. Hopefully, we will have an agreement here momentarily where we can get started. I know the distinguished Senator from Nebraska is ready to begin the discussion. I know the chairman of the Budget Committee is going to be here momentarily. We hope to go ahead and start discussing this very important conference report.

It is our intention to adjourn this evening, if we can get an agreement worked out, at a relatively early hour, 7:30 perhaps, or earlier, if no further Senators would be seeking time to debate on the floor at that time. We do not anticipate any further rollcall votes occurring during the remainder of today's session. We expect that there will be a rollcall vote at some time to be determined on Wednesday. The two leaders will be talking with the ranking members on the Budget Committee to get a time specific.

As soon as we get final approval, we will ask consent to go ahead and begin that debate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SHELBY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO SENATOR ROBERT DOLE

Mr. SHELBY. Mr. President, today has been a very interesting day for our former leader, BOB DOLE. While the U.S. Senate suffers what I believe is a tremendous loss today with the departure of the majority leader, Senator ROBERT DOLE, I can tell you it is a great day for America. I believe that. For, while Senator DOLE leaves behind a legacy of extraordinary leadership and commitment to this institution, his departure promises the American people a much more important commitment to this country. But, perhaps more important, his departure gives the American people a better opportunity to learn more about a man that I and many of my colleagues greatly admire and have come to know. So I would like to spend just a few minutes to describe the man that I have come to know, with whom I have worked, and I hope the American people will come to know over the next few months.

BOB DOLE, Senator DOLE, is a man of his word. You can trust him. He is a plain speaker and not one for flowery oratory. He believes in what he says. He means what he says. He does not try to be everything to everybody. He stands for a few important principles—not everything.

Senator DOLE is honest and he is very straightforward. He is loyal. He is a doer and he is not a talker. His values are constant; they do not change from day to day. He knows who he is, where he comes from, where he wants to go, and his word is his honor. He is a man who chose sacrifice over self, finding strength at an age when others sought the leisure of self-expression.

Briefly, BOB DOLE is a man of courage, a man of character, a man of integrity. These measures of the man are what sets Bob DOLE apart and what has led his colleagues in the Senate to entrust him with leadership time after time.

It will be these same characteristics that will distinguish for the American people who they should trust to lead them in the years ahead. While it may be easy for others to constantly change what they stand for in order to distinguish themselves on the issues, character, courage, and integrity are not mantles of convenience. They cannot be adopted at will, converted by choice, or otherwise assumed. They are bedrock principles.

They are like a fingerprint, intractably a part of you, easy to trace and difficult to fake.

Over the next few months it will be for the American people to ask the same question that the Senate has, who do they trust to lead this Nation? I believe the answer will be the same ultimately. It will be Senator DOLE.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, we will shortly be moving to the budget resolution, but I understand the Senator desires to speak up to 5 minutes as in morning business on a statement regarding Senator DOLE.

Mr. DEWINE. That is correct. It could be 7 minutes.

Mr. DOMENICI. I ask unanimous consent that he be granted 7 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Ohio is recognized.

A LEGISLATIVE GIANT

Mr. DEWINE. Mr. President, I thank my colleague from New Mexico. On behalf of the people of Ohio, I join all my colleagues in paying tribute to a legislative giant who left the stage of the U.S. Senate just a few moments ago.

The BOB DOLE America saw earlier today is a person we all in the Senate know: A man of character, a man of integrity and a man of utter devotion to the future of this country.

It is strange in politics, it is really an oddity in politics that a person's public image sometimes differs from his or her true qualities. That sometimes is the case with BOB DOLE.

I have watched some of his press conferences earlier in the campaign and particularly read some of the earlier stories and newspaper articles about him. When I did that, I realized there was something missing, that this really was not the BOB DOLE that I have seen for the last 18 months.

The BOB DOLE that I have seen was the real Bob DOLE, the individual, the leader, the war hero, the consensus builder and a man of enormous compassion. In listening to his speech earlier today on this floor, I did see those qualities clearly on public display, as did the American people. This is BOB DOLE, many times a man of few words, but a man who shows tremendous character and leadership in his actions.

Upon joining the Senate a little over a year ago, I became a BOB DOLE watcher. I had the opportunity as a Member of the House for 8 years to watch him from afar, but I have had the opportunity now for a little over a year to see him up close and watch how he operates and watch how he gets things done. I have seen him, as we all have, preside over four different meetings at once, moving from room to room to room and never lose track of what is going on.

BOB DOLE is someone who keeps in mind the big picture. I think the majority leader of the U.S. Senate always has to keep the big picture in mind. Yes, he has to understand details, he has to understand the nuances of legislation, how you get bills passed, but he also has to keep in mind the big picture: That you have to ultimately get the job done, that you ultimately have to get the bill passed, that you ultimately have to get things to happen.

This is the BOB DOLE I saw earlier today. Earlier today, BOB DOLE told how he and Senator MOYNIHAN and others made the last, brave attempt to reform Social Security in 1983, with the result that Social Security is safe for another generation.

That leadership ability is still there. I had the opportunity to see that many, many times in the last year, year and a half, but my favorite example that I use to illustrate BOB DOLE's leadership is the welfare reform bill that we passed. Unfortunately, the President ultimately vetoed the welfare bill, but the bill we passed in the Senate, BOB DOLE was able to get 87 votes for.

I do not think anyone in this Chamber, anyone in this country, none of the political experts a year ago, a year and a half ago, if we had been talking about welfare reform, would have thought BOB DOLE could have brought a welfare reform bill to this Senate and could have gotten 87 votes. What an achievement—what an achievement.

BOB DOLE was able to deal with the Governors, trying to put that together, certainly no easy task, and the Senate, equally difficult. And he put together a fair and balanced welfare reform measure. He was able to accomplish this amazing feat, because he never lost sight of the need to ultimately reform a system that has long failed the people it was intended to help.

Mr. President, here is a man who is capable of making tough decisions and right decisions. As he pointed out in his speech earlier today, the Senate is not like the House of Representatives. The Senate leader has fewer tools to control the Senate than the House Speaker possesses in the House. The Senate leader rules—not rules—really leads by consensus. He cannot dictate, he must lead, and I have seen, as we all have in this Chamber, BOB DOLE lead.

I have been to more than one meeting with Senators, and Senators only, where a Senator complained that he or she had not been consulted on an issue or had some other complaint to the leader, Senator DOLE, about how things were going, what he had done, not done. I had seen BOB DOLE look at them, as only BOB DOLE can, and say, "Well, if you want someone else to lead, if you want someone else to be a leader, that's fine, but you elected me to lead. As long as I am the leader, I intend to do just that." And that was the end of the conversation. That is BOB DOLE. That is leadership.

But, Mr. President, my admiration for BOB DOLE goes far beyond his ability as a majority leader. It is personal as well. BOB DOLE has the insight born of someone who suffered an enormous and unexpected tragedy. He was a star athlete who went off to war and came back with crippling injuries. This is not campaign hype of anything. Senator DOLE would rather downplay, and always has throughout his life, the struggles that he encountered when he came back and what he had to go through when he came back from World War II. He would rather downplay what he struggles with every day, since he was literally blown apart in World War II.

We all expect in life to lose our parents, even a spouse. Certain things you expect to happen, but there are other defining tragedies that go beyond the normal course of events, that go beyond what we are taught to expect. I have thought about this often since suffering the loss of our daughter, Becky. I, too, am also very reticent to talk about such a deep and personal tragedy, but I cannot help but admire the way BOB DOLE has worked through his own suffering. He understands daily pain, and I take great comfort from seeing this in him. He understands that life is not fair. Through dealing with pain, he has learned to understand himself, and these, Mr. President, are not bad qualities to have in a leader or in a President.

The President who comes to mind who reminds me the most of BOB DOLE in some ways is Franklin Roosevelt, who also faced physical disability with silent courage. Like Roosevelt, BOB DOLE's identity and his understanding of life were forged by pain. When Senator DOLE made the historic announcement last month that he would leave the Senate, the room was very crowded. It was so crowded that where I was, I could not see the expression on his face as he made the speech, but I could hear the emotion in his voice. BOB DOLE has the two seemingly opposite qualities of toughness and compassion. He had to be tough to leave the Senate. Most people do not leave voluntarily after spending a lifetime to get here. But he showed his more emotional side, too, when he made his announcement. His voice quivered during his announcement, not an easy public display for him, and he was even more emotional when he broke up during an earlier private meeting with us.

But as difficult as this decision was for him, I believe he will find it liberating to have left the Senate. I recall my own decision to make a second run for the Senate after losing the first time. I realized at that point that if I lost the second bid that my political career was over. If I lose this race, what happens? The same is now true for BOB DOLE who said he has "nowhere to go but the White House or home."

BOB DOLE had fixed in his own mind that his time as majority leader had passed and that the time had come for another challenge. Once he made the mental leap from the Senate Chamber, it was time to act.

This is the real BOB DOLE. And as he said goodbye to us then and again today, his friends and coworkers, BOB DOLE looked like a leader. He looked like a President.

Mr. President, I, like the rest of my colleagues, will always remember the demeanor and courage of this great statesman as he said farewell to the U.S. Senate.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMPSON). The clerk will call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. DOMENICI. Mr. President, I believe we have now reached an agreement with reference to how we will handle this conference report in terms of timing and the vote. I will proceed with a unanimous-consent request. I ask unanimous consent that debate now begin on the conference report 104–612 to accompany the concurrent budget resolution, House Concurrent Resolution 178, and once the Senate receives the conference report, it be considered as having been read.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I further ask if the Senate has received the papers by 3:30 p.m. on Wednesday, June 12, then the Senate proceed to vote on adoption of the conference report at that time. I further ask if the Senate has not received the papers by that time, then the vote occur on Thursday, June 13, at a time to be determined by the majority leader after consultation with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. For the information of all Senators, the Senate will now begin debate on the budget. All Senators interested in debating the budget conference report are urged to speak this afternoon.

It is the intention of the leadership to adjourn the Senate at approximately 7:30 p.m. this evening or earlier if no further Senators are seeking floor for debate. Therefore, no rollcall votes will occur during the remainder of today's session. The next rollcall vote will occur at 3:30 p.m., on Wednesday, June 12.

Mr. EXON. Mr. President, I just want to clarify, I understood you said we would vote by 3:30 tomorrow if it is here; is that right?

Mr. DOMENICI. Yes.

Mr. EXON. That would be Wednesday. If we do not vote then, we vote when?

Mr. DOMENICI. I said if the papers are not here, we cannot vote tomorrow by 3:30; then we will vote on the following day, which is Thursday, at a time to be determined by the majority leader in consultation with the minority.

Mr. EXON. We have no objection.

Mr. DOMENICI. Mr. President, there is a unanimous-consent request I want to make that has been cleared with the other side. There is an error in section 103(b) of House Concurrent Resolution 178 with respect to the levels of outlays in the Social Security Program. Therefore, I ask unanimous consent that the correct levels be printed in the RECORD at this point and they be deemed the appropriate levels for the purposes of enforcement of this budget resolution and the Congressional Budget Act.

I send a copy of the appropriate levels to the desk and ask that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Corrections to section 103(b) of H. Con. Res. 178:

Fiscal year:	*Outlays*
1997	$310,400,000,000
1998	323,000,000,000
1999	335,900,000,000
2000	349,300,000,000
2001	363,900,000,000
2002	378,800,000,000

Mr. DOMENICI. Now, Mr. President, Senator EXON has cleared this, too. There are a number of errors contained in the statement of managers which accompany House Concurrent Resolution 178 with respect to the tables displaying the budget authority and the outlay allocations to the committees of the Senate for purposes of section 302(a) of the Budget Act. I, therefore, ask unanimous consent that the correct tables be printed in the RECORD at this point. These tables will be considered to be the allocations to the committees for the purposes of enforcement of this budget resolution and the Congressional Budget Act.

I send a copy of the correct tables to the desk and ask unanimous consent they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT FOR FISCAL YEAR 1997

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations	791,195	832,273		
Appropriations (Violent Crime Trust Fund)	4,683	3,073		
Agriculture, Nutrition, and Forestry	6,017	2,990	10,068	8,492
Armed Services	40,058	39,929		
Banking, Housing, and Urban Affairs	5,881	−9,017		
Commerce, Science, and Transportation	7,429	4,799	605	602
Energy and Natural Resources	143	222	52	54
Environment and Public Works	23,969	3,201		
Finance	627,429	624,564	130,818	130,886
Foreign Relations	11,429	12,859		
Governmental Affairs	54,093	53,017		
Judiciary	2,429	2,373	239	238
Labor and Human Resources	5,534	5,009	1,412	1,412

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT FOR FISCAL YEAR 1997—Continued

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Rules and Administration	95	25		
Veterans' Affairs	1,309	1,456	19,688	19,731
Small Business	3	−296		
Select Indian Affairs	392	362		
Select Intelligence				
Not allocated to committees	−267,328	−265,828		
Total	1,314,760	1,311,011	162,882	161,415

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT FIVE-YEAR TOTAL: 1997–2001

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	17,361	2,652	81,443	48,025
Armed Services	223,276	222,626		
Banking, Housing, and Urban Affairs	35,375	−18,628		
Commerce, Science, and Transportation	31,876	18,051	3,352	3,334
Energy and Natural Resources	5,219	5,067	252	276
Environment and Public Works	128,545	10,883		
Finance	3,282,774	3,268,828	776,267	776,549
Foreign Relations	50,945	56,772		
Governmental Affairs	294,435	288,737		
Judiciary	19,705	19,386	1,257	1,254
Labor and Human Resources	30,605	28,251	7,499	7,499
Rules and Administration	486	402		
Veterans' Affairs	2,552	3,908	103,415	103,285
Small Business	9	−1,264		
Select Indian Affairs	1,965	1,832		
Select Intelligence	2			

Mr. DOMENICI. Mr. President, there are some additional errors within the narrative of the statement of managers. I therefore ask unanimous consent that the following corrections to the statement of managers be printed in the RECORD at this point. I send an attachment, along with a table, to the desk in compliance with that request and ask unanimous consent they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Corrections to the text of the joint explanatory statement in H. Rpt. 104-612:

(1) On page 58, for function 150, International Affairs, the 1997 budget authority figure should be $131 million.

(2) On page 59, for function 370, Commerce and Housing Credit, the 1997 budget authority figure should be $3,092 million; the 1997 outlay figure should be $2,990 million; the size-year budget authority total should be $17,789 million; the six-year outlay total should be $16,879 million.

(3) On page 88, the table includes the incorrect levels for nondefense discretionary budget authority and outlays because it fails to include the levels from the Violent Crime Reduction Trust Fund. Section 301 of the budget resolution establishes a cap on nondefense discretionary spending, which includes spending from the Crime Fund. The following table includes funding from the Crime Fund and provides the correct levels for nondefense and total discretionary spending.

DEFENSE/NONDEFENSE LIMITS

[In millions of dollars]

	1997	1998	1999	2000	2001	2002
Defense:						
Budget authority	266,362	268,971	271,500	274,024	276,672	279,459
Outlays	264,968	263,862	267,048	270,657	269,744	269,608
General Purpose Nondefense:						
Budget authority	226,305	219,646	213,718	218,515	214,445	221,133
Outlays	270,571	258,492	252,981	248,847	246,479	244,611
Violent Crime Reduction Trust fund:						
Budget authority	4,683	5,100	6,050	6,050		
Outlays	3,073	4,664	5,456	5,747		
Subtotal Nondefense:						
Budget authority	230,988	224,746	219,768	224,565	214,445	221,133
Outlays	273,644	263,093	258,437	254,594	246,479	244,611
Total Discretionary:						
Budget authority	497,350	493,717	491,268	498,589	491,117	500,592
Outlays	538,612	526,955	525,485	525,251	516,223	514,219

Mr. DOMENICI. There are some Senators who want to be heard on the Dole departure, but I believe I have used enough time.

I will yield to you, Senator EXON, if you would like to open now, at your convenience.

Mr. EXON. I say to my friend and colleague from New Mexico, the Senator on this side has been trying to accommodate Democratic Senators who wanted to speak on the budget. I had a Senator scheduled for 4:30. I set him back to 5 o'clock. I thought we had agreed, and I used time in the 1 hour, for salutes to Senator DOLE.

All I am saying is it is very difficult for me to schedule speakers on the matter at hand if we keep setting these things back. I wish to accommodate all Senators. When you accommodate one Senator, you "disaccommodate" someone else.

How many speakers do we have that wish to speak on the Dole matter?

Mr. DOMENICI. Mr. President, Senator HATFIELD has indicated he wants to speak for 3 minutes, 10 minutes for Senator KEMPTHORNE, and 5 minutes for Senator COVERDELL.

I will yield them my 18 minutes as if I were making an opening statement, and that will be the end of my opening statement. Then it will be your turn, and you can yield to some Democrat Senators after that.

Mr. President, I yield to Senator MARK HATFIELD 3 minutes, I yield 10 minutes to Senator KEMPTHORNE, and I yield 5 minutes to Senator COVERDELL. I yield in that order at this point. Then I will be gone from the floor. When they finish, we will return to Senator EXON.

Mr. HATFIELD. Mr. President, I am happy to yield to the Senator from Idaho who was on the floor before me. I will follow the Senator from Idaho. I ask unanimous consent for that.

Mr. KEMPTHORNE. I thank the Senator from Oregon for his courtesy.

TRIBUTE TO SENATOR BOB DOLE

Mr. KEMPTHORNE. Mr. President, 15 months ago I told BOB DOLE I would enthusiastically support his quest for the Presidency of the United States. We see in his quest for the Presidency that he now has left the Senate of the United States. I think all of us have so many emotions that we are feeling today. I know the Nation, the Senate, and I would regret the day when the clerk would call the roll and the name of BOB DOLE would no longer be called. That day has now arrived.

It would be easy to dwell on the truth that the Senate will lose a man that history will hold in a place of great honor. Rather, I think it is more important that we celebrate BOB DOLE's victories, his leadership, his humor, and his ability to get things done.

Mr. President, I want to discuss for a moment, then, a personal experience that I had with Senator DOLE. It was with great pride and honor when Senator DOLE designated my legislation to stop unfunded Federal mandates, S. 1. As we all know, the significance, of course, is that this denotes a majority leader's stamp of approval in his priority on legislation. A majority leader does not want his bill that he has designated "No. 1" to fail.

Having said that, it is all the more remarkable that he chose my legislation because I had only been here 2 years. I had no track record. It would have been far safer for Senator DOLE to choose some of the seasoned veteran Senators, such as Senator DOMENICI, Senator ROTH, or Senator HATFIELD, to carry this type of legislation. Not only did he choose my legislation, but he then designated me to be the floor manager, a responsibility I had never, ever done before.

I say this not in any way to somehow bring attention to myself, because I say this with all humility, to make it clear that BOB DOLE was not taking the normal course of action. It was indicative of his leadership of reaching out to others who may not have had all of the credentials, all of the experience, but who do have a passion to get something positive done.

He transfers his belief in a person so that that person will not ever want to let BOB DOLE down. I believe that is what he will do for all of America. He will tap that spirit in others and help them to reach new heights. It is one thing to have the ability to do something yourself, as BOB DOLE has that great ability, but it is a greater achievement to instill in others that same can-do spirit and then go and do it. But you must have someone who believes in you.

BOB DOLE believes in people. BOB DOLE believes in America. He instills in others that desire to reach within yourself and to do something great. It is a high honor to be elected by your fellow citizens to serve in the U.S. Senate. To then have been able to serve while BOB DOLE was here magnifies that honor.

When we had the debate on Senate bill 1, Senator ROBERT C. BYRD described the new majority leader, BOB DOLE, to his Democratic colleagues by saying, "The leader over there is tough. Wait and see. He will use the rules on me, and I respect that, and I admire that."

Well, yes, BOB DOLE is tough. He is tough, but he is also wise. When duty calls for him to be bipartisan, the man knows how to be bipartisan. But he also knows when it is time to be partisan, and he can be partisan. He is tireless. How many times have we been here on the floor of the U.S. Senate at midnight, and many of us are starting to find that our energies are sagging, and there is BOB DOLE, crisp, with his humor that props us up, keeps us going. There is BOB DOLE, who has a solution.

I am going to miss hearing BOB DOLE telling Senators to work it out, work it out, work it out. If it could not be worked out, he would always say, "Do you have the votes? Let us vote." For my part, BOB DOLE taught me the importance of working with and listening to all Senators and of seeking solutions that do not abandon principle. I want my children, Heather and Jeff, to learn from BOB DOLE that they can overcome any adversity—any adversity that comes their way. I cannot think of a more honorable man that I would entrust the future of my children to.

Finally, a word to Elizabeth and BOB DOLE. I hope you leave the Senate with a deep and abiding satisfaction of mission accomplished, job well done. My wife Patricia and I will keep you in our prayers in the coming months, and we will ask for God's peace and protection for your family. We look forward to working with you—you, who I believe will be the next President and First Lady of this great country.

With that, Mr. President, I yield the floor.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I join my colleagues today in wishing our majority leader a senatorial farewell. His contributions are well known, his integrity is unquestioned, and his service has been an example for each one of us on both sides of the aisle.

I want to just comment about the service factor in his life and how we are all drawn to those who serve—whether it is a Boy Scout who walks a hobbling grandmother across the street, or a community clothing drive, raising money for charity, or a PTA member spending hours at local meetings. Service we admire, service we respect, and service from our elected officials we always expect.

Majority Leader DOLE is no exception. Kansans expect him to represent their interests. Republicans expect him to lead the party, and Senators—well, we expect him to guide us through the joys and trials of partisan politics. So, as a U.S. Senator, I have often expected him to serve me as well. Long before leaving this Senate, BOB DOLE had my admiration. Long before he led this Senate, he had my respect, and I am led to believe that long before he was decorated as a war hero, I would have wanted Bob DOLE as my friend.

The issues we debate during the 104th Congress we have debated before. Like a pendulum, important issues swing away from us, and eventually they swing back. Every so often, we see a leader who is able to stop the pendulum, who is able to lead us into a solution that gives the pendulum a bit of a rest. For the causes of the disadvantaged and disabled Americans, Senator DOLE has proven to be such a leader. And for the need to reduce our deficit, he has few equals.

As chairman of the Appropriations Committee, I have seen the work that he has done. I have seen the money come in and, with greater detail, I have seen the money go out. Senator DOLE's legacy is his willingness to fight for the welfare of today while just as eagerly vying for the welfare of our children and our grandchildren for the future.

So, in 1968, he joined the ranks of this body, and in 1996 he leaves. I shall not wish him a happy retirement, for no matter what lies ahead, he will not retire. I expect his service will always continue. I wish him well. Antoinette and I both pray that BOB and Elizabeth's future will be strewn with God's blessing.

Mr. President, I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, not far from the Capitol, on Constitution, across from the Navy Memorial, is a building that houses the Declaration of Independence and the Constitution of the United States and other major artifacts of our beginning. On the outside of the building, it says, "The Past is Prolog."

As I have heard the eloquent statements throughout the day and throughout the past several weeks about our majority leader, this has come to mind, because the future is always guided and shaped by the past.

BOB DOLE is a man of this century. BOB DOLE's life experience is that of a giant figure in American history. The experiences of his life are immeasurable. The knowledge that has been accomplished by it would be hard to calculate. The capacity that it represents has a far and long reach. So when the Senator from Kansas came at midday and gave us his farewell address, you could measure some of the energy and reach and capacity of this world figure, of this American figure, by the response that he received on both sides of the aisle, and throughout America, I am sure.

I have always said that whenever I think of BOB DOLE, I think of the heart and soul of America. I think we saw that expressed over these last several days. He truly is the embodiment of everything that we have come to think of as America—the fortitude to overcome adversity, perseverance, patience, strength, agility, entrepreneurship, problem solving, getting things done. He leaves with the love of his family of colleagues, all who have wished him a safe and secure journey. He characterizes what is yet before him as "one more mission." I think that statement properly casts what lies before him, but it also reminds us of what he has endured. He is a man who has endured and built the American mission. He brings to his task, as I have said, immeasurable resources.

I believe, as Senator SIMPSON alluded, that as Americans come to know him as his colleagues do, they will readily embrace this man and his mission and his love for America. I loved it when he gave that famous address as he announced that he would retire from the Senate. He said, with no disrespect to the Congress, that his life had not been about the Congress. He said, "My life has been about America." Gratefully, it still is. So I join those in wishing him a safe journey and Godspeed.

Mr. President, I yield the floor and suggest the absence of a quorum.

Mr. DOMENICI. Mr. President, I ask that the time be charged equally. Senator EXON will be right along. He is going to speak next.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. EXON. Mr. President, I yield myself such time as I may need off of our 5 hours. I believe it is the first time charged to us. We are now proceeding as I understand it with debate on the conference report on the budget.

Mr. EXON. Mr. President, we are on the final leg of this Republican budget's journey, and it is a fruitless one. It does not lead our Nation to any new horizons. It blazes no new paths. It offers no compromise to break the budget deadlock. This Republican budget makes a beeline, it pains me to say, to another dead end.

Dead ends are becoming an all-too-familiar haunt for my Republican colleagues if they want to move ahead to something that is workable. Thanks to their intransigence and their extremist budget, that is where we spent most of last year. And it looks as though we will waste another session of Congress trying to back out of yet another dead end.

The majority has held the Senate hostage for almost 2 years with basically the same budget. Perhaps they are hoping that the Stockholm syndrome will set in and Democrats will start identifying with their captors. They are wrong. Our will and our vision are strong.

The chairman of the Senate Budget Committee did his best to repair the damage from last year's budget debacle. I compliment him for the fine job he did. In the hopes of attracting some unsuspecting buyers, the 1997 Republican budget has been spruced up in places. But if this budget were a house, it would still be condemned as unfit. It is still out of touch with mainstream America and I suggest that it should be rejected.

All of the efforts of the Republican majority to portray their budget as a moderate one are in vain. The Republican majority have done a superb job to airbrush their budget, but the American people can see the real thing—warts and all.

It retains the same unflattering profile as its predecessor: unnecessary reductions in Medicare and Medicaid paying for tax breaks for the wealthy. This is in fact the Newt Gingrich Budget.

The agenda has included a $50-billion-plus rehash of star wars that not even the Pentagon wants. And we have frittered away precious time reconsidering the balanced budget amendment to the Constitution. I have consistently voted for the balanced budget amendment, but could not cast my vote for it this time because the Republicans fouled the fiscal nest with senseless and in my opinion, irresponsible tax cuts if we are going to balance the budget fairly.

I am baffled by the inconsistency. It is enough to give a prudent man pause. One moment the Republicans bring back to the floor the balanced budget amendment to the Constitution, the next he resurrects discredited supply-side economics with tax breaks that could turn into the hundreds of billions of dollars.

Mr. President, all of this is a great concern to this Senator who has been trying to be bipartisan in my approach to the concerns that all of us have.

I had hoped that we could have used the good will engendered by the majority leader's departure to pass something meaningful for the American people. I ask with all sincerity, "What has happened to the priorities that matter most to American families?" What happened to the minimum wage? What happened to the modest health insurance reform package that passed the Senate 100 to zero? What happened to welfare reform? And the big question, we should be asking today, what happened to a balanced budget that all Americans could support?

One bill after another has been shackled to failed Republican dogma.

This rehashed budget is a prime example. It is part and parcel of the Republican strategy of no-work and all-political-play. Like ancient Gaul, the Republicans divided their budget reconciliation bill into three parts. They wanted to ram through—I emphasize ram through—their failed and stale political agenda and confront the President at every turn of this crooked legislative road. Worst of all, two of these baby reconciliation bills will be devoted largely to cutting taxes—an act that will worsen the deficit without any sense of being responsible or reasonable.

We are already seeing the House voodoo work its way in this conference report. At least the Senate language required that all the entitlement spending reductions be enacted into law before—I emphasize before—we considered the tax breaks. The House, not surpisingly, shamelessly tossed that requirement out the window and the Senate concurred in conference. What a fiscal sham all of this is.

The first reconciliation bill contains Medicaid, welfare, and tax breaks. Yes. Mr. President and tax breaks. So much for performing deficit reduction before doling out the tax breaks. So much for fiscal conservatism. The first reconciliation bill will reduce the deficit by just $2 billion, if it reduces the deficit at all. This is as plain as the light of day. The majority now want to eliminate the Medicaid guarantee of meaningful health care benefits for 18 million children, 6 million disabled Americans, millions of nursing home residents, 36 million people in all, to fund their tax breaks.

The conferees assume a net tax cut of $122 billion, yet Chairman KASICH maintains that the cuts will be as large as $180 billion. You can look but you will not find a single specific mention of closing tax loopholes or of ending corporate tax giveaways. The same budget that eagerly reduces funding for our Medicare and Medicaid Programs cannot find the courage to call upon the special interests to assume any of the burden of balancing the budget. By contrast, President Clinton has proposed that $40 billion be raised from corporate reform and loophole-closers, money that keeps the President's tax cut within reason. This Senator would prefer no tax cut at all until we truly balance the budget.

Experience also shows that once the tax-break game begins, the bidding keeps increasing with no thought to the consequences. Chairman DOMENICI says that the Finance Committee can use tax increases to offset additional tax breaks, and he is well aware that $35 billion is readily available simply by extending three excise taxes. But that won't be enough to satisfy their tax cut appetite and I predict that, like last year, the Republicans will soon be proposing to raid pension funds for working families to pay for the tax breaks that primarily benefit those earning above $100,000 a year. Fiscal insanity is galloping through this Chamber, and we do not have enough votes, unfortunately, to rein it in.

One thing that has not changed in the conference report are the deep reductions in Medicare and Medicaid. The Republican budget would reduce Medicare spending growth per-beneficiary far below projected private-sector growth rates. It would diminish quality and access to health care for millions of middle-class Americans. Doctors and hospitals will be able to charge seniors for the entire balance of the charges above the Medicare payment. The Republican majority may assert that premiums are not going up, but they cannot make the same claim about seniors' out-of-pocket expenses, and that is where, primarily, the seniors are going to be hit.

The $123 billion reduction of Medicare hospital insurance spending will devastate rural and some urban hospitals as well. The Republicans assert that it is necessary to preserve the solvency of the trust fund through 2006. That is bending the truth to fit their agenda. Funny, is it not, if that is humor, that the net tax breaks—at $122 billion—are almost exactly equal to the cuts in Medicare part A—at $123 billion?

President Clinton's budget proposal extends the life of the trust fund without such deep reductions. The Republican-appointed CBO Director has certified that the administration's proposals would extend the life of the Medicare hospital insurance trust fund until 2005.

And if the recent alarm over the date of insolvency tells us anything, it is not that we should reduce Medicare more to pay for tax breaks for the wealthy. That is truly Medi-Scare. The trustees' report is a call for the majority to come back to the bargaining table to work with the President on an acceptable compromise plan that is within reach with just a little effort.

And what about Medicaid? Instead of attempting to reform Medicaid in a manner that would be acceptable to mainstream America, the Republican majority put a hard edge to their proposal.

I believe you would take a whole nation by surprise if you told them that Republican Medicaid reform might mean that middle-class, working American families might have to pay thousands of dollars out of their own pockets for nursing home care for a loved one. Or that millions of low-income children might have their health care jeopardized.

In other words, reform means conform to their way of thinking, even if it means taking out a second mortgage on your home to pay for nursing home care for a sick or elderly parent. With a $72 billion reduction in Medicaid from projected spending, combined with a block grant approach, that may well be the scenario.

I would like to conclude my remarks with an observation on this and the previous Republican budgets. I am reminded of an old print I once saw. It showed a man on a horse-drawn sleigh being chased by a pack of wolves. With the horses galloping as fast as they can, the driver is tossing out everything that is in the sleigh. If he does not lighten the load, the wolves will catch him. A pack of hungry wolves focuses the mind wonderfully on what is truly important. So should this debate on balancing the budget.

The problem with Republican budget after Republican budget is that they will not give up on what is not important. What is important to the American people—and they have said it time after time, is balancing the budget and balancing it fairly. They would far rather jettison the tax breaks but maintain a first-rate health care system, and balance the budget than run the risk of deficits in the years ahead, eating into the future of their children.

But my Republican colleagues cling to the tax breaks—the tax breaks that fuel the reductions in Medicare and Medicaid and divide our great Nation. That is why they and this budget will ultimately fail. And that is not only a tragedy for the departing majority leader but for the American people as well.

It is sad to have to conclude on this note, but this is clearly a failed budget. Once it passes, as it will, we will be starting over again on what we went through last year—meeting after meeting, crisis after crisis, and not a workable budget that can be supported by the President, by the minority in both the House and the Senate, and certainly not by the American people. When, oh, when, will they learn?

Mr. President, I reserve the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I wonder, since nobody else is seeking recognition, if I might ask the Senate if they would mind my yielding up to 5 minutes to Senator ABRAHAM for comments on Senator DOLE, to be taken off my time.

Mr. EXON. We have no objection.

Mr. DOMENICI. I so request and so yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Michigan is recognized.

TRIBUTE TO SENATOR BOB DOLE

Mr. ABRAHAM. Mr. President, I rise at this time to speak in concert with so many others who have spoken today about the career of Senator BOB DOLE who today moved on to a new role and new responsibilities and left behind a legacy that is virtually unsurpassed in the history of the Senate. Obviously, the accomplishments that BOB DOLE achieved, both as a leader in the Senate as well, in his earlier career, as a Member of the House of Representatives, have been chronicled pretty thoroughly both by the media as well as by Senator DOLE himself today. It is a legislative record that any of us would be, I think, immensely proud to have at the end of our careers here in this institution.

So, what I thought I might do instead was to just spend a minute or two talking about the personal side of BOB DOLE, the side that many of us here in the Senate know but which is maybe not as well known to the American people.

I have certainly come to know BOB DOLE as a friend. He is somebody who, from the very day that I arrived in the Senate, had a door that was open to me, and I know it was open to others in the freshman class that makes up this 104th Congress. He is a man who did not view himself as a senior Member and we as, somehow, junior Members not to be on the same playing field, but somebody who viewed us all as Members of this institution, as equals, who treated us that way, as he treats everybody.

He is a man of great compassion, a person who, through his own life's experiences, I think, probably cares about and sympathizes and understands the problems that his fellow citizens have more than virtually anybody else in national leadership. He is a person who, I think, personifies the words trust and honesty and integrity more than anybody I have ever worked with in the political process or in the private sector. I have never known anybody who has served with BOB DOLE who has not said that his word was good, that his word was always one that you could count on. That is clearly a reason why he is held in such high esteem on both sides of the political aisle.

These qualities, his capacity to be a good friend, his compassion for his fellow citizens, the honesty, the trust and the integrity that he brought to his service here in the Congress of the United States, make him a giant, in my opinion, a giant who will be remembered far beyond the balcony which today was named after him. But he will be remembered along with the names of Webster and Clay, Johnson, Mansfield, and others who have served and who are remembered as the important ingredients in the formation of our democracy and its continuation.

I would just say this. Although my tenure in the Senate has lasted only a year and a half, I am extraordinarily proud that I had the chance for that year and a half to serve with BOB DOLE. I happen to be one of those who believes that his career in public service is not coming to an end today but that in just a few months he will be back in a different role, working together with us. But I am proud that I had the chance to serve as a fellow Member of the U.S. Senate with him.

Some people come to this Chamber and perhaps never are given the opportunity to work closely with one of the giants of our Nation's history and of the Senate's history. I feel very lucky and fortunate to have had that chance, even if it was only for a year and a half.

I wish him and his family great good fortune as they move on to a new challenge in this political campaign, and the best of luck and best wishes for the future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. DOMENICI. Mr. President, just for purposes of some kind of accounting, how much time has Senator EXON used and how much have I used, with all of that which I asked that I yield and asked be credited to me even though the speeches were on Senator DOLE?

The PRESIDING OFFICER. The Senator from New Mexico has used 28 minutes; the Senator from Nebraska has used 17 minutes.

Mr. DOMENICI. Mr. President, I ask Senator EXON if he has any other Senators coming down this afternoon.

Mr. EXON. I advise my friend, I am expecting Senator KENNEDY momentarily. I have no certainty beyond Senator KENNEDY, but I am certain Senator KENNEDY will be here very shortly, and I will yield to him such time as he needs when he comes. Other than that, I know of no Senator on this side who will be speaking tonight, but we have had surprises before, as you know.

Mr. DOMENICI. Mr. President, I will just ask again if there are any Republican Senators desiring to speak on this budget resolution or ask any questions regarding it. While there will be some time tomorrow—I am not at all sure how much time there will be—to speak on the resolution. I think we are going to be here—

Mr. EXON. I might advise my colleague that Senator KENNEDY will be using approximately 30 minutes when he arrives, and I have just been advised Senator SIMON, a member of the Budget Committee, wishes 15 minutes. So that is about 45 minutes that I know of for Senators at this juncture.

Mr. DOMENICI. Mr. President, I repeat for Senators on this side, if they would like to speak this evening—I know it is somewhat of an imposition since we have already announced there are no votes for the remainder of the day—there will be some time this evening and there will be some time tomorrow. Clearly, there will be some Members who would like to be heard.

Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I did not get to hear all the remarks of the distinguished Senator from Nebraska, but I believe I know generally what his criticism is, and I would like to address my views and my beliefs with reference to this budget.

First, Medicare, the trust fund for the senior citizens' hospital protection—and I do not say this with any joy in my voice—is going broke. I do not know how else to say it. This is not partisanship that determines that the trust fund is going bankrupt. It is not Republicans predicting it, it is not Democrats predicting it, in the sense of elected Members of Congress.

The trustees who are in charge of telling the American people the truth about the trust fund and making recommendations have, once again, reported—I do not say this to frighten anyone; it is just true—we are now spending more money out of the trust fund for senior citizens than is coming into the trust fund. In fact, we started doing that last year by a small amount. It is growing this year, that is, the amount that is spent in excess of what is coming in, and the next year after that it is more, and the trustees say in 5 years—in 5 years, not 30, not 20; 5 years—there will not be any money in the trust fund to pay the hospital bills for senior citizens.

No one has violated the trust fund. Congress has not taken money out of the Medicare fund. All of the money in those payroll deductions is going into that trust fund. The problem is that the hospital costs and home health care costs which are in that trust fund are growing more rapidly than the money that comes in.

Can you believe that when we try to fix it and save money that somebody says we are doing this because we want to cut taxes? I do not know how else to present it. When the trust fund is going bankrupt and you say, "Let's save money for the trust fund", and then you save the money for the trust fund and the trust fund gets more solvent, and over on the side you are cutting taxes, how in the world can it be said that saving the trust fund is being done so you can cut taxes?

What if you did not cut any taxes? Would the trust fund be any more solvent? What if you said, no tax breaks for families with children—which we want to do—does that make the trust fund solvent? Not at all. It has none, zero, impact on the trust fund. If the trust fund continues to spend more than it takes in, it continues bit by bit to go bankrupt.

Everyone knows that, and yet time after time, as we move along and say, "Let's fix the trust fund and let's fix the insurance program for seniors," as soon as you say you are doing that, somebody says, "You're doing it to cut taxes."

The President is cutting taxes. In fact, he made another announcement recently of another tax cut. Are we running around saying that he is doing that because he is reforming Medicare to try to save it, albeit he is not doing very much? He is doing it more than a few billion dollars' worth of savings, of reforms. Can it be said then that the President is doing that so he can cut taxes? Of course not. They are not even related.

That is bad enough, but then we hear it is not changed no matter what we do to this budget. It is the same song and dance: "You're cutting taxes for the rich."

I want to repeat one more time, and I defy anyone who reads budgets to say this is not true, taxes are reduced in the next 6 years by the sum total of $122 billion. That means, as best you can calculate, taxes were going to be *X* billions of dollars over the next 6 years. We have said, "Let's assume they will be $122 billion less." What more can we do than to say in a budget resolution that $122 billion shall be used for, what? For up to $500 child credit for 46 million American families. That is what the $122 billion is for.

Is that for the rich of America, or is that because we are worried about families in America? Is that Republicans cutting taxes for the rich of America, or is it to say that it is very tough to raise two or three children with the tax deductions you get because they have not kept pace with the demands and the needs and the moneys required to raise children?

If they want to say, "Republicans are trying to give families with children a $500 credit for each child," we will stand up and say, "We are guilty."

Right? We will say, "We are guilty as charged." But then to then turn around and say, "That's not the case, you're helping rich Americans"?

Mr. President, look at the budget. Read the budget, and that is what it says. It says precisely what I have just done, and I ask for Senators who will come to the floor and say you are reducing the expenditures and the outlays under Medicare so you can cut taxes, I ask one question: What if you do not cut any taxes, does the Medicare fund get any better? Does it last 10 years instead of going bankrupt in 5? Of course not. You have to reduce expenditures within the trust fund or increase taxes that go into the trust fund to give it more longevity and a longer life.

Having said that, does the President of the United States not propose to save Medicare? If he does, must he not think it is going bankrupt? I believe he uses the same principles we use. But I want to stay on this subject for just a couple more minutes.

The President has a very, very strange way of saving Medicare, and let me explain it. Frankly, the President of the United States plays games with Medicare and the taxpayers of America when it comes to Medicare for the future. Now let me tell you how.

The President says, "Yes, my trustees," four of whom are part of his Cabinet or appointed by him to run Social Security and Medicare, "have told us this trust fund is going to be bankrupt in 5 years."

So the President says, "Let's fix it." Now, how does he fix it? If this is not a sham, then I have never seen one. If this is not smoke and mirrors, then I have not been around when smoke and mirrors were perpetrated as part of a budget. He says, "Let's just take $55 billion of the current expenditures under that trust fund of the current obligations, just take them out." What does he take out?

He says, "Let's take out the fastest growing item in Medicare, take it out of the trust fund, and not pay for it out of the trust fund anymore. Magic. What is the fastest one? Home health care. Home health care has been part of the trust fund for a long, long time. So seniors expect their home health care bills and their hospital bills to be paid for out of that trust fund. Sort of like magic. What is the word? Abracadabra. I am making it $55 billion more solvent because it does not have to pay those obligations anymore. I just take them out of there and let somebody else pay for them.

Who is the somebody else? The President says the taxpayer will pay for it. They do not even know it. They are about to be given a big gift by the President. The gift is, you taxpayers pay $55 billion for the home health part of Medicare, which I just relieved the Medicare trust fund of, so that I can say it is getting solvent.

What is happening to America? It may be getting solvent, but America is getting whacked for $55 billion in taxes that a couple sitting around at their table one morning, wondering about how much taxes they are paying and will it ever stop, they just got a new present. The present is another tax burden, because the President wants to claim he is fixing Medicare by letting that couple, who are paying income taxes on their hard earned money, let them pay.

Is that the right way to fix Medicare? I ask in all honesty, if you brought before the U.S. Senate a proposal, freestanding, just put one up here one of these days, and resolve that henceforth $55 billion over the next 6 years of Medicare expenditures will be paid for by the general tax coffers of America, and then vote. I surmise there may be 10 Senators that vote for it, but we have never voted to put general tax money in Medicare part A or in Social Security, because we understand those are trust funds that should be paid for by the revenues dedicated to those entrusted funds, not by the general taxpayer. But this is being done in this bill, and at the same time the President and my good friend from Nebraska can run away and say it is the Republicans who are restraining and cutting back on Medicare, not the President.

What do we do? We say how much money is necessary to make it solvent in the next decade, and keep it solvent for 10 years. We are told how. We have said, "Let's reform the system, give seniors options to have their coverage in different ways," but always they can keep what they have, the same system they have, and let us ratchet back on how providers are paid and hospitals are paid and save enough money to make it solvent. We have not increased 1 cent of cost to the senior citizens, yet we are making it solvent for 10 years.

Frankly, when we say we are doing that and Democrats and the President say you do not have to do that, we have done it another way. I just told you the other way. This is a very short-term fix. Medicare will be growing at an annual rate of 6.2 percent—not cut. The per capita expenditure for seniors will not go down. It will go from about $5,200 to $7,000, an $1,800 increase over that 6-year period. All of that in the name of doing what is right, for which we are accused of harming seniors, of doing this so we can cut taxes, when it will be insolvent whether you cut taxes or whether you do not cut taxes.

Let me move for a minute quickly to how we treat two big other items in the budget. The President of the United States produced another very interesting phenomenon in his budget, 1997, which will be appropriated before October of this year, an election year. The President of the United States says for all of the discretionary accounts, the non-Social Security, the non-Medicare, the nondefense domestic accounts, the President says, "I think I want to balance the budget, but I think for 1997 I better increase spending." So he increases it $15 billion. The discretionary accounts are increased $15 billion. But, Mr. President, only for 1997. After all, we have to balance this budget.

Then read the Broder article on Sunday where Senator BOND is making the case that after you get the $15 billion increase, and then you still say you are going to balance by the year 2002, you let the discretionary spending just fall off the log, $72 billion in cuts in the last year in discretionary accounts, but not in the year of the budget, not in the year of the election. Then you get Cabinet Members telling the public of the United States that the President is not serious about that. After all, he is not going to cut veterans that much, even though if you look at where that leads you, veterans get scalped.

But they are saying, "We will take it 1 year at a time." How, 1 year at a time, when the dollar numbers keep going down, how are you going to fit them all in with an increase? Something will get cut. They would like to let the American people think it is only Republicans that have to make these cuts.

What do we propose? We propose a freeze, fellow Americans. In a year we are really trying to get a budget, if we cannot live with a freeze in domestic spending, we will never get the budget balanced. So we are not cutting this year. The conference report that comes back has a freeze in budget authority. Program authority for all domestic bills freeze at exactly the level we are now spending for all of these programs. I believe that is a fair approach in a difficult year. I hope we produce these appropriations bills at a freeze level, one after another. I hope there will be no strings attached and no riders, and we will see whether the President wants to close down Government based upon a freeze, especially if he has to say we want $15 billion more to keep it open. We will not mind that battle this time. We will not mind that battle this time.

Which do you really want? Are you serious about a balanced budget? We will give you a freeze. No harm, no gain. Or do you want to spend $15 billion more? Those are the basic elements. I have given the tax proposals. I have given Medicare. Medicaid will grow at 6.2 percent a year on average, not be cut, but more power is going home to our Governors and to our legislators to see if we cannot streamline and make the programs more efficient.

From my standpoint, I do not think it matters what we change in this budget and how it is different from last year or the year before. We will hear the same broken-down medley, "hurting senior citizens, helping the rich with tax cuts, hurting the poor with Medicare cuts," when, as a matter of fact, what we are really trying to do is help seniors, keep the fund from going bankrupt, and do little or no harm to them. We have the exact same dollar amount of savings for the insurance program for senior citizens as the President. He found he needed $44 billion. We got the same amount.

When you are all finished, clearly, there is a lot of politics surrounding all of this. I wish it was not the case. Sooner or later we have to fix Medicare, fix Medicaid. We have to save money on both programs. We have to reduce taxes on working families in the United States significantly, sooner or later. We think this is the right year to do it.

I yield the floor.

Mr. GRAMS. Mr. President, under the leadership of a Congress committed to fundamental reform of the Federal Government, we have once again delivered a balanced budget to the American people. I have no doubt that this budget is a blueprint that will protect the future of every American child.

Last year, Mr. President, the debate on the budget was mainly focused on whether we should have a balanced budget by 2002. Today, all sides, including President Clinton, have agreed that we should and can balance our budget by 2002, while we provide tax relief to middle-class American families. The remaining question is how.

In my view, our budget priorities should reflect traditional American values: a smaller government, less spending and more savings, and helping those who want to help themselves. Mr. President, I must say that this budget resolution moves us confidently in that direction. The budget resolution will balance our budget in 6 years, yielding a $5 billion surplus in 2002. It will also create more jobs, provide more affordable education, make Medicare more secure, and offer real welfare and Medicaid reform.

Mr. President, I am particularly pleased that this resolution has kept our promise to the American people to provide meaningful tax relief for middle-class Americans. The resolution explicitly recommends that this should include a tax credit of $500 per child. I am proud that this provision, which I have made a priority since my election to Congress, remains at the heart of our efforts to balance the budget while reducing the tax burden on working families.

The tax burden has become increasingly unbearable for middle-class Americans. This year, the average American worked from January 1 until May 7 to pay his or her tax bill. Only after paying the Government more than one-third of their earnings can the taxpayers then spend to meet their own needs. If we do not impose discipline in our budget, children born today would have to pay as high as 84 percent of their lifetime earnings for our Government spending and national debt. This is simply outrageous. We must provide tax relief for middle-class families to reduce their financial burden, and encourage saving and investment.

It is my belief, Mr. President, that the $500-per-child tax credit is essential. Cutting taxes creates more real spending power for Americans. It would allow more than 201,000 families in my home State of Minnesota with 437,000 children to save or spend more of their own money—money that should not have been taken from them in the first place. The $500 per-child tax credit would return $297 million to the taxpayers of Minnesota, $45 million to the taxpayers of South Dakota, $39 million to the taxpayers of North Dakota, $329 million to the taxpayers of Wisconsin, and $180 million to the taxpayers of Iowa.

Mr. President, we not only need to eliminate wasteful and unnecessary spending, but we also must reform and control our entitlement programs. Without responsible reforms, entitlement spending will consume all Federal spending in 2015, leaving nothing for education, environment, defense, and other domestic discretionary programs.

I am therefore pleased, Mr. President, that this budget resolution has included my amendment on long-term trends in budget estimates. In the past, budget estimates were projected for only 5 years. My amendment requires both CBO and OMB to provide a 30-year projection of the budget impact on entitlements. This is good policy and will help Congress and the American taxpayer understand the long-term commitments were are imposing on future generations. My amendment also requires the President to include long-term economic projections in his budget. Entitlement programs can then be reviewed and analyzed for their economic impact today and for generations to come.

Mr. President, although I personally would prefer more cuts in Federal spending and more tax relief for working American families, this budget resolution is a well-balanced one. While it reduces Federal spending by $580 billion over 6 years, it has kept vital programs such as law enforcement and crime prevention, education, veterans' benefits, R&D, and environmental protection as national priorities. In my view, this budget resolution is a credible, workable and no-gimmicks plan for getting our fiscal house in order.

If we want to rebuild the financial integrity of this Nation, avert the Nation from fiscal disaster, and leave our children a viable government, we must pass this balanced budget to control government spending and reduce the burden for our children.

Mr. President, I believe strongly that it is the responsibility and duty of this Congress to ensure our children and grandchildren a strong economy, a good education, a clean environment, and a debt-free future. Let us fulfill that responsibility and pass the balanced budget resolution conference report.

Mr. DOMENICI. Senator EXON, can we accommodate a couple speakers on Senator DOLE statements?

Mr. PRESSLER. Mr. President, I would like 5 minutes.

Mr. McCONNELL. Mr. President, I would like 2 minutes.

Mrs. KASSEBAUM. Mr. President, I wish to speak on the health insurance reform legislation. So I am happy to wait my turn.

Mr. DOMENICI. We have an arrangement that the Senator from Massachusetts will go next. It is your turn.

Mr. EXON. With the understanding, I might say, that the Senator from Massachusetts has been very patient. I scheduled him at 4:30, the best I could.

Mr. KENNEDY. That is fine.

Mr. EXON. We understand that you will have 7 minutes for other matters, and then we will yield to the Senator from Massachusetts, is that correct?

Mr. DOMENICI. That is exactly what I hope and agree to.

Mr. EXON. We agree with that.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes; following that, the Senator from Kentucky will be recognized for 2 minutes; then the Senator from Massachusetts will be recognized for such time as the Senator from Nebraska may yield him.

The Chair recognizes the Senator from South Dakota.

TRIBUTE TO BOB DOLE

Mr. PRESSLER. Mr. President, I rise to pay tribute to our friend, BOB DOLE. It has been my pleasure over the years to hold over 30 joint meetings with him in my State, in my time as a Congressman and as a Senator and when he was running for South Dakota's early primary. There were at least 30 meetings. I learned a great deal from BOB'S service, and I learned that his tireless energy was always an inspiration to me. In fact, he would always shake hands with everybody at the end of those meetings, regardless of how long it took. But he offered a great deal of substance when somebody asked him a complicated question. He would give the full Senate answer, so to speak. I believe that he will go down as one of the great Members of this Chamber, in terms of legislative accomplishments and contributions.

I was one of the first Senators to commit to him for majority leader or minority leader—whichever was the case, because at the time we did not know for sure. I was one of the first

Senators to endorse him for President. I think his career in the Senate represents the best of Senate life. I guess everybody knows about his wit and his determination. I could never believe or comprehend how he had so much energy. He literally went 7 days a week. He would be as energetic on Sunday night when he was coming back to Washington.

I also visited at least 15 States with him during the time he was a Presidential candidate or chairman of the party or when I was a Congressman, and he did the same thing there, too. He was not a golfer or a tennis player. He just worked all the time. I have never seen anything like it. He would fill up the whole weekend with work and visits. To him, it was service. I just would not have that much energy because I need a day off now and then. I pay tribute to him because he is one of the great Members of this Chamber that I have served with, and it has been my pleasure to work side by side with him.

I have a number of other reminiscences, which I will place in the RECORD. During this short time, let me also say that I have felt a great deal of friendship and still feel a great deal of friendship with BOB DOLE. He is a person with whom I could always talk to if I was struggling in some of my campaigns, or whatever. He would always be there to help. Just recently, he invited me along on four stops in several States with him. His energy is as great as it has ever been.

BOB DOLE is a great man. He will be a great President, and I will miss him very much here in the Senate. It feels lonely around here without him already, without his quips, and so forth. I came in a little late at lunch today and he said, "You are late, PRESSLER. We are going to count you late." He was full of quips all the time. I pay tribute to my friend, BOB DOLE, a great U.S. Senator, who will be a great President.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, we witnessed today the departure from the Senate of one of the giants of American history. On a day like this, obviously, all of your memories come back to you. I remember the first time I met BOB DOLE. It was in this room in the early part of 1969. I was a fuzzy-cheeked staffer back here on what was then these big stuffed couches. BOB DOLE was a freshman Senator. Since desks on the floor of the Senate were assigned on the basis of seniority, he sat near the back. I remember him as being the most popular of the freshman Republicans with the staff. Why? Because he was nice to us. This is a place where, as many know, some Senators are a little full of themselves and frequently are not all that nice to staff. BOB DOLE was not only nice to us, his humor was often practiced on us before he related some of it on the floor.

In short, you could sense from the beginning, from the day BOB DOLE walked in here, that he was something special, that he was not going to be just your average Senator. So like everybody else, I watched his development over the years. I left as a staffer and went back home to do my own thing. My next recollection of BOB DOLE was in 1980, his first campaign for President, which was not conspicuously successful. I remember picking him up one day in Kentucky and taking him to a meeting and watching him tirelessly work the crowd. He had to have a sense that his campaign was failing. But as Woody Allen said, "Eighty percent of life is showing up." BOB DOLE was driven. He always showed up. He continued to push.

The next time I saw him was in 1984, 3 days before the Senate race in Kentucky. All of a sudden, the word had spread around that this challenger in the Senate race in Kentucky might have a shot. BOB and Elizabeth Dole came in, and we wheeled around the State in their plane, and they gave me the boost I needed at the end to get over the finish line.

In short, like everybody else here, I have had a number of reminiscences of this great American. On a day like this, they all come back. It seems like there is a giant sort of gap here in the Senate with his departure. Today was a bittersweet day for all of us. I think it is kind of a mixture of exhilaration for him that he goes out on this new challenge, undeterred by all of the restraints that are obvious here, but at the same time he regretted his departure. I only add: Godspeed, BOB DOLE. I think we will be seeing you in Government once again.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized.

Mr. EXON. I yield to the Senator from Massachusetts whatever time he needs off of our 5 hours.

Mr. KENNEDY. I thank the Senator from Nebraska. I see the Senator from Kansas on the floor, who was here earlier than I was. She has indicated that she has just a short comment to make. I am glad, if it is agreeable with the Senator from Nebraska, to yield to her to speak briefly.

Mr. EXON. I will yield whatever time she needs from our time.

The PRESIDING OFFICER. The Senator from Kansas.

HEALTH INSURANCE REFORM

Mrs. KASSEBAUM. I very much appreciate the Senator from Massachusetts giving me some time at this moment. I would have been happy to wait. But both the Senator from Massachusetts and myself have worked for many months on health insurance reform. I very much appreciated Senator KENNEDY, the ranking member of the Labor and Human Resources Committee—his efforts to help us achieve what the Senate voted on 100 to 0 for some very important health insurance reform measures.

Today, I want to speak for a moment about where we stand on this issue. First, because I heard the chairman of the Budget Committee speak on the budget resolution before us, I want to speak with respect to the admiration I have for Senator DOMENICI and his honesty and vision regarding what is needed in our budget. Both he and Senator EXON from Nebraska, who is the ranking member, have worked many years on budget matters, and I am sure that at some point there must be a certain weariness that sets in as yet one more budget resolution comes before the Senate. But it takes dedication, which I greatly admire, on the part of the Senator from New Mexico through the years to speak to what he feels. I strongly support the vision that he has and that is required of us today.

Speaking to health insurance reform, which both Senator KENNEDY and myself feel is very important, negotiations are still going on. The agreement that was reached last night on this measure represents a consensus among Republican members, who have been meeting informally for some weeks. Both myself and Senator KENNEDY have been in conference and negotiations ourselves to see if this issue cannot be advanced.

As a participant in the process of informal negotiations among Republicans Members, I would say much was given up by Members who feel very strongly about particular provisions. For example, Members of the House of Representatives agreed to drop provisions on medical malpractice reform, which many Members there strongly supported and which was in the House-passed measure, and the multiple employer welfare arrangement, MEWA's, which would have most certainly led to a Presidential veto.

Likewise, as I am sure, all realize more was added—particularly with respect to medical savings accounts—that others would like to see. I count myself among those who would have preferred a more focused bill. We added here in the Senate parity for mental illness insurance, which many here strongly support, and many in the House support. But to come to some agreement for those who question whether we can do that at this time, or not, meant that provision was dropped as well.

However, I have been around here long enough to know that no one gets everything they prefer. I listened very carefully to my colleagues in the House, and it is my assessment that the proposal now on the table is what it will take to bring our efforts to fruition. There may have to be—and I guess there would be—some more minor adjustments. I want to speak particularly to the medical saving accounts provision because that is what has been perhaps the hardest and biggest hurdle to get over, and to what I believe represents a fair and credible approach to this issue. Briefly, beginning in January of next year, the medical savings accounts will be available to the self-employed and to employees of businesses with 50 or fewer employees.

A study regarding the effect in the small group market on adverse collections, health cost, use of preventive care, and consumer cost would be conducted over a 2-year period.

Mr. President, I believe that starting with the small group market where many of the most important issues with respect to MSA's have been raised will provide Congress with the most accurate assessment of their advantages or disadvantages on how perhaps MSA plans should be drawn that would be the best devised plan possible for medical savings accounts. This is the group where concerns have been raised about the possibility of adverse collections and where States have developed the greatest expertise in providing insurance access to small businesses. The proposal goes on to extend MSA's to individuals and employers with 50 or more employees on January 1 in the year 2000. Unless the Congress acts to delay or repeal the expansion, separate votes would be guaranteed on both the individual and large employer expansion.

In addition, the proposal includes new means for consumer protection standards as a condition of deductibility. These provisions assure that the consumers will have sufficient information to judge this new product, and they can take into account a recent Rand study showing that adverse collections can be minimized by limiting the level of MSA deductibles.

First, MSA plans would be required to disclose the information about cost-sharing requirements, deductibles, and limitations on coverage, if any, under the plan.

Second, MSA plans could have a maximum deductible of $5,000 for individuals, or $7,500 for family coverage, indexed for medical inflation. That is a high deductible, but it would, we thought, be better than a floor being placed and that a ceiling should be placed.

Third, once deductible limits are reached, individuals would be required to pay on average no more than 30 percent cost sharing for their health benefits.

In addition, six adjustments to the structure of the House MSA provisions were made in response to recommendations by the administration. These modifications could tighten tax rules regarding any possible abuse.

Finally, it should not be forgotten that there are core elements of the health insurance bill. Those dealing with portability and preexisting conditions are firmly in place. Those are provisions which we all agreed on were very important, Mr. President. They are the ones Senator KENNEDY cared about and that I cared about. We argued no amendment should be added in order to achieve those core provisions. But then that is not the way the House and Senate worked their will. Amendments were added in both Houses.

In addition, of course, the agreement includes Senate provisions dealing with deductibility and long-term care insurance, which will make health insurance not only more portable but also more affordable for millions of Americans.

These are important changes, and I am confident that further reflection on this proposal will produce a public law, I am absolutely confident, that we can come to an agreement on both sides of the aisle on with the administration to achieve health insurance reform which will benefit millions of Americans. I recognize that compromise is always difficult. It was a difficult process in committee and on the Senate floor. As an even broader range of issues were put on the table by the House, it became even more of a challenge to find common ground among disparate views. Nevertheless, I think that each of us recognize the need to compromise, and I believe this proposal will strike a fair and equitable balance which will put meaningful health care reform within our grasp.

Mr. President, I have had concerns about the medical savings accounts. I think we need to go slow and understand them—understand where there may be difficulties and how to achieve them in a way that will benefit many Americans, particularly those who have not had any other access to health insurance. But, by doing it slowly and phasing it in and studying it carefully, I think it can and should be achieved.

So I hope that as we continue negotiations, we can actually, over time, achieve some agreements on the proposals in health insurance reform that will allow us to succeed in efforts that we know will benefit many, many.

Thank you, Mr. President. I yield the floor.

Mr. DOMENICI. Mr. President, may I have a little dialog with Senator KASSEBAUM regarding that bill?

Mr. KENNEDY. Please do.

Mr. DOMENICI. I do not choose tonight to go into an indepth analysis of the bill as it pertains to the severely mentally ill or those who need mental health care in America. I do want to suggest as one of the prime sponsors of amendment, which will be dropped, that I believe we should not have a commission in this bill—a commission getting bigger and bigger and broader and broader and more and more issues. Frankly, I think we would rather have an opportunity to address this issue one more time in another manner. I do not think a commission is going to solve many of the issues that we think need to be solved, at least in any of the iterations we have seen on the commission. I would ask that it not be included. I mean, I think it is no compromise for us, and we just should not have it, and let us get on with this fight in another way.

So I personally will ask them not to put it in. I will return to my office and advise the House lead conferees that I personally would like not to have the commission in it.

I see my cosponsor on the floor.

Mr. WELLSTONE. Might I indulge the Senator for a moment on a comment on this?

Mr. KENNEDY. Sure.

Mr. WELLSTONE. I have a different perspective. I also feel it is not much of a compromise. I just wanted to say, having been a cosponsor of this amendment with my colleague from New Mexico, that when the medical savings accounts—I am all for working out an agreement—came to the floor of the Senate, that amendment was defeated. Then we talked about compromises. I know the Senator from Massachusetts will talk about that. The mental health amendment, I think, passed with 68 votes. Then we worked very hard to pare this down. What we came up with was a very reasonable formulation, if you want to talk about a compromise, which dealt with lifetime annuals; just have the same cap parity with that, which would have been so important to families to get under.

I urge my colleagues, as we get into negotiations, I would like for that to continue to be in the mix. It was a very reasonable formulation. The Congressional Budget Office projection was like two-tenths of 1 percent increase. To me it is just unconscionable that this cannot be accepted. I mean it passed by 68 votes. I do not believe that this should now be knocked out of the mix.

I have urged my colleagues on the Democratic side to please hang in there on this. The White House supports this. The Democrats support this. I know many Republicans do. I do not know anyone who has worked harder on this than Senator DOMENICI.

I urge my colleague from Kansas, whom I believe in, and certainly my colleague from Massachusetts, please, as we go forward with these negotiations, do not just simply cancel us out. By the way, the "us" is not Senator DOMENICI and myself. The "us" are citizens all across this country who thought finally that they were going to see a time come when the U.S. Congress would put an end to some of this discrimination and do something very good and very positive and very helpful for families all across the country.

Do not shut us out.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, if I may say so, I know that there is no one who cares more about this than Senator KENNEDY, as well, and Senator DOMENICI and Senator WELLSTONE went a long way in proposing something which many of us hoped would work and be successful in compromise. At this point, it has not been. But it has been probably the question of how much further we can get in negotiations.

I very much appreciate the Senator from Massachusetts giving some time to discuss the health insurance reform effort, and I appreciate all that he is doing and continues to do to try to help achieve a successful resolution.

I thank the Chair.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I thank the Senator from Kansas for her comments. I appreciate her addressing the Senate on this particular measure about the state of negotiations. Initially, I have to respond to my good friend from New Mexico as well as Senator WELLSTONE. It is not my purview about whether this matter will be in or outside the compromise. It appears that whatever has been recommended by the Republican leadership has at this time included a study in the proposal. I myself, as Senator WELLSTONE has pointed out, strongly believe that what would have been a reasonable compromise of perhaps extending mental health to Federal employees would have had included a comprehensive program of up to another 10 million without affecting businesses' bottom lines. But that was not to be considered.

Then I supported strongly the position that has been outlined here in terms of the yearly inclusion and the yearly caps of the longer lifetime caps for the funding of mental health programs. But that has been dismissed. I think the bottom line is just to dismiss those proposals or to have a study.

I come down on the side of the Senator from New Mexico because I fear, if we do a study, that may very well be utilized as a way to compromise further progress in addressing mental health down the road on some future health care proposal.

I for one hope very much that, if we are able to get this particular proposal, the Kassebaum-Kennedy bill, forward, the health issue will go back on the agenda. Mental health being as important as it is, we may very well have a real opportunity to move ahead on that in another Congress.

Not that I would find it persuasive personally, but maybe there would be others who would: not to debate this issue since we are doing this comprehensive study over a period of years, and therefore let us wait until the study results are known.

But I hear the Senators. They have spoken well on this issue, and we will, to the extent we can, pass on their observations and their strong views to the conferees.

Just very briefly, I thank my friend, Senator KASSEBAUM, for her explanation as to what was basically included in a proposal that has now gathered the support of the Republican leadership in the House and the Senate. As I have said many times, I admire her continued leadership in moving this whole debate so far forward that there still is, I would hope, real opportunity of enacting the core legislation. We have some difference on the proposal which has been outlined. But there still is a very strong desire, I believe, on everyone's part, as there should be, to try to achieve the desired outcome of legislation.

The concept of the legislation Senator KASSEBAUM has outlined on other occasions, which goes back to the end of the 1994 congressional debates on health care reform, pulled together the various proposals that were advanced, Republican and Democrat, and included many of Senator DOLE's proposals. It was spoken of as an issue of importance by Senator DOLE at that time, and he has reiterated those comments in a number of statements in recent days.

So this really was a very important proposal, a modest step but a very important one, a vital one to the 25 to 27 million Americans who have preexisting conditions and other millions of Americans who would be able to take advantage of the portability provisions.

So I stand with the Senator from Kansas in hoping we will be able to work the will of the Senate and be able to achieve those objectives. The principal concern that I had in the proposal as outlined here this evening, and that has been reported previously, is that, first of all, we would be including not just a test, we would be immediately including about a third of the work force in an untried and untested program, which would inevitably include the entire work force in just three short years unless the Congress acts to prevent it.

So the signal very clearly is, let us move forward with a national program that would include the MSA concept. What many of us have believed is that this idea is untested and untried, and sufficient questions have been raised about it. For example, the Urban Institute, which the Senator refers to, has pointed out that, at a $1,500 deduction, evidence of adverse selection is not quite evident. But once you move to $2,500, adverse selection becomes a major factor and a major force. In this proposal, we are talking about a $5,000 deductible as a possibility.

So the underlying concept that all of us have had in urging the Kassebaum-Kennedy proposal has been, when it comes to MSA's: Let us do no harm. Let us do no harm to the existing health insurance system. Let us do no harm.

Now as to the issue on malpractice. It is an issue we have debated and discussed on many different occasions and will again. It was not something that was so special, so unique to this occasion that an independent bill could not come over here on that measure. It was before the Congress earlier in the session and it was set aside for, I think, very, very sound reasons, which we will be glad to debate at another time.

The issue of MEWA's was not really a new idea. That has been around for a number of years. The problem with the MEWA's in the early 1980's is that they were so involved in fraud that by 1982 it was the judgment of both the Federal and the State governments that State enforcement against fraud and abuse should be put into effect. That was under a Republican Congress, and that was put into effect.

Now, without really any review, without any kind of hearings, without any kind of examination, we want to take the State enforcement away. That is a very important policy issue to debate, but that is certainly something that we could do tomorrow or do the next day. There ought to be hearings. We ought to find out about the role of the State and the Federal Government in terms of the enforcement.

The fact is, enforcement by the States on MEWA's has worked well. It has reduced significantly the instances of fraud and abuse. I would be quite interested in listening to those on the floor of the Senate try to persuade the Senate why that is a good idea, to go back to a time when States were not providing oversight and regulations to protect working families.

So we saw those two elements dropped. I think, as I say, I would have hoped they could have been dropped and we could have debated them at another time. They were dropped. But I find it very difficult to be convinced that these were major elements of a major proposal that were given up in order to try to reach common ground with the Senate—when the Senator from Kansas understands very well that what she has fashioned and what has been supported here was really a unique, special, targeted effort to deal with the preexisting conditions and portability, which is really a new way of trying to come to grips with the health care needs of many of our citizens.

At the same time, as was pointed out, another area where I think there is broad agreement in terms of considering in parallel mental illness as well as other physical illness was completely set aside. That would have been new ground that was being broken. But that, for the financial cost, was really too much. I regret it. I am personally convinced, as we have seen with many insurance companies, that those companies that have effective mental health as well as physical health programs actually see a reduction in the outlays for the physical conditions because of the programs that they have there that are available in mental health. Actually, it is going to save money over a period of time.

We have not been able to make that case in a convincing way, although I am, frankly, convinced. I know Senator WELLSTONE is convinced as well. But we have the basis of a very strong indication from a number of the insurance companies. But we are too late in the session to have been able really to consider that. I regret it.

So I thought it made a good deal of sense that we have some kind of test of the MSA's, and we had advanced three different proposals. The White House had advanced proposals. Those were effectively dismissed. Then there were proposals that were discussed last week by Republican leadership and then further refined over the course of the weekend.

So there is where we are. One of the features I mentioned to the Senator from Kansas is that the evaluation for all these programs is going to be as a result of the chairman of the Finance Committee and the chairman of the Ways and Means Committee naming the committee that is going to do the evaluation. I think that was sort of a nonstarter, but there may be Members who would differ with that. If we are going to get the kind of clear evaluation which is needed, and which has been outlined, in fairness, by the Senator from Kansas, the types of things that should be considered are a review by an independent body to give reports. That would be very, very important.

Another item in the proposal is, with the acceptance of the deductibility for small business only going up to 80 percent, here you have 100 percent in MSA's, so you have a skewed condition just to get started with any kind of comparison. We phase in the 80 percent up to the year 2000. They would go into an MSA immediately in terms of 100 percent. So you are obviously skewing this in terms of what is included in the other parts of the legislation.

These are the kinds of things which I think people who would have a chance to review these issues and get into matters could address. But the most basic and fundamental part of it is putting in place an untested and untried program in which many of those groups that have looked at it, in all fairness, have felt it would be particularly threatening. To whom? To our seniors, to working families, to children for prevention, and consumers generally.

Those who are supporting it primarily have been those—I know there are individual Members, and I respect their views—but, frankly, the outside interests that have been talked about have been the particular companies who have been involved in these programs that have been involved in some of the greatest abuses of the health care system.

So I think when you have the Joint Tax Committee talking about the cost, if we get to 1 million people, it will cost $3 billion over a 10-year period. Here we are talking, at the outside, 40 million people. It raises some questions about what the cost would be. When you have the Urban Institute talking about what would happen in terms of adverse selection and moving from $1,500 to $2,500 in deductibility—this goes all the way to $5,000—I think you can say there is certainly some reasonable kind of questions about who would become involved in this program, whether it would be, as many of us believe, the wealthiest and healthiest individuals.

When you have the refusal of the insurance companies that are involved in this process making available to the Academy of Actuaries the kinds of numbers—not the proprietary information —but just the numbers in terms of markets and getting some kind of fair evaluation of what is happening in the industry and not only the particular golden door industry, but others involved in it, being turned down on that issue raises questions. There have been CBO studies, as well. I referred to those at other times, and I will not take the time to do so now.

So, Mr. President, this issue is not going to go away. We will have it, and we will be required to address it. I am personally convinced that we will be successful in passing the core legislation in this Congress, because it is not going to go away. It is too powerful. There are too many families that will be affected by it. We may have some rocky roads and bumps along the way until we get there, but I think this issue is too important for families to give way on it.

I know I and others and I know Senator KASSEBAUM is still strongly committed to achieving the objectives. We will just have to work this process through.

But I thank the Senator very much, and I look forward to continuing to work very closely with her.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I know there are others who want to address the Senate. I want to speak to the Senate on two issues, briefly: the first being where we are on the budget proposal for education.

There have been a number of representations about where we are going with current funding, how we are going along with the continued baseline expenditures, that we are going to see a continuing commitment in the area of education.

I want to review for the Senate very briefly, because I see other colleagues on the floor who wish to address the Senate, where we are in the area of education funding and why this budget proposal continues to run contrary to what I believe is the fundamental commitment of this Nation, which should be in the area of education.

We can start off with the fact that just spending resources and money does not solve all of our Nation's problems, but it is a pretty clear indication what a nation's priorities are all about. I believe in education and I believe that it is important that we continue to make a strong investment in the area of education and the young people of this country. If the programs are faulty, we should correct them; if programs are successful, we ought to expand them. We ought to be in a period of constant review of many of these programs.

We did have the opportunity in the previous Congress to review a number of the programs—whether it was in the Head Start Program, title I, or Goals 2000—to provide reforms and funding to the local school level—90 percent of the funding went to the local school level that could be used by parents, teachers, the business community to expand education and academic achievement—the School-to-Work Program which was as a result of America's Choice, an excellent report reviewing many of the programs that were taking place in other parts of the world. Three-fourths of the children who go to high school do not continue on to college. That is an extremely important area for this Nation if we want to both provide the opportunities for the young children of this country and also to ensure that our country is going to be strong in the next century.

And then the Direct Loan Program, the simplification of the efforts for young people. I see my friend and colleague, Senator SIMON, who was such a leader of that program over a period of years.

So we have here, Mr. President, the 1997 education funding in the Republican budget compared to a true freeze. This represents a compilation of all the discretionary education programs, those programs K through 12, and those programs that go on to higher education.

If we go back to 1995, we will see the figure on this chart of about $39.5 billion. We heard a great deal as we went on into 1996, "Let's get back to 1995," and there is this freeze of current funding. Let us look at what has actually happened over this period of time. The total amount of budget authority in 1995 is $39.5 billion.

Then under the omnibus appropriations, that figure was reduced to $38.8. Of course, even $38.8 billion, $700 million below fiscal year 1995, was only reached after a long fight to preserve education funding.

It took a lot of shifting of funds to get close to fiscal year 1995 in fiscal year 1996. A good deal of funds that were uncommitted, or not spent, were spent in fiscal year 1996 to make up for the draconian cuts proposed to education—to get as close to the funding level of 1995 as possible. In April, education was finally funded just about $700 million below fiscal year 1995.

Then we had the budget resolution that was passed based on the so-called freeze at $36.3 billion. Actually, this freeze does not take into account the addbacks made for fiscal year 1996 alone, and leaves education funding $3.2 billion below fiscal year 1995.

The Senate budget resolution, with the Domenici amendment, added $5 billion to discretionary funding—of which $1.7 billion was earmarked for education—came right back up to $38 billion, still $1.5 billion below the 1995 level. Then the bill went to conference and $500 million more were lost—$500 million were lost in the conference. They added $1.2 billion to the original budget resolution, but cut $500 million from the Senate resolution.

Every time we close the doors of negotiations on education funding, the commitment to young Americans go down. It is only when we are out here on the floor of the U.S. Senate, when we are battling in front of the public, whether it has been on the various votes Members remember—the Snowe-Simon amendments or the Specter-Harkin amendment—that we restore some of the funds. But once you close the office doors and begin to conference funding bills, education is one of the first to get cut.

This is where we are in this resolution, right on our way back down again. The Domenici amendment increases education funding—though leaves it well below current funding—and then $500 million were cut in conference.

We have to ask ourselves what is happening to the total number of students at this time. The number of students was about 46 million in 1990 and will increase to 54.6 million by the year 2002. The student population is gradually increasing by 7 percent. Even with a freeze at the current funding level, you are falling behind, because you are not dealing with the expansion of the student population and inflation.

Last year alone, it would have meant 100,000 additional teachers just to hold even, 50,000 for the makeup of those numbers of teachers that were being lost, and 50,000 more to take into consideration the expansion of the school population.

That is something we have to understand. The school population for kids in grades K through 12 is gradually increasing by 7 percent, and for college-age youth it is increasing 12 percent. Do you think there is any effort in the budget resolution conference report to take into consideration the expansion of college students or expansion of student population in grades K through 12? Absolutely none, absolutely none. The President has talked about a 33-percent increase in the Pell grants. This proposal would be a $6.7 billion reduction over the period of time in the Pell grants targeted to the neediest students over there. The list goes on and on.

Mr. President, I speak for those who are committed, as I know many in this body are committed, toward education. It is only fair to point out what this budget does to our commitment to the young people in this country, for the Head Start programs, the title I programs, the math and science programs, the new technology programs to try to provide the best kind of new technology to our students in schools that train our teachers, to the school to work program that tries to bring young people into the private sector to make sure they will get decent jobs, and then actually is phased out over a period of time once those links and once those paths are created.

(Ms. SNOWE assumed the chair.)

Mr. KENNEDY. In the conference report, education is cut by 20 percent in real terms from where we were in 1995. I find that is highly unacceptable. When we had the chance to let the Senate, Republicans and Democrats, vote on these matters, we restored education funding.

I see in the chair the distinguished Senator from Maine, who has been a strong advocate for education and for meeting this Nation's commitment when we have the expansion of college and K–12 populations.

Madam President, I find this is a dangerous trend. It is complicated by the fact that in this legislation we have set aside the billions of dollars for tax cuts for wealthy individuals. That is what makes it completely unacceptable: we are cutting crucial education programs in order to pay for the tax breaks for the wealthy. That is intolerable. That is wrong. That is unacceptable.

I see others on the floor who want to address this. I intended to speak about the Medicare proposals, as well. I will yield now and hope perhaps maybe I will get a few minutes tomorrow at the convenience of the floor managers to address the Senate briefly on that. That is an issue of enormous importance as well and should be addressed. The Senator from Nebraska has been very kind in allocating time.

I yield the floor.

Mr. EXON. Madam President, I thank the Senator from Massachusetts for his excellent statement. There will be time tomorrow if he wishes to get into the Medicare matter. We discussed that to some extent already, and I think we should be discussing it further. There will be some time tomorrow, and I would be delighted to yield whatever time the Senator from Massachusetts wishes.

I will shortly yield 15 minutes to the Senator from Illinois who has been waiting patiently. However, I want to elaborate a little bit on what the Senator from Massachusetts has been saying about projected growth costs featuring education. The same thing is true with Medicare, and the same thing is true with Medicaid.

We have been bamboozled around here, I say to my friend from Massachusetts and my friend from Illinois. We have been bamboozled by the statements that an increase is a decrease only in the Nation's Capital. What we are talking about here are not increases in education funding, net, or increases in Medicare funding, net. What we are talking about is trying to disguise the honest dollar amount that keeps the level of the programs where they are today. Yet there has been a hue and cry across the Nation that the Republican budget does not cut Medicare, it provides more money for Medicare. It does provide more money for Medicare. The facts are it does not provide enough money to meet the real needs of the increased population, the longevity of senior citizens and more and more people who will rely on Medicare. You can see it is not a cut in real dollars, but it is a cut in real needs and what the real costs will be for people who are depending on it. Therefore, it is a cut. We get all tied up with semantics around here.

Let me point this out. I had made reference earlier, Madam President, to the fact that Medicare costs were going to outstrip what the Republican budget provides for Medicare. An example: The projected rate of growth in private-sector health care costs over the period that we are talking about would be 7.1 percent per person. Yet the Republican budget on a per-person basis allows Medicare spending to grow only by 4.7 percent. Now, the difference between the projected costs and the Republican budget is 34 percent. Yet the Republicans are saying their increase is reasonable and provides more money.

Plainly, Medicare spending will not be keeping up with inflation in the Republican budget when you consider what the inflation is going to be in the private sector and how many more people are going to have to come into this program. We are being bamboozled here, and the American public know that, even if the U.S. Senate majority does not want to address it.

I say also that the distinguished chairman of the Budget Committee attributes the steep reductions in planned Medicare spending in his budget to an effort to save Medicare. He neglects to note that the Republicans sought to reduce Medicare spending by $270 billion even before last year's Medicare trustees' report came out. He also neglects to mention that the President's budget guarantees the solvency of the Medicare trust fund through the year 2005, without making the deep reductions planned in Medicare spending.

To back that up, Madam President, I ask unanimous consent to have printed in the RECORD a letter of May 9, 1996, addressed to myself, the ranking minority member of the Committee on the Budget.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 9, 1996.

Hon. J. JAMES EXON,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR: At your request, the Congressional Budget Office (CBO) has examined the effects of the Administration's budgetary proposals on the Hospital Insurance (HI) trust fund. Under current law, the HI trust fund is projected to become insolvent in 2001. CBO estimates that the Administration's proposals would postpone this date to 2005.

Sincerely,
JUNE E. O'NEILL,
Director.

Mr. EXON. I drive home the point that the President is looking at this realistically and should not be put down for that effort.

One more thing, and then I will yield to my friend from Illinois. The chairman of the committee complains about how steep the cuts in domestic discretionary programs are in the President's budget. Yes, it is true the President does achieve substantial savings from discretionary spending, but the President still maintains these domestic investments at a rate of $60 billion higher than the Republican budget in the year 2002. If the chairman believes that the President's cuts are steep, then the chairman would also have to agree that the cuts that he is endorsing in his particular budget are absolutely fatal.

The difference between the two budgets is that the Republican budget also cuts taxes so much more. The $122 billion that the chairman mentioned is just the tip of the iceberg. The real iceberg is much larger than that. The chairman of the House Budget Committee, JOHN KASICH, promises $180 billion in tax breaks.

The chairman promised, "We would have our own tax cut that we originally said we would have—that there will be a capital gains tax, that there will be a full child tax credit * * * and there will be a host of other tax relief measures."

Who is kidding whom? I simply say that to keep honest, we have to be reasonable. We have to recognize if you are going to provide massive tax cuts primarily to benefit the wealthiest among us, something in the budget is going to have to pay for it. That is essentially why, along with the other details, that we will continue to oppose this Republican budget.

I yield 15 minutes to my friend and colleague from Illinois.

Mr. SIMON. Madam President, I thank my colleague from Nebraska. I see my colleague from Iowa here, and I will try not to use the whole 15 minutes.

I am going to join Senator EXON in opposing this budget resolution for several reasons. First, we have tax cuts in here. Now, I recognize that leadership of both parties is saying we ought to go ahead with a tax cut. I do not think it makes any sense whatsoever when we have a deficit. It is like when we say we are going to have a 7-year glidepath to a balanced budget, but we are going to start off with a tax cut. That is like having a New Year's resolution that you are going to diet and then you start off with a great big dessert. It is not a very propitious way of doing it. And both parties are saving the tough things, the tough decisions, to the end of the 7 years. That is why we need the constitutional amendment for a balanced budget, in order to really move in that direction.

Second, in the area of defense, the conference is $11.3 billion over what the Pentagon requested. No other agency gets more than they request, but the Defense Department does. I think it is unrealistic. Let us compare it to the next function, function 150, international affairs. The United States, in terms of our budget, is behind every country in Western Europe and Japan in terms of the percentage of our budget that we now use to help in foreign economic assistance—behind every one. But we are ahead of every one in the percentage of our budget that we put in defense.

Frankly, what other countries question about us in the area of the military and in the area of foreign affairs is not our weapons systems, but our backbone. A few people are killed in Somalia and we get out. In Bosnia, we make speeches for a long time before we do anything.

The budget, I think, is unrealistic in terms of international need and how we get stability in other nations. But, primarily, I want to talk about an area where Senator OLYMPIA SNOWE has provided leadership, and I am grateful to her for that, and that is in the area of education. We are now $4.4 billion from where the President requested. We are down $2.5 billion from where it was when it passed the Senate. Now, every study done of this country, every study for the State of Nebraska, or the State of Iowa, or the State of Maine, or the State of Illinois, done by conservatives, liberals, you name it, every economist says we are going to have to do better in education. In higher education, we are ahead of other countries, but the gap is narrowing. In elementary and secondary and preschool education, we are behind most of the other developed nations.

Among the 18 top industrial nations of the world, in terms of expenditures for elementary and secondary, we are 14th. There are some basic things we ought to do. For example, I was able to get, in the last Elementary and Secondary Education Act, a paltry $90 million—paltry in terms of its need—to encourage schools, to give a little bit of a carrot to schools to go longer than 180 days. If you go to school in Japan, you go 243 days a year. In Germany, they go 240 days a year. When you go to school in the United States, you go 180 days a year. Can we learn as much in 180 days as our friends in Germany, Japan, and in other countries do with longer school years? Of course, we cannot. Why do we go 180 days? In theory, it is so our children can go out and harvest the crops. Well, I say to the Presiding Officer and my colleagues, I live at Route 1, Makanda, IL, population 402. Even in Makanda, IL, the young people do not go out and harvest the crops anymore. That was a different era. We have to adjust. If we just moved from 180 days to 210, by the time you finish 12th grade, that would be the equivalent of 2 additional years of school, and we would still be, in a major way, behind other countries.

But Senator KENNEDY made the point a few minutes ago that when you look at these cuts, what you have to look at, also, is the growth in student population. And so it is doubly devastating. I remember visiting a Head Start Program, and almost all Head Start Programs have waiting lists, in Rock Island, IL. On Monday morning, one group of kids come in; on Tuesday morning, a second group comes in; on Wednesday morning, a third group comes in, and so on. I asked the woman in charge, "What if you could have these children here 5 days a week?" She smiled and said, "You cannot believe the difference it would make in their lives." We are not doing it, and we save money with a budget like this? You save money like building a house and you do not put a roof on it. Very, very shortsighted.

We make great speeches on prisons in this body. Oh, I have heard speeches about crime and how we put people in prison and everything. Eighty-two percent of the people in our prisons and jails are high school dropouts. You should not have to be an Einstein to figure out that maybe if we invested a little more in education, we would not have to put so many people into prison, and maybe we would be a much better country if we did. That is the kind of thing we ought to do.

This budget takes a step backward in the field of education, rather than a step forward. I am not going to be around here next year, and my good friend from Nebraska is not going to be around here next year. I hope that whoever sits in this body will listen to the Presiding Officer when she stands on this floor and says that we have to do better in the field of education, as she has done many times. And while it is true you are not going to solve problems by just throwing money at them, I do not hear that same argument used in the Defense Department. And while money alone is not going to solve the problem in the field of education, without additional resources, we are not going to solve the problem.

That is the simple reality. We ought to be asking how do we build a better America as we put a budget together. When you ask that question, I think you will come to the conclusion that we ought to be doing more in the field of education.

I yield the balance of my time back to the Senator from Nebraska.

Mr. EXON. Madam President, I am not sure we have any more speakers. We may have some more. I note that Senator GRASSLEY is waiting. I have talked with him, and he is not going to talk on the budget per se. I simply inquire of the Republican side, are there any other speakers on the budget? Senator GRASSLEY has another subject he would like to address as in morning business. Senator SMITH is on the floor. Is he here to talk about the budget or another matter?

Mr. SMITH. Madam President, I am here to talk about Senator DOLE when the Senator is finished on the budget matter.

Mr. EXON. All right. I will just pose a question to the leadership on that side of the aisle. Since there are other Senators wishing to proceed on other matters, maybe we could close down the debate on the budget and proceed as in morning business.

Mr. GRASSLEY. If the Senator will yield, I had a discussion with Senator DOMENICI on that point. He asked me if I was going to be here. It was his understanding on our side of the aisle that there was no more reason to speak. He spoke of two or three people on your side of the aisle. When that was done, he figured that the debate on the budget was done for today.

Mr. EXON. Well, I have just been handed a note that Senator LAUTENBERG is on the way over. I would like to close off debate on the budget, if I might. I do not want to cut people off. I guess the best thing for me to do to protect my colleagues is to say that why do we not temporarily go off of the budget to allow the Senator from Iowa and Senator SMITH to proceed as they see fit. If, when they have finished, we do not have any more speakers, we can put the budget debate over until tomorrow.

I ask unanimous consent that we temporarily go off the budget matter before us and allow the two Senators on the Republican side, who wish to address other matters, to be able to proceed as in morning business, if that is their request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized.

THE ROAD NOT TAKEN: DRUG POLICY AND LEADERSHIP

Mr. GRASSLEY. Madam President, I have spoken a number of times, last year and this year, on the need for a sound drug policy. We have entered a time, of course, when more teenagers are using drugs. It is a very serious problem. When more teenagers see no serious harm or wrong in using drugs, it seems to me that we cannot simply accept these facts in silence. We need to ask ourselves if we are prepared to see a repeat of the drug epidemic of the late 1960's and 1970's that claimed so many lives. It was an epidemic that destroyed so many young people and, of course, it brought a cycle of enduring pain to their respective families.

Of course, I do not believe that we can afford to remain silent. It is not a responsible policy to be silent. It certainly is not effective leadership to preside over a repeat of what we know to have been a social disaster of epic proportions. To today's ears, this may sound like exaggeration, but a brief reminder might serve to make the memory fresh in our thinking.

Before the 1960's, we had virtually no major problems in this country with illegal drug use. Then, beginning in the mid 1960's, the notion became current that drug use was not so bad, that drugs were your friend. It became common to hear the refrain that drug use was a personal choice that did no harm to anyone. That drugs could be used responsibly. That making drugs legal would end crime.

Hollywood picked up this theme and replayed it in countless movies. Music and cultural leaders made drugs fashionable and exciting. Even government got into the act. By the mid and late 1970's, a number of States had decriminalized marijuana use and lowered the drinking age to 18. Federal authorities began to talk about responsible drug use. Government experts accepted the notion that cocaine was not addictive. That marijuana use did not lead to so-called harder drugs. As the chorus on the wonders of drugs increased, dissenting voices were drowned out. Contrary opinions were overruled as unenlightened holdovers of a repressive past that had to be dismissed.

As a consequence, we decided to walk down a path that encouraged people, young people especially, to believe that drugs were okay. The result was the de facto legalization of drugs in this country. It was a vast social experiment based on wholly foolish notions about the dangers of large-scale drug use and its anticipated consequences. It relied on creating in the mind's eye some mythical drug user of heroic proportions, an everyman, someone who could use drugs with no ill affects, someone whose mind and consciousness would expand to include new horizons of enlightenment, someone who would be a better citizen. It was a form of a collective delusion. We found that the path we had chosen led to a dead end.

In the space of a few years, we went from having virtually no drug problem to having over 70 million people who had tried drugs and at least 6 million addicts. When you stop to consider that the vast majority of those addicts came from among kids, then the scale of the disaster becomes more apparent. We had an explosion of emergency room admissions and a plague of drug-related deaths and violence. In the very years that we stopped enforcing drug laws we saw a corresponding explosion in violent and property crimes. It is not wholly a coincidence that the explosion in drug use also accompanied the explosion in crime throughout America. It is no coincidence that the devastation of our inner cities, already suffering a host of problems, was a product of crack.

We learned, the hard way, that there was no heroic individual drug user. There were just people. Ordinary people. Most of them kids. We found that they listened to what adults said. We found, to our sorrow, that drugs worked. We discovered that when you make drugs widely appealing in large quantities at affordable prices more people will use drugs. Being a commercial and trading people, this should not have been a surprise, but under the spell of the drug culture, we ignored our experience.

We learned, to our profound regret, that dangerous drugs were illegal for a reason. We learned that they were illegal because they were dangerous, not dangerous because they were illegal. We learned that increased use leads to more addiction and to all of the collective woes that come with it. We learned these lessons because we ignored reality. we disparaged common sense. And we paid the price.

The first people to recognize the true extent of the consequences were parents. It was not some mythical Everyman that was using drugs, it was their kids. In alarming numbers. Parents began to fight back. In doing so, they enlisted the government. Finally, beginning in the early 1980's, we made extraordinary strides in reducing use. That meant we got more kids to just say no to drugs. Remember that phrase? It may have been laughed at by some, but it worked.

We still had the horrible legacy of our misdirected and ill-informed past, but we made real strides in reducing use. By the earlier 1990's, we had a comprehensive strategy that addressed both supply and demand. We had succeeded in persuading rising generations of young people that drug use was both dangerous and wrong. Except for hardcore addicts—our legacy from accepting the lie that drugs are OK—we were winning the struggle against drugs. Then, somewhere, somehow, we lost our way.

Somewhere, the silence set in. We replaced "Just Say No" with "Just Say Nothing." We came to a crossroads and took a wrong turn. We have seen the consequences. In the past several years, drug use among kids is on the rise. More seriously, their attitudes about the dangers of drugs are changing—for the worse. An increasing number of kids no longer see drug use as dangerous or wrong. Moreover, to fill the silence, the tragic chorus of legalization has returned. Once again the airwaves are filled with the sounds of the wonders of drug use. Once again we are assured that drug use is a personal choice that harms no one. Once again we are told that enforcing our laws are the cause of our problems. Once again we hear the refrains of drugs are OK.

The question we ought to be asking ourselves, is how, after all the progress we were making, do we find ourselves back where we began? How is what we are doing today different from just a few years ago? Are we doing anything different? No matter what road you follow to get to the answers to these questions, it seems to me, that you come back to the same crossroads. We need to retrace our steps, to put our feet back on the right road.

Examining recent drug policy and efforts from the 1980's and early 1990's, several major differences emerge. Today's drug strategy funding is quite similar to its immediate predecessor. After the initial major increases in Federal drug funding in the first years of the Bush administration, the budget to fight the drug war has increased on average about 5 to 6 percent per year. This rate of increase holds true for both Democratic- and Republican-controlled Congresses. So, if funding has been fairly consistent, we need to look elsewhere for the changes in policy that might account for the dramatic changes in our domestic drug situation in the past 3 years. When we look at the problem from this perspective, what we see as the major changes come not in money but in emphasis. Emphasis on how the money is spent, and on the public posture of the administration on the drug issue.

Now, we need to ask ourselves if we intend to accomplish anything by the policies we pursue. If we do, then we ought to be able to look at the results and draw some conclusions about whether our efforts are producing the results we want. If they aren't, then we might conclude that something isn't working. It is important to examine the record of the administration's drug policy and what seems to be happening with the drug problem. We need to remind ourselves of where we were and the road we took to get where we are now. I have been detailing this issue in the past. The last time I did it was just before the Memorial Day recess. At that time, an esteemed colleague of mine asserted that I was using my remarks to play politics in an election year.

I do not want to question my colleague's motives for raising that particular concern. I trust that her remarks on the administration's records were made because she is concerned as well as I am with the issue and not with the circumstances. Certainly, in sponsoring very recently a legislative initiative that addressed a Clinton administration policy of letting drug smugglers go, she herself is aware of some of the shortcomings of that record. Unfortunately, in her remarks after I made my remarks that day 2 weeks ago, she did not address many of the issues that I raised. In addition, she, too, seems to have found it difficult to set the record straight based on the record. Many of her remarks dealt with administration initiatives that are only indirectly concerned with drug policy.

It is, therefore, useful to review the record of both actions and words that took us down the path that we are on today, in other words, the path that changed dramatically from the 1980's up until about 1991 or 1992.

Here we can see three major difference in present policy from our earlier successful efforts. First, at the beginning of the Clinton administration, we saw a decision to lower the profile of the drug czar's office. That was accomplished by firing over 80 percent of the staff in the first weeks of the new administration and by appointing a no-profile drug czar. We should ask ourselves if that decision tells us anything about the intent of a new administration.

Second, we saw a decision by this administration to shift the counter drug efforts away from interdiction and enforcement to treatment. This was, in fact, an upfront announced policy of this administration. It would seem to tell us something about priorities and about desired outcomes. The consequences of that decision have been a steady decline in our interdiction efforts and a decline in prosecutions of major drug offenders. It would seem we are getting what we should have expected.

Third, we saw a decision by the President to absent himself from the drug issue. In this regard, I have noted the need for clear, consistent leadership on this issue, but a number of our colleagues, both Democrat and Republican, have noted a deafening silence in the past, coming from the White House on the issue of drugs. This is in sharp contrast to previous administrations.

You can actually count on your fingers on one hand the number of times the President mentioned drugs in the first 3 years of his administration. We need to ask ourselves if this silence was accidental, was an oversight, or was a matter of deliberate policy. Even a policy defined by an absence of mind, however, is still a policy. And, of course, as we all know, choices have consequences.

Taken together, these decisions represent more than just a minor restructuring of programs that were working. Even though spending on counter drug efforts remained fairly steady, there was a significant shift in emphasis. There was a very significant dropoff in rhetoric about the drug problem, and there was a significant decline in interdiction and enforcement efforts. These have been documented in a number of news reports, a number of congressional studies, and even in information provided by this administration.

Leading Democrats and Republicans in the last several years have also noted the silence from the President on the drug issue. Their conclusion was that the bully pulpit lost its chief representative.

Unfortunately, as this silence progressed, the voices for legalization of drugs gathered steam. Silence at the White House, a maddening echo around the issue for legalization.

Not since the 1970's have we seen this much voice, this much effort about the clamor to make drugs more widely available. And, disturbingly, the renewed call for drug legalization comes first from within the administration itself. It came from no less a person than the Surgeon General of the United States, a position that carries great moral weight and an opportunity to lead.

At the time, the startling remarks of Joycelyn Elders may have received only a minor rebuke from the White House. Whatever might have been said or done to counter the efforts of the Surgeon General's remarks remain unsaid. Oh, yes, I know she was fired, but the rest, as they say, is history.

Now, if choices have consequences and if policies have purposes, we should ask ourselves what we see as a result of these choices and policies of recent years. Here is the current record.

After a decade of decline in drug use, we see startling new figures of returning use of drugs. Every survey, including the most recent hospital emergency room studies released just last week, show a returning drug problem. Teenage use is on the rise. Teenage attitudes about the dangers of drug use have changed for the worse. Emergency room admissions are rising. Calls for drug legalization and efforts to accomplish it abound.

The bottom line is that more kids are starting to use drugs. Presumably, these outcomes were not the intent of the policies stated or left unstated, as I have mentioned. If that is true, then we are drawn to the conclusion that these efforts are either a failure or, at least, ineffective, and we have some further evidence that this view is shared by the administration.

In the last several months of an election year, the administration has changed its course very dramatically on drug policy. The President has named a new high-profile drug czar. He has agreed to restore the personnel, that 80 percent cut I spoke about that came in 1993 in the drug office, to restore that personnel. We have given the money to do that. He has agreed to beef up spending on interdiction and enforcement, and he has made himself more visible on the drug issue.

These changes may smack of an election-year conversion, but they correspond exactly to the problems in the policies that I noted earlier. They seem to indicate an awareness of a problem. I leave it to others to determine whether this shift is too little, too late. I leave it to others to decide whether the shift is as a result of political convenience in an election year. But what we all need to know and remember is that when it comes to drugs, we find ourselves back in a familiar and dangerous neighborhood. We took a wrong turn and have ended up on a dead-end street. We have been here before, and we cannot afford to stick around a dead-end street.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Madam President, if I understand the parliamentary situation, we went, temporarily, off the budget resolution so the Senator could speak as in morning business. Is that correct?

The PRESIDING OFFICER. That is correct.

UNANIMOUS CONSENT AGREEMENT

Mr. EXON. I have cleared this on both sides of the aisle. Following the remarks by the Senator from New Hampshire, I ask unanimous consent that we return to the budget resolution, and I yield 15 minutes at that juncture to the Senator from New Jersey.

Following the completion of the 15 minutes of the Senator from New Jersey, I ask unanimous consent that the remainder of time on both sides on the budget resolution be retained and set over until tomorrow, and that there be no further action following the remarks to be offered by the Senator from New Jersey.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

TRIBUTE TO MY FRIEND, SENATOR BOB DOLE

Mr. SMITH. Madam President, today I rise to join so many of my colleagues in a tribute to my friend and my leader, Senator Bob DOLE, who, as we all know, is leaving the Senate today, June 11, 1996.

As a former history teacher, I could not help but sense the historical significance of this day. It really was a flashback to the old days of the great oratory that took place on the Senate floor, with the likes of Calhoun and Clay and others, when Bob DOLE took the podium that he so many times has stood at and addressed the U.S. Senate. You could hear a pin drop in the Chamber and in the gallery, not always the case here on the Senate floor, with a lot of hustling and bustling and talking and people not paying attention.

That was not the case today. Senator BOB DOLE took that podium, addressed the country, the Chair, his colleagues and friends, many, many staff in the galleries, and the Chamber was hushed and quiet and everybody was listening—as well they should, Madam President, because when the history books are written, they will write about the great Senators who have occupied this Chamber: Henry Clay, John C. Calhoun, Bob La Follette, Robert Taft and, yes, Daniel Webster. Daniel Webster used this very desk, Madam President, that I now have the privilege of speaking from.

It reminds me that we are just a brief blip on the radar screen of time; here for only an instant. But BOB DOLE is one of the great ones, and he will be remembered as one of the great ones.

As a history student, I tried to catch a sense of what was happening. I looked at faces, watched people in this Chamber, as I watched, at the same time, Senator DOLE. Without singling anybody out by name, I could not help but notice one page, a young lady, standing here on the floor of the Chamber during that speech and after the speech with tears running down her cheeks. It really was a very moving tribute to the kind of person BOB DOLE is, because he commands the respect of not only his colleagues but every single man, woman, youngster, page. He could talk to a page as easily as he could talk to a President or world leader. That is what makes him such a great man.

Today, he left the Senate to move on to other things. I remember many emotional private goodbyes that he shared with his colleagues. I remember when we had the meeting when he told us he was leaving. Most of us did not expect him to do it. If we were honest, we would say we did not expect him to say that. We thought he might leave the leadership post but not the Senate. But when he did it, and the way he told us, we knew it was the right thing. We knew it was right, because he needed to be out there debating, not other Senators on the floor of the Senate, but the President of the United States for the Presidency. We all knew that.

Today, I think you saw with the type of speech that BOB DOLE gave the kind of person he is: humble, gracious, and humorous, that great sense of humor. In all the tough battles we have here, he still finds that humor, which has always been a remarkable characteristic.

So he is leaving the Senate. But he left today after that speech with the longest applause that I have ever seen given anyone in this Chamber or in the House Chamber. I have seen Presidents when we have gone to the State of the Union—great Presidents—receive a lot of ovations. I have never seen anybody receive a longer ovation than BOB DOLE received here today, and that is a tribute to this great man who was elected to the House of Representatives where, Madam President, you and I both served together. He was elected in 1960 and served four terms in the House before he was elected to the U.S. Senate, which really has come to be, the past 27 years, his home.

But he gave nearly 36 years of service to the State of Kansas and to the people of the United States of America. When you think about that many years of public service and reflect on the fact there is not one word or taint of scandal in any way, shape, or form, an unblemished, perfect political record, it is remarkable.

He served his country and the Senate and the people with humor, with humility, and we will never forget him.

His wife, Elizabeth, who has been by his side for so many years, is such a gracious woman and such an asset to BOB DOLE. Those who serve here know how important the support of your family is as you put in the long, long hours that we have to endure in the Senate.

BOB DOLE said today in his remarks, "My word is my bond." That is what it is all about. It is character. It is integrity and character. If you leave here, the legacy you leave, if no one says anything about you other than when he gave his word he kept it, you cannot do any better than that.

I tried to think about what I might say here as my tribute in my own way, because so many people have so many wonderful things to say about this great man. I just want to share a couple of personal things, because they are important to me and I think it captures my feeling about BOB DOLE.

I come from a military family. My father served in World War II as a naval aviator and was killed at the end of the war, leaving my mother as a widow to raise my brother and me. She did that alone. I lost my dad, as I say, in World War II, and BOB DOLE nearly lost his life in that same war. Severely injured, he had to fight his way back, not only from the brink of death but after that, paralysis, and became a U.S. Senator.

But we, the sons and daughters of that generation, those of us who had parents who were in that war, World War II, we know, we are grateful. Perhaps we know and are a little bit more grateful than others for what they did and the sacrifices they made and how important they were to save the world from tyranny. It took heroes like BOB DOLE—and he was a hero, he is a hero —it took heroes like BOB DOLE to make that happen. We owe him, and thousands of others like him, a huge debt of gratitude for their service and their sacrifice to our country, because when the call came, they stepped up and they stopped tyranny.

So BOB DOLE did not get here the easy way. We hear a lot of stories about how everybody in the Senate is rich and everybody gets here the easy way and you live this great life, but BOB DOLE made it the hard way. You cannot help but admire and respect a man like that.

I turned to him in 1993 to be a part of one of the most personal and meaningful experiences of my entire life, and I want to share that with my colleagues and with the American people.

When my father died in 1945, it was 2 days before my fourth birthday, so I only have two memories of my dad. My brother has no memories of our dad, because he was less than a year old. I had always wanted to have my father buried at Arlington, but I never wanted to bring that subject up with my mother because he was not buried at Arlington and I did not want to put my mother through that experience of having his remains moved from where he was buried in New Jersey to come here to Arlington where I believe he would have liked to have been laid to rest. So I put it off.

Then in May 1993, my mother passed away. She used to say she was a one-man woman, and she was. She never remarried after she lost my dad. But she always would go by the cemetery and she would say, "Put me there with him so that we can be together forever."

When I made the decision to bury my parents—both of them—at Arlington National Cemetery in May 1993, I asked Senator DOLE if he would have the time to come and give a few remarks at that service. Within a matter of minutes, the response came back: "Of course."

I asked BOB DOLE to say just a few words. I listened as this man made connections to my parents that I just could not believe anyone could do so spontaneously. He did not know my mother. He did not know my father. But I listened to BOB DOLE say very movingly of how my father had stood guard in the night and how he had made the ultimate sacrifice. I listened as he spoke of how my mother had stood guard here at home when my father went away to war. I listened, Madam President, and I knew how proud my father and mother were, looking down from Heaven to see this American hero, BOB DOLE, speaking at their memorial service in Arlington National Cemetery.

He even made the connection my dad served on the U.S.S. *Wichita*. He said, "Any man who would serve on the U.S.S. *Wichita*, named after a city in Kansas, had to be a great man." He made that ceremony so personal that many of my relatives came up to me afterwards and said, "Did Senator DOLE know your parents?" I said, "I think he did. I really think he did."

So holding BOB DOLE in the esteem I do, I was honored that only 8 months into my first term in the Senate, Senator DOLE selected me to be vice chairman of the Senate Select Committee on POW/MIA Affairs. It was a great honor for me to serve in that capacity. I shall always be grateful to BOB DOLE for giving me that opportunity. Of course, he also selected me for the Ethics Committee, and I may hold that against him for a little while.

But, Madam President, in 1994, I had another moving experience. I attended the 50th anniversary commemoration of D-day at Normandy. I saw there a sight that I will never ever forget. My wife Mary Jo and I went, and BOB DOLE went as well. He retraced his steps in Italy. To see him there back with those people who helped to save his life, and to walk those hills where he was wounded, and then to go to Normandy after he left Italy, to the beaches of Normandy with those rows and rows and rows of crosses, and to think of the sacrifices, and men in wheelchairs, men with lost limbs, hugging, saluting this man—it was a great honor just to be there for the celebration of Normandy, but to be there in the company of BOB DOLE, I shall always be grateful to Senator DOLE for giving me that opportunity. I have never seen such admiration, gratitude, respect, and love as there was for that man. They loved him. They absolutely loved him.

Another just little thing, but last summer I had two young interns, just college kids, Jennifer Kilgus and Greg Annis. They were walking down the corridor of the Capitol, just taking a walk. They decided to stop in to the majority leader's office just to say they went in there, hoping maybe they might have the chance to meet BOB DOLE.

Not only did he agree to see them with no appointment, but in the midst of a very busy schedule he spent 15 minutes talking to them, two young interns in his office, giving them the thrill of their lives. That is the kind of man BOB DOLE is. That is why there were tears in the eyes of that page when BOB DOLE said he was leaving.

Finally, Madam President, as the senior Senator from New Hampshire, I cannot help but note that somehow BOB DOLE has managed to spend quite a bit of time in New Hampshire over the past few years. He lost a tough primary in New Hampshire but went across the Nation with a stunning series of smashing primary victories as he won the Republican nomination for President. Gracious in defeat and gracious in victory.

He has been to New Hampshire just to enjoy its beautiful lakes and mountains and countrysides. Perhaps, Madam President, you never know, there might even be a summer White House in New Hampshire someplace.

Final anecdote. I remember Senator DOLE, I believe 2 years ago, saying to me, "You know, my Elizabeth would really like to go water-skiing. But we would really not like to have a crowd around. Could you arrange that so that we didn't have to have a bunch of people with cameras so she could relax and enjoy herself?" And we did. She is a great water-skier, too.

So, Madam President, I join my colleagues in saying farewell, but not goodbye, to BOB DOLE. The last thing I said to Senator BOB DOLE on the floor of the Senate, as I shook his hand after his remarks, was, "I'll see you at your swearing in for President on the West Front of the Capitol on January 20, 1997." He said, "I'll be there." I said, "I know you will, Mr. President." I have been proud to serve with BOB DOLE in the U.S. Senate. I will be prouder still next year to fight as a Senator to help President BOB DOLE pass the agenda that he dreams about for America.

Thank you, Madam President.

Madam President, I ask unanimous consent that the letter that Senator DOLE read at my parents' funeral be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A TRIBUTE TO LT. COMMANDER DONALD SMITH AND MARGARET ELDRIDGE SMITH, ARLINGTON NATIONAL CEMETERY, BY SENATOR BOB DOLE, MAY 24, 1993

Members and friends of the Smith family; I never knew Lt. Commander Donald Smith, but we shared a great deal in common.

We were of the same generation. We served together in World War II—he flew the skies of the Pacific, and I walked the hills of Italy. And since I'm from Kansas, I note with pride that Lt. Commander Smith served aboard the U.S.S. *Wichita*.

The author Herman Wouk wrote that "If America is still the great beacon in dense gloom—then we still need heroes to stand guard in the night."

Like so many others before and after him, Lt. Commander Donald Smith stood guard in the night. And like so many others, he made the ultimate sacrifice.

He was and he is an American hero, and it is very fitting that he has been brought here, this final resting place of American heroes.

There is another name we add today to the list of heroes at Arlington. The name of Margaret Eldridge Smith.

Throughout our history, as American soldiers have "stood guard in the night," their family members have "stood guard" here at home, supporting their country and their military in countless ways.

When Margaret Eldridge married Donald Smith, she did so knowing there would be times when they would be separated by miles of land and ocean.

She also knew that the time might come, as it did in 1945, when they would be separated by more than just territorial limits.

And for the past half century, Margaret Smith honored her husband and her country by continuing to stand guard.

She raised a family on her own, bringing up two fine sons who would both serve their country in the military and in government.

She, too, is an American hero.

I am very honored to be here this afternoon, as these two heroes are reunited forever, and the best way we can honor them is to continue to love freedom, to love our country, and to always "stand guard through the night."

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank you, Madam President, for recognizing me for some comments on the budget reconciliation.

TRIBUTE TO BOB DOLE

Mr. LAUTENBERG. Madam President, I will take just a couple of minutes beyond that which was allocated to me by the Senator from Nebraska to say that I, too, listened very intently to Senator DOLE's remarks today. I was touched and moved by them.

I will not go into his record, and I will not go to any length, but I want to say that BOB DOLE is someone whom I have admired over the years, with whom I have worked very smoothly. When he said it, he meant it. When he meant it, he said it. That is the way he operated.

He is part of a generation, of which I also am, and that is the generation of World War II veterans, a dwindling group, I regret to say. This year we will see several leave because, in addition to Senator BOB DOLE, Senator HATFIELD, and Senator HEFLIN will leave, and the group tightens and shrinks. It is not a very pleasant prospect to contemplate. But, nevertheless, it is a decided loss to take away the experience, the knowledge, the reflection of those who served in World War II at a time when America was a much different place, at a time when the values were established by tightly knit families, by those who worried about the loss of a loved one or the injury of a family member in the war. It was a huge war with somewhere around 14, 15 million people from our country in uniform. It touched every family in America. There was not a family that did not have close contact with that war.

We were also the generation that benefited enormously—enormously—from an educational program called the GI bill that was afforded to people like me and many others who serve here, where it changed our lives. The military experience was one thing. I served in World War II, not under the same level of danger that Senator DOLE or Senator INOUYE served, but people in my unit were killed. It changed our lives because of the experience of the war, the fear, the danger, the detachment from family. When I enlisted in World War II, my father was already on his death bed, a man of just 43 years of age. And a family of four became a family of two virtually overnight.

But the experience of serving my country, the opportunity to do so, the opportunity to get an education, is something that ought to be firmly implanted in everybody's mind in this place and in this country, where an education can change one's life, as it did, I know for so many of my colleagues. Certainly, it did for me.

Without giving a personal biography, that is not my intent, just to say that we will miss BOB DOLE. We will miss his experience and we will miss his wisdom. I wish him well—not quite as well as the Senator from New Hampshire, but that is in terms of the upcoming Presidential election—I wish him, personally, well and I wish him and his family many good years of enjoyment and good health.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. LAUTENBERG. Madam President, if I may now take the time allotted to me by the Senator from Nebraska, I want to talk about the conference report on the budget resolution, this budget that makes such deep cuts in Medicare, Medicaid, education, and the environment. My view is we ought to reject it and start over.

Before I make specific comments about the budget, I want to frame it in terms of the historical perspective. The Federal budget over the last 15 years, what has happened with it? The fiscal records of Presidents Clinton, Bush, and Reagan could not be more different. Over a 12-year-period, the Reagan and Bush administrations incurred $2.3 trillion of debt. In fact, if we did not have to pay the interest on the debt racked up in these 12 years, the budget would be in balance this year. Not once did President Reagan or President Bush propose a balanced budget.

Fortunately, President Clinton's 4-year record is much different. President Clinton promised change in 1992 and he has produced it. Consider the following: The deficit has gone down for 4 straight years. The revised deficit figure for the fiscal 1996 year is now $130 billion—by no means a modest figure, but substantially down from where it was 4 years ago. It is 1.8 percent of our gross domestic product. That is the lowest percentage of any industrialized country. For example, Japan's deficit is more than 3 percent of its GDP; Britain, the U.K., is 7 percent of its GDP; Italy's percentage of debt is 9 percent of GDP.

Finally, President Clinton is the first President to put forward a balanced budget proposal in a full generation. Madam President, budgets are more than just numbers. A budget is a statement of values. We are not accountants sent to Washington to only crunch numbers. We are here to respond to our people's needs for health security, for seniors on Medicare, and Medicaid for those who have only that program to provide for their health needs.

We are here to encourage educational opportunities for our young people. We are here to be stewards of the environment so that the next generation can enjoy clean water, clean air, my grandchildren will know about fish in the water, and not be afraid to go to a tap to take a drink of water, or will not have to be told to stay out of the air when playing games or exercising.

We are here to provide help and vision for our people in the next century. Simply, we are here to protect our citizens' life quality, to protect our economy, to protect our Nation, to protect our society. This budget does not accomplish those objectives. It will hurt those aspirations.

Madam President, unfortunately, some in the other party believe Government is evil. I say this because a very distinguished Republican, a Republican House Member told a very distinguished Congressman, Congressman HENRY HYDE, as I read from the report, "I trust Hamas," this person said, "more than I trust my own Government." Hamas—a terrorist organization with programs designed to kill innocent people, men, women, and children. What an odious comparison. Madam President, what government is this person talking about? Could it be the American Government? Our democratically elected Government?

Excluding net interest, two-thirds of the Federal Government is Social Security, Medicare, Medicaid, veterans benefits, and national defense. These are the major programs of our Federal Government. I repeat, Social Security, Medicare, Medicaid, veterans, national defense. Are these evil programs? Are they equivalent to Hamas terrorist attacks? I do not get the connection, but I resent, terribly, the words that are used. Whatever one thinks about mistakes or poor performance of our Government, this Government and this country can never be compared to a terrorist organization.

Madam President, the question is no longer whether we will balance the budget. The question is, how? Who will win in programs that are in place? Who will lose if programs are canceled? Finally, whose side is Government on?

President Clinton has laid out the right way to balance the budget. His budget reaches balance within 6 years, as documented by CBO, but unlike the Republican version the President's budget, protects Medicare, Medicaid, education, and the environment, and it does not increase taxes on working families. The President's budget not only protects 37 million senior citizens from deep Medicare cuts contained in this budget, but it will also, despite reports to the contrary in recent days, it will also make the Medicare trust fund solvent until the year 2005. It preserves the guarantee of Medicaid for 36 million seniors and disabled persons who rely on those programs. It protects our Nation's environment by ensuring full funding for the implementation of the major environmental programs like clean air, clean water, and toxic waste cleanups. It makes critical investments in education and training, it provides increased funding for programs like Head Start, title I, and safe and drug-free schools.

Finally, the President's budget maintains the earned-income tax credit, which provides tax relief for working families who earn less than $28,000 a year. It allows them to maintain their family needs for basic essentials, for sustenance.

The Republican budget is much different. It is punitive to working families and senior citizens. In reality, this budget resolution ought to be entitled "Extremist Budget, Part II." The huge Medicare cuts in this budget, combined with the proposed structural changes will truly make Medicare wither on the vine. If the Republican budget is enacted, Medicare will become a second-class health care system. The Republican budget also eliminates the guarantees of Medicaid coverage for seniors, disabled, children, and pregnant women.

This budget contains a Republican assault on education. Over 7 years this budget cuts $60 billion in education and training, compared to the President's budget. This budget continues the Republican tragedy of the environment. The budget will cut environmental programs by 19 percent in the year 2002 and it will slow down toxic waste cleanups.

Finally, this budget continues the Republican war on working families. At the same time the GOP leadership is opposing an increase in the minimum wage, they are proposing to increase taxes on working families who earn under $28,000 a year—harsh and unfair. That is why this budget resolution ought to be called the extremist budget part II.

Last year, the President vetoed the Republican budget because it contained huge cuts in Medicare, Medicaid, education, and the environment. This budget does very much the same, and President Clinton will veto this budget as well.

So as soon as our Republican friends show that they can put forth a balanced budget like the President's, one that protects our priorities, we will have a balanced budget—but not until then.

I thank the Chair and yield the floor.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(By unanimous consent, the remarks of Mr. SPECTER are printed at an earlier point in today's RECORD.)

TRIBUTE TO PAUL F. EATON, SR.

Mr. MOYNIHAN. Madam President, if I may ask the Senate's indulgence. On the 16th of this month, my friend and sometime counselor, Paul F. Eaton, Sr., of Walton, NY, will celebrate his 87th birthday. This is, of course, a happy occasion for Paul, his family and many friends, in our upstate Delaware County.

Both Paul Eaton and I came to reside in the foothills of the Catskills as adults. Paul came to practice law in the early 1930's. And Liz and I bought our farm in the early 1960's. And we have all stayed. The beauty of the place and the welcoming nature of its people have kept us there.

Paul made Walton his home; he was elected village police justice and later mayor; served in the Office of Price Administration during World War II; has spent over a half century as trustee of St. John the Baptist Church; married Frances Kellogg, raised a family; remained a loyal Democrat; played golf; and practiced law.

And if I may say, Madam President, he has practiced law, and continues to practice law, in a manner that brings nothing but honor to that profession. Paul Eaton is a general practitioner. He draws wills, handles real estate closings, tries cases, and counsels his clients. His reputation as a skillful lawyer is matched only by his reputation for honesty and integrity. He is still at it. For while we will celebrate his birthday on the 16th, he will be in his law office on the 17th. This is as it should be. We wish him well. Happy birthday Paul. Madam. President, I yield the floor.

DEBATE ON BALANCED BUDGET AMENDMENT

Mr. FORD. Madam President, on Friday the Senator from Oklahoma [Mr. INHOFE] and the Senator from North Dakota [Mr. DORGAN] and I had an exchange about the inaccuracy of certain statements made by the Senator from Oklahoma regarding the debate over the balanced budget amendment. During that exchange, the Senator from Oklahoma inserted into the RECORD copies of the original versions of Senate Joint Resolution 41 from the 103d Congress, and House Joint Resolution 1 from the 104th Congress. The Senator from Oklahoma represented that these were the two resolutions that we voted on—Senate Joint Resolution 41, in 1994, and House Joint Resolution 1, in 1996.

The distinguished Senator from North Dakota indicated that the two resolutions we voted on were not identical, since language known as the Nunn amendment was added to House Joint Resolution 1 regarding judicial review, and that this was new language from the resolution voted upon in 1994. The Senator from North Dakota asked unanimous consent to insert into the RECORD the language which was actually voted on by the Senate. After the Senator from Oklahoma twice reserved the right to object, the Senator from North Dakota withdrew his request.

I have since had time to review the RECORD, and found that Both resolutions inserted into the RECORD by the Senator from Oklahoma were incorrect. In other words, neither of the resolutions which he put into the RECORD were actually voted upon by the Senate. The Senator form Oklahoma put into the RECORD the balanced budget amendment proposals as introduced, in order to claim the Senate voted on identical proposals. However, both resolutions were subsequently amended in different ways. The 1994 resolution was modified to limit judicial remedies to declaratory judgments and other remedies authorized by Congress. This modification was dropped altogether in House Joint Resolution 1, as introduced in 1995. However, this resolution was then also amended by the Senate through the Nunn amendment, which prohibited judicial review entirely.

I ask unanimous consent that the resolutions which were actually voted upon by the Senate in 1994 and 1996—neither of which were inserted into the RECORD by the Senator from Oklahoma—be inserted at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 41, 103D CONGRESS—FINAL VERSION ON WHICH SENATE VOTED

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein). That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts. The power of any court to order relief pursuant to any case or controversy arising under this Article shall not extend to ordering any remedies other than a declaratory judgment or such remedies as are specifically authorized in implementing legislation pursuant to this section.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 2001 or with the second fiscal year beginning after its ratification, whichever is later."

HOUSE JOINT RESOLUTION 1, 104TH CONGRESS—FINAL VERSION ON WHICH SENATE VOTED

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION AS AMENDED BY SENATOR NUNN

ARTICLE —

SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

SECTION 2. The limit on the debt of the United States held by the phone shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect, the provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each house, which becomes law.

SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts. The judicial power of the United States shall not extend to any case of controversy arising under this Article except as may be specifically authorized by legislation adopted pursuant to this section.

SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

SECTION 8. This article shall take effect beginning with fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later.

Mr. FORD. Second, Madam President, the Senator from Oklahoma and I had an exchange on the Senate floor because after I heard him quote from my 1994 floor statement, I believe he was quoting my statement in an inaccurate and distorting manner. The Senator from Oklahoma was quoting my statement in support of the Reid-Ford-Feinstein amendment which protected the Social Security trust funds, and making it sound like I was speaking in support of the underlying Simon-Hatch version of the legislation, which does not protect Social Security.

Madam President, after reading Friday's RECORD, I found that the Senator from Oklahoma's quoting of my 1994 statement was even more selective and misleading than I had first realized. I ask unanimous consent that my actual full statement, as reproduced in the CONGRESSIONAL RECORD on March 1, 1994, and the version quoted by the Senator from Oklahoma be printed in the RECORD.

Those who wish to read these can draw their own conclusions about whether I was quoted accurately.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATOR WENDELL FORD, ACTUAL FLOOR STATEMENT, MARCH 1, 1994

Mr. FORD. Mr. President, I have but a few minutes to speak this morning on behalf of the Reid-Ford-Feinstein balanced budget amendment. So I will concentrate my remarks this morning on trust.

The public trusts the Congress to keep the Nation's finances in order. Nowhere is that agreement and that trust more evident or more important than in governing the Social Security trust fund.

In the debate over our amendment and the Simon amendment, honesty and protection of the trust fund have played a very big role. Right now, surpluses in the trust funds are being used to hide the true amount of the deficit. The biggest example of this is in Social Security, but it is by no means alone in this distinction.

During the 1980's, we allowed the Federal trust funds to run up huge surpluses. We would collect a gasoline tax to fund highway construction but then not spend it all on highways, thus creating an accounting surplus. The problem is, we did spend money elsewhere creating masked deficit and budgetary illusions.

The Simon amendment will allow us to continue to do this. I have a speech in my folder that I made back in October of 1987 that addressed this very issue. This particular speech dealt with the Aviation trust fund. At the time, it represented a $6 billion surplus.

Mr. President, I say to my colleagues that that is only peanuts when compared to Social Security. According to OMB, from 1985, when the Social Security System started to run a surplus, to 1993, it singlehandedly covered up $366 billion in Government red ink. Social Security covered up $366 billion in Government red ink.

If you think that is bad, wait until we look to the future. From 1994 through the year 2001, the date that Senator Simon's amendment would likely take effect, CBO projects another $703 billion in budgetary chicanery, for a grand total of $1.69 trillion worth of deception.

When compared with that, the deficit hidden by the other trust funds are small potatoes—only another $35 to $40 billion. Pretty soon though, as we have heard in the past, it adds up to real money. We pat ourselves on the back and claim to cut spending and do what is right for our electorate, all the while our Social Security trust fund is full of IOU's.

Well, I, and those who support our amendment, mean to do something about that. Our amendment respects the pact our Nation made with its people many years ago. It reinforces it, makes it stronger, safer, and more secure. Social Security is exempt from our amendment, thus securing and fortifying its position as a separate trust fund. If you do not believe me, just listen to the Gray Panthers, and they will tell you themselves. I have here three letters to that effect. AARP, the National Alliance for Senior Citizens, and the National Committee to Preserve Social Security and Medicare, all endorse Social Security's treatment under this amendment.

Other trust funds will be treated honestly as well. They will be considered as a part of the capital budget that invests in infrastructure and development. Building highways and airports pays dividends in the future through higher productivity and job opportunity and growth. Social Security and these other trust funds did not cause the deficit, and under our amendment they will not be used to hide the deficit either. This is honest budgeting and a workable balanced budget amendment.

Mr. President, time is short and a vote on the Reid-Ford-Feinstein balanced budget amendment is near. Unfortunately, I fear that it is not near passage but defeat. Standing beside that defeat will be a good faith effort of those who are truly concerned about the world that we leave for future generations. Standing beside that defeat will be the last attempt of this Congress to face reality and tackle an ever-crippling debt and deficit problem. Standing beside that defeat will be faith in Government. I support the efforts of my friend and colleague from Illinois to take on this persistent fiscal dishonesty, but his version of the amendment will go down to defeat as well.

The Reid-Ford-Feinstein amendment is the only amendment that could stand the chance of final passage. We all know that. Yet standing by the defeat of yet another balanced budget will be my colleagues from the other side of the aisle. Instead of getting what they could, they will go home proud of taking the supposed moral high ground. If that is what they want, they can have it. What I want and what 70 percent of our Nation's people want is a sound financial future. What they will get is more of the same under the Simon amendment, for standing tall at the end of the day will be disenchantment, dishonesty and fiscal irresponsibility.

I hear so much about "if 40-some-odd Governors can operate a balanced budget, why can't the Federal Government."

Well, I give them an opportunity. I operated under it. It worked. We had a huge surplus when I left the Governor's office. We had an operating account. We had a capital account.

They say operate like you do at home. At home you have income, your salary. That is your operating account. You buy a car within your means. You pay that out of your operating account. You buy a home. You pay that out of your operating account. But your operating account is always balanced. And we have a time period in which to pay it off.

They say, "Oh, we will never implement that legislation." How do you know we will not? I have seen some amazing things come out of this Chamber. I have seen people work and do the right thing.

I think implementation of this amendment will work. I think we can make it work. But on the other hand, if we want an issue, fine. Stay with Senator SIMON and Senator HATCH. Stay with them and then have an issue when you go home.

But do you want a balanced budget amendment? There are enough votes with those who are supporting that amendment that we can get one.

Oh, I hear all this, "The House is going to make us do it." I have never seen us make the House do anything. I have never seen the House make us do anything. So when they pass their balanced budget amendment, what is it going to do? It is going to die between here and there. That is what is going to happen to it. It is going to die between here and there.

"Oh, we will be forced into it." Nope. The House will not do that to us. We will not do it to the House. So if you want a balanced budget amendment operated like Nebraska was operated, like Kentucky was operated, I will guarantee you that we can do the right thing.

That is what it is all about here today, to do the right thing. We have an operating budget. We are going to pay this in 10 years. The slice is in here. We have IOU's in the Social Security. We are going to buy it. It is in operating. We buy it, pay it off. So Social Security is sound. I do not understand why it takes a brain surgeon to understand how you operate a budget the away the States do.

And so, Mr. President, I would hope that we would reconsider between now and 3 o'clock this afternoon that this is an opportunity to pass a balanced budget amendment that will work and will give us a financially sound future, not only for ourselves but for our children and our grandchildren.

I hear my distinguished friend say he is going to do it for his unborn grandchildren. I have five. The Senator is no "Lone Ranger". I am just as worried about my grandchildren as he is. And I think I have a pretty good idea I have had to work under it. I had to operate it. I understand how it works. There are few in this Chamber who do. You will find that most of those will vote for this amendment because it works.

Do it like the Governors do; pass the Reid amendment. Do it like you do at home and operate your own budget; pass the Reid amendment. It is just that simple, Mr. President.

I do not know how much time I have remaining, but I will reserve it.

SENATOR INHOFE: QUOTATION OF MARCH 1, 1994 STATEMENT OF SENATOR FORD, JUNE 7, 1996

So when the Senator from Kentucky came in—I had not quoted him, but I will now. He said this back on March 1, 1994. He said, "I support the efforts of my friend and colleague from Illinois"—talking about Senator SIMON, who is a very courageous guy, and one I complimented probably more than I have ever complimented anyone else on the floor yesterday. Senator FORD said, "I support the efforts of my friend and colleague from Illinois to take on this persistent fiscal dishonesty. I hear so much about if 40-some-odd Governors can operate a balanced budget, why can't the Federal Government? I operated under it"—this is Senator FORD, who was a Governor of Kentucky—"and it worked. I think implementation of this amendment will work. I think we can make it work. I do not understand why it takes a brain surgeon to understand how you operate a budget the way the States do. This is an opportunity to pass a balanced budget amendment that will work and will give us a financially sound future, not only for ourselves but for our children and our grandchildren."

Mr. FORD. Lastly, Madam President, let me just note that every provision of the Constitution is subject to interpretation. I am sure that the Senator from Oklahoma does not agree with every Supreme Court decision interpreting the words of the Constitution—even though it may involve different interpretations of the same language.

In 1994, the distinguished Senator from Illinois, Senator SIMON, gave specific assurances that he would work in support of, and even cosponsor, implementing legislation to require Congress to balance the budget without counting the annual Social Security surplus. He even submitted a memorandum from the Congressional Research Service with the opinion that it would be legal and appropriate for Congress to pass such legislation. This memorandum is reprinted in the March 1, 1994, CONGRESSIONAL RECORD along with the debate

By contrast, in 1995 we saw proposals from leading proponents of the balanced budget amendment spelling out how much of the Social Security surplus they would count year by year.

As I stated last year and again last week, this was an enormous shift in the interpretation of the resolution and a major factor in my decision to not support the balanced budget amendment without further assurances about Social Security.

It is my hope that debate on the Senate floor in the future will be conducted at a level which respects the opinions of fellow Senators on all issues. It is the least that our constituents expect of us.

FATHER BILL KENNY

Mr. REID. Madam President, one of the pleasures of working with this body is the opportunity to recognize the outstanding contributions that individuals have made in our respective States and in our country. I rise today to recognize such a person, Father Bill Kenny of Las Vegas.

Frequently, people are recognized for an heroic action on a specific occasion, or for a moment of self-sacrifice that may have saved the lives of people who were put in harms way. Father Kenny's achievement is different; he is a man who has devoted his entire life to helping others, and on a continual, daily basis, he gives his energy, his time, and his spirit to his community, to his parishioners, and to his church. On June 19, Father Kenny will celebrate the 25th anniversary of his ordainment as a Catholic Priest, and I am delighted to take this occasion to congratulate him on a lifetime of self-sacrifice.

Father Bill Kenny is truly an example of the American dream in action. Bill came to Las Vegas as a young boy and attended St. Joseph's Catholic School and Bishop Gorman High School. As a young altar boy, Bill often thought about becoming a priest. Inspired by his uncle John, a priest who also served in Las Vegas, Bill entered the seminary and afterwards completed his studies at the theological college of the Catholic University of America on a 3-year scholarship. He earned his B.A. in 1966 and his M.A. a year later, after which he was assigned for one year to the North American College in Rome, a residence for American students who study at the Pontifical Gregorian University. He resumed his studies at the theological college, and in 1971, he returned to Las Vegas for his ordination.

He was first assigned to serve as associate pastor at St. Annes and then, in 1976, at Our Lady of Las Vegas. The diocese intuitively knew that, in Father Kenny, they had a man of extraordinary talent and, in October of 1978, Father Bill was asked to start a new parish in a growing section of the city; he became the founding pastor of Christ the King Catholic Community, a parish that, under his tutelage, has grown to over 5,000 members.

I have had the good fortune to attend services at Father Kenny's church and to witness, first hand, the care and compassion he has engendered within his parish. I participated in one of the most moving ceremonies of my career when Father Bill invited me to take part in the opening of the national AIDS Quilt exhibit which he generously housed in the church's parish hall. We read the names of those whose lives were represented in the squares of the quilt, and I know there wasn't a dry eye in the crowd.

This is just one example of the compassion that Father Bill demonstrates on a continual basis; I know that there are at least 5,000 more stories that reflect the influence that he has had on someone's life. I am glad that Father Bill chose to come back to his home in Las Vegas to fulfill his mission with the Catholic church. I am proud to have him as my friend, and I congratulate him for his 25 years of exemplary service to the people of Nevada. We are all better because of him.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Madam President, at the close of business yesterday Monday, June 11, 1996, the Federal debt stood at $5,134,653,489,857.86.

On a per capita basis, every man, woman, and child in America owes $19,372.70 as his or her share of that debt.

MESSAGES FROM THE HOUSE

At 11:29 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3268. An act to amend the Individuals with Disabilities Education Act, to reauthorize and make improvements to that Act, and for other purposes.

At 2:30 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 848. An act to increase the amount authorized to be appropriated for assistance for highway relocation regarding the Chickamauga and Chattanooga National Military Park in Georgia.

H.R. 3029. An act to designate the United States courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse."

H.R. 3060. An act to implement the Protocol on Environmental Protection to the Antarctic Treaty.

H.R. 3186. An act to designate the Federal building located at 1655 Woodson Road in Overland, Missouri, as the "Sammy L. Davis Federal Building."

H.R. 3364. An act to designate the Federal building and United States courthouse at 235 North Washington Avenue in Scranton, Pennsylvania, as the "William J. Nealon Federal Building and United States Courthouse."

H.R. 3400. An act to designate the Federal building and United States courthouse to be constructed at a site on 18th Street between Dodge and Douglas Streets in Omaha, Nebraska, as the "Roman L. Hruska Federal building and United States Courthouse."

The message also announced that the House disagrees to the amendment of the Senate of the bill (H.R 3103) to amend the Internal Revenue Code of 1986 to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. ARCHER, Mr. THOMAS, Mr. BLILEY, Mr. BILIRAKIS, Mr. GOODLING, Mr. FAWELL, Mr. HYDE, Mr. MCCOLLUM, Mr. HASTERT, Mr. GIBBONS, Mr. STARK, Mr. DINGELL, Mr. WAXMAN, Mr. CLAY, Mr. CONYERS, and Mr. BONIOR as the managers of the conference on the part of the House.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 153. Concurrent resolution authorizing the use of the Capitol grounds for the Greater Washington Soap Box Derby.

H. Con. Res. 172. Concurrent resolution authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 848. An act to increase the amount authorized to be appropriated for assistance for highway relocation regarding the Chickamauga and Chattanooga National Military Park in Georgia; to the Committee on Energy and Natural Resources.

H.R. 3029. An act to designate the United States courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse"; to the Committee on Environment and Public Works.

H.R. 3186. An act to designate the Federal building located at 1655 Woodson Road in Overland, Missouri, as the "Sammy L. Davis Federal Building"; to the Committee on Environment and Public Works.

H.R. 3364. An act to designate the Federal building and United States courthouse at 235 North Washington Avenue in Scranton, Pennsylvania, as the "William J. Nealon Federal Building and United States Courthouse"; to the Committee on Environment and Public Works.

H.R. 3400. An act to designate the Federal building and United States courthouse to be constructed at a site on 18th Street between Dodge and Douglas Streets in Omaha, Nebraska, as the "Roman L. Kruska Federal building and United States Courthouse"; to the Committee on Environment and Public Works.

MEASURES PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 3268. An act to amend the Individuals With Disabilities Education Act, to reauthorize and make improvements to that act, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2982. A communication from the Secretary of the Army and the Secretary of Agriculture, transmitting jointly, pursuant to law, notice of an intention relative to the Corps of Engineers project at Applegate Lake, Oregon; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2983. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "The Pork Promotion, Research, and Consumer Information Order," received on June 4, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2984. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Papayas Grown in Hawaii," received on May 31, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2985. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "The Tobacco Inspection"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2986. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report on retail fees and services of depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

EC-2987. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-2988. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Groundfish Fishery of the Bering Sea and Aleutian Islands Area," received on June 4, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2989. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Striped Bass Fishery," (RIN0648-AH57) received on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2990. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, a rule relative to FM broadcast stations, received on June 5, 1996; to the Committee on Commerce, Science, and Transportation.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-575. A resolution adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Agriculture, Nutrition, and Forestry.

"SENATE RESOLUTION NO. 49

"Whereas, the Hawaiian islands are among the most environmentally sensitive areas in the world, containing unique and extremely fragile ecosystems; and

"Whereas, the State's 150 recognized ecosystems are home to more than one-third of the 526 plant species and 88 bird species on the United States endangered and threatened species list; and

"Whereas, conservationists call Hawaii the 'Endangered Species Capital of the World,' as three-fourths of the nation's extinct plant and bird species once lived only on our islands; and

"Whereas, alien pest species are considered the single greatest threat to the survival of our native Hawaiian plant and bird species; and

"Whereas, the island of Guam is now devoid of any and all avian life due to the devastation of a well-known alien pest, the brown tree snake; and

"Whereas, 19 new insect species found their way into the environment in 1994, even though the State Department of Agriculture inspected 13 million agricultural parcels entering the State and intercepted 131 alien insects and 183 illegal animals; and

"Whereas, on average, 20 new insect species arrive in Hawaii each year, of which ten become pests; and

"Whereas, federal quarantine law gives the United States Department of Agriculture the legal authority to inspect baggage and passengers bound for the mainland from Hawaii in order to protect the mainland's environment, but does not grant the same authority to inspect baggage and passengers bound for Hawaii from the mainland to protect Hawaii's environment; and

"Whereas, Governor Benjamin J. Cayetano established the 'Coordinating Group on Alien Pest Species' (CGAPS), a group comprised of representatives from the State Department of Agriculture, State Department of Transportation, Hawaii Farm Bureau Federation, Hawaii Visitors Bureau, Nature Conservancy of Hawaii, National Park Service, United States Department of Agriculture, United States Customs Service, United States Fish and Wildlife Service, United States Navy, United States Postal Inspection Service, and United States Postal Service; and

"Whereas, the Governor's Agriculture Coordinating, Committee provided funding for CGAPS efforts to focus public attention on the need to prevent new alien pest species from entering the State and to control pests which are already established; and

"Whereas, as a result of information obtained through CGAPS efforts, state departments may be proposing specific programs aimed at accelerating the eradication of established pest species and improving mechanisms to prevent the introduction of alien pest species; and

"Whereas, state budget concerns will have a serious impact on the agencies which contribute to these prevention and control efforts; and

"Whereas, the costs of these efforts pale in comparison to the price we would pay in terms of losses to industries such as tourism and agriculture which depend on environment quality, if our environment is not preserved and protected; and

"Whereas, in recognition of the long-term cost benefits of immediate action, funding for the implementation of those programs may be included in the budgets of those state departments; and

"Whereas, in addition to programs proposed by state departments, other CGAPS members may seek grants to accomplish the same purposes; and

"Whereas, the Legislature may appropriate funds for grants to those private conservation, agricultural, and tourism organizations; Now, therefore, be it

"*Resolved*, by the Senate of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1996, That the Governor is respectfully urged to place a high administrative priority on existing pest eradication and prevention programs, as well as the development and implementation of new programs recommended by the CGAPS members; and

"*Be it further resolved*, That the President of the United States and the United States Congress are respectfully urged to advocate legislation and programs to eradicate pests and prevent their introduction into Hawaii; and

"*Be it further resolved*, That certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, Hawaii's congressional delegation, and the Governor of the State of Hawaii."

POM–576. A concurrent resolution adopted by the Legislature of the State of Hawaii programs; to the Committee on Agriculture, Nutrition, and Forestry.

"HOUSE CONCURRENT RESOLUTION NO. 16

"Whereas, the Hawaiian islands are among the most environmentally sensitive areas in the world, containing unique and extremely fragile ecosystems; and

"Whereas, the State's 150 recognized ecosystems are home to more than one-third of the 526 plant species and 88 bird species on the United States endangered and threatened species list; and

"Whereas, conservationists call Hawaii the "Endangered Species Capital of the World," as three-fourths of the nation's extinct plant and bird species once lived only on our islands; and

"Whereas, alien pest species are considered the single greatest threat to the survival of our native Hawaiian plant and bird species; and

"Whereas, the island of Guam is now devoid of any and all avian life due to the devastation of a well-known alien pest, the brown tree snake; and

"Whereas, the economic impact of alien pest species in the State of Hawaii exceeds $400 million annually, yet the State spends only $25 million per annum on prevention; and

"Whereas, 19 new insect species found their way into the environment in 1994, even though the State Department of Agriculture inspected 13 million agricultural parcels entering the State and intercepted 131 alien insects and 183 illegal animals; and

"Whereas, on average, 20 new insect species arrive in Hawaii each year, of which ten become pests; and

"Whereas, federal quarantine law gives the United States Department of Agriculture the legal authority to inspect baggage and passengers bound for the mainland from Hawaii in order to protect the mainland's environment, but does not grant the same authority to inspect baggage and passengers bound for Hawaii from the mainland to protect Hawaii's environment; and

"Whereas, Governor Benjamin J. Cayetano established the 'Coordinating Group on Alien Pest Species' (CGAPS), a group comprised of representatives from the State Department of Agriculture, State Department of Health, State Department of Land and Natural Resources, State Department of Transportation, Hawaii Farm Bureau Federation, Hawaii Visitors Bureau, Nature Conservancy of Hawaii, National Park Service, United States Department of Agriculture, United States Custom Service, United States Fish and Wildlife Service, United States Navy, United States Postal Inspection Service, and United States Postal Service; and

"Whereas, the Governor's Agriculture Coordinating Committee provided funding for CGAPS efforts to focus public attention on the need to prevent new alien pest species from entering the State and to control pests which are already established; and

"Whereas, as a result of information obtained through CGAPS efforts, State Departments may be proposing specific programs aimed at accelerating the eradication of established pest species and improving mechanisms to prevent the introduction of alien pest species; and

"Whereas, State budget concerns will have a serious impact on the agencies which contribute to these prevention and control efforts; and

"Whereas, the costs of these efforts pale in comparison to the price we would pay if our environment, and therefore industries such as tourism and agriculture which depend on environmental quality, is not preserved and protected; and

"Whereas, in recognition of the long-term cost benefits of immediate action, funding for the implementation of those programs may be included in the budgets for those State departments; and

"Whereas, in addition to programs proposed by State departments, other CGAPS members may seek grants to accomplish the same purposes; and

"Whereas, the State Legislature may appropriate funds for grants to those private conservation, agricultural, and tourism organizations; Now, therefore, be it

"*Resolved*, by the House of Representatives of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1996, the Senate concurring, That the Governor is respectfully urged to place a high administrative priority on existing pest eradication and prevention programs, as well as the development and implementation of new programs recommended by the CGAPS members; and

"*Be it further resolved*, That the President of the United States and the United States Congress are respectfully urged to advocate legislation and programs to eradicate pests and prevent their introduction into Hawaii; and

"*Be it further resolved*, That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, Hawaii's congressional delegation, and the Governor of the State of Hawaii."

POM–577. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Armed Services.

"HOUSE CONCURRENT RESOLUTION NO. 20

"Whereas, since October 1, 1994, the HING DDR has conducted 155 activities utilizing 249 HING volunteers and 141 civilian volunteers to reduce the demand for drugs in the State of Hawaii; and

"Whereas, during a twelve-month period (October 1, 1994–September 30, 1995), DDR activities have reached a total audience of over 35,818 individuals; and

"Whereas, while working with the Honolulu Police Department's 'No Hope In Dope

Program,' HING DDR has provided positive role models to speak to elementary, intermediate, and high school youths throughout the State of Hawaii; and

"Whereas, HING DDR has coordinated with the Hawaii Air National Guard C–130 Squadron to provide airlift support to transport the 'No Hope In Dope Program' to the outer islands; and

"Whereas, HING DDR has coordinated with Hawaii Air and Army National Guard units to provide static displays at drug-free parades and concerts; and

"Whereas, HING DDR volunteers have trained community leaders, parents, and other individuals on being a mentor for the youths who have graduated from the Hawaii National Guard Youth Challenge Program; and

"Whereas, HING DDR volunteers have been involved with recruiting youths and mentors, and working with the Advisory Committee in support of the Hawaii National Guard Youth Challenge Program; and

"Whereas, HING DDR volunteers have started PRIDE Parent Training, a nine-hour seminar that will help parents identify the signs of possible drug use and gang activity and is designed for parents of youths between the ages of seven and seventeen years of age; and

"Whereas, HING DDR has an extensive video library on drugs and gangs which is available for home viewing; and

"Whereas, HING DDR has educational material and activity books on drugs, drug use, and peer pressure available for parents, teens, and children; and

"Whereas, HING DDR is a member of the Youth Gang Response System-Oahu Team which is a partnership of government; private agencies, and community groups working together to address youth gang and drug problems in Hawaii in a unified and holistic manner; and

"Whereas, HING DDR volunteers supported the Adult Friends For Youth-Moving Up Transition Convention by providing positive role models to escort youths for the day; and

"Whereas, HING DDR volunteers supported the PACT (Parents and Children Together) Kid's Day Newspaper Drive; and

"Whereas, the Hawaii National Guard's Drug Demand Reduction Program is committed to fighting this war on drugs through prevention and education in collaboration with the community; Now, therefore, be it

"*Resolved*, by the House of Representatives of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1996, the Senate concurring, That the United States Congress is hereby urged to support legislation to support the Hawaii National Guard's Drug Demand Reduction Program; and

"*Be it further resolved*, That certified copies of this concurrent resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of Hawaii's congressional delegations."

POM–578. A joint resolution adopted by the Legislature of the State of Idaho to the Committee on Armed Services.

"HOUSE JOINT MEMORIAL NO. 8

"Whereas, the 366th Wing at Mountain Home Air Force Base, Idaho, is the Air Force's only air intervention composite wing providing lethal, integrated air power worldwide;

"Whereas, the 366th Wing is unique because it is a composite force already built and trained, ready to fight and intervene anytime, anywhere;

"Whereas, one of the primary benefits of a composite wing structure is the opportunity for aircrews to train every day under more realistic conditions, with a variety of aircraft flying multiple missions;

"Whereas, the 366th Wing exceeded all of Air Combat Command's tough standards at the wing's first Air Force inspection in July, 1995, the first ever for a composite wing and the largest in Air Force history; and

"Whereas, the opening of a training range near Mountain Home Air Force Base is essential to maintain the readiness and strike force capabilities of this unique military asset:

Now, therefore, be it "*Resolved*, by the members of the Second Regular Session of the Fifty-third Idaho Legislature, the House of Representatives and the Senate concurring therein, That we urge the Congress of the United States to pass necessary legislation to establish and fund the training range at the Mountain Home Air Force Base, Idaho.

"*Be it further resolved*, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM–579. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Commerce, Science, and Transportation.

"RESOLVE NO. 39

"Whereas more fish were discarded in the federally managed fisheries of the North Pacific Ocean than were landed by American fishermen in the North Atlantic Ocean in 1992; and

"Whereas, in 1994, 25,881,596 kilograms of halibut and 1,866,272 kilograms of herring were discarded by fisheries in the North Pacific Ocean and the Bering Sea; and

"Whereas, in 1994, 15,459,253 crab were discarded by fisheries in the North Pacific Ocean and the Bering Sea; and

"Whereas, in 1994, 195,609 salmon were harvested in groundfish fisheries of the North Pacific Ocean and the Bering Sea; and

"Whereas these discarded herring, crab, and salmon are resources managed by the State of Alaska that were intercepted in offshore federal waters; and

"Whereas these resources are the economic and cultural lifeblood for many Alaskans who depend on the sea for their livelihoods and subsistence; and

"Whereas marine wildlife species in Alaska marine waters that depend on fish for food are faced with declining populations and a potential listing as endangered species; and

"Whereas this continued wanton waste undermines any long-term management strategy for sustained commercial, subsistence, and recreational fisheries, and places the rural communities of Alaska at risk; and

"Whereas efforts to implement severe penalties against vessels responsible for high bycatch and discard rates have failed; and

"Whereas minimizing the catch of undersized fish and reducing wanton waste will conserve fisheries resources for present and future generations of subsistence users, commercial and recreational fishermen, seafood industries, coastal communities, consumers, and the nation; and

"Whereas fisheries can technically or operationally reduce waste and the incidental taking of nontarget species if given economic incentives or if appropriate regulatory measures are applied; be it

"*Resolved*, by the Alaska State Legislature That the wanton waste now occurring in federal fisheries of the North Pacific Ocean and the Bering Sea is of utmost ecological, social, and economical importance; and be it

"*Further resolved*, That the Alaska State Legislature respectfully urges the Congress to amend the Magnuson Fishery Conservation and Management Act, or to enact other legislation, encompassing a broad range of measures to reduce wanton waste in North Pacific Ocean and Bering Sea fisheries, including harvest priority incentives for clean fishing practices and other management tools."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPECTER, from the Select Committee on Intelligence, with amendments:

S. 1745. An original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes (Rept. No. 104–278).

By Mr. STEVENS, from the Committee on Governmental Affairs, without amendment:

S. 1488. A bill to convert certain excepted service positions in the United States Fire Administration to competitive service positions, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. ROTH, Mr. SIMPSON, Mr. PRESSLER, Mr. HATCH, Mr. CHAFEE, Mr. MURKOWSKI, and Mr. COCHRAN):

S. 1856. A bill to establish a commission to study and provide recommendations on restoring solvency in the medicare program under title XVIII of the Social Security Act; to the Committee on Finance.

By Mr. DOLE:

S. 1857. A bill to establish a bipartisan commission on campaign practices and provide that its recommendations be given expedited consideration; to the Committee on Rules and Administration.

By Mr. GRAHAM (for himself, Mr. BAUCUS, and Mr. PRYOR):

S. 1858. A bill to provide for improved coordination, communication, and enforcement related to health care fraud, waste, and abuse; to the Committee on Finance.

By Mr. GRAHAM (for himself and Mr. BAUCUS):

S. 1859. A bill to create a point of order against legislation which diverts savings achieved through medicare waste, fraud, and abuse enforcement activities for purposes other than improving the solvency of the Federal Hospital Insurance Trust Fund under title XVIII of the Social Security Act, to ensure the integrity of such trust fund, and for other purposes; to the Committee on Rules and Administration.

By Mr. MCCONNELL (for himself, Mr. DOLE, Mr. MOYNIHAN, and Mr. LIEBERMAN):

S. 1860. A bill to provide for legal reform and consumer compensation relating to motor vehicle tort systems, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCONNELL (for himself and Mr. DOLE):

S. 1861. A bill to provide for legal reform and consumer compensation, and for other purposes; to the Committee on the Judiciary.

By Mr. PRESSLER (for himself and Mr. HATCH):

S. 1862. A bill to permit the interstate distribution of state-inspected meat under appropriate circumstances; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DASCHLE:

S. 1863. A bill to require the Secretary of the Army to acquire permanent flowage and saturation easements over land that is located within the 10-year floodplain of the James River, South Dakota, and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. NICKLES (for himself, Mr. DASCHLE, Mr. LOTT, Mr. FORD, Mr. THURMOND, Mrs. KASSEBAUM, Mr. ABRAHAM, Mr. AKAKA, Mr. ASHCROFT, Mr. BAUCUS, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BRADLEY, Mr. BREAUX, Mr. BROWN, Mr. BRYAN, Mr. BUMPERS, Mr. BURNS, Mr. BYRD, Mr. CAMPBELL, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. EXON, Mr. FAIRCLOTH, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FRIST, Mr. GLENN, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HARKIN, Mr. HATCH, Mr. HATFIELD, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSTON, Mr. KEMPTHORNE, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. KYL, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NUNN, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SANTORUM, Mr. SARBANES, Mr. SHELBY, Mr. SIMON, Mr. SIMPSON, Mr. SMITH, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THOMPSON, Mr. WARNER, Mr. WELLSTONE, and Mr. WYDEN):

S. Res. 258. A resolution to designate the balcony adjacent to rooms S-230 and S-231 of the United States Capitol Building as the "Robert J. Dole Balcony"; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. ROTH, Mr. SIMPSON, Mr. PRESSLER, Mr. HATCH, Mr. CHAFEE, Mr. MURKOWSKI, and Mr. COCHRAN):

S. 1856. A bill to establish a commission to study and provide recommendations on restoring solvency in the Medicare program under title XVIII of the Social Security Act; to the Committee on Finance.

THE MEDICARE RESTORATION ACT

Mr. DOLE. Mr. President, last Wednesday the Medicare trustees released their report on the state of the Medicare trust fund, and the report was grim. Instead of going bankrupt in 2002, as they previously forecasted, the trustees conclude that Medicare will go bankrupt in 2001—just 5 years from now.

For the past year and a half, this Republican Congress has attempted to deal honestly and forthrightly with the impending Medicare meltdown.

We put forward a budget that would protect, preserve, and strengthen Medicare by reducing its unsustainable rate of growth, while still allowing for a healthy growth rate.

We did not claim that our plan was perfect or that it solved the long-term problem. But it was a real attempt to alleviate a crisis that will immediately impact 37 million seniors and disabled Americans, and will have repercussions on tens of millions more.

In May 1995, I called for a bipartisan Commission to be set up to save Medicare similar to the one that saved Social Security. Unfortunately the White House dismissed the idea and decided to attack Republican plans to save the Medicare system.

That is why I rise today to introduce the Medicare Restoration Act to establish a blue-ribbon bipartisan advisory commission to help deal with this crisis.

In my view, leadership means more than just talking about problems. It also means doing something to solve them.

This Commission will be responsible for reviewing the current, short-term and long-term condition of the Medicare Trust funds. The Commission will be composed of 15 members appointed by the President, Senate, and House of Representatives. The members of this commission will be from both political parties, because it is clear to me that if we are to be successful we must put politics aside and work on a bipartisan basis.

Unfortunately, President Clinton has been unwilling to do that.

In February 1995, President Clinton submitted a budget that contained no provisions for saving Medicare.

In April 1995, the Medicare trustees—three of whom are members of his administration—issued their original report and urged "prompt, effective and decisive action." The administration instead chose to attack Republican plans to save the system.

Last March, the President submitted a budget which, according to the Congressional Budget Office, would only stave off Medicare's bankruptcy for one more year.

It is an undeniable fact that the Republican proposal allowed Medicare spending per beneficiary to increase from $4,800 per person to $7,200 per person over 7 years.

It is also an undeniable fact that in their ill-fated health care reform proposal, the Clinton administration advocated slowing Medicare's rate of growth.

Despite these facts, however, the President vetoed our Medicare proposal, and we have heard nothing but attacks on Republicans for slashing and cutting Medicare.

And when the President was asked, not long ago at a news conference, why he continued to use these terms even though they are not true, his response was essentially that the media made him do it.

With the release of the trustee's report, the inescapable conclusion is that while the rhetoric flew, Medicare was put at further risk.

And those who say that talk is cheap should know that 18 months of misleading rhetoric may have gained one side points in the opinion polls, it also put Medicare another $90 billion-plus in the red.

The bottom line is that the 37 million Americans who depend on Medicare deserve better. Future generations of Americans who will need Medicare deserve better.

I call on the President to come forward and support this bipartisan commission so we can preserve the Medicare Program and to join with Republicans on a bipartisan basis, as I have proposed before, to address this very serious problem.

I send the bill to the desk and ask it be appropriately referred. It is cosponsored by Senators ROTH, SIMPSON, PRESSLER, HATCH, CHAFEE, and MURKOWSKI, who are on the Senate Finance Committee. I certainly welcome additional cosponsors on either side of the aisle. This will be a bipartisan commission.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1856

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Restoration Act of 1996".

SEC. 2. ESTABLISHMENT.

There is established a commission to be known as the National Commission on Medicare Reform (referred to in this Act as the "Commission").

SEC. 3. FINDINGS.

The Congress finds that—

(1) the medicare program under title XVIII of the Social Security Act provides essential health care insurance to this Nation's senior citizens and to individuals with disabilities;

(2) the Federal Hospital Insurance Trust Fund will be bankrupt in the year 2001, and faces even greater solvency problems in the long-run with the aging of the baby boom generation;

(3) the trustees of the trust funds of the medicare program have reported that growth in spending within the Federal Supplementary Medical Insurance Trust Fund is unsustainable; and

(4) expeditious action is needed in order to restore the fiscal health of the medicare program and to maintain this Nation's commitment to senior citizens and to individuals with disabilities.

SEC. 4. DUTIES OF THE COMMISSION.

The Commission shall—

(1) review relevant analyses of the current, short-term, and long-term financial condition of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund under title XVIII of the Social Security Act;

(2) identify problems that threaten the solvency of such trust funds;

(3) analyze potential solutions to such problems that will both assure the financial integrity of the medicare program under such title and the provision of appropriate benefits under such program;

(4) make recommendations to restore the short-range and long-range solvency of the Federal Hospital Insurance Trust Fund, to provide for sustainable growth of the Supplementary Medical Insurance Trust Fund, and on related matters as the Commission deems appropriate; and

(5) review and analyze such other matters as the Commission deems appropriate.

SEC. 5. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 15 members, of whom—

(1) five shall be appointed by the President, of whom not more than 3 shall be of the same political party;

(2) five shall be appointed by the Majority Leader of the Senate, in consultation with the Minority Leader of the Senate, of whom not more than 3 shall be of the same political party; and

(3) five shall be appointed by the Speaker of the House of Representatives, in consultation with the Minority Leader of the House of Representatives, of whom not more than 3 shall be of the same political party.

(b) COMPTROLLER GENERAL.—The Comptroller General of the United States shall advise the Commission on the methodology to be used in identifying problems and analyzing potential solutions in accordance with section 4.

(c) TERM OF APPOINTMENT.—The members shall serve on the Commission for the life of the Commission.

(d) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after all the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(g) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(h) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(i) EXPENSES.—Each member of the Commission shall receive travel expenses and per diem in lieu of subsistence in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 6. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for the proper functioning of the Commission.

SEC. 7. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 8. REPORTS.

Not later than June 30, 1997, the Commission shall submit a report to the President and to the Congress on the findings and conclusions of the Commission.

SEC. 9. TERMINATION.

The Commission shall terminate on the date which is 30 days after the date the Commission submits its report to the President and to the Congress under section 8.

SEC. 10. FUNDING.

The Secretary of Health and Human Services shall provide to the Commission, out of funds otherwise available to such Secretary, such sums as are necessary to carry out the purposes of the Commission.

Mr. ROTH. Mr. President, I rise as a cosponsor of legislation introduced by the majority leader to establish a National Commission on Medicare Reform.

According to the Medicare trustees' report released last Wednesday, June 5, the Medicare hospital insurance trust fund will be bankrupt earlier than expected. In fact, the trustees, of which three of the six trustees are members of President Clinton's Cabinet, indicate that the trust fund may run out of money as early as calendar year 2000.

Senator DOLE's proposal is consistent with the recommendations of the Medicare trustees. The trustees recommend:

> * * * the establishment of a national advisory group to examine the Medicare Program. The advisory group would collect and disseminate information and help develop recommendations for effective solutions to the long-term financing problem. This work will be of critical importance to the administration, the Congress and the American public in the extensive national discussion that any changes would require.

We are now 2 years closer to insolvency of the Medicare trust fund than we were at this time last year. We lost a year trying to address the problem, and the program is 1 more year closer to bankruptcy than we expected. Yet, I regret, we are miles away from reaching an agreement on a solution.

Given the very short time that Medicare will remain solvent, and given the large number of baby boomers who will be joining the Medicare Program in just a few years, we cannot afford more delay. It is time to put politics aside and find a solution.

What is happening to the Medicare trust fund is pretty basic. The program is paying out more than it is taking in. This simple dynamic, if left unchecked, will lead Medicare to bankruptcy in less than 5 years. And, simply put, bankruptcy of the trust fund means there will not be money to pay the hospital bills of our senior citizens and disabled individuals reliant on Medicare.

Again, I believe it is time to put politics aside. A Medicare Reform Commission is an important step in the right direction to bringing together a bipartisan, lasting agreement on resolving Medicare's fiscal crisis.

The 1983 National Commission on Social Security Reform was an essential catalyst to resolving the then-looming bankruptcy of Social Security. The 1983 Commission brought together people in a cooperative bipartisan spirit. Ultimately, the work of the Commission laid the ground for a solution to the solvency crisis. I believe a Medicare Reform Commission might be able to do the same today.

We are facing a crisis. A crisis requires action. We cannot be a government of empty promises. We must restore Medicare to robust health for our children and our grandchildren.

By Mr. DOLE:

S. 1857. A bill to establish a bipartisan commission on campaign practices and provide that its recommendations be given expedited consideration; to the Committee on Rules and Administration.

THE BIPARTISAN CAMPAIGN PRACTICES COMMISSION ACT OF 1996

Mr. DOLE. Mr. President, as I prepare to leave an institution in which I have served for over 35 years, I am mindful that in many ways the public has lost confidence in the ability of legislators to represent their interests, not special interests.

We should not allow this to continue. Representative Democracy, founded on fair and competitive elections, is at the core of what makes America great. Yet, concern over how we finance elections threatens to erode the trust the American people have in our elected officials.

As my colleagues know, Congress has tried repeatedly to grapple with this issue and largely failed. However, I continue to believe that the very nature of the problem makes it difficult to resolve in the normal give and take of the legislative process.

In 1990, for example, Senator Mitchell and I appointed a six-member commission of outside experts to look at this issue and report back to us, but the report was unfortunately ignored by Congress.

I suggested in 1994 and repeatedly since then that a similar commission be constituted to report back to Congress, but with an important difference. This time, the report should be in the form of recommended legislative language which provides a solution and Congress should have an opportunity for an up and down vote.

As my colleagues know, both President Clinton and Speaker GINGRICH endorsed a similar concept last year when they met in New Hampshire.

I therefore send to the desk a bill that establishes an eight-member commission of outside experts. They would have the broadest possible mandate to think through this problem, come up with solutions and report back to Congress not more than 30 days after the convening of the 105th Congress.

The commission will send Congress legislative language for those recommendations on which seven members agree. Congress will consider those recommendations under expedited procedures that mirror the fast-track authorities in our trade laws.

I know my colleagues will be grappling with this issue soon. However, I believe that it would be better to take this issue out of what is already a super-heated partisan atmosphere, and allow a bipartisan approach to be developed that Congress cannot ignore.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1857

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bipartisan Campaign Practices Commission Act of 1996".

SEC. 2. ESTABLISHMENT.

There is established a commission to be known as the "Bipartisan Commission on Campaign Practices" (referred to in this Act as the "Commission").

SEC. 3. DUTIES OF THE COMMISSION.

The Commission shall study the laws and regulations that affect how campaigns for Federal office are conducted and may make recommendations for change. In studying Federal campaign practices, the Commission shall consider—

(1) whether too much or too little money is spent trying to influence campaigns for Federal office and whether the funds that are spent are sufficiently disclosed;

(2) whether the current laws (including regulations) governing campaigns for Federal office encourage or discourage those most qualified to hold office from seeking it;

(3) whether the existing system of financing campaigns for Federal office promotes trust and confidence in the political process among the electorate;

(4) whether the rules governing access to media ensure that the electorate has the greatest possible opportunity to be informed of candidates' positions on the issues; and

(5) such other matters as the Commission considers appropriate.

SEC. 4. MEMBERSHIP.

(a) COMPOSITION.—The Commission shall be composed of 9 members of the private sector, as follows:

(1) Two shall be appointed by the Majority Leader of the Senate.

(2) Two shall be appointed by the Speaker of the House of Representatives.

(3) Two shall be appointed by the President.

(4) One shall be appointed by the Minority Leader of the Senate.

(5) One shall be appointed by the Minority Leader of the House of Representatives.

(6) A chairperson shall be appointed in accordance with subsection (b).

(b) CHAIRPERSON.—

(1) SELECTION.—Within 7 days after all the members described in section 3(a) (1) through (5) are appointed, those members shall meet and by majority vote select a chairperson.

(2) FAILURE TO MAKE SELECTION.—If, by the date that is 30 days after the date of the meeting described in subsection (b), the office of chairperson is still vacant, all current members of the Commission shall be discharged from further service as members of the Commission.

(c) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) COMPENSATION.—Each member of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day during which the member is engaged in the actual performance of the duties of the Commission.

(e) QUORUM.—Six members of the Commission shall constitute a quorum, and any decision of the Commission shall require the affirmative vote of 6 members.

(f) MEETINGS.—The Commission shall meet at the call of the chairperson or at the request of 6 members of the Commission.

SEC. 5. STAFF OF COMMISSION; SERVICES.

Subject to such rules as may be adopted by the Commission, the chairperson, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classifications and General Schedule pay rates, may appoint such staff personnel as the chairperson considers necessary and procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code.

SEC. 6. RECOMMENDATION; FAST TRACK PROCEDURES.

(a) REPORT.—Not later than 30 days after the convening of the 105th Congress, the Commission shall submit to Congress a report describing the study conducted under section 3.

(b) RECOMMENDATIONS.—The report under subsection (a) may include any recommendations for changes in the laws (including regulations) governing the conduct of Federal campaigns, including any changes in the rules of the Senate or the House of Representatives, to which 6 or more members of the Commission may agree.

(c) PREPARATION OF BILLS.—If 7 or more members concur on 1 or more recommendations for changes in the way campaigns for Federal office are conducted, the members agreeing on each such recommendation shall prepare for each a bill that would implement the recommendation, and the implementing bill shall be submitted with the report under subsection (a).

(d) CONSIDERATION BY CONGRESS.—Each implementing bill submitted with the report under subsection (a) shall be given expedited consideration under the same provisions and in the same way as an implementing bill for a trade agreement under section 151 of the Trade Act of 1974 (19 U.S.C. 2191).

SEC. 7. TERMINATION.

The Commission shall cease to exist 30 days after submission of the report under section 6.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated $750,000 to carry out this Act.

By Mr. GRAHAM (for himself, Mr. BAUCUS and Mr. PRYOR):

S. 1858. A bill to provide for improved coordination, communication, and enforcement related to health care fraud, waste, and abuse; to the Committee on Finance.

THE MEDICARE ANTI-FRAUD ACT OF 1996

By Mr. GRAHAM (for himself, and Mr. BAUCUS):

S. 1859. A bill to create a point of order against legislation which diverts savings achieved through medicare waste, fraud, and abuse enforcement activities for purposes other than improving the solvency of the Federal hospital insurance trust fund under title XVIII of the Social Security Act, to ensure the integrity of such trust fund, and for other purposes; to the Committee on Rules and Administration.

THE MEDICARE RESTORE TRUST ACT OF 1996

Mr. GRAHAM. Mr. President, I rise today to introduce timely legislation with Senators BAUCUS and PRYOR that addresses the problem of Medicare fraud and abuse. The two bills, entitled the "Medicare Anti-Fraud Act of 1996" and the "Medicare Restore Trust Act of 1996," would undertake serious and strong anti-fraud efforts by the Federal Government based in large part on the success of the administration's recent Medicare and antifraud effort called Operation Restore Trust and ensure that savings achieved from such efforts are returned to the Medicare trust fund.

Mr. President, we have heard in the last few days some very troubling reports about the impending insolvency of the Medicare trust fund. This legislation would have two direct contributions to reversing that move toward insolvency.

First, it would suture a hemorrhage of funds out of the Medicare trust fund which today are going for fraudulent bills, and not for service to American citizens; and, second, it would assure that any funds that were recovered as a result of these more effective investigations and prosecutions would go directly back into the Medicare trust fund in order to restore its financial base.

Mr. President, unfortunately the phrase "fraud, waste and abuse" has become discredited. It has been used so often as an excuse for not dealing with the more difficult and fundamental problems. Unfortunately, the area of Medicare waste, fraud, and abuse is a part of the fundamental problem. It has been estimated that of the $180 billion spent last year on Medicare and on approximately 36 million Americans' health care—$180 billion—10 percent, or $18 billion, was wasted in fraudulent activities.

You might ask why is there such a high level of fraud in this program of Medicare? Some of the reasons include: The amount of money that is being expended is huge—$180 billion and growing; that it is being spent largely on populations which have groups within it that are vulnerable to these fraudulent schemes; that those people who wish to perpetrate those schemes are sophisticated shysters and there has been lax enforcement.

First and foremost, the General Accounting Office estimates that the Medicare waste, fraud and abuse rip-off rate is about 10 percent. With fraud pilfering the health systems' resources, losses to Medicare and the federal share of Medicaid could be $30 billion annually. Using the most conservative of estimates, we could cover an additional 2 million seniors a year with funds lost just to Medicare waste, fraud, and abuse.

Two million additional Americans could be covered if those funds could be properly directed.

Although it is increasingly unlikely that a Medicare reform package will pass this year in Congress, it would be unconscionable to not pass a Medicare waste, fraud and abuse this year. Rather than putting Medicare beneficiaries at risk of losing coverage or access with the cuts envisioned in some legislative proposals during this Congress, we should act instead to combat Medicare fraud to protect the health care of beneficiaries and the Medicare trust fund.

As the Citizens Against Government Waste wrote in their August 23, 1995, report entitled "Medicare Fraud: Tales From the Gypped," "Preserving, protecting, and strengthening Medicare must be the number one priority for Congress and the administration." The organization details 89 examples in its report and advises that waste, fraud, and abuse is the first area of needed attack.

How did this get to be such a problem? According to the General Accounting Office in its February 1995 report entitled "Medicare Claims," "Physicians, supply companies, or diagnostic laboratories have about 3 chances out of 1,000 of having Medicare audit their billing practices in any given year. Moreover, Medicare pays more claims with less scrutiny today than at any other time over the past 5 years." The GAO continues, "In fiscal year 1993, Medicare processed almost 700 million claims, about 250 million more than it processed 5 years earlier. Despite the rising volume of claims, per-claim funding for antifraud and antiabuse activities declined between 1989 and 1993 by over 20 percent."

As a result, FBI Director Louis Freeh says cocaine distributors in south Florida and southern California are switching from drug dealing to health care fraud. The reason: more money with less risk. Drug dealers committing health care fraud know that law enforcement is not yet equipped with the laws needed to effectively attack the problem. With a program estimated by the Congressional Budget Office to be spending over $1.6 billion during the next 6 years and with lax laws to combat abuse, con artists, thieves, and opportunists know Medicare is where the easy money is.

As Republican Congressmen STEVEN SCHIFF and CHRIS SHAYS write, "currently there is no Federal crime of health care fraud. It is difficult to prosecute health care-related offenses because law enforcement must rely on wire and mail fraud statutes for their investigations and prosecutions."

Attacking fraud is crucial to the overall Medicare debate for the following reasons:

Fraud ought to be the first place we look when considering reductions in Medicare expenditures.

Fraud undermines public confidence in Medicare. We cannot "fix" Medicare while letting fraud erode the system.

One dollar spent against fraud and abuse can reduce Medicare Program costs by as much as 11 dollars, according to the Health Care Financing Administration [HCFA] and demonstrated by the administration's effort in Operation Restore Trust.

Solutions are available.

What can be done to solve this problem? To engage in a comprehensive assault on fraud, particularly within the Medicare Program, multiple agencies within the Federal Government will need additional resources. The Inspector General testified at a hearing before the Senate Finance Committee that "now is the time to implement new legal remedies and reverse the downward trend of funding for efforts to combat health care fraud and abuse." The legislation that I am introducing today will achieve both of these goals.

Operation Restore Trust is an effort currently underway in five States which brings together the HHS Office of Inspector General, Health Care Financing Administration, the Department of Justice, State Medicaid agencies, and State Medicaid fraud control units to combat fraud and abuse. This legislation would institutionalize these efforts in all 50 States.

The Department of Health and Human Services recently released results from the first year of Operation Restore Trust. The program had $4.09 million to work with and has added $43.2 million to the Medicare trust fund and U.S. Treasury: an 11-to-1 return. This program has been a great success, but I agree with June Gibbs Brown that this is the "tip of the iceberg."

To provide adequate resources to go after the fraud and abuse, we establish a Medicare anti-fraud account for the Inspector General (IG) and an anti-fraud control account for other government agency's use. Funds for the Medicare account would be provided by and returned to the Medicare trust fund. For every $1 spent on prevention, the IG uncovers at least $7 in fraud. By using trust fund dollars to augment IG operations, the legislation assures that the IG will continue to have the resources necessary to combat fraud and abuse without worrying about discretionary spending cuts.

This legislation enacts a broad-based Federal statute aimed at suppressing Medicare fraud. This enhances the protection of fraud victims and prescribe stiff penalties against those convicted of fraud. It institutes a policy, "one strike and you are out," one instance of Medicare fraud and you are out of the program for at least 5 years.

The second bill would establish a point of order against any piece of legislation that would divert savings from anti-fraud, waste and abuse enforcement activities for any other purpose—such as new Federal spending or tax breaks—other than saving the Medicare trust fund. This legislation would also ensure that any savings from anti-fraud, waste and abuse activities reimburse the up-front investment on enforcement and further strengthen the Medicare trust fund.

We have all promised to protect Medicare. We can do so by passing comprehensive Medicare waste, fraud, and abuse legislation and do it in 1996, thus ensuring savings achieved are used to protect Medicare and improve its solvency. The two bills we are introducing today—the Medicare Anti-Fraud Act of 1996 and the Medicare Restore Trust Act—would accomplish these goals.

Mr. President, I suggest these two pieces of legislation should get the immediate attention of this Senate. I am pleased to see that we have with us today the chairman of the Senate Finance Committee, which I assume will be the primary committee of reference for consideration of this legislation.

Every day that passes allows for further waste of Federal taxpayers money and further eroding of the solvency of the Medicare trust fund, further erosion of the confidence of the American people. We must take action now.

At the signing of the Medicare bill in Missouri 30 years ago, President Johnson said Medicare had been planted with "the seed of compassion and duty which have today flowered into care for the sick and serenity for the fearful." Medicare has lived up to the promise of President Johnson and President Truman. But fraud is rotting away at the Medicare system. We have the prescriptions to combat fraud. Now is the time to employ them if we want to save the integrity of Medicare for future generations.

Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medicare Antifraud Act of 1996".

(b) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; references in act; table of contents.

TITLE I—FRAUD AND ABUSE CONTROL PROGRAM

Sec. 101. Fraud and abuse control program.
Sec. 102. Medicare benefit integrity system.
Sec. 103. Application of certain health anti-fraud and abuse sanctions to fraud and abuse against Federal health programs.
Sec. 104. Health care fraud and abuse provider guidance.
Sec. 105. Medicare/medicaid beneficiary protection program.
Sec. 106. Ensuring the integrity of the Federal Hospital Insurance Trust Fund.

TITLE II—REVISIONS TO CURRENT SANCTIONS FOR FRAUD AND ABUSE

Sec. 201. Mandatory exclusion from participation in medicare and State health care programs.
Sec. 202. Establishment of minimum period of exclusion for certain individuals and entities subject to permissive exclusion from medicare and State health care programs.
Sec. 203. Permissive exclusion of individuals with ownership or control interest in sanctioned entities.
Sec. 204. Sanctions against practitioners and persons for failure to comply with statutory obligations.
Sec. 205. Sanctions against providers for excessive fees or prices.
Sec. 206. Applicability of the Bankruptcy Code to program sanctions.
Sec. 207. Intermediate sanctions for medicare health maintenance organizations.
Sec. 208. Liability of medicare carriers and fiscal intermediaries and States for claims submitted by excluded providers.
Sec. 209. Effective date.

TITLE III—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

Sec. 301. Establishment of the health care fraud and abuse data collection program.
Sec. 302. Inspector General access to additional practitioner data bank.
Sec. 303. Corporate whistleblower program.
Sec. 304. Home health billing, payment, and cost limit calculation to be based on site where service is furnished.
Sec. 305. Application of inherent reasonableness.
Sec. 306. Clarification of time and filing limitations.
Sec. 307. Clarification of liability of third party administrators.
Sec. 308. Clarification of payment amounts to medicare.
Sec. 309. Increased flexibility in contracting for medicare claims processing.

TITLE IV—CIVIL MONETARY PENALTIES

Sec. 401. Social Security Act civil monetary penalties.

TITLE V—AMENDMENTS TO CRIMINAL LAW

Sec. 501. Health care fraud.
Sec. 502. Forfeitures for Federal health care offenses.
Sec. 503. Injunctive relief relating to Federal health care offenses.
Sec. 504. Grand jury disclosure.
Sec. 505. False statements.
Sec. 506. Obstruction of criminal investigations, audits, or inspections of Federal health care offenses.
Sec. 507. Theft or embezzlement.
Sec. 508. Laundering of monetary instruments.
Sec. 509. Authorized investigative demand procedures.

TITLE VI—STATE HEALTH CARE FRAUD CONTROL UNITS

Sec. 601. State health care fraud control units.

TITLE VII—MEDICARE/MEDICAID BILLING ABUSE PREVENTION

Sec. 701. Uniform medicare/medicaid application process.
Sec. 702. Standards for uniform claims.
Sec. 703. Unique provider identification code.
Sec. 704. Use of new procedures.
Sec. 705. Nondischargeability of certain medicare debts.

TITLE I—FRAUD AND ABUSE CONTROL PROGRAM

SEC. 101. FRAUD AND ABUSE CONTROL PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Title XI (42 U.S.C. 1301 et seq.) is amended by inserting after section 1128B the following new section:

"FRAUD AND ABUSE CONTROL PROGRAM

"SEC. 1128C. (a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—Not later than January 1, 1997, the Secretary, acting through the Office of the Inspector General of the Department of Health and Human Services, and the Attorney General shall establish a program—

"(A) to coordinate Federal, State, and local law enforcement programs to control fraud and abuse with respect to health plans,

"(B) to conduct investigations, audits, evaluations, and inspections relating to the delivery of and payment for health care in the United States,

"(C) to facilitate the enforcement of the provisions of sections 1128, 1128A, and 1128B and other statutes applicable to health care fraud and abuse,

"(D) to provide for the modification and establishment of safe harbors and to issue advisory opinions and special fraud alerts pursuant to section 104 of the Medicare Anti-fraud Act of 1996, and

"(E) to provide for the reporting and disclosure of certain final adverse actions against health care providers, suppliers, or practitioners pursuant to the data collection system established under section 301 of such Act.

"(2) COORDINATION WITH HEALTH PLANS.—In carrying out the program established under paragraph (1), the Secretary and the Attorney General shall consult with, and arrange for the sharing of data with representatives of health plans.

"(3) GUIDELINES.—

"(A) IN GENERAL.—The Secretary and the Attorney General shall issue guidelines to carry out the program under paragraph (1). The provisions of sections 553, 556, and 557 of title 5, United States Code, shall not apply in the issuance of such guidelines.

"(B) INFORMATION GUIDELINES.—

"(i) IN GENERAL.—Guidelines issued under subparagraph (A) shall include guidelines relating to the furnishing of information by health plans, providers, and others to enable the Secretary and the Attorney General to carry out the program (including coordination with health plans under paragraph (2)).

"(ii) CONFIDENTIALITY.—Guidelines issued under subparagraph (A) shall include procedures to assure that such information is provided and utilized in a manner that appropriately protects the confidentiality of the information and the privacy of individuals receiving health care services and items.

"(iii) QUALIFIED IMMUNITY FOR PROVIDING INFORMATION.—The provisions of section 1157(a) (relating to limitation on liability) shall apply to a person providing information to the Secretary or the Attorney General in conjunction with their performance of duties under this section.

"(4) ENSURING ACCESS TO DOCUMENTATION.—The Inspector General of the Department of Health and Human Services is authorized to exercise such authority described in paragraphs (3) through (9) of section 6 of the Inspector General Act of 1978 (5 U.S.C. App.) as necessary with respect to the activities under the fraud and abuse control program established under this subsection.

"(5) AUTHORITY OF INSPECTOR GENERAL.—Nothing in this Act shall be construed to diminish the authority of any Inspector General, including such authority as is provided in the Inspector General Act of 1978 (5 U.S.C. App.).

"(b) ADDITIONAL USE OF FUNDS BY INSPECTOR GENERAL.—

"(1) REIMBURSEMENTS FOR INVESTIGATIONS.—The Inspector General of the Department of Health and Human Services is authorized to receive and retain for current use reimbursement for the costs of conducting investigations and audits and for monitoring compliance plans when such costs are ordered by a court, voluntarily agreed to by the payor, or otherwise.

"(2) CREDITING.—Funds received by the Inspector General under paragraph (1) as reimbursement for costs of conducting investigations shall be deposited to the credit of the appropriation from which initially paid, or to appropriations for similar purposes currently available at the time of deposit, and shall remain available for obligation for 1 year from the date of the deposit of such funds.

"(c) HEALTH PLAN DEFINED.—For purposes of this section, the term 'health plan' means a plan or program that provides health benefits, whether directly, through insurance, or otherwise, and includes—

"(1) a policy of health insurance;

"(2) a contract of a service benefit organization; and

"(3) a membership agreement with a health maintenance organization or other prepaid health plan.".

(b) ESTABLISHMENT OF HEALTH CARE FRAUD AND ABUSE CONTROL ACCOUNT IN FEDERAL HOSPITAL INSURANCE TRUST FUND.—Section 1817 (42 U.S.C. 1395i) is amended by adding at the end the following new subsection:

"(k) HEALTH CARE FRAUD AND ABUSE CONTROL ACCOUNT.—

"(1) ESTABLISHMENT.—There is hereby established in the Trust Fund an expenditure account to be known as the 'Health Care Fraud and Abuse Control Account' (in this subsection referred to as the 'Account').

"(2) APPROPRIATED AMOUNTS TO TRUST FUND.—

"(A) IN GENERAL.—There are hereby appropriated to the Trust Fund—

"(i) such gifts and bequests as may be made as provided in subparagraph (B);

"(ii) such amounts as may be deposited in the Trust Fund as provided in title XI; and

"(iii) such amounts as are transferred to the Trust Fund under subparagraph (C).

"(B) AUTHORIZATION TO ACCEPT GIFTS.—The Trust Fund is authorized to accept, on behalf of the United States, money gifts and bequests made unconditionally to the Trust Fund, for the benefit of the Account or any activity financed through the Account.

"(C) TRANSFER OF AMOUNTS.—The Managing Trustee shall transfer to the Trust Fund, under rules similar to the rules in section 9601 of the Internal Revenue Code of 1986, an amount equal to the sum of the following:

"(i) Criminal fines recovered in cases involving a Federal health care offense (as defined in section 982(a)(6)(B) of title 18, United States Code).

"(ii) Civil monetary penalties and assessments imposed in health care cases, including amounts recovered under titles XI, XVIII, and XIX, and chapter 38 of title 31, United States Code (except as otherwise provided by law).

"(iii) Amounts resulting from the forfeiture of property by reason of a Federal health care offense.

"(iv) Penalties and damages obtained and otherwise creditable to miscellaneous receipts of the general fund of the Treasury obtained under sections 3729 through 3733 of title 31, United States Code (known as the False Claims Act), in cases involving claims related to the provision of health care items and services (other than funds awarded to a relator, for restitution or otherwise authorized by law).

"(3) APPROPRIATED AMOUNTS TO ACCOUNT FOR FRAUD AND ABUSE CONTROL PROGRAM, ETC.—

"(A) DEPARTMENTS OF HEALTH AND HUMAN SERVICES AND JUSTICE.—

"(i) IN GENERAL.—There are hereby appropriated to the Account from the Trust Fund such sums as the Secretary and the Attorney General certify are necessary to carry out the purposes described in subparagraph (C), to be available without further appropriation, in an amount not to exceed—

"(I) for fiscal year 1997, $104,000,000;

"(II) for each of the fiscal years 1998 through 2003, the limit for the preceding fiscal year, increased by 15 percent; and

"(III) for each fiscal year after fiscal year 2003, the limit for fiscal year 2003.

"(ii) MEDICARE AND MEDICAID ACTIVITIES.—For each fiscal year, of the amount appropriated in clause (i), the following amounts shall be available only for the purposes of the activities of the Office of the Inspector General of the Department of Health and Human Services with respect to the medicare and medicaid programs—

"(I) for fiscal year 1997, not less than $60,000,000 and not more than $70,000,000;

"(II) for fiscal year 1998, not less than $80,000,000 and not more than $90,000,000;

"(III) for fiscal year 1999, not less than $90,000,000 and not more than $100,000,000;

"(IV) for fiscal year 2000, not less than $110,000,000 and not more than $120,000,000;

"(V) for fiscal year 2001, not less than $120,000,000 and not more than $130,000,000;

"(VI) for fiscal year 2002, not less than $140,000,000 and not more than $150,000,000; and

"(VII) for each fiscal year after fiscal year 2002, not less than $150,000,000 and not more than $160,000,000.

"(B) FEDERAL BUREAU OF INVESTIGATION.—There are hereby appropriated from the general fund of the United States Treasury and hereby appropriated to the Account for transfer to the Federal Bureau of Investigation to carry out the purposes described in subparagraph (C), to be available without further appropriation—

"(i) for fiscal year 1997, $47,000,000;

"(ii) for fiscal year 1998, $56,000,000;

"(iii) for fiscal year 1999, $66,000,000;

"(iv) for fiscal year 2000, $76,000,000;

"(v) for fiscal year 2001, $88,000,000;

"(vi) for fiscal year 2002, $101,000,000; and

"(vii) for each fiscal year after fiscal year 2002, $114,000,000.

"(C) USE OF FUNDS.—The purposes described in this subparagraph are to cover the costs (including equipment, salaries, benefits, travel, and training) of the administration and operation of the health care fraud and abuse control program established under section 1128C(a), including the costs of—

"(i) prosecuting health care matters (through criminal, civil, and administrative proceedings);

"(ii) investigations;

"(iii) financial and performance audits of health care programs and operations;

"(iv) inspections and other evaluations; and

"(v) provider and consumer education regarding compliance with the provisions of title XI.

"(4) APPROPRIATED AMOUNTS TO ACCOUNT FOR MEDICARE BENEFIT INTEGRITY SYSTEM.—

"(A) IN GENERAL.—There are hereby appropriated to the Account from the Trust Fund for each fiscal year such amounts as are necessary to carry out the Medicare Benefit Integrity System under section 1889, subject to subparagraph (B), to be available without further appropriation.

"(B) AMOUNTS SPECIFIED.—The amount appropriated under subparagraph (A) for a fiscal year is as follows:

"(i) For fiscal year 1997, such amount shall be not less than $430,000,000 and not more than $440,000,000.

"(ii) For fiscal year 1998, such amount shall be not less than $490,000,000 and not more than $500,000,000.

"(iii) For fiscal year 1999, such amount shall be not less than $550,000,000 and not more than $560,000,000.

"(iv) For fiscal year 2000, such amount shall be not less than $620,000,000 and not more than $630,000,000.

"(v) For fiscal year 2001, such amount shall be not less than $670,000,000 and not more than $680,000,000.

"(vi) For fiscal year 2002, such amount shall be not less than $690,000,000 and not more than $700,000,000.

"(vii) For each fiscal year after fiscal year 2002, such amount shall be not less than $710,000,000 and not more than $720,000,000.

"(5) ANNUAL REPORT.—The Secretary and the Attorney General shall submit jointly an annual report to Congress on the amount of revenue which is generated and disbursed, and the justification for such disbursements, by the Account in each fiscal year.".

SEC. 102. MEDICARE BENEFIT INTEGRITY SYSTEM.

Part C of title XVIII (42 U.S.C. 1395 et seq.) is amended by inserting after section 1888 the following new section:

"MEDICARE BENEFIT INTEGRITY CONTRACTS

"SEC. 1889. (a) AUTHORITY TO CONTRACT.—

"(1) IN GENERAL.—In order to improve the effectiveness of benefit quality assurance activities relating to programs under this title, and to enhance the Secretary's capability of carrying out program safeguard functions and related education activities to avoid the improper expenditure of assets of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust

Fund, the Secretary shall enter into contracts with organizations or other entities having demonstrated the capability to carry out one or more benefit quality assurance activities. The provisions of sections 1816 and 1842 shall be inapplicable to contracts under this section.

"(2) NUMBER OF CONTRACTS.—The Secretary shall determine the number of separate contracts which are necessary to achieve, with the maximum degree of efficiency and cost-effectiveness, the objectives of this section. The Secretary may enter into contracts under this section at such time or times as are appropriate so long as not later than the fiscal year beginning October 1, 1998, and for each fiscal year thereafter, there are in effect contracts that, considered collectively, provide for benefit quality assurance activities with respect to all payments under this title.

"(b) CONTRACT REQUIREMENTS.—A benefit quality assurance contract entered into under subsection (a) must provide for one or more benefit quality assurance program activities. Each such contract shall include an agreement by the contractor to cooperate with the Inspector General of the Department of Health and Human Services, and the Attorney General, and other law enforcement agencies, as appropriate, in the investigation and deterrence of fraud and abuse in relation to this title and in other cases arising out of the activities described in such section, and shall contain such other provisions as the Secretary finds necessary or appropriate to achieve the purposes of this part. The provisions of section 1153(e)(1) shall apply to contracts and contracting authority under this section, except that competitive procedures must be used when entering into new contracts under this section, or at any other time when it is in the best interests of the United States. A contract under this section may be renewed from term to term without regard to any provision of law requiring competition if the contractor has met or exceeded the performance requirements established in the current contract.

"(c) LIMITATIONS.—

"(1) IN GENERAL.—In carrying out this section, the Secretary may not enter into a contract with an organization or other entity if the Secretary determines that such organization's or entity's financial holdings, interests, or relationships would interfere with its ability to perform the functions to be required by the contract in an effective and impartial manner.

"(2) LIMITATION OF LIABILITY.—The Secretary shall by regulation provide for the limitation of a contractor's liability for actions taken to carry out a contract under this section, and such regulations shall, to the extent the Secretary finds appropriate, employ the same or comparable standards and other substantive and procedural provisions as are contained in section 1157.".

SEC. 103. APPLICATION OF CERTAIN HEALTH ANTIFRAUD AND ABUSE SANCTIONS TO FRAUD AND ABUSE AGAINST FEDERAL HEALTH PROGRAMS.

(a) CRIMES.—

(1) SOCIAL SECURITY ACT.—Section 1128B (42 U.S.C. 1320a–7b) is amended as follows:

(A) In the heading, by striking "MEDICARE OR STATE HEALTH CARE PROGRAMS" and inserting "FEDERAL HEALTH CARE PROGRAMS".

(B) In subsection (a)(1), by striking "a program under title XVIII or a State health care program (as defined in section 1128(h))" and inserting "a Federal health care program (as defined in subsection (f))".

(C) In subsection (a)(5), by striking "a program under title XVIII or a State health care program" and inserting "a Federal health care program (as defined in subsection (f))".

(D) In the second sentence of subsection (a)—

(i) by striking "a State plan approved under title XIX" and inserting "a Federal health care program (as defined in subsection (f))"; and

(ii) by striking "the State may at its option (notwithstanding any other provision of that title or of such plan)" and inserting "the administrator of such program may at its option (notwithstanding any other provision of such program)".

(E) In subsection (b)—

(i) by striking "and willfully" each place it appears;

(ii) by striking "$25,000" each place it appears and inserting "$50,000";

(iii) by striking "title XVIII or a State health care program" each place it appears and inserting "Federal health care program (as defined in subsection (f))";

(iv) in paragraph (1) in the matter preceding subparagraph (A), by striking "kind—" and inserting "kind with intent to be influenced—";

(v) in paragraph (1)(A), by striking "in return for referring" and inserting "to refer";

(vi) in paragraph (1)(B), by striking "in return for purchasing, leasing, ordering, or arranging for or recommending" and inserting "to purchase, lease, order, or arrange for or recommend";

(vii) in paragraph (2) in the matter preceding subparagraph (A), by striking "to induce such person" and inserting "with intent to influence such person";

(viii) by adding at the end of paragraphs (1) and (2) the following sentence: "A violation exists under this paragraph if one or more purposes of the remuneration is unlawful under this paragraph.";

(ix) by redesignating paragraph (3) as paragraph (4);

(x) in paragraph (4) (as redesignated) in the matter preceding subparagraph (A), by striking "Paragraphs (1) and (2)" and inserting "Paragraphs (1), (2), and (3)"; and

(xi) by inserting after paragraph (2) the following new paragraph:

"(3)(A) The Attorney General may bring an action in the district courts to impose upon any person who carries out any activity in violation of this subsection a civil penalty of not less than $25,000 and not more than $50,000 for each such violation, plus three times the total remuneration offered, paid, solicited, or received.

"(B) A violation exists under this paragraph if one or more purposes of the remuneration is unlawful, and the damages shall be the full amount of such remuneration.

"(C) Section 3731 of title 31, United States Code, and the Federal Rules of Civil Procedure shall apply to actions brought under this paragraph.

"(D) The provisions of this paragraph do not affect the availability of other criminal and civil remedies for such violations.".

(F) In subsection (c), by inserting "(as defined in section 1128(h))" after "a State health care program".

(G) By adding at the end the following new subsections:

"(f) For purposes of this section, the term 'Federal health care program' means—

"(1) any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded, in whole or in part, by the United States Government; or

"(2) any State health care program, as defined in section 1128(h).

"(g)(1) The Inspector General of the departments and agencies with a Federal health care program may conduct an investigation or audit relating to violations of this section and claims within the jurisdiction of other Federal departments or agencies if the following conditions are satisfied:

"(A) The investigation or audit involves primarily claims submitted to the Federal health care programs of the department or agency conducting the investigation or audit.

"(B) The Inspector General of the department or agency conducting the investigation or audit gives notice and an opportunity to participate in the investigation or audit to the Inspector General of the department or agency with primary jurisdiction over the Federal health care programs to which the claims were submitted.

"(2) If the conditions specified in paragraph (1) are fulfilled, the Inspector General of the department or agency conducting the investigation or audit may exercise all powers granted under the Inspector General Act of 1978 (5 U.S.C. App.) with respect to the claims submitted to the other departments or agencies to the same manner and extent as provided in that Act with respect to claims submitted to such departments or agencies.".

(2) IDENTIFICATION OF COMMUNITY SERVICE OPPORTUNITIES.—Section 1128B (42 U.S.C. 1320a–7b), as amended by paragraph (1), is amended by adding at the end the following new subsection:

"(h) The Secretary may—

"(1) in consultation with State and local health care officials, identify opportunities for the satisfaction of community service obligations that a court may impose upon the conviction of an offense under this section; and

"(2) make information concerning such opportunities available to Federal and State law enforcement officers and State and local health care officials.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997.

SEC. 104. HEALTH CARE FRAUD AND ABUSE PROVIDER GUIDANCE.

(a) SOLICITATION AND PUBLICATION OF MODIFICATIONS TO EXISTING SAFE HARBORS AND NEW SAFE HARBORS.—

(1) IN GENERAL.—

(A) SOLICITATION OF PROPOSALS FOR SAFE HARBORS.—Not later than January 1, 1997, and not less than annually thereafter, the Secretary shall publish a notice in the Federal Register soliciting proposals, which will be accepted during a 60-day period, for—

(i) modifications to existing safe harbors issued pursuant to section 14(a) of the Medicare Patient and Program Protection Act of 1987 (42 U.S.C. 1320a–7b note);

(ii) additional safe harbors specifying payment practices that shall not be treated as a criminal offense under section 1128B(b) of the Social Security Act (42 U.S.C. 1320a–7b(b)) and shall not serve as the basis for an exclusion under section 1128(b)(7) of such Act (42 U.S.C. 1320a–7(b)(7));

(iii) interpretive rulings to be issued pursuant to subsection (b); and

(iv) special fraud alerts to be issued pursuant to subsection (c).

(B) PUBLICATION OF PROPOSED MODIFICATIONS AND PROPOSED ADDITIONAL SAFE HARBORS.—After considering the proposals described in clauses (i) and (ii) of subparagraph (A), the Secretary, in consultation with the Attorney General, shall publish in the Federal Register proposed modifications to existing safe harbors and proposed additional safe harbors, if appropriate, with a 60-day comment period. After considering any public comments received during this period, the Secretary shall issue final rules modifying the existing safe harbors and establishing new safe harbors, as appropriate.

(C) REPORT.—The Inspector General of the Department of Health and Human Services (in this section referred to as the "Inspector General") shall, in an annual report to Congress or as part of the year-end semiannual report required by section 5 of the Inspector General Act of 1978 (5 U.S.C. App.), describe the proposals received under clauses (i) and (ii) of subparagraph (A) and explain which proposals were included in the publication described in subparagraph (B), which proposals were not included in that publication, and the reasons for the rejection of the proposals that were not included.

(2) CRITERIA FOR MODIFYING AND ESTABLISHING SAFE HARBORS.—In modifying and establishing safe harbors under paragraph (1)(B), the Secretary may consider the extent to which providing a safe harbor for the specified payment practice may result in any of the following:

(A) An increase or decrease in access to health care services.

(B) An increase or decrease in the quality of health care services.

(C) An increase or decrease in patient freedom of choice among health care providers.

(D) An increase or decrease in competition among health care providers.

(E) An increase or decrease in the ability of health care facilities to provide services in medically underserved areas or to medically underserved populations.

(F) An increase or decrease in the cost to Federal health care programs (as defined in section 1128B(f) of the Social Security Act (42 U.S.C. 1320a-7b(f)).

(G) An increase or decrease in the potential overutilization of health care services.

(H) The existence or nonexistence of any potential financial benefit to a health care professional or provider which may vary based on their decisions of—

(i) whether to order a health care item or service; or

(ii) whether to arrange for a referral of health care items or services to a particular practitioner or provider.

(I) Any other factors the Secretary deems appropriate in the interest of preventing fraud and abuse in Federal health care programs (as so defined).

(b) INTERPRETIVE RULINGS.—

(1) IN GENERAL.—

(A) REQUEST FOR INTERPRETIVE RULING.—Any person may present, at any time, a request to the Inspector General for a statement of the Inspector General's current interpretation of the meaning of a specific aspect of the application of sections 1128A and 1128B of the Social Security Act (42 U.S.C. 1320a-7a and 1320a-7b) (in this section referred to as an "interpretive ruling").

(B) ISSUANCE AND EFFECT OF INTERPRETIVE RULING.—

(i) IN GENERAL.—If appropriate, the Inspector General shall in consultation with the Attorney General, issue an interpretive ruling not later than 120 days after receiving a request described in subparagraph (A). Interpretive rulings shall not have the force of law and shall be treated as an interpretive rule within the meaning of section 553(b) of title 5, United States Code. All interpretive rulings issued pursuant to this clause shall be published in the Federal Register or otherwise made available for public inspection.

(ii) REASONS FOR DENIAL.—If the Inspector General does not issue an interpretive ruling in response to a request described in subparagraph (A), the Inspector General shall notify the requesting party of such decision not later than 120 days after receiving such a request and shall identify the reasons for such decision.

(2) CRITERIA FOR INTERPRETIVE RULINGS.—

(A) IN GENERAL.—In determining whether to issue an interpretive ruling under paragraph (1)(B), the Inspector General may consider—

(i) whether and to what extent the request identifies an ambiguity within the language of the statute, the existing safe harbors, or previous interpretive rulings; and

(ii) whether the subject of the requested interpretive ruling can be adequately addressed by interpretation of the language of the statute, the existing safe harbor rules, or previous interpretive rulings, or whether the request would require a substantive ruling (as defined in section 552 of title 5, United States Code) not authorized under this subsection.

(B) NO RULINGS ON FACTUAL ISSUES.—The Inspector General shall not give an interpretive ruling on any factual issue, including the intent of the parties or the fair market value of particular leased space or equipment.

(c) SPECIAL FRAUD ALERTS.—

(1) IN GENERAL.—

(A) REQUEST FOR SPECIAL FRAUD ALERTS.—Any person may present, at any time, a request to the Inspector General for a notice which informs the public of practices which the Inspector General considers to be suspect or of particular concern under section 1128B(b) of the Social Security Act (42 U.S.C. 1320a-7b(b)) (in this subsection referred to as a "special fraud alert").

(B) ISSUANCE AND PUBLICATION OF SPECIAL FRAUD ALERTS.—Upon receipt of a request described in subparagraph (A), the Inspector General shall investigate the subject matter of the request to determine whether a special fraud alert should be issued. If appropriate, the Inspector General shall issue a special fraud alert in response to the request. All special fraud alerts issued pursuant to this subparagraph shall be published in the Federal Register.

(2) CRITERIA FOR SPECIAL FRAUD ALERTS.—In determining whether to issue a special fraud alert upon a request described in paragraph (1), the Inspector General may consider—

(A) whether and to what extent the practices that would be identified in the special fraud alert may result in any of the consequences described in subsection (a)(2); and

(B) the volume and frequency of the conduct that would be identified in the special fraud alert.

SEC. 105. MEDICARE/MEDICAID BENEFICIARY PROTECTION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Not later than January 1, 1997, the Secretary (through the Administrator of the Health Care Financing Administration and the Inspector General of the Department of Health and Human Services) shall establish the Medicare/Medicaid Beneficiary Protection Program. Under such program the Secretary shall—

(1) educate medicare and medicaid beneficiaries regarding—

(A) medicare and medicaid program coverage;

(B) fraudulent and abusive practices;

(C) medically unnecessary health care items and services; and

(D) substandard health care items and services;

(2) identify and publicize fraudulent and abusive practices with respect to the delivery of health care items and services; and

(3) establish a procedure for the reporting of fraudulent and abusive health care providers, practitioners, claims, items, and services to appropriate law enforcement and payer agencies.

(b) RECOGNITION AND PUBLICATION OF CONTRIBUTIONS.—The program established by the Secretary under this section shall recognize and publicize significant contributions made by individual health care patients toward the combating of health care fraud and abuse.

(c) DISSEMINATION OF INFORMATION.—The Secretary shall provide for the broad dissemination of information regarding the Medicare/Medicaid Beneficiary Protection Program.

SEC. 106. ENSURING THE INTEGRITY OF THE FEDERAL HOSPITAL INSURANCE TRUST FUND.

(a) DETERMINATION.—Prior to the end of each fiscal year, the Secretary of Health and Human Services (in this section referred to as the "Secretary") and the Attorney General shall jointly determine—

(1) the portion of the costs charged during such fiscal year to any account established within the Federal Hospital Insurance Trust Fund under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to combat health care waste, fraud, and abuse, which do not relate to the administration of the medicare program; and

(2) the amount of funds deposited into such account of such trust fund during such fiscal year that were attributable to enforcement activities that were intended to combat health care waste, fraud, and abuse, which do not relate to the administration of the medicare program.

(b) CERTIFICATION.—If the portion determined under paragraph (1) of subsection (a) exceeds the amount determined under paragraph (2) of such subsection, the Secretary and the Attorney General shall certify to the Secretary of the Treasury the amount, which shall be equal to the amount of such excess, which should be transferred from the General Fund of the Treasury to such trust fund, in order to ensure that such trust fund is fully reimbursed for any expenditures made from the account described in subsection (a) that are not related to the administration of the medicare program under title XVIII of the Social Security Act.

(c) TRANSFER OF FUNDS.—The Secretary of the Treasury shall transfer to such trust fund from the General Fund of the Treasury, out of any funds in the General Fund that are not otherwise appropriated, an amount equal to the amount certified under subsection (b).

TITLE II—REVISIONS TO CURRENT SANCTIONS FOR FRAUD AND ABUSE

SEC. 201. MANDATORY EXCLUSION FROM PARTICIPATION IN MEDICARE AND STATE HEALTH CARE PROGRAMS.

(a) INDIVIDUAL CONVICTED OF FELONY RELATING TO HEALTH CARE FRAUD.—

(1) IN GENERAL.—Section 1128(a) (42 U.S.C. 1320a-7(a)) is amended by adding at the end the following new paragraph:

"(3) FELONY CONVICTION RELATING TO HEALTH CARE FRAUD.—Any individual or entity that has been convicted after the date of the enactment of the Medicare Antifraud Act of 1996, under Federal or State law, in connection with the delivery of a health care item or service or with respect to any act or omission in a health care program (other than those specifically described in paragraph (1)) operated by or financed in whole or in part by any Federal, State, or local government agency, of a criminal offense consisting of a felony relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct.".

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 1128(b) (42 U.S.C. 1320a–7(b)) is amended to read as follows:

"(1) CONVICTION RELATING TO FRAUD.—Any individual or entity that has been convicted after the date of the enactment of the Medicare Antifraud Act of 1996, under Federal or State law—

"(A) of a criminal offense consisting of a misdemeanor relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct—

"(i) in connection with the delivery of a health care item or service, or

"(ii) with respect to any act or omission in a health care program (other than those specifically described in subsection (a)(1)) operated by or financed in whole or in part by any Federal, State, or local government agency; or

"(B) of a criminal offense relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct with respect to any act or omission in a program (other than a health care program) operated by or financed in whole or in part by any Federal, State, or local government agency.".

(b) INDIVIDUAL CONVICTED OF FELONY RELATING TO CONTROLLED SUBSTANCE.—

(1) IN GENERAL.—Section 1128(a) (42 U.S.C. 1320a–7(a)), as amended by subsection (a), is amended by adding at the end the following new paragraph:

"(4) FELONY CONVICTION RELATING TO CONTROLLED SUBSTANCE.—Any individual or entity that has been convicted after the date of the enactment of the Medicare Antifraud Act of 1996, under Federal or State law, of a criminal offense consisting of a felony relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.".

(2) CONFORMING AMENDMENT.—Section 1128(b)(3) (42 U.S.C. 1320a–7(b)(3)) is amended—

(A) in the heading, by striking "CONVICTION" and inserting "MISDEMEANOR CONVICTION"; and

(B) by striking "criminal offense" and inserting "criminal offense consisting of a misdemeanor".

SEC. 202. ESTABLISHMENT OF MINIMUM PERIOD OF EXCLUSION FOR CERTAIN INDIVIDUALS AND ENTITIES SUBJECT TO PERMISSIVE EXCLUSION FROM MEDICARE AND STATE HEALTH CARE PROGRAMS.

Section 1128(c)(3) (42 U.S.C. 1320a–7(c)(3)) is amended by adding at the end the following new subparagraphs:

"(D) In the case of an exclusion of an individual or entity under paragraph (1), (2), or (3) of subsection (b), the period of the exclusion shall be 3 years, unless the Secretary determines in accordance with published regulations that a shorter period is appropriate because of mitigating circumstances or that a longer period is appropriate because of aggravating circumstances.

"(E) In the case of an exclusion of an individual or entity under paragraph (4) or (5) of subsection (b), the period of the exclusion shall not be less than the period during which the individual's or entity's license to provide health care is revoked, suspended, or surrendered, or the individual or the entity is excluded or suspended from a Federal or State health care program.

"(F) In the case of an exclusion of an individual or entity under subsection (b)(6)(B), the period of the exclusion shall be not less than 1 year.".

SEC. 203. PERMISSIVE EXCLUSION OF INDIVIDUALS WITH OWNERSHIP OR CONTROL INTEREST IN SANCTIONED ENTITIES.

Section 1128(b) (42 U.S.C. 1320a–7(b)) is amended by adding at the end the following new paragraph:

"(15) INDIVIDUALS CONTROLLING A SANCTIONED ENTITY.—Any individual who has a direct or indirect ownership or control interest of 5 percent or more, or an ownership or control interest (as defined in section 1124(a)(3)) in, or who is an officer or managing employee (as defined in section 1126(b)) of, an entity—

"(A) that has been convicted of any offense described in subsection (a) or in paragraph (1), (2), or (3) of this subsection; or

"(B) that has been excluded from participation under a program under title XVIII or under a State health care program (as defined in subsection (h)).".

SEC. 204. SANCTIONS AGAINST PRACTITIONERS AND PERSONS FOR FAILURE TO COMPLY WITH STATUTORY OBLIGATIONS.

(a) MINIMUM PERIOD OF EXCLUSION FOR PRACTITIONERS AND PERSONS FAILING TO MEET STATUTORY OBLIGATIONS.—

(1) IN GENERAL.—The second sentence of section 1156(b)(1) (42 U.S.C. 1320c–5(b)(1)) is amended by striking "may prescribe)" and inserting "may prescribe, except that such period may not be less than 1 year)".

(2) CONFORMING AMENDMENT.—Section 1156(b)(2) (42 U.S.C. 1320c–5(b)(2)) is amended by striking "shall remain" and inserting "shall (subject to the minimum period specified in the second sentence of paragraph (1)) remain".

(b) REPEAL OF "UNWILLING OR UNABLE" CONDITION FOR IMPOSITION OF SANCTION.—Section 1156(b)(1) (42 U.S.C. 1320c–5(b)(1)) is amended—

(1) in the second sentence, by striking "and determines" and all that follows through "such obligations,"; and

(2) by striking the third sentence.

SEC. 205. SANCTIONS AGAINST PROVIDERS FOR EXCESSIVE FEES OR PRICES.

Section 1128(b)(6)(A) (42 U.S.C. 1320a–7(b)(6)(A)) is amended—

(1) by inserting "(as specified by the Secretary in regulations)" after "substantially in excess of such individual's or entity's usual charges"; and

(2) by striking "(or, in applicable cases, substantially in excess of such individual's or entity's costs)" and inserting ", costs or fees".

SEC. 206. APPLICABILITY OF THE BANKRUPTCY CODE TO PROGRAM SANCTIONS.

(a) EXCLUSION OF INDIVIDUALS AND ENTITIES FROM PARTICIPATION IN FEDERAL HEALTH CARE PROGRAMS.—Section 1128 (42 U.S.C. 1320a–7) is amended by adding at the end the following new subsection:

"(j) APPLICABILITY OF BANKRUPTCY PROVISIONS.—An exclusion imposed under this section is not subject to the automatic stay imposed under section 362 of title 11, United States Code.".

(b) CIVIL MONETARY PENALTIES.—Section 1128A(a) (42 U.S.C. 1320a–7a(a)) is amended by adding at the end the following sentence: "An exclusion imposed under this subsection is not subject to the automatic stay imposed under section 362 of title 11, United States Code, and any penalties and assessments imposed under this section shall be nondischargeable under the provisions of such title.".

(c) OFFSET OF PAYMENTS TO INDIVIDUALS.—Section 1892(a)(4) (42 U.S.C. 1395ccc(a)(4)) is amended by adding at the end the following sentence: "An exclusion imposed under paragraph (2)(C)(ii) or paragraph (3)(B) is not subject to the automatic stay imposed under section 362 of title 11, United States Code.".

SEC. 207. INTERMEDIATE SANCTIONS FOR MEDICARE HEALTH MAINTENANCE ORGANIZATIONS.

(a) APPLICATION OF INTERMEDIATE SANCTIONS FOR PROGRAM VIOLATIONS.—

(1) IN GENERAL.—Section 1876(i)(1) (42 U.S.C. 1395mm(i)(1)) is amended by striking "the Secretary may terminate" and all that follows and inserting "in accordance with procedures established under paragraph (9), the Secretary may at any time terminate any such contract or may impose the intermediate sanctions described in paragraph (6)(B) or (6)(C) (whichever is applicable) on the eligible organization if the Secretary determines that the organization—

"(A) has failed substantially to carry out the contract;

"(B) is carrying out the contract in a manner substantially inconsistent with the efficient and effective administration of this section; or

"(C) no longer substantially meets the applicable conditions of subsections (b), (c), (e), and (f).".

(2) OTHER INTERMEDIATE SANCTIONS FOR MISCELLANEOUS PROGRAM VIOLATIONS.—Section 1876(i)(6) (42 U.S.C. 1395mm(i)(6)) is amended by adding at the end the following new subparagraph:

"(C) In the case of an eligible organization for which the Secretary makes a determination under paragraph (1), the basis of which is not described in subparagraph (A), the Secretary may apply the following intermediate sanctions:

"(i) Civil money penalties of not more than $25,000 for each determination under paragraph (1) if the deficiency that is the basis of the determination has directly adversely affected (or has the substantial likelihood of adversely affecting) an individual covered under the organization's contract.

"(ii) Civil money penalties of not more than $10,000 for each week beginning after the initiation of procedures by the Secretary under paragraph (9) during which the deficiency that is the basis of a determination under paragraph (1) exists.

"(iii) Suspension of enrollment of individuals under this section after the date the Secretary notifies the organization of a determination under paragraph (1) and until the Secretary is satisfied that the deficiency that is the basis for the determination has been corrected and is not likely to recur.".

(3) PROCEDURES FOR IMPOSING SANCTIONS.—Section 1876(i) (42 U.S.C. 1395mm(i)) is amended by adding at the end the following new paragraph:

"(9) The Secretary may terminate a contract with an eligible organization under this section or may impose the intermediate sanctions described in paragraph (6) on the organization in accordance with formal investigation and compliance procedures established by the Secretary under which—

"(A) the Secretary first provides the organization with the reasonable opportunity to develop and implement a corrective action plan to correct the deficiencies that were the basis of the Secretary's determination under paragraph (1) and the organization fails to develop or implement such a plan;

"(B) in deciding whether to impose sanctions, the Secretary considers aggravating factors such as whether an entity has a history of deficiencies or has not taken action to correct deficiencies the Secretary has brought to their attention;

"(C) there are no unreasonable or unnecessary delays between the finding of a deficiency and the imposition of sanctions; and

"(D) the Secretary provides the organization with reasonable notice and opportunity for hearing (including the right to appeal an initial decision) before imposing any sanction or terminating the contract.".

(4) Conforming amendments.—Section 1876(i)(6)(B) (42 U.S.C. 1395mm(i)(6)(B)) is amended by striking the second sentence.

(b) Agreements With Peer Review Organizations.—

(1) Requirement for written agreement.—Section 1876(i)(7)(A) (42 U.S.C. 1395mm(i)(7)(A)) is amended by striking "an agreement" and inserting "a written agreement".

(2) Development of model agreement.—Not later than July 1, 1997, the Secretary shall develop a model of the agreement that an eligible organization with a risk-sharing contract under section 1876 of the Social Security Act (42 U.S.C. 1395mm) must enter into with an entity providing peer review services with respect to services provided by the organization under section 1876(i)(7)(A) of such Act (42 U.S.C. 1395mm(i)(7)(A)).

(3) Report by GAO.—

(A) Study.—The Comptroller General of the United States shall conduct a study of the costs incurred by eligible organizations with risk-sharing contracts under section 1876 of such Act (42 U.S.C. 1395mm(b)) of complying with the requirement of entering into a written agreement with an entity providing peer review services with respect to services provided by the organization, together with an analysis of how information generated by such entities is used by the Secretary to assess the quality of services provided by such eligible organizations.

(B) Report to congress.—Not later than July 1, 1998, the Comptroller General shall submit a report to the Committee on Ways and Means and the Committee on Commerce of the House of Representatives and the Committee on Finance and the Special Committee on Aging of the Senate on the study conducted under subparagraph (A).

SEC. 208. LIABILITY OF MEDICARE CARRIERS AND FISCAL INTERMEDIARIES AND STATES FOR CLAIMS SUBMITTED BY EXCLUDED PROVIDERS.

(a) Reimbursement to the Secretary for Amounts Paid to Excluded Providers.—

(1) Requirements for fiscal intermediaries.—

(A) In general.—Section 1816 (42 U.S.C. 1395h), is amended by adding at the end the following new subsection:

"(*l*) An agreement with an agency or organization under this section shall require that such agency or organization reimburse the Secretary for any amounts paid for a service under this title which is furnished, directed, or prescribed by an individual or entity during any period for which the individual or entity is excluded pursuant to section 1128, 1128A, or 1156, from participation in the program under this title, if the amounts are paid after the Secretary notifies the agency or organization of the exclusion.".

(B) Conforming amendment.—Section 1816(i) (42 U.S.C. 1395h(i)) is amended by adding at the end the following new paragraph:

"(4) Nothing in this subsection shall be construed to prohibit reimbursement by an agency or organization under subsection (*l*).".

(2) Requirements for carriers.—Section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended—

(A) by striking "and" at the end of subparagraph (I); and

(B) by inserting after subparagraph (I) the following new subparagraph:

"(J) will reimburse the Secretary for any amounts paid for an item or service under this part which is furnished, directed, or prescribed by an individual or entity during any period for which the individual or entity is excluded pursuant to section 1128, 1128A, or 1156 from participation in the program under this title, if the amounts are paid after the Secretary notifies the carrier of the exclusion; and".

(3) Requirements for states.—Section 1902(a)(39) (42 U.S.C. 1396a(a)(39)) is amended by striking the semicolon at the end and inserting ", and provide further for reimbursement to the Secretary of any payments made under the plan for any item or service furnished, directed, or prescribed by the excluded individual or entity during such period, after the Secretary notifies the State of such exclusion;".

(b) Conforming Repeal of Mandatory Payment Rule.—Section 1862(e)(2) (42 U.S.C. 1395y(e)(2)) is amended to read as follows:

"(2) No individual or entity may bill (or collect any amount from) any individual for any item or service for which payment is denied under paragraph (1). No person is liable for payment of any amounts billed for such an item or service in violation of the previous sentence.".

SEC. 209. EFFECTIVE DATE.

The amendments made by this title shall take effect January 1, 1997.

TITLE III—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

SEC. 301. ESTABLISHMENT OF THE HEALTH CARE FRAUD AND ABUSE DATA COLLECTION PROGRAM.

(a) General Purpose.—Not later than January 1, 1997, the Secretary shall establish a national health care fraud and abuse data collection program for the reporting of final adverse actions (not including settlements in which no findings of liability have been made) against health care providers, suppliers, or practitioners as required by subsection (b), with access as set forth in subsection (c), and shall maintain a database of the information collected under this section.

(b) Reporting of Information.—

(1) In general.—Each Government agency and health plan shall report any final adverse action (not including settlements in which no findings of liability have been made) taken against a health care provider, supplier, or practitioner.

(2) Information to be reported.—The information to be reported under paragraph (1) includes the following:

(A) The name and TIN (as defined in section 7701(a)(41) of the Internal Revenue Code of 1986) of any health care provider, supplier, or practitioner who is the subject of a final adverse action.

(B) The name (if known) of any health care entity with which a health care provider, supplier, or practitioner, who is the subject of a final adverse action, is affiliated or associated.

(C) The nature of the final adverse action and whether such action is on appeal.

(D) A description of the acts or omissions and injuries upon which the final adverse action was based, and such other information as the Secretary determines by regulation is required for appropriate interpretation of information reported under this section.

(3) Confidentiality.—In determining what information is required, the Secretary shall include procedures to assure that the privacy of individuals receiving health care services is appropriately protected.

(4) Timing and form of reporting.—The information required to be reported under this subsection shall be reported regularly (but not less often than monthly) and in such form and manner as the Secretary of Health and Human Services (in this section referred to as the "Secretary") prescribes. Such information shall first be required to be reported on a date specified by the Secretary.

(5) To whom reported.—The information required to be reported under this subsection shall be reported to the Secretary.

(c) Disclosure and Correction of Information.—

(1) Disclosure.—With respect to the information about final adverse actions (not including settlements in which no findings of liability have been made) reported to the Secretary under this section with respect to a health care provider, supplier, or practitioner, the Secretary shall, by regulation, provide for—

(A) disclosure of the information, upon request, to the health care provider, supplier, or licensed practitioner, and

(B) procedures in the case of disputed accuracy of the information.

(2) Corrections.—Each Government agency and health plan shall report corrections of information already reported about any final adverse action taken against a health care provider, supplier, or practitioner, in such form and manner that the Secretary prescribes by regulation.

(d) Access to Reported Information.—

(1) Availability.—The information in the database maintained under this section shall be available to Federal and State government agencies, health plans, and the public pursuant to procedures that the Secretary shall provide by regulation.

(2) Fees for disclosure.—The Secretary may establish or approve reasonable fees for the disclosure of information in such database (other than with respect to requests by Federal agencies). The amount of such a fee may be sufficient to recover the full costs of carrying out the provisions of this section, including reporting, disclosure, and administration. Such fees shall be available to the Secretary or, in the Secretary's discretion to the agency designated under this section to cover such costs.

(e) Protection From Liability for Reporting.—No person or entity shall be held liable in any civil action with respect to any report made as required by this section, without knowledge of the falsity of the information contained in the report.

(f) Definitions and Special Rules.—For purposes of this section:

(1) Final adverse action.—

(A) In general.—The term "final adverse action" includes the following:

(i) Civil judgments against a health care provider or practitioner in Federal or State court related to the delivery of a health care item or service.

(ii) Federal or State criminal convictions related to the delivery of a health care item or service.

(iii) Actions by Federal or State agencies responsible for the licensing and certification of health care providers, suppliers, and licensed health care practitioners, including—

(I) formal or official actions, such as revocation or suspension of a license (and the length of any such suspension), reprimand, censure, or probation,

(II) any other loss of license, or the right to apply for or renew a license of the provider, supplier, or practitioner, whether by operation of law, voluntary surrender, nonrenewability, or otherwise, or

(III) any other negative action or finding by such Federal or State agency that is publicly available information.

(iv) Exclusion from participation in Federal or State health care programs (as defined in section 1128B(f) and 1128(h), respectively).

(v) Any other adjudicated actions or decisions that the Secretary shall establish by regulation.

(B) EXCLUSION.—The term does not include any action with respect to a malpractice claim.

(C) SPECIAL RULE.—For purposes of this paragraph, the existence of a conviction shall be determined under section 1128(i) of the Social Security Act (42 U.S.C. 1320a-7(i)).

(2) LICENSED HEALTH CARE PRACTITIONER.—The terms "licensed health care practitioner", "licensed practitioner", and "practitioner" mean, with respect to a State, an individual who is licensed or otherwise authorized by the State to provide health care services (or any individual who, without authority holds himself or herself out to be so licensed or authorized).

(3) HEALTH CARE PROVIDER.—The term "health care provider" means a provider of services as defined in section 1861(u) of the Social Security Act (42 U.S.C. 1395x(u)), and any person or entity, including a health maintenance organization, group medical practice, or any other entity listed by the Secretary in regulation, that provides health care services.

(4) SUPPLIER.—The term "supplier" means a supplier of health care items and services described in subsections (a) and (b) of section 1819, and section 1861 of the Social Security Act (42 U.S.C. 1395i-3 (a) and (b), and 1395x).

(5) GOVERNMENT AGENCY.—The term "Government agency" shall include the following:

(A) The Department of Justice.

(B) The Department of Health and Human Services.

(C) Any other Federal agency that either administers or provides payment for the delivery of health care services, including, but not limited to the Department of Defense and the Veterans' Administration.

(D) State law enforcement agencies.

(E) State medicaid fraud and abuse units.

(F) Federal or State agencies responsible for the licensing and certification of health care providers and licensed health care practitioners.

(6) HEALTH PLAN.—The term "health plan" has the meaning given such term by section 1128C(c) of the Social Security Act, as added by section 101(a) of this Act.

(g) CONFORMING AMENDMENT.—Section 1921(d) (42 U.S.C. 1396r-2(d)) is amended by inserting "and section 301 of the Medicare Antifraud Act of 1996" after "section 422 of the Health Care Quality Improvement Act of 1986".

SEC. 302. INSPECTOR GENERAL ACCESS TO NATIONAL PRACTITIONER DATA BANK.

Section 427 of the Health Care Quality Improvement Act of 1986 (42 U.S.C. 11137) is amended—

(1) in subsection (a), by adding at the end the following sentence: "Information reported under this part shall also be made available, upon request, to the Inspector General of the Departments of Health and Human Services, Defense, and Labor, the Office of Personnel Management, and the Railroad Retirement Board."; and

(2) by amending subsection (b)(4) to read as follows:

"(4) FEES.—The Secretary may impose fees for the disclosure of information under this part sufficient to recover the full costs of carrying out the provisions of this part, including reporting, disclosure, and administration, except that a fee may not be imposed for requests made by the Inspector General of the Department of Health and Human Services. Such fees shall remain available to the Secretary (or, in the Secretary's discretion, to the agency designated in section 424(b)) until expended.".

SEC. 303. CORPORATE WHISTLEBLOWER PROGRAM.

Title XI (42 U.S.C. 1301 et seq.), as amended by section 101(a), is amended by inserting after section 1128C the following new section:

"CORPORATE WHISTLEBLOWER PROGRAM

"SEC. 1128D. (a) ESTABLISHMENT OF PROGRAM.—The Secretary, through the Inspector General of the Department of Health and Human Services, shall establish a procedure whereby corporations, partnerships, and other legal entities specified by the Secretary, may voluntarily disclose instances of unlawful conduct and seek to resolve liability for such conduct through means specified by the Secretary.

"(b) LIMITATION.—No person may bring an action under section 3730(b) of title 31, United States Code, if, on the date of filing—

"(1) the matter set forth in the complaint has been voluntarily disclosed to the United States by the proposed defendant and the defendant has been accepted into the voluntary disclosure program established pursuant to subsection (a); and

"(2) any new information provided in the complaint under such section does not add substantial grounds for additional recovery beyond those encompassed within the scope of the voluntary disclosure.".

SEC. 304. HOME HEALTH BILLING, PAYMENT, AND COST LIMIT CALCULATION TO BE BASED ON SITE WHERE SERVICE IS FURNISHED.

(a) CONDITIONS OF PARTICIPATION.—Section 1891 (42 U.S.C. 1395bbb) is amended by adding at the end the following new subsection:

"(g) A home health agency shall submit claims for payment of home health services under this title only on the basis of the geographic location at which the service is furnished, as determined by the Secretary.".

(b) WAGE ADJUSTMENT.—Section 1861(v)(1)(L)(iii) (42 U.S.C. 1395x(v)(1)(L)(iii)) is amended by striking "agency is located" and inserting "service is furnished".

SEC. 305. APPLICATION OF INHERENT REASONABLENESS.

(a) IN GENERAL.—Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended—

(1) in the first sentence, by striking "apply the provisions" and all that follows through the period and inserting "describe by regulation the factors to be used in determining the cases (or particular items) in which the application of this subsection results in the determination of an amount that, by reason of its being grossly excessive or grossly deficient, is not inherently reasonable, and to provide in such cases for the factors that will be considered in establishing an amount that is realistic and equitable."; and

(2) in the second sentence, by striking "applying such provisions" and inserting "applying the previous provisions of this subsection".

(b) CONFORMING AMENDMENT.—Section 1834(i) (42 U.S.C. 1395m(i)) is amended by adding at the end the following new paragraph:

"(3) ADJUSTMENT FOR INHERENT REASONABLENESS.—The provisions of subsection (a)(10)(B) shall apply to payment for surgical dressings under this subsection.".

SEC. 306. CLARIFICATION OF TIME AND FILING LIMITATIONS.

(a) IN GENERAL.—Section 1862(b)(2)(B) (42 U.S.C. 1395y(b)(2)(B)) is amended by adding at the end the following new clause:

"(v) TIME, FILING, AND RELATED PROVISIONS UNDER PRIMARY PLAN.—Requirements under a primary plan as to the filing of a claim, time limitations for the filing of a claim, information not maintained by the Secretary, or notification or pre-admission review, shall not apply to a claim by the United States under clause (ii) or (iii).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to items and services furnished after 1990.

SEC. 307. CLARIFICATION OF LIABILITY OF THIRD PARTY ADMINISTRATORS.

(a) IN GENERAL.—Section 1862(b)(2)(B)(ii) (42 U.S.C. 1395y(b)(2)(B)(ii)) is amended by inserting ", or which determines claims under the primary plan" after "primary plan".

(b) CLAIMS BETWEEN PARTIES OTHER THAN THE UNITED STATES.—Section 1862(b)(2)(B) (42 U.S.C. 1395y(b)(2)(B)), as amended by section 306(a) of this Act, is amended by adding at the end the following new clause:

"(vi) CLAIMS BETWEEN PARTIES OTHER THAN THE UNITED STATES.—A claim by the United States under clause (ii) or (iii) shall not preclude claims between other parties.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished after 1990.

SEC. 308. CLARIFICATION OF PAYMENT AMOUNTS TO MEDICARE.

(a) IN GENERAL.—Section 1862(b)(2)(B)(i) (42 U.S.C. 1395y(b)(2)(B)(i)) is amended to read as follows:

"(i) REPAYMENT REQUIRED.—

"(I) IN GENERAL.—Any payment under this title, with respect to any item or service for which payment by a primary plan is required under the preceding provisions of this subsection, shall be conditioned on reimbursement to the appropriate Trust Fund established by this title when notice or other information is received that payment for that item or service has been or should have been made under those provisions. If reimbursement is not made to the appropriate Trust Fund before the expiration of the 60-day period that begins on the date such notice or other information is received, the Secretary may charge interest (beginning with the date on which the notice or other information is received) on the amount of the reimbursement until reimbursement is made (at a rate determined by the Secretary in accordance with regulations of the Secretary of the Treasury applicable to charges for late payments).

"(II) DETERMINATION OF AMOUNT OWED.—The amount owed by a primary plan under the first sentence of subclause (I) is the lesser of the full primary payment required (if that amount is readily determinable) and the amount paid under this title for that item or service.".

(b) CONFORMING AND TECHNICAL AMENDMENTS.—

(1) Subparagraphs (A)(i)(I) and (B)(i) of section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) are each amended by inserting "(or eligible to be covered)" after "covered".

(2) Section 1862(b)(1)(C)(ii) (42 U.S.C. 1395y(b)(1)(C)(ii)) is amended by striking "covered by such plan".

(3) The matter in section 1862(b)(2)(A) (42 U.S.C. 1395y(b)(2)(A)) preceding clause (i) is amended by striking ", except as provided in subparagraph (B),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished after 1990.

SEC. 309. INCREASED FLEXIBILITY IN CONTRACTING FOR MEDICARE CLAIMS PROCESSING.

(a) CARRIERS TO INCLUDE ENTITIES THAT ARE NOT INSURANCE COMPANIES.—The matter in section 1842(a) (42 U.S.C. 1395u(a)) preceding paragraph (1) is amended by striking "with carriers" and inserting "with agencies and organizations (referred to as carriers)".

(b) REPEAL.—Section 1842(f) (42 U.S.C. 1395u(f)) is repealed.

TITLE IV—CIVIL MONETARY PENALTIES

SEC. 401. SOCIAL SECURITY ACT CIVIL MONETARY PENALTIES.

(a) GENERAL CIVIL MONETARY PENALTIES.—Section 1128A (42 U.S.C. 1320a-7a) is amended as follows:

(1) In the third sentence of subsection (a), by striking "programs under title XVIII" and inserting "Federal health care programs (as defined in section 1128B(f))".

(2) In subsection (f)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) With respect to amounts recovered arising out of a claim under a Federal health care program (as defined in section 1128B(f)), the portion of such amounts as is determined to have been paid by the program shall be repaid to the program, and the portion of such amounts attributable to the amounts recovered under this section by reason of the amendments made by the Medicare Antifraud Act of 1996 (as estimated by the Secretary) shall be deposited into the Health Care Fraud and Abuse Control Account established under section 101(b) of such Act.".

(3) In subsection (i)—

(A) in paragraph (2), by striking "title V, XVIII, XIX, or XX of this Act" and inserting "a Federal health care program (as defined in section 1128B(f))";

(B) in paragraph (4), by striking "a health insurance or medical services program under title XVIII or XIX of this Act" and inserting "a Federal health care program (as so defined)"; and

(C) in paragraph (5), by striking "title V, XVIII, XIX, or XX" and inserting "a Federal health care program (as so defined)".

(4) By adding at the end the following new subsection:

"(m)(1) For purposes of this section, with respect to a Federal health care program not contained in this Act, references to the Secretary in this section shall be deemed to be references to the Secretary or Administrator of the department or agency with jurisdiction over such program and references to the Inspector General of the Department of Health and Human Services in this section shall be deemed to be references to the Inspector General of the applicable department or agency.

"(2)(A) The Secretary and Administrator of the departments and agencies referred to in paragraph (1) may include in any action pursuant to this section, claims within the jurisdiction of other Federal departments or agencies as long as the following conditions are satisfied:

"(i) The case primarily involves claims submitted to the Federal health care programs of the department or agency initiating the action.

"(ii) The Secretary or Administrator of the department or agency initiating the action gives notice and an opportunity to participate in the investigation to the Inspector General of the department or agency with primary jurisdiction over the Federal health care programs to which the claims were submitted.

"(B) If the conditions specified in subparagraph (A) are fulfilled, the Inspector General of the department or agency initiating the action is authorized to exercise all powers granted under the Inspector General Act of 1978 (5 U.S.C. App.) with respect to the claims submitted to the other departments or agencies to the same manner and extent as provided in that Act with respect to claims submitted to such departments or agencies.".

(b) EXCLUDED INDIVIDUAL RETAINING OWNERSHIP OR CONTROL INTEREST IN PARTICIPATING ENTITY.—Section 1128A(a) (42 U.S.C. 1320a-7a(a)) is amended—

(1) by striking "or" at the end of paragraph (1)(D);

(2) by striking ", or" at the end of paragraph (2) and inserting a semicolon;

(3) by striking the semicolon at the end of paragraph (3) and inserting "; or"; and

(4) by inserting after paragraph (3) the following new paragraph:

"(4) in the case of a person who is not an organization, agency, or other entity, is excluded from participating in a program under title XVIII or a State health care program in accordance with this subsection or under section 1128 and who, at the time of a violation of this subsection, retains a direct or indirect ownership or control interest of 5 percent or more, or an ownership or control interest (as defined in section 1124(a)(3)) in, or who is an officer or managing employee (as defined in section 1126(b)) of, an entity that is participating in a program under title XVIII or a State health care program;".

(c) EMPLOYER BILLING FOR SERVICES FURNISHED, DIRECTED, OR PRESCRIBED BY AN EXCLUDED EMPLOYEE.—Section 1128A(a)(1) (42 U.S.C. 1320a-7a(a)(1)), as amended by subsection (b), is amended—

(1) by striking "or" at the end of subparagraph (C);

(2) by striking the semicolon at the end of subparagraph (D) and inserting ", or"; and

(3) by adding at the end the following new subparagraph:

"(E) is for a medical or other item or service furnished, directed, or prescribed by an individual who is an employee or agent of the person during a period in which such employee or agent was excluded from the program under which the claim was made on any of the grounds for exclusion described in subparagraph (D);".

(d) CIVIL MONEY PENALTIES FOR ITEMS OR SERVICES FURNISHED, DIRECTED, OR PRESCRIBED BY AN EXCLUDED INDIVIDUAL.—Section 1128A(a)(1)(D) (42 U.S.C. 1320a-7a(a)(1)(D)) is amended by inserting ", directed, or prescribed" after "furnished".

(e) MODIFICATIONS OF AMOUNTS OF PENALTIES AND ASSESSMENTS.—Section 1128A(a) (42 U.S.C. 1320a-7a(a)), as amended by subsection (b), is amended in the matter following paragraph (4)—

(1) by striking "$2,000" and inserting "$10,000";

(2) by inserting "; in cases under paragraph (4), $10,000 for each day the prohibited relationship occurs" after "false or misleading information was given"; and

(3) by striking "twice the amount" and inserting "3 times the amount".

(f) CLAIM FOR ITEM OR SERVICE BASED ON INCORRECT CODING OR MEDICALLY UNNECESSARY SERVICES.—Section 1128A(a)(1) (42 U.S.C. 1320a-7a(a)(1)), as amended by subsection (c), is amended—

(1) in subparagraph (A) by striking "claimed," and inserting "claimed, including any person who engages in a pattern or practice of presenting or causing to be presented a claim for an item or service that is based on a code that the person knows or has reason to know will result in a greater payment to the person than the code the person knows or has reason to know is applicable to the item or service actually provided,";

(2) in subparagraph (D), by striking "or" at the end; and

(3) in subparagraph (E), by striking the semicolon and inserting", or"; and

(4) by inserting after subparagraph (E) the following new subparagraph:

"(F) is for a medical or other item or service that a person knows or has reason to know is not medically necessary;".

(g) PERMITTING SECRETARY TO IMPOSE CIVIL MONETARY PENALTY FOR KICKBACK VIOLATIONS.—Section 1128A(b) (42 U.S.C. 1320a-7a(a)) is amended by adding the following new paragraph:

"(3) Any person (including any organization, agency, or other entity, but excluding a beneficiary as defined in subsection (i)(5)) who the Secretary determines has violated section 1128B(b) of this title shall be subject to a civil monetary penalty of not more than $10,000 for each such violation. In addition, such person shall be subject to an assessment of not more than twice the total amount of the remuneration offered, paid, solicited, or received in violation of section 1128B(b). The total amount of remuneration subject to an assessment shall be calculated without regard to whether some portion thereof also may have been intended to serve a purpose other than one proscribed by section 1128B(b).".

(h) SANCTIONS AGAINST PRACTITIONERS AND PERSONS FOR FAILURE TO COMPLY WITH STATUTORY OBLIGATIONS.—Section 1156(b)(3) (42 U.S.C. 1320c-5(b)(3)) is amended by striking "the actual or estimated cost" and inserting "up to $10,000 for each instance".

(i) PROCEDURAL PROVISIONS.—Section 1876(i)(6) (42 U.S.C. 1395mm(i)(6)), as amended by section 207(a)(2), is amended by adding at the end the following new subparagraph:

"(D) The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under subparagraph (A) or (B) in the same manner as they apply to a civil money penalty or proceeding under section 1128A(a).".

(j) PROHIBITION AGAINST OFFERING INDUCEMENTS TO INDIVIDUALS ENROLLED UNDER PROGRAMS OR PLANS.—

(1) OFFER OF REMUNERATION.—Section 1128A(a) (42 U.S.C. 1320a-7a(a)), as amended by subsection (b), is amended—

(A) by striking ", or" at the end of paragraph (3) and inserting a semicolon;

(B) by striking the semicolon at the end of paragraph (4) and inserting "; or"; and

(C) by inserting after paragraph (4) the following new paragraph:

"(5) offers to or transfers remuneration to any individual eligible for benefits under title XVIII of this Act, or under a State health care program (as defined in section 1128(h)) that such person knows or should know is likely to influence such individual to order or receive from a particular provider, practitioner, or supplier any item or service for which payment may be made, in whole or in part, under title XVIII, or a State health care program (as so defined);".

(2) REMUNERATION DEFINED.—Section 1128A(i) (42 U.S.C. 1320a-7a(i)) is amended by adding the following new paragraph:

"(6) The term 'remuneration' includes the waiver of coinsurance and deductible amounts (or any part thereof), and transfers of items or services for free or for other than fair market value. The term 'remuneration' does not include—

"(A) the waiver of coinsurance and deductible amounts by a person, if—

"(i) the waiver is not offered as part of any advertisement or solicitation;

"(ii) the person does not routinely waive coinsurance or deductible amounts; and

"(iii) the person—

"(I) waives the coinsurance and deductible amounts after determining in good faith that the individual is in financial need;

"(II) fails to collect coinsurance or deductible amounts after making reasonable collection efforts; or

"(III) provides for any permissible waiver as specified in section 1128B(b)(3) or in regulations issued by the Secretary;

"(B) differentials in coinsurance and deductible amounts as part of a benefit plan design as long as the differentials have been disclosed in writing to all beneficiaries, third party payors, and providers, to whom claims are presented and as long as the differentials meet the standards as defined in regulations promulgated by the Secretary not later than 180 days after the date of the enactment of the Medicare Antifraud Act of 1996; or

"(C) incentives given to individuals to promote the delivery of preventive care as determined by the Secretary in regulations so promulgated.".

(k) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1997.

TITLE V—AMENDMENTS TO CRIMINAL LAW

SEC. 501. HEALTH CARE FRAUD.

(a) IN GENERAL.—

(1) FINES AND IMPRISONMENT FOR HEALTH CARE FRAUD VIOLATIONS.—Chapter 63 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 1347. Health care fraud

"(a) Whoever knowingly and willfully executes, or attempts to execute, a scheme or artifice—

"(1) to defraud any health plan or other person, in connection with the delivery of or payment for health care benefits, items, or services; or

"(2) to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health plan, or person in connection with the delivery of or payment for health care benefits, items, or services;

shall be fined under this title or imprisoned not more than 10 years, or both. If the violation results in serious bodily injury (as defined in section 1365(g)(3) of this title), such person may be imprisoned for any term of years.

"(b) For purposes of this section, the term 'health plan' has the same meaning given such term in section 1128C(c) of the Social Security Act.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of title 18, United States Code, is amended by adding at the end the following:

"1347. Health care fraud.".

(b) CRIMINAL FINES DEPOSITED IN THE HEALTH CARE FRAUD AND ABUSE CONTROL ACCOUNT.—The Secretary of the Treasury shall deposit into the Health Care Fraud and Abuse Control Account established under section 101(b) an amount equal to the criminal fines imposed under section 1347 of title 18, United States Code (relating to health care fraud).

SEC. 502. FORFEITURES FOR FEDERAL HEALTH CARE OFFENSES.

(a) IN GENERAL.—Section 982(a) of title 18, United States Code, is amended by adding after paragraph (5) the following new paragraph:

"(6)(A) The court, in imposing sentence on a person convicted of a Federal health care offense, shall order the person to forfeit property, real or personal, that constitutes or is derived, directly or indirectly, from proceeds traceable to the commission of the offense.

"(B) For purposes of this paragraph, the term 'Federal health care offense' means a violation of, or a criminal conspiracy to violate—

"(i) section 1347 of this title;

"(ii) section 1128B of the Social Security Act;

"(iii) section 287, 371, 664, 666, 1001, 1027, 1341, 1343, 1920, or 1954 of this title if the violation or conspiracy relates to health care fraud; and

"(iv) section 501 or 511 of the Employee Retirement Income Security Act of 1974, if the violation or conspiracy relates to health care fraud.".

(b) PROPERTY FORFEITED DEPOSITED IN HEALTH CARE FRAUD AND ABUSE CONTROL ACCOUNT.—The Secretary of the Treasury shall deposit into the Health Care Fraud and Abuse Control Account established under section 101(b) an amount equal to amounts resulting from forfeiture of property by reason of a Federal health care offense pursuant to section 982(a)(6) of title 18, United States Code.

SEC. 503. INJUNCTIVE RELIEF RELATING TO FEDERAL HEALTH CARE OFFENSES.

(a) IN GENERAL.—Section 1345(a)(1) of title 18, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by inserting "or" at the end of subparagraph (B); and

(3) by adding at the end the following new subparagraph:

"(C) committing or about to commit a Federal health care offense (as defined in section 982(a)(6)(B) of this title);".

(b) FREEZING OF ASSETS.—Section 1345(a)(2) of title 18, United States Code, is amended by inserting "or a Federal health care offense (as defined in section 982(a)(6)(B))" after "title)".

SEC. 504. GRAND JURY DISCLOSURE.

Section 3322 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c) A person who is privy to grand jury information concerning a Federal health care offense (as defined in section 982(a)(6)(B))—

"(1) received in the course of duty as an attorney for the Government; or

"(2) disclosed under rule 6(e)(3)(A)(ii) of the Federal Rules of Criminal Procedure;

may disclose that information to an attorney for the Government to use in any investigation or civil proceeding relating to health care fraud.".

SEC. 505. FALSE STATEMENTS.

(a) IN GENERAL.—Chapter 47, of title 18, United States Code, is amended by adding at the end the following new section:

"§ 1035. False statements relating to health care matters

"(a) Whoever, in any matter involving a health plan, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious, or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both.

"(b) For purposes of this section, the term 'health plan' has the same meaning given such term in section 1128C(c) of the Social Security Act.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 47 of title 18, United States Code, in amended by adding at the end the following:

"1035. False statements relating to health care matters.".

SEC. 506. OBSTRUCTION OF CRIMINAL INVESTIGATIONS, AUDITS, OR INSPECTIONS OF FEDERAL HEALTH CARE OFFENSES.

(a) IN GENERAL.—Chapter 73 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 1518. Obstruction of criminal investigations, audits, or inspections of Federal health care offenses

"(a) IN GENERAL.—Whoever willfully prevents, obstructs, misleads, delays or attempts to prevent, obstruct, mislead, or delay the communication of information or records relating to a Federal health care offense to a Federal agent or employee involved in an investigation, audit, inspection, or other activity related to such an offense, shall be fined under this title or imprisoned not more than 5 years, or both.

"(b) FEDERAL HEALTH CARE OFFENSE.—As used in this section the term 'Federal health care offense' has the same meaning given such term in section 982(a)(6)(B) of this title.

"(c) CRIMINAL INVESTIGATOR.—As used in this section the term 'criminal investigator' means any individual duly authorized by a department, agency, or armed force of the United States to conduct or engage in investigations for prosecutions for violations of health care offenses.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 73 of title 18, United States Code, is amended by adding at the end the following:

"1518. Obstruction of criminal investigations, audits, or inspections of Federal health care offenses.".

SEC. 507. THEFT OR EMBEZZLEMENT.

(a) IN GENERAL.—Chapter 31 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 669. Theft or embezzlement in connection with health care

"(a) IN GENERAL.—Whoever willfully embezzles, steals, or otherwise without authority willfully and unlawfully converts to the use of any person other than the rightful owner, or intentionally misapplies any of the moneys, funds, securities, premiums, credits, property, or other assets of a health plan, shall be fined under this title or imprisoned not more than 10 years, or both.

"(b) HEALTH PLAN.—As used in this section the term 'health plan' has the same meaning given such term in section 1128C(c) of the Social Security Act.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 31 of title 18, United States Code, is amended by adding at the end the following:

"669. Theft or embezzlement in connection with health care.".

SEC. 508. LAUNDERING OF MONETARY INSTRUMENTS.

Section 1956(c)(7) of title 18, United States Code, is amended by adding at the end the following new subparagraph:

"(F) Any act or activity constituting an offense involving a Federal health care offense as that term is defined in section 982(a)(6)(B) of this title.".

SEC. 509. AUTHORIZED INVESTIGATIVE DEMAND PROCEDURES.

(a) In General.—Chapter 233 of title 18, United States Code, is amended by adding after section 3485 the following new section:

"§ 3486. Authorized investigative demand procedures

"(a) Authorization.—

"(1) In any investigation relating to functions set forth in paragraph (2), the Attorney General or designee may issue in writing and cause to be served a subpoena compelling production of any records (including any books, papers, documents, electronic media, or other objects or tangible things), which may be relevant to an authorized law enforcement inquiry, that a person or legal entity may possess or have care, custody, or control. A custodian of records may be required to give testimony concerning the production and authentication of such records. The production of records may be required from any place in any State or in any territory or other place subject to the jurisdiction of the United States at any designated place, except that such production shall not be required more than 500 miles distant from the place where the subpoena is served. Witnesses summoned under this section shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. A subpoena requiring the production of records shall describe the objects required to be produced and prescribe a return date within a reasonable period of time within which the objects can be assembled and made available.

"(2) Investigative demands utilizing an administrative subpoena are authorized for any investigation with respect to any act or activity constituting or involving health care fraud, including a scheme or artifice—

"(A) to defraud any health plan or other person, in connection with the delivery of or payment for health care benefits, items, or services; or

"(B) to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control or, any health plan, or person in connection with the delivery of or payment for health care benefits, items, or services.

"(b) Service.—A subpoena issued under this section may be served by any person designated in the subpoena to serve it. Service upon a natural person may be made by personal delivery of the subpoena to such person. Service may be made upon a domestic or foreign association which is subject to suit under a common name, by delivering the subpoena to an officer, to a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process. The affidavit of the person serving the subpoena entered on a true copy thereof by the person serving it shall be proof of service.

"(c) Enforcement.—In the case of contumacy by or refusal to obey a subpoena issued to any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which the investigation is carried on or of which the subpoenaed person is an inhabitant, or in which such person carries on business or may be found, to compel compliance with the subpoena. The court may issue an order requiring the subpoenaed person to appear before the Attorney General to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey the order of the court may be punished by the court as a contempt thereof. All process in any such case may be served in any judicial district in which such person may be found.

"(d) Immunity From Civil Liability.—Notwithstanding any Federal, State, or local law, any person, including officers, agents, and employees, receiving a subpoena under this section, who complies in good faith with the subpoena and thus produces the materials sought, shall not be liable in any court of any State or the United States to any customer or other person for such production or for nondisclosure of that production to the customer.

"(e) Use in Action Against Individuals.—

"(1) Health information about an individual that is disclosed under this section may not be used in, or disclosed to any person for use in, any administrative, civil, or criminal action or investigation directed against the individual who is the subject of the information unless the action or investigation arises out of and is directly related to receipt of health care or payment for health care or action involving a fraudulent claim related to health, or if authorized by an appropriate order of a court of competent jurisdiction, granted after application showing good cause therefore.

"(2) In assessing good cause, the court shall weigh the public interest and the need for disclosure against the injury to the patient, to the physician-patient relationship, and to the treatment services.

"(3) Upon the granting of such order, the court, in determining the extent to which any disclosure of all or any part of any record is necessary, shall impose appropriate safeguards against unauthorized disclosure.

"(f) Health Plan.—As used in this section, the term 'health plan' has the same meaning given such term in section 1128C(c) of the Social Security Act.".

(b) Clerical Amendment.—The table of sections for chapter 223 of title 18, United States Code, is amended by inserting after the item relating to section 3485 the following new item:

"3486. Authorized investigative demand procedures.".

(c) Conforming Amendment.—Section 1510(b)(3)(B) of title 18, United States Code, is amended by inserting "or a Department of Justice subpoena (issued under section 3486)," after "subpoena".

TITLE VI—STATE HEALTH CARE FRAUD CONTROL UNITS

SEC. 601. STATE HEALTH CARE FRAUD CONTROL UNITS.

(a) Extension of Concurrent Authority To Investigate and Prosecute Fraud in Other Federal Programs.—Section 1903(q)(3) (42 U.S.C. 1396b(q)(3)) is amended—

(1) by inserting "(A)" after "in connection with"; and

(2) by striking "title." and inserting "title; and (B) in cases where the entity's function is also described by subparagraph (A), and upon the approval of the relevant Federal agency, any aspect of the provision of health care services and activities of providers of such services under any Federal health care program (as defined in section 1128B(b)(1)).".

(b) Extension of Authority To Investigate and Prosecute Patient Abuse in Non-Medicaid Board and Care Facilities.—Section 1903(q)(4) (42 U.S.C. 1396b(q)(4)) is amended to read as follows:

"(4)(A) The entity has—

"(i) procedures for reviewing complaints of abuse or neglect of patients in health care facilities which receive payments under the State plan under this title;

"(ii) at the option of the entity, procedures for reviewing complaints of abuse or neglect of patients residing in board and care facilities; and

"(iii) procedures for acting upon such complaints under the criminal laws of the State or for referring such complaints to other State agencies for action.

"(B) For purposes of this paragraph, the term 'board and care facility' means a residential setting which receives payment from or on behalf of two or more unrelated adults who reside in such facility, and for whom one or both of the following is provided:

"(i) Nursing care services provided by, or under the supervision of, a registered nurse, licensed practical nurse, or licensed nursing assistant.

"(ii) Personal care services that assist residents with the activities of daily living, including personal hygiene, dressing, bathing, eating, toileting, ambulation, transfer, positioning, self-medication, body care, travel to medical services, essential shopping, meal preparation, laundry, and housework.".

TITLE VII—MEDICARE/MEDICAID BILLING ABUSE PREVENTION

SEC. 701. UNIFORM MEDICARE/MEDICAID APPLICATION PROCESS.

Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (in this title referred to as the "Secretary") shall establish procedures and a uniform application form for use by any individual or entity that seeks to participate in the programs under titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq.; 42 U.S.C. 1396 et seq.). The procedures established shall include the following:

(1) Execution of a standard authorization form by all individuals and entities prior to submission of claims for payment which shall include the social security number of the beneficiary and the TIN (as defined in section 7701(a)(41) of the Internal Revenue Code of 1986) of any health care provider, supplier, or practitioner providing items or services under the claim.

(2) Assumption of responsibility and liability for all claims submitted.

(3) A right of access by the Secretary to provider records relating to items and services rendered to beneficiaries of such programs.

(4) Retention of source documentation.

(5) Provision of complete and accurate documentation to support all claims for payment.

(6) A statement of the legal consequences for the submission of false or fraudulent claims for payment.

SEC. 702. STANDARDS FOR UNIFORM CLAIMS.

(a) Establishment of Standards.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall establish standards for the form and submission of claims for payment under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and the medicaid program under title XIX of such Act (42 U.S.C. 1396 et seq.).

(b) Ensuring Provider Responsibility.—In establishing standards under subsection (a), the Secretary, in consultation with appropriate agencies including the Department of Justice, shall include such methods of ensuring provider responsibility and accountability for claims submitted as necessary to control fraud and abuse.

(c) USE OF ELECTRONIC MEDIA.—The Secretary shall develop specific standards which govern the submission of claims through electronic media in order to control fraud and abuse in the submission of such claims.

SEC. 703. UNIQUE PROVIDER IDENTIFICATION CODE.

(a) ESTABLISHMENT OF SYSTEM.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall establish a system which provides for the issuance of a unique identifier code for each individual or entity furnishing items or services for which payment may be made under title XVIII or XIX of the Social Security (42 U.S.C. 1395 et seq.; 1396 et seq.), and the notation of such unique identifier codes on all claims for payment.

(b) APPLICATION FEE.—The Secretary shall require an individual applying for a unique identifier code under subsection (a) to submit a fee in an amount determined by the Secretary to be sufficient to cover the cost of investigating the information on the application and the individual's suitability for receiving such a code.

SEC. 704. USE OF NEW PROCEDURES.

No payment may be made under either title XVIII or XIX of the Social Security Act (42 U.S.C. 1395 et seq.; 42 U.S.C. 1396 et seq.) for any item or service furnished by an individual or entity unless the requirements of sections 702 and 703 are satisfied.

SEC. 705. NONDISCHARGEABILITY OF CERTAIN MEDICARE DEBTS.

(a) PAYMENT TO PROVIDERS.—Section 1815(d) (42 U.S.C. 1395g(d)) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of law, amounts due to the program under this subsection are not dischargeable under any provision of title 11, United States Code.".

(b) PAYMENT OF BENEFITS.—Section 1833(j) (42 U.S.C. 1395l(j)) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of law, amounts due to the program under this subsection are not dischargeable under any provision of title 11, United States Code.".

S. 1859

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Restore Trust Act of 1996".

SEC. 2. PROHIBITION ON CONSIDERATION OF LEGISLATION THAT DIVERTS SAVINGS ACHIEVED THROUGH MEDICARE WASTE, FRAUD, AND ABUSE ENFORCEMENT ACTIVITIES FOR PURPOSES OTHER THAN IMPROVING THE SOLVENCY OF THE FEDERAL HOSPITAL INSURANCE TRUST FUND.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, conference report, or any other legislation that would use savings achieved through enforcement activities that are intended to combat waste, fraud, and abuse under the medicare program under title XVIII of the Social Security Act as offsets for purposes other than to improve the solvency of the Federal Hospital Insurance Trust Fund established under section 1817 of such Act (42 U.S.C. 1395i) (in this Act referred to as the "trust fund").

(b) WAIVER.—The point of order described in subsection (a) may be waived or suspended in the Senate by a ⅗ majority vote of the Senators duly chosen and sworn, or by the unanimous consent of the Senate.

(c) APPEALS.—

(1) IN GENERAL.—Appeals in the Senate from decisions of the Chair relating to this section shall be limited to 1 hour, to be equally divided between and controlled by, the appellant and the manager of the bill, conference report, or other legislation, as the case may be.

(2) WAIVER.—An affirmative ⅗ majority vote of the Senators duly chosen and sworn, or a unanimous consent agreement of the Senate shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

SEC. 3. ENSURING THE INTEGRITY OF THE FEDERAL HOSPITAL INSURANCE TRUST FUND.

(a) DETERMINATION.—Prior to the end of each fiscal year, the Secretary of Health and Human Services (in this section referred to as the "Secretary") and the Attorney General shall jointly determine—

(1) the portion of the costs charged during such fiscal year to any account established within the Federal Hospital Insurance Trust Fund under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to combat health care waste, fraud, and abuse, which do not relate to the administration of the medicare program; and

(2) the amount of funds deposited into such account of such trust fund during such fiscal year that were attributable to enforcement activities that were intended to combat health care waste, fraud, and abuse, which do not relate to the administration of the medicare program.

(b) CERTIFICATION.—If the portion determined under paragraph (1) of subsection (a) exceeds the amount determined under paragraph (2) of such subsection, the Secretary and the Attorney General shall certify to the Secretary of the Treasury the amount, which shall be equal to the amount of such excess, which should be transferred from the General Fund of the Treasury to such trust fund, in order to ensure that such trust fund is fully reimbursed for any expenditures made from the account described in subsection (a) that are not related to the administration of the medicare program under title XVIII of the Social Security Act.

(c) TRANSFER OF FUNDS.—The Secretary of the Treasury shall transfer to such trust fund from the General Fund of the Treasury, out of any funds in the General Fund that are not otherwise appropriated, an amount equal to the amount certified under subsection (b).

By Mr. McCONNELL (for himself, Mr. DOLE, Mr. LIEBERMAN, and Mr. MOYNIHAN):

S. 1860. A bill to provide for legal reform and consumer compensation relating to motor vehicle tort systems, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE AUTO CHOICE REFORM ACT OF 1996

By Mr. McCONNELL (for himself and Mr. DOLE):

S. 1861. A bill to provide for legal reform and consumer compensation, and for other purposes; to the Committee on the Judiciary.

THE LEGAL REFORM AND CONSUMER COMPENSATION ACT OF 1996

• Mr. McCONNELL. Mr. President, several weeks ago, I was disappointed, but not surprised, when the President vetoed the bipartisan product liability reform bill. The bill would have curbed runaway punitive damage awards—which the Supreme Court endorsed in its recent BMW versus Gore decision—and offered some protection to those needlessly dragged into lawsuits. The President, erroneously, in my view, charged that the product liability reform bill, offered too many benefits to business and unfairly burdened the injured.

The President missed an opportunity to correct some of the defects in the legal system. The fact is the system is too costly and fails to provide prompt and fair relief to those who are injured. Less than half of every dollar spent on lawsuits goes to the injured.

And, spiraling legal costs exact a toll on every American family and business owner in the form of higher insurance premiums and ever-increasing costs for medical care. FBI Director Louis Freeh estimates that fraudulent medical claims arising out of phony car accidents cost every American household $200 a year.

Moreover, economic growth is impeded when new American-made products, technology, medicines, and medical devices aren't brought to worldwide markets because of too many lawsuits.

This mess-of-a-legal system can be turned around with reforms that will ensure those who are injured get fairly and quickly compensated without resort to expensive and protracted litigation. The two bills I am introducing today take aim at the unnecessary costs of personal injury lawsuits. The result will be more money in the hands of the injured more quickly, and a massive savings to American consumers.

The Joint Economic Committee estimates that the Auto Choice Reform Act will save the driving public $40 billion annually in insurance costs. Savings would be progressive, resulting in savings to low-income drivers of about 45 percent on their insurance premiums.

The Legal Reform and Consumer Compensation Act, designed to change the monopolistic and anticompetitive contingent fee system and to provide a rapid recovery mechanism for personal injury victims, would save more than $45 billion a year.

These dramatic savings are achieved without capping punitive damages, or limiting the rights of victims. Rather, these bills expand consumer options. By adding a new type of auto insurance, new ways of paying victims fairly for their injuries, and breaking the contingent fee hold, Americans will be begin to be relieved of the litigation burden that threatens to strangle every family and burdens the overall economy.

The changes proposed in these bills will require a major rethinking about the current zero-sum, adversarial legal system. Occasionally, the legal system rewards a persistent plaintiff with a windfall damage award—like the woman who won a multi-million-dollar verdict from McDonald's for spilling hot coffee on herself. But odds of winning in the legal system are about as good as hitting a jackpot in Las Vegas.

The perverse incentive structure—the one-in-a-million chance of winning the lottery—discourages settlement and rewards a piling on of claims. If a jury will award an injured party 3 times his or her out-of-pocket losses, then 10 trips to the doctor are better than 2. The Rand Corp., in a study released earlier this year, estimates that excess medical claiming connected with lawsuits consumed some $4 billion of health care resources.

But the fault for the runaway legal system does not lie exclusively with the injured and their lawyers. Defendants and their lawyers know that the multimillion-dollar jury award is a rare occurrence. Yet, most cases are fought as if every case results in $1 million verdict. Every dollar spent on defense buys delay and precludes early and reasonable resolution.

In the meantime, every American pays the price—through higher car insurance premiums, spiraling medical bills, and soaring prices at the checkout counter. And the economy suffers from slow growth and through products, inventions, and technologies withheld from the world's markets because of the cost of lawsuits. It's time we cut the tort tax and give every American relief from the costly legal system.

I am pleased that Senator DOLE is joining this effort. His sponsorship of this ambitious effort to overhaul the legal system will probably be one of his last legislative initiatives. I am honored to have his support.

I ask unanimous consent that a copy of the two bills and a summary of the bills be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.1860

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Auto Choice Reform Act of 1996".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the costs of operating a motor vehicle are excessive due to the legal and administrative costs associated with the processing of claims under the tort system;

(2) the costly fault and liability insurance system often fails to provide compensation commensurate with loss, takes too long to pay benefits and wastes too many dollars on legal fees;

(3) the distorted incentives of the tort system for motor vehicles produce—

(A) significant fraud in the claiming process, thereby dangerously exacerbating the national distrust felt by many Americans toward the legal process in general and the rule of law itself;

(B) significant wasteful, fraudulent, and costly overuse and abuse of scarce health care resources and services, thereby increasing the problems of affordability and accessibility in the health care system;

(C) significant and unbearable cost burdens on low-income Americans, which impose on them the Hobson's choice of driving on an unlawful, uninsured basis or compelling them to forego essential needs;

(D) significant reductions in access to, and purchases of, motor vehicles, thereby damaging the economic well-being of many low-income Americans, while also unnecessarily harming a critical component of the American economy;

(E) significant deterioration of the economic well-being of most major American cities through the imposition of a massive, differentially greater "tort tax" on urban residents, thereby contributing to the abandonment of cities by many American taxpayers able to achieve substantial after-tax savings on automobile insurance premiums by the sole act of moving to adjacent suburban communities; and

(F) significant inability to achieve market-based discounts in insurance rates for owners of safer cars, thereby powerfully contributing to the lesser safety of American drivers and passengers;

(4) a system that allows consumers the opportunity to self-insure and separates economic and non-economic damages for the purpose of purchasing insurance would provide enormous cost savings to drivers;

(5) consumer choice in selection of motor vehicle insurance would be greatly enhanced if each consumer could decide upon the form of insurance that best suits the individual needs of the consumer;

(6) insurance to indemnify individuals for personal injury arising from motor vehicle collisions is frequently unavailable at reasonable cost because of the potential for third-party claims;

(7) a system enabling individuals to select the form of motor vehicle insurance coverage that best suits individual needs would enhance individual freedom and reduce the costs of motor vehicle insurance for consumers; and

(8) a system which targets and emphasizes the scourge of those who drive under the influence of drugs or alcohol will further deter such dangerous and unlawful conduct.

SEC. 3. PURPOSE.

The purpose of this Act is to authorize consumers of motor vehicle insurance to choose between their present tort remedies under State law and a system which combines first-party insurance and the right to sue negligent drivers for all further uncompensated economic losses.

SEC. 4. DEFINITIONS.

For the purposes of this Act, the term—

(1) "accident" means unforeseen or unplanned event causing loss or injury;

(2) "economic loss" means any objectively verifiable pecuniary loss resulting from the harm suffered, including past and future medical expenses, loss of past and future earnings, burial costs, costs of repair, or replacement costs of replacement services in the home, including child care, transportation, food preparation, and household care, costs of making reasonable accommodations to a personal residence, loss of employment, and loss of business or employment opportunities, to the extent recovery for such losses is allowed under applicable State law;

(3) "financial responsibility law" means a statute (including one requiring compulsory coverage) penalizing motorists for failing to carry defined limits of tort liability insurance covering motor vehicle accidents;

(4) "insurer" includes a person who is self-insured within the meaning of applicable State law;

(5) "intentional misconduct" means conduct whereby harm is intentionally caused or attempted to be caused by one who acts or fails to act for the purpose of causing harm or with knowledge that harm is substantially certain to follow when such conduct caused or substantially contributed to the harm claimed for, except a person does not intentionally cause or attempt to cause harm—

(A) merely because his or her act or failure to act is done with the realization that it creates a grave risk of causing harm; or

(B) if the act or omission causing bodily harm is for the purpose of averting bodily harm to oneself or another person;

(6) "motor vehicle" means a vehicle of any kind required to be registered under the provisions of the applicable State law relating to motor vehicles;

(7) "net economic loss"—

(A) means economic loss, including when payable based on fault, a reasonable attorney's fee calculated on the basis of the value of the attorney's efforts as reflected in payment to the attorney's client; and

(B) excludes amounts paid or payable under—

(i) Federal, State, or private disability or sickness programs;

(ii) Federal, State, or private health insurance programs;

(iii) employer wage continuation programs;

(iv) workers' compensation or similar occupational compensation acts; and

(v) any other source of payment intended to compensate such individual for injuries resulting from a motor vehicle accident, including amounts paid under personal protection insurance or tort maintenance coverage;

(8) "no-fault motor vehicle law" means a statute under which those injured in motor vehicle accidents are paid without regard to fault for their pecuniary losses as a result of personal injury, in return for which claims based on fault including for nonpecuniary losses, are to a defined extent limited;

(9) "noneconomic loss" means subjective, nonmonetary losses including pain, suffering, inconvenience, mental suffering, emotion distress, loss of society and companionship, loss of consortium, hedonic damages, injury to reputation, and humiliation;

(10) "person" means any individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity (including any governmental entity);

(11) "personal protection" means an insurance contract payable without regard to fault for net economic loss due to personal injury resulting from a motor vehicle accident, along with waiver of tort claims pursuant to this Act;

(12) "replacement service loss" means expenses reasonably incurred in obtaining ordinary and necessary services from others, not members of the injured person's household, in lieu of the services the injured person would have performed for the benefit of the household;

(13) "resident relative or dependent" means a person related to the owner of a motor vehicle by blood, marriage, adoption, or otherwise (including a dependent receiving financial services or support from such owner), and residing in the same household at the time of accidental personal injury,

and a person resides in the same household if he or she usually makes his or her home in the same family unit, even though temporarily living elsewhere;

(14) "serious bodily injury" means bodily injury which results in death, dismemberment, significant and permanent loss of an important bodily function, or significant and permanent scarring or disfigurement;

(15) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, the Trust Territories of the Pacific Islands, and any other territory or possession of the United States;

(16) "tort liability" means the legal obligation for payment of damages caused by one adjudged to have committed a tort;

(17) "tort liability insurance" means insurance by the terms of which an insurer agrees to pay, on behalf of an insured, damages the latter is obligated to pay a third person because of his or her liability to that third person;

(18) "tort maintenance coverage" means coverage under which a tort liability insured, when involved in an accident with a personal protection insured, retains his or her right to claim for personal injury under State law without modification by any provision of this Act, except that responsibility for payment for any such claim is assumed by his or her own insurer to the extent of such coverage under section 5(b)(1); and

(19) "uninsured motorist" means the owner of a motor vehicle, including his or her resident relatives, uninsured for either personal protection or tort liability insurance at the limits prescribed by the applicable State's financial responsibility law or higher under section 5(a)(2)(A).

SEC. 5. MOTOR VEHICLE PERSONAL PROTECTION INSURANCE.

(a) INSURANCE POLICY PROVISIONS.—(1) An insurance policy that includes provisions that entitle the insured to receive, without regard to fault or lack of fault, the insured's net economic losses caused by an injury along with an express, specific waiver of tort rights as provided in the insurance policy shall be valid notwithstanding any contrary provisions of State law.

(2) In order for a personal protection insurance policy to be covered by this Act, a motor vehicle insurance policy issued by an insurer shall, at a minimum—

(A) provide personal protection coverage of the greater of—

(i) up to the minimum limits of liability insurance for personal injury under the State's financial responsibility law; or

(ii) in a State covered by a no-fault motor vehicle insurance law, up to the minimum level of insurance required for no-fault benefits; and

(B) contain provisions under the State's financial responsibility law, including those related to liability for property damage, except to the extent State law would bar contractual provisions giving effect to personal protection authorizations set forth in this Act, or to the extent that State law would be contrary to other provisions of this Act.

(3) A personal protection insurer is authorized to contract to pay personal protection benefits periodically as losses accrue. Unless the treatment or expenses related thereto are in reasonable dispute, an insurer who does not pay a claim for net economic loss covered by a personal protection insurance under this Act within 30 days after payment is due, shall pay the loss compounded at a rate of 50 percent per annum, as liquidated damages and in lieu of any penalty or exemplary damages.

(b) OPERATION OF THE RIGHT TO CHOOSE.—(1) Under this Act, in lieu of buying traditional tort liability insurance for personal injury to protect third parties, motorists have the right to choose personal protection which will be available to themselves and their family members in the event of a motor vehicle accident, including the amount of financial protection they deem appropriate and affordable for themselves and such others. As an alternative, motorists have the right to elect traditional tort liability coverage for personal injury at the minimum limits (or higher) under the State's financial responsibility law.

(2)(A) A motorist who chooses traditional tort liability has automatically included in such coverage tort maintenance coverage at least at the equivalent of the minimum levels of insurance under the higher of—

(i) the State's financial responsibility law for personal injury; or

(ii) the State's no-fault motor vehicle law, if applicable.

(B) A motorist described under subparagraph (A) who is involved in an accident with another motorist remains subject to tort law for personal injury except that, based on fault, such motorist—

(i) may be claimed against by those covered by personal protection insurance or tort maintenance coverage only for net economic loss; and

(ii) may not claim against those covered by personal protection insurance or tort maintenance coverage except for net economic loss.

(C)(i) With respect to a claim under subparagraph (B)(ii), a deduction is made against the recovery equal to the limits of tort maintenance coverage applicable to the economic loss of the claimant.

(ii) One-half of any amount paid under tort maintenance coverage referred to under clause (i) shall be deemed payable for economic loss.

(3) A motorist who chooses personal protection coverage and who is involved in an accident with another such motorist is compensated under his or her own policy for net economic loss only without regard to fault. But if the motorist sustains net economic loss in excess of his or her policy's benefit levels, that person retains the right to claim and sue for net economic loss based on fault.

(4) If a motorist who has chosen personal protection coverage is involved in an accident with an uninsured motorist, the personal protection insured is compensated for net economic loss without regard to fault according to the terms of his or her personal protection policy, and has the right to claim against the uninsured motorist for net economic loss based on fault. The uninsured motorist forfeits the right to claim for noneconomic loss against the motorist who has chosen the personal protection policy.

(5)(A) A motorist who chooses either personal protection insurance or tort liability insurance also binds by such choice his or her resident relatives, provided that—

(i) an adult resident relative shall not be bound without his or her consent, which, in the absence of express consent, shall be implied when the relative is present in a motor vehicle operated by the motorist; and

(ii) insurers are authorized to specify reasonable terms and conditions governing the commencement, duration, and application of the chosen coverage depending on the number of motor vehicles and owners thereof in a household.

(B) In order to minimize conflict between the two options under subparagraph (A), insurers are authorized to maintain underwriting rules that encourage uniformity within a household.

(6) A personal protection insured retains the right to claim, and remains subject to a claim, for driving under the influence of alcohol or illegal drugs, both as defined by State law, or for intentional misconduct.

(7) A personal protection insured claims personal protection benefits in the following priority:

(A) The personal protection of an employer if the person injured is an employee of the employer and the accident occurs while the employee is acting within the scope of the employee's employment.

(B) The personal protection under which the injured person is or was an insured.

(C) The personal protection covering a motor vehicle involved in the accident, if the person injured was an occupant or was struck by such motor vehicle at the time of the accident.

(8) A personal protection insurer is authorized to write personal protection coverage—

(A) without any deductible or subject to a reasonable deductible not to exceed $1,000; and

(B) with an exclusion of coverage for persons driving under the influence of alcohol or illegal drugs.

(9) A personal protection insurer is subrogated, to the extent of its obligations, to all of the rights of its personal protection insured with respect to an accident caused in whole or in part, as determined by applicable State law, by the negligence of an uninsured motorist or driving under the influence of alcohol or illegal drugs, or caused in whole or in part by intentional misconduct or any person who is not affected by the limitations on tort rights and liabilities under this Act.

(10) Any person lawfully uninsured under the terms of State law for either personal protection or tort liability insurance retains his or her tort rights in a form unaffected by this Act.

(c) RENEWAL OR CANCELLATION.—An insurer shall not cancel, fail to renew, or increase the premium of its insured solely on account of the insured or any other injured person making a claim for personal protection benefits or, where there is no basis for ascribing fault to the insured or one for whom the insured is vicariously liable, for tort maintenance coverage.

(d) IMMUNITY.—No insurer or any agent or employee of such insurer, no insurance producer representing a motor vehicle insurer or any automobile residual market plan, and no attorney licensed to practice law within this State shall be liable in an action for damages on account of an election of the tort liability option, an election of the personal protection option, or a failure to make a required election, unless such person has willfully misrepresented the available choices or has fraudulently induced the election of one system over the other.

(e) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed—

(1) to waive or affect any defense of sovereign immunity asserted by any State under any law or by the United States;

(2) to preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation;

(3) to affect the right of any court to transfer venue, to apply the law of a foreign nation, or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the ground of inconvenient forum;

(4) subject to paragraph (1), to create or vest jurisdiction in the district courts of the United States over any motor vehicle accident liability or damages action subject to this Act which is not otherwise properly in the United States District Court;

(5) to prevent insurers and insureds from contracting to limit recovery for lost wages and income under personal protection coverage such that only 60 percent or more of lost wages or income is covered, or to offset death benefits under personal protection coverage by amounts paid for lost wages and replacement service losses;

(6) to prevent an insurer from contracting with personal protection insureds, as permitted by State law, to have submitted to arbitration any dispute with respect to payment of personal protection benefits;

(7) to relieve a motorist of the obligations imposed by State law to purchase tort liability insurance for personal injury to protect third parties who are not affected by the immunities of subsection (b); and

(8) to preclude a State from enacting, for all motor vehicle accident cases including cases covered by this Act, a minimum dollar value for defined classes of cases involving death or serious bodily injury.

SEC. 6. APPLICABILITY TO STATES; CHOICE OF LAW; JURISDICTION; AND CONSTRUCTION.

(a) ELECTION OF NONAPPLICABILITY BY STATES.—This Act shall not apply in a State if such State enacts a statute that—

(1) cites the authority of this subsection; and

(2) declares the election of such State that this Act shall not apply.

(b) NONAPPLICABILITY TO STATE BY STATE FINDING.—(1) This Act shall not apply in a State, if—

(A) the State official charged with jurisdiction over insurance rates for motor vehicles makes a finding that the statewide average motor vehicle premiums in effect immediately before the effective date of this Act for personal injury will not be reduced by an average of at least 30 percent for persons choosing personal protection coverage in lieu of traditional tort liability pursuant to this Act (without including any cost for uninsured or underinsured or medical payments coverages);

(B) the finding described under subparagraph (A) is supported by evidence adduced in public hearing and reviewable under the State's administrative procedure law; and

(C) the finding described under subparagraph (A) and any review of such finding described under subparagraph (B) occurs no later than 60 days after the date of the enactment of this Act.

(2) Premiums for personal injury referred to under paragraph (1)(A) include premiums for—

(A) personal injury liability, uninsured and underinsured motorists' liability, and medical payments coverage; and

(B) if applicable—

(i) no fault benefits under no fault motor vehicle law; or

(ii) similar benefits under a law not limiting claims based on fault for nonpecuniary losses.

(c) CHOICE OF LAW.—In disputes between citizens of States that elect nonapplicability under subsection (a) and citizens of States that do not so elect, ordinary choice of law principles shall apply.

(d) JURISDICTION.—This section shall not confer jurisdiction on the district courts of the United States under section 1331 or 1337 or title 28, United States Code.

(e) CONSTRUCTION.—Nothing in this Act shall alter or diminish the authority or obligation of the Federal courts to construe the terms of this Act.

SEC. 7. EFFECTIVE DATE.

This Act shall take effect 60 days after the date of the enactment of this Act.

S. 1861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Legal Reform and Consumer Compensation Act of 1996".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Findings.

TITLE I—EARLY OFFER AND RAPID RECOVERY

Sec. 101. Early offer and rapid recovery mechanisms.

TITLE II—FAIRNESS IN LEGAL FEES

Sec. 201. Findings and purpose.
Sec. 202. Definitions.
Sec. 203. Creation of a fiduciary relationship.
Sec. 204. Written hourly rate fee agreement.
Sec. 205. Nature of demand for compensation.
Sec. 206. Time limit for, and requisite contents of, response setting forth settlement offer.
Sec. 207. Consequences of failure to include prescribed material with settlement offer.
Sec. 208. No obligation to issue response; inadmissibility of demands, responses, and failure to respond.
Sec. 209. Effect of pre-demand settlement offer.
Sec. 210. Pre-retention offer.
Sec. 211. Post-retention offer when a pre-retention offer has been made.
Sec. 212. Post-retention offer when no pre-retention offer has been made.
Sec. 213. Calculation of attorney's fee when there is a subsequent resolution of the claim.
Sec. 214. Provision of closing statement.
Sec. 215. Effect of contravening agreements.
Sec. 216. Inapplicability.

TITLE III—APPLICABILITY AND RULE OF CONSTRUCTION

Sec. 301. Applicability to States; choice of law; jurisdiction; and construction.
Sec. 302. Effective date.

SEC. 3. FINDINGS.

The Congress finds that—

(1) the current liability system is, all too often, a frustrating experience for many personal injury claimants, resulting in a time-consuming process which provides inadequate compensation for their injuries;

(2) for other personal injury claimants, the system can provide a windfall of financial gain, greatly in excess of their actual losses;

(3) the unpredictable and erratic system is a product of a perverse incentive structure in which the magnitude of noneconomic damages is directly linked to, and is a multiple of, the out-of-pocket expenses incurred by the claimant;

(4) the incentives of the litigation system perpetuate the overuse and abuse of the medical system, costing the economy billions of dollars and costing every United States family hundreds of dollars in unnecessary insurance premiums and health care expenses;

(5) the system as it has recently developed—

(A) is highly regressive;

(B) is often duplicative of and inconsistent with Federal regulatory and social welfare programs for the protection of injured parties;

(C) is burdened by an administrative cost structure that causes a disproportionate amount of its dollars to go to lawyers rather than to injured parties;

(D) is particularly prejudicial to the competitive position of the American small business community;

(E) is a major and increasing threat to the economic viability of American cities;

(F) imposes a major burden on the American economy and if reformed would significantly enhance American productivity and consumer wealth;

(G) is replete with incentives that reward abusive claiming and defensive behavior; and

(H) is therefore a major cause of the dangerous disesteem increasingly felt by increasing numbers of Americans toward the legal system and, indeed, the rule of law itself; and

(6) there is a need for a system of early offer, rapid recovery and consumer choice to enable claimants to be made whole and recover all economic losses without resort to complex and protracted litigation.

TITLE I—EARLY OFFER AND RAPID RECOVERY

SEC. 101. EARLY OFFER AND RAPID RECOVERY MECHANISMS.

(a) PURPOSE.—The purpose of this title is to establish a system of early offer and rapid recovery to permit personal injury claimants to recover their economic losses from a responsible party in a timely manner.

(b) IN GENERAL.—Chapter 111 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 1660. Early offer and rapid recovery mechanisms

"(a) For purposes of this section:

"(1) The term 'allegedly responsible party' means a person, partnership, or corporation, and an insurer thereof, alleged by the claimant to be responsible for at least some portion of an injury alleged by a claimant.

"(2) The term 'claimant' means an individual who, in his or her own right, or vicariously as otherwise permitted by law, is seeking compensation for personal injury.

"(3) The term 'clear and convincing evidence' means that measure or degree of proof that will produce in the mind of the trier of fact a firm belief or conviction as to the truth of the allegations sought to be established. The level of proof required to satisfy such standard shall be more than that required under preponderance of the evidence, and less than that required for proof beyond a reasonable doubt.

"(4) The term 'collateral benefits' means all benefits and advantages received or entitled to be received (regardless of the right of recoupment of any other entity, through subrogation, trust agreement, lien, or otherwise) by an injured individual (or other entity) as reimbursement of loss because of personal injury—

"(A) payable or required to be paid by—

"(i) Federal, State, or other governmental disability, unemployment, or sickness programs;

"(ii) under the terms of any Federal, State, or other governmental or private health insurance, accident insurance, wage or salary continuation plan, or disability income insurance; or

"(iii) any other program or compensation system, if the payment is intended to compensate the claimant for the same injury or disability which is the subject of the claim; minus

"(B) the amount paid by such individual (or by the spouse, parent, child, or legal guardian of such individual) to secure the payments described in subparagraph (A).

"(5) The term 'economic loss' means any objectively verifiable pecuniary loss resulting from the harm suffered, including past and future medical expenses, loss of past and future earnings, burial costs, property damage accompanying bodily injury, costs of replacement services in the home, including child care, transportation, food preparation, and household care, costs of making reasonable accommodations to a personal residence, loss of employment, and loss of business or employment opportunities, to the extent recovery for such losses is allowed under applicable State law.

"(6) The term 'entity' includes an individual or person.

"(7) The term 'intentional misconduct' means conduct whereby harm is intentionally caused or attempted to be caused by one who acts or fails to act for the purpose of causing harm or with knowledge that harm is substantially certain to follow when such conduct caused or substantially contributed to the harm claimed for, except a person does not intentionally cause or attempt to cause harm—

"(A) merely because his or her act or failure to act is intentional or done with the realization that it creates a risk of harm; or

"(B) if the act or omission causing bodily harm is for the purpose of averting bodily harm to oneself or another person.

"(8) The term 'liability claim' means a demand for compensation by certified mail to an allegedly responsible party, which shall set forth the material facts relevant to the claim including—

"(A) the name, address, age, marital status, and occupation of claimant, which term for the purposes of this section includes the injured party if claimant is operating in a representative capacity;

"(B) a brief description of how the injury occurred;

"(C) the names, and, if known, the addresses, telephone numbers, and occupations of all known witnesses to the injury;

"(D) copies of photographs in claimant's possession that relate to the injury;

"(E) the basis for claiming that the party to whom the claim is addressed is at least partially responsible for causing the injury;

"(F) a description of the nature of the injury, the names and addresses of all physicians, other health care providers, and hospitals, clinics, or other medical service entities that provided medical care to the claimant or the injured party including the date and nature of the service;

"(G) a copy of the medical records relating to the injury and those involving a prior injury or preexisting medical condition which an allegedly responsible party would be able to introduce into evidence in a trial or, in lieu of either or both, executed releases authorizing the allegedly responsible party to obtain such records directly from health care providers that produced or possess them; and

"(H) relevant documents, including records of earnings if a claimant is self-employed and employer records of earnings if a claimant is employed, and any medical expenses, wages lost, or other pertinent damages suffered as a consequence of the injury.

"(9) The term 'noneconomic loss' means nonmonetary losses including punitive damage claims and further including without being limited to pain, suffering, inconvenience, mental suffering, emotional distress, loss of society and companionship, loss of consortium, hedonic damages, injury to reputation, and humiliation.

"(10) The term 'punitive damages' means damages awarded against any person or entity to punish such persons or entity or to deter such person or entity, or others, from engaging in similar behavior in the future.

"(11) The term 'reasonable attorney's fee' means an hourly fee for services rendered subsequent to the execution of a written agreement establishing an attorney-client relationship that bears a reasonable relation to the attorney's actual efforts on the client's behalf. Fees shall not be deemed reasonable to the extent that services provided by an attorney are attributable to any failure to provide reasonably prompt notice pursuant to subsection (b)(1)(A)(ii).

"(12) The term 'serious bodily injury' means bodily injury which results in death, dismemberment, significant and permanent loss of an important bodily function, or significant and permanent scarring or disfigurement.

"(13) The term 'wanton misconduct' means conduct that the allegedly responsible party realized was excessively dangerous, done heedlessly and recklessly, and with a conscious disregard of the consequences to or rights and safety of the claimant.

"(b)(1)(A) After an occurrence that may give rise to a civil action or claim against any person, in any Federal or State court based on any cause of action to recover damages for personal injury, any potentially allegedly responsible party has the option to offer, not later than the later of—

"(i) 120 days after the injury; or

"(ii) 120 days after the initiation of the liability claim,

to compensate a claimant for reasonable economic loss, including future economic loss, less collateral benefits, and including a reasonable attorney's fee for the claimant.

"(B) If within 30 days of receipt of a liability claim an allegedly responsible party notifies an unrepresented claimant or a claimant's attorney of a request for a medical examination of the claimant, and the claimant is not made available for such examination within 10 days of receipt of the request, the time provided by this section for issuing a response is extended by 1 day for each day that the request is not honored after the expiration of 10 days from the date of the request. Any such extension shall also include a further period of 10 days from the date of the completion of the medical examination.

"(C) The claimant may extend the time for receiving the offer specified in subparagraph (A).

"(2) States may establish for all cases, including cases covered by this title, a minimum dollar value for defined classes involving death or serious bodily injury. A claimant shall have the option of accepting such minimum dollar value payable in lump sum, or accepting the benefit specified in paragraph (1)(A).

"(c) An offer under subsection (b) may include other allegedly responsible parties, individuals, or entities that were involved in the events which gave rise to the civil action, regardless of the theory of liability on which the claim is based, upon their request or consent.

"(d) Future economic losses shall be payable to an individual under this section as such losses occur.

"(e) If, after an offer is made under subsection (b), the participants in the offer dispute their relative contributions to the payments to be made to the individual, such disputes shall be resolved through binding arbitration in accordance with applicable rules and procedures established by the Attorney General of the United States.

"(f)(1) The claimant may reject an offer of compensation made under subsection (b) and elect to bring or maintain a civil action. Upon rejection of the offer, the claimant may recover economic loss, including future economic loss, less collateral benefits. The amount of collateral benefits shall be determined by the court in a pretrial proceeding. In any subsequent proceeding in the action, no evidence shall be admitted as to the amount of economic loss for which collateral benefits have been paid to, or will be paid to, the claimant. The claimant may recover for noneconomic loss to the extent authorized by other applicable law only if the claimant proves each element of the claim for noneconomic loss by clear and convincing evidence, that the allegedly responsible party caused the injury by intentional or wanton misconduct.

"(2) A notice of such a rejection is required to be made not later than 90 days after the date on which the offer of compensation benefits is made. A failure to accept the offer within the 90-day period is deemed a rejection.

"(g) Rejected offers may not be disclosed in any subsequent action brought by the claimant.

"(h) Nothing in this section shall be construed to—

"(1) waive or affect any defense of sovereign immunity asserted by any State under any law;

"(2) waive or affect any defense of sovereign immunity asserted by the United States;

"(3) affect the applicability of any provision of chapter 97;

"(4) preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation;

"(5) affect the right of any court to transfer venue or to apply the law of a foreign nation or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the ground of inconvenient forum;

"(6) affect any applicable statute of limitations of any State or of the United States, except as expressly provided in this title; or

"(7) impair any right of a provider of collateral benefits to seek reimbursement outside of the claimant's cause of action where permitted by State law, other than by a lien on the recovery of the claimant.

"(i)(1) This section shall not apply to accidental bodily injury caused by the operation or the use of a motor vehicle in claims in which an uninsured motorist or a personal protection insured is involved.

"(2) For purposes of this subsection the term 'operation or use'—

"(A) means operation or use of a motor vehicle as a motor vehicle, including, incident to its operation or use as a vehicle, the occupation of the vehicle;

"(B) does not cover conduct within the course of a business of manufacturing, selling, or maintaining a motor vehicle, including repairing, servicing, washing, loading, or unloading; and

"(C) does not include such conduct not within the course of such a business unless such conduct occurs while occupying a motor vehicle.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 111 of title 28, United States Code, is amended by adding at the end the following new item:

"1660. Early offer and rapid recovery mechanisms.".

TITLE II—FAIRNESS IN LEGAL FEES

SEC. 201. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that contingency fees play a useful and often critical role in ensuring access to counsel and the courts on the part of those who would otherwise be unable to afford such access, but that—

(1) personal injury claimants are often subjected to unnecessary costs, delays, and inefficiencies in processing their compensation claims;

(2) virtually all such claimants who are represented by attorneys are charged contingent fees;

(3) the ethical and legal validity of a contingent fee is dependent upon an attorney undertaking risk in exchange for sharing proportionately in the proceeds of a claim;

(4) the perverse incentives of the existing system often encourage and reward defendants who take intransigent settlement positions and otherwise unethically add to the costs and delays of settling meritorious claims for, among other reasons, the purpose of reducing the marginal rates of compensation received by claimants' counsel;

(5) many deserving claimants receive inequitable compensation because—

(A) such claimants are required to pay attorneys approximately one-third or more of any recovery even when there is little or no issue of liability or damages and therefore little or no assumption of risk by the attorney; and

(B) when a defendant or its insurer has made a substantial settlement offer before the attorney's retention or shortly thereafter and the attorney has added little or nothing to the value of the claim to that point, payment of a substantial contingent fee is nonetheless generally required;

(6) the current compensation system often fails to provide sufficient financial incentives to effectuate prompt and adequate compensation to deserving claimants, resulting in—

(A) delays in adjudications and case settlements often caused by intransigent defendant conduct that the present system perversely rewards and thereby deprives claimants of prompt compensation;

(B) a substantial burden on Federal and State courts contributing to very high case backlogs; and

(C) regressive cost burdens and substantial avoidable costs imposed on all parties resulting from the long delays in resolving many claims;

(7) the current tort compensation system which results in delays in resolving claims and which effectively provides for increased noneconomic damages and, therefore, increased legal fees as medical care costs increase, provides perverse financial incentives for both more intensive and unnecessary use of medical care providers and the fraudulent incurrence of medical care expenses, thereby adding materially to the Nation's health care costs and burdens;

(8) delays in resolving claims often result in more intensive and unnecessary use of medical care providers, thereby adding to the Nation's health care burden;

(9) the claims process gives rise to substantial, avoidable transaction costs because of the lack of adequate incentives for defendants and their insurers to offer prompt and equitable settlements to meritorious claimants and because claimants' attorneys exact a significant share of any settlement even when their efforts do not generate or augment the settlement offer;

(10) contingency fee practices, as described in the preceding paragraphs, expose a clear and impermissible gap between (A) the ethical standards established and promulgated by courts and professed by the Bar, and (B) the actual practices of the Bar;

(11) contingency fee practices, as described in the preceding paragraphs, bring substantial disrepute to the Bar and to the legal system as a whole and loss of confidence in the rule of law itself, not the least because they create and expose broad gaps between the stated ethical principles of the legal profession and its real world practices;

(12) the inability of the Bar and the courts to curb contingency fee abuses has led to higher settlement costs, lowered compensation to injured persons, excessive medical care costs and delayed claims processing; and

(13) there is a need for adopting a procedure to implement appropriate ethical and legal standards and to resolve personal injury claims more fairly and promptly.

(b) PURPOSES.—The purposes of this title are to—

(1) enforce more efficiently and effectively ethical standards governing the reasonableness of lawyers' fees and correspondingly to implement the stricter scrutiny that courts are obliged to apply to contingent fees;

(2) reverse systemic incentives now in effect so as to reward, and not to penalize, defendants who make substantial early settlement offers;

(3) compensate claimants' attorneys more rationally by calculating their compensation in relation to the value of services rendered and risks undertaken;

(4) compensate more fairly those seeking redress for injuries by giving them a larger share of promptly achieved settlements;

(5) further enhance the likelihood of early settlement of claims by preserving a larger share of early settlement offers for claimants;

(6) lower the costs of the personal injury tort compensation system including unnecessary medical and defense costs;

(7) remove the burdens on interstate commerce and the Nation's health care programs that are imposed by the current tort compensation system;

(8) create a simple, self-enforcing system, controlled by the parties, which forms an early basis for establishing the sums and issues that are in dispute;

(9) reduce unworkable burdens now placed on courts and bar grievance boards presently charged with enforcing ethical standards through ex post facto, case-by-case fact finding processes that pose difficult burdens of proof and impose disproportionate transaction costs on both parties and fact finders; and

(10) provide alternatives to across-the-board fee cap reforms, which often provide defendants with unearned advantages and further encourage many defendants in unethical protraction of settlement of meritorious claims.

SEC. 202. DEFINITIONS.

For purposes of this title:

(1) The term "allegedly responsible party" means a person, partnership, corporation, and an insurer thereof, alleged by a claimant to be responsible for at least some portion of a personal injury alleged by claimant.

(2) The term "claim" means an assertion of entitlement to compensation for personal injury from an allegedly responsible party and, to the extent subject to a contingent fee agreement, to all other related claims arising from such injury.

(3) The term "claimant" means an individual who, in his or her own right, or vicariously as otherwise permitted by law, is seeking compensation for personal injury.

(4) The term "contingent fee" means the fee negotiated in a contingent fee agreement that is payable in fact or in effect only from the proceeds of any recovery on behalf of claimant.

(5) The term "contingent fee agreement" means a fee agreement between an attorney and claimant wherein the attorney agrees to bear the risk of no or inadequate compensation in exchange for a proportionate share of any recovery by settlement or verdict obtained for claimant.

(6) The term "contingent fee attorney" means an attorney who agrees to represent claimant in exchange for a contingent fee.

(7) The term "fixed fee" means an agreement between an attorney and claimant whereby the attorney agrees to perform a specific legal task in exchange for a specified sum to be paid by claimant.

(8) The term "hourly rate fee" means the fee generated by an agreement, or otherwise by operation of law, between an attorney and claimant providing that claimant pay the attorney a fee determined by multiplying the hourly rate negotiated, or otherwise set by law, between the attorney and claimant, by the number of hours that the attorney has worked on behalf of claimant in furtherance of claimant's interest. An hourly rate fee may also be a contingent fee to the extent it is only payable in fact or in effect from the proceeds of any recovery on behalf of claimant.

(9) The term "injury" means personal injury.

(10) The term "personal injury" means an occurrence resulting from any act giving rise to a tort claim, including, without limitation, bodily injury, sickness, disease, death, or property damage accompanying bodily injury.

(11) The term "post-retention offer" means an offer of settlement in response to a demand for compensation made within the time constraints, and conforming to the provisions of this title, made to a claimant who is represented by a contingent fee attorney.

(12) The term "pre-retention offer" means an offer to settle a claim for compensation made to a claimant not represented by an attorney at the time of the offer.

(13) The term "response" means a written communication by claimant or an allegedly responsible party or the attorney for either, deposited into the United States mail and sent certified mail or delivered by an overnight delivery service.

(14) The term "settlement offer" means a written offer of settlement set forth in a response within the time limits set forth in this title.

SEC. 203. CREATION OF A FIDUCIARY RELATIONSHIP.

For purposes of this title, a fiduciary relationship commences when a claimant consults a contingent fee attorney to seek professional services.

SEC. 204. WRITTEN HOURLY RATE FEE AGREEMENT.

Contingent fee agreements for the representation of parties with claims shall also include alternate hourly rate fees. If a contingent fee attorney has not entered into a written agreement with claimant at the time of retention setting forth the attorney's hourly rate, then a reasonable hourly rate is payable, subject to the limitations set forth in this title.

SEC. 205. NATURE OF DEMAND FOR COMPENSATION.

(a) In General.—At any time after retention, a contingent fee attorney pursuing a claim shall send a demand for compensation by certified mail to an allegedly responsible party, which shall set forth the material facts relevant to the claim including—

(1) the name, address, age, marital status, and occupation of claimant, which term for the purposes of this title includes the injured party if claimant is operating in a representative capacity;

(2) a brief description of how the injury occurred;

(3) the names, and, if known, the addresses, telephone numbers, and occupations of all known witnesses to the injury;

(4) copies of photographs in claimant's possession that relate to the injury;

(5) the basis for claiming that the party to whom the claim is addressed is at least partially responsible for causing the injury;

(6) a description of the nature of the injury, the names and addresses of all physicians, other health care providers, and hospitals, clinics, or other medical service entities that provide medical care to claimant or the injured party including the date and nature of the service;

(7) medical records relating to the injury and those involving a prior injury or pre-existing medical condition which an allegedly responsible party would be able to introduce into evidence in a trial or, in lieu of either or both, executed releases authorizing the allegedly responsible party to obtain such records directly from health care providers that produced or possess them; and

(8) relevant documentation, including records of earnings if a claimant is self-employed and employer records of earnings if a claimant is employed, or any medical expenses, wages lost, or other pertinent damages suffered as a consequence of the injury.

(b) Mailing of Copies.—At the time of the mailing of the demand for compensation, a claimant's attorney shall mail copies of each such demand to the claimant and to every other allegedly responsible party.

(c) Limitation on Fee.—A fee received by or contracted for by a contingent fee attorney that exceeds 10 percent of any settlement or judgment received by his or her client after reasonable expenses have been deducted is unreasonable and excessive if the attorney has sent a timely demand for compensation but has omitted information of a material nature that is required by this section which he or she had in his or her possession or which was readily available to him or her at the time of filing.

SEC. 206. TIME LIMIT FOR, AND REQUISITE CONTENTS OF, RESPONSE SETTING FORTH SETTLEMENT OFFER.

(a) Post-Retention Offer.—To qualify its response as a post-retention offer under this title, an allegedly responsible party shall—

(1) issue a response stating a settlement offer within 60 days from receipt of a demand for compensation;

(2) send the response to claimant's attorney with a copy to claimant;

(3) state that the offer is open for acceptance for a minimum of 30 days from the time of its receipt by claimant's attorney and further state whether it expires at the end of this period or remains open for acceptance for a longer period or until notice of withdrawal is given; and

(4) include with the offer copies of materials in its or its attorney's possession concerning the alleged injury upon which the allegedly responsible party relied in making the settlement offer except material that such party or its attorney believes in good faith would not be discoverable by claimant during the course of litigation.

If reproduction costs under paragraph (4) would be significant relative to the size of the offer, the allegedly responsible party may, in the alternative, offer other forms of access to the materials convenient and at reasonable cost to claimant's attorney.

(b) Time Limitations.—If within 30 days of receipt of a claimant's demand for compensation an allegedly responsible party notifies an unrepresented claimant or a claimant's attorney that it seeks to have a medical examination of claimant, and claimant is not made available for such examination within 10 days of receipt of the request, the time herein provided for issuing a response is extended by 1 day for each day that the request is not honored after the expiration of 10 days from the date of the request. Any such extension also includes a further period of 10 days from the date of the completion of the medical examination.

(c) Increase in Offer.—The settlement offer may be increased during the 60-day period set forth in subsection (a)(1) by issuing an additional offer stating that the time for acceptance is 10 days after receipt of the additional offer by claimant's attorney or 30 days from receipt of the initial response, whichever is longer, unless the additional response specifies a longer period of time for acceptance as set forth in subsection (a)(3).

SEC. 207. CONSEQUENCES OF FAILURE TO INCLUDE PRESCRIBED MATERIAL WITH SETTLEMENT OFFER.

(a) In General.—If an allegedly responsible party or its attorney willfully fails to include the material required by section 206(a)(4) with a response stating a settlement offer or does not otherwise make such material available—

(1) a claimant may revoke its acceptance of such settlement offer within 2 years of having accepted it; and

(2) any fees and costs reasonably incurred by a claimant in revoking its acceptance of such settlement offer and reinstating its claim is recoverable from the allegedly responsible party, including the losses suffered by a claimant who is precluded from reinstating its claim by operation of a statute of limitations.

(b) Sanctions for Party.—Willful failure of an allegedly responsible party to comply with section 206(a)(4) shall subject such party to the sanctions applicable to a party who fails to comply with requests for the production of documents.

(c) Sanctions for Attorney.—Willful failure of an attorney for an allegedly responsible party to comply with section 206(a)(4) shall subject that attorney to the same sanctions applicable to attorneys who improperly counsel their clients not to produce documents for which there has been a discovery request.

SEC. 208. NO OBLIGATION TO ISSUE RESPONSE; INADMISSIBILITY OF DEMANDS, RESPONSES, AND FAILURE TO RESPOND.

(a) No Obligation To Respond.—Nothing in this title imposes on an allegedly responsible party an obligation to issue a response to a demand for compensation.

(b) Inadmissibility of Offer.—Demands for compensation, early settlement offers, or the failure of an allegedly responsible party to issue same, are inadmissible in any subsequent litigation, proceeding, or arbitration, to the extent that evidence of settlement negotiations is inadmissible in the jurisdiction where the case is brought.

SEC. 209. EFFECT OF PRE-DEMAND SETTLEMENT OFFER.

A settlement offer to an injured party represented by a contingent fee counsel made before receipt of a demand for compensation, which is open for acceptance for 60 days or more from the time of its receipt and which conforms to the requirements of section 206, is deemed a post-retention offer and has the same effect under this title as if it were a response to a demand for compensation.

SEC. 210. PRE-RETENTION OFFER.

(a) Prohibition of Percentage Fee of Pre-Retention Offer.—It is a violation of this title for an attorney retained after claimant has received a pre-retention offer to enter into an agreement with claimant to receive a contingent fee based upon or payable from the proceeds of the pre-retention offer, provided that the pre-retention offer remains in effect or is renewed until the time has elapsed for issuing a response containing a settlement offer as defined under section 206.

(b) Unreasonable and Excessive Fee.—An attorney entering into a fee agreement that would effectively result in payment of a percentage of a pre-retention offer to a claimant has charged an unreasonable and excessive fee.

(c) Presumptive Reasonable Fee.—An attorney who contracts with a claimant for a reasonable hourly rate or a reasonable fixed fee, or who is paid such a fee for advising claimant regarding the fairness of the pre-retention offer, has charged a presumptively reasonable fee.

SEC. 211. POST-RETENTION OFFER WHEN A PRE-RETENTION OFFER HAS BEEN MADE.

(a) Reasonable Fee Based on Hourly Fee.—A fee paid or contracted to be paid to a contingent fee attorney by a claimant who has rejected a pre-retention offer and who later accepts a post-retention offer of a greater amount is an unreasonable and excessive fee unless it is an hourly rate fee that does not exceed 25 percent of the excess of the post-retention offer over the pre-retention offer.

(b) Reasonable Fee Based on Percentage.—If the accepted post-retention offer is less than the pre-retention offer, a total fee for all services rendered that is greater than 10 percent of the first $100,000 of the post-retention offer plus 5 percent of any amount that exceeds $100,000 after all reasonable expenses have been deducted is an unreasonable and excessive fee.

SEC. 212. POST-RETENTION OFFER WHEN NO PRE-RETENTION OFFER HAS BEEN MADE.

A fee paid or contracted to be paid to a contingent fee attorney by a claimant who has not received a pre-retention offer and who has accepted a post-retention offer is an unreasonable and excessive fee unless it is an hourly rate fee that does not exceed 10 percent of the first $100,000 of the offer plus 5 percent of any amount that exceeds $100,000 after all reasonable expenses have been deducted.

SEC. 213. CALCULATION OF ATTORNEY'S FEE WHEN THERE IS A SUBSEQUENT RESOLUTION OF THE CLAIM.

Irrespective of any pre-retention offer, the provisions of section 212 regarding maximum allowable fees remain in effect if a post-retention offer is not accepted by claimant within the time provided by this title. Contingent fees are unreasonable and excessive unless charged against the difference between an unaccepted post-retention offer and the judgment or settlement ultimately obtained by claimant. When such judgment or settlement is lower than the unaccepted offer, the fee limitations of section 212 apply against the judgment or settlement.

SEC. 214. PROVISION OF CLOSING STATEMENT.

Upon receipt of any settlement or judgment, and prior to disbursement thereof, a contingent fee attorney shall provide claimant with a written statement detailing how the proceeds are to be distributed, including the amount of the expenses paid out or to be paid out of the proceeds, the amount of the fee, how the fee amount is calculated, and the amount due claimant.

SEC. 215. EFFECT OF CONTRAVENING AGREEMENTS.

(a) VIOLATION.—A contingent fee attorney who charges a fee that contravenes this title has charged an unreasonable and excessive fee.

(b) EXCESSIVE AND UNREASONABLE FEES.—If the fee violates subsection (a), then it is also excessive and unreasonable to the extent that it has not been reduced by any reasonable fees and costs incurred by claimant in establishing that the fee agreement contravened this title.

(c) UNENFORCEABLE FEE AGREEMENTS.—Fee agreements between claimants and contingent fee attorneys who have charged fees defined under this title as unreasonable or excessive are illegal and unenforceable except to the extent provided in this title.

SEC. 216. INAPPLICABILITY.

(a) EVALUATIONS AND COLLECTIONS.—Except for the provisions of section 203, nothing in this title applies to an agreement between a claimant and an attorney to retain the attorney—

(1) on an hourly rate fee or fixed fee basis solely to evaluate a pre-retention offer; or

(2) to collect overdue amounts from an accepted pre-retention or post-retention settlement offer.

(b) AGREEMENTS IN WHICH CERTAIN OFFERS NOT MADE.—The provisions of this title prohibiting the charging of contingency fees in the absence of assuming meaningful risk and defining reasonable and unreasonable fees, shall have no effect on contingent fee agreements in cases in which neither a pre-retention nor a post-retention offer of settlement is made.

(c) MOTOR VEHICLE ACCIDENTAL BODILY INJURY.—(1) This title shall not apply to accidental bodily injury caused by the operation or the use of a motor vehicle in claims in which an uninsured motorist or personal protection insured is involved.

(2) For purposes of this subsection the term "operation or use"—

(A) means operation or use of a motor vehicle as a motor vehicle, including, incident to its operation or use as a vehicle, the occupation of the vehicle;

(B) does not cover conduct within the course of a business of manufacturing, selling, or maintaining a motor vehicle, including repairing, servicing, washing, loading, or unloading; and

(C) does not include such conduct not within the course of such a business unless such conduct occurs while occupying a motor vehicle.

TITLE III—APPLICABILITY AND RULE OF CONSTRUCTION

SEC. 301. APPLICABILITY TO STATES; CHOICE OF LAW; JURISDICTION; AND CONSTRUCTION.

(a) APPLICABILITY TO STATES.—Title I or II of this Act shall not apply in a State if such State enacts a statute that—

(1) cites the authority of this subsection; and

(2) declares the election of such State that the title shall not apply.

(b) CHOICE OF LAW.—In disputes between citizens of States that elect nonapplicability under subsection (a) and citizens of States that do not so elect, ordinary choice of law principles shall apply.

(c) JURISDICTION.—This section shall not confer jurisdiction on the district courts of the United States under section 1331 or 1337 or title 28, United States Code.

(d) CONSTRUCTION.—Nothing in this Act shall alter or diminish the authority or obligation of the Federal courts to construe the terms of this Act.

SEC. 302. EFFECTIVE DATE.

This Act shall take effect on the date of enactment of this Act.

SUMMARY OF DOLE-MCCONNELL LEGAL REFORM PROPOSALS

1. "CHOICE" IN AUTO INSURANCE

The principal feature of this proposal is the unbundling of economic losses and non-economic ("pain & suffering") losses and enabling individuals to self-insure for non-economic losses.

Without changing substantive state law of negligence, the proposal would offer drivers two choices for motor vehicle insurance:

a. Traditional tort coverage—the injured collects against his/her own policy for economic and non-economic losses, upon a showing that another party was at fault, pursuant to relevant state law. If the injured's economic losses exceed his/her policy limits, the injured will be able to sue the negligent party for those remaining losses and to collect a reasonable attorney's fee; or

b. Personal Injury Protection—the injured collects against his/her policy for economic losses, regardless of fault. As in the traditional tort coverage, if the injured's economic loses exceed his/her policy limits, the injured will be able to sue the negligent party for remaining economic losses, including a reasonable attorney's fee.

In all cases of intentional injury or injury that occurs as a result of drug or alcohol use, the injured retains the ability to sue for both economic and non-economic losses in accordance with applicable state law.

The Joint Economic Committee estimates that this proposal will save consumers $40 billion annually in reduced premiums for automobile insurance.

2. CONTINGENT FEE REFORM

This provision limits traditional contingent fee arrangements in order to ensure that more of the proceeds of a settlement or award will more often go to the insured party.

First, an attorney would be required to offer all clients an hourly rate and an hourly rate is presumed, if the attorney does not have a specific contingent fee agreement.

Where an injured party hires a lawyer to evaluate a settlement offer (pre-retention offer), the attorney is prohibited from receiving a percentage of the offer. The attorney may collect an hourly fee or a fixed fee.

In a case where an injured party retains a lawyer to engage in settlement negotiations on his behalf, and the injured party accepts a settlement offer, the lawyer is restricted to a fee of 10% of the first $100,000 and 5% of amounts above $10,000, after all reasonable expenses have been deducted.

If the settlement offer is not accepted and the case goes to trial, the lawyer may take a contingent only out of that portion of the award which exceeds the settlement offer. If the judgment is lower than the settlement offer, then the lawyer's fee is limited to the 10%/5% formula above.

3. EARLY OFFER/RAPID RECOVERY

This provision, originally sponsored a decade ago by Congressmen Richard Gephardt and Henson Moore, will encourage an injured individual to receive an offer of full compensation for economic losses, including future losses, without a lawsuit. In order to encourage this offer, an injured individual will be required, in making a claim against the allegedly responsible party, to provide all relevant information, including medical records. The allegedly responsible party will have 120 days to provide such economic compensation (the time may be extended by the claimant), and the allegedly responsible party can verify the information, including requesting the injured to get a medical examination.

The claimant retains the right to reject such early offer and may sue to recover all losses. However, noneconomic losses, including any punitive damages may only be recovered if the injured party proves, by clear and convincing evidence, that the injury was caused intentionally or by wanton misconduct.

In the event of more than one responsible party, relative fault and proportionate contribution will be assessed by an arbitrator.

And, the states can establish a minimum payment for serious bodily injury (for example, a loss of a limb which may not result in significant economic losses) that will have to be paid to the injured party under early offer.

To satisfy the federalism concerns raised by some, the bill will allow states to "opt out" of any of these provisions.●

By Mr. DASCHLE:

S. 1863. A bill to require the Secretary of the Army to acquire permanent flowage and saturation easements over land that is located within the 10-year flood plain of the James River, SD, and for other purposes; to the Committee on Environment and Public Works.

EASEMENT ACQUISITIONS LEGISLATION

Mr. DASCHLE. Mr. President, since 1993 the James River has flooded nearly 3 million acres of valuable farmland in my State resulting in billions of dollars of lost revenue for South Dakota producers and greatly diminishing the value of their land by washing away valuable top soil.

Clearly, the extreme wet conditions of the last 4 years have contributed to these floods. However, Mother Nature does not bear sole responsibility for the flooding. The problem has been affected by the James River management policy of the U.S. Army Corps of Engineers.

For producers to be asked to continue to bear these losses is unfair and unacceptable. Downstream landowners in South Dakota should not be required to accept financial losses directly influenced by the corps' river management policy.

Mr. President, today I am introducing legislation that will provide landowners along the James River with a measure of security against future high water flows and help ensure that the Federal Government assumes greater responsibility for the damaging effects of its river management policies. This bill gives the U.S. Army Corps of Engineers authority to purchase from willing sellers easements over land that is located within the 10-year flood plain of the James River. Local producers who wish to grant these easements not only will be reimbursed for the loss of productivity on their flooded land, but also will retain their haying and grazing rights. Thus, the land will continue to provide value to farmers in relatively dry years. Those who do not wish to grant the corps these easements will be under no obligation to do so.

This legislation will provide some relief to landowners affected by the frequent flooding of the James River in South Dakota and represents part of the long-term solution to this troublesome problem. However, the overall management of the Jamestown Dam also needs to be examined, and I will continue to urge the corps to take seriously the concerns of South Dakotans as the operations manual for that dam is written.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACQUISITION OF EASEMENTS OVER LAND NEAR JAMES RIVER, SOUTH DAKOTA.

(a) IN GENERAL.—The Secretary of the Army shall acquire, from willing sellers, permanent flowage and saturation easements over land that is located within the 10-year floodplain of the James River, South Dakota.

(b) SCOPE.—

(1) IN GENERAL.—The easements acquired by the Secretary of the Army under subsection (a) shall include the right, power, and privilege of the Federal Government to submerge, overflow, percolate, and saturate the surface and subsurface of the land and such other terms and conditions as the Secretary of the Army considers appropriate.

(2) HAYING AND GRAZING.—The Secretary of the Army shall permit haying and grazing on the land subject to the easements.

(c) PAYMENT.—In acquiring the easements under subsection (a), the Secretary of the Army shall pay an amount based on the unaffected fee value of the land subject to the easements. For the purpose of this subsection, the unaffected fee value of the land is the value that the land would have if the land were unaffected by rising ground water and surface flooding associated with the James River.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $40,000,000, to remain available until expended.

ADDITIONAL COSPONSORS

S. 94

At the request of Mr. COVERDELL, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 94, a bill to amend the Congressional Budget Act of 1974 to prohibit the consideration of retroactive tax increases.

S. 684

At the request of Mr. INHOFE, his name was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 1166

At the request of Mr. LUGAR, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1166, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances to safegaurd infants and children, and for other purposes.

S. 1199

At the request of Mrs. BOXER, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1199, a bill to amend the Internal Revenue Code of 1986 to permit tax-exempt financing of certain transportation facilities.

S. 1578

At the request of Ms. MOSELEY-BRAUN, her name was added as a cosponsor of S. 1578, a bill to amend the Individuals With Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1610

At the request of Mr. BOND, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1610, a bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees.

S. 1628

At the request of Mr. BROWN, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 1628, a bill to amend title 17, United States Code, relating to the copyright interests of certain musical performances, and for other purposes.

S. 1639

At the request of Mr. DOLE, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 1639, a bill to require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare Program for health care services provided to Medicare-eligible beneficiaries under TRICARE.

S. 1714

At the request of Mr. BURNS, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 1714, a bill to amend title 49, United States Code, to ensure the ability of utility providers to establish, improve, operate and maintain utility structures, facilities, and equipment for the benefit, safety, and well-being of consumers, by removing limitations on maximum driving and on-duty time pertaining to utility vehicle operators and drivers, and for other purposes.

S. 1726

At the request of Mr. BURNS, the names of the Senator from California [Mrs. BOXER], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1726, a bill to promote electronic commerce by facilitating the use of strong encryption, and for other purposes.

S. 1731

At the request of Mr. CRAIG, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1731, A bill to reauthorize and amend the National Geologic Mapping Act of 1992, and for other purposes.

S. 1752

At the request of Mr. SIMPSON, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1752, a bill to amend title 38, United States Code, to exempt full-time registered nurses, physician assistants, and expanded-function dental auxiliaries from restrictions on remunerated outside professional activities.

S. 1755

At the request of Mr. DOMENICI, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1755, a bill to amend the Federal Agriculture Improvement and Reform Act of 1996 to provide that assistance shall be available under the noninsured crop assistance program for native pasture for livestock, and for other purposes.

S. 1781

At the request of Mr. CRAIG, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1781, a bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for epoxide resins.

S. 1782

At the request of Mr. CRAIG, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S.

1782, a bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for certain injection molding machines.

S. 1783

At the request of Mr. CRAIG, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1783, a bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment for certain semi-manufactured forms of gold.

S. 1786

At the request of Mr. WELLSTONE, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1786, a bill to require the Secretary of Veterans Affairs and the Secretary of Health and Human Resources to carry out a demonstration project to provide the Department of Veterans Affairs with reimbursement from the medicare program for health care services provided to certain medicare-eligible veterans.

S. 1794

At the request of Mr. FAIRCLOTH, his name was added as a cosponsor of S. 1794, a bill to amend chapter 83 of title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction.

S. 1848

At the request of Mrs. BOXER, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1848, a bill to amend the Internal Revenue Code of 1986 to encourage the production and use of clean-fuel vehicles, and for other purposes.

S. 1853

At the request of Mr. FAIRCLOTH, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Alabama [Mr. HEFLIN], the Senator from Texas [Mr. GRAMM], the Senator from Texas [Mrs. HUTCHISON], the Senator from Georgia [Mr. COVERDELL], the Senator from North Carolina [Mr. HELMS], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 1853, a bill to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

SENATE JOINT RESOLUTION 8

At the request of Mr. COVERDELL, the names of the Senator from Michigan [Mr. ABRAHAM] and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Joint Resolution 8, a joint resolution proposing an amendment to the Constitution of the United States to prohibit retroactive increases in taxes.

SENATE RESOLUTION 258—RELATIVE TO THE ROBERT J. DOLE BALCONY

By Mr. NICKLES (for himself, Mr. DASCHLE, Mr. LOTT, Mr. FORD, Mr. THURMOND, Mrs. KASSEBAUM, Mr. ABRAHAM, Mr. AKAKA, Mr. ASHCROFT, Mr. BAUCUS, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BRADLEY, Mr. BREAUX, Mr. BROWN, Mr. BRYAN, Mr. BUMPERS, Mr. BURNS, Mr. BYRD, Mr. CAMPBELL, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. EXON, Mr. FAIRCLOTH, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FRIST, Mr. GLENN, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HARKIN, Mr. HATCH, Mr. HATFIELD, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSTON, Mr. KEMPTHORNE, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. KYL, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NUNN, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SANTORUM, Mr. SARBANES, Mr. SHELBY, Mr. SIMON, Mr. SIMPSON, Mr. SMITH, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THOMPSON, Mr. WARNER, Mr. WELLSTONE, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to.

S. RES. 258

Resolved, That the balcony adjacent to rooms S–230 and S–231 of the United States Capitol Building is hereby designated as, and shall hereafter be known as, the "Robert J. Dole Balcony".

AMENDMENTS SUBMITTED

1996 SUMMER OLYMPIC TORCH RELAY CONCURRENT RESOLUTION

FORD AMENDMENT NO. 4044

Mr. SPECTER (for Mr. FORD) proposed an amendment to the concurrent resolution (H. Con. Res. 172) authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes; as follows:

In section 1 strike ", and the Olympic Torch may be displayed on the Capitol Grounds overnight,".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 3:30 p.m. on Tuesday, June 11, 1996, in open session, to consider the nominations of Gen. John H. Tilelli Jr., USA, for reappointment to the grade of general and to be commander in chief, U.N. Command/Combined Forces Command/United States Forces, Korea; Lt. Gen. Wesley K. Clark, USA, for promotion to the grade of general and to be commander in chief, United States Southern Command; and Lt. Gen. Walter Kross, USA, for promotion to the grade of general and to be commander in chief, United States Transportation Command.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Tuesday, June 11, 1996, session of the Senate for the purpose of conducting a hearing on the condition of livestock markets.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, June 11, 1996, for purposes of conducting a full committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this meeting is to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, June 11, 1996, for purposes of conducting a full committee hearing which is scheduled to begin immediately following the business meeting scheduled at 9:30 a.m. The purpose of this hearing is to consider S. 1010, a bill to amend the unit of general local government definition for Federal payments in lieu of taxes to include unorganized boroughs in Alaska, and for other purposes; S. 1807, a bill to amend the Alaska Native Claims Settlement Act, regarding the Kake Tribal Corp. public interest land exchange, and S. 1187, a bill to convey certain real property located in the Tongass National Forest to Daniel J. Gross, Sr., and Douglas K. Gross, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 11, 1996, at 10 a.m. to hold a hearing on Olympics and the threat of terrorism.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Tuesday, June 11, 1996, at 9:30 a.m. to conduct an oversight hearing on Indian trust fund management by the Department of the Interior and implementation of the Indian Trust Fund Management Act of 1994. The hearing will be held in room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. NICKLES. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, June 11, 1996, at 2:30 p.m. to hold a closed meeting on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT AND RELATED MATTERS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Special Committee to Investigate Whitewater Development and Related Matters be authorized to meet during the session of the Senate on Tuesday, June 11 and Wednesday, June 12, 1996, to conduct hearings pursuant to Senate Resolution 120.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution, Federalism, and Property Rights of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Tuesday, June 11, 1996, at 2 p.m., in Senate Dirksen room 226, to hold an executive business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DRINKING WATER, FISHERIES, AND WILDLIFE

Mr. NICKLES. Mr. President, I ask unanimous consent that the Subcommittee on Drinking Water, Fisheries, and Wildlife be granted permission to conduct a hearing Tuesday, June 11, 1996, at 9:30 a.m., hearing room (SD–406), on implementation of salmon and steelhead recovery efforts in the Pacific Northwest to solicit testimony on installation of the surface collector at Lower Granite Dam, recommendations of the National Academy of Sciences and the Snake River Recovery team on independent peer-reviewed science, and the establishment of an independent scientific advisory board.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

OREGON TREATY SESQUICENTENNIAL

• Mr. HATFIELD. Mr. President, Saturday, June 15, marks the sesquicentennial of the Oregon Treaty, which extended the domain of the United States across lands that make up my home State of Oregon and the States of Washington and Idaho. With the ratification of this treaty, the United States for the first time spanned the American continent, from sea to shining sea. Nevertheless, this treaty is more than just a significant chapter in our young Nation's westward expansion. It also represents—perhaps more importantly—the victory of peace and compromise over ill will and nationalistic fervor.

On June 15, 1846, when the representatives of the British Crown and the United States signed the Oregon Treaty, the two nations concluded a longstanding but uneasy truce over the disposition of the Oregon country, the area bounded by the Rocky Mountains and the Pacific Ocean on the east and west, and Russian North America and Mexico on the north and south. Previously, a joint-occupation convention signed by Great Britain and the United States in 1818 and renewed in 1827 guaranteed both nations' citizens free and equal access to the Oregon country. Trappers and traders of the British Hudson's Bay Company and settlers from the United States navigated the same rivers and used the same resources, without common allegiance or uniform system of law. Charles H. Carey's "General History of Oregon" offers the definitive description of this era, during which conflicts between British subjects and the Hudson's Bay Company on the one hand and American citizens on the other sometimes flared—and did so ever more frequently as thousands of American settlers followed the Oregon Trail into the region beginning in 1843.

Throughout the United States, public sentiment flared as well. Indignation at the continuing British presence on Western American soil and concern for the rights of the United States citizens there compelled private individuals and politicians alike to demand the withdrawal of Britain from the Oregon country. On February 22, 1839, Senator Lewis Linn of Missouri exhorted this body to rush to the defense of Oregon settlers by annexing the Oregon country, saying, "Great Britain through the medium of the Hudson's Bay Company, has opened a trade with all the tribes of Indians on the western slope of the Rocky Mountains, as far south as the Gulf of California. Their hunters and trappers have penetrated all the valleys and glens of the Rocky Mountains, scattering arms, munitions of war, and fomenting discontent against the United States in the bosoms of those distant Indian tribes. They have driven our people from the Indian trade, which yielded seven or eight hundred thousand dollars per annum, and even pushed their operations east.

In this increasingly volatile atmosphere, the Democratic presidential convention of 1844 nominated former Tennessee Governor James K. Polk, despite his relative obscurity on the national stage. Polk won the general election against the much more prominent Whig, Henry Clay of Kentucky, by capitalizing on the expansionist mood of the country. Polk proudly invoked the United States' manifest destiny to span North America and ran on the famous campaign slogans "All of Oregon" and "54–40 or fight!", arguing that the United States should go to war with Britain if she did not withdraw entirely and absolutely from the Oregon country.

Once Polk entered the White House, there was substantial political pressure to honor his fiery campaign rhetoric. By 1845, as Charles Carey described in his seminal study, the Oregon country was welcoming new American settlers at a dizzying rate—and with each one, the need for a common government increased. In addition, several influential Members of Congress, including Senator Lewis Cass of Michigan—who was favored over James Polk as the expansionists' candidate going into the 1844 Democratic presidential convention—were loudly advocating Britain's immediate withdrawal from the region.

Another factor also invited President Polk to assume a relatively belligerent posture with Britain. Numerous attempts by previous administrations to compromise with Britain over a permanent boundary had failed due to British demands for all the lands north of the 45th parallel, including the Columbia River. Despite contentions that the United States' contiguity with the Oregon country gave it natural title to the region up to the 54th parallel, Presidents James Monroe and John Quincy Adams had offered both to settle the boundary at the 49th parallel and to permit British vessels free and equal navigation of the great Columbia River. As Polk's Secretary of State, James Buchanan, advised his chief negotiator with the Crown, Louis McLane, in correspondence dated July 12, 1845, British negotiators flatly rejected this offer on three different occasions (in 1818, 1824, and 1827).

Thus it was that, when his administration began anew to seek a boundary settlement with the British, President Polk confronted a dilemma. British negotiators had shown repeatedly that they were uninterested in a compromise—but if the president succumbed to political pressure to annex all of Oregon he risked a western war with Britain just as America's recent annexation of Texas was threatening to ignite a southern war with Mexico.

In response to this dilemma, the Polk administration exercised the self-restraint, caution, and peaceful spirit of compromise in international relations of which the Oregon Treaty endures as a lasting reminder. President Polk instructed his Secretary of State, James Buchanan, to offer once more the compromise border of the 49th parallel. This time, however, President Polk refused to offer British ships free navigation of the Columbia; instead, he invited Britain to take whatever lands and ports she desired on Vancouver Island that were south of the 49th parallel. Once again, the British negotiators refused the compromise. President Polk then withdrew the offer, indicating that the onus was therefore on the British to draft their own compromise. To ensure that one was indeed forthcoming, the president called, in his first State of the Union Address—on December 2, 1845—for Congress to support him in giving Britain 12 months' notice that the Joint-Occupation Convention of 1827 was to be abrogated and nullified. Congress obliged, passing a joint resolution to that effect on April 27, 1846.

The United States' move to vacate the Joint-Occupation Convention successfully inspired in the British a conciliatory and cooperative spirit—without imperiling the peace that existed in the Oregon country. On June 6, 1946, Richard Pakenham, the British minister plenipotentiary, offered a proposal almost identical to President Polk's and transmitted it to him through Secretary of State James Buchanan. In accordance with the constitutional requirement that all treaties are negotiated with the advice and consent of this body, President Polk conveyed the proposal to the Senate on June 10. On June 12, the Senate voted 38–12 to advise the President to accept the British offer.

One hundred and fifty years ago this Saturday, Secretary of State James Buchanan affixed his signature to the Oregon Treaty. With this stroke of a pen, the administration of James Knox Polk peacefully secured for our young Nation the fruits of its manifest destiny—and made Oregon a great and lasting tribute to the power of cooperation and compromise.●

ALABAMA "TEACHER OF THE YEAR"

● Mr. HEFLIN. Mr. President, I rise today to pay tribute to one of Alabama's most outstanding teachers. Harriet Tyler, a sixth-grade teacher at Springwood School in Lanett, AL, was recently selected as Teacher of the Year for the State of Alabama by the Alabama Independent School Association.

Harriet Tyler—a native of Decatur, AL, and a graduate of Butler High School—has influenced the lives of countless elementary students since she graduated from Auburn University in 1965. As a sixth-grade teacher, she has had the unenviable task of preparing the senior members of the playground for the traumatic transition to junior high school. Sometimes we think our work here in the Senate is difficult, but I don't think that it compares to the difficult job that Harriet Tyler has done year after year for over 30 years. Her commitment to her job, her school, and most importantly, to her students is truly inspiring.

Mr. President, teachers like Harriet Tyler represent the key to America's future. As our children face the challenges of the 21st century, it is dedicated educators like Harriet Tyler who accept the challenge of turning the young people of today into the leaders of tomorrow.●

TRIBUTE TO LT. GEN. MARC A. CISNEROS

● Mrs. HUTCHISON. Mr. President, I rise today to recognize a great patriot, statesman, and soldier from the Lone Star State of Texas, Lt. Gen. Marc A. Cisneros. General Cisneros is retiring after a distinguished 35-year military career in the U.S. Army.

Marc Cisneros entered the military in 1961 after graduating as an ROTC distinguished military cadet from St. Mary's University, in San Antonio, TX. He was commissioned a 2d Lt. in the field artillery and has faithfully and selflessly served his country in a wide array of demanding command and staff assignments within the continental United States and overseas. Most notable was his assignment as Commanding General, U.S. Army South and Joint Task Force, Panama, during Operation Just Cause. During Operation Just Cause, General Cisneros played a significant role in the combat operations in Panama and helped negotiate the capture and surrender of Panamanian General Noriega. Besides this action, General Cisneros served two combat tours in Vietnam.

This officer has risen through the ranks emphasizing military readiness and displaying a genuine compassion for soldiers and their families. Marc Cisneros has been a caring leader committed to the values and ideals that have made this country and its military so great.

His final assignment was as Commanding General, 5th U.S. Army, Fort Sam Houston, TX. In this most important position, Marc Cisneros provided vision, enforced standards of excellence, and committed himself to helping sustain the readiness of the Nation's reserve component forces.

Mr. President, our Nation owes a debt of gratitude to Lt. Gen. Marc A. Cisneros, and I am honored to recognize him today. With our deepest appreciation, the United States of America says thank you. I wish him, and his wife Eddy and their children, continued success and happiness in all future endeavors.●

COMMEMORATING THE 30TH ANNIVERSARY OF THE INDEPENDENCE OF GUYANA

● Mr. BRADLEY. Mr. President, I rise today to honor the nation of Guyana as it celebrates its 30th year as a sovereign nation, and to pay tribute to the citizens of this nation whose dedication to their country enabled Guyana to develop from a small colony to an independent nation.

Guyana was a Dutch colony from 1621 until it eventually came under the influence of the British who acquired formal possession in 1814. While still under British control, Guyana obtained its first constitution in 1928, although universal franchise was not recognized until much later in 1953. From 1957 until 1966 the People's Progressive Party was elected and controlled Guyana under a system of internal self rule.

In 1965, the British Guiana Independence Conference met in London to the authorize a new constitution. When ratified on May 26, 1966, the new constitution marked the beginning of the independent nation of Guyana.

Throughout its years as both a Dutch and British colony, Guyana became home to workers from many different lands. With a population of 739,553, Guyana is comprised primarily of East Indians and people of African descent. Guyana is also home to native South Americans as well as citizens of Chinese and European heritage.

Guyana was one of the founding members of the Caribbean Free Trade Area [CARIFTA] which was established in 1968. Guyana has been called the bread basket of the Caribbean because it is blessed with many natural resources and the potential for a strong economy. Guyana is dually blessed with both natural resources and a vibrant and diverse people. These attributes ensure that in the years to come this young country will grow into a leader in its part of the world.

Today, I rise to offer my congratulations to Guyana on the anniversary of its independence as a sovereign nation. The future of Guyana has never looked brighter. New Jersey's multi-cultural heritage has benefited from citizens from Guyana. I congratulate its citizens on their perseverance and potential, and extend my best wishes for continued success as an independent nation.●

THE 30TH ANNIVERSARY OF THE CITY OF SALINE, MI AND THE TOWN OF BRECON, WALES AS SISTER CITIES

• Mr. ABRAHAM. Mr. President, I rise today to recognize the 30th anniversary of the successful partnership of the city of Saline, MI, and the town of Brecon, Wales in the Sister Cities Program.

Thirty-years ago next month, under the People-to-People Program established by President Eisenhower, a bond was forged between these two communities. In the words of Saline Mayor Patrick J. Little, "We have become one community separated by a large body of water. Over two generations have had the pleasure of learning about each other's culture."

To celebrate this occasion, next month approximately 50 members of the Brecon community will visit Saline, the highlight of which will be the first ever Celtic Festival on July 6. I would like to extend a warm welcome to our visitors from Brecon, and congratulate the citizens of both cities for their three decades of cooperation and friendship.•

A CASE AGAINST INDEPENDENT COUNSEL

• Mr. SIMON. Mr President, I supported the creation of the office of independent counsel and have voted for its reauthorization.

I am now convinced that is the wrong way to solve this particular problem.

My judgment is that we should look at the office of Attorney General with great care when a nomination is made. And if the nominee is too close, in any way, to the President, that nomination should be rejected.

And if the nominee has been active in political life beyond the normal type of engagement, that should be weighed. Such a person should not automatically be rejected, but there should be ample evidence that the person will serve with honor.

An ideal type of arrangement was when Ed Levi was chosen as Attorney General by President Gerald Ford. No one for a moment thought that the man who left as president of the University of Chicago to become Attorney General could be politically manipulated by the President, even if the President wanted to do that.

My impression is that Janet Reno is made of the same stuff and that her appointment was a good appointment.

When I was sounded out about John F. Kennedy appointing Bobby Kennedy as Attorney General I indicated to Bob Wallace, the Kennedy staff person who asked me about it, that I thought it was a mistake because the Attorney General should not be too close to the President. As it turned out, Bobby Kennedy did a good job as Attorney General, but as a precedent it was not good.

In the same way, Ed Meese was much too close personally and politically to Ronald Reagan to serve the Nation as effectively as he might have as Attorney General.

The Chicago Tribune had an editorial recently titled, "A Case Against Independent Counsel."

Their conclusion is that we should simply do away with the law.

I reluctantly believe their conclusion is correct.

But it will be correct only to the extent that we assure the American public that the Attorney General is of an independent bent. It may even be that we should appoint an Attorney General for a period of 10 years, subject to removal from office under conditions that are carefully spelled out in the law prior to ending that 10-year period.

But the Chicago Tribune editorial contains words that we should reflect on.

Mr. President, I ask that the article from the Chicago Tribune be printed in the RECORD.

The article follows:

A CASE AGAINST INDEPENDENT COUNSEL

Remember Sam Pierce?

That's OK. Ronald Reagan didn't remember him either, even when Pierce was serving in his cabinet as secretary of Housing and Urban Development. (Reagan once greeted him in a receiving line as "Mr. Mayor").

Pierce and Reagan have been gone from Washington for almost eight years, but the effects of their presence continue to be felt. In Pierce's case, they are felt less in policy than in the work of an independent counsel, or special prosecutor, who is said to be tidying up loose ends in a probe of abuses and mismanagement in Pierce's agency during the Reagan years.

As of the end of March, this investigation had resulted in 17 convictions of former high-level officials and the associates to whom they steered contracts or directed favors. The most prominent of those convicted was James Watt, the blunt former secretary of the Interior in the Reagan administration, who in January pleaded guilty to attempting to mislead the grand jury in the HUD investigation. He was sentenced to five years of probation, 500 hours of community service and a $5,000 fine.

To obtain these results, the independent counsel has run up a tab of almost $21 million—an average of $1.2 million per conviction. That's offset somewhat by the $2 million in fines and $10 million in recovered HUD funds. But even so, the pursuit of justice in the HUD case has been an extremely costly affair.

The HUD probe is not even the most expensive by an independent counsel. Lawrence Walsh's Iran-contra investigation cost more than $40 million. Kenneth Starr's Whitewater probe bids fair to become the most expensive ever—by one estimate it already has cost $25 million. Altogether, special counsels have cost the taxpayers $100 million over the last 10 years.

This mounting expense, for results whose value more and more members of Congress consider dubious at best, has inspired a questioning of the independent counsel law that arguments from principle could not.

The logic behind the law (formally, the Ethics in Government Act) is simple and seems unassailable: When high-level officials in an administration are accused of serious breaches of the public trust, it takes an independent outsider to conduct a credible investigation. There is a built-in conflict of interest that makes it impossible for the normal Justice Department processes to work. Without a law, the president cannot be counted on to permit an independent investigation of his administration.

The only problem with this logic is that in the long scope of U.S. history, it has not been shown to be true. Most Justice Department officials and prosecutors behave honorably. In the one great historical instance in which the Justice Department's integrity was in serious question—Watergate—overwhelming political pressure forced President Richard Nixon to yield and accept an independent counsel.

An independent counsel law is a source of permanent temptation to political mischief. The Democrats in Congress used it to bludgeon the Reagan and Bush administrations. Now—after the Democrats insisted on renewing the law in Bill Clinton's first year in office—the Republicans are using it to bludgeon the Clinton administration. No fewer than four independent counsels are at work investigating issues from Whitewater to whether Henry Cisneros lied to the FBI about how much money he gave his former mistress.

As the figures on the HUD investigation suggest, independent counsels operate with none of the budget constraints that fetter ordinary prosecutors. And they can pursue their quarry indefinitely, meaning that individuals can remain under threat of prosecution for years, with devastating effects on their families, fortunes, careers and psyches. That's not fair.

Rep. Henry Hyde (R-Ill.) and Rep. Jay Dickey (R-Ark.) each have proposed legislation to reduce the powers of independent counsels and make them more accountable to Congress.

Better that they should simply do away with the law. As the Nixon case demonstrates, when a president's behavior threatens the very constitutional order, the public will demand an independent counsel. Absent such an outrage, it's best to let normal legal processes work.•

TRIBUTE TO COOPER TOOLS/ NICHOLSON FILE

Mr. HEFLIN. Mr. President, the National Association of State Directors of Vocational Technical Education Consortium recently recognized Cooper Tools/Nicholson File of Cullman, AL, for their commitment to vocational education. I, too, would like to commend Cooper Tools/Nicholson File for their exemplary contributions to the community of Cullman, AL, in regards to vocational training. If I may, Mr. President, I would like to briefly outline some of the innovative projects Cooper Tools/Nicholson File has initiated.

In 1985, Nicholson File helped the Cullman County Area Vocational Center take a giant leap toward educational excellence by adopting the school as its partner. As the first step, the company donated to the school hand tools and power equipment worth more than $254,000.

In addition, Nicholson File began a scholarship program for vocational students to attend Wallace State Community College. To date, 24 students have attended the college, using gifts totaling $48,000.

In 1986, Cooper Tools initiated Project PACE—Partnership To Aid Career Education. Project PACE gave selected vocational schools an unrestricted grant of $10,000 each for teacher development and recognition, student incentives and recognition, curriculum improvement or new technology, or community outreach. A national panel chose three schools to receive additional PACEsetter Awards totaling $50,000. Cullman County Area Vocational Center won an additional grant of $25,000 for a student recognition/scholarship program. In 1995, the school won a $20,000 award for curriculum improvement.

ComSAVE, another collaborative venture between the school and Nicholson File was instrumental in the implementation of the tech prep initiative in Cullman County. Other efforts have led to new programs, including CAD and Computer Electronics.

As you can see, Mr. President, Cooper Tools/Nicholson File has taken a very proactive approach in regards to vocational education. Cooper Tools/Nicholson File is setting a standard which I hope others will emulate.

THE RUSH TO GULP U.S. RADIO STATIONS

• Mr. SIMON. Mr. President, some of my colleagues may remember that when the new telecommunications law was before the Senate, I offered an amendment to limit the expansion of radio station ownership by any one corporation or any one individual.

That amendment was tabled by a vote of 64 to 34.

The other day I read an article by Prof. Jerry Landay, former broadcast journalist, who now teaches at the University of Illinois. The article appeared in the Christian Science Monitor under the title. "The Rush To Gulp U.S. Radio Stations."

I ended up voting against the bill even though I know there were some good things in it.

But diversity in ownership is good for all the media. I don't like the concentration of ownership that is taking place in newspapers, but that is not a federally regulated entity.

Radio stations and television stations are federally regulated, and we have every right to demand diversity of ownership and not monopolistic or oligarchical practices.

I ask that the Jerry Landay article be printed in the RECORD.

The article follows:

[From the Christian Science Monitor, May 7, 1996]

THE RUSH TO GULP US RADIO STATIONS

(By Jerry M. Landay)

The surface glamour faded long ago from radio. But Americans keep as many as five or six sets in the house and use them regularly. Don Imus, Rush Limbaugh, and Garrison Keillor remind us that television hasn't stripped all the glory from the medium or its revenues—Totaling $11.5 billion in 1995.

The radio stations that CBS owns—39 of them—grossed a half-billion dollars last year. Like the printing presses in the Federal Mint, commercial radio stations in America churn out cash in prodigious amounts. Returns of 40 to 50 percent yearly are not uncommon.

Multibillion-dollar mergers and acquisitions in the telephone and television-based industries spawned by the new telecommunications law have stolen our eye from the land rush now under way in Radioland. A vast consolidation of ownership has begun among America's 10,000 commercial stations. Just two months after passage of the law erased the limits on the number of radio stations a single owner may acquire, a station-buying blowout is justifying critics' fears that the law is not spurring competition, but monopoly. An industry that once had to base its license renewals on service to a station's community has been let off the hook by Congress and the president.

Rita Zanella, a media analyst at Gruntal & Co. in New York, predicts that eight or 10 big station groups will eventually control the entire broadcasting industry. "You control pricing," she told the Chicago Tribune. "You eliminate your competition and have greater control over what you can charge."

To cite just a few examples of the radio land rush, Jacor Communications Inc. of Cincinnati spent nearly a billion dollars in February to acquire 26 radio stations and two television stations. Jacor now controls 62 percent of the radio revenues in the Cincinnati, market, nearly half the Denver market, 30 percent of the Tampa market, and a quarter of the radio business in Portland, OR. In a single deal worth $1.2 billion, announced earlier this month, the Sinclair Broadcasting Group of Baltimore acquired 34 radio stations in 27 markets, along with a group of television stations, becoming a miniconglomerate in a single bound.

With the purchase of three stations in March, Citadel Communications Corporation now owns seven of the most powerful AM and FM stations in Albuquerque's 36-station radio market. That includes KKOB, which blankets much of the southwest, and the city's only classical music station, KHFM. Arthur Schreiber, a former manager of KKOB and a veteran of the radio wars, predicts that Albuquerque's classical-music listeners will soon find themselves without choice on the air. "It's hard for me to believe that Citadel can meet its debt service by continuing to play classical music on a station that cost it $5.6 million," says Mr. Schreiber.

The federal government is essentially licensing the drive to bigness. Station brokers predict that 1996 will be the most lucrative year ever for station trades. I a deregulatory environment, small, aggressive companies such as Jacor and Citadel can become mass-comm players in a single bound, with lenders anxious to supply cheap money.

But radio isn't just any business. Radio is an essential part of our civic capital. It speaks over publicly licensed frequencies to millions of listeners, at home, at work, and on the road. In the past stations were more than juke boxes. They provided breaking news and weather bulletins, specialized information for farmers, investors, community organizations, local governments, and emergency services. Before the start of deregulation in the 1980s, owners were limited to seven AM and seven FM stations, to ensure diverse voices and dispersed power.

The new barons of radio are absentee owners who convert their stations from local presences into cash cows for instant milking, their values ballooned for trading to the next buyer. The name of the game is to avoid being the "last sucker" stuck with debt if recession hits.

Radio, once the most trusted news source in America, has increasingly abandoned the role of local service-provider. Newsrooms in many stations have been cut to the bone—one or two readers, Schreiber says, "ripping and reading" news and weather supplied to all clients by a single news source, the Associated Press.

there is teeth-gritting sameness in the music they play, as dial-twisters who have traveled long distances in a car can testify—various shades of rock and country music.

Before deregulation, the Federal Communications Commission required buyers to hold their stations for at least three years before resale, to ensure local commitment. In the new environment, a wheeler-dealer can theoretically turn his station over as soon as the FCC approves the purchase. Media writer Ken Auletta was told by the head of a station ownership group: "It's commodity trading to us. We don't know [our] community. We're short-term players."

The fundamental question is unavoidable: Is mass communications solely a growth game for entrepreneurs, banks, and Wall Street, or is it also a social partner that justifies its existence by living up to its civic obligations? The late Donald H. McGannon, a respected industry leader of the 1950s and '60s as chairman of the Group W (Westinghouse) Stations, was a businessman with a vision who told his staff: "If we do the right thing in our cities and towns, the money comes." They did—and it did.

The times have changed. But not the relevance of McGannon's vision. Undoing the damage of the Telecommunications Act of 1996 will be difficult, but it will have to happen.•

SUBMISSION OF CBO SCORING FOR INTELLIGENCE AUTHORIZATION BILL (S. 1718)

• Mr. SPECTER. Mr. President, on April 30, 1996, the Select Committee on Intelligence reported S. 1718, the Intelligence Authorization Act for Fiscal Year 1997 from committee. Knowing that this would be a relatively short legislative year and that the Armed Services Committee would take our bill on referral for up to 30 days of session—as it does every year, the committee marked up this bill at the earliest possible date. The Congressional Budget Office was not able to complete its scoring of our bill before we filed the report. We have now received the report of the Congressional Budget Office and I ask that it be printed in the RECORD so that Members will have an opportunity to review it before the Intelligence bill comes up for consideration by the full Senate.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 22, 1996.

Hon. ARLEN SPECTER,
Chairman, Select Committee on Intelligence, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1718, the Intelligence Authorization Act for Fiscal Year 1997, as reported by the Senate Select Committee on Intelligence on April 30, 1996.

The bill would affect direct spending and receipts, and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1718.

2. Bill title: Intelligence Authorization Act for Fiscal Year 1997.

3. Bill status: As reported by the Senate Select Committee on Intelligence on April 30, 1996.

4. Bill purpose: This bill would authorize appropriations for fiscal year 1997 for intelligence activities of the United States government, the Community Management Staff of the Director of Central Intelligence, and the Central Intelligence Agency Retirement and Disability System.

5. Estimated cost to the Federal Government: Table 1 summarizes the budgetary effects of the unclassified sections of the bill on direct spending, revenues, and authorizations of appropriations for 1997. CBO could not obtain the necessary information to estimate the costs for the entire bill because parts are classified at a level above clearances now held by CBO employees.

6. Basis of estimate: The estimate assumes that S. 1718 will be enacted by October 1, 1996, and that the full amounts authorized will be appropriated. CBO used historical spending rates for estimating outlays.

DIRECT SPENDING AND REVENUES

Title V of S. 1718 defines economic espionage and contains provisions governing fines and forfeitures that would affect direct spending and revenues. Although the bill would provide for penalties that could accumulate to be in the millions of dollars in any one year, CBO cannot predict the frequency of successful prosecutions for economic espionage or the amounts of the fines that would be levied and collected. Nevertheless, the only net budgetary impact would stem from civil fines.

TABLE 1.—ESTIMATED COST TO THE FEDERAL GOVERNMENT OF THE UNCLASSIFIED SECTIONS OF S. 1718

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
DIRECT SPENDING AND REVENUES							
Direct spending:							
Estimated budget authority	0	(1)	(1)	(1)	(1)	(1)	(1)
Estimated outlays	0	(1)	(1)	(1)	(1)	(1)	(1)
Revenues	0	(1)	(1)	(1)	(1)	(1)	(1)
SPENDING SUBJECT TO APPROPRIATIONS ACTION							
Spending under current law:							
Budget authority [2]	305	0	0	0	0	0	0
Estimated outlays	350	39	19	5	0	0	0
Proposed changes:							
Estimated authorization level	0	282	1	0	0	0	0
Estimated outlays	0	239	25	14	5	0	0
Spending under the bill:							
Estimated authorization level [2]	305	282	1	0	0	0	0
Estimated outlays	350	278	44	19	5	0	0

[1] CBO cannot estimate the direct spending and revenue impacts of the bill. Title V would affect both spending and revenues through fines and forefeitures associated with economic espionage. Over time, these effects would be offsetting except for civil fines as described in the text.

[2] The 1996 figure is the amount already appropriated.

Fines.—The imposition of new civil and criminal fines in S. 1718 could cause governmental receipts to increase. Civil fines would be deposited into the general fund of the Treasury. Criminal fines would be deposited in the Crime Victims Fund and would be spent in the following year; thus, direct spending from the fund would match the increase in revenues from criminal fines with a one-year lag.

Forfeiture.—A new forfeiture provision in S. 1718 could lead to more assets seized and forfeited to the United States as a result of economic espionage. Proceeds from the sale of any such assets would be deposited as revenues into the Assets Forfeiture Fund of the Department of Justice and spent out of the fund in the same year. Thus, direct spending from the Assets Forfeiture Fund would match any increase in revenues.

SPENDING SUBJECT TO APPROPRIATIONS ACTION

The bill would authorize the appropriation of $280 million for intelligence and intelligence-related activities for 1997 as well as such sums as may be necessary to establish the Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction.

Section 104 would authorize appropriations of $95.5 million for 1997 for the Community Management Account of the Director of Central Intelligence. Similarly, section 201 specifies an authorization of appropriations for the Central Intelligence Agency Retirement and Disability Fund of $184.2 million. In addition, CBO estimates costs of $3 million over two years to establish the new commission.

7. Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. The bill would have the following pay-as-you-go impact:

[By fiscal year, in millions of dollars]

	1996	1997	1998
Change in outlays	0	(1)	(1)
Change in receipts	0	(1)	(1)

[1] CBO cannot estimate the direct spending and revenue impacts of the bill. Title V would affect both spending and revenues through fines and forfeitures associated with economic espionage. Over time, these effects would be offsetting except for civil fines as described in the text.

8. Estimated cost to State, local, and tribal governments: Section 4 of Public Law 104–4 excludes from application of that act legislative provisions that are necessary for the national security. CBO has determined that all the provisions of S. 1718 either fit within this exclusion or do not contain intergovernmental mandates as defined by Public Law 104–4.

9. Estimated impact on the private sector: CBO has determined that all the provisions of S. 1718 either fit within the national security exclusion or do not contain private-sector mandates as defined by Public Law 104–4.

10. Previous CBO estimate: None.

11. Estimate prepared by: Federal Cost Estimate: Jeannette Van Winkle. Impact on State, Local, and Tribal Governments: Karen McVey. Impact on Private Sector: Neil Singer.

12. Estimate approved by: Robert A. Sunshine for Paul N. Van de Water, Assistant Director for Budget Analysis.•

ORDER OF PROCEDURE

Mr. SPECTER. Madam President, I have been asked to perform the wrap-up—a high honor to be acting majority leader—perhaps majority leader since there is no majority leader at the moment.

ORDER FOR PRINTING A SENATE DOCUMENT

Mr. SPECTER. Madam President, I ask unanimous consent that the tributes to Senator DOLE be printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE USE OF THE CAPITOL GROUNDS

Mr. SPECTER. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 172 just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 172) authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

AMENDMENT NO. 4044

(Purpose: To make a minor technical amendment)

Mr. SPECTER. Madam President, in behalf of Senator FORD, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for Mr. FORD, proposes an amendment numbered 4044.

In section 1 strike ", and the Olympic Torch may be displayed on the Capitol Grounds overnight,".

Mr. FORD. Madam President, The amendment that I offer to House Concurrent Resolution 172 conforms the language of the resolution to the authority sought by the sponsors of the Olympic Torch Relay. The plans for the relay has been modified since the introduction of the original resolution in the House. This amendment reflects those changes.

It is my understanding that the House leadership is prepared to accept this amendment and will expedite action on this measure when it is received in the House. Consequently, this amendment will not result in any delay of the Olympic Torch Relay events.

I commend my colleague from Georgia, Senator NUNN, for his efforts to facilitate this event and thank my colleagues for their assistance.

Mr. SPECTER. Madam President, I ask unanimous consent that the amendment be agreed to, the resolution, as amended, be agreed to, and the motion to reconsider be laid upon the table; further, that any statements relating thereto be placed at an appropriate place in the RECORD as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4044) was agreed to.

The concurrent resolution (H. Con. Res. 172), as amended, was agreed to.

ORDERS FOR WEDNESDAY, JUNE 12, 1996

Mr. SPECTER. Madam President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11:30 on Wednesday, June 12; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and that there then be a period for morning business until the hour of 12 noon with Senators permitted to speak for up to 5 minutes each with the following exception: Senator GRASSLEY for 10 minutes.

I further ask unanimous consent that at 12 noon, the Senate then resume debate on the conference report to accompany the concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SPECTER. For the information of all Senators, on Wednesday the Senate will be resuming debate on the budget resolution conference report. Under a previous order, if the Senate has received the official papers on the conference report from the House by 3:30 p.m. on Wednesday, the Senate will proceed at that time on a vote on adoption of that matter. If the Senate does not receive the papers from the House by that time, then a vote on the adoption of the conference report would then occur on Thursday, June 13, at a time to be determined by the majority leader after consultation with the Democratic leader.

The Senate may also be asked to turn to the consideration of any other items cleared for action. Therefore, other rollcall votes are possible on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. SPECTER. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of Senator CRAIG.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho is recognized.

TRIBUTE TO SENATOR BOB DOLE

Mr. CRAIG. Madam President, I will not keep us long in the closing hours of the U.S. Senate in what will certainly be recognized and reported as a historic day.

Madam President, this evening I want to add to my earlier remarks two thoughts that I think are appropriate as many of our colleagues have come to the floor today to express their sadness, their reminiscent thoughts, and in some instances our joy that BOB DOLE is now free to lead our party, my party, the Republican Party, in his quest for the Presidency.

Over the last 2 years I have had the privilege of developing a unique relationship with leader BOB DOLE. I chair the steering committee here in the Senate, better known as the conservatives, or a group of conservatives, and there have been many occasions when I have been instructed by that group to go sit down with our leader and express our concern over a given issue.

It has been over the course of that time that I have gotten to know BOB DOLE for the person that so many have spoken to today: a man whose leadership, and his concern about our country and this institution, the Senate, was always foremost. He did so in style and dignity. BOB DOLE is one of those people who could tell you no with as much sincerity as he could tell you yes; that he would take your issue and carry it forward, or that he did not believe what you were discussing with him was appropriate at the time and that sometime in the future it might fit. That was the kind of person who I have grown to know and respect in my first term here in the U.S. Senate.

Another issue that BOB DOLE has been more than fair to this Senator on is the issue of my leadership on the balanced budget amendment. I had started that effort in the House in the 1980's, but it was some years after BOB DOLE had already presented the idea here in the U.S. Senate. I, along with the Presiding Officer at this moment, had felt the importance of this issue and had worked hard to make it a national issue.

When I arrived here in the Senate in 1990 as the citizens of Idaho chose me as one of their U.S. Senators, BOB DOLE was very quick to say, "LARRY, that is your issue, and we want you to lead." As our committee meetings went forward, or as there were press conferences, or as there were other gatherings in behalf of a balanced budget amendment, BOB DOLE attended them religiously. But with his seniority and with his prestige, he was always willing to step back and say to people like myself, or Orrin HATCH, or others, or PAUL SIMON, "This is your issue. You lead with it. You carry it."

When we convened the historic 104th session, as BOB DOLE become the majority leader of the U.S. Senate, he was very quick to say to me and others, "This is an issue that will be one of our lead issues this year, and I want you, LARRY CRAIG, or ORRIN HATCH, or PAUL SIMON, to lead me."

What I am saying is that in all of the opportunities that BOB DOLE had to be in the forefront, there were many occasions when he was very willing to step back and let others lead, and I think that is the sign of a leader. I think that is the expression of the confidence that he had in himself, but at the same time the willingness to share that with all of us as he saw the importance of broadening our base and carrying these issues forward.

I, along with every Senator in this body, will miss BOB DOLE as our majority leader.

But I say that I am excited about the future. And I am excited about the opportunity someday, as I believe I will have that opportunity, to say to BOB DOLE, "Mr. President, it is my pleasure to serve you."

With those thoughts, I yield back my time with the understanding that the Senate will stand in adjournment.

ADJOURNMENT UNTIL 11:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned.

Thereupon, the Senate, at 7:57 p.m., adjourned until Wednesday, June 12, 1996, at 11:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 11, 1996:

LEGAL SERVICES CORPORATION

LAVEEDA MORGAN BATTLE, OF ALABAMA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 1998.

JOHN N. ERLENBORN, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 1998.

EDNA FAIRBANKS-WILLIAMS, OF VERMONT, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 1998.

HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

NORMAN I. MALDONADO, OF PUERTO RICO, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S. TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 1999.

LUIS D. ROVIRA, OF COLORADO, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S. TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 2001.

BARRY GOLDWATER SCHOLARSHIP & EXCELLENCE IN EDUCATION FOUNDATION

DONNA DEARMAN SMITH, OF ALABAMA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING MARCH 3, 1998.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

WILLIAM L. WILSON, OF MINNESOTA, TO BE A MEMBER OF THE ADVISORY BOARD OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION.

COMMUNICATIONS SATELLITE CORPORATION

BARRY M. GOLDWATER, SR. OF ARIZONA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMUNICATIONS SATELLITE CORPORATION UNTIL THE DATE OF THE ANNUAL MEETING OF THE CORPORATION IN 1998.

PETER S. KNIGHT, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMUNICATIONS SATELLITE CORPORATION UNTIL THE DATE OF THE ANNUAL MEETING OF THE CORPORATION IN 1999.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

C.E. ABRAMSON, OF MONTANA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 2000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

ROBERT B. ROGERS, OF MISSOURI, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF THREE YEARS.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

ELMER B. STAATS, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 2001.

NATIONAL MUSEUM SERVICES BOARD

DAVID A. UCKO, OF MISSOURI, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1999.

ALBERTA SEBOLT GEORGE, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1998.

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

AUDREY TAYSE HAYNES, OF KENTUCKY, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 13, 1998.

MARY DODD GREENE, OF TEXAS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 12, 1998.

MARK EDWIN EMBLIDGE, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING SEPTEMBER 22, 1998.

TONI G. FAY, OF NEW JERSEY, TO BE A MEMBER OF THE NATIONAL INSTITUTE LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 12, 1998.

DEPARTMENT OF STATE

RICHARD L. MORNINGSTAR, OF MASSACHUSETTS, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL ADVISOR TO THE PRESIDENT AND TO THE SECRETARY OF STATE ON ASSISTANCE TO THE NEW INDEPENDENT STATES [NIS] OF THE FORMER SOVIET UNION AND COORDINATOR OF NIS ASSISTANCE.

DANE FARNSWORTH SMITH, JR., OF NEW MEXICO, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SENEGAL.

GEORGE F. WARD, JR., OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NAMIBIA.

SHARON P. WILKINSON, OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BURKINA FASO.

KENNETH C. BRILL, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CYPRUS.

DAY OLIN MOUNT, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ICELAND.

CHARLES O. CECIL, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NIGER.

DAVID C. HALSTED, OF VERMONT, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CHAD.

PRUDENCE BUSHNELL, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF KENYA.

MORRIS N. HUGHES, JR., OF NEBRASKA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BURUNDI.

NUCLEAR REGULATORY COMMISSION

HUBERT T. BELL, JR., OF ALABAMA, TO BE INSPECTOR GENERAL, NUCLEAR REGULATORY COMMISSION.

NATIONAL TRANSPORTATION SAFETY BOARD

JAMES E. HALL, OF TENNESSEE, TO BE CHAIRMAN OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR A TERM OF TWO YEARS.

DEPARTMENT OF DEFENSE

ROBERT E. ANDERSON, OF MINNESOTA, TO BE A MEMBER OF THE BOARD OF REGENTS OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES FOR A TERM EXPIRING JUNE 20, 2001.

LONNIE R. BRISTOW, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF REGENTS OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES FOR A TERM EXPIRING JUNE 20, 2001.

SHIRLEY LEDBETTER JONES, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF REGENTS OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES FOR A TERM EXPIRING MAY 1, 2001.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF JUSTICE

JOHN R. LACEY, OF CONNECTICUT, TO BE A MEMBER OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES FOR A TERM EXPIRING SEPTEMBER 30, 1998.

IN THE COAST GUARD

COAST GUARD NOMINATIONS BEGINNING VINCENT WILCZYNSKI, AND ENDING JAMES R. DIRE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 19, 1996.

COAST GUARD NOMINATION OF ANDREW J. SORENSON, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 22, 1996.

EXTENSIONS OF REMARKS

BANGLADESH: AVERTING A CRISIS

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. BEREUTER. Mr. Speaker, with parliamentary elections set for tomorrow, Bangladesh is at a crucial turning point in its efforts to sustain a fragile democracy that has only been in place since 1991. Although calm prevails in Dhaka, the country is still reeling from jitters produced by the movements of provincial troops unhappy with the May 20 dismissal of the army chief of staff. Earlier this spring, the political opposition waged a general strike that paralyzed most transportation and businesses, was well as the country's crucial port of Chittagong. Although enjoying limited public support, the anti-government campaign took a severe toll on what was already one of the world's poorest nations. It kept frightened citizens away from school and jobs. It cost the country up to $80 million a day in lost production and exports. Over 120 Bangladeshis lost their lives in clashes between pro- and anti-government activists during the strike.

It is pointless to try to assign blame for the turmoil that has characterized Bangladesh's political scene for past several years. The 1991 elections that brought Prime Minister Begum Khaleda Zia and her Bangladesh Nationalist Party to power were generally considered fair by international observers. Three years later, however, the opposition resigned en masse from the parliament after allegations of a rigged by-election. It then commenced a campaign of demonstrations and boycotts in the effort to convince Zia to step down in favor of a neutral caretaker government. Then, in February 1996 a legislative contest that dissolved into a one-party show plagued by egregious irregularities only worsened the situation.

What has made Bangladesh's circumstances all the more tragic is that its party warfare has been driven more by the personalities of its key political leaders rather than policy differences in addressing the country's crushing poverty and improving the lives of its citizens. Former Prime Minister Zia is the widow of an assassinated president, and opposition Awami League leader Sheikh Hasina Wajeed is the daughter of the country's first prime minister, who was also assassinated. Despite their common history as survivors, their relationship over the years has been characterized by charges and counter-charges related to their long-standing rivalry for the country's top post.

Nevertheless, a breakthrough in Bangladesh's stalemate occurred with the constitutional change approved by Parliament on March 26, which provided for Prime Minister Zia to step down and for a neutral caretaker government to be appointed. A few days later, Bangladesh's president appointed Habibur Rahman, a former chief justice, as head of a neutral caretaker government; new elections were then set for June 12. These actions appear to have answered many of the opposition's key demands. The catch is that Zia—who remains head of her party and has been actively campaigning—could conceivably recapture her position after the elections, a prospect that the opposition may not be prepared to accept with good grace—even in a fair contest. The very real possibility of no party attaining a majority would necessitate the formation of a coalition government, an arrangement that would pose the ultimate challenge of cooperation for Zia and Sheikh Hasina.

Regardless of the outcome of tomorrow's polls, developments leading up to them have brought relative law and order to Dhaka, including a much welcome respite from violence and labor strikes. With this period of calm comes an opportunity that should not be lost. It is now critical for the country's leading politicos to demonstrate to Bangladesh's citizens and to the world that they are both serious about learning to live with each other and eager to attract the international investment that Bangladesh so desperately needs. it is imperative that the two sides participate in and abide by the results of these elections which, of course, must be respectably fair and free of irregularities. All parties should then take their seats in the legislature and reengage fully in Bangladesh's political process.

Finally, the United States and other friends should do everything in their power to morally support and encourage Bangladesh to follow such a course. We should make it clear that the international community will not recognize or assist a new regime unless it achieves power through the democratic process. We must reiterate that a military coup—a time-honored tradition in Bangladesh—is not an option. And, the United States should stand ready to at least maintain its modest bilateral assistance and to support legitimate requests for assistance from the World Bank and other international financial institutions.

Outside financial assistance is desperately needed, but in the final analysis, it is the people of Bangladesh who will decide the nation's fate. The path to a brighter future can now be seen. Let us hope that the leadership of this long-suffering people, who already have endured more than their share of tragedy, can seize the political opportunity that lies before them.

HONORING THE CANNON COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Cannon County Rescue Squad. These brave, civic minded people give freely of their time so that should disaster strike, we know that our friend and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a four to six month period which includes instruction in cardiopulmonary resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

INTRODUCTION OF LEGISLATION REGARDING PRECIOUS METALS

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mrs. VUCANOVICH. Mr. Speaker, along with my colleagues, Representative JOHN ENSIGN and Representative JIMMY HAYES, I am introducing today legislation that will broaden investor options for individually directed retirement accounts and other self-directed accounts in qualified retirement plans, and ensure that the continued importation of minted gold and silver bullion will remain duty-free. This legislation will have no revenue impact.

Precious metals have been used for savings and investments since the dawn of civilization. Millions of Americans invest in precious metals today. They recognize that precious metals

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

are an excellent way to diversify a portfolio and to provide a hedge against inflation and financial uncertainty. Similarly, investors have long recognized the value of investing in legal tender coinage. Such coins are seen by many investors to be an important compliment to a total precious metals portfolio. Precious metals and legal tender coinage can bring a balance to other portfolio assets like stocks, bonds, and mutual funds, reducing the volatility caused by fluctuations in the securities markets.

Today, investors in individually directed retirement accounts may invest in a wide selection of precious metals mining stocks and mutual funds, yet they are unnecessarily restricted in their choice of physical precious metals investments. Current law limits the precious metals choices for investors in these retirement accounts to gold and silver American Eagle bullion coins, minted by the U.S. Mint. While American Eagles are convenient for small transactions, they have a high premium relative to bullion bars, making them less attractive for investors choosing to invest larger amounts in precious metals.

Current law also permits legal tender coinage to be included in defined contribution pension and profit-sharing plans, but not individually directed retirement accounts and other self-directed retirement plans. Removing current restriction would allow small investors, many whose total investment programs consist of the IRA's, to select from the same menu of investment options currently available to other investors.

The legislation my colleagues and I are introducing today will amend section 408(m) of the Internal Revenue Code and expand the qualified precious metals investments for individually directed retirement accounts to include gold, silver, platinum, and palladium bullion products in bar or coin form, and legal tender coinage. This will permit American investors a wider range of investment options for their individually directed retirement accounts, and other self-directed accounts in qualified retirement plans, while having no revenue impact for the Federal Government.

This bill also will correct an unintentional drafting error which occurred with the conversion, in 1989, of the tariff schedules of the United States [TSUS] into the harmonized tariff schedule of the United States [HTS] and will allow the importation of gold and silver bullion to continue duty-free. This measure will amend subchapter II of chapter 71 of the HTS and correct the definition of gold and silver bullion bars which are both cast and minted.

For more than a century, gold and silver bars imported into the United States have been classified under the duty-free tariff provisions covering gold and silver bullion and more. Until the 1970's, bars were universally produced by the casting method, whereby molten metal is poured into a mold where it hardens into a bar. Technological advancements some 20 years ago permitted bullion bars to be minted rather than cast. Minted bars are stamped out of flat strips of rolled gold or silver to the required dimensions. In the case of smaller quantities of metal, minting bars is more efficient, precise, and cost-effective. This new production method had no effect on the product. Whether cast or minted, the bars are at least 99.5 percent pure gold or silver, and both are recognized internationally as bullion products of similar quality and purity.

Our bill would correct an unintentional drafting error which occurred in the conversion of the TSUS to the HTS. In 1989, the United States adopted the HTS, replacing the TSUS. In the conversion, the drafters of the HTS, through an oversight, made the provisions for gold and silver bullion a subcategory of the provisions for unwrought forms of gold and silver. In the HTS, the definition of the term "unwrought" excludes articles that are produced using a rolling process. The drafters failed to take into account that in order to mint the bars, the gold and silver must first be rolled into a flat strip, which, according to the U.S. Customs Service, removed the bars from the unwrought category. However, minted bullion bars continued to be imported duty-free for the next 4 years.

In 1993, the Customs Service sought to classify minted gold and silver bars under the provisions for other articles of gold and silver, in HTS heading 7115 at a duty of 7.8 percent and 5.4 percent, respectively. By 1994, the proposal had caused a major stir in the international precious metals market until it was held in abeyance by the Department of the Treasury, an action still in effect.

This measure would remedy the drafting error in the HTS by affirming the longstanding duty-free provisions for semimanufactured gold and silver and for other articles of gold and silver. The bill before us will properly retain the duty-free treatment accorded to the importation of gold and silver bullion bars for over 100 years.

Because gold and silver bullion bars, whether cast or minted, regardless of size, have always been duty-free, enactment of the proposed corrective provisions in this measure would simply retain that status, and would not deprive the Treasury of revenue. Consequently, this change in the HTS will have no revenue impact.

I urge my colleagues to work with Congressman HAYES, Congressman ENSIGN, and myself to enact this bill to restore fairness for those with individually directed retirement accounts and to correct an unintended drafting error in the HTS.

HONORING THE CLAY COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Clay County Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4- to 6-month period which includes instruction in cardiopulmonary resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their services especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community voluntarism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

TRIBUTE TO GIRL SCOUT GOLD AWARD RECIPIENTS

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. MYERS of Indiana. Mr. Speaker, today I would like to salute four outstanding young women who have been honored with the Girl Scout Gold Award by Covered Bridge Girl Scout Council in Terre Haute, IN. This year Katherine Bloomer, Amanda Lambertus, Wendy Lu, and Katey Marancik received Gold Awards. This award symbolizes outstanding accomplishments in the areas of leadership, community service, career planning, and personal development. The award can be earned by girls ages 14 to 17 or in grades 9 through 12.

Girl Scouts of the U.S.A., an organization serving over 2.5 million girls, has awarded more than 20,000 Girl Scout Gold Awards to senior Girl Scouts since the inception of the program in 1980.

To receive the award, a Girl Scout must earn four interest project patches, the Career Exploration Pin, the Senior Girl Scout Leadership Award, and the Senior Girl Scout Challenge, as well as design and implement a Girl Scout Gold Award project. A plan for fulfilling these requirements is created by the senior Girl Scout and is carried out through close cooperation between the girl and an adult Girl Scout volunteer.

I believe we should join the Covered Bridge Girl Scout Council in publicly recognizing these young women for their service to their community and country.

WHITE HOUSE ABUSE OF POWER

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. PACKARD. Mr. Speaker, I would like to express my outrage at the blatant abuse of power exhibited by the White House. Recently discovered documents show that the White House requested and received 341 highly confidential FBI records of former Reagan and Bush appointees.

The abuse of power and invasion of privacy wreaks of Big Brother. It is a blatant violation of the right to privacy the Constitution guarantees each and every American. Equally outrageous is the fact that the president invoked "Executive privilege" to prevent release of documents in which the request for FBI files was discovered.

The Clinton administration is caught redhanded this time in what seems to be a reoccurring denial of responsibility, they explain it as just another goof by unknown bureaucrats—was the goof the fact that the documents were requested or the fact that the document requests were discovered? Further, we must also question who at the White House knew the files had been gathered and why were they kept at the White House rather than returned to the FBI after the error was discovered in 1994?

The changing and conflicting stories put forth by the Clinton administration are not acceptable. The American people deserve one story—the truth.

HONORING THE DAVIDSON COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Davidson County Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4- to 6-month period which includes instruction in cardiopulmonary resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

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Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

TRIBUTE TO BENNY CARTER, BUDDY COLLETTE, AND GERALD WILSON—THREE GREAT ARTISTS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. DIXON. Mr. Speaker, I rise today to join the Library of Congress in honoring Benny Carter, Buddy Collette, and Gerald Wilson—three of America's most talented jazz musicians. Last week the Library of Congress honored these wonderful, Los Angeles-based artists by sponsoring three concerts featuring their music.

BENNY CARTER

Bennett Lester "Benny" Carter was born in New York, in 1907 and studied piano as well as trumpet and saxophone with his mother and sister in Manhattan. Although his parents sent him to Wilberforce University in Ohio to study theology, jazz gradually became more important to him. One summer he joined a jazz band led by Horace Henderson, brother of bandleader Fletcher Henderson, and never looked back. While perfecting his craft, Carter studied under the likes of Duke Ellington, the Charlie Johnson Band, Fletcher Henderson, Chick Webb, and McKinney's Cotton Pickers. He was given the nickname "gentleman of jazz" for his gracious manner and reverence for jazz.

In 1933 Benny Carter began leading his own groups, and in 1935 he went to Europe to tour and arrange for the BBC dance band. During this time he also worked with Coleman Hawkins and Django Reinhardt. Carter returned to the States in 1938 and led various bands throughout the early 1940's which gave exposure to a number of talented artists, including Miles Davis and Max Roach. In 1943, he began to concentrate on film scoring and produced brilliant work for a number of films over the years, including "Buck and the Preacher," "A Man Called Adam," and "The Hangman." Carter also composed music for the television show "M-Squad." Cater's greatest works include 'Blues in My Heart," "Blue Star," and "When Lights are Low."

Still going strong at nearly 90 years of age, you'll find the gentleman of jazz performing at concerts and festivals all over the world and helping younger musicians through his jazz workshops. Carter has received numerous honors, including an honorary doctorate from Princeton in 1974 and designation as an "American Jazz Master" by the National Endowment for the Arts.

BUDDY COLLETTE

The great flutist and composer William "Buddy" Collette was born in South Central Los Angeles and grew up as a childhood friend of the magnificent bassist Charles Mingus. As teens, Collette and Mingus would play for tips as they rode the Red Line Trolley cars.

He first gained national prominence in the 1950's, playing flute with drummer Chico Hamilton's Quintet. Collette was also the first African-American artist to play in a TV studio orchestra and helped to integrate the all-black Musicians Union Local 767 into the previously all-white Local 47. Buddy has played with many other jazz greats, including Ella Fitzgerald, Duke Ellington, Frank Sinatra, Benny Carter, Gerald Wilson, and Quincy Jones. Buddy's works such as "Blue Sands" have become jazz standards.

In addition to composing, arranging, and performing, Buddy is committed to touching lives through education. He has devoted a great deal of time to teaching students at all levels about the rich history of jazz and the contributions made by the pioneers of the music. His numerous activities include assembling a volunteer faculty of professional musicians for an afterschool program for at-risk junior high students, and working closely with the Los Angeles Department of Cultural Affairs and the Oral History program at UCLA in preserving and presenting the history of jazz in Los Angeles. Later this year, Collette will join the faculty of California State University, Long Beach, as a professor of jazz performance.

In 1994, Buddy joined other performing arts professionals to found JazzAmerica, a nonprofit, tax-exempt corporation to support and serve as an advocacy organization for jazz music and musicians across the country. He formed the corporation because he believes that jazz is the crown jewel of American culture and needs an institutional structure of presenters and performing arts venues. JazzAmerica's programs include a jazz studies course for junior and senior high school music teachers, a series of low-priced Young People's Jazz Concerts at The Music Center of Los Angeles County, and in-school concerts and teaching residencies by master jazz artists.

GERALD WILSON

Gerald Wilson was born in 1918 in Shelby, MS. At age 14 he moved with his family to Detroit and began studying jazz in high school. In Detroit, Wilson was exposed to the great bandleaders Duke Ellington, Don Redman, Erskine Tate, Earl Hines, and Charlie Barnett. From 1939 to 1942 he worked with Jimmie Lunceford's orchestra as a trumpeter, composer, and arranger. He then moved to Los Angeles and performed with Les Hite and Benny Carter. Wilson formed his own orchestra in 1944 and performed regularly on the famous Central Avenue jazz scene. After a brief stint with his own orchestra, he composed music and performed with Count Basie, Duke Ellington, Dizzy Gillespie, and Billie Holiday. During the 1950's Wilson wrote for television and movies, appearing in "An American in Paris" with Gene Kelly and "The Outsider" with Tony Curtis.

In 1961 Wilson began working with his orchestra again, naming it the "Gerald Wilson Orchestra for '60s" for the decade in which he was performing. This band, which is remembered for its magnificent performance at the 1963 Monterey Jazz Festival, included saxophonists Harold Land and Teddy Edwards, guitarist Joe Pass, and pianist Jack Wilson. He also wrote for motion pictures and television, and was nominated for two Grammys. Wilson currently conducts his "Orchestra of the '90s," which is made up of Los Angeles-based musicians, including his award-winning son Anthony Wilson and grandson Eric Otis.

It was not enough for Wilson to perfect his own craft; he believed in passing on his knowledge to younger generations. In the past

25 years, he has taught at the California State University campuses of Los Angeles and Northridge, and more recently at UCLA. Students enrolled in Wilson's courses benefit from the unique opportunity to learn from a jazz master who has played and shared many experiences with other great artists.

Mr. Speaker, Carter, Collette, and Wilson have been colleagues, collaborators, and friends for most of their lives. Together these men have created a legacy of powerful music and a commitment to education of which America and indeed the world can be proud. I urge my colleagues to join me in saluting these giants of jazz.

FAST FORWARD TO END HUNGER

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. HALL of Ohio. Mr. Speaker, I rise today to commend the efforts of "Fast Forward to End Hunger," a nonprofit organization dedicated to raise funds to eliminate childhood hunger. The Fast Forward to End Hunger initiative, which was launched on June 1 in nearly 8,000 video stores across the Nation, is expected to raise at least $2 million by the end of its first fundraising and education campaign on August 31.

Fast Forward to End Hunger is an unprecedented collaboration between the Video software Dealers Association—the trade association of the $16 billion home video industry—and End Hunger Network, an organization founded by actor/producer Jeff Bridges that enlists the entertainment industry in efforts to end hunger worldwide. Leading Hollywood celebrities—including Jeff Bridges, Valerie Harper, Paul Newman, Arnold Schwarzenegger, Robin Williams and others—have pledged their support to Fast Forward to End Hunger in order to help cut the number of children who wake up hungry each day.

As part of its educational efforts, Fast Forward to End Hunger will be working to increase awareness about the dimensions of the problem of childhood hunger in our Nation among the 57-million-plus consumers who visit retail video stores:

More than 21 percent of U.S. children under the age of 18, and 24 percent of children under age 6 are poor—twice the child-poverty rate of any other industrial country.

Hunger afflicts more than one in four American children. Some 4 million children under age 12 in the United States are chronically hungry and 9.6 million more are at risk of chronic hunger—in all, more than 29 percent of American children.

Even short periods of undernutrition can affect children's behavior, cognitive development, and future productivity.

Children who are hungry are four times as likely to have difficulty concentrating as other children. And they are more than three times as likely to experience unwanted weight loss and are more likely to have frequent headaches.

Eighty-four percent of Americans believe the Government should increase spending for food assistance programs, or at least continue them in 1995 levels.

Some Americans polled felt that alleviating hunger and poverty is an important issue in the 1996 election year, according to a recent Nielsen poll.

These statistics paint a sobering picture of the tremendous challenge we face, and I am pleased to welcome Fast Forward to End Hunger as an ally in our efforts to help Americans in battling childhood hunger in their communities.

The Video Software Dealers Association and the End Hunger Network deserve praise for their ambitious efforts to eliminate childhood hunger, and I hope my colleagues will join me by becoming involved in the efforts of Fast Forward to End Hunger in their local communities.

CAN DO CELEBRATES 40TH ANNIVERSARY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to an economic and community development organization in my Congressional District in Pennsylvania, the Community Area New Development Corporation of Hazelton. CAN DO, as it is generally known, will celebrate its 40th anniversary next week, and I am pleased to be able to participate in this event.

In 1956, Dr. Edgar L. Dessen led a group of civic leaders who were determined to reverse the economic decline brought about by the demise of Northeastern Pennsylvania's coal mining industry. These officials believed that the economy of the area could only survive if new jobs were created through planned industrial development.

Under Dr. Dessen's leadership, the original group oversaw a massive fund-raising effort to help finance Greater Hazelton's renaissance. The organization set a goal of raising one half a million dollars, but succeeding in raising $750,000 for generating economic development. The group used the funds to purchase land to create an industrial park on the outskirts of Hazelton. A year later, Valmont Industrial Park was opened, and the General Foam Company became the park's first tenant. The company brought over one hundred new jobs to Hazelton launching the area's economic revitalization. Valmont Industrial Park was quickly filled and CAN DO began to expand its mission.

Having experienced tremendous success in bringing new industries to the Valmont Industrial Park, CAN DO began drafting plans for a second industrial park. In 1972, CAN DO opened the Humboldt Industrial Park and quickly attracted new industries. A state-of-the-art operation was established in the park by Cadbury-Schweppes, Ltd. which was the largest candy manufacturer in the world at that time. The facility is now home to Hershey Chocolate.

During the 1980's CAN DO officials turned their attention toward the age of high technology which they anticipated would drive the future economy. CAN DO's drawing board was filled with plans to keep the company of the Hazelton area strong well into the 21st Century through the attraction of high tech businesses. Numerous economic development projects were realized from this innovative planning.

Paramount among these projects is the CAN DO Corporate Center. This ultra-modern business park features a unique environmentally sensitive design known as the Terrarium Concept which preserves the ecological beauty of the park. This strategy was so well received, CAN DO was awarded the 1993 Environmental Excellence in Economic Development Award from the Arthur D. Little organization. Only minutes from the interstate highway system, the CAN DO Corporate Center is equipped with the latest business and industrial technologies and a well structured and reliable infrastructure.

Currently, CAN DO is involved in the expansion of the Humboldt Industrial Park Southwest which will result in 300 additional acres being made available for industrial development in the Hazelton area. CAN DO is also working with the Pennsylvania Power and Light Company to develop the Green Mountain Major Manufacturing Site adjacent to the Humbolt Southwest facility.

Mr. Speaker, during its forty year existence, CAN DO has been responsible for 14,000 new jobs, 200 development projects, over $1 billion in private investment in the Greater Hazelton Area, and more than $4 million in tax revenue. The long-term vision for economic development that CAN DO drafted has contributed significantly to the economic revitalization of the Greater Hazelton Area. CAN DO has truly earned its many national awards and recognition.

Mr. Speaker, during my tenure in the Congress, I have had the distinct pleasure of working closely with the innovative and visionary men and women of CAN DO. It is with pleasure that I am able to highlight the outstanding achievements of this distinguished economic development organization before my colleagues. I am proud to congratulate CAN DO on its 40th Anniversary and I wish the organization continued prosperity in all its community and economic development efforts.

TRIBUTE TO THE 1996 GRADUATES RECOGNIZED BY THE CHALDEAN FEDERATION OF AMERICA

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. BONIOR. Mr. Speaker, I rise today to congratulate all the students being recognized by the Chaldean Federation of America at their Annual Commencement and Scholarship Program. The program is being held this afternoon at the Mother of God Chaldean Church in Southfield, MI.

An umbrella organization of Chaldean churches and civic organizations, the Chaldean Federation of America devotes the majority of its efforts to education. The Federation encourages Chaldean youth not only to remain in school, but to strive for academic excellence and achievement. Nearly 300 Chaldean youths graduating from southeast Michigan high schools and 60 others who have completed their studies at several Michigan colleges and universities, will be recognized.

It is becoming increasingly evident that both individual success and the prosperity of America depend on education. it is truly encouraging to know so many of these students, who in many cases are first generation Americans, are learning this lesson early. Because of their success, the Chaldean community, Michigan and the United States will all benefit.

I commend the graduating class of 1996 and encourage all the individuals involved to remain students for life. As our future leaders, I wish all the graduates continued success and urge my colleagues to do the same.

HONORING THE HENDERSONVILLE VOLUNTEER RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Hendersonville Volunteer Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a four to six month period which includes instruction in Cardiopulmonary Resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

ANTONIO J. PALUMBO RECEIVES DEGREE FROM LAROCHE COLLEGE

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. COYNE. Mr. Speaker, I rise today to pay tribute to Mr. Antonio J. Palumbo, a gentleman from western Pennsylvania who recently was awarded the Honorary Degree of Doctor of Business Administration by the Board of Trustees of LaRoche College. Mr. Palumbo in his 90 years of life has been a successful entrepreneur, a generous philanthropist, and an important community leader.

After beginning his career working in a coal mine, Mr. Palumbo went on to become the president, founder, and owner of a number of coal mining companies. He has served on the Board of the Central Pennsylvania Coal Producers Association.

Mr. Palumbo has very generously shared the rewards of his business success with others. He has been a generous benefactor of a number of colleges and hospitals.

He has also shared his knowledge and experience with others. He has given of his time by serving on a number of boards, including the boards of the Boy Scouts of America and the municipal authority of St. Marys, PA. He has also served as a trustee of the Three Rivers Bank and Trust Co. of Pittsburgh and the Mayo Clinic. I am enclosing for the RECORD a resolution adopted by the Board of Trustees of LaRoche College, which presents in greater detail the reasons for which the board conferred this honorary degree on Mr. Palumbo.

In short, Mr. Palumbo has been an outstanding role model—one that young people today would do well to emulate. I want to congratulate Antonio J. Palumbo on receiving the Honorary Degree of Doctor of Business Administration from LaRoche College, and I want to wish him a happy 90th birthday.

LAROCHE COLLEGE BOARD OF TRUSTEES COMMEMORATES THE OUTSTANDING CONTRIBUTIONS OF ANTONIO J. PALUMBO—MAY 11, 1996

"It is my pleasure to introduce our next honorary degree recipient, Antonio J. Palumbo. Mr. Palumbo began his career working on his knees in the depths of a coal mine. He went on to become the owner of the Nation's largest privately held coal companies. Throughout his entire life, Mr. Palumbo has adhered to four qualities that he believes are most important: hard work, loyalty, integrity, and generosity. He and his wife Janet have done many charitable deeds throughout their lifetimes and have helped many people—from assisting hospitals in caring for seriously ill children, to working with Boy Scouts, to negotiating wages with the United Mine Workers Union. Mr. Palumbo serves as a role model for all people of all ages."

Whereas: Antonio J. Palumbo, a national leader of the coal industry, past president and owner of Underhill Coal Mining Company, which he founded in 1932, founder of the New Shawmut Mining Company, and owner of Kersey Mining Company, Shawmut Mining Company, Shawmut Realty Company, and Byrnedale Coal Company; and

Whereas: Antonio J. Palumbo has demonstrated a lifelong commitment not only to business, but to people of all ages through his work as a board member of the Boy Scouts of America, a member of the municipal authority of St. Marys, PA, a member of the Board of the Central Pennsylvania Coal Producers Association, a trustee of the Three Rivers Bank and Trust Company of Pittsburgh, a trustee of the Mayo Clinic; and

Whereas: Antonio J. Palumbo, a self-made entrepreneur, is well-known as a very generous benefactor to hospitals and colleges, and has served the community with wisdom and honesty; and, having achieved these things to an extraordinary degree, it is unanimously *Resolved* That the Board of Trustees of LaRoche College confer upon Antonio J. Palumbo the Honorary Degree of Doctor of Business Administration.

THIRD-COUNTRY ARMS DELIVERIES TO BOSNIA AND CROATIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. HAMILTON. Mr. Speaker, last month I wrote to Secretary of State Christopher requesting the answers to several questions concerning recent press stories regarding United States policy on arms deliveries to Bosnia and Croatia by third countries during 1994 and 1995.

Several committees of the Congress have already held closed and open hearings on this issue, including the Committee on International Relations on May 30. The House of Representatives has also voted to establish a special select subcommittee of the Committee on International Relations to investigate this issue.

I received the answers posed in this letter in two parts, one dated April 24 and the other May 20. I would like to insert copies of both letters in the RECORD in an effort to keep my colleagues fully informed on the administration's position on this issue.

U.S. DEPARTMENT OF STATE
Washington, DC, April 24, 1996.

Hon. LEE H. HAMILTON,
House of Representatives.

DEAR MR. HAMILTON: Thank you for your letter of April 11 to Secretary Christopher concerning third-country arms deliveries to Bosnia and Croatia during 1994 and 1995. You pose a number of detailed questions which will take us some time to research. Meanwhile, we welcome this opportunity to provide you with an interim reply to some of the points you raise.

In the spring of 1994, the Administration had a difficult decision to make when approached by Croatia on the question of allowing third-country weapons to pass through Croatia to the Bosnian Muslims. If we had objected to potential arms shipments from Iran, the Muslim-Croat Federation might have been destroyed in its infancy and a bad situation for the Bosnians might have worsened. The approach we took—of neither objecting to nor supporting the arms transfers—sought to balance our concern about the spread of Iranian influence against the adverse military situation facing the Federal. In the process, we did our best to serve the cause of peace in Bosnia. The arms deliveries helped sustain the Muslim-Croat Federation and reduced the military imbalance without the certainly risks and pitfalls of the alternative courses of action.

Many in the Congress urged at the time that the United States lift the arms embargo unilaterally. The Administration opposed this policy on a number of grounds. We would have been put in the position of arming the Bosnians in the face of direct opposition from our own allies, triggering the biggest rift in NATO since its founding. In addition, UNPROFOR would almost certainly have collapsed, in all likelihood requiring U.S. troops to be called in to protect withdrawing UNPROFOR soldiers. And if the

Serbs had gone on the offensive before the Bosnians were armed, a very real possibility, the United States would have come under pressure to intervene to prevent a Bosnian military defeat.

Unilateral lift would also have required the United States to violate binding UNSC resolutions. UN Security Council Resolution 713, adopted in 1991 with the previous Administration's firm support, required each member state to cease deliveries of arms and military equipment originating from its territory, and the United States met this important international obligation. Resolution 713 did not require the United States to stop third-country arms shipments to Bosnia. An enforcement mechanism was authorized in November 1992 via NSC Resolution 787, which called on member states acting individually or through regional arrangements to halt all inward and outward maritime shipping in order to inspect cargos and certify destinations. Under these resolutions, the United States placed a ban on U.S. arms sales to the states of the former Yugoslavia and participated in multilateral enforcement efforts both on sea (via NATO's operation SHARP GUARD) and on land (via multilateral monitoring under the auspices of the International Conference on the Former Yugoslavia).

After the Nunn-Mitchell legislation went into effect in November 1994 prohibiting the use of appropriated funds for the purpose of participation in, support for, or assistance to the enforcement of the arms embargo against Bosnia and Herzegovina, the United States modified the rule under which its forces in SHARP GUARD operated. For example, U.S. ships with SHARP GUARD no longer diverted or delayed vessels that contained arms or other cargo for the purpose of enforcing the arms embargo against Bosnia and Herzegovina.

The enactment of Nunn-Mitchell had little impact on the enforcement of other aspects of the arms and economic embargo on other parts of the former Yugoslavia. U.S. ships with SHARP GUARD continued enforcing other UN Security Council Resolutions, such as the economic embargo on Serbia and Montenegro, and tracked vessels containing arms for Bosnia even after maritime inspections had been concluded in order to ensure that destination and cargo dispensation claims had been met. The overall efficiency of the SHARP GUARD operation may have decreased somewhat after Nunn-Mitchell, however, because of limitations on the sharing of information by U.S. ships with other SHARP GUARD participants on whether cargos had been cleared because they were free of prohibited items or because they contained weapons bound only for Bosnia.

Some in Congress have raised the question of whether Ambassador Galbraith's response to President Tudjman in 1994 that he had "no instructions" on whether the Croatian government should allow an arms shipment to pass through its territory to Bosnia constituted U.S. covert action. The answer is that it did not. Under the law, covert action is defined as "an activity or activities of the United States Government to influence political, economic, or military conditions abroad, while it is intended that the role of the United States Government will not be apparent or acknowledged publicly." The definition does not include, among other things, traditional diplomatic activities.

The legislative history makes clear that the U.S. will not be deemed to be carrying out a covert action through third parties unless the third parties are receiving direction and assistance from U.S. personnel directly involved in carrying out an activity that otherwise meets the definition of covert action. The legislative history also makes clear that the statutory definition of covert action does not include within its scope requests to third countries to conduct covert action. In 1991, President Bush vetoed legislation that would have included such requests within the definition of covert action. The legislation was subsequently enacted without this language.

Thank you again for writing. We hope this information is helpful to you. We are working to gather the other information you have requested and will provide it via a separate letter shortly. Meanwhile, please do not hesitate to contact me directly if we can be of other assistance.

Sincerely,

BARBARA LARKIN,
Acting Assistant Secretary,
Legislative Affairs.

U.S. DEPARTMENT OF STATE,
Washington, DC, May 20, 1996.

Hon. Lee H. Hamilton,
House of Representatives.

DEAR MR. HAMILTON: I am writing to follow up on my letter of April 24, in which we provided an interim reply to some of the issues raised in your April 11 letter to Secretary Christopher on third-country arms deliveries to Bosnia and Croatia in 1994 and 1995. As you will recall, our earlier letter focused on U.S. legal obligations under various UN Security Council Resolutions, sanctions enforcement efforts, as well as whether U.S. policies at the time constituted covert action. We welcome this opportunity to answer your remaining questions on what motivated the 1994 U.S. decision to take no position in response to the Croatian Government's request for our views on its serving as the channel for third-country arms shipments to Bosnia.

The following are our responses to your remaining questions:

Did the United States during 1994 make a decision to change policy on enforcing the embargo and on the delivery of arms to Bosnia by third parties through Croatia?

If there was such a change of policy, what was it? Was the decision to change policy on such deliveries a decision not to object to such deliveries, to acquiesce in the deliveries, or to support the deliveries?

Was such a policy consistent with U.S. policy since September 1991 to enforce the arms embargo?

The Bush Administration voted for UN Security Council Resolution 713 in September 1991 and later resolutions imposing an arms embargo on all the states of the former Yugoslavia. The hope was that containing the flow of arms into the region could reduce the level of violence and prevent the expansion of war from Croatia to Bosnia. Thus, the Bush Administration's policy was to abide by the embargo and to support its enforcement, including on some occasions making diplomatic representations to other countries when violations became known.

By the time the Clinton Administration took office, it was clear that the arms embargo had not only failed to prevent the spread of the war to Bosnia, but also frozen the Bosnian Government into a militarily inferior position (since Serbia and rebel Serb forces in Bosnia and Croatia had retained the bulk of the armaments of the former Yugoslav National Army). Therefore, from the time it entered office, this Administration sought to secure a multilateral lift of the arms embargo against Bosnia as a means of increasing pressure on the Serbs to accept a political settlement.

Although it remained Administration policy to abide by the arms embargo, it was not our policy in 1993 and 1994 to take active steps—either military or diplomatic—to enforce the arms embargo with respect to military shipments to Bosnia by third countries. Our efforts to enforce the arms embargo were confined to participation in NATO's operation SHARP GUARD in the Adriatic Sea (with support from operation DENY FLIGHT). While UN Security Council resolutions called upon states to take enforcement actions against third countries, such actions were not required by those resolutions. The overall focus of our sanctions enforcement effort was on maintaining economic sanctions against Serbia-Montenegro through operation SHARP GUARD, through monitoring and enforcement efforts along Serbia's borders, and through active diplomatic efforts with front-line states and other potential sanctions violators.

In part as a consequence of the arms embargo, by early 1994 the parts of Bosnia remaining in government hands were in danger of collapse: Sarejevo was surrounded, Gorazde was under siege, the other eastern enclaves were highly vulnerable, and water, electricity, and humanitarian aid deliveries were threatened.

The political and military dynamic in Bosnia changed in March 1994. In that month, as a result of active U.S. mediation by our Special Envoy, Ambassador Charles Redman, the leaders of Bosnia, Croatia, and the Bosnian Croat community signed agreements ending their military conflict and setting up a bi-communal Federation between Bonsia's Muslims and ethnic Croats. The newly born Federation immediately received strong U.S. diplomatic support, and deservedly so; its founding principles reflected pluralistic Western values and the cease-fire it engendered helped free up government forces to defend their country against the Serbs and, over time, altered the military balance.

When President Tudjman of Croatia approached Ambassador Galbraith in Zagreb in April 1994 to elicit U.S. views on allowing third-country arms shipments to Bosnia via Croatia, we determined that a negative response could have led to the collapse of the Federation and a new deterioration of the Bosnian Government's military position. Instead, we decided that the best course was neither to object to nor approve of arms transfers to Bosnia through Croatia. This was consistent with our practice in the preceding months not to take active steps to prevent third-country arms shipments. At the same time, we did not believe it would have been appropriate to endorse actions contrary to UN Security Council resolutions. Thus we told Ambassador Galbraith to state that he had "no instructions" on the matter.

Our decision eventually bore fruit. By sustaining the Federation and eroding the Serbs' military advantage, it paved the way for the American diplomacy, backed by NATO air power, that produced the peace agreement at Dayton. Our decision allowed us both to observe our legal obligations under UN Security Council Resolution 713 and to promote the achievement of peace.

How did the Administration assess the implications of such a policy change on international adherence to UN Security Council Resolution 713 and U.S. efforts to get friends and allies to stop trade, economic dealings, and investment ties with Iran?

Iran's entry into the Bosnian conflict occurred long before the April 1994 decision.

Iranian efforts to gain influence in Bosnia date back to the 1980s. They gained momentum in 1991-92, in the early stages of the war, when the international community proved unable to confront Serb aggression. During this period, despite the UN arms embargo, Iran established itself as Bosnia's principal arms supplier and dispatched hundreds of Revolutionary Guard and other personnel to assist in training Bosnian Government forces. Iranian military aid was part of a multi-pronged campaign of support that also included intelligence cooperation along with economic and humanitarian assistance. We have no evidence that Iran's presence in Bosnia increased significantly after April 1994. It is also worth noting that, through the Dayton Accords and subsequent diplomacy, we have reduced Iranian military influence in Bosnia to its lowest levels in years.

The April 1994 decision had no discernable impact on U.S. efforts to gain international support for the use of economic pressure to alter Iran's objectionable behavior, including its support for terrorism and pursuit of weapons of mass destruction. Prior to 1994, our Allies had generally been unresponsive to our requests that they not provide Iran with economic benefits such as new official credits and loan guarantees. In the past year, however, following the President's decision to impose a trade and investment embargo against Iran, most European countries have substantially reduced the pace and volume of economic activity with Iran. We continue to urge European governments to join our efforts to pressure Iran economically. Based on our ongoing consultations, including the April 19 meeting in Rome of the U.S.-EU-Canada Working Group on Iran, we have concluded that the April 1994 decision has not significantly affected our Iran diplomacy.

Did the United States have discussions regarding these deliveries only with the Croatian and Bosnian authorities, or did the United States also have discussions directly with third countries supplying or financing these arms deliveries?

The United States had no communications with Iran regarding arms for Bosnia, nor are we aware of any occasion on which U.S. officials, in any discussions with other countries, requested them to transfer arms to Bosnia or Croatia.

What countries besides Iran were involved in the financing and delivery of arms to Bosnia? Were Malaysia, Pakistan, Saudi Arabia, or Egypt involved?

We have provided classified documents which address this question to the Senate Intelligence Committee and we will provide these same materials to appropriate Congressional committees that request them.

If there was a change of policy, why was there a change of policy, and who was informed of it? Was Congress informed, were Allies informed, and were all appropriate officials of the United States informed about a change in policy that affected stated, public policy? If not, why not?

In order to succeed, the thrust of our diplomatic activity both before and after April 1994—adhering to our obligations under UN resolutions, maintaining the cohesion of the Western Alliance, while not taking action to prevent the Bosnians from receiving weapons—required great discretion. That is why the Administration kept the April 1994 discussions with the Croatian government closely held within its own ranks.

It should be noted, however, that the Congressional leadership and relevant committees were made aware of the existence of Iranian arms shipments both from Administration-provided intelligence briefings and press reports. Furthermore, the U.S. decision not to object to such shipments was not inconsistent with the will of Congress as expressed in a June 1994 vote in the House of Representatives to lift the arms embargo unilaterally. In October 1994, the full Congress voted to cut off funds for U.S. enforcement of the arms embargo. No exception for Iranian arms was contained in the legislation, nor was any such exception proposed during the debate.

I trust this information will be helpful to you. The Administration is cooperating fully with the current Congressional investigations and welcomes opportunities like this one to explain its policy decisions. Secretary Christopher and I value greatly the close cooperation on Bosnia policy that we have enjoyed with you and your staff over the last three-plus years and we look forward to a continuing productive relationship in this regard.

Sincerely,

BARBARA LARKIN,
Acting Assistant Secretary,
Legislative Affairs.

IN HONOR OF CASA OTONAL ON ITS 20TH ANNIVERSARY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Ms. DELAURO. Mr. Speaker, on Tuesday, June 11, 1996, Casa Otonal will celebrate its 20th anniversary by honoring four of its founders. It is with great pleasure that I rise today to salute Casa Otonal and congratulate all those who have made this amazing organization possible.

The original mission of Casa Otonal was to offer inner city youth an alternative to the streets by providing educational and other activities. It has since expanded its mission and now provides a very successful senior center, a housing complex and a community center, Casa Linda.

Casa Otonal begun in 1974 at St. John the Evangelist Church. While still in the space at St. John's, Casa Otonal was designated a senior center and a nutrition center. This began Casa Otonal's mission of enabling senior citizens, particularly Hispanics, to maintain cultural ties and personal dignity and to remain self-sufficient. The Casa Otonal program continued to expand and identified one of the most important needs of the elderly, housing. In July 1986, an elderly housing complex with 105 units was completed. The result of this expansion is two distinct projects, the senior center and residential facility. The senior center provides social and recreational activities, the nutrition program and continues to reach out to all the elderly in the city of New Haven. Other programs for seniors include adult education, health services, transportation, cultural programs, and workshops.

The Casa Linda community center offers a unique opportunity for the elderly and young people to interact and enjoy and learn from each other. Casa Linda opened in 1992 with the philosophy that the elderly could teach children past values, skills, and traditions. The center has been incredibly successful in encouraging this coming together of the generations.

I am so pleased to join Casa Otonal in honoring its founders. Linda Kantor and Jim Vlock were instrumental in obtaining the Housing and Urban Development grant for Casa Otonal and saw the project through to its completion. Linda, in particular, has put her heart and soul, and a great deal of time and energy into Casa Otonal and Casa Linda. Using her own money and some private contributions, Linda purchased the property across from Casa Otonal for the construction of Casa Linda. She renovated the building with the help of volunteers.

Casa Otonal is also honoring cofounder Joseph Odell and Patricia McCann Vissepo. Joseph, who spent 18 years working in urban ministry, was vital to the conception of the idea of a residential housing complex for Hispanic elderly. Patricia joined the board of Casa Otonal in 1984 as the complex was being constructed. She became board president in 1987 and in 1993 the board invited her to become the executive director of Casa Otonal.

I am delighted to be able to offer my congratulations to all those involved with Casa Otonal and Casa Linda on the 20th anniversary. Both organizations are vital to the Hispanic community and foster a sense of family, history, culture, and tradition. The work of Casa Otonal and Casa Linda make the city of New Haven a richer, better place to live.

A TRIBUTE TO OSSIE DAVIS AND THE FOURTH ANNUAL NATIONAL MEMORIAL DAY CONCERT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. RANGEL. Mr. Speaker I rise today to recognize one of our Nation's most celebrated and talented actors, writers, and directors and a true friend of mine, Ossie Davis who recently hosted the fourth annual National Memorial Day Concert on the West Lawn of the Capitol in Washington, DC.

Mr. Davis, a veteran who was a surgical technician in North Africa during World War II for years avoided Memorial Day celebrations. This year's event televised on PBS marked a significant transformation in his life.

As a veteran of the Korean War and ardent supporter of our Nation's veterans I want to acknowledge the contributions made by the veterans of this Nation and I can think of no one more qualified to host the fourth annual National Memorial Day concert than the incomparable Ossie Davis.

For the edification of my colleagues in the House, I would like to share the article written by James Zumwalt in Parade Magazine on May 26, 1996 titled "We Should Pay Tribute."

[From Parade Magazine, May 26, 1996]

WE SHOULD PAY TRIBUTE

(By James Zumwalt)

Tonight at 8 p.m. EDT, Ossie Davis will be the host for the fourth year of the National Memorial Day Concert, held on the West Lawn of the Capitol in Washington, D.C.

The PBS telecast (check local TV listings) will include performances by the National Symphony Orchestra, as well as dramatic readings and archival footage from various wars in American history. A special segment will be dedicated to the women who worked statewide in World War II. And tributes will be made to Desert Storm veterans and to American soldiers now serving in Bosnia.

Davis, now 78, served as a surgical technician in North Africa in World War II. Yet, until a few years ago, he had never participated in any Memorial Day celebrations. "I did not want to get involved in anything that glorified war," he told me.

While in Africa, Davis witnessed not only the horrors of battle, he said, but also pronounced racism among fellow American troops. He recalled watching a white soldier choose to die rather than accept care from the only medics available, because they were black. And he watched troop trains in Africa—returning U.S. servicemen home after the war—in which blacks were segregated while whites shared cars with German prisoners who, he said, were granted more dignity than the African-American troops.

"I felt betrayed," Davis recalled. I had come to feel that I had been not only a patriot but a fool. I left the Army very depressed."

On returning home to Georgia, Davis turned briefly to alcohol. But in 1946 he got two lucky breaks: He landed a part in a Broadway play, and he met his future wife, the actress Ruby Dee. They have been married for 47 years. Davis went on to distinguish himself not only as an actor but also as a producer, writer and director. Recently, he appeared in *The Client and Grumpy Old Men*.

Through the years, Davis' anti-war sentiments remained strong. Why, then, did he agree to be the host of these concerts? "I realized that no matter what I thought of war, we should pay tribute to those both living and dead who sacrificed," he explained.

"The military also has made significant strides," he went on. "Colin Powell who will speak at the concert was no accident—he was an affirmation of what has changed. One of the things I'm proudest of about America is that once she got into it, she came up with a color-blind Army."

Davis also believes that the ignobility to warfare shouldn't lessen the tribute we pay to those who served. "They gave what Lincoln called "the last full measure of devotion," he said. "They did what was required to defend something greater than they were."

HONORING THE JACKSON COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Jackson County Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4- to 6-month period which includes instruction in Cardiopulmonary Resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their services especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

HONORING MARY JEAN O'REILLY MILLER, MAHTOMEDI'S 1995 TEACHER OF THE YEAR, ON HER RETIREMENT

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. COX of California. Mr. Speaker, the people of Minnesota have on several occasions recognized the enormous contributions of Mary Jean O'Reilly Miller to the education and cultural betterment of that State, and it is appropriate that the U.S. Congress now do so as well. This week, after 43 years as a teacher, Mary Miller will retire from a distinguished career that will shine as an enduring model for years to come.

Perhaps it is true that teachers are made, not born, but Mary Jean O'Reilly came from a family of educators. Her grandfather served on the school board. Her aunt and uncle were teachers. Her brothers, sisters, nephews, and nieces are teachers and school administrators. As a child in Goodhue, MN, she grew up playing teacher in a make-believe school with her playmates, and she has dedicated her life to that passion ever since.

Mary's own education reflects a lifelong commitment to scholarship and the improvement of her professional skills. She is thoroughly a product of Minnesota schools, and an alumna in whom all of her graduating institutions now take especial pride. Following her graduation from Goodhue High School, she earned advanced degrees at no fewer than three institutions of higher learning: Winona State College, the University of Minnesota, and St. Thomas College—which awarded her a master of arts in education. But her education did not stop there, and it has never stopped to this day. She has pursued continuing studies at the University of Minnesota, St. Thomas, Mankato State College, Southwest State College, and Hamline University. Among her many other professional qualifications, she holds a lifetime certificate in elementary education.

Teaching is a delicate art. Far more than knowledge, it requires understanding—and above all, understanding of people, their concerns, their lives, and their community. Mary Miller took her first teaching position almost half a century ago in the town of Mahtomedi. In 1996, she was a teacher there still, 43 years after that first commitment. No one better understands and cares for her community, her neighbors, and her students than Mary.

Whether leading school activities or student bus tours, contributing her time to community projects, or helping a local family in time of need, Mary has shown by her living example that we all need teachers, and that education does not end but rather begins at the schoolhouse walls. Three generations of Minnesotans have grown and prospered with her help. Many of her former students, now adults, still come to her classroom to see her. It would be difficult to write Mahtomedi's history and that of its citizens in the four decades since World War II without in the process taking full stock of her significant contributions.

Long before Federal and State laws made provision for special education, Mary Miller was a leader in the field. She earned professional degrees in special education, and has taught children with special needs throughout her career. As she looks back on her own achievements, it is this contribution above all others that stands our as most meaningful.

The Mahtomedi School District honored her as Teacher of the Year in 1995, and again as Teacher of Distinction in 1996. Last year, she was among only 10 honorees selected statewide as finalists for the Minnesota Teacher of the Year. Today, it is appropriate that we recognize her here, in the U.S. Congress, for her lifetime of achievement for our country.

Many of us who are not teachers by profession understand, nonetheless, the responsibilities that teaching entails, because we are spouses and parents. The same individual care and concern that we hope a good teacher will show for our children is the measure of our success at home as mothers and fathers, husbands and wives. Not surprisingly, Mary Miller's four uninterrupted decades of commitment and success as a teacher are matched by her steadfast devotion as mother and wife. Later this year, she and her husband, Frederick P. "Bud" Miller, will celebrate their 40th wedding anniversary.

Mary and Bud have raised three grown sons, Michael, Patrick, and Kevin—who served with distinction in Operation Desert Storm—and are now deservingly proud grandparents. As she retires from the responsibilities of teaching that she loves so well, can anyone doubt that Mary will redouble her devotions and attentions to these young children—or that they will not inherit her love of learning?

In this way, and in her exploration of the many new frontiers that now await her, Mary Miller will continue to improve the lives of everyone around her. Her retirement from teaching, like a graduation ceremony, is more accurately called a commencement: It is the beginning of a new chapter in a most remarkable life.

Plato observed that "the direction in which education starts a man will determine his future life." Mr. Speaker, Mary Miller has been a positive influence not only in the lives of her family and friends, but of thousands of boys and girls, men and women, whose lives she has turned in a positive direction by her energy and effort. For her contributions to her native Minnesota and to our Nation, I know that all of my colleagues will wish to join me in extending the congratulations and best wishes of the House of Representatives to Mary Jean O'Reilly Miller on the occasion of her retirement.

A TRIBUTE TO THOMAS "ARCHIE" STEWART

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GILMAN. Mr. Speaker, It gives me great pleasure to honor Mr. Thomas Stewart, affectionately known as "Archie." I wish to extend this recognition to Mr. Stewart, for his invaluable contribution to New York's 20th Congressional District, and the greater Hudson Valley. It was through Mr. Stewart's leadership, vision, and generosity, that Stewart Airport, in Newburgh, NY, was built.

In 1930, Mr. Stewart and his family donated a 220-acre parcel of land known as Stony Lonesome Farm, in memory of his grandfather Lachlan Stewart, for the development of an airport. It is truly remarkable that in these early years of aviation, Mr. Stewart had the vision to foresee the need for an airport in Orange County. But even he could not have predicted the impact that Stewart Airport has had over the years. Prior to World War II, partly through Mr. Stewart's own efforts, the U.S. Military Academy established Stewart Field for the flight training of West Point Cadets. The airport served as the first wings of West Point to serve cadets, and was later expanded for Army Air Corps operations and subsequently as a major U.S. Air Force Base. It served as an important airfield during World War II for the defense of the Eastern sector of the United States.

After the Air Force base was closed in 1970, Stewart Airport converted to commercial use. Today, Stewart International Airport offers service to eight airlines, carrying over 800,000 travelers in and out of Stewart each year. It is rapidly becoming the fourth major airport for the New York metropolitan area.

Mr. Stewart and his wife Mary, who have been married for 72 years, have spent their lives and raised their family in the Newburgh area. Today at 94 years of age, Mr. Stewart's presence remains an inspiration to his community. Recently, the members of the Stewart Airport Commission declared May 28, 1996, as "Archie Stewart Day" at Stewart International Airport.

I was pleased and proud to have personally participated in this ceremony, at which I stated:

> Mr. Stewart and his family made a decision over sixty years ago which has impacted the lives of countless Americans by providing the land which became Stewart Airport, and then Stewart Air Force Base, and finally Stewart International Airport. Archie and his family helped make eastern Orange County a hub of the Northeast. None of us will ever know how many lives were saved by the Stewart family providing the land for the airport which provided the training for our cadets at West Point prior to and during WWII. No one will ever know how many lives were impacted by the young men and women coming to the area during the war to serve at Stewart, and then staying and settling in the region, serving their communities and contributing to the betterment of the Hudson Valley. No one can measure the benefit that the hundreds of commercial flights have had on Americans in recent years.

Mr. Speaker, history is full of dynamic people who helped make a difference, but historians will tell us that our lives are shaped just as much by those individuals who do not necessarily appear in the pages of history books. This is why I am pleased to take this opportunity to formally recognize Mr. Stewart, whose efforts through the years have positively affected so many. Mr. Speaker, Thomas "Archie" Stewart has dedicated his life and land to serving his community and I ask that his efforts not be forgotten.

HONORING THE LAVERGNE RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the La Vergne Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a four- to six-month period which includes instruction in Cardiopulmonary Resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

EXTENDING PERMANENT MFN STATUS TO ROMANIA

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. HOUGHTON. Mr. Speaker, I rise in strong support of H.R. 3161, a bill to grant permanent most favored nation [MFN] status to Romania.

I have to believe that Romania certainly meets the test for permanent MFN status. The administration has certified Romania on several occasions as meeting the freedom of emigration requirements under the Jackson-Vanik law.

From what I understand, Romania has also fully implemented its obligations under its bilateral commercial agreements and is a founding member of the World Trade Organization [WTO]. In fact, Romania is the only United States trading partner that is a member of the WTO but still receiving conditional MFN status from the United States.

By not granting permanent MFN to Romania, we really injure Romania and ourselves. Failure to act on this measure would deny United States firms their full rights under existing multilateral trade agreements, and would pose a continuing obstacle to the further development of Romania's economy and democratic institutions.

This measure has been endorsed by a bipartisan group of House Members and has been vigorously supported by the administration. In response to a request for public comments by the House Ways and Means Committee, over 38 firms, associations, ethnic groups, and individuals—including several former United States Ambassadors to Romania—recommended swift passage of H.R. 3161.

Moreover, in the past few days, both Houses of the Romanian Parliament passed resolutions endorsing the establishment of permanent MFN status between our two countries. A statement on the resolution that was passed by the Chamber of Deputies follows:

STATEMENT OF THE CHAMBER OF DEPUTIES

(By Adrian Nastase, President)

> The members of the Chamber of Deputies have been pleased to note that bills to authorize the extension of nondiscriminatory (Most Favored Nation) treatment to the products originating in Romania were introduced in the United States Congress on March 26, 1996 (S. 1644 and H.R. 3161). They appreciate that this initiative is of utmost importance for the development of the Romanian-American relationship and support the reform process and transition to market economy.
>
> Taking into account the significance of this major action for the bilateral Romanian-American relationship, the members of the Chamber of Deputies of Romania reaffirm that, after the December 1989 Revolution, the majority of the main political parties, whether represented or not in the Parliament, have unequivocally favored a speedy integration of Romania into the Euro-Atlantic economic, political and security structures, particularly NATO and the EU.
>
> With a view to reaching this objective, the leadership of the main Romanian parties

agreed and reiterated, on various occasions, the basic orientation and the main directions of the Romanian foreign policy, to be promoted, in a consistent manner, by the Government. The development of a privileged partnership and alliance with the United States of America remains one of the essential directions of the foreign policy of Romania which enjoy the consensus of the majority of the Romanian political parties.

The consensus of the main parties represented in the Romanian Chamber of Deputies with respect to this priority of the entire foreign policy of Romania was eloquently expressed in the statements made by the leaders of the aforementioned parties in 1993, when Romania was conditionally granted the Most Favored Nations status by the United States.

The evolution recorded in the commercial Romanian-American exchanges in the two years and a half elapsed since the re-extension of the MFN status have fully confirmed the soundness of this measure. In 1994 and 1995 Romania's exports to the United States reached an annual level close to $200 m., nearly 2.8 times higher than the level recorded in 1993, while the amount of the imports of American commodities increased from $373 m. to $465 m. in 1994. In 1995, the amount of imports from the United States was $392 m.

The re-extension of the Most Favored Nations status has stimulated the American investment in Romania, reaching at present $144.5 m., as compared to only $72 m. in 1993.

Granting permanent MFN status will provide significant incentive for US companies to increase their investment in Romania and make the United States the largest trading partner of Romania.

The members of the Romanian Chamber of Deputies appreciate the fact that the United States ranks among the most important investors in Romania, along with Germany, South Korea and Italy.

The significant increase in the Romanian-American commercial exchanges and in the American investment will support the advancement of the economic activities in Romania, will encourage the transition to market economy and the speeding up of the process of privatisation of the state enterprises, contributes to the emergence of new mutually beneficial business.

At present, the firm resolve to develop close cooperation, partnership and alliance with the United States and, in connection to this, the belief that Romania is entitled to benefit of MFN permanent status are fully shared by the leading political parties and the Romanian people.

Under these circumstances, the view that granting MFN permanent status would influence the national election in Romania is not in accordance with our perception on this issue.

The members of the Romanian Chamber of Deputies have reaffirmed the political will of the parties represented in the Parliament to further develop the democracy and market economy and to ensure that this year elections are free and fair. They urge the members of the United States Congress to continue and to conclude the procedures aiming at granting the Most Favored Nation status to Romania, as soon as possible. The permanent extension of MFN is in Romania's national interest and it is granted to Romania and not to any political party.

The Romanian Chamber of Deputies considers that granting permanent Most Favored Nation status now would better serve the interests of the Romanian society, the political stability in the country as well as the strengthening of the bilateral relationship with the United States.

The members of the Romanian Chamber of Deputies take their opportunity to convey to the U.S. Congressmen the best wishes for success in their endeavors.

This Statement has been approved by the Chamber of Deputies at its session of May 23, 1996.

Mr. Speaker, I hope all of my colleagues will support the effort to grant permanent MFN status to Romania.

OUTSTANDING SCIENCE EDUCATION IS ALIVE AND WELL IN MIKE MINNEMA'S CLASSROOM

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. VENTO. Mr. Speaker, I rise today to honor a fellow Minnesotan, and a friend, who was recently awarded the Presidential Award for Excellence in Science Teaching, Mike Minnema.

Mike teaches chemistry at North Community High School, which is part of the Minneapolis School System, where I once taught science myself. I had the pleasure of working with Mike during those years in a special setting, a Minnesota camp attended by young adults from the Minneapolis area. It was a summer long task for Mike but just a couple weeks assignment for me; however, it was an experience and relationship that was truly the essence of teaching life sciences. In some respects, I feel very much connected to the role of teaching. Even though the responsibilities and role in a policymaking task are different, it is simply a different focus on the same challenge.

Presidential Awards are given to outstanding educators in the fields of science and mathematics, and they represent the Nation's highest honor in these fields of education. Only one secondary school science teacher in Minnesota is recognized each year, and I am glad to know that Mike Minnema's dedication to science and his students is being rewarded with such an honor.

In a time when people routinely refer to our Nation's pubic schools as uninventive, poor quality institutions, Mike demonstrates the error in these descriptions and makes science something for students not just to study, but to explore. His classes go beyond chemistry textbooks and laboratory exercises to include real world subjects such as humanity's affect on the environment. As a policymaker who has had the privilege of crafting numerous laws protecting our Nation's environmental heritage, I am glad to know that mike is teaching young Minnesotans the importance of protecting our Nation's natural resource legacy for future generations. His classes also reach beyond the science of chemistry, interweaving mathematics and technology into lesson plans, which allow students to connect what they learn in his classroom to their other educational disciplines and the outside world.

Mike's experience outside of his teaching career enhance his lesson plans as well. He brings his students a view of the practical uses for chemical science, and this insight, hopefully, encourages other students to explore careers in scientific fields. Mike has worked in both the private and public sectors, utilizing his own science education background to benefit organizations from 3M and Honeywell to the Los Alamos National Laboratories. Mike has focused a teaching lesson for his students on measurement of pollution in Minnesota lakes, specifically the fluctuation of salt levels and how the environmental degradation is affecting the species and ecosystems of those special wetland areas.

As the world increasingly relies on science and technology, ensuring future generations understand science and training some for scientific careers will become an even more important endeavor. Educators such as Mike Minnema play an essential role in our Nation's ability to not only graduate adequately prepared scientists from our schools, but to attract students to scientific fields and generally enhance science literacy. I want to express my sincere congratulations and thanks to Mike for his efforts to inspire young minds to explore science and respect the environment and for his dedication to protecting the natural resource legacy that those young minds will one day inherit. Minnesota is truly fortunate to have such an exceptional educator working for its students.

HONORING THE MACON COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Macon County Rescue Squad. These brave, civic minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a four to six month period which includes instruction in Cardiopulmonary Resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their services especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

TRIBUTE TO NARSAI M. DAVID

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Ms. ESHOO. Mr. Speaker, I rise today to honor Narsai M. David who is being honored by the Anti-Defamation League with its Restaurant Industry Achievement Award for his outstanding accomplishments and service to the bay area community.

Narsai David brings people together and creates an understanding of cultural diversity through his exquisite culinary practices. Born to Assyrian immigrants, Narsai David ventured into a culinary career early in life, eventually working his way to the bay area in California where he became known as one of the bay area's leading restaurateurs. Narsai David has catered several large scale outdoor dining events including concerts for Bill Graham and the Napa Valley Wine Auction. Currently, his time is divided between travel and food segments for KTVU television, the management of Narsai's Specialty Food Business, and as wine and food editor of KCBS Radio. Furthermore, he is a columnist for the food section of the San Francisco Chronicle and makes celebrity chef appearances at gatherings throughout the world.

Narsai David has devoted much of his time to charitable causes in the bay area. He is currently president of the board of the Assyrian Aid Society, a member of the board of directors of the Berkeley Community Fund of the San Francisco Foundation and International House of Berkeley. He serves as host for many fundraisers in the bay area including the annual Meals on Wheels event in Alameda County, the American Heart Association gala, the Warren Eukel Teachers Trust event, the Taylor Family Foundation Day in the Park fundraiser for Pediatric AIDS, and the Narsai Toast to the Arts for the Berkeley Repertory Theater. In addition, he is also the president of the Pacific Coast Farmer's Market Association.

Mr. Speaker, Narsai David is an outstanding citizen of California and our country. As the only Assyrian-American Member of Congress, I salute him for the commitment he brings to, and the contributions he has made to our community. Narsai David is a great source of pride to the Assyrian-American community. I ask my colleagues to join me in saluting Mr. David as he is honored with the Anti-Defamation League's Restaurant Industry Achievement Award. He has promoted not only our foods but our culture as well.

HONORING THE OVERTON COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Overton County Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4 to 6 month period which includes instruction in Cardiopulmonary Resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

TRIBUTE TO ST. VINCENT SCHOOL OF NURSING

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Ms. KAPTUR. Mr. Speaker, I rise today to pay tribute to the St. Vincent School of Nursing, and to offer my congratulations as the school celebrates its centennial anniversary. Since 1896, the School of Nursing has remained a healthcare education landmark in Toledo, OH.

Opened by the Sisters of Charity of Montreal, more commonly known as the "Grey Nuns," the School of Nursing became the first school of its kind in Ohio. Sr. Elodie Mailoux served as the first director, from 1896 to 1898. Currently, Ms. Elizabeth Cain holds the post. She has been director since 1989 and is the 18th director of the school.

Throughout its history, the School of Nursing has kept pace with the evolution of healthcare and nursing to graduate nearly 4,000 highly skilled, dedicated nursing professionals. In addition, the school has prided itself on its ability to successfully blend common spiritual beliefs with the latest healthcare technology and nursing education.

Mr. Speaker, I am proud to recognize the 100th anniversary of the St. Vincent School of Nursing. As it enters its second century, the school's dedication to care, education, and service continues to provide the northwest Ohio area with outstanding nursing education.

HONORING THE SUMNER COUNTY VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Sumner County Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer fire fighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

HONORING THE FAIRVIEW VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 11, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Fairview Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee fire training school in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

SENATE—*Wednesday, June 12, 1996*

The Senate met at 11:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Lord, the divine Potter of our lives, our days are in Your hands. Shape the clay as You have planned. May the day work out exactly as You have arranged it for Your glory and our growth. We say with the psalmist, "I delight to do Your will, O my God, and Your law is within my heart."—Psalm 40:8. We long to know what is best for our Nation. Now at the beginning of another day, we commit to You the challenges and decisions that are ahead of us. We desire to glorify You, so show us what You desire. With inspired intentionality, we put our relationship with You first and make our primary goal what is best for our Nation.

This morning, gracious Lord, we thank You for the newly elected Republican leadership. We ask Your special blessing to be upon TRENT LOTT and DON NICKLES as they work together closely with TOM DASCHLE and WENDELL FORD and the leadership of both parties to seek Your glory and to do Your will.

We pray this prayer in the name of the way, the truth, and the life. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The new majority leader, the able Senator TRENT LOTT from Mississippi, is recognized.

Mr. LOTT. Thank you very much, Mr. President. We appreciate your leadership and all that you do for your State and for our country.

A DAY ALL SENATORS WILL REMEMBER

Mr. LOTT. Mr. President, yesterday was a day of ceremony and tribute in the Senate. It was a day of testimonials, emotional farewells, and I think really a high point for this institution in the years that I have been here, because in a very bipartisan way, we all talked about the institution of the Senate and what it means to us as individuals, the uniqueness of how it operates, and what it means for our country.

Obviously, the Republican Members were touched by the moment that we saw our leader of so many years, Bob Dole, exit the Chamber. But I also was struck by the fact that the Democratic leadership—in fact, all of our colleagues on that side of the aisle—showed emotion and felt the specialness of that moment, as was exhibited by the outstanding remarks of the distinguished Democratic leader who sits here today.

It was a day that all Senators will remember, just as we will always remember the leadership of Bob Dole.

Today, the Senate returns to business, and I am honored and humbled to stand here as the Senate majority leader. It is also a pleasure to have with me in our leadership team the distinguished Senator from Oklahoma, Senator NICKLES, who will serve as the assistant majority leader, the whip. I know that he will do a great job, and I look forward to working with him and us working together as a team with the Democratic leadership. We have already met with their entire leadership team, and I think we are off to a very positive start.

Also, I want to, again, refer to my distinguished colleague from Mississippi. We have stood together now through 23½ years in the Congress. He is truly a great leader for our State and for our country. He sort of blazed the trail in our State for a Republican Party that used to meet in a very small room with room left over. He was the first Senator who was elected as a Republican from our State of Mississippi. So he has set an example for all of us. He is an important part of a team for our State that I will always enjoy working with. He will continue as the chairman of our conference.

He will be joined by the secretary of the conference, CONNIE MACK of Florida, and the newly elected chairman of the policy committee, Senator CRAIG of Idaho.

Just as Senator Dole did yesterday in his final speech from this podium, I begin my first remarks as majority leader by thanking those to whom I am indebted for the privilege of serving in the Senate.

Foremost among those, other than my beloved Mississippi constituents, are the members of my family. People who know me best know that my highest priority on this Earth is my family. I love my work in the Senate, but I will always give the highest priority to my family. To my parents, who instilled the values which still guide my life, and my wife and our two children, Tricia, Chet, and Tyler, they have always been patient and understanding as I pursued public service. They have been my inspiration. And they are today.

I thank the people of Mississippi for honoring me with their trust each time I have asked for it. And, of course, I thank my Republican colleagues for allowing me to serve in a role that has been filled by so many giants in the Senate in the past.

I am the first majority leader in history from my State of Mississippi, a poor State but a State that is struggling to pull itself up and move forward. It is a State that has gone from the bottom rung of every economic indicator to now being identified as one of the 10 top growth States in the Nation. We are proud to be a part of the Nation's team. Mississippi will always, in the future, do everything we can to play our part of contributing to a better America.

It is no wonder that we are humbled when we reach these positions. I am most humbled because I know of the work we have to do. In fact, I had a friend this morning ask me, "Where's the party? Where's the celebration?" I said, "Well, there'll be no party. There'll be no celebration. There'll be a lot of 'thank you's,' and then this comment: Let's go to work."

To friends on the other side of the aisle, let me say that one lesson I learned very well from Bob Dole is that this place cannot operate effectively for our country if the two leaders do not have a relationship of complete trust and respect. Senator DASCHLE had that relationship with Senator Dole. And he will have it from me. We have been friends for many years in the House, now in the Senate. I have talked to a lot of his colleagues. I believe we can work together. Oh, we will disagree. We will have some good debate. But we will always remember that the best thing for us to do is to work together for our country. We can find a way to do that.

Mr. President, I do have just some brief comments on today's schedule. I am glad to withhold those if the Senator would like to comment at this point.

Mr. DASCHLE addressed the Chair.

The PRESIDENT pro tempore. The able Democratic leader is recognized.

CONGRATULATIONS TO THE NEW MAJORITY LEADER

Mr. DASCHLE. Mr. President, I will be very brief. Let me compliment the

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

distinguished majority leader on his remarks, and congratulate him on his election. His leadership team sits among those on the floor today who demonstrate, in my view, a new generation of leadership, a generation that has had a good deal of experience, a generation that represents geographical diversity, a generation that I believe recognizes the importance of governance. We look forward to the opportunity of serving together.

As I consider the past, as I consider the record and the résumé of the distinguished majority leader, I find many things in common. He is from a small State, as am I. He was a staff member, as was I. He was a Member of the House, and now a Member of the Senate for not that long a period of time. And so given those similar experiences and given what I know to be his desire to lead and to govern and to work together, I begin this day and this new period in this session of Congress with great expectations, with optimism, with the belief that we can, as he just indicated, come together, as Senator Dole suggested we do yesterday.

I thought it was revealing yesterday in the remarkable speech made by the former majority leader that the most significant accomplishments that he chose to recognize as he looked back over his past were those accomplishments that were forged through bipartisan efforts. That included, of course, the legislation for the disabled, it included nutrition legislation, it included an array of issues dealing with civil rights.

The majority leader looked back fondly at those accomplishments and called upon all of us to remember the great Senators who have come before, Senators on both sides of the aisle.

I have no doubt that if, indeed, we are to rise again to that standard, that there can be no other alternative but for us to work together. So it is with that intent and with a sincere desire to do so that I congratulate the new team. And I look forward to working, beginning today, to forge that compromise, to strike the opportunities that we have while they are there, and to work to make this a better country.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDENT pro tempore. The distinguished majority leader.

Mr. LOTT. Mr. President, I thank the distinguished Democratic leader for his remarks, and the remarks made in other forums by my good friend from North Dakota, Senator DORGAN.

SCHEDULE

Mr. LOTT. Mr. President, today there will be a period for the transaction of morning business until the hour of 12 noon, with Senators permitted to speak for up to 5 minutes each. Following morning business, the Senate will resume debate on the budget resolution conference report.

Under the order of last night, a vote will occur on the conference report at 3:30 today if the official papers have been presented to us from the House. I understand that the conference report may not be received by 3:30; therefore, the vote may occur on the budget later on today or even Thursday morning. But certainly I will consult with the Democratic leader on the exact time, and we will notify the Members as soon as that decision is made. The Senate may also be asked to consider any other legislative or executive items cleared for action.

I yield the floor, Mr. President.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. THOMAS). There will now be a period for morning business.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

CONGRATULATIONS TO THE NEW MAJORITY LEADER

Mr. COCHRAN. Mr. President, I am very pleased to be able to rise on the floor of the Senate today to congratulate my good friend and State colleague, TRENT LOTT, upon his election as the majority leader of the U.S. Senate.

You have to go back to 1937 to find an instance of a Mississippi Senator being so close to the powerful position that my friend now occupies. Senator Pat Harrison of Dove Port, MS, first was elected to Congress to represent the gulf coast district in Congress, and so was TRENT LOTT some many years later, 1972. Senator Harrison came to the Senate after serving several terms in the House and rose to become chairman of the Finance Committee here in the Senate, and he lost by one vote in a race to be the majority leader of the U.S. Senate. Incidentally, the Senator who won that election was Alben Barkley of Kentucky. After that, he became President pro tempore of the Senate. I mention this to put in context what has happened today. For the first time in history, a Mississippian has been elected majority leader of the U.S. Senate.

I feel very honored and pleased that I have had the pleasure and the privilege of serving with TRENT LOTT for almost 24 years in Congress, first in the House and now in the Senate. I want to commit to him my wholehearted support and my cooperation in helping make his service as majority leader of the Senate the most successful ever for any Senator.

We have been very fortunate in our State in having some outstanding representation, even though none had ever been chosen to serve as majority leader. As a matter of fact, this desk here has written in the drawer the names of some of those distinguished Senators, beginning with Jefferson Davis, who resigned his seat in the Senate from this desk when Mississippi seceded from the Union. It also contains the signatures of Pat Harrison, whom I mentioned, and John Sharp Williams, who was the minority whip in the House before being elected to the Senate.

So TRENT LOTT joins a list of very distinguished leaders of both Houses in representing our State in this very important capacity.

We know that the days ahead are going to be difficult. And I know all of the Members on our side are going to work very closely together. I trust the Members on the other side will, too, to help move the business of the Senate along.

There are some who are predicting gridlock, confrontation, mean-spirited, election-year posturing. Well, let us not have it happen. I challenge the Senate—and I know others feel this way, too—that we can achieve results that help solve problems for the American people in the time we have ahead of us this year. We can do it under the able, energetic, and very experienced leadership that TRENT LOTT brings to the job of majority leader.

So I appreciate very much having the opportunity of being in the same contest with him. Frankly, I learned a lot. I had never run against TRENT LOTT for anything before. In the conference he spoke in a very precise, clear way.

We were asked in the news conference about the election. I mentioned that I started off in this campaign with a small base of support, and during the campaign it got smaller. That was because of the proven leadership ability of TRENT LOTT and his obviously excellent qualifications for this job.

I am confident that he will be a great success as majority leader. And I am honored to work with him.

Mr. WELLSTONE addressed the Chair.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I would be pleased to defer to the Senator from South Carolina. I ask unanimous consent that I follow the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to congratulate Senator TRENT LOTT upon becoming the majority leader of the U.S. Senate. He is a man of integrity, ability, and dedication, and, in my opinion, will make one of the finest majority leaders that this country has ever had. I believe as time goes by that people will see the wisdom of this man being elected. We are proud of him. We are proud of the State he comes from, the leadership it has produced. We predict great things to happen during the term of Senator LOTT as majority leader.

COMMENDING SENATOR THAD COCHRAN

Mr. THURMOND. Mr. President, while I am talking, I also commend the other Senator from Mississippi, the able Senator THAD COCHRAN of Mississippi, for the great service he has rendered to his State and Nation. He has been steadfast and sound in his positions, and he has ably represented his constituents. We are proud of him and congratulate him on his accomplishments throughout his entire career.

Thank you, Mr. President.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

THE SENATORS FROM MISSISSIPPI

Mr. WELLSTONE. Mr. President, I actually came to the floor to speak about another issue, but I do want to, first of all, congratulate Senator LOTT and Senator COCHRAN. I cannot pledge to my friend from Mississippi my wholehearted political support, but I certainly can pledge my personal support.

I wish you well, Senator LOTT. And Senator COCHRAN, I do not think there is anybody that at least I have had a chance to meet on the floor of the Senate, that is more honorable and more personable. When Senator COCHRAN talks about civility and when he talks about good politics, of bringing people together, he epitomizes that. I mean that very sincerely.

MENTAL HEALTH AMENDMENT

Mr. WELLSTONE. Mr. President, I rise to talk about what I hope will be a bipartisan approach, but I speak with a considerable amount of concern. I have worked very closely with my colleague from New Mexico, Senator DOMENICI, a Republican, and very closely with my colleague from Wyoming, Senator SIMPSON, on a mental health amendment to the insurance reform bill.

That amendment passed, Mr. President, by a 68-to-30 vote. What that amendment said was that as we look at insurance reform, we do not mandate benefits, but once plans are put into motion, and once there is an agreement about a particular plan for employees or for citizens, this ought not to be discrimination against people who are struggling with mental illness, illness that is diagnosable and treatable. That amendment passed by a 68-to-30 vote.

What we were simply saying is, for gosh sakes, do not put people in a position where they cannot work because they will not get the coverage, and they have to be on medical assistance. Do not put people in a position where they could do well in school, but they cannot do well in school. Do not put people in a position where they are homeless, and they should not be homeless. Do not put people in a position where they wind up incarcerated, where that is not where they should be.

Mr. President, we had strong bipartisan support. It then went to what will, hopefully, be a conference committee. It is with profound disappointment and some indignation that I say on the floor of the Senate that what has now happened on the part of my Republican colleagues on the House side is they have essentially knocked out the whole amendment.

Mr. President, working with Senator DOMENICI, Senator SIMPSON, people like Senator CONRAD, we came up with a pared-down formulation that said at least for lifetime limits, at least for annual limits, have the same caps as for physical illness, so that people who are struggling with mental illness are not put under economically, so that people can receive the care that they need. We should end this discrimination.

This particular compromise would cost, according to CBO, 0.2 of a 1-percent increase. That is it. Mr. President, there is no good policy reason, I say to my colleagues on the floor of the Senate today, there is no good policy reason why this compromise that we presented to members of the conference committee on the House Republican side should not have been accepted. It is fair. It is equitable. It economically makes sense. It is just. It is the right thing to do. There is not one single article that can be made against it. Not one single argument that can be made against it.

Now what we hear on the House side from Republicans is that what we will get is a commission to study the problem. Senator DOMENICI does not consider that acceptable. I do not consider that acceptable. Senator SIMPSON does not consider that acceptable. That is not even the point. It is not acceptable for families all across this country who thought we were going to finally end this discrimination.

Mr. President, there will be a press conference this afternoon at 2 o'clock. A lot of the families, men and women and children who are struggling with mental illness, will be there. Several of us will be there. I think what they will say is they are going to visit with every member of that conference committee on the House side, Republican and Democrat alike. They are going to visit, I say to my good colleague from Mississippi, Senator LOTT, they are going to visit with leadership, and they are going to say to leaders and they are going to say to Democrats and Republicans alike: "Tell us why it is still not time to end the discrimination. Tell us why you are unwilling to end this discrimination against our children, against our wives, against our husbands. Tell us when it is not time to end discrimination."

Mr. President, I say to my colleague from Mississippi, if I could get his attention, I want to mention this afternoon at 2 o'clock we will have a press conference with some wonderful families who have been struggling with mental illness. You know Senator DOMENICI cares so much about this. They are going to meet with leadership and say, "Look, the formulation that we now came up with," not the commission, "at least should not have arbitrary caps on lifetime and annual limits, costs 0.2 of 1 percent." It helps end the discrimination. Please do not shut our families out.

I hope you will give them your utmost consideration.

The PRESIDING OFFICER. The Senator from Maine.

CONGRATULATIONS TO SENATOR LOTT

Mr. COHEN. Mr. President, let me first add my congratulations to the new majority leader. I think that TRENT LOTT will do an outstanding job and one that will certainly make our party proud, but the country proud as well. I was pleased to have his colleague, THAD COCHRAN, with whom we both entered Congress, stand up in a true southern fashion, extend his warmest wishes and willingness to work with you. It will be a great team from Mississippi and for the rest of the country. I add my accolades to you, Mr. Leader.

HEALTH CARE FRAUD AND ABUSE

Mr. COHEN. I want to take a few moments to talk about something that is of great importance to me. As is so often the case in Washington, misinformation is flying about the effects of legislation being considered in Congress. It is customary in this country and in this Congress, to have, just as we are negotiating the last-minute details to legislation, some interest group come forward, place a provocative ad in the newspaper, and try to destroy that legislation.

I am referring to the fraud and abuse provisions in the Kennedy-Kassebaum health care legislation that is now in the final stages of a conference. Recently, the American Medical Association placed a full-page ad in the Wall Street Journal. The ads are slick and very clever—it shows a doctor, with a stethoscope hanging down, in the "docks." It says, "We (the AMA) are opposed to fraud and abuse. We know it is a serious problem, but if doctors willfully and knowingly violate our Nation's laws, they should be punished."

Mr. President, this is precisely what the legislation does. Then the ad goes on to say, "But honest mistakes should not make physicians or any other citizens candidates for incarceration." We agree.

This legislation has been worked on for the past 3 years. As a matter of fact, this particular ad is not only misleading, it is false. It is absolutely false advertising that the AMA has engaged in, along with other physician groups who have written articles.

To distort the intent and scope of the provisions in this fashion minimizes the very real threat that fraud poses to our health care system and, indeed, to the solvency of Medicare. Medicare trustees have said the trust fund is going broke—not in 6 years—but in 5 years. One of the reasons it is going broke is because so much fraud and abuse is being perpetrated on the American people. As we are asking Medicare beneficiaries and honest providers to share the burden of changes to arrest the growth of Medicare, it is our duty to do all we can to get the waste, fraud, and abuse out the program.

According to the General Accounting Office, we are now losing as much as $100 billion from fraud and abuse every year. The losses to Federal health care programs, such as Medicare, Medicaid, and CHAMPUS, is about $40 billion or 40 percent of the total.

Mr. President, it is a grand scale of theft that is taking place. We have heard testimony that organized crime has moved into health care fraud. We heard testimony that drug dealers have moved into health care fraud because there is more money and it is easier for them to perpetrate this crime rather than trying to sell drugs with the FBI breathing down their neck. As Willie Sutton said, "that's where the money is."

Let me give you a couple of examples that have come to my attention. I have had hearing after hearing on this subject matter. Seven months ago, a physician testified before the Senate about his involvement in a clinic scam in Los Angeles. The physician participated in a scheme that involved phony prescriptions, paid patients, and resulted in losses over $800,000 to the Medicaid Program.

In another case, the owner of a home health care company built a beautiful $2.5 million mansion with money he made from phony Medicare billings.

A New York physician defrauded the Medicaid Program of more than $1.5 million by fraudulently charging for 25,000 drug treatments never given to recipients.

We have even heard of a case where a psychiatrist billed for 50,000 phantom therapy sessions never given to patients.

That is just a small sample of what we are trying to deal with today. And that is why we passed this important legislation by overwhelming numbers in this body.

The health care fraud provisions now being considered by the Senate and House conference committee do address this problem in a reasonable, measured manner that does not infringe on personal liberties nor penalize innocent mistakes. The bill closes loopholes in current law and provides criminal penalties for a defined set of serious and egregious violations such as embezzlement. The fraud and abuse provisions substantially mirror existing fraud statutes and are designed to give enforcement more precise tools to protect consumers against fraud and abuse. Contrary to claims that the bill will unleash an army of intrusive investigators trying to entrap innocent doctors, the proposal simply provides adequate resources for prosecutors and investigators, long strapped by budget cuts and under staffing to go after serious patterns and cases of abuse.

The AMA's claim that "honest mistakes" of doctors or any other citizens makes them "candidates for incarceration" is simply false. Far from going after honest mistakes, the criminal sanctions will be used to prosecute egregious, intentional acts of fraud against health plans.

Mr. President, the final thrust of the attack ads that are being leveled against this legislation is that this is Clinton's health care plan revisited. That, too, is absolutely false. This legislation was developed in response to the recommendations put forth by a task force put together by President Bush, which was headed by a Justice Department that was dominated at the top level by President Bush appointees. It has been endorsed by Bob Dole, our former majority leader, and virtually everybody in our leadership for many years. These provisions have passed twice before during this Republican-controlled Congress and have been the subject of numerous hearings in both the Senate and House. The notion that somehow this is Clinton II slipping through the cracks at the last moment is completely false.

We have to deal with health care fraud in a direct and responsible fashion. The legislation we passed by an overwhelming majority in this body, unanimously, as I recall, deserves not to be undercut by false and misleading advertising. I hope my colleagues reject these kinds of last-minute scare tactics which the AMA and others are engaged in. The only ones to gain from failing to pass this antifraud package are those who are intentionally ripping off the system. All the rest of us are the big losers—the vast majority of honest health care providers, taxpayers, and families who are footing the bill for the fraudulent providers in the form of higher taxes and health care costs.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

(The remarks of Mrs. FEINSTEIN pertaining to the introduction of S. 1865 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. FEINSTEIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRATULATING THE NEW MAJORITY LEADER

Mrs. FEINSTEIN. Mr. President, I see that the new majority leader has entered the Senate. I personally want to extend to him my very sincere congratulations on his election. As he knows, we have had occasion to work together on one bill, and it was ill-fated. It was a postponement of the base closure process. As I recall, we got 16 votes. However, with your election, I look forward to occasions where we will have a majority of votes. I congratulate the Senator. I know he will do just fine.

Mr. LOTT. Mr. President, I want to thank the distinguished Senator from California for her comments. I look forward to working with her. I remember that occasion very well. I think one of the reasons we did not get more than 16 votes is the Members could not figure out what the two of us were doing working together. I think they have since realized that is going to happen more than just once or twice. I look forward to working with the Senator for the good of our respective States and our country.

suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. BOND. Mr. President, I have been authorized to allocate myself such time as may be required from the time allocated to the majority on the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, will the distinguished Senator from Missouri yield for a bit of information?

Mr. BOND. I am delighted to yield.

Mr. LOTT. Mr. President, first I want to thank the Senator from Missouri for the good work he has been doing in this area. I have seen the questions he has asked about the outyears in the budget as proposed by the administration, and how in the world they plan to meet those numbers. In fact, you have had administration officials say, "Well, we do not really plan to."

So I hope you will continue to pursue this because this is a very important question of whether or not we are getting accurate information, what this means for the future in terms of trying to get a balanced budget.

So I hope you will continue to pursue aggressively those questions because we need to know the answers.

Mr. LOTT. Mr. President, I would like to take a moment to advise Members that it appears that the House will not be able to complete action on the budget resolution conference report by the 3:30 hour, and possibly not until much later this afternoon.

Therefore, there will not be a vote on the budget resolution conference report today. We will consult with the Budget Committee leaders and the Democratic leader and announce this afternoon exactly what time the vote will occur on Thursday.

I thank you for yielding.

Mr. BOND. I thank the majority leader and join my colleagues in offering congratulations and tell him that we are delighted to have his leadership. We look forward to working with him, and I also appreciate your comments about this measure.

Mr. President, I am here today to commend our chairman of the Budget Committee, and the staff who worked together to put an honest budget together which will get our budget to balance in the year 2002. It is an honest budget, and, therefore, it makes some tough choices. Some people do not like it because it makes tough choices. It makes those tough choices honestly.

I think it is a fair subject to debate. We have had those debates in this body. They had it on the other side, and we are now going to act on a conference report.

I am a strong supporter of this budget even though it does have to make some tough restrictions on our spending. Because I believe we have a solemn commitment to our constituents, to future generations of Americans to bring our budget in balance. I have been very disturbed in the last several weeks to hear our budget attacked in comparison to a budget submitted by the President which is far more generous in election years and then purports to get to a balance by the year 2002 by making some draconian cuts in many discretionary spending programs.

In addition to serving on the Budget Committee I have the privilege of serving as chairman of the appropriations subcommittee that deals with the Veterans' Administration, HUD, and independent agencies. As my colleagues know, we have a number of very large and very important entities that are funded in that budget. So I have been holding hearings in the appropriations subcommittee over the last several weeks knowing how important budgets are for planning, and for implementing our fiscal decisions down the road. I have been asking the administration officials who have come before me how they plan to handle the large cuts proposed by the President's budget for the years 1998 to 2002.

We do not have to emphasize the fact that 1998 comes after the current election cycle. Apparently, some people may think that the heat will go off and they will not have to be quite so accountable.

Mr. President, I have been asking questions in the appropriations hearing as one who has dealt with budgets and agencies for many years. How can you cut 23 percent out of the Veterans' Administration medical care without some plan in place to close hospitals; to consolidate or switch to outpatient care? If you intend to continue the care that we owe to our veterans and you believe, as the administration purports to recognize in its budget—this document published at great expense at the cost of many, many trees which shows that there will be almost $13 billion cut out of the Veterans' Administration in the next 6 years—how can this be done?

I was so concerned about it that I asked Secretary Brown how they planned to live with the 23-percent reduction. Imagine my surprise when the Secretary told me that he had no plan; that in fact he had no intent of creating a plan because he had been assured that the cuts were not going to happen.

Mr. President, this book is what we are supposed to be operating from. This book is what we are supposed to be comparing as the administration's budget plan versus the plan that will be before us for a vote we hope later this week.

The numbers in the President's budget show that VA medical care drops from an annual appropriations of $17 billion to $13 billion over the next 4 years. But the VA Secretary tells me that those are not real, that the President's budget is not what he really proposes to do, that he would be shocked if it were actually to happen.

So why are the numbers in the budget, in this booklet, if they are not the President's plan? I did not have an opportunity to listen. But I have seen the transcript of the President's comments in his Memorial Day radio show which seemed to be geared along the same lines as was stated by the Secretary of Veterans Affairs.

He did not follow the line and warn the veterans on Memorial Day that he would be proposing cuts that would shut down one-quarter of the VA medical care system, hospitals, clinics, and nursing homes at a time when the veterans population is rapidly aging and in need of services.

The President said in his Memorial Day message:

> Even as we balance our budget, my administration is working to keep our solemn commitment to America's veterans by improving the health care they receive.

So a fair question, I think, would be, Whose budget is that he is talking about? Which budget is he talking about? Is there another budget that perhaps has not been printed up that we have not seen?

I thought perhaps it was just the Veterans Administration which was suffering from these mixed signals and maybe they were confused or maybe they thought the best way to avoid the potential political consequences of calling VA medical care unnecessary or a low priority was to issue confusing statements to the veterans by saying, "Don't worry about it, it won't really happen."

So the next agency that came before our committee for a hearing was that of the National Aeronautics and Space Administration. I asked the NASA Administrator Dan Goldin how he was going to plan for the over $3 billion cuts in the 6-year plan for NASA, because they have already taken very serious cuts. I commended Administrator Goldin for having done a very responsible job in downsizing that agency. It seems to me those cuts were unduly harsh and would, perhaps, imperil the mission of that vital agency.

Much to my amazement, the NASA Administrator told me that OMB had told him not to worry about the outyear cuts either.

Wait a minute, what is going on? Let me stop just for a moment and explain why this matters.

The cuts I was asking about are those which the President needs and which he sets forth in his budget to be able to claim to the public he has presented a balanced budget proposal. We need to have these budget plans, not only for what we expect to happen in the future, but how we plan to appropriate money for this year. If, for example, there is a way to eliminate $12.9 billion out of the VA Administration budget and not harm veterans medical care, then maybe we ought to be looking at that plan right now so we can make sure that we meet all our commitments for housing for low-income people in this country, because we are going to be very mightily squeezed to achieve the necessary funding that we need for our ongoing commitments.

The President's budget asked for a couple of new hospitals. How is he going to build new hospitals when he is looking at a 23-percent cut that is going to wind up shutting down at least one-quarter of the institutions now in the VA system? That makes the cuts on other facilities even greater. There is no way responsibly you can be building new hospitals and planning for an increase this year if you are going to take a 23-percent cut immediately thereafter. It does not make any sense.

What appears to be going on here is that there are two sets of books. One is what the President talks about whenever he wants to say he has a balanced budget, because there are a lot of people—I know, I have talked to a lot of people in my State who say we have to balance the budget, we have to cut spending, and I agree with them, because we are mortgaging our future and threatening our children's security by spending more than we take in.

On the other hand, the President has another set of books whenever he wants to tell them that he is protecting their priorities and not causing any political pain. It is truly breathtaking to see the ease with which the President shifts effortlessly back and forth between the two sets of books. Using this set of books, he is a tough budget cutter.

Now, in the next speech, when he gets on the radio and talks to veterans on Veterans Day, he is the mainstream protector against those extremists, Republicans and other budget cutters, who are gutting these favorite programs, cutting programs that are vital for the services we must provide.

My question very simply is, Mr. President, which set of books are we to believe? That is why I, along with several of my colleagues on the Budget Committee, have written a series of letters to OMB Director Rivlin asking for clarification and the details on which budget is going to be followed. We have also written to several agencies asking them what actions they are taking to plan for the outyear cuts. We want to know from the Food and Drug Administration, the Federal Aviation Administration, Federal Highway Administration, the Under Secretary of Agriculture for the School Lunch Program and WIC Program how they would work with those cuts.

Then, in a hearing before our committee, I asked the EPA Administrator Browner what their plans would be for handling the reductions. The Administrator of EPA told me that EPA was a priority. She was absolutely sure that EPA would not face the 10-percent cut in 2001 and an additional 18-percent cut in 2002, as prescribed in this book.

Then I joined another subcommittee on which I serve to question the Secretary of Health and Human Services, Secretary Donna Shalala, about the cuts that are being planned in her agency. Secretary Shalala told me that in her budget, she was absolutely convinced that NIH would not be cut, Indian Health Services would not be cut, HCFA administrative costs would not be cut, Head Start would not be cut, the Ryan White AIDS Program would not be cut, and there may be others as well.

So far, what I am getting back is, we see these drastic cuts proposed, but nobody is going to be cut. That has to be the best of all possible worlds. You are going to balance the budget with cuts, but you are not going to cut anybody.

I received an interesting followup, a response—actually, it was addressed to Senator SHELBY who had joined with me in the letter I sent to the Food and Drug Administration. We sent a letter to Dr. Kessler asking how the FDA would handle their cuts. Well, they must have placed a high priority on our request, because it was signed by the Acting Associate Commissioner for Legislative Affairs, and she wrote back with this very clear statement:

> FDA is moving ahead with Agency budgeting plans for the immediate future based on the budget authority by function and program as contained in the health function forecasted to the year 2002 of the President's fiscal year 1997 budget.

Let me interpret. As best I can understand, that means that the FDA is planning on a budget that reflects the figures in the initial book presentation prior to the triggered cuts. In other words, the figures in this book show spending that would be about $81 billion out of balance. The only way the President gets to balance is to employ a trigger mechanism to make 10 percent cuts in 2001 and 18 percent cuts in 2002.

So it appears that the FDA is planning on smooth sailing. They are going to sail along in the out-of-balance budget because they, too, apparently do not plan on making any cuts.

So no one is being cut, yet somehow the budget is being balanced. Let us get at the truth. Which set of books is the real Clinton budget? Now that the cat is out of the bag and we know that there are two sets of books, what is the administration's response?

Well, this is really interesting. I have just seen a Monday Associated Press article, I believe it was printed June 11 in the Washington Times. It says:

> In an unusual public admission, two top Clinton administration officials say the White House will not necessarily pursue some cuts in veterans and space programs.

Then they went on to say that the comments by the people who had testified before my committee were politically awkward.

> . . . another official said privately that Mr. Brown and Mr. Goldin would be talked to.

That means somebody in the administration is going to talk to VA Secretary Brown and NASA Administrator Dan Goldin. They are going to be talked to? Talked to about what? About telling the truth that the administration has no intention of balancing the budget? That their budget is a sham, exposing the second set of books to the light of day? Or does that mean they are going to be told to go back and start planning on making those very serious cuts in their Agency?

Somehow, Mr. President, I do not believe they are being told they have to go back and make those cuts. Now, I may be wrong. I am from Missouri, and you can show me. If the Veterans' Administration comes in with a set of figures that shows how they take $12.9 billion out of their budget in the next 6 years, then we will take a look at it. But that is why I have said recently that we want some honest answers to the questions we have posed to OMB Director Rivlin: Where will the $67 billion in triggered spending cuts fall? Are certain programs exempt from cuts as claimed—education, environment, law enforcement? Are the numbers in their budget real for VA? Is Secretary Brown wrong or right in his claim that the President assured him the cuts proposed would not happen? And if the VA numbers are not true, what else in the President's budget should we disbelieve?

If none of these programs are to be cut, are there really other cuts that are going to be made in the administration's implementation of their budget? Too often in Washington, no one is accountable, but this issue is too important to be treated as if it were business as usual and it does not really matter.

A Cabinet Secretary and an agency head have apparently let the cat out of the bag, and for their candor, they are being talked to.

The administration officials who keep playing the Clinton budget game, described in a column by David Broder on Sunday, have been talked to. But what are the creators of the two sets of books designed to fool the public into doing? Are they being talked to? Only those two officials who happen to tell Congress and the public what is actually going on, they are the ones to blame, according to this news article. That is wrong.

Until we get some answers to the basic simple questions of which set of books is the real set, I will continue to pursue these questions.

Mr. President, I ask unanimous consent that the article from the Monday Associated Press and the article by David Broder be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 10, 1996]

VA, NASA CHIEFS CONTRADICT CLINTON PLANS FOR CUTS

In an unusual public admission, two top Clinton administration officials say the White House will not necessarily pursue some cuts in veterans and space programs that it proposed in its budget-balancing package just three months ago.

The recent remarks by Veterans Affairs Secretary Jesse Brown and NASA chief Daniel Goldin put the administration in the position of disavowing details of its own plans for eliminating deficits by 2002. And the comments come during President Clinton's reelection campaign, in which one Republican strategy has been to attack his commitment to balancing the budget.

"They're keeping two sets of books, one to balance the budget, the other to avoid cuts in agencies that would cause problems in the election," said Sen. Christopher S. Bond, Missouri Republican, who elicited the comments from Mr. Brown and Mr. Goldin.

"This is well thought through as a political avoidance strategy, a downside-avoidance strategy," said Senate Budget Committee Chairman Pete V. Domenici, New Mexico Republican.

Administration officials and Democrats said Mr. Clinton was sticking to his overall plan to eliminate annual deficits by 2002 but would review details every year, a fact of life in the government's annual budgeting process.

"The president is committed to the overall numbers. They reflect his commitment to getting to a balanced budget by 2002," said Alice Rivlin, director of the Office of Management and Budget. "But the priorities will be revisited annually, as they are on the Hill."

But conceding that the comments were politically awkward, another official said privately that Mr. Brown and Mr. Goldin would be talked to.

Mr. Clinton has proposed slight increases for education, environment and technological research. Because there is a fixed amount of money for these and other annually approved programs, other areas must be cut.

Mr. Brown and Mr. Goldin made their comments in separate appearance before the Senate Appropriation subcommittee that oversees space, veterans and other programs, which was holding hearings on the budget for fiscal 1997. The fiscal year begins Oct. 1.

On May 3, Mr. Brown told the panel the Department of Veterans Affairs "cannot live" with the cuts proposed in the agency's budget beyond fiscal 1997 by either Mr. Clinton or Congress. He said the Clinton cuts would force the agency to deny care to 1 million veterans and close the equivalent of 41 hospitals.

"The president has told me personally . . . he will negotiate the VA's budget each and ever year with the veterans of this nation," Mr. Brown said.

Asked by Mr. Bond, the panel's chairman, whether he expected to see the future-year cuts Clinton has proposed, Mr. Brown responded, "I would be shocked."

On May 16, Mr. Goldin told the panel that "the White House has instructed us to make no precipitous action" on cutting NASA programs after 1997.

Mrs. Rivlin said the spending figures Mr. Clinton proposed for many programs after 1997 were "not finely tuned assessments of what exactly would be needed each year."

"That's a normal thing," she added.

Democrats said GOP-written budgets have long included unworkable long-range assumptions. For example, they said, the new GOP budget-balancing plan assumes that proposed tax cuts will get smaller in 2002, and that less should be spent for defense than Mr. Clinton wants. Both are considered politically unrealistic.

[From the Washington Post, June 10, 1996]

CLINTON'S BUDGET GAME

(By David S. Broder)

A recent exchange between Sen. Christopher (Kit) Bond (R-Mo.) and Secretary of Veterans Affairs Jesse Brown casts a clear light on the reality behind the partisan rhetoric of the past week's budget debate.

Bond is chairman of the appropriations subcommittee that handles the VA budget. He was grilling Brown on President Clinton's budget proposal for veterans' health care and hospitalization. For next year, Bond noted, Clinton is urging a level of spending for this politically important constituency more than $1 billion higher than it was in 1995. But in the following two years—after the election—Clinton's budget would cut that spending from $17 billion down to $14 billion, and then slice it further.

How can you meet your obligations to veterans under that budget? Bond asked. "Sen. Bond, we cannot," Brown replied. If funding were to remain flat (as Republicans have proposed), "it would force us to deny care to about a million veterans and it would force us to close the equivalent of 41 hospitals. So obviously . . . we will not be able to live with the red line" showing the postelection cuts suggested by Clinton.

And then Brown made this eyebrow-raising statement: "The president understands that. I talked with him personally about it and . . . he gave me his personal commitment that he was going to make sure that the nation honors its commitments to veterans and that he will negotiate the budget each and every year . . . with the veterans of the nation."

Bond: "So you are saying that these outyears mean nothing. It is all going to be negotiated in the future, so we should not worry about the president's budget plan. . . . You are not planning to live with that budget?"

Brown: "I am not planning to live with it. I am not planning to live with your budget . . . nor am I planning to live with the president's line."

Bond: "You do not work for us. You work for the president. You are saying that you do not like our budget, but you know that his budget does not mean anything."

After this remarkable exchange, Bond made similar inquiries of the director of another huge agency, Dan Goldin of NASA. He too said that White House budget officials had told him to make no plans based on the sharp cuts indicated for future years in Clinton's budget. As Goldin put it, "the White House has instructed us to take no precipitous action on out-year budgets, and we are taking them at their word."

To Bond and other Republicans, this looks suspiciously like a shell game. The president has told Congress and the country that he can achieve a balanced budget by 2002, without the serious savings in Medicare and Medicaid that Republicans have proposed. At the same time, he has said that he can keep spending in five or six priority areas at least even with inflation.

He can do all that, he has said, by cutting "Less important" spending. Veterans and space budgets are not on his priority list. But the men running these programs say they have assurances that the numbers the White House has given Congress are just paper figures—not mandates to prepare for belt-tightening.

White House Budget Director Alice Rivlin has assured Bond and his colleagues—and then tried to convince me—that there is no contradiction. "Simply put," Rivlin wrote Bond, "the president is committed to the discretionary savings needed to help reach balance in 2002 . . . but will continue to revisit decisions about specific programs one year at a time."

"Nobody is cheating," Rivlin insisted in an interview with me.

"I don't think it washes," Bond said. "It's not an honest budget."

Two things are going on here. Clinton, in his desire to dodge serious cuts in politically popular programs such as Medicare and Medicaid, while promising more spending for education, the environment and law enforcement, is projecting cuts in other programs that are so severe they will be very hard to achieve. That is why people like Brown and Goldin say the cuts are unimaginable.

And second, in order to postpone the pain, Clinton is telling not just the constituents of the endangered programs but their managers that they will have plenty of opportunities in future years to stave off the cuts.

That may not be "cheating," as Rivlin says, but it is playing a game that is too clever by half. Balancing the budget means making tough choices. Clinton is postponing those choices and—by giving people the sense that the goal can be reached without giving up anything that is important—making it that much harder when the crunch comes.

Mr. DOMENICI. Will the Senator yield?

Mr. BOND. I will be happy to yield to the distinguished chairman of the Budget Committee.

Mr. DOMENICI. First, I want to congratulate the Senator on this effort. For a couple of months he has been trying to tell the American people that there were two sets of books and that, indeed, if you use the set of books that gets a balanced budget in the same way that we do—because the President now says, "You asked me to get a balanced budget using Congressional Budget Office assessments"—of the two sets, if you use the same set of numbers of economic assumptions that we have been compelled to use, then all of those cuts that are called triggered cuts have to be in the budget or it is not in balance. Is that not correct?

Mr. BOND. That is correct.

Mr. DOMENICI. So what the President has done is he has two balanced budgets, one using the same economic assumptions that we have used, which he told the American people, "They have told me to use that, and I've used it, and I'm in balance," but he has another budget when he does not use those same economic assumptions. He uses his own, prepared by the Office of Management and Budget, under the direction of the executive branch. And that is the second set of books.

Which set of books are we telling the American people balances the budget? I believe the President is making it very clear that he balances the budget the same way we do. But then he produces a second set of books where he does not have to have as many cuts, he does not have to have these triggered cuts because the economics are so much better that he can get by with less.

Let us make it very clear, if we talk about the President's budget that is just like our budget in terms of which level you are jumping over, where is the stick that you are doing your high jump over? Using the same one for both, then there is no way that the President can be in balance without cutting, in the last 2 years of this budget, discretionary programs by 10 percent and 18 percent respectively. Is that not correct?

Mr. BOND. That is correct.

Mr. DOMENICI. Is it not in that regard that the Senator has been inquiring, and has the Senator not been saying, under the real budget, the budget using the Congressional Budget Office numbers, what are you going to do to the veterans? Is that not when the Senator is getting the answers that they do not believe they are going to do this? Is that a fair assumption?

Mr. BOND. Mr. President, it is actually worse than that. It is actually worse than that. It is not just the triggered cuts that fall very heavily on the veterans.

But let me say, earlier in my remarks, I came to the floor to say that the Senator from New Mexico, under his leadership, has produced a balanced budget, an honest balanced budget that makes some very difficult choices. People do not like it because it is an honest budget, and it has had to make some difficult choices. But the President has submitted a budget which he claims is in balance, but he has told his people not to worry about it.

Now the cuts in the Veterans' Administration are not just the result of the triggered cuts.

Mr. DOMENICI. No.

Mr. BOND. The cuts in the Veterans' Administration begin precipitously in 1998, even under his OMB assumptions. Even using the rosy scenario, he would still chop that Veterans' Administration budget by 23 percent prior to the time that the triggering budget cuts would have to be implemented in 2001 and 2002.

So regardless of which set of assumptions he uses, even under his favorable budget, the favorable budget that he set up originally that did not have the triggered cuts in it, he slashes VA by 23 percent, and that was the first thing that tipped us off that maybe there was another set of books that we had not seen.

He had apparently convinced the Secretary of Veterans Affairs, the Veterans' Administration, that those cuts, even the ones he had in his OMB-approved numbers beginning in 1998, were not going to happen. That is why we cannot make an honest comparison between the numbers that the Senator has presented and the numbers that the Clinton administration claim come to a zero deficit in the year 2002, if we are being assured by all of the agencies that they do not have to plan for these cuts. They have no intention of making these cuts because the President and OMB have told them, "Don't worry about making the cuts." Something is amiss here.

Mr. DOMENICI. I ask the Senator, one of the reasons that that precipitous fall occurs, even under the OMB budget, is because the President desires to tell the American people that certain parts of Government are going to get increased and so he has built into that budget these very large increases for education, for the environment, which end up, if you go that high on them, you have to take it out of somewhere else. That is where the veterans get that big cut the Senator has spoken to.

Mr. BOND. That is what happens when you establish priorities. If that, in fact, is his priority that he wants to put veterans that far down on the list, then we ought to be debating it. And we did have a debate on this floor. The Republicans voted to amend the President's proposal by taking additional savings out of welfare. Even my Democratic colleagues, who did vote for that proposal, had voted for another one that restored those cuts. Nobody agrees with those priorities that the President has proposed.

Mr. DOMENICI. I want to thank the Senator once again for the excellent work he has done. And it ought to be clear to everyone, the President of the United States does not have a balanced budget. He does not have a balanced budget using the Congressional Budget Office numbers, which he has touted across the land, unless he is willing to admit that these programs get tremendous cuts starting in 1998, 1999, 2000, 2001, 2002, which he clearly does not want to tell the American people. That is how I see it.

These Cabinet members who are seeing these cuts are being told, "We'll look at them once every year. We're evaluating them every year." You can evaluate them every year, but if there is a very large cut in a program, somebody has to be cut, right?

Mr. BOND. I thank the chairman of the Budget Committee for that very important clarification.

Mr. DOMENICI. I thank the Senator.

Mr. BOND. Frankly, if it did not matter what we are going to spend in the outyears because we would negotiate it anyhow, we would not present multiyear budgets. We have to do that as part of a responsible plan process, Mr. President, so we know if we are on a path to get our Federal spending machine under control.

When we see a budget presented that claims to have significant cuts, but the people who would be affected have been assured by the President and OMB that those cuts will not be made, we can only conclude that either there is a very secret second set of books which eliminates programs we have not been able to identify, or the President and his Office of Management and Budget are not serious about balancing the budget and making the limitation in cuts in discretionary spending to achieve that balance.

Mr. President, I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent that I be able to proceed for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I did not come to respond to my friends from Missouri or New Mexico, but I find it kind of interesting. You know, we deal with names and these issues so much, and we use the jargon so much, that sometimes it is pretty interesting and pretty confusing to the American people. I am not suggesting that the things that either of my colleagues have said is not substantively correct, but I would suggest it is out of context.

Mr. BOND. Mr. President, would the Senator——

Mr. BIDEN. I will not yield until I explain what I said. Then I will be happy to yield.

First of all, the Republican-appointed Director of the Congressional Budget Office states in the latest CBO report—and I quote from the summary page:

> Both the Congress and the President, however, have proposed changes in policies that would balance the budget in 2002.

Let me read it again.

> Both the Congress and the President, however, have proposed changes in policies that would balance the budget in the year 2002.

I am reading from the "Economic and Budget Outlook, Fiscal Years 1997 to 2002, Report to the Senate and House Committees on the Budget, Congress of the United States, Congressional Budget Office."

The second point that I will make: That does not suggest that what my friend said is not true, but it is kind of like you have to watch the pea and the shells here.

The idea of these dual books, the President all along has said the economy is going to grow more robustly, has all along said that the CBO's estimates are too cabined, that things are going to be better than they say. So far he looks like he is right. But he said, "You want me to do it according to the way you want the numbers," which I do not think are realistic numbers. I think they are too conservative. Business thinks they are too conservative. Everybody thinks they are too conservative except our conservative Republican friends.

He said, "OK, if that's the deal, I'll submit a budget based on that." And he submitted a budget based on that. Their Republican-appointed Director of the Congressional Budget Office said, "Yeah, he submitted one on that, and it balances that way."

It is not, then, inconsistent for the President to say, "By the way, I submitted it," but basically saying, "I am predicting to you things are going to be better than these economic forecasts called for. If it turns out the economic forecast is as bad as you all say it is going to be, then this is what we're going to have to do to balance it. I will balance it under those conditions."

But what he is saying makes it sound sinister, this two-book thing. He is saying, "But my prediction to you is, you won't have to do it this badly, you won't have to cut this much." He is not saying, "I won't do it if the economic forecasts turn out this way." He is just saying, "I don't think the economic forecasts are going to be that way."

You know, it is kind of like my saying to my son or my daughter when they were teenagers—they say, "Dad, I want to go away to camp, and I would like to go for 2 weeks to camp." I say, "How much is camp, honey?" They say, "Well, it's $100 a week." I say, "I don't have $200. I've got $100. We'll sign you up for camp for 1 week. You're going, but I think I'm going to find another $100, and I think before it's time to go to camp you'll get to go for 2 weeks because I think economically I'm going to find another $100. But if I don't, you only go for 1 week."

These guys make everything sound so sinister. Like, you know, "Well, let's find the fingerprints on budget No. 2."

So all I am saying to you is, keep your eye on the ball. The bottom line in this budget debate, no pun intended, is the summary of the Republican-led Congressional Budget Office that says—unless they changed their mind in the last couple hours—both the Congress and the President, however, have proposed changes in policy that would balance the budget in 2002.

Now, Mr. President, a number of our colleagues, including two who have just spoken, have once again attacked the President's budget as providing too little in appropriated spending. I find this a fascinating debate. They say, "By the way, you are not going to balance the budget because you have two books. You really do not mean it. You are really going to cut something you have not told us," et cetera. But then they say, "By the way, one of the reasons we do not like this President's budget is it provides too little in appropriated spending."

They criticize the President's cuts as being too painful. It is true, the President's budget does make substantial cuts in discretionary spending. But the cuts in the Republican budget are far deeper. Over the 6 years of the budget, the Republican budget cuts appropriated spending by $68 billion more than the President's budget. In the year about which the Senator from Missouri most complains, 2002, the Republican budget cuts appropriated spending by $16 billion more than does the President's budget, using the assumptions that we are both using.

If the Senator from Missouri and others find the President's budget cuts too painful, and they are painful, he must find the Republican budget positively deadly.

Mr. President, I ask unanimous consent two tables comparing the cuts in the Republican budget with those of the President's budget be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF BUDGET PLANS: 6-YEAR TOTALS

[In billions of dollars]

	President's budget	Republican budget	Difference
Spending cuts:			
Discretionary	−230	−298	−68
Mandatory:			
Medicare	−117	−168	−51
Medicaid	−54	−72	−18
Other health [1]	9	10	1
Welfare	−38	−53	−15
EITC	−5	−19	−14
Spectrum auctions	−37	−19	18
Other mandatory	−24	−34	−10
Subtotal	−265	−355	−90
Revenues: [2]			
Tax relief and other	99	180	81
Corporate reforms	−40	−21	19
Other proposals	−5	(?)	5
Expiring provisions	−43	−36	7
Subtotal	11	122	112
Policy savings	−485	−531	−46
Debt service	−41	−49	−8
Total savings	−525	−580	−55
2002 deficit/surplus	0	5	5

[1] Health care reforms in President's budget; GME add-back in Republican plan.

[2] The Republican plan reconciles a net tax change of $122 billion over 6 years, but includes reserve fund language that allows for additional tax cuts on a revenue neutral basis. The revenue figures for the Republican plan show gross tax cuts assuming that the Republicans adopt the corporate reforms contained in the Balanced Budget Act and certain tax provisions that have expired since last year.

COMPARISON OF BUDGET PLANS: SAVINGS IN 2002

[In billions of dollars]

	President's budget	Republican budget	Difference
Spending cuts:			
Discretionary	−84	−100	−16
Mandatory:			
Medicare	−34	−53	−19
Medicaid	−22	−30	−8
Welfare	−8	−13	−5
EITC	−1	−4	−3
Spectrum auctions	−23	−7	16
Other mandatory	−5	−4	1
Subtotal	−92	−110	−18
Revenues:			
Tax relief and other	3	29	25
Corporate reforms [1]	−7	−5	2
Other proposals	−3	(?)	3
Expiring provisions [1]	−8	−7	1
Subtotal	−15	17	32
Policy savings	−190	−193	−3
Debt service	−20	−22	−2
Total savings	−210	−215	−5
2002 deficit/surplus	0	5	5

[1] The Republican plan reconciles a net tax change of $122 billion over 6 years, but includes reserve fund language that allows for additional tax cuts on a revenue neutral basis. The revenue figures for the Republican plan show gross tax cuts assuming that the Republicans adopt the corporate reforms contained in the Balanced Budget Act and certain tax provisions that have expired since last year.

Mr. BOND. Is the distinguished Senator from Delaware ready to respond to a question?

Mr. BIDEN. If you let me complete, I will take 12 minutes and respond to any questions you have. I know that if I start to respond—I did not come to make the statement I just made. I am just responding to what I heard. Let me make the statement I came prepared to make and then yield to the

Senator for anything he wants to say or ask.

Mr. President, to state the obvious, a budget, whether it is a household budget, whether it is a company's budget, whether it is the Nation's budget, is the formal expression of our priorities as a company or as a family or as a nation. It tells us, after all the talk is over, where we decided to spend our hard-earned money. In this case, the hard-earned money of taxpayers like all of us.

Unfortunately, Mr. President, the budget resolution before the Senate, in my view, fails to address the most fundamental issues before the country. It fails to take care of the basic priorities that have made our Nation great, the priorities that can help us meet the challenges of the future. Again, I think we can all agree on one thing. I used to be on the Budget Committee. I am delighted I am no longer on the Budget Committee. I was on it for a long time. When I used to be on the Budget Committee and had to give it up to move over to other committees, new members come and say, "What do you think about getting on the Budget Committee?" Or I speak to university groups or constituents at home and they say, "What about the Budget Committee?" I say that the single most important thing a new Member of the Congress can do is be a member of the Budget Committee. Just like the single most important thing you can do if you go with a big company is look at the company's budget.

When all the rhetoric is gone, and everything is stripped aside, where we spend our money says volumes about what our real priorities are. If we say we care about education and do not spend money on education, then we obviously do not care about it very much. If we say we care about crime in dealing with crime and do not allocate our resources there, we do not care about it very much. If we say we care a lot about a national defense, and we do spend our money on it, it establishes we do care a lot about national defense. We say to students, if you want to know what a company really does, what a family really cares about, what a nation cares about, go look at its budget, its budget. I do not think anybody could disagree with that, have any reasonable disagreement with that. It lays out our priorities as a nation.

The point I want to make in the next few minutes, I think we have in the budget before the Senate, the Republican budget, our priorities out of whack. It is not a bad budget. It is not an awful budget, not a draconian budget. We can say a lot of political things about it. The real debate on this budget is no longer about no matter what you hear people say here, we are going to balance the budget, are we committed to balance the budget; it is how we balance a budget, how we balance a budget.

It is just like a family can decide if your child gets into Harvard University whether you are going to spend $25,000, meaning that you cannot buy a car for the next 4 years. Or you can buy a new car for the next 4 years and send your kid to my alma mater, the University of Delaware, which will cost $7,000. There are priorities. I happen to think a Delaware education is better than a Harvard education, but that is a personal thing.

It is real important when we talk all the mumbo jumbo out of this and understand what this debate is about. It is about where we are going to spend money, and even more importantly in this environment, where we will cut. There is no way to get from here to balance under anybody's numbers, anybody's numbers, any assumptions, short of divine intervention by the Lord, without cutting.

It is a question. You can measure one's value system based on how much more they spend on something, how much more they cut. When you have to cut, who do you cut it from? Do you cut it and decide you are going to cut it from your children's education and still go to the beach for 2 weeks, or are you going to decide to cut the beach and spend it on your children's education? It says something about how much a family values education. It says something about how much they value vacations. I am not making a value judgment. A vacation for one family may be more therapeutically needed than an education for another child. That is literally what it does. That is what this fight is about. That is the difference between Democrats and Republicans here. It is not that we both decided to say, "I like being with a party that has a letter that begins earlier in the alphabet." That is not the reason why I am a Democrat or why my friends are Republicans. We have different priorities here.

How do you best make the Nation function? I do not doubt for one second the positive patriotic intentions of my Republican colleagues. They proposed this budget not because they are mean-spirited. They proposed it because they believe this is truly the best way for the most Americans to do the best. We have a disagreement. I think America will not prosper spiritually, morally, economically, politically, as well, under their set of budget priorities than they do under mine or my parties or the President's. That is what this is about.

You all are going to get the smokescreen out. "There are a secret set of books buried somewhere in the Capitol, and in the year 2002 we will open them and you will find the fingerprints of John Q. Wilson who worked for the FBI in 1974"—what are we talking about? We should have a straight up-and-down fight. They do not want to spend as much money on education as we want to. They do not want to spend as much on the environment as we want to spend. They do not want to spend as much money in law enforcement as we do. We do not want to spend as much on defense, or as much on the wealthy as they do, and so on. They are legitimate, fundamental, disagreements. I think we should do the American people a favor. Have a referendum on what they want, which theory they buy into.

My comments, the remainder of them, are directed at why I think my theory, my party's theory, my party's priorities, are better not only for average Americans but for the community of America, than are those of my Republican friends. I do not doubt their good intentions, I want to make it clear. I do not think they sit in the Cloakroom and say, "You know, how can we make sure that John Kluge makes more money?" Some of my left-wing friends think they sit there and say, "Well, how are we going to get the wealthy to do better at the expense of the poor?" I no more believe that than I think this chair can get up and levitate. They believe the way to help the poor the best is to see that those who have the most have the greatest freedom and prosperity to invest. I found that theory does not necessarily follow. I have a disagreement.

Let me make it clear, lest anyone come out here. I do not question the intentions, motivation, or sincerity of any of my Republican colleagues. I think they are wrong—not morally wrong—wrong. They will not turn out as you predict.

Mr. President, each year education becomes ever more important to keep our economy growing and to enable our citizens to become productive members of society. This budget in question cuts, in my view, too much from education.

(Mr. BROWN assumed the chair.)

Mr. BIDEN. By eliminating the guaranteed student loan program it makes college education even more expensive, in my view. And far from increasing our commitment to a better-trained work force, the budget provides less and less money for education and training as we move into the next century. In real terms, adjusted for inflation, their budget cuts spending by $25 billion for spending in this area over the next 6 years.

Look, we can argue about elementary and secondary education, we can argue about whether or not prayer in school will change it, or we can argue about whether or not spending more money in title I will change it, and we can argue about how bad off our education is. There is one thing there is no argument about. We have the best higher education system in the world—in the world. It is the only place we do not have to look at any little thing and say we rank 7th, 17th, 91st—we rank No. 1 in the world in higher education.

So what are we doing? As more and more people from different countries are beating their brains out to get into our higher education system, we are—I suspect unintentionally—making it harder for Americans to get into educational institutions of higher learning. We are not arguing about the quality of that education.

My Republican friends—in my State, at least—like to argue what Ronald Reagan argued: You know the best way to cure education is to spend less money on it. The one place nobody makes that argument is higher education. That is what I mean when I talk about guaranteed student loan programs. As for our country's commitment to our parents' generation, Mr. President, this budget's Medicare cuts will make health care more expensive than our proposal will. Its cuts in Medicare will make nursing home and long-term care a greater burden for families of those whose seniors depend on them.

Whenever we talk about Medicare, we always talk in terms of the effect on seniors. That is not how I talk about it. Where I come from, I talk about it based on the values I was raised with. Can you imagine, I say to anybody listening here, if your mom or dad comes to you and says, "You know, honey, under the changes taking place, I am no longer able to see Dr. Smith, and I have to do" this, that or the other thing—can you imagine any decent child in a position to financially take care of them not saying, "Do not worry, mom, I will pay for it."

Who do you think is going to pay for this? Middle-class parents. The people who are 45 to 55, who have children coming up through school trying to get into higher education and have moms and dads with increasing medical bills or needs. I wonder how many Americans—men or women, husband or wife—are going to turn to their mother and father or mother-in-law and father-in-law and say, "It is too bad that they changed the system that way. You have less money for health care, and I am not chipping in." This is going to increase the burden on my generation, which is getting squeezed.

Now, again, I do not suggest that is why it is being done. I suggest that we have different priorities, because one of the things my friend said is that if we spend more money on education, we have to cut something else here. If we spend more money on Medicare, we have to cut something else down here. This is not a zero sum game. This is not one of these things where I can say if you buy into my proposal, you get everything. I am not saying that. This is different priorities.

In my view, the place where we should be putting all of our energy is to deal with the shrinking middle class, which is getting their brains kicked in. We all acknowledge that.

Mr. President, most troubling for me is the failure of this budget resolution to fully fund the most basic function of Government—that is the purpose of my being here today—which is to protect our citizens from violent crime.

Mr. President, let me first review the facts that underscore just how we have come to face a budget resolution that cuts funding for the administration of justice account—that is a fancy Senate term for the money we spend on law enforcement—below what the President requested, below what the U.S. Senate has passed, and below what the House of Representatives has passed. Let me review what has gone on so far. The President requested a total of $23.5 billion for 1997, $5 billion of which is for the crime law trust fund—which I am proud to say I was the author of, along with several others—to fund the entire Justice Department, which includes the FBI, DEA, prisons, other Federal law enforcement, and the courts—they are all included. Then the House-passed budget resolution proposed by the Republican leadership of the House of Representatives, by a narrow partisan vote—that sounds pejorative; I mean a narrow vote that was based on party lines—226–195; 221 Republicans voted for it, 4 against, and 190 Democrats voted against it, 5 for.

What did that House budget resolution do? It cut the President's $23.5 billion request for law enforcement, and all the functions related to that, to $22.1 billion, a cut of $1.4 billion. Included in this was a $317 million cut for the crime law trust fund. That is the thing that funds all the cops—the State cops, local cops, the 100,000 cops—and that is the thing that funds prison money for States. That is the thing that funds that whole crime law.

Then the Senate passed a budget resolution offered by Chairman DOMENICI. Unlike the House, to his credit, Chairman DOMENICI fully funded the $5 billion requested by the President for the crime law trust fund. But the Senate budget resolution cut the total from the administration of justice account—that is everything else—to $21.7 billion. That is a cut of $1.8 billion below what the President wants.

Again, we are talking priorities here. We acknowledge that if we spend $1.8 billion more on crime than the Republicans want, we have to find $1.8 billion somewhere not to spend it. We acknowledge that. The point I am making is the priorities here. We do not think we should cut it from there.

Finally, the House and the Senate Republicans offered the Senate a conference report. For those listening, that is when the House passes their bill and the Senate passes their bill on the same subject, but they are different in detail. So we have a conference and literally meet in a room in the middle of the Capitol somewhere and work out the differences. Then we send back a compromised version, called a conference report, to the House and Senate, which has to be voted on again.

Now, the House and Senate Republicans offered the Senate a conference report that makes even deeper cuts than were made by either the House or the Senate in the Senate-passed resolutions to the President's request for crime-fighting dollars.

The conference cuts the President's $23.5 billion to $20.9 billion, a cut of $2.6 billion. So it has gone from $1.2 to $1.8 to $2.6 billion less being spent on crime fighting. In fact, this cut would put the administration of justice account, in 1997, below the 1996 level by $45 billion. We will spend less next year than this past year if this budget resolution were to become law, if we do what it proposes.

Mr. President, by the way, what happened to all the tough-on-crime rhetoric that we have been hearing from all sides—Democrats and Republicans? Neither side is immune from being shameless in talking about how tough on crime they are. It seems that the President held up his end of the bargain. He requested the largest ever annual budget for the FBI, DEA, U.S. attorneys, and help for the State and local prisons and police. But a majority of the Congress has been AWOL—absent without law enforcement leave here. If the proposed cut of $317 million for the crime law trust fund is allowed to stand, there can only be one result: Fewer Federal dollars will be able to combat crime.

As my colleagues know, the general numbers of the budget resolution do not specify which programs will be cut. But it is clear that some programs, when they get to the appropriators, will have to be cut below what the President and what I and others want. What specifically might this mean? Let us just review the law enforcement efforts funded by the crime law trust fund. We fund Federal prosecutors out of that fund in the amount of $55 million; the FBI, $40 million; the DEA, $200 million; border enforcement and deportation of aliens who break the law, $525 million. By the way, we spent weeks on the floor talking about why that is so important. The violence against women efforts including more police and prosecutors and more shelters for battered women, $254 million. A billion dollars for the construction of prisons and reimbursing States from imprisoning criminal aliens. And an additional $2.6 billion is to aid State and local law enforcement.

We all know there is no free lunch. So if there is a cut in the total for the trust fund, at least some of what I just read will have to be cut. It is going to be less border patrol, less efforts to combat violence against women, fewer FBI agents, fewer DEA agents. There are going to be cuts.

Again, I am not questioning the motivation. I am just saying there is an honest disagreement. I think we should cut other things rather than cops, or the FBI, or prison construction. Just because I was the author of the law that this funds, I have to acknowledge that. So I lay it out. I do have a bit of an interest in it in the sense that I spent 6 years trying to get it passed, but that is not the reason alone. I think it is the single highest domestic priority we have.

To review the potential impact of the total cuts of $2.6 billion, let us look at how the President proposed to spend his $23.5 billion that he proposes for the administration of justice accounts. Again, we cannot be sure specifically what will be cut, but it is clear that there will have to be significant cuts of the President's request.

He wants $2.5 billion for the FBI, $818 million for the DEA, $2.2 billion to build Federal prisons and maintain them, $949 million for Federal prosecutors, $372 million for interagency drug enforcement task forces which every State in the Nation is asking for help on, and $1.7 billion for immigration enforcement.

None of us can say where the cuts will have to be made, but if this budget passes, the appropriators are going to have to go out and find that money—hundreds of millions of dollars to cut from each or all of those accounts. There is no way to avoid it. None. Granted, everyone can vote for this budget, and when the FBI says, "You voted to cut our budget," they say "No, no, I didn't vote to cut your budget. The President said $2.5 billion, and I want to spend it at $2.5 billion."

Tell me where you are going to cut the $2.7, or whatever the number is when we finish here? None of us can say where the cuts will be made, but it is clear there will have to be some significant cuts in all of these key law enforcement initiatives.

Is there anyone in this Senate, though, who thinks our Nation will be better served by a smaller FBI, by a smaller DEA or fewer Federal prosecutors? I would like for them to come forward and tell me that. Again, that is a little unfair.

That implies, by the way, that I said that people really want to do this. I am not even sure, if we had all the money in the world—economic assumptions are different—that we would have little disagreement about spending all of this money. Maybe a little, particularly by some of our friends on the House side who may think that all Federal agents are jack-booted thugs and who want to cut it out and who probably think the Freemen are doing the right thing, and so on. If they exist, they are overwhelmingly in the minority. I know of none in the Senate.

But what we are doing here is, we are saying this is the place we should cut more than we should cut tax exemptions for individuals. This is the place we should cut for corporations. This is the place we should cut rather than cut money for the Defense Department. That is what we are saying. That is what I have difficulty agreeing with.

If there are no additional resources, no more FBI agents, no more DEA agents, no more Border Patrol, no more prosecutors, no more State and local police added to our streets, no more drug testing of offenders, no more prisons built, all the new laws we can pass will not be worth the paper we write them on. If you are going to pass tough laws and say, "Put them in prison," you have to have a prison to put them in. It costs money. It even costs money to shoot them. It even costs money to hang them. It even costs money to inject them lethally. It costs money.

Mr. President, this budget resolution shortchanges, in my view, the national effort against crime. I submit that this Congress could pass a new terrorism bill, or any other criminal justice reform, every single week from now until the end of the session, but if it does not require more agents, nor more law enforcement officers, nor more Border Patrol, nor more prisons, nor more prosecutors, it ain't worth a darn. But this is not the only reason I urge my colleagues to vote against this budget resolution.

America became a great economic power because we developed an educational system. Any hope we have to maintain our Nation as the world's most productive economy depends on our willingness to commit resources to our workers for the skills which they need. Ours is a great country because we respect the contributions of those who have gone before us—our parents' generation who made us into a leader of the free world.

We committed to support them. We committed to support what they have done to guarantee them the health care they need and deserve. We made that commitment. We made the commitment not only because they are parents but for what they did to build this country. Americans everywhere want and deserve clean air and clean water and not backing off.

All this stuff, by the way, about the environment, I just want to say again what I said several times before. I have not had a single, solitary Delawarian come to me and say, "You know, BIDEN, you are spending too much money on determining whether or not my water is clean. I don't want you paying that much attention to it." I have not heard one single, solitary Delawarian come to me say, "BIDEN, you are spending too much money on monitoring whether or not the water in my State is clean." It seems to say, to me, that is what the American people, the Delaware people, want their money spent on: clean air and clean water. We do not spend enough in this budget on those things.

On each and every one of these fundamental priorities—fighting crime, educating our children, particularly higher education, caring for our elderly, and protecting the environment—I believe this well-intended resolution fails to take care of the most important priorities that have been made by us in past generations, and continue to be the priorities we all say we care about, priorities that help us meet the challenge of the future.

Mr. President, education, crime, caring for our elderly, and protecting the environment are the priorities upon which we do not disagree on whether we should do them. I want to make it clear again. I am not suggesting that there is any Republican who does not want to protect the elderly, have clean air and water, have a good education system, and fight crime.

I am suggesting that the tools they have given us to do those things in this budget are not sufficient, and they give more than is needed for other areas which should not be priorities. If, in fact, we had all the money in the world, we will not have to make these hard choices. But, ultimately, a budget is about deciding what you think is most important, and today we measure "most important" by what we do not cut as much as something else. I think their priorities are not the ones that I would like to see.

And, therefore, I will urge my colleagues to vote against the budget resolution.

I see the distinguished manager on the Democratic side is here.

I yield the floor. I thank my colleagues.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself such time as I might need.

I start out by thanking my friend from Delaware for the excellent remarks that he has made on the budget in general. Once again, I listened with keen interest to the very solid presentation that he has made.

Mr. President, yesterday the Director of the OMB, Dr. Alice Rivlin, sent a letter laying out the administration's objections to the budget resolution conference report that we are now discussing. Dr. Rivlin provided a very good analysis of the budget and its many failings.

I ask unanimous consent that the text of the letter be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, June 11, 1996.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to transmit the Administration's views on the conference report on H. Con. Res. 178, the concurrent resolution on the budget for fiscal years 1997-2002.

As you know, the President has proposed a plan the Congressional Budget Office (CBO) said would reach balance in 2002. It targets tax relief to middle-income Americans, makes prudent savings in Medicare and Medicaid, and provides enough in discretionary funds to finance the President's investments in key priorities. Clearly, a balanced budget does not necessitate extreme cuts in programs on which tens of millions of Americans rely.

With H. Con. Res. 178, the Republican majority has crafted a resolution designed to appear more moderate than the budget policies it pursued last year; however, the resolution continues the extreme policies first contained in the reconciliation bill that the President vetoed last fall.

For instance, the plan calls for Medicare cuts of $168 billion—more than $50 billion higher than the savings in the President's budget, according to CBO. Since the Budget Committees have claimed that their level of Medicare Part B savings is identical to the President's, the full difference must come from Medicare Part A. Cuts of this size could limit beneficiary access to hospital health services and lead to lower payments to hospitals even in nominal terms—not just cuts in the rate of growth. This could place huge stress on hospitals, leading to lower quality and threatening the financial viability of hospitals—particularly rural and urban hospitals. In addition, the structural changes proposed in recent Republican plans would seriously threaten the long-term health and viability of Medicare.

The conference agreement also includes $72 billion in Medicaid savings, far more than in the last Republican Medicaid restructuring proposal (if estimated under CBO's new baseline). If the resolution assumes previous Republican proposals that allow for lower State matching contributions, the actual cuts in Medicaid services and coverage could reach $250 billion. Along with these cuts, recent Republican proposals have included damaging structural changes, including the block granting of Medicaid, that would undermine the guarantee of coverage. If these provisions are retained, the resolution would mean, for example, an end to the Federal guarantee of coverage for up to 2.5 million children from ages 13 to 18. It would also mean an end to the guarantee of meaningful benefits for over 36 million Medicaid beneficiaries, including 18 million children and over 6 million people with disabilities.

With regard to taxes, the resolution would raise income taxes on working Americans by assuming cuts in the Earned Income Tax Credit (EITC). In fact, the cuts of between $17-$20 billion actually would make working Americans even worse off than the latest Republican offer in the President's negotiations with congressional leaders, which called for cuts of $15 billion. We can balance the budget without raising taxes on working Americans.

In addition, the tax cuts—which purport to be $122 billion—are understated and misleading. For one thing, the cost of the child tax credit inexplicably falls in the year 2002, meaning either the revenue estimate for the credit is too low or part of the credit itself disappears. For another, the level of permitted tax cuts is actually higher. In fact, Republicans have talked about total tax cuts of $170-$185 billion. The resolution appears to reserve billions of dollars in revenues to pay for these excessive tax cuts—$36 billion from extending expiring provisions (from last year's vetoed reconciliation bill) and $26 billion from closing corporate loopholes and other tax measures (from the last Republican offer). Rather than finance excessive tax cuts, these revenues could offset some of the unnecessarily deep cuts in Medicare, Medicaid, and other priorities. By contrast, the President proposes and pays for targeted tax cuts to help middle-income Americans raise their young children, pay for post-secondary education, and save for the future.

On welfare, the President supports real bipartisan welfare reform that would move people from welfare to work and protect children. The President has consistently said he wants to work with Congress to reach that goal. The resolution, however, assumes cuts in low-income assistance programs of $53 billion over six years—$2 billion more than the recently introduced Republican welfare bill that does not meet that objective. While the new bill has more child care funding than the Republican welfare bill that the President vetoed in January, the cuts outside Aid to Families with Dependent Children and child care are actually deeper than in the vetoed bill. Like the vetoed bill, the new bill couples deep cuts with severe structural changes and bans on benefits for legal immigrants—policies that would harm children.

Moreover, the resolution instructs congressional committees, as part of the first reconciliation bill, to link welfare reform with the proposed changes to Medicaid and with tax cuts. The President wants real welfare reform, but he will not accept any legislation that would block grant Medicaid and undermine its guarantee of health coverage to millions of vulnerable Americans. Congress should not link welfare reform to Medicaid policies the President has consistently said are unacceptable. In addition, it should not pay for tax cuts by making excessive cuts in Medicaid and welfare. Finally, this reconciliation package would make virtually no progress on deficit reduction.

On student loans, the resolution assumes that reconciliation legislation will impose a cap on the amount of student loan volume in the Direct Loan program, which would eliminate hundreds of colleges from the program and deprive millions of students of the benefits of the flexible repayment options under that program, including income-contingent repayment. And the reconciliation instructions appear to require the opening of the Alaska National Wildlife Refuge, a national treasure, to oil and gas development—a policy the President has said he would veto.

On discretionary spending, we recognize that the conferees added non-defense discretionary spending for 1997 to the House-passed level. These levels, however, are still inadequate—more than $15 billion in budget authority below the President's request. In fact, the President's budget proposes higher total and non-defense discretionary levels than the conference agreement in every year through 2002—while still balancing the budget according to CBO. The non-defense discretionary levels are inadequate to fund key investments in education and training, the environment, science and technology, and law enforcement. For example, the resolution provides $57 billion less for education and training from 1997 to 2002 compared to the President's budget, jeopardizing adequate funding for such priorities as Head Start, Education for the Disadvantaged, Goals 2000, School-to-Work, education technology, Pell grants, summer youth jobs, and dislocated worker training.

In the near term, the resolution shifts more resources into defense programs than necessary, squeezing investments in non-defense programs. The resolution provides over $11 billion more in defense budget authority for 1997 than the President's defense plan—which already commits historically high levels of resources to readiness, as measured in funding per troop. At the same time, the resolution does not provide enough budget authority, compared to the President's defense program, in the critical years of defense modernization at the turn of the century—the years when new technologies come on line.

In their negotiations last winter, the President and congressional leaders found more than enough savings in common to reach balance by 2002. The President wants to finish the job, and he has repeatedly asked the Republican leadership to return to the negotiating table.

As you can see, while the Administration and Congress share the goal of a balanced budget, we have grave concerns about the approach contained in this resolution. We also hope Republicans learned from last year's experience, which included two government shutdowns and 13 continuing resolutions, that we need to work together. We want to work with Congress, as the process moves forward, to give the American people the balanced budget they deserve.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. EXON. Mr. President, we have additional speakers that will be seeking recognition. In the meantime, I suggest the absence of a quorum and ask that the time be equally charged to each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FAIRCLOTH). Without objection, it is so ordered.

Mr. DORGAN. Mr. President, we are now in debate on the budget conference report, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Mr. President, is there a time agreement at this moment?

The PRESIDING OFFICER. The time is controlled under the Budget Act.

Mr. DORGAN. Mr. President, let me just yield myself 7 minutes from our side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, we find ourselves once again debating a budget conference agreement that some have dressed in new clothes and wrapped with new ribbons and brought to the floor of the Senate to say, "Gee, we've made changes. This is a new budget. It's a different approach. And we seek support for it."

The Senator from Nebraska, Senator EXON, I think said yesterday quite appropriately, there is nothing new about this. This is the same approach for 2 years that has been trotted out on the floor of the Senate by the majority party saying, "Here's what we insist on in a budget agreement." The dilemma I see in this budget agreement is this. The conference report is designed to try to reduce spending and balance the budget, but it also includes at the same time a substantial tax reduction.

Would the American people like a tax reduction? Of course. Would it be popular to talk about cutting taxes rather than cutting spending and reducing the deficit? Yes, of course it is more popular to talk about cutting taxes. But our problem is, we have got deficits in this country that need to be brought down. There are a couple ways of doing that, but not proposing a very large tax cut is not on the list of ways to bring the deficit down. The majority party brings this conference agreement to the floor and downplays the tax cut.

I want to show my colleagues a quote from the chairman of the Budget Committee on the other side of the Capitol Building, a Congressman for whom I have great respect, Congressman KASICH, who is the chairman of the House Budget Committee. He says in response to a question:

> We will have a capital gains tax cut. We will have all the . . . Contract With America items that we originally proposed. . . . So what you ultimately get is . . . a gross tax cut number that will approach $180 billion.

The paradox is, as we are trying to reduce the budget deficit, we have folks here who want to serve dessert before they serve dinner. It does not make any sense.

The most responsible position, it seems to me, is for the majority party to set aside tax cut questions at this point and let us deal with the issue of cutting Federal spending in appropriate ways to reach a balanced budget. When we have reached a balanced budget, then let us turn our attention to the question of how we can appropriately cut taxes to reduce the burden on middle-income families.

But it is not appropriate in my judgment, to be bringing a budget to the floor of the Senate that purports to reduce the Federal budget deficit but also includes in it a substantial tax cut, much of which will go to the wealthiest Americans.

Let me quickly say I have nothing against those who have made a great deal of money in our country. Many of them are wonderful Americans who have been enormously successful. They are resourceful people who deserve and have received the benefits of doing well in our system. But it is also true that the small group on the top of the economic ladder in our country has had substantial, substantial economic gains and their tax burden has not kept pace. They have been treated very, very well.

It seems to me that when we are attempting to reduce the budget deficit, it makes very little sense for us to decide at the same time we should provide significant tax cuts to those who need them least.

Let me give you one little example. Some Americans will remember when we would read in the paper reports about studies on the amount of taxes paid by some of the largest enterprises in America. We would discover while reading the morning paper that some of the largest corporations in America have made billions of dollars and pay zero in income taxes—not a lot, not a little—zero in income taxes.

People were wondering, "Well, if I make $20,000 a year, and work hard all day, and try to do the best I can, why do I have to pay taxes when a corporation that makes $3 billion in income pays zero?" It is a good question. So the Congress began to address that in the mid-1980's and said, "Well, let us put together what is called an alternative minimum tax so if a big company were able to use tax loopholes to pay zero in income taxes, they at least must pay an alternative minimum tax, a minimum tax."

Have you heard lately of a big corporation that makes a lot of money that pays zero in income taxes? No. Why? Because there is what is called an AMT, an alternative minimum tax so they must pay some taxes.

Well, guess what is deep in the bowels of this budget? You got it. A change in the alternative minimum tax that will say to some of those corporations, "Let's go back to the good old days. You can start zeroing out again." It just does not make sense for us, when we are here to try to reduce the Federal budget deficit, to say, "By the way, let's bestow a little gift here on some of the biggest enterprises in America and say to them, 'You can go ahead and zero out, make lots of money and pay no taxes anymore.'"

I just do not understand the mindset of people who refuse to keep their eye on the ball. The ball is the budget deficit. The menu of changes needed to address the budget deficit does not include new tax breaks for some of the biggest corporations in the country. It does not include new tax breaks for people who make $50 and $100 million a year. And, yes, there are some people in this country who make that and they do not need a tax break.

So I ask the majority party, and instead of advertising a tired old product as something new, let us go back to the drawing boards, set the issue of cutting taxes aside, especially cutting taxes for the wealthiest Americans, set it aside and let us deal with one specific element in our responsibility. Let us use the budget in the 7-year budget cycle to reach a balanced budget. When we have done that, then let us turn to the proposition of changing the Tax Code so that it is less of a burden on middle-income families.

Let me make one important point that needs to be cleared up. I heard earlier today a discussion by, I believe, the Senator from New Mexico and the Senator from Missouri and some others. They were talking about the President's budget, the majority budget, and a balanced budget here and there. None of these budgets balance the budget. None of them—not the President's budget and not the budget that is brought to the floor of this Senate from this conference. They fall short, because in the year 2002, they will use the Social Security trust funds as ordinary revenue in order to claim they have balanced the budget. None of them balance the budget. Yet, even though they still fall short in the year 2002 of balancing the budget, the majority party says, "We are proposing $180 billion in tax cuts during the 7-year period."

I suppose I would probably not protest so much—I still would protest, but not so much—if the tax cuts were going in the right direction. They so fundamentally distort who ought to be paying what. These tax cuts are wrapped gifts to the biggest economic interests in America. It makes no sense to do this.

I just think, generally speaking, we ought not be talking about tax cuts until we have met our responsibility to balance the budget. This resolution on the floor demonstrably does not balance the budget, no matter what has been said on the floor today by those who push this proposal here in the Senate.

If I had the time, I would speak at length about a range of priorities. Let he finish with one point about the issues inside the budget. We must fix our Medicare Program. It is a good program. It has helped a lot of Americans.

It is a program that works well. It is a program whose costs are outrunning our ability to pay those costs. We must make adjustments to it.

No one ought to come to the floor selling some snake oil that says, "Let us cut approximately the same amount from Medicare spending so we can make room for the same amount of tax cuts. Let us take from those who do not have much by reducing the Medicare Program, and give to those who have plenty, with tax cuts for upper-income folks." I find that to be a strange, twisted set of priorities.

Even as I say that, I recognize all of us must find a way to reduce the kinds of budget claims the Medicare Program has in the Federal budget. We can do that sensibly, thoughtfully. We cannot do that if we want to use savings from the Medicare Program in order to make room for a tax cut. That is an inappropriate subject in the first instance while we are trying to balance the Federal budget. It will be interesting in the next week or two to see the manifestation of this philosophy.

The majority party says they are the ones that want to balance the budget. They also want to bring to the floor of the Senate a defense bill that will spend some $13 billion more than the Pentagon asks for, a star wars program that will cost some $60 billion in money we do not have to build something we do not need.

It seems to me the real test of what you stand for is not what you say, but what you bring to the floor. What specific proposals do you have? How will you require the American people to pay for them in the future? As soon as the American people understand exactly what are the details of this plan, I think they will understand the twisted set of priorities embraced by this budget conference report.

I see my colleague from North Dakota is on the floor prepared to speak about the budget. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from North Dakota.

Mr. CONRAD. I thank the Chair, and I thank my colleague from North Dakota, who has spoken clearly and well on the basic point that none of these plans is a truly balanced budget. One of the most frustrating things I have felt during our discussions—about what is a balanced budget and what is not a balanced budget—is that somehow when we get inside this Chamber, our financial common sense goes right out the window. I say that because I come from a financial background. My colleague who just spoke from North Dakota has a financial background.

Frankly, Mr. President, if we were in any financial institution and said we were balancing the budget, when in part what we were doing was taking the retirement funds of our employees and throwing those into the pot, we would be laughed out of the room. Mr. President, that is not a balanced budget. The Chair knows that. I think every Senator in this room knows that. That is not a balanced budget.

In fact, this budget shows a $103 billion deficit in the year 2002 if we are to exclude Social Security surpluses. Of course, we have to exclude them if we are going to be basing our determinations on honest accounting and on the law. That is not a balanced budget.

I would point out that last year I offered the only plan that did balance the budget without counting Social Security surpluses. That was the fair share plan, and it got 39 votes here in the U.S. Senate.

I think in the interest of honest disclosure, we have to acknowledge the President's plan is not truly a balanced budget plan. The Republican plan is not truly a balanced budget plan. In fact, the centrist coalition, which I was a part of, did not produce a truly balanced budget plan. All of them were significant deficit reduction plans, but none of them achieve a truly balanced budget.

Mr. President, I want to take a few moments to talk about the budget before the Senate. I believe the most important work that any Congress does is its determinations on the budget, because that determines where the nation's resources are going to go for the next year, and beyond.

Mr. President, yesterday was a remarkable moment in this Chamber. Senator Dole, who has been here in the U.S. Senate for 27 years, retired and left this Chamber to pursue his candidacy for the Presidency of the United States. Yesterday, when he stood in the well and at the majority leader's desk and gave his final farewell address to the Members, I was struck when he talked about the things that he was most proud of, the things that he had done here that he will remember and be proud of.

What did he talk about? He talked about a series of legislative accomplishments that were all bipartisan in nature. He talked about working across the gap between Republicans and Democrats, working across the aisle to accomplish things that were important for our country.

Mr. President, I think all of us know, in our heart of hearts, when this institution works best, it works in a bipartisan way to achieve legislative advances for the American people that we are all sent here to represent.

Mr. President, it was that sense of bipartisanship that was palpable in this Chamber yesterday, but that is so lacking in this budget proposal before the Senate today. This is the same song, second verse, of a Republican budget plan that was offered last year and was vetoed by the President. There is very little difference. It is rewrapped with new packaging, but if you open up the package and look at what is inside, you find there is very little difference between what the Republican majority offered last year and what they are offering to us this year.

The press has reported, and reported widely, this is a kinder, gentler Republican budget. Frankly, they have been fooled, because this has gone from being a 7-year budget plan to a 6-year plan. They are comparing last year's 7-year plan to this year's 6-year plan, so all of a sudden the numbers look better.

Mr. President, that is not a fair comparison. You have to compare apples to apples and oranges to oranges, a 7-year plan to a 7-year plan, not a 6-year plan to a 7-year plan. If one does that, you find there is almost no change. Yogi Berra said, "Deja vu all over again."

Mr. President, let's look at a real comparison, a 7-year comparison, to what the majority offered just last year and what they are offering us this year. On Medicare last year, they offered $226.8 billion in cuts over 7 years. This year, if you adjust their 6-year plan to a 7-year plan, it is $228 billion of cuts in Medicare. Very little difference.

On Medicaid, last year it was $132.6 billion in cuts; this year it is $106 billion. On welfare last year, the Republican plan was $65.6 billion; this year, they have actually increased the cuts, if it is over a 7-year period, to $66.7 billion.

Last year, on the earned-income tax credit, a provision that will increase the taxes for moderate-income Americans who work, they are actually going to increase those folks' taxes, $21.2 billion in last year's plan; they have taken $1 billion off this year, and it is a $20 billion increase. Tax breaks, last year, the plan was $246.7 billion over 7 years; this year, on a fair comparison, it is $220.4 billion. Very little change.

Mr. President, I oppose this budget resolution. I do not think it is bipartisan. I do not think it represents the kind of settlement between the two sides that can be sustained. If we are serious about reducing the budget deficit and getting our fiscal house in order, we know there is only one way to accomplish that goal. We must march together, Republicans and Democrats, so we can actually enact into law what we propose here on the floor of this Chamber.

(Mr. GREGG assumed the chair.)

Mr. CONRAD. Mr. President, I want to emphasize that it is critically important that we succeed in this endeavor. Make no mistake about it, we are on a fiscal course that cannot be sustained. As I have said repeatedly to my colleagues on the Budget Committee and on the floor of this Chamber, it is true that we have seen a substantial reduction in the budget deficit, and that is certainly good news.

Without question, this chart shows what happened to the unified Federal budget deficit as a percentage of the economy from 1980 to 1996. Back in 1980, the deficit was about 3 percent of our economy, about 3 percent of gross domestic product. It then shot up to 6.3 percent in the early 1980's, worked its way back down in 1990, when it was back down to around 3 percent, and then it jumped up again to nearly 5 percent. During the tenure of Bill Clinton as President of the United States, the deficit has come down 4 years in a row. We are now down to a deficit that is less than 2 percent of our gross domestic product. That is the lowest deficit as measured against the size of the economy of any industrialized country in the world. So we have made great progress.

But no one should be under any illusion. While we have made significant progress, if we do not keep working, if we do not keep putting on the pressure of deficit reduction, all of these gains are going to be lost as we start to move toward the time that the baby boom generation retires.

Mr. President, we face a demographic time bomb in this country. It is the baby boom generation, because when they start to retire, the number of people who are eligible for programs like Medicare and Social Security is going to double. We are going to go from 24 million people eligible for Social Security and Medicare to 48 million people eligible. None of us can put our heads in the sand and say it is not going to happen. It is going to happen. And the consequences are going to be enormous, and they are going to be severe. We have been told by the Entitlements Commission that if we fail to change course, by the year 2012 every dime of Federal revenue will go for entitlements and interest on the debt. There will be no money for any of the other functions of the Federal Government. There will be no money for roads. There will be no money for parks. There will be no money for education. There will be no money for research.

Mr. President, that is not an acceptable result. We were also told last year that if we stay on the current course, future generations will face either an 82-percent lifetime net tax rate or a one-third cut in all benefits. Let me repeat that because I think it is so jarring that most people almost cannot hear it when you say it. We were told last year that if we stay on the current course, future generations will face either an 82-percent lifetime net tax rate or a one-third cut in all benefits. Does anyone believe we are going to have an 82-percent tax rate in this country? I do not believe it. That is never going to happen. So the alternative is a one-third cut in all benefits. What a disaster that would be for those who are anticipating and counting on those programs to be present when they retire.

Mr. President, it is not only for those reasons that we must move to reduce the budget deficit further, it is also because balancing the budget will provide an enormous boost to our economy. Economists have told us repeatedly that if we reduce the deficit, that will expand the pool of national savings that are available for investment. It is only through investment that we are able to improve future economic growth. We have to have investment to grow.

Where do you get money to invest? You have to have savings in order for there to be investment. Where do those savings come from? Well, they come from the private sector. But they also come by eliminating the budget deficit because the budget deficit eats into the pool of savings that are available for investment—that investment that is necessary to improve the economic performance of our economy.

Mr. President, all we have to do is look back and see what we accomplished by the 1993 budget plan that cut spending and, yes, raised income taxes on the wealthiest 1 percent in this country. That plan significantly reduced the deficit. There were certainly other factors, as well, that contributed to that deficit reduction. But because we reduced the deficit, the pool of societal savings was increased, interest rates came down, business investment went to a 30-year high, 9 million jobs have been created, and the American economy has been on a path of sustained growth.

Mr. President, we should not let this opportunity pass us by again this year. We should seize this opportunity and, on a bipartisan basis, form an agreement to reach a budget accord that would get this job done, that would move us toward fiscal responsibility, that would move us toward balancing this Federal budget. Let me just say that, very often, people talk about balancing the budget in moralistic terms. Unfortunately, I think that turns off a certain segment of the American people who think, all that is in deficit reduction is pain, all that is in it is cutting programs we like, or raising our taxes, or some combination of both. None of it is good news.

Mr. President, there is enormous good news in deficit reduction. The good news comes when you lower interest rates and save the American people money. A 1-percent drop in interest rates, as a result of deficit reduction, means individual savings of almost $5,000 over 5 years on a conventional mortgage. Just think of what that means to the average American family. A 1-percent reduction in interest rates on their home mortgage means, to the average American family, nearly $1,000 a year, or $400 a year on a 5-year car loan. And to people in my State—my State is a farm State, North Dakota—it means nearly $1,000 a year of savings to a North Dakota farmer.

So not only is balancing the budget better for the average American now, it is also of the utmost importance for economic growth and our children's future. We were told last year by a GAO study that if we would balance the unified budget by the year 2002, this economy, by the year 2029, would be 25 percent larger than if we failed to change course. Think of what that means in terms of jobs and opportunity and economic growth. Think of what that means in the quality of our children's lives.

Mr. President, I know the occupant of the chair is somebody who has been dedicated to deficit reduction. I must say of my colleagues here in this Chamber, I think few match the occupant of the chair for his dedication and seriousness and commitment to deficit reduction. I applaud him for it, because I think all of us can see that it is clearly in the interest of our country. Somehow we ought to find a way to work together to achieve that result.

Let me say that the budget before us troubles me in many respects. First of all, the first reconciliation package that the budget resolution conference report provides for—that first reconciliation bill provides for $124 billion in mandatory savings for Medicaid and welfare, but up to $122 billion in tax reductions. That is a fine way to begin a deficit reduction effort—to start by spending every penny that we save.

Mr. President, that is not my idea of a path toward deficit reduction.

Let me say that the Republicans in this latest proposal have made some improvements in their Medicaid package, but the proposal remains fatally flawed. It does not provide a guarantee of a meaningful benefits package, and it gives away Federal dollars to the States through changes in the Federal matching formula and the repeal of a restriction against State scams to tap into the Federal Treasury. Well, I can understand why some of the Governors of this country are lined up behind this proposal. I can understand why those Governors support it. It is great for them. They are able to tap into the Federal Treasury to replace some of the money that they are currently spending.

Mr. President, we have seen the scams that have gone on in the past by way of provider taxes in which the States would engage in what is really an accounting sham to shift their spending onto the Federal Government in order to relieve State budgets and make it a Federal budget obligation and responsibility.

Mr. President, that is the last kind of high jinks we need if we are serious about reducing the Federal budget deficit. The Federal budget is out of balance. The last thing we need to do is shift responsibility and obligations from State governments to the Federal Government, when the Federal Government cannot meet the obligations it currently has.

In sum, might I say that the assumptions contained in this budget resolution with regard to Medicaid are designed as a poison pill to ensure that the President does not sign a welfare reform package. They have linked Medicaid changes that are totally unacceptable to the President with welfare reform knowing that he cannot accept the Medicaid part of the package. So they know he cannot accept the package as a whole.

What we have here is a political game. It does not serve either side well. It does not serve the American people well. And it does not lead us to resolution of anything.

With respect to welfare reform, let me say that I am a strong advocate of welfare reform. I think it is intolerable that we have a system that abuses everyone in the system, abuses the taxpayers that pay for it, abuses the recipients who receive it, and abuses all the rest of us who must witness the results of a system that clearly is failing.

Last year Congress debated welfare reform, and one of the most important lessons we have learned is that in order to have successful welfare reform, we must work together. We had a package that passed the Senate overwhelmingly on a bipartisan basis. I wish the same could be said of the budget proposal that is before us. But I cannot. It was not done in a bipartisan way. As a result, we have a package that is not going to work.

Last year, I introduced my own sweeping welfare reform package that emphasized work, that protected children, that safeguarded taxpayers. Those are the principles that we ought to, on a bipartisan basis, apply to writing a budget resolution as well.

A few weeks ago, Republicans introduced their new welfare reform package. I must say I have concern about many of the provisions contained in this proposal, including decreasing the maintenance of effort to 75 percent. This proposal has the potential to allow States to supplant, rather than supplement, State spending on low-income families with Federal dollars. That is not what we ought to do as we go about the important task of reforming the welfare system.

The proposal also lacks provisions to promote Government accountability and to ensure the integrity of Federal funds.

Another major deficiency, in my judgment, in the Republican proposal is the State option to block grant the Food Stamp Program. The Food Stamp Program is the anchor for the Nation's nutritional safety net. The program has an impressive history of responding to economic fluctuations in our country and changes in child poverty levels.

Senator Dole stood at the majority leader's desk yesterday and said one of his proudest accomplishments here in the Senate was the Food Stamp Program. Mr. President, Senator Dole was right. That is a proud accomplishment. The program can be improved, and it must be.

But we should not take steps that might undermine and destroy that program that has made such a difference in the lives of millions of Americans. No American ought to go to bed at night hungry. That is what the Food Stamp Program has changed.

I remember very well coming here as a teenage boy and listening to testimony before the Senate Agriculture Committee—Senator Dole was a member—about hunger in America, and the very real circumstances that families faced up and down the east coast of the United States, and in the central part of America where hunger was prevalent before we had a Food Stamp Program. Senator Dole spoke movingly yesterday about what he himself saw in a hearing that was held in South Carolina—hungry people that were helped by a program that was passed on a bipartisan basis.

The conference report of the budget resolution also provides for a reconciliation bill to consider Medicare reform in July and a tax cut bill coupled with other mandatory savings in September. I am disappointed that a reconciliation bill to provide tax cuts, which may not be fully offset, is provided for in this conference report.

When the Senate considered the budget resolution, much was made of the fact that the first two reconciliation bills would have to be enacted first in order for the Senate to consider the third reconciliation bill which would have the tax cuts in it. Now, all of a sudden, that is all out the window. It shows, I believe, the real priority of some in this Congress to cut taxes regardless of whether they are accompanied by tough budgetary decisions to make certain that the deficit is not increased as a result.

This approach really makes me wonder if we have learned anything from the disastrous fiscal policies of the 1980's. Are we really going to embark on that course once again of cutting taxes and not having the spending cuts to go with them and seeing the deficit mushroom and seeing the economic security of this country once again threatened? Is that really the course we are going to embark on? I hope not.

Mr. President, I also want to comment briefly on the discretionary spending proposals that are contained in this budget resolution. This proposal contains huge and completely unrealistic cuts in discretionary spending. Behind the scenes it is kind of laughed at by everybody who has really spent time on these budget proposals.

Whether it is the President's proposal or this Republican proposal, these domestic cuts are totally unrealistic. Everyone knows they are not going to happen. It is kind of the dirty little secret of these budget plans. They are back-end loaded, both of them.

I have another chart that shows what we are faced with by both of these budget plans—how truly unrealistic they are. This shows the distribution of the total savings in the budget plans, both the President's plan and the Republican plan before us. It shows by 2002 what the savings are.

But look at what happens under both of these plans. The Republican plan has 64 percent of its savings in the last 2 years. The President's plan is no better. He has 66 percent of his savings in the last 2 years. Over the last 3 years, they are identical. Both of them have 82 percent of their savings in the last 3 years.

A big chunk of this is domestic spending cuts in both the President's plan and the Republican plan. They are not going to happen. They are unrealistic. We would be much better off to be honest with each other and have a spending plan that might really be sustained by future Congresses so that we can be on a path that really gives the result all of us seek—getting the Federal budget deficit under control. That is in our common interest. It is in our country's interest. It is what we ought to do.

I will just close by saying I will oppose the conference report on the budget resolution. I think it sets in motion another partisan political war over budget priorities and contains misguided priorities. As I indicated earlier, I think it is the same song, second verse, of what we saw last year—very little difference if you compare it on a 7-year basis to what was offered by the majority last year and what is being offered this year.

I close by saying, there is another way. There is another way different from what the President has proposed and different from what the Republican majority has given us in this budget resolution; that is, the centrist plan that got 46 votes here on the floor of the Senate just a few weeks ago. Twenty-four Democrats voted for that plan and 22 Republicans voted for it, even though the leadership on both sides were opposed to it. I think that sends a signal that we were on the right path.

I would be the first to assert that it is not a perfect plan. It was the product of compromise. But it was the product of bipartisan work—the only place where there has been a successful effort to reach across the aisle to try to bring agreement and closure to a plan that would really put us on the path to serious deficit reduction, and not just deficit reduction until 2002, but deficit reduction beyond that time.

As I said earlier, that plan is not a balanced budget plan either because, as I have indicated, of the use of Social Security surpluses.

Mr. President, I hope that before this year is over we can go back to a process of bipartisanship, of reaching out and working together to achieve a result that is important for our country.

I thank the Chair. I yield the floor.

Ms. MIKULSKI. Mr. President, I rise in opposition to the budget resolution conference report. I oppose this conference agreement because it fails to meet the day-to-day needs of the American people. I oppose it because it threatens the economic and retirement security of our most vulnerable citizens. And, I oppose the conference report because it fails to make the investments in education and training that are needed to prepare our work force to meet the challenges of the global marketplace.

Mr. President. Let me be absolutely clear. I believe we need a balanced budget. I voted for just such a plan when the Senate considered the budget resolution. I joined with 44 of my colleagues in voting for the President's budget plan, which would achieve balance by the year 2002.

The President's plan cut spending by $528 billion over 6 years. But it made these cuts without jeopardizing the Medicare Program, without jeopardizing Medicaid, without harming the environment, and without excessive cuts in education and training.

Unfortunately, the conference report before us is the same old wolf in new sheep's clothing. Let me mention one area of particular concern to me. Under this conference report, once again, Medicare and Medicaid are under assault. This plan would cut Medicare spending by $168 billion. These massive cuts, coupled with the structural changes proposed by the Republicans, will turn the Medicare Program into a second-class system for the sickest and poorest of our seniors.

The Medicaid Program would be cut by $72 billion, and under Republican Medicaid proposals some 36 million people will lose the guarantee of access to health care, while others may be forced to accept a reduced level of benefits. Together these Medicaid and Medicare cuts make the promise of health security impossible to achieve.

What is particularly distressing is that these massive cuts, cuts which will be felt most seriously by our most vulnerable citizens, are being made to pay for tax breaks for the wealthy. While the budget plan I supported eliminated special interest tax breaks, providing $40 billion in additional revenues, the Republican plan contains absolutely no savings from this category. Instead it contains tax breaks in the order of $180 billion.

I think that is an outrage. And I believe it does not reflect the needs and priorities of the American people.

Mr. President, I was elected by the people of Maryland to save lives, to save jobs, and to save communities. I work every day to meet people's day-to-day needs, and I want a budget that reflects those priorities.

This budget plan sets us on the course for the same painful and divisive budget battles that we fought all last year. It is a prescription for gridlock.

Yes, we must balance the budget. But the way to do that is to follow a steady, responsible course toward deficit reduction. We have made much progress under the Clinton administration in moving toward a balanced budget. In fact, the budget deficit has declined to $130 billion, less than half of the $290.4 billion deficit President Clinton inherited from the previous administration.

We have tightened belts and made many tough decisions to achieve this success. And we will continue to do more. But we have done that while protecting people and priorities. That is what the citizens of Maryland sent me here to do.

That's why I believe we need to reject the extremism of this conference report, and reach for the sensible center in our budget negotiations. And that is why I will vote against this conference report.

Mrs. MURRAY. Mr. President, I rise to express my displeasure with House Concurrent Resolution 178, the Republican budget resolution, and my disappointment that the budget was not improved during the House-Senate conference. Rather, the budget has grown even more troubling since going into conference. And I want to take a few minutes to discuss some of the provisions that concern me.

Two weeks ago, I voted against the Senate Republican budget resolution because it failed to reflect the priorities and values held by most Americans—the belief that we need to ensure our quality of life, educate our children, and care for our elderly and disabled.

The majority party could have improved the budget in the House-Senate conference meeting. They could have acknowledged the growing support for the centrist budget and the strong desire to reach a true balanced budget compromise. We should not forget the Chafee-Breaux balanced budget proposal received 46 votes, and I was proud to be among them. It received strong bipartisan support, and it is proof that Congress can get the job done.

Mr. President, House Concurrent Resolution 178 took an extreme Senate Republican budget and made it worse. Rather than moving toward the centrist budget, the Republican leadership yielded to some disturbing House positions. Their actions lead me to believe some Republicans want gridlock—they do not want a balanced budget compromise.

For instance, House Concurrent Resolution 178 includes a section known as the Government shutdown prevention allowance, or section 307. This section quite simply confirms the Republican strategy not to reward the American people with a balanced budget agreement this year. This section acknowledges the fact that the Republican budget is too extreme to be accepted by mainstream Americans.

Section 307 states the Budget Committee chairman can increase appropriation spending caps by $1.3 billion if the appropriators pass a continuing resolution. This language makes it very clear the Republicans intend to pass a long-term CR rather than work toward a comprehensive budget agreement. Mr. President, the American people expect and deserve better. The American people do not want to see us throw the towel in early.

The budget conference also reveals the fact that Republicans again wish to give tax breaks to the wealthy by cutting Medicaid coverage for the poor. Mr. President, after last year's budget debate, I would have thought the Republicans learned Americans are not in favor of giving tax breaks to the wealthy by cutting health care coverage to our children, elderly, and disabled. As written, the Republican budget cuts Medicaid by $72 billion over 6 years. Along with welfare reform, the Medicaid cut will offset $122 billion worth of tax cuts.

A year ago, I was opposed to cutting back Medicaid because it provides health care for our poorest children and it ensures quality nursing home standards for our parents. But, after talking to health care experts in Washington State, I concluded my home State could still serve our most vulnerable populations while absorbing a significant cut to Medicaid. I am willing to concede that point, and I know now that if we all give a little, we can reach compromise.

However, we should not be cutting Medicaid simply to hand out politically-popular tax breaks. That does not make good sense—that would not fall in line with our recent efforts to become more fiscally responsible.

And, Mr. President, let us remember exactly where we are on this road to ending the deficit. Since 1993, we have made great progress toward reducing this Nation's deficit. CBO estimates the 1996 deficit will fall to $130 billion—the fourth straight year the deficit has declined. We have cut the budget deficit in half in less than 4 years, and today's annual deficit is the lowest percent of our gross domestic product since 1980. I'm proud of this fact. I am proud to have been involved in crafting the omnibus budget package of 1993. That deficit reduction package has us on the right track.

Our need to do more, however, spawned a bipartisan group of Senators to come together and formulate a well-reasoned, well-balanced budget proposal. I commend Senators CHAFEE and BREAUX for their leadership and hard work on this matter. I voted for their budget alternative because it is exactly the kind of bipartisan teamwork congress needs. Certainly, I would like to see less savings come out of discretionary accounts that include education, job training, trade promotion, and the environment. And the tax cuts may be too generous.

The Chafee-Breaux plan may not be perfect, but I believe it is probably the most realistic compromise one could craft. I am hopeful this centrist plan will become the framework for future budget negotiations.

Mr. President, this past year has taught us we can reach a balanced budget. We learned we can formulate a balanced budget that uses common sense and reflects America's values and priorities. That is why Senator KERRY and I offered an amendment to restore education and job training funds in the Republican budget. As my colleagues know, this amendment failed despite the fact that the Republican budget will cut education spending 20 percent from current levels.

Americans understand how important education and job training investments are for our children, and the future success of this Nation. A recent USA Today poll found that education has become the most important issue for Americans—ranking above crime, the economy, and the quality of one's job.

Mr. President, we have a lot of work to do if we are going to reach a balanced budget. But the truth of the matter is that both parties have agreed to enough savings that we could balance the budget today if we really want to. When considering the entire budget, the difference between the two parties amounts to less than 1 percent of the Federal Government's spending. A balanced budget plan is possible. All we need is the courage to find compromise.

I look forward to working with my colleagues on the Appropriations and Budget Committees in order to make sure this Congress' spending priorities are balanced and in line with our constituents' wishes. Unfortunately, today's budget resolution fails to strike a balance. It is simply a replay of last year's failed Republican budget. And I will be fighting to make sure this Congress does not lose sight of what is truly important to our friends and families.

We have made tremendous progress in the past 3 years. The 1993 budget reconciliation enabled us to cut the deficit in half, and create over 9 million jobs in the process. This is great news; but that is not all—last year we narrowed the differences in the competing budget plans to just a few, and a centrist plan to bridge the gap fell short by only five votes. We are close. We are very close to finishing the job.

I urge my colleagues to reject this partisan plan and rededicate themselves to reaching a workable compromise.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS DECENCY ACT

Mr. FEINGOLD. Mr. President, this morning, the three-judge panel sitting in the U.S. district court in Philadelphia issued its decision in the case involving the Communications Decency Act, which was included in the telecommunications bill signed into law earlier this year.

I opposed the Communications Decency Act when it was first proposed in the U.S. Senate, because I believe this measure would have a chilling effect upon communications transmitted over the Internet, and it would stifle the expansion of this important and exciting new communications vehicle.

My concern was that the Communications Decency Act injected Government censorship into communications over the Internet that would not withstand a first amendment challenge and would be harmful to the development of technology to do what the proponents of the Communications Decency Act said they wanted to do, and that is to protect minors from exposure to pornographic material transmitted or made available on the Internet.

I also joined the Senator from Vermont [Mr. LEAHY] in introducing legislation to repeal this patently unconstitutional infringement of first amendment rights. Let me take my hat off to the Senator from Vermont who has been a great leader on this issue. It has been a bit of a lonely fight out here, given the vote we had on the Communications Decency Act, but the Senator from Vermont has been very instrumental in raising this challenge.

I am delighted to report that the court this morning acted in a decisive manner and issued a preliminary injunction blocking the Federal Government from enforcing the act. In a decision which I believe recognized the unique nature of the Internet, the court wrote:

> As the most participatory form of mass speech yet developed, the Internet deserves the highest level of protection from Government intrusion.

Mr. President, let me repeat. The court has said "the Internet deserves the highest level of protection" of any form of communication or mass speech.

This decision followed an extraordinary court proceeding in Philadelphia where the three judges were actively involved in learning about how people communicate across the Internet and the limitless potential the Internet now provides. They were also exposed to detailed information on how this same technology can and should be used to block access to certain material by minors. What they found, as some of us tried to note in the congressional debate, was there were far less intrusive means of achieving the goal of protecting minors than the approach utilized in the Communications Decency Act, which would impose content-based restrictions on information transmitted by adults over the Internet.

It is a longstanding constitutional doctrine that when the Government chooses to interfere with fundamental constitutional rights, even for a very good cause, it can only do so in the least restrictive means available. Clearly, the Communications Decency Act has failed to meet that test.

I firmly believe that if Members of Congress had this kind of tutorial that the members of the court had on the workings of the Internet and the alternatives available to protect access by minors to certain material, I think the Communications Decency Act would never have become law in the first place. This measure was pushed through Congress with minimal understanding or debate over the far-reaching implications of its provisions, and I think that was a mistake.

The issues relating to the Communications Decency Act are larger than the so-called adult expression or communication. The core issue is whether

Government, and in particular the Federal Government in Washington, DC, should decide what we see, hear, and write. The Constitution protects every American from this kind of censorship, except for very narrow circumstances, which did not exist in this case.

So today, the court in Philadelphia affirmed our basic fundamental right to freedom of expression in this new mode of communication. I think it is a victory for those who support freedom of speech and for those who want to see this new dynamic communications technology develop safe from the chilling threat of Government control and censorship.

Mr. President, I yield the floor.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. HOLLINGS. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, the explanation of the conferees has come to my attention. It is a joint explanatory statement of the committee of conference on this particular conference report, and on pages 32 and 33, starting at the bottom of page 32, it reads:

> The first use of reconciliation was for legislation that reduced revenues. In 1975, the applicable budget resolution, House Concurrent Resolution 466, provided an instruction to both Ways and Means and Finance to report legislation decreasing revenues. Notwithstanding the fact that the authors of this 1974 Budget Act were neutral as to the policy objectives of reconciliation, since 1975, reconciliation and reconciliation legislation has been used to reduce the deficit. The cited conferees notes while this resolution includes a reconciliation instruction to reduce revenues, the sum of the instructions would not only reduce the deficit but would result in a balanced budget by the year 2002.

On the last point, of course, Mr. President, we only have to turn, once again to the facts. This is almost getting to be an exercise in futility. Somehow this is the only place in America where the truth cannot be recognized, even when they print it for you in black and white.

I refer specifically to the concurrent resolution on the budget for the fiscal year 1997. At the top of page 4, you will see where they have listed deficits for the purpose of the enforcement of this resolution. "The amounts of the deficits are as follows," and it lists fiscal years 1997, 1998, 1999, 2000, 2001, and for the fiscal year 2002, where the distinguished conferees, and particularly the chairman of the Budget Committee, is using the expression "balanced budget," his own document, for fiscal year 2002, shows a deficit of $103,845,000,000.

Reading further down the page to section 102 on page 4, you will find that in the fiscal year 2002, the amount of the increase in the public debt, subject to limitations, are for that year $130 billion. So how do you balance the budget by the year 2002, and yet you have to go out and borrow $130 billion?

My point here is to change this record with respect to reconciliation, because the truth, as stated by the distinguished Senator from New Mexico at that particular time—is shown here on page S. 15351 of the CONGRESSIONAL RECORD of the U.S. Senate dated December 3, 1980—not 1975. And I read the words of the distinguished chairman, now chairman of the Budget Committee, Senator DOMENICI of New Mexico:

> I think it is fitting that that last event signifies the possibility of a new beginning because, as a matter of fact, this is the first time in the history of our country that we will send a bill to the President that is called a reconciliation bill, and that means that some of the laws of this country have been reconciled with the budget. That means that they have been changed so that they come more into sync or more harmonious with a budget that is left unchanged. That is what reconciliation means. With all the years that our distinguished Republican leader, Senator Bellmon, has spent patiently working with the institution to bring some real support for this process into fiscal restraint reality, I think it is at least reaching fruition when we have a reconciliation law that will go to the President. I hope after the Senate votes today I commend him for that. Also obviously, it is an extremely fitting event for Senator HOLLINGS. He did not have the privilege of being chairman of the committee for very long, but he worked on the committee for years, and I think he must feel very good today knowing that under his leadership, this first reconciliation act will become a reality.

That is the record made by the now chairman of the Budget Committee in 1980 and not 5 years previous thereto in 1975.

Specifically, Mr. President, in 1975, and I read from page 40297, dated December 12, 1975:

> Mr. MANSFIELD. Mr. President, for the information of the Senate, I have a few announcements. At 12 o'clock today, we will be proceed to the consideration of the conference report, of the defense appropriations conference report. After that, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the tax bill, H.R. 5559 that is to be laid before the Senate and be the pending business.

The majority leader called it a tax bill. A wrangle ensued. My good and very clever friend Senator Long, the former distinguished chairman of the Finance Committee, was trying to limit debate and limit amendments. He very liberally referred to it as a reconciliation bill, but it was not a reconciliation. It was a tax bill.

At that particular time, the former chairman of the Budget Committee, Senator Muskie, was momentarily misled trying to back Senator Long. But if you will read the RECORD, they finally ended up, Mr. President, by calling it a tax bill and entering into a unanimous-consent agreement requiring that all amendments be germane except for one nongermane amendment to be offered by Senator Hartke, the then-Senator from Indiana. The RECORD is clear that the bill was a tax bill despite the erroneous use of the word "reconciliation."

Having worked on that budget, having been a part of the process during the 1970's, having helped Senator Muskie on budget conferences, we know that the first reconciliation bill in the history of the United States was in December 1980.

That is not only supported by the statements made by the Senator from New Mexico, but also by the statements made by our House colleagues. I could refer to what Congressman Dick Bolling called it, Congressman Latta, Congressman Panetta, and others as well.

So the precedent relied upon by the Parliamentarian which we had to appeal quite simply misrepresents what actually happened. I hope that it will not have any standing whatsoever in this body because when they look at the facts, the truth will have out that reconciliation throughout its history has always been used as a budgetary tool to reduce the deficit, not increase the deficit.

My point is, Mr. President, that under this reconciliation bill, the Republicans have perverted the process in order to cut taxes somewhere between $122 and $180 billion. It is very difficult to estimate it at this particular point.

Mr. President, I ask unanimous consent that I be yielded 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, what they have in mind is to split up the reconciliation bill. To use the process for political purposes in sending the President a legislation that combines Medicaid and welfare reforms to pay for tax cuts. Even the casual observer should be able to see what's going on. The Medicaid cuts will have to be vetoed by the President because they take away the fundamental protection that we give children in the United States of America. Even the Governors do not want to do that.

Then it comes down to September and last of three bills that they will call a reconciliation bill. And in the heat of a national presidential campaign, they will come forward with the political gift of a tax cut.

But a tax cut for wealthy corporations, or for the poor, or for the rich, or for the middle class, or for anybody is sheer nonsense.

We are running deficits right now, according to this conference report that we are going to vote on. I started to say, they know no shame. But I have to amend that comment for the simple reason that the House Members know some shame. I say that because somebody over there has held the budget up that we were going to—bam, bam—put through the House, put through the Senate, and finish this afternoon. The reason we do not have it this afternoon—it increases deficits.

Under this conference report, for the year 2002, the Government will run, under a best case scenario, a deficit of $103.8 billion.

In sum, Mr. President, we do not have the luxury of revenues to cut. We cannot go in two different directions at once, but that is exactly the road that this conference report takes us down.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent for 1 more minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. We have to pay the bills. We have to stop playing games and telling the people that somehow you can get tax cuts, when the resolutions says that next year we will be running deficits in excess of $227 billion.

Mr. President, it is obvious this is just a sordid political game that is totally shameless. They come in here with these political, long pass plays. Let us get rid of the gasoline revenues—but just temporarily until after the Presidential election.

Nobody ought to appear in the U.S. Congress where we are supposed to be responsible with that kind of nonsense. But they come in here with that. Now with deficits projected at $227 billion for fiscal year 1997, they say, "We can get a tax cut and balance the budget." I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, the sole issue before the U.S. Senate that is being debated this afternoon and voted on at such time as the House has completed action, is whether or not we accept a budget resolution agreed to by a majority of conferees on the budget.

Once again, we are engaged in debate in which the opponents of this resolution, without exception, give lip service to a balanced budget. But as has been the case this year, last year, in 1994, in 1993, and every year back through the 1970's, it is always a different balanced budget, not this one, not the resolution we have before us right now.

More taxes, says the Senator from South Carolina; more cuts in defense says another Senator; less in the way of a restriction on entitlement growth, says a third.

Mr. President, I am convinced that it is that kind of "I'm for a balanced budget, but not this one, not now, not this year, not this way," that causes us to have a national debt that exceeds $5 trillion.

If I had my way, Mr. President, this would not be the balanced budget that we would be adopting. If the Presiding Officer had his way, this would not be the balanced budget we would be adopting. If my close and distinguished friend, the Senator from New Mexico, who chairs the Senate Budget Committee, had his way, it would not be this balanced budget that we would be adopting.

But I believe that each of us has said, even though he has not gotten his own way as against 99 other Members of the Senate, it is more important to take this step and to move forward in a correct and responsible direction than it is to say, "Not now, not this year, not this way. Do it my way or don't do it at all."

I listened with great sympathy to my friend on the other side of the aisle, the distinguished Senator from North Dakota, and I listened to him with great sympathy because of his obvious and evident dedication to reaching this goal. He and I and the Senator who is now presiding all were a part of the bipartisan group to which he referred.

We worked for months on a proposal which would balance the budget and which could join together Republicans and Democrats. In spite of the opposition of the leadership in both parties and the President of the United States, we got 46 votes for our proposal. But 46 is not a majority of 100 Senators.

I believe that was superior to the resolution that is before us now, but I do not believe it was perfect. As the Senator from North Dakota pointed out, each of us who was involved in that set of negotiations gave up something for the greater good.

But we do not have that proposal before us right now. I must say that I am disappointed in my friend from North Dakota because the question is not whether or not there is a better way to do this—each of us can find something that he or she would use to improve this proposition—the question is whether or not we are going to do something that moves us decisively in the right direction or nothing at all.

I regret to say that, I guess, Mr. President, in the ultimate analysis we may do nothing. Oh, yes, we are going to pass this resolution. This is a responsible resolution which allows American working families to make at least a slightly greater judgment over how they spend the money they earn than they can do at the present time by lowering taxes on those families. That moves modestly, though not decisively enough, in the direction of reducing the growth of entitlement programs which are destroying the fiscal stability of this country and eating the heart out of the futures of our children and our grandchildren, and a resolution that deals responsibly with our need to fund something else through this Government than just a handful of huge income transfer programs and entitlements. We have that choice on one side, perhaps too modest on entitlements, too modest on tax relief for American working families, I think perhaps too stringent on much of our discretionary spending.

Nonetheless, we have a choice of doing that or saying, "Oh, no, this is not perfect. We will vote against it. We will do nothing. We will leave it until next year." Almost inevitably, a President of the United States running for reelection is going to end up vetoing all of the formal major statutory changes that would move us in this direction.

I can only be reminded in connection with his actions, most regrettably, Mr. President, by the supposed comment of Louis the XV of France on his deathbed: "After me, the deluge."

The President sees a Medicare trust fund report that says that the Medicare hospital trust fund will go bankrupt in the year 2001, and even if he is reelected President of the United States, that is after his watch is over. So we do not need to do anything now. We can continue on the status quo road, at least until after this next election. It is exactly that attitude, which certainly is not exclusively held by the President of the United States, "Let's wait until after the next election," that has given us this $5 trillion in debt.

I hope against hope, Mr. President, of course, that in addition to a degree of responsibility of party discipline on this side of the aisle, we will have Members of the other party who say, "This is not exactly what I wanted, but it certainly moves us in the right direction as a country. It certainly provides a degree of relief for this Nation. It will certainly help generations who are going to come after us who cannot vote in the elections of 1996. So I will swallow some of my reservations, and I make that move in the right direction."

I hope against hope that the President will believe that is at least as advantageous as demagoging the issue. I will hope next year we come closer to doing something like the bipartisan budget that failed by so narrow a margin. I hope for all of those things, Mr. President, the only actual duty that I have right now and that every other

Senator has right now is to say yes to this proposal that moves in the right direction, or, no, we can go another year without doing anything at all, letting the situation get worse and worse and worse.

Mr. President, the overwhelming argument is in favor of the passage of this budget resolution.

Mr. HOLLINGS. Mr. President I ask to be recognized for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, my distinguished colleague from Washington, who I have the privilege of serving with not only on the Budget Committee but on the Commerce Committee, and for whom I have the greatest respect, says that what we are hearing now is nothing but lip service from people who do not want to do anything. People who say, "Not this way, not that way."

The truth of the matter is, Mr. President, he knows otherwise. This particular Senator, his colleague, voted for a balanced budget in 1968, offered a freeze that they still refer to as the "Fritz freeze," and coauthored Gramm-Rudman-Hollings with cuts across the board. We passed that, got President Reagan to sign it. We followed that up in the Budget Committee with a bipartisan proposal to increase taxes because we found out that you could not choose this way or that way, but rather needed all of the above. We needed to freeze spending, we needed to make cuts, we had to withhold new programs, and we had to increase taxes in order to get a balanced budget.

That brings me to the point. Do not come here and blame the President, saying that he has put off the tough decisions until after the next election. In December 1994 the leaders of the new Republican majority appeared on "Meet the Press" and said the President was irrelevant, they didn't care what he said. But as this conference report lays bare, the Republicans have their sights set on the White House in 1996. That is why almost two-thirds of the tough choices under their plan are deferred until the Presidential election in the year 2000.

So the 7 year, "do nothing in two Presidential elections" approach was what the contract crowd proposed. That was the arrogance of the whole thing. This debate is not about President Clinton. In 1993, he proposed a budget that did something about deficits—the only President that has reduced the deficit in the past 30 years. He cut the deficit $500 billion. He taxed Social Security and gasoline. He cut Medicare $57 billion. And he did it without a single Republican vote.

The unmitigated gall of those who will stand on the floor of the U.S. Senate and say the President is tricky or the President backloads or the President does not care about deficits. There ought to be ashes in their mouths. They are the ones that caused this fiscal cancer. President Clinton has moved us in the right direction.

We are trying to get together and get something done. But to come and call this a balanced budget, where their own document shows that they have a deficit of $103.8 billion in the year 2002, is a pure sham. It is all politics.

It is sordid legislation they are bringing up here in the months before the election. They ought to be ashamed of themselves.

I yield the floor.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, to be equally charged.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I might say to Senators—I am sure Senator EXON would agree with this statement—the hour of 3:30 is going to arrive and the House will not have sent us the resolution, so we cannot vote. The unanimous consent said we would vote at another time tomorrow, to be established by the majority leader in consultation with the minority leader.

I think, for Senators who might want to speak this afternoon, we are trying to get off of the resolution at 3:30, which was when we were going to vote, and then have a reasonable amount of time left, by agreement, for when we bring it up tomorrow. So, if other things have to get done, they can today. Clearly, there is no reason to sit here without the resolution and using the Senate's time.

Mr. President, I think Senator HOLLINGS, the distinguished former chairman of the Budget Committee and ranking member for some period of time, has in his own way attempted to make a case against one of the reconciliation instructions in this budget resolution.

Frankly, I now have in my hands the second concurrent resolution on the budget for fiscal year 1976, Mr. Muskie, chairman, conference report. I just want to read it, and perhaps I might engage with the current Parliamentarian in a few parliamentary inquiries about the content of this resolution and what some of the content has been construed to be by the Parliamentarian. I do not know that it is earthshaking that we are doing three reconciliation bills. I do not believe we are going to change our mind. And I do not believe we have done anything to dramatically alter reconciliation or to offend the Senate and its processes in some irrevocable way. So we are going to continue down our path.

I am having a great deal of difficulty understanding how my good friend, Senator HOLLINGS, can say we have never heretofore reconciled a committee to reduce taxes when I read from a conference report that, among other things, says, "The Congress determines and declares pursuant to section 310(a) of the Budget Act of 1974 that for fiscal year beginning July 1, 1975"—and then I will move down to paragraph 4 and read the following:

> The recommended level of Federal revenues is $300.8 billion, and the House Committee on Ways and Means and the Senate Committee on Finance shall submit to their respective Houses legislation to decrease Federal revenues by approximately $6.4 billion.

Now, there are other provisions, but I am just going to read that one. I think I am going to ask now, if I might, the Parliamentarian, if he has that language before him and the precedence of the Senate. Parliamentary inquiry. Was that provision not construed in that year to be a reconciliation instruction?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. You were not the Parliamentarian then, but is it recorded in the precedence of the Senate as a decision regarding a reconciliation instruction, Mr. Parliamentarian?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. What does the precedent say with reference to that parliamentary inquiry, Mr. President?

The PRESIDING OFFICER. On December 15, 1975, the Senate began consideration of H.R. 5559, which as passed by the House was not a reconciliation bill, and which contained only one substantive provision: to exclude from income certain earnings derived from payments by common carriers for use of railroad rolling stock owned by foreign corporations. After the Senate began its consideration, and the chairman of the Finance Committee asserted that the bill as reported with a substitute was intended to carry out the reconciliation instructions contained in the most recently adopted concurrent resolution on the budget, the Chair stated that there would be 20 hours debate on the bill, 2 hours on first-degree amendments, 1 hour on second-degree amendments and motions, and that amendments, except those specified in an earlier unanimous consent agreement, would have to be germane. These were the conditions specified in the Budget Act for the consideration of reconciliation bills.

Mr. DOMENICI. I thank the Chair and the Parliamentarian.

Mr. President, I want to just take one more opportunity, while we wait for others who might want to speak and wait for clearance on the proposal that I have just stated to the Senate that we might try to accomplish—that is, try to get off of the resolution at 3:30 and save a reasonable amount of time, hopefully 1 hour on a side, for the time preceding the actual vote, which would be determined for tomorrow by the joint leadership.

I want to speak just about two issues one more time. Mr. President, in this budget resolution, there are discretionary appropriations for the Defense Department and discretionary appropriations for all of the rest of Government, the domestic portion of our Government. When I say discretionary appropriations, what I am talking about is program authority that must be passed upon and enacted every year. That is the way the current law is. So if you appropriate $286 billion for the defense of our country, it is for 1 year. Come the next year, you have to appropriate again. Likewise, in the 10 predominantly domestic discretionary appropriations bills, whether it is the Treasury-Postal bill, the energy and water bill, the Labor, Health and Human Services bill, this is a 1-year appropriation of money. It lasts for 1 year. It must be passed every year. Without it, there is no money to spend for any of those programs and activities.

Now, last year, we got into a very big debate with our President over the domestic discretionary budgets, these various subcommittees that I have described. There were two big problems. One was that in both Houses we had put riders on the appropriation bill, which is not an uncommon thing.

Second, in some instances, some programs were cut more than the President wanted, and we got ourselves into a political hiatus, and Government was closed down and reopened and closed down and reopened and closed down and reopened.

Now, what we have done in this budget resolution is we have asked the Congressional Budget Office how much money do we need to have a freeze on all of these domestic accounts—no cuts, a freeze. They gave us the dollar number that we needed in these bills to continue, without any cuts, a freeze on all of these domestic programs that require appropriations this year, for the fiscal year beginning October 1, 1996, through the end of September 1997.

So this budget does not propose any significant cuts in domestic programs. It proposes a freeze. What does the President propose? The President proposes in his 6- or 7-year budget that in 1997 those appropriated accounts go up $15 billion. So while on the one hand we talk of balancing the budget, the President produced a budget that said let us spend $15 billion more than we spent last year. Obviously, that gives the President for 1 year the latitude to say he is increasing education, he is increasing this, he is increasing that. We say freeze them, if you are serious about a budget. You can take a freeze, if you are serious about a balanced budget.

What is interesting about the budget differences—we do not have the President's budget before us because it was voted down in the Senate. Nonetheless, what is interesting is that the President's increases continue only for an election year and then start down. Then he produces two budgets, not one. He produces one using his own numbers, his own economics, and he says, "This is what I am going to do over the next 7 years." And it comes tumbling down in the last 2 years, and this is where you have the argument that Senator BOND is making that since the President wants to spend even during that downturn more money for certain areas like education and others, it is inevitable that the veterans' function gets cut dramatically. Many others programs get cut dramatically. The space program is disassembled for all intents and purposes. But the Cabinet members run around telling the constituency "We are not bound by that. The President has told us we will take it one year at a time." That is one budget. The President has another budget. That budget is the one, the second one, that permits him to say, "They told me to do it their way, and I have done it their way. I have a balanced budget." It is the same kind of balance as Congress has excepting that in that budget he has to really cut. He has to really cut the veterans. He has to really cut the domestic accounts, except you wait until the last 2 years and then cut $67 billion out of those accounts. But that is not the budget he is telling the people about. He is telling them about the easier budget, the one where he uses his own economics and his own assumptions which is kind of the rosy scenario budget. Then in turn Cabinet people send out to our respective States how much has to be cut under our budgets with silence about how much has to be cut in theirs; in fact, disavowing that anything necessarily has to be cut because, if asked, they say, "We will take it one year at a time."

I believe it is only fair that we set the record straight here. We are going to deliver appropriations bills—it is not my responsibility except for one subcommittee—but our distinguished chairman, Senator HATFIELD, I am certain with the cooperation of Democrats is going to produce these bills that are very close to a freeze in every case. I am very hopeful that the public understands that it is really kind of phony to say we ought to spend $15 billion more because this is an election year only to find as soon as the election is over we will start reducing them and actually 2 years after this President would leave office, even if he is reelected, is when we get serious about making some real cuts. So I think the freeze is fair.

My second point has to do, just for a minute one more time, about Medicare and the huge misrepresentation in the President's Medicare proposal. So let me tell Americans one more time how the President is handling Medicare.

First of all, I repeat that Medicare is going broke. I do not say this with any joy. I did not do the estimating. My committee staff did not. Three Cabinet members and the head person of Social Security are four out of the five people who review it annually and tell us the truth. Three of them work for the President. One of them is appointed by the President. What did they say? They said things are getting worse since last year when you did nothing and the fund is going to be bankrupt in 5 years. Let us throw out that word "bankrupt" and let us say what it means.

Each year the trust fund is spending more for seniors who are entitled to the coverage than the taxes coming in. There was a surplus, Mr. President. So we are still able to pay the bill. The surplus is disappearing and the money coming in is not enough to pay the bills going out. So in the fifth year they now say—5 years—there will not be any money to pay the bills. How else can we say it? Everybody's paycheck keeps having that money taken out of it for Medicare and it keeps going in. Nobody is cheating in terms of putting it in there.

One of the most enforced laws around is that for withholding for Social Security and Medicare. These trustees told us in the following language, and I do not quote but I paraphrase: It is imperative that you make the fund solvent by restraining and curtailing the costs of the program. What did the President do? The President finds a magic asterisk of $55 billion, a master stroke of magic. He says let us take $55 billion of the expenditures for our seniors and let us just take it out of there. Let us not spend it for seniors, $55 billion. And the $55 billion happens to be the fastest growing account in Medicare, home health care.

Now, watch, when this becomes an issue, and it is getting there, there will be some kind of argument. The argument will be, "Well, home care should never have been in there to begin with." The point of it is, when the trustees write about this fund going bankrupt, they are writing about the fund and the expenditures and programs of today. It just happens we are paying home health care and hospitalization out of that trust fund; point No. 1.

Point No. 2, if that fund is going broke, the fastest contributor to it going broke is the home health care costs. So, is it not interesting, magically take out those costs and put them someplace else and, of course, you can say Medicare just got $55 billion more solvent. What happens to home health care costs of $55 billion and growing? The President says let the average taxpayer pay for it. He did not just kind of slip it through and say whatever you have been paying, taxpayers—struggling, working, both of you with a job, trying to make ends meet—whatever you were paying taxes for, I just decided to add $55 billion more to that tax burden.

Frankly, I do not think that is right. I do not think the President ought to be able to say he has fixed Medicare without having to change the cost structure and save real money, just slip the payment over, change it around, move it someplace else onto the already burdened taxpayer and abracadabra, magic, the fund is now more solvent.

We had to do what the trustees told us to do. We had to restrain those costs, so instead of growing at 10.5 percent, they are growing at 7 percent. They are not getting cut, they are growing at 7 percent. We will be spending $7,000 per capita under Medicare in 6 years, and it is $5,200 now. It is not less, it is $1,800 more. But we will reform the system, offer options, change the way we pay the various providers, and create a new, modern program where cost containment and restraints will benefit the senior in that the fund will become solvent as will the taxpayer, in that you will not switch $55 billion of the program to the taxpayers of America.

I think it is imperative that everybody begin to understand the situation. Second, the second part of Medicare is an insurance policy. Back yonder, perhaps under Lyndon Johnson or somewhere around there, we said we ought to give seniors more than hospital coverage, so we gave them an optional insurance policy. When we started it we said we will pay 50 percent, the senior will pay 50 percent. We got generous some years ago and said let us make it 75 percent taxpayers, 25 percent seniors.

Six years ago we said let us let the senior pay a little bit more, 31 percent and the taxpayers pay the rest. It has now come back down to 25, because that number of years that we made the change has now expired. And we contend, in order to make that a reliable program, we must save $44 billion over 6 years. Interestingly enough, the President says we need to do 44 billion dollars' worth, too. He does it one way, we do it another way, but there is no argument on how much has to be done.

So, as we began to look at one of the major issues, and this is one, instead of an issue of making this solvent and getting rid of this disaster that is pending right around the corner, it has become the political issue that is who is doing best by the seniors, who is making the fund more solvent for a longer period of time, and who is doing it most fairly.

I submit it is pretty easy to fix the Medicare fund if you just want to take away its responsibilities and its liabilities and the costs imposed and just take them out, take them away and let somebody else pay for them like the general tax coffers, general taxpayers. That is essentially a substantial portion of the way the President chooses to solve it.

I believe a freestanding bill in this place, and in the U.S. House, and thoroughly aired across America, that said do you want the general taxpayers to pay $55 billion of the health trust fund for seniors or do you want to continue with the trust fund and the payroll situation we have now—I do not believe very many people would vote to take general tax dollars and put them in that trust fund. We are doing it, kind of by just a slip of the pen here, just a turn of the page and write in something on a budget that says it is all changed.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Quickly, Mr. President, because the hour of 3:30 is arriving, the Senator from New Mexico and the Senator from South Carolina do not have a differing view with respect to the Finance Committee bringing out a tax reduction bill. There is no question they can do that, subject to the instructions, particularly back in 1975 where we had several budget resolutions. But not the reconciliation process, that is exactly what it was and that is what they stated.

Mr. Mansfield said, "I ask unanimous consent the Senate proceed to the consideration of the tax bill, H.R. 5559" on December 12. Then, on December 15, as the distinguished Senator referred, the assistant legislative clerk read as follows: "A bill, H.R. 1559, to make changes in certain income tax provisions of the Internal Revenue Code of 1954."

However, it was clearly obvious from the full RECORD, and we can make that RECORD here as a part of this RECORD if we wish, that Senator Long was trying to limit debate and not have the Hartke amendments, which were not germane. And in that discourse, even though Mr. Long had called it reconciliation, the chairman said, and I quote Mr. Hartke:

> The chairman of the Finance Committee can make a statement but that does not make it the situation. The Committee on Finance has not acted upon this being a reconciliation bill. There is no record of its being a reconciliation bill. There is no mention of it in the report as being a reconciliation bill. Therefore, I think the point of order would not be well taken in regard to any amendment because it is not a reconciliation bill. This is a tax reduction bill.

And finally, Senator Muskie, the chairman, and the rest of them, after a long debate, including Senator DOLE who was on Finance and supporting the position taken by Senator Hartke, allowed the Hartke amendments. And somewhat in defeat, when he finally was there, on December 15, Mr. Muskie said, "I wonder if I might not yield the floor. I think I have made whatever contribution I can with discussions of the problem." And he yielded to the whole thing whereby they brought the amendment up.

Now, Mr. President, I would hope the Senator from New Mexico would agree with his own words. We know Mr. Ullman, I have here; Mr. Panetta, Mr. Bellmon, Mr. REGULA, Mr. Bolling and the numerous Senators on this side, but particularly Senator DOMENICI. I quote, on December 3, 1980, where 5 years hence, and I quote him:

> And also obviously it is an extremely fitting event for Senator HOLLINGS. He did not have the privilege of being chairman of this committee for very long, but he worked on the committee for years and I think that he must feel very good today, knowing that under his leadership this first reconciliation act will become a reality.

It was the first. And all reconciliation, as Mr. Pickle from Texas and everyone else pointed out—reconciliation was the process to bring the deficits down, bring the spending down into a particular budget target, not to increase deficits with tax cuts.

Mr. President, I ask unanimous consent that an article by Bill Dauster, dated May 30, in Roll Call entitled "The Day the Senate Died: Budget Measure Weakens Minority" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Roll Call, May 30, 1996]

THE DAY THE SENATE DIED: BUDGET MEASURE WEAKENS MINORITY

(By Bill Dauster)

The Senate died last week. At the very least, it suffered a blow that leaves it clinging to life.

You may be forgiven if you missed it. It happened while the Senate considered the budget resolution, a budget whose fiscal priorities pretty much repeat last year's endless budget failure.

But while most observers of Congress yawned, the Republican majority used the budget process to fundamentally alter the way the Senate works. From now on, the Senate will conduct much of its business at its hallmark deliberative pace only if the majority wants it that way.

It is the Senate's deliberative pace that has distinguished it from the House of Representatives and other parliaments. Yes, the Senate does apportion its membership by state instead of by population, but its true uniqueness flows from the way its rules preserve the rights of determined minorities.

Once the presiding officer has recognized a Senator, the Senate's rules allow the Senator to speak as long as humanly possible, unless 60 Senators vote to end the filibuster. The mere threat of filibuster—called a "hold" can detain legislation.

As well, when the Senate is considering one subject, Senators have the perfect right to offer amendments on entirely different subjects. These powers to debate and amend make every single-United States Senator a force to be reckoned with. They give dedicated groups of Senators substantial power. And they give 41 Senators the absolute right to kill a bill.

All that changed last week. Sen. Pete Domenici (R-NM), the Budget Committee chairman, brought to the Senate floor a budget resolution that markedly expanded the use of a procedure called "reconciliation." The reconciliation process creates bills that the Senate considers with only limited debate and limited opportunities to amend.

Because reconciliation bills limit debate, Senators cannot filibuster them. A simple majority can pass them. Because Senators may offer only germane amendments to reconciliation bills, Senators must stick to only the subjects chosen by the majority in the committee process. Because of the reconciliation process's power, the Senate has limited it solely to deficit reduction through the "Byrd Rule," named after the Senate's parliamentary conscience, Sen. Robert Byrd (D-WVa).

This year's budget will generate an unprecedented three reconciliation bills—on welfare, Medicare, and tax cuts—designed to maximize partisan confrontation with the President. And in a marked departure from past practice, the Republican budget resolution devotes one of the three reconciliation bills—the one to cut taxes—solely to worsening the deficit.

On May 21, Senate Minority Leader Tom Daschle (D-SD), backed by Sens. Jim Exon (D-Neb), Ernest Hollings (D-SC), and Byron Dorgan (D-ND), formally challenged the procedure. The Republican-appointed Parliamentarian gave it his blessing.

In a series of exchanges with the presiding officer, Daschle demonstrated that the new procedure has few limits. Daschle appealed the ruling, but the Senate sustained the procedure on a straight party-line vote.

From now on, the majority party can create as many reconciliation bills as it wants. And the majority can use them to increase spending or cut taxes, worsening the deficit. From now on, the majority can use the reconciliation process to move its entire legislative agenda through the Senate with simple majority votes and few distractions.

The old Senate is dead. Some may say, "Good riddance." After all, as a Democratic Member of Congress once said, "In the Senate, you can't go to the bathroom without 60 votes."

If a simple majority can now pass important legislation in the Senate, perhaps a lot more will get done. Democrats will recall their frustration with Republican filibusters. Indeed, then-Budget Committee Chairman Jim Sasser (D-Tenn) once tried to convince Byrd to allow the Senate to consider the Clinton health care reform bill using the reconciliation process. Byrd did not want that done.

Also, the Parliamentarian at that time advised that it would not be in order for a budget resolution to instruct the creation of a reconciliation bill that solely worsened the deficit.

One can think about efficiency and Congress in two ways. The current conventional wisdom thinks in terms of legislative efficiency: How many bills become laws?

But as Nobel Prize-winning economist James Buchanan has argued, societal efficiency may be better served by a Congress that has hard time enacting laws. Under those circumstances, laws would change less often, less frequently disrupting peoples' lives, less often intruding into them. If you agree with Thoreau that the best government is that which governs least, then the most societally efficient government is the one with the most checks and balances.

The Republican majority may thus have served legislative efficiency at the expense of societal efficiency. Good or bad, the Senate has changed.

As Daschle warned on May 21, "What goes around comes around." Democrats will remember the lessons the Republicans have taught them of how to use the power of the majority.

So say "bye, bye" to this slice of American pie. This'll be the day that it dies. This'll be the way that it dies.

Mr. HOLLINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that we proceed in morning business, and that each Senator have 5 minutes to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

THE PERPETRATORS OF HATE CRIMES

Ms. MOSELEY-BRAUN. Mr. President, I will speak in morning business in relation to the rash of hate crimes that we have experienced in this country lately.

Mr. President, the perpetrators of the rash of hate crimes and church burnings in this country are no more than cowardly domestic terrorists. They work under cover of darkness and anonymity to intimidate some and encourage others precisely because they have neither the will nor the courage to be associated with the evil they seek to unleash on the land. It has been suggested that the objective of their actions is to start a race war. However, there is every indication that the arsonists are confused about the country in which their crimes are taking place.

Most Americans, Mr. President, are appalled and outraged. Our Nation as a whole, without regard to color or religion, is shamed by this horror. The outpouring of support and comfort for the victims of the terrorism has been consistent and has been multiracial. The religious community has closed ranks with the targets of the arson in rejection and repudiation of the evil these crimes represent. From the President of the United States to the neighbors in areas which have witnessed these crimes, the leadership taken by individual citizens to affirm a climate of respect and community gives truth to the fact that our Nation will not fall prey to the forces of fear.

Mr. President, I recently talked with the victim of a cross burning in my own State of Illinois, who lives in Glen Carbon, IL. I spoke with Mr. Ellis who had been victimized by a cross being burned on the front lawn of his home. And the comment that I was most struck with is that he said how nice his neighbors had been. This is an integrated community. His neighbors, black and white alike, have come to the aid of this family that has suffered this heinous crime.

Mr. President, America will not go back. As we enter the 21st century, America is anxious to put the ugly legacy of racial divisions behind us. Unlike a century ago, the masses of people who make up our national community cannot be seduced by the messages of hate and conflict which consumed us in the past. Those messages lost their power with the moral victory of the civil rights movement, and our country has matured in ways which cannot be undone by racist terrorism. We are not intimidated, but embarrassed, and challenged by these criminals and their destruction.

Make no mistake but that they are criminals. The act of arson is a crime, when directed at a church it is a crime of unspeakable dimension. But that is precisely why we are called upon, each of us, to speak and act in ways which will demonstrate our collective intolerance of such hate crimes. Our community, as a whole, must dedicate itself to the rebuilding of the churches. We must engage our Government and law enforcement apparatus to investigate and uncover the perpetrators of this terrorism. No stone should be left unturned in our search for the truth. Federal, State, and local law enforcement must approach these hate crimes with the same vigor and sophistication as would be given the most heinous foreign threat.

My late mother would often say, "The Lord works in mysterious ways, His wonders to perform." And she was right. The resurrection of the burnt places of worship may well provide the kind of redemption which can only come of suffering. We will move our Nation forward to the elimination of racism if we dedicate ourselves to restore the symbols of love and unity, and in so doing put to rest forever the forces of division based on race which these acts of terror seek to unleash.

Mr. President, this is one of those historic moments for America, when the path of our future will be chosen. In our collective repudiation of domestic terrorism, in our aggressive prosecution of its perpetrators, in our vigilance against hate and in the vitality of our response to it, we will build the New Jerusalem of a stronger, more moral, and more inclusive country.

With that, Mr. President, I will send later to the desk a resolution which I hope will be cleared quickly for action by this body and which I hope and pray will receive the unanimous consent of my colleagues. Thank you very much, Mr. President. I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, the Senator from California is a very valuable member of the Budget Committee. We had saved some time for her. I request we move back to the budget resolution, and I yield up to 8 minutes to the Senator from California, or whatever time she needs.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mrs. BOXER. Mr. President, thank you. I want to thank my leader on the Budget Committee, Senator EXON, who will be sorely missed when he retires. This is a man who has stood for a real balance in our Government, a balanced budget, and a balance in our priorities. I hope as America listens to him, and some of us who do not believe this budget is the right budget, I hope Americans will understand the fight over balancing the budget.

Mr. EXON. Will the Senator yield?

Mrs. BOXER. I am happy to yield to the Senator.

Mr. EXON. I appreciate your kind remarks, and I yield 5 hours to the Senator from California.

Mrs. BOXER. Mr. President, thank you so much.

As I was saying about the Senator from Nebraska, he has stood for real balance in the budget, both in terms of dollars in and dollars out, so that we do not add to a debt, but also a balance of needs. What is very interesting to me, in particular, Senator EXON, as the former chairman of the Budget Committee, and now as its ranking member, has always been one who has stood for the strongest possible defense that America must have. When I hear him stand up and talk about some of the excesses in that area, it means a lot to me.

What is interesting to me, when we had an opportunity to vote on budgets, we had three budgets. We had the Republican budget before the Senate today, coming back from the conference; we had the Democratic budget, which, basically, was President Clinton's budget; and we had the bipartisan budget, which was put together by Republicans and Democrats in this U.S. Senate.

I had the privilege of voting for two budgets, the Democrat budget and the bipartisan budget. I did not vote for the Republican budget. Although many people's eyes glaze over when you talk about the budget, it is really a very simple document when you think about it. It is a statement of our priorities, and a statement, really, of what we think we ought to be doing as a nation, just as we and our families will determine every year what our priorities are, where we will spend our dollars. We do that here.

One would think that the cold war had not ended if you look at this budget. That is what is so terribly confusing to me, because we know we have to be lean in this budget. We know we are not doing as much for education as we would like. We are not doing as much to clean up the environment as we would like, at least most of us. We are certainly not doing enough health research as we would like.

Every dollar that we can find to make these investments is a dollar, I think, that is well spent when we make them. Yet, we have this Republican Senate and House throwing $12 billion more at the Pentagon than they asked for in budget authority. That, to me, is nonsensical.

We need the strongest military in the world, and we have it, and we will always have it. We do not need to throw dollars that the generals and the admirals do not want. What is the point of it? It is wasting money, money that we need elsewhere, money that could even reduce the deficit further.

To me, it is not a close call as far as how I will vote. The Republican budget left the Senate, and I think the priorities were out of whack. Too many cuts in Medicare, too many cuts in Medicaid, too many cuts in education, too many cuts in the environment, and too much spending on the Pentagon—more than they asked for. It is something I hope that the American people will look at, because it is not pie-in-the-sky and it is not rhetoric. It is not politics. It is budgeting. It is hard dollars that will go to pay for what the American people need to have.

Mr. President, we do have an election coming up in November. Frankly, I think a lot of these issues will be issues in that election. I can think of no greater honor than to serve on the Budget Committee. When I was in the House, I spent 6 years there, and here in the U.S. Senate I am finishing the fourth. To me, it is one of the most important things that I do, because the hopes and dreams of American people, their aspirations, are really contained in that budget.

All you have to do is look at education, and see how the Republicans are slashing it, to understand that will translate into fewer scholarships for our young people to go to college, fewer slots that can be filled in Head Start so our kids can get off to a good start on a level playing field, fewer ways to clean up Superfund sites. Frankly, in California, we have many that are languishing and are dangerous, with toxins seeping into water supplies, because we do not have enough resources there.

This is the greatest Nation in the world. We can do better.

The Democratic budget, the Clinton budget, the bipartisan budget, I think all of those are quite mainstream in their approach, compared to this budget that is before the Senate today. We do not have to hurt our seniors the way they will be hurt with this. We do not have to hurt our children the way they will be hurt with this.

Now we have a whole new idea. We will go back to star wars. We will build a full star wars. I think we ought to prepare, in case we have to. We should do all the research. I have always taken that position. But to get ready to deploy a star wars system—we will be facing that in the defense bill—it will cost us billions of dollars, billions of dollars, when we do not even know exactly what we need to do, and we are being told the threat is not defined yet. It just does not make sense.

I submit, Mr. President, if you went to a supermarket or shopping center in Tennessee, or I went to one in California, or my friend went to one in Nebraska, and you said to the person who was coming in to do his shopping: Out of these few things, which do you feel most threatened by, crime in the street and that you might get mugged or attacked, or somebody in your family getting breast cancer or prostate cancer, or a ballistic missile coming over and hitting you in your house? I honestly think that people would say we should have the strongest military in the world, but the threats that are facing me are absolutely that someone in my family would get such a dreadful disease or that, yes, someone could be a victim of a crime. Yet, you look at this budget and it has the opposite kind of priorities.

So I thank my friend from Nebraska for his leadership, his very down-to-earth Nebraska leadership. I will sorely miss it next year. I think he stands for mainstream America in his opposition to this budget.

I urge my colleagues to vote against this budget. It got worse when it went into conference. It has more of the NEWT GINGRICH approach to budgeting, and I frankly think we ought to vote "no."

I yield the floor at this time.

Mr. EXON. Mr. President, I want to briefly thank my dear friend and colleague from California. I said earlier that she is a valuable member of the Budget Committee, and her earlier training over on the House side has served her and us well. She is very consistent and tender, one who becomes involved in the details of the budget process. It has been a great pleasure for me to see this relatively new Senator come in and take her place as a very influential member of the Budget Committee. I thank her for her kind remarks.

MORNING BUSINESS

Mr. EXON. Mr. President, I ask unanimous consent that the Senate now move off of the budget temporarily and return to a period of morning business with Senators allowed to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered.

A NEW CHANCE FOR PEACE IN NORTHERN IRELAND

Mr. PELL. Mr. President, I welcome the news that negotiations on Northern Ireland are back on course. Fractious though they might be, the talks involving the British and Irish Governments, as well as representatives of Northern Ireland's political parties, offer hope to all of us who long for a permanent peace in Northern Ireland.

The talks, which opened Monday, had hit a significant impasse over the role of our former colleague George Mitchell, who was chosen by the British and Irish Governments to chair the negotiating sessions. Due to the courage shown by all those involved, but particularly Prime Minister Major and Unionist leader David Trimble, the impasse has been resolved and a possible deadlock has been averted. The talks will proceed with Senator Mitchell at the helm.

I regret that there are still some Unionists, however, who object to Senator Mitchell's chairmanship, for the sole purpose, I suspect, of obstructing the peace process. Having served with George Mitchell for many years in the Senate, I can personally attest to his even-handed and judicious approach to the issues. Here in the Senate, he was admired by members of both parties for his ability to build bridges and cut across partisan lines. George Mitchell is quite frankly, one of the most fair-minded individuals with whom I have had the pleasure of working.

Senator Mitchell has already demonstrated great wisdom and balance with regard to the peace process in Northern Ireland. In January, Senator Mitchell issued an excellent report examining the link between the decommissioning of weapons and all-party talks. As head of the international body charged with studying this issue. Senator Mitchell drew upon his background as a judge. He did an excellent job of reaching out to the various parties to hear their views on this difficult matter, and of characterizing the opposing views on that issue. For this reason, the report was hailed across the board. It provides a solid set of principles for the negotiations. I am confident that Senator Mitchell will continue to demonstrate even-handedness and great insight as he takes up the gavel at Stormont Castle, the site of the talks.

The talks on Northern Ireland will proceed without the participation of Sinn Fein, the political wing of the Irish Republican Army. Sinn Fein is barred from the negotiating sessions because the IRA has failed to commit to a cease-fire. That is as it should be. The ground rules for the talks make clear that all parties must offer their total commitment to the principles of democracy and nonviolence.

But there is a place reserved at the table for Sinn Fein. The IRA need only recommit itself to nonviolence to take its seat at that table. Genuine all-party talks cannot take place without Sinn Fein or without the Unionist parties which have thus far eschewed the process.

A great deal of progress has been made toward achieving a lasting peace. Let us hope that the momentum can be continued.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, too many Americans have not the foggiest notion about the enormity of the Federal debt. Every so often, I ask various groups, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them not even close.

They are stunned when they learn the facts, such as the case today. To be exact, as of the close of business yesterday, June 11, 1996, the total Federal debt—down to the penny—stood at $5,136,928,256,903.23.

Another astonishing statistic is that on a per capita basis, every man, woman, and child in America owes $19,380.69.

As for how many millions of dollars there are in a trillion, there are a million in a trillion, which means that the Federal Government owes more than five million million dollars.

REFERRAL OF S. 1718

Mr. WARNER. Mr. President, I ask that bill S. 1718, the Intelligence Authorization Act for Fiscal Year 1997, be referred to the Committee on Rules and Administration, pursuant to section 3(b) of Senate Resolution 400. This committee, which has jurisdiction over legislation pertaining to Senate committee structure, desires an opportunity to consider a provision affecting the structure of the Senate Select Committee on Intelligence.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of a letter advising the Select Committee on Intelligence of this action.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON
RULES AND ADMINISTRATION,
Washington, DC, June 12, 1996.

Hon. ARLEN SPECTER,
Chairman, Senate Select Committee on Intelligence, U.S. Senate, Washington, DC.

DEAR ARLEN: This is to advise that I have requested sequential referral of S. 1718, the Intelligence Authorization Act for Fiscal Year 1997, which was marked up by the Select Committee on Intelligence on April 30, 1996. It is my understanding that this bill contains a provision affecting the structure of the Select Committee on Intelligence, which, as you know, is an issue of significant interest to, and clearly within the jurisdiction of the Committee on Rules and Administration.

To this end and pursuant to S. Res. 400, I have requested that S. 1718 be referred to the Committee upon its discharge from the Senate Committee on Governmental Affairs, to which the bill was referred on June 6, 1996.

With kind regards, I am

Sincerely,

JOHN WARNER,
Chairman.

AMERICA'S FAMILY FARMS: A WAY OF LIFE WORTH PRESERVING

Mr. DASCHLE. Mr. President, I recently visited the farm of Doug Henderson in Beresford, SD, and discussed with Doug and his neighbors issues facing southeastern South Dakota farmers. There was much give and take on the new farm bill, the state of cattle prices and, of course, the weather. The discussion put in bold relief the frustrations and challenges South Dakota farmers and ranchers face every day, and raised legitimate questions about current agricultural policy.

I also had the opportunity to meet privately with the Henderson family in their home prior to the broader public discussion. It was an experience I will remember forever.

Keeping the family farm together for the past 4 decades has not been easy for the Hendersons. Their secret to survival has been an enduring appreciation of the land and hard work on the part of each and every member of the family, including the children.

The rewards for the Hendersons' dedication to farming have been numerous. They speak eloquently about raising their children in a tight-knit community steeped in strong values. They clearly love their chosen profession, which allows them to see the tangible results of a good day's work.

Despite their love of farming, the Hendersons' story also has a sad side—the continuous struggle to make a decent financial return on their investment of time, money and plain old hard work.

The Hendersons' story is described in a letter presented to me at our meeting. I would like to share that letter with my colleagues. It lays out in clear, honest terms the difficult dilemma facing hard-working, dedicated farm families all across rural America: how to survive financially on a modest-sized family farm in today's agricultural environment. The Hendersons' letter presents a picture that merits more attention and reflection in Washington policymaking circles.

The bottom line, Mr. President, is that today financial survival on family farms is much tougher than it should be in a nation that enjoys the most abundant and least expensive source of food on the globe. If we are to preserve this durable source of farm commodities, our rural communities and their rock solid values, then farmers must enjoy a reasonable return on their investment. This problem must be addressed if family farms are to survive in the future.

Mr. President, I ask unanimous consent that Doug Henderson's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FALL, 1995.

MY STORY: 40+YEARS OF FAMILY FARMING

My name is Doug Henderson. My wife, Joan, and 4 sons, ages 10 to 17, live on a crop/dairy farm west of Beresford, South Dakota. Our operation includes 100 mature holstein cows. 100 replacements, 50–100 extra cattle. 100 acres owned and 400 rented.

My grandfather bought this farm in the early 40's. My father came back to rent and then later buy the farm after serving nearly 5 years in the Pacific during WWII. I was the oldest of four sons and one daughter. Each of us played an important part in the daily operation of this family unit during the 50's and 60's—and we knew that because we could feel it. It felt good. I think that's why I was drawn to this place.

My wife and I earned teaching degrees in '77 after having served in the U.S. Army from '72 to '75. After teaching for two years and farming "on the side" I had the opportunity to "take over the place" and farm fulltime. We did some work on the house and moved our family in here in the spring of 1981. Financially, we have had some good years and some not so good years. Personally, we have had only good years. However, 1995 finds us at a crossroads.

Personally, I truly cannot think of a place I would have rather been or anything I'd have rather been doing for the last 14 years. My oldest son, a high school senior, is qualified to do almost anything I do out here. My sons 12 and 15 are almost as competent. All four have a good sense of self and a high regard for the traditional values that my wife and I do our best to model for them. Our involvement in community and church has provided growth and enrichment. Our lives have truly been joyfilled during these early years. This setting has made child rearing easy.

Financially, the future of this production unit is dim. Our facilities now nearly 30 years old, do not produce the volume of milk required per man hour to allow us to be as competitive as we need to be. Our balance sheet has not improved significantly during the last 4–5 years. While we claim not to have made purchasing or marketing mistakes and have always been moderate in our strategies, we acknowledge the reduced will to pour out boundless energies to try to make everything click. I know that the farm would not break even without the input of the family. We have estimated an annual family labor input of 6000 to 6500 hours/year. In return my family draws $14,400/yr and housing, milk and meat. Our gross revenues in each of the past two years have approached 300,000 dollars. Milk is the primary product produced and that production in 1994 was 1.6 million pounds (160,000 cwt). That 1994 production represents almost three times the production of this same facility in 1978–80 when my father, brother and I worked as partners and each drew a salary. Together my father and I have been making payments to the FHA for over 40 years and I have 25 years and $110,000 to go on my farm ownership loan. We would probably not have maintained this operation without the security of the FHA loan.

We have added some buildings and prepared for a less labor-intensive livestock production enterprise and do of course have the option to update and sign the dotted line for another lifetime of debt if we want to take on a partner and continue producing milk. The fact of the matter is however that after nearly 20 years of working 3500–4000 hours per year, my body is saying "enough"! My brain is saying "there must be a better way"! And my heart is saying "thou shalt not offer a son"! I never thought I'd feel this way, let alone admit it.

In a nutshell, I know agriculture. I know crops. I know livestock. I can produce. I love to work. My family works for free. I love this life. My family does too. We plan to quit (as soon as we can figure a way to pull it off financially. . . but maybe sooner). I hope I can find work that allows us to maintain the high cost of country living.

EPILOGUE—MAY 1996

As it turns out, 1995 was a year of major marketing mistakes—at least wrong choices. Instead of selling 55 surplus steers at depressed prices in the fall to pay off bills, we were duped into selling 10,000 bushels of corn. The price seemed relatively good; and after all, how much worse could the cattle market get? This single decision will ultimately represent a turn around of nearly 30,000 dollars. When combined with a poor crop year, severe weather stresses to herd health and dairy production and additional budget pressures that happen from time to time, we simply were not in a strong enough financial position to handle this much adversity.

As a result, we had to either seek a guaranteed loan or sell out secured chattel which at depressed prices would have left us very little on which to operate. Fortunately the timing was right and the loan was approved. We honestly would not be operating this year without the help of the FHA. These people (Ron Walker and his loan officers) have always been cordial, understanding and very helpful. I salute them and the general mission of the Farmer's Home Administration.

SHOCK is the best way to describe what happened to us financially. It occurs to me that I can distinctly recognize the seven stages of grief in this process. There is for a man who has known tremendous happiness and satisfaction in his personal life as well as his business, no greater stress and loss than financial failure. The MOURNING and BLAME part of this process is very, very disturbing. Our Extension Service here in South Dakota responded to the flooding in 1993 with Project Rebound. I hope the cattle ranchers and feeders will be offered at least the emotional support they need during this cattle crisis. We have a plan and with decent crops should HEAL. I have a hunch that milk prices are going to respond fairly quickly to current market pressures. The REBUILDING part of this process for me will likely include a career change. I've always managed a higher level of energy for new challenges. I'm hoping again to see one of my sons have a life here—a clear sign we are rebuilding.

TRIBUTE TO SENATOR BOB DOLE

Mr. KYL. Bob Dole's statement upon announcing he would give up his Senate seat to run for the Presidency—that he is "just a man"—packs a lot in a simple string of words, as is his habit. This phrase captures the modesty, the simplicity, and above all the straightforwardness and honesty of the Senator from Kansas. Men like Bob Dole achieve great things because they go at them directly, with no ifs, ands, or buts asking a lot of themselves and taking responsibility for the bottom line.

Senator Dole's more than 35 years of service to the Congress of the United States have been filled with great accomplishments because he never let up, he brought people of different views together to hammer out legislation, and he was an honest broker trusted by everyone. My father, Congressman John Kyl of Iowa, served with then-Congressman Dole in the House of Reprentatives in the 1960's and knew him to be a man of leadership and utter integrity. As Congressman Dole, and later Senator Dole, learned his job as a legislator, he never lost that sense of being "just a man" from Russell, KS. He is not one to be dazzled by the bright lights, the pomp, and the power of Washington. He came armed with the simple virtues of his Kansas constituents, and those same virtues are evident in him today. He remains the embodiment of the heartland of America—a place much maligned by sophisticates, perhaps, but a place that still has the moral strengths that we Americans define ourselves by: dedication to duty, plain but honest speech, and an awareness that limited government requires of office holders that they never take their power for granted. When Bob Dole says that he is grateful to have served his fellow citizens, those are not empty words. We believe him.

In his parting statement today, he hold us that "there are some issues that transcend politics * * * and result in legislation that makes a real and lasting difference." Whether it is a matter of supporting civil rights, doggedly backing our military troops in an unpopular conflict in Indochina during the 1960's and 1970's, or ensuring access to public places for disabled Americans in the 1990's, he has often put aside partisanship and laid it on the line for the things he believes in. His statesmanship, his ability to come to closure for the sake of the common good, is well known to those of us who have worked with him inside this institution. But perhaps few outside of the Congress are aware of it. If everyone could know him as we do, they would see a man with an extraordinary capacity to see beyond the heated conflicts of the moment, to keep the big picture in mind, and to reach a consensus that yields practical results. If everyone knew him as well as his colleagues do, they would see that Bob Dole has everything it takes to be President of this country.

Of the Senate he now says, on the day of his departure, "It is a place that I have loved." Again, no rhetorical flourishes, just simple words of emotion, and all the more powerful for being unadorned. He reached the pinnacle of leadership among Senate Republicans, and for all too short a time has been leader of the Chamber itself. But he has walked away, and in characteristic style. Bob Dole is at the peak of his powers. But he moves on, ready to take on the biggest challenge in a life full of challenges. He has demonstrated—and in a remarkably dramatic way—that he is not one to rest on his laurels; instead, he is the kind of man who does honor to every contest he enters.

CHINESE NUCLEAR MISSILES IN PAKISTAN

Mr. PRESSLER. Mr. President, last year the Clinton administration asked Congress for the authority to allow United States military equipment to be delivered to Pakistan. Since 1990, such deliveries were not allowed because of a 1985 law known as the Pressler amendment, which prohibited any United States Assistance to Pakistan if the President failed to certify Pakistan was not in possession of a nuclear explosive device. My colleagues may recall that we debated this issue quite extensively. It was very controversial. In the end, despite strong opposition from this Senator and many of my colleagues, the Senate approved the so-called Brown amendment, which authorized the transfer of military equipment and repealed the Pressler amendment's prohibitions on nonmilitary aid to Pakistan. The Brown amendment became law earlier this year.

To bolster the Clinton administration's request, Under Secretary of State Peter Tarnoff sent a letter to Members of Congress on August 3, 1995, when the Senate first debated the Brown amendment. Secretary Tarnoff attempted to assure Senators that the administration's support of the Brown amendment would be conditional on "no significant change on nuclear and missile non-proliferation issues of concern to the United States."

Mr. President, that was then.

On February 22, 1996, Dr. John Deutch, the Director of Central Intelligence, testified before the Senate Select Committee on Intelligence. Director Deutch confirmed earlier reports that Pakistan had taken delivery of sensitive nuclear technology used to develop weapons-grade uranium. He also confirmed that Pakistan had received M–11 ballistic missiles from China. My colleagues will recall that when we debated the Brown amendment, there was some dispute over whether Pakistan had in fact taken delivery of the M–11 missiles. Director Deutch's testimony was the first time a Clinton administration official publicly confirmed the existence of the M–11s. In my view, this development should have halted the delivery of the military equipment to Pakistan. Unfortunately, the Clinton administration did not consider the acquisition of this nuclear technology to be, in Secretary Tarnoff's words, a "significant change on nuclear and missile non-proliferation issues of concern to the United States."

Mr. President, this morning's Washington Times reveals that Pakistan has done more than just take possession of the M–11's. The Times reported that the M–11 missiles in Pakistan are operational and nuclear capable. If this account is accurate, and I have no reason to doubt it, Pakistan now has a complete, modern, nuclear weapons delivery system.

Mr. President, first of all, in spite of a string of pious promises and written agreements to the United States, China has demonstrated a severe lack of international responsibility. By providing both nuclear technology and the means to deliver nuclear weapons, Chinese Government-owned companies have contributed to a vast escalation of tensions between Pakistan and India. Director Deutch has pointed to the Indian subcontinent as the most worrisome area in the world. He's right.

The more immediate question, Mr. President, is what is the United States going to do? At the time the Senate approved the Brown amendment, we were of the belief that Pakistan did not possess both the technology to produce weapons-grade uranium, and an operational nuclear weapons delivery system. That was then. This is now. I do not believe the Senate would have approved the Brown amendment had we known then what we know now.

The Washington Times also reported that State Department officials attempted to water down or alter the intelligence reports regarding the M–11's, and also tried to prevent these reports from moving through normal intelligence channels. Apparently this was done to prevent sanctions from being enforced. This is a very serious allegation. In effect, Federal officials are being accused of blocking the law from being enforced.

Frankly, Mr. President, the Washington Times story is astounding. It is no secret that I am an outspoken critic of the Clinton administration's nuclear nonproliferation policy, or lack thereof. Before today, I never thought the administration's credibility regarding nonproliferation goals in South Asia could get worse. I was wrong.

I have written to President Clinton, asking that he enforce the nonproliferation laws he has sworn to uphold. I also have asked the President to withhold delivery of any military equipment authorized by the Brown amendment. Clearly, the conditions the Clinton administration made to Pakistan for its support of the Brown amendment have been violated to a degree unimaginable. I also intend to contact the chairman of the Senate Select Committee on Intelligence, Senator SPECTER, to request that the committee conduct a full investigation on the allegations raised involving the blocking or altering of intelligence reports by State Department officials. Finally, I intend to continue seeking the support of my colleagues to repeal the Brown amendment, and may offer an amendment to do just that in the near future. I think we have more than enough evidence to demonstrate why the Brown amendment should not have been passed. In my view, Congress was badly misled last year relative to Pakistan's nuclear arms development and delivery capability. My bill, which already has several cosponsors, would restore the supremacy of our nuclear nonproliferation laws.

Mr. President, I ask unanimous consent that my letter of today to President Clinton and a Washington Times article by Bill Gertz be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 12, 1996.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: A story in today's Washington Times reported that the U.S. intelligence community has determined that Pakistan obtained M-11 ballistic missiles from the People's Republic of China (PRC) as part of an illegal conspiracy to evade national international arms control agreements. Even more disturbing, the Times reported that these nuclear capable missiles have been deployed by Pakistan.

If these reports are true, I strongly urge you to enforce the law and impose sanctions on both countries to the fullest extent of the law. Further, I urge you to withhold from delivering to Pakistan any U.S. equipment as provided in the so-called Brown amendment to the Fiscal Year 1996 Foreign Operations Appropriations Act.

As you know, the United States has sought for a number of years to put an end to illegal missile transfers originating in the PRC. As you well know, sanctions were imposed on China just three years ago for transferring M-11 components in violation of the Missile Technology Control Regime (MTCR). Those sanctions were lifted in 1994, after the PRC pledged not to make future deliveries of missiles or related components listed under the MTCR.

Last year, the New York Times and Defense News reported that Pakistan had received M-11 missiles from the PRC. This was confirmed by Central Intelligence Agency Director John Deutch in his testimony before the Senate Intelligence Committee on February 22, 1996.

These are troubling developments. We face a situation in which the PRC has violated both a multinational missile control agreement as well as a written non-proliferation agreement with the United States. As a result of these violations, Pakistan now has for the first time a strategic nuclear delivery capability.

Again, if the reports are true, I see no recourse but to impose sanctions on both Pakistan and the PRC. Our own credibility as a world leader in nuclear non-proliferation requires no less.

Our credibility also requires that we take additional action: the withholding of any U.S. military equipment authorized for delivery under the so-called Brown amendment. Last August, when the Brown amendment was first considered in the Senate, Under Secretary of State Peter Tarnoff stated that your Administration's support for the Brown amendment would be conditional on "no significant change on nuclear and missile non-proliferation issues of concern to the United States."

At the time Secretary Tarnoff made this statement, Congress and the Administration were of the belief that Pakistan did not have both the nuclear technology capable of processing enriched uranium, and an operational system of ballistic missiles capable of delivering a nuclear payload. Clearly, the conditions set by your Administration have been violated by Pakistan to a degree unimaginable.

Finally, I believe Congress was misled badly last year relative to Pakistan's arms development and delivery capability. Earlier this year, I wrote to you expressing my concern that members of your Administration knew that Pakistan was obtaining illicit nuclear technology from the PRC while the Brown amendment was pending. I am equally concerned with allegations raised in the Washington Times article that members of your Administration may have attempted to alter the content or the processing of intelligence reports in order to avoid sanctions. This is a very serious allegation, and I have requested that the Senate Intelligence Committee conduct a thorough review of this matter.

Mr. President, you and I have not always agreed with the best course of action on nuclear non-proliferation, particularly in South Asia. I am sure you will agree with me that if the Washington Times story is true, we have reached a very dangerous stage in an already very unstable part of the world. It has always been our policy to other nations that nuclear proliferation should carry a heavy price. It is imperative to the peace and security of all the peoples of South Asia that this policy be enforced.

For these reasons, I strongly urge you to enforce fully our nation's non-proliferations laws, and honor the conditions set forth last year by withholding any future implementation of the Brown amendment.

Thank you for your attention to this very critical nonproliferation issue.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

[From the Washington Times, June 12, 1996]

PAKISTAN DEPLOYS CHINESE MISSILES

(By Bill Gertz)

U.S. intelligence agencies have concluded that Pakistan has deployed nuclear-capable Chinese M-11 missiles and that the transfer was part of a conspiracy to skirt missile-control agreements.

The declaration, contained in interagency intelligence reports produced last month, confirms for the first time that Pakistan now has a strategic nuclear delivery capability. The finding is expected to trigger U.S. economic sanctions against both Pakistan and China based on a 1990 law.

State Department officials, however, are trying to block the intelligence judgment through bureaucratic maneuvering to avoid imposing sanctions, according to intelligence sources familiar with the effort.

The intelligence sources disclosed to The Washington Times that a report that Pakistan has operational Chinese M-11 missiles was discussed last month by the Weapons and Space Systems Intelligence Committee. The committee is an interagency panel of intelligence experts who evaluate missile developments worldwide. The report was based on sensitive CIA data.

A separate "statement of fact" also was drafted last month declaring that China and Pakistan took part in a "conspiracy to transfer M-11s," according to an intelligence document obtained by The Times.

U.S. officials said the statement is the first step in an intelligence M-11 components were spotted in Pakistan three years ago.

China's delivery of the weapons violates the 31-nation Missile Technology Control Regime (MTCR), as well as a 1994 U.S.-China agreement not to deploy M-11s in Pakistan.

CIA and State Department spokesmen would not comment on the intelligence findings. A Chinese Embassy spokesman also declined to comment.

A Pakistani Embassy spokesman denied that any M-11s are operational in his country or that any were bought from China.

The M-11 finding highlights China's active role in arms-proliferation activities and comes after the recent administration decision not to impose economic sanctions on China for selling nuclear-weapons technology to Pakistan.

The administration announced last month it would not impose sanctions because it claimed senior Chinese officials were unaware of the sale last year of ring magnets—components used to produce nuclear-weapons fuel—to Pakistan.

William C. Triplett, a specialist on China, said the M-11 deployment, when coupled with the sale of nuclear-arms technology, is a major boost in Pakistan's drive for a strategic nuclear capability and will increase tensions in the volatile region.

"This is a major change in the geostrategic balance between Pakistan and India, and a devastating blow to Clinton administration efforts to reduce tensions on the subcontinent," said Mr. Triplett, a former counsel to the Senate Foreign Relations Committee.

Mr. Triplett, a former U.S. intelligence official, also said he is not surprised by efforts of the State Department Bureau of Intelligence and Research to block the M-11 deployment judgment. The bureau is notorious for politicizing analyses and should be excluded from taking part in future interagency estimates, he said.

Limited sanctions were imposed on China in 1993 for selling M-11 components to Pakistan.

The sanctions, affecting an estimated $500 million in American sales, were lifted in October 1994 after Chinese Foreign Minister Qian Qichen and Secretary of State Warren Christopher signed an agreement halting sales of the M-11 and similar missiles.

Under a 1990 U.S. law, Pakistan's possession of operational M-11s requires the president to impose two years' sanctions on both countries that limit U.S. sales of high-technology products.

The sanctions also would bar imports of any products made by the government-owned China Precision Machinery Import-Export Corp., which makes M-11s, and Pakistan's Defense Ministry. Both companies were sanctioned in the 1993 M-11 component transfer.

Sanctions would have their greatest impact on sales of high-technology goods to China. Those goods were a major portion of the $12 billion in U.S. trade with China last year.

A State Department official said in 1994 when MTCR-related sanctions were lifted that if complete missiles were deployed in Pakistan "we would have no choice but to impose MTCR sanctions."

Mr. Deutch said in Senate testimony Feb. 22 that China has continued to sell inappropriate weapons and military technology in recent months, including "nuclear technology to Pakistan, M-11 missiles to Pakistan, cruise missiles to Iran."

"If this is true, there is no longer any excuse for not imposing sanctions on both China and Pakistan," said Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control.

China's disregard for the arms-control agreements despite U.S. appeals has exposed the weakness of U.S. policy toward Beijing, he said.

The MTCR, which limits sales of missiles with ranges greater than 186 miles or with warheads weighing more than 1,100 pounds, has no enforcement mechanism. But an amendment to the 1990 Defense Authorization Act requires the government to impose sanctions against foreign firms for MTCR violations.

U.S. officials have said the M-11 is a nuclear-capable missile whose export is barred under the MTCR because its warhead capacity exceeds MTCR limits.

U.S. intelligence agencies reported last year that the M-11 deal moved ahead after Pakistan paid $15 million to China for missiles, launchers and support equipment. The M-11s were shipped to Pakistan in 1993, but their assembly was not confirmed.

Spy-satellite photographs taken in April 1995 showed missile canisters at a facility in Sargodha, Pakistan. Two teams of Chinese missile technicians were sent to Pakistan later to provide training and to unpack and assemble the M-11s, intelligence sources said.

TRIBUTE TO SENATOR ROBERT DOLE

Mr. JEFFORDS. Mr. President, I rise today to pay tribute to Senator Robert J. Dole of Russell, KS for his 35 years of service in the U.S. Congress. Tuesday was a sad day for the U.S. Senate, for we lost one of our great leaders. It was also a sad day for me personally, for I lost a trusted colleague and a valued friend in the Senate. As the Republican leader in the Senate for 11 years, Senator Dole has left his fingerprints on every piece of legislation that has passed the Congress. His legacy will be remembered forever as one of vast legislative achievement.

I got my first glimpse of Senator Dole's legislative abilities when I came to Congress in 1975. In the wake of Watergate, and the massive congressional turnover that ensued, I was secured the position of ranking member of the House Agriculture Subcommittee with jurisdiction over the dairy industry. As a member of the Senate Agriculture Committee, Senator Dole and I worked closely together on many issues. I remember well the bonds we formed as conferees together on farm bills and working together to pass legislation for food stamps and child nutrition.

Later, as I gained seniority on the House Education and Labor Committee, we worked together again on disability policy. Senator Dole's commitment and determination to the passage of legislation ensuring that all Americans, regardless of physical disability, had equal opportunity was inspirational.

In 1989 when I became a member of the U.S. Senate, I had the privilege of seeing Senator Dole's leadership abilities first-hand everyday. I have watched with amazement his ability to pull legislative initiatives out of the fire, and prevail on issues from civil rights to Social Security reform. In Vermont there's a saying, "You can't get there from here." Well, Senator Dole proved that adage wrong time and time again as he has moved legislation through the Senate.

In an institution where you are only as good as your word, Senator Dole prospered. His ability to build coalitions and form consensus on some of this Nation's most pressing issues is a testament to his integrity and character. In a world that has become ever more crude and impertinent, Senator Dole has defined "the word" civility.

Tuesday was a bittersweet day, for although I'm sad Senator Dole has left us in the Senate, I know he'll be close by as he seeks higher aspirations. I only hope that he knows that this is one Senator who feels that the U.S. Senate will never be the same without him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT CONCERNING THE ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS FOR FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT—PM 153

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

It is my pleasure to transmit herewith the Annual Report of the National Endowment for the Arts for the fiscal year 1995.

On September 29, 1995, at the close of the fiscal year, the Arts Endowment celebrated its 30th anniversary. A young man or woman born at the same time as this Federal agency's establishment has enjoyed access to the arts and culture unparalleled in the history of the country. The National Endowment for the Arts has helped bring tens of thousands of artists into schools, teaching tens of millions of students about the power of the creative imagination. This small Federal agency has helped launch a national cultural network that has grown in size and quality these past 30 years.

This Annual Report is another chapter in a great success story. In these pages, you will find projects that bring the arts to people in every State and in thousands of communities from Putney, Vermont, to Mammoth Lakes, California. The difference art makes in our lives is profound; we see more clearly, listen more intently, and respond to our fellow man with deeper understanding and empathy.

In these challenging times, when some question the value of public support for the arts, we should reflect upon our obligation to the common good. The arts are not a luxury, but a vital part of our national character and our individual human spirit. The poet Langston Hughes said, "Bring me all of your dreams, you dreamers. Bring me all of your heart melodies . . ." For 30 years, the Arts Endowment has helped keep those dreams alive for our artists and our audiences. May it long continue to do so.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 12, 1996.*

MESSAGES FROM THE HOUSE

At 4:02 p.m., a message from the House of Representatives delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3540. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes.

MEASURE REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 3540. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2991. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to the Counterdrug Detail Program; to the Committee on Armed Services.

EC-2992. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on the Defense Nuclear Agency Long-Term Radiation Tolerant Microelectronics Program; to the Committee on Armed Services.

EC-2993. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a report relative to off-the-shelf systems; to the Committee on Armed Services.

EC-2994. A communication from the Director of the Office of Surface Mining, Reclamation and Enforcement, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "The Texas Regulatory Program," received on June 10, 1996; to the Committee on Energy and Natural Resources.

EC-2995. A communication from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting, pursuant to law, a rule entitled "Public Use Regulations for the Alaska Peninsula," (RIN1018-AD30) received on June 6, 1996; to the Committee on Energy and Natural Resources.

EC-2996. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, a rule relative to FM broadcast stations, received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2997. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of six rules relative to FM broadcast stations, received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2998. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twelve rules including a rule entitled "Airworthiness Directives," (RIN2120-AA64, 2120-A64, 2120-AA66) received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC-2999. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Policies Relating to Rulemaking Proceedings," (RIN2105-AC55) received on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3000. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twenty rules including a rule entitled "Revision of Class E Airspace" (RIN2120-AA66, 2120-AB18, 2120-AA64, 2120-AA65, 2120-A64) on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3001. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Swordfish Fishery," (RIN0648-AI23) received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3002. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "The Gulf of Mexico Fisheries Disaster Program," (RIN0648-ZA19) received on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3003. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Whaling Provisions," (RIN0648-AI81) received on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3004. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska," (RIN0648-AI18) received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3005. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of two rules including a rule entitled "List of Regulated Substances and Thresholds for Accidental Release Prevention," (FRL5516-6, 5517-4) received on June 6, 1996; to the Committee on Environment and Public Works.

EC-3006. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of six rules including a rule entitled "Protection of Stratospheric Ozone," (FRL5509-5, 5518-1, 5506-5, 5514-2 5464-4, 5514-6) received on June 7, 1996; to the Committee on Environment and Public Works.

EC-3007. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of six rules including a rule entitled "Description of Areas for Air Quality Planning Purposes," (FRL5515-7, 5516-4, 5513-3, 5511-2, 5368-4, 5515-1) received on June 5, 1996; to the Committee on Environment and Public Works.

EC-3008. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three rules including a rule entitled "Accidental Release Prevention Requirements," (FRL5516-6, 5516-6, 5517-4) received on June 6, 1996; to the Committee on Environment and Public Works.

EC-3009. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, a draft of proposed legislation entitled "The Water Resources Development Act of 1996"; to the Committee on Environment and Public Works.

EC-3010. A communication from the Board of Trustees of the Federal Hospital Insurance Trust Fund, transmitting, pursuant to law, the annual report for 1996; to the Committee on Finance.

EC-3011. A communication from the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, transmitting, pursuant to law, the annual report for 1996; to the Committee on Finance.

EC-3012. A communication from the Chief of the Regulations Branch of the U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the rule entitled "Determining the Country of Origin of a Good," (RIN1515-AB34) received on May 31, 1996; to the Committee on Finance.

EC-3013. A communication from the Chairman of the U.S. International Trade Commission, transmitting, pursuant to law, the report on trade between the U.S. and China, and the Successor States to the former Soviet Union for the period October 1, 1995 through December 31, 1995; to the Committee on Finance.

EC-3014. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a final rule relative to passport information, received on June 6, 1996; to the Committee on Foreign Relations.

EC-3015. A communication from the Assistant General Counsel, U.S. Information Agency, transmitting, pursuant to law, a rule entitled "The Exchange Visitor Program," received on June 12, 1996; to the Committee on Foreign Relations.

EC-3016. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report entitled "Quality of Research Under the DOD Small Business Innovation Research Program"; to the Committee on Small Business.

EC-3017. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled "The Developmental Disabilities Assistance Amendments of 1996"; to the Committee on Labor and Human Resources.

EC-3018. A communication from the Assistant General Counsel, Department of Education, transmitting, pursuant to law, a rule relative to the William D. Ford Federal Direct Loan Program, (RIN1840-AC18) received on June 6, 1996; to the Committee on Labor and Human Resources.

EC-3019. A communication from the Assistant Secretary of Labor for Employment and Training, transmitting, pursuant to law, the report of a rule entitled "Unemployment Insurance Program Letter 23-96," received on June 3, 1996; to the Committee on Labor and Human Resources.

EC-3020. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled "Information Law; Miscellaneous," (RIN2900-AI23) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC-3021. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled "Investigation Regulations," (RIN2900-AI25) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC–3022. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled "Veterans Education: Course Measurement for Graduate Courses," (RIN2900–AH39) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC–3023. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled "National Service Life Insurance," (RIN2900–AH55) received on June 10, 1996; to the Committee on Veterans' Affairs.

EC–3024. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of five final rules entitled "United States Government Life Insurance," (RIN2900–AH52, 2900–AH53, 2900–AH54, 2900–AI15, 2900–AI04) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC–3025. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled "Autopsies," (RIN2900–AI07) received on June 6, 1996; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–580. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Appropriations.

"JOINT RESOLUTION NO. 1381

"Whereas, President Nixon stated, 'No qualified student who wants to go to college should be barred by lack of money. That has long been a great American goal.'; and

"Whereas, each subsequent President, including President Clinton, has reaffirmed this policy; and

"Whereas, a dollar invested in the federal educational grant programs will return $4.30 in additional tax revenue over a student's lifetime; and

"Whereas, full-time college students work an average of 25 hours a week to support themselves; and

"Whereas, college-aged youths from the highest income families are more than 3 times as likely to be enrolled in college as those from the lowest income families; and

"Whereas, under current Congressional proposals, 212,000 college students will lose state grants and an additional 150,000 needy students will lose student loans; and

"Whereas, Congress has proposed reducing student grants for college by eliminating Pell grants for 400,000 students; and

"Whereas, Congress has proposed to penalize colleges and universities for serving needy students by instituting a tax on schools equal to 2% of loan volume; and

"Whereas, educational programs that will receive no funding under the current congressional continuing resolution include: law-related education, cooperative education, Douglas Teacher scholarships, innovative community service projects, drop-out prevention demonstrations, state vocational education councils and art programs; Now, therefore, be it

"*Resolved*, That We, your Memorialists, respectfully recommend and urge the Congress of the United States to maintain aid for higher education; and be it further

"*Resolved*, That duly authenticated copies of this Memorial be submitted by the Secretary of State to the Honorable William J. Clinton, President of the United States, the President of the Senate, the Majority Leader of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Maine Congressional Delegation."

POM–581. A joint resolution adopted by the Legislature of the State of Tennessee; to the Committee on Appropriations.

"SENATE JOINT RESOLUTION NO. 323

"Whereas, the Center for Applied Science and Technology for Law Enforcement (CASTLE) successfully completed six months of pilot operation in September, 1995; and

"Whereas, the laudable mission of the CASTLE program is to understand and solve critical needs of the United States law enforcement and corrections community through the application of unique or specialized technology; and

"Whereas, the CASTLE program is committed to serving law enforcement and corrections in a fourteen (14) state Southeastern region, and transferring its lessons-learned, methodologies and technologies nationally; and

"Whereas, serving as a partnership of key Southeastern law enforcement professionals, universities, private sector companies and the Oak Ridge scientific complex, CASTLE has demonstrated its ability to identify the real needs of grass roots law enforcement, develop new forensic capabilities, apply advanced technology to crime fighting and improve police officer safety; and

"Whereas, CASTLE has the potential to be a significant contributor to national security; and

"Whereas, CASTLE is proactive, innovative and tireless in its service to national security through technology for better, safer and less costly law enforcement; and

"Whereas, to date, the CASTLE program has provided invaluable technical and research services to numerous Tennessee state and local law enforcement agencies that have sought access to specialized technology beyond their scope and means via CASTLE's expert assistance; and

"Whereas, the excellent support provided by CASTLE in these instances has been instrumental in solving several murder cases and other sensitive, high profile cases; and

"Whereas, the centerpiece of the next phase of CASTLE, as identified in its Strategic Plan, will be the establishment of Oak Ridge National Laboratory (ORNL) as the lead laboratory for a National Institute of Justice (NIJ) sponsored virtual National Forensic Center; and

"Whereas, if adequately funded by the federal government, CASTLE will be a leader in solving critical needs of grass roots law enforcement through innovative management and selective application of advanced technology; and

"Whereas, the recent budget impasse in Washington, D.C. has threatened the continuation of adequate federal funding for the next phase of the CASTLE program; and

"Whereas, it would indeed be devastating to the public safety and welfare if the unique, advanced technology, innovative methodologies and tireless professionalism of the CASTLE program were to be sacrificed in the interests of less worthy components of the federal budget; Now, therefore, be it

"*Resolved*, by the Senate of the Ninety-Ninth General Assembly of the State of Tennessee, the House of Representatives concurring, That this General Assembly hereby memorializes the President of the United States, the U.S. Congress and the U.S. Department of Justice to secure adequate federal funding for the implementation of the next phase of The Center for Applied Sciences and Technology for Law Enforcement (CASTLE) as identified in its Strategic Plan dated October, 1995, and to maintain adequate funding for the CASTLE program at its present level of operation; be it

"*Resolved*, That the Chief Clerk of the Senate is directed to transmit a certified copy of this resolution to the Honorable Bill Clinton, President of the United States; the Honorable Janet Reno, Esquire, U.S. Attorney General; the Speaker and the Clerk of the U.S. House of Representatives; the President and the Secretary of the U.S. Senate; and to each member of Tennessee's congressional delegation."

POM–582. A joint resolution adopted by the Legislature of the State of Tennessee; to the Committee on Appropriations.

"HOUSE JOINT RESOLUTION NO. 525

"Whereas, the operations of predecessor federal agencies and the past and current operations of the U.S. Department of Energy now require the control and abatement of legacy environmental hazards and also require ongoing waste management activities which, together, involve more than 130 sites and facilities in over 30 states and territories; and

"Whereas, the research and production missions of predecessor agencies and of the U.S. Department of Energy have been essential to the national defense; to development of safe, economical and reliable energy sources; and to many fields of scientific research which have enriched our nation; and

"Whereas, since 1942, the Oak Ridge Reservation in Anderson County, Tennessee, and in Roane County, Tennessee, has hosted missions and programs contributing to national security, national energy supply, national environmental enhancement, and national economic competitiveness; and

"Whereas, the Oak Ridge National Laboratory is a national asset with world-class recognition and capabilities in energy, environmental materials, computer science, research and development that contributes to Tennessee's and the nation's economic competitiveness; and

"Whereas, the Environmental Management Program of the U.S. Department of Energy is responsible for control and abatement of environmental problems on the Oak Ridge Reservation; and

"Whereas, the Environmental Management Program of the U.S. Department of Energy is further responsible for essential support of ongoing national security and national scientific research missions on the Oak Ridge Reservation through provision of waste management services and through technology development activities; and

"Whereas, appropriations for the defense environmental management, non-defense environmental management, and uranium decontamination and decommissioning funds for the Oak Ridge Reservation Environmental Management Programs have been reduced significantly for federal fiscal year 1996; and

"Whereas, the Oak Ridge community and the East Tennessee region now host a world-class community of over 100 environmental management and service companies which are demonstrating that environmental problems and ongoing waste management activities can be accomplished with greater efficiencies and effectiveness within the constraints of reduced budgets; and

"Whereas, the need to address environmental management challenges exists on the Oak Ridge Reservation and the talent and technological capability to address such challenges reside in the surrounding region; Now, therefore, be it

"*Resolved*, by the House of Representatives of the Ninety-Ninth General Assembly of the State of Tennessee, the Senate Concurring, That the General Assembly finds that stable and adequate funding of the DOE Environmental Management Program for the Oak Ridge Reservation is essential to the health, safety and general welfare of the citizens of Tennessee and essential to the protection of the environmental quality of the State of Tennessee; be it further

"*Resolved*, That the General Assembly memorializes the committees of the United States Congress with jurisdiction for both program authorization and for appropriation of funds to the DOE Environmental Management Program to provide authorities and funding to this program for federal fiscal year 1997 sufficient to assure Tennessee citizens that:

"(1) Oak Ridge Reservation contaminants are controlled to prevent situations where it would cost more at a later date to control the spread of contamination;

"(2) workers on the Oak Ridge Reservation are not exposed to undue risks;

"(3) wastes that are produced in the ongoing defense and scientific research missions on the reservation are characterized and managed in such a way as to prevent a future environmental liability;

"(4) wastes receive appropriate treatment and are moved on to final disposal, thus avoiding the continuing costs of interim storage where disposal capacity is now available;

"(5) nuclear materials and facilities stabilization and decontamination and decommissioning of facilities are accomplished expeditiously by funding such projects now to reduce the overall life-cycle costs to taxpayers and to allow industry to take advantage of the infrastructure, technology, and capable work force;

"(6) U.S. Department of Energy programs are able to comply with state and federal law to the same extent that private business and industry are required to comply with state and federal law;

"(7) local governments and area citizens are fully involved in shaping the environmental management programs which will determine future uses and the environmental conditions appropriate for such future uses of the Oak Ridge Reservation; and

"(8) existing agreements made in good faith and in the spirit of cooperation and progress by the State of Tennessee with the U.S. Department of Energy are honored to the fullest extent applicable by law; be it further

"*Resolved*, That enrolled copies of this resolution be transmitted to the respective chairs of the Energy and Water Development Appropriation Subcommittees of the U.S. House of Representatives and the U.S. Senate; the Speaker and the Clerk of the U.S. House of Representatives; the President and the Secretary of the U.S. Senate; and each member of Tennessee's Congressional delegation."

POM-583. A joint resolution adopted by the Legislature of the State of Utah to the Committee on Appropriations.

"HOUSE JOINT RESOLUTION NO. 1

"Whereas the constitutional role of the United States military is to protect the life, liberty, and property of United States citizens and to defend our nation against insurrection or foreign invasions;

"Whereas the United States is an independent sovereign nation and not a tributary of the United Nations;

"Whereas there is no popular support for the establishment of a world sovereignty of any kind either under the United Nations or under any world body in any form of global government; and

"Whereas global government could lead to the destruction of our United States Constitution and corruption of the spirit of the Declaration of Independence, our freedom, and our way of life: Now, therefore, be it

"*Resolved* That the Legislature of the state of Utah urge the United States Congress to cease the appropriation of United States funds for any military activity not authorized by the Constitution, to cease engagement in any military activity under the authority of the United Nations or any world body, and to cease any support for the establishment of any form of global government; be it further

"*Resolved*, That the Legislature urge the United States Congress to refrain from taking any further steps toward the economic or political merger of the United States into a world body or any form of world government; be it further

"*Resolved*, that copies of this resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and Utah's congressional delegation."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 1864. A bill to transfer jurisdiction over certain parcels of Federal real property located in the District of Columbia, and for other purposes; to the Committee on Energy and Natural Resources.

By Mrs. FEINSTEIN:

S. 1865. A bill to direct the Administrator of the Federal Aviation Administration to issue regulations relating to recirculation of fresh air in commercial aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS:

S. 1866. A bill to amend title 18, United States Code, to clarify Federal jurisdiction over offenses relating to damage to religious property; to the Committee on the Judiciary.

By Mr. BIDEN (for himself and Mr. SPECTER):

S. 1867. A bill to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending; to the Committee on Finance.

By Mr. BREAUX:

S. 1868. A bill to amend the Deepwater Port Act of 1974 to promote the use of deepwater ports to transport Outer Continental Shelf oil by reducing unnecessary and duplicative regulatory requirements, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BINGAMAN (for himself, Mr. LEAHY, Mr. DOMENICI, Mr. DASCHLE, and Mr. PRESSLER):

S. Res. 259. A resolution to express the sense of the Senate that the Secretary of Agriculture should use the disaster reserve established under section 813 of the Agricultural Act of 1970 to alleviate distress to all livestock producers who have suffered feed losses due to drought, flooding, or other natural disasters in 1996 in the most cost efficient manner practicable, including cash payments from the sale of commodities in the disaster reserve, and should provide voluntary conservation assistance to persons who hay or graze on conservation reserve lands, and for other purposes; considered and agreed to.

By Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. GRAMM, Mrs. HUTCHISON, and Mr. PRESSLER):

S. Res. 260. A resolution to express the sense of the Senate that livestock producers who are not eligible for emergency livestock feed assistance in the 1996 crop year, and who have suffered feed losses due to drought, flooding, or other natural disasters in 1996, should receive special consideration for assistance from commodities or the sale or commodities currently available in the disaster reserve established under section 813 of the Agricultural Act of 1970, and for other purposes; considered and agreed to.

By Mr. GRAMM (for himself, Mrs. HUTCHISON, Mr. DOMENICI, and Mr. PRESSLER):

S. Res. 261. A resolution to express the sense of the Senate that the Secretary of Agriculture should allow livestock producers who had qualified for emergency livestock feed assistance in the 1995 crop year to be eligible for emergency livestock feed assistance in the 1996 crop year, and for other purposes; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 1864. A bill to transfer jurisdiction over certain parcels of Federal real property located in the District of Columbia, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL REAL PROPERTY TRANSFER LEGISLATION

• Mr. INOUYE. Mr. President, I introduce a bill to transfer jurisdiction over a parcel of land from the Architect of the Capitol to the Department of the Interior. This no-cost transfer would allow this parcel to be used to establish a memorial to Japanese-American patriotism in World War II, since monuments cannot be built on the Capitol Grounds. I am pleased to note that this transfer has the support of the National Park Service, the Bureau of

Land Management, and the Architect of the Capitol.

This memorial, authorized in 1992 by Public Law 102–502 to honor the patriotism of Americans of Japanese ancestry during World War II, must begin construction by October 24, 1999. It is essential that the land exchange take place as soon as possible in order to begin the formal approval processes for the memorial's design.

I hope that my colleagues will join me in supporting this measure's expedient passage.●

By Mrs. FEINSTEIN:

S. 1865. A bill to direct the Administrator of the Federal Aviation Administration to issue regulations relating to recirculation of fresh air in commercial aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE AVIATION CLEAN AIR ACT OF 1996

Mrs. FEINSTEIN. Mr. President, I rise to introduce legislation having to do with the quality of air in passenger cabins of commercial aircraft.

I want to begin for a moment by telling you how I got into this. Three years ago, obviously coming to the Senate, I began a whole series of flights from San Francisco and from Los Angeles to Washington, and I noticed something. I noticed when I rode a 747 I did not get a headache and the circulation in my hand did not cease. When I rode a 757 or a 767, I began to get rather severe headaches. If I fell asleep, the circulation in my hand ceased. This, then, promptly woke me up.

I began to look into it. What did I find? I looked at Federal clean air standards for enclosed spaces. I found that the Federal standard for fresh air in prison cells is 20 cubic feet per person per minute. The fresh air standard for an office building, for a theater lobby, for a restaurant, is the same. Then I found there were no fresh air standards for commercial aircraft.

So I asked, what are the existing levels? Let me tell you what I found. The average amount of fresh air circulation in a 757 is 9 cubic feet per person. The average amount of fresh air in a 767 is 9.1 cubic feet per person per minute. The new 737's, provide an average of 9.6 cubic feet per person per minute. Now, what is the significance? The significance is that it is less than one-half the fresh air that is required in a prison cell, an office or a restaurant. And then I began to ask flight attendants about the problems. What I learned is that stories documented of sore throats and headaches, of difficulty of breathing, of poor circulation in the body and swollen legs, of colds, flus, and airborne diseases, such as flu and tuberculosis are now beginning to spiral throughout the 1.4 million passengers per day that ride commercial airlines.

Well, today I want to introduce in the Senate an idea whose time has come, and that is an aviation clean air act. This is also being introduced in the House of Representatives at the same time. Essentially, what this bill would require is that commercial airlines provide ventilation systems that provide 20 cubic feet of fresh air per person per minute in the cabin. This is equal to what is provided today by older aircraft, namely, the 747. Many of the larger commercial aircraft, such as the 737's, 757's, or 767's, as I said, provide less than one-half of what is provided by a 747.

Second, the bill would ensure that air filters used in airplane cabin air recirculation systems are monitored and changed regularly.

Third, it would require that airlines monitor humidity and ozone levels.

Fourth, it would require the FAA to create a "1–800" number to receive reports of illnesses relating to air travel.

I also want to introduce into the RECORD directly following my statement a statement of Patricia Friend, the international president of the Association of Flight Attendants; a statement of Andrew Parramore, a flight attendant; a statement of Joe Johnson, a member of the Association of Flight Attendants, and Janie Johnson, a member of the Association of Flight Attendants.

I ask unanimous consent that they be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD as follows:

STATEMENT OF PATRICIA FRIEND AT AN AVIATION CLEAN AIR ACT PRESS CONFERENCE

On behalf of the 40,000 members of the Association of Flight Attendants, I would like to thank Senator Dianne Feinstein and Representative Jerrold Nadler for today introducing legislation that will significantly air quality in the airplane cabin.

This legislation seeks to establish a minimum ventilation standard of 20 cubic feet of fresh air per minute per person in the cabin. In addition to the ventilation standard, the proposed legislation would also require the monitoring of air filters, ozone and humidity. The Aviation Clean Air Act of 1996 seeks to establish a toll-free telephone number at the FAA for individuals to report cabin air quality incidents. These are critical elements to achieving a healthy workplace for flight attendants.

While frequent fliers often complain of headaches, nausea, dizziness, consistently coming down with upper respiratory viral infections after flying, and in some cases, passing out during flight and having oxygen administered by the flight attendants, the flight attendants themselves are at even greater risk from poor cabin air quality.

Flight attendants are inflight safety professionals. In the daily performance of our duties, we inhale a greater amount of air, increasing our exposure to viruses and bacteria, fumes from chemical solvents, and carbon monoxide from incomplete combustion of fuel. Flight attendants who routinely work in cabins with poor air quality complain of respiratory problems and other health difficulties such as dizziness, severe headaches, loss of balance and numbness in the hands.

Our position on increased fresh air in the cabin is supported by the FAA's recently introduced final rule. The FAA determined that health and safety considerations justify these standards, stating that cabin crew members must be able to perform their duties without undue discomfort or fatigue.

Regrettably, their rule did not address air quality in aircraft currently being operated but applies only to future generation aircraft. After 7 years of pending rule-making, the FAA's final rule is still unsatisfactory offering too little, too late.

Recall the USAir Flight 1016 accident on a DC9–31 (with 100% fresh air), in which the flight attendants helped passengers to escape from the aircraft. One of them, Rich DeMary, repeatedly risked his life to single-handedly save four persons from the burning wreckage. Imagine what might have happened had these flight attendants been suffering loss of balance, headaches, or numbness in their hands. Whether it is reacting to severe turbulence, safely evacuating passengers during an emergency or responding to an onboard fire, flight attendants must be ready to respond at a moment's notice.

AFA strongly supports the legislation to establish a minimum standard of 20 cubic feet of fresh air per minute per person in the cabin. Both Senator Feinstein and Representative Nadler deserve the thanks of all flight attendants and passengers, whose health and safety will benefit from this legislation.

STATEMENT OF ANDREW PARRAMORE

On April 25, 1994, on an aircraft with recirculated air, scheduled to fly from Los Angeles to the East coast, with 103 passengers and 7 flight attendants aboard, developed severe air cabin quality problems. The result was an eventual unscheduled landing in Chicago, where passengers and crew were met by paramedics, and one flight attendant was hospitalized with abnormally high carbon monoxide levels. Four others went en route sick list, experiencing headache, disorientation, motor skill impairment and respiratory difficulties, symptoms, I was told by a physician, which are consistent with prolonged exposure to carbon monoxide poisoning and resultant oxygen deprivation.

Immediately upon takeoff the coach cabin filled with dense white smoke, the flight attendants experienced eye irritation, smells described as overheating metal and/or electrical fire, and a bitter metallic taste. The cockpit was notified, the cabin was searched for source of possible fire, and the problem attributed to a deferred, inoperative air pack which had been activated. Crewmembers noted an unusually high percentage of coach passengers in a deep, heavy sleep; the few conscious complained of dizziness, fatigue, headache, nausea, and complained of the cabin air. Flight attendants were unable to complete the beverage service without rotating to the cockpit for supplementary oxygen.

At this point, one of the flight attendants described what happened:

"I tried to finish setting up two liquor carts. I had to leave at least twice and go to the forward galley to warm up and clear my head, but eventually I went to the cockpit for oxygen as well. When I was in the cockpit, I again told the pilots we were feeling ill and several passengers had complained. [The pilots] hypothesized what the problem could be but I definitely got the impression that they thought this was a cosmetic problem (bad smell in the cabin) and our illness was all in our heads. They asked why the first class flight attendants were not feeling ill. I said the smoke and fumes were primarily in the main cabin and not first class."

I then came into the cockpit to take oxygen.

Our symptoms worsened, and individual oxygen bottles were soon retrieved. The flight attendant crew experienced increasing loss of motor skills and mental alertness, loss of ability to judge time passage and elementary computations, disorientation, headache, extreme fatigue. The lunch service was canceled, passengers awakened with great difficulty and relocated from coach to business class [which is designed to provide a somewhat increased level of fresh air per person] where effects seemed less severe. The flight attendants responsible for the coach section of the aircraft spent the last two hours of the flight seated, breathing from oxygen bottles. Individual flight attendants intermittently lost consciousness. Passengers were either completely "out", often with flushed faces, or in an apathetic, non communicative "daze". The airline safety official's "best guess" is that the malfunctioning air pack combusted superheated synthetic oil, flooding the coach cabin with resulting fumes and particulate irritants and as a byproduct created poisonous carbon monoxide.

STATEMENT OF JOE JOHNSON

I have been a flight attendant for about 16 years and traveling by air for much longer than that. With the relatively recent introduction of aircraft with recycled air systems, I have experienced a reduction of air quality on board. I have experienced fatigue, difficulty in breathing, lightheadedness, and headaches on some flights. Passengers often complain to me of the same. The first thought is that this could be due to smoking on board flights. However, since most flights have been nonsmoking for some time, I believe this is just a contributing factor.

There is a marked difference in air quality when flying older aircraft such as the 747-100 series, any 727 or 737-200 series. I am told by experts in the field this is due to 100 percent fresh air exchange on the older airplanes. On some newer generation airplanes, we frequently ask the pilots to turn off the recirculation fans, which I understand, allows more fresh air into the cabin. This procedure, I am told by our engineers, theoretically uses more fuel, however, it does improve air quality. You can surmise in an era of cost control that this practice is not popular among airline management's.

Another area that contributes to poor air quality is the lack of adequate maintenance of the filtration systems. I have witnessed filters that are so black and clogged I don't know how any air could have passed through. On a recent flight from Los Angeles to Washington, a frequent flying passenger repeatedly asked me to ask the pilots to improve the air quality and air flow. He proclaimed to all who were around that, "I travel all the time and we are all going to have black lungs from the air on board airplanes. These new planes are terrible." I repeatedly relayed his requests to the cockpit.

Due to design, it would appear, air quality continues to deteriorate. This is a real problem for flights attendants as well as the traveling public.

STATEMENT OF JANIE JOHNSON

As a veteran flight attendant for 23 years, I believe the air quality continues to deteriorate. A great number of flight attendants experience headaches, have difficulty breathing, suffer from upper respiratory problems and are fatigued.

On August 24, 1994, I worked a flight from Washington, DC to Anchorage International via Denver's Stapleton airport. It was an aircraft with recirculating cabin air and was a non-smoking flight. The air was stuffy. Many passengers requested aspirin and I myself had a terrible headache, with sharp pains between my eyes. I also had a difficult time breathing. It was as if someone was standing on my chest.

We reported this to the pilots and they turned off a recirculation fan to see if it would help and it did. Within approximately 20 minutes I found it much easier to breath and my headache was gone.

Upon our return flight from Anchorage to Dulles, via Denver on a different aircraft of the same type, we experienced the same symptoms and again the pilots turned off one of the recirculation fans. The results were the same. We did notice that the ceiling vents in both galleys were obstructed by lint. We logged the problems with the air quality and upon our arrival into Denver, mechanics removed the covers and cleaned the filters. They were almost totally blanketed with what appeared to be lint, and other debris.

I am not a doctor nor a mechanic but just a flight attendant that makes a living of working on board airplanes. Lack of good air quality is negatively impacting not only my health but the health of my flying partners and passengers who travel on board our airplanes every day. During a conference call regarding air quality on one of the new generation of aircraft with recirculated air, the maintenance engineer commented, "when I went to training for this system, I was told it was a flying cold."

Numerous incidents of poor air quality have been filed by flight attendants, yet, over the years, conditions continue to worsen. It would appear for the sake of some fuel savings, air quality and our health and safety continue to suffer.

By Mr. HOLLINGS:

S. 1866. A bill to amend title 18, United States Code, to clarify Federal jurisdiction over offenses relating to damage to religious property.

THE CHURCH ARSON PREVENTION ACT OF 1996

Mr. HOLLINGS. Mr. President, I rise today to introduce a bill aimed at providing a mechanism for Federal law enforcement to combat the most recent scourge to sweep across the Southeast. I am talking about the burnings of black churches that have been making such dramatic headlines lately. The burning of houses of worship have been taking place for the past 5 or 6 years, but this particular outbreak of fires has all the characteristics of an epidemic. Not since the sixties have I been witness to such blatant intolerance and hatred, such utterly despicable acts of American citizens against their fellow Americans as has I have seen over these past few weeks. I turn on the news and see a burning church, a haunting image with horrific symbolic and practical implications, and I say this must stop. Not just this specific rash of crime, but the whole trend toward violence and intolerance in our society. We as Americans have fought too hard to let racial or religious intolerance once again pollute our democracy.

This morning I accompanied President Clinton as he traveled to South Carolina. I welcome his strong presence in the midst of this unsettling trend, and moreover I welcome the message he brought to my home State. This country is stronger than the forces of hatred that would divide us. We will rebuild, and we will punish those responsible for these episodes of destruction.

To fight against the forces of divisiveness, we must pull together as a community. In the South, that means rebuilding, it means congregations of churches all over America picking a Sunday and dedicating their collections to rebuild these burned churches. Here in the Government, in means using every means within our power to make sure that this never happens again.

As of this moment, we don't have legislation that adequately addresses this brand of criminal behavior. The investigations by Federal authorities, and their ability to prosecute these cases have been limited by the current law. The bill I propose will remove the impediments to bringing Federal cases, and give the Attorney General an effective, and necessary weapon with which to combat these crimes. Section 247 of title 18, United States Code, makes it a crime to damage religious property or to obstruct persons in the free exercise of religious beliefs. I propose to amend this by requiring only that the offense "is in or affects interstate or foreign commerce." Congress will be effectively granting jurisdiction over all conduct which may be reached under the interstate commerce clause of the constitution.

Additionally, the bill eliminates the $10,000 threshold for fire damages to grant Federal jurisdiction in cases where there is only minimal damage. This way, desecration or defacement of houses of worship can be prosecuted under 18 U.S.C. 247.

I urge the Senate to act quickly and adopt this provision. As I understand a similar measure is making its way through the House, the Senate should also act in an expeditious manner to ensure the Federal Government has the necessary authority to combat this tragic epidemic.

More importantly, this country must come together, leave racial intolerance behind, and insure that we end this type of bigotry.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1866

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Church Arson Prevention Act of 1996".

SEC. 2. DAMAGE TO RELIGIOUS PROPERTY.

Section 247 of title 18, United States Code, is amended—

(1) so that subsection (b) reads as follows:

"(b) The circumstances referred to in subsection (a) are that the offense is in or affects interstate or foreign commerce."; and

(2) in subsection (a)(1), by inserting ", racial, or ethnic" before "character".

By Mr. BIDEN (for himself and Mr. SPECTER):

S. 1867. A bill to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending; to the Committee on Finance.

THE BIPARTISAN WELFARE REFORM ACT OF 1996

Mr. BIDEN. Mr. President, since 1987, when I first proposed an overhaul of the welfare system, I have argued that welfare recipients should be required to work. Nine years later, America is still in need of fundamental welfare reform.

So, today, Mr. President, Senator SPECTER and I are introducing the Bipartisan Welfare Reform Act of 1996—the Senate companion to legislation introduced in April by Representatives MIKE CASTLE and JOHN TANNER and 30 moderate House Members from both parties.

Let me briefly review how we got to this point and why we are taking this action.

Last September, the Senate passed a bipartisan welfare reform bill by an overwhelming vote of 87-12. I voted for that bill, and President Clinton said he could sign it.

Since then, however, polarizing partisanship and Presidential politics have permeated this issue. And, the result has been paralysis. Nothing has been accomplished.

In an attempt to break the gridlock, last February, the Nation's Governors—led by my Governor, Tom Carper—proposed a bipartisan welfare reform bill. In April, Representatives CASTLE and TANNER and a group of other moderates wrote what I believe is a first-rate bipartisan welfare reform plan.

No such bipartisan plan to date has been introduced in the Senate. And, as this issue will be back before us again soon, Senator SPECTER and I decided that now is the time—and the Castle-Tanner proposal is the bill to move us forward.

What this bill proposes, in and of itself, is not new. What is new is that it is being proposed all together in a bipartisan fashion.

For that, Representative CASTLE and Senator SPECTER deserve great applause. They are reaching across the aisle to do what the American people sent us to Congress to do—work together to solve the problems facing this country. And, again, I think the bill we are introducing today is a first-rate bill.

To highlight the basic principles: there would be a 5-year time limit on receiving welfare benefits. After 2 years, welfare recipients would be required to work—at least 25 hours per week. And, child care would be available, so that children are not left home alone while their mothers are working.

The bill would make getting tough on the deadbeat dads who do not pay child support as high a priority as getting tough on the welfare moms. And, the bill takes steps to crack down on welfare—particularly food stamp—fraud.

This will all sound familiar to those who have followed this debate. And, as I said a moment ago, it is. For the principles have never been in doubt—almost everyone agrees on them.

You see, what has been lost in the shuffle and shouting of the last 10 months is that there is a great deal of common ground on welfare reform. So much so, that if you leave behind the politics and the partisanship, a tough, bipartisan welfare reform bill is easily within reach.

I think this is that bill. But, if not, it is awfully darn close. Let me just mention a couple of examples of bipartisan compromise.

For Republicans, the bill converts aid to families with dependent children—AFDC— to a block grant to the States. For Democrats, it more adequately invests in child care.

For Republicans, the bill freezes funding for cash welfare payments. For Democrats, it provides additional help to those States faced with economic downturns.

For Republicans, the bill imposes a family cap. For Democrats, it gives States flexibility to opt out.

Is this bill exactly how I would have written a bill on my own in the solitude of my office? The answer is no. But, if we are going to move forward, we must stop insisting that there be a perfect bill or no bill at all.

It is time to say that we do not care who gets credit for reforming welfare. It is time to just do it—in a bipartisan fashion—for the sake of the American people and for the sake of the people on welfare.

I urge my colleagues to cosponsor the Biden-Specter Bipartisan Welfare Reform Act, and I ask unanimous consent that a summary of the bill prepared by Representative TANNER be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HIGHLIGHTS OF THE BIPARTISAN WELFARE REFORM ACT OF 1996

TITLE I—BLOCK GRANT FOR TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)

Basic grant. Consolidates funding for AFDC, JOBS and Emergency Assistance (EA) into a $16.35 annual billion block grant to states beginning in FY 1997 called the Temporary Assistance for Needy Families (TANF) block grant.

Supplemental grant fund of $800 million for FY 1997-FY 2000 for states with high population growth and/or low grant amounts per poor person.

Contingency Fund for State Welfare Programs. Establishes a contingency fund for states of $2 billion in matching funds over five years (FY 1997-2001) for states that experience high unemployment or an increase in the food stamp caseload. States must also meet a 100% maintenance of effort requirement in the year they use the contingency fund. Funds are provided at the end and cannot exceed 20% of a state's annual TANF grant in a fiscal year.

State plan. States would be required to submit a state plan for approval in order to receive federal funds. The Secretary must approve any plan which meets the following basic requirements:

Work Requirements. Require all able-bodied recipients to engage in work activities within two years of receiving assistance.

Fair and equitable treatment. Set forth objective criteria for the delivery of benefits and the determination of eligibility and fair and equitable treatment, treat families with similar needs and circumstances similarly and provide opportunities for recipients who have been adversely affected to be heard in a state administrative or appeal process.

Out of wedlock pregnancies. Establish goals and take actions to reduce the incidence of out of wedlock pregnancies, with special emphasis on teenagers.

Other programs. Have in place a child support enforcement and child protection programs.

Local Control. Certify that 1) local governments and private sector organizations are included in all phases of developing the plan; 2) local officials who are responsible for administration of services are able to plan, design and administer programs in their jurisdiction; and 3) there are no unfunded mandates on local governments.

Non-displacement. Certify that the state program will not result in the displacement of any current employees or replacement of an employee who was terminated with individuals receiving assistance under the state plan.

Maintenance of effort. 85% maintenance of effort requirement through FY 2001 based on a state's FY 1994 spending on AFDC, JOBS, and AFDC-related child care and EA. State spending on programs that were not part of the state's AFDC program would not be counted in meeting the maintenance of effort. The Secretary may reduce the maintenance of effort requirement by up to 5% (down to 80%) for states that have high performance in placing individuals in private sector employment and increase the states maintenance of effort by up to 5% (up to 90%) if the state fails to meet the work participation rates.

Transferability. States may transfer up to 20% of the federal TANF grant to the Child care and Development Block grant.

Time limits on benefits:

Five year federal limit. A state may not provide cash assistance to a family that includes and adult who has received any assistance under the TANF grant for 60 months.

State option for time limits. States have the option of terminating benefits to a family that includes an adult who has received assistance for 24 months.

Exemption to time limits. States may grant exemptions to up to 20% of the caseload for either reason of hardship or if the individual has been battered or subject to extreme cruelty.

Vouchers. States have the option of providing assistance in the form of vouchers for the needs of the child (diapers, etc.) for families who lose benefits as a result of the federal five year time limit. States must provide vouchers to families who lose assistance as a result of a state time limit of less than five years.

Work requirements. States must require a parent or caretaker receiving assistance under the program to engage in work after receiving assistance for 24 months:

Individual Responsibility Contract. Require welfare recipients sign an individual responsibility contract developed by the state upon becoming eligible for cash assistance. The individual responsibility contract would outline what actions the individual would take to move to private sector employment. The contract will also outline what services the state will provide to the individual.

Eligible work activities. Unsubsidized employment; subsidized private and public sector employment; work experience, on-the-job training; job search and job readiness (limited to 12 weeks in a year); community service; vocational educational training (not to exceed 12 months for any individual). Education and job skills training will not count toward meeting the first 20 hours of participation (unless in the case of education, the parent is a teen). Individuals who have welfare for private sector employment ("leavers") would be considered as engaged in work activities for purposes of calculating participation rates for six months provided that they remain employed.

Required hours. The minimum average number of hours per week for all recipients in 20 hours for FY 1996, FY 1997, and FT 1998; and 25 hours in FY 1999 and thereafter.

Participation rates. States must meet the following participation rates for single parent families: 1996–15%, 1997–20%, 1998–25%, 1999–30, 2000–35%, 2001–40%, 2002 and thereafter-50%. The rates for two-parent families are: 1996–50%, 1997–75%, 1998–75%, 1999 and thereafter-90%.

Pro rata reduction in participation rate. States will receive pro rata reduction in the participation rate requirement if the number of families receiving assistance under the State program is less than the number of families that received the AFDC in FY 1995.

Work Funding. Provides $3 billion in supplemental funds for the operation of work programs that states can draw down beginning in 1999 if the state is maintaining 100% of 1994 state spending on AFDC work programs and demonstrates that it needs additional funds to meet the work requirements or certifies that it intends to exceed the work requirements. The state must match the additional federal funds for work programs at FMAP.

Other Provisions:

Minor mothers. Teen parents under age 18 must attend school and live at home or with a responsible adult. States have the option of denying aid to unmarried teen mothers and their children.

Family cap. States have the option of denying cash assistance to additional children born or conceived while the parent is on welfare.

Bonuses for reducing out-of-wedlock births. Includes bonuses to states that reduce out-of-wedlock births without increasing abortions.

TITLE II—SSI REFORM

SSI Benefits for children. Reform the SSI program to address the so-called "crazy check" problem in the child SSI program by eliminating the current Individualized Functional equivalency standards, maladaptive behavior and psychoactive substance dependence disorder. The Social Security Administration would be required to revise functional equivalency standard within the medical listings. All children who are currently on the rolls as a result of the IFA process would be reevaluated under the new criteria established in Section 9601. Parents would be required to demonstrate that funds received from SSI were used to assist the disabled child during the review. The provisions would be effective on October 1, 1996.

Deeming of parents income for children. Increase the portion of the income of a child's parents that is "deemed" in determining the eligibility of that child for SSI for families with incomes above 150% of poverty.

Disability Review for SSI recipients who are 18 years of age. Requires children who received SSI benefits to undergo a disability review before being placed on the adult rolls at age 18.

SSI benefits for individuals convicted of fraud. Denies benefits for ten years to an individual who is found to have fraudulently misrepresenting residence in order to receive AFDC, TEA, Food Stamps or SSI benefits simultaneously in two or more states.

SSI benefits for fugitive felons and probation and parole violators. Denies SSI benefits to individuals in any month in which the individual is fleeing prosecution or imprisonment. Authorizes SSA to provide information regarding SSI beneficiaries if requested by law enforcement officers for recipients who are fleeing prosecution or imprisonment.

SSI Continuing Disability Reviews. Requires Social Security Administration to schedule continuing disability reviews (CDRs) for all current and future adult SSI recipients to ensure that they are still eligible. The CDRs would be scheduled on a staggered schedule with reviews every three years for covered individuals. Individuals who have disabilities which are not expected to improve or who are more than 65 years old would be exempt.

TITLE III—CHILD SUPPORT

Distribution. Post-welfare arrearages must be paid to the family first beginning October 1, 1997. Pre-welfare arrearages will also be paid to the family first but the effective date for this provision will be October 1, 2000. If pre-welfare arrearages paid to the family exceed state savings from the elimination of the $50 disregard and other methods of improving collections in the bill, the federal government will pay the difference to the state.

Incentive adjustments. The Secretary will develop a new performance-based incentive system to be effective October 1, 1997.

System automation. Extends the 90% enhanced match for state implementation of the data systems requirement that were created by the Family Support Act until October 1, 1997. States must have submitted their advance planning document by September 30, 1995. Increases in the funding available for new systems requirements to $400 million from the $260 million, originally included in both bills. Provides an enhanced match of 80% for new requirements.

Paternity establishment rate. Increases the paternity establishment rate from 75% to 90%. States failing to reach it or make adequate progress will have their TANF grant reduced. Paternity establishment ratio is amended to be based on all children born out-of-wedlock, not just to those receiving AFDC or child support services.

New requirements. States must establish an automated central registry of IV–D case records and support orders and an automated directory of new hires; operate a centralized unit to collect and disburse all child support orders (not just IV–D cases); and meet expanded requirements around enforcement and paternity establishment.

Licenses. Requires states to have laws suspending drivers, professional, occupation and recreational license for overdue child support.

TITLE IV—IMMIGRATION.

Food stamp and SSI bar. Current and future immigrants are barred from food stamps and SSI until attaining citizenship with the following exceptions:

(1) Children are exempted from the food stamp ban;

(2) Disabled children;

(3) Victims of domestic abuse;

(4) Refugees in their five years in the U.S.;

(5) Veterans and active duty service members and their spouses and dependents;

(6) Individuals who have worked and paid FICA taxes for 60 months.

5-year ban. New entrants are denied all other federally means-tested benefits for five years after arrival in the U.S. with same exemptions as above. Programs not included in the bar include Medicaid emergency medical services, child nutrition, immunization programs, foster care and adoption assistance, higher education loans and grants and Chapter 1.

Deeming until citizenship required for Medicaid (same exemptions as above) for all immigrants until citizenship.

State options. New immigrants would be barred for five years from Medicaid, Title XX and the TANF block grant. States have the option to deny or restrict benefits under these programs for current immigrants and new immigrants (after their first five years). State authority to limit eligibility of immigrants for state and local means-tested programs. Non-profit organizations and community organizations designated by the state attorney general would be exempted from enforcing this ban.

Affidavits of support. Sponsors' affidavits of support are binding and enforceable against the sponsors until the immigrant attains citizenship.

TITLE V.—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

Requires a reduction of 75 percent in the number of federal positions in agencies that administer programs that have been converted into a block grant.

TITLE VI.—REFORM OF PUBLIC HOUSING

Ensures that penalties imposed by states against individuals who fail to comply with rules under welfare programs do not result in reduced public and assisted housing rents.

TITLE VII.—CHILD CARE

Funding. Over the period FY 1997–FY 2002, combines $13.85 billion in mandatory funding and $6 billion in discretionary spending into the Child Care and Development Block Grant (CCDBG):

Discretionary funding (representing the old CCDBG) is authorized at $1 billion annually and must be appropriated annually. Allocation of these funds to states is based on current CCDBG formula.

Mandatory funding or entitlement funding levels are $1.967 billion in FY 1997, $2.067 billion in FY 1999, $2.367 billion in FY 2000, $2.567 billion in FY 2001 and $2.717 billion in FY 2002. States will receive a "base allocation" based on what they received in previous years funds above this amount will be distributed on a matching basis.

CCDBG rules. Rules and regulations of the Child Care Development Block Grant apply to all funds under the child care section. Retains current requirement that states apply minimum health and safety standards to providers and adds a requirement that states not implement any policy or practice that has the effect of restricting parental choice. All funds must be transferred to the lead agency under the Child care and Development Block Grant. There will be a 5 percent cap on administrative costs.

TITLE IX.—CHILD NUTRITION

Child and Adult Care Food Program. Restructures the meal reimbursements for family day care homes in the Child and Adult Care Food Program (CACFP) by targeting assistance to poorer areas.

Summer Food Service Program. Reduces the reimbursement rate for breakfast, lunches and snacks served under the Summer Food Service Program.

TITLE X.—FOOD STAMP REFORM

Fraud and Abuse. All of USDA's proposals to combat food stamp fraud and abuse are included, whereas HR 4 included only some of those proposals.

Cooperations with child support agencies Requiring food stamp participants to cooperate with child support agencies will be an option for the States, rather than a mandate as under HR 4.

Adjustments to Thrifty Food Program. Food stamp benefits will be based on 100% of the Thrifty Food Plan rather than 103% as in current law, as in both bills. The standard deduction used in calculating food stamp eligibility and benefit levels will be reduced.

Simplified food stamp program States will be authorized to operate a simplified food stamp program, combining elements of the food stamp program and the cash welfare program. Such a program must be approved by the Secretary and may not increase federal costs or substantially alter the appropriate distribution of benefits according to household need.

Waiver authority USDA will be required to respond to a request of a State for a waiver of food stamp rules within 60 days of receipt of the request.

TITLE XI.—MISCELLANEOUS

Appropriation of funds by state legislature. Requires that block grants must be appropriated in accordance with the laws and procedures applicable to expenditures of the state's own revenues, including appropriation by the state legislature. Applies to the cash assistance, child care, child protection and optional food stamp block grants. (This would preempt state law in a number of states.)

Social Services Block Grant. Reduces the mandatory spending level of the Social Services Block Grant by 10% beginning in FY 1997 through FY2002—from $2.8 billion to $2.52 billion annually.

Electronic Benefit Transfer (EBT) programs. Exempts state and local government electronic benefit transfer programs from Regulation E of the Electronic Funds Transfer Act.

Mr. SPECTER. Mr. President, I have sought recognition to speak on the Biden-Specter Bipartisan Welfare Reform Act of 1996, a companion measure to H.R. 3266, the Castle-Tanner Bipartisan Welfare Reform Act of 1996. At the outset, I want to compliment my colleague from Delaware, Senator BIDEN, and Congressmen CASTLE and TANNER for their efforts in drafting a strong, bipartisan bill that represents commonsense welfare reform and should attract a broad consensus. Our basic objective in reforming the welfare system is the reduction of poverty and the improvement of the standard of living of millions of Americans. We should not let this goal become lost in partisan politics and we should not wait for the next election to achieve welfare reform and a balanced budget. This Congress can be known as the can do Congress if we work together on these vital issues.

I support many of the principles reflected in the Bipartisan Welfare Reform Act, such as establishing new work requirements in conjunction with improved job training, child care, and other support services for welfare recipients trying to end their dependence on Government assistance. I also support its get-tough policy on collecting overdue child support and on reducing fraud in various Government benefit programs. Although I have concerns about some of the provisions in our legislation, such as the calculation of the formula for the State block grant, it is important to demonstrate that there is a bipartisan effort in the Senate on reforming welfare and I intend to address my reservations during the coming weeks as welfare reform proposals are considered in the Senate. While I have some reservations, I believe this bill is a good starting point for bipartisan legislation.

Looking back to my youth, I began to learn about some of the problems of welfare while growing up in Russell, KS, a small agricultural-oil community. Then, upon moving to Philadelphia for college I saw the problems that can arise in a large city. I have observed problems of welfare dependency for more than 30 years, going back to my earliest days of public service. As an assistant district attorney in Philadelphia, I saw the tremendous impact, the tremendous cost occasioned by a program which did not realistically move people from welfare rolls to payrolls. I learned a great deal about the problems of poverty and the interrelation of jobs, housing, education, welfare, and crime. Later, as district attorney, I brought prosecutions on welfare fraud which I believe were among the first to be brought in the country. So my concern about welfare reform goes back a long way.

Mr. President, in the mid-1980's I had the pleasure of introducing and cosponsoring several pieces of welfare reform legislation that included job training for economically disadvantaged individuals. In the 99th Congress, I cosponsored Senate bills 2578 and 2579 with Senator MOYNIHAN, which were directed toward improving the welfare system. In the 100th Congress, I introduced similar legislation with Senator DODD and worked closely with Senator MOYNIHAN on the legislation that became the first comprehensive welfare reform bill, the Family Welfare Reform Act of 1988, which was signed by President Reagan.

It is against this background of my own involvement with the problem of welfare that I am seeking to work with my colleagues again this year in fashioning legislation that will constitute firm action to put many able-bodied people back to work while ensuring that a social safety net continues to exist, particularly where children are involved.

As we revisit this debate, it is painfully obvious to me that our welfare system has not worked. When one weighs all the factors, it is apparent that we must try a new approach at the Federal level. Consider, for example, the astonishing fact that the overall percentage of persons in poverty in 1994 was roughly equivalent to poverty rates in 1965—the year the Federal Government broadened its role in reducing poverty in our society. In my own State of Pennsylvania, I have been troubled that as many as 5 percent of our more than 11 million residents were receiving some form of welfare benefits as of the end of 1994, more than double the 2.4 percent that were receiving benefits in 1965. Further, since 1965, the number of Pennsylvanians receiving aid to families with dependent children has risen from 276,000 to 608,000.

There are ongoing efforts at real welfare reform at the State level, such as in Wisconsin, where Gov. Tommy Thompson has made notable progress. In Pennsylvania, Gov. Tom Ridge recently signed into law far-reaching welfare reform which will institute agreements between the government and welfare recipients that spell out the steps they must take to move from welfare to work. Pennsylvania's new law emphasizes work, personal responsibility, job training, child care, and other support services, all of which are key elements of the Biden-Specter reform plan. While I do not agree with all provisions of the proposed Pennsylvania legislation, I do concur that reform legislation is needed.

Because a new approach is merited, Congress should pass welfare reform legislation that the President will sign into law. Last year, Congress passed H.R. 4, the Personal Responsibility and Work Opportunity Act of 1995, and H.R. 2491, the Balanced Budget Reconciliation Act of 1995, both of which were vetoed by President Clinton. In order to bridge the differences between Congress and the President concerning how to balance the budget and reform welfare, I began working with the centrist coalition, a bipartisan group of 22 Senators led by Senators CHAFEE and BREAUX, to craft a 7-year comprehensive balanced budget proposal. This plan, which would achieve $45 to $53 billion savings by reforming the welfare system, was offered as a substitute to the fiscal year 1997 budget resolution, but failed by a vote of 46 to 53. Although the coalition budget failed to win a majority, it showed once again that there is great potential in this body for initiatives presented in a bipartisan manner. If the policies work, there is ample credit to be shared. But, if we don't try to work together, we deserve to share the blame.

The bill which I am jointly introducing today, the Bipartisan Welfare Reform Act of 1996, represents another attempt to generate a broad consensus and achieve meaningful welfare reform this year. The Biden-Specter bill builds on the conference report to H.R. 4 and the bipartisan Governors' proposal, but is more specific and requires stronger State accountability and maintenance of effort in important areas, such as child care and contingency funding. Like other proposals considered by this Congress, this legislation delivers a strong message that many Americans who are currently on welfare need to get into the work force and pursue job training. Significantly, we will be giving the States greater latitude to analyze and deal with the problems closer to home. I am hopeful that this will result in better tailored, more cost-effective social programs. However, effective welfare reform is not simply a matter of increasing flexibility or shifting incentives. The movement toward block grants is a sound one, provided that there are some limitations and requirements that continue to be imposed by the Federal Government in Washington. We need to make sure that we simply do not give the States a blank check where money may be spent for other purposes that fail to protect a national interest identified by Congress.

Among its key provisions, the legislation we are introducing today does the following: First, it limits benefits—no cash assistance beyond 5 years except exemptions for up to 20 percent of a State's caseload for reason of hardship or if individual was battered or subject to extreme cruelty; second, it requires that 50 percent of welfare recipients must be working by the year 2002—all able-bodied recipients must engage in work activities within 2 years of receiving benefits, generally 25 hours/week, but 20 hours/week for parents with children 6 and under; third, it requires States to meet 85 percent level of maintenance of effort, which is stronger State accountability than last year's GOP plan, 75 percent, Chafee-Breaux, 80 percent or this year's GOP plan, 75 to 80 percent; fourth, it requires welfare recipients to sign an individual responsibility contract developed by the State upon becoming eligible for cash assistance, which would outline steps the individual must take to get in private sector and would outline the State's obligations; fifth, it allows eligible work activities to include unsubsidized employment, subsidized private and public sector employment, on-the-job training, vocational training, community service; sixth, it provides an additional $3 billion for work-related programs beginning in 1999 if States are meeting 100 percent of their fiscal year 1994 spending levels and need more funds for work participation; seventh, it provides $20 billion in mandatory and discretionary child care funding over the next 6 years, an amount higher than last year's Senate bill, similar to Chafee-Breaux, and recommended by the National Governors Association—also maintains current law's Federal health and safety protections for licensed child care providers; eighth, during economic downturns, States can access a $2 billion contingency fund if they have high unemployment rates or high rates of increase in their food stamp population—also provides $800 million in additional funding for States with rapid population increases and a $1.7 billion loan fund for States that need additional money; and ninth, it requires States to enforce and improve existing child support laws, including the suspension of certain licenses for overdue child support—also increases the likelihood that a child's paternity will be established.

As my colleagues are aware, I had some real reservations about some aspects of last year's welfare reform legislation. Although I supported the conference report on H.R. 4 because it advanced the underlying goal of reforming a program that has discouraged poor families from working, I would have preferred that the original Senate-passed bill, agreed to by a virtual consensus of 87 to 12, become law. Some of my concerns are met by the legislation we are introducing today. I am hopeful that my additional concerns will be met as the Senate considers this and other welfare reform legislation during the balance of the 104th Congress.

Mr. President, as we move forward with budget reconciliation, I will continue to work with my colleagues to craft legislation that will not only save money and help families mired in poverty to move off of welfare and become self-sufficient, but also protect children and preserve the rights, dignity, and well-being of those currently involved in our welfare system. I urge my colleagues to support the Biden-Specter Bipartisan Welfare Reform Act of 1996 as a commonsense approach to this difficult, complex issue which is so important to the future of our society.

ADDITIONAL COSPONSORS

S. 905

At the request of Mr. AKAKA, the name of the Senator from Tennessee [Mr. THOMPSON] was added as a cosponsor of S. 905, a bill to provide for the management of the airplane over units of the National Park System, and for other purposes.

S. 953

At the request of Mr. CHAFEE, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 953, a bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots.

S. 1237

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1237, a bill to amend certain provisions of law relating to child pornography, and for other purposes.

S. 1400

At the request of Mrs. KASSEBAUM, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1438

At the request of Mr. MCCONNELL, his name was added as a cosponsor of S. 1438, a bill to establish a commission to review the dispute settlement reports of the World Trade Organization, and for other purposes.

S. 1542

At the request of Mr. ABRAHAM, the name of the Senator from Tennessee [Mr. THOMPSON] was added as a cosponsor of S. 1542, a bill to amend the Internal Revenue Code of 1986 to provide for the expensing of environmental remediation costs in empowerment zones and enterprise communities.

S. 1578

At the request of Mr. FRIST, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1578, a bill to amend the Individuals With Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1596

At the request of Mr. MURKOWSKI, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1596, a bill to direct a property conveyance in the State of California.

S. 1624

At the request of Mr. HATCH, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1624, a bill to reauthorize the Hate Crime Statistics Act, and for other purposes.

S. 1644

At the request of Mr. BROWN, the names of the Senator from Illinois [Ms. MOSELEY-BRAUN] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1644, a bill to authorize the extension of nondiscriminatory treatment—most-favored-nation—to the products of Romania.

S. 1674

At the request of Mr. GRASSLEY, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1674, a bill to amend the Internal Revenue Code of 1986 to expand the applicability of the first-time farmer exception.

S. 1743

At the request of Mr. BINGAMAN, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1743, a bill to provide temporary emergency livestock feed assistance for certain producers, and for other purposes.

S. 1845

At the request of Mr. GREGG, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 1845, a bill to amend the Federal Election Campaign Act of 1971 to require written consent before using union dues and other mandatory employee fees for political activities.

S. 1853

At the request of Mr. FAIRCLOTH, the names of the Senator from Tennessee [Mr. FRIST] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1853, a bill to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

S. 1857

At the request of Mr. CHAFEE, his name was added as a cosponsor of S. 1857, a bill to establish a bipartisan commission on campaign practices and provide that its recommendations be given expedited consideration.

SENATE RESOLUTION 151

At the request of Mr. MACK, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of Senate Resolution 151, a resolution to designate May 14, 1996, and May 14, 1997, as "National Speak No Evil Day," and for other purposes.

SENATE RESOLUTION 259—RELATIVE TO THE SECRETARY OF AGRICULTURE

Mr. BINGAMAN (for himself, Mr. LEAHY, Mr. DOMENICI, Mr. DASCHLE, and Mr. PRESSLER) submitted the following resolution; which was considered and agreed to:

S. RES. 259

Resolved,

SECTION 1. USE OF DISASTER RESERVE FOR DISASTER ASSISTANCE.

It is the sense of the Senate that the Secretary of Agriculture should use the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) to alleviate distress to livestock producers caused by drought, flood, or other natural disasters in 1996, in the most efficient manner practicable, including cash payments from the sale of commodities currently in the disaster reserve. A livestock producer should be eligible to receive the assistance during the period beginning May 1, 1996, and ending not sooner than August 31, 1996.

SEC. 2. VOLUNTARY CONSERVATION ASSISTANCE.

It is the sense of the Senate that the Secretary of Agriculture should use the authorities provided in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127) to provide voluntary conservation assistance to any person who is permitted to hay or graze conservation reserve land on an emergency basis.

SENATE RESOLUTION 260—RELATIVE TO LIVESTOCK PRODUCERS

Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. GRAMM, Mrs. HUTCHISON, and Mr. PRESSLER) submitted the following resolution; which was considered and agreed to:

S. RES. 260

Resolved,

SECTION 1. SPECIAL CONSIDERATION FOR DISASTER ASSISTANCE.

It is the sense of the Senate that livestock producers who do not qualify for emergency livestock feed assistance for the 1996 crop year, but have incurred feed losses in 1996 due to drought, flooding, or other natural disasters, should receive special consideration for assistance from commodities or the sale of commodities currently available in the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a). A livestock producer should be eligible to receive the assistance during the period beginning May 1, 1996, and ending not sooner than August 31, 1996.

SENATE RESOLUTION 261—RELATIVE TO THE SECRETARY OF AGRICULTURE

Mr. GRAMM (for himself, Mrs. HUTCHISON, Mr. DOMENICI, and Mr. PRESSLER) submitted the following resolution; which was considered and agreed to:

S. RES. 261

Resolved,

SECTION 1. ELIGIBILITY FOR EMERGENCY LIVESTOCK FEED ASSISTANCE.

It is the sense of the Senate that, as part of the orderly termination of the emergency livestock freed assistance program established under title VI of the Agricultural Act of 1949 (7 U.S.C. 1471 et seq.), livestock producers who were eligible for emergency livestock feed assistance for the 1995 crop year, but were unable to apply for the assistance for the 1996 crop year, and who have suffered a qualifying loss as determined by the Secretary, should be eligible to receive assistance under the program through at least August 31, 1996.

AMENDMENTS SUBMITTED

THE ADMINISTRATIVE DISPUTE RESOLUTION ACT OF 1996

LEVIN (AND GRASSLEY) AMENDMENT NO. 4045

Mr. LOTT (for Mr. LEVIN, for himself and Mr. GRASSLEY) proposed an amendment to the bill (S. 1224) to amend subchapter IV of chapter 5 of title 5, United States Code relating to alternative means of dispute resolution in the administrative process, and for other purposes; as follows:

At the end of the bill, add the following new section:

SEC. 11. REAUTHORIZATION OF NEGOTIATED RULEMAKING ACT OF 1990.

(a) PERMANENT REAUTHORIZATION.—Section 5 of the Negotiated Rulemaking Act of 1990 (Public Law 101-648; 5 U.S.C. 561 note) is repealed.

(b) CLOSURE OF ADMINISTRATIVE CONFERENCE.—

(1) IN GENERAL.—Section 569 of title 5, United States Code, is amended—

(A) by amending the section heading to read as follows:

"§ 569. Encouraging negotiated rulemaking"; and

(B) by striking out subsections (a) through (g) and inserting in lieu thereof the following:

"(a) The President shall designate an agency or designate or establish an interagency committee to facilitate and encourage agency use of negotiated rulemaking. An agency that is considering, planning or conducting a negotiated rulemaking may consult with such agency or committee for information and assistance.

(b) To carry out the purposes of this subchapter, an agency planning or conducting a negotiated rulemaking may accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, provided that agency acceptance and use of such gifts, devises or bequests do not create a conflict of interest. Gifts and bequests of money and proceeds from sales of other property received as gifts, devises, or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the head of such agency. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gifts, devises, or bequests. For purposes of Federal income, estate, or gift taxes, property accepted under this section shall be considered as a gift, devise, or bequest to the United States.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking out the item relating to section 569 and inserting in lieu thereof the following:

"569. Encouraging negotiated rulemaking."

(c) EXPEDITED HIRING OF CONVENORS AND FACILITATORS.—

(1) DEFENSE AGENCY CONTRACTS.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by inserting "or negotiated rulemaking" after "alternative dispute resolution."

(2) FEDERAL CONTRACTS.—Section 303(c)(3)(C) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(3)(C)), is amended by inserting "or negotiated rulemaking" after "alternative dispute resolution".

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subchapter III of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 570a. Authorization of appropriations

"There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by inserting after the item relating to section 570 the following:

"Sec. 570a. Authorization of appropriations"

(e) STUDY.—No later than 180 days after the enactment of this Act, the Director of the Office of Management and Budget shall complete a study with recommendations on expediting the establishment of negotiated rulemaking committees, including eliminating any redundant administrative requirements related to filing a committee charter under section 9 of the Federal Advisory Committee Act and providing public notice of such committee under section 564 of title 5, United States Code.

COHEN AMENDMENT NO. 4046

Mr. LOTT (for Mr. COHEN) proposed an amendment to the bill S. 1224, supra; as follows:

At the end of the Committee amendment add the following:

SEC. 11. JURISDICTION OF THE UNITED STATES COURT OF FEDERAL CLAIMS: BID PROTESTS.

(a) BID PROTESTS.—

(1) TERMINATION OF JURISDICTION OF DISTRICT COURTS.—Section 1491 of title 28, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (d);

(B) in subsection (a)—

(i) by striking out "(a)(1)" and inserting in lieu thereof "(a) CLAIMS AGAINST THE UNITED STATES.—";

(ii) in paragraph (2), by striking out "(2) To" and inserting in lieu thereof "(b) REMEDY AND RELIEF.—To"; and

(iii) by striking out paragraph (3); and

(C) by inserting after subsection (b), as designated by paragraph (1)(B)(ii), the following new subsection (c):

"(c) BID PROTESTS.—(1) The United States Court of Federal Claims has jurisdiction to render judgment on an action by an interested party objecting to a solicitation by a Federal agency for bids or proposals for a proposed contract or to a proposed award or the award of a contract. The court has jurisdiction to entertain such an action without regard to whether suit is instituted before or after the contract is awarded.

"(2) To afford relief in such an action, the court may award any relief that the court considers proper, including declaratory and injunctive relief.

"(3) In exercising jurisdiction under this subsection, the court shall give due regard to the interests of national defense and national security and the need for expeditious resolution of the action.

"(4) The district courts of the United States do not have jurisdiction of any action referred to in paragraph (1).".

(2) CLERICAL AMENDMENTS.—

(A) SECTION HEADING.—The heading of such section is amended by inserting "bid protests;" after "generally;".

(B) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 91 of title 28, United States Code, is amended by striking out the item relating to section 1491 and inserting in lieu thereof the following:

"1491. Claims against United States generally; bid protests; actions involving Tennessee Valley Authority.".

(b) NONEXCLUSIVITY OF GAO REMEDIES.—Section 3556 of title 31, United States Code, is amended by striking out "a district court of the United States or the United States Claims Court" in the first sentence and inserting in lieu thereof "the United States Court of Federal Claims".

(c) SAVINGS PROVISIONS.—

(1) ORDERS.—The amendments made by this section shall not terminate the effectiveness of orders that have been issued by a court in connection with an action within the jurisdiction of that court on the day before the effective date of this section. Such orders shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(2) PROCEEDINGS AND APPLICATIONS.—(A) The amendments made by this section shall not affect the jurisdiction of a court of the United States to continue with any proceeding that is pending before the court on the day before the effective date of this section.

(B) Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this section had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(C) Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 1996.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Tuesday, June 18, 1996, at 9 a.m. on public access to Government information in the 21st century, with a focus on the GPO Depository Program/Title 44.

For further information concerning this hearing, please contact Joy Wilson of the committee staff on 224–3213.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Wednesday, June 19, 1996, at 9:30 a.m. on public access to Government information in the 21st century, with a focus on the GPO Depository Program/Title 44.

For further information concerning this hearing, please contact Joy Wilson of the committee staff on 223–3213

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, June 12, 1996, to consider the Food Quality Protection Act (S. 1166).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Wednesday, June 12, 1996, session of the Senate for the purpose of conducting a hearing on S. 1726, the promotion of commerce on-line in the digital era.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. GORTON. Mr. President, I ask consent that the Committee on Finance be permitted to meet Wednesday, June 12, 1996, beginning at 11 a.m. in room SH-215, to conduct a markup on two tax bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GORTON. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet Wednesday, June 12, 1996, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT AND RELATED MATTERS

Mr. GORTON. Mr. President, I ask unanimous consent that the Special

Committee to Investigate Whitewater Development and Related Matters be authorized to meet during the session of the Senate on Wednesday, June 12, 1996, to conduct hearings pursuant to Senate Resolution 120.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DEMOCRACY IN THE BALKANS

• Mr. SARBANES. Mr. President, on May 9, 1996, Dr. John Brademas, Chairman of the National Endowment for Democracy [NED], delivered a very thoughtful address to a conference on "The Greek-U.S. Relationship and the Future of Southeastern Europe," organized by the Institute for Foreign Policy Analysis. I was fortunate to be able to attend a portion of that conference, at which some very important and difficult issues were discussed relating to the future of democracy in the Balkans. As my colleagues know, the National Endowment for Democracy is our Nation's premier institution for assisting in the transition from closed, authoritarian, and totalitarian systems to free and open systems of elected and accountable government around the world.

Dr. Brademas, a longtime friend and former colleague, is one of the Nation's most highly regarded experts on the promotion and expansion of democracy, as well as a longtime observer and analyst of development in Southern Europe. His proposal for a Center for Democracy in the Balkans is therefore worthy of special note, and I commend his remarks to my colleagues. I ask that his remarks be printed in the RECORD.

The remarks follow:

REMARKS OF DR. JOHN BRADEMAS

I am for several reasons pleased to have been invited to Washington, D.C. to take part in this conference on U.S.-Greek relations and the future of Southeastern Europe. And I should like to salute the Institute for Foreign Policy Analysis, the Constantinos Karamanlis Foundation, the International Security Studies Program of the Fletcher School of Law and Diplomacy and the Lilian Voudoris Foundation for having brought together so many outstanding authorities on the subject.

That the distinguished President of the Hellenic Republic, His Excellency Constantinos Stephanopoulos, as well as Foreign Minister Theodoros Pangalos and Education Minister George Papandreou and other prominent leaders from both Greece and the United States should be participating in these discussions is a mark of their great importance.

And that both President Clinton's meeting with President Stephanopoulos and this conference come only one month following the visit here of Prime Minister Costas Simitis is but further indication of the close ties between our two countries.

Another reason I am glad to have been asked to join you is that, as most of you know, I am a child of both Greece and the United States. My father was born in Kalamata and my mother in Indiana.

As the first native-born American of Greek origin elected to the Congress of the United States, where I served for twenty-two years, I naturally had a particular interest in issues concerning Greece. But it was an interest deeply rooted in my commitment to the principles of the Constitution of the United States. For example, I was openly and strongly critical of the military junta of 1967 to 1974, and I opposed US military aid to Greece during that period. And, 22 years ago this summer, in company with my valued friend, now the distinguished senior Senator from Maryland, Paul S. Sarbanes, and others, I was deeply engaged in the struggle between Congress and the White House following the unlawful use by Turkey of American weapons to invade and occupy the independent Republic of Cyprus. The failure of the executive branch of the US government of respect the Constitution and the rule of law contributed to the bitter legacy that, we all know, is with us still.

THE NATIONAL ENDOWMENT FOR DEMOCRACY

I must cite one more reason I'm pleased to be with you and that is to speak in my capacity as Chairman of the National Endowment for Democracy. For one of the most important bonds between Greeks and Americans is that we have the good fortune to be citizens of lively democracies.

Indeed, it is about our common commitment to the institutions and practices of democracy, of self-government, that I want to offer some brief comments this afternoon.

For I believe that we in the American and Greek democracies—and the European democracies in general—have an obligation—this is not only a moral question but it is in our respective national interests—to promote free, open and democratic societies.

Let me tell you a little about the National Endowment for Democracy, or NED, because it relates directly to my talk.

Founded in 1983 by Act of Congress, the National Endowment for Democracy is a non-partisan, non-governmental organization that champions, through grants to private entities in other countries, the institutions of democracy. NED grants are made to organizations dedicated to promoting the rule of law, free and fair elections, a free press, human rights and the other components of a genuinely democratic culture.

I must add that a time when the political atmosphere in Washington is even more partisan than usual, NED is unique in enjoying strong support across party and ideological lines.

PROMOTING DEMOCRACY IN THE BALKANS

As all of us here are profoundly concerned about developments in the Balkans, let me report to you on efforts of the National Endowment for Democracy to address some of the obstacles to democratization in that region. Albeit with modest funds, NED has supported programs to encourage the resolution of inter-ethnic conflict, greater political pluralism and economic reform as well as to strengthen the independent organizations necessary to form the basis of civil society in the area.

For example, in Albania, NED is assisting a project of the American Federation of Teachers and the Albanian Teachers' Union to conduct "Introduction to Teaching Democracy" workshops.

In Bulgaria, NED sponsors the Bulgarian Association for Fair Elections (BAFE), a network of community centers to stimulate civic participation at the local level.

In Romania, NED has helped the League for Europe, which presses for better relations between Romanians and Hungarians in Transylvania.

The Endowment also supports several media outlets that produce impartial news on developments in the former Yugoslavia. Only a few weeks ago, our board approved grants to five independent media operations in Serbia/Montenegro (FRY).

Now who can deny that the challenges to building democracy in this part of the world, especially in the areas ravaged by war, are immense, indeed, daunting? But, in my view, the enormity of the challenge is all the more reason for us to act.

Certainly, it seems to me, the encouragement of free, open, stable and democratic societies throughout the Balkans must be of direct interest to the people of Greece. Not only would such developments contribute to Greek national security but to the Greek economy, too. I've already discussed with Greek business leaders the opportunities they see for expanding their markets in the region as well as enhancing the climate for foreign investment in Greece. In fact, even today Greek investments in banking and other private sector activities in the Balkans and throughout Southeastern Europe generate economic growth and ties that can, spur the democratic process. Remember, too, a consideration important to American policymakers, that Greece is the only country in the region that is a member of the European Union, Council of Europe and NATO.

A CENTER FOR DEMOCRACY IN THE BALKANS

In my judgment, we should now take advantage of, on the one hand, the recent accords between Athens and Skopje and, on the other, the Dayton agreements on Bosnia, to consider seriously the establishment of a center to encourage democracy in the Balkans.

My own view is that an appropriate location for such a center is Greece.

I note first that Greece is the birthplace of democracy and a thriving democracy still.

Second, Thessaloniki, in northern Greece, at the crossroads of the South Balkans, is a natural site for a forum devoted to matters affecting the region. Thessaloniki is a multicultural, cosmopolitan city, named, as we know, by the European Union as the 1997 "Cultural Capital of Europe."

Indeed, only a few weeks ago, I took part in a conference in Thessloniki sponsored by a recently established Association for Democracy in the Balkans. Scholars from nine Balkan countries made presentations on political institutions, on civil society in general and nongovernmental organizations in particular as well as on the role of the media in each country. By all accounts, the conference was a success.

A GENUINELY MULTI-NATIONAL CENTER

I believe it particularly important to note there that their participants in the Thessaloniki meeting made clear that a center to promote democracy should not be a Creek enterprise but one genuinely multi-national in nature.

If the seed for such a multi-national center has been planted in Thessaloniki, I'm glad to tell you of some steps to follow up those discussions.

In two weeks, there will be another conference on democracy in the Balkans, to be held in New York City, under the auspices of the National Endowment for Democracy and the American Ditchley Foundation. We shall convene a group of scholars, diplomats, journalists and others to discuss the concept, the obstacles, the opportunities and the practical steps needed to establish a center to encourage democracy in the region. Former Assistant Secretary of State Richard Holbrooke will address the conference, which I shall chair, as will Congressman Benjamin Gilman, Chairman of the International Relations Committee of the U.S. House of Representatives, and Senator Paul Sarbanes, a senior member of the Senate Foreign Relations Committee.

Here let me express appreciation to both Congressman Gilman and Senator Sarbanes for their continuing contributions to strengthening relations between Greece and the United States and pay tribute as well to another outstanding legislator who shares that commitment, Congressman Lee Hamilton, senior Democrat on the House committee, who addressed you earlier today.

Among others to take part in the New York City conference this month are President Clinton's Special Envoy on the Former Yugoslav Republic of Macedonia, Matthew Nimetz, and U.S. Ambassador-designate to FYROM, Christopher Hill.

Then in June, at Ditchley Park, outside Oxford, the American and British Ditchley Foundations will sponsor another conference, which I'll also chair, with essentially the same purpose except that participants will be drawn chiefly from Europe.

A few weeks ago, as you all know, the First Lady of the United States, Hillary Rodham Clinton, on her first visit to Greece, said of Athens that it was the city that had "given the world its greatest gift—the gift of democracy."

Let me then voice the hope that the peoples of the United States and Greece can work together—and with others—to encourage in the too-long troubled region of the Balkans the institutions and practices of self-government, "the gift of democracy."•

ENCRYPTION REFORM NEEDED NOW

• Mrs. BOXER. Mr. President, I have just become a cosponsor of S. 1726, the Commerce Promotion Act of 1996. This bill would remove export controls on encryption technology, a coding system enabling individuals and corporations to keep computer communications private.

Under current law, sophisticated encryption technology is sold without restriction in the United States. It is this technology that enables banks and other financial institutions to guarantee the confidentiality of personal and financial information. Furthermore, many analysts argue that concerns about security are restraining the Internet's growth as a commercial enterprise.

American-made software is the best in the world. Many foreign companies and individuals want to buy our products. However, because of concerns relating to international criminal activity, the U.S. Government refuses to allow the export of software that includes certain encryption technology.

The current policy is damaging American software companies. Foreign corporations and individuals will not pay top dollar for computer technology that cannot guarantee that personal information will stay private. As a result, our major trading partners are forced to buy software made outside the United States, costing American companies billions.

These export controls place U.S. software companies at a competitive disadvantage, giving foreign competitors the opportunity to encroach on our dominant position in the global marketplace. The United States enjoys a huge trade surplus in software. Our export policies should seek to strengthen U.S. companies, not give their competitors an unfair advantage.

I am very sensitive to the concerns raised by the Clinton administration about this issue. I strongly believe that U.S. intelligence agencies must retain the ability to intercept communications about terrorist attacks and other criminal acts. However, I am confident that this goal can be achieved without restraining the ability of U.S. companies to sell their products abroad for legitimate commercial uses.

Mr. President, we have a problem on our hands, but we can solve it. Congress and the administration must act together to pass an encryption technology reform bill this year.•

• Mr. SARBANES. Mr. President, on Friday, May 3, I had the honor of joining with Secretary of State Christopher and the American Foreign Service Association [AFSA] in paying tribute to Commerce Secretary Ron Brown and 32 other Americans who were tragically killed in Croatia while in service to our country. A plaque was also dedicated to three diplomats who died seeking peace in Bosnia less than a year ago. On the occasion we were reminded not just of the individuals who lost their lives in these terrible tragedies, but of the risks and sacrifices that members of our Foreign Service undertake on a daily basis in an effort to support peace, democracy and freedom around the globe.

During the ceremony, held on the 31st annual Foreign Service Day, very moving speeches were delivered by Harold Ickes on behalf of President Clinton, by Secretary of State Christopher, and by F. Allen "Tex" Harris, president of AFSA. I believe their remarks bear repeating to a broader audience and thus ask that they be printed in the RECORD.

The remarks follow:

REMARKS BY SECRETARY OF STATE WARREN CHRISTOPHER, HAROLD ICKES, AND F. ALLEN HARRIS

Mr. HARRIS. Dear Family Members, Distinguished Guests, Ladies and Gentlemen and colleagues:

The American Foreign Service Association has the sorrow-filled responsibility of honoring those members of the Foreign Service and our colleagues serving abroad who lost their lives under heroic or other inspirational circumstances.

Today, we have the very sad duty of adding six names to the traditional Memorial Plaque:

Samuel Nelson Drew.
Robert C. Frasure.
Joseph J. Kruzel.
Ronald H. Brown.
Lee F. Jackson.
Stephen C. Kaminski.

We have the deep sorrow of honoring all those who died with Secretary Ronald H. Brown:

Gerald V. Aldrich.
Niksa Antonini.
Dragica Lendic Bedek.
Duane R. Christian.
Barry L. Conrad.
Paul Cushman, III.
Adam N. Darling.
Ashley J. Davis.
Gail E. Dobert.
Robert E. Donovan.
Claudio Elia.
Robert Farrington, Jr.
David Ford.
Carol L. Hamilton.
Kathryn E. Hoffman.
Lee F. Jackson.
Stephen C. Kaminski.
Kathryn E. Kellogg.
Shelly A. Kelly.
James M. Lewek.
Frank Maier.
Charles F. Meissner.
William E. Morton.
Walter J. Murphy.
Lawrence M. Payne.
Nathaniel C. Nash.
Leonard J. Pieroni.
Timothy W. Shafer.
John A. Scoville, Jr.
I. Donald Terner.
P. Stuart Tholan.
Cheryl A. Turnage.
Naomi P. Warbasse.
Robert A. Whittaker.

I now have the honor of introducing the personal representative of the President of the United States of America, Mr. Harold Ickes, Assistant to the President and Deputy Chief of Staff.

Mr. HAROLD ICKES. Secretary Christopher, Secretary Perry, Secretary Kantor, members of Congress, men and women of the Foreign Service, ladies and gentlemen.

President Clinton asked me to be with you today as we honor an extraordinary group of Americans who gave their lives in service of their country and in the service of humanity.

Before reading the President's dedication, let me say to the families and loved ones of Bob Frasure, Joe Kruzel, Nelson Drew, and to those of Ron Brown and his entire delegation, I know that this is a day of very, very mixed emotions.

You've lost a father, a mother, a husband or a wife, a son or a daughter, a friend. The American people have lost some of their finest.

On a very personal note, with the death of Secretary Ron Brown, I lost one of my closest friends and wisest advisers. Ron Brown was in his service and in his life a spring day. He let himself and all of us to believe that making a difference was a joy as well as a duty. He was an achiever of potential. His grace, his intelligence, his self-confidence without a trace of arrogance, and his abilities to motivate, to lead and to bridge were a rare combination of qualities.

I am very proud and very fortunate to have had him as my friend. To Alma, Michael, Tracy, we will all miss him greatly. Let me now read the President's dedication.

Each year on Foreign Service Day, hundreds of active and retired Foreign Service employees come together to discuss foreign policy initiatives. It is also a day of remembrance when the foreign affairs community honors its many colleagues who have given their lives in service of our country.

"As we pay tribute to the memory of those who we have lost, let us rededicate ourselves to the goal for which they lived: maintaining America's leadership in the fight for peace and freedom throughout the world.

"In today's increasingly interdependent world, our nation's future is linked more than ever to events that take place beyond our borders, to strengthen our security, promote our prosperity and advance our interests. As we move towards the 21st century, America must stay engaged.

"Whether supporting peace, freedom and democracy and other transnations threats, combating environmental degradation, opening markets and expanding of trade, the American Foreign Services has a critical role to play.

"Our Foreign Affairs men and women serve on the front lines, often in demanding and sometimes dangerous surroundings. I'm committed to do all I can to insure that Congress provides the funding we need to support your essential work.

"This year, our nation has lost some of its best and brightest public servants, and I have lost a very dear friend. The American people will not forget the contributions made by Secretary of Commerce Ron Brown and the 34 members of his delegation who died in a plane crash on a fog-shrouded mountainside in Croatia.

"They were on an important mission to bring development and economic stability to a wartorn region far from home. Unfortunately, theirs is not the only recent tragedy in that part of the world. We finally and respectfully remember our colleagues, Robert Frasure, Joseph Kruzel and Samuel Nelson Drew who lost their lives in Bosnia.

"These men, who represented the Department of State, the Department of Defense and the National Security Council and the United States Air Force, embodied the spirit of service that sets our nation apart. Their heroic efforts helped bring an end to four years of bloodshed and gave the children of Bosnia a chance to grow up in peace.

"To all Foreign Service professionals, active and retired, and their family members in the United States and abroad who support America's values worldwide, I send my deepest thanks and appreciation." Bill Clinton.

Mr. HARRIS. Thank you very much. We appreciate that. I now have the great honor of introducing a distinguished American with a long, long successful record of service to this nation and to his community. Family members, distinguished guests, ladies, gentlemen, colleagues, the Secretary of State, Warren Christopher.

Secretary CHRISTOPHER. Thank you, Tex, Harold, Senator Kassenbaum. Senator Sarbanes, Secretary Perry, Secretary Kanter, and other distinguished guests here today.

Let me extend a special welcome to the families of the men and women we are honoring today. You will always be a close part of the State Department family.

As the President has said, we come together every year on this day to celebrate the dedication and the accomplishments of the Foreign Service. But this is often a sad day as well because it is the day we add names to the memorial plaques in remembrance of our colleagues who gave their lives in service to their country.

Thirty years ago there were 72 names on this wall, covering all of American history since 1780. Now the list has grown to 188. And in the last year, two terrible tragedies have reminded us again that in this dangerous world, duty and sacrifice often go hand in hand.

We often say that we must take risks for peace. Today we see that the risks are all too real. To our sorrow, we learn that peace cannot be made through telephone or fax. It usually can't be made in Washington or in Geneva. It can only be made by people who are willing to fly where the bullets fly, to go where roads are treacherous and where safety and security are often missing in action.

Sadly, we can't take the danger out of diplomacy. But we can and must honor the peacemakers and their deeds. And we can make sure the American people know of the sacrifices the peacemakers make for our sake.

Last August in Bosnia three American diplomats were on their way to the besieged city of Sarajevo when they lost their lives on a muddy mountain road. Bob Frasure, Joe Kruzel, and Nelson Drew believed that peace was possible in Bosnia. And they were certainly right. Indeed, they were the path-finders who made peace possible.

Just a month ago, Ron Brown and a team of government officials and business leaders were on a journey to Croatia. They lost their lives trying to make sure that the peace our diplomats had forged would endure. They were convinced that American capital and American know-how could help rebuild that shattered land, that it could give the people of that country a reason to resist the temptations of war. And they, too, were right.

As I have travelled the world in the weeks since these two tragic events, I have received a chorus of condolences from leaders all around the world who understand the sacrifices made by the families of the men and women who died in those tragic events.

A short time ago, when I was in Sarajevo and in the compound of our Embassy, I planted two dogwood trees in honor of Bob Frasure. But by far the most eloquent tribute to his work, and to Joe's and to Nelson's and to Ron's and all those we honor today, has been the return of normal life that I could see all around me in Sarajevo. Every school reopened, every family reunited, every road and factory rebuilt is a monument to the service of these brave Americans.

That monument, of course, is a work in progress. It is being shaped by countless hands—by our diplomats, our soldiers, by our civil servants, and by the people of the region. The memory of our fallen colleagues impels us not to rest—not to rest at all—until this work is completed.

The men and women we honor today, as the President said, will always represent what is best about America. They were generous enough to share their talent and spirits with others. They were dedicated enough to make sacrifices in the cause of public service. They were realistic enough to know that America's fate is inseparable from the fate of the world. And they were optimistic enough to believe that the difficult problems can be solved but only solved when America is determined to overcome them.

Thinking of them, I was reminded of something that one of our visitors this week, Shimon Peres, once said: "Nobody will ever really understand the United States . . . You have so much power, and [yet] you didn't dominate another people; you have problems of your own, and [yet] you have never turned your back on the problems of others."

Anyone who knew these wonderful friends and colleagues understands something very important about America. Anybody who passes through this hall and who pauses to think about the lives behind the names of the people on these plaques will understand something about the American ideal. Here, in the presence of these names, there is not an ounce of cynicism about the country or about the people who represent it.

So even as we mourn, let us keep alive the spirit that gave these lives such meaning. And let these names be a reminder to us all—a reminder of the risks and hardships that dedicated Americans endure for their country, and let it be a reminder of the constant need to carry on their work, our work, until it is finally finished.

Thank you very much.●

ADMINISTRATIVE DISPUTE RESOLUTION ACT OF 1995

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 350, S. 1224.

The PRESIDING OFFICER. The clerk will report:

The bill clerk read as follows:

A bill (S. 1224) to amend subchapter IV of chapter 5 of title 5, United States Code, relating to alternative means of dispute resolution in the administrative process, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Administrative Dispute Resolution Act of 1995".

SEC. 2. AMENDMENT TO DEFINITIONS.

Section 571 of title 5, United States Code, is amended:

(1) in paragraph (3)—

(A) by striking out "settlement negotiations,"; and

(B) by striking out "and arbitration" and inserting in lie thereof "use of ombuds, and binding or nonbinding arbitration,"; and

(2) in paragraph (8)—

(A) in subparagraph (B) by striking out "decision," and inserting in lieu thereof "decision."; and

(B) by striking out the matter following subparagraph (B).

SEC. 3. AMENDMENTS TO CONFIDENTIALITY PROVISIONS.

(a) TERMINATION OF AVAILABILITY EXEMPTION TO CONFIDENTIALITY.—Section 574(b) of title 5, United States Code, is amended:

(1) in paragraph (5) by adding "or" at the end thereof;

(2) in paragraph (6) by striking out "; or" and inserting in lieu thereof a period; and

(3) by striking out paragraph (7).

(b) LIMITATION OF CONFIDENTIALITY APPLICATION TO COMMUNICATION.—Section 574 of title 5, United States Code, is amended—

(1) in subsection (a) in the matter before paragraph (1) by striking out "any information concerning"; and

(2) in subsection (b) in the matter before paragraph (1) by striking out "any information concerning".

(c) ALTERNATIVE CONFIDENTIALITY PROCEDURES.—Section 574(d) of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) To qualify for the exemption established under subsection (j), an alternative confidential procedure under this subsection may not provide for less disclosure than the confidential procedures otherwise provided under this section.".

(d) EXEMPTION FROM DISCLOSURE BY STATUTE.—Section 574 of title 5, United States Code, is amended by striking out subsection (j) and inserting in lieu thereof the following:

"(j) A dispute resolution communication which is generated by or provided to an agency or neutral, and which may not be disclosed under this section, shall also be exempt from disclosure under section 552(b)(3).".

SEC. 4. AMENDMENT TO REFLECT THE CLOSURE OF THE ADMINISTRATIVE CONFERENCE.

(a) PROMOTION OF ADMINISTRATIVE DISPUTE RESOLUTIONS.—Section 3(a)(1) of the Administrative Dispute Resolution Act (5 U.S.C. 581 note; Public Law 101–552; 104 Stat. 2736) is amended by striking out "the Administrative Conference of the United States and".

(b) COMPILATION OF INFORMATION—

(1) IN GENERAL.—Section 582 of title 5, United States Code, is repealed.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking out the item relating to section 582.

(c) FEDERAL MEDIATION AND CONCILIATION SERVICE.—Section 203(f) of the Labor Management Relations Act, 1947 (29 U.S.C. 173(f)) is amended by striking out "the Administrative Conference of the United States and".

SEC. 5. AMENDMENTS TO SUPPORT SERVICE PROVISION.

Section 583 of title 5, United States Code, is amended by inserting "State, local, and tribal governments," after "other Federal agencies,".

SEC. 6. AMENDMENTS TO THE CONTRACT DISPUTES ACT.

Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended—

(1) in subsection (d) by striking out the second sentence and inserting in lieu thereof: "The contractor shall certify the claim when required to do so as provided under subsection (c)(1) or as otherwise required by law."; and

(2) in subsection (e) by striking out the first sentence.

SEC. 7. AMENDMENTS ON ACQUIRING NEUTRALS.

(a) EXPEDITED HIRING OF NEUTRALS.—

(1) COMPETITIVE REQUIREMENTS IN DEFENSE AGENCY CONTRACTS.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by striking out "agency, or" and inserting in lieu thereof "agency, or to procure the services of an expert or neutral for use".

(2) COMPETITIVE REQUIREMENTS IN FEDERAL CONTRACTS.—Section 303(c)(3)(C) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(3)(C)), is amended by striking out "agency, or" and inserting in lieu thereof "agency, or to procure the services of an expert or neutral for use".

(b) REFERENCES TO THE ADMINISTRATIVE CONFERENCE OF THE UNITED STATES.—Section 573 of title United States Code is amended—

(1) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) In consultation with other appropriate Federal agencies and professional organizations experienced in matters concerning dispute resolution, the Federal Mediation and Conciliation Service shall—

"(1) encourage and facilitate agency use of alternative means of dispute resolution; and

"(2) develop procedures that permit agencies to obtain the services of neutrals on an expedited basis."; and

(2) in subsection (e) by striking out "on a roster established under subsection (c)(2) or a roster maintained by other public or private organizations, or individual".

SEC. 8. ARBITRATION AWARDS AND JUDICIAL REVIEW.

(a) ARBITRATION AWARDS.—Section 580 of title 5, United States Code, is amended—

(1) by striking and subsections (c), (f), and (g); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(b) JUDICIAL AWARDS.—Section 581(d) of title 5, United States Code, is amended—

(1) by striking out "(1)" after "(b)"; and

(2) by striking out paragraph (2).

SEC. 9. PERMANENT AUTHORIZATION OF THE ALTERNATIVE DISPUTE RESOLUTION PROVISIONS OF TITLE 5, UNITED STATES CODE.

The Administrative Dispute Resolution Act (Public Law 101–552; 104 Stat. 2747; 5 U.S.C. 581 note) is amended by striking out section 11.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subsection IV of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§584. Authorization of appropriations

"There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by inserting after the item relating to section 583 the following:

"Sec. 584. Authorization of appropriations.".

Mr. COHEN. Mr. President, over the past decades, a consensus has emerged that traditional litigation is an inefficient way to resolve disputes. Not only is litigation costly, but due to its adversarial, contentious nature, litigation often deteriorates working relationships and fails to produce long-term solutions to problems.

Private corporations recognized many years ago that certain types of disputes could be resolved much less expensively and with less acrimony by relying on techniques such as mediation, arbitration, and partnering, which collectively have become known as alternative dispute resolution or ADR.

In 1990, Congress recognized that the Government lagged well behind the private sector in this field and in response enacted the Administrative Dispute Resolution Act to promote the use of ADR in Government agencies. Senators GRASSLEY and LEVIN led the effort to pass this legislation and bring the benefits of ADR to the Federal Government.

The act authorizes agencies to apply ADR to almost any type of claim involving the Government, requires the appointment of ADR specialists in each agency, establishes procedures for hiring neutral third-parties to help resolve disputes, and provides confidentiality protection to parties participating in ADR.

S. 1224, the bill before the Senate, would permanently reauthorize this important legislation. It would also improve the system for hiring mediators, provide additional confidentiality protections to ADR participants, promote the use of binding arbitration and make a number of other minor adjustments to the act.

The Subcommittee on Oversight of Government Management held a hearing on the bill on November 29. At the hearing, the Department of Justice, the Federal Mediation and Conciliation Service, the Office of Management and Budget, the American Bar Association, and private individuals representing the Heritage Foundation and a consortium of Government contractors all praised the ADR Act and strongly endorsed its reauthorization. On December 12, 1995, the bill was unanimously reported, with an amendment in the nature of a substitute, by the Committee on Governmental Affairs.

The most significant change this bill makes to the original ADR Act is the repeal of a provision known as the arbitration escape clause. During consideration of the ADR Act in 1990, this provision was included to accommodate the Department of Justice's view that agencies lacked constitutional authority to refer disputes to binding arbitration. Although many scholars and the sponsors of the bill disagreed with this view, to satisfy the Department of Justice [DOJ], a provision was added that enabled Federal agencies to opt-out of arbitral awards. Unfortunately, this unilateral provision has deterred private parties from entering into arbitration with the Government. As one witness testified at the hearing on this reauthorization legislation, unless the escape clause is eliminated, "arbitration likely will never become a viable alternative for the Federal Government."

This would be unfortunate. Throughout the private sector, companies are saving money and reducing litigation costs by using arbitration to resolve commercial disputes instead of resorting to litigation. If we want the Government to enjoy the efficiencies of the private sector, it must have the flexibility to operate as a private business, especially when the Government is acting as a commercial entity. Indeed, the Government achieves a double benefit when a case is resolved through arbitration rather than litigation because not only are agency litigation costs and attorneys fees reduced, but judicial resources are freed to pursue criminal cases or other civil matters.

Last year, DOJ's Office of Legal Counsel issued a detailed opinion concluding that Federal agencies could submit disputes to binding arbitration without violating the Constitution. Since the constitutional objection to binding arbitration has been removed, there is no longer any reason to reauthorize the agency escape clause.

There are two amendments to S. 1224 before the Senate for consideration. The first amendment is designed to increase the efficiency of our procurement system by consolidating jurisdiction over bid protest claims in the Court of Federal Claims. The amendment would reverse the decision of the D.C. Circuit in Scanwell Lab., Inc. versus Shaffer (1969), that permitted bid protests to be filed in any district court across the country. Providing district courts with jurisdiction to hear bid protest claims has led to forum shopping and the fragmentation of Government contract law. Consolidation of jurisdiction in the Court of Federal Claims is necessary to develop a uniform national law on bid protest issues and end the wasteful practice of shopping for the most hospitable forum. Congress established the Claims Court—now the Court of Federal Claims—for the specific purpose of improving the administration of the law in the areas of patents, trademarks, Government contracts, Government employment, and international trade. Scanwell jurisdiction frustrates this purpose and deprives litigants of the substantial experience and expertise the Court of Federal Claims has developed in the Government contracting area.

The Information Technology and Management Reform Act of 1996, which I authored, eliminated the authority of the General Services Board of Contract Appeals to entertain bid protests on information technology contracts and left the General Accounting Office as the single extra-agency administrative forum for such actions. My amendment to S. 1224 follows this path of reform by creating a single forum for all bid protest litigation, which will lead to the development of more uniform, and thus more predictable, law.

Identical legislation passed the Senate as part of the Federal Acquisition Streamlining Act, but was rejected in conference. The Department of Justice and Office of Management and Budget strongly support the addition of this legislation to the ADR Act.

I also want to express my support for the Levin-Grassley amendment to S. 1224, which would reauthorize the Negotiated Rulemaking Act. This legislation establishes a framework for agencies to convene interested parties for the purpose of developing consensus-based regulation. When it is used, negotiated rulemaking can improve the quality, acceptability, and timeliness of regulations, reduce litigation, and enhance industry compliance, thereby reducing the costs of regulations to both private industry and the Government. Over the past 5 years negotiated rulemaking has been an unqualified success; there is no reason not to reauthorize this legislation while we are dealing with the closely related ADR Act.

In sum, reauthorization of the ADR and Negotiated Rulemaking Acts and the elimination of Scanwell jurisdiction represent cost-saving, commonsense improvements to the Federal regulatory and administrative processes. These reforms are good for the taxpayer, good for our courts, and good for the parties that have disputes with the Government.

I congratulate Senators GRASSLEY and LEVIN for the success of the original pieces of legislation and commend them for their work on this reauthorization bill.

I urge my colleagues to support this bill and sincerely hope that it may be enacted into law during this session of Congress.

I ask unanimous consent that the letter from the Department of Justice I referred to be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, April 12, 1996.

Hon. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of Government Management and the District of Columbia, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Administration supports your efforts to enact legislation that would make one small but vital improvement to the handling of bid protests arising from the award of Federal contracts—the elimination of district court jurisdiction over bid protests (the so-called Scanwell cases).[1] In disputes between an agency and a contractor after the award of a contract, Congress has previously recognized the need for a uniform national body of law to guide both Federal procurement officials and Federal contractors. The same need for nationwide uniformity exists for bid protests. The current forum shopping between the Federal district courts and the Court of Federal Claims only encourages needless litigation in a search for the most hospitable forum, and results in disparate bodies of law between the circuits. There is simply no need to have multiple judicial bodies to review bid protests of federal contacts.

In the past, Congress has recognized the need for nationwide uniformity in several areas of the law, and established the Claims Court (now the Court of Federal Claims) and the Court of Appeals for the Federal Circuit to achieve that result. Federal Courts Improvement Act of 1982 (FCIA) Pub. L. No. 97-164. The purpose of the FCIA was to improve "the administration of the law in the areas of patents, government contracts, merit system protection, trademarks and international trade." H. Rep. No. 97-312, 97th Cong., 1st Sess. 17 (1981). As a result of the enactment of the FCIA, the Court of Federal Claims was made the sole judicial forum for resolution of contract disputes between the contractor and the agency. The very same need exists for nationwide uniformity in the handling of bid protests.

By eliminating the authority of the General Services Board of Contract Appeal to entertain bid protests of the award of information technology contracts, the recently-enacted defense authorization bill for fiscal year 1996 (Pub. L. No. 104-106) took a significant step forward in the handling of bid protests by leaving the General Accounting Office as the sole remaining extra-agency administrative forum. The process of procurement reform should continue by eliminating Scanwell jurisdiction, and by creating a single judicial forum to govern all bid protest litigation, both prior to and after award. While there is good reason to apply local state law, as district courts are required to do when they adjudicate torts under the Federal Tort Claims Act, it is simply inappropriate to have different interpretations of Federal contracts applied, depending upon where the contractor resides or where the contract will be performed. This results in inconsistent application of legal principles and an unwieldy body of procurement law.

Our concerns about varying results in the district courts is not hypothetical. For example, the district court in *Advanced Seal Tech., Inc.* v. *Perry*, 873 F. Supp. 1144 (N.D. Ill. 1995), disagreed with the district court's holding in *Abel Converting, Inc.* v. *United States*, 679 F. Supp. 1133 (D.D.C. 1988), regarding the burden of proof borne by the protestor to establish grounds for injunctive relief. Similarly, the district court in *Washington Mechanical Contractors, Inc.* v. *United States Dept. of the Navy*, 612 F. Supp. 1243 (N.D. Cal. 1984), disagreed with the district court's decision in *Robert E. Dereckto of Rhode Island, Inc.* v. *Goldschmidt*, 506 F. Supp. 1059 (D. R.I. 1980), regarding the quantum of proof necessary to invalidate an award of a contract. In addition, the district court in *Metric Systems Corp.* v. *United States Dept. of the Air Force*, 673 F. Supp 439 (N.D. Fla. 1987), disagreed with the holding in *Acme of Precision Surgical Co., Inc.* v. *Weinberger*, 580 F. Supp. 490 (E.D. Pa. 1984), that Federal district courts have both pre- and post-award bid protest jurisdiction. These cases show that, since Federal district court judges rarely have the opportunity to review bid protests, as might be suspected, the results vary from court-to-court.

Legislation should seek to accomplish three important goals. First, it should achieve a uniform and consistent body of precedent governing bid protests, by providing interested parties with a choice of only one administrative and one judicial forum for the resolution of bid protests. Second, it should discourage forum shopping between the remaining tribunal and court by imposing a similar, if not identical, standard and scope of review in both fora. Finally, it should impose a standard and scope of review which both recognizes the deference to the contracting agency in conducting procurements and also limits expensive, time-consuming and resource-intensive discovery.

As Mr. Steven Kelman, Administrator for Federal Procurement Policy, testified before your subcommittee last July:

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[1] *Scanwell Lab., Inc.* v. *Shaffer*, 424 F.2d 859, 869, 137 U.S. App. D.C. 371, 381 (1969) (held, a contractor making a prima facie showing alleging arbitrary or capricious action, or an abuse of discretion, by an agency or contracting officer in making the award of a contract, has standing to sue in district court under the Administrative Procedure Act).

"With its nationwide jurisdiction and contract expertise, the Court of Federal Claims could effectively and efficiently serve as a unified judicial forum operating in the national interest. This would avoid the unfairness of forum shopping. At the same time, it would not prevent small businesses from having their day in court inasmuch as the Court of Federal Claims is authorized to hold hearings throughout the country to minimize inconvenience and expense to litigants."

In summary, the problems associated with district court bid protest activity can be effectively avoided by vesting judicial bid protests authority, both pre- and post-award, exclusively in the Court of Federal Claims and imposing a deferential standard of review and limited scope of review similar to that used by the General Accounting Office. With national jurisdiction, this court would effectively serve as a unified judicial forum with contract expertise, eliminating forum shopping and promoting the application of consistent legal principles.

We urge Congress to take immediate action to eliminate Scanwell jurisdiction in the district courts. We would be happy to work with you to ensure enactment of legislation that would meet this important objective. The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the presentation of this report.

Sincerely,

ANDREW FOIS,
Assistant Attorney General.

Mr. LEVIN. Mr. President, we all want a Government that works better and costs less, and I am pleased that the Senate is considering today legislation authored by myself and Senator CHUCK GRASSLEY to encourage faster, less costly ways to resolve disputes with the Federal Government.

It's a fact of life that many people have disputes with the Federal Government. In the late 1980's, of the 220,000 civil cases filed on Federal court, more than 55,000 involved the Federal Government in one way or another. Resolving these disputes costs taxpayers billions of dollars.

Resolving them before they become courtroom dramas is one way to make a dent in this billion-dollar drain on taxpayer funds. Mediation, arbitration, mini-trials, and other methods offer cheaper, faster alternatives to courtroom battles.

That's why, 6 years ago, Senator GRASSLEY and I cosponsored the Administrative Dispute Resolution Act of 1990. It is why we have teamed up again this year on legislation to reauthorize that act and ensure that alternative dispute resolution techniques, which those familiar with it call ADR, remain a cost-effective tool that Federal agencies can use to resolve disputes.

Since the passage of the ADR law in 1990, Federal agencies have increasingly used alternatives to courtroom litigation to save time and money. The Army Corps of Engineers, for example, successfully resolved 53 of 55 contract disputes with ADR over a 5-year period, including settling a $55 million claim in 1994 for $17.3 million in 4 days. The Resolution Trust Corporation saved legal costs of approximately $115 million from 1991 through 1994, by using ADR instead of litigation. The Navy shortened dispute resolution times in some cases from 4 years to 3 months by replacing formal litigation with informal, abbreviated proceedings. Not all Federal agencies have used ADR extensively, but those agencies that have tried it report both savings and satisfaction with the process.

In these times of tight Federal budgets and shrinking Government, we need more of the savings that ADR offers, not less. That's why the ADR Act should become a permanent fixture in Federal law. The act's unfortunate lapse in October of last year due to the press of business before Congress shows why this step is necessary.

The bill that Senator GRASSLEY and I have introduced, S. 1224, would fill the current statutory void by permanently reauthorizing the ADR law. It would also fine-tune the law in several ways.

First and most importantly, the bill would eliminate a 30-day escape hatch that allowed Federal agencies unilaterally to vacate an arbitration award that disadvantaged the Government. In the 5 years this one-way escape clause has been on the books, no one has ever agreed to an arbitration proceeding with the Government on this basis. Eliminating this unilateral escape clause—which allows the Government but not its opponent to nullify an arbitration decision—is expected to encourage parties to agree to use binding arbitration as a cost-saving alternative to civil litigation. Other bill provisions make it clear that Federal agencies also retain the option to use nonbinding arbitration, when they so choose.

Second, the bill would encourage use of ADR methods by clarifying the confidentiality of ADR proceedings in several respects. The bill would make it clear that confidential documents prepared for purposes of an ADR proceeding are also exempt from disclosure under the Freedom of Information Act. The bill would also strike overly broad language which, if taken literally, would prohibit ADR neutrals and parties from disclosing any information concerning an ADR proceeding, even whether an ADR proceeding took place. The bill would also eliminate a provision that ended confidentiality protections for any document given to all parties, since this provision discourages open communications among all the parties to a dispute. Together, these changes clarify, focus and strengthen the law's confidentiality protections for ADR negotiations.

Third, the bill would encourage ADR by making it easier to use and improving coordination with other dispute resolution procedures. Specifically, the bill would clarify agency authority to hire mediators and other ADR neutrals on an expedited basis; allow agencies to accept donated services from State, local and tribal governments to support an ADR proceeding; add an explicit authorization for such sums as may be necessary to implement the ADR law; remove a provision which barred Federal employees from electing to use ADR methods to resolve certain personnel disputes; and eliminate special paperwork burdens on contractors willing to use ADR to resolve small claims against the Government under the Contract Disputes Act.

Finally, the bill would reassign the tasks of encouraging and facilitating agency use of ADR methods from the Administrative Conference of the United States, which no longer exists due to a lack of appropriations, to the Federal Mediation and Conciliation Service, which has experience in this area.

Mr. President, I would also like to urge my colleagues to support a Levin-Grassley amendment to the ADR bill which would also reauthorize the Negotiated Rulemaking Act of 1990. The Negotiated Rulemaking Act became law back in 1990, at the same time as the ADR Act—in fact, for a time, the two laws shared the same United States Code cites—so it would be fitting to reauthorize both laws in the same piece of legislation.

Like the ADR law, the Negotiated Rulemaking Act is a reform effort that seeks to interject common sense and cost savings into the way the Federal Government does business. In essence, it allows a regulated community to form an advisory committee with all other interested parties to work with the Federal Government to draft regulations that everyone will then have to live by.

An its name implies, the point of the law is to get parties to negotiate with each other and the Federal Government to devise sensible, cost effective rules. No one is required to participate in a negotiation, and no one gives up their rights by agreeing to negotiate. It is a voluntary, rather than a mandatory, process.

The pleasant surprise is that it works. Since the Negotiated Rulemaking Act was enacted 6 years ago, agencies across the Government have tried it and liked it.

Over the past 6 years, negotiated rulemaking has been used to issue regulations under the Clean Air Act to produce cleaner burning gasoline and to clear haze from the Grand Canyon. The Coast Guard has used it to improve ships' oilspill fighting capabilities, while the Federal Railroad Administration has used it to improve railway worker safety. The Farm Credit System has negotiated a rule to apportion its administrative expenses among banks and other parties, while the FCC has used it to apportion data messaging services on satellites.

President Clinton has embraced the concept with an Executive order that encourages all agencies to try negotiated rulemaking at least once per year. Some agencies, like the Federal Aviation Administration, have found it so rewarding that they have established standing negotiated rulemaking committees and routinely invoke negotiated rulemaking to resolve difficult regulatory problems.

These agencies and others have discovered that, in many rulemaking situations, negotiation beats confrontation in terms of cost, time, aggravation, and the ability to develop regulations that parties with very different perspectives can accept. One industry participant in the clean air negotiations put it this way, "It's a better situation when people who are adversaries can sit down at the table and talk about it rather than throwing bricks at each other in courtrooms and the press." An environmental journal came to the same conclusion, summing up the Grand Canyon negotiation with the headline, "See You Later, Litigator." The Washington Post has called negotiated rulemaking plainly a good idea, while the New York Times has called it an immensely valuable procedure that ought to be used far more often.

The goal of the Levin-Grassley amendment is exactly that—to reauthorize the Negotiated Rulemaking Act to ensure continued agency use of this rulemaking procedure.

The amendment itself is straightforward. Like the ADR bill, it reauthorizes the 1990 law and makes it a permanent part of the U.S. Code. Like the ADR bill, it facilitates agency hiring of neutrals, called convenors and facilitators; provides an authorization for appropriations; and reassigns the responsibility of facilitating and encouraging agency use of negotiated rulemaking from the Administrative Conference of the United States, which has been terminated, to an agency or interagency committee to be designated by the President.

This amendment has been circulated extensively among negotiated rulemaking practitioners and is supported by the administration and the American Bar Association. It has been cleared by both sides of the aisle. It is being offered now to avoid a lapse in the law which is scheduled to expire in November.

Mr. President, I would like to thank Senator GRASSLEY for his leadership on both ADR and negotiated rulemaking; Senator COHEN, chairman of the Government Affairs Oversight Subcommittee, for his continuing support; and Senator STEVENS, Governmental Affairs Committee chairman, for his cooperation in getting this legislation to the floor despite a crowded calendar.

Alternative dispute resolution methods and negotiated rulemaking provide new and better ways to conduct Government business. They cost less, they're quicker, they're less adversarial, they develop sensible solutions to problems, and they free up courts for other business. They are two success stories in creating a government that works better and costs less. I urge my colleagues to join Senator GRASSLEY and myself in voting for the reauthorization of both laws.

Mr. GRASSLEY. Mr. President, the Administrative Dispute Resolution Act before us, sponsored by myself and Senator LEVIN, is an amendment to title 5 of the United States Code. This is a law which I originally sponsored back in 1989 with Senator LEVIN. That 1989 law, also titled the "Administrative Dispute Resolution Act," was crafted to encourage Federal agencies to streamline dispute resolution processes by use of alternative dispute resolution techniques rather than by litigation. These techniques are often collectively referred to as ADR, and include mediation, arbitration, conciliation, factfinding, and minitrials.

Since the enactment of that law, most Federal agencies have formulated ADR programs and consequently have saved significant amounts of time and money by avoiding litigation of claims. At the same time, agencies haven't sacrificed fairness or party satisfaction. Overall, agencies have recognized the benefits of ADR's efficiency. As an example of the success of these programs, the Environmental Protection Agency utilizes mediation and arbitration to resolve Superfund, Clean Water Act, and Resource Conservation and Recovery Act disputes. The EPA has expressed great satisfaction with the results of these techniques in their resolution of complex regulatory enforcement issues.

In addition, ADR techniques are far less costly than litigation. The Federal Deposit Insurance Corporation estimated a savings of $13 million in legal costs in the last 3 years alone because of its ADR program. The Resolution Trust Corporation estimated it saved $114 million over the last 4 years using ADR techniques. These examples are proof of ADR's efficiency.

The judiciary has also benefited from adoption of ADR techniques. The U.S. District Court for the Northern District of California estimated savings of almost $44,000 in administrative costs per case after it implemented an early neutral evaluation program. Although the bill before us doesn't include the judiciary, we are in the process of drafting a bill that would encourage the judiciary to adopt ADR programs, which have been in existence on a limited basis. Representative MOORHEAD's subcommittee has already held hearings on the House side regarding this issue, and I expect to pursue this initiative in my Judiciary Subcommittee this year.

Despite the benefits that both the executive and judiciary branches have derived from adopting ADR programs, improvements can still be made to promote ADR. Many ADR programs haven't been integrated into the daily routines of their agencies. Agencies have had legitimate concerns about confidentiality, fairness, and quality assurance. Further, the original law expired in October of last year, and by not extending this law, progress in agency adoption of ADR techniques has been stalled. The new ADR bill seeks to address these concerns by modifying and clarifying the original act to make ADR more attractive to the agencies in the resolution of their disputes.

The Governmental Affairs Committee, Subcommittee on Oversight of Government Management and the District of Columbia, held a hearing on this bill on November 16, 1995. At the hearing, the bill enjoyed strong bipartisan support. A number of changes were made to further improve the bill. I'd like to briefly summarize the bill as it presently is being proposed and how it will accomplish our goals of promoting the use of ADR techniques.

First of all, the bill removes the term "settlement negotiations" from the group of ADR techniques listed in the 1989 act. This won't decrease the effectiveness of the act as settlement negotiations are not and have never been covered by the act as they do not use third party neutrals in resolving conflicts. Abolition of the term merely eliminates agency confusion as to whether settlement negotiation is a statutorily supported ADR technique. It doesn't decrease the scope of the original act. The bill also clarifies ADR techniques by substituting the term "arbitration" with "Use of Ombuds, and Binding or Nonbinding Arbitration."

The bill addresses agency confidentiality concerns by exempting all dispute resolution communications from Freedom of Information Act disclosure. Although these communications have always been confidential by implication, the proposed bill makes this confidentiality express and clear.

The bill also deletes the Administrative Conference of the United States from the promulgation of agency policy addressing the use of ADR and case management. This acknowledges the unfortunate demise of the Administrative Conference and its consultation with agencies in developing and promulgating agency ADR policies, and the maintenance of rosters of neutrals and arbitrators.

The bill makes it easier for agencies to acquire neutrals by eliminating the requirement of full competitive procedures in obtaining expert services and by allowing the acquisition of neutrals from nonprofit organizations. It also amends the Code to provide that agencies will consult with the Federal Mediation and Conciliation Service on encouraging and facilitating agency use of ADR and developing procedures on obtaining services of neutrals.

The bill expands agency use of services to include services and facilities of State, local, and tribal governments. This will allow agencies to take advantage of all available support services in order to implement their ADR activities in the most effective and efficient manner possible.

The bill eliminates the requirement that the validity of all contract claims under $100,000 be certified by the contractor. This change brings the 1989 ADR Act into conformance with the certification levels in the Contracts Disputes Act, thus encouraging the use of ADR techniques in many small disputes where they may be particularly appropriate.

In addition, the bill deletes the so-called escape clause for binding arbitration. Under the 1989 law, a Federal agency had the right to override an ADR decision after it had been entered. These provisions were inserted in the original act because the Department of Justice believed there was a constitutional problem regarding agency ability to ultimately override ADR decisions. In essence, DOJ felt that it was necessary to protect agency interests from the whim of nonjudicial decisionmakers. The Administrative Conference argued that parties were reluctant to go through ADR because they believed that an agency could opt out of a final decision and that effectively ADR rulings were nonbinding on the Government. Recently, DOJ has dropped these constitutional concerns. Deletion of these provisions from the law will ultimately further facilitate and promote the use of ADR, by making ADR techniques more attractive to the private sector for solving agency disputes.

Finally, the bill permanently authorizes the ADR Act by striking the sunset provision presently in the law and authorizing such sums as may be necessary to carry out the act.

Mr. President, there has been much progress in the implementation and use of ADR techniques in the Federal Government since I first introduced the Administrative Dispute Resolution Act back in 1989. Passage of this amendment to the act will further this progress by eliminating statutory barriers to ADR use and clarifying statutory language. I hope my colleagues will support this initiative.

Mr. JOHNSTON. Mr. President, I would like to add my support for this bill and in particular for a provision, in the amendment providing permanent reauthorization of the Negotiated Rulemaking Act of 1990, that addresses what I and others perceive to be the redundancy between the requirements of this act and the Federal Advisory Committee Act [FACA].

The Negotiated Rulemaking Act, in section 3(a) (5 U.S.C. 564(a)) mandates a specific procedure for public notification of the establishment of each negotiated rulemaking committee. This includes publication "in the Federal Register and, as appropriate, in trade or other specialized publications" of a notice of intent to form the committee, along with "a description of the subject and scope of the rule to be developed, and the issues to be considered; a list of the interests likely to be significantly affected by the rule; a list of the persons proposed to represent such interests and the person or persons proposed to represent the agency; a proposed agenda and schedule for completing the work of the committee, including a target date for publication by the agency of a proposed rule for notice and comment; a description of the administrative support for the committee to be provided by the agency, including technical assistance; a solicitation for comments on the proposal to establish the committee, and the proposed membership of the negotiated rulemaking committee; and an explanation of how a person may apply or nominate another person for membership on the committee." After publication of this notice, there is a public comment period of at least 30 days.

In addition to these statutory requirements, negotiated rulemaking committees are subject to regulatory review requirements of Presidential Executive orders. Section 3(e) of President Clinton's Executive Order No. 12866 defines "regulatory action" as "any substantive action by an agency (normally published in the Federal Register) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking." The notice of intent to establish a negotiated rulemaking committee, required by 5 U.S.C. 564(a)(1), would appear to be completely within this definition, as it is analogous to an advanced notice of proposed rulemaking, and certainly a more "substantive action by an agency * * * expected to lead to the promulgation of a final rule" than a mere notice of inquiry. Thus, even a plan to publish such a notice, for a "significant regulatory action," must be disclosed to the Office of Management and Budget [OMB] under section 6(a)(3)(A) of the Executive Order. Given the very broad definition of "significant regulatory actions" in the Executive order, OMB is effectively capable of capturing for review any negotiated rulemaking committee that it wants.

Quite apart from these requirements and reviews, negotiated rulemaking committees must meet a second, parallel set of disclosure and review requirements contained in section 9 of FACA, because negotiated rulemaking committees are within the definition of an "advisory committee" under FACA. Thus, the FACA requirements in section 9 for "consultation with the Administrator" of the General Services Administration [GSA], "timely notice in the Federal Register," and filing of a charter containing a list of specific topics that closely resembles the topics in section 3(a) of the Negotiated Rulemaking Act, quoted above, also apply to the negotiated rulemaking committees.

There is clearly duplication of effort here, without, in my opinion, much value added. First of all, if the President has put in place a mechanism, via Executive order, by which the Office of Information and Regulatory Affairs in OMB must be apprised of a mere plan to form a negotiated rulemaking committee, what is the added value of a mandate for a separate consultation with the GSA under FACA? Surely the President's designee for Governmentwide regulatory review and coordination, in OMB, is better situated to advise agencies on the need for such committees than the GSA. Second, a comparison of the typical advisory committee charter received in the Committee on Energy and Natural Resources with the typical Federal Register notice for a negotiated rulemaking committee over the past year shows that the latter is generally more detailed and informative than the former. Finally, is it really necessary to have two separate legal requirements for notice in the Federal Register of the same event?

In addition to these overlapping requirements and processes, it is a fair question whether other specific requirements of FACA, for example, the automatic 2-year sunset of advisory committees, make sense in the context of negotiated rulemaking. It is envisioned by the Negotiated Rulemaking Act that negotiated rulemaking committees will routinely remain in existence until the publication of a final rule, which may take several years. In this specific context, the one-size-fits-all requirement of FACA for rechartering every 2 years, while sensible for advisory committees that have nonspecific oversight-type responsibilities, would seem somewhat arbitrary.

I am not alone in questioning this apparent duplication. I will ask unanimous consent to have printed at the end of this statement a statement on the reauthorization of the Negotiated Rulemaking Act from the American Bar Association [ABA] and the formal ABA position statement on which it is based. The formal position of the ABA, jointly proposed by the ABA Standing Committee on Environmental Law, the Section of Administrative Law and Regulatory Practice, and the Section of Natural Resources, Energy, and Environmental Law, and passed by the ABA House of Delegates, states that—

> a federal agency should not be required to secure the permission of the Office of Management and Budget or the General Services Administration before it impanels a committee under the Negotiated Rulemaking Act or the Administrative Dispute Resolution Act, and that such agencies must continue to comply with the substantive requirements of the Federal Advisory Committee Act, including openness and balance on committees.

These questions of duplication are important in the real world of how Federal agencies operate because there is already a considerable transaction cost to the formation and running of advisory committees under FACA. The formal chartering process under FACA, in practice, involves numerous levels of review within agencies and is often a time-consuming bureaucratic step. It is perhaps justifiable to impose such transaction costs to prevent the formation of generic advisory committees for which there is not a clear and compelling need. Perhaps, notwithstanding the current interest in having more, rather than less, stakeholder input into Federal agency processes and decisions, it is thought appropriate to view advisory committees generally as a problem to be contained. But the whole point of the Negotiated Rulemaking Act is to promote the use of one specific type of advisory committee. The Negotiated Rulemaking Act creates no new authorities for agencies. If it were to expire on November 29, of this year, as it is currently scheduled to do under current law, agencies could still form such committees and use them in the promulgation of rules. Since, then, the whole point of the act is to underscore Congress' intent that negotiated rulemaking be more widely used, we should look carefully at the question of administrative transaction costs in Federal agencies, to see if we have unwittingly put in place duplicative steps that make forming such committees seem to be more trouble than they are worth.

There is evidence that this is now the case. In the National Marine Fisheries Service of the Department of Commerce, a proposal to form a negotiated rulemaking committee to resolve issues between commercial and sport fishing interests regarding tuna fishing in the mid-Atlantic, published in the Federal Register on February 1, has languished precisely because the Department of Commerce, like other agencies such as the Department of Energy, has a process for reviewing proposals to form advisory committees under FACA that involves sending the proposal to numerous offices dispersed through the agency structure for checkoffs on issues such as—in the case of Commerce—national security concerns. Transiting this sort of administrative gauntlet is a daunting task, even for hardened bureaucrats. Meanwhile, the underlying dispute that prompted the proposal to form this committee has escalated, perhaps to the point where getting to a consensus result has been imperiled by the delay resulting from administrative inefficiency. If the administrative duplication occasioned by the overlaps in these two laws did not exist, the negotiated rulemaking committee could have started to meet in March of this year.

How representative is this case? It is hard to say. The permanent reauthorization of Negotiated Rulemaking Act was not covered in the hearings on this bill, so this problem was not explored on the record. Given this, I appreciate the willingness of the sponsors of this bill to address my concerns that a far greater problem may exist. Subsection (e) of the amendment provides for study, in the Office of Management and Budget, of this question, so that a complete picture of the problem can be obtained, and so that recommendations can be formulated. I would hope that the OMB review, in the spirit of reinventing Government, will take a careful look at such barriers and proposed best practices to agencies to facilitate the expeditious formation of advisory committees generally.

I thank the sponsors of the bill, again, for their assistance and willingness to address this issue. I hope that if, in the course of the OMB study, the administration identifies solutions to some of these issues that require legislative action by Congress, that the sponsors will be willing to act on such suggestions.

I ask unanimous consent that the material I earlier referred to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
Washington, DC, April 16, 1996.

Hon. CARL LEVIN,
Governmental Affairs Committee, U.S. Senate, Washington, DC.

DEAR SENATOR LEVIN: I write on behalf of the American Bar Association to urge that the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act be reauthorized on a permanent basis. We are concerned that the decision regarding reassignment of negotiated rulemaking responsibilities formerly carried out by the Administrative Conference of the United States will prevent the reauthorization of these two important laws.

These two laws form the framework for consensus building in government decision-making. The Administrative Dispute Resolution Act authorizes agencies to use a full array of alternative dispute resolution processes, if the parties agree to do so. The Negotiated Rulemaking Act provides a framework for negotiating rules among representatives of the affected interests. We have reviewed the draft amendment on encouraging negotiated rulemaking and offer the following comments.

(1) The ABA endorses the prompt, permanent reauthorization of these two laws.

(2) The Association would be pleased to work with you to determine an appropriate alternative placement of the consultative function under the Negotiated Rulemaking Act.

(3) The ABA recommends an amendment to the draft to direct that federal agencies not be required to secure the permission of the Office of Management and Budget or the General Service Administration before impanelling a committee under the Negotiated Rulemaking Act or the Administrative Dispute Resolution Act. The Association believes the requirement that agencies secure permission to establish committees has inhibited the wider use of these important, consensus based process. However, Congress should continue to require that such agencies must comply with the substantive requirements of the Federal Advisory Committee Act, including openness and balance on committees.

The Negotiated Rulemaking Act and the Administrative Dispute Resolution Act encourage federal agencies to explore the use of mediation and consensus building to reduce costs and increase responsiveness to public concerns. We look forward to working with you to ensure that these laws are reauthorized.

Sincerely,

ROBERT D. EVANS.

AMERICAN BAR ASSOCIATION, STANDING COMMITTEE ON ENVIRONMENTAL LAW; SECTION OF ADMINISTRATIVE LAW & REGULATORY PRACTICE; SECTION OF NATURAL RESOURCES, ENERGY & ENVIRONMENTAL LAW

RECOMMENDATION

Be it Resolved, That the public participation provisions of local, state and federal environmental laws and international environmental agreements and treaties should recognize and express the principle that the public and all affected interests should be provided meaningful and effective involvement and should be expected to participate in consensus building efforts to ensure that government decision-making regarding the administration, regulation, and enforcement of environmental laws is open, fair, efficient and credible; Be it further

Resolved, That the public participation provisions of local, state and federal environmental laws should include express authority allowing government agencies to choose innovative public participation, stakeholder-involvement and shared decision-making models, including site-specific, negotiated consensus-building processes and negotiated rulemaking, which involve all affected stakeholders, such as citizens, potentially responsible parties, and affected federal, tribal, state, territorial and local governments; be it further

Resolved, That federal agencies should use more fully the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act for making environmental decisions, and state agencies should follow similar procedures permitted under generally applicable provisions of administrative law; be it further

Resolved, That Congress should reauthorize the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act on a permanent basis, and, in doing so, Congress should revise provisions that inhibit their wider use to resolve environmental matters by clarifying:

(1) that the Administrative Dispute Resolution Act authorizes the use of the full range of dispute resolution processes for making administrative decisions, including general consensus building and the resolution of issues between private parties that otherwise would be decided by the environmental agency;

(2) that the decision of an arbitrator, where applicable, should be final when issued, without the authority of an agency to unilaterally override such decision;

(3) that communications between a party and the neutral should be protected from disclosure except for the circumstances defined in the Administrative Dispute Resolution Act; to that extent the Administrative Dispute Resolution Act should be regarded as a Section (b)(3) exemption under the Freedom of Information Act; and

(4) that a federal agency should not be required to secure the permission of the Office of Management and Budget or the General Services Administration before it impanels a committee under the Negotiated Rulemaking Act or the Administrative Dispute Resolution Act, and that such agencies must continue to comply with the substantive requirements of the Federal Advisory Committee Act, including openness and balance on committees; be it further

Resolved, That the procedures described in the Negotiated Rulemaking Act should be used for making policy decisions under environmental statutes; be it finally

Resolved, That the framework established under the Negotiated Rulemaking Act and the Administrative Dispute Resolution Act provide the means by which the U.S. Environmental Protection Agency ("EPA"), community and business interests, state, tribal and local governments, and environmental and other non-governmental organizations can reach agreement on the appropriate issues. For example, in addition to existing alternative dispute resolution provisions in the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), potentially responsible parties are encouraged to use the Administrative Dispute Resolution Act to make allocation decisions, while environmental agencies are encouraged to use the Negotiated Rulemaking Act for making policy decisions. In doing so, EPA should appoint a single, relatively senior official to represent the agency and various components of its staff in such negotiations, and policy negotiations and allocation decisions should be coordinated to the extent appropriate.

AMENDMENT NO. 4045

(Purpose: To reauthorize the Negotiated Rulemaking Act of 1990, and for other purposes)

Mr. LOTT. Mr. President, I understand that there is an amendment at the desk in behalf of Senators LEVIN and GRASSLEY. I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. LEVIN, for himself and Mr. GRASSLEY, proposes an amendment numbered 4045.

At the end of the bill, add the following new section:

SEC. 11. REAUTHORIZATION OF NEGOTIATED RULEMAKING ACT OF 1990.

(a) PERMANENT REAUTHORIZATION.—Section 5 of the Negotiated Rulemaking Act of 1990 (Public Law 101–648; 5 U.S.C. 561 note) is repealed.

(b) CLOSURE OF ADMINISTRATIVE CONFERENCE.—

(1) IN GENERAL.—Section 569 of title 5, United States Code, is amended—

(A) by amending the section heading to read as follows:

"§ 569. Encouraging negotiated rulemaking"; and

(B) by striking out subsections (a) through (g) and inserting in lieu thereof the following:

"(a) The President shall designate an agency or designate or establish an interagency committee to facilitate and encourage agency use of negotiated rulemaking. An agency that is considering, planning or conducting a negotiated rulemaking may consult with such agency or committee for information and assistance.

(b) To carry out the purposes of this subchapter, an agency planning or conducting a negotiated rulemaking may accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, provided that agency acceptance and use of such gifts, devises or bequests do not create a conflict of interest. Gifts and bequests of money and proceeds from sales of other property received as gifts, devises, or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the head of such agency. Property accepted pursuant to this section, and the proceeds, thereof, shall be used as nearly as possible in accordance with the terms of the gifts, devises, or bequests. For purposes of Federal income, estate, or gift taxes, property accepted under this section shall be considered as a gift, devise, or bequest to the United States.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking out the item relating to section 569 and inserting in lieu thereof the following:

"569. Encouraging negotiated rulemaking."

(c) EXPEDITED HIRING OF CONVENORS AND FACILITATORS.—

(1) DEFENSE AGENCY CONTRACTS.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by inserting "or negotiated rulemaking" after "alternative dispute resolution".

(2) FEDERAL CONTRACTS.—Section 303(c)(3)(C) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(3)(C)), is amended by inserting "or negotiated rulemaking" after "alternative dispute resolution".

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subchapter III of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 570a. Authorization of appropriations

"There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by inserting after the item relating to section 570 the following:

"Sec. 570a Authorization of appropriations."

(e) STUDY.—No later than 180 days after the enactment of this Act, the Director of the Office of Management and Budget shall complete a study with recommendations on expediting the establishment of negotiated rulemaking committees, including eliminating any redundant administrative requirements related to filing a committee charter under section 9 of the Federal Advisory Committee Act and providing public notice of such committee under section 564 of title 5, United States Code.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4045) was agreed to.

AMENDMENT NO. 4046

(Purpose: To provide the United States Court of Federal Claims with exclusive jurisdiction over contract bid protests)

Mr. LOTT. I understand Senator COHEN has an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. COHEN, proposes an amendment numbered 4046.

At the end of the Committee amendment add the following:

SEC. 11. JURISDICTION OF THE UNITED STATES COURT OF FEDERAL CLAIMS: BID PROTESTS.

(a) BID PROTESTS.—

(1) TERMINATION OF JURISDICTION OF DISTRICT COURTS.—Section 1491 of title 28, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (d);

(B) in subsection (a)—

(i) by striking out "(a)(1)" and inserting in lieu thereof "(a) CLAIMS AGAINST THE UNITED STATES.—";

(ii) in paragraph (2), by striking out "(2) To" and inserting in lieu thereof "(b) REMEDY AND RELIEF.—To"; and

(iii) by striking out paragraph (3); and

(C) by inserting after subsection (b), as designated by paragraph (1)(B)(ii), the following new subsection (c):

"(c) BID PROTESTS.—(1) The United States Court of Federal Claims has jurisdiction to render judgment on an action by an interested party objecting to a solicitation by a Federal agency for bids or proposals for a proposed contract or to a proposed award or the award of a contract. The court has jurisdiction to entertain such an action without regard to whether suit is instituted before or after the contract is awarded.

"(2) To afford relief in such an action, the court may award any relief that the court considers proper, including declaratory and injunctive relief.

"(3) In exercising jurisdiction under this subsection, the court shall give due regard to the interests of national defense and national security and the need for expeditious resolution of the action.

"(4) The district courts of the United States do not have jurisdiction of any action referred to in paragraph (1).".

(2) CLERICAL AMENDMENTS.—

(A) SECTION HEADING.—The heading of such section is amended by inserting "**bid protests;**" after "**generally;**".

(B) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 91 of title 28, United States Code, is amended by striking out the item relating to section 1491 and inserting in lieu thereof the following:

"1491. Claims against United States generally; bid protests; actions involving Tennessee Valley Authority.".

(b) Nonexclusivity of GAO Remedies.—Section 3556 of title 31, United States Code, is amended by striking out "a district court of the United States or the United States Claims Court" in the first sentence and inserting in lieu thereof "the United States Court of Federal Claims".

(c) Savings Provisions.—

(1) Orders.—The amendments made by this section shall not terminate the effectiveness of orders that have been issued by a court in connection with an action within the jurisdiction of that court on the day before the effective date of this section. Such orders shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(2) Proceedings and Applications.—(A) The amendments made by this section shall not affect the jurisdiction of a court of the United States to continue with any proceeding that is pending before the court on the day before the effective date of this section.

(B) Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this section had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(C) Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(d) Effective Date.—This section and the amendments made by this section shall take effect on October 1, 1996.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4046) was agreed to.

Mr. LOTT. I ask unanimous consent that the committee amendment be agreed to, the bill then be deemed read a third time, the Senate then immediately proceed to Calendar No. 427, H.R. 2977; further, that all after the enacting clause be stricken and the text of S. 1224, as amended, be inserted in lieu thereof, the bill then be read a third time, passed, the motion to reconsider be laid upon the table, the Senate then insist on its amendment and request a conference with the House, the Chair be authorized to appoint conferees on the part of the Senate, the bill S. 1224 be placed back on the calendar; and, finally, that any statements relating to the bill be placed at the appropriate place in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2977), as amended, was deemed read for the third time, and passed as follows:

Resolved, That the bill from the House of Representatives (H.R. 2977) entitled "An Act to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes.", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Administrative Dispute Resolution Act of 1995".

SEC. 2. AMENDMENT TO DEFINITIONS.

Section 571 of title 5, United States Code, is amended—

(1) in paragraph (3)—

(A) by striking out "settlement negotiations,"; and

(B) by striking out "and arbitration" and inserting in lieu thereof "use of ombuds, and binding or nonbinding arbitration,"; and

(2) in paragraph (8)—

(A) in subparagraph (B) by striking out "decision," and inserting in lieu thereof "decision."; and

(B) by striking out the matter following subparagraph (B).

SEC. 3. AMENDMENTS TO CONFIDENTIALITY PROVISIONS.

(a) Termination of Availability Exemption to Confidentiality.—Section 574(b) of title 5, United States Code, is amended—

(1) in paragraph (5) by adding "or" at the end thereof;

(2) in paragraph (6) by striking out "; or" and inserting in lieu thereof a period; and

(3) by striking out paragraph (7).

(b) Limitation of Confidentiality Application to Communication.—Section 574 of title 5, United States Code, is amended—

(1) in subsection (a) in the matter before paragraph (1) by striking out "any information concerning"; and

(2) in subsection (b) in the matter before paragraph (1) by striking out "any information concerning".

(c) Alternative Confidentiality Procedures.—Section 574(d) of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) To qualify for the exemption established under subsection (j), an alternative confidential procedure under this subsection may not provide for less disclosure than the confidential procedures otherwise provided under this section.".

(d) Exemption From Disclosure by Statute.—Section 574 of title 5, United States Code, is amended by striking out subsection (j) and inserting in lieu thereof the following:

"(j) A dispute resolution communication which is generated by or provided to an agency or neutral, and which may not be disclosed under this section, shall also be exempt from disclosure under section 552(b)(3).".

SEC. 4. AMENDMENT TO REFLECT THE CLOSURE OF THE ADMINISTRATIVE CONFERENCE.

(a) Promotion of Administrative Dispute Resolutions.—Section 3(a)(1) of the Administrative Dispute Resolution Act (5 U.S.C. 581 note; Public Law 101–552; 104 Stat. 2736) is amended by striking out "the Administrative Conference of the United States and".

(b) Compilation of Information.—

(1) In general.—Section 582 of title 5, United States Code, is repealed.

(2) Technical and conforming amendment.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking out the item relating to section 582.

(c) Federal Mediation and Conciliation Service.—Section 203(f) of the Labor Management Relations Act, 1947 (29 U.S.C. 173(f)) is amended by striking out "the Administrative Conference of the United States and".

SEC. 5. AMENDMENTS TO SUPPORT SERVICE PROVISION.

Section 583 of title 5, United States Code, is amended by inserting "State, local, and tribal governments," after "other Federal agencies,".

SEC. 6. AMENDMENTS TO THE CONTRACT DISPUTES ACT.

Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended—

(1) in subsection (d) by striking out the second sentence and inserting in lieu thereof: "The contractor shall certify the claim when required to do so as provided under subsection (c)(1) or as otherwise required by law."; and

(2) in subsection (e) by striking out the first sentence.

SEC. 7. AMENDMENTS ON ACQUIRING NEUTRALS.

(a) Expedited Hiring of Neutrals.—

(1) Competitive requirements in defense agency contracts.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by striking out "agency, or" and inserting in lieu thereof "agency, or to procure the services of an expert or neutral for use".

(2) Competitive requirements in federal contracts.—Section 303(c)(3)(C) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(3)(C)), is amended by striking out "agency, or" and inserting in lieu thereof "agency, or to procure the services of an expert or neutral for use".

(b) References to the Administrative Conference of the United States.—Section 573 of title 5, United States Code, is amended—

(1) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) In consultation with other appropriate Federal agencies and professional organizations experienced in matters concerning dispute resolution, the Federal Mediation and Conciliation Service shall—

"(1) encourage and facilitate agency use of alternative means of dispute resolution; and

"(2) develop procedures that permit agencies to obtain the services of neutrals on an expedited basis."; and

(2) in subsection (e) by striking out "on a roster established under subsection (c)(2) or a roster maintained by other public or private organizations, or individual".

SEC. 8. ARBITRATION AWARDS AND JUDICIAL REVIEW.

(a) Arbitration Awards.—Section 580 of title 5, United States Code, is amended—

(1) by striking out subsections (c), (f), and (g); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(b) Judicial Awards.—Section 581(d) of title 5, United States Code, is amended—

(1) by striking out "(1)" after "(b)"; and

(2) by striking out paragraph (2).

SEC. 9. PERMANENT AUTHORIZATION OF THE ALTERNATIVE DISPUTE RESOLUTION PROVISIONS OF TITLE 5, UNITED STATES CODE.

The Administrative Dispute Resolution Act (Public Law 101–552; 104 Stat. 2747; 5 U.S.C. 581 note) is amended by striking out section 11.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—Subchapter IV of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§584. Authorization of appropriations

"There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.".

(b) Technical and Conforming Amendment.—The table of sections for chapter 5 of title 5, United States Code, is amended by inserting after the item relating to section 583 the following:

"Sec. 584. Authorization of appropriations.".

SEC. 11. REAUTHORIZATION OF NEGOTIATED RULEMAKING ACT OF 1990.

(a) PERMANENT REAUTHORIZATION.—Section 5 of the Negotiated Rulemaking Act of 1990 (Public Law 101–648; 5 U.S.C. 561 note) is repealed.

(b) CLOSURE OF ADMINISTRATIVE CONFERENCE.—

(1) IN GENERAL.—Section 569 of title 5, United States Code, is amended—

(A) by amending the section heading to read as follows:

***"§569. Encouraging negotiated rulemaking"**; and*

(B) by striking out subsections (a) through (g) and inserting in lieu thereof the following:

"(a) The President shall designate an agency or designate or establish an interagency committee to facilitate and encourage agency use of negotiated rulemaking. An agency that is considering, planning or conducting a negotiated rulemaking may consult with such agency or committee for information and assistance.

"(b) To carry out the purposes of this subchapter, an agency planning or conducting a negotiated rulemaking may accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal: Provided, That agency acceptance and use of such gifts, devises or bequests do not create a conflict of interest. Gifts and bequests of money and proceeds from sales of other property received as gifts, devises, or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the head of such agency. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gifts, devises, or bequests. For purposes of Federal income, estate, or gift taxes, property accepted under this section shall be considered as a gift, devise, or bequest to the United States.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking out the item relating to section 569 and inserting in lieu thereof the following:

"569. Encouraging negotiated rulemaking.".

(c) EXPEDITED HIRING OF CONVENORS AND FACILITATORS.—

(1) DEFENSE AGENCY CONTRACTS.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by inserting "or negotiated rulemaking" after "alternative dispute resolution".

(2) FEDERAL CONTRACTS.—Section 303(c)(3)(C) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(3)(C)), is amended by inserting "or negotiated rulemaking" after "alternative dispute resolution".

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subchapter III of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§570a. Authorization of appropriations

"There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by inserting after the item relating to section 570 the following:

"Sec. 570a. Authorization of appropriations.".

(e) STUDY.—No later than 180 days after the enactment of this Act, the Director of the Office of Management and Budget shall complete a study with recommendations on expediting the establishment of negotiated rulemaking committees, including eliminating any redundant administrative requirements related to filing a committee charter under section 9 of the Federal Advisory Committee Act and providing public notice of such committee under section 564 of title 5, United States Code.

SEC. 12. JURISDICTION OF THE UNITED STATES COURT OF FEDERAL CLAIMS: BID PROTESTS.

(a) BID PROTESTS.—

(1) TERMINATION OF JURISDICTION OF DISTRICT COURTS.—Section 1491 of title 28, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (d);

(B) in subsection (a)—

(i) by striking out "(a)(1)" and inserting in lieu thereof "(a) CLAIMS AGAINST THE UNITED STATES.—";

(ii) in paragraph (2), by striking out "(2) To" and inserting in lieu thereof "(b) REMEDY AND RELIEF.—To"; and

(iii) by striking out paragraph (3); and

(C) by inserting after subsection (b), as designated by paragraph (1)(B)(ii), the following new subsection (c):

"(c) BID PROTESTS.—(1) The United States Court of Federal Claims has jurisdiction to render judgment on an action by an interested party objecting to a solicitation by a Federal agency for bids or proposals for a proposed contract or to a proposed award or the award of a contract. The court has jurisdiction to entertain such an action without regard to whether suit is instituted before or after the contract is awarded.

"(2) To afford relief in such an action, the court may award any relief that the court considers proper, including declaratory and injunctive relief.

"(3) In exercising jurisdiction under this subsection, the court shall give due regard to the interests of national defense and national security and the need for expeditious resolution of the action.

"(4) The district courts of the United States do not have jurisdiction of any action referred to in paragraph (1).".

(2) CLERICAL AMENDMENTS.—

*(A) SECTION HEADING.—The heading of such section is amended by inserting "**bid protests;**" after "**generally;**".*

(B) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 91 of title 28, United States Code, is amended by striking out the item relating to section 1491 and inserting in lieu thereof the following:

"1491. Claims against United States generally; bid protests; actions involving Tennessee Valley Authority.".

(b) NONEXCLUSIVITY OF GAO REMEDIES.—Section 3556 of title 31, United States Code, is amended by striking out "a district court of the United States or the United States Claims Court" in the first sentence and inserting in lieu thereof "the United States Court of Federal Claims".

(c) SAVINGS PROVISIONS.—

(1) ORDERS.—The amendments made by this section shall not terminate the effectiveness of orders that have been issued by a court in connection with an action within the jurisdiction of that court on the day before the effective date of this section. Such orders shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(2) PROCEEDINGS AND APPLICATIONS.—(A) The amendments made by this section shall not affect the jurisdiction of a court of the United States to continue with any proceeding that is pending before the court on the day before the effective date of this section.

(B) Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this section had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(C) Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 1996.

RELATIVE TO USE OF DISASTER RESERVE FOR DISASER ASSISTANCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 259; I further ask that the resolution be considered and agreed to and the motion to reconsider be laid upon the table, and that any statements relating to this resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 259) was agreed to as follows:

S. RES. 259

Resolved,

SECTION 1. USE OF DISASTER RESERVE FOR DISASTER ASSISTANCE.

It is the sense of the Senate that the Secretary of Agriculture should use the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) to alleviate distress to livestock producers caused by drought, flood, or other natural disasters in 1996, in the most efficient manner practicable, including cash payments from the sale of commodities currently in the disaster reserve. A livestock producer should be eligible to receive the assistance during the period beginning May 1, 1996, and ending not sooner than August 31, 1996.

SEC. 2. VOLUNTARY CONSERVATION ASSISTANCE.

It is the sense of the Senate that the Secretary of Agriculture should use the authorities provided in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127) to provide voluntary conservation assistance to any person who is permitted to hay or graze conservation reserve land on an emergency basis.

RELATIVE TO SPECIAL CONSIDERATION FOR DISASTER ASSISTANCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 260; I further ask that the resolution be considered and agreed to and the motion to reconsider be laid upon the table, and that any statements relating to this resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 260) was agreed to as follows:

S. Res. 260

Resolved,

SECTION 1. SPECIAL CONSIDERATION FOR DISASTER ASSISTANCE.

It is the sense of the Senate that livestock producers who do not qualify for emergency livestock feed assistance for the 1996 crop year, but have incurred feed losses in 1996 due to drought, flooding, or other natural disasters, should receive special consideration for assistance from commodities for the sale of commodities currently available in the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a). A livestock producer should be eligible to receive the assistance during the period beginning May 1, 1996, and ending not sooner than August 31, 1996.

Mrs. HUTCHISON. Mr. President, what has just cleared the Senate is a very important sense of the Senate that has unanimously passed that will help the areas of our country that have been devastated by this drought. In fact, this is the Gramm-Hutchison-Domenici-Bingaman resolution.

It says we encourage the Secretary of Agriculture to allow some of the counties—because of a regulatory snafu, a technicality—that are not now able to apply for livestock feed assistance under its old program to do so. The bulk of the counties in New Mexico, Texas, Oklahoma, and Kansas that are affected by this will have that opportunity. But because of the technicality, they have not been able to clear all of the counties. So we are asking the Secretary of Agriculture to do this for us. It is very important to the farmers and ranchers of these States.

Mr. President, this drought is hurting not only the farmers and ranchers of these States, but the consumers are going to see higher prices as well. We are in a situation now where farmers are not able to make loans because the drought has caused them either to be unable to plant or to be unable to have anything if they have planted. It also causes a great hardship on people who are raising cattle. There is no feed for the cattle because we have not been able to raise the hay.

It is a terrible situation, and I just appreciate very much all of my colleagues helping us with this sense of the Senate. I hope this will encourage the Secretary of Agriculture to help us through this technicality and help these farmers and ranchers make it this year so they can continue to provide the food and be the breadbasket of America next year.

RESOLUTION RELATIVE TO EMERGENCY LIVESTOCK FEED ASSISTANCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 261; I further ask that the resolution be considered and agreed to and the motion to reconsider be laid upon the table, and that any statements relating to this resolution be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 261) was agreed to; as follows:

S. Res. 261

SECTION 1. ELIGIBILITY FOR EMERGENCY LIVESTOCK FEED ASSISTANCE.

It is the sense of the Senate that, as part of the orderly termination of the emergency livestock feed assistance program established under title VI of the Agricultural Act of 1949 (7 U.S.C. 1471 et seq.), livestock producers who were eligible for emergency livestock feed assistance for the 1995 crop year, but were unable to apply for the assistance for the 1996 crop year, and who have suffered a qualifying loss as determined by the Secretary, should be eligible to receive assistance under the program through at least August 31, 1996.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 178

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate on Thursday, June 13, begin consideration of the budget conference report 104–612 at 10 a.m., that there be 2 hours of debate equally divided between Senators Domenici and Exon; and, further, that at 12 noon tomorrow the Senate proceed to vote on the adoption of the budget resolution conference report with no intervening action or debate, all provided that the official papers have arrived in the Senate; and, further, that if the papers have not arrived, then the vote occur at a time and date to be determined by the majority leader after consultation with the Democratic leader.

I note for the Members that this has been discussed with the Democratic leader, and we have agreed on this.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, JUNE 13, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 a.m. on Thursday, June 13; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then begin consideration of the conference report to accompany the concurrent budget resolution as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. For the information of all Senators, tomorrow there will be 2 hours remaining for debate on the budget conference report with a vote occurring at 12 o'clock on the adoption of that report.

Following that vote, the Senate will be in a period of morning business to accommodate a number of requests to speak. Additional rollcall votes on possible issues that are pending could come on Thursday, and the Senate may also be asked to turn to consideration of any other items cleared for action.

We are, frankly, hoping that we can begin debate tomorrow on the Federal Reserve Board nominations. We are consulting now with the Democratic leader. We hope to come to an agreement on how that matter will be handled in the balance of the day tomorrow and perhaps even over into next week.

ORDER FOR ADJOURNMENT

Mr. LOTT. If there be no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of Senator Kennedy of Massachusetts.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts.

CONGRATULATING MAJORITY LEADER LOTT

Mr. KENNEDY. Mr. President, I want to take a very brief moment to congratulate my friend and colleague from Mississippi, Senator Lott, on being selected as the majority leader of the Senate. I have had the opportunity to work with Trent Lott in the Armed Services Committee. I have great respect for him, and friendship, and I look forward to working with him, trying to carry forward the country's business in whatever way we possibly can. So I congratulate him and congratulate his family. It is a great honor for him to be selected and I wish him the very best in his new responsibilities.

THE MISGUIDED REPUBLICAN BUDGET

Mr. KENNEDY. Mr. President, tomorrow we are going to be asked to consider a repackaged version of last year's misguided Republican budget. It has not improved with age. This budget plan, like last year's, undermines basic protections for children and the elderly, raises taxes on the working poor, and denies educational opportunity to millions of Americans, all to pay for the lavish tax breaks for the wealthy. If this budget plan becomes law, Medicare would be cut by $167 billion over 6 years, Medicaid would be cut by $72 billion at the Federal level and some $250 billion in the States by the year 2002, with the change in the formulas which have been developed in this proposal.

Education will be cut $25 billion. Yesterday, I addressed the Senate on this issue, pointing out what a mistake this really is, when we find out that the number of children who are going to be going to the high schools in this country is going to increase by 8 percent. We are going to go up to about 53 or 54 million children in the next 2 years. The number of traditional college-age students will increase by 12 percent. As a result, even a current services budget is failing to adjust to those particular new realities and the funding that is included in this budget fails by about $20 billion to even come close to it. This is in contrast to the President's program that continues our ongoing commitment in the field of education.

Under this Republican budget, the earned-income tax credit will be cut $18 billion. That is the tax credit which is available to working families, phased out at approximately $28,000 to $30,000, and principally available to working families with children. All of these cuts would be made in order to bestow a lavish windfall of $122 billion to $180 billion, as Mr. KASICH has pointed out in the House of Representatives, for tax breaks for the wealthiest individuals in the Nation.

Mr. President, 42 percent of the mandatory cuts in this misguided budget come from programs that help the neediest families and individuals in the Nation; 47 percent of the tax breaks will go to those making over $100,000 a year. Meanwhile, corporate special interests are not asked to ante up a single nickel. The corporate welfare part of our budget, which is expenditures which otherwise could be used for deficit reduction, will be over $4 trillion over the period of the next 7 years—$4 trillion. Yet there is not $1 of savings from tax expenditures in the Republican budget. There is not one expenditure that is out there in the Federal Tax Code that is being eliminated by the Republican budget program.

We hear so often about how we have too many programs, programs that do not work, and many of us have been trying to address that issue. We had a good program to try to deal with the proliferation of job training programs under an excellent bipartisan bill that Senator KASSEBAUM and I worked on. It passed the Senate overwhelmingly in this Congress. We still have hopes about that program. We have been consolidating health programs and consolidating education programs in the period of recent years. But we cannot find, in the Republican budget, 1 nickel to save from some inefficient tax expenditures that may be enticing American corporations to go overseas and take American jobs with them—not one.

The President's program has $40 billion in savings. It seems to me we ought to be able to go up even significantly above that proposal. But there is not one—not one—in the Republican program.

Medicare cuts are a prime example of the Republican priorities. They are no less devastating simply because they sound familiar. The Medicare cuts have not improved with age. Last year the Republican plan was a thinly veiled attack on the entire concept of Medicare. It was designed to cause Medicare to "wither on the vine," in the words of Speaker GINGRICH, by forcing senior citizens to give up their family doctor and join the private insurance programs.

When Republicans took up the issues of Medicare cuts last year, they proposed to cut the program by $270 billion—three times more than the amount the Medicare trustees said was needed to protect the solvency of the trust fund.

You cannot listen to a speech on the floor of the U.S. Senate without our good Republican friends saying we have to pass this in order to deal with the potential bankruptcy of the trust fund. The fact is, they are cutting the Medicare Program three times the amount that the trustees say is necessary in order to protect the solvency of the trust funds.

This year, the Republicans are proposing to cut $167 billion from Medicare. By contrast, the President's plan cuts it $116 billion, 44 percent less. Yet it guarantees the Medicare solvency for a decade and funds Medicare at the level necessary to assure that quality care will be available for senior citizens when they need it.

Even worse, Republicans support an inflexible ceiling on Medicare spending. Consequently, if inflation is higher or medical needs are greater than anticipated, Medicare spending will not go up as it should, and many senior citizens will be out of luck and out of care.

The President's plan has the right savings and right priorities. It provides ample time for Congress and the administration to work together to find the longer run solutions we need to deal honestly with Medicare's problems and preserve the quality of health care for the elderly.

In fact, we can take many steps to reduce Medicare costs without cutting the quality of benefits, without raising premiums, but these steps are not what the Republicans are proposing.

Another false Republican argument in defense of their Medicare cuts is that the reductions are not really cuts, because the total amount of Medicare spending will continue to grow. That argument was addressed, I thought, very effectively by the ranking minority member of the Budget Committee, Senator EXON, last evening.

But every household in America knows that if the cost of your rent and the cost of your utilities and the cost of food go up and your income stays the same or goes up less rapidly, you have taken a real cut in your living standard, and that is what is at issue.

In my own State of Massachusetts, the number of frail elderly, those who are 85 years old, is going to double in the period of the next 5 years, let alone the total number of elderly that is going to grow. This is a real national phenomenon, a demographic phenomenon. We are blessed to have our parents with longer and extended lives, and to try and play shell games, in terms of the quality of care for our seniors, I think, is particularly unacceptable when we are balancing that with tax breaks for wealthy individuals.

Republicans speak of a cut in defense, when defense spending does not increase by enough to offset rising costs. Apparently, the same Republican logic does not apply to spending on Medicare that applies to spending on guns, tanks and other weapons. A cut is a cut is a cut, whether it is in Medicare, Social Security, or national defense.

Even more damaging than the loss of billions of dollars that Republicans would slash from Medicare is their attempt to turn it over to the private insurance industry. The Republican budget contains a number of changes to force senior citizens to give up their own doctors and join private insurance plans.

Once they are forced into these plans, senior citizens will be stripped of many of the protections they enjoy today—protections against overcharges by doctors and other health providers, what we call double billing. The doctors, rather than taking what is allocated to them under the Medicare Program, say, "Pay in full."

Under current law, the seniors are protected from paying additional kinds of costs, but there is no such requirement if they go into private health insurance. They could be billed once and then be charged again. That is a problem that is readily understood. We thought we addressed that in amendments that I and others had offered earlier on the budget resolution, but those protections were discarded in the conference.

There were protections against premium gouging and profiteering by insurance companies, protection of their right to keep their own family doctor and go to the specialist of their choice.

Republicans claim they want to offer senior citizens a choice, but this is a choice no senior citizen should be forced to make.

I offered a sense-of-the-Congress resolution that was adopted by the full Senate stating that reconciliation should not include proposals to eliminate these protections. It specifically reaffirmed that private insurance plans should be prohibited from leveling premium surcharges for basic Medicare services, and the doctors should not be allowed to strap on extra charges to seniors participating in such plans. That proposal was dropped by the Republicans in the House-Senate conference. The Republican assault on Medicare is painfully clear, and the American people will never support this anti-elderly special interest agenda.

Republicans deny that their Medicare cuts will fund tax breaks for the wealthy. This time the leopard claims that it really has changed its spots, but the Republican budget clearly anticipates $60 billion in revenue increases from tax extenders and closing of selected corporate loopholes in order to fund $60 billion in new taxes for the undeserving rich. Without those lavish tax breaks, they would not need to cut Medicare by $167 billion. The Medicare trust fund should not be a slush fund for tax breaks for the rich.

There are appropriate ways to reduce Medicare spending and improve the quality at the same time. Mr. President, we have had extensive hearings in this body, chaired by our friend and colleague Senator HARKIN, that has reviewed in very careful detail the billions of dollars that can be saved under Medicare by dealing more effectively with fraud and abuse. We can save tens of billions of dollars from unnecessary hospitalization—20 to 30 percent of hospitalizations are unnecessary—by trying to provide preventive services to keep the seniors at home or in a setting so they can be treated with good quality care in less costly settings.

We are talking about tens of billions of dollars that can be saved from avoiding adverse drug reaction. When our seniors are taking prescription drugs which are in conflict with each other and cause new illness and sickness, there are ways of dealing with this issue that can save the seniors enormous distress and pain and sickness and illness and plus save our system billions of dollars. But we have not even attempted to consider any of these items in this program.

The harsh cuts in Medicare contained in the Republican budget are a repudiation of our historic commitment to Social Security, because the distinction between Medicare and Social Security is a false one. Medicare is part of the same compact between the Government and the people as Social Security. The compact says, "Contribute during your working years, and we will guarantee basic income and health security in your retirement years."

No budget plan that purports to be part of a Contract With America should break America's contract with the elderly. It is bad enough to propose these deep cuts in Medicare at all. It is even worse to make these cuts in order to pay for an undeserved, unneeded tax break for the wealthiest Americans.

We do not have to destroy Medicare in order to save it. Congress will never allow the Medicare trust fund to become bankrupt. I know that. The American people know it. It is time for Republicans to stop raiding Medicare, and join in sensible steps to improve and strengthen it for the future.

Mr. President, I appreciate the opportunity to address the Senate. I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will now stand adjourned until tomorrow at 10 o'clock.

Thereupon, the Senate, at 5:30 p.m., adjourned until Thursday, June 13, 1996, at 10 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, June 12, 1996*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. LAZIO of New York].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 12, 1996.

I hereby designate the Honorable RICK LAZIO to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May words of gratitude ring from our hearts, O God, and may the spirit of thanksgiving ever lift our souls. When we look for remedies for the ills of the world and when we wonder why we have often forgotten our spiritual roots, may we meditate on the wonders of Your creation and the glories of the favor You have given to us. When we contemplate Your grace, O God, and the wonderful gifts that fill our days, our very beings are filled to overflowing with thanksgiving, with gratitude and with praise. For these good gifts and for the opportunities of this new day, we offer these words of prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. RIGGS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the "noes" appeared to have it.

Mr. RIGGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Texas, Mr. PETE GEREN, come forward and lead the House in the Pledge of Allegiance.

Mr. PETE GEREN of Texas led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a resolution of the House of the following title:

H. Con. Res. 172. Concurrent resolution authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes.

The message further announced that pursuant to Public Law 104–127, the Chair, on behalf of the majority leader, appoints Sheri L. Chapman, of Idaho, and Richard K. Golb, of California, to the Water Rights Task Force.

The message also announced that pursuant to Public Law 104–127, the Chair, on behalf of the Democratic leader, appoints Elizabeth Ann Ricke, of Colorado, to the Water Rights Task Force.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain fifteen 1-minutes on each side.

FBI FILES

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, in 1992, candidate Bill Clinton refused to sign a waiver that would allow the FBI to release requested information from his FBI file. The candidate's, in 1992, press secretary said and I quote, "It is a personal file and he is not going to do it."

It just so happens that I have a staffer who works in my office whose name happens to be on that list of FBI files that happens to be at the White House. Nobody knows how. Nobody knows why. I wonder how she feels about her name and her file being displayed at the White House. Who saw it? What did they do with the information?

Mr. Speaker, as the chaplain said, today is a new day. In 1992, Bill Clinton promised the most ethical administration in the history of this country, the most ethical. Today is a new day. I think it is time for the President and the White House to work fully with the FBI and to work openly and fully with this Congress to determine who knew what, when they knew it and what they are going to do to correct the problem.

FLAG DAY PRAYER CONCERT

(Mr. PETE GEREN of Texas asked and was given permission to address the House for 1 minute.)

Mr. PETE GEREN of Texas. Mr. Speaker, from 12:30 to 2 in the Canon Caucus Room, Members of the Congress will gather with the VA-National Medical Musical Group for the first Congressional Flag Day Prayer Concert.

VA–NMMG will be joined by singers Judy Collins, Wintley Phipps, Detra Battle, and Naoko Okada, and by various Members of Congress who will narrate the program with patriotic and inspirational readings. NBC's Tim Russert and Adrian Cronauer, the military broadcaster who inspired "Good Morning, Vietnam," will act as masters of ceremony.

The program, which will focus on prayer for our troops in Bosnia and for peace in the Balkans, was developed by the VA–NMMG, a highly-acclaimed chorale and symphony group made up of doctors, nurses, scientists, veterans, and students. These individuals come from veterans' and other medical centers and medical schools across the United States. VA–NMMG, which formed in 1983, has performed at the Reagan, Bush, and Clinton White Houses and for such dignitaries as Pope John Paul II and members of the United Nations.

Mr. Speaker, I urge my colleagues to join us today, join us in this occasion of prayer, join us in this celebration of Flag Day.

FBI FILES IN WHITE HOUSE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, this morning's New York Times features an editorial that is highly critical of the

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Clinton administration in it's involvement in raiding the FBI files of former Republican White House employees.

Let me just quote some of the questions raised by the New York Times, "There are deeper questions here. What, for example, were the Attorney General and the F.B.I. Director doing while their control of their agency was being usurped? If Bernard Nussbaum * * * was out of the loop, why was his letterhead weighty enough to unlock hundreds of confidential files at an agency not under his supervision? * * * The FBI and the Secret Service have always been at the center of the review and documentation process. Why suddenly was a temporary employee from the Department of Defense given the task of security vetting of White House staff and visitors?"

The Times concludes by saying, "These are executive questions of a historically important nature. We would think the current Chief Executive would be first in line demanding answers."

MARGE SCHOTT AND THE CINCINNATI REDS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, most Americans agree that the statements of Marge Schott, owner of the Cincinnati Reds, were crude, rude, repugnant, ignorant, and disgusting, to say the least.

Mr. Speaker, was Marge Schott wrong? Yes. Do baseball owners have the right to be upset? Yes. Do baseball owners have the right to sanction Marge Schott? Yes.

Do baseball owners have the right to strip Marge Schott of the ownership of the Cincinnati Reds? I say absolutely not. The baseball owners can fine her; they can sanction her; but, by God, they cannot take her ownership of the Reds away.

We may disagree with what she says, but she has the right to say it. The fact is, I believe that Marge Schott is more of a threat to sobriety than she is a threat to our society. Think about that one.

I yield back the balance of any ownership. There is still a Constitution around here.

PATENT PROTECTION

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, next week this House will have a chance to vote on H.R. 3460, the Moorhead-Schroeder Patent Act, which I believe should be entitled the "Steal American Technologies Act."

Members of the Committee on the Judiciary yesterday were given inaccurate answers to questions, and this bill passed right through that committee and will be heading toward this floor next week.

The bill mandates, mandates that every patent application that is made to the United States Patent Office be published after 18 months, whether or not the patent has been issued. Do my colleagues understand what that means? That means every new idea our people come up with, whether or not they have been issued the patents, it will be published for the entire world to see. It is an invitation to steal every new American technological idea. It is an insane mandate, and it is in this bill.

The bill also obliterates the Patent Office and resurrects it as a quasi-independent corporation, like the post office. Only with that, congressional oversight is limited and patent examiners are stripped of their right of civil service protection.

It is an invitation to steal American technology. H.R. 3460 must be defeated.

FAILURE ON BUDGET RESOLUTION

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, yesterday this failed Congress failed to act on the national budget resolution. Apparently the budget resolution advanced by the Gingrich leadership was so bad that even some of our Republican colleagues could not stomach it.

In fact, I quote from a leaflet that one of them sent out, Do we want the deficit to go back up, the budget resolution conference report shows the budget deficit going back up again, reversing the gains made in the past 3 years.

He could have added, under President Clinton. And he is exactly right. Their resolution increases the budget deficit, and he urges the House to reject the conference report.

These are the same Republicans who in the name of deficit reduction said they were willing to cut Medicare, the same Republicans who in the name of deficit reduction shut down the Government with their antics of last year. Yet now that we have an election coming along, they are willing to let the budget deficit soar.

Those of us who backed the conservative coalition budget have a better way. Balance the budget now without unbalancing the budgets of American working families and without wrecking Medicare.

ROBERT J. DOLE

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, yesterday Senate majority leader Robert J. Dole became a private citizen. He left us in Congress a legacy of integrity, honesty and character. Character is something that you develop when no one is around, as Senator Dole did in his service to his country during World War II and the 39 months that followed as he struggled to regain his ability to walk. Honesty is something that he has provided to the American public even when it was unpopular. Integrity is something Senator Dole has undergone with three decades of public scrutiny and three presidential campaigns. He has worked hard throughout that time to do the right thing.

Mr. Speaker, we will miss Senator Dole on the Hill, but we will welcome him with open arms as he moves into 1600 Pennsylvania Avenue.

HEALTH CARE REFORM

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, yesterday this House sent to conference committee a health care reform bill and hopefully we will see a bill come out. But the one that was in conference committee now allows for what is called MSA's, for most folks medical savings accounts.

It would be a Federal tax deduction for someone who can afford to buy a high deductible insurance policy, $4,000 or $5,000 deductible a year.

This Congress removed the deductibility for health insurance premiums, for the average working stiffs in the 1980's. The average working stiff who pays it by the month will not be able to deduct their premiums. Yet we are going to give it to the wealthiest who can afford $5,000 a year.

As my colleague from Ohio says, beam me up. We are going to let the wealthy, are helping the wealthy more by the $5,000 deductible buy MSA's, but we are not letting the average person who pays their health insurance by the month deduct it. We ought to do both in this Congress.

MORE ON FBI FILES

(Mr. STOCKMAN asked and was given permission to address the House for 1 minute.)

Mr. STOCKMAN. Mr. Speaker, I have a confidential file here that somehow ended up on my desk. I do not know where it came from or how it got here.

The President came to Houston a little over a year ago and he had the courage to admit he raised the taxes too much. Mr. Speaker, he is coming again to Texas and Houston, June 21. It is my hope that he will have the courage to apologize for taking these files on individuals and bringing them back to his office.

My fear, Mr. Speaker, is that there will be a lot less courage but maybe one day we will see some convictions.

POLITICS OF INSENSITIVITY

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, all Members of this House should be saddened today by the remarks yesterday of majority leader DICK ARMEY in his criticism and his remarks about the President's visit to South Carolina today to dedicate the new chapel at Mount Zion A.M.E. Church, a church that was firebombed and burned to the ground, 1 of 49 black churches burned to the ground in this country.

For the majority leader to turn this into politics is exactly the kind of politics that we do not need in this country: the politics of insensitivity, of extremism and of race.

The President is doing what any President of this country must do, and that is to bring us together to heal this Nation and to get us to face this national horror.

□ 1015

The President is doing what any President must do to bring the full force and effect of law enforcement against these crimes, against these bombings. The President is doing what any President of this nation must do, and that is to get this Nation to challenge, to challenge us against these horrible crimes. The gentleman from Texas [Mr. ARMEY] is doing what no majority leader should do, and that is to make politics out of a national terror.

ABUSE OF POWER AND INVASION OF PRIVACY UNCOVERED IN THE WHITE HOUSE

(Mr. WATTS of Oklahoma asked and was given permission to address the House for 1 minute.)

Mr. WATTS of Oklahoma. Mr. Speaker, potential abuse of power and invasion of privacy have been uncovered in the Clinton White House. The White House requested, and received, highly confidential FBI files and records of former Reagan and Bush appointees, suggesting the formation of an enemies list.

Mr. Speaker, there are a lot of unanswered questions in this latest Clinton administration blunder. The American public, especially those citizens whose privacy rights were violated by having their personal files searched, deserve an honest explanation, not more excuses and coverups.

It is time for the President to come clean on his administration's activities. Tell us the truth about the FBI file search.

TRUST FUND SCARE ONE OF BIGGEST SCAMS EVER PERPETRATED ON AMERICANS

(Ms. VELÁZQUEZ asked and was given permission to address the House for 1 minute.)

Ms. VELÁZQUEZ. Mr. Speaker, we have heard a lot of rhetoric from Republicans this year. However, the current trust fund scare is one of the biggest scams ever perpetrated on the American people.

Republicans in Congress are using the Medicare trust fund report to justify their extreme proposal to slash Medicare. The trust fund report is simply a smokescreen for the real reason they want to cut Medicare: tax breaks.

If Republicans were truly interested in saving Medicare, they would reduce their huge tax breaks to the rich, not by slashing this vital program with cuts that will devastate seniors, close public hospitals, and burden working-class families.

Medicare is a program that should provide health care services for seniors, not a piggy bank for wealthy corporations and the privileged few.

300 FILES A BUREAUCRATIC MISTAKE?

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, they say that nothing ever stays the same, and I suppose that applies even to Bill Clinton's beliefs about how personal FBI personnel records are.

When the American public was concerned in 1992 about Governor Clinton's military record, or lack thereof, the Washington Times filed a Freedom of Information request to check on discrepancies between Clinton campaign statements and his letters to ROTC officials.

At that time, the Clinton campaign said "It's a personal file. He's not going to [release the records]. [Clinton] just doesn't have to disclose every shred of his personal life, and the American people don't expect him to."

Apparently, Clinton did not expect that same sort of privacy for other citizens. He has raided the personal files of Reagan and Bush political appointees, yet it was only a bureaucratic mistake. A misplaced paper or misfiled form may be a bureaucratic mistake, but the personal files of over 300 people?

Clinton once thought those 300 files were personal. The American people, and the people whose privacy were violated by this administration deserve an explanation.

MEDICAID REFORM

(Mr. STUPAK asked and was given permission to address the House for 1 minute.)

Mr. STUPAK. Mr. Speaker, after U.S. Governors earlier this year announced a plan to reform Medicaid, I looked forward to working in a bipartisan fashion to create a quality piece of legislation.

However, there have never been any bipartisan negotiations on the current bill. The result is a new blueprint for block-granting that may be ideologically perfect, but is socially destructive.

The proposed legislation removes the guarantee of health care for the elderly and disabled. It allows each State to define the scope, amount, and duration of any Medicaid payment.

It will require impoverished seniors to pay high deductibles or copays that they cannot afford. It will force spouses and children around the country to contribute a disproportionate amount for nursing home care for their parents or grandparents.

This bill would be devastating to rural health care, because it does not require benefits provided by each State's program to be provided equally to all parts of a State.

Medicaid was created in the first place because States did not provide for those who needed care. Let us not turn back the clock and create 50 new federally funded experiments that use our grandparents and children as guinea pigs.

HYPOCRISY IN THE WHITE HOUSE

(Mrs. CHENOWETH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CHENOWETH. Mr. Speaker, 2 weeks ago Bill Clinton and his liberal partners held a stand for children. Now, this march was to demonstrate their commitment to instilling values in America's children and to focus the Nation's attention on the need to raise moral children in this country.

Mr. Speaker, how can Bill Clinton and his liberal buddies preach about morality to our children and then turn around and deliberately mislead the American people about the White House's search of the FBI files? This hypocrisy must stop, Mr. Speaker.

The White House had FBI files for possible political use stored in one of their security vaults. Mr. Speaker, I ask, does this sound like an innocent bureaucratic mistake as the White House says? Oh, of course out.

Mr. Speaker, if Bill Clinton wants to instill honesty in our children, should be not first look at the mirror and look at himself?

HOUSE REPUBLICANS DIVIDED ON THE BUDGET

(Mr. WARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WARD. Mr. Speaker, the secret is out. This may not be England, but there is dissension in the family, and the Queen is not happy. The House Republicans are divided, and the gentleman from Texas [Mr. ARMEY] cannot as easily as usual whip them into shape. Yesterday the vote on the final passage of the 1997 fiscal year budget was yanked, taken off the floor, because the Republican freshmen and the more conservative members of the majority party were not in line.

It seems that the budget deficit will increase over the next 2 years under Speaker GINGRICH's plan, not decrease. As my colleague, the gentleman from Texas [Mr. BARTON], so appropriately said, we are backing away from what they started out to do in this Congress, something that may not be too smart in an election year: To try and cut the deficit. However, the crown jewel of the tax cut for the wealthy may be threatened.

So let us see where the gentleman from Texas, Mr. ARMEY's, priorities are and those of his royal family.

REPUBLICANS BALANCE THE BUDGET FOR OUR CHILDREN'S FUTURE

(Mr. RIGGS asked and was given permission to address the House for 1 minute.)

Mr. RIGGS. Mr. Speaker, to listen to the rhetoric from some of my good Democratic friends and colleagues this morning, one would think that they were prepared to vote for less spending and lower deficits, when nothing could be further from the truth. We are going to get a budget agreement, and let me tell my colleagues why. The budget agreement that we have reached between House and Senate Republicans achieves a $5 billion Federal budget surplus in the year 2002. It calls for reforming Medicaid and welfare, saving Medicare from bankruptcy and providing middle-class families much needed tax relief. It reforms Medicaid and welfare by giving more power and more revenue to the States in line with the recommendations, the bipartisan recommendations, of the Nation's Governors. It preserves and protects Medicare for our Nation's elderly, a goal which is even more important because of the report last week from the Medicare trustees which says Medicare is going broke earlier than expected; in fact, their worst-case scenario is that Medicare could be broke in 1999, just 3 years from now. And it calls for permanent tax relief for American families through a $500-per-child tax credit that is $1,000 for a family of four.

Mr. Speaker, it is a good budget, and it balances the budget for the sake of our children's future.

REPUBLICAN BUDGET BAD FOR SENIORS AND FOR THE DEFICIT

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the House was scheduled to vote on the 1997 budget yesterday but the vote was delayed at the last minute. It seems that the Republican budget, by their own admission, actually increases the Federal deficit.

And freshman Republicans, many of whom campaigned back home for a balanced budget and many of whom voted for the balanced budget amendment, balked at voting for a budget that is not balanced.

But today the Republican leadership has twisted enough arms and many of these same freshmen will support a budget that does exactly what they promised they would not do when they came to Washington: increase the deficit. What hypocrisy.

And yet these same Republicans want the American people to trust them when they say their budget does not cut the Medicare program by $168 billion over a 6-year period to pay for tax breaks for the wealthy. Do not be fooled. This budget is bad for seniors and bad for the deficit.

REPUBLICANS SHOULD SUPPORT THE CONTRACT CALLED MEDICARE

(Mr. HILLIARD asked and was given permission to address the House for 1 minute.)

Mr. HILLIARD. Mr. Speaker, the Republicans are not cooperating or attempting to work out a compromise to protect Medicare for seniors. I hope all voters remember these facts in November. The Republicans have repeatedly voted for deep cuts in the Medicare Program which will affect the quality of service which our seniors depend on to stay healthy and, in fact, to stay alive.

The Republicans in Congress seem to be big supporters of contracts. If this is true, then they should stand by the contract which America has made with our senior citizens. This contract is called Medicare. The Republicans should support Medicare, should defend Medicare, but the Republicans should not cut Medicare.

WE NEED TO PASS A RESPONSIBLE BUDGET

(Mr. LINDER asked and was given permission to address the House for 1 minute.)

Mr. LINDER. Mr. Speaker, it is interesting that the people who are complaining about cuts to Medicare are offering no program to save it. The President's own trustees on the Medicare trust fund said it will go bankrupt a year ago by the year 2002, and I will say it will be bankrupt in 5 years, and no program from this side is trying to protect it.

This budget we are about to vote on is going to give us a $5 billion surplus in the year 2002 to begin the downpayment on our grandchildren's debt, an immoral debt, I might add, that we left them after 30 years voting ourselves wonderful government programs and just choosing not to pay for them. This budget is going to preserve and protect Medicare for our Nation's elderly for many years, but not enough yet until the baby-boomers come, and we are going to have to still deal with that. It is also going to give some tax relief for families with children up to $100,000 in income $500-per-child tax credit. These are for middle-class American families. All this baloney about the wealthy, but there are not capital gains cuts in this budget. These are for middle-class families, $500 per child tax relief.

It is time to pass a responsible budget that comes to balance.

BATTLE OVER BUDGET

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, why is the row of Republicans there so empty in giving speeches this morning? They are all busy fighting with each other over the budget. They do not have time to put together a coherent program. And the reason is simple: The Republican Party has drifted over to the extreme. Bob Dole is a voice of moderation, I guess, with TRENT LOTT taking over the Senate, and then the extremists will even be given a greater hand. So look at the budget they cannot even get the extremists to pass on: fewer toxic waste cleanups, welfare reform that cuts——

POINT OF ORDER

Mr. LINDER. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore (Mr. LAZIO of New York). The gentleman will state his point of order.

Mr. LINDER. Mr. Speaker, is it appropriate to deal specifically with Members of the other body by name in making or casting aspersions on the motives?

Mr. VOLKMER. He is not a Member of the other body.

Mr. LINDER. TRENT LOTT is.

The SPEAKER pro tempore. Members should not so refer to specific Members of the other body by name. The gentleman will proceed in order.

Mr. SCHUMER. Mr. Speaker, I will strike the name and say the junior senator from Mississippi. Everyone knows it is the same person.

□ 1030

Everyone knows it is the same person. What I would say is, very simply, if we look at this budget with regard to toxic waste cleanups, welfare reform, weak on work but tough on kids, bigger deficits, not smaller, raising the deficit, limiting direct student loans, tax increases on working families, limiting guarantees for health care for low-income women and children and seniors in nursing homes, hundreds of rural hospitals cut, doctors to overcharge seniors for Medicare, and the list goes on and on, it is an extreme budget. It is a wrong budget. We will defeat it.

ONLY WAY TO BALANCED BUDGET IS DECREASED FEDERAL SPENDING

(Mr. CHAMBLISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHAMBLISS. Mr. Speaker, it is the same old story, same old line. We have heard about cuts, cuts, cuts, for so long. Only in this town does an increase in spending come to a cut.

Never before in the history of Webster's Dictionary has the term "cut" been defined as an increase. The Republican plan, a budget to protect and preserve Medicare, provides for an increase in spending. I challenge any one of my colleagues to stand up and say that is not true. If they do, they are entitled to the $1 million that we promised a year ago. But they will not do that.

Mr. Speaker, our budget that we are going to be talking about in the next couple of days does get to balance in the year 2002. Our budget has lower deficits than the President's budget in every single year. That is extremely important, because what that does is get it to balance. That is the only way we are going to get there is to decrease Federal spending.

MEDICARE TOO IMPORTANT TO BE TREATED LIKE AN UGLY STEPCHILD

(Ms. McKINNEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. McKINNEY. Mr. Speaker, tampering with Medicare not only impacts our seniors, it also affects our entire health care system. When we boast about having the greatest health care system in the world, it is due in no small measure to the research and financial infrastructure that Medicare provides.

For this reason, Mr. Speaker, any reductions in Medicare should be carefully considered and put back into the system, not used to pay for tax cuts and star wars.

Desperate, however, to provide tax breaks to their wealthy campaign contributors, Republican leaders have cooked up a plan to cut $168 billion from Medicare, although only $90 billion is needed to extend the Medicare trust fund. The GOP insists on cutting an extra $78 billion that will eventually end up in the pockets of junk-bond dealers, corporate CEO's and insurance companies.

Mr. Speaker, Medicare is too important to be treated like an ugly stepchild by Uncle NEWT.

REPUBLICANS SHOULD WORK WITH DEMOCRATS TO PROTECT MEDICARE FOR AMERICA'S SENIOR CITIZENS

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, it is budget time again. Once again, I hear my extreme radical Republican colleagues, under the gentleman from Georgia, NEWT GINGRICH, and Bob Dole telling the American public they are going to save Medicare. How are they going to do that? They are going to do that by cutting it by $168 billion, by forcing senior citizens to pay more for health care, by gutting rural health care, and by closing hospitals. This budget cuts funding for hospitals by 19 percent. How are my radical Republican colleagues going to save Medicare if they close hundreds of hospitals?

Mr. Speaker, according to the Missouri Hospital Association, this would not be a mere reduction in the rate of increase, but a dangerous and devastating cut in payment. Rather than receiving an increased level of payment for services that are more intensive and increasingly costly to deliver, hospitals will be paid less in each of the next 6 years than they are paid this year. Many of the rural hospitals in my district will be devastated by these cuts and forced to close their doors. How does this improve health care for American senior citizens?

REPUBLICAN CUTS IN MEDICARE AND MEDICAID AND TAX BREAKS INCREASE THE DEFICIT

(Mr. PALLONE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PALLONE. Mr. Speaker, it is the same old thing that we went through last year: Here comes the budget again, and the Republicans are slashing Medicare and Medicaid to pay for tax breaks for the wealthy. The amazing thing about it is that they are doing it this year and actually increasing the deficit. The deficit goes up from a current projection of $130 billion for fiscal year 1996 to $153 billion for fiscal year 1997, so not only are they trying to destroy the Medicare and Medicaid Program, they are also going against their alleged promise that they are going to reduce the deficit in order to do it.

Do Members know where this money is going? All these cuts are going into a giant slush fund. One of my colleagues said before, they are not using the Medicare and Medicaid money in order to pay for tax breaks. In fact, they are, because the cuts go into a slush fund. That slush fund will be used later during the budget process in order to provide those tax breaks for the wealthy. It is the same old story again. The Republicans do not care about the average person. They are just trying to help their rich friends.

SUPPORT URGED FOR RESOLUTION AGAINST CHURCH BURNINGS

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, it is time for this body to speak with the voice of reason. It is time for this body to speak with the voice of leadership. It is time for people of reason to speak out against the church bombings, and certainly this House should make it abundantly clear that it is unacceptable, in a Nation of civil liberties, that we would find a house of worship to be a target for arson. It is certainly unacceptable in this House that we would not speak out to say that civilized people do not find that places of worship, places of sacred faith, should be desecrated.

I urge my colleagues, all who are persons of reason, persons who respect faith, to sign my resolution condemning the violent acts and the burning of churches in the African-American communities, or churches of any races, churches of any faiths. Speak out against that. Be resolved in knowing what America is about.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. RIGGS. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Banking and Financial Services; the Committee on Commerce; the Committee on Economic and Educational Opportunities; the Committee on Government Reform and Oversight; the Committee on International Relations; the Committee on the Judiciary; the Committee on National Security; the Committee on Resources; the Committee on Science; the Committee on Transportation and Infrastructure; the Committee on Veterans' Affairs; and the Permanent Select Committee on Intelligence.

It is my understanding that the minority has been consulted and that there is no objection to this request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RIGGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 332, nays 76, answered "present" 1, not voting 25, as follows:

[Roll No. 229]

YEAS—332

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fields (LA)
Fields (TX)
Flake
Foglietta
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frisa
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Hall (OH)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefner
Herger
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Istook
Jackson (IL)
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Ortiz
Orton
Owens
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schumer
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torres
Torricelli
Traficant
Upton
Vento
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
White
Whitfield
Williams
Wise
Wolf
Woolsey
Wynn
Young (FL)
Zeliff

NAYS—76

Abercrombie
Becerra
Bishop
Bonior
Borski
Brown (CA)
Brown (FL)
Bunn
Chrysler
Clay
Coleman
Collins (IL)
Collins (MI)
Costello
Crane
DeFazio
Durbin
Engel
English
Ensign
Fazio
Filner
Flanagan
Fox
Funderburk
Gephardt
Geren
Gibbons
Gutierrez
Gutknecht
Hastings (FL)
Hefley
Heineman
Hilleary
Hilliard
Hinchey
Hutchinson
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, E.B.
LaFalce
Latham
Levin
Lewis (GA)
Lipinski
McCarthy
McDermott
McKinney
Meek
Menendez
Meyers
Oberstar
Olver
Pallone
Pickett
Pombo
Rush
Sabo
Schroeder
Scott
Smith (MI)
Stenholm
Stockman
Taylor (MS)
Thompson
Torkildsen
Towns
Visclosky
Volkmer
Waters
Watts (OK)
Weller
Wicker
Yates
Zimmer

ANSWERED "PRESENT"—1

Harman

NOT VOTING—25

Bass
Bateman
Calvert
Chapman
Clyburn
Conyers
de la Garza
Dornan
Emerson
Everett
Frelinghuysen
Gillmor
Hall (TX)
Inglis
Lantos
Lincoln
Longley
Martini
McDade
Payne (NJ)
Royce
Schiff
Velazquez
Wilson
Young (AK)

□ 1057

So the Journal was approved.

The result of the vote was announced as above recorded.

SENSE OF CONGRESS THAT SECRETARY OF AGRICULTURE DISPOSE OF REMAINING COMMODITIES IN DISASTER RESERVE

Mr. BARRETT of Nebraska. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 63) to express the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore (Mr. LAZIO of New York). Is there objection to the request of the gentleman from Nebraska?

□ 1100

Mr. STENHOLM. Mr. Speaker, reserving the right to object, I will not object, and I yield to the gentleman from Nebraska [Mr. BARRETT] for an explanation of the Senate concurrent resolution.

Mr. BARRETT of Nebraska. Mr. Speaker, this is more or less a housekeeping chore, albeit a very important one. Senate Concurrent Resolution 63 is the Senate version of House Concurrent Resolution 181, which passed the House by voice vote on June 4. The Senate unanimously passed Senate Concurrent Resolution 63 on June 5. The Senate resolution is identical to the House resolution, as amended.

With this action today, we will officially send to Agriculture Secretary Dan Glickman our desire for him to immediately release the 45 million bushels of feed grains held in reserve. The release of this grain will not solve the current crisis for cattlefeeders, but it will help and possibly be enough to get some through an extremely severe drought and save their operations.

Farmers who own livestock are being severely hard hit with the drought conditions, when coupled with a low point in the cattle cycle, and record high grain prices.

The grain in this disaster reserve, nearly 45 million bushels, is worth an estimated $200 million and would provide for all the cattle on feed in the affected States enough feed grain for over 2 weeks.

Passage of the resolution not only makes sense, it saves money. The Federal Government is currently spending $10 million a year to store this grain.

The Government should not be paying huge storage fees and holding grain from the marketplace when the United States is experiencing record low grain supplies.

This is an important concurrent resolution and I thank the leadership for providing for its swift consideration.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for his explanation.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in support of Senate Concurrent Resolution 63, which is nearly identical to the legislation passed by this body last week, House Concurrent Resolution 181, introduced by my colleagues on the Agriculture Committee, Mr. BARRETT and Mr. EMERSON, and cosponsored by a number of other Members.

As was noted last week, the Clinton administration has been working on a similar effort to make Government-owned feed grain stocks available to hard-pressed livestock producers. Secretary Glickman transmitted to the President a request last week for the declaration of a state of emergency to allow the Department of Agriculture to dispose of the feed grain stocks under USDA's control.

There is no doubt that there is a need to alleviate the stress facing producers in many parts of this country due to the severe drought in the Southern Plains and flooding and excessive rainfall in the Northern Plains and eastern Corn Belt. These natural disasters come at a time when grain stocks are at their lowest levels in decades causing record market prices and cattle producers are receiving even less for their animals than during the Great Depression based on inflation-adjusted dollars.

The release of this grain would be in addition to the actions already taken by the Clinton administration to help alleviate the stress in the livestock sector. These actions include: Release of Conservation Reserve Program acres for haying and grazing, extension of noninsured crop disaster assistance program coverage, extension of the Livestock Feed Program, the release of additional funds for emergency loans, advance purchases of beef for the school lunch program, and export credit guarantees for meat.

In my own State of Texas we are facing losses in the livestock and crop sectors in the billions of dollars. Sixty-two percent of our rangeland is rated as being in poor to very poor condition and dairy producers in Texas are facing a possible doubling of their normal feed costs due to the increases in the cost of feed and hay they must utilize to produce milk each day.

I would encourage my colleagues to support this resolution. The livestock sector in our country contributes billions of dollars to our economy and if we do not take actions to help stem the liquidation of herds now, we will pay the price later for rebuilding that infrastructure.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. LAZIO of New York). Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 63

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. USE OF DISASTER RESERVE FOR ASSISTANCE TO LIVESTOCK PRODUCERS.

In light of the prolonged drought and other adverse weather conditions existing in certain areas of the United States, the Secretary of Agriculture should promptly dispose of all commodities in the disaster reserve maintained under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions, such as prolonged drought of flooding.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BARRETT of Nebraska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on Senate Concurrent Resolution 63.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

GENERAL LEAVE

Mr. SKEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on further consideration of H.R. 3603, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 451 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3603.

□ 1105

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, with Mr. LINDER, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole House rose on Tuesday, June 11, 1996, the amendment offered by the gentleman from New Mexico [Mr. SKEEN] had been disposed of and page 58, line 1 though page 68 line 22 was open for amendment at any point.

Are there further amendments to this portion of the bill?

Mr. LUCAS of Oklahoma. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to enter into a brief colloquy with the gentlewoman from Ohio, if that would be possible.

Being a farmer-rancher by trade back in Oklahoma, I am particularly sensitive about the nature of the farm bill and appropriation bills or any other pieces of legislation that might have an impact on rural American production in agriculture. If I could, I would ask of the gentlewoman, it is my understanding that her provision in this appropriation bill does not impose any new requirements or provisions beyond those in the farm bill; is that correct?

Ms. KAPTUR. Mr. Chairman, will the gentleman yield?

Mr. LUCAS of Oklahoma. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Chairman, I would simply state to the gentleman that that is correct. The amount that was included in our bill was passed unanimously by our subcommittee. It was also passed in full committee and its intention is that the transition subsidy payments would require that farmers be engaged in the production of commodities or conserving purposes in order to receive assistance.

So the answer to the gentleman's question is yes.

Mr. LUCAS of Oklahoma. Mr. Chairman, I thank the gentlewoman for her reassurance that her language or provision does not impose any new requirement on producers beyond those in the farm bill.

Mr. LATHAM. Mr. Chairman, will the gentleman yield?

Mr. LUCAS of Oklahoma. I yield to the gentleman from Iowa.

Mr. LATHAM. Mr. Chairman, I thank the gentleman from Oklahoma for yielding to me. As a farmer myself, I have some real concerns also with this provision in the appropriations bill and I would like to ask the gentlewoman, if a farmer maintains his land in agricultural use or conserving use, he will maintain his eligibility for production flexibility contract without any additional reporting or other requirement; is that correct?

Ms. KAPTUR. Mr. Chairman, if the gentleman will continue to yield, that is correct. The Secretary of Agriculture will administer the program under the requirements of the production flexibility contracts as contained in the act.

Mr. LATHAM. So there will not be any additional reporting or other requirements?

Ms. KAPTUR. No. The farmers have to go into the local farm service agencies anyway to sign these contracts, and that is the procedure that will be used in this.

I think maybe it is important also just to place on the record, so Members understand what is going on here, there was somewhat of an omission in the original bill when it passed the House originally in that the conference report stated that farmers were really not required to plant a crop to qualify for a farm payment. The intention of this is not to reward investors but to reward farmers and ranchers who are actually doing the work of agriculture in this country.

We also recognized the need for conservation and conserving uses, and we do make exceptions in the bill for weather. We cannot control drought or flooding or serious weather situations. So we are not after changing the requirements when they go into the farm service agency. We are just wanting to make sure these transition payments are going to farmers who are actually doing the work.

Mr. LATHAM. Mr. Chairman, I thank the gentlewoman, and I assume conserving use means if land were to lay fallow, as is often used for resting land and things like that.

Ms. KAPTUR. It has to have a crop cover. In other words, there is a lot of land out there that needs to replentify itself with additional moisture and so forth. We have severe problems in many parts of our country, we understand those needs, but we want the land ultimately to be used for livestock. We want it to be used for cash crops, vegetable crops, whatever. We just do not want to reward investors.

We have gotten some letters from the gentleman's part of the country, for example, from tenant farmers who have had their contracts cut off for this next fiscal year because the investors who own the land can actually make more money by getting the payments from USDA than if, in fact, they had raised a herd or grown a crop. We want to prevent any abuse like that and really reward the people who are doing the work. That is the purpose of the language.

I think both gentlemen, being respected ranchers and farmers in their own States, understand those who may try to cash in on a program like this, and I know that is not his intention in any way.

Mr. LATHAM. And I appreciate the gentlewoman's response. She is aware that like a corn farmer in Ohio would get about $30 an acre and they probably would not even cover the property taxes, and farmers are farmers because they want to produce. I really do not know if the economics bear out the gentlewoman's concern here because I do not think anyone is going to let their land sit without production, but I appreciate the gentlewoman's response.

Ms. KAPTUR. Mr. Chairman, I thank the gentleman.

The CHAIRMAN pro tempore. Are there further amendments to this portion of the bill which are not limitation amendments?

If not, the Clerk will read the last paragraph.

The Clerk read as follows:

SEC. 733. Funds appropriated to the Department of Agriculture may be used for incidental expenses such as transportation, uniforms, lodging, and subsistence for volunteers serving under the authority of 7 U.S.C. 2272, when such volunteers are engaged in the work of the U.S. Department of Agriculture; and for promotional items of nominal value relating to the U.S. Department of Agriculture Volunteer Programs.

AMENDMENT OFFERED BY MR. DEFAZIO

Mr. DEFAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. DEFAZIO: At the end of the bill (page 69, after line 5), insert the following new section:

SEC. . (a) LIMITATION ON USE OF FUNDS.—None of the funds made available in this Act may be used for predator control efforts under the Animal Damage Control Program in the western region of the United States, except when it is made known to the Federal official having authority to obligate or expend such funds that the control efforts protect human health or safety or endangered or threatened species.

(b) CORRESPONDING REDUCTION IN FUNDS.—The amount otherwise provided by this Act for salaries and expenses with respect to the Animal Damage Control Program under the heading "ANIMAL AND PLANT HEALTH INSPECTION SERVICE" is hereby reduced by $13,400,000.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 30 minutes and that the time be equally divided.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN pro tempore. Does the gentleman from New Mexico [Mr. SKEEN] seek time in opposition?

Mr. SKEEN. Yes, Mr. Chairman, I do.

The CHAIRMAN pro tempore. The gentleman from Oregon [Mr. DEFAZIO] and the gentleman from New Mexico [Mr. SKEEN] will each be recognized for 15 minutes.

The Chair recognizes the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

This is a simple amendment before the House. It is to eliminate an anachronistic, expensive, ineffective subsidy to a selected few livestock producers in the western United States. It does not prevent, and I want people to listen up, because there is some misinformation out there, it does not prevent the animal damage control from acting in cases that would affect human health or safety. That would be rabid animals or animals that are encroaching upon human habitation, problem animals or rogue animals.

It does not eliminate controls that would deal with the safety of endangered or threatened species. It does not prevent any private individual, any private livestock producer or any other private individual, any county, or any State from expending their own funds under Federal law to control predators and other problem creatures. It does not prevent control of birds, insects for crop damage or safety at airports.

What it does is eliminate $13.4 million from the budget that is now spent on an indiscriminate and ineffective predator control program, a subsidy provided by Federal taxpayers to some, a few, private livestock producers in the western United States.

□ 1115

If the issue were the real problems affecting the livestock industry in this country, the money would be better spent. The statistics for 1995, national statistics gathered by the Agriculture Department, 3 percent of the livestock losses in the United States were due to predators, 11 percent due to weather, 17 percent due to calving problems, 27 percent due to respiratory problems, and 25 percent due to digestive problems.

Mr. Chairman, if we want to subsidize this industry, we would be better put to spend the Federal dollars solving the digestive problems of livestock or the respiratory problems, the calving problems, or solving the weather problem. But that would involve a government program, which of course we would not want to have.

So, what we are suggesting here is we need to eliminate the subsidy, cut back this ineffective and indiscriminate problem, and to restore some natural order to the ecosystem of the Western United States.

Mr. Chairman, in many cases when they go in and attempt to control coyotes, there are more now than when this program started in 1931. It actually increases the birth rate of the coyotes and spreads them over a larger area. So inadvertently, this program over time has wrought devastation in terms of killing a whole lot of nontarget species, and even target species, but it has not been effective as a predator control program.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the gentleman's amendment. This amendment would have a far more devastating effect than I believe the gentleman intends it to have.

The amendment would not only prohibit predator control efforts in the western region of the United States, but because of the 50-percent funding reduction to the program, it would also negatively impact work related to protecting the health and safety of the people of this country.

The total funding for the program is $26.8 million nationwide. Approximately 30 percent of this funding or about $8 million, is spent on predator control to protect livestock across the country. Less than $8 million is spent in the western region. Reducing the program by $13.4 million will mean significant reductions to work conducted at airports to prevent wildlife-aircraft strikes; disease control work such as rabies in south Texas; brown tree snake management; and blackbird control.

This reduction would also impact the cooperative agreements for ADC activities USDA has with all 50 States. States contribute over $22 million of State funds for ADC related work.

I do not think the gentleman from Oregon's intention is to impact the assistance provided to the Eugene Airport to reduce the threat of bird strikes to aircraft or the cooperative agreement ADC has with private timber companies to reduce black bear damage to timber resources in his own State, which is what this amendment would do if it passed.

I strongly urge all Members to vote no on this amendment. This amendment has a far more devastating impact on ADC activities across the country. It is not limited to the predator control activities in the western region alone.

Mr. Chairman, I reserve the balance of my time.

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I was a county commissioner when we were in tough budget times, and despite the Federal share, we eliminated the Animal Damage Control Program in a county as large as the State of Connecticut with an extensive livestock industry, and we heard that there was going to be cataclysm, all of these deaths were going to occur of the livestock.

Mr. Chairman, know what happened? Nothing. Nothing. There were no additional deaths in the livestock, the sheep, or the cattle industry, in a county the size of Connecticut, when we did away with this program with its indiscriminate killing of predators. In fact, it reduced other pest species such as rodents and things which the coyotes primarily prey upon.

The gentleman talked about human health and safety. There is a line item in the ADC budget for human health and safety. If that line item at $3,197,040 is inadequate, then I would certainly join with the gentleman in a unanimous-consent request to shift some of the funds into that line item. But it has its own line item. This is only the livestock line item that is affected here.

Ms. FURSE. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentlewoman from Oregon.

Ms. FURSE. Mr. Chairman, I would like to ask the gentleman from Oregon [Mr. DEFAZIO] a couple of questions. I heard his opening statement. Am I to understand that only 3 percent of the animal damage is predator and so 97 percent is nonpredator-related, and that we are, in fact, doing a government subsidy for just this 3 percent?

It seems to me we might be able to put that money to better use in doing some other research. The gentleman pointed out that it is animal disease that is generally what kills the creatures.

Mr. DEFAZIO. Mr. Chairman, reclaiming my time, yes, the Department of Agriculture's own statistics for 1995 show that 97 percent of the mortality was due to causes other than predation, the largest being respiratory problems, 27 percent; second largest, digestive; third largest, calving problems.

Perhaps if we applied more money to research in these areas there would be greater gains. But we have had this animal predator control program since 1931, and we have today more coyotes in the United States than when they started the program but they are more dispersed, and there are other problems that have been a consequence, particularly inadvertent kills of nontarget species.

Mr. Chairman, I had a constituent whose dog was killed, and when she ran to rescue the dog who had gotten into one of those M44 explosive devices, she also had a cyanide poisoning.

Ms. FURSE. Mr. Chairman, if the gentleman would continue to yield, could I ask a couple of other questions? Would the gentleman's amendment affect bird damage for small fruits or berries or that sort of thing? Would it have an effect on that?

Mr. DEFAZIO. Mr. Chairman, no, I do not touch the $3,463,460 for crop control.

Ms. FURSE. Mr. Chairman, I thank the gentleman from Oregon [Mr. DEFAZIO]. It seems to be that at a time when we are cutting back very much on agricultural support and our farmers are in deep need, that this may be one of those places where we could perhaps save and put it into other areas where our farmers are certainly being strapped financially.

Mr. Chairman, I know there are huge cuts in this agricultural bill, and maybe this would be a place we could save some money for farmers across the country; not just a small subsidy for some western farmers.

Mr. DEFAZIO. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. LINDER). The Committee will rise informally.

The SPEAKER pro tempore (Mr. BONILLA) assumed the chair.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House and Senate of the following titles:

HOUSE

March 7, 1996:

H.R. 2196. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

March 12, 1996:

H.R. 927. An act to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes.

H.R. 3021. An act to guarantee the continuing full investment of Social Security and other Federal funds in obligations of the United States.

March 15, 1996:

H.J. Res. 163. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

March 16, 1996:

H.R. 2778. An act to provide that members of the Armed Forces performing services for the peacekeeping efforts in Bosnia and Herzegovina, Croatia, and Macedonia shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone, and for other purposes.

March 22, 1996:

H.J. Res. 165. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

March 26, 1996:

H.R. 2036. An act to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes.

March 29, 1996:

H.J. Res. 170. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

H.R. 3136. An act to provide for enactment for the Senior Citizens' Right to work Act of 1996, the Line Item Veto Act, and the Small Business Growth and Fairness Act of 1996, and to provide for a permanent increase in the public debt limit.

April 1, 1996:

H.J. Res. 78. Joint resolution to grant the consent of the Congress to certain additional powers conferred upon the Bi-State Development Agency by the States of Missouri and Illinois.

H.R. 1266. An act to provide for the exchange of lands within Admiralty Island National Monument, and for other purposes.

H.R. 1787. An act to amend the Federal Food, Drug, and Cosmetic Act to repeal the saccharin notice requirement.

April 4, 1996:

H.R. 2854. An act to modify the operation of certain agricultural programs.

April 9, 1996:

H.J. Res. 168. Joint resolution waiving certain enrollment requirements with respect to two bills of the One Hundred Fourth Congress.

H.R. 2969. An act to eliminate the Board of Tea Experts by repealing the Tea Importation Act of 1897.

April 24, 1996:

H.J. Res. 175. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes.

April 25, 1996:

H.R. 3034. An act to amend the Indian Self-Determination and Education Assistance Act to extend to 2 months the authority for promulgating regulations under the act.

April 26, 1996:

H.R. 3019. An act making appropriations for fiscal year 1996 to make further downpayment toward a balanced budget, and for other purposes.

April 30, 1996:

H.R. 255. An act to designate the Federal Justice Building in Miami, Florida, as the "James Lawrence King Federal Justice Building."

H.R. 869. An act to designate the Federal Building and United States courthouse located at 125 Market Street in Youngstown, Ohio, as the "Thomas D. Lambros Federal Building and United States Courthouse."

H.R. 1804. An act to designate the United States Post Office-Courthouse located at South 6th and Rogers Avenue, Fort Smith, Arkansas, as the "Judge Isaac C. Parker Federal Building."

H.R. 2415. An act to designate the United States Customs Administrative Building at the Ysleta/Zaragosa Port of Entry located at 797 South Zaragosa Road in El Paso, Texas, as the "Timothy C. McCaghren Customs Administrative Building."

H.R. 2556. An act to redesignate the Federal building located at 345 Middlefield Road in Menlo Park, California, and known as the Earth Sciences and Library Building, as the "Vincent E. McKelvey Federal Building."

May 6, 1996:

H.R. 3055. An act to amend section 326 of the Higher Education Act of 1965 to permit continued participation in Historically Black Graduate Professional Schools in the grant program authorized by that section.

SENATE

June 5, 1996:

The President has approved the following:

March 28, 1996:

S. 1494. An act to provide an extension for fiscal year 1996 for certain programs administered by the Secretary of Housing and Urban Development and the Secretary of Agriculture, and for other purposes.

April 1, 1996:

S.J. Res. 38. Joint resolution granting the consent of Congress to the Vermont-New Hampshire Interstate Public Water Supply Compact.

April 9, 1996:

S. 4. An act to give the President line item veto authority with respect to appropriations, new direct spending, and limited tax benefits.

April 24, 1996:

S. 735. An act to deter terrorism, provide justice for victims, provide for an effective death penalty, and for other purposes.

May 2, 1996:

S.J. Res. 53. Joint resolution making corrections to Public Law 104–134.

May 20, 1996:

S. 641. An act to amend the Public Health Service Act to revise and extend programs established pursuant to the Ryan White Comprehensive AIDS Resources Emergency Act of 1990.

May 13, 1996:

H.R. 2024. An act to phase out the use of mercury in batteries and provide for the efficient and cost-effective collection and recycling or proper disposal of used nickel cadmium batteries, small sealed lead-acid batteries, and certain other batteries, and for other purposes.

May 15, 1996:

H.R. 2243. An act to amend the Trinity River Basin Fish and Wildlife Management Act of 1984, to extend for 3 years the availability of Moneys for the restoration of fish and wildlife in the Trinity River, and for other purposes.

May 16, 1996:

H.R. 2064. An act to grant the consent of Congress to an amendment of the Historic Chattahoochee Compact between the States of Alabama and Georgia.

May 17, 1996:

H.R. 2137. An act to amend the Violent Crime Control and Law Enforcement Act of 1994 to require the release of relevant information to protect the public from sexually violent offenders.

May 24, 1996:

H.R. 1743. An act to amend the Water Resources Research Act of 1984 to extend the authorizations of appropriations through fiscal year 2000, and for other purposes.

H.R. 1836. An act to authorize the Secretary of the Interior to acquire property in the town of East Hampton, Suffolk County, New York, for inclusion in the Amagansett National Wildlife Refuge.

May 29, 1996:

H.R. 2066. An act to amend the National School Lunch Act to provide greater flexibility to schools to meet the Dietary Guidelines for Americans under the school lunch and school breakfast programs.

June 3, 1996:

H.R. 1965. An act to reauthorize the Coastal Zone Management Act of 1972, and for other purposes.

The SPEAKER pro tempore. The Committee will resume its sitting.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The Committee resumed its sitting.

Mr. SKEEN. Mr. Chairman, I yield 1½ minutes to the gentleman from Oregon [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, the Animal Damage Control Program represents one of the most efficient and cost-effective programs within the U.S. Department of Agriculture. It benefits the general public as well as the agricultural industry. Without animal damage control, studies have indicated that agriculture's annual losses would total in excess of $1 billion. In 1994 in Oregon alone, the National Agricultural Statistics Service estimated that 4,275 sheep and 15,200 lambs were lost to predators.

What kind of signal are we sending to these ranchers? When urban residents are robbed of their private property, they rely on publicly financed services to regain their property. It this a subsidy to private property owners? Is the taking of private property in the East worthy of publicly financed services, while in the West it is not?

Mr. Chairman, ranchers are hard-working, tax-paying citizens who contribute mightily to their communities. And the Animal Damage Control Program is a tool they rely on to maintain a successful operation. It should be protected.

Oppose the DeFazio amendment.

Mr. Chairman, I oppose the DeFazio amendment, and I want to state that predator control is not only a western issue; it is an issue throughout the entire country. I think that we need to retain this program because we retained other predator control programs that pertain to our police protection. This is just another form of that, and we need it.

Mr. DEFAZIO. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I rise in strong support of the DeFazio amendment that would cut $13.4 million from the fiscal year 1997 budget for animal damage control.

Mr. Chairman, I ask the indulgence of my good friend, the chairman of the committee, to understand my position because I hope I understand his. I have a small spread in California. I engage in predator control. I believe in predator control. I will not describe the type of predator control that I use, but I think it is reasonably effective.

What I am suggesting here in this effort to cut the budget for animal damage control is that we can do this job more effectively and in a more principled fashion than we do. I believe in strong cooperation on the part of the Government, the Department of Agriculture in this case, to help the farmers, ranchers, and other people of this country. I have demonstrated that time after time.

On the other hand, I do not believe in an unnecessary and less than beneficial subsidy that is being used to support this program.

As I think we all know, the Department of Agriculture is authorized to levy fees to support this program, but have never used that authority. We move in that direction in almost every other area in which we are providing services to a segment of the business community, and it is my view that we should be moving in this direction as far as the Animal Damage Control Program is concerned.

In previous legislation the Congress has indicated that there are preferred ways to carry out this operation and they do not require the extensive use of the kinds of traps, snares, poisons, aerial hunting, and other things that are going on today under the name of controlling animal damage. There are more effective ways, and the Congress has directed that these be used.

We have GAO reports that the ADC has been using these methods that I have described in essentially all instances, despite the Department's written policies and procedures which call for preference to be given to nonlethal methods. Now I confess that I am an unabashed animal lover and like to protect their lives where possible, and I think in this case we can achieve the control of predator damage by the use of nonlethal technologies, and that we can do it cheaper and we can distribute the costs of doing this in a more equitable fashion by levying fees which would be levied on the people who get the benefit from the program.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Wyoming [Mrs. CUBIN].

Mrs. CUBIN. Mr. Chairman, I rise in opposition to the pending amendment which would reduce funding to the Animal Damage Control Program.

Mr. Chairman, I think that this amendment is at the very best uninformed, and possibly at the worst, mean-spirited. When we talk about predators, we are not talking only about coyotes, we are talking about the wolf which has been introduced into Wyoming, into my State, which is an endangered species. The grizzly bear is an endangered species. Eagles and hawks, many of them are endangered species.

We do not have any right or any will to kill these predators, and we cannot legally do that to protect our livestock. I believe in predator control, but when an endangered animal, an endangered species kills some livestock, the only way that the owner of that livestock can get compensated is through the Animal Damage Control Program.

☐ 1130

I would suggest that, if the gentleman who offered the amendment had a dog that was worth $10,000 and this dog was in his very own yard, and there are bulls that are worth that much, much more than $10,000, but this dog was in its very own yard and my dog went over and killed his dog, then he would say that I ought to be responsible to pay him back for the value of his dog. This is all this predator control program does.

If a species or if a predator, including an endangered species, kills a cow, a bull, a sheep, whatever, all we are asking is that a portion, a very small portion of the value of that livestock be given back to the owner of the livestock. That is what we are asking. This is not a subsidy. It is merely paying someone for a small portion of what is rightfully theirs.

The animal loss in the livestock industry is enormous, as the gentleman from Oregon [Mr. COOLEY] stated earlier. Aside from the livestock issues, there have also been wildlife losses, not just in Wyoming but in Oregon and across the western United States, due to predation. It is the livestock producers who, by controlling predators, who keep the burgeoning numbers of coyotes, foxes, mountain lions, and brown bears down, who have provided the most protection for wildlife, which are preyed upon by these same destructive animals. The Animal Defense Control Program is the last line of defense for the wildlife that we enjoy and that everyone wants to preserve in our State.

If Members have any real interest in protecting wildlife, they will vote against this amendment, because the ranchers and the livestock growers are the ones who are helping control the predators, and they need the animal control money to enable them to do that.

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

The issue here is a subsidy, subsidy. That side of the aisle is consistently against government programs and subsidies except when it goes to their own parochial interests. This bill does nothing, nothing to prevent predator control by individuals, by counties, by States. As I said previously, when I was a county commissioner, we canceled the predator control program, walked away from the Federal match. They engaged in private predator control, and the losses did not go up. But that is the issue here.

Will we continue a $13.4 million subsidy to a selected few of the livestock producers in the Western United States?

As I stated earlier, yes, the losses are largely due to predation. Almost 3 percent of the losses last year were due to predation. The other 97 percent were due to a number of causes, some of which are not preventable, like weather, but others which could be preventable with research, like respiratory problems, 27 percent; digestive problems, 25 percent. Fifty-two percent of the losses in this industry were due to respiratory and digestive problems.

Maybe we should invest this money in our veterinary schools. Maybe we should invest it in a vaccination program for livestock. I do not know. But there would be a heck of a lot better return than the 3 percent that was due to predation.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BONILLA].

Mr. BONILLA. Mr. Chairman, I thank my friend from New Mexico for yielding time to me.

Mr. Chairman, I rise in strong opposition to the DeFazio amendment. It is bad news, it is bad news for agriculture. It is bad news for consumers. It is bad news for the environment. And it is bad news for America's children.

Here is the bad news the DeFazio amendment has for agriculture. In 1994, 520,000 sheep and lamb were killed by predators, direct losses to agriculture from wildlife damage totaled $461 million. The DeFazio amendment says too bad, so sad, let us increase these losses.

The DeFazio amendment would cut animal damage control that is essential for the continued viability for many American ranches already battered by the drought. Let us not forget about the drought. The DeFazio amendment would punish these ranchers with increased losses. My friends, that is wrong, it is just plain wrong.

Here is the bad news the DeFazio amendment has for consumers. Higher grocery bills are on the way for millions of American families struggling to make ends meet. These higher costs are courtesy of the DeFazio amendment which will increase predator damage and reduce supply.

At the same time, ADC plays a vital role in the safety of millions of air travelers. By 1991, 635 airports participated in the ADC program. The importance was illuminated when a bird strike at Kennedy Airport in New York caused severe damage to a plane and, more importantly, threatened the lives of 300 passengers. The DeFazio amendment says so sad, too bad, we should accept this level of risk.

That is wrong. It is plain wrong. We should reject this amendment for that reason as well.

Here is bad news the DeFazio amendment has for the environment. ADC activities protect threatened and endangered species from predators. The black footed ferret, the San Joaquin kit fox, the desert tortoise, the Aleutian Canadian goose might well be extinct were it not for ADC protection from predators. The DeFazio amendment says too bad, so sad, we may as well terminate these species. That is wrong, plain wrong, another reason to reject this amendment.

Finally, and most troubling, the DeFazio amendment delivers bad news to America's children. Rabies is rearing its horrifying face across America. Between 1988 and 1992, rabies cases have doubled. New York reported 1,761 new cases, while 640 of my fellow Texans were treated for rabies. Predators also directly threaten our youth. In Los Angeles, a 3-year-old girl was killed in her front yard by a coyote. ADC fights these threats. The DeFazio amendment tells us not to worry about the predator threat. It is not important, too bad, so sad.

This is wrong. We should reject the DeFazio amendment. If we care about either agriculture, consumers, the environment or children, we should stand strong and reject the DeFazio amendment.

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

The gentleman should read the amendment before he rises with such extraordinary charges that the amendment will be responsible for the collapse of American democracy and the final victory of the totalitarian Soviet state, which I think was part of the statement there.

It has exceptions for human health and safety. It has exceptions for endangered or threatened species. The endangered, threatened species are often dealt with in a better manner by fish and wildlife, who has a line item in their budget. All this does is eliminate a subsidy for a ridiculous anachronistic program first implemented in 1931 that has no discernible impact.

It has had an impact, and it is inadvertent, against nontarget species, poisoning of nontarget species, the destruction of predators which, like coyotes, in many cases prey on rodents or on groundhogs and gophers and things which cause problems with pastures and with horses breaking their legs. So the gentleman, by killing coyotes, is responsible for people whose horses have put their legs in gopher holes, broken them, fallen and then been killed.

I will not make that charge, but his charges were equally irresponsible.

This is an absurd subsidy to a selected few, a very small percentage of privileged western livestock producers. It is something that if they need, they can contract for themselves without a subsidy from the U.S. taxpayers to continue this ineffective and indiscriminate program.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise in opposition to this amendment. I have listened attentively to much of the debate. I think that the proponent of this amendment is completely overlooking the reason why some of us believe that it is a good program.

If you have ever talked to a rancher that has lost 200, 300, 400, or 500 kid goats, baby goats just born, if you have talked to ranchers that have lost 200 or 300 or 400 baby lambs that have just been born, then the 3-percent figure in the Nation makes no sense whatsoever to that individual.

This program is designed to take care of a problem. When there is no problem, when you do not have an undue number of coyotes or other predator animals in an area, you do not have a program. But when you do have one, and it becomes a problem, then you have a need for a program, and it does not just benefit the rancher.

Living in my part of the country today, as my friend and neighbor from San Antonio just pointed out, rabies, we have a serious problem that we are trying to contain and control. It is spread by coyotes and bobcats. And it is a problem that is now coming within the city limits of some of our towns in the southern part of Texas.

This program, as it is designed, is designed to be a responsible way to deal with problems like this. So I would hope that my colleagues, both sides of the aisle, would not support this amendment. It does nothing other than create some tremendous economic problems for certain ranchers, and it is not just in the far west, it is in Texas, it is in Oklahoma, it is in New Mexico, in all areas in which you have for whatever reason a problem with predatory animals.

I would hope that Members would not support this amendment. I think the committee has done a very responsible job. They have had a difficult time with the amount of moneys available. They have put the moneys where they believe is in the best and highest priority. I believe that it is something that almost every one of us can find a way to justify and support.

The CHAIRMAN pro tempore (Mr. LINDER). The gentleman from New Mexico [Mr. SKEEN] has 3½ minutes remaining and has the right to close, and the gentleman from Oregon [Mr. DEFAZIO] has 2 minutes remaining.

Mr. DEFAZIO. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have had a lot of red herrings drug across the floor here. Rabies is not affected by this amendment. Human health and safety activities are totally exempt. Whether it is rabid animals or problem animals, those things can still be taken care of by ADC.

We have heard about environmental concerns from the other side. I am pleased to finally hear environmental concerns from the other side from the gentleman from Texas, maybe not a first but definitely somewhat unprecedented.

We accommodate endangered and threatened species in this amendment. It does not affect control efforts that deal with the preservation or safety of endangered or threatened species.

Quite simply, the amendment goes to the heart of this issue, which is, should the U.S. taxpayers subsidize a program of poisoning, baiting, killing, shooting from airplanes and others of predator species that may or may not be a particular problem, should they continue to avoid their mandate that they use other controls, should we spend $14 million doing this? Maybe we should go out and have a Federal program to acquire dogs. We could buy Great Pyrenees, kuvasz, Komondors, Bouvier des Flandres. You can get a heck of a lot of them for $14 million, and if they live 10 years, we would not have to spend any more money.

The issue is, many ranchers have become dependent upon practices that are not the most prudent practices, to have calving or birthing of lambs in areas that are problem areas without any herders present, without themselves being present.

As we saw earlier, actually more of the livestock die with calving problems, 17 percent, than with the predation problems, 3 percent. But in any case, they are saying we need this program. If they need the program, they should pay for it themselves. They should go to their county or State, have the county or State pay for it.

It is time to put this Federal anachronism to bed. At a time when we are cutting back on every other program here in order to get to a balanced budget, we should no longer subsidize the indiscriminate killing by the animal disease control people and we should continue in the areas of health, safety, airports, and endangered species.

Mr. SKEEN. Mr. Chairman, I yield myself the balance of my time.

Let me say to the gentleman, who is existing in oblivious and euphoric unawareness, that is the closest I can come to being real kind about this issue, I understand his problem. He feels so good that he is cutting money.

Let me say to the gentleman, by cutting funding for the program there will not be any personnel available to take care of the health and safety issues that he is espousing because that is built into the program.

□ 1145

I ask the Members to vote "no" on this issue. Let us go back a little bit in history. We had the perfect answer to the kind of predatory control in the United States at one time with the formula known as 1080. It did not cost near as much as it does for the program that we have today because it took care of the problem. It was benign and it was species-specific. But, no, the animal rights people decided that this was a lethal method that was objectionable to them, and we did away with it, we banned, the use of 1080 in Western ranges.

So they came up with this program, and it is a participation program in which ranchers, farmers, and others put up money, that is to some degree, matching the Federal funding that is involved.

Yes, we want to cut the budget, and how, but we need to take care of a problem that is so onerous and so critical to those people who are livestock raisers and grazers. The are not being subsidized. They are paying their part because they have to spend enormous amounts of time checking traps and doing whatever they do to keep their predator control situation under absolute control.

So I say to the gentleman, "Get out of the county courthouse that you were sitting in so comfortable; get out there and live with a family for a little while that has a predator problem so that you actually understand what predator control means."

This program also assists those who have trouble going in and out of airports with huge flocks of birds that fly through jet engines and things of that kind. We are using a mental approach and a research approach to solving that problem; lethal means, are used as a last resort.

I agree with the gentleman that there ought to be a better system. We had a better system at one time, but it was not looked upon with great favor. In our great wisdom we banned it by executive decree, and I think that was a horrible mistake.

So I say to the gentleman and to those who are interested in this particular thing that I sure would appreciate a "no" vote because I think it has a devastating effect, and the gentleman, giving him all due credit, does not know what he is talking about.

Mr. Chairman, I yield back the balance of my time.

Mr. PORTER. Mr. Chairman, I rise in strong support of this amendment. Currently, the Federal Government spends $27 million on the Animal Damage Control Program. Various activities covered under this program include prevention of the spread of rabies and control of bird flocks near airports. I strongly support these programs because they protect human health and safety. However, there are other activities within the ADC program which serve as an unnecessary subsidy to livestock producers. By the Federal Government paying for predator control, livestock owners are not encouraged to deter predators and improve the protection of their herds. By leaving newborn calves and lambs in fields far from the protection of the barn, livstock producers are enticing animals such as wolves, mountain lions, and foxes to prey on this young stock. In addition, the Department of Agriculture is already authorized to levy fees for predator control services but will not do so while the Federal government continues to pay the bills.

By cutting this program in half, we will focus the remaining money on the more beneficial programs that protect human health and safety. In these times of budgetary constraints, supporting this amendment will save taxpayer money and provide an incentive for livestock producers to take responsibility for protecting their herds.

Mr. FAZIO of California. Mr. Chairman, I rise in opposition to the DeFazio amendment, which would reduce funds for the Animal Damage Control Program of the Animal and Plant Health Inspection Service.

This is not a well-known program, but it is an important program for California and the United States.

ADC's activities range from preventing bird strikes to aircraft at JFK International Airport in New York, to seeking solutions to the severe problem of canine rabies in Texas, to protecting threatened and endangered species in California.

In California, ADC has worked with the U.S. Fish and Wildlife Service to protect the western snowy plover, the California clapper rail, the desert tortoise, and the California least tern.

In addition, ADC works with ranchers and grazers to prevent losses due to predation. Losses of sheep and goats due to predation averages approximately $24 million a year. Cattle losses due to predation average approximately $40 million annually. In the absence of an operational ADC program, these losses will increase dramatically.

The effect of the DeFazio amendment would be significant and devastating. Seven ADC States offices would be closed, including the gentleman's home State and six other Western States. Twenty ADC district offices will close from Wisconsin to my home State of California. Approximately 200 field positions would be subject to reduction-in-force. Matching cooperative would decrease by 50 percent—amounting to a $10 million loss in cooperative funding.

In short, this is an effective program throughout the United States, and this amendment would severely reduce its effectiveness.

I urge my colleagues to oppose the DeFazio amendment.

The CHAIRMAN pro tempore (Mr. LINDER). The question is on the amendment offered by the gentleman from Oregon [Mr. DEFAZIO].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. DEFAZIO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 139, noes 279, not voting 16, as follows:

[Roll No. 230]

AYES—139

Abercrombie
Ackerman
Andrews
Barrett (WI)
Becerra
Beilenson
Berman
Bilbray
Bilirakis
Blumenauer
Blute
Bonior
Borski
Brown (CA)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chabot
Chrysler
Coburn
Cox
Coyne
Cummings
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Doyle
Duncan
Ehlers
Engel
English
Eshoo
Farr
Fawell
Filner
Flanagan
Foglietta
Fox
Frank (MA)
Furse
Gejdenson
Gephardt
Gilchrest
Goss
Gutierrez
Gutknecht
Hall (OH)
Harman
Hinchey
Hoekstra
Jackson (IL)
Johnston
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kleczka
Klink
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lowey
Luther
Maloney
Manzullo
Markey
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Morella
Nadler
Neal
Neumann
Obey
Olver
Owens
Payne (NJ)
Pelosi
Petri
Porter
Rahall
Ramstad
Rangel
Reed
Rivers
Roemer
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Sabo
Sanders
Sanford
Scarborough
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Slaughter
Smith (NJ)
Stark
Stearns
Stockman
Studds
Stupak
Taylor (MS)
Torres
Towns
Upton
Velázquez
Vento
Wamp
Waters
Waxman
Woolsey
Yates
Zimmer

NOES—279

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bentsen
Bereuter
Bevill
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clinger
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooley
Costello
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Dreier
Dunn
Durbin
Edwards
Ehrlich
Ensign
Evans
Everett
Ewing
Fattah
Fazio
Fields (LA)
Fields (TX)
Flake
Foley
Forbes
Ford
Fowler
Franks (CT)
Franks (NJ)
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Geren
Gibbons
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Manton
Martinez
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Minge
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Portman
Poshard
Quillen
Quinn
Radanovich
Regula
Richardson
Riggs
Roberts
Rogers
Ros-Lehtinen
Rose
Rush
Salmon
Sawyer
Saxton
Schaefer
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stenholm
Stokes
Stump
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Ward
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams

Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—16

Bass
Calvert
Chapman
Clyburn
Conyers
Emerson
Frelinghuysen
Gillmor
Inglis
Lewis (CA)
Lincoln
Martini
McDade
Moran
Pryce
Schiff

□ 1207

Messrs. KILDEE, FATTAH, and ROSE changed their vote from "aye" to "no."

Mrs. KENNELLY, Mrs. MEEK of Florida, and Messrs. COX of California, BILBRAY, SCHUMER, LEWIS of Georgia, and NEUMANN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. MORAN. Mr. Chairman, during rollcall vote No. 230 on H.R. 3603 I was unavoidably detained. Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. MARTINI. Mr. Chairman, this morning during rollcall votes 229 and 230 I was unavoidably detained. Had I been present, I would have voted "aye" on rollcall vote No. 229, and "nay" on rollcall vote No. 230.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer amendment No. 1.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. KENNEDY of Massachusetts:

At the end of the bill (page 69, after line 5), insert the following new section:

SEC. . None of the funds appropriated or otherwise made available by this Act for market access activities under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623), or made available for the salaries of employees of the Department of Agriculture who provide assistance under such section, may be used to provide assistance to eligible trade organizations (as defined in such section) to promote the sale or export of alcohol or alcoholic beverages.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, and that the time be equally divided.

The CHAIRMAN pro temprore. Is there objection to the request of the gentleman from New Mexico?

Mr. KENNEDY of Massachusetts. Mr. Chairman, reserving the right to object, I would ask the gentleman, did he request 10 minutes?

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New Mexico.

Mr. SKEEN. Yes, 10 minutes.

Mr. KENNEDY of Massachusetts. Five and five?

Mr. SKEEN. Five and five, yes.

Mr. KENNEDY of Massachusetts. Mr. Chairman, that is fine with me, and I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. KENNEDY] and the gentleman from New Mexico [Mr. SKEEN] will each be recognized for 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think many people that saw the news yesterday that Seagrams Liquor Co. is now going to begin advertising directly hard liquor on television, were shocked at that development.

In a country that currently is involved in a situation in the United States of America where the No. 1 killer of people under the age of 24 in this country is alcohol and alcohol-related deaths, when we spend $15 billion a year of taxpayer funds to fight the war on drugs, and yet we have the singly most abused drug in this country, alcohol, now killing many, many more Americans than all other drugs combined, we have a tragedy on our hands.

We have spent time and time again debating on this floor the need to cut back programs that provide for the education of our children, that provide for the research and development of our country, that provide for the health care of our senior citizens. But in this bill is a hidden subsidy worth millions and millions of dollars to advertise some of the most profitable alcoholic beverages abroad. It is a shame and it is a scam. It ought to come to a stop.

In this Market Access Program, we will be spending millions of dollars to advertise Ernest and Julio Gallo, the richest winemakers in the world, who receive $25 million worth of United States taxpayer money to advertise its wine and brandy in Thailand, the Philippines, Canada, and England. Jim Beam got over $2.5 million to push its whiskey abroad. Other whiskey giants like Hiram Walker and Brown-Forman profited from the Market Access Program.

The MAP program adds insult to injury by asking the taxpayers to foot the bill of the world's largest foreign alcohol giants. We actually spend money subsidizing Seagrams, the very company that has gone on television yesterday to advertise its hard liquor, we are now subsidizing that Canadian company with United States taxpayer dollars to advertise their products abroad.

This is a scandal that ought to come to an end. Mr. Chairman, I would just suggest to the Congress of the United States that it is about time that if we are going to stand up to the senior citizens and tell them we spend too much money on their health care, if we are going to stand up to kids and tell them we spend too much money on their education, if we are going to stand up to the poor and vulnerable and tell them we spend too much money on poverty programs, then we can stand up to the biggest alcohol producers, the biggest winemakers in the world and tell them we are sick and tired of using taxpayers' money to subsidize their profits.

□ 1215

If they want to advertise their alcohol products abroad, let them do it with their own money. Let them stay out of the taxpayer's back pocket.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. I thank the gentleman for yielding time.

Mr. Chairman, let me see if I can shed some light on this subject. We are talking about helping export American agricultural products under this program. I am specifically talking about small wine grape growers, most of whom market their products through several large wineries. This is an amendment to help small agriculture.

Remember, the European Union spends more on the export promotion of wine than the United States spends promoting all of our agricultural products. They do a great deal to help their growers promote their foreign sales. The European Community wine industries are heavily subsidized to the tune of $1.5 billion, which includes $90 million alone for export promotion. That is the total amount provided for all of agriculture in this bill, if it is not reduced or eliminated.

Other countries do even more than the European Union. The Italian Government through its trade commission is funding an additional $25 million for Italian wines alone. So when it comes to the wine industry, the MAP program that we are now debating is a program that helps small business, not visit the giant wineries, not only the names that we have heard bandied about here on the floor.

In fact in 1994, for example, 101 wineries participated and 89 of them were small wineries. So there is no question that this is not a subsidy simply to big agriculture or big vintners.

We are not talking about people who are purveying distilled spirits. This is wine, a product that we lead not only this hemisphere but this world in the production of a quality product. MAP promotes independent businesses. It is important that 90 percent of the small wine grape growers in this country be given an opportunity to be part of an export promotion program. This amendment would put an end to it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just like to suggest to the gentleman that if he reads the fine print of this legislation, what he will find is there is a big gap. The gap says that they can put money through the association. It is through those associations that then launder the taxpayers' dollars that then go into the pockets of the biggest wineries in the United States. Ernest and Julio, et cetera.

Mr. FAZIO of California. If I could reclaim my time, the people who are involved in this program are putting up half the money. This is not all Government money. Half the money comes from the private sector, both from the wine grape growers through their association and those who make wine and help market the product.

This is a program that works for all elements of one of our most successful agricultural industries. If we want to be successful in getting down our trade imbalance, if we want to help small growers, we ought to continue to support this very modest program, which is all we can afford at the present time.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. I thank the chairman of the subcommittee for yielding time.

Mr. Chairman, I think we have to keep in mind in this debate with respect to the Kennedy amendment that this program helps small farmers. This helps small farmers out in Washington State who, I might say to my friend from California, make the best wine in the world.

But also I want the gentleman from Massachusetts to understand that the USDA directs the Market Access Program to small businesses, small farms, small wineries. I do not think we want to cede our industry to the European winemakers.

That is what we are really doing here. We are developing a program that allows our Government to contribute some money to competition, unfair competition in my judgment, from foreign governments who assist their winemakers for shelf space. That is really what we are doing. What we are doing is developing a program that allows our products in this country to have some shelf space in foreign markets. That means jobs to Americans. That means jobs to people in my district, small wineries. I urge the rejection of this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think it is interesting to note that people are talking about how this program assists small vintners. I would anticipate after a vote on this amendment, Mr. Chairman, offering a follow-up amendment that would simply limit the subsidy program to go only to small vintners.

As long as the gentlemen that talked so heartily about the need to assist those small vintners would put their vote where their mouth is, I think we might be able to work out a compromise on the underlying issue about whether or not the program should go directly to those small businesses.

My true feeling, and I know that the gentleman from Utah [Mr. HANSEN] has offered this amendment with me in the past, I wish he was here—I do not think he expected the amendment to come up quite so quickly—is that we do not believe that the U.S. Government ought to be involved in subsidizing alcohol products abroad. That is the fundamental question that is involved with this debate. It is fundamentally, I think, wrong for us to tell people that we do not have money in the coffers of the Federal Government to provide for the health care and the education of our people, but we do have money in the coffers to be able to subsidize alcohol advertising for some of the richest companies in America abroad.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. FARR].

Mr. FARR of California Mr. Chairman, I say to the last speaker, Wake up.

We turn on the television set, we see Colombia's Juan Valdez selling us coffee. We see Mexico selling us Corona beer. This is a global market. If we want people to buy American, then we have to tell them what is American.

This is a program that requires that the Government match by private funds to advertise and to promote these products abroad. If we are indeed going to sell our products grown in America abroad, we are going to have to maintain this program. I urge a "no" vote on the amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, how much time remains on each side?

The CHAIRMAN pro tempore (Mr. LINDER). The gentleman from Massachusetts and the gentleman from New Mexico each have 30 seconds remaining, and the gentleman from New Mexico [Mr. SKEEN] has the right to close.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I cannot believe that we are hearing Members of Congress that normally speak out so strongly against corporate subsidies and say that is how we ought to balance the budget, all of a sudden switching when it comes to a corporate subsidy that happens to go to the wine industry.

Let us listen to Edward Nervo of the Famiglia Nervo Vines and Wines in Sonoma County, CA, who has written to me and said, "With corporate welfare programs like these, no wonder the biggies get bigger and the small fry end up in the frying pan."

Mr. SKEEN. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. I thank my distinguished chairman for yielding time.

Mr. Chairman, let me just say, first of all, the 5 largest recipients of market access promotion funds purchase over 90 percent of their grapes from small independent grape growers. This is a program that is working. It is a public-private partnership that has been improved by the Congress over the last few years. I just want to remind my colleagues that this same amendment went down to defeat in this House last year on a vote of 268 to 130. The American wine industry and the farmers who depend on that industry need our help to again defeat the Kennedy amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendment was rejected.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY of Massachusetts: At the end of the bill (page 69, after line 5), insert the following new section:

SEC. . None of the funds appropriated or otherwise made available by this Act for market access activities under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623), or made available for the salaries of employees of the Department of Agriculture who provide assistance under such section, may be used to provide assistance to eligible trade organizations (as defined in such section) to promote the sale or export of alcohol or alcoholic beverages unless it is made known to the Federal official having authority to obligate or expend such funds the the promotion activities benefit a small-business concern.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes and that the time be equally divided.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. KENNEDY] and the gentleman from New Mexico [Mr. SKEEN] will each control 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend the chairman of the committee along with my good friend from Illinois, Mr. DURBIN, for some language that they inserted in the ag bill last year as a result of the same debate that just took place on the House floor. I shall read what those changes are:

> The funds shall not be used to provide direct assistance to any nonprofit corporation that is not recognized as a small business concern described in section A of the Small Business Act. Secondly, a cooperative; or, third, an association described in the first section of the Act.

Essentially what that is attempting to do is to reform this act so that the big subsidies do not go to the big companies, Seagrams, Ernest and Julio Gallo and the other major vintners and major producers of alcohol that have, I think, very unfairly skimmed money from the American taxpayer while they are making millions and millions of dollars in their exports.

The language of this amendment very simply suggests that while what is really occurring is through this trade association loophole, the money is now being funneled through to trade associations and then the trade associations redistribute it to the very big companies.

I had a long talk last evening with the Department of Agriculture about this loophole that is contained in the law. All that this amendment would do would be to extend the small business criteria to any funds that get funneled through the trade association to make sure that the concerns of my good friend from California, who is so very worried about those small vintners, will actually make sure the money goes to those small vintners.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in strong opposition to this amendment.

What the market Assistance Program is all about is trying to ensure that U.S. farmers get their fair share of expanding export markets. What the gentleman from Massachusetts [Mr. KENNEDY] is trying to do now is define a different criteria and that we try to say that only small businesses are going to be involved in achieving those expanded markets.

As a farmer and as any grape farmer or wine grape grower out there will say, what is important is to increase the sales of wine. What is important is to assure that U.S. wineries have a fair playing field when they take on the European Union and the 6-to-1 advantage that they have in export promotion over U.S. wineries.

What we would be doing in this case if we limit the money on where it goes, we would be saying to that small grower who is growing grapes that is selling them to a larger winery that they are not ever going to benefit from the Market Assistance Program. We would be saying to that winery out there and that winery who might be owned by an individual that might be farming 10,000 acres but has his own winery that he is going to benefit from the Market Assistance Program. That is not fair.

What we are trying to do is to ensure that that average wine grape grower in California, or other parts of the country, that grows less than 100 acres of wine that they will have a tool that will ensure that U.S. wine will be at a competitive advantage or have a fair playing field when we take on the winemakers and the wine grape growers of the European Union.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DOOLEY. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Does the gentleman really believe that we should be providing Government tax subsidies to the richest companies in the U.S. regardless of what their profit lines are?

Mr. DOOLEY. Reclaiming my time, what the issue is is that the U.S. farmer have fair access. In a perfect world if the European Union were not spending six times the amount that the U.S. Government was to provide exports, then we would not need this program. But if we want to ensure that the U.S. farmer has a level playing field, this Government needs to stand behind them, and that is what the Market Assistance Program does.

Mr. KENNEDY of Massachusetts. May I inquire of the Chair how much time remains on each side?

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. KENNEDY] has 3 minutes remaining and the gentleman from New Mexico [Mr. SKEEN] has 2 minutes remaining.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to suggest that I do think that we ought to have some kind of test in this program as to whether or not companies who are making tens of millions of dollars worth of profit and then coming in and reaching into the back pocket of the taxpayer and asking us to subsidize them when they are already making all these dollars.

□ 1230

The real question is whether we should be promoting alcohol products abroad to begin with, but if we are to do it and we have to do it because the Europeans are subsidizing their industry, I say fine, but let us not go out and needlessly line the pockets of companies that are already making tens of millions of dollars' worth of profits.

Come on, Congress of the United States, stand up to the wine lobby. That is what this is all about. Just for once say to the wine lobby, look, we will accept that we are going to help out the little guy, but let us not go out there and line the pockets of the richest wine companies.

These are people that for all the time have gone out and gotten all the farm workers picking the grapes and all the rest of it. They make plenty of profits. Let us stand up to them, for crying out loud. Have a little heart, have a little soul, and stand up to the big boys every once in a while. It is good for the soul.

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, first of all, I would say to the gentleman from Massachusetts that the Department of Agriculture and the Department of Health and Human Services say that a little wine in each individuals' daily diet is healthy for them. So exporting wine is something we should not be ashamed of. We should be proud of it, and we should be out there competing with the rest of the world.

But the point the gentleman does not get is that we are talking about small growers who own 30, 40, or 50 acres. They are not the ones who make wine and send it overseas. They have to have a winery buy their product. We are trying to help, as the gentleman from California [Mr. RIGGS] said, 90 percent of the small grape growers in this country to find a home for their product. They will find it in many cases domestically but we are expanding our international markets, and we are doing it with a cooperative program that is shared between those who profit and the taxpayer who profits even more by a modest investment in terms of income producing tax paying jobs.

And I can tell the gentleman, in this MAP Program we get back $16 in agricultural exports for every dollar that we spend. So please understand we are talking about small farmers here and a benefit for taxpayers as well.

Mr. KENNEDY of Massachusetts. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore (Mr. LINDER). The gentleman from Massachusetts [Mr. KENNEDY] has 2 minutes remaining and the gentleman from new Mexico [Mr. SKEEN] has 2 minutes remaining.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I want to address my comments to my good friend from California, Mr. FAZIO. The truth is that all this amendment does is limit it to small businesses. All we are saying is if the gentleman is truly concerned about small businesses and the small vendor, then he should be supportive of this amendment.

This amendment simply says that the trade association funding can only go to businesses that will qualify under the Small Business Act as small business. Instead of the big boys, the little guy.

Mr. FAZIO of California. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from California.

Mr. FAZIO of California. Mr. Chairman, I would note, as the gentleman from California [Mr. DOOLEY] said, a winery may be called a small business but 90 percent of the grapes grown by farmers move through the five largest wineries. So the gentleman is not helping the grower if he makes this distinction. He is trying to do something that is a worthy cause, but he is missing by a mile.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, the truth of the matter is, if these people are part of a trade association they still have access. What this bill does is limit the ability of the trade associations to go about providing big subsidies to the biggest wine companies. It does not, in fact, stop us from providing small businesses with the ability to gain access to the program.

I think the whole program is crazy, but I think it is even crazier to suggest that what we will do is continue to skip a loophole open that provides all this money to go to the biggest companies in the country.

Mr. FAZIO of California. Mr. Chairman, if the gentleman will continue to yield, the craziest thing we could do would be to eliminate 90 percent of the wine grape growers, who are small farmers. They do not make wine and do not export it. They need private sector help to do it. and this program provides the partnership to do it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, the truth of the matter is, this will have absolutely no impact. And if the gentleman talks to people seriously about the impact of this whole MAP program, it will not have a penny's worth of difference in terms of what the actual sales are.

The gentleman and I both know we can produce wine. People want to buy the wine and will produce the wine, and it has nothing to do with the small amount of subsidies that end up going into this program. It is the principle of the fact that we are providing taxpayer dollars, millions and millions of dollars worth of taxpayer funds, that go into the back pocket of the biggest companies. That is a scam and a scandal that ought to be dealt with.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. RIGGS], the remainder of my time.

Mr. RIGGS. Mr. Chairman, I wish the gentleman from Massachusetts could devote so much time and energy to helping us address the competitive and trade disadvantage that our wine exports have against Chilean and European wines.

But the gentleman was correct when he said last year in conference we restructured the MPP, now known as the Market Access Program, to restrict direct participation of for-profit corporations that are not small businesses while requiring a direct match from any small business that participates in this program. These reforms should silence this unwarranted criticism of the Market Access Program.

The accusations that corporations are advertising products at taxpayers expense are simply not true. The primary emphasis of this program, as has been pointed out repeatedly over the last few minutes of debate, is toward the small family farmer. Historically, 60 percent of market access promotion funds have gone to generic advertising; the remaining 40 percent is allocated to brand promotion, with priority again given to small entities.

I quote from the act: In addition, a sizable number of large corporations receiving market access promotion moneys are actually grower cooperatives. All benefits those organizations derive from brand assistance under this program are directly returned to their grower members, who themselves tend to be small and medium sized operations.

Mr. WARD. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Kentucky.

Mr. WARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. RIGGS. Mr. Chairman, I wanted to conclude by saying the Market Access Program is not corporate welfare; it is a valuable resource for America's small farmers to compete in highly restrictive foreign markets. In fact, this program is pro-trade, pro-growth, and pro-jobs.

Ms. WOOLSEY. Mr. Chairman, although I have the utmost respect for the gentleman from Massachusetts, unfortunately, I must rise in strong opposition to this amendment.

I must do so because this amendment directly and unfairly targets my constituents in Sonoma and Marin Counties, CA, who produce some of the world's finest wine. If this amendment passes, however, their world-famous wine would no longer be able to compete in the world market.

This amendment would devastate the small wine producers in my district, who rely upon Federal export assistance to enter and compete in the global marketplace.

Unlike Europe and South America, U.S. wine producers receive no production subsidies whatsoever. Furthermore, our competitors outspend the United States in export subsidies by more than 6 to 1!

Mr. Chairman, small California wineries cannot compete in such a lopsided marketplace without some assistance. And let there be no mistake, this amendment targets small, family-owned businesses—89 out of 101 wineries that participate in the Market Access Program are small wineries.

The Kennedy amendment takes this critical assistance away from small wine producers and, in doing so, It takes away jobs; it takes away trade; and, it takes away fairness.

Mr. Chairman, we should be working today to help export California wine, Not California's jobs. Vote "no" on the Kennedy amendment.

The CHAIRMAN pro tempore. All time for debate has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] will be postponed.

The point of no quorum is considered withdrawn.

The Chairman pro tempore. Are there further amendments?

AMENDMENT OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOLBE: At the appropriate place in the bill, insert the following new section:

SEC. . None of the funds made available in this Act may be used to administer a peanut program that maintains a season average farmers stock price for the 1997 crop of quota peanuts in excess of $640 per ton.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes with the time being equally divided and to roll the vote.

Mrs. CLAYTON. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The gentleman from Arizona [Mr. KOLBE] is recognized for 5 minutes.

Mr. KOLBE. Mr. Chairman, I rise to offer this amendment with the gentlewoman from New York [Mrs. LOWEY]. It is an amendment that simply carries out the intent of Congress on the peanut program. The farm bill, the Freedom to Farm Act, made some extremely modest changes to the peanut program. The change that was supposed to benefit consumers was a 10 percent reduction in support prices from $678 to $610. This amendment would ensure that the price of quota peanuts would actually be $610 per ton, as approved in the recently passed farm bill.

Now, why is this amendment necessary, if all we are doing is seeking to implement what the farm bill said we were going to do? It is necessary because the Secretary of Agriculture, not without reason, since he represents agricultural interests, has chosen to administer this program in a way that makes sure that peanut prices will continue to stay at previous, much higher levels.

The Secretary was able to do this, to keep the peanut pries high, by announcing a national peanut quota production level that is going to be at least 100,000 tons less than the projected domestic demand. In other words, the Government is creating an artificial shortage.

Mr. Chairman, what we have is a Government-created artificial shortage of peanuts and, thus, a consequent higher price for peanuts. That is contrary clearly to what we intended to do in the farm bill.

At a time when we have a peanut industry that is certainly in a serious state of decline, with peanut consumption dramatically declining over the last 5 years, it does not seem to me that we can afford to let bad government policy excessively inflate the prices for domestic consumers. Inflate the prices, I might add, to what is now double, double, the export price. The domestic price of peanuts is double what our producers get when they sell it into the export markets. In other words, we have this artificially created price.

Even at $610 a ton, which we are not going to get to because of this reduction in the quota, U.S. peanuts are 33 percent above the world price of $350 per ton.

So this amendment only ensures that the administration will carry out the will of Congress to reduce the price of quota peanuts by 10 percent, which is what we though we were getting when we voted for the Freedom to Farm Act.

If some would question whether or not there is a precedent in this, I would point out that the Committee on Appropriations has already adopted an amendment which places a price cap on the price of raw cane sugar at 117.5 percent of the loan rate. It was done for the exact same reason we are talking about here today. This cap was necessary in order to ensure that the price of sugar did not rise too far.

In both cases, the Department of Agriculture has created this false shortage of a very basic commodity that we use.

Mr. Chairman, the bottom line here is very simple. We thought, we intended, and we wanted to get market reform when we voted for the Freedom to Farm Act. We got the least in the commodity programs, but we thought we were getting something with a 10-percent reduction in the target price. However because of the other aspects of this, the quota, the Secretary of Agriculture has been able to undermine any kind of a price reduction by setting a quota that is below what the market can consume.

So all we are seeking to do is to make sure that the market works; that the Freedom to Farm Act works exactly the way it is intended. We are making no basic change to the program.

And I might to also add, Mr. Chairman, that this is a fix that can only be good for 1 year. This is an appropriation bill for 1 year. It can only work for 1 year, that is we can try to make the farm program work they way we intended in the Freedom to Farm Act for 1 year any one year only. If everybody really want to find a way to make this work over the course of the next 7 years of the freedom to farm legislation, then we can find a way to do that. But this is only to be sure that in the calendar year 1997 it is already too late for 1996—that we can have a price for peanuts that does not mean that consumers will pay more for their peanut butter, more for their candy bars, more for everything that they buy that has peanuts in them.

Mr. Chairman, I strongly urge my colleagues to support this amendment.

Mr. ROSE. Mr. Chairman, I rise to speak in opposition to the amendment.

Mr. Chairman, I am not sure, and I would like to engage my colleague in a colloquy. I do not believe he understands how the peanut program works. In the first place, $610 was not a ceiling. It is a floor. In other words, the Department of Agriculture price support level for peanuts is $610. The gentleman is trying to fix the price of peanuts at $610.

The "Dear Colleague" letter that when out from about 15 institutions in this town is a flagrant violation of the Federal antitrust laws against price fixing. I have never seen anything to beat it.

Does the gentleman actually believe that if the price of peanuts is $610 a ton that the people who buy those peanuts are going to pass the savings on to the American housewife?

□ 1245

Mr. Chairman, I would ask the gentleman if he really thinks that?

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, the answer is "yes." I guess I have a naive belief in market systems that there will be some passing on of that price. And if the gentleman is correct about this being the floor, then why do we have to lower the quota 100,000 below the level of consumption?

Mr. ROSE. Mr. Chairman, reclaiming my time, the purpose of the program is to provide a safety net for the thousands and thousands of farm families across this country who raise peanuts. Mr. Chairman, $610 is way below the marketplace price, and the program is probably not even going to click into effect. And if it was, has the gentleman not raised the number in his amendment about four times and is it not now, what is it, $645?

Mr. KOLBE. Mr. Chairman, if the gentleman would yield, to respond to the gentleman it is $640 per ton in the amendment.

Mr. ROSE. Six hundred forty. Mr. Chairman, I, for the life of me, cannot understand why the gentleman would want to introduce an amendment like this. It is not going to save any money. The Department of Agriculture is perfectly content with operating the program at $610 a ton. That is a floor, it is not a ceiling.

Mr. Chairman, I would say to my colleagues I think this is a very mischievous amendment. It actually probably will not have any legal effect if it passes because of the way it is written.

But it is a hoax to tell the American housewife that if we vote for this amendment, that they are going to save anything on the price of peanuts at the grocery store. This will go into the pockets of the companies that manufacture candy.

Candy manufacturers are worried about only two things: the cheap sugar and cheap peanuts. We could give peanuts to candy manufacturers, and do you think they would drop a nickel or a dime off the cost of a candy bar? Absolutely not.

This amendment does not relate to the peanut program because it does not even understand how the peanuts program works. I urge my colleagues in the House, vote "no" on this amendment. Let us get on to letting the Department do what we agreed to in the farm bill, and that is that the price support floor is $610 for peanuts. Let us do not even attempt to fix the price of the peanuts in this bill.

Mrs. LOWEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from Arizona [Mr. KOLBE] and I are offering this amendment today to ensure that the minor reforms, and I say minor reforms, to the peanut program that were included in the farm bill are actually implemented. I do not think that is too much ask. The peanut program epitomizes wasteful, inefficient Government spending and it supports peanut quota holders at the expense of 250 million American consumers and taxpayers.

This is an outdated program. It is based on a system reminiscent of feudal society. Quotas to sell peanuts are handed down from generation to generation. And let us remember that two-thirds of the people who own these quotas do not even farm. They do not even live on the farm. They probably do not remember what a farm looks like.

Mr. Chairman, the GAO has estimated that this program passes on $500 million per year in higher peanut prices to consumers. To my good friend from North Carolina I would like to say I know that there are a lot of studies, but there is a study done by Public Voice for Food and Health Policy, between 1988 and 1993, that showed that as the Government-set price of peanuts went up, the retail price went up and as the Government-set price went down, the retail price went down. I know that there are a lot of studies, but this was on study that testified to that fact.

Mr. Chairman, the Kolbe-Lowey amendment is a reasonable approach to ensuring that the reforms that were actually passed in the farm bill are implemented. The amendment ensures that the average price of peanuts is no greater than $640 per ton, which is $38 lower than last year's price, and $30 higher than the price support rate included in the farm bill.

As many of my colleagues know, I was not satisfied with the reforms to the peanut program included in the farm bill, but the very least we can do is to ensure that these reforms are implemented and executed.

Lowering the price of peanuts is also good for American jobs because the price of peanuts in the United States is so high, peanut butter and candy bar manufacturers are actually leaving the United States to open up plants in Canada and Mexico because the peanuts can be purchased there are at the world market price, which is half the United States price, and the finished product can be brought into the United States and sold here.

Seems to me that what we have to do is artificially lower the high price of domestic peanuts to save these manufacturing jobs. I urge my colleagues to stand up for American consumers, pass the amendment. It is good policy, and it is only asking that the reforms passed as part of the farm bill are implemented.

Mr. KOLBE. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I thank the gentlewoman for yielding, and I commend her for the statement she made.

Mr. Chairman, I want to respond to a couple of things said by the gentleman from North Carolina [Mr. ROSE] when he is talking about this being a floor. He is right. But he forgets to talk about the other aspect of this program, which is the quota that the Secretary can manipulate.

The Secretary has toyed with the quota, which, as far as I know, has never in recent times ever been set below the level of consumption. By lowering it below the level of consumption, he has assured that that price will not drop to that floor of $610 a ton. So we know that we will not have a 10-percent reduction.

And if we are talking about a safety net for growers, where is the safety net for those who do not have quotas, that sell only in exports? There is no safety net for them. Why do not we have a price that reflects the world market price?

Mrs. LOWEY. Mr. Chairman, reclaiming my time, I want to respond to one other point that was mentioned by my good friend from North Carolina. We have heard a lot about fixing the price, but maybe I am missing something. It seems that that is just what this feudal system is about, fixing the price.

Mr. Chairman, if we do not want to fix the price and mess with the market, then let us let it go free on the market. What we are doing here is actually price-fixing by keeping this in place.

Mr. ROSE. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, the gentlewoman was responsible, she and her colleagues were responsible, for reducing the price support level for peanuts from $678 dollars a ton to $610 a ton. That is a substantial, tremendous financial hit on the peanut farmers of America. The gentlewoman has characterized it as not a very substantive reform. We think it was too much reform, but she has that to her credit.

It is a floor under which the Government support program buys the peanuts. The gentlewoman and her colleagues are trying to say that if the average price of peanuts——

The CHAIRMAN pro tempore (Mr. LINDER). The time of the gentlewoman from New York [Mrs. LOWEY] has expired.

(On request of Mr. ROSE, and by unanimous consent, Mrs. LOWEY was allowed to proceed for 2 additional minutes.)

Mrs. LOWEY. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, what the gentlewoman from New York is saying is that if the price of peanuts goes over $245, that the program disappears. Well, who is going to tell the Department of Agriculture what peanuts sell for when they do not monitor that, if they are not within the program?

In other words, the gentlewoman has come up with something that will not work. Will Rogers used to say, "It ain't what people do not know that bothers me; it is what they think they know that is just dead, damn wrong that bothers me."

The gentlewoman from New York and her colleagues all have wandered into that area here rather beautifully. There is no way the Department of Agriculture can go out and see every peanut farmers in America and say, "Did you sell your peanuts for more than $654 a ton? If so, we want you to sign a paper." How you are going to monitor this monster that you all have created? I beg to offer to you that it will not work, and I urge my colleagues to vote against it.

Mrs. LOWEY. Mr. Chairman, reclaiming my time, I just want to say to my distinguished colleague I am very respectful of his knowledge on this program, but many of us as consumers do face the impact of these programs. And all we are saying is we are not changing by this amendment any of the improvements, any of the modifications that were put in place that the gentleman supported, or many of my colleagues supported, in the freedom to farm bill.

All we are saying is let us not be able to squeeze the market, squeeze the quota so we push the price higher. CBO has estimated that this amendment will be zero cost. The growers will not have to pay anything. It is my understanding that that is all the amendment does. My distinguished colleague is actually making sure that the reforms, as modest as they were, be implemented.

Mr. ZIMMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from North Carolina referred to a monster that he said we would be creating by passing this amendment. The real monster and the real offense against the market system is the current peanut quota system. It locks up the market tighter than a drum. It is a Government-sanctioned cartel, and it is offensive to everything that we as Americans believe in with respect to free enterprise.

Mr. Chairman, as for the gentleman's contention that none of the cost savings to the manufacturers would be passed on to the consumers, if that is the case, then let us set the price at $1,000 a ton or $2,000 or $5,000 a ton.

Of course, if we completely lose sight of rational economics and we decide that there will be one corner of Stalinistic economics in our economy, then anything should go, and why do not we go for $5,000 a ton?

The fact is that the lower the price of the raw material, the lower the price of the product. And it is adding 33 cents to the cost of a jar of peanut butter to implement the current program. This is a cost that is borne disproportionately by the working poor and by the middle class. It is paid every day by that working mother who makes the peanut butter and jelly sandwich for her children to take to lunch at school. And that is the true impact.

It is time that we stop treating the peanut industry as a special, privileged sector of the agricultural economy. The Freedom to Farm Act made some important reforms in many commodities, but in order to get the votes to enact those reforms, it went very light on sugar and very light on peanuts.

Mr. Chairman, I believe it is time for us to get serious about this. This is a very modest step to make sure that we do not pay even more than the Freedom to Farm Act contemplated.

So, it is absolutely essential that we pass this amendment, and I strongly urge a "yes" vote.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, that last exchange was truly amazing. If my colleagues would only stop for a moment; when we talk about the consumer, and I want my colleague from New York to listen very carefully, look at what has been happening in the marketplace for cereal in the last 2, 3, 4 weeks. The price of cereal has dropped from $4 a box to $3 a box while the price of grain has doubled to the farmer. Why? Because the manufacturing interests that the two sponsors of this amendment are carrying the water on today have decided that they do not need to take $2 from the consumer for advertising in order to sell more of their product, that by lowering the price they can sell more.

That is what is happening in the marketplace, and the same is true for peanuts. You can find and document the exact same facts in the manufacturing side. There is more cost in the container of a jar of peanut butter than the value of the peanuts within the peanut butter. So the argument that was just made by the gentleman from New Jersey, better go back and check the facts.

Let us review what the Committee on Agriculture did in the farm bill this year. We, much to the chagrin of the small producers that many of us represent, agreed to cut the price to the producer from $678 down to $610. Pretty good cut, folks, by anybody's definition of cut. And this is not cut from rate of increase. This is a cut in net farm income that does not seem to satisfy some folks around here today because they want to do more.

Now, what is truly amazing to me about this amendment and this argument, which I do not believe the proponents of the amendment truly understand the peanut program or what they are proposing.

Mr. Chairman, if, in fact, we want the market to work, by cutting the quota from 1.3 million tons to 1.1, we are allowing the market to work. We are reducing the amount of subsidized peanuts and allowing the probability of farmers who have no quota to produce peanuts for the market.

Now, lo and behold, what the complaints are today is what? You cannot find a seller for $650 for peanuts. Farmers want more. If the marketplace says they should get more, then they will get more. If this says they will get less, they will get less. Because who now has an opportunity to sell peanuts? Anybody in the United States today can raise peanuts.

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There is no prohibition on who can raise peanuts. If you choose to raise them for this market that everybody is concerned about, you take a guarantee of $138 a ton. That is all you are guaranteed. You can produce for the international marketplace, get a contract perhaps for $400, but if you want to go for the market in the belief that there will be increased consumption, you may do so. But you also take a chance on losing. That is what the market is all about.

Listening to this debate today, I am saying, am I living in a different world? All of the arguments being made are being made in direct opposition to the market. That is why I believe that those offering the amendment truly do not understand the intricacies of the peanut program.

In conclusion, let me say this, please, to my colleagues: Understand what we have already done to the peanut program. We are doing it because we, too, recognize the market needs to work. We have moved the program in that direction. We have reduced the support price from $678 to $610. We are allowing people to produce peanuts.

Yet we hear now those who are concerned that the consumer is being hurt, take a look at cereal. Take a look at the argument. Ask those people that are giving you the information of why you ought to come in here and do to the peanut farmer what you are doing, ask them what and why they are doing in the marketplace to the consumer other than trying to take it out of the farmer's pocket.

Mrs. LOWEY. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Chairman, I would just like to ask my distinguished colleague a question. The gentleman is saying that the committee and the freedom to farm bill passed some very important reforms, and I would agree that there have been some reforms made. It is my understanding, and I am trying to understand why he objects, that this amendment, which we are proposing, is just making sure that these reforms, which are an important step in the right direction, are implemented.

The question that I have, with these reforms, the prices continuing higher than the $610. My colleague is saying that it is the market. There may be a case to be made that, because the quota is squeezed and the quota is reduced, that continues to push the price up. Maybe there is a faulty administration of the quota system.

The CHAIRMAN. The time of the gentleman from Texas [Mr. STENHOLM] has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 3 additional minutes.)

Mrs. LOWEY. Mr. Chairman, if the gentleman will continue to yield, if, in fact, this amendment is implemented, and I hope it is today, then what it is trying to do is just to be sure that the reforms which my colleague states were made, and they were in the freedom to farm bill, are implemented correctly.

Mr. STENHOLM. Mr. Chairman, I thank the gentlewoman for her question, but follow this very carefully. There is no prohibition on anyone raising any number of peanuts. Last year, I believe the domestic market for peanuts was 937,010 tons. That was the domestic market last year. The administration has reduced from 1.3 to 1.1; 1.1, the last time, I checked, was more than 937. So really, you cannot make an argument that even the reduced quota is going to short the market.

But the important thing to understand is that anybody can raise any number of peanuts. If there is a shorting of the market because there are not enough peanuts to go around, anybody can go into the pools that we have, pools in which peanut farmers sell their peanuts into a joint pool. If the market price is greater, they share in the benefits and, if it is not greater, they lose.

So the argument that we, by reducing from 1.3 to 1.1 is unduly influencing the market, it might be right now when some folks are trying to contract. And if I were a buyer right now, I would be doing everything in my power to do, to get somebody to come on the floor and to put a cap on what farmers can receive. That is good business. I understand that. That makes eminent good sense, put a cap on, which is what this amendment would do. No farmer may ever get more than $640 a ton for their peanuts.

Mrs. LOWEY. But my colleague agreed to $610 already.

Mr. STENHOLM. As floor, as a floor. But it is the same in corn. I suppose the next thing we will have an amendment to put a cap on is corn. Put a cap on wheat, put a cap on cotton. Control the price. Control. Let us have price fixing, which is what you are proposing right here with this amendment. Let us fix the price on the up side.

As we all know, what we have tried to do with farm programs is to put some bottom-side protection to growers; bottom-side protection, because we are in the international marketplace in all of agriculture. And in peanuts it is a unique program, I concede that. It is very unique. But I wish my colleague would give credit to the Committee on Agriculture for doing that which we recognize we had to do, and that is move the program more into the market orientation side. And we did that. But it is never enough for those that want to kill the program. Those that want to go in and eliminate the total program and would love to pay $400 a ton for peanuts and buy all the peanuts for 1 year until you break the farmers, I understand that. It makes good sense.

The CHAIRMAN. The time of the gentleman from Texas [Mr. STENHOLM] has again expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 1 additional minute.)

Mr. STENHOLM. Mr. Chairman, I only want to point out again, which I think is the most relevant counter-argument to the amendment being offered: There is no restraint on production of peanuts. The market is the one that has to react. If the market chooses to pay $800 a ton, peanut farmers will be happy. If they choose to pay $610, they will not be so happy. Some will be very happy with $610. I have got growers that make good money at $500, $400 a ton. I have got others that struggle to make it at $610. We tried to balance that constituent interest because I happen to represent both quota and nonquota. I happen to represent some of the theory that the gentleman from Arizona [Mr. KOLBE] is trying to put forward here.

Mrs. LOWEY. Mr. Chairman, if the gentleman will continue to yield, I just want to say again that, respectfully to my good friend, the only difference in our view is, you are calling price fixing our amendment which attempts to put in place the change in the freedom to farm program where we are saying that this feudal program is price fixing all along.

Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words.

I will not take the full 5 minutes. Let us just put this in perspective. What is going to happen if this amendment passes, the small farmers is going to get hurt. We have practiced this in other areas. He is going to get hurt. We talk so much about the consumer. Everybody is a consumer, even the small peanut farmer. He buys peanut butter, he buys candy bars. He buys all the stuff that is made with peanut products. What is going to happen is the small farmer is going to be hurt, it is going to cost him money. But if you think for 1 minute that, if you pass this bill, the savings are going to be passed on to the consumer, then we have got some good property over in North Carolina on the coast that fluctuates with the tides, we like to sell you over there.

You are not going to pass along the so-called savings to this. The people that make the Baby Ruths and the Pay Days and the Hershey bars, they are not going to pass along the savings to the consumer. So what it is going to boil down to is the small farmer, who is a consumer, he has to go out and buy; but the masses of the consumer that go every week to the Safeways and to the Giants and the places and buy the snack bars, what have you, he is not going to see any savings on this.

It is going to be a tremendous profit to the people, the big manufacturers that make the, that use peanuts to go into their profits. So we can talk a lot about the consumer, but let us just keep in mind, we have had it in the past when we had sugar programs that said, if you pass a sugar program, hey, soft drinks will come down. We have the same situation. They do not come down. They do not pass on to the consumer. You are not doing anything in this amendment but doing harm to the small farmer and giving exorbitant profits to the people that use the peanuts in their products. The consumer, bless his heart, he is mentioned a lot, but he is not going to receive one penny's worth of benefits if you pass this amendment. I strongly urge you to look at the reality of it and vote this amendment down.

Mr. CHAMBLISS. Mr. Chairman, I move to strike the requisite number of words.

As a member of Committee on Agriculture and one who comes from a heavy peanut-producing area, we began work on reform of the peanut program on November 9, 1994. We began talking to folks in the industry. We began talk to go growers. We began talking to shellers, everybody that is involved in it, because there was a continual attack on the peanut program. Within the Committee on Agriculture, in a bipartisan way, we made real reforms to the peanut program that ensured three things. We talked an awful lot about this: One was that we secure a no-net-cost program to the American taxpayer. We did that.

The second thing was that we make the program more market oriented. We did that. We allowed the transfer of peanut quota across county lines, we did a number of things that would make it more market oriented.

The last thing we did was to provide a safety net for our farmers. We did that with the program that we came up with in the Committee on Agriculture.

Now, there has been some conversation about the domestic demand versus domestic quota. It is true that domestic quota under the previous farm bill was set at 1,350,000 tons. In order to make the program more market oriented, we removed that floor. That was not at the request of the manufacturer, the people who you are talking in favor of right now. They did not want a floor on it. By doing that, we ensured a no net cost, but it also eliminated a floor for domestic demand.

Now, once we did that, the Secretary had the authority to come in and to set that floor at whatever domestic quota, whatever he thought domestic demand would be. It is true that the Secretary set it at 1,100,000 tons, and domestic demand had been 1,200,000 tons. That is a 100,000-ton difference.

Does the gentleman understand the buy-back provisions in the peanut bill? Does the gentleman understand the buy-back provision?

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, yes, I do understand. I confess that I am certainly not the expert on the buy-back provisions that my colleague would be.

Mr. CHAMBLISS. Does my colleague understand that under the buy-back provision that that 100,000-ton gap can be filled with additional peanuts by the Secretary?

Mr. KOLBE. In theory.

Mr. CHAMBLISS. Not in theory, in actuality, that is the way the program works?

Mr. KOLBE. Mr. Chairman, if the gentleman will continue to yield, my understanding of the way the program works in actuality, this is not the case. I would just point out the difference between the domestic price and the export price of peanuts. It is clear that the reduction of the quota is designed to keep the domestic price at an artificially high level.

Mr. CHAMBLISS. Mr. Chairman, let us move on to talk about domestic price. the amendment establishes the fact that no grower of peanuts anywhere in the United States, of quota peanuts, can achieve a price in excess of $640 per ton. No grower of additional peanuts can receive a price in excess of $640 a ton; is that correct?

Mr. KOLBE. Mr. Chairman, if the gentleman will continue to yield, no one who would be under the quota program would get a price in excess of $640 a ton.

Mr. CHAMBLISS. So we have set a maximum price on peanuts irrespective of the market oriented provisions of this bill, set a maximum of $640 a ton. Is that or is that not price fixing?

Mr. KOLBE. Mr. Chairman, the price fixing that is going on has been going on in this program, as we know, since the 1930s when we created this program. The reason for this amendment is because the Secretary has chosen to use the other provision of the law, the quota provision, by reducing that below the level of consumption. The result is a dramatic increase in the price, the actual domestic price consumers pay for peanuts. I would be happy, if the gentleman would agree to an amendment, to do away with this entire program in one fell swoop.

Mr. CHAMBLISS. I will be happy to go back to my friend from New Jersey's recommendation that we go to $1,000 or $5,000 a ton limit.

But the gentleman is correct in saying that his amendment does fix the price. If I am wrong about that, please correct me.

That flies in the face of everything we have tried to do from a reform of agriculture programs and in particular the peanut program, which is now market oriented. The growers of peanuts took a significant reduction of $678 a ton to $610 a ton in anticipation of selling their peanuts more in the world market. That is the whole idea behind it.

What this amendment does is to come in and slap those folks in the face and say, irrespective of how much it costs you to grow it, how much it increases the cost of growing your peanuts next year, throw those facts out the door. The maximum you can get for a ton of peanuts is $640. That is wrong. It is un-American. It is price fixing. I urge my colleagues to vote against this amendment.

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Mrs. CLAYTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I urge a "no" vote on the Kolbe-Lowey amendment because it is indeed unfair. It is unfair because the peanut industry and agriculture has made an honest attempt, notwithstanding those who are not satisfied that we have not gone far enough in $678 to $610, a substantial reduction in what that forwards.

Further, the Government's program is supposed to be a safety net, only used as a bottom line, not the ceiling. Now we are imposing a ceiling, and I also think this is now antimarket. I would think, I say to the gentleman from Arizona [Mr. KOLBE], this was certainly in contradiction to what the Republican Party said they were all about.

This is unfair because, I want to say to the gentlewoman from New York [Mrs. LOWEY], "You may not know who those farmers are, but I do know, and many of them are minority farms, many of them are low-income farms, because you can have a small lot of land and still farm." So this will have a disproportionate hardship on smaller farmers and minority farmers.

By the way, to those who may not know, more minorities participate in farming of peanuts because it is relatively cheap to get into. They do not need as much land. So there is an opportunity here. This opportunity will be removed from those who have had that opportunity.

I would urge a "No" vote on that.

Mr. Chairman, I yield to my colleague, the gentleman from Virginia [Mr. SISISKY].

(Mr. SISISKY asked and was given permission to revise and extend his remarks.)

Mr. SISISKY. Mr. Chairman, I thank the gentlewoman for yielding. Many of the arguments I was going to give have already been expressed.

Let me just explain something. I went to peanut hearings, and we had a Senate hearing in my district, and one of the manufacturers who has peanuts in the can said about the program that he could reduce the price, I think, about a dollar a can. And I asked him, "Do you have 50 cents worth of peanuts in that can?" He said, "No, as a matter of fact, 48 cents."

I said, "You must be a genius."

Six or seven years ago I was in a hearing in the ag room in the Longworth Building, and it was a candy manufacturer from the Midwest who said he can save 30 percent on a candy bar, and I asked the chairman, and it was the gentleman from North Carolina [Mr. ROSE], and I said, "May I interrupt for a minute?" I said, "Thirty percent." I said, "Retail or wholesale?" He said, "Retail."

I said, "That's 15 cents. Do you have 2 cents worth of peanuts in there?" He said, "No, got about a penny and a quarter, and that is what the problem is."

The gentleman from Texas [Mr. STENHOLM] mentioned something which was basically true. I have been in a consumer product business, so I know what I am talking about. The container is more expensive than the ingredients by a large margin. It is not just the ingredients that are in there. And if my colleagues think for a minute that the gentlewoman from New York [Mrs. LOWEY] mentioned that we would open plants in Canada. Why? They send peanut paste down here already. They send peanut paste from China through Canada to come in at a discount. But we have not seen the price of peanut butter drop, I guarantee.

So with that I would ask this House, and I thank the gentlewoman for giving me the time to oppose vehemently the Kolbe-Lowey amendment.

Mr. Chairman, I want to express my very strong opposition to the Hobson/Lowey amendment, which would gut the peanut program.

Only a few months ago Congress passed a farm bill that included a series of reforms to the peanut program. Congress made sure this would be a no-cost program that would not add to the deficit.

But for peanut farmers, there was a price to pay. Farmers had to accept a cut in the support price from $678 to $610. As a result of that cut, planting of peanuts has already gone down 5 percent this year because it just does not pay to plant peanuts.

Now just a few months later, with the ink barely dry on the farm bill, here we are debating whether to go back on that package of reforms.

The Hobson/Lowey amendment was drafted to correct a problem that does not exist. Its supporters claim that peanut prices are too high because there is a shortage of supply. They claim the national poundage quota is set too low. But what is their evidence for this? Every indication is that there will be no shortage of peanuts in 1996 or 1997.

Supporters of this amendment point to prices in some parts of the Southeast that are higher than the support price. But this has nothing to do with the national quota being set too low. It is not unusual for prices in the Southeast to be higher than they are elsewhere. In the Virginia-Carolina area and the Southwest, prices are lower. The price that's been offered in my district, for example, is $610. That is the support price exactly.

The real problem that some of the manufacturers have is that peanut prices are not as low as they would like. They did not succeed in eliminating the peanut program in the farm bill, and they would prefer a support price that would make the program worthless to farmers.

What supporters of this amendment would like to do is slash the price paid to farmers below the cost of production. But that is simply not fair to peanut farmers.

The support price is meant to be a safety net to keep farmers from going out of business. This amendment sets up a cap on the price that can be paid to the farmer. Nowhere in the farm bill did it place a limit on the prices farmers could receive.

The truth is that this amendment does not carry out the intent of the farm bill, as its supporters would have you believe. In fact, it reneges on the compromise that was made in that legislation.

I urge you to stand by the reforms we agreed to in the farm bill and give them a chance to work. Vote "no" on the Hobson-Lowey amendment.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Kolbe-Lowey amendment to establish a maximum market price for peanut sales of $625 per ton.

As my colleagues know, we all remember when the 1996 farm bill was passed, one of the reform measures that passed in that legislation was a 10-percent reduction in the price of peanuts. This amendment merely insures that the peanut program will be administered as we intended in the 1996 farm bill.

The peanut program comes up every year. It is an antiquated program; there is no doubt about it. Peanuts cannot be sold for fresh use in this country unless they are grown on land that has a quota for peanut production. This system prevents new farmers from growing peanuts. Only so many U.S. producers are permitted to produce peanuts for the U.S. market. Their production is limited to estimated domestic demand or just below to guarantee them a congressionally set support price.

So by producing the peanut support price to an effective rate of $610 per ton, the U.S. support price would still be $200 per ton above the world price of $350 per ton. The price of domestically produced peanuts would still be 43 percent above the world price.

The Kolbe-Lowey amendment would insure that some measure of reform is carried out by encouraging the Secretary of Agriculture to set the national peanut quota system production at a realistic level.

So, Mr. Chairman, the existing quota and price support program for peanuts is anticonsumer, anticompetitive, inefficient. It needs to be changed, and I urge my colleagues to support the Kolbe-Lowey amendment.

Mr. Chairman, I yield to the gentleman from Arizona [Mr. KOLBE], the amendment introducer.

Mr. KOLBE. Mr. Chairman, I thank the gentlewoman for yielding, and I will not take the full time, but I just want to emphasize a couple of points that have been made here and to reiterate that this has been a controversial program; I think we all acknowledge that, a controversial program since its very inception, and frankly growers, manufacturers, and consumers have been constantly at odds on this program.

But I think the freedom to farm bill clearly had a philosophical direction, and that was to make commodities, to market commodities, consistent with a market-oriented approach, to move us in that direction.

There is a huge difference, a huge gap it seems to me, when we are talking about peanuts. It is being treated in a very different fashion, particularly with regard to this gigantic loophole that the Secretary has used. When we talk about setting prices, we are setting prices at $610 a ton, we are setting prices at $640 a ton, whichever one we are using. But the fact of the matter is the Secretary has used a huge gap in the law which allows him to put the quota below, below where the actual level of domestic consumption is to force prices back up. One does not have to be an economics major to figure out that that is going to have a effect on the demand, and it is going to have a effect on the price. If we artificially set the amount of peanuts that can be sold in the United States and one cannot sell any peanuts in the United States without that, it is going to drive that price up. That is what we are trying to correct here.

I have talked to numerous Members here who represent peanut growing interests and they have said, "Look, we did not do it; it was the Secretary that did this." OK, if that is the case, all we are trying to do is correct what we thought we were getting in the farm bill, which was some very modest reduction in the price, and that is why I think this is so essential.

Mr. BISHOP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am appalled. I believe that this amendment is clearly nothing more than a fraud. Proponents would have us to believe that it will lower the cost of peanuts, peanut products to the consumer. That could not be farther from the truth, as has already been stated. Not one single manufacturer anywhere in this country has agreed to lower the cost of a candy bar, a jar of peanut butter or a bag of salted peanuts one red cent if this amendment passes. Instead the amendment would put a ceiling on what a farmer who has weathered the storms, the droughts and all of the other risks of growing to what that farmer can get for his product after he has worked so hard.

It seems to me what we are doing here is artificially, as the gentlewoman from New York pointed out, artificially fixing the price. If this is not a violation of antitrust laws, what is? No matter what the market price might be, this amendment limits the amount of profit that a poor farmer in Georgia could make on his peanuts. This is price-fixing, pure and simple.

Now, the gentleman from Georgia [Mr. CHAMBLISS] and I offered earlier last year the national peanut reform bill because the gentlewoman from New York and the gentleman from Texas and many other places have pointed out that they had some problems with the way that the peanut program was structured. As a consequence, we passed a reform bill which was folded into the new farm bill, a reformed peanut program. As a consequence, as the gentleman from Georgia pointed out, we achieved a program that has no net cost to the Government, that is market oriented, but at the same time provides a safety net for our farmers. That is all that it does.

What this amendment will do is take away that safety net, and the minimum profit that a farmer might get because the market has driven the price up will be taken away, and that windfall will be placed in the hands of those people who manufacture that candy bar, who manufacture that jar of peanut butter and who manufacture that bag of salted peanuts. Those are the ones that will get the benefit of that. The poor farmer is going to suffer, and we will see fewer and fewer family farms.

Now, the attack has been made on the Secretary. The Secretary is accused of setting the national pound quotage too low; as a result, artificially driving up the price because of a reduction in supply. But I want to point out, as someone has already said, that in 1995, last year, the national poundage quota was 937,010 tons. This year it is almost 200,000 tons more. That does not sound like anything that is going to reduce the supply. The supply is going to increase. And what is consumption? Consumption is what the market will bear.

This amendment is a fraud, it should be defeated, it is an attack on family farmers, and particularly peanut farmers. I represent the largest peanut farming district in the country. Our farmers work hard, and they suffer great risk to try to turn a profit. We, at great sacrifice, passed a bill, the farm bill, that would address some of the concerns that the critics have had although we felt that they were not well taken. Nevertheless, we compromised, and we have taken a great deal of profit away from our farmers already, reducing the price from $678 a ton to $610 per ton. That is a significant decrease in what our farmers can make on their hard labor and the risk they take.

I ask my colleagues to defeat this amendment, protect family farms, protect all of what we have tried to do in farming, our commodity programs and our farm programs, in this 1996 farm bill. This peanut program has been reformed, we have fixed it, and we do not need to break it as this amendment would do. It is clearly a fraud, and I urge my colleagues to defeat it.

Mr. EWING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to make it plain that we do not grow peanuts in my district. We have had some of the large peanut growing districts get up here and speak, but I did have the responsibility of chairing the subcommittee that produced the peanut program for the farm bill and other speciality crops. And I want to say that I believe that the peanut program was in need of reform, and I believe that we reformed the peanut program, and I believe that it is in the continuing process of being reformed, not with amendments like this, but because of the world market situation of the NAFTA and GATT treaties that we have approved in this House. It will happen and is going to happen. And I think that some of the reforms should be pointed out to this House if my colleagues forget that we eliminated price support escalators, we eliminated undermarketing, we eliminated the quota floor, and we reduced and modified and reformed the quota provisions, and people are going to lose their quota eligibility. And it was designed to put quota with the farmers of the South, where peanuts are grown. Sale, lease, and transfer of quota is freely made between the peanut growing areas.

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The loan rate was reduced considerably. We did all of this, and now those who oppose this program are back here wanting to reform it before it has ever had a chance to work.

Mr. Chairman, I kind of resent, or I think it is unfair, that the peanut farmers of America are not in the halls, the manufacturers are in the halls seeking somebody to carry this amendment. Where and who is representing the farmers of America, the people that grow our food and fiber? I gladly say I do represent them. It is time to let this program work. Yes, if we need more reforms we can come back and do it later. Let us get the Department of Agriculture to do their job down there. Then we will not have this.

The one thing we tried to put in the farm bill was not shackles on American agriculture. If we can get more for our products, we should have this, we should have it in the free market, and this is a floor for the peanut industry and not a ceiling. I suggest that this amendment is ill-timed and should be defeated.

Mr. PETERSON of Florida. Mr. Speaker, I move to strike the requisite number of words.

Mr. Chairman, I want to compliment the chairman of the subcommittee on our Committee on Agriculture for his previous remarks. He was right on target. I probably just will not take 5 minutes to reiterate what he has already said. But I do want to say, first of all, that this is a consumer-oriented program. We are taking care of the consumers, because we are giving them quality and we are giving them guaranteed quantity. Yes, we are helping the farmers, too, because we are helping assess some of the risk that they are taking. These are incredible risk-takers that we have, Mr. Chairman, these small farmers, who are not in the halls, incidentally. They are out there planting crops and tending to the crops now, they are not out there with the manufacturers up here, asking that this amendment pass.

In fact, Mr. Chairman, I ask that this amendment be pulled. This is a very bad, un-American amendment. It is not well thought out. It does not do the things that we tried to do in the reform process of this program. This is price-fixing at its worst. I think everybody agrees that this is price-fixing.

In fact, Mr. Chairman, not only does it price-fix, but it has this absolute line drawn that says if you go above that, then the program is dead. What kind of Congress is that, that is going to take all of these small farmers in America and just cut their throats in one fell swoop because they are participating in the free market? Is that not un-American? That, to me, is un-American.

The program that was reformed in the Committee on Agriculture last year was real reform. This took from $678 to $610 on the quota price. It did a number of things on the quota transfer. The biggest issue is that it is now, for the first time ever, a no net-cost program. This is not a program that is costing the Federal Government millions and millions of dollars. We need to defeat this amendment. This amendment is as bad as any amendment that has ever come across anybody's desk, and for whatever reason we are doing this, I cannot find a good one.

I ask my colleagues to seriously look at this, look at the fact that we are, in fact, injuring not only peanuts in this regard, because what we are going to do if we take this to its final conclusion, we are going to destroy all of the other programs that are out there.

I will tell the Members, if we do this, the American public is going to have sticker shock in the supermarket. Not only are they going to have sticker shock, but they are going to be a Third World country when they go to the supermarket and try to find these products at the quality levels with which we are producing them now. This is a very poorly thought out amendment. Anybody can look at the fact that it is un-American from the standpoint that it is price-fixing and taking people out of the free market. We need to defeat this amendment today, without delay.

Mr. QUINN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to rise in support of the Kolbe and Lowey amendment, a fellow New Yorker, a colleague of mine. I ask Members to support the amendment and ask my colleagues to continue to listen to this debate. I also want to take a minute to congratulate the subcommittee chairman, the gentleman from Illinois, on the work that he has done and the reform he has put forward in the full bill.

I also believe that while he is a representative and a great representative of the farmers, that we need to make certain that the consumers are also represented here in this discussion and in the amendment and in the bill. I believe that the one small farm bill change of moving the price support from 678 to 610 has been negated by the fact that the USDA has set the quota on the amount of peanuts that can be grown at such a low level as to basically short the market and to drive up the actual price.

Mr. Chairman, I believe that this reform, the amendment, the Lowey-Kolbe amendment, is one that is a moderate reform in the peanut program for consumers and it represents exactly that kind of information, exactly the kind of modification. I do not think it is as drastic as we could offer here today. I urge its support.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. QUINN. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, I do not know how any opponent of this amendment can say with a straight face "un-American" or use the word "world market" and talk about "consumer-oriented" and talk about the free market. Give me a break. Un-American? Yes, it is un-American not to let Americans grow peanuts, but you can go to jail if you grow peanuts and sell in the market. You can certainly get arrested and you can be fined. The point is, you cannot grow peanuts and sell at the $6 price.

Mr. Chairman, I just would say, the bottom line is I would be embarrassed to be opponents of this amendment and talk about un-American, consumer-oriented program, world market, free market. The bottom line is the world market cannot compete. They are not allowed to sell peanuts unless they come and they crush them and they do not get the price. There is no free market, because people from outside this country cannot sell and people in this country, Americans, cannot sell peanuts unless it is to be crushed.

Talking about consumer-oriented, what is consumer-oriented about fixing supply? They fix supply. They are told it is going to be about 900-and-some tons, 1,000 tons. That is fixing the price. What is American about that? What is free market about that?

The problem is we only allow a few people to farm peanuts, only a few. We fix the price by limiting the supply. We attempted to reform that system and we failed. We then said the price should not be $610, not lower than that, the Government will buy it. What has happened by what the Department of Agriculture has done, they have fixed supplies so the price will be well above the $610 price. We may end up having to be more than $678. I think this is an outrage that you can say with a straight face that it is un-American, that it is against the consumer, that it is the free market. How can Members do it? How can they in a straight face use those words?

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. QUINN. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, I wanted to humbly say to my good friend, who I admired for his support of the minimum wage, we have a little modest minimum wage here for peanut farmers at 610. I just want to chide the gentleman a little, because I have great respect for the gentleman and have read about him in the paper very well the other day, and I was very proud of that. This is a modest minimum wage program. It puts a floor under the peanut farmer.

Mr. SHAYS. If the gentleman will continue to yield, Mr. Chairman, the bottom line is the price is double in this country what the world market price is.

Mr. ROSE. If the gentleman will continue to yield, Members should go up to Canada, where this so-called free market works, and see if peanut butter does not cost more than it does in this country. It is cheaper in this country. We keep it that way and we want it to stay that way.

Mr. EVERETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is so ridiculous. We have sponsors of amendments up here that have no idea about the program, do not serve on either the authorizing or the appropriating committees, the Committee on Agriculture, or its subcommittees. Frankly, this is an ill-conceived amendment, as my colleague, the gentleman from Florida, said. It really ought to be pulled. This is an embarrassment to the House.

First of all, it is price fixing. it is kind of odd that these folks want to fix the price to a farmer who goes out there and puts his capital out there, who sweats and earns his living by his brow, but they do not want to fix the price to the sheller or the manufacturer. They can charge as much as they want to.

Another definition that needs to be explained here is when these folks get up and talk about consumers and quote the GAO report, guess who they are talking about? They are talking about the first buyer of that peanut, which is the sheller and manufacturer. They are not talking about the housewife. We have congressional testimony in committees where these manufacturers say they will not pass one thin dime on to the housewife, not one thin dime.

Mr. HEFNER. Mr. Chairman, will be the gentleman yield?

Mr. EVERETT. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, is the gentleman telling this House and the people watching this debate that he does not believe that the manufacturers would pass this savings on to the consumer? That is what the argument is about, the consumer. The consumer is not going to benefit from this amendment one iota. Am I correct on that?

Mr. EVERETT. Not one iota, Mr. Chairman. Anybody that believes that has driftwood where their brains ought to be. There is no question about that. There is no evidence whatsoever that one dime of this, and anybody that would say anything like it was going to reduce the cost of peanut butter by 35 cents a jar has no idea where he is coming from, has nothing to support that with, absolutely nothing. Mr. Chairman, this is price fixing without question. It is price fixing without question. Next week I guess we should expect a price-fixing amendment on corn, wheat. After all, they are in short supply this year. We have a terrible situation with corn and wheat.

Let me tell the Members what this is all about, pure and simple. This is about corporate greed. This is about people who are carrying the water for these major corporations who are lining the halls out here, carrying the water for them, and as my colleague pointed out, we do not see any farmers out there lobbying. Every dime of this will go to these corporations' pockets. Not a penny would be passed on to the consumer. This is the most ill-conceived, crazy amendment I think I have seen come on this House floor since I have been here.

For the first time ever, the peanut program is a no cost program. We were asked to do that and we did that. The CBO estimates savings, it says, of $400 million in the next 7 years. It has already been pointed out the price support escalator is gone, the national pound quota floor has been eliminated. That makes the program market-oriented. Institutional and out-of-State quota holders are stripped of their peanut poundage quota. No more Sam Donaldsons getting checks, from the Government. That has been taken care of. Sale and lease across country lines, that has been taken care of. My growers bitterly opposed that, but we compromised and passed it.

The growers who abused the program and refused to sell the peanuts on the commercial market will be kicked out of the program. No other commodity program in this country has such a severe penalty, not one, none. The price support has been reduced. Overall, the farmers are going to get about 30 percent less in income now because of this new program that has been passed.

For the benefit of the House, I would like to remind the membership that these reforms were made at the expense of the farmer. When we had a hearing in Georgia with both gentleman, my colleagues from Georgia were there, and the gentlewoman from Florida was there, I asked the manufacturers, come work with us. Help us reform this program. But do Members know what? It was their way or no way. They would not move one inch and never moved one inch. Every reform that has been made has been made at the expense of the farmer. As a matter of fact, there are multinational manufacturers, and six or seven of them control 83 percent of the peanut crop, and they just want to line their pockets even more.

Mr. Chairman, this is corporate greed, this is price fixing. Why do we not fix the price, as I said, on peanut butter, candy bars? Let us just fix the price on everything around here, I say to all the free market folks. I ask my colleagues to vote against this amendment. It is absolutely ridiculous.

□ 1345

Mr. FUNDERBURK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the peanut program which was debated on and passed by the full House earlier this year has already been extensively reformed. It is now a no-cost program representing a $434 million savings. The support price has been cut by 10 percent, reducing grower income.

These changes already made will reduce farmer income by over 20 percent, $200 billion annually. Further reductions to the price support level or elimination of the peanut program altogether will only cause the economic ruin of America's 15,000 family peanut farmers and the thousands of rural communities they support without benefiting consumers or taxpayers.

Mr. Chairman, the small family farmers in my district have taken substantial cuts and they have done their part to reduce Government spending and help balance the budget. We do not need a price-fixing amendment. For once let us look out for the concerns of the small family farmers and let us vote "no" to this Kolbe-Lowey amendment.

Mr. CHAMBLISS. Mr. Chairman, will the gentleman yield?

Mr. FUNDERBURK. I yield to the gentleman from Georgia.

Mr. CHAMBLISS. Mr. Chairman, I would like to ask our friend from Arizona, Mr. KOLBE, the sponsor of this amendment, the gentleman from North Carolina has just reiterated the fact that in our peanut title of the 1996 farm bill there was a reduction in the price from $678 to $610, in excess of 10 percent. Would the gentleman accept an amendment to his amendment which would reduce the price of a candy bar by 10 percent? And would the gentleman also accept an amendment that would put a cap on the price of all candy bars in this country?

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. FUNDERBURK. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I would say to the gentleman from North Carolina and the gentleman from Georgia that the last I checked, there is no Government price program for candy bars as there is for peanuts, so I do not think that the question is a relevant question.

Mr. CHAMBLISS. Mr. Chairman, that is exactly the point. There should not be a price-fixing cap by the Federal Government on any product in this country.

My friend from Texas made a classic point. I think he struck at the heart of this amendment. We have the highest prices for corn and wheat in this country today that we have ever seen in the history of anybody that sits in this House. Yet this week the manufacturers of cereal, the manufacturers who process corn and wheat, have reduced their prices at the retail level.

That shows us that a reduction in price is not going to translate into a reduction at the retail level. An increase in the price in that instance translated into a reduction at the retail level. I again say this amendment is deplorable, it is un-American, it is price fixing, and it ought to be defeated.

Mr. SHAYS. Mr. Chairman, I move to strike the requisite number of words.

First off I would like to apologize to my colleagues on both sides of the aisle who feel very strongly about this issue because I know they are speaking from their heart. I would never want to give the impression that I doubt their sincerity. I guess we have a sincere disagreement about what different words mean. But I also apologize, I guess, to my own Republicans because I thought Republicans believed in the concept of supply and demand. I thought that was one of the things that my party believed in, and I thought my party believed in competition, and so that is why I get so exercised, because I really believe in some of these things that we have said we want and why we got elected.

I also believe that when we went after social welfare that we were also going to go after corporate welfare and after agricultural welfare. I define welfare as a very simple thing, when you start doing things and giving to people that basically become handouts and protections that just promulgate an inefficient system. I see it in this agricultural program.

The program to me, as I see it, is quite simple. We say only some Americans in this country have the right to farm peanuts. I view that as un-American, to say that only some can farm peanuts. I think it is immoral to say that only some in this country.

If we have someone who wants to farm peanuts and sell it at the U.S. price of $678 or $610 or whatever, they cannot do that, because they do not have a quota. In this country, unbelievable to me, you need a quota to farm peanuts and sell at that inflated price.

We lost that debate—and I did not introduce this amendment—we lost it by a few votes. We wanted to get rid of the program. But we at least thought that $610 number was a real number in which a farmer, it would go from $678 to $610. We thought that was a real number that meant something and that if a farmer sold at the $610 price to the Government and the Government bought it at $610 but could not sell it at $610, we were told that the farmers would make up the difference in the next year.

But what we learned is we are now going to limit supply to 935,000 tons. My basic Republican tenet told me that when you limit supply, and you have a certain amount of demand, the price starts to go up. And so what you have done effectively or what the Commissioner has done, what the Secretary has effectively done, we went from $678 with a support price to $610, and you say it is a 10-percent reduction, but it is never going to be at that $610 price because we have limited production. So it may be even more than $678.

What the gentleman from Arizona [Mr. KOLBE] wanted to do was at least say it would be at $640 and not higher. That is price-fixing. It is price-fixing in a system that is fraught with fixing. It is a system where only some Americans in this country can farm.

I have gone after social welfare in my urban areas, I want to go after corporate welfare and I want to go after agricultural welfare. That is what this program is. We need to get people out of it gradually, I agree. That $640 price is a fair price. They are going to go from $678 to $640. That is fair. We did not eliminate the program. We are just asking for some protection because we did not think the Secretary would manipulate price by limiting supply of the product so much.

Mrs. CLAYTON. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentlewoman from North Carolina.

Mrs. CLAYTON. Mr. Chairman, did I understand the gentleman to say that the $610 was a ceiling or the floor?

Mr. SHAYS. It is the price at which a farmer can sell to the Government.

Mrs. CLAYTON. It is a price below which the Government will have a safety net to help.

Mr. SHAYS. That is the safety net. When the Government buys it and has to sell it if it does not get $610.

Mrs. CLAYTON. What does the Government buy it for?

Mr. SHAYS. It is the floor.

Mrs. CLAYTON. It is the floor for which the Government will make it eligible for a farmer to buy.

Now the gentleman wants to fix the price at $640.

Mr. SHAYS. No, no. We want to put a ceiling on that price, because by limiting supply, the supply may even go over $678. That is the irony. We talk about the manufacturer and we talk about the farmer. Who is talking for the consumer?

Mrs. CLAYTON. I would like to think that I am.

Mr. SHAYS. No, I think the gentlewoman is talking for the farmer, because the consumer is getting screwed in this system. The consumer is getting screwed.

Mrs. CLAYTON. They are not getting screwed by the farmers.

Mr. SHAYS. If they were paying the market price, it would be $350.

Mr. TEJEDA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment caps the average seasonal price for peanuts at $640 per ton. If the price rises above that price then no more peanut program.

The peanut program works: American-produced peanuts are safe; prices have remained stable, rising less than the rate of inflation since 1979; consumer prices for peanut products in the United States remain lower than that in other countries.

We have avoided the boom-and-bust cycle typical of other agricultural industries. The peanut program is good for our farmers, particularly the family farmer. The average-sized peanut farm is slightly less than 100 acres. Some 87 percent of peanut farms are family farms and more than 80 percent are owner-operated.

One thing is for certain—killing the peanut program would do much more harm than good. The loss of jobs, farm revenue, land value, and local tax base would devastate smaller communities.

We would increase our reliance on unstable and uncertain supplies of foreign peanuts, we would lose our quality assurance, we would lose our most valuable resource—our farmers.

The 1996 Farm bill, which we just passed, makes reforms to the peanut program. Let's give these changes a chance to work.

Let's not break our commitment to America's farmers.

Vote "no" on the Kolbe amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Arizona [Mr. KOLBE].

The question was taken; and the Chairman pro tempore announced the noes appeared to have it.

RECORDED VOTE

Mr. HOBSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. If no intervening business occurs after this vote, there will be a 5-minute vote on the Kennedy amendment.

The vote was taken by electronic device, and there were—ayes 189, noes 234, not voting 11, as follows:

[Roll No. 231]

AYES—189

Andrews
Archer
Armey
Baldacci
Barr
Barrett (WI)
Barton
Bass
Becerra
Beilenson
Bereuter
Berman
Bilbray
Blumenauer
Blute
Boehlert
Boehner
Bono
Borski
Brown (OH)
Brownback
Bunn
Burton
Camp
Campbell
Cardin
Castle
Chabot
Christensen
Chrysler
Clay
Clement
Collins (IL)
Conyers
Cox
Coyne
Crane
Cremeans
Cunningham
DeLauro
DeLay
Deutsch
Doggett
Doyle
Dreier
Duncan
Dunn
Ehlers
English
Ensign
Eshoo
Fawell
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frisa
Furse
Gallegly
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Goodling
Goss
Greene (UT)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hancock
Harman
Hayworth
Hinchey
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hutchinson
Jacobs
Johnston
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Klink
Klug
Knollenberg
Kolbe
LaFalce
Lantos
LaTourette
Lazio
Leach
Levin
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manzullo
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McHugh
McIntosh
McNulty
Meehan
Menendez
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Moran
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Packard
Pallone
Pelosi
Petri
Porter
Portman
Pryce
Quinn
Ramstad
Reed
Regula
Rivers
Roemer
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Slaughter
Smith (NJ)
Smith (WA)
Stark
Stokes
Studds
Talent
Tate
Torkildsen
Upton
Velazquez
Vento
Visclosky
Walker
Wamp
Waxman
Weldon (PA)
White
Wolf
Yates
Zeliff
Zimmer

NOES—234

Abercrombie
Ackerman
Allard
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Bateman
Bentsen
Bevill
Bilirakis
Bishop
Bliley
Bonilla
Bonior
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TN)
Bryant (TX)
Bunning
Burr
Buyer
Callahan

Canady
Chambliss
Chapman
Chenoweth
Clayton
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cramer
Crapo
Cubin
Cummings
Danner
Davis
de la Garza
Deal
DeFazio
Dellums
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Durbin
Edwards
Ehrlich
Engel
Evans
Everett
Ewing
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Foley
Fowler
Frost
Funderburk
Ganske
Gephardt
Geren
Gonzalez
Goodlatte
Gordon
Graham
Green (TX)
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Horn
Houghton
Hoyer
Hunter
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Jones
Kaptur
Kildee
Kingston
Kleczka
LaHood
Largent
Latham
Laughlin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lucas
Manton
Martinez
Matsui
McCollum
McCrery
McInnis
McKeon
McKinney
Meek
Metcalf
Millender-McDonald
Mink
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Orton
Owens
Oxley
Parker
Pastor
Paxon
Payne (NJ)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Poshard
Quillen
Radanovich
Rahall
Rangel
Richardson
Riggs
Roberts
Rogers
Rose
Roth
Roybal-Allard
Sanders
Saxton
Scarborough
Schaefer
Schroeder
Scott
Serrano
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Torricelli
Towns
Traficant
Volkmer
Vucanovich
Walsh
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Williams
Wilson
Wise
Woolsey
Wynn
Young (AK)
Young (FL)

NOT VOTING—11

Calvert
Emerson
Frelinghuysen
Gillmor
Hayes
Inglis
Lincoln
McDade
Payne (VA)
Schiff
Souder

☐ 1415

The Clerk announced the following pair:

On this vote:

Mr. Frelinghuysen for, with Mr. Calvert against.

Messrs. WARD, DICKEY, MARTINEZ, SERRANO, and DELLUMS changed their vote from "aye" to "no."

Messrs. REED, DEUTSCH, KIM, PACKARD, BECERRA, Ms. PELOSI, and Messrs. SAWYER, BURTON of Indiana, WHITE, Ms. FURSE, Mrs. KENNELLY, and Mr. BROWNBACK changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1415

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] on which further proceedings were postponed and on which the noes prevailed by a voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 133, noes 288, not voting 13, as follows:

[Roll No. 232]

AYES—133

Archer
Armey
Barton
Bass
Beilenson
Bereuter
Blute
Borski
Brown (OH)
Brownback
Burton
Cardin
Castle
Chabot
Christensen
Chrysler
Coburn
Collins (IL)
Conyers
Cox
Coyne
Cunningham
Davis
Deal
Doyle
Duncan
Ehlers
Ensign
Fawell
Fields (LA)
Foglietta
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Furse
Gejdenson
Gibbons
Gilchrest
Goodlatte
Goss
Graham
Greene (UT)
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hancock
Hansen
Hayworth
Hoke
Hostettler
Hutchinson
Hyde
Jackson (IL)
Jacobs
Johnston
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kildee
LaFalce
Lazio
Linder
Lipinski
LoBiondo
Lowey
Luther
Markey
Martini
McInnis
McKinney
McNulty
Meehan
Miller (FL)
Minge
Moakley
Moran
Morella
Myrick
Nadler
Neumann
Oberstar
Obey
Olver
Orton
Pallone
Payne (NJ)
Petri
Porter
Poshard
Ramstad
Reed
Regula
Rivers
Rohrabacher
Roukema
Royce
Rush
Salmon
Sanders
Sanford
Scarborough
Schumer
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stearns
Stockman
Studds
Tate
Tiahrt
Torkildsen
Velazquez
Vento
Visclosky
Wamp
Weldon (FL)
Weldon (PA)
Wolf
Yates
Zeliff
Zimmer

NOES—288

Abercrombie
Ackerman
Allard
Andrews
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bateman
Becerra
Bentsen
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Buyer
Callahan
Camp
Campbell
Canady
Chambliss
Chapman
Chenoweth
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Danner
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Dreier
Dunn
Durbin
Edwards
Ehrlich
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foley
Forbes
Ford
Fowler
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilman
Gonzalez
Goodling
Gordon
Green (TX)
Greenwood
Hall (TX)
Hamilton
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Holden
Horn
Houghton
Hoyer
Hunter
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennelly
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Livingston
Lofgren
Longley
Lucas
Maloney
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McIntosh
McKeon
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Mink
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Neal
Nethercutt
Ney
Norwood
Nussle
Ortiz
Owens
Oxley
Packard
Parker
Pastor
Paxon
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Rangel
Richardson
Riggs
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Sabo
Sawyer
Saxton
Schaefer
Schroeder
Scott
Seastrand
Serrano
Sisisky
Skeen
Skelton
Slaughter
Solomon
Stark
Stenholm
Stokes
Stump
Stupak
Talent
Tanner
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Upton
Volkmer
Vucanovich
Walker
Ward
Watt (NC)
Watts (OK)
Waxman
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Woolsey
Wynn
Young (AK)
Young (FL)

NOT VOTING—13

Calvert
Emerson
Frelinghuysen
Gillmor
Hayes
Inglis
Lincoln
McDade
Payne (VA)
Schiff
Tauzin
Walsh
Waters

□ 1426

Mr. GENE GREEN of Texas, Mr. McHALE, Mr. OWENS, and Ms. JACKSON-LEE of Texas changed their vote from "aye" to "no."

Mr. TIAHRT change his vote from "no" to "aye."

The amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. WATERS. Mr. Chairman, I was unavoidably detained during rollcall vote No. 232, the Kennedy of Massachusetts amendment to H.R. 3603, the fiscal year 1997 Agriculture appropriations bill. Had I been present, I would have voted "aye."

AMENDMENT OFFERED BY MR. BONO

Mr. BONO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 Offered by Mr. BONO: Page 69, after line 5, insert the following new section:

Sec. . It is the sense of Congress that, not later than the date of the enactment of this Act, the Secretary of Agriculture should—

(1) release a detailed plan for compensating wheat farmers and handlers adversely affected by the karnal bunt quarantine in Riverside and Imperial Counties of California, which should include—

(A) an explanation of the factors to be used to determine the compensation amount for wheat farmers and handlers, including how contract and spot market prices will be handled; and

(B) compensation for farmers who have crops positive for karnal bunt and compensation for farmers who have crops which are negative for karnal bunt, but which cannot go to market due to the lack of Department action on matching restrictions on the negative wheat with the latest risk assessments; and

(2) review the risk assessments developed by the University of California at Riverside and submit a report to Congress describing how these risk assessments will impact the Department of Agriculture policy on the quarantine area for the 1997 wheat crop.

Mr. BONO. Mr. Chairman, as many of my colleagues may know, a wheat fungus called karnal bunt was found this spring in Texas, New Mexico, Arizona, and California. Many areas were placed under quarantine by USDA. This means that no wheat infected with karnal bunt can leave the quarantine area, and wheat free of karnal bunt can be sold only under specific conditions.

Karnal bunt is a staggering problem in a year when drought already has troubled the Nation's wheat supply.

The USDA has implemented compensation plans in Texas and New Mexico for farmers who suffered losses from the quarantine.

However, despite weekly promises for 2 months from the USDA, no compensation plan has been released to California farmers. The only thing the Department has told the farmers is, that some will be compensated, and a plan will be released next Tuesday. The USDA has been making this promise over and over for 2 months and has not delivered.

In other words, these farmers have been left in the dark—with no end in sight. These farmers do not know how they will be treated by the USDA, who will be compensated for losses from the quarantine, and what is the official policy.

The Department's inaction has caused our farmers more uncertainty and anxiety, when they already have to deal with the devastation of a quarantine on their best crop in 20 years.

Our farmers deserve better. They deserve timely and thorough information, not unfulfilled promises and uncertainty.

This amendment is simple. It expresses the sense of the Congress that the USDA should live up to its promises: It should end the delay and release a detailed compensation plan.

The amendment also requests that the USDA review a new study of karnal bunt in these counties, and report to Congress on how this study will affect the Department's policies for the 1997 wheat crop.

This study was recently performed by some of the most respected experts in agriculture at the University of California. Because it is more complete and updated than the USDA's last study, it should be seriously considered.

This amendment is the least we can do for the farmers.

Mr. Chairman, I urge my colleagues to vote for my amendment.

□ 1430

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. BONO. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding to me.

I want to commend the gentleman from California [Mr. BONO] for his leadership on this issue which is of great economic importance to not only California but all of the other States in which this disease is now showing up. Let me just say that this is a well-thought-out amendment. It requires that USDA give us a blueprint for the compensation package that we need now for our farmers as a result of the Government imposed quarantine.

Second, it requires the Government, USDA, to look at the new study, the University of California study that shows that in most of our areas, the possibility of having a karnal bunt outbreak as a result of the California wheat crop is less than 1 in 1 million years and taking that into consideration to give us a policy, a blueprint for farming our wheat, planting our wheat next year. So the gentleman has taken the leadership on this, and I want to applaud him and join with him on this amendment that not only helps California farmers but farmers across the United States to plant wheat.

Mr. DREIER. Mr. Chairman, will the gentleman yield?

Mr. BONO. I yield to the gentleman from California.

Mr. DREIER. Mr. Chairman, I rise to join my friend from San Diego in strongly supporting the amendment of the gentleman from Palm Springs. The reason I do so is that there is tremendous uncertainty out there today. All that the gentleman from California [Mr. BONO] is asking is that we have some kind of decision come forward so that we can address what is obviously a very serious and important problem. As my friend from San Diego said, this is not simply a California issue. This is something that has an impact on the entire Nation.

Let us see a decision made so the uncertainty that exists will be able to shift to the past.

Mr. BROWN of California. Mr. Chairman, I rise in support of this amendment by my good friend, the gentleman from Palm Springs, CA [Mr. BONO], supported by my good friend from San Dimas and my good friend, the gentleman from San Diego, CA [Mr. HUNTER]. I know that they all have a serious interest in this. It is a problem which does involve both of their districts.

I rise to indicate that this amendment has strong bipartisan support throughout the State.

There is no wheat in my own district, but I am very familiar with the problem that this is causing in California. I think that it is a very excellent piece of legislation which addresses the problem and, more than that, assures the farmers who sometimes feel neglected down in southern California that there is concern for their conditions here in Washington. I think that is very helpful.

I urge everyone to vote "yes" on this very good amendment.

Let me conclude by saying one other thing. I do not know which one of you instigated the investigation by the University of California at Riverside; possibly it was the gentleman from California [Mr. HUNTER]. I want to say that the universities reacted very promptly and very thoroughly to this request and have prepared a really excellent report. They are to be highly commended also.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman because this is a very important point for California. Actually, Mr. Birdsall, the agricultural commissioner for Imperial County, asked for that report early. The University of California has come up with this study validated by peer review to the effect that we only had about a 1 in

1 million chance of having a Karnal bunt outbreak, a disease outbreak as a result of the California wheat crop in most areas. To me that means one chance, a chance of it happening one time in 1 million years.

To me those numbers, which have been validated by the USDA, now, in their recent analysis, should compel us to lift the onerous quarantine requirements that USDA presently has on California wheat. I know the gentleman, my friend Mr. BONO, is working as I am. I know our good friend, Mr. BROWN, is working as are other Members to try to lift that quarantine requirement. I think the University of California analysis supports at least a modification of the quarantine to lift the heating requirement.

Mr. SKEEN. Mr. Chairman, we have no objection to this and accept the amendment of the gentleman from California [Mr. BONO].

Mr. DURBIN. Mr. Chairman, I move to strike the last word.

I would like to make sure having assurance from my colleague from California that our vote on the issue of Karnal bunt will not be used against us by the Family Values Coalition?

I ask the gentleman in all seriousness whether or not the wheat growers who were affected by this quarantine have any protection from crop insurance for these losses?

Mr. BONO. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. BONO. Mr. Chairman, it does not apply. So the answer to that is no, they do not have protection right now. That is the problem. They are stuck with this, cannot get a response from USDA. And they have a study, a more recent study than the USDA's that shows that the liability is not nearly to the degree that the USDA has placed on it, but they are just stuck. There is no response from the USDA.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, just to back up my friend, I am just talking to the committee staff, and I have talked to a number of our farmers. This did not prevent us from harvesting the crop. We are harvesting the crop. It is good wheat. It is high class wheat. But because it is harvested and it is simply selling restrictions that are a function of the quarantine, that is not covered, I understand, by most private insurance programs. So basically these farmers are out, at least in my county, in excess of some $70 million worth of wheat. I think Mr. BONO's county is pretty close to that. It is the Government-imposed quarantine which is the direct cause of the nonmarketability of the wheat at this point.

Let me say this: This study Mr. BONO has talked about that we have done at the University of California says that a chance of an outbreak is less than 1 in 1 million years. We think that that new evidence, that it has beeen analyzed now by USDA, should justify USDA lifting the heating requirement that presently makes the marketability of this wheat very onerous.

We can only ship this stuff to mills now that have a heating facility that they can heat the feed byproduct with this. It makes it very difficult. I would hope my friend would joint with us in talking with Secretary Glickman, who has been working with us here on this problem, and with Mr. BONO and with Mr. MILLER and the rest of the Californians in trying to lift that very onerous requirement which I do not think now is justified in view of the 1 in 1 million years risk factor.

Mr. DURBIN. Mr. Chairman, if I might reclaim my time and thank my colleagues for giving the additional information on this amendment.

I just say that, since this is not a question of whether or not the growers bought crop insurance, I have much more sympathy for the situation. Second, let me say I do not want Congress to put itself in a role of making scientific decisions, but I do believe that we want the very best and we want an objective decision which will, frankly, help all wheat growers.

Finally, let me say this should remind many of our colleagues, again, how critically important agriculture research is. We are looking at fungus problems with the corn crop. Here we have one with the wheat crop which literally may cripple some of our wheat growers in our home areas. So I hope my colleagues will stick with us in the future as we try to make sure that ag research receives adequate funding.

Mr. BARRETT of Nebraska. Mr. Chairman, I rise today in support of this amendment, which would emphasize the need for farmers and processors affected by the Karnal bunt quarantine to know exactly how the Federal Government intends to provide compensation and assistance.

This amendment is for the benefit of those who are currently subject to special restrictions as a result of Karnal bunt infestation, but have not yet been informed what action the Government plans to take to compensate them. While USDA already has taken steps to offset costs to producers in many areas, there are areas where USDA has not yet taken that action and those producers are anxiously awaiting this important information. It is reasonable to expect the Government, which imposes the quarantine and restrictions on marketing wheat in the areas afflicted, to also provide a plan for compensation in a timely matter to all affected.

USDA has been aggressive in identifying and taking steps to control and eradicate Karnal bunt. This has been critical in protecting producers in areas not afflicted with Karnal bunt as well as in preserving our export markets. For this, I commend USDA's efforts.

Nevertheless, I understand the concerns of producers and processors in areas where USDA's job is not finished and I urge my colleagues join me in support of this sense of Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BONO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SCHUMER

Mr. SCHUMER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SCHUMER: Page 69, after line 5, insert the following new section:

SEC. 734. (a) LIMITATION ON USE OF FUNDS.—None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out, a market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

(b) CORRESPONDING REDUCTION IN FUNDS.—The amount otherwise provided in this Act for "Commodity Credit Corporation Fund—Reimbursement for the Net Realized Losses" is hereby reduced by $90,000,000.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. SCHUMER] will be recognized for 15 minutes, and the gentleman from New Mexico [Mr. SKEEN] will be recognized for 15 minutes.

The Chair recognizes the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of the Schumer-Royce amendment eliminating funds for market promotion programs. The 104th Congress has been constantly struggling to get corporate welfare out of the budget. Last year we missed a perfect opportunity to prove to the American people how serious we are about cutting spending by failing to get rid of the Market Promotion Program. Believe it or not, Mr. Chairman, the Market Promotion Program is worse than corporate welfare. At least most corporate welfare dollars are spent in the United States. The Market Promotion Program, on the other hand, takes precious tax dollars and spends them overseas to pay for advertising of American companies like Sunkist, Gallo Winery, and McDonald's.

The self-serving argument goes that scarce tax dollars are being spent to convince people in faraway lands to buy American products. Is it a legitimate role for the Federal Government to act as an ad agency for a multimillion-dollar corporation? I think not.

The last thing we need to do is for the hard-working taxpayers of America to find themselves footing the bill for the promotion of wealthy companies' products. Let them promote their own products at their own expense. It is time to stop using scarce tax dollars to convince the French to buy Le Big Mac. Let us show the American people instead that we are truly serious about balancing the budget and, by getting the Federal deficit under control, we can get the Federal deficit under control by being responsible and eliminating programs like the market promotion program that are not necessary for the Federal Government to do, that should be left to those big corporations to pay for their own promotional and advertising costs.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I strongly oppose this amendment as I have done many other times the gentleman has offered it or a similar version.

USDA predicts that American agricultural exports will earn a net of more than $30 billion for our trade balance this year. We are headed toward $60 billion a year in exports, an all-time record. The Market Access Program, as it is renamed in the new farm bill, has a lot to do with that success.

This program is responsible for tens of thousands of jobs in food production, processing, and transportation. It has been strongly supported by several administrations and by a solid bipartisan majority in Congress.

Under the new World Trade Organization rules, it is one of the few programs that are legal anymore so I fail to see the reason for unilaterally giving it up when other countries are doing the very same thing.

Finally, Mr. Chairman, I would refer the gentleman to the new farm bill where the authorizing committee has made major changes to reform the program and make sure funds are directed to small and not-for-profit organizations. The program level has also been reduced by almost 20 percent to $90 million.

I urge all my colleagues to vote "no" on the Schumer amendment.

□ 1445

Mr. Chairman, I yield to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I thank the gentleman from New Mexico [Mr. SKEEN] for yielding, and I would rise in very strong support of the position which he has taken and for two reasons, one of which he has already dwelled on, and that is this country today is facing a situation of strong competition from around the world in every field, including agriculture, and if we do not do our very best to assist the farmers and, by extension, the business community in this entire country to deal with that competition around the world, we are going to end up with severe economic damage as a result of that.

Now, this is the general and national position that I take. I hate to be parochial, but this program is extremely important to California. We probably have a major part of our agriculture in California that goes into the export market, particularly into Asia, but also other parts of the world as well. That includes our citrus, our grapes, our fruits and vegetables, all other things of that sort, and I would be remiss if I did not point out at least to every Californian that a vote in favor of this amendment is very detrimental to the economic interests of California.

Mr. SCHUMER. Mr. Chairman, I yield myself 6 minutes.

Well, Mr. Chairman, it is deja vu all over again. Six years ago the 1990 farm bill took one of the most ludicrous Federal programs known as targeted export assistance, and instead of reforming it or eliminating it, we changed its name and hoped no one would notice. And this year, in our own congressional version of the Federal Witness Protection Program, we did it again. Behold, now we are going to call it the market access program.

Mr. Chairman, the hasty reformer who does not remember the past will find him or herself condemned to repeat it. In 1986 Congress created the Targeted Assistance Program, or TEA. This $300 million per year boondoggle passed during a time when ridiculous provisions were routinely added to farm legislation to win support. In this case, a lot of the California folks came over and said, "We do not have a program. Wheat has a program, and soybeans has a program, and milk has a program, but what about our stuff? Wine and fruits and things like that? Almonds? Nuts?" And so they created this program. But the TEA program was so bad it did not pass the laugh test. It became the poster child for corporate welfare by giving no strings attached grants to huge agribusinesses to advertise their products overseas.

In 1990 Congress responded to mounting criticism by, lo and behold, changing its name to the market promotion program, or MPP. But old habits are hard to break. USDA checks flowed in the millions of dollars to Sunkist and Dole, M&M Mars, Blue Diamond, Gallo Wine, Campbell Soup, Fruit of the Loom, and a tiny mom-and-pop business hamburger chain called McDonalds.

Over the course of the 4 years, GAO issued three reports on TEA and MPP, each one worse than the last. According to GAO, USDA rarely evaluated any of the 1.25 billion grants it made. There was no evidence the grants led to increased exports. Can my colleagues believe this? The whole name of this program is for exports; they did not find a single bit of evidence it lead to increased exports. USDA gave buckets of money to the same companies each year, and the companies treated the grants in a sloppy and haphazard manner.

My favorite, the California Raisin Board. They used their $3 million to air their famous Claymation dancing raisin ads in Japan. My colleagues remember the ads. They were a hit in the United States. I am sure my colleagues remember those dancing raisins singing "I heard it through the grapevine." But the ads were a bomb in Japan because unfortunately these raisins were not bilingual. They sang in English to a baffled Japanese audience who, one, never heard of Marvin Gaye; two, never saw a raisin; and, three, did not understand English. They put these ads in English on Japanese television because they had free money. Why not?

Anyway, the Raisin Board conducted no market research because they were using taxpayer dollars, not their own. If they used their own money, they perhaps would have learned that the Japanese, having never seen an actual raisin, would not recognize a gargantuan singing raisin.

Now that brings us to this year, the freedom to farm act, renamed MPP again, this time as the market access program, or MAP. That is three farm bills and three names, for those of my colleagues keeping score. Call it MAP, call it MPP, call it TEA or any other name, it still spells W-A-S-T-E, waste. Funds are still going to profitable brand-name products. This year Pepperidge Farm, Entemann's Cakes, Ocean Spray, Tootsie Roll, Welch's, M&M Mars, Pillsbury, Campbell Soup, and Hershey all received grants.

Now, there is some good news. MAP is funded at $90 million, which is much less than the historical levels for MPP and TEA, and more of the funds are going to smaller companies in cooperatives. But this year, when we are struggling to cut the budget in so many worthwhile areas, better is far from good enough. The whole premise of the program is wrong. At a time of 12-digit deficits, we should ask our constituents should Congress award $14,000 to promote beef jerky?

Mr. Chairman, does beef jerky equal reform?

We do not need the Market Access Program, and we all know it. Pillsbury and Sunkist and Blue Diamond and Gallo will still advertise overseas. Dole, Sunsweet, and Fruit of the Loom will still make a profit. The makers of beef jerky did not need a subsidy to advertise Slim Jims in the United States, and they will not need it overseas.

Last year, we exported $54 billion of agriculture products; that is great. This year the projection is a record high $60 billion. USDA and proponents of MAP argue that corporate welfare subsidies are the reason for our record exports. That is clearly not the case.

The program is not needed, and I urge that we support this amendment and put this program, once and for all, to its deserved kindly, but certain, death.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Chairman, we have all afternoon heard about these terrible corporate welfare programs. The reformers are out to knock off these corporate welfare programs and sugar and tobacco and peanuts, and now apples and grapes. Do my colleagues not understand that what we are doing is we are going after the American farmer?

My distinguished colleague from downstate New York, where all the people are, does he realize that upstate New York is where a lot of the food comes from, and he is well in the same State, and when he comes upstate to talk about whatever it is that he wants to talk about, we are going to remind him that the farmers in upstate New York benefit from these programs. These are small farmers.

We heard the gentlewoman from North Carolina [Mrs. CLAYTON] talk about the peanut farmer who is going to be hit when we went after these big corporations. American corporations are in a global market. When in a market place, there is need to advertise; if in a global market, advertise globally.

The apple farmers in New York State and Washington State and Oregon and Michigan have benefited from this program. Let me just cite one example. A couple of years ago the French apple crop failed. Many of those apples found their way to Israel. The New York State Commissioner of Agriculture, using market promotion funds, was able to go to the Israel marketplace, put our best foot forward, and we sold that market millions of dollars' worth of apples. That was a successful program.

There is nothing wrong with American corporations making money. That is what capitalism is all about. And if we are going to make money overseas in a global marketplace, let us advertise globally, and the gentleman paraphrased Santayana about learning from history. If the gentleman would learn from history, he would understand this amendment failed last year and the year before, and I expect it to fail again.

I urge a "no" vote.

Mr. SCHUMER. Mr. Chairman, I yield myself an additional minute.

I would just like to respond to the gentleman from upstate New York, a great place that, he is right, I have visited on occasion. I have the list of all the programs that New York State benefits from, not a single farmer, not a single small business person, although I will say this:

In my own district of Brooklyn they have Minkowitz Services, gets $5,000. I do not know who Minkowitz Services is, but I am sure he deserves a cut just as much as the upstate folks, the upstate businesses to get it.

Free enterprise, I would remind the gentleman, and then I will yield to him, means free enterprise, not Government subsidy, and I am sure his constituents in Onondaga County accept that premise, we should all accept it.

Mr. Chairman, I yield to the gentleman from New York [Mr. WALSH].

Mr. WALSH. We are not going nearly far enough to support American agriculture. We have 2 percent of the population of this country feeding the world, and we need to do all that we can to support this activity.

Mr. SCHUMER. Reclaiming my time, supporting agriculture by these kind of subsidies is a waste. It does not support it.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. I thank the gentleman from New Mexico for yielding this time to me.

Listening to my good friend from Brooklyn give a history of agriculture export programs has got the same ring of authenticity that my analysis of the New York subway system might have. In fact, when he says in his comments, cites the song "I Heard It Through The Grapevine," I think "I Heard It Through The Grapevine" must be the source of his information about what we are doing to this program.

We have heard the gentleman's speech before; in fact, I think the same speech before, but we have gone to the Committee on Agriculture and we have reworked this program. We have cut the funding by 20 percent. We have directed the funding provided be limited to ag co-ops and associations. We focused on high-value meats, vegetables, wines, and fruits because that is where the value-added jobs that increase the benefit of this program are.

Our trade competitors across the world must look at this debate in absolute amazement. United States of America, the largest trade imbalance in the world, and what do we want to do? We want to unilaterally disarm our own export enhancement efforts. Europe outspends us 5 to 1 today, and what do we want to do? The gentleman from New York wants to reduce our effort. That is crazy.

We have tried to fix the program and, I believe, have made a very meaningful attempt to address any criticism that could be launched on this. But let us just look at the track record of what we have already accomplished: $5.6 billion of exports attributed to this program, $16 in exports for every $1 invested, and because we are talking about value added, we are not just talking about raw ag product, we are talking about the men and women that go to those processing plants every single day, make a living, and there is a lot more of those jobs because the opportunity out there for U.S. agriculture is fantastic if we do not just throw in the towel and walk away.

Do not throw in the towel. Reject this amendment. Stand by the move to increase our ag exports.

Mr. SCHUMER. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. ROYCE], cosponsor of this amendment.

□ 1500

Mr. ROYCE. Mr. Chairman, traditionally the battle cry for business in America has been "Get government off our backs." However, some corporations have been publicly demanding less Government interference while quietly seeking millions of taxpayers' dollars to finance their business endeavors overseas. A wealthy corporate executive in a pin-striped suit is not exactly what most people would think of as a typical welfare recipient. However, some Fortune 500 companies are lining up at the public trough to get their share of the millions of dollars being given out through the Federal Government's market access program to subsidize their overseas advertising budget.

The numbers are not insignificant. I will share with the Members that since 1985, 1¼ billions of dollars of Federal money has been spent on this program. We are fighting a $5 trillion debt that has dragged our economy to a point where the economic growth is a crawl. Five trillion dollars, and here is 1¼ spent since 1985.

Mr. Chairman, we have offered this amendment to eliminate one of the most egregious corporate welfare programs, with the hope that a trend will develop which would further rid the private sector of an intrusive government. The Federal Government first began financing corporate advertising in 1985 with the targeted export assistance. It was established to encourage commercial export markets for U.S. farm products. Then, after a critical audit of the General Accounting Office, it was changed to the market promotion program. Then, after another critical audit, it was changed to the market access program in 1996.

The names may have changed after every audit, but the program has not. Not unlike most good-intentioned Federal programs, Federal funding of advertising turned out to be just another Government handout. Instead of promoting generic agricultural products like wheat and corn, a majority of the budget has gone to brand name corporate advertising of the most well-known American corporations.

Despite the amount of money that has gone into MPP, the General Accounting Office, in assessing the program, concluded that "There is no clear relationship between the amount spent on MPP and the levels of exports." In a separate report, the GAO questioned whether MPP funds are actually supporting additional promotional activities or if they are simply replacing private industry funds.

MPP is typical of a bureaucratic program run amok. This should not come as a surprise to us. Whenever the Government attempts to help business, the inevitable result is reduced efficiency due to weakened market incentives. If overseas promotion is so critical to a particular product's market, then companies would, in considering their rate of return, invest their resources there.

Because MPP funds are, in essence, free money, corporations have no incentive to spend it wisely. We have already heard the example, and I doubt that the raisin industry would have spent $3 million of their own money as carelessly in the Japanese market. That is not likely.

Mr. Chairman, Government has no business deciding which companies are worthy of advertising funds. That is precisely what the free market is there to do, to allocate resources in the most efficient way possible. The Government ought not to be taking tax money from companies to finance the advertising of their competition, which is the direct result of redistribution.

Our amendment to eliminate MAP enjoys support from across the philosophical spectrum. Everyone, from the Progressive Policy Institute and Friends of the Earth to the Cato Institute and Citizens Against Government Waste, agree corporate welfare must be eliminated, and the best place to start is by cutting funding of Government-subsidized advertising.

If we are truly committed to balancing the budget and downsizing the Federal Government, we must be willing to attack corporate welfare and take companies like Pillsbury and Tyson Foods off the public dole.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, the gentleman from New York and my good friend, the gentleman from California, both suggested that the Market Access Program, as we now know it today, is somehow unnecessary or wasteful. But let me quote the Secretary of Agriculture and our former congressional colleague, Dan Glickman:

> Longstanding competitors like the European Union and Canada are using market promotion and credit programs as well as monopoly marketing boards to compete aggressively for international markets. Even less traditional exporters are becoming more aggressive. We cannot eliminate unilaterally our export assistance efforts at a time when the competition is increasing its investments in these areas. It would be pennywise and pound foolish, and just plain stupid.

His remarks are general in nature, Mr. Chairman, but they certainly apply to our U.S. wine industry, which I think most Members know produces an award-winning high value product that competes with the best in the world. The problem, Mr. Chairman, is that many wine-producing countries have established both tariff and nontariff barriers that prevent American wine from competing on a level playing field. In other words, they have access to our markets. We just do not have access to theirs.

According to the U.S. Department of Agriculture, in 1995 the European Union subsidized exports to the tune of $94 million. That figure is comparable, as other speakers have already pointed out on the floor today, to what the United States spends for all agricultural export promotion. In addition, the European Union supplements that $94 million where individual countries also contribute to wine promotion. So we are not talking about a level playing field here. If we were, those of us who believe strongly in this program would not be out here fighting this fight.

The Market Access Program is the only Government program that the American wine industry utilizes. It is a dollar-for-dollar matching partnership that works, with over 100 wineries participating. As I said earlier today, the five largest wine recipients of these funds purchase over 90 percent of their grapes from small, independent grape growers.

One other point I would like to add for my colleagues. Apparently Members are not familiar with the reforms we made to this program in conference last year, in the House-Senate conference on the agricultural appropriations bill, the 1997 bill. If Members would like to see these reforms, please come see me. I have the exact language here which limits these funds, and should address the legitimate criticism that has been made of this particular program.

We very carefully restructured this program last year, and yes, not only did we change the name, but we also included language prohibiting for-profit corporations from direct participation in this program and giving small businesses priorities, while requiring that those small businesses participating in the program match any Federal funding assistance on a dollar-for-dollar basis.

Mr. Chairman, this is not corporate welfare, it is a valuable resource for small farmers in highly restrictive foreign markets.

Mr. SCHUMER. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Chairman, this is not a difficult issue. For my friends on this side of the aisle who have been screaming for months that Uncle Sam should get off their back, this is the time for them to get their hands out of Uncle Sam's pockets. There is no reason for Uncle Sam and the people of this country to subsidize companies for marketing overseas. If they are going to be making money overseas, they are going to continue to advertise. There is no reason in the world for us to underwrite that advertising.

For my friends on this side of the aisle who are concerned about restructuring and downsizing, this is corporate welfare. This is exactly what we are saying we do not want to have happen in this country. We think that our country can compete. For those who say that there are tariff problems with industries like wine, then let us address those problems. Let us talk about the tariff problems. Let us address them head on. But let us not give one segment of our economy an advantage over another.

Mr. Chairman, I come from a district that does not benefit greatly from this program. Why should the producers in my district not benefit, while producers in other parts of the country benefit? I think we should have a level playing field and not have the U.S. Government subsidizing for-profit companies.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in strong opposition to this amendment. Let us take a look at U.S. agriculture. Currently one out of every three acres that is cultivated in the United States is used for the production of crops which are exported. Last year agriculture exports hit $60 billion in the United States. When we look at the growth that we are seeing in exports, in China alone we saw a 175-percent increase in U.S. exports; in Korea, 74 percent; in the Pacific rim, 33 percent.

What we are talking about with the market assistance program is to ensure that the U.S. farmers have equal access to those markets. We have heard speaker after speaker talk about what our international competitors are doing. They are outspending us by six to one. If we are going to provide the farmers with the assistance they need to ensure they can take on these unfair practices by other countries, we have to provide the market assistance program.

When we look at it in terms of benefits, what it has provided, a recent USDA study has shown that every investment, every dollar invested in the market assistance program, has generated $16 in increased sales. For every $1 billion in agricultural exports, we have generated over 20,000 new jobs. I think it is clear that the Market Assistance Program is a good program for agriculture, it is a good program for farmers.

A gentleman earlier said there are no farmers listed as the primary beneficiaries. I can tell the Members, if you are a cotton farmer, you are not going to be making that sale to China. You are going to be working through a cooperative. You are going to be working through a major company. The same thing if you are a prune grower. You are going to be working through Sunsweet. If you are a raisin grower, you are going to be working through Sunmaid. If you are an almond grower you are going to be working through Blue Diamond. You are not going to have the ability and resources to enter into those international markets.

The market assistance program does this: It provides that financial assistance that ensures that the small farmers of this country, working in cooperation with the businesses of this country, can ensure that we will see the promotion of U.S. agricultural products.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, the elimination of the Market Access Program means the elimination of jobs. It is just that simple. We have heard a lot of talk here this afternoon by proponents of this amendment who talk about corporate welfare. What this Market Access Program really does is help employ people in the United States as we export our agriculture products overseas. It is just that simple.

The gentleman from California who spoke in favor of this amendment, 137,000 people in his State depend on the Market Access Program and export-related jobs; the gentleman from New York, 8,300 jobs; the gentleman from Wisconsin, 27,500 jobs directly related to agriculture export jobs.

Let us be serious about this. We have again this year come to the same place we were last year trying to eliminate a program, a modest program that is going to help American jobs overseas and help us export our products overseas. That is what we ought to be doing. We ought to reject this amendment wholeheartedly.

Mr. SKEEN. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I appreciate the gentleman yielding me the time.

Mr. Chairman, I take this time, although I have already spoken once, to point out that this morning I was on a panel looking at the problems of export promotion in another area, in the Department of Energy. We had eight leading businessmen from this country, each one of whom, and they are mostly Republicans, testified to the fact that the assistance that they were getting from the Department of Energy in terms of promoting their products overseas, was invaluable to them. They thought that we should have more of them, not less. That applies to agriculture as well as to energy and the environment.

Mr. SKEEN. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, I stand in opposition to this amendment. We all know that agricultural exports are vital to this country, to the strengthening of farm income, providing jobs. They generate $100 billion in related economic activity for every dollar we spend, and what we spend on MAP is now down to $90 million. We get $16 back in additional agricultural exports for every one of those dollars.

We are backing out of the world market at a time when the rest of the world, in GATT-compatible fashion, is investing more money. This is a blind approach to cutting spending. Under the rubric of corporate welfare, we are shooting ourselves in the foot and putting American workers out of jobs. We ought to defeat this once again—once and for all.

Mr. Chairman, I rise in opposition to this amendment which would eliminate the Market Access Program, formerly known as the Market Promotion Program.

Every year, we see these shortsighted attempts to reduce or eliminate the Market Access Program.

This is a mandatory program established by the Agriculture Committee at $90 million. It has been reduced significantly from a funding level or $200 million just a few years ago and an authorized level of $350 million.

The so-called reformers of this program have sought to whittle away at this program until we can no longer recognize it.

Unfortunately, such a continued assault will render it less and less effective. Yet it is a program which works well to expand U.S. agricultural exports, garnering $16 in return for every $1 invested.

Since 1993, the House has acted to take into account concerns of critics of the program, and these reforms have now been embodied in the 1996 farm bill.

We have made sure the funds go to U.S. companies.

We have made sure the funds are not merely substituting for funds for market promotion that were already going to be spent.

And we have specified that only farmer-owned coops, trade associations, or small businesses can be the beneficiaries.

I believe these changes have satisfied most, if not all, of the reasonable complaints made against this program.

I am particularly pleased that the House has voted repeatedly over the last few years to keep this important program alive in the face of such opposition, and I hope we will be smart enough to do so again this year.

American agriculture leads the world in productivity and in total production. Agriculture accounts for our greatest export dollar. Agriculture and related food and fiber industries employ more Americans by far than any other industry.

However, one area in which we are falling short—and this has been analyzed by agriculture experts, the GAO and others—it promotion for our agricultural products overseas.

In particular, we need promotion for so-called "value-added" agricultural products. This is an area where our competitors in the European Union and Asia are making enormous promotion investments and reaping enormous returns. It is an area where we should be doing much more.

The Market Access Program is the program that fills this need.

Agriculture exports, projected to exceed $50 billion again this year—up from $43.5 billion for fiscal year 1994—are vital to the United States.

Agriculture exports strengthen farm income.

Agriculture exports provide jobs for nearly a million Americans.

Agriculture exports generate nearly $100 billion is related economic activity.

Agriculture exports produce a positive trade balance of nearly $20 billion.

If U.S. agriculture is to remain competitive under GATT, we must have policies and programs that remain competitive with those of our competitors abroad.

GATT did not eliminate exports subsidies, it only reduced them.

The European Union spent, over the last 5 years, an average of $10.6 billion in annual export subsidies—the U.S. spent less than $2 billion.

The EU spends more on wine exports—$89 million—than the U.S. currently spends for almost all commodities under the now-renamed Market Access Program.

MAP is critical to U.S. agriculture's ability to develop, maintain, and expand export markets in the new post-GATT environment, and MAP is a proven success.

Our experience with the Market Access Program in California is very instructive.

MAP has been tremendously successful in helping promote exports of California citrus, raisins, walnuts, almonds, peaches, and other specialty crops.

MAP permits small producers to pool the promotion efforts for particular commodity groups.

It may allow them to pursue new markets—markets they could not have pursued otherwise.

It may leverage their promotion efforts in a particular market that are already underway.

We have to remember that an increase in agriculture exports means jobs: a 10-percent increase in agricultural exports creates over 13,000 new jobs in agriculture and related industries like manufacturing, processing, marketing, and distribution.

The measure of any government program has got to be performance.

The Market Access Program performs.

For every $1 we invest in MAP, we reap a $16 return in additional agriculture exports.

MAP limits participation to 5 years—that means commodity groups will not grow dependent on MAP, but will use those funds wisely to put in place long-term, industry-wide promotion efforts.

MAP requires a cost-share—participants, including farmers and ranchers, must contribute as much as 50 percent of their own resources for branded advertising and cannot substitute MAP funds for investments they intended to make in the first place.

MAP is accountable—independent audits and ongoing reviews ensure that the program remains effective and remains true to the intent of Congress.

In short, MAP is an effective program. If anything, we should be bolstering our commitment to value-added market promotion overseas instead of constantly whittling back our efforts in the face of significant investments by our competitors.

I strongly urge my colleagues to support American agriculture, support smart marketing efforts to promote American exports, support American farmers and producers, and oppose this amendment.

Mr. SCHUMER. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Chairman, for over a year now, we have been debating in this Chamber how to balance the budget. Democrats and Republicans have been trapped in a stalemate, arguing how to cut Government programs without harming the poor, the elderly, without sacrificing the environment. The majority party has proposed cutting vital programs for education, child nutrition, all in the name of deficit reduction. Yet today, here we are again, fighting an uphill battle to end one of the greatest corporate boondoggles in our budget, the renamed but certainly not repealed Market Access Program.

There were 300 Members in this Chamber who voted for a balanced budget amendment. That did not take courage. They come in, vote for a balanced budget amendment. The challenge we face as a country is how to balance the budget. This Market Promotion Program is a flagrant misuse and misallocation of funds. Anyone who voted for a balanced budget should not come into this Chamber day in and day out to keep corporate subsidies in the budget. Let us stand up and take a stand. If Members voted for a balanced budget, have the courage to balance the budget.

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Mr. SKEEN. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois [Mr. DURBIN].

The CHAIRMAN. The gentleman from Illinois is recognized for 1½ minutes.

Mr. DURBIN. Mr. Chairman, let me say to my friend, the farmer from Flatbush, that he really should get out into the real world of agricultural competition. I know he stays close at home in Brooklyn and in New York. But had he joined me in a visit to Asia, he might have found that many countries such as France are outspending the United States 3-to-1 to win market share in Korea, in Japan, in China and in so many other places.

We have reformed this program dramatically. We have pushed for companies that are new to export, we have pushed for small companies, and the gentleman may make light of some of these companies, but frankly, by themselves they would never have a chance in the world market.

When we consider the fact that our ag exports are so important when it comes to our trade balance, and when we consider the fact that our consumer food products that we are exporting have increased so dramatically over the last several years, what the gentleman from New York, my big-time agronomist from the Big Apple, fails to realize is that to eliminate this Market Access Program would literally eliminate jobs and opportunities in the United States. I hope he will reconsider this ill-considered amendment, and I hope that the grower from Gotham next year will not be offering this amendment as he has in previous years.

Mr. BALDACCI. Mr. Chairman I rise today in opposition to the amendment offered by my colleagues, an amendment that would gut the market access program.

We revisit this issue annually.

I'd like to point out a few things about MAP, which used to go by the acronym MPP. Over the past several years, Congress has mandated several reforms. These changes help small businesses and co-ops, limit branded promotion activities and increase the cost share requirements for private firms. On top of that the authorized level of spending was cut $20 million in the 1996 farm bill.

But step back and look at the larger picture. The farm bill that was signed into law a little more than 2 months ago made sweeping changes in agriculture policy. An integral part of those reforms was increasing the focus on exports.

American farmers are competing for market share in countries around the world. They are competing against farmers in countries that provide far, far deeper subsidies.

In my home State of Maine, potato farmers are suffering at the hands of subsidized Canadian imports. One bright spot is the potential for overseas outlets for Maine potatoes. The industry is exploring options. They need assistance in gaining access to those markets.

I recently talked to a friend of mine, Rodney McCrum who farms 650 acres of potatoes in Aroostook County, ME. I asked him about MAP.

He said, and I quote, "That program really expands the world market to create jobs here in Maine. We just get so much bang for our buck."

In the past decade the value of U.S. potato exports has increased nearly six-fold, reaching more than half a billion dollars that has come about in large part as the result of the pooling of industry money and funds from the old MPP program.

We need to build on that success. We need to continue to ensure that U.S. agriculture continues to be competitive overseas, that our agriculture exports continue to exceed our imports, that our farmers remain the best in the world.

I urge you to oppose the amendment.

Mr. HASTINGS of Washington. Mr. Chairman, I rise in strong opposition to this amendment. The Market Access Program is critical to the continued expansion of U.S. agricultural exports, and is one of the few Government programs that really works. Virtually all funding is used to combat unfair trade practices, and the amount we are spending is almost nothing in comparison to the huge export subsidies of our foreign competitors. Our trading partners would love to see funding for this program reduced. In fact, it has already been reduced by over two-thirds since it was first enacted.

The fact is, the Market Access Program has proven to be an effective method of expanding our agricultural exports. It has sustained American jobs and contributed to the reduction of our trade imbalance.

For every $1 in MAP funding, sales of U.S. exports increase by $16. Ultimately, the increased economic activity created by the Market Access Program supports as many as 28,000 American jobs through expanded exports.

The argument has been made that the types of promotional activities implemented through the MAP will go on regardless of Government funding. However, my colleagues should understand that the participants match the Government funding on a one-to-one basis. The argument also ignores the fact that the program is targeted towards nations which utilize unfair trade barriers, such as Japan and the European community. To cite just a few examples, my colleagues may be interested in the following MAP success stories from my State of Washington alone:

In Mexico, MAP funds helped boost United States exports of apples from just 574,000 cartons to over 4 million cartons in just 1 year.

In Egypt, MAP funds helped convince potential buyers of the quality and value of United States wheat flour—leading to contracts for 427,000 metric tons of flour in 1993.

In Germany, MAP funds supported market development and awareness activities—leading to an increase of United States asparagus exports of 14 percent.

I urge my colleagues to support economic growth and jobs by opposing amendments to eliminate funding for the successful Market Access Program.

Mr. LOBIONDO. Mr. Chairman, I rise in strong support of the Schumer-Royce amendment to cut the $90 million appropriated from the Market Access Program, formerly the Market Promotion Program.

Last July, I cosponsored the Zimmer-Schumer amendment to defund this program, and although the program has a new name, it is still a misuse of taxpayer dollars.

The essence of the Market Promotion Program has not changed. In fact, this is the second name change this program has undergone—it began its life as the Targeted Export Assistance Program. It's still a giveaway, and it's still unfair to taxpayers and to other businesses trying to compete abroad.

Mr. Chairman, this is not a loan program. This program is a giveaway to U.S. businesses, which use public money to advertise their goods abroad. There are other export assistance programs available to U.S. businesses. This program is uniquely flawed.

Termination of this program is supported by the GAO, the CBO, the Grace Commission, Citizens Against Government Waste, and the National Taxpayers Union. As far as I'm aware, these organizations did not recommend simply renaming the program; they believe it is corporate welfare and support its elimination. Let's save $90 million.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SCHUMER].

The amendment was rejected.

AMENDMENT OFFERED BY MR. DURBIN

Mr. DURBIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DURBIN: Page 69, after line 5, insert the following new section:

SEC. 734. For an additional amount for the Department of Agriculture (consisting of an additional $22,500,000 and $2,500,000 for "Rural Utilities Assistance Program" and "Distance Learning and Medical Link Program", respectively), and none of the funds made available in this Act to such Department may be used to carry out or pay the salaries of personnel who carry out any extension service program for tobacco or to provide or pay the salaries of personnel who provide crop insurance for tobacco for the 1997 or later crop years, $25,000,000.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 90 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

Mr. MEEHAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DURBIN. Mr. Chairman, some 1,500 different crops are grown in the United States of America. The Department of Agriculture gives 60 of those 1,500 crops special treatment. For those crops, those 60 crops, we have many programs, including the Crop Insurance Program.

The purpose of my amendment today is to delete one crop from that list. The crop I am speaking of is tobacco. Why would I single out tobacco of all the things grown in America? Because tobacco is not like any other agricultural product. It is neither food nor fiber. It is in fact the only legal product sold in the United States which, when used according to manufacturers directions, will kill you. Tobacco is not just another agricultural crop.

My friends who will stand today in defense of tobacco and its programs will speak at great length about equity and fairness. Let me tell you about the equity and fairness of tobacco.

At this very moment there are young people who are listening to this debate. They have a vested interest in this debate.

Each year the tobacco companies, with this tobacco product, have to lure these children into a lifetime addiction that will kill 1 out of 3. Each day in the United States 3,000 children start smoking for the first time. Think about it, parents of America. Think about it. If your child came home tonight and said, "Mom, Dad, I've got great news, I just started smoking," how many of us would stand up and say "Congratulations, we were hoping that you would make that decision." My colleagues know better, and so do I.

Four hundred thousand Americans will die this year from tobacco-related diseases. It is the No. 1 preventable cause of death in America.

Also in the Chamber, sitting in the seats today, are the lobbyists for the tobacco companies and the tobacco growers. They are the heavy hitters in this town. They have more money than friends, but we will see a lot of their friends on the floor today. They will tell us in debate that the Federal Government does not subsidize tobacco. That is not true. Let me tell you specifically why it is not true.

We will spend this year $98 million on a variety of programs subsidizing tobacco. The single most expensive is crop insurance. Follow me. A tobacco grower plants his crop and buys crop insurance and pays a premium. Then if the crop fails, from drought, flood, pests, whatever it is, he will expect to collect on his insurance policy. But when we add up all the premiums paid by tobacco growers and then we add up all the money paid by the Government when the crop fails, guess what? They do not match. We taxpayers step into this situation and put $68 million on the table to subsidize tobacco and tobacco growth.

Some of my friends have passed around some "Dear Colleagues" about the Durbin amendment. One of the statements here is that tobacco growers would be the only farmers in the Nation without access to crop insurance. I am sorry. They should have checked the facts. One thousand five hundred different crops in this country and only sixty are covered by crop insurance.

The Durbin amendment, and I have many of my friends, the gentleman from Utah [Mr. HANSEN] on the Republican side, and others who have joined me in this amendment, says that the tobacco crop will no longer be covered by crop insurance. What does it mean to my colleagues?

When you go to your town meetings and the person stands up and says, "Congressman, explain something to me, if you will. If tobacco is killing our children, if it is the No. 1 preventable cause of death in America, why does the Federal Government still subsidize to the tune of $90 million a year the growth and production of tobacco products?"

Most Congressmen will say, "Oh, but we don't."

They are wrong. We do.

Many of them will say, "we should not."

By voting for the Durbin amendment today, they will be able to put an end once and for all to this Federal subsidy of crop insurance for tobacco.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DURBIN] has expired.

(By unanimous consent, Mr. DURBIN was allowed to proceed for 3 additional minutes.)

Mr. DURBIN. Mr. Chairman, behind me on this podium, you may not be able to see it, carved into the wood, are nothing short of tobacco leaves. The people who designed this Chamber 100 years ago thought that this was such an important part of the American political scene, they put it permanently in place. You will find it, too, as you tour this Capitol, at the top of the columns, tobacco leaves. Tobacco has always enjoyed, I guess, a special place in the politics of America. But I think the American consumers and taxpayers have had their fill of the tobacco growers and the tobacco companies. As we witness day in and day out our families and friends afflicted by diseases related to tobacco, we understand this is not just another agricultural product. As we see these tobacco companies openly deceive American consumers about their products, we understand this is not just another product. As we realize that over half of the smokers in this country started smoking before the age of 16, when we realize that the starting average age for a person to use spit tobacco, those little round cans, is 9 years old in America, we understand what we are up against. We are up against a product that has to be treated differently. It should not have a privileged place in this town or in this Government. If the tobacco growers want to continue their program at their own cost, God bless them. If they want to continue their crop insurance at their own cost, God bless them. If adults want to choose to smoke, and I hope they do not, but if they want to, God bless them. But, Mr. Chairman, the rest of us, the taxpayers of this country, should not be footing the bill to subsidize this deadly product. Today Members of Congress who have been preaching about balanced budgets and deficit reduction for months around this place have a chance to put up or shut up. This Durbin amendment gives them a chance to save at least $25 million a year and to say to the taxpayers once and for all when they ask the question, "Why do you subsidize this deadly product?" We did, until we passed the Durbin amendment, and we stopped.

Mr. ROGERS. Mr. Chairman I rise in opposition to the amendment.

Mr. Chairman, the Durbin amendment is the same amendment that this body rejected last year out of hand, it is the same amendment the committee just last week rejected out of hand, and it is the same amendment that today this body is going to reject again out of hand. I will tell you why. The Durbin amendment has nothing to do with smoking. It has nothing to do with the health hazards of smoking. It has nothing to do with whether or not you think you have the right to smoke or not. Smoking is not involved here. What is involved here is singling out by this sinister amendment small poor farmers who in the main have no other way to earn a living for their family. This amendment does not get at big tobacco companies. I will say that again. This amendment does not get at big tobacco companies as has been stated. In fact, it plays into their hands, because it would cripple the small growers in this country and favor the big companies who would love to grow the tobacco in this country and more importantly outside this country and ship it here and sell it for dirt cheap prices.

So the Durbin amendment, I would say to you, favors big tobacco companies. They have been wanting this a long time, to run these small farmers out of the business. Without this program, small farmers will not be able to grow tobacco. The Congress has protected that right ever since we have been here almost. So this amendment plays into the hands of big tobacco.

If you want to see cheap cigarettes, you bring in this imported tobacco, grown under no telling what kind of conditions, pesticides you would not dare let on crops in this country, you are going to bring in poisoned tobacco and you are going to bring in tobacco that is dirt cheap and you are going to drive down the price of cigarettes until everyone can say, even kids, "Hey, I can afford to smoke now."

So I say to the gentleman from Illinois [Mr. DURBIN], your amendment will promote smoking. It promotes big tobacco companies. We are standing here telling you that if you pass the Durbin amendment, you are singling out the very small, poor tobacco growers in this country to the favor of big tobacco companies and foreign growers all over the world.

This amendment does not save you money. The no-net-cost program—and the gentleman from Illinois [Mr. DURBIN] knows this—passed through this Congress a few years ago that says the tobacco program will cost nothing to the American taxpayer.

The gentleman says that in his amendment we will not let ASCS employees talk to a tobacco farmer. That tobacco farmer may also grow corn or soybeans or wheat, and what have you but the ASCS employee cannot go out there and talk to him because he grows tobacco. We may have to send a policeman out there with him to be sure that they never mention tobacco. But the tobacco program does not cost you. The no-net-cost program prevents that. Tobacco does bring into the coffers of your city, your county, your State, and your Federal Government $14.8 billion a year, and it results in $6 billion in American exports.

This amendment discriminates against a legal crop. The gentleman from Illinois [Mr. DURBIN] should go ahead and do what he wants to do and offer an amendment to declare tobacco to be an illegal product. That is what you really want. Go ahead and do that. Let us vote on it. But, no, you are going through these back doors trying to eliminate the tobacco program without declaring the crop to be illegal.

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What is next? I submit to the gentleman from Illinois that a lot of the corn grown in his district goes to fatten up beef. Beef has a lot of fattening in it. That is bad for hearts. Why, a lot of people say heart disease is the leading killer. That is caused by the fatty substances in the food that we eat, including beef. Let us get after corn, that is the problem in this country. That is the cause of the great health scare and the health problem in the country. It is corn that causes fat.

And what about wheat, I ask the gentleman? Does he know that wheat goes into the making of Twinkies? And we all know that Twinkies are bad for us. They can cause all sorts of problems. Let us outlaw wheat.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. ROGERS] has expired.

(By unanimous consent, Mr. ROGERS was allowed to proceed for 2 additional minutes.)

Mr. ROGERS. Mr. Chairman, I say to the gentleman that the ASCS advisers of the Agriculture Department help farmers, including tobacco farmers, with such things as preventing the use of illegal or dangerous pesticides, for example. If we take away that advice, these farmers are going to be on their own, and who knows what kind of dangerous health hazards that will cause.

The intent of this amendment is to eliminate American tobacco production, make no mistake about that. It would promote cheaper foreign tobacco grown by who knows what kind of pesticides or other poisons on their crops, bringing poisonous tobacco into the country at dirt cheap prices, promoting smoking. It would drive down the price of cigarettes to no telling what level. It would drive onto welfare rolls these small farmers, in the South primarily, in favor of big tobacco companies who would then buy that tobacco from offshore. The jobs would go offshore.

The prices of cigarettes in this country would go down, smoking would go up, and farmers would be on welfare. Is that what the gentleman wants?

I say to the gentleman that the Congress said last year on this very amendment "no." The full Committee on Appropriations just last week said to answer that question "no," and I say to my colleagues again today, to the Durbin amendment say "no."

Mr. MEEHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just heard the gentleman from Kentucky bring up Twinkies, and it is interesting because when the CEO's of the major tobacco companies of this country testified before the Congress of the United States, one of them said, "Nicotine is no more addicting than Twinkies." It is ironic that Twinkies would come up again here today.

Mr. Chairman, I rise in strong support of the Durbin-Hansen-Meehan amendment to once and for all end the Federal Government's $25 million subsidization of tobacco. And by the way, the USDA says that it costs the taxpayers money, the Congressional Budget Office says it costs the taxpayers money. It is time to finally put an end to our agricultural policy that is not in line with our health policy.

Mr. Chairman, the tobacco crop insurance subsidies, these are products of a bygone era that have no interest other than the special interest of the big clout that is supporting them. No longer should the Federal Government be a willing and knowing partner in the addiction of America's youth. Now is the time to correct a serious disconnect in Federal policy.

It borders on hypocrisy, Mr. Chairman, that on the one hand we tell our young people do not smoke, do not chew tobacco, it is a nasty and ultimately deadly addiction. Be smart, do not cave in to the destructive advertising, the peer pressure, and on the other hand to the tobacco and extension services and crop insurance subsidies the Federal Government tells our young all across America, do as I say, not as I do.

A vote against this amendment is a vote against kids in America and a vote for big tobacco. Mr. Chairman, by voting for big tobacco Congress votes for an industry that manufactures a product that kills 420,000 Americans each year; an industry that has convinced through its cartoon character Joe Camel, by the way a multibillion dollar advertising campaign directed specifically to children in America, and through that specifically directed cartoon character there are 300,000 kids a day that pick up a cigarette and try it for the first time. One thousand of those children will eventually become addicted to this deadly product.

It is an industry that costs the American economy through health care costs and lost productivity $100 billion a year. Is this the type of vote we want to go back and explain to the mothers and fathers back in our district that we made?

Mr. Chairman, those on the other side of the issue will argue that this vote will only affect a small family-run tobacco farm. Mr. Chairman, tobacco farming is one of the most lucrative forms of agriculture. An acre of tobacco is 1,000 percent more lucrative than 1 acre of corn. The fact is this amendment does not affect the operation of the tobacco price support program; therefore, this amendment will not cost a single tobacco farmers his or her job.

No, this amendment is not directed against the small tobacco farmer, he will still have his customers, the Philip Morris, the R.J. Reynolds of the world. The amendment is about putting our agricultural policy in line with our health policy.

We have spent millions of dollars educating Americans about the diseases of this product, the dangers of this product. We are seeing historic Americans come out in a historic way to demand that the Congress regulate this product in the advertising to children. We have seen the President come forward and call for the FDA to regulate this product in its advertising to children. We have seen attorneys general all across this country begin to hold tobacco companies accountable for the millions and millions of dollars of damage to health care in every State in this country.

Now is not the time to move backward. Now is the time to make the move to move forward. Just because this amendment has been defeated in the past does not mean we shall not do the right thing here.

Mr. Chairman, I agree the tobacco company needs the help of Congress, but further subsidizes are not the answer. No, Mr. Chairman; big tobacco does not need further subsidization; big tobacco in this country needs regulation. I urge my colleagues to join with me in supporting the Durbin amendment.

Mr. BUNNING of Kentucky. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Durbin amendment. This is a mean-spirited attack on small farmers throughout the South. We all know that the gentleman from Illinois does not like smoking, but this amendment will not stop one person from smoking; it will only hurt the small tobacco farmers in my district and throughout the South.

The opponents of tobacco always imply that we should not pay farmers to grow tobacco. We do not. We do not pay farmers. Let me repeat that. The Federal Government does not pay farmers subsidies to grow tobacco. Sure, our Government offers to tobacco farmers some of the same programs, like crop insurance and extension service, that are offered to other farmers. But we should offer them the same treatment other farmers receive.

Tobacco farmers grow a legal crop. These farmers are not outlaws. They should not be treated as such. They should be treated the same as those who grow corn or raise dairy cows or other commodities. Tobacco farmers should not be forced to pay for the same services every other farmer receives for free.

What this amendment does, Mr. Chairman, is single out the small tobacco farmers who are the backbone of the agricultural industry in my State and all over the South. Most of these farmers, including the 14,400 tobacco growers in my district, own their own family farms. They may have 2 acres, 5 acres, or 10 acres of tobacco that they use to offset their other costs in farming, or they may use the extra income to send their children to college so that their children may have it just a little bit better than they did. Where is the crime in that?

Tobacco is a legal product. We have no right to treat honest, taxpaying, hard working Americans like they are outlaws. They have committed no crime, yet this amendment singles them out and treats them like criminals.

Mr. Chairman, this amendment will not do one thing, as the gentleman from Kentucky has already said, to prevent smoking. It will not do one thing to the major tobacco companies in this country. It will not decrease the deficit. It will only treat small farmers like they are criminals. It is bad policy, it is unfair, it is wrong, and let us vote against the Durbin amendment.

Mr. ROSE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment came up in the full Committee on Appropriations and the full Committee on Appropriations soundly defeated this amendment. Just as an old timer around here, I would say stick with the Committee on Appropriations. The Committee on Appropriations, the gentleman from Kentucky [Mr. ROGERS] has informed me, does not want this amendment to pass and he said it very eloquently on the floor himself.

This amendment does two things. It prohibits agricultural extension agents from giving advice to tobacco farmers. It does not stop the tobacco farmer from growing tobacco, but if the agricultural extension agent is called on by the farmer for advice about pesticide spraying for certain insects or fungicides, they will not be able to give that advice to the farmer.

I do not believe that is the result that we want. We are not going to stop the growing of tobacco, but we will stop USDA from giving good horticultural advice on how to grow the crop using the proper insecticides, fungicides, and pesticides. That is not good for either the farmer or the farmer's neighbors.

That is one good reason to vote against this. The second reason is it prohibits small farmers from getting Federal crop insurance. Now, the Federal crop insurance is important mainly to the small farmer. Larger farmers buy it privately. In my part of the world a small farm that has 5 acres of tobacco can be grown by the small family. A husband and a wife and children can take 5 acres of tobacco and put 10, 15, $20,000 extra a year into their pockets.

No, this is not about smoking. My colleague from Massachusetts [Mr. MEEHAN] and my colleague from Illinois [Mr. DURBIN] know this has nothing to do with whether or not people smoke, and they really made that clear in their arguments. But do my colleagues know that if these small farmers cannot get crop insurance, they cannot grow tobacco, that the companies will import more foreign tobacco and, in my opinion, will smile all the way to the bank because they will bring it in cheaper than they can buy it here in America?

If we want to hurt the tobacco companies a little bit, keep the price of tobacco high to them. Make them pay a good price. Take away crop insurance from the small farmer, we will put him out of business, and we will make it impossible for him to bring income in to his small family. It is not good policy to do it that way.

Now, I am not in favor of any advertising or anything being directed at underage smokers. I will support, as my colleague who is now in the other body, Mr. WYDEN, and I proposed, an extensive program of efforts by private industry and the government to stop young people from smoking.

□ 1545

This is not about smoking. It happens, though, that because of the way budgeting is done and accounting is done, crop insurance does show up as a cost to the Department of Agriculture. But other than that, the tobacco program is a no-net-cost program. The farmer pays an assessment into the Treasury to cover any potential losses from the tobacco price support program.

CBO, our own Congressional Budget Office, estimates that the current tobacco program will result in a $1.4 billion gain for the Federal Government over the next 7 years. Let me repeat that. The current tobacco program will produce a positive cash flow of $1.4 billion over the next 7 years. How is that? Because when the Government loans money to the cooperative to pay for the price support program, the money has to be paid back with interest. A $1.4 billion gain.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. ROSE] has expired.

(By unanimous consent, Mr. ROSE was allowed to proceed for 3 additional minutes.)

Mr. ROSE. Mr. Chairman, I wish that there was an accounting mechanism that would allow us to lump all of this together, but there is not. So my colleague from Illinois has a fair shot here at a cost of extension service and a cost of crop insurance. But when we back away from the tobacco price support program and look at the big picture, it way overpays for what it costs the U.S. Government.

Mr. Chairman, I will join with anybody in this House to find a sensible way to stop young people from smoking, to make it illegal, tougher, to give more strength to the States, to outlaw vending machines, to outlaw free cigarettes and many, many other things. That is what we should do.

But, Mr. Chairman, I say to my colleagues they should not kill crop insurance for small farmers and go back home to their urban districts and tell their constituents that they saved them from the horrors of tobacco. They have not done anything. They have hurt some little people and they have, in my opinion, not accomplished what they really would like to accomplish.

Mr. SISISKY. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Virginia.

Mr. SISISKY. Mr. Chairman, I rise in opposition to the Durbin amendment, which I believe, the gentleman from Kentucky was very kind, this is a mean-spirited, in my opinion—and I have known the gentleman from Illinois since we got here together 14 years ago—this is a mean-spirited amendment and I wish that the House would defeat it.

Mr. Chairman, I very strongly oppose the Durbin amendment, a mean-spirited amendment that is grossly unfair to tobacco farmers.

I understand that there are many Members in this House who would like to make a political statement against smoking. But this is surely not the right way to go about it. This amendment will do nothing to stop smoking, but it will cause a lot of harm to tobacco farmers and the farming communities that depend on them. Many of these communities are located in my district.

The Durbin amendment would treat tobacco farmers worse than other farmers. It would deny them the benefit of extension services that are available to every other farmer. And it would prohibit them from buying Government-backed crop insurance that is available to every other farmer.

This is not only discrimination against tobacco farmers. It's also discrimination against tobacco farming communities. These communities are the ones who will pay the price for the mistakes made because extension services are not available, from the misuse of pesticides, and from the erosion of their economic base.

Mr. Chairman, this is nothing but scapegoating. The backers of this amendment are upset with tobacco companies. So they are taking out their frustrations on farmers, many of them small family farmers struggling just to make a living.

I would suggest that they pick on someone their own size. Small farmers have enough troubles. They don't need mean-spirited efforts like this one to treat them like pariahs. They deserve better than that from us. They deserve some fairness, and at the very least some consideration.

I urge you to soundly reject this terrible amendment.

Mr. ROSE. Mr. Chairman, reclaiming my time, I too want my colleagues to think twice before they vote for this amendment. We have got so many battles to fight around here. Mr. Chairman, I say to the gentleman from Illinois [Mr. DURBIN] we have whiskey ads back on TV again. Whiskey ads back on television. Seagrams is down in Texas showing television ads of Crown Royal whiskey.

Now all of my good health friends who are going to speak about the problems of smoking, which this amendment has nothing to do with, for the Lord's sake, over the night and over the weekend go back and get busy on demon rum and whiskey that is going to be shown to the children of this country.

Please vote against this amendment.

Mr. COBLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, here we are again. Tobacco has surfaced as the perennial convenient whipping boy. Tobacco, the "golden weed" we used to affectionately call it in the Tobacco Belt. Whipping up on tobacco again.

Mr. Chairman, I was not even going to get into this until the gentleman from North Carolina [Mr. ROSE] mentioned about teenage smoking. Some days ago a fellow in my district came up to me and said, "I have a cure for teenage consumption of tobacco. Why do you all in Congress not enact legislation requiring teenagers to consume tobacco?" He said, "Given the ingenuity of American teenagers, they will manage to violate that law some way, and the problem is cured."

He said that, of course, Mr. Chairman, with tongue in cheek, but it makes about as much sense as what we are about today. The Durbin amendment, and the gentleman from North Carolina [Mr. ROSE] said it, the gentleman from Kentucky [Mr. ROGERS] said it very adeptly, it will do nothing to discourage smoking or reduce tobacco consumption.

Mr. Chairman, I will tell my colleagues what it will do. It will unfairly attack and penalize small farmers by denying them critical agricultural administrative services available to every other family farmer known to me producing agricultural commodities under a Federal program.

Mr. Chairman, I will tell my colleagues what it will do. It singles out tobacco farmers, particularly small ones, and tramples upon their right to earn a living in regions often inhospitable to growing alternative crops.

This amendment damages, emasculates the small tobacco farmer, not the industry at large. The amendment undermines a decades-old relationship between farmers and the U.S. Department of Agriculture, destroying the farmers' safety net and placing tobacco farmers at the mercy of the elements, the weather, diseases, pests.

The demise, Mr. Chairman, of the tobacco program would destroy, I repeat, destroy the nature and structure of agriculture in the southeast farm area, what we commonly know as the tobacco belt.

Tobacco, my friends, is a crop that is lawfully grown, lawfully cured, lawfully marketed, lawfully processed, lawfully sold in the marketplace, lawfully consumed. And Americans benefit, Lord only knows how much, from this product.

Mr. Chairman, I say to my colleagues, do not permit this antitobacco propaganda to damage innocent farmers who are trying their best to keep their heads above water, to provide for their families by growing a legal and marketable commodity. I urge defeat of this amendment.

Mr. FOGLIETTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Durbin-Hansen amendment. At a time when critical funding for children, for health care, for education is being slashed to the bone, how can we even think of providing even another cent to the tobacco industry? Smoking and its impact on health costs billions of dollars every year, and it costs thousands of lives in the United States of America.

The prior speaker said that it is lawfully grown, it is lawfully sold, it is lawfully consumed. I agree to that, and that is one of the sad problems that we have in this Nation today, because it is lawfully grown, lawfully sold, and lawfully consumed.

Just ask one of the members of the thousands of families, many of whom we know very well, who have lost a parent, a daughter, a son, or a wife to smoking-related cancer, and they will give you the straight answer. No more money for tobacco. Simply, no more money for tobacco.

Yet, in vote after vote on the House floor and in committee, aid to the tobacco industry stays alive. This is wrong. Let us make some smart choices on how we spend our Federal dollars. This amendment gives us a choice. We can vote for tobacco and smoking, or we can invest in health.

This amendment takes the money the bill would spend on tobacco and invests these dollars in linking rural underserved educational and medical facilities to more advanced urban centers. Moreover, it would make significant investment in the rural water and sewer grant and loan programs.

The choice is clear. Vote for the Durbin amendment and end the subsidies to this killing industry.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. FOGLIETTA. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I thank the gentleman for his support of this amendment, and say to earlier speakers that someone has noted the fact that the Committee on Appropriations voted against this amendment, and that is true. The Committee on Appropriations also voted against an amendment which I had several years ago to ban smoking on airplanes. Fortunately, this House of Representatives came together in a bipartisan fashion overruling the decision by the Committee on Appropriations.

Mr. Chairman, I would defy all my friends on the side of tobacco today to stand up and say that was the wrong decision. It was the right decision. No one, no one would consider turning back the hands of the clock to the day when people could smoke on an airplane and pass along secondhand smoke to innocent people. The fact of the matter is, this has been accepted conduct now across the United States and we are now applying it to international flights.

I might also thank the gentleman for noting that the money saved from the Durbin amendment will be reinvested in the same rural communities that we have talked about here during the course of this debate, providing in the southeastern United States and across the country, opportunities for medical telecommunications links so that community hospitals can have professional medical care, providing rural water and sewer grants so that a lot of small town America will be able to modernize its infrastructure.

Mr. Chairman, the final point I would like to make is, my friends on the other side of this debate continue to ignore the reality that we subsidize tobacco growers in this country. The gentleman shakes his head, but I would like to tell the gentleman the exact dollars. Ninety-eight million dollars will be put in Federal subsidies to tobacco growers this year; $68 million for crop insurance losses beyond premiums paid; $10 million overhead costs of administering the program. If this is not a Federal subsidy, I tell the gentleman, nothing is. It is $78 million for those two items and $700,000 for extension agents.

Mr. Chairman, I thank the gentleman for his forbearance, and say that any farmer who grows other crops will not be prohibited from speaking to extension agents. We just do not want the Federal Government encouraging the growth of tobacco in this country, a deadly product which is killing so many innocent people.

Mr. EWING. Mr. Chairman, will the gentleman yield?

Mr. FOGLIETTA. I yield to the gentleman from Illinois.

Mr. EWING. Mr. Chairman, I think we ought to make it absolutely plain, at least unless my memory is totally gone, that smoking on airplanes was legislation that came through the Public Works Committee. It was not done on an appropriation bill. We may have had it as an amendment, but I know it came through Public Works.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. FOGLIETTA. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, it was before the gentleman from Illinois [Mr. EWING] arrived here, and the amendment came through the Committee on Appropriations.

Mr. JONES. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise today in strong opposition to the Durbin amendment. The denial of Federal crop insurance will destroy the tobacco farmer and the economy of rural America. Besides being excluded from common USDA services provided to all other farmers, this will be an economic nightmare. It is no way of doing business.

The denial of crop insurance does not seem like much. However, most farmers have entered into loan agreements requiring them, the farmers, to obtain crop insurance. This amendment will place the farmer in violation with their current and future lenders. Who will help the family farmers then?

Let me repeat that. Most farmers have entered into loan agreements requiring them, meaning the farmer, to obtain crop insurance. This amendment will place the farmer in violation with their current and future lenders. Who, again, will help the family farmer?

Most importantly I believe this amendment is aimed at the cigarette industry. However, the victim will not be the industry, it will be the small tobacco farmer. In my State of North Carolina the production of tobacco employs approximately 260,000 people. More specifically, 1 in 12 people have a tobacco-related job. A "yes" vote will be a vote to destroy the North Carolina economy.

Madam Chairman, in closing I want to make two points that the gentleman from North Carolina [Mr. ROSE] and others have made on the floor of this House.

Since 1982, the tobacco program has been a voluntary farmer-run program that is operated through farmer-paid assessment and fees. I am going to repeat that again, Madam Chairman. Since 1982, the tobacco program has been a voluntary farmer-run program that is operated through farmer-paid assessment and fees.

The second point I would like to make, CBO estimates the concurrent tobacco program will result in a $1.4 billion gain for the Federal Government over the next 7 years. I am going to repeat that again. CBO estimates the current tobacco program will result in a $1.4 billion gain for the Federal Government over the next 7 years.

☐ 1600

I ask the House to vote against the Durbin amendment.

Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to this amendment, but I do congratulate the gentleman for trying to do something to put some money back into an area that should never have been taken out to start with, it is sorely needed, into the Rural Utilities Assistance Program. I commend him for that. But I do not commend him for where he would like to get it.

This, I do not think there is anybody in this body that would encourage young people to smoke. It would make the health argument as far as tobacco goes, but to me this is a punitive amendment. It does harm to small farmers. Make no doubt about this. It is not going to cause one person not to smoke. It is not going to spend any money for the health care for people that do smoke, if that be the cause. It is not going to do anything to keep people from smoking cigarettes.

What it is going to do is to those small farmers, it is going to say to them, you are not going to have the same privileges that everybody else that is engaged in agriculture has, whether you are soybeans, whatever, peanuts, sugar, whatever, you are not going to have the same privileges these other folks have. You are going to be a second-class farmer. If you happen to be a small tobacco farmer that maybe grows some other crops and you use tobacco, that is going to be something that you have done that you are going to put my kids through college. You are going to say, we are going to cut off, this is going to take away a part of your income.

It is not going to affect the big picture. It is not going to convince anybody not to smoke. It is just an attack on the small tobacco farmers all across the South that raise tobacco and count on it for their livelihood. So make no mistake about it. The only people that are going to be harmed are going to be the small tobacco farmers. We have thousands of them in the great State of North Carolina and Kentucky and Georgia and Alabama, all across the South.

I might add, there is no place that these folks say: Hey, what we are going to do; we are going to diversify. There is no crop that they can say in the short run next year they will not plant tobacco, we will plant blueberries or we will plant something else. They cannot diversify. This is something that is going to have an impact on the small farmers in North Carolina and all over the South. Make no mistake about it.

I would not call this a mean-spirited amendment. I have known the gentleman from Illinois [Mr. DURBIN] ever since he came here. He is a fine gentleman. But he is just misdirected in his avenue that he has taken as far as the Tobacco Program. We are talking about a legal product that the tobacco farmer has just as much right to grow tobacco as people have to grow soybeans, cotton, corn, wheat, any other crop in these great United States.

This is a punitive amendment, and I would urge the Members of this great body to vote this amendment down and get on with their business.

As far as the Rural Assistance Program, that should be put back in the bill. This is something that should be funded. It should not have been taken out. It is a disgrace that it was, but this is not the way to address something that is bad in the bill to make it even worse by adopting the Durbin amendment.

Mr. LEWIS of Kentucky. Mr. Chairman, I move to strike the requisite number of words.

I am here today in strong opposition to the Durbin antitobacco farmer amendment, which was already soundly defeated in committee and last year on this floor.

Let me tell you about the family farmer in Kentucky's Second District. He grows several crops—soybeans, corn, wheat, whatever—but most often, he grows tobacco.

In fact, for thousands of families back home, it's tobacco that puts food on the table and clothes on the kids' backs.

Sometimes, that farmer needs advice on crop production, diseases, or fertilizer. The extension services across rural America are often the only source of this type of information. This amendment denies tobacco farmers that advice.

Now I would assume supporters of this antitobacco farmer amendment would say they care about the environment. They should consider this question: What if a tobacco farmer misuses pesticides because the expert at his local extension office wasn't allowed to talk to him?

This amendment also prevents hardworking tobacco farmers from buying the same crop insurance that farmers in, say, Illinois have.

Think about it: Tobacco is a legal crop. And we are saying to the farmers, when they need assistance, that they are second-class citizens.

The Durbin amendment does away with a critical part of the Federal safety net for farmers who grow tobacco. It is a discriminatory amendment.

Each year, tobacco contributes nearly $15 billion to Federal, State, and local government in taxes. It adds another $6 billion in exports. That's $21 billion.

The gentleman from Illinois should consider what liberal social programs he'd do away with without those $21 billion. Tobacco farmers also pay an additional 33 million for various assessments to allow the Tobacco Program to operate at no net-cost to the taxpayer.

Mr. Chairman, we shouldn't single out the farmers who grow tobacco. We shouldn't hurt the many families who are just barely getting by with a few acres of this legal product. And we shouldn't pretend that this amendment will stop one person from smoking, because it won't.

The health risks associated with tobacco are well known, and not the issue today. The issue is the thousands of independent decisions made by farm families.

The Durbin amendment would be a disaster for tens of thousands of small family farmers. Vote against this antitobacco farmer amendment.

Mr. BAESLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I probably have a little more unique position or consideration of this amendment than most Members because I am the only tobacco farmer in this House.

Let me tell you what this amendment does. I am not going to get into all the money everybody else has talked about. It is telling every tobacco farmer in Kentucky today, we have had rain for the last 4 or 5 weeks, we now have the possibility of a blue mold coming in on our plants, which could very well devastate our crop as we move along from June, July, and August. We want to tell that farmer, with the Durbin amendment, we want to tell him, Mr. Farmer, you do not have any protection for that.

We might be devastated. If the blue mold does not get us later in the summer, we have a disease called black shank which could.

Why do I mention these two diseases? First of all, it is the extension services which go to the farmer who does not have to go to anybody else and say, Mr. Farmer, here is what you put on your tobacco plant to try to prevent blue mold, try to prevent black shank. What do they do? They wither up the plants. They give you absolutely no production at the end of the year. But guess what, you have already put in several thousand dollars per acre. You have already put in the fertilizer cost. You have already put in, in some cases right before a harvest, you have put in most of your labor, a great deal of your labor.

Under the Durbin amendment, he wants to tell this farmer, this farmer, you cannot have a safety net. You go on and go broke. We do not care.

Just two or three amendments ago, I heard Mr. DURBIN himself talking about the disaster we had in the wheat. Why didn't those people go get insurance? I would be more interested in hearing them, if they go insurance.

We are telling my farmers they cannot have insurance. It has nothing to do with smoking. You are basically telling the farmers in Kentucky and North Carolina, we cannot have the safety net that we need to make sure we do not go broke. We are not talking just about landowners here. Do not think you are talking about farmowners who just have a lot of land. We are talking about young tenant farmers who maybe do not have any land but have over $100,000, $200,000 invested in equipment. We are going to tell him and her, a lot of women, going right on that farm, do not worry about it, folks, you do not need a safety net, you are going to go broke. Andy by the way, you cannot go talk to the extension service about how to make your crop better. Are you going to use Clorox? That is illegal. You cannot do that. The extension service cannot tell you that. You have got to know it.

This is mean spirited. It is hypocrisy at the highest level. Two or three votes ago, two of the sponsors of these amendments voted to keep on paying the funds necessary to market alcohol. They voted against the Kennedy amendment. I voted against it, too. But now is not that something, we are saying here to the tobacco farmer, somehow you cause health problems, Mr. Farmer. We are not even asking for money to help us market. We are going to tell the alcohol folks, fine. I voted for it and think it is the right thing to do, we are going to help our market, yours and nobody is going to deny that alcohol has some problems with health.

What disappoints me about this is it has nothing to do with smoking. It has nothing to do with what is going to happen. The gentleman from Kentucky [Mr. ROGERS] and others have said it. The Mexicans are going to love it. The Brazilians are going to love it. The Africans are going to love it because they are going to be able to market their products.

Who is not going to love it? Farmers in Kentucky and throughout the South, because we are telling them today, if this amendment passes, we do not care about you. We do not care if you go broke. We do not care if you cannot get insurance. We pay our taxes; you pay. The university has got an extension service; Federal Government has extension services. You cannot go see them.

This is a mean-spirited amendment. It is the most hypocrisy that I have ever seen, over two or three votes ago. I am disappointed by the fact that we do not care about these people.

What is the next small farmer we are going to kick in the shins? What is the next small farmer we are going to hurt? Who are we going to pick on next? Tobacco is an easy target for you folks. Tobacco is an easy target for the urban areas because they do not care about it. Tobacco is an easy target because they do not think about the billions of dollars they get.

I am disappointed. Vote no because this is very mean spirited and the height of hypocrisy.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Durbin-Hansen amendment. This amendment prohibits the use of Federal funds for tobacco-related extension services and crop insurance. It is needed because the current so-called no net cost tobacco price support program does not eliminate Federal spending related to tobacco.

Tobacco products, as the medical profession has repeatedly emphasized, kill. Tobacco is frequently used as a pesticide, thus it is no wonder that almost one half million Americans die each year from tobacco use. This, along with tobacco-related illnesses, costs Medicare and Medicaid approximately $15.3 billion each year.

The Durbin proposal would not cause tobacco farmers to lose their jobs. It does not affect the tobacco price support program; debate on that issue is deferred to the farm bill. Rather, the Durbin proposal continues to align our agricultural policies with our health policies.

As part of this sensible undertaking, the proposal would reallocate funds from the tobacco industry to more health conscious interests. One part of Mr. DURBIN's proposal would help to provide safe and affordable drinking water to the 400,000 rural households currently without it. Mr. DURBIN also proposes to reallocate money to the Distance Learning/Medical Link program. This is another important program which offers valuable opportunities to rural residents though increased educational venues and better access to health care.

It is time for governmental policies to work together, and for us to get out of the tobacco business. I urge my colleagues to seize the opportunity to move one more step toward that goal by supporting the Durbin-Hansen amendment.

Mr. WAXMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a chart that I want to display so that Members can see the full consequences of this tobacco issue.

This chart indicates the causes of death in the United States. Deaths related to tobacco come close to 20 percent. It is higher than the combination of deaths due to illicit drugs, motor vehicle accidents, sexual behavior, guns and firearms, toxic agents, microbial agents, and alcohol; all of them combined.

This is a major health problem in this country. We need to address it. The Centers for Disease Control came out with a report a couple of weeks ago. They have indicated to us that we are losing this war against smoking in America.

☐ 1615

Forty percent of white teenaged girls are smoking. Three thousand new kids are taking up smoking each day.

What are we are going to do about it? What is a commonsense rational policy for this Nation to avoid the consequences of 400,000 people dying each year? How do we stop our kids from taking up smoking?

Now, the Durbin amendment is not a solution. We need some commonsense solutions, but it is a reasonable step that we ought to take.

I have listened to the discussions of the representatives from the tobacco growing areas. They say that we are treating their farmers like second-class citizens, we are saying that they are criminals. No one is saying that. They have a legal right to grow those crops and to sell them.

But the fact of the matter is, why should taxpayers help them when we face this kind of consequence from this product? We ought to be talking about, if we really care about those farmers, how to make a transition to other crops as we, as a nation, try to discourage people from smoking. That is what we ought to be doing, and if the gentleman wanted to deal with the problem, we would try to come to terms with it.

We have enormous pressures to keep the status quo. Do not touch the subsidies going to tobacco farmers. People say, "Well, let's deal with alcohol." Well, let us deal with alcohol, but let us recognize the disproportionate deaths from tobacco. They say, "Well, let's do something about kids smoking," but those same people that said that on the House floor object to the Food and Drug Administration promulgating regulations. They are in favor of some voluntary effort by the tobacco industry which, as an industry, has a conflict of interest. The industry does not want to discourage kids from smoking because those kids that take up smoking as 13-, 14-year-olds are their customers when they are adults. They are the ones who get hooked on nicotine.

I urge that we support this amendment. It is a good first step. We ought to do it. There is no reason not to do it.

Mr. DOGGETT. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Texas.

Mr. DOGGETT. Now, the gentleman from California mentioned that there are other measures besides this amendment which only keeps us from wasting a certain amount of public moneys in support of death that ought to be taken. Are there going to be any of those measures coming out of the subcommittee that the gentleman from California has served on and focused so much attention in prior Congresses to this tremendous tobacco epidemic in the country?

Mr. WAXMAN. Mr. Chairman, as the gentleman from Texas well knows, the most powerful special interest in this country is the tobacco industry. They have invariably gotten their way in the Congress of the United States. The inquiry that our subcommittee conducted about tobacco industry practices was stopped. The tobacco industry is a major campaign contributor.

Mr. DOGGETT. How does the gentleman from California mean it was stopped?

Mr. WAXMAN. The new leadership of the committee decided that there was no reason for this country and this Congress to look into tobacco industry practices.

Mr. DOGGETT. So even though tobacco is the No. 1 cause of preventable death in the United States, this Congress, this House under the Gingrich leadership, is not doing anything about it?

Mr. WAXMAN. The gentleman is absolutely correct. This Congress and the leadership of this Congress has done exactly what the tobacco industry has wanted it to do. It has stopped any investigation of the tobacco industry. It has condemned the Food and Drug Administration as it attempts to deal with the problems of children being seduced into smoking. It has supported the continued subsidies of the tobacco industry and its farmers. We are losing the war, and the people who have been elected to be responsible for the Nation are turning their backs on that whole effort.

The CHAIRMAN. The time of the gentleman from California [Mr. WAXMAN] has expired.

Mr. DOGGETT. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. WAXMAN] be granted 3 additional minutes to respond.

Mr. ROGERS. Mr. Chairman, I object.

Mr. DOGGETT. Mr. Chairman, there have been no objections to anyone else getting unanimous-consent extensions on this.

The CHAIRMAN. Objection is heard.

Mr. DOGGETT. Mr. Chairman, I would like the gentleman identified under the rules because they may want to speak again and I may want to object.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] has objected.

Mr. WHITFIELD. Mr. Chairman, I move to strike the requisite number of words.

It is impossible today in today's climate to discuss anything relating to tobacco without discussing the political correctness of the issue, and I think that all of us would agree with that, and I do not think there is anybody in this Chamber, or anybody that I know of, that wants young people to smoke any tobacco product, and every tobacco product today has on the package that it may be dangerous to one's health to smoke the product or to chew the product, and we all know that, and all of us know that there are many things in our society that it is harmful for us to engage in. Many things: drinking alcoholic beverages, drinking and driving, dropping out of school. But we also know that individuals make individual choices about what they do, and the same thing takes place on this issue of tobacco.

We know historically that prohibition did not work in the alcohol business, we know that it is illegal to sell and buy cocaine and heroin on the streets of America, and yet we know that it is done all over the streets of America, and we know that organized crime is involved in the selling of those products. But one thing that we also know is that tobacco is a legal product, and it is a regulated product. It is not regulated by FDA, as the President and other Members of this body would like it to be, but it is regulated by the Department of Agriculture, the Federal Trade Commission, HHS and other agencies of the Government, and it is a legal crop.

Now, over the past 8 years two agencies of the Federal Government have taken real reductions in appropriations. That has been Agriculture and Defense. And the farmers throughout America stepped up to the plate on this Freedom to Farm bill and volunteered that over the next 5 years all of their price support systems would be eliminated. And in tobacco there is no price support system today that is paid for by the Government. The tobacco farmers and the tobacco industry, manufacturers, pay for that price support system.

And this amendment simply discriminates against over 140,000 small farmers in 23 States, many of whom only have 1 or 2 acres of land to grow this legal product, and this amendment basically says that if someone grows this product, this crop, they cannot use the facilities of the U.S. Department of Agriculture to advise them on the pesticides or the insecticides that they should use on this product, and all of us recognize that there are some dangers in the chemicals being used today, and we need advice from the Department of Agriculture on those types of issues, and so this amendment would prohibit that.

And in addition, this amendment would also prohibit farmers from buying crop insurance. Now, up until this freedom to farm bill, it was required that farmers buy catastrophic crop insurance. Most of them really did not want to. And the gentleman from Illinois [Mr. DURBIN] mentioned awhile ago, he said that the Government will spend $97 million this year, but the estimate is that it will be $97 million, and most of that is on crop insurance that farmers themselves paid the premium, they paid the premium for it, and if anything happened to the crop, they will be reimbursed. And some things did happen. As the gentleman from Kentucky mentioned earlier, blue mold hit, and it about destroyed the crop this year, and so they paid for a premium to be covered. Blue mold hit the crop, and now they are going to be compensated. And this amendment would prohibit that from taking place in the future.

And so I would just say it is an amendment that discriminates against 140,000 small farmers in 23 States around this country.

Now, if my colleagues want to make tobacco illegal, then let us bring it up for a vote. Let us not try to harm these small farmers and let the big manufacturers get off. And furthermore, I would challenge my colleagues that Government cannot control the actions of people on everything that they do. We cannot control that somebody is going to smoke. We cannot control if somebody is going to contact AIDS through illicit sexual contact or kill themselves while driving intoxicated.

So that is what this amendment is all about, and I would urge all of us to vote against the Durbin amendment.

Mr. BISHOP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Durbin amendment. I feel that this amendment is unfair, it is discriminatory, and it will create a bureaucratic nightmare.

I represent tobacco growers. I represent tobacco warehouses, and I represent the largest cigarette manufacturing plant in the country. What I see this debate about is not whether to outlaw tobacco, which perhaps would be more of an appropriate debate, not whether to smoke or not to smoke, which perhaps would be an appropriate debate, but here we are talking about taking away crop insurance and the advice of extension agents from people who are scratching out a living from the soil in the hardest of possible ways to just to make ends meet.

It is not right, it is not fair, and I just think that we ought not be doing that.

What we are talking about here are jobs. What we are talking about are families. We are talking about college tuition. We are talking about hospital bills, doctor bills. We are talking about health insurance even, derived from the hard work that these families scratch out from the soil.

I had the good fortune to marry a young lady who grew up on a tobacco farm, and we spent hours and hours talking about what it was like growing up on that tobacco farm when her father would have to go and mortgage the land to plant his crop and how when the crop came in and after they got through curing it and they got through selling it, how he would go back to the bank, if they had a good year, and pay off the mortgage. And she talked about how many years they would have to go back and renew that mortgage and hope that they could make a better crop the next year, and in the meantime the land did not get foreclosed on.

Her father always said, "I hope that life for our children won't be as bad on this tobacco farm as it has been for me."

The advent of crop insurance improved that lot for that tobacco farm in North Carolina. I believe that we ought not to, as long as this product is legal, discriminate, be unfair and create a nightmare, as this amendment would do.

Mr. Chairman, I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise in opposition to the Durbin amendment and say this really is not about whether one smokes or not. I am not in denial that smoking harms. I am not one who says that smoking should not be for children. I do not advocate. So it is difficult to follow Mr. WAXMAN's startling statistic.

But this is not about smoking. This is about discriminating against the poorest of the poor of that industry. Our colleagues are not attacking the big boy. They really are attacking the small farmer.

This is a vested interest. I represent the largest amount of farmers who grow flue-cured tobacco in the country.

□ 1630

Obviously, I feel for them. I also feel for those who may see this as a moral issue. I commend the gentleman from Illinois, who has consistently been about this.

However, Mr. Chairman, I want to tell the Members, this is not the way to go about it. We should not discriminate against farmers who happen to be growing tobacco, soybeans, cotton, and to say that they should not have the assistance of our Government, or we should not find a way where they cannot insure their crops. Go after it as a moral issue. This is not the way to do it.

Mr. Chairman, I urge our colleagues to understand, they are not making the decision around smoking or not smoking, they are really making the decision about whether they want to be fair to farmers, regardless of what legal crop they are growing. I urge the defeat of the Durbin amendment.

Mr. SKEEN. Mr. Chairman, I have a unanimous consent request. I would ask the gentleman from Illinois, we have been at this for about an hour and

15 minutes. I do not want to cut anybody off, but I think at least we ought to have some parameters. How about 80 minutes?

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I agree with the gentleman. If the gentleman would agree to 90 minutes, I think we might be able to wrap it up.

Mr. SKEEN. We will go 90 minutes.

Mr. DURBIN. Forty-five minutes on each side. Will the gentleman control those in opposition to the amendment?

Mr. SKEEN. Yes.

Mr. DURBIN. I will control those in favor of it.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 90 minutes and that the time be equally divided.

The CHAIRMAN. The Chair understands that the time will be divided, 45 minutes to be managed by the gentleman from Illinois [Mr. DURBIN] and 45 minutes to be managed by the gentleman from New Mexico [Mr. SKEEN].

Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina [Mr. FUNDERBURK].

Mr. FUNDERBURK. Mr. Chairman, here we go again with the constant attack on tobacco in the form of another Durbin amendment. This amendment is being sold as an attempt to change smoking habits. As usual the label is misleading. It won't change smoking habits one bit. This legislation breaks a complex and time-honored agreement between the farmer, the Government, and the manufacturer. If this amendment passes, tobacco farmers would be the only farmers in America denied access to Government-funded research, education, and extension services for their crop. This amendment even denies tobacco farmers Federal crop insurance and sets up the taxpayers to absorb millions of dollars in defaulted farm loans. It imposes a politically correct gag rule on USDA officials by preventing southern farmers from accessing information which they paid for with their own tax dollars.

If the authors also intend to wound multinational corporations they are off the mark. The big companies won't be hurt by this amendment. They will simply pack their bags, move off shore, and sell us foreign tobacco. So, the people this amendment really hurts, live in the small towns in my State and across the country. These law-abiding citizens don't sit on corporate boards or drive big cars, they merely ask the Congress to treat them fairly and on that count the Durbin amendment fails miserably.

It is time for DURBIN, WAXMAN, Kessler, and Clinton to stop picking on small tobacco farmers. Where is their substitute for $15 billion to the Federal, State, and local governments in the form of sales and excise taxes? Six billion dollars in exports—that's a lot of jobs.

Over $30 million to the U.S. Treasury for deficit reduction.

Prohibition, crop diversification—it's simple to say but not to do.

This amendment is bad legislation. It does nothing the authors claim and punishes no one the authors want to punish. So, Mr. Chairman, the next time a Member of Congress, on either side of the aisle, talks about protecting the little man and small businesses take a look at how he voted on the Durbin amendment and see how his claim stands up.

Mr. CHAMBLISS. Mr. Chairman, will the gentleman yield?

Mr. FUNDERBURK. I yield to the gentleman from Georgia.

Mr. CHAMBLISS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, none of us disagree with the gentleman from Illinois [Mr. DURBIN] that we ought not to encourage children from smoking. We ought to. This amendment will do nothing about that. All of us agree that smoking presents hazards to one's health. This amendment does nothing about that. This amendment is, pure and simple, about corporate America versus little farm family America.

Mr. Chairman, I have very few big farmers in my district. Most of my farmers are small farmers. The big farmers, the corporate farmers, do not depend on the county agent for advice. They depend on the experts, the high-priced experts from Lexington, from Raleigh, from Athens. They can afford that. The small family farmer depends on that extension service agent, the Gary Gloes, the Scott Browns, to come out and examine their fields, be it corn, be it peanuts, be it cotton, be it tobacco.

What you are doing is saying it is all right for you to look at your corn patch but I cannot look at your tobacco patch and tell you what is wrong or what you need to do. The gentleman and I know that the management of that will never work. It simply cannot work. I urge the defeat of this amendment.

Mr. DURBIN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. SMITH].

Mrs. SMITH of Washington. Mr. Chairman, I rise in support of the Durbin amendment to cut the tobacco subsidy and transfer the money saved into the rural development programs.

This is just one of the many steps this body needs to take to balance the budget. Members have a clear choice today. They can choose to subsidize tobacco growing or they can vote to give rural areas safe drinking water. We need to spend the taxpayers' money very, very carefully. I think if we took a poll of America today, we would find that 99 percent would not choose to subsidize tobacco.

Do not think for a minute this is about the small farmer. Last year when we took this vote, the three major tobacco lobbies cut 135 checks, half of them on top of the markup and the other half within 48 hours of the vote. The time for the vote came and it went down. These are business people. They had every intention of affecting the vote. I do not question each Member's vote, but a good businessman or woman does not give money to anything that they do not expect a return on.

Mr. Chairman, the big tobacco industries are a $45 billion industry. They are fighting this vote and they are fighting it because they do not want to lose one toehold they have on this place, or at least they believe they have on this place, because they are major, major contributors to campaigns, and mostly right around the votes.

Last year, we even had tobacco checks, as we read in the news a couple of weeks ago, passed out on the floor of this Chamber. This is serious, Mr. Chairman. Tobacco companies know that they are in trouble. Why not give the $23 million to clean water? Does that not make more sense? I think it makes more sense. I think the American people think it makes more sense.

We have had conflicting stories on the floor today about how lucrative it is or not, and how in jeopardy the small farmers are. I have looked. You can grow a little tobacco, for a lot of money, practically in your backyard. I understand that that is a good way for some families to make their living, but it also costs America very dearly.

Mr. Chairman, the argument of corn, let us talk about the argument of corn. Why do we continue with crop insurance for corn? By the way, I am for getting rid of all agriculture and all corporate subsidies eventually. If we Republicans believe in getting rid of the debt, we have to stop subsidizing a lot of things we have been subsidizing over the years; by the way, started by the Democrats.

But I believe that starting with tobacco makes a whale of a lot of sense, whether it is $20, $21, or $90 million, because the difference between corn and tobacco is very simple. My grandkids need corn to eat. Tobacco is going to kill them. It killed my mother. It has killed my relatives. It could kill my grandchildren. That is a lot of difference there—400,000 deaths each year. Corn does not cause emphysema or lung cancer. It might make you fat, but in general you can only eat so much of it, and 3,000 children a day do not become addicted to corn.

Mr. Chairman, I certainly do not want to be in a position with my constituents of going home and saying "I subsidized tobacco, but I did not have any money for clean water for your communities." I have 27 pending applications for water and sewer grants. We need that money. That is good, healthy money. It could be used for that. Mr. Chairman, let us vote today to free up that money for clean water. This is just one of several farm and corporate subsidies we need to get rid of to balance the budget.

The main cry we came in with, in fact, I waved a flag at the Contract With America that said "I am going to balance the budget. I am going to clean up the corruption." We stood there together and we said that. We have to do it even to things that are in our backyard, folks. I have done them to things in my backyard. You have to, too.

The argument that tobacco is legal makes little sense to me. There are a lot of legal things, but we do not subsidize them. Especially we do not subsidize those things that are destroying Americans and costing the Medicare system enough to bankrupt it. Today, I ask Members to think very carefully about where they have their priorities in this body. We all have to have their priorities, but this one has a lot of problems. I ask today that Members support the Durbin amendment.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, I will try not to use all that time so others can.

First of all, Mr. Chairman, this amendment, I would say to my colleague, the gentleman from Illinois [Mr. DURBIN], is somewhat confusing. If we were to adopt it, I am not sure exactly how it would be administered or what would be carried out. I am somewhat confused between crop insurance and rural utilities. I would have thought, and I have many of these same co-ops in my district that the gentleman has, but I would have thought if the gentleman really wanted to fund this, he would have cut crop insurance for corn and soybeans, corn and soybeans in the gentleman's district. Then we would have probably all come to the floor and discussed that. I do not see the connection between taking crop insurance from one crop and not from another.

It is about small farmers. The debate here is totally off what we are talking about, what this amendment does. This amendment takes from the Crop Insurance Program and puts it into another area; maybe a very deserving area, but one the Committee on Appropriations has already decided has been adequately funded. Now we are going to take it away.

Mr. Chairman, I believe that a lot of this is very self-serving and political. The debate is not about tobacco. Yes, it is about small farmers that will be hurt, in this case, tobacco farmers; not corn and soybean farmers, tobacco farmers, because that is who the amendment is aimed at. Yet, we continue just to ignore the fact that these same farmers are paying their way, paying their way, and then we are going to take away what little government is left for them, and we are not going to take away the assessment that they pay, it is going to continue to be there, that tax on them.

Mr. Chairman, let me just, in closing, say that this amendment is confusing. I do not think it is easy to enforce. I think it is time to vote it down. But the issue of smoking, not one person has gotten up and said, "I like to smoke." I am not going to, either. I am a reformed smoker. I do not think we should smoke. My children do not smoke. I did not want them to smoke. But the point is, if you want to legislate on that issue, the appropriation process is not the place for the debate and not the place to decide that. We should do that in the substantive committee. That is where it ought to go.

We ought to decide what we can do to address this problem in America. We ought to remember that we only should put into law what we can do and what we can afford to do, because we put into law an awful lot of things that we do an awful poor job of enforcing, and then we wonder why.

Mr. Chairman, I suggest that this amendment is ill-advised, terribly hard to follow, unable to be enforced, and should be voted down. If we want to debate this issue, do it in the proper form.

Mr. DURBIN. Mr. Chairman, I yield 5½ minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, I thank the gentleman for his leadership. I join him today in offering this amendment, because it is time for our Government to stop subsidizing death. That is really what this is all about. A government subsidy to promote the growth of tobacco makes as little sense as a government subsidy to promote the production of the plants and the seeds from which strychnine is derived. In either case, it uses public money to deliver poison to the American people.

□ 1645

The only difference is that the tobacco kills a little more slowly and a little more painfully than the strychnine. And tobacco ultimately costs our American taxpayers literally billions of dollars in additional health and disability claims that we end up having to pay rather than a swift strychnine death.

Tobacco is the leading cause of preventable death in this country. Yet there are people on this floor today opposing this amendment who are at this moment expending public money to promote the production of even more tobacco.

Some 80 percent of adult smokers begin as children in their smoking habits. That is why it has been described as a pediatric disease by the American Academy of Pediatrics. Every day more than 3,000 young people take up smoking. The average age, according to one study in Texas, was a little under 13 years old to begin this terrible situation that ultimately leads to death for so many. But the opponents of this amendment say, "Keep the Government in the driver's seat. That's the only way to make it fair."

Well, the Government is in the driver's seat all right. It is in the driver's seat of a hearse. That hearse is carrying and transporting 400,000 Americans directly who are smokers and about another 50,000 every year who die from the indirect consequences of secondhand smoke.

This amendment eliminates the public funding of tobacco-related extension services and it eliminates Federal funding for tobacco crop insurance subsidies.

But this amendment is more than just one of fiscal responsibility. It is more than just one of saving lives. It is about breaking the stranglehold that one of the most powerful lobbies in the country has on this Congress.

As always, the purveyors of poison are hiding behind the small farmer. They picture some fellow with a big plug of chewing tobacco in his cheek in an old beat-up pickup truck rumbling down some back road.

This is not about that guy. This is about the most pernicious lobby in this country today. If our citizens could vote directly on this issue, they would see right through this sham. They recognize that the tobacco companies are going to continue to peddle this poison as long as they can pay for the right to do so.

And my how they have been paying. For while I recognize that they have exerted tremendous influence over both parties in the past and while I applaud my Republican colleagues like the last gentlewoman who rose to support this amendment, I think we have got to be clear that the Republican National Committee these days is like a giant cigarette vending machine. The tobacco companies put in their money and they pull out the influence they want.

In the first 6 months of 1995 alone, the tobacco companies poured more than $1.5 million into the national treasury of the Republican Party in so-called soft money. By the end of the year they had gotten up to almost $2.5 million. Who knows, now that we are finally in an election year, how much money they have been able to dump over there.

With those kinds of dollars, you can bet that when a tobacco lobbyist calls the National Republican Party that they do not get put on hold or get forwarded to voice mail.

No, they get Haley to pick up the phone as he did and call the Governor of Texas. They get him to call all over. As far as the soft money is concerned, then there is the hard money. Of course the tobacco lobby does not make it too hard on Members of Congress to get their largesse. Indeed, they had the head of the Republican conference running around here on the floor of this body, on this very floor, acting as an errand boy for them so that the Members of Congress that want that tobacco money will not even have to walk across the street to get it.

All during 1995, tobacco interests gave a total to people of all parties associated with Congress in soft money and PAC money over $4 million. That is a pretty good harvest. I would say it is a very bountiful harvest.

It was Mark Twain who said, "It's easy to give up smoking. I know so because I have done it a hundred times." Well, we only need to give up this public largesse in return for the favors from the tobacco lobby one time.

Let us do it today. Let us get out of the hearse and get this program revised and the public out of the business of promoting death.

Mr. SKEEN. Mr. Chairman, I yield 7 minutes to the gentleman from North Carolina [Mr. BURR].

Mr. BURR. I thank the gentleman from New Mexico for yielding time.

Mr. Chairman, I have sat here for an hour and a half, maybe a little bit longer. Thank goodness we have a time frame on it. I have waited for the merits of why this bill, a bill that puts a gag order on extension agents in this country, is good. I have heard about smoking and I have heard about this and I have heard about that, and now we have heard about PAC money and we have heard about influence. We still have not heard any merits on why extension agent gag is an appropriate method.

In fact, tobacco is an attractive target these days. The administration is on it. We have got the Durbin-Waxman two shoe again. It is consistent. In due respect to them, they are consistent. They continue to do it. Why do they do it? For the same reason my colleague from Texas was just up here. Because it is profitable for them. Because they do not talk about the money they raise from the people that fight this industry day in and day out.

Congress has the jurisdiction on what the legal status of it is. If the American people want it changed, I will assure my colleagues they are a much more powerful lobby than is any single interest group here in Washington or the whole interest groups here in Washington combined. We give the American people the wrong impression when we say that they do not have a voice here.

Well, they do have a voice in the Fifth District of North Carolina and they elected me to be here. They elected me to protect their livelihood. The fact is that this amendment is not about tobacco and it is not about smoking. This is about killing the livelihoods of families. It is about destroying communities throughout the South because we will drive farmers out of business.

My colleagues are offering to kill programs from which tobacco farmers in my district benefit, while they are proposing to maintain, as my other colleagues have mentioned, their own programs.

I would say this to the gentlewoman from Maryland [Mrs. MORELLA], and I am sorry she is not here, if she believes that doing away with the extension agents for tobacco is in fact that profitable, then why does she not propose that we do away with extension agents, period?

It is very simple. It is because the assault here is tobacco. It is under assault under the auspices of Federal spending. There is not a crop in this country that has done more to be self-sufficient than has tobacco. They have reached out every time that this body has suggested that in fact the Federal Government had too great a share and they have cleaned it up. They have a no net cost program for the stabilization side of it.

And yes, there is some Federal money that is there for extension agents to talk to farmers, to help them move from a one-crop farm to a multicrop farm. As a matter of fact, North Carolina used to be a one-crop State. Today we are the third most diverse State in this country behind California and Texas. Why? Because extension agents have helped us to make that transition. Without them, our farmers are dead, and you can bet on it.

It is unbelievable to think that we would in fact sit here and pass a law that would say to extension agents, "You can talk to a farmer about the azalea bushes and when to clip them, about the grass and how to make it green, you can talk about cotton and pigs and everything else, but you can't talk about tobacco." How insane we would be to even consider something like this.

As a matter of fact, if I were a farmer in Illinois today, as my deal colleague Mr. EWING said, I would be scared to death of what the gentleman from Illinois, Mr. DURBIN may do.

The reality is that, as in the past, this amendment amounts to plain discrimination against our farmers who depend on tobacco to put food on their tables. In fact, earlier, the gentleman from Illinois [Mr. DURBIN] said, look at the kids visiting us today. My only regret at that time, I was sorry that the children of tobacco farmers were not here today, because they are just as important. Are their lives not as important for us to protect as everybody's in this country?

We will solve the smoking issue. We will do it responsibly. We will debate the issue. But we do not do it by disguising an attack on the industry and by destroying people who in fact are just plain farmers.

Mr. Chairman, if Congress were to say today that tobacco could not be grown anymore, it would take at least 3 growing seasons to prime soil for new crops, notwithstanding the fact that most tobacco farmers have neither the acreage or the proper soil to prosper with different crops.

As a matter of fact, the average tobacco farm in my district is 3 acres. Three acres is not enough to even take a good-sized tractor and get it going before you have got to turn it around. Needless to say, they do not have the up-front capital to start raising chickens or hogs. Given the same circumstances, I am sure that most other farmers would face a similar situation.

But Congressman DURBIN would eliminate crop insurance for tobacco. He may not like tobacco, but it is downright cruel to pull the rug out from under farmers whose crops fall victim to such plagues as blue mold which has wiped out hundreds of acres of burley tobacco.

Will we not cause a nightmare for extension agents when they cannot control disease in one crop and all of a sudden it begins to affect others? Will we not do a terrible thing to our environment in this country if we do not have agricultural agents who are working with farmers as it relates to pesticides and to other things that they use on their crops, and farmers do it out of ignorance versus out of education? Do we not do an injustice by not allowing the latest in research and technology to drive what they do? How can it be good policy to put agricultural extension agents under a gag order?

Good policy would be to control disease, to monitor pesticide usage, to protect workers and the environment. The Durbin amendment is bad legislation. It threatens the environment, it threatens the livelihood of thousands of families, and it threatens American jobs.

Mr. Chairman, I am here today to defeat the Durbin amendment. I am here to defeat the Durbin amendment for one primary reason, because it is what is right.

Mr. DURBIN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Utah [Ms. GREENE], who is in support of this bipartisan amendment.

Ms. GREENE of Utah. Mr. Chairman, I rise in strong support of the Durbin-Hansen amendment. This amendment would prohibit the use of funds for tobacco-related extension services and for tobacco crop insurance.

Mr. Chairman, we have had to make many difficult choices in the appropriations process in this Congress, but this amendment should be offering us an easy choice. We simply have to ask ourselves the following question: Why is the Federal Government subsidizing the tobacco industry?

We now have incontrovertible evidence regarding the catastrophic damage tobacco use does to our citizens, to our economy, and to our Federal budget. More than 400,000 Americans die every year because of cancer, heart disease, and other smoking-related illnesses. Smoking costs our economy approximately $50 billion a year in direct health care costs and another $50 billion in indirect costs such as lost productivity through sickness and premature deaths. It is estimated that Medicare will be forced to spend approximately 800 billion taxpayer dollars over the next 20 years to care for people with smoking-related illnesses. Given these profoundly troubling facts, how can we ask this House to appropriate another dime for the tobacco industry?

Setting aside the individual health concerns for a moment, let us look at this issue from a purely economic perspective. How can this House ever justify subsidizing a product that directly increases our Federal health expenditures so dramatically, let alone during such challenging budgetary times?

Mr. Chairman, this amendment takes another critical step toward bringing our budget priorities in line with the realities of the danger and the expense of tobacco. Previous Congresses have already prohibited USDA funding for tobacco-related research and export assistance. This amendment is the overdue next step.

The $25 million that the Durbin-Hansen amendment will save will be used to restore cuts in funding for rural development and health programs. For example, this amendment will increase rural water and sewer assistance by $22.5 million. Mr. Chairman, the USDA has estimated that over 400,000 rural households are still without safe and affordable water. Addressing that problem should take priority over subsidizing one of America's most lucrative industries.

□ 1700

This year the Federal Government is spending $98 million on a variety of taxpayer-supported programs for the tobacco industry. We have heard that this is discrimination, that this should be treated like any other crop, but unlike other crops, tobacco has no safe level of use, and of all the crops grown in this great country only tobacco has a body count. This crop should not enjoy the same Federal assistance and protection that other crops do.

Mr. Chairman, I urge my colleagues in the House to support the Durbin-Hansen amendment.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. Mr. Chairman, I rise in opposition to the Durbin amendment, and I do so reluctantly because I admire the gentleman and have worked with him and have enjoyed getting to know him since I got here, but I think this amendment is really not aimed at the right folks, and I mean this sincerely.

This amendment is going to be aimed at the people who produce tobacco on farms, and those are not the people who are getting rich on tobacco; those are not the people who we hear about when we hear about the tobacco issue being discussed; rather; these are the people who are able to stay on their family farms because of the income they derive from their tobacco allotment, and these are not large farmers.

As we heard from the gentleman from Georgia [Mr. BURR], these are people who are farming, 2, 3, and 4 acres. The size of their acreage is comparable to home sites in some parts of this country. These are not big agribusiness folks, these are regular people, and it is these tobacco crops that are allowing them to keep these farms in the family.

The reason that I know that, Mr. Chairman, is that I know these people from my community. Mostly they do not live in Louisville, KY, but they work in Louisville, KY. And Members might say to me how do they work in Louisville if they farm tobacco? Well, the reason they work in Louisville is that the tobacco income is what keeps them on the farm, but what keeps their families going is their factory job income. They work in Louisville at United Parcel Service or General Electric or one of the other manufacturers in Louisville, one of the other large business enterprises, to keep their family farm and their way of life.

So as we have heard today, this amendment is not about attacking tobacco, this amendment is not about attacking the large tobacco companies; the brunt of this amendment will land on the small farmers.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, I am very much in support of the amendment of the gentleman from Illinois, and I commend him for offering before the House.

Over and over this afternoon we have heard the opponents of this amendment attempt to equate tobacco with other products, with corn, wheat, and soybeans, but there is no equation of tobacco with those products. Those products provide the food and fiber which sustains our health and our lives.

Tobacco is fundamentally different. Tobacco promotes dependency, addiction and death. There is hardly a family in America that has not been affected by this addictive drug and the health consequences that it causes. In my own family we have been robbed of the counsel and comfort of members who have been taken prematurely as a result of the addiction to tobacco. That affects everyone and that is what this amendment is all about.

Tobacco costs us. It costs us billions of dollars, several hundred billions of dollars a year in health care costs related to the effects of tobacco.

We send a contradictory message. We tell people they should not smoke, but we are here subsidizing the essence of that smoking. Cigarettes and smokeless tobacco, which is the basis of this amendment, causes addiction and causes death. We say to our kids, do not smoke. And they say to us: "If smoking is so bad, why is the Government paying people to help them grow tobacco? Why is the Government paying people to go out and help them grow better crops and grow more tobacco? Why is the Government subsidizing insurance if it is so bad? I do not understand what is going on here," they say to us. "You are telling me two different things."

If we are sincere about dealing with the problems of tobacco in our society, which are costing us so much, robbing us of productive people, causing enormous expenditures in our health care delivery system, which affects our budget deficit on a daily and yearly basis, then we need to be consistent in the message we are sending and we need to support this amendment which will help us bring about that consistency.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of his amendment.

Mr. Chairman, the Federal Government, as has been stated earlier today, spends roughly $98 billion on a variety of subsidies for tobacco. Tobacco use is responsible for one out of every five deaths in America. Tobacco products are responsible for more than 400,000 deaths each year due to cancer, respiratory illness, heart disease, and other health problems.

Cigarettes kill more Americans each year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs, and fires combined. Smokers who die as a result of smoking would have lived on average 12 to 15 years longer if they had not smoked. Smokers are 50 percent more likely to bear mentally retarded children, and on an economic basis smoking costs our economy over $50 billion a year in direct medical costs.

Then there are the young people. Smoking is also a major issue for our young people. An estimated one out of every six American teenagers are regular smokers. Every day approximately 3,000 people begin smoking and over half of them have become addicted. Over 70 percent, it has been said 80 percent on this floor, of adults who smoke started smoking daily before age 18. One quarter of these new smokers will eventually be among the more than 400,000 who die of tobacco-related illnesses each year.

One day in Delaware I was going through a pharmaceutical supply house and they had a room called the smokers room, and it was all liquid food, basically for people who had smoked and no longer could eat regular food as a result of that smoking.

Given these facts, the amendment we are considering today is a very modest one. It would simply reprogram $25 million of tobacco subsidies from tobacco-related extension services and tobacco crop insurance to rural development and health programs, a very good cause, by the way, giving rural areas safe drinking water.

Mr. Chairman, it is difficult to justify using scarce taxpayer dollars on a product which literally kills those who use it as directed. I strongly urge my colleagues to support the Durbin amendment.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. Mr. Chairman, I thank the gentleman for yielding me this time and I rise in opposition to the Durbin amendment.

Mr. Chairman, we have heard a number of good arguments today on both sides. I know the gentleman from Illinois [Mr. DURBIN] is very sincere in his beliefs, as are the other folks who have spoken with their various issues. We have heard debate, though, that I think should be categorized in two areas, one is philosophical and one is specific to the amendment.

Philosophically, we do have a debate of the U.S. role in the tobacco industry. What is the proper Government role? The Government, for example, spends millions of dollars on the ASSIST program and on the DARE program, which are, among other things, tobacco-oriented education programs that teach people, students, not to get involved with illegal drugs and then some of the legal, I do not know if they are drugs, but alcohol and tobacco and other habits that young people can, all people can fall into.

We spend lots of money on these programs and we do spend money in an indirect fashion on tobacco, yet we also have heard many times that that program brings in $1.4 billion in revenue. So it is certainly not a perfect program the way it is handled right now, and yet, as we look at farm programs in general, none of them are perfect and often we do have some inconsistencies in what we are trying to do in the big picture.

But if we get away from the philosophical debate, and I think we should have the philosophical debate, for example, one of the things that has not been brought up, in my opinion, is the freedom argument. I think that people in America do have a freedom to engage in smoking or not to engage in smoking, a freedom to overeat or not to overeat, a freedom to exercise or not to exercise. And I would also submit to my colleagues that the statistics that I read, which are often attributed to smoking in terms of illnesses, often the person who is that statistic is not eating right and is not exercising right as well, but it is the cigarette industry that always gets blamed for it.

But let us move away from the philosophical debate, because what we are arguing here is not philosophy, what we are debating here is the Durbin amendment. And the Durbin amendment says that farmers cannot participate in the Federal crop insurance program and they cannot have communication with the extension service folks.

Now, as long as tobacco is a legal crop, does it make sense to say the farmers in America cannot do what other farmers are doing who farm cotton, wheat, corn, soybeans, peanuts, sugar, and so forth; they cannot participate in a subsidized crop insurance program?

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. KINGSTON. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I would note one fact that was brought up early in the debate, there are 1,500 legal crops in the United States, only 60 of the 1,500 are covered by crop insurance. There are many things the gentleman and I could grow that would not even qualify for crop insurance, and that is the basis for this amendment.

Mr. KINGSTON. Mr. Chairman, reclaiming my time, that is correct, but I believe the ones that are subsidized are ones that have Federal Government programs, and so the ones I have named are the ones where there is a Federal Government program.

My point is, as long as it is legal, is it right to tell a farmer that he cannot participate in it? I am not sure that it is right. I think it is a tad punitive, although I certainly know that the gentleman's target is not the farmer.

The other thing is this communication with the extension service agents. These are the agents who tell folks how to apply pesticides and fertilizers and so forth, and often, as the gentleman knows, because he is a gentleman who likes to protect the environment, misuse of pesticides and fertilizers can lead to environmental impairment, and yet tobacco farmers would be unable to get the needed expertise from the extension service agents.

There are also ramifications on the loan program and so forth. So I would say that what the Durbin amendment does is, while philosophically this is not its intent, in reality it has the effect of hurting farmers and I think is somewhat punitive. I believe that a better approach would be the general philosophical debate on tobacco at the proper time and also continuation of programs like the DARE Program, the ASSIST Program, possibly looking into the outlawing of cigarette vending machines, because they are readily available to minors, and maybe having some tricky debate about first amendment rights in terms of advertising that entices young children to get involved in cigarette smoking, and so forth.

These things the gentleman and I have talked informally on. We are not really on the proper committee of authorization for it, but I think it is something this House should hold a debate on. But on the current amendment that is pending I believe the proper vote, Mr. Chairman, is "no."

Mr. DURBIN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I thank the gentleman for his leadership, and I rise in support of the Durbin-Hansen amendment because it is time to stop spending the taxpayers' hard-earned money to subsidize a product that kills over 1,000 Americans every single day.

Each year more than 400,000 people die prematurely of tobacco use. As my colleague from Delaware pointed out, cigarettes kill more Americans each year than AIDS, alcohol, car accidents, murders, suicide, illegal drugs, and fires combined. Fifty billion dollars is spent on health care related to tobacco use.

Despite all that we know about the health hazards of tobacco, too many of our young people, especially the young ones, continue to light up. In my own State of Connecticut, one out of three 9th through 12th graders have smoked a cigarette in the past month. About one out of five 9th through 12th graders smoke regularly.

□ 1715

More preschoolers in this country recognize Joe Camel than they do Mickey Mouse. We have a problem in this country. And industry, like big tobacco, that can find the money to run ads so convincing to appeal especially to young people about the glamour of tobacco surely does not need taxpayers' money.

About 3,000 young people across the Nation under age 18 become regular smokers every day. On average, they start smoking at age 14. Tragically, one out of three of these teenagers will die of a tobacco-related illness. We must stop this killing of our family members and our friends.

I am doing all I can to prevent these tragic deaths. At home I started a campaign called Kick Butts Connecticut, targeted at middle and elementary school kids to prevent them from ever starting to smoke.

More than 80 percent of all adult tobacco smokers had tried smoking before their 18th birthday and more than half of them had already become regular smokers by that age. Studies show that if people do not begin smoking as teenagers or as children, it is very unlikely that they ever will do so.

I think public education campaigns are vital to the war that we are waging against cancer in this country. We truly do need to do more if we are to cut the number of tobacco-related deaths in this country.

And despite the deadly impact of tobacco, some have argued that we cannot simply abandon our Nation's tobacco farmers. This amendment does not abandon them. It takes the $25 million in savings from the elimination of the tobacco subsidy and puts it into productive uses in agricultural regions all over this country. The money saved would be used to improve water and wastewater for development purposes, expand the use of technology and advance education and medicine in rural areas.

These funds would create great alternatives for struggling areas of our country, without relying on taxpayer-funded subsidies to promote an industry that kills. This appropriations bill, like all appropriations bills, is really about out Nation's priorities, and I do not understand how we can support the tobacco subsidies in this bill and at the same time are proposing in other areas to gut and decimate Medicare.

Mr. Chairman, we have the opportunity today to send a very clear message to the cigarette industry and to the grim reaper, big tobacco. Let us stop wasting taxpayers' money to promote an industry that has been truly so costly to this Nation. It is time that big tobacco learned to get along in this business without the taxpayers' hard-earned dollars. It is time that we get the tobacco industry off of the Federal Treasury, and I urge my colleagues to vote "yes" on this amendment.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I always hesitate to enter this debate, but I think it is an important one. I always put out my caveats to begin with. First of all, I do not smoke; I do not counsel anybody to smoke.

Second, I support the basic thrust of the FDA regulations that would prevent young people or seek to prevent young people from smoking or having accessibility to cigarettes.

And, third, so that this issue of who gets what campaign contributions is off the table, I have declined to accept tobacco contributions so that when I argue this no one can charge any kind of financial motivation.

But, Mr. Chairman, I rise in opposition to this amendment because this is not about big tobacco, No. 1. Big tobacco is the tobacco company that makes the product. This is about a lot of small farmers, of which there are hundreds in West Virginia. We are pale in comparison to the Kentuckys and North and South Carolinas of the world, but yet we do have a large number of small tobacco farmers that are making this as a part-time living.

But I simply do not understand what is gained by kicking a lot of small tobacco farmers in the teeth. I guess I resent the fact that this would say to them, "You are not going to be able to derive the services of the agricultural extension service who can drive by your place, stop off and see this person raising this crop, and this one raising that one, but you, who also pay taxes, you who are trying to send your kids to school, you who are probably working some regular job in addition to trying to work nights to get this crop in, you do not get the benefit of that agricultural extension agent. You do not get to learn about the latest pesticides or fertilization or whatever it is. You do not get any of the assistance that everybody else that raises a crop does."

If, indeed, as many of us predict, that we drive this production overseas, that is that now we are buying more and more foreign tobacco, tell me what assurance that we have got that the farmer in the developing nation is using the latest scientific techniques that we would want to have our farmer using?

Mr. Chairman, what concerns me most about this is that I do not see where this stops one cigarette from being produced. There are going to be the same number of cigarettes come rolling off the lines. There is going to be one difference: There is not going to be any American content in there. It is going to be foreign content. And so what that means is that we are supporting a whole host of foreign nations.

My understanding, and I have no reason to doubt it, is that if we pass this, this is actually in some way a big-tobacco amendment because what it does is it permits without any hesitation, it permits the large tobacco company to go buy what they would like to do, the cheaper foreign tobacco.

And so what we have done here is to not prevent one cigarette, not decreased one cigarette from being produced, but added greatly to the foreign balance-of-trade deficit.

Restore $25 million. Boy, I would love to have additional money for rural water and sewer. I would love to have that money. The reality is it has been cut far too much; $25 million over the country is not going to go very far. But I have a question: Who is that rural water going to serve in a lot of areas if we, indeed, pass this amendment and make in many parts of our country the rural tobacco farmer and the small tobacco farmer that much poorer?

There is a final point. Here I got real conservative. At some point people choose. And we are not stopping the tobacco extension agent from visiting the person who raises grain or other products that might eventually find their way into the alcohol consumption chain? Perhaps we ought to require them to sign a certificate that it will not be used for any alcohol products so at some point people choose what it is they are going to do.

So by passing this, we perhaps go and get a bunch of small tobacco farmers but have not made it illegal, we have not reduced one cigarette, all we have done is to grant a large number of people who are eking out relatively small livings have that much more difficult time to do of it and we have not reduced cigarette consumption one bit. I do not understand it.

I appreciate the motivation that the gentleman and other supporters of it have. I support education, every kind of effort possible so that people, when they make choice, make it on an informed basis. But going after the small tobacco farmer and saying that we have done something, I just do not think that is what this amendment does, and I would urge defeat of it.

Mr. DURBIN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. RIGGS], who is a Republican cosponsor of this amendment, and I thank him for his patience.

Mr. RIGGS. Mr. Chairman, I thank the gentleman for yielding and for his very strong leadership on this particular issue.

Mr. Chairman, I feel this is a very important initiative, and at the outset of my remarks, in the spirit of full disclosure, I have an admission to make. I was born and raised in Louisville, KY, and I have never used these a day of my life. Yet, as I listen to this debate, I realize that there is a tremendous contradiction, a dissonance that surrounds this debate, because right on the side of this packet of cigarette it says: "The Surgeon General's warning: Quitting smoking now greatly reduces serious risks to your health."

So the Government already warns citizens of the harmful effects of tobacco, yet the Government, or more accurately the taxpayers, partially subsidize the production of tobacco. The Government gives a tacit acceptance to the production of this crop even though on the other hand it warns against its use.

Now, colleagues, we should be consistent here. This is not a discriminatory or hypocritical or mean-spirited amendment. This is about right and wrong.

Mr. Chairman, the other thing that I want to add to this debate, we have heard speaker after speaker come down to this well, on both sides of the aisle, and remind us of what we already know, which is that smoking is the leading cause of avoidable premature death in this country today. Using this product, which may well have been produced or made at least through partial subsidies from Federal taxpayers, is the leading cause of avoidable premature death in our country today.

And it is taking an enormous and growing and deadly toll each year. Tobacco products are responsible for more than 400,000 deaths each year in America due to cancer, respiratory illness, heart disease, and other health problems. Cigarette use and use of other tobacco products kill more Americans each year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs, and fires combined.

Smokers who die as a result of smoking would have lived on an average 12 to 15 years longer if they had not smoked. And that results in a loss to society of roughly $40.3 billion in lost productivity.

Now, I mentioned the health care costs associated with the tobacco use are rising. Hence, good reason for the warning on this packet of cigarettes. The Centers for Disease Control estimate that the health care cost associated with smoking, and this is just for the year 1993, total $50 billion. $26.9, or $30 billion for hospital costs, $15.5 billion for doctors, $4.9 billion in nursing home costs, $1.8 billion for prescription drugs, and $900 million for home health care expenditures.

So, Mr. Chairman and colleagues, I think we should be concerned about helping tobacco farmers make a transition to other crops, but right now we have a fundamental choice that involves right or wrong and, I believe, a responsibility to be accountable to the people who elected us, the people we represent, and the American citizens who overwhelmingly favor elimination of Federal taxpayer subsidies for tobacco farmers.

So while I empathize with my colleagues who represent tobacco districts and tobacco States, let us work together, let us pass this amendment, then we can work perhaps to help the farmers that we represent make a transition to good alternative crops that do not require Government warnings and are not inherently injurious to the public health.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, this is an issue that whenever it comes to the floor, I always speak out. And my reasoning is quite a bit different from any of my colleagues. I have a tremendous respect for the gentleman from Illinois [Mr. DURBIN], and whatever he says is correct. I do not disagree with him, nor do I disagree with any of the others who spoke for this amendment. But I am against this amendment. Mr. Chairman, I must ask my colleagues not to support it, and I will tell them why.

First of all, if I thought the Durbin amendment would reduce or stop smoking, I would vote for it and get other people to vote for it. But the Durbin amendment will not stop smoking and it will not reduce smoking at all.

Philosophically or morally, it is excellent. I wish we could legislate morals and keep people from doing things that would kill them. I wish we had that power. If we had the power in this Congress to legislate initiatives that would stop people from doing things which kill them, we would do a marvelous job, and I appreciate anyone trying to do it.

Mr. Chairman, I remember when my father used to pull tobacco over there in Quincy in Monticello, FL. That is the only place my daddy could get a job. I am from Tallahassee, FL. During those days, black Americans could not get a job in north Florida doing anything, but he was able to go on to this farmer industry and get a job. They did not ask him if he came from Carroll's Quarters. They did not ask him anything. I will never forget that. These small farmers, I think many of us do not understand what it means to be economically viable by using the farm. And this country was built on the farming industry. It helps to keep us all going. I will vote against anything. If Members go against peanuts, I will vote against them there. If Members go against tobacco, I will vote against them there.

But, Mr. Chairman, if I thought this amendment were doing anything good, I would vote with my colleagues in favor of it. This Durbin amendment should be defeated because it discriminates against these small farmers and the small communities. If my colleagues think it is going to do anything with the big tobacco industry, then they are wrong. They may be thinking that we can legislate it, but we cannot. If we do not let them consult with their extension service people, we are leaving a big educational void out there. They can help prevent some of the things that we are talking about. Education is the key.

I heard my colleague, the gentlewoman from Connecticut [Ms. DELAURO] talk about what she has done in prevention programs in her community. That is it.

□ 1730

She did not need any legislation to do those things. She knows that what turns this country around is to turn the mindset around. The mindset has to be turned around. You cannot turn that mindset around through legislation. We think we can but we cannot.

Now, the program that we are talking about has its merit. It does not cost this Congress or this Nation anything. We are watching the budget as much as we can. We all are watching our health, and we must continue to do that, Mr. Chairman. Government cannot do this for us. You can cut the subsidy if you want to. But it will make no changes in the people who smoke cigarettes. Vote against this amendment.

Mr. DURBIN. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding time to me. I certainly commend him for his leadership on this issue in all the years that we have served together.

Since so many Members here have given their own little personal disclosures, I will give one, too. I was born and brought up on a farm in Pennsylvania. At a particular time in my life, I found some cigarettes in the dairy barn. My father, I believe, had carefully soaked those in horse urine, and I did not find much further temptation in the matter. In any case, so much for the disclosure.

Mr. Chairman, the issue today is not a question of the number of dollars, the $15 billion of revenues that are lost by the Federal or State governments in relation to the tobacco industry, although it is easy to show that the health care costs to the public as a whole are at least $100 billion a year, taking the direct and the indirect costs. At least half of that comes directly out of the public treasuries of the same Federal Government and the State government. So it is many times the tax revenues that are gained in the process.

Nor is the question the one of political correctness. The question really is that we are using Federal dollars, Federal expenditures to assist in the production of tobacco, which is the product with the greatest threat to the public health. One other previous speaker pointed out that this is a legal product, tobacco is, that every farmer has a legal right to grow as well as they have the right to grow corn and wheat as soybeans. He was right. There is no question he was right.

The difference is that none of those, neither corn nor wheat nor soybeans has the effect that tobacco has. Only tobacco ends up representing the greatest threat to the public health in this country. The difference is that we are using Federal dollars to continue that assistance to the tobacco industry to continue this crop which represents the greatest threat to our public health.

I really wanted to dwell for a moment on what these funds would be used for it we switched the fund to a legitimate purpose. Within this last decade, all over this country, in at least 1000 communities in this decade alone, communities with fewer than 10,000 people have had public safe drinking water supplies and wastewater disposal facilities and solid waste disposal facilities subsidized with the help of moneys. Most of the money that would be saved from, if we passed this amendment as we should, most of that money would go to helping other small communities to build those public safe drinking water supplies and waste disposal supplies.

In my district alone, in my State alone, over $100 million has gone into those. We desperately need, there are hundreds of other communities that are looking for that sort of assistance, both in grants for the poorer communities and in loans at low interest for the less poor communities of small size to be able to build those public facilities for safe drinking water and for wastewater disposal.

What I am asking here is that we vote for this amendment and use these moneys for the public health in rural communities all over this country, rather than for the assistance to the production of the product which is so devastating the public health in this country.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. LEWIS].

Mr. LEWIS of Kentucky. Mr. Chairman, I thank the chairman for yielding time to me.

I would just like to take a minute and talk about my colleague from California that spoke a little while ago on the floor. He held up a package of cigarettes and talked about the warning label. He asked why should the Government support the tobacco farmer with the fact that there is a warning, a health warning on the side of that cigarette package. I wish that he would have brought along a wine bottle also because on the side of the wine bottle there is a warning label concerning that person's health.

Since the gentleman represents a district where there are grape growers and he represents the wine industry, I wonder why it is different that there is support for the wine industry. I noticed he voted for the Kennedy amendment. Why should there be a difference in that and the tobacco farmer? I just thought that would be a good question to ask.

Mr. DURBIN. Mr. Chairman, I yield 4 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Chairman, I want to address the gentleman, Mr. DURBIN, directly, because I would like to thank him for his leadership. Frankly, I think it is important that this debate be noted, that you have actually been very kind, fair minded, and balanced. I am somewhat dismayed as I listen to this debate, the accusations about those who would be put in harm's way because of this amendment. Maybe I need to just for a moment detail what we are talking about.

First of all, I think we have noted that this amendment dealing with this particular industry responds to just a small corner of the tobacco industry, which happens to be one of the fastest growing and most lucrative industries in the nation. Might I say that, in addition to being lucrative, it has a worldwide market. We can find in Asia and in India and Africa, in the European continent that tobacco is doing quite well. So this is really a kind amendment. It is a sensible amendment, and it is a fair-minded amendment.

What it does for those who are whining on the other side, it does nothing to deal with Federal price supports. The industry still has that. Being very lucrative, I would argue very vigorously for the amount of costs that it costs us in health care costs, we really should take away Federal price supports. But this amendment does not do that. It simply takes away from a very prosperous industry those Government subsidies that help in the administration of crop insurance, which by the way it does not hinder a farmer from going into the private sector for that. It also takes away certain extension services as well as certain promotion services. Do you not understand how kind we are being to an industry that promotes death and devastation in our community?

Again, this is a first step in saying that we recognize that we have a problem with tobacco. It is addictive. What it does do, it provides for us good results. I thank the gentleman from Illinois [Mr. DURBIN] for it because he comes from a State such as Illinois, like Texas, that combines rural and urban centers. Time after time I have heard from our rural communities coming from Texas how they are at a disadvantage for educational resources and health resources.

In fact, I have spent a number of years on an indigent health care task force in the State of Texas. We were trying to prevent hospitals in rural areas from closing. Unfortunately, we were not all that successful. This legislation will allow moneys to be used to help communities obtain the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities. These telecommunications linkages provide rural residents access to increasing educational opportunities and to access better health care.

I hope that my colleagues will really look at what the gentleman from Illinois, [Mr. DURBIN] and his colleagues have done in this legislation, for they have given the tobacco industry a real break, unfortunately. They have allowed them to keep Federal support systems, price support systems, but in fact they have begun to make the statement in a fair and balanced way that enough is enough.

This is a lucrative industry. This is an industry that can support itself. Why should we promote the devastation that this creates? Why not help end the 400,000 deaths that we have every year from cancer and heart disease and other illnesses? Why not begin the diminishing of the promotion that already exists in this industry?

I would simply say, if all of us would be fair and balanced and, yes, a little kind today, we would support the Durbin amendment, for the Durbin amendment stands for where we need to go in this country. That is for good health. It does not in any way diminish the opportunities for those small farmers who insist on and must stay in this business. What it does say to America is that we believe that it is time now to end the promotion of something that causes 400,000 deaths every year in this Nation.

Mr. SKEEN. Mr. Chairman, I yield 4 minutes to the gentleman from Tennessee [Mr. GORDON].

Mr. GORDON. Mr. Chairman, today's debate is a classic example of the cliche that everything has been said, it is just everyone has not had a chance to say it. In that tradition, let me give my quick synopsis of how I view this debate, what it is about and what it is not about. It certainly is not about smoking. It certainly has nothing to do with reducing the size of Government. It has nothing to do with tobacco company products. What does it have to do with?

Well, if the Durbin amendment passes, it has to do a lot with American jobs, the loss of American jobs. If the Durbin amendment passes, then there is going to be a lot of small tobacco farmers that are going to go out of business. Now, how does this affect the tobacco companies; fine with them, foreign tobacco is cheaper anyway. So their profit goes up. As a matter of fact, it is cheaper to produce cigarettes offshore, so let us just go offshore and produce them and you save even more money. There are more American jobs that go offshore.

Let us make no mistake about this debate today. It has nothing to do with smoking. It has nothing to do with reducing the size of Government. It has to do with jobs, American jobs. A vote for the Durbin amendment means shipping American farming jobs overseas, American manufacturing jobs overseas. A vote against the amendment means keeping those jobs here in America. That is what this debate is all about.

Mr. DURBIN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me thank my colleagues, particularly the gentleman from New Mexico, for his patience. I think this has been an important debate. It has gone on longer than any other debate on this bill, but, frankly, I think the issue at hand is one of the most important facing us today.

I wanted to acknowledge two people: one who is not here and one who is. The one I would like to acknowledge who is here is my staff assistant, Tom Faletti. Tom Faletti has been standing by my side on this tobacco issue for 10 years. He has covered me with glory in those rare moments when we have defied the tobacco lobby. He has stood by me loyally and forgiven me my defeats and my failings in the course of this experience, taking on the most powerful lobby in Washington.

I know the results of the vote last year. We were defeated with the same amendment. I sense today that it might be better, I hope it is. But let me just say this: One of the reasons I am involved in this debate is because another person I served with is not here today. His name was Mike Synar of Oklahoma.

Mike Synar was a tiger on this issue. He paid for it dearly in terms of losing his congressional seat when the tobacco companies turned on him and managed to defeat him. Mike gave up one of the most precious things to him, next to his family, his congressional career, because he believed so intensely in this issue. Those of us who come to this side of the table have that same passion.

□ 1745

I respect those on the other side, too, because they speak with conviction and passion as well.

I listened to this debate today and jotted down a few of the words that have been used to describe either me or my amendment. I say to my colleagues: You have to have a pretty tough mental hide to be in politics, to hear people get up on the floor and call you or your amendment, in full view of the C-SPAN audience and the people here, "mean-spirited, punitive, misdirected, hypocrisy at the highest level, self serving, political and cruel," and I think they were warming up to some stronger words before they finally had to sit down. I understand that the emotions really run high on this issue. They certainly run high on this side of the issue, those of us who have fought the tobacco companies for so long.

First, let me say a word about tobacco farmers and growers. For as long as I have been involved in this debate, from the very beginning, I have made known to every congressman and congresswoman from a tobacco-producing State: "I will join you at the table to find transitions for these tobacco growers to go into some other crop. I will work with you, I'll subsidize it." I do not have any battle with these poor men and women who are struggling to make a living, but I can tell my colleagues honestly no one ever takes me up on my invitation. The reason they do not take me up on the invitation: there is no crop that one can legally grow in America that is as profitable as tobacco; not one.

For example, the gross receipts per acre, on tobacco, are $4,000; the net receipts from $1,400 to $800. In my part of the world we grow a lot of corn and soybeans. Corn, gross receipts per acre will run $400 to $800. A farmer might take half of that away.

So look at the difference here. It is anywhere from 3 to 10 times as lucrative as growing some other crop. That is why the tobacco farmers do not want to leave it. They cannot make any kind of money close to that growing any another crop on their land. They just do not want to give it up.

But quite honestly, I think it is time for the Federal Government to say to them, "You're on your own," and that is what this amendment starts to do. It takes away the subsidy for crop insurance and the subsidy for the extension service for these tobacco farmers.

Let me also mention this argument about jobs. The previous speaker, my friend from Tennessee, stood up and said the Durbin amendment will cost jobs. It will. It will. Because if we can diminish the use of tobacco in this country, we will have fewer respiratory therapists, we will have fewer cancer specialists, we will have fewer surgeons operating on people who are devastated by the diseases attached to tobacco. Make no mistake about it. The jobs associated with tobacco in this country, the best-paying jobs, are associated with the victims of tobacco in this country, and we have to be sensitive to that fact as well.

I feel sorry for those working in tobacco companies, but let me tell my colleagues: The product they are selling is killing people every single day.

The gentlewoman from Utah said earlier there are a lot of agricultural products. There is only one agricultural product in America that has a body count, and it is tobacco. That is why it is different, and that is why it should be treated differently.

Forty-seven of my colleagues from both parties have joined me in a task force taking on the tobacco industry. Let me say to my colleagues when I first got to Congress, that was unthinkable. No one came out publicly against the tobacco lobby. Now there are 47 of us, and occasionally we can put a majority together on the floor.

For those who argue, and one of my colleagues did, well, these folks who oppose tobacco, they get a lot of big political contributions too. Let me tell my colleagues I am still waiting in my office for my first PAC check from the American Cancer Society, the American Heart Association, the American Lung Association, the Coalition on Smoking and Health. These health groups give away a lot of psychic income, they do not write the checks like the tobacco lobby will for the people who vote against the Durbin amendment today. On the political ledger all the money is on the other side. We have to struggle and put this battle up because it is something we believe in.

Now let me close by saying this. I certainly hope that my colleagues will take this amendment very seriously. I do. This has been a 10-year battle that this Congressman has waged on this floor of the House. We started off with a victory banning smoking on airplanes. We extended it to flights all across the United States. The tobacco companies said it was the end of the world; try to stop smoking on airplanes, they are going to be beating up the flight attendants and smoking in the restrooms. It never happened. It never happened. People knew that sensible regulation of smoking is something that this country ought to be doing, and now it is time for us to get out of the business of subsidizing tobacco.

Mr. Chairman, this Durbin amendment will give to my colleagues the right answer to the question: Congressman, if this product kills so many Americans, why in God's name does the Federal Treasury subsidize it?

By voting for the Durbin amendment, my colleagues who support me will be able to say to those colleagues we ended it, and we ended it in the right way, saying to tobacco growers; find another line of work, or at least support your production of tobacco on your own dollar, not on the dollar of taxpayers.

Mr. SKEEN. Mr. Chairman, I yield the balance of my time to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding this time to me and thank him for his work on the bill to which this amendment has been attached.

Mr. Chairman, I hope not to consume the entire time because I think we have had a good debate and we have heard practically every point that conceivably could be made on both sides of the issue.

Mr. Chairman, one could have thought by listening to this debate that there was an amendment on the floor to abolish smoking or an amendment that would have declared smoking to be the most dangerous thing one can do or an amendment that would have prohibited the big cigarette companies from deducting the advertising costs, or some such thing, because we have heard all of these arguments about whether or not smoking is good for us, which has nothing to do with the amendment.

We have heard all of the attacks on big tobacco as if it was one big monolithic thing, and if we attack one part of it, we are attacking the whole thing. The gentleman maybe does not understand, that offered the amendment, what tobacco is, the industry, if we want to call it that; there is big tobacco, the cigarette companies, perhaps big cigar companies, perhaps big chewing tobacco companies and the like. They are big worldwide. Philip Morris is a huge corporation.

Then there is little tobacco that is grown in the districts of these Members who have spoken. They are not big. It is a family. The average acreage is probably 2 acres on red clay on a 35-degree-angle farm, and they cannot grow anything else. They are trying; believe me they are trying. There are experiments on aquaculture, growing fish, and they are trying to grow other types of crops all over tobacco land. But right now these are poor dirt farmers.

My colleagues are not attacking Philip Morris here with your amendment. They are not attacking big tobacco. They are attacking little tobacco. These are the most vulnerable people that we could possibly talk about when we talk about tobacco.

I grew up on a hillside farm. We grew rocks on a very small farm. We also have a small patch of tobacco, and that was the only way that my father could raise this family, and send us to school, and buy the food on which we lived. That story is repeated 100,000 times around this country every year. We are not Philip Morris. We are not big tobacco. We are little. And we are poor. And we are scrapping, just trying to earn a living on 2 acres or 1 acre of tobacco. That is the average crop. We do not grow tobacco like they grow corn in Illinois, by the thousands of acres. There is no way to conceive of a scale when growing crops on that scale with a 2-acre patch of tobacco on a hillside in the hills of Kentucky or Tennessee or North Carolina or Georgia or wherever, 23 States.

Yet, Mr. Chairman, the gentleman's amendment does not try to outlaw smoking. Perhaps he should try that. It does not try to outlaw the Tobacco Price Support Program which protects big growers as well as small growers. No, the gentleman just singles out the most vulnerable people that we have, the little tobacco people, and, yes, we are emotional about it; yes, that is the reason for encountering people who are fighting fiercely because we are trying to defend people who are defenseless but for us.

Mr. Chairman, the gentleman from Illinois does away with this program for these small farmers, and ironically and paradoxically he is helping big tobacco. Only then will tobacco be grown by big tobacco, and they would love that. They have been trying to do that for years. But for us here, tobacco would be grown by the big companies, most of it imported, grown on patches or fields or plantations across the sea where they do not regulate what they can spray on the crop, and we will be bringing in poisoned tobacco for people to smoke here.

People are going to smoke, they are going to smoke something for the time being. Maybe it is not good for them; that is not the question here. They are going to smoke. Question is: Who is going to grow it; the small growers or Philip Morris? The gentleman's amendment says Philip Morris. He may not intend that, but that is exactly what he is doing, believe me.

The gentleman from North Carolina [Mr. ROSE] said it better than I do. Other speakers have said it better than I did. But that is precisely where the gentleman from Illinois [Mr. DURBIN] is headed with this amendment.

His amendment does not deny deductibility of advertising expenses to big tobacco, does not try to abolish the Tobacco Price Support Program which protects big growers as well as small, it does not deny crop insurance or agricultural advice to Philip Morris. No, it denies crop insurance to the poorest people, and the gentleman is allowing them to become the victims of the elements.

Does not hurt Philip Morris. In fact, it probably helps them because they would grow what we cannot if the gentleman from Illinois knocks us out of the business.

So I think the amendment is misdirected, Mr. DURBIN. The gentleman ignores all the questions I have just asked, and he picks out the least among us, he tackles the poorest. He would cripple those who cannot help themselves by this amendment. He jerks away the only safety net, the crop insurance, for families, kids, children, and leave them to the mercy of the elements.

The large corporate growers do not need crop insurance. The large corporate growers do not need expert agricultural advice which this amendment would deny. They do not need it. The only people that need it are the small growers, and those are the ones that would be impacted the most severely by the gentleman's amendment. By driving out small growers, as this amendment would do, putting them on welfare in the name of trying to harm big tobacco, ironically will help big tobacco because when the small growers are gone, big tobacco will do what they have long wanted to do, and that is grow and import tobacco.

Last year the House realized this very point. We argued these types of things just last year on the floor of the House, and our colleagues wisely said, "No, we will not do the Durbin amendment, it harms the people who we do not want to harm. It is misdirected."

Last week the full Committee on Appropriations denied the gentleman from Illinois [Mr. DURBIN] his amendment in full committee, voted it down 29 to 19 in committee.

I ask our colleagues again on the House floor, "When you vote in a few minutes, think about who you are harming."

□ 1800

Think about the question that is not being addressed by this amendment. This is not a smoking issue. It is not a health issue. It is not a question of whether we are harming big tobacco. We are not. We are harming little tobacco. We are harming the people that none of us, I think, want to hurt. I urge Members when they vote again in a few minutes, vote "no," and help the people who cannot help themselves.

Mr. HEINEMAN. Mr. Chairman, I rise in strong opposition to the Durbin amendment. This is nothing more than a punitive attack on hard working farmers. North Carolina is the leading producer of tobacco, and if the Durbin amendment passes it will drastically hurt farmers in my State. This amendment is misguided and unfairly attacks small family tobacco farmers by denying them important services that are available to every other family farmer who produces agricultural commodities. I urge my colleagues to stand up for farmers and oppose this draconian amendment.

Mr. PAYNE of Virginia. Mr. Chairman, I rise in strong opposition to the Durbin amendment to H.R. 3603.

This amendment would eliminate all support services provided to tobacco farmers by the USDA and its county agents.

It would prohibit the USDA from using funds to provide extension services, market news, and analysis to tobacco farmers.

It would not allow farmers to call upon the guidance of their local USDA agent about how to distribute fertilizer without causing damage to the soil or water or how to apply insecticides safely or how to combat agricultural plagues such as blue mold.

It would also strip from the farmer his right to purchase Federal crop insurance.

Eliminating tobacco crop insurance is simply unfair.

In 1994, Congress mandated the purchase of crop insurance for farmers participating in the Tobacco Program.

Denying tobacco farmers is unfair because they, like other farmers, rely on this insurance when their crops fall victim to droughts, floods, hail, and winds.

Mr. Chairman, this amendment is simply a mean-spirited, direct assault on the hard working farmers and their families who grow tobacco in rural America.

Even worse, some would have you believe this amendment eliminates a Federal subsidy to tobacco farmers.

Let me set the record straight—there is no direct Government subsidy for tobacco.

Since 1982, when Congress passed the No Net Cost Tobacco Act, all costs, except USDA administrative costs, shifted from the Government and taxpayers directed to farmers and tobacco companies.

Since that time, the program has been one of the more efficient agricultural programs, especially compared to similar price support programs for other crops.

Not only does the Tobacco Program take care of itself—it is doing more than its fair share to reduce the Federal deficit. Each year, growers and companies pay assessments that goes directly to the U.S. Treasury for deficit reduction.

Annually, this deficit reduction assessment returns almost $30 million to the U.S. Treasury.

That's right, almost $30 million directly going to deficit reduction.

Tobacco's importance to our Federal, State, and local governments can be summed up in one impressive figure—$62,000; $62,000 is the amount of money per acre tobacco generates for the public sector.

It generates almost $15 billion to Federal, State, and local governments in the form of excise and sales taxes.

It contributes $6 billion in exports.

By any measure, tobacco makes a huge economic contribution to our Nation's economy.

I believe the numbers and facts speak for themselves.

The Federal Government does not subsidize farmers or the tobacco program.

And tobacco contributes very positively to the U.S. Treasury and that of State and localities.

However, this amendment would allow every farmer in America—except tobacco farmers—the right to use USDA extension service agents and guidance.

And this amendment would allow every farmer in America—except tobacco farmers—the right to purchase Federal crop insurance.

Do not be fooled by this amendment.

It is not about punishing the tobacco companies or stopping smoking.

It is about blatant discrimination against tobacco farmers.

Simply put, the amendment is not fair, it is punitive, and it should be defeated.

As a Member of Congress who is proud to represent almost 5,000 honest hard working tobacco farmers I urge my colleagues to defeat the Durbin amendment.

Ms. FURSE. Mr. Chairman, I rise today in support of the Durbin amendment. It defies common sense that our Government supports tobacco while simulatenously spending billions of dollars to combat the public health problems it creates. Tobacco use causes 400,000 deaths in America each year—and every single death is preventable.

Last year, a remarkable young woman in my district. Sarah Weller, got together with her friend Jessica Harding and created an action plan to spread the word about the dangers of smoking and tobacco use. Sarah knows that tobacco use causes massive health problems in America, and she has been working to create a healthier, more productive future. Sarah and her friends know what the entire Congress should know: we should stop supporting tobacco at taxpayer expense.

The Durbin amendment will take the savings from tobacco subsidies and increase funding for sorely needed rural water and sewer projects, as well as rural medical access programs. I strongly support this amendment, and urge my colleagues to support it.

JUNE 26, 1995.

Rep. ELIZABETH FURSE,
Cannon Office Building,
Washington, DC.

DEAR REPRESENTATIVE FURSE: Thank you for meeting with me recently about tobacco prevention issues. All 102 Smoke-Free Ambassadors worked at the Forum in Washington, DC to develop a national Smoke-Free Contract With America. I have enclosed a copy of this document. Most of what we believe in the Contract requires support from our Senators and Representatives. I realize the difficulty of passing these ideas into law.

Jessica Harding and I, the two Smoke Free ambassadors from Oregon, will be doing our best to alert other students and media about what happens to tobacco prevention bills in Congress. It is hard for students to understand why it is so difficult to pass law which would save tens of thousands of lives.

Jessica and I also have developed a state plan of action which is enclosed. Our main concern is with illegal sales of tobacco to children. We will be working hard locally to reduce sales of tobacco to kids.

Thanks again for meeting with us. Maybe when you are in Oregon we could meet to update each other on Congressional and local tobacco activities.

Sincerely,

SARAH WELLER.

STATE PLAN OF ACTION, SMOKE-FREE CLASS OF 2000, JUNE 1995

STATE OF OREGON

The Smoke-Free Class of 2000 are all 8th graders in the United States who will graduate in the year 2000 who have learned about the dangers of smoking and tobacco use since 1st grade. The students of the Smoke-Free Class OF 2000 have pledged their commitment to lead the younger graduating classes and future generations into a healthier, more productive and informed 21st century.

We, of the State of Oregon Smoke-Free Class of 2000, consider the most important tobacco issues in our state to be: accessibility to teens.

As advocates for all 8th graders and all students in the future graduating classes, we are asking: heavier fines and penalties to stores that sell tobacco to minors.

The way we plan to accomplish our goals is to: Start petitions, do sting operations, testimonies, letter writing.

Thank you for helping us make our state a healthier place for children!!

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DURBIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 212, not voting 12, as follows:

[Roll No. 233]

AYES—210

Ackerman
Andrews
Archer
Armey
Bachus
Baldacci
Barrett (WI)
Bartlett
Bass
Becerra
Beilenson
Bereuter
Berman
Bilbray
Blumenauer
Blute
Borski
Brownback
Bryant (TX)
Bunn
Burton
Campbell
Canady
Cardin
Castle
Christensen
Coburn
Coleman
Collins (IL)
Conyers
Costello
Cox
Coyne
Cummings
Davis
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Doggett
Dornan
Dunn
Durbin
Ehlers
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Foglietta
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Furse
Gallegly
Ganske
Gejdenson
Gibbons
Gilchrest
Gilman
Goodling
Goss
Greene (UT)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hansen
Harman
Hayworth
Hefley
Hinchey
Hobson
Hoekstra
Holden
Horn
Hutchinson
Hyde
Jackson (IL)
Jackson-Lee
(TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnston
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kildee
King
Kleczka
Klug
Kolbe
LaFalce
Largent
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manzullo
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Millender-
McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Moran
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Orton
Owens
Pallone
Payne (NJ)
Pelosi
Petri
Porter
Poshard
Pryce
Quinn
Ramstad
Rangel
Reed
Riggs
Rivers
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sawyer
Scarborough
Schiff
Schroeder
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Stark
Stokes
Studds
Stupak
Talent
Taylor (MS)
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Velazquez
Vento
Visclosky
Wamp
Waters
Waxman
Weldon (FL)
Weldon (PA)
White
Wilson
Wolf
Woolsey
Yates
Young (FL)
Zeliff
Zimmer

NOES—212

Abercrombie
Allard
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barton
Bateman
Bentsen
Bevill
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TN)
Bunning
Burr
Buyer
Callahan
Camp
Chabot
Chambliss
Chapman
Chenoweth
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehrlich
Emerson
English
Everett
Ewing
Fazio
Fields (TX)
Filner
Flake
Flanagan
Foley
Forbes
Franks (CT)
Frisa
Frost
Funderburk
Gekas
Gephardt
Geren
Gonzalez
Goodlatte
Gordon
Graham
Green (TX)
Gunderson
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (FL)
Hastings (WA)
Hefner
Heineman
Herger
Hilleary
Hilliard
Hostettler
Houghton
Hoyer
Hunter
Inglis
Istook
Jefferson
Johnson, E.B.
Johnson, Sam
Jones
Kaptur
Kennedy (RI)
Kennelly

Kim
Kingston
Klink
Knollenberg
LaHood
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manton
Martinez
Matsui
McCollum
McCrery
McIntosh
Meek
Mink
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Pastor
Paxon
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Portman
Quillen
Radanovich
Rahall
Regula
Richardson
Roberts
Rogers
Rose
Sanford
Saxton
Schaefer
Scott
Serrano
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Solomon
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Tanner
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Torres
Towns
Volkmer
Vucanovich
Walker
Walsh
Watt (NC)
Watts (OK)
Weller
Whitfield
Wicker
Williams
Wise
Wynn
Young (AK)

NOT VOTING—12

Brown (OH)
Calvert
Frelinghuysen
Gillmor
Hayes
Hoke
Lantos
Lincoln
McDade
Payne (VA)
Tate
Ward

☐ 1819

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. Payne of Virginia against.

Mr. Tate for, with Mr. Calvert against.

Mr. NEUMANN and Mr. HUTCHINSON changed their vote from "no" to "aye."

Mr. MATSUI changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. TATE. Mr. Chairman, on rollcall No. 233, I was inadvertently detained. Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. WARD. Mr. Chairman, I would like the RECORD to reflect that while I was not recorded as voting on the Durbin amendment that was just considered, I would have voted "no." I was in fact on the floor, working the door, to the extent that I neglected to vote.

Mr. PETERSON of Minnesota. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I call Members' attention to something that we just discovered this afternoon. Those of us that have been working on the Conservation Reserve Program, members of the Sportsmen's Caucus, the gentleman from Texas, Mr. PETE GEREN, the gentleman from Oklahoma, Mr. BREWSTER, and others are concerned about some language. I wanted to enter into a colloquy with the distinguished chairman.

Mr. Chairman, what we are concerned about is some report language that appeared in the bill that affects the conservation part of this bill, but it was not under that part of the report language. It was under the part that had to do with the farm service agencies. What it does is, it requires that they take a look at the criteria for the Conservation Reserve Program in a specific way.

The USDA is right at this time promulgating rules to extend this program. What this report language does is, it provides specific instructions to USDA as to how to proceed. What I am most concerned about is that it says in this report language that the committee directs that all acres are to be rebid and evaluated using the same criteria that was used during the 13th sign-up, a sign-up that was held last fall.

My district in northwestern Minnesota has the ninth most conservation reserve acres in the United States. Last year under the 13th sign-up, only 700 acres in my district qualified. If this language goes forward and if we reauthorize the program using this 13th sign-up, what we are going to do is we are going to eliminate all the big tracts of CRP, we are going to eliminate most of the wildlife benefits that we have seen in the Conservation Reserve Program, and I do not believe that that is what we want to do in this House.

Mr. Chairman, what I am asking is that the gentleman take another look at this and consider the possibility in conference committee of deleting this language. I do not think it makes any sense for us to be going in and prescribing to the Department what is going to be the criteria when they are in the middle of deciding that. They have not even at this point put forward the proposed rule. There has been no public comment. It just seems to me that we are jumping the gun. I would appreciate it if the gentleman would look at that.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I certainly understand the gentleman's concern and his consternation over finding this kind of language and what it will do. We will be happy to try to address the gentleman's concern when we get to conference with the Senate.

Mr. PETE GEREN of Texas. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from Texas.

Mr. PETE GEREN of Texas. Mr. Chairman, if I could comment on this briefly as well, I just want to express appreciation as a cochair of the Sportsmen's Caucus for your looking into this matter.

The Conservation Reserve Program is a top priority for the Sportsmen's Caucus, something we have worked on for the last 2 years in this reauthorization. It is so important to the development for habitat for wildlife in our country. It has been tremendously successful as a habitat development program. It is an issue that the caucus has worked on very hard, and we appreciate very much your interest in working to assure that the concerns are addressed.

Mr. SKEEN. I share the gentleman's concern. Certainly those programs are of great value to both of us. We will do our best to get something worked out.

Mr. POMEROY. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from North Dakota.

Mr. POMEROY. I thank the gentleman for yielding. I would just also ask the chairman to address this in conference committee. This is an extraordinarily consequential policy change to try and be moved forward in report language. That just is not right. It ought to come back to the authorization committee if this is going to be tackled head-on.

I trust that, therefore, this record will establish that there is not clear legislative intent following the report language. I hope we finally get it worked out in a more appropriate way in the conference report.

Mr. SKEEN. Once again, we share the gentleman's concern. We are certainly going to work with him every way we can to come to some resolution of this problem. I will include a table that have the Committee's bill totals,

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	10,227,000	10,336,000	2,836,000	-7,391,000	-7,500,000
Executive Operations:					
Chief Economist	3,948,000	4,292,000	4,231,000	+283,000	-61,000
National Appeals Division	11,846,000	13,363,000	11,718,000	-128,000	-1,645,000
Office of Budget and Program Analysis	5,899,000	5,986,000	5,986,000	+87,000	....
Office of Small and Disadvantaged Business Utilization	....	804,000	....	....	-804,000
Total, Executive Operations	21,693,000	24,445,000	21,935,000	+242,000	-2,510,000
Chief Financial Officer	4,133,000	4,437,000	4,283,000	+150,000	-154,000
Office of the Assistant Secretary for Administration	596,000	613,000	613,000	+17,000	....
Agriculture buildings and facilities (USDA)	135,774,000	149,635,000	125,548,000	-10,226,000	-24,087,000
Payments to GSA	(89,971,000)	(103,754,000)	(103,754,000)	(+13,783,000)	....
Building operations and maintenance	(20,216,000)	(20,294,000)	(16,794,000)	(-3,422,000)	(-3,500,000)
Repairs, renovations, and construction	(25,587,000)	(25,587,000)	(5,000,000)	(-20,587,000)	(-20,587,000)
Advisory committees (USDA)	650,000	856,000	....	-650,000	-856,000
Hazardous waste management	15,700,000	15,700,000	15,700,000	....	....
Departmental administration	27,986,000	29,137,000	28,304,000	+318,000	-833,000
Office of the Assistant Secretary for Congressional Relations	3,797,000	3,842,000	3,728,000	-69,000	-114,000
Office of Communications	8,198,000	8,317,000	8,138,000	-60,000	-179,000
Office of the Inspector General	63,639,000	64,523,000	63,028,000	-611,000	-1,495,000
Office of the General Counsel	27,860,000	29,249,000	27,749,000	-111,000	-1,500,000
Office of the Under Secretary for Research, Education and Economics	520,000	540,000	540,000	+20,000	....
Economic Research Service	53,131,000	54,947,000	54,176,000	+1,045,000	-771,000
National Agricultural Statistics Service	81,107,000	102,624,000	100,221,000	+19,114,000	-2,403,000
Agricultural Research Service	710,000,000	728,853,000	702,831,000	-7,169,000	-26,022,000
Buildings and facilities	30,200,000	80,100,000	59,600,000	+29,400,000	-20,500,000
Total, Agricultural Research Service	740,200,000	808,953,000	762,431,000	+22,231,000	-46,522,000
Cooperative State Research, Education, and Extension Service:					
Research and education activities	421,929,000	418,572,000	411,849,000	-10,080,000	-6,723,000
Native Americans Institutions Endowment Fund	(4,600,000)	(4,600,000)	(4,600,000)	....	....
Buildings and facilities	57,838,000	....	30,449,000	-27,389,000	+30,449,000
Extension Activities	427,750,000	423,488,000	409,670,000	-18,080,000	-13,818,000
Total, Cooperative State Research, Education, and Extension Service	907,517,000	842,060,000	851,968,000	-55,549,000	+9,908,000
Office of the Assistant Secretary for Marketing and Regulatory Programs	605,000	618,000	618,000	+13,000	....
Animal and Plant Health Inspection Service:					
Salaries and expenses	431,921,000	439,033,000	435,428,000	+3,507,000	-3,605,000
AQI user fees 1/	(100,254,000)	(100,000,000)	(98,000,000)	(-2,254,000)	(-2,000,000)
Buildings and facilities	8,757,000	3,200,000	3,200,000	-5,557,000	....
Total, Animal and Plant Health Inspection Service	440,678,000	442,233,000	438,628,000	-2,050,000	-3,605,000
Agricultural Marketing Service:					
Marketing Services	46,517,000	48,311,000	37,592,000	-8,925,000	-10,719,000
New user fees	(3,887,000)	....	(3,887,000)	....	(+3,887,000)
(Limitation on administrative expenses, from fees collected)	(58,461,000)	(59,012,000)	(59,012,000)	(+551,000)	....
Funds for strengthening markets, income, and supply (transfer from section 32)	10,451,000	10,576,000	10,576,000	+125,000	....
Payments to states and possessions	1,200,000	1,200,000	1,200,000	....	....
Total, Agricultural Marketing Service	58,168,000	60,087,000	49,368,000	-8,800,000	-10,719,000
Grain Inspection, Packers and Stockyards Administration	23,058,000	24,595,000	22,728,000	-330,000	-1,867,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(42,784,000)	(43,207,000)	(43,207,000)	(+423,000)	....
Office of the Under Secretary for Food Safety	440,000	576,000	446,000	+6,000	-130,000
Food Safety and Inspection Service	544,906,000	574,000,000	574,000,000	+29,094,000	....
Lab accreditation fees 2/	(1,000,000)	(1,000,000)	(1,000,000)	....	....
Total, Production, Processing, and Marketing	3,170,583,000	3,252,323,000	3,156,986,000	-13,597,000	-95,337,000
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services	549,000	572,000	572,000	+23,000	....
Farm Service Agency:					
Salaries and expenses	795,000,000	820,495,000	746,440,000	-48,560,000	-74,055,000
(Transfer from export loans)	(589,000)	(623,000)	(589,000)	....	(-34,000)
(Transfer from P.L. 480)	(745,000)	(783,000)	(745,000)	....	(-38,000)
(Transfer from ACIF)	(208,446,000)	(209,485,000)	(208,446,000)	....	(-1,039,000)
Total, salaries and expenses	(1,004,780,000)	(1,031,386,000)	(956,220,000)	(-48,560,000)	(-75,166,000)

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
State mediation grants	2,000,000	3,000,000		-2,000,000	-3,000,000
Dairy indemnity program	100,000	100,000	100,000		
Outreach for socially disadvantaged farmers and ranchers	1,000,000	3,000,000	1,000,000		-2,000,000
Total, Farm Service Agency	798,100,000	826,595,000	747,540,000	-50,560,000	-79,055,000
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(60,000,000)	(50,000,000)	(50,000,000)	(-10,000,000)	
Guaranteed	(550,000,000)	(650,000,000)	(550,000,000)		(-100,000,000)
Subtotal	(610,000,000)	(700,000,000)	(600,000,000)	(-10,000,000)	(-100,000,000)
Operating loans:					
Direct	(550,000,000)	(445,071,000)	(445,071,000)	(-104,929,000)	
Guaranteed unsubsidized	(1,700,000,000)	(1,750,000,000)	(1,700,000,000)		(-50,000,000)
Guaranteed subsidized	(200,000,000)	(250,000,000)	(200,000,000)		(-50,000,000)
Subtotal	(2,450,000,000)	(2,445,071,000)	(2,345,071,000)	(-104,929,000)	(-100,000,000)
Indian tribe land acquisition loans	(750,000)	(1,000,000)	(1,000,000)	(+250,000)	
Emergency disaster loans	(100,000,000)		(25,000,000)	(-75,000,000)	(+25,000,000)
Credit sales of acquired property		(50,000,000)	(25,000,000)	(+25,000,000)	(-25,000,000)
Total, Loan authorizations	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
Loan subsidies:					
Farm ownership:					
Direct	14,034,000	5,920,000	5,920,000	-8,114,000	
Guaranteed	20,019,000	26,065,000	22,055,000	+2,036,000	-4,010,000
Subtotal	34,053,000	31,985,000	27,975,000	-6,078,000	-4,010,000
Farm operating:					
Direct	75,185,000	59,150,000	59,150,000	-16,035,000	
Guaranteed unsubsidized	18,360,000	19,775,000	19,210,000	+850,000	-565,000
Guaranteed subsidized	17,960,000	23,100,000	18,480,000	+520,000	-4,620,000
Subtotal	111,505,000	102,025,000	96,840,000	-14,665,000	-5,185,000
Indian tribe land acquisition	206,000	54,000	54,000	-152,000	
Emergency disaster	32,080,000		6,365,000	-25,715,000	+6,365,000
Credit sales of acquired property		5,060,000	2,530,000	+2,530,000	-2,530,000
Total, Loan subsidies	177,844,000	139,124,000	133,764,000	-44,080,000	-5,360,000
ACIF expenses:					
Salaries and expenses	208,935,000	209,485,000	208,446,000	-489,000	-1,039,000
Administrative expenses	12,606,000	12,606,000	12,600,000	-6,000	-6,000
Total, ACIF expenses	221,541,000	222,091,000	221,046,000	-495,000	-1,045,000
Total, Agricultural Credit Insurance Fund	399,385,000	361,215,000	354,810,000	-44,575,000	-6,405,000
(Loan authorization)	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
Office of Risk Management			62,198,000	+62,198,000	+62,198,000
Total, Farm Assistance Programs	1,198,034,000	1,188,382,000	1,165,120,000	-32,914,000	-23,262,000
Corporations					
Federal Crop Insurance Corporation:					
Federal crop insurance corporation fund	1,263,708,000	1,591,000,000	1,591,000,000	+327,292,000	
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses	10,400,000,000	1,500,000,000	1,500,000,000	-8,900,000,000	
Hazardous waste (limitation on administrative expenses)	(5,000,000)	(15,750,000)	(5,000,000)		(-10,750,000)
Total, Corporations	11,663,708,000	3,091,000,000	3,091,000,000	-8,572,708,000	
Total, title I, Agricultural Programs	16,032,325,000	7,531,705,000	7,413,106,000	-8,619,219,000	-118,599,000
(By transfer)	(209,780,000)	(210,891,000)	(209,780,000)		(-1,111,000)
(Loan authorization)	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
(Limitation on administrative expenses)	(106,245,000)	(117,969,000)	(107,219,000)	(+974,000)	(-10,750,000)
TITLE II - CONSERVATION PROGRAMS					
Office of the Under Secretary for Natural Resources and Environment	677,000	693,000	693,000	+16,000	
Natural Resources Conservation Service:					
Conservation operations	629,986,000	662,910,000	619,392,000	-10,594,000	-43,518,000
Watershed surveys and planning	14,000,000	19,188,000	10,762,000	-3,238,000	-8,426,000
Watershed and flood prevention operations	100,000,000	116,036,000	101,036,000	+1,036,000	-15,000,000
Emergency appropriations (P.L. 104-134)	80,514,000			-80,514,000	
Resource conservation and development	29,000,000	29,377,000	29,377,000	+377,000	
Forestry incentives program	6,325,000	6,325,000	6,325,000		

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Colorado River Basin salinity control program	2,681,000			-2,681,000	
Wetlands reserve program	77,000,000	188,000,000		-77,000,000	-188,000,000
National Natural Resources Conservation Service Foundation		500,000			-500,000
Total, Natural Resources Conservation Service	939,506,000	1,022,336,000	766,892,000	-172,614,000	-255,444,000
Farm Service Agency:					
Agricultural conservation program	75,000,000			-75,000,000	
Water quality incentives program	(11,000,000)	(15,000,000)		(-11,000,000)	(-15,000,000)
Conservation reserve program	1,781,785,000	1,924,850,000		-1,781,785,000	-1,924,850,000
Emergency appropriations (P.L. 104-134)	30,000,000			-30,000,000	
Total, Farm Service Agency	1,886,785,000	1,924,850,000		-1,886,785,000	-1,924,850,000
Total, title II, Conservation Programs	2,826,968,000	2,947,879,000	767,585,000	-2,059,383,000	-2,180,294,000
TITLE III - RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Development	568,000	588,000	588,000	+20,000	
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Low-income housing (sec. 502)	(1,000,000,000)	(1,320,000,000)	(1,000,000,000)		(-320,000,000)
Unsubsidized guaranteed	(1,700,000,000)	(2,300,000,000)	(2,300,000,000)	(+600,000,000)	
Housing repair (sec. 504)	(35,000,000)	(35,000,000)	(35,000,000)		
Farm labor (sec. 514)	(15,000,000)	(16,482,000)	(15,000,000)		(-1,482,000)
Rental housing (sec. 515)	(150,000,000)	(58,654,000)	(58,654,000)	(-91,346,000)	
Site loans (sec. 524)	(600,000)	(600,000)	(600,000)		
Self-help housing land development fund	(603,000)	(600,000)	(600,000)	(-3,000)	
Credit sales of acquired property		(75,000,000)	(50,000,000)	(+50,000,000)	(-25,000,000)
Emergency appropriations (P.L. 104-134)	(38,960,000)			(-38,960,000)	
Total, Loan authorizations	(2,940,163,000)	(3,806,336,000)	(3,459,854,000)	(+519,691,000)	(-346,482,000)
Loan subsidies:					
Single family (sec. 502):					
Direct	145,833,000	109,560,000	83,000,000	-62,833,000	-26,560,000
Unsubsidized guaranteed	2,890,000	6,210,000	6,210,000	+3,320,000	
Housing repair (sec. 504)	14,193,000	11,081,000	11,081,000	-3,112,000	
Farm labor (sec. 514)	8,629,000	7,565,000	6,885,000	-1,744,000	-680,000
Rental housing (sec. 515):					
Direct	82,035,000	28,987,000	28,987,000	-53,048,000	
Unsubsidized guaranteed	(1,000,000)		(1,000,000)		(+1,000,000)
Self-help housing land development fund	31,000	17,000	17,000	-14,000	
Credit sales of acquired property		6,098,000	4,050,000	+4,050,000	-2,048,000
Emergency appropriations (P.L. 104-134)	6,500,000			-6,500,000	
Total, Loan subsidies	260,111,000	169,518,000	140,230,000	-119,881,000	-29,288,000
RHIF administrative expenses	385,889,000	366,205,000	366,205,000	-19,684,000	
Rental assistance program:					
(Sec. 521)	535,000,000	487,970,000	487,970,000	-47,030,000	
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000		
Total, Rental assistance program	540,900,000	493,870,000	493,870,000	-47,030,000	
Total, Rural Housing Insurance Fund	1,186,900,000	1,029,593,000	1,000,305,000	-186,595,000	-29,288,000
(Loan authorization)	(2,940,163,000)	(3,806,336,000)	(3,459,854,000)	(+519,691,000)	(-346,482,000)
Community Facility Loans Program Account:					
Loan authorizations:					
Direct	(200,000,000)			(-200,000,000)	
Guaranteed	(75,000,000)			(-75,000,000)	
Total, Loan authorizations	(275,000,000)			(-275,000,000)	
Loan subsidies:					
Direct	34,880,000			-34,880,000	
Guaranteed	3,555,000			-3,555,000	
Total, Loan subsidies	38,435,000			-38,435,000	
Administrative expenses	8,836,000			-8,836,000	
Very low-income housing repair grants	24,900,000	24,900,000		-24,900,000	-24,900,000
Emergency appropriations (P.L. 104-134)	1,100,000			-1,100,000	
Rural housing for domestic farm labor	10,000,000	10,000,000		-10,000,000	-10,000,000
Mutual and self-help housing grants	12,650,000	26,000,000	26,000,000	+13,350,000	
Rural community fire protection grants	2,000,000			-2,000,000	
Compensation for construction defects	495,000			-495,000	
Rural housing preservation grants	11,000,000	11,000,000		-11,000,000	-11,000,000
Rural housing assistance program 3/		136,435,000	73,190,000	+73,190,000	-63,245,000
Subtotal, grants and payments	62,145,000	208,335,000	99,190,000	+37,045,000	-109,145,000

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
RHS expenses:					
Administrative expenses	46,583,000	89,660,000	53,889,000	+7,306,000	-35,771,000
(Transfer from RHIF)	(377,074,000)	(366,205,000)	(366,205,000)	(-10,869,000)	
(Transfer from ACIF)	(171,000)			(-171,000)	
(Transfer from CFLP)	(8,731,000)			(-8,731,000)	
Total, RHS expenses	(432,559,000)	(455,865,000)	(420,094,000)	(-12,465,000)	(-35,771,000)
Total, Rural Housing Service	1,342,899,000	1,327,588,000	1,153,384,000	-189,515,000	-174,204,000
(Loan authorization)	(3,215,163,000)	(3,806,336,000)	(3,459,854,000)	(+244,691,000)	(-346,482,000)
Rural Business-Cooperative Service:					
Rural Business and Industry Loans Program Account:					
Loan authorization: Guaranteed	(500,000,000)			(-500,000,000)	
Loan subsidy: Guaranteed	6,437,000			-6,437,000	
Administrative expenses	14,868,000			-14,868,000	
Rural Development Loan Fund Program Account:					
(Loan authorization)	(37,544,000)	(80,000,000)	(40,000,000)	(+2,456,000)	(-40,000,000)
Loan subsidy	22,395,000	36,928,000	18,400,000	-3,995,000	-18,528,000
Administrative expenses	1,476,000			-1,476,000	
Rural Economic Development Loans Program Account:					
Direct loans (limitation on obligations)	(12,865,000)	(14,000,000)	(12,865,000)		(-1,135,000)
Direct subsidy	3,729,000	3,095,000	2,830,000	-899,000	-265,000
Administrative expenses	654,000	699,000	654,000		-45,000
Alternative Agricultural Research and Commercialization Revolving Fund	6,500,000	6,975,000	6,000,000	-500,000	-975,000
Rural business enterprise grants	45,000,000			-45,000,000	
Appropriate technology transfer for rural areas	2,300,000	1,300,000		-2,300,000	-1,300,000
Rural business-cooperative assistance 3/		53,750,000	51,400,000	+51,400,000	-2,350,000
RBCS expenses:					
Salaries and expenses	9,013,000	27,068,000	25,680,000	+16,667,000	-1,388,000
(Transfer from RBILP)	(14,747,000)			(-14,747,000)	
(Transfer from RDLFP)	(1,476,000)			(-1,476,000)	
(Transfer from REDLP)	(654,000)	(699,000)	(654,000)		(-45,000)
Total, RBCS expenses	(25,890,000)	(27,767,000)	(26,334,000)	(+444,000)	(-1,433,000)
Total, Rural Business-Cooperative Service	112,372,000	129,815,000	104,964,000	-7,408,000	-24,851,000
(By transfer)	(16,877,000)	(699,000)	(654,000)	(-16,223,000)	(-45,000)
(Loan authorization)	(537,544,000)	(80,000,000)	(40,000,000)	(-497,544,000)	(-40,000,000)
Rural Utilities Service:					
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Direct loans:					
Electric 5%	(90,000,000)	(125,000,000)	(125,000,000)	(+35,000,000)	
Telephone 5%	(70,000,000)	(75,000,000)	(75,000,000)	(+5,000,000)	
Subtotal	(160,000,000)	(200,000,000)	(200,000,000)	(+40,000,000)	
Treasury rate: Telephone	(300,000,000)	(300,000,000)	(300,000,000)		
Muni-rate: Electric	(525,000,000)	(600,000,000)	(525,000,000)		(-75,000,000)
FFB loans:					
Electric, regular	(300,000,000)	(400,000,000)	(300,000,000)		(-100,000,000)
Telephone	(120,000,000)	(120,000,000)	(120,000,000)		
Subtotal	(420,000,000)	(520,000,000)	(420,000,000)		(-100,000,000)
Total, Loan authorizations	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)
Loan subsidies:					
Direct loans:					
Electric 5%	21,168,000	3,625,000	3,625,000	-17,543,000	
Telephone 5%	13,958,000	1,193,000	1,193,000	-12,765,000	
Subtotal	35,126,000	4,818,000	4,818,000	-30,308,000	
Treasury rate: Telephone	60,000	60,000	60,000		
Muni-rate, electric	56,858,000	32,280,000	28,245,000	-28,613,000	-4,035,000
FFB loans: Electric, regular	2,520,000	3,720,000	2,790,000	+270,000	-930,000
Total, Loan subsidies	94,564,000	40,878,000	35,913,000	-58,651,000	-4,965,000
RETLP administrative expenses	29,982,000	33,070,000	29,982,000		-3,088,000
Total, Rural Electrification and Telecommunications Loans Program Account	124,546,000	73,948,000	65,895,000	-58,651,000	-8,053,000
(Loan authorization)	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Rural Telephone Bank Program Account:					
Direct loans (limitation on obligations)	(175,000,000)	(175,000,000)	(175,000,000)		
Direct loan subsidy	5,023,000	2,328,000	2,328,000	-2,695,000	
RTB administrative expenses	3,541,000	3,500,000	3,500,000	-41,000	
Distance learning and medical link grants and loans	7,500,000	20,261,000	7,500,000		-12,761,000
Solid waste management grants, rural water and waste disposal grants, and water and waste disposal facility loans (administrative expenses)	12,740,000			-12,740,000	
Rural utilities assistance program 3/	487,868,000	661,560,000	496,868,000	+9,000,000	-164,692,000
Emergency appropriations (P.L. 104-134)	11,000,000			-11,000,000	
RUS expenses:					
Salaries and expenses	18,449,000	33,873,000	33,195,000	+14,746,000	-678,000
Electric and telephone loans (by transfer)	(29,982,000)	(33,070,000)	(29,982,000)		(-3,088,000)
Rural telephone bank (by transfer)	(3,541,000)	(3,500,000)	(3,500,000)	(-41,000)	
Agricultural Credit Insurance Fund Program Account (by transfer)	(318,000)			(-318,000)	
Rural partnership (by transfer)	(12,623,000)			(-12,623,000)	
Total, RUS expenses	(64,913,000)	(70,443,000)	(66,677,000)	(+1,764,000)	(-3,766,000)
Total, Rural Utilities Service	670,667,000	795,470,000	609,286,000	-61,381,000	-186,184,000
(By transfer)	(46,464,000)	(36,570,000)	(33,482,000)	(-12,982,000)	(-3,088,000)
(Loan authorization)	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)
(Limitation on obligations)	(175,000,000)	(175,000,000)	(175,000,000)		
Total, title III, Rural Economic and Community Development Programs	2,126,506,000	2,253,461,000	1,868,222,000	-258,284,000	-385,239,000
(By transfer)	(449,317,000)	(403,474,000)	(400,341,000)	(-48,976,000)	(-3,133,000)
(Loan authorization)	(5,157,707,000)	(5,506,336,000)	(4,944,854,000)	(-212,853,000)	(-561,482,000)
(Limitation on obligations)	(187,865,000)	(189,000,000)	(187,865,000)		(-1,135,000)
TITLE IV - DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services	440,000	554,000	454,000	+14,000	-100,000
Food and Consumer Service:					
Child nutrition programs	2,348,166,000	3,251,215,000	3,218,844,000	+870,678,000	-32,371,000
Discretionary spending		4,000,000			-4,000,000
Transfer from section 32	5,597,858,000	5,413,453,000	5,433,753,000	-164,105,000	+20,300,000
Total, Child nutrition programs	7,946,024,000	8,668,668,000	8,652,597,000	+706,573,000	-16,071,000
Special supplemental nutrition program for women, infants, and children (WIC)	3,729,807,000	3,780,000,000	3,729,807,000		-50,193,000
Reserve		100,000,000			-100,000,000
(By transfer)	(4,000,000)			(-4,000,000)	
Food stamp program:					
Expenses	25,954,828,000	26,353,555,000	26,341,029,000	+386,201,000	-12,526,000
Reserve	500,000,000	2,461,200,000	100,000,000	-400,000,000	-2,361,200,000
Nutrition assistance for Puerto Rico	1,143,000,000	1,174,000,000	1,174,000,000	+31,000,000	
Total, Food stamp program	27,597,828,000	29,988,755,000	27,615,029,000	+17,201,000	-2,373,726,000
Commodity assistance program	166,000,000	172,000,000	166,000,000		-6,000,000
Food donations programs for selected groups:					
Needy family program	65,000,000	65,000,000	65,000,000		
Elderly feeding program	150,000,000	150,000,000	140,000,000	-10,000,000	-10,000,000
Total, Food donations programs	215,000,000	215,000,000	205,000,000	-10,000,000	-10,000,000
Food program administration	107,769,000	110,982,000	104,487,000	-3,282,000	-6,495,000
The Center for Nutrition Policy and Promotion		4,470,000			-4,470,000
Total, Food and Consumer Service	39,762,428,000	43,039,875,000	40,472,920,000	+710,492,000	-2,566,955,000
Total, title IV, Domestic Food Programs	39,762,868,000	43,040,429,000	40,473,374,000	+710,506,000	-2,567,055,000
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service:					
Direct appropriation	115,802,000	132,875,000	124,208,000	+8,406,000	-8,667,000
(Transfer from Commodity Credit Corporation)	(5,176,000)			(-5,176,000)	
(Transfer from export loans)	(2,792,000)	(3,231,000)	(2,792,000)		(-439,000)
(Transfer from P.L. 480)	(1,005,000)	(1,035,000)	(1,005,000)		(-30,000)
Total, Program level	(124,775,000)	(137,141,000)	(128,005,000)	(+3,230,000)	(-9,136,000)
Public Law 480 Program Account:					
Title I - Credit sales:					
Program level	(316,342,000)	(232,849,000)	(230,305,000)	(-86,037,000)	(-2,544,000)
Direct loans	(291,342,000)	(218,944,000)	(216,400,000)	(-74,942,000)	(-2,544,000)
Ocean freight differential	25,000,000	13,905,000	13,905,000	-11,095,000	

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3603)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Title II - Commodities for disposition abroad:					
Program level	(821,100,000)	(837,000,000)	(837,000,000)	(+15,900,000)	....
Appropriation	821,100,000	837,000,000	837,000,000	+15,900,000	....
Title III - Commodity grants:					
Program level	(50,000,000)	(40,000,000)	(29,500,000)	(-20,500,000)	(-10,500,000)
Appropriation	50,000,000	40,000,000	29,500,000	-20,500,000	-10,500,000
Loan subsidies	236,162,000	179,082,000	177,000,000	-59,162,000	-2,082,000
Salaries and expenses:					
General Sales Manager	1,005,000	1,035,000	1,005,000	....	-30,000
Farm Service Agency	745,000	783,000	745,000	....	-38,000
Subtotal	1,750,000	1,818,000	1,750,000	....	-68,000
Total, Public Law 480:					
Program level	(1,187,442,000)	(1,109,849,000)	(1,096,805,000)	(-90,637,000)	(-13,044,000)
Appropriation	1,134,012,000	1,071,805,000	1,059,155,000	-74,857,000	-12,650,000
CCC Export Loans Program Account:					
Loan guarantees:					
Short-term export credit	(5,200,000,000)	(5,000,000,000)	(5,500,000,000)	(+300,000,000)	(+500,000,000)
Intermediate-term export credit	(500,000,000)	(500,000,000)	....	(-500,000,000)	(-500,000,000)
Loan subsidy	374,347,000	390,000,000	390,000,000	+15,653,000	....
Salaries and expenses (Export Loans):					
General Sales Manager	2,792,000	3,231,000	2,792,000	....	-439,000
ASCS	589,000	623,000	589,000	....	-34,000
Total, CCC Export Loans Program Account	377,728,000	393,854,000	393,381,000	+15,653,000	-473,000
Total, title V, Foreign assistance and related programs	1,627,542,000	1,598,534,000	1,576,744,000	-50,798,000	-21,790,000
(By transfer)	(8,973,000)	(4,266,000)	(3,797,000)	(-5,176,000)	(-469,000)
TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation	819,971,000	823,771,000	819,971,000	....	-3,800,000
Prescription drug user fee act	(84,723,000)	(87,528,000)	(87,528,000)	(+2,805,000)	....
Mammography clinics user fee	(13,000,000)	(13,403,000)	(13,403,000)	(+403,000)	....
Total, Program level	(917,694,000)	(924,702,000)	(920,902,000)	(+3,208,000)	(-3,800,000)
Buildings and facilities	12,150,000	8,350,000	21,350,000	+9,200,000	+13,000,000
Rental payments	46,294,000	46,294,000	46,294,000	....	....
Total, Food and Drug Administration	878,415,000	878,415,000	887,615,000	+9,200,000	+9,200,000
DEPARTMENT OF THE TREASURY					
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation	15,453,000	10,290,000	10,290,000	-5,163,000	....
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	53,601,000	56,601,000	55,101,000	+1,500,000	-1,500,000
Farm Credit Administration (limitation on administrative expenses)	....	(37,478,000)	(37,478,000)	(+37,478,000)	....
Total, title VI, Related Agencies and Food and Drug Administration	947,469,000	945,306,000	953,006,000	+5,537,000	+7,700,000
Scorekeeping adjustments	-235,780,000	127,050,000	-368,000,000	-132,220,000	-495,050,000
Grand total:					
New budget (obligational) authority	63,087,898,000	58,444,364,000	52,684,037,000	-10,403,861,000	-5,760,327,000
(By transfer)	(672,070,000)	(618,631,000)	(613,918,000)	(-58,152,000)	(-4,713,000)
(Loan authorization)	(14,018,457,000)	(14,202,407,000)	(13,440,925,000)	(-577,532,000)	(-761,482,000)
(Limitation on administrative expenses)	(106,245,000)	(155,447,000)	(144,697,000)	(+38,452,000)	(-10,750,000)
(Limitation on obligations)	(187,865,000)	(189,000,000)	(187,865,000)	....	(-1,135,000)

1/ Such sums as available from AQI user fee account for FY 1996. In addition, $24,857,000 is anticipated from farm bill direct appropriations.

2/ In addition to appropriation.

3/ The Administration proposed funding for this account under the name "Rural performance partnership program".

(By unanimous consent, Mr. ARMEY was allowed to speak out of order.)

LEGISLATIVE PROGRAM

Mr. ARMEY. Mr. Chairman, it is our hope that we can complete this bill by 7 p.m. tonight, at which time we would intend to take up the budget. After the budget we would intend to take up the rule on the shipbuilding bill.

□ 1830

It is our hope and our belief that we could, under those circumstances, complete our work on shipbuilding and DOD tomorrow and avoid the need for us to be here in session on Friday.

In consideration of these opportunities that would make themselves available in the schedule, I am going to be asking the managers of the bill and those who have amendments to offer, if it would be possible, perhaps, for them to work out a time agreement to complete any consideration of amendments on this bill and move us to final passage by 7 o'clock.

Obviously, it is within their prerogatives to work out such an arrangement, but I would encourage them to do so. I would like to remind the Chairman and Members that I do have, under the rule, the option to rise and report. I would, of course, prefer not to exercise that option and, for that reason, would, to the maximum of my ability, encourage the bill managers and perhaps those with amendments, if at all possible, if they could work out this time arrangement so we can complete work on this bill and move on to the rest of the schedule.

Mr. Chairman, I yield back to the gentleman from New Mexico to see if perhaps he might want to explore that opportunity.

Mr. SKEEN. Mr. Chairman, certainly we would be willing to do that, and I assure the leader that we would get it done.

Mr. Chairman, I ask unanimous consent that debate on all amendments close at 7 p.m. and that the time from this point on be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

Mr. VOLKMER. Mr. Chairman, reserving the right to object, I want to discuss that. That is a problem. We have an amendment that is ready to be offered that, to me, is more important than the tobacco amendment that took up over an hour and a half or 2 hours, or the previous amendment that took a long time, because it has to do with rural America.

My district is rural. Rural water and sewer is very important to my district. The amendment is to be able to restore some of the money that we need in rural water and sewer, and to say to that we are not going to even get to speak on it unless we do it in, say, a half-hour, means 15 minutes on each side. There are any number of Members who wanted to speak on it because it is important to their district and we are being told we cannot do that.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. Further reserving the right to object, I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, we are not saying the gentleman cannot do something. What we are telling him is something he can do, and what he can do is this: We want to give the other side every opportunity. How many amendments is the gentleman talking about?

Mr. VOLKMER. One amendment that I know of at the present time.

Mr. BONIOR. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. Under my reservation, I yield to the gentleman from Michigan.

Mr. BONIOR. Mr. Chairman, I thank my colleague for yielding to me. There is one amendment left from the distinguished gentleman from South Carolina, and all we ask is that we have assurances from the other side of the aisle that we have a proper amount of time to debate that amendment.

If I am wrong, I would ask my colleague from Wisconsin to correct me, but as I understand it, that is the only pending amendment that remains for the evening.

Mr. SKEEN. Mr. Chairman, if the gentleman will continue to yield, we are talking 30 minutes. Can we do it in 30 minutes?

Mr. BONIOR. We would prefer to have a half-hour on each side.

Mr. SKEEN. Let us go 40 minutes.

Mr. VOLKMER. Would the gentleman give us 30 minutes and you take 10? That is 40 minutes.

Mr. SKEEN. Mr. Chairman, this is not a hog swap.

Mr. VOLKMER. That is 40 minutes.

Mr. SKEEN. How about 45 minutes:

Mr. BONIOR. Why do we not split 45 minutes?

Mr. VOLKMER. Make it 46.

Mr. SKEEN. Forty-five equally divided.

Mr. VOLKMER. Make it 46, 23 on each side.

Mr. Chairman, I ask the gentleman to repeat his unanimous-consent request.

Mr. Chairman, I withdraw my reservation of objection.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto occur within 45 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. SPRATT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have an amendment at the desk, but I have decided not to ask for the amendment to be considered. Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Are there other amendments to the bill?

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think that it would be worthwhile for some of the Members to know why many of us on this side of the aisle are not going to vote for this bill. I know that the gentleman from New Mexico, who I very strongly support in all the work that he has tried to do, is working under constraints not of his own making. It is the budget, which we are going to take up next, or sometime this evening, that is causing all the problems, but that budget cuts back severely on agriculture programs that will impact adversely, severely, on many rural districts, including my own.

We need more money in here for rural water and sewer, for economic development in the rural areas. That all is possible and would have been possible under the coalition or the blue dog budget. But, no, we had to do the Republican budget, and it makes these severe cuts in agriculture. It is not only in the rural water and sewer areas, but it is also in rural housing that is cut back.

I do not know why the Republican majority wants to devastate rural America, but it seems that they are bound and determined to do so.

If we look at another area of that budget, at the Medicare area, we will find what the cuts in Medicare and Medicaid will mean. In my district, in rural areas, we are going to have hospitals close. So I am going to have hospitals closing down. I will not be able to provide housing for many of my people, and I am going to continue to have communities that do not have adequate sewer systems, do not have any sewer system at the present time, cannot afford it on their own, and yet they do not want to provide the funds that would be necessary.

I had hoped that the gentleman from South Carolina [Mr. SPRATT] would have offered his amendment to restore $27 million; $27 million is vitally needed in this program but we do not have it.

I do not have any alternative, Mr. Chairman, but to vote in protest against this bill. I recognize that the gentleman from New Mexico and the gentleman from Illinois have done their best within the framework of what the budget of the Republican majority has given them, but I say to them that that is not enough.

I do not blame the gentleman from New Mexico, I blame his leadership, not only for coming down on agriculture, but later on education and other programs as well. I do not plan to vote on those types of things either.

Mr. Chairman, I think it is ill-conceived that they are trying to devastate rural America rather than helping it to grow, at the same time they say what they are doing is good for the country. I tell my colleagues this bill is not good for rural America. I believe that we have no alternative but to defeat the bill. I wish we could, but I know we will not be able to because we do not have the votes, the votes are over there to do it, but I want the people to know, the people of this House to know, that the gentleman from Missouri, HAROLD VOLKMER, is not going to vote for a bill that devastates rural America.

Mr. POMEROY. Mr. Chairman, I rise today in reluctant opposition to the fiscal year 1997 Agricultural Appropriations Act. I would like to commend the Agriculture Appropriations Subcommittee chairman, Mr. SKEEN, for doing a tremendous job in balancing the many demands for funds in this bill with a severe reduction in discretionary authority. I am especially pleased with the attention given to projects and programs which benefit producers in North Dakota and the upper Great Plains. The support given to all aspects of agricultural research and the funding of conservation programs certainly represent significant achievements in this bill. Finally I am relieved the committee restored funding to the market transitions payments the Agriculture Appropriations Subcommittee had cut.

In the final analysis, however, I find that I cannot support final passage for a few reasons. The main reason is the severe and unwarranted modifications made to the sugar program. Language inserted in the appropriations bill would cap the price of raw sugar at 21 cents per pound, a cent lower than the current domestic market price. Mandating what amounts to a price control on sugar at a time when in all other industries we continually call for free and open markets makes no sense. This provision will actually increase the amount of foreign sugar imported into the United States. Why we would want to increase sugar imports at the expense of our domestic sugar producers defies comprehension.

During the farm bill debate Congress passed a 7-year sugar reform program that raised import levels, removed marketing allotments, and assigned penalties for forfeiture of sugar. These reforms withstood tough votes on both the House and Senate floor. Now, less than 2 months after passage of those reforms, the Appropriations Committee has—at least in the language before us—decided to abandon the reform and make further modifications to the sugar program. If this action represents the commitment of Congress to the 7-year farm bill I truly fear for the rest of the guarantees in that law. Modification of complex and critical programs such as the sugar program in the closed rooms of the Appropriations Committee represents a dangerous precedent that should not be upheld. This attack on the sugar producers and sugar industry workers in the United States must not stand.

Additionally, the elimination of $2 million in funding for the agricultural mediation program is particularly troublesome. In North Dakota the mediation program has helped hundreds of farmers work through difficult credit problems, usually allowing them to service their loans without resorting to bankruptcy. With this elimination of the mediation grants these producers will have nowhere else to turn. This highly successful program certainly deserves continuing funding.

Finally, the Appropriations Committee, in report language, instructed the Secretary of Agriculture on how to conduct signups for the Conservation Reserve Program. The Secretary currently is preparing regulations for the next signup for CRP. To specify in this bill what the rule will be for the next signup could throw the process into a tailspin.

For these reasons I must oppose this bill. Despite the many good things in this bill, I cannot support such a brazen attack on the hard-working sugarbeet farmers in North Dakota and the thousands of North Dakotans employed in the sugar industry, and I cannot support the elimination of the highly successful North Dakota Ag Mediation Program. I hope these problems and the CRP provisions can be corrected in the Senate and in conference so I can support the necessary funding of the Nation's No. 1 industry—agriculture.

Mr. GOSS. Mr. Chairman, I ask that this summary of the U.S. AID's Inspector General's report be included in the RECORD. This summary deals exclusively with the Public Law 480 program and details some of the title III failures as well as title II successes.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, OFFICE OF THE INSPECTOR GENERAL, JUNE 11, 1996, TO DARREN WILLCOX, FROM PAUL ARMSTRONG, ACTING AIG/A

REQUESTED EXAMPLES OF PL-480 AUDITS

As requested, I'm sending you some write-ups on recent PL-480 audits which were included in our most recent Semiannual Reports to the Congress. The audits are listed below:

Report No.	Date issued	Report title
5–286–94–014	8–10–95	Audit of USAID/India's Monitoring of the PL–480 Title II Program
3–650–95–18	9–8–95	Audit of REDSO/ESA's PL–480 Title II Program in Southern Sudan
1–521–95–008	6–23–95	Survey Report on Losses of PL–480 Title II Commodities in Haiti During the Political Transition Period September 15, 1994 to January 13, 1995
3–656–96–003	2–9–96	Audit of USAID/Mozambique's Management of PL–480 Title III Program.

I hope this information is helpful.

P.L. 480 TITLE III PROGRAM IN MOZAMBIQUE

In an effort to help alleviate poverty and liberalize commodity markets in Mozambique, the United States donated over 458,000 metric tons of commodities under the P.L. 480 Title III Program. These commodities (mostly grain), valued at $88 million, were donated to the Government of Mozambique between 1991 and 1994 on the condition that the commodities be used to generate local currency for the purpose of funding various governmental ministries, as well as supporting private voluntary organization activities.

An audit of this program found that USAID had established a system to monitor the receipt, storage, and sale of commodities as required by Agency policies and procedures; however, the following problems were reported: poor quality commodities, subsequently determined by USAID management to be "unfit for human consumption," arrived in Mozambique, resulting in a loss of $8 million for purchase, transport and disposal costs; and pilferage of $1,376,378 worth of commodities occurred at Mozambique ports during the unloading of shipments—often in plain view of port security guards.

USAID in Mozambique had complained about the poor quality of commodities being received and the U.S. Ambassador had reported that the shipments had 1) a higher moisture content than allowed under regulations and 2) insect infestation so bad that the entire cargo and ship had to be fumigated several times. A response from USAID and the U.S. Department of Agriculture in Washington stated that the cause for this problem as the floods of the Mississippi watershed and suggested that the Mission upgrade its standard specifications for corn transports to Mozambique. The Mission did so and the quality of commodities has since improved. The audit made no recommendations in this area.

Regarding the commodity thefts, the audit recommended that USAID condition future shipments of P.L. 480 Title III commodities on improvements in port security, warehouse facilities, and operating procedures for the handling of bulk grain commodities in order to minimize the opportunity to future thefts. The Mission agreed and has suspended a shipment of 18,000 tons of corn (and all future shipments) until such improvements are made. The Mission is also requesting that the Government of Mozambique compensate the U.S. government for the loss.

The audit could not assess whether local currency generated from the sale of commodities was used for its intended purposes because the Mission had not assessed the reliability of the Mozambique government's accounting systems, nor had audits been performed on local currency expenditures. The Mission stated that a previously scheduled assessment had been postponed due to the signing of Mozambique's UN-brokered peace accord in 1992 and the first multi-party elections in October 1994. In addition, the Government of Mozambique's principal audit agency was considered incapable of conducting the audits. The OIG recommended that the Mission conduct an accountability assessment and financial audits as required. If the local audit agency cannot be relied upon, the independent public accounting firms or other alternative means should be pursued. USAID concurred with all the recommendations and initiated corrective actions. *(Audit Report No. 3-656-96-003)*

MONITORING OF THE P.L. 480 TITLE II PROGRAM IN INDIA

A recent audit of the Food for Peace Program in India showed that USAID/India has corrected problems previously identified by a prior audit, and has taken additional steps to improve the program. The Agricultural Trade Development Assistance Act of 1990, Public Law 480 (P.L. 480), is the statutory authority for the Food for Peace Program. During fiscal years 1993 and 1994, $135 million in food aid was delivered to 8.3 million poverty-stricken people in India. This food was mainly administered through two private voluntary organizations (PVOs)—Cooperative for Assistance and Relief Everywhere (CARE) and Catholic Relief Services (CRS).

The audit found that USAID/India generally ensured that the objective of the P.L. 480 Title II program was being achieved, losses were being reported, that claims were submitted on time, and claims were eventually being resolved. (A prior audit had found problems with one of the PVOs failing to report food losses or resolving claims). Finally, the Mission ensured that losses were held to reasonable levels, although improvements could be made in monitoring the ordering and allocating of food by one of the two PVOs.

The audit report recognized USAID/India's efforts to correct problem areas previously reported and the Mission's ongoing efforts to improve the P.L. 480 Program. One recommendation was made for USAID/India to improve its monitoring over the PVO's ordering and allocation of food. Mission officials generally concurred with the report's conclusions and the recommendation was closed upon report issuance. *(Audit Report No. 5-386-95-014)*

REDSO/ESA'S P.L. 480 TITLE II PROGRAM IN SOUTHERN SUDAN

USAID's Title II Emergency Relief program in Sudan is an ongoing effort to alleviate the suffering of the southern Sudanese people following the war between the Christian South and the Islamic government in Khartoum. An audit of this program found that USAID made a significant impact in its effort through the delivery of large amounts of food aid to the needy. Considering the war conditions, the Regional Economic Development Support Office (REDSO/ESA) had been successful in minimizing the food losses, although some food diversions did occur. For instance, financial difficulties forced a small non-governmental organization (NGO) to withdraw from the relief effort, putting war victims of two displacement camps at risk of starvation. The OIG brought this matter to the attention of REDSO/ESA and food aid was immediately delivered to the camps. In another instance, inadequate transport funding by the Bureau for Humanitarian Response had forced another NGO to suspend food aid distribution, putting 150,000 war victims at risk of hunger. Again, REDSO promptly resumed the delivery of emergency supplies. Finally, the audit found inaccuracies in recipient population estimates. Without accurate estimates, excess food aid deliveries to areas with over-stated populations would lead to the diversion of food to military personnel or market profiteers, while a shortage to areas with under-stated populations would deny starving people.

The audit recommended that REDSO/ESA take steps to ensure the NGOs obtain reasonable population estimates, recover claims for losses of food aid commodities, and improve on the system for reporting and recovering losses. REDSO/ESA management concurred with the audit findings and promptly took action to close the recommendations. All recommendations had been closed upon report issuance. (Audit Report No. 3-650-95-018)

LOSSES OF PUBLIC LAW 480 TITLE II COMMODITIES IN HAITI

The OIG conducted an audit survey of alleged losses of Public Law (P.L.) 480 Title II commodities in Haiti. The survey included a review of the physical security environment and control structure of the feeding program and a partial assessment of whether USAID/Haiti can provide reasonable assurances that program commodities are adequately safeguarded and used for intended purposes. The survey was conducted between September 1994 and January 1995, when Haiti was in transition from a military to a civilian government.

The survey found that the P.L. 480 Title II food program incurred substantial commodity losses due to theft during the political transition period. Three Title II cooperating sponsors reported 2,732 metric tons of commodity losses valued at $1.1 million or 16 percent of the total commodities while reporting 14,259 metric tons of commodities distributed during the first quarter of fiscal year 1995.

Although civil unrest has subsided and general stability has returned to Haiti, the situation remains somewhat volatile and uncertain. The OIG believes that a normal P.L. 480 Title II control structure is not designed to function under the absence of civil authority and the type of civil instability that occurred; therefore, the report recommended that USAID/Haiti establish procedures for determining the extent and causes of commodity losses in order to formalize alternatives for providing additional security measures to prevent future losses. USAID/Haiti generally agreed with our report findings. (Audit Report No. 1-521-95-008)

Mr. EMERSON. Mr. Chairman, I rise in support of this appropriations bill, which provides funding for many of the important agricultural programs that have helped to make our Nation's farming industry strong. While the funding that is provided in this bill is reduced from last year for many programs, I am also supportive of the effort to reign in Federal spending and balance the Federal budget. I urge my colleagues to join with me in support of the tough fiscal decisions the Appropriations Committee has made.

Particularly important for Missouri agriculture is the inclusion of funding for soybean cyst nematode research. This funding supports research which is conducted at the University of Missouri's Delta Area Agricultural Research Center in Portageville. Last year, American soybean farmers lost hundreds of millions of dollar of farm income because of soybean yield losses. Fortunately, the Delta Center has made significant advances in order to help the many U.S. soybean farmers fighting this profit destroying cyst nematode.

I am also particularly supportive of the aspects of this bill which will facilitate a growing export market for agricultural goods. Without a doubt, world trade is the key to the future of American Agriculture. Within our borders, U.S. consumers enjoy an abundant supply of food at a price lower than nearly anywhere else on earth. Therefore, in order to expand, American agriculture must look to foreign populations and consumers that are anxious to obtain a higher quality and a wider variety of foodstuffs.

Agricultural exports are expected to grow rapidly in the near future in certain markets, especially in the Pacific Rim. However, in other markets that are developing less rapidly, assistance through PL–480, or Food for Peace, will pave the way to greater U.S. exports in the long term. I have a longstanding interest in food aid and have observed many examples of countries that successfully have made the transition from a concessional to a cash buyer. And, as we help these countries meet their basic food needs, we also help U.S. farmers who grow the commodities and those who process, bag, can, rail, and ship the food to developing countries.

Accordingly, I am especially supportive of the funding that H.R. 3603 provides for the Food for Peace program and urge my colleagues to vote in favor of this bill.

Mr. BARRETT of Nebraska. Mr. Chairman, I rise in support of this bill. But, while I do support this bill, due to the full committee's correction of a major flaw in the measure originally reported by the subcommittee, I'm still very concerned that agriculture, year after year, is asked to do more than its fair share to help balance the budget.

Balancing the budget must remain a priority, and I'm a strong supporter of balancing the budget. However, the bill before us reduces spending for USDA, FDA, and related agencies by 16 percent—over $10 billion!

Unfortunately, not only are the spending reductions in this bill excessive, the appropriations subcommittee on agriculture attempted to revisit many of the issues we debated and voted on during the farm bill debate. For example, the House has spoken on the sugar program, which I remind you is mandated to operate at no net cost to the Government, and on granting farmers true freedom to manage their land. I'm afraid some in this urban-dominated Congress do not understand the nature of farming or agriculture programs.

The Federal Agricultural Improvement and Reform Act of 1996, the FAIR Act, was the first real reform of Federal farm programs in 60 years, and the only entitlement reform bill to be signed into law during the 104th Congress. I'm proud to have joined with Agriculture Chairman Roberts in this historic legislation that transitions farmers from dependence on Government subsidies to independent planting and marketing decisions. Enactment of the FAIR Act was a great accomplishment for this Congress, and the final vote reflected true bipartisan support.

However, it's time to move on. With the farm bill signed into law and with the passage of the fiscal year 1997 agriculture appropriations bill, I believe we must rebuild the partnership of all rural districts in support of agriculture—the largest single sector of the economy. I look forward to working with my colleagues as this Congress comes to an end and into the future to raise the voice of rural America.

The appropriations subcommittee on agriculture was put in a difficult position with its low budget allocation. I respect your work and thank you for making the best of a bad situation.

I urge my colleagues to support this bill.

Mr. FAZIO of California. Mr. Chairman, I rise in support of H.R. 3603, the Agriculture Appropriations bill for fiscal year 1997.

First, I need to thank my chairman, JOE SKEEN, and the ranking Democrat, DICK DURBIN, for their assistance during the last few weeks. I only recently became a member of this subcommittee, although it is one I have admired for many years. My admiration stems from the bipartisanship traditionally displayed by this subcommittee, and exemplified by the Skeen-Durbin team, and it is truly a model for the House, so I am proud to join the subcommittee's ranks.

H.R. 3603 is not a perfect bill. In fact, our bill continues an alarming trend in providing the absolute minimum resources to USDA to accomplish their important missions in the areas of agriculture research, animal and plant inspection, food safety and inspection, conservation programs, and rural housing and development.

The Agriculture Appropriations Subcommittee is a victim of our budget-balancing efforts, which, of course, we all support. But the implications of our balanced budget efforts have manifested themselves in several disagreeable ways:

First, we had perhaps an unnecessary confrontation with our brethren on the Agriculture Committee when our subcommittee acted in a manner which I thought appropriate under the circumstances, to ask farmers to share some of the burden demanded by our budget allocation—which was nearly $1 billion below last year.

Second, our budget allocation has been changed at least twice—the first in response to complaints abut our action which cut just 1.5 percent from the farm transition payments, and second, the result of a scoring problem pointed out by the Congressional Budget Office.

But these problems point to the overall difficulty with the Republican budget resolution, and the inadequate domestic budget allocations, and the real impact it has on our agriculture programs and other important functions of Government.

Despite some of these reservations, I support the bill and I think JOE SKEEN and DICK DURBIN have done a good job under demanding circumstances.

I have particular praise for several items of importance to California agriculture and to my district.

First, funds have been included for buildings and facilities construction within the Cooperative State Research Service, including funds for an important integrated pest management research facility at the University of California at Davis.

A new pest is introduced into California every 60 days, and it is imperative that we have the up-to-date facilities to develop effective methods to deal with them. This facility will support and accelerate research needed for environmentally compatible pest management strategies.

These institutions—such as the University of California at Davis—are required to provide a specific and verifiable cost-share. So this program represents a real commitment by State governments and the Federal Government to developing the successful agriculture strategies of the future.

Second, the bill provides funds mandated by the Agriculture Committee for the Market Access Program [MAP].

I anticipate that this program will come under attack again this year by an amendment seeking to eliminate it.

But there is probably no more important tool for export promotion than MAP. In California, where specialty crop agriculture is the rule, export promotion is extremely important.

Agriculture exports, projected to exceed $50 billion again this year—up from $43.5 billion fiscal year 1994—are vital to the United States.

Agriculture exports strengthen farm income.

Agriculture exports provide jobs for nearly a million Americans.

Agriculture exports generate nearly $100 billion in related economic activity.

Agriculture exports produce a positive trade balance of nearly $20 billion.

If U.S. agriculture is to remain competitive under GATT, we must have policies and programs that allow us to remain competitive with our competitors abroad.

GATT did not eliminate export subsidies, it only reduced them.

The European Union spent, over the last 5 years, an average of $10.6 billion in annual export susidies—the United States spent less than $2 billion.

The EU spends more on wine exports—$89 million—than the U.S. currently spends for almost all commodities under the Market Promotion Program.

MAP is critical to U.S. agriculture's ability to develop, maintain and expand export market in the new post-GATT environment, and MAP is a proven success.

In California, MAP has been tremendously successful in helping promote exports of California citrus, raisins, walnuts, almonds, peaches, and other specialty crops.

We have to remember that an increase in agriculture exports means jobs: a 10 percent increase in agricultural exports creates over 13,000 new jobs in agriculture and related industries like manufacturing, processing, marketing, and distribution.

For every $1 we invest in MAP, we reap a $16 return in additional agriculture exports. In short, the Market Promotion Program is a program that performs for American taxpayers.

Third, the committee has continued to provide the greatest possible funding for research in two main forms: through the agricultural research stations of the Agricultural Research Service, and through the special grants and competitive grants in the Cooperative State Research Education and Extension Service.

I am concerned that formula funding for our land-grant colleges and universities has been affected by our low budget allocation—requiring about a three-percent reduction from last year's levels. All of us who represent land-grant institutions know that State governments are having the same difficulties as the Federal Government in providing the resources these institutions deserve.

Our future success in agriculture, especially market-oriented agriculture as envisioned by the Farm Bill enacted just a few months ago, will require an on-going commitment to research if we are to maintain the U.S. lead.

Nevertheless, the committee has done a good job in keeping those resources as generous as possible under the circumstances. And I'm especially pleased that the committee was able to provide an increase for research into alternatives to methyl bromide and has initiated a special research grant to develop alternatives to rice-straw burning.

In summary, this is not a perfect bill, but it is a fair bill given the many needs and many issues within the committee's jurisdiction. I commend Chairman JOE SKEEN and ranking member DICK DURBIN for their efforts in support of American agriculture, and I urge my colleagues to support H.R. 3603, the Agriculture Appropriations bill for fiscal year 1997.

The CHAIRMAN. If there are no other amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DREIER) having assumed the chair, Mr. GOODLATTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 451, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 351, nays 74, not voting 9, as follows:

[Roll No. 234]

YEAS—351

Ackerman
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chambliss
Chapman
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Costello
Cox
Cramer
Crane
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Holden
Hostettler
Houghton
Hoyer
Hunter
Hutchinson

Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Martinez
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Sabo
Salmon
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schumer
Scott
Seastrand
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stokes
Stump
Stupak
Talent
Tanner
Tate
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Towns
Traficant
Upton
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—74

Abercrombie
Andrews
Barrett (WI)
Becerra
Beilenson
Berman
Blute
Chabot
Chenoweth
Clay
Collins (IL)
Conyers
Cooley
Coyne
Crapo
DeFazio
Dellums
Doggett
Engel
Eshoo
Fattah
Foglietta
Ford
Frank (MA)
Franks (NJ)
Gephardt
Gibbons
Green (TX)
Hancock
Hoke
Jacobs
Johnson (SD)
Johnston
Kleczka
LoBiondo
Lofgren
Markey
Martini
McDermott
Meehan
Menendez
Miller (CA)
Minge
Mink
Moran
Neumann
Owens
Payne (NJ)
Peterson (MN)
Petri
Pombo
Pomeroy
Roberts
Rohrabacher
Roybal-Allard
Royce
Rush
Sanders
Scarborough
Schroeder
Sensenbrenner
Serrano
Stark
Stockman
Studds
Tauzin
Taylor (MS)
Torkildsen
Torricelli
Velazquez
Volkmer
Waters
Waxman
Yates

NOT VOTING—9

Calvert
Frelinghuysen
Gillmor
Hayes
Horn
Lincoln
McDade
Roukema
Wilson

□ 1901

Messrs. COOLEY of Oregon, MINGE, and FATTAH changed their vote from "yea" to "nay."

Mr. BONILLA changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. HORN. Mr. Speaker, on rollcall No. 234, I was unavoidably detained on official business and unable to vote for the agricultural appropriations bill. Had I been present, I would have voted "aye."

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3610, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FISCAL YEAR 1997

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104–619) on the resolution (H. Res. 453) providing for consideration of the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

AUTHORIZING RUNNING OF 1996 SUMMER OLYMPIC TORCH RELAY THROUGH CAPITOL GROUNDS

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 172) authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Page 2, line 8, strike out all after "Grounds" down to and including "overnight," in line 9.

The SPEAKER (Mr. DREIER). Is there objection to the request of the gentleman from Maryland?

Mr. OBERSTAR. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman for an explanation of the proceeding.

I yield to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Speaker, we would like to expedite this bill. There is only a minor change between what we did in the House and what they did in the Senate. The torch is going to move on. It will not spend the night here so the Senate bill did not reflect the House bill in that way. So we would like to expedite the process and agree with the Senate version of the bill.

Mr. OBERSTAR. Mr. Speaker, I have no objection to the changes in the legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, during rollcall vote No. 211 on H.R. 3540, the foreign operations appropriations bill, I was absent due to the death of my father.

Had I been present, I would have voted "no."

Mr. Speaker, during rollcall vote No. 212 on H.R. 3540, the foreign operations appropriations bill, I was absent, due to the death of my father. Had I been present, I would have voted "no."

Mr. Speaker, during rollcall vote No. 214 on H.R. 3540, the foreign operations appropriations bill, due to the death of my father, I was absent. If I had been present, I would have voted "yes."

Mr. Speaker, during rollcall vote No. 216 on H.R. 3540, the foreign operations appropriations bill, due to the death of my father, I was absent. Had I been present, I would have voted "yes".

Mr. Speaker, during rollcall vote No. 217 on H.R. 3540, the foreign operations appropriations bill, I was absent due to the death of my father. Had I been present, I would have voted "yes".

Mr. Speaker, during rollcall vote No. 218 on H.R. 3540, the foreign operations appropriations bill, I was absent due to the death of my father. Had I been present, I would have voted "no".

Mr. Speaker, during rollcall vote No. 219 on H.R. 3562, I was absent due to the death of my father. Had I been present, I would have voted "yes".

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 178, CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1997

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 450 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 450

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the United

States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The conference report shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

The SPEAKER pro tempore (Mr. EWING). The gentleman from California [Mr. DREIER] is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my very good friend, the gentleman from South Boston, MA [Mr. MOAKLEY], pending which I yield myself such time as I may consume. All time yielded is for the purposes of debate only.

Mr. Speaker, this rule provides for consideration of the conference report on House Concurrent Resolution 178, the concurrent resolution on the budget for fiscal year 1997, which sets out a fiscally sound and responsible path to a balanced budget in 6 years. The rule waives all points of order against the conference report and its consideration. The rule provides that the conference report will be considered as read and provides 1 hour of general debate divided equally between the chairman and ranking minority member of the Committee on the Budget.

Mr. Speaker, one of the most important things we can do for future generations of Americans is balance the Federal budget. Big government liberals controlled Congress for decades leaving two legacies that plague America's children. One is a welfare state that impoverishes millions, trapping them in lives of despair, dependent on ineffective bureaucratic institutions. The second is a $5 trillion Federal debt that drags down our private sector economy and forces scarce resources—scarce Federal resources—to be used to pay interest on debt rather than to solve problems.

Last year, Congress passed the first balanced budget in a generation. It was designed to address these critical problems. That balanced budget let the President meet his two major campaign promises from 1992, providing a middle class tax cut and ending welfare as we know it.

Finally, it is worth noting that the balanced budget saved Medicare from the bankruptcy that the Medicare trustees now foresee as being just 5 years away, just 5 years away.

Mr. Speaker, the President lobbied to kill the balanced budget amendment to the Constitution over in the Senate. President Clinton vetoed the balanced budget that was passed last year by this Congress. He vetoed the middle class tax cut. He vetoed the welfare reform plan twice. He vetoed legislation to protect Medicare. In the words of our dear friends at the Washington Post, he encouraged Medagogues to "scare America's senior citizens for political gain."

Now, Mr. Speaker, some might say it is unfair to claim that this veto pattern reflects the President's views on these issues. He claims to support a balanced budget. At least two of the eight Clinton budgets released at assorted times over the last year and a half were balanced, at least in a technical sense.

The President claims to support tax cuts and has announced a dozen or so ideas for tax cuts over the past 2 years, even some of them in the past 2 weeks, as we have all seen. Of course, the only tax bill that the President has actually implemented and signed is the largest tax increase in American history.

He says he wants to reform the welfare system. The President spoke at length recently in support of the Wisconsin welfare reform plan. Regrettably, the administration has failed to approve the implementation of even that same Wisconsin reform plan.

Mr. Speaker, if nothing else, this budget process is showing the American people who is serious about the issues of balanced budgets, tax cuts, and welfare reform. While the President down there at 1600 Pennsylvania Avenue talks, the Congress delivers serious, thoughtful, responsible proposals.

This budget conference report sets out a 6-year budget plan that results in a balanced budget by the year 2002. It accomplishes this in a responsible manner that results in lower deficits each year than those proposed by the President.

The President's version of a balanced budget is just the opposite. It is a budget fiction that proposes to dramatically increase spending for 5 years and then slash spending in the last year to balance the budget.

That proposal is a joke that mocks the efforts of those who are serious about addressing our chronic budget deficits to save the future of our children.

Recent testimony before the House and Senate Appropriations Committees on discretionary spending illustrates the budget games being played by the Clinton administration. In short, the administration budget proposes to increase spending for 1 year in areas such as veterans and space programs, putting off all the cuts to the following years. The administration's own representatives claim that these budget numbers are not serious, that the President only cares about the first year's spending proposal and that cuts in the coming years will be abandoned each year as the time comes. In this way, the budget is scored as reaching balance in 6 years, but the administration's own officials say it will never come to pass.

Clearly, the balanced budget proposal offered in the conference report on House Concurrent Resolution 178 is the only serious balanced budget offered to the American people. Of course, the American people deserve more from the Federal Government than a balanced budget. We must address the fact that American families now pay a higher percentage of their income in taxes, 34.2 percent, than at any time in American history. This balanced budget cuts the tax burden on American families by $122.4 billion.

This budget also solves the problem of the impending bankruptcy of Medicare which, as I said, the administration has indicated is just 5 years away. It does this by updating a Federal health care program largely unchanged since its creation over three decades ago. By bringing Medicare into the 21st century, America's seniors will be offered increased choices and the potential to add new areas of coverage.

□ 1915

Medicare spending grows by 6.2 percent per year, increasing spending per beneficiary from $5,200 in 1996 to $7,000 in 2002. By addressing this problem in a serious manner, rather than following the Washington status quo band-aid method, Medicare will be healthy for at least 10 years.

Mr. Speaker, it is a cliche to say Talk is cheap. The President has proven time and again that talking about balancing the budget, cutting taxes and reforming welfare is easy to do. However, he has also proven that getting the job done is very hard. He has had both Democrat and Republican Congresses to work with, and he has failed miserably with both. There is no other option.

On the other hand, the failure to match talk of balanced budgets with action is very expensive; it is very difficult. We are passing a massive debt burden on to the children of this country, and we are not preparing them to pay the bill. Mr. Speaker, I urge my colleagues to support this rule and to support the conference report so that we can move forward and proceed with the concrete actions needed to match words with deeds.

Mr. Speaker, I submit for the RECORD the following:

[The Budget Conference Report for Fiscal Year 1997, June 12, 1996]

MAKING LIFE BETTR FOR ALL AMERICANS

(Prepared by the House Budget Committee, John R. Kasich, Chairman)

BALANCES THE BUDGET BY 2002

Reverses the trend of heaping debt on our children and grandchildren.

Will save the average family $2,200 on the cost of a student loan, $900 on an auto loan, and $37,000 on the mortgage of a small home.

PROVIDES MUCH-NEEDED TAX RELIEF

Provides desperately needed tax relief for middle-income, working families with children, who are paying more in Federal, State, and local taxes than they spend on food, clothing, and shelter combined.

Puts an extra $1,000 in the hands of a family of four.

Helps improve the standard of living and savings rate for American families, who for years have seen their real incomes decline.

MAINTAINS A STRONG NATIONAL DEFENSE

Stabilizes national security while reversing the administration's damaging defense cuts.

Makes funds available for a cost-effective and reliable missile defense to protect the American people.

Provides funding for a 3-percent military pay raise, increased construction of family housing and child development centers for dependent children of the military, and full funding of readiness objectives.

EXPANDS VETERANS' BENEFITS

Provides $10.6 billion more than the President over 6 years to provide veterans' medical care, to conduct prosthetic research, to run the National Cemetery system.

Improves other services for veterans: raising disabled veterans' auto allowance; improving compensation for surviving spouses; extending back benefit payment limits; providing scholarships for college seniors; converting certain education benefits to the GI Bill; making permanent the Alternative Teacher Certification Program; and funding the Pro Bono Program; at the Court of Veterans Appeals.

PRESERVES AND IMPROVES MEDICARE

Ensures that hospital care will be available to seniors and disabled beneficiaries by saving the Medicare Hospital Insurance Trust Fund from imminent bankruptcy, extending its life for 10 years.

Increases Medicare spending per beneficiary from an $5,200 in 1996 to $7,000 in 2002, without raising deductibles or copayments.

Keeps the Medicare Part B premium at the current 25 percent of program costs.

Expands the health care options Medicare beneficiaries can choose from: remaining in traditional Medicare or choosing HMOs, point of service plans, provider service organization, medical savings accounts, and fee-for-service plans.

Opens the potential for new benefits, such as preventive services, prescriptions or eyeglasses.

IMPROVES EDUCATION

Protects loans for college, allowing growth in total volume from $26 billion this year to $37 billion in 2002.

Saves taxpayers money by capping the government-run direct lending program and achieving modest savings from lenders in the guaranteed lending program—but no student will be denied access to a loan because of this.

Protects education for disadvantaged students (Title I), Special Education, Head Start, Pell Grants, and Impact Aid.

Delivers more job training with fewer dollars by consolidating 70 separate programs.

ENHANCES LAW ENFORCEMENT

Increases the Violent Crime Reduction Trust Fund in 1997 by almost $600 million compared with this year.

Fully funds the Antiterrorism and Effective Death Penalty Act of 1996, giving the Federal Government significant new resources to fight domestic and international terrorism.

Protects the Nation's borders by supporting the Immigration in the National Interest Act.

PROTECTING OUR PARKS AND NATURAL RESOURCES

Provides additional funds each year to improve the National Parks.

Recommends safe drinking water and strong clean water programs.

Calls for Superfund reforms and provides funding to facilitate hazardous waste clean-up.

REFORMS WELFARE AND MEDICAID

Encourages States to move families off of welfare and into the workforce.

Provides $4.5 billion more than current law to assist persons on welfare in obtaining child care so they can enter the workforce.

Allows States to consolidate 12 separate child protection programs to better address the problem of child abuse and neglect.

Improves the collection of delinquent child support by establishing uniform State tracking procedures to find and crack down on deadbeat non-custodial parents.

Improves the system for establishing paternity in cases of out-of-wedlock birth to increase the likelihood that fathers of illegitimate children will contribute to their children's well-being.

Allows States to offer health insurance to millions uninsured people.

Eliminates Federal micromanagement of Medicaid.

Allows States greater flexibility to tailor health programs to their needs while protecting vulnerable populations.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleague and my dear friend, the gentleman from California [Mr. DREIER], for yielding me the customary half hour.

Mr. Speaker, I am very sorry to see that, for the second year in a row, the Republicans in this Congress are proposing Medicare cuts to pay for tax breaks for the very rich.

Although these cuts are much better disguised this year than they were last year, they nevertheless are still there.

And, make no mistake about it: this $168 billion Medicare cut is to pay for at least $122 billion in tax breaks for the very rich, just like last year, and that is too bad, Mr. Speaker. It is too bad that, after this country responded to last year's bad ideas with a resounding "No," my Republican colleagues are still determined to cut billions from Medicare to help pay for billions in tax breaks for the richest Americans.

Mr. Speaker, this was a terrible idea last year, and it is an even worse idea this year.

This Republican budget plan will cut Medicare by $1,100 per senior by the year 2002, all to pay for those same tax breaks for that same very rich group. Seniors will get fewer services for their money; doctors will be allowed to overcharge; low-income children could be denied health care; and many hospitals could close.

Mr. Speaker, I, and the rest of the country, want to ask my Republican colleagues to stop this horrible budget. It will have very bad consequences for the most needy Americans, especially children and senior citizens, and no tax cut for the rich, Mr. Speaker, is worth that price.

I would also like to ask my Republican colleagues to please talk to Speaker GINGRICH and ask him not to rob Medicare for seniors and pass out tax breaks again to that very elite group, the very richest Americans, particularly when working Americans earning less than $28,000 are going to see their taxes rise under this bill.

For all their talk of reversing the deficit, Mr. Speaker, my Republican colleagues have come up with a budget that will actually raise the deficit —now listen very closely—the budget that we have before us now will actually raise the deficit $40 billion over the next 2 years. This budget will reverse the remarkable progress that President Clinton has made in lowering the deficit from $290 billion to $130 billion.

Mr. Speaker, it is irresponsible, it is shortsighted.

And that is not all this bill does, Mr. Speaker. The Republican budget will limit student loans. Now please listen to this figure: forcing 700,000 students out of the student loan program this year alone. It will freeze Superfund cleanups, leaving dangerous toxic waste in our land and our water. And I am disappointed to see that my Republican colleagues are including that same poison pill of Medicare cuts they did in last year's budget. They are going down the exact same road that they did last year, a road that ended up in unprecedented Government shutdowns and unprecedented wastes of taxpayer money. In fact, my Republican colleagues have even added a section to the budget just in case they cannot get their work done. They would actually add $1.3 billion to the deficit in this budget to govern themselves in case they decide to shut down the Government again.

So make no mistake about it, Mr. Speaker. Any Member who votes for this conference report is voting to increase the deficit by $40 billion over the next 2 years.

Now I want to repeat that so nobody has any false ideas. Any Member who votes for this conference report is voting to increase the deficit by $40 billion over the next 2 years.

Mr. Speaker, I urge my colleagues to oppose this budget. We should protect our Medicare. We should protect our student loans. We should not raid them for tax cuts for the rich.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Let me just say it is very interesting that the term "rich" has been used, and I understand that momentarily we will be getting a report on the number of times it was used, but I would like to say that in looking at this budget proposal there is nothing in here for a tax cut for the rich. We have the family tax credit, per child tax credit, $500 in here, and I do not know that that is a great big windfall for the rich. It is for the working American out there.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, I just want to read from the record before the Committee on Rules. The gentleman from Massachusetts [Mr. SOLOMON] says:

> Any other questions of the witness?
>
> Mr. Linder (questioning): "Will capital gains cuts come in next?"
>
> Mr. Kasich: "It will be in the loophole-closing section."

So do not say there is no tax break for the very rich in here.

Mr. DREIER. So it is completely paid for.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Glens Falls, NY [Mr. SOLOMON], chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank my colleague from Claremont, CA, and the vice chairman of our Committee on Rules, for his excellent opening statement, and I guess I should not be taken aback by the speech I have just heard by my good friend, the ranking democrat from Boston, MA [Mr. MOAKLEY], but, yes, he mentioned that we are helping the very rich, he says that six times, and he says we are cutting Medicare six times.

Mr. Speaker, I ask my colleagues, isn't that funny?, because the liberal New York Times says that is not so. The liberal Washington Post says that is not so. The liberal Los Angeles Times says that is not so. And editorials all across this country say that is not so and it is not.

Now I also want my colleagues to keep track of those that are going to get up and speak tonight on that side of the aisle accusing us Republicans of raising a deficit, because my good friend, Mr. MOAKLEY, appears on the list of the biggest spenders in the Congress, according to the National Taxpayers Union, and so will just about every other speaker that rises against our budget today. Keep that in mind, my colleagues.

Now, Mr. Speaker, let me begin by first commending the Committee on the Budget and particularly its chairman, the gentleman from Ohio [Mr. KASICH], for making the very tough choices necessary to balance this budget. While this conference report does allow the deficit to go up from $145 billion this year to $153 billion next year, it does get us to a balanced budget by strictly adhering to the balanced budget glidepath that we adopted last year, and that is why I am such a strong supporter of this budget here today. This predicted increase follows the extraordinary work at cutting spending done by the Committee on Appropriations last year, over $30 billion, the largest single-year reduction in spending since World War II. Cutting that spending early on in this glidepath actually reduced the deficit for last year more than was originally predicted.

Nevertheless, I believe any increase this year can be further reduced by cutting more spending during the appropriation process. That is what we did last year after we adopted the budget, by passing our entitlement reforms and by producing a stronger economy as a result of our continued dedication to a balanced budget. The result of that dedication, Mr. Speaker, has already brought about a deficit that is the lowest percentage of the GDP since 1974. That is decades ago.

I would also note that the Committee on the Budget of the 104th Congress, under the leadership of the gentleman from Ohio [Mr. KASICH], has produced only budget resolutions with a glidepath to a balanced budget demonstrating their deep-rooted dedication to getting our fiscal house in order, and that is what this debate is all about today.

As we all know, this has not always been the case around here. In the past there have been efforts to reach a balanced budget by setting statutory deficit reduction levels, like the Gramm-Rudman statute in 1985, but the Democrat-controlled Congress proved unable to maintain the path to a balanced budget, and the quest for that goal was abandoned after just 2 years. This conference report before us today continues to press toward our balanced budget mark for the second consecutive year, and we will keep doing it for 5 more years in a row.

In March, the Congressional Budget Office projected that absent any substantive spending reform, the Federal budget will carry a deficit of $209 billion in the year 2002. However, under the budget blueprint before us today right here on this floor, in the year 2002 we will see the death of the deficit. In fact, this budget provides a $5 billion surplus in that year, and, as my colleagues know, I just can hardly wait for that to happen.

This budget also contrasts sharply with the Clinton administration's budget, which is being sold as leading to a balanced budget on this floor tonight. As we all know, the President's budget, when added up by the nonpartisan Congressional Budget Office, still falls short of that balanced budget. In fact, it leaves the budget $81 billion in deficit 7 years down the road.

So what did we gain after all this over 7 years? Nothing. A balanced budget is achieved only after adding in the President's contingency proposals, which call for $67 billion in unspecified spending cuts, and, my colleagues, that is a copout because, if we do not specify, we know we are never going to get them down the road. It also provides for a sunset of his tax proposal so that he raises taxes once again in the years 2001 and 2002, well after he leaves office. His budget is going to raise out taxes even after he is gone.

We are not going to let that happen, my colleagues. In stark contrast, this budget resolution is backed up by a series of assumptions showing with great specificity how it is possible to implement these numbers in the resolution.

For example, and my colleagues all ought to listen to this back in their offices or wherever they are tonight, this budget resolution calls for tax relief of $122.4 billion centered around, and not for the very rich now, not that term my good friend Mr. MOAKLEY likes to use, but it is centered around a permanent $500 per child tax credit for middle-class American families. Is that for the very rich? It sure is not in my district. It has teeth by calling for comprehensive, yet responsible reform of the Nation's failed welfare system, and we are going to get that, my colleagues. We are going to drive that through this year, slowing the growth of the Federal welfare spending by $53 billion.

I mean that is what we have been attempting to do here for the last 2 years. Tonight we are going to get it done.

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Also with Medicaid for the poor, spending is growing at the unsustainable rate of 9 percent a year. This budget slows that growth of Medicaid spending by $72 billion over the next 7 years by allowing it to go from $96 billion in 1996 to $140 billion in 2002.

Mr. Speaker, this budget also ensures the provisions of quality medical care for senior citizens of this country by, listen to this now, because this is what the New York Times, the Washington Post, and all the editorials across the country say; not cutting Medicare, but by increasing Medicare spending per beneficiary from $5,200 in 1996 to over $7,000 in the year 2002. It preserves Medicare from its pending bankruptcy. That is what the media out there and what the American people are asking us to do, to preserve Medicare. This budget does it.

Furthermore, Mr. Speaker, this budget reflects Congress' emphasis on national priorities such as strengthening our national defense, enhancing veterans' benefits and medical care, boosting law enforcement and crime prevention, improving the quality of education, and preserving student loans, preserving it so we do not fund it by deficit spending, protecting the environment and the Nation's parks, advancing basic research to create new knowledge, and transitioning agriculture to a market-oriented system, something that has been long overdue; and we do it in this budget.

Finally, Mr. Speaker, I just feel compelled to answer the question, why are

Republicans seeking to balance the budget and provide tax relief for middle-class Americans; why, why, why, are we doing this? Contrary to the claims of the Democrats, it is not because we oppose popular Government programs, not because we seek to pay off influential political friends, or not because we lack any compassion or care for those less fortunate. In fact, it is precisely because we are compassionate and because we favor increased economic opportunity and mobility for all Americans that we are doing this.

We firmly believe slowing the growth of spending, lowering taxes, increasing family responsibility and transferring portions of Government from Washington to the State capitals and local governments will create a better society for all. That is what we believe in.

To further demonstrate how the Republican vision provides this positive change, just consider some of the benefits of balancing the budget, as determined by not us, not the Republicans, but by the Federal Reserve and the Congressional Budget Office and the Joint Economic Committee. Listen to what they say. The Republican balanced budget, and the American people ought to listen to this, because sometimes we wonder what will a balanced budget do for the average American family, first of all, it lowers long-term interest rates by at least 2 percent on mortgages, auto loans, school loans, and credit cards. Think about that, Mr. and Mrs. America. It allows the private sector to create 4.25 million new jobs over 10 years. That is really what we ought to be about here in this Congress is helping the private sector create new jobs.

It increases per capita income by 16.1 percent. What American family cannot use that? It adds $235 billion more revenue to the Federal Government and $232 billion more revenue to State and local governments, both without raising taxes. That is the way Government ought to function, not raising taxes.

It adds an additional $32.1 billion in real disposable income to put in the pockets of the American people. It adds an additional $66.2 billion in consumer spending. That creates jobs by creating this spending. It adds an additional $88.2 billion in capital investment, so badly needed, especially by small business, which creates 75 percent of all the new jobs in America every year. It provides the average family with $2,300 economic bonus. It raises real incomes of American families by 10 percent due to permanent balanced budgets. It frees up crowded-out capital for private investment and job creation. It strengthens the American dollar. It accelerates long-term economic growth.

This is not me saying this, this is the Federal Reserve and the Congressional Budget Office saying this. It lowers inflation and unemployment. That is what we are all about. It increases productivity and exports of American goods. It strengthens financial markets, both stocks and bonds. It frees up our annual $200 billion in interest payments for other priority items in the budget, for those people that truly need help, because we are reducing that annual deficit dollar that we have to pay every year.

It expands the Federal tax base, thereby increasing Government revenues. It prevents future tax increases to finance a growing Government, because we are shrinking that Government and returning it back to the States. It strengthens U.S. credibility in international markets. It ensures the long-term ability of governments to be compassionate. It turns America around and stops our fiscal decline.

Mr. Speaker, let me just conclude by saying this budget restores the moral responsibility on fiscal issues. It saves our children and grandchildren from bankruptcy, and it strengthens the American family by preserving their future. Mr. Speaker, these benefits are not economic statistics or intellectual theories, they are basic kitchen table benefits for every American family in this country.

I commend my Republican colleagues for their resilience and dedication to their core principles, and the chairman, the gentleman from Ohio [Mr. KASICH], for his leadership, and for putting wheels onto the efforts to fulfill this vision that I have just outlined for America.

Mr. Speaker, every Member of this Congress ought to come over here and vote for this rule and vote for this bill. It is the right thing to do for our children and grandchildren. Please come over here and support it.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I simply want to note that one of the previous speakers mentioned the House passage of the Wisconsin welfare reform proposal last week. As Members know, what happened last week is the House passed the waiver request sent in by the State of Wisconsin, eliminating the 30-day public comment period.

The Milwaukee Journal carried a story yesterday that hidden in those waiver requests were provisions that allowed employers to scale back employment for regular workers, to cut their hours, to cut their benefits, to interfere with their scheduled promotions in order to hire welfare recipients. The main Wisconsin bureaucrat who was supposed to be in charge of administering the program said in the Milwaukee Journal, "Gee, we had no idea why that provision is there." The main legislative sponsor in the proposal in the State assembly was quoted as saying that he did not know that that was in the waiver request until he read it for the first time over the weekend.

Today, Wisconsin announced that it was a big mistake and that they were going to have to change their waiver request. What this means is that the proposal which the House voted to bless just a week ago tells workers that we do not like the fact that welfare workers are going to be unnecessarily gobbling their tax dollars, but instead we are going to allow them to unnecessarily gobble their jobs. I do not think those workers are going to be very pleased about that.

I think what happened last week, in fact, showed the wisdom of those in the House who supported the substitute that we proposed, which asked to maintain the regular waiver process, and which allowed the public to continue to be able to comment for 30 days so just that kind of problem could be avoided.

Mr. Speaker, I would point out it was not any Wisconsin politician who discovered the problem, it was a member of the general public, a member of the press. So much for rubberstamping what we get sent by legislators these days.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I rise to oppose the rule. Once again, the Republican leadership is determined to make unnecessary cuts in the Medicare Program in the name of tax breaks for the wealthy. Incredibly, this Republican budget actually increases the deficit while making major changes in the Medicare and Medicaid Programs that will ultimately destroy their effectiveness. If there is any doubt about that, I would mention that one of my colleagues from the other side, the gentleman from Wisconsin [Mr. NEUMANN], actually passed out a Dear Colleague yesterday where he asked the Members, his colleagues, not to vote for the budget resolution, the conference report, because it increases the deficit from $145 billion in fiscal 1996 to $153 billion in fiscal 1997.

Mr. Speaker, I cannot support a budget that cuts Medicare and blatantly raises the deficit after so much progress has been made. We have been through 4 years now where the deficit has steadily been going down. Yet, at the same time now, our Republican colleagues are saying to us that is OK, we are going to raise it again for another year or possibly beyond, but at the same time we are going to make these drastic cuts in Medicare and Medicaid that primarily pay for tax breaks for the wealthy.

Mr. Speaker, let there be no doubt about it, these cuts go into a slush fund that will be used for tax breaks for the wealthy.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, I rise in opposition to this budget proposal. First of all, I am not voting for a budget proposal that actually raises the deficit in the first 2 years, meaning that we are going to have to borrow more and put it on the national debt in order to pay for it over time.

Second, I am not voting for a proposal that cuts Medicare and Medicaid far more than is necessary, presumably to pay for tax cuts, and some of those tax cuts, if not many, are going to end up in the pockets of the wealthiest. In West Virginia we did an analysis. Three hundred twenty-five thousand senior citizens could see their Medicare premiums or other costs, out of pocket, increased somewhere between \$800 and \$1,000 by the year 2002. Three hundred sixty thousand West Virginians are on Medicaid, of which one-quarter of our children depend upon Medicaid, yet this program is being cut far more than is necessary, probably in order to pay for tax cuts for the wealthiest. The Tri-County Health Clinic in Rock Cave, WV, I think said it well, its administrator, when he said, "This means a reduction in uncompensated care, a reduction in services and increased charges, a reduction in the community services." This is not a good budget.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this is a sad time to come to the floor of the House, primarily because I would like to say that we have done better than we did last year. Maybe we will entertain the opportunity for not closing the Government down, but it is like a second place finish; better than a third place finish, but not good enough.

This bill increases the deficit, this budget. It likewise says to seniors, the heck with you on being able to stay with your physician. The heck with you in terms of the Medicare costs that are increasing, for we are not going to provide you with the resources for good health care.

As millions of Americans are trying to educate their children, we begin to cut Medicaid so those families who need nursing home care for their parents have no help. Likewise, we say to throngs of children and pregnant women that "Your health care is not at the cornerstone of our concerns."

Then what the Republicans do is something quite interesting. It is called magic. They have a big pool of money that is unnamed, called tax breaks for the rich, the crown jewel of the contract, hidden and unseen. That is what the budget resolution is all about. I would ask my colleagues to vote it down.

Mr. Speaker, the conference report that we have before us is a lot like a second place finish in a race—it's better than third place finish of the House-passed bill, but its not good enough. There is indeed more money in this conference report than the bill passed out of this body, but there are budget reductions and policy changes which I not only find objectionable but horrible. Seemingly in almost all areas, but especially the entitlement programs, this budget resolution directs policy changes which I can only believe will cause much greater harm to those it is supposed to help.

While Medicare is no longer slashed by \$270 billion as it was last year, the CBO has projected that under the current Republican plan, not enough money is spent to maintain the current level of benefits. As common sense will tell any of us, that means this Nation's seniors will be shortchanged, and less care given. And while part B premiums will stay at 25 percent, this legislation will allow providers to engage in balance billing—the charging of seniors above what Medicare will pay.

Under these Medicaid provisions, the Federal Government will abdicate its responsibility, and millions of low-income children, pregnant women, disabled people and senior citizens will be denied access to the basic health care which we all take for granted. States will be allowed to reduce their maintenance of effort requirements and define who they consider to be "disabled."

May I remind my colleagues, that it is Medicaid which helps millions of American families pay for the nursing home care that their parents need. Without that help from this Government, those families will be saddled with these additional costs, just as they are trying to cope with the price of college education for their children, increased uncertainty about their jobs and ever increasing burdens that American families will face at the turn of the century.

VETERANS

And Mr. Speaker, may I say woe to our distinguished and honorable veterans, for this conference report provides small increases to several veterans' programs, including the Montgomery GI bill education benefits, the alternative teacher certification program, the pro bono legal program at the Court of Veterans Appeals, surviving spouse compensation, and the auto allowance for severely disabled veterans. But overall, it reduces veterans' programs by \$5.3 billion over the next 6 years.

WELFARE

The most harmful provision of this bill is its welfare provision. This package will effectively eliminate the Federal guarantee of assistance for poor children in this country for the first time in 60 years.

The Republican budget folds 20 separate child protection programs into two block grants at a time when GAO and others report that current resources are failing to keep pace with the needs of a national child protection system in crisis. Under this plan, funds could be inadequate to respond to rapidly increasing reports of abuse and neglect, and insufficient to protect abused children and find them safe, loving and permanent homes. The plan potentially guts accountability for State child protection systems, over 20 of which are operating under court mandates for failing to provide adequate service to abused and neglected children.

Once again, the Republican majority has produced a budget that fails to provide adequate resources for work programs and child care which are critical to effectuate a transition from welfare to work. The Republican plan significantly increases the need for child care while reducing the resources for child care services as well as the funds available to States to improve the quality of care.

Mandatory welfare-to-work programs can get people off welfare and into jobs, but only if the program is well designed and is given the resources to be successful. The GOP plan is punitive and wrong-headed. It will not put people to work, it will put them on the street. Any restructuring of the welfare system must move people away from dependency and toward self-sufficiency. Facilitating the transition off welfare requires job training, guaranteed child care and health insurance at an affordable price.

Even though this resolution presents us with a balanced budget, it is the wrong balance of needs and responsibilities. I urge rejection of this Republican vision of America and ask my colleagues to reconsider our priorities and our future.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Speaker, I thank the ranking member for yielding time to me.

Mr. Speaker, we have just heard described a pie-in-the-sky budget that can do just about everything but leap tall buildings. The fact remains, Mr. Speaker, that the budget they are presenting increases the deficit. The people who claim to be deficit hawks, the people who claim to want to reduce the deficit and balance the budget, are in fact presenting us with a budget today which will increase the deficit by \$40 billion in the course of the next 2 years. What they have done is front-loaded this budget with tax breaks for the wealthy. Those front-loaded tax breaks will kick in, and that will cause us to increase the deficit, also causing us to make deep cuts in Medicare.

Yes, Mr. Speaker, this budget contains cuts in Medicare far deeper than the President's budget and far deeper than the coalition budget, which 40 newspapers said is the only true budget. With these deep cuts in Medicare, seniors will experience a loss of choice of their doctors. Seniors will experience higher out-of-pocket costs. Seniors will experience a reduction in the quality of their medical care. They will also lose the benefits of Medicaid and the protection for nursing home care.

Mr. Speaker, this is a bad budget, a pie-in-the-sky budget that increases the deficit.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I rise in opposition to this rule and in opposition to this budget.

Mr. Speaker, this budget, though the numbers may be a little better, actually the results are the same. It is more of the same all over again. In spite of the Republicans saying that they got it, that Medicare was a concern and they are trying to save it, I will have Members know that if the Medicare cuts persist, rural hospitals where I am from will more than likely go out of business, because over half of their revenues now are dependent on Medicare; so indeed, pushing this budget will see the demise of rural hospitals, where health care is already in a deficit.

□ 1945

In addition, Medicare is bad but Medicaid is even worse because we depend more on Medicaid for care for women and children. Three out of every five children in rural areas depend on Medicaid.

Moving toward this budget means that you deny poor children and mothers an opportunity to have health care. This is the wrong budget. In moves in the wrong direction. I urge defeat of the rule and also defeat of the budget.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. I thank the gentleman from yielding time.

Mr. Speaker, I am a little confused. I was listening to my colleagues on the other side talking about this budget and what it is going to do. We have just gone through 4 consecutive years of lowering the deficit. This began in 1993 with a very tough vote for some of us on this side of the aisle. Not one Republican voted for that budget back in 1993. In fact they stood up one after the other preaching doom and gloom, that the country was going to fall apart.

This is the first time since FDR and Harry Truman that we have had 4 straight years of deficit reduction. It was started by President Clinton. In fact, the budget today would be balanced if we were not paying the interest on the debt of 12 years of Reagan and Bush running up the debt, quadrupling the deficit in this country. If it were not for the interest on the Reagan and Bush debt, the budget indeed would be balanced.

Here come the Republicans. Not one vote did they give us in 1993, but they are telling us, "If you allow us to increase the deficit next year, we'll balance the budget 6 years from now. If you allow us to increase the deficit the following year, we'll balance the budget."

Mr. Speaker, I call this the wimpy budget: You will gladly pay us in 2002 if we give you a vote today.

Mr. MOAKLEY. Mr. Speaker, would the Chair inform my dear friend, Mr. DREIER, and myself how much time we have remaining?

The SPEAKER pro tempore (Mr. EWING). The gentleman from Massachusetts [Mr. MOAKLEY] has 17 minutes, and the gentleman from California [Mr. DREIER] has 9 minutes.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. I thank my friend from Massachusetts for the time to speak on this rule and to speak on the budget.

Mr. Speaker, after the Clinton administration has worked so hard to reduce the deficit by over 50 percent, this budget actually raises the deficit a billion dollars. Instead of being fiscally responsible and reducing the deficit, the Republicans are cramming tax breaks into the first 3 years of their 6-year budget. The deep changes in the projected growth of Medicare will turn the balance against our seniors. Life will be different for our seniors when they must pay doctors and hospitals up to 40 percent of the cost of their medical procedure and when rural hospitals have to close because they rely on Federal funds.

I urge a "no" vote on this rule and a "no" vote on this budget.

Mr. DREIER. Mr. Speaker, I feel compelled to yield myself 10 seconds to respond to the statements of my dear friend from Kentucky and before that to the statements of my friend from Pennsylvania.

Mr. Speaker, the fact of the matter is that our colleagues on the other side of the aisle voted for budgets which increase, at an even higher level than this one, the deficits over the next 2 years. They are higher each of the next 2 years. We cannot forget that.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding time.

Mr. Speaker, actually the fact of the matter is a lot of us on this side of the aisle, and none of us on that side of the aisle, voted to cut the deficit in half in the first year of the Clinton administration by putting a gas tax on.

One of the reasons we got into all this trouble is somebody decided then they would lift it. Everybody wants to lift taxes and not cut programs. But the bottom line here for, I think, Americans is to hear this body talking about how we have to have a constitutional amendment to balance the budget, we have to do all of that, but we cannot balance the budget here.

Here we are considering a deficit that is going to be higher than the one we have this year. How can we have a higher one next year than the one we have this year and then stand there and say it passes the straight-faced test, to stand around and look at people and say, "We're really for balancing the budget." This does not work.

The real issue is not whether you are for amendment, it is whether you can get the deficit under control. I urge a "no" on this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise and thank my colleague from Massachusetts for yielding me the 1 minute, and oppose the resolution, for many reasons, including the unnecessary deep cuts in the Medicare needs totaling $168 billion.

I also oppose the resolution because it increases the budget deficit by enacting fiscally irresponsible tax cuts costing $176 billion. After 3 years of progress on deficit reduction in which the President kept his promise in cutting the deficit in half, the Republicans now want to reverse the trend and add $23 billion to the deficit next year.

Three years ago Republican after Republican came to this well to talk about the sky would fall if we passed the President's economic plan in 1993. Since then the deficit has been cut in half and millions of jobs created. Instead of continuing the work that was started in 1993, the Republicans want to give tax cuts and raise the deficit.

Mr. Speaker, I think the Republicans should listen to the majority leader now in the Senate, TRENT LOTT, who said that one solution to the budget problem is to reduce the tax cut. I would hope that we would remember that the budget is so important. We need to make sure we prioritize.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The membership should avoid references to Senators.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, I wish to echo the words of those that we have heard from this side. I, too, rise in opposition to this budget which unnecessarily makes deep cuts in Medicare, in agricultural programs—we just went through that bill—and others.

I say unnecessarily because it is not necessary to make these cuts in order to balance the budget by 2002. We have proven that through the coalition budget. You do not have to have the big tax cuts. All you have to do is forget the big tax cuts and then you do not have to make those cuts. But on the other hand, I see where Speaker GINGRICH and the Republican radical right, they not only want to make cuts in Medicare and agriculture and other things, but they also still insist on giving the big tax cut to the wealthy.

I rise strongly in opposition to the budget.

Mr. DREIER. Mr. Speaker, I yield 4 minutes to my friend, the gentleman from Sanibel, FL [Mr. GOSS], chairman of the Subcommittee on Legislative and Budget Process.

Mr. GOSS. I thank my distinguished colleague from greater metropolitan San Dimas, Claremont County, CA, for yielding me the time.

Mr. Speaker, I guess after listening to the commentary and the steady string and the balance of time, I am beginning to understand those polls that are coming out in the newspapers these days that show Americans trust Republicans a lot more to handle the budget and economic matters than they do others. I am not sure what the Boston Globe is showing but then again, they do not always get the word up there as I understand there is a lot of snow.

I think it is important to say, yes, we could have done a lot more, and we will. Yes, we could have gone a lot further in this budget resolution. But I am extremely proud of this budget resolution because it goes a very, very long way toward the goals that we have said we espouse. It shows that we will stick to our convictions and that we will stay on a glide path towards balancing the budget by 2002, even in the face of election-year politicking which is creeping into this conversation, and despite the very manifest intransigence from the White House and, some might say, from the President's party in the people's House.

The gentleman from Ohio [Mr. KASICH] and the members of this committee have demonstrated unending persistence, in my view, in presenting this budget. His hard work ensures that this Congress will keep faith with the American people, continuing on course for a balanced budget, something we started last year under the Contract With America and are moving forward in an orderly way.

Of course, we still hope the President will join us in this effort—it is not too late—taking the concrete action necessary to match his words of resolve that we hear so often and we fail to see the actions, as my good friend from California has pointed out.

Although President Clinton vetoed major components of our budget last year, we did make significant progress toward our goal of balance by our sheer staying power on this, enough so that this year we can still fulfill our promise that by 2002 we will no longer be adding annual deficits to the huge national debt we have and leave to our children and grandchildren and great grandchildren and their children.

This budget assumes the termination or privatization of 130 low-priority or unnecessary Federal programs, while outlining responsible reforms to preserve and strengthen Medicare. And, yes, I care about that because I am going to need it. I am getting close. And, yes, the people I represent are very interested in Medicare in my part of the world.

This is a crucial component needed to save that program from certain fiscal disaster, which is what will befall it if we stick with the status quo. In addition, this budget provides for revamping Medicaid and welfare to give greater flexibility and control to the States, shrinking the size and scope of the Federal bureaucracy so that people closer to home can implement programs to meet their unique needs. And this budget paves the way for tax relief for American families so that Americans can keep more of what they earn, a good idea.

Mr. Speaker, the rule providing for consideration of this budget is the standard one for budget resolution conference reports and it deserves everybody's support. But while we are making progress—and we are making progress, I want to point out—just listen to our friends on the Democratic side of the aisle.

After 40 years of Democratic House rule and multi-trillions of tax dollars later, supporting even bigger bloated government, Republicans can report a major achievement to the American people. We now have the biggest spenders in the House publicly asking for lower deficits, and that is an achievement. We are proud that they have come around to that point of view. Now if we can just get them to ask for lower taxes, we will have indeed accomplished our mission.

I urge support of the rule.

Mr. MOAKLEY. Mr. Speaker, the gentleman has given a very trying speech, but the still has to admit that this budget package that he is pushing forward raises the deficit by $40 billion over the next 2 years after President Clinton has reduced it over the last 4 years.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise today in strong opposition to the rule, and I do this on behalf of the millions of seniors across this great country of ours that will be hurt by this budget and its sweeping cuts to Medicare and Medicaid.

The stakes in this debate are high, very high, because Medicare and Medicaid have provided essential support to our seniors so that they may live in some dignity. Today 37 million seniors depend on Medicare, and we in the Congress have a solemn obligation to make sure that they can count on it. People who work hard and save for a lifetime should have the chance for a dignified, a secure, a safe and a decent retirement, and Medicare must be protected.

Think about the difference that Medicare has made in the lives of seniors. In 1959 only 46 percent of Americas seniors had any health insurance in this country. Today 99 percent are covered. In 1966 the poverty rate for seniors was almost 30 percent. Today fewer than 10 percent of our Nation's elderly live in poverty.

Despite these great achievements, Medicare and Medicaid are one more time on that chopping block. The budget conference report that we consider tonight proposes $168 billion in cuts in Medicare over the next 6 years.

These cuts are not to be used for the solvency of the Medicare trust fund or to contribute to the needed deficit reduction that we have been talking about. In fact, by their own admission, the Republicans have said that this budget resolution will increase the deficit. A number of their members have said that it will increase the deficit.

□ 2000

These cuts are to be used to finance tax breaks, including those that are skewed, to help the most privileged people in our society. This is plain wrong.

Mr. Speaker, I urge my colleagues to reject this rule and to reject these cuts. It truly is unacceptable for us as a society to sacrifice America's seniors' security and their standard of living.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, this budget has a lot of problems, and they probably almost all stem from the fact that our friends on the other side of the aisle have tried to do it alone. There is no element of bipartisanship here and, as a result, the budget gets skewed. A small wing at the right end of the party has to be placated and, therefore, the budget drifts away from what the American people want.

Let me tell my friends we speak from experience. We tried to do a budget in 1993 without any Republicans, and while we were able to pass it and squeak it through, it ended up being, most people I think would say, a mistake to not do it in a more bipartisan way.

And so I would say to my colleagues on this side of the aisle, rip it up, start over, reach out to the many of us on this side who have voted for a balanced budget, who believe we must balance the budget, and if we can do it in a bipartisan way, we can get a lasting document rather than a political one.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Speaker, I rise in opposition to this rule. A little over a year ago this battle was first joined as we began talking about cutting taxes, dramatically cutting taxes, even before we started locking in any sort of plan to balance the budget.

A promise was made at that time, because there were many people on both sides of the aisle who said the most critical thing to do is balance the budget, and the promise was made by the majority that we would not cut taxes unless, and until CBO certified that in fact we were obtaining a balanced budget; that we had everything locked in, all of the laws passed to get us to balance.

This budget plan not only increases the deficit by a net $27 billion over the next 3 years, but the very first part of three reconciliation bills that will be sent forward, which tag a $122 billion tax cut to the welfare and the Medicaid cut plan, according to the Republican numbers, will increase the deficit an additional $33 billion. That is $60 billion higher deficits through the first reconciliation plan. It is $30 billion over the baseline in the Republican budget. That is what CBO says.

And the Republican baseline budget actually increases in the first fiscal year, next year, from $130 to $153 billion; the year after that from $130 to $147 billion.

And so here we are, promises made, promises broken, is the actual theme of this Congress, because we promised the people we would not go forward cutting taxes without it being part of an overall plan to balanced the budget. Reject this rule and reject this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts, the Honorable JOE KENNEDY.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I think when we look at what is contained in this budget bill perhaps what is the most onerous and difficult to accept, aside from the mean-spirited cuts on welfare, the tough spirit that we have toward the cleanup of toxic waste, the limitations on student loans, the tax increases on working families while providing tax breaks to the wealthy, underneath all of these provisions is probably the most devastating provision of all, and that is the terrible effect that this budget will have on the veterans of this country.

Having served for 10 years on the Committee on Veterans' Affairs and watching as we see a health care system for our Nation's veterans that has been chronically underfunded, seeing a $570 million cut, $100 million less in outlays, $700 million less in budget authority, when we recognize that we did not ask our veterans when they went off to war, when they stood up for America, how much it was going to cost in terms of their own lives, we just sent them into battle. But once they come back, what we are not doing is we are saying that their budget has to fit within the budgetary aspects of all of the considerations of the House of Representatives and the Congress of the United States.

What we say to them is a broken promise, a promise that said we will take care of your health care needs if you are willing to go off and fight for this country, but when you come back, what we are saying is we are no longer going to meet that obligation. What we are going to do is to see whether or not the health care budget of the VA fits within how much money we are willing to raise in taxes and fits into how much money we want to provide the wealthiest Americans in the form of a tax cut.

That is what is going on here. We will be sending veterans home, we will be raising the number of veterans that are not going to be served by this by 48,000 over the course of the next 10 years. Forty-eight thousand veterans are going to be cut as a result of the actions taken in this budget. It is an outrage.

We should reject this budget and we should send this budget back to the budget cutters and tell them to cut somebody other than our Nations' veterans.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to my friend the gentleman from Jonesville, WI [Mr. NEUMANN].

Mr. NEUMANN. Mr. Speaker, I rise to support the rule and commend the chairman for putting this out. I would also like to issue some praise for the chairman of the Committee on the Budget, the gentleman from Ohio, JOHN KASICH, tonight. I have the greatest respect for this man, of any man, and it is only after very, very careful thought and consideration that I rise to oppose the budget deal tonight because of the fact that I do have such great respect. And all the people in America should respect the gentleman from Ohio and praise him for the work he has done. But tonight I feel compelled, even with this respect, to rise and speak against the budget, because tonight we have an historical occasion staring us in the face.

In 1990, I sold my business to run for Congress because I had watched what past Congresses had done on balancing the budget. They had pleased the Gramm-Rudman-Hollings Act, and in the Gramm-Rudman-Hollings Act they were going to balance the budget by 1991. They went 1 year, then they went off their track and it started going back up again. Then they revised the Gramm-Rudman-Hollings Act and they went 1 year and it started going back up again.

I want to make sure everyone in this room and all my colleagues can see this because we are at this historical point once again this evening. Once again this evening we are at this point. We have been successful in our first year of reaching our budget targets, we have been successful at bringing the deficit down, and we have done it without raising taxes, like was done in 1993. We do not have to raise the taxes.

What are we going to vote on this evening? This evening we are going to vote on a bill that puts this thing going back up again. We are going to vote on a bill that sends the deficit from $145 billion in 1996 back to $153 billion in 1997.

I cannot emphasize how strongly I feel about this. I had a great business out there in the private sector, and I could still be doing that business, providing jobs for 250 people, but I came to this city because I knew that Congress had to be different if we were actually going to balance the budget. Tonight I ask my colleagues to have the courage of their convictions.

Mr. Speaker, we cannot let this happen. Tonight is a vote about the courage of our convictions to keep the deficit going down and to be different from past Congresses.

Mr. MOAKLEY. Mr. Speaker, I commend the last speaker for his wisdom.

Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the conference report before us is little more than a repeat of last year's attack on rational national public policy. Tens of billions of dollars in overspending on defense, raising taxes on working families whose only sin is to make less than $25,000 a year, and a large tax cut on the front end of what is supposed to be a balanced budget glidepath.

Think what happened to the Federal budget during the Reagan era. This chart shows the very low, nearly balanced budgets until we get into the 1980's. The 1980's deficits were touched off by an up-front tax cut and promises of future spending cuts, promises which went unkept. The result is $5 trillion of accumulated debt to pass on to our children and to our children's children.

When we begin our balanced budget plan with a big tax cut, as this bill does, we invite failure.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. OLVER. Mr. Speaker, if the gentleman is going to give me more time, so whatever we are doing we can come up with it. This is all I have of my time.

Mr. DREIER. Well, Mr. Speaker, I want to ask the gentleman who promised those cuts after the tax cuts went into place? Who promised those spending cuts?

Mr. OLVER. The President. The President, as part of his plan.

Mr. DREIER. Article I, section 7 of the Constitution places all that authority right here in this room.

Mr. OLVER. As the gentleman understands, the Senate of the United States was in the hands of the Republican Party, his party. As the gentleman also understands, the bill was also, was also passed in this House by the whole of the gentleman's party, then in the minority, plus a modest number of the Democrats, not with the Democratic leadership.

Mr. DREIER. Has the Democratic Party ever passed a balanced budget?

Mr. OLVER. Mr. Speaker, reclaiming my time, the Republicans then make extreme cuts in health care, in education, in job training, in environmental protection, in research and development, in public transportation and economic development, and they leave the Nation in the year 2002 with over $6 trillion of debt and no revenue to pay it back because they have cut up front the revenue that would be possibly usable for paying that debt back, and that leaves us with $240 billion at least of interest payments on that debt year, after year, after year, without hope of an end to it.

But such extremism really is not necessary to balance the budget. Both the coalition budget and the President's balanced budget prove that. So I urge my colleagues to reject this rule and this blueprint for failure. Vote no on this rule and on the conference report.

Mr. MOAKLEY. Mr. Speaker, how much time remains on each side.

The SPEAKER pro tempore (Mr. EWING). The gentleman from Massachusetts [Mr. MOAKLEY] has 2¾ minutes remaining, and the gentleman from California [Mr. DREIER] has 3 minutes remaining.

Mr. DREIER. Mr. Speaker, I yield 1 minute to my very good friend, the gentleman from Tucson, AZ [Mr. KOLBE], a free trader.

Mr. KOLBE. Mr. Speaker, here we go again. The last speaker just said extreme budget cuts. We have heard that. How many times have we heard that? But we know that is not what we are talking about here. Let us keep our eye on this ball during this debate that we are going to have in the next hour when we actually talk about the conference report and not about the rule, and I will have an opportunity to talk about some of that.

But the bottom line is that we are changing the direction of government. My friends over on this side just cannot seem to come to terms with the fact that the election 2 years ago was about changing the direction of this government. And that is what we are doing with this budget, we are giving power back to people, power back to families, power back to states, power back to localities.

We are changing programs so that they are streamlined. We are getting the Federal Government out of these programs. We are putting more money back in people's pockets rather than taking it out, bringing it to Washington and sending it back to States.

☐ 2015

That is what this is all about. It is not about a number, whether it is up a little bit, down a little bit. We know these numbers can change dramatically as economic conditions change. This budget is about changing the direction of government, and I urge that we support the rule and support the conference report.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Speaker, I rise in strong opposition to this rule.

Remember when your mother said "You can tell a lot about someone by the company he or she keeps?" Well, this rule is keeping company with a pretty shady budget resolution.

Mr. Speaker, the new majority just can't keep its hands off Medicare. For the second year in a row, they are trying to pay for special interest tax breaks by forcing drastic cuts in Medicare.

After shutting the Government down twice and, after the near collapse of their legislative agenda you would think they would learn.

Well, my friends, our colleagues on the other side of the aisle remain clueless. They remain clueless that seniors are not willing to pay more to receive less.

They remain clueless that their plan will force hospitals to close all over our country.

So get a clue, ladies and gentlemen. Remember what our mother would say: Vote down this rule and reject it's pal, "the budget resolution" a resolution that harms our seniors to help special interests.

Vote against this rule!

Mr. MOAKLEY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, we have talked about reduction of deficit. I want to reemphasize so that all the Members in the Chamber and those in their offices will know. President Clinton reduced the deficit from $290 billion to $130 billion, a reduction of $160 billion. That I want everybody to know. This budget increases the deficit by $40 billion over the next 2 years.

So, Mr. Speaker, anybody who votes for this budget, amongst the other things it does, this does increase the deficit by $40 billion over the next 2 years. I hope the rule is not adopted.

Mr. Speaker, I yield back the balance of my time.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, my good friend, the gentleman from Massachusetts [Mr. KENNEDY] earlier had criticized this budget as not being helpful to veterans. I guess according to the Almanac of American Politics, I am one of those Members, over the last 18 years, most supporting to veterans according to them.

Mr. Speaker, this budget is helpful to veterans. The President's budget recommends no improvement to veteran's benefits. That is a fact. This budget that my colleagues are going to be voting on has a number of improvements, including raising one-time auto allowances for veterans, allowing a surviving spouse to retain compensation, providing a $500 scholarship for college seniors of veterans. It goes on and on and on.

Mr. Speaker, this budget is good for veterans. I say to my colleagues, come over here and vote for this rule and then vote for the bill.

Mr. Speaker, I submit the following for the RECORD:

VETERANS

Outlays (billions) FY 1997 spending totals on veterans programs:

Budget Resolution Conference Report: $39.561 billion.

President's proposal: $39.557 billion.

Six Year Total on veterans programs:

Budget resolution conference report: $234.271 billion.

President's proposal: $228.088 billion.

The President's budget recommends no improvements in veterans' benefits. The Congressional budget agreement recommends seven extra improvements:

(1) Raising the one-time auto allowance for veterans with service-connected loss of one or both hands or feet, or other severe disability from $5,500 to $10,000;

(2) Allowing a surviving spouse to retain compensation or pension payment pro-rated to the day of death instead of cutting off at the end of the previous month, as required by current law;

(3) Extending current law limits on payment of back benefits to surviving spouses of those who die while their claim is being adjudicated from one year to two years;

(4) Providing a $500 scholarship for college seniors of vets with at least a "B" average under the GI Bill or the Post Vietnam Era Education Assistance Program (VEAP);

(5) Improve educational benefits by converting those participating in VEAP education benefits program to the Montgomery GI Bill;

(6) Making permanent the Alternative Teacher Certification Program, which encourages veterans to become teachers; and

(7) Funding the Pro Bono Program at the Court of Veterans Appeals.

Both the Congressional and the President's budgets extend the expiring VA OBRA 1993 provisions of current law; repeal the Gardner decision, bring VA liability for disabilities as a consequence of VA medical care more closely parallel to the private sector liability law; and repeal the Davenport decision (This 1995 decision by the Court of Veterans Appeals invalidated VA regulations that based a veteran's entitlement to vocational rehabilitation services on a finding that the veteran's service-connected disability materially contributed to the veteran's employment handicap).

For VA discretionary spending, the President's budget recommends $102.2 billion in budget authority spending over the next six years, compared with $107.6 billion under the conference agreement. But, the Clinton budget still does not balance. To balance his budget, the President would have to cut VA spending by an additional $515 billion.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just say in closing here that my colleagues on the other side of the aisle do this almost, not quite but almost as well as President Clinton does when it comes to this issue of twisting and twisting and twisting.

The budget before this House balances within 6 years, and it has lower deficits each year than the President's budget, the budget that was voted for by my colleague on the other side of the aisle.

My friend from California talked about Medicare. The budget before this House does not cut Medicare. That charge is fiction. It increases Medicare spending from $5,200 per beneficiary to $7,000 per beneficiary.

This budget does cut taxes and we are proud of it. It cuts taxes for families. Mr. Speaker, 89 percent of the tax cuts go to families earning less than $75,000 per year.

We have had the Congress controlled for decades by my friends on the other side of the aisle, Mr. Speaker, and tragically, they have never brought a balanced budget to us. We have done it for the first time in three decades and they have the temerity to come down here and criticize us for doing just that.

The fact of the matter is we need to pass this thing now. The big spenders are opposed to a balanced budget, even though they say they are for it. Mr. Speaker, I say to my colleagues, pass this rule, pass the resolution.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. EWING). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—ayes 232, nays 190, not voting 12, as follows:

[Roll No. 235]

YEAS—232

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell

Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson

English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gilman
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)

Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum

McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer

Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—190

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bevill
Bishop
Blumenauer
Bonior
Borski
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle

Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee

Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)

Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer

Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton

Thurman
Torres
Torricelli
Towns
Velázquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates

NOT VOTING—12

Berman
Boucher
Calvert
Chapman

Frelinghuysen
Gillmor
Hayes
Lincoln

McDade
Moran
Rose
Wilson

☐ 2038

Mr. GORTON and Mr. RUSH changed their vote from "yea" to "nay."

Mr. CHRISTENSEN and Mrs. CHENOWETH changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. KASICH. Mr. Speaker, pursuant to House Resolution 450, I call up the conference report on the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the U.S. Government for the fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Pursuant to House Resolution 450, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Friday, June 7, 1996, at page 13433.)

The SPEAKER pro tempore. The gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO] each will control 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. FRANKS].

Mr. FRANKS of New Jersey. Mr. Speaker, last year we passed the first balanced budget in a generation. While the President vetoed that plan, this Congress has changed Washington forever.

The debate today and from now on is not whether we need a balanced budget, it is about the best way to achieve one. The plan before us tonight has one overriding goal: To save our children's future. It does so by empowering people to become self-reliant. It reduces the power and influence of Washington over our everyday lives.

□ 2045

Then it spends less while enabling families to keep more of their hard-earned money.

This Congress has already made dramatic progress. Over the past year we have fought for and won the largest reduction in Washington spending since World War II, a savings to taxpayers of $43 billion. That amounts to a savings of $688 for the average American family of four.

This budget will stop forcing our children to pay for our reckless spending.

It makes the most sweeping changes in 30 years by shifting money, power and influence out of Washington and back into the hands of the American people in the States and in their communities. Under this plan States would have the freedom to develop welfare programs that require work, that promote personal responsibility and break the cycle of welfare dependency. Parents, principals and local school boards would have the authority and responsibility for public education, not the civil servants in Washington, DC, local decisionmakers, not faceless Washington bureaucrats, would have the power to design Medicaid programs that are tailored to meet the very special needs of the poor and the elderly.

And while we meet the Federal Government's important responsibilities, this plan helps America's families move ahead by providing for a well-deserved $500 per child family tax break.

Equally important, Mr. Speaker, this budget continues our attack on wasteful Washington spending. It eliminates over a hundred unnecessary Federal programs, and it puts an end to billions of dollars in corporate welfare and special-interest tax breaks.

Tonight I urge my colleagues to support this budget and continue on our efforts to save the American dream.

Mr. SABO. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker and Members, I rise in opposition to this resolution. I am not really certain what this resolution is. I know one thing for sure: It is not a blueprint for how we deal with the budget over the next 6 years. It may be a document for how we deal with the politics over the next several months, but I am not certain. But there are some things I know for sure from reading the document, and that is that it increases the deficit in the next 2 fiscal years.

Mr. Speaker, 3 years ago I had the privilege of presenting a budget resolution in this House. The deficit was something like $294 billion, and I do not expect my Republican friends to say that they were wrong and that our plan worked or anything like that. But I see this resolution which increases the deficit for the next 2 fiscal years, and I think back to 1993, and I wonder what would have happened if we had come to the House floor and said, "We have this great budget resolution that is going to reduce the deficit over the next 5 years. But, folks, in 1994 the deficit is going to go up; 1995, the deficit is going to go up, but trust us. In the last 3 years it will go down."

I think my Republican friends would have laughed us off the floor, and probably should have. That is not what our plan did in 1994. It brought the deficit down from $294 billion. Now we are looking, and last we are told, $130 billion in 1996.

But our colleagues come with this document that says trust it, trust them. They are going to raise the deficit in the next 2 years and then some good things will happen. I have seen those promises come and be broken too many times in the past.

So to my friends I say it is a resolution that is not going to work, does not do what they say it is going to do, but even after all of that, it still has all those little ingredients in there that is sort of mean to people, and there are different things that hit different ones of us.

I heard the gentleman from Massachusetts [Mr. KENNEDY] talk about what it does to veterans. I happen to have lots of elderly women who live in my district, not very much income, income between $7,700 and $9,300; and I looked at their Medicaid reform, and their Social Security premiums are going to be up by over $500 a year because they change the requirements of Medicaid. That is over 5 percent a year for people who are struggling to pay a food bill, and what I discover in many cases, worrying with these little changes whether they can continue to give 5 or 10 bucks a week to church, and those folks again are their targets.

So they have a plan that increases the deficit, is not going to work, but keeps picking away at the most vulnerable in our society. We should say "no" to this budget resolution.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would choose to remind my colleagues on the other side of the aisle, including the previous speaker, that there are two budgets before this House that the American people are taking notice of. One is the one prepared by the majority in this body, the other one comes from the White House. The fact of the matter is that in each of the 6 years covered under the terms of this budget resolution the congressional budget has lowered deficits in each of the next 6 years than in the 6 years covered by the President's budget. Lowered deficits in the Republican budget each and every year.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, we heard already this evening, the very clear differences between these two budgets. These two budgets, the one presented by the White House, by the Clinton administration, and that one which has been prepared by the majority in the House and the Senate are very different in the philosophy they suggest for this country. I think our budget reflects what the American people said they wanted to have in this last election: less government, returning responsibility to citizens. But tonight I want to focus my comments on one part of this. That is the tax relief that we provide to families, the $500 tax credit that we give to families, an opportunity to keep some of the money, their hard-earned money, in their pockets. We say, "Earn more, keep more, and do more yourself."

Mr. Speaker, we say that one should not have to send that money to Washington, one should not have to give it up, one should not have to take it out of their family's well-being, out of their education, their health care, their housing and recreation. They should not have to send it to Washington to support Washington's programs. We say, "Keep some of that money yourself."

And that is why this is so fundamentally different from the President's proposal. The President's budget gives some very small amount of tax relief but then takes it all away, takes it all away in the year 2002 in order to balance the budget. It takes all the tax relief away. We say this tax relief should be permanent. We say American families should know they can have these dollars in their pockets, that they can keep this money so that they can spend it on what they know is best for their families.

Tax relief is critical to the growth, the economic growth, of this country. Tax relief is not just something to do if there is a surplus. It is about giving money back to people, about reducing the size of government, about saying that people have a better idea of what they do with the dollars they earn than the Federal Government does.

That is why tax relief is a critical cornerstone of this legislation, and that is why this budget conference report should be so supported by this body. I urge its support.

Mr. SABO. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the budget before us tonight and would like to remind my colleague from New Jersey there is a third budget that we all ought to be supporting. This rhetoric of talking only about the majority and the President reminds me that there was one budget that received bipartisan support that reduced the deficit over the next 6 years. The budget before us tonight increases the deficit by $63 billion over the next 2 years over the constructive alternative put forward by the minority side of the aisle.

I do not know why we cannot bring ourselves to talk about the one budget that continues the 4 years of success of bringing down the deficit.

As someone that was here in 1981 that worked in a bipartisan way to help my colleagues on this side when their President, my President from their side of the aisle, was in charge, I only say this: "Fool me once, shame on you; fool me twice, shame on me." To buy into another budget that postpones 82 percent—82 percent of the budget deficit reduction is postponed until the year 2000, 2001 and 2002—how anyone can come to this floor tonight and say that they are serious about deficit reduction and talk about the President's budget that has been defeated, and the coalition budget that has been defeated, the only honest budget that reduces the deficit every single year starting this year and next year in an election year.

Mr. SCARBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Florida.

Mr. SCARBOROUGH. Because I am a little confused here, Mr. Speaker, because for a year and a half I have been hearing about how the Republicans have cut too much. Now tonight I am being reeducated, and I find out that we are not cutting enough.

Can the gentleman from Texas explain it to a freshman who is confused? How do we on one hand cut too much, and we are too savage for a year and a half, and now I hear the ranking member saying that we are going too far. If the gentleman can clarify that point, I would appreciate that.

Mr. STENHOLM. I will be happy to answer the gentleman's question. For of the last year and a half all we have talked about is CBO scoring, CBO scoring, CBO scoring. The President finally submitted a budget that was CBO-scored and balanced, but that did not suit the gentleman, did not suit me.

Mr. SCARBOROUGH. And was it not back-loaded with cuts? Would the gentleman yield? Was that back-loaded with cuts?

Mr. STENHOLM. I will be happy to yield to the gentleman.

Mr. SCARBOROUGH. OK. My question is this: The gentleman from Texas [Mr. STENHOLM] was attacking the Republican budget, saying all the cuts was the end. Now the gentleman is talking about the President's budget.

Mr. STENHOLM. No, sir. No, sir. I take back my time.

Mr. Speaker, I take back my time.

Mr. Speaker, I only have a minute remaining. I will answer the gentleman's question.

What I am saying tonight is if my colleague is concerned about reducing the deficit, there is only one budget that has been before the House this year that will reduce the deficit by $150 billion more than what we are considering tonight. We were precluded because we do not have the votes; that is clear. And for anyone to stand on the floor tonight and to say that we are concerned about the deficit and then look at the CBO scoring for the budget and the comparison with the coalition, the Republican budget deficit goes up to $153 billion in 1997. The coalition budget stays the same. That is the bottom line and the fact.

□ 2100

Mr. FRANKS of New Jersey. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from New York [Ms. MOLINARI].

Ms. MOLINARI. Mr. Speaker, this is our chance, this is our historic opportunity to return the future to our children, to give the American people more of their money back, to reform welfare and Medicare, to be honest with taxpayers, to balance our budget.

For all these very real reasons, I believe there is no more compassionate vote that we can cast. Every generation's success depends on us tonight, if we do the right thing. If we do the right thing, our newest generation will not be saddled with interest payments on the debt of nearly $200,000. If we do the right thing, senior citizens will see an improved, responsive, and solvent Medicare. If we do the right thing, today's working families will see their interest payments go down as tax credits for their children go up, all if we have the courage to do the right thing. Americans will finally see their dreams and believe in their hearts and souls that they will have the ability to reach them.

Mr. Speaker, let me just conclude by stating that it is sad in this Chamber that we are debating another budget that did come up in the past, and unfortunately only 89 Members supported that budget, with the majority of the Democrat Members, including their leadership, failing to have enough confidence to engender their support. Tonight we have the majority of our Members on both sides of the aisle believing in a balanced budget and one proposal that will achieve that in the near future if we can in fact do the right thing.

Mr. TAYLOR of Mississippi. Mr. Speaker, will the newest mother in the House yield?

Ms. MOLINARI. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Speaker, I would say to the gentlewoman, she is looking out for her children, her child, but she is increasing the annual operating deficit. That is not balancing the budget, that is increasing the deficit.

Ms. MOLINARI. Mr. Speaker, we have a budget that is compassionate, that reaches a balance by the year 2002, that restores tax credits to new mothers and families throughout this Nation. That will save Medicare for my little girl by the time she grows old. I am proud to vote for this budget.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York [Ms. Slaughter].

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in opposition to the conference report on the fiscal year 1997 budget resolution. As a conferee, I am pleased that we were able to increase overall nondefense discretionary spending by $3.5 billion over the House-passed resolution. But, make no mistake about it: This budget contains the same lack of vision and assault on investment spending, that we saw in the fiscal year 1996 Budget proposal, which has been rejected by the President and the American public. In addition, this budget turns back the clock on deficit reduction. For the fourth straight year in a row, the deficit has declined. Let's not reverse this trend and act to increase the deficit by $60 billion in 2 years. The stakes are too high.

The overall adjustment in domestic discretionary spending is an improvement. But, the budget before us today still assumes a sizable tax cut for the wealthy; deep reductions in Medicare and Medicaid and critical investment programs to off-set the tax cut; and a sizable increase in taxes for working individuals. The $3.5 billion offers some relief, but it should be pointed out that if this 6-year plan is adopted, the purchasing power of overall nondefense discretionary appropriations will be 24 percent below fiscal year 1996 levels. This will require deep cuts in education, environmental protections, biomedical research, nutritional assistance, and criminal justice. At a time when we should be enhancing our investment in these programs, we are acting to impose an overall reduction of 24 percent by the year 2002.

While the agreement assumes tax cuts targeted to the affluent, it does not treat working families and individuals the same way.

You can call the cuts in the earned income tax credit an adjustment, but this adjustment will result in approximately a $18.5 billion tax increase for working families and those individuals struggling to remain self sufficient. If we truly want real welfare reform that rewards work, we cannot reduce the size of the very tax credit which does reward work. This budget proposal is filled with these types of contradictions and inconsistencies. And that is why we should reject this conference report.

We can balance the budget without implementing radical and unnecessary Medicare and Medicaid cuts and dismantling the core social responsibilities of the Federal Government. I beg my colleagues to vote "no" on this conference report and send a message that extreme policies will not work. We can do a better job.

Mr. FRANK of New Jersey. Mr. Speaker, I am delighted to yield 2 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, a lot of Americans know talk is cheap with a lot of politicians. I think it is good that we review what has actually happened in the last couple of years. Two years ago, nobody on the other side of the aisle was talking about the need for a balanced budget. They were saying, it was reasonable to borrow and spend for investment.

Mr. Speaker, let me review for the American people what happened about a year and half ago. Republicans took the majority. They cut $9 billion out of the 1995 budget. Then in 1996 we had a budget that was $23 billion less than the 1995 budget. This budget deficit has come down for these last 2 years largely because of tough decisions on spending cuts. The deficit was reduced in 1993 and 1994 because of a huge tax increase.

Let us review for the American people what is happening in terms of the real reduction in the size of the Federal Government. I think one way to measure that is as a percentage of GDP [Gross Domestic Product]. If we look at what happened in 1995, we had about 22 percent of GDP. In 1996 we had about 21 percent of GDP. This resolution that came out of conference committee has 20.4 percent of GDP. That is the lowest percent of GDP since 1974.

This is a budget that moves us aggressively in the right direction. In 1996 we passed a budget resolution that said we were going to have $4 billion more spending in 1997 than this conference report resolution. Mr. Speaker, I am one of the tough guys as far as cutting spending. I voted for many more spending cuts in Budget Committee than were in this resolution. I said let us put pressure on this President and have the kind of budget that is going to be fair to our kids and our grandkids.

That did not happen because the President vetoed our legislation to balance the budget. Fifty-four million dollars' worth of publicity by the liberals ended up leaving many Americans in doubt. Some Republicans and a lot of the Democrats decided it was not politically popular to cut spending. Today let us really roll up our sleeves and just do it—this conference report in 6 years balances with a budget that is 18 percent of GDP—the lowest since 1965.

Mr. Speaker, I ask the Members to vote for this budget. Let us move on and get to a balance. Be fair to our kids, do what's right for America.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Speaker, I rise in opposition to the budget conference report, House Concurrent Resolution 178.

We have heard a lot of rhetoric over the past 1½ years about balancing the budget—and we will hear more tonight.

I want to share with my colleagues a few facts rather than rhetoric.

While the American people are told that this proposal will balance the budget—the fact is that budget deficits increase dramatically and immediately in this Republican budget plan.

CBO currently projects that this year's budget deficit will be $130 billion.

The Republican budget will increase the deficit next year by $23 billion; and the year after, by another $17 billion.

While Republicans increase the deficit by $27 billion through the rest of this century the coalition budget cuts the deficit by $72 billion. The Republican budget will result in $100 billion more public debt over 3 years—$150 billion more debt over 6 years than the coalition budget.

The American people are told that this is a real plan which will actually result in a balanced budget. The fact is, that 82 percent of the deficit reduction will only come in the last 3 years of the plan—after the turn of the century—when some future Congress will make the tough choices to achieve those cuts.

If Democrats, who actually cut the deficit in half in 3 years, had proposed this plan, they would be laughed out of this Chamber. I ask my Republican colleagues, if Democrats had proposed this plan, would any of you vote for it?

So much for balancing the budget—so much for cutting the deficit. Tonight, Congress is going to increase the deficit and borrow hundreds of billions of dollars more from our children. Why? So they can pander to the voters with a tax cut 6 months before standing for reelection.

Stay tuned—in the next few weeks you will see more promises broken.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, this budget plan is the only plan, only plan, that fulfills the commitment to balance the budget by 2002 with lower deficits than the President's budget in every single year. It provides a $500 per child tax credit for working families. It in fact reforms Medicare. It preserves it and protects it, and it will extend the solvency of the trust fund for the next 10 years, a trust fund we all know is not going broke by 2002. It is probably not even going broke by 2001, but will go broke before the end of this century, according to the worst-case scenario of the trustees' plans.

It has broad coalition support from a large number of groups that represent the entire spectrum of thinking: The NTU, Citizens Against Government Waste, Americans for Tax Reform, the United States Chamber of Commerce, the United States Seniors' Association, Associated Builders and Contractors, and so forth, and so forth.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Speaker, I, for one, give the new majority credit for finding creative things to do with cold leftovers. Mr. Speaker, the budget they are serving the American people today is nothing but a warmed-over version of the same misplaced priorities that were rejected and sent back to the kitchen last year. That is right; take away the sugar coating and you have caps on the direct student loan program, caps that will increase costs and add red tape, and over 7 million college students in the year 2002 will be left behind.

Minus the garnish, we end up with the same welfare plan, still weak on work, still tough on children. When we remove the trimmings on this turkey of a budget, we have another Medicare plan that will make seniors pay more for less while their hospitals close. And make no mistake, Mr. Speaker, those Medicare cuts are being made in order to put the cherry on top of the Contract With America, or the crown jewel, as Speaker GINGRICH calls it: huge tax breaks for special interests.

Mr. Speaker, this is not a blueprint for balancing the budget, it is a recipe for disaster. I say to the new majority, they can keep their cold leftovers, their mashed Medicare, chopped children's programs, and rotten welfare reform. The American people want a new menu.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, I just wanted to respond to the last speaker who said we are cutting education, that we are cutting student loans. It is not true. Mr. Speaker, under our budget proposal, the total volume of student loans will go from $26 billion in 1996 to $37 billion in the year 2002. I do not know how that is translated into a cut, but it is not a cut where I come from, in Arizona.

We are going to save taxpayers' money by capping the Government-run direct lending program and achieve some savings from lenders in the guaranteed lending program, but we are not cutting the volume of student loans, and do not let anybody tell you we are.

Mr. FRANKS of New Jersey. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Ohio [Mr. HOBSON], a member of the Committee on the Budget.

Mr. HOBSON. Mr. Speaker, my third grandchild was born June 1, and as I welcome him into the world, I can't help but wonder what kind of future he will face. How much will prices rise during his lifetime? Will the country still be a place of opportunity? Will there be a thriving economy to support his generation?

When I think about the answers to these questions, it becomes increasingly clear to me that the best thing I can do for my new grandson is to vote "yes" for the conference agreement on the budget resolution.

We're a year into balancing the budget, and the sky has not fallen like some said it would. Our budget has matured over the past year, but the quality of the debate about it has not. We moved on while our critics hung on to year-old arguments that don't fit the facts. They claim the sky is falling because they know it is easier to generate fear than understanding.

Our budget is about conquering fear—conquering the fear that the next generation will have less opportunities than we've had. Over the past year, we've taken some good ideas and made them better. We've listened to our critics, and where they made a valid point, we compromised. And we've watched President Clinton distance himself from outdated ideas about big government and embrace Republican ideas as his own.

But let's be clear: There are some real differences. President Clinton raised taxes in 1993 and would raise them again in his latest budget. We provide permanent tax relief. President Clinton would increase discretionary spending over the next 3 years, and put off decisions about cuts to his successor. We decrease discretionary spending every year.

The most dramatic difference, however, is that President Clinton and our friends in the minority tell you to fear our budget and to put your faith in Washington spending and bigger Government. Instead, we take a view they consider extreme—we put our faith in the American people.

Protect our children's and grandchildren's future and shift power, money and influence out of Washington and back to Americans. Join me in passing the 1997 budget resolution.

Mr. STENHOLM. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, there are many reasons why commonsense people would oppose this conference report. Just look at the $158 billion cut in Medicare and $72 billion cut in Medicaid, with all of the problems in that.

I want to talk about the huge tax increase on almost 7 million hardworking American families who have chosen work over welfare. The original House bill contained a $20 billion tax hike and the original Senate bill contained a $17 billion tax hike. Do Members know what they did? They separated the two and cut them up, so now they comeup an $18.5 billion tax increase.

They told us in the Committee on the Budget during the markup that this is essentially the same tax increase as the one in last year's reconciliation bill. The President vetoed that. That is history. This chart shows the details. As I said before, who will be paying those taxes? Let me tell the Members who is going to pay those taxes: 2.7 million workers with incomes below $10,000 will pay a higher average tax; 1.8 million workers with incomes between $10,000 and $20,000 will pay a higher tax under this Republican budget.

□ 2115

Look at it this way. Almost half of these workers have children. The Republicans are doing a good thing when they put in this $500 per child tax credit, but they have taken it away. They gave back and they took away the rest of it.

I am saying that this conference report should not be passed by this Congress. We owe it to the American public to be sure that the balance budget is a true balanced budget and the tricks should not be tolerated.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], the distinguished vice chairman of the Committee on the Budget.

Mr. WALKER. Mr. Speaker, the reason this budget should be passed this evening is not just numbers. It is because it has real effects on real people. Under the budget before the House this evening, real people will get to earn more, keep more and do more. That is what we should be all about.

If we listen to what the other side is telling us, remember what their economics is doing to real people. According to Investors Business Daily, under the Clinton economic program we are now back to a situation where the rich are getting richer and the poor are getting poorer.

Let me quote from Investors Business Daily. They point out that during the Bush years the average real pretax incomes for the very top income earners dropped, but they shot up in the first 2 years of the Clinton administration. As a result, the top 5 percent saw their average incomes climb more than $30,000 between 1992 and 1994, a 21-percent hike, even after controlling for inflation. The bottom fifth, meanwhile, saw their average real incomes barely budge over those years, and they are about $1,000 lower than they were in 1989.

The typical measure to gauge what happens to middle-income wage earners shows that their actual income has dropped slightly despite 2 solid years of economic growth. As for the poor in this country, we are now at 14.5 percent of the population at the poverty rate in 1994, the last year for which the data is available, and that is higher than all but 3 years of the Reagan and Bush administrations.

This is a program which is creating an economic disaster. The rich are getting richer, the poor was getting poorer, and the middle class is getting squeezed.

What do the Democrats tell us? The Democrats tell us that in their budget, in the Blue Dog budget, no tax break for middle-class Americans. Zero. Why? So they can spend more. And the Clinton budget actually increases taxes. They want to actually increase taxes and squeeze the middle class more.

In our budget, what we are doing is, we are giving a tax break to middle class Americans. We recognize that it is wrong to squeeze the middle class in the midst of economic recovery. We realize that what we ought to have is a situation where people earn more, keep more and do more. That is what we ought to be doing. That is how we affect the lives of real people in this society.

What the Democrats are telling people is that they are going to concentrate only on numbers, bring only numbers before the House, let the rich get richer, let the poor get poorer, and squeeze the middle class. That is their recipe. That is what the Clinton administration has been doing. We have got to stop that here tonight.

This is a budget that balances the budget over the next 6 years, that allows people a tax break so that we do not squeeze the middle class, that allows us to move toward a situation where people earn more, keep more and do more. That is what we should be all about in this society. Pass this budget, reject what the Democrats are telling us.

Mr. SABO. Mr. Speaker, I yield 30 seconds to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. I thank the gentleman from Minnesota [Mr. SABO] for yielding time.

Mr. Speaker, I would like to remind my friend that the reason the wealthiest Americans are doing better is they are the ones who buy the T-bills and in effect loan money to the government, so that the rest of us can pay more in interest payments as the Nation gets deeper in debt. The budget you are proposing tonight increases the annual operating deficit and gets the Nation deeper in debt. If the gentleman from Pennsylvania [Mr. WALKER] will remember, just a few months ago he voted to raise the Nation's debt limit from about $5 trillion to almost $6 trillion. I, on the other hand, did not.

Mr. SABO. Mr. Speaker, I yield 1½ minutes to the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Speaker, all of those debates seem to be about black and white, Democrat and Republican. There is a gray area called the Blue Dog Democratic Coalition budget that borrows less, cuts spending and the deficits immediately, and we do not hear much about it.

We tried to get it to the floor a time or two. There are not many of us, 21 or 22 at last count. We have tried to come here and master a difficult situation and not be held hostage by it, Democrat and Republican, black, white, blah, blah, blah. People are tired of that.

We have a plan, the Coalition plan, that begins deficit reduction immediately. This does not. This asks the American people to borrow more money next year and the next year and does not reduce the deficit until the year 1999 and 2000. That is not what our country is about. We are trying to get our financial house in order. The Coalition budget, as has been alluded to before, borrows $150 billion less than this bill right now we are going to vote on.

It seems to me a clear choice. If we want to balance the country's books, there is a way to do it. As the Nashville Tennessean, one of my hometown papers, said some time ago, conservative economics and a compassionate government are not mutually exclusive. It can be done.

Twenty-three major publications across this country have recommended this to the Congress and we cannot get it to a vote. I wish Members would consider it.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Speaker, I look at the Republican proposal tonight and I see that the deficit goes up next year, not like the Blue Dog Democratic alternative which they refuse to consider. This reverses for the first time a 4-year downward trend of deficit spending, the first time we have had that since the Truman administration. This begins more deficits in order, of course, ultimately to do better. I think we have all been through that before.

The gentleman from Pennsylvania [Mr. WALKER] talks about real people. Let me tell my colleagues about some of the real people who are really hurt in this budget.

The Republican budget is going to increase taxes on millions of working families earning less than $28,000 a year. Their tax credit does not go to 33 percent of all the children in this country. Why? Because it is not a refundable tax credit. That means their parents do not pay enough taxes to benefit.

Who are the real people? They are seniors who earn between $7,700 and $9,000 a year, who are going to pay $500 more because their Medicare premium part B will not be paid for by Medicare. Those are the real people who are hurt in this budget.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. I thank my colleague from New Jersey for yielding time.

Mr. Speaker, I think it is important to focus on the real world, because I represent a slice of the real world, the Sixth Congressional District of Arizona. As a private citizen, now that I am a newcomer to Congress, I watched what happened here for the better part of 4 decades.

The real debate tonight needs to be put in perspective. Who is really balancing the budget, despite the articulate arguments of the minority within the minority that wants no tax relief for the American people? The majority on that side, the liberal folks, did not want to do a thing, did not want to touch it. The deficit would have been astronomical.

Now our President, who tells us the era of big government is over, does a little bit better but he does not really lower these deficits, nor does he provide the kind of commonsense tax relief that the real people of this country deserve. Instead, it is this budget resolution which delivers. Lower deficits, balancing the budget, lower taxes. That is reality, that is the truth. Vote "yes" on this plan.

Mr. SABO. Mr. Speaker, I yield 15 seconds to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I wish the chart were still up because I really get frustrated when I continue to see always talking about lines that do not represent the facts based on CBO.

Let me remind my friend from Arizona, a majority of Democrats voted, rollcall 177, for a budget that balanced and has the line going down in a true and honest way. A majority on this side voted for that budget. And quit saying they did not.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I rise in opposition to the budget resolution conference report.

We will hear much today about the majority's $500 per child tax credit for families with annual incomes of less than $110,000. But there will be omission after omission.

Because it will not be made clear that millions of American families who earn far less than $110,000 will not benefit from the tax credit. Why? Because they earn far too little. Fully one-third of American families will receive no benefit at all.

Unfortunately, the majority will not discuss its $18 billion tax increase on working families with children as a result of deep cuts in the earned income tax credit. Raising taxes on working American families trying to raise children on less than $30,000 is plain wrong.

And unfortunately, there will not be much discussion about the 1.8 million children who will lose health care coverage as a result of the majority's punitive welfare reform package. And it is anyone's guess how many more children will lose coverage as a result of the majority's $72 billion Medicaid block grant proposal.

Let there be no mistake, every Member in this Chamber cares about children. But this conference report is no friend of children. Support America's children. Oppose the conference report.

Mr. FRANKS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. RADANOVICH].

Mr. RADANOVICH. Mr. Speaker, I am amazed that whenever we come to budget discussions and a balanced budget that the minority party seems to trot out the blue dog budget, which was created by 20 Members of the minority party and supported by not much more, in order to show that they are so much for a balanced budget.

It strikes to me the issue. I think what the American people used to decide is who is really serious about balancing this budget.

Now we come back to the budget resolution that we have before us. It includes tax cuts, something that I support and I think something that is very, very necessary in order to generate economic growth and get us to a balanced budget sooner, even if that means increasing the debt in the second year.

I am not real happy about the fact that the Senate stuffed about $2.8 billion more worth of spending in this bill. But the American people need to realize who they are going to trust to eventually get to a balanced budget in 7 years. It sure as heck ain't going to be these people. It is going to be us. That is why I support this budget resolution and I support every other member of this conference in supporting it so that we can go on and continue on toward a balanced budget.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, once again our Republican friends demonstrate they do not know up from down. Talk is not cheap in this body, Mr. RADANOVICH, because the gap between the reality and the rhetoric that has come out here tonight is several billion dollars extra this year and several billions dollars next year because you increase this budget deficit during all the time you have this great talk about trust and care and concern for future generations.

Mr. RADANOVICH. Will the gentleman yield?

Mr. DOGGETT. No, I will not. With 1 minute to speak, there is the matter of correcting the misstatements that you just made.

Mr. RADANOVICH. Will the gentleman yield?

Mr. DOGGETT. Regular order, please.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The gentleman from Texas does not yield.

Mr. DOGGETT. You have had your opportunity to misrepresent the facts, including the fact that only a handful of Democrats supported the conservative coalition budget when well over a majority of our caucus supported that budget. It gets the budget deficit down this year, it gets the budget deficit down next year, and every year until it achieves true balance. It does not talk. It has real action in the numbers and the real numbers.

Mr. RADANOVICH. Will the gentleman yield?

Mr. DOGGETT. It does all of that without wrecking the Medicare system.

Mr. RADANOVICH. Will the gentleman yield?

Mr. DOGGETT. I know you want to let Medicare wither on the vine. You let Medicare wither on the vine.

Mr. FRANK of Massachusetts. Regular order, Mr. Speaker.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RADANOVICH. Bill Clinton vetoed that budget, I say to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Regular order. He has not vetoed this budget, because it was never offered, and you know it, just like your last misrepresentation, sir.

POINT OF ORDER

Mr. FRANK of Massachusetts. Point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. FRANK of Massachusetts. The point of order is that two Republican Members in this debate have violated the rules by interrupting Members when they did not have the floor in a limited time. That is inappropriate, and I ask that you enforce the rules against it.

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Mr. KASICH. Mr. Speaker, I yield myself 10 seconds to say that I would ask my colleagues to let the other side have their say. We do not want to be interrupted, we do not need to interrupt them, and we will have a good debate.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Speaker, let me first commend the gentleman from Ohio, Chairman KASICH, and the members of the Committee on the Budget for doing an outstanding job in bringing this budget together and bring it to the floor tonight. Let me also thank and congratulate virtually all of my colleagues in this Chamber on both sides of the aisle, because for the first time in the generation Members from both sides of the aisle, virtually everyone in the House, is debating how to balance the budget.

Over the last 25 years there has not been much discussion of this issue on both sides of the aisle, and that is the big change that has occurred over these last 18 months. The agenda in Washington is a lot different now than it was because we are talking about how to balance the budget, not the age-old debate that went on here about whether we should balance the budget.

For months Republicans in Congress have talked about doing the right thing for our children's future, balancing the budget, stopping the borrowing from their futures and giving them a chance to live the American dream. Why? Because today's kids will not be able to live the American dream if they have to pay back everything that big government has borrowed from them.

All of us have seen the most expensive credit card in the history of the world, a credit card that has a $5 trillion balance and budget deficits of another $150 billion a year for as far as the eye can see; $260 billion a year is the interest cost on this credit card and we have all got one. It is our voting card.

This, ladies and gentlemen, is the most unconscionable thing that we are doing to our children and their children because it will not be those of us in this Chamber that pay off the debt on this credit card; it will be our kids and our grandkids.

That is why over the last year and a half Republicans in Congress have kept our word. We have passed legislation last year that would balance the budget by the year 2002, that would have reformed welfare, would have saved Medicare for the next generation and given the American families tax relief.

But instead of being constructive, the White House and their liberal allies have waged a campaign of fear and demagoguery. But once again we are keeping our word and, unfortunately, we believe the White House is continuing to play games. No one in this Chamber can doubt the fact that the President's budget is nothing more than a joke. Nobody in this room and nobody in this town believes that we can balance the budget the way the President has tried to present to all of us.

The resolution that we have here before us tonight shows the hard work that we have all been at on both sides of the Chamber, and it also shows that we are able to have the courage to make the tough choices that it is going to take to balance the budget by the year 2002. No gimmicks and no blue smoke and mirrors; honest choices, tough choices for the American people.

It preserves and protects Medicare for another 10 years. And if we do not do something, we all know what will happen. It is not only going to wreck Medicare for senior citizens, it will wreck the Federal budget in the future and provide more payments, more debt for our kids, and for theirs. This budget reforms welfare and it reforms Medicaid, moves power out of Washington and back to States and local communities where real reform can come, where we can actually be more compassionate in helping our fellow citizens.

But most importantly, our $500 per child tax credit lets American families earn more, keep more, and do more for themselves and for their children. And ladies and gentlemen, if we are serious about moving power out of Washington, the way we have to do it is to move money out of Washington and allow the American people to keep more money in their own pockets.

As I said before, our opponents, especially at the White House, are playing games. Last weekend's Washington Post, I think, outlined it pretty clearly in Dave Broder's column when he pointed out the President it telling us and the American people he is willing to make tough choices to balance the budget, but in fact is telling his own administration do not worry about it.

Let us do the right thing for our children's future and pass this budget resolution.

Mr. SABO. Mr. Speaker, I yield myself 30 seconds to suggest this budget the Republicans present tonight not only increases the deficit for the first 2 years but it is also loaded with gimmicks. The tax cut all of a sudden costs less in 2002 than it does in 2000. Medicare cuts explode in the last year.

Nonattainable. The defense budget increases in the early years in and then decreases below the President's number in the last few years. I could go on and on.

Mr. Speaker, I yield 1 minute to my good friend, the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, it has been said that fanaticism consists of redoubling your efforts when you have forgotten your aim.

The aim of the Republican Party is to reduce the deficit. They have forgotten what they were aiming at, and that is why the freshmen Republican foot soldiers have been revolting against their Gingrichian generals over the last 24 hours because the budget they have here on the floor increases the deficit.

They have forgotten their Holy Grail of reducing the Federal deficit. And why? Why? As the new majority leader in the Senate said today, because we do not want to touch the tax breaks for the rich. So, in other words, they have given up on the Holy Grail of reducing the deficit in order to protect the crown jewel of tax breaks for the rich.

Now, I think if the American people understand this debate, they would want a no tonight on this Republican rejection of a balanced budget.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself 10 seconds to merely remind the previous speaker and all the speakers on the other side of the aisle that each of the next 6 years the Republican budget carries lower deficits than the President's budget.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Speaker, we have been here and we have done that. These folks on this side has 40 years to get the finances of this Nation in order.

We are here tonight, we have presented a balanced budget. The first thing this side did when we took over was we cut $20 billion worth of spending over the last Democrat Congress' spending. Last year we cut $23 billion, and we have already heard the President taking credit for reductions. The only reason these reductions have taken place is because we have been here and we kept our word.

We came here and we did what we said we were going to do, and tonight we are going to do it again. We are going to bring the finances of this Nation in order. They may have to do it kicking and screaming and using false statistics and accusations, but we are sobering up and tonight is part of that process.

Mr. SABO. Mr. Speaker, how much time is remaining on each side?

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. SABO] has 10¾ minutes remaining, and the gentleman from New Jersey [Mr. FRANKS] has 6½ minutes remaining.

Mr. SABO. Mr. Speaker, I yield myself 15 seconds to say to my friend from New Jersey, although he has disappeared, our numbers would show the President is actually $100 million less in deficit than the Republicans are in 1997, so the 6-year claim, I think, is slightly off in the first year.

Mr. Speaker, I yield 1 minute to my friend, the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I rarely disagree with my good friend from Massachusetts who preceded me, but he was much too harsh toward the Republicans. He should not have chided them for voting for a budget that would bring the deficit up rather than down next year. They have learned.

Last year, they tried to impose themselves on the U.S. Senate, their colleagues over there, and what happened but a shutdown of the Government, a lot of political problems, a lot of governmental problems. They have learned the advantage of flexibility, of compromise. A year in Washington makes a difference.

The firebrands of last year have become now those who listen to leadership, who back down, who accommodate. And when they are told we need to have the deficit go up, when they are told we have to put several billion dollars more in, when the Senate says that, the president of the freshman class says he does not like to but he will accommodate.

I do not think my friend should be so harsh. I think when the firebrands of yesteryear learn flexibility, accommodation, compromise, deferring to their elders across the hall so they can help the Presidential campaign of our recently departed majority leader, they should be encouraged.

Mr. SABO. Mr. Speaker, I yield 1 minute to my good friend, the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Speaker, to whom God has given much, much is expected. These cuts in Medicare and Medicaid are simply unacceptable.

Well, I know my Republican colleagues do not like the word "cuts," so let me try this. This gutting of Medicare and Medicaid is simply unacceptable, especially when they are the result of a huge tax break for the wealthy.

This budget conference proposal cuts Medicare funds by $168 billion over the next 6 years, and the Medicaid fund by $72 billion. Approving this budget is promising this country that in the next 6 years the most needy people in this country will not receive health care.

Perhaps the most confusing of all these proposals is the cuts to student loans. More than 35 schools in my State, the great State of Florida, including the University of Florida, will be hurt by these cuts.

Let me close by saying once again to whom God has given much, much is expected.

Mr. SABO. Mr. Speaker, I yield 1 minute to my good friend from North Carolina, Mrs. CLAYTON.

Mrs. CLAYTON. Mr. Speaker, I would disagree a little bit with my colleague from Massachusetts, Mr. FRANK. I would say that the Republicans did not hear, or maybe they did not listen and did not want to hear the American people when they said indeed that what they were doing in the budget was extreme. They wanted the deficit to go down, but they did not like their priorities.

Indeed, the Republicans refuse to hear because again they are cutting Medicaid, Medicaid severely, $72 billion in the next 6 years, which will hurt pregnant women, hurt children, hurt those in rural hospitals. It means they have not heard the American people when they do not want these extreme priorities.

What we do on the budget says volumes about who is important and who is not, and what the Republicans have said through this budget resolution is if you are poor and live in rural areas you are not important; if you are wealthy and if you are healthy and you want to be in a health plan, then you have all the benefits.

I would say that is the wrong priority. I urge a no vote on this budget resolution.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. DINGELL], my good friend the ranking member, and I forget the name of that committee these days. It used to be Energy and Commerce. He does a great job.

Mr. DINGELL. Mr. Speaker, well, it is deja vu all over again, or, more likely, Reaganomics part II: Increase spending, lower taxes, and hope the big budget deficit goes down. But it does not.

Under the Republican plan, and I hope my Republican colleagues will listen to this, the budget deficit increases by $23 billion the first year and by $17 billion in the second year. After 4 years of declining budget deficits under the leadership of President Clinton, the Republicans have decided to change course.

I studied this well 3 years ago and listened to my Republican colleagues complain about the awful things that might happen under the Clinton budget plan. In fact, Speaker GINGRICH said it would actually increase the budget deficit. Well, the Republican budget deficit is going to increase under this proposal. They were wrong then and they are wrong now. They are fiscally irresponsible.

I would point out that this is a fiscally irresponsible budget. I urge my colleagues to vote no on it, and I quote a great former President of the United States, Gerry Ford, in describing situations like this, who said, "Things are more like they are now than they have ever been."

□ 2145

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, I just want to talk for my 1 minute about my Republican colleagues' mind-boggling inconsistencies. They say they invented deficit reduction; they come here with a budget that increases the deficit. They are suffering from amnesia or arrogance. Who was President when these deficits exploded?

And in 1993, many of us had the courage to vote for deficit reduction and every Republican voted "no." And one of them comes forth now and says under Democrats, the rich are getting richer and the poor are getting poorer. But what are they suggesting? Increasing taxes on poor working families.

Now, Mr. Speaker, their message does not ring. There is economic prosperity under Democrats. We have to do better. We cannot trust the party that will make it worse.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Speaker, I am kind of curious what happened tonight to the House Republican voices who have been saying all week that it is wrong to pass a budget that increases the deficit over the next 2 years. Since those voices have gone silent tonight on the Republican side, let me say it: This budget increases the deficit over the next 2 years, and it is wrong.

Mr. Speaker, what a difference a month makes. Just last month, House Republicans bragged their VA budget included $100 million more for veterans' health care than the President's budget, yet somehow between giving our Memorial Day speeches and writing our Fourth of July speeches, the Republican leadership cut VA discretionary programs, important programs for veterans by $645 million.

One month ago, they claimed and bragged about the fact they were spending more money than the President's inadequate budget for VA health care. And yet this budget has cut VA health care dramatically by freezing VA health care programs.

Mr. Speaker, this budget will leave our Nation's veterans out in the cold, and it is wrong.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. Mr. Speaker, I rise in opposition to this budget, and I remind my colleagues that we had a chance to vote for a budget that would balance without increasing the deficit in the short term. That proposal was supported by a majority of the Democrats in this House. That is right, a majority of the Democrats.

Mr. Speaker, to hear my colleagues get up from the other side of the aisle and talk about it as if it did not happen sorely disappoints me. I do not understand why we cannot stand here and tell the American people the truth. I do not understand why we cannot stand here and tell the people what this budget will do.

I know why the majority will not do it: Because it increases the deficit before it brings it down. I read in the paper today, "It is like gaining weight before you start to diet: So it feels better." I heard that from a Republican colleague of ours. I will let that speak for itself.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, again we are getting to the end of the debate, and I think it is awfully important to have the record and all of our colleagues clearly understand that there was one vote this year, it was rollcall No. 177, in which a majority of my colleagues on this side of the aisle voted for a deficit reduction package that lowers the deficit, the total debt compared to what we will be voting on in a minute, by $150 billion less.

Mr. Speaker, I too have a grandson, and I fail to understand how we are going to do more for the grandchildren by borrowing more money over the next 6 years than if we just bit the bullet and started having some honest discussions about how we are going to meet some of the differences that we have across the aisle and do it in a more rational way, but that seems to have escaped us tonight.

But I think it is awfully important to understand that if we want the deficit to come down every year, not go up for the next 2, we do not vote for this resolution tonight; we vote "no" tonight. We go back to conference and we say let us get serious about deficit reduction.

Mr. SABO. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I urge a "no" vote on this resolution. We can do better than passing a budget resolution in 1996 that increases the deficit for the next 2 years. We have had lots of Members talk about how it can be done. It has been offered. It has been voted on. It has not passed, but it can be done.

Mr. Speaker, I have had hopes through this session, starting back in 1995, that somehow before this year was over we would continue on the track we started in 1993 which involved very substantial deficit reduction and find some way across the aisles to pass a real budget for 1995 and now 1996 to put our fiscal house more in order, brought us to balance, made sensible and practical reforms of a whole series of programs which need to be done.

I told my Republican colleagues early on this in process that I hoped at some point we will get beyond ideology and would get to pragmatic solutions. I still have a glimmer of hope that somehow that can happen between the Congress and the President and before we adjourn in 1996. I tend to be an optimistic person. That optimism is dwindling week by week.

One thing I know for certain, and that is that this budget resolution and how it was put together does not represent that hope for a solution of our basic fiscal problems in 1996. It continues the ideology. It does not continue and move to pragmatic solutions to problems. I am not sure what happens tonight. I expect it passes. I expect it will be used for a variety of political purposes the next several weeks, the next several months. But somehow if we are not this year, we will be back to this problem in 1997.

We have to find answers that are real, that are pragmatic, not ideological. And, unfortunately, we are not moving closer this evening. I think we are moving further away. And I frankly think this country would be much better served if we simply voted "no" tonight and started all over again in real attempts to reach across the partisan aisle to face more problems that still confront us in this country. So I urge a "no" vote.

Mr. KASICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we came here 18 months ago to do a few things dramatic things: balance the budget in real numbers; tax relief for America's hard-pressed families who spend more money paying off the tax man than they do on food, clothing, and shelter.

Mr. Speaker, we also wanted a strong defense. But we wanted to transform the very operation of this government by transferring power, money and influence out of this city. Now we hear all of this talk about all of these numbers. Let us get to the bottom line.

The President of the United States spends $190 billion more, $190 billion more than the Congress. And the blue dogs, they spend $57 billion more over the next 6 years than we do. Know why? Bigger government. Bigger government. They believe in bigger government.

Now let us talk about the other side of the formula here. Tax cuts. Tax relief for Americans. Not only does the President spend $190 billion more in Washington than we do, but he only gives Americans $6 billion worth of tax cuts. The blue dogs spend $57 billion more than we spend in Washington spending, and they have zero tax relief for America's families.

We not only spend much less, but we give Americans more in their paychecks. And, frankly, that is what it comes down to. About the size of this government and about the size of people's paychecks and about individual empowerment to let people keep their money rather than taking their money and giving it to government.

That is the bottom line. Mr. Speaker, if we want to tax more and we want to spend more, then defeat our resolution, but if we want a smaller Washington and less taxes, we come to the floor and we proudly vote for this resolution.

Now, last year we passed a $23 billion cut in Washington spending. We denied the bureaucracy $23 billion. Guess what? It had never been done before. Never been done before. I have been here 14 years. For the first 12 years we did not get a dime. But in the course of just 1 year, we brought the liberals who believe in Washington kicking and screaming to the trough, and guess what? At the end of the day we cut spending under the Republican program.

Now, did we get the entitlements reformed? Were we able to shift the power and the money and the influence and say to people locally, "We want you to design local solutions for local problems? Oh, yes, we passed it, and, guess what? The President vetoed it. Know why? Because he does not want to give Americans, he does not want to give Americans their power back. And neither do liberals in Washington. They do not want people to write welfare at home.

Now, I would suggest that we have got a ways to go. We have got to get these entitlements done, but I want to tell an interesting story. In Tennessee, Tennessee got to write their own Medicaid plan. They got to do what was going to work in Tennessee. And guess what happened? They saved money, they saved the Tennessee education program, and they covered more people who needed health care. Know how they did it? They did it because Washington took their hands off of them and they let Tennessee design a Tennessee solution.

That is what we want to do with welfare. We want to tell people in neighborhoods that if Mrs. Jones is sick with a couple of kids, we are going to help her, but if Mr. Smith does not want to go to work, we are going to show up and we are going to teach him about work.

Mr. Speaker, that is what America is about. And know what else it is about? If Americans save and work hard and go the extra mile, they get rewarded. That is the Republican plan. It is about shifting power, money, and influence; not just welfare and programs to the poor and the disabled and not just saving Medicare by letting our senior citizens make good choices. But it is also about letting Americans have more of the money they earn to spend on their families, their children, their community. That is what it is all about into the 21st century.

No, we reject more Washington spending and we reject the idea of higher taxes. We are for less government, more tax relief.

Now, is this a perfect bill? Of course it is not. Are some of my colleagues upset we did not get everything done? Of course they are. And know what? I am upset, too. But what we are doing is historic, and we will get there. And for those who are frustrated, I just ask my colleagues, in closing, to remember George Washington. Because he was standing in a driving rain, he was standing in a driving rain and he began to wonder why he was doing what he was doing, because he realized that only a third of the colonists even knew we were in a revolution, and of the third that knew, only 10 percent cared. And of the 10 percent who cared, more than half were for the British.

Mr. Speaker, know what? They moved further as an army. They stayed together as an army with one goal in mind: establishing this precious Republic. And I ask my colleagues and my friends on the other side of the aisle to be part of this army to change America. If we stay together, we will get to the end of this long and winding road and we will save our children, we will empower America, and America will be stronger in the 21st century for what we did today.

Mrs. MINK of Hawaii. Mr. Speaker, I rise to oppose House Concurrent Resolution 178, the conference report on the budget resolution.

The fiscal year 1997 budget resolution appears to be an improvement over the budget proposed by the majority party last year in that it scales back proposed Medicare spending reductions from $288 billion over 7 years to $168 billion over 6 years, and scales back the proposed Medicaid spending reductions from $186 billion over 7 years to $72 billion over 6 years. House Concurrent Resolution 178 also reduces the size of a proposed package of tax cuts from $345 billion over 7 years to something between $122 and $176 billion over 6 years. However, these changes do not mask the fact that the budget embraces assumptions that will reduce dramatically the role of the Federal Government in guaranteeing medical coverage for the poor, maintaining affordable health coverage for seniors, and in expanding educational opportunities for all.

With respect to Medicaid, House Concurrent Resolution 178 embraces structural changes to the program that will transform it from an individual entitlement into a block grant. In addition, the proposed structural changes to Medicaid will allow States to lower their contributions to the program without losing Federal resources; eliminate Federal disability standards that will leave States free to establish their own disability definitions; drop the requirement that health care be provided to children aged 13 through 18 living in poverty; and eliminate the guarantee that low-income seniors who cannot afford Medicare will have their Medicare premiums paid by Medicaid.

In restructuring the Medicaid Program, $72 billion in proposed Federal Medicaid spending reductions could, when combined with State Medicaid spending reductions, result in a Federal/State Medicaid spending reduction over the next 6 years of as much as $250 billion. Such a scale back will leave poor children, disabled persons, and low-income Medicare beneficiaries at risk.

With respect to Medicare, the budget embraces policies that will restructure the program to create incentives for seniors to participate in managed care plans and open medical savings accounts, and permit physicians to charge patients the balance above Medicare's set fees in the new plans. In addition, the conference report cuts the reimbursement rates paid to various providers such as hospitals, doctors, and skilled nursing facilities.

Managed care plans and medical savings accounts are not designed to address the needs of the poorest and least healthy Medicare beneficiaries. And, cuts to the reimbursement rates paid to health providers may well force marginal hospital, particularly in the Nation's rural areas and inner cities, to close. By embracing managed care plans and medical savings accounts, and by reducing reimbursements to health providers, this budget will, I believe, isolate Medicare's least healthy and least affluent beneficiaries at the core of the existing system, and force them to pay higher out-of-pocket costs for reduced levels of medical services.

House Concurrent Resolution 178 continues to assume that tax cuts, intended primarily for the affluent and underwritten by the less affluent, represent the best means of maintaining what many of my Republican colleagues describe as the glide path to a balanced budget. While this budget cuts the size of the GOP package of tax cuts, the benefits of the tax package continue to be distributed very unevenly.

Public and private studies, as well as innumerable books, have documented either how the gulf between the richest and poorest Americans widened or how the incomes of the rich grew significantly as the incomes of the middle class and the working poor stagnated over the course of the past two decades. Yet, the majority party insists on directing most of the benefits of its proposed tax cuts not to the middle class or the poor, but to the rich.

For example, the conference report cuts $18 billion from the earned income tax credit for the working poor while providing increased capital gains benefits for the most affluent. It is a cruel irony that the majority party which insists that it wants to get people off welfare and into jobs would propose to cut the earned income tax credit that benefits the working poor, that is, individuals who have stayed off welfare by working.

Mr. Speaker, members of the Republican Party claim that they, not President Clinton and not the Democratic Members of Congress, know best how to balance the Federal budget by 2002. However, members of the GOP conveniently overlook the fact that it was a succession of Republican Presidents that caused the deficits to spiral out of control by first enacting and then maintaining the borrow-and-spend fiscal policies now known collectively as Reaganomics. In addition, they forget that every single Republican member of the 103d Congress opposed the Omnibus Budget Reconciliation Act [OBRA] of 1993. Most of all, they overlook the fact that OBRA 1993 has not only managed to cut the deficits in half but also made the very idea of achieving a balanced budget in 6 years a distinct possibility.

I believe we can continue on the path to balancing the Federal budget begun by OBRA 1993. That path most assuredly does not lead to the dismantling of the Federal Government nor to the Federal Government's abdication of its responsibility to continue its efforts to ensure that all Americans are provided equal educational opportunities, adequate health care, and a decent standard of living.

Ms. PELOSI. Mr. Speaker, I rise in opposition to the conference agreement on the 1997 budget resolution. Like last year's budget, the plan is out of touch with the American people and should be rejected by the House.

In 1993, President Clinton, working with Congress, began a process of deficit reduction that has reduced Federal deficits for 4 years in a row. In fact, the Federal budget deficit has been cut in half since the beginning of the Clinton Presidency. We need a continuation of the moderate proposals which have been working. We do not need another extreme budget plan to foster bitter confrontation between the Congress and the administration. The American people reject this tactic; they want bipartisan cooperation in solving problems.

The Republican plan proposes to cut Medicare by $158 billion over the next 6 years. Even worse, the plan proposes to end 30 years of universal coverage for senior citizens and allow the healthy and wealthy to opt out of the program causing disruption and placing the entire Medicare Program at risk. Medicare cuts are still used to finance tax breaks for the wealthy.

The budget plan for Medicaid is even more extreme. Cutting $72 billion over 6 years, and allowing the States to cut even more in State payments, would be severely destructive to the program. The plan also would eliminate the current guarantees of health coverage for low-income children, pregnant women, disabled people, and senior citizens. Thankfully, the President has already rejected this drastic approach and proposed a reasonable plan to cap individual benefits resulting in comparable savings without millions of Americans losing health coverage.

Likewise, the budget resolution includes much of the Republican welfare plan which was vetoed by the President because it was too extreme and did little to move people from welfare to work. There appears to be little to recommend proceeding with the same plan encouraging a race to the bottom for State welfare programs.

With regard to discretionary spending, the budget plan is once again extreme. For 1997, funding for defense programs is increased more than $11 billion over the Pentagon's request. On the other hand, nondefense spending falls dramatically—a decrease of $15 below the President's request for 1997. Over the 6 years, the budget resolution would cut purchasing power for domestic programs by 25 percent.

For health programs, the budget plan calls for drastic cuts to programs like community health centers, family planning and biomedical research. The plan to cut purchasing power for the National Institutes of Health [NIH] is extreme and lacking in an understanding of the importance of investment in biomedical research.

The most extreme and short-sighted part of the budget plan is the limitation on funding for education and job training programs. Essentially, these vital programs to prepare the American people for the challenges of a new global economy are frozen for 6 years. The successful direct student loan program is capped, forcing 700,000 students out of the program in 1997 alone. This renewed attack on education places the Congress on a collision course with the Clinton administration, which has proposed $61 billion more in investments for education and job training.

Again, the budget plan fails to adequately protect the environment. The plan would cut purchasing power for natural resources and environmental. The American people want the environment protected. They want clean water, clean air, and access to well-kept national parks.

Mr. Speaker, this budget agreement is essentially the same as last year's Gingrich budget. This budget sets in motion the same failed tactic of confrontation that resulted in the longest and most destructive Government shutdowns in our Nation's history. I fear that not enough was learned by the Republican leadership from last year's failures.

I urge my colleagues to reject this fundamentally flawed budget resolution and insist that a bipartisan budget proposal be adopted to move us on an orderly course to complete the important budget work of this Congress.

Mr. THOMPSON. Mr. Speaker, I rise in strong opposition to this budget resolution because of its deep cuts in education. In the House Republicans' report on the budget for fiscal year 1997, they stated that:

> [E]ducation is a top priority for the Nation. It is the means by which individuals develop the skills, knowledge, and sense of responsibility to pursue their own personal destinies and participate in their communities. It is the key that unlocks the door to higher-skilled, better-paying jobs for those seeking to break out of poverty. It is the source of highly trained workers, who are crucial to keeping the Nation competitive in an increasingly technical global economy.

Then why are my Republican colleagues seeking a decrease of $2.1 billion compared to the freeze level for discretionary education, training, employment and social services programs? These cuts will include the elimination of 31 education programs including funding for Howard University, Innovative Education Program Strategies, State Student Incentive Grants, and new funding for student loans.

Furthermore, they are seeking to cut funding for student loans by $3.7 billion over the next 6 years. Cutting the job training and education programs by $1.1 billion below the 1996 enacted levels. How can individuals break out of poverty through education if they cannot afford to enroll in school or receive job training.

Is this how they treat a top priority for the Nation that is the means by which individuals develop the skills, knowledge, and sense of responsibility to pursue their own personal destinies?

Now, I truly understand why I was taught growing up in Mississippi that you listen to a person's words but you judge him by his actions. Mr. Speaker, I hope that in November the American public will use my childhood lesson and listen to the words of the Republicans but vote based on their actions. Finally, I urge my colleagues to vote against this bill.

Mr. COSTELLO. Mr. Speaker, I rise in opposition to the conference report on the fiscal year 1997 budget resolution offered today. This conference report represents a continued attack on the health, safety, and well-being of the majority of the American people. While not as drastic as the budget proposed by the Republican majority last year or the House-passed version of the fiscal year 1997 budget resolution, this budget conference agreement also is too extreme. By cutting Medicare and Medicaid, the safety net for vulnerable populations—the elderly, disabled, and poor children and families—will be in jeopardy. I cannot support a budget that includes massive Federal spending for new tax breaks while other critical programs—including Medicare, Medicaid, and the earned income tax credit—are greatly weakened. This is not a realistic budget. We cannot, and should not, enact a budget such as this that promises to both cut spending and cut taxes. If we are serious about reducing the deficit—as I am—we should make the hard choices to bring our Federal spending in line. This budget, however, promises to make life easier for the affluent, while balancing the budget on the backs of the poor and disadvantaged.

I support a balanced budget. In fact, I have cosponsored and voted in favor of amending the U.S. Constitution to mandate a balanced Federal budget. However, while the fiscal year 1997 budget resolution conference report achieves balance on paper, I cannot support the callous and irresponsible policy assumptions it uses to achieve these savings. The policy implications have very real consequences to the citizens of this Nation.

I am especially concerned about the deep cuts in discretionary spending included in this budget. Certainly, we must take serious steps to carefully scrutinize every portion of our Federal budget in order to control Federal spending and bring our deficit under control. However, the cuts in discretionary spending included here are too harsh and will have a serious impact on millions of Americans, most notably the vulnerable populations that continue to be left behind as we change our Federal priorities.

For example, the cuts in education leave me very concerned about the future of this Nation. The education of our children must be a top priority. The education our children receive should be adequate in keeping the U.S. economy competitive as we move into the next century. American children rank dismally in math and science achievement compared with students from other Nations. The proportion of young people completing high school has remained stagnant for a decade, despite the ever-increasing demands for education in the job market. Having all our students starting school ready to learn, increasing the high school graduation rate, teaching every adult to read and keeping drugs and violence out of schools are not goals we should abandon. While our deficit needs to be eliminated, we must not decimate the education of future generations, in particular cutting $4 billion from our Nation's student loan program.

In addition, a well-maintained transportation network is essential for economic development. If highways cannot be maintained, our goods cannot move in commerce. Similarly, without continued attention to our Nation's airports, delays and other difficulties will slow our economy's growth. In addition, transit funding provides immediate benefits for economic development, carrying low-income people to their place of work and reducing congestion in metropolitan areas. This conference agreement would cut transportation funding in 1997, lower than its funding level this year.

Transportation should not bear higher cuts than other programs. The House budget phases out Federal assistance the operation of mass transit systems, and the conference agreement takes no position contrary to this stance. Operating assistance is essential to transit systems across the Nation. Transit systems are already taking serious steps to cope with Federal operating cuts of nearly 50 percent in fiscal year 1996 and 12 percent in fiscal year 1995. Transit systems, by necessity, are operating more efficiently yet still must cut services and increase fares. The complete elimination of operating assistance would have a drastic impact and could eliminate necessary public transportation in communities across our Nation.

The cuts in transportation funding is just one example of the hypocrisy of this budget. As this budget pushes people into the workforce it takes away their means of getting to work. This budget is unfair and should not be passed by this House.

Mr. COYNE. Mr. Speaker, I rise today in opposition to the conference report on the fiscal year 1997 budget resolution.

As with the version of the budget that the House voted on back in May, the budget plan outlined in the conference report is horribly flawed.

If is flawed because it fails to address the Nation's most pressing concerns—concerns like affordable health care, high-quality education, community development, a healthy environment, and important investments in research and infrastructure that will increase economic productivity and improve our standard of living in years to come.

It if flawed because it irresponsibly cuts taxes and increases the deficit at a time when we should be addressing our concerns to balancing the budget.

It is flawed because it unwisely cuts spending for domestic programs in order to increase spending on defense at a time when the most important challenges facing the country are economic rather than military.

Finally, it is flawed because it cruelly redirects Federal resources away from safety net programs for the poor, the elderly, and the disabled—and into the portfolios and safe-deposit boxes of the well-to-do.

In short, this budget has its priorities all wrong—just like the Republican Party. I urge my colleagues to reject this conference report and to start again. Let's put together a budget that invests in our future, maintains a Federal safety net for the needy, and reduces the deficit.

Mr. PACKARD. Mr. Speaker, The Republican budget is the only honest plan that balances. It allows people to earn more, keep more, and do more with their families and communities.

The budget that my Republican colleagues and I have crafted symbolizes the historic changes and continuous process of shifting power out of Washington and back where it belongs—in the hands of the people.

The Clinton administration does not seem to realize that every dollar counts to working American families. If we had, right now, a budget that balanced, mortgage interest rates would be one point lower. That one point might only be $65, but that $65 means the difference between home ownership and renting for many families.

The Republican proposal fulfills our commitment to balance the budget by 2002, with lower deficits than the President's proposal every year. It provides a $500-per-child tax credit for working families, reforms welfare, and protects Medicare, extending the solvency of the trust fund for 10 years. In short, this budget will improve the lives of every American. In addition, it enforces a hard freeze on nondefense discretionary spending in 1997 and achieves balance by reducing deficits every year from 1997 through 2002.

Last year, the House-passed budget resolution projected a deficit of $173.5 billion in 1997. Today's budget resolution projects a deficit that is $20 billion lower. It would be even lower if the President were as committed to a balanced budget as he claims.

Mr. Speaker, for far too long, American families have worked to provide for the Government. It is time they worked to provide for themselves.

□ 2200

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 216, nays 211, not voting 8, as follows:

[Roll No. 236]

YEAS—216

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Castle
Chambliss
Chrysler
Clinger
Coble
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Houghton
Hunter
Hutchinson
Hyde
Inglis
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Nethercutt
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—211

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Barton
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Chabot
Chapman
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green (TX)
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hostettler
Hoyer
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Largent
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Myrick
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Schroeder
Schumer
Scott
Serrano
Shadegg
Sisisky
Skaggs
Skelton
Slaughter
Souder
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Tiahrt
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates

NOT VOTING—8

Calvert
Frelinghuysen
Gillmor
Hayes
Lincoln
Manton
McDade
Wilson

□ 2220

The Clerk announced the following pair:

On this vote:

Mr. Frelinghuysen for, with Mrs. Lincoln against.

Mr. ALLARD, Mrs. CUBIN, Mr. METCALF, and Mr. COOLEY changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. KASICH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the conference report which has just been adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Economic and Educational Opportunities:

To the Congress of the United States:

It is my pleasure to transmit herewith the Annual Report of the National Endowment for the Arts for the fiscal year 1995.

On September 29, 1995, at the close of the fiscal year, the Arts Endowment celebrated its 30th anniversary. A young man or woman born at the same time as this Federal agency's establishment has enjoyed access to the arts and culture unparalleled in the history of the country. The National Endowment for the Arts has helped bring tens of thousands of artists into schools, teaching tens of millions of students about the power of the creative imagination. This small Federal agency has helped launch a national cultural network that has grown in size and quality these past 30 years.

This Annual Report is another chapter in a great success story. In these pages, you will find projects that bring the arts to people in every State and in thousands of communities from Putney, Vermont, to Mammoth Lakes, California. The difference art makes in our lives is profound; we see more clearly, listen more intently, and respond to our fellow man with deeper understanding and empathy.

In these challenging times, when some question the value of public support for the arts, we should reflect upon our obligation to the common good. The arts are not a luxury, but a vital part of our national character and our individual human spirit. The poet Langston Hughes said, "Bring me all of your dreams, you dreamers. Bring all of your heart melodies . . ." For 30 years, the Arts Endowment has helped keep those dreams alive for our artists and our audiences. May it long continue to do so.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 12, 1996.*

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2951

Mr. BACHUS. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 2951.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2754, SHIPBUILDING TRADE AGREEMENT ACT

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 448 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 448

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2754) to approve and implement the OECD Shipbuilding Trade Agreement. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided among and controlled by the chairmen and ranking minority members of the Committee on Ways and Means and the Committee on National Security. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in part 1 of the report of the Committee in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No other amendment shall be in order except the amendment printed in part 2 of the report of the Committee on Rules. That amendment may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against that amendment are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California [Mr. DREIER] is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from south Boston, MA, Mr. MOAKLEY, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this rule provides for consideration of H.R. 2754, legislation to implement the multilateral trade agreement entered into by the President to phase out shipbuilding subsidies and create an international environment conducive to the restoration of a healthy commercial shipbuilding industry in this country.

House Resolution 448 is a modified closed rule, providing 1 hour of general debate divided equally among the chairmen and ranking minority members of the Committees on Ways and Means and National Security. The resolution waives all points of order against consideration of the bill.

The resolution makes in order the amendment in the nature of a substitute as recommended by the Committee on Ways and Means, as modified by the amendment printed in part 1 of the report of the Committee on Rules, as an original bill for purpose of amendment. The amendment shall be considered as read. All points of order are waived against the amendment in the nature of a substitute as modified.

The rule further provides for consideration of an amendment printed in part 2 of the report of the Committee on Rules and waives all points of order against the amendment. The amendment to be offered by the gentleman from Virginia [Mr. BATEMAN] shall be considered as read, shall be debatable for 1 hour equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or the Committee of the Whole.

□ 2230

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, for many years, some foreign governments have employed subsidies to protect their commercial shipbuilders from international competition. It was the policy of the United States not to respond in kind, and I strongly support that policy. Manufacturing subsidies are a wasteful drain on the economy and on taxpayers. We should not fall victim to these insidious policies simply because other countries employ them.

Seven years ago, rather than throw money away in a race to see who could provide the largest subsidy to commercial shipbuilders, the United States initiated multilateral negotiations with the major shipbuilding nations to come to an agreement to end subsidies. Mr. Speaker, this effort was supported by our commercial shipbuilders who realized that the only long-term hope for the industry in the United States was to reach an agreement.

In December 1994, after 5 years of negotiations, an agreement was reached with the European Commission, Norway, South Korea, and Japan, the world's major shipbuilding nations. The meticulously negotiated agreement to end shipbuilding subsidies was scheduled to enter effect on January 1, 1996 and the start date was extended to July 15 due to delays in congressional approval.

In past years this trade agreement implementing bill would have been considered by the Congress under what are known as fast-track procedures. Congress would have a clean up-or-down vote on the agreement reached by the administration. Regrettably, the Clinton administration has refused for 3 years to compromise with those in Congress who support trade agreements and support fast-track authority, but who refuse to give the administration carte blanche to include any social policy whim they desire in trade agreements. Clearly, this trade agreement and this implementing bill is the type of trade legislation envisioned when Congress established the fast track procedure.

Under fast track, Congress votes up-or-down on legislation, crafted by congressional committees and the administration, to implement an agreement. Amendments are not permitted because they can violate the negotiated agreement, killing the deal by forcing all the tough issues back onto the bargaining table.

This rule attempts to limit that possibility, while giving the House a clear vote on the negotiated agreement. The bill reported by the Committee on Ways and Means will implement the agreement negotiated by the President. The provisions from the Committee on National Security, which are consistent with the negotiated agreement, are included as base text. However, the provisions of the Committee on National Security which violates the agreement are offered to the House in one amendment. The choice is very clear: Approve or reject the agreement.

Mr. Speaker, make no mistake, the vote on the Committee on National Security amendment is the vote on the shipbuilding agreement. If the amendment is approved, we will not be in compliance with the agreement, and it is highly unlikely that negotiations on the agreement will be reopened.

Mr. Speaker, I include for the RECORD letters from the Government of Norway, the Government of Japan, and the European Commission, each of which state the negotiations in this agreement will not be reopened.

I also include a letter in opposition to the national security agreement which came up to us by Ambassador Charlene Barshefsky, our U.S. Trade Representative.

The material referred to is as follows:

ROYAL NORWEGIAN EMBASSY,
Washington, DC, June 5, 1996.

Hon. CHARLENE BARSHEFSKY,
Acting U.S. Trade Representative,
Washington, DC.

DEAR AMBASSADOR BARSHEFSKY, I am writing to you to express the Norwegian Government's grave concern regarding the amendments passed by the National Security Committee of the House of Representatives in its mark-up last week of the legislation for implementation of the OECD Shipbuilding Agreement.

Several of the amendments, most notably the provisions for extending the Title XI shipbuilding loan guarantee program and the provisions for removing the applicability of the Agreement with respect to the building of Jones Act vessels, are clearly inconsistent with the terms of Agreement.

The OECD Shipbuilding Agreement is the result of many years of complex negotiations and represents a carefully crafted compromise between the parties to the Agreement. My Government holds the view that the Agreement is of vital importance for the return to normal competitive conditions in the commercial shipbuilding industry.

Norway has ratified the OECD Agreement, and would find that the introduction of amendments such as those proposed by the National Security Committee would destroy the balance of obligations and, thus, undermine the foundation upon which the Agreement was built. On the Norwegian side, we do not foresee circumstances whereby the signatories of the OECD Agreement would be prepared to reopen negotiations.

Hoping that you will convey to Congress Norway's concern that adoption of the aforementioned amendments would seriously jeopardize the OECD Agreement, I remain,

Sincerely yours,

KARSTEN KLEPSVIK,
Charge d' Affaires a.i.

DELEGATION OF THE
EUROPEAN COMMISSION,
Washington, DC, May 31, 1996.

Hon. HERBERT H. BATEMAN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN, I am writing on behalf of the European Commission to express our considerable concern with respect to the amendment passed by the House National Security Committee in its mark-up of the OECD shipbuilding implementing legislation. The amendment calls for an extension of the terms of Title XI financing for ship construction for thirty months. Furthermore the amendment would clearly state that the agreement does not require changes in the Jones Act and that certain Department of Defence procurements are not covered.

This amendment clearly is inconsistent with the terms of the agreement as negotiated between the parties.

The agreement is the result of five years of complex negotiations which have led to the adoption of the basic principles originally proposed by the United States (i.e. the prohibition of virtually all forms of future government subsidies). Therefore this significant amendment would not be acceptable to the European Community since it would be contrary to the basic objectives and balance of mutual concessions contained in the agreement. I cannot envisage the circumstances under which signatories of the OECD agreement would be willing to reopen negotiations.

The adoption of the amendment would put the agreement in serious jeopardy. Therefore, I should like to urge you to take the above into account in future consideration of the bill.

Sincerely yours,

HUGO PAEMEN,
Ambassador.

JUNE 5, 1996.

Mr. RONALD JOHNSTON,
Secretary-General, OECD.

DEAR MR. JOHNSTON, As you know, the target date for the ratification of the OECD Shipbuilding Agreement is fast approaching. In this regard, I am pleased to report that Japan is making steady progress towards ratification of the Agreement, and we hope to have Diet approval by 15th June.

Despite this optimistic picture, recent developments in the United States are clouding the horizon and are a source of grave concern to us. On 29 May, the US House National Security Committee passed an amendment to the OECD Shipbuilding Agreement which would change the terms of the US participation in the ban to subsidise global shipbuilding. This amendment provides for the extension of the Title XI Loan Guarantee Programme until January 1999. Title XI, which provides subsidised financing for maritime vessels, is in contradiction with the provisions of the Agreement, and its prolongation by the House of Representatives would clearly jeopardise the entry into force of the Agreement.

Let me make it very clear that Japan is opposed to this amendment which goes against the spirit and letter of the Agreement, and would be unwilling to reopen negotiations. The Agreement, fruit of five long years of negotiations, was initially proposed by the United States and had as objective the elimination of all forms of government subsidies to shipyards, a principle supported by the United States. It is clear that the Agreement will bring long-term benefit to all signatory countries whereas passage of the Bateman amendment will open the door for a new round of subsidisation and anti-dumping movements, actions that will hurt all countries.

Japan is using all available channels to directly convey our concern to American lawmakers on this issue. As the OECD as the home of the negotiations, we believe that you, as Secretary-General of the OECD, share our displeasure. We would therefore ask you to use all your influence to convey our own concern to the United States.

Sincerely yours,

MASAJI TAKAHASHI,
Ambassador.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE,
Washington, DC, June 5, 1996.

HERBERT H. BATEMAN,
Chairman, Special Oversight Panel on the Merchant Marine, Committee on National Security, Washington, DC.

DEAR CHAIRMAN BATEMAN: I want to thank you for the opportunity for General Counsel Jennifer Hillman to appear as an Administration witness before your Special Oversight Panel regarding H.R. 2754 which would implement the OECD Shipbuilding Agreement and for the House National Security Committee taking timely action on the bill. I remain optimistic that the United States will be able to ratify this important agreement, which will eliminate large foreign subsidies for shipbuilding and provide new sales and employment opportunities for U.S. shipyards.

At the same time, however, I want to make clear that the substitute amendment to H.R. 2754 approved by the National Security Committee on May 30 modifies the legislation in ways that are clearly incompatible with the Agreement and unacceptable to the other Signatories.

The Agreement requires that its Members bring their government support programs into compliance with the provisions of the Agreement as of entry into force (now scheduled for July 15, 1996). The National Security Committee substitute amendment (Section 205) would delay the required modification of our Title XI loan guarantee program until January 1, 1999. The Agreement also provides for an exemption for the home-build requirements of U.S. coastwise laws ("Jones Act"), these requirements are allowed to continue indefinitely while the home-build requirements of the other members must be eliminated as of entry into force. To address the concerns of the other Members, however, provisions were painstakingly negotiated to provide a means of redress in the unlikely event this exemption were determined to significantly undermine the balance of rights and obligations under the Agreement. Section 207 of the substitute amendment would negate these provisions—which are the basis on which we obtained an exemption for the Jones Act.

Other Signatories to the Agreement have been quick to contact us in the wake of the May 30 action by the National Security Committee. Their message has been uniform: the substitute amendment is inconsistent with the Agreement, fundamentally undermines the balance of mutual concessions and commitments contained in the Agreement, and is therefore unacceptable. It would require a complete renegotiation of the Agreement—something that they are unwilling to consider at this late stage. I would note in this regard that, with the exception of Japan, all other Members of the Agreement have completed their internal parliamentary process and ratified the Agreement; final Japanese approval of the Agreement and its implementing legislation is expected this week. Thus, aside from policy objections, the substitute amendment would invalidate time-consuming foreign ratification efforts. You can readily imagine the legal difficulties of seeking to reopen these parliamentary processes.

In sum, I believe the substitute amendment approved by the National Security Committee will, if adopted, end the United States' chance to impose strong disciplines on foreign subsidies and other unfair trading practices in the shipbuilding sector. Aside from its adverse implications for our shipbuilding industry itself, we need to secure passage of unencumbered legislation to assure our trading partners of our ability to implement tough agreements that the U.S. initiated.

I appreciate your hard work on the bill and I look forward to working with you to ensure that implementing legislation that is consistent with the Agreement is passed prior to June 15.

Sincerely,

CHARLENE BARSHEFSKY,
Acting United States Trade Representative.

Mr. DREIER. Mr. Speaker, it is quite clear if you judge the agreement as negotiated by the administration to be insufficient, then the national security amendment offers a vehicle to kill it. However, I support ending foreign subsidies. I believe this shipbuilding agreement will achieve that goal. Approving this implementing bill is critical to bringing this agreement into force, so I urge Members to reject the amendment of the Committee on National Security.

Mr. Speaker, while the Committee on Ways and Means and the Committee on National Security hold very different views on the substance of this agreement, they both support this fair floor procedure. It offers the Members a clear and understandable choice: On one hand, the agreement, and on the other hand, continue with U.S. loan guarantee subsidies, which will require this agreement to be renegotiated.

I look forward to a good debate when we move to this issue, and I urge all Members to support this rule so we can get to that debate.

Mr. Speaker, I include for the RECORD the following materials:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of June 12, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open[2]	46	44	73	59
Structured/Modified Closed[3]	49	47	33	27
Closed[4]	9	9	17	14
Total	104	100	123	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of June 10, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of June 10, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	
H. Res. 450 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. ——— (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. DREIER. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to say I support this rule, which gives people on both sides of this issue a chance to be heard.

It will allow the supporters of this shipbuilding trade agreement a chance to vote for the agreement and it will give others a chance to make changes.

So, although I count myself as one of the people who would like to make changes, I am happy to say I support this rule because it will allow us to do so.

Mr. Speaker, this shipping agreement is a good start. It takes some serious steps toward making the international business of shipbuilding fair for all shipbuilders—regardless of their nationality. It seeks to eventually eliminate shipbuilding subsidies; prevent dumping; and settle disputes.

But, Mr. Speaker, this shipbuilding trade agreement is unbalanced. It does not do enough to protect American shipbuilders from unfair international shipbuilding subsidies.

Unless we change that aspect of the agreement, unless we adopt the Bateman amendment, this agreement is unfair to American shipbuilders and shouldn't go any further.

The Bateman amendment continues the title 11 loan guarantees at their current levels. In other words it will even the playing field for American shipbuilders in light of continued subsidies by foreign governments.

Mr. Speaker, this agreement is the result of 5 years of negotiations among the major shipbuilding countries of the world. The goal is a very noble one, namely to end all shipbuilding subsidies in the year 1999. But, unfortunately, it appears that we have given away nearly the whole store and gotten just about nothing in return.

Mr. Speaker, the creation of the title 11 loan guarantee program has jump started the American shipbuilding industry in recent years. It enables qualified shipbuilders to receive substantial loan guarantees from our Government for up to 87.5 percent of a loan over a 25-year period.

Thanks to this program previously defunct shipyards, like the Quincy Shipyard in Massachusetts, have been able to get back on their feet.

Mr. Speaker, this is the only government program designed to help U.S. shipbuilders, and it carries a price tag of $50 million annually. Other countries such as Japan, South Korea and Germany subsidize their shipyards with nearly 200 times that amount—approximately $8 billion annually. Instead of asking the other countries to stop their subsidies now, this agreement slashes the title 11 loan guarantees by 7½ percent.

Meanwhile, several countries are using loopholes to continue using government subsidies to modernize their shipyards.

Although these subsidies will end in 1999, Mr. Speaker, I worry that 1999 will be too late. By that time, our European competitors will have used these subsidy loopholes to modernize their shipyards. The level playing field envisioned by the creators of this agreement will have evaporated because American shipyards won't be able to compete with these fully modern yards.

If we aren't going to give our shipbuilders loan guarantees, Mr. Speaker, then we shouldn't sign an agreement that leaves open loopholes through which other countries can subsidize their shipbuilding.

Hard working Americans in places like the Quincy Shipyard deserve their chance to compete in today's global economy—without having to worry about competing against subsidized foreign shipbuilders.

I urge my colleagues to support this rule because it allows both sides a chance to offer their proposals. I also urge my colleagues to support the Bateman amendment to help even the playing field for American shipbuilders.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first say that I disagree with my dear friend, the gentleman from South Boston, MA, when he says that President Clinton sold out the store on this issue.

Mr. MOAKLEY. I did not say President Clinton, Mr. Speaker, if the gentleman will yield.

Mr. DREIER. I think it was President Clinton who put this agreement together.

Mr. Speaker, I am happy to yield 6 minutes to the gentleman from Newport News, VA [Mr. BATEMAN], a distinguished member of the Committee on Transportation and Infrastructure.

Mr. BATEMAN. Mr. Speaker, I thank the gentleman for yielding time to me, and I also want to commend him on the rule which he has brought for consideration of this very, very important matter. It is a fair rule, it is an appropriate rule. It does give to those who have concerns about this agreement the opportunity to debate it and to address the means by which the agreement can be improved to a point where it would be worthy of the support of the representatives of the American people.

It is perhaps strange to many that a bill that started in the Committee on Ways and Means and is, in essence, a trade agreement would come to the floor with some input from the Committee on National Security. But when we think of the basic subject matter of this particular trade agreement, it is more than appropriate that the Committee on National Security have a voice in whether or not that treaty or that agreement should be implemented legislatively, for this agreement deals with shipbuilding, and when we deal with shipbuilding, we deal with something which is absolutely vital to the national security interests of the United States of America.

When the United States of America is no longer a maritime power, the United States of America is no longer a world power. It is just in the nature of the world we live in and the geography that we deal with that we must be a maritime power. We cannot be a maritime power if we do not have the capability to build and maintain a merchant fleet and to have the capability to build in our country naval combatant vessels.

I can say to the Members that their large shipyards in the United States, the ones which do and can build naval combatant vessels, are opposed to his agreement if implemented according to the terms of the Committee on Ways and Means bill. They have sought and I have been proud to author an amendment which would make this agreement more fair and more protective of the legitimate interests of American shipbuilding and of America's national security.

The amendments which I will be offering would include an extension for 30 months of our existing title XI program, because it is a program that is working, and because it is a program that is essential to a transition period so our shipbuilding can play on an even playing field when this agreement is fully implemented and all of the subsidies go away, very appropriate in light of the fact that there are other nations who are parties to this agreement who have special transition provisions allowing them hundreds of millions of dollars in continued subsidization of their shipyards.

The trade representatives have assured us, according to their interpretation, that this agreement has nothing to do with, has no effect upon, the Jones Act. Yet, the letter cited by the distinguished gentleman from California, from various embassies who are parties to this agreement, says that my amendment, because it makes it explicit that the agreement shall not affect the Jones Act, is totally unacceptable to them.

□ 2245

I would say to you that that is a very, very strong reason why the amendments which I will offer tomorrow ought to be enacted, because it must be unequivocally clear that the Jones Act is not affected by this agreement.

We also must make it perfectly clear that we reserve the right to define ships that are built for a national defense purpose and that someone else cannot say that our Marine and Army prepositioned vessels and other ships which discharge a vital national security interest must be regarded as commercial vessels and cannot be built in American shipyards but must be made available for bid to the lowest bidder from any Nation in the world. We cannot make our national defense capabilities dependent upon that.

Mr. Speaker, when this debate is heard tomorrow, I would implore the

Members of the House to remember that they are representing the vital interests of the United States of America and its capability to remain a maritime power. In doing that, they must look upon this agreement as what is fair and what serves the interest of the people whom we represent. Based on that standing, I believe the Members of the House will support the Bateman amendment when offered and with that amendment we can go on to perfect this agreement if the parties are willing to do so.

Mr. MOAKLEY. Mr. Speaker, I yield 9 minutes to the gentleman from Florida [Mr. GIBBONS], the ranking member of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, I support this rule. I had not wanted to use this much time to debate this rule but since we got into the merits of the bill, I think it is appropriate that someone who is connected with the bill since its inception explain the position of the Committee on Ways and Means and the position adopted by the administration in negotiating this agreement.

Mr. Speaker, there is a lot of shipbuilding business out there to be had by Americans if we can just get the rest of the world to do away with their subsidies. Here on this floor in 1981, the Congress adopted the Gramm-Latta substitute to the budget reconciliation bill and wiped out all U.S. subsidies. One tiny little subsidy, almost insignificant subsidy, survived that onslaught. There is a great obsolescence coming about on all the commercial ships that have been built in the world. The amount of shipbuilding that will be done by the rest of the world in the next few years is going to be tremendous. It is important that America get its fair share. We are very competitive in commercial shipbuilding, due largely to the value of our dollar. And we can compete, so our shipbuilders tell us, on a level playing field. That is what this agreement provides for.

I began this action about 7 or 8 years ago and for the last 5 years we have been negotiating furiously with all the other shipbuilders. We wore out 4 sets of negotiators and we finally reached an agreement. But a minority of the shipbuilders in this country have decided that they do not like the agreement, that they could do better. But I doubt that they can. The gentleman from California [Mr. DREIER] has put into the RECORD responses from the other parties to this agreement that if this agreement is amended by the Bateman amendment that they will walk away from the agreement and will not further negotiate. These are not little bitty insignificant nations, they are the 280 million people of the European community, the nations of Japan and South Korea and other countries that have said that if we tear up this agreement by amending it with the Bateman amendment, it is all over, they will go back to their subsidies. They are having trouble getting rid of their subsidies in their countries. But all of those other countries have already approved this agreement. Even though we pushed the agreement to negotiation, we originated all of this, we are the last to ratify it. The day to ratify it is this week. On the 15th of this month, the extensions that we have gotten run out.

No agreement is perfect. No agreement is going to be 100 percent agreed to by everyone. But this is a good agreement. It will put us back in the shipbuilding business. And it will do away with foreign subsidies.

Why will the Bateman amendment not work? The Bateman amendment is presently law in the United States hanging by one thin thread, a thread about as thick as a spider's thread. The only thing that saves what Mr. BATEMAN would like to do today is a standstill agreement in this agreement that we are ratifying. What is a standstill agreement? When we finally sign an international agreement, all countries customarily agree to stand still and not to escalate, in this case, the subsidies that we have cut off. At the time that this agreement was signed, the United States was slightly ahead in the subsidy race in ship purchasing financing. In other words, we gave a better subsidy to ship purchasers than did any other nation. But the only reason they have not matched or beaten our subsidy is because they have agreed to stand still. That agreement expires Friday.

Come Friday, all the gentleman from Virginia [Mr. BATEMAN] is trying to save will go up in thin air, because all the other countries on Earth that are parties to this agreement can start the subsidy race again. I do not see in the United States any desire to enter into shipbuilding subsidies. We thought we were getting rid of all of them in 1981.

It is just dreaming to say that we can go our own separate way on this agreement, that we can continue our subsidies and everybody else will fall in line. That is just pure imagination.

So the chance is here. We can get America back into the shipbuilding industry, the commercial shipbuilding industry. This is a good agreement. We ought to take this opportunity while we have got it.

Mr. Speaker, I have never been any more sincere about anything I have said on this floor than I am about this agreement. I have followed it, started it way back in the beginning. I know what is in it. We cannot improve it at this stage of it. It is good for America to do this.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to simply rise and associate myself with the remarks of the distinguished ranking minority member of the Committee on Ways and Means and the former chairman not only of the full committee but of the Trade Subcommittee. The gentleman from Florida [Mr. GIBBONS] has, as he said, followed this issue very, very closely from its inception and he understands that doing everything that we possibly can to push those other countries that have been involved in subsidization will do nothing but enhance the ability of shipbuilders here in the United States, and I think that that is something that we all want to do. But certainly there are differences of opinion on it and this rule will allow a chance to bring that up.

I certainly concur with the gentleman from Florida [Mr. GIBBONS] as a fellow free-trader that doing everything that we possibly can to ensure that the amendment of my very good friend from Virginia [Mr. BATEMAN] does not carry, I think, will go a long way toward assisting a shipbuilding industry in this country.

With that, Mr. Speaker, I yield 3 minutes to my very good friend, the gentleman from Portland, ME, former marine, Mr. LONGLEY.

Mr. LONGLEY. I thank the gentleman from California for yielding time.

Mr. Speaker, I rise in support of the rule that has been written on this bill. Again I would echo a number of the comments that have been made this evening but perhaps with a slightly different twist. I think it is important to understand that the steps that led to this agreement were begun in 1989 at the urging of the sixth largest U.S. shipyards, including the Bath Iron Works located in my district. The negotiations were initiated following the withdrawal of a section 301 trade complaint that had been filed by these shipyards charging that foreign shipbuilders had been engaging in unfair competitive practices.

As we know, many of the governments in Europe, Korea and Japan have been subsidizing commercial shipyards for decades and these subsidies have been running into the billions of dollars. Unfortunately in the view of the six major yards, the agreement has not accomplished what it set out to do and it has left major discrepancies in terms of the interpretation and how the agreement might be interpreted and how that might apply to American shipyards.

On that basis, I support the committee's conclusion to provide for a rule that will allow a vote on the Bateman amendment. I will later be speaking in support of the Bateman amendment and perhaps later even questioning the other aspects of the agreement.

But I think the one note that I would want to urge in this debate as we consider the rule and get ready for the debate on the measure itself is that the United States which at one time was the greatest sea power in the world has now reached the point where the number of workers employed in industrial shipyards that make the major surface military and commercial vessels for this great country have now reached a point where their employment is at an all-time low of about 78,000 jobs, far lower than it has ever been in our history.

Furthermore, our share of the international shipping market, commercial shipbuilding market, is barely 1 to 2 percent. Clearly there is an issue here as to an agreement and whether or not that agreement has actually achieved the level playing field that our domestic shipbuilders will need if they are going to compete equitably in the world shipbuilding market.

On that basis, I would end what I have to say tonight. I want to compliment the gentleman from California and the ranking member for what I think is a good rule that will lead to a good debate. I look forward to that tomorrow.

Mr. MOAKLEY. Mr. Speaker, I yield 8 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. I thank the ranking member for yielding time.

Mr. Speaker, this is a bad rule and following this rule it is a bad bill. It is a bad rule because the greatest lawmaking body in the world will start its day tomorrow waiving the rules that it lives by. One of those rules would allow the 435 Members of this body to come forward to try to perfect this bill. But under the rule as envisioned by the Rules Committee, they cannot do so. They have to take it all or leave it all.

So what is it that we are being asked to take or leave? It is a measure that affects our national sovereignty and it is a measure that affects our national security.

Mr. Speaker, the gentleman from Maine [Mr. LONGLEY] touched on it but I will take it a step further. On the day that I was born, this was the undisputed greatest maritime power in the world. We had more ships than anyone and we built more ships than anyone. That continued for a long time. But the real decline started around 1981 when this Congress, for whatever reason—it probably made sense at the time—decided to stop helping our domestic shipbuilders. There was a wink to them, because the Reagan defense buildup was coming along, that they would build a lot of naval ships. But the 600-ship Navy that was spoken about by President Reagan is now rapidly becoming a 150-ship Navy. The help that was promised has rapidly evaporated and along with it the ability of this Nation to protect itself.

Mr. Speaker, we are an island nation. This island Nation that was defended by people like SAM GIBBONS at Normandy had to build 16,000 ships during World War II, because when you go to war, one of the things that happens is people sink your ships. As recently as Desert Storm, our Nation had to go out and charter 85 foreign flagged vessels to resupply our troops. We did not lose a single ship to a foreign casualty, yet even in peacetime we did not have enough ships to resupply our troops.

Now we are being told that we want to not only lose the fleet but lose the ability to ever build that fleet again. Who is telling us this? It is the same folks who brought us NAFTA.

You remember NAFTA. Back in November 1983 when we had a $6 billion trade surplus with Mexico, they said, it would help our trade situation. It has not. It has increased our deficit. We went from a surplus to a deficit. You remember how they talked about the jobs that would be created. Well, maybe they have been, but they have not been created in this country. They were created in Mexico.

If anyone in this room needs any evidence, I will invite you to visit Wiggins, MS; or Gulfwood, MS; or Poplarville, MS; or Neely, MS, and see the empty garment plants. In places like Neely, MS, when they shut down the garment plant, there is no place else to go. There is no reason for worker retraining. It was the only business in town. Or, for that matter, I would like to invite you to Lucedale or Poplarville or Hattiesburg and go to the livestock auction. Before NAFTA an average calf was selling for about $1.10 a pound. Right now when the farmers can find a buyer, cattle is going for about 55 cents a pound. People's entire lifetime investments cut in half since the passage of NAFTA and the beef that has come up from Mexico. So the same folks who brought us NAFTA now want to take it a step further, and they want to do away with the ability of this Nation to defend itself.

□ 2300

Something that we did in 1993, and I am very proud of, with broad bipartisan support, recognizing that our Nation has to have shipbuilders and that we are down to only six, is we passed the National Shipbuilding Initiative. It is an expansion of the title XI program which was begun under President Roosevelt when our Nation, prior to World War II, found itself in the same situation, and that is an island nation that did not have enough ships to support itself. They started a program of loan guarantees to help our shipbuilders build commercial ships, the kind of ships we need to move goods during time of war.

We passed it again in 1993, and we went from building no ships a year up to having 13 on order, and with an incredible market opportunity out there. Because with the passage of the Oil Pollution Act of 1990, 2,000 tanker ships will have to be replaced in about the next 10 years. We could be building those ships but, instead, this measure is going to deprive the American shipyards of any help at all, even if it is a loan guarantee, to try to go after that 2,000 ship market.

In effect, what we are saying is that just like our garments and just like our beef, we are now going to import ships. We are going to be a Third World country because we will lose our shipyards, and from now on, when we need a destroyer or a carrier or a submarine, we will call up someone else to sell them to us.

Now that might have worked in Desert Storm, but I would remind those people who have lived a little longer, that many of those nations that lined up with us during Desert Storm were on the other side during Vietnam. They could be on the other side again.

It affects our sovereignty because for the first time in the history of our Nation, if we want to do something to help our domestic shipbuilders stay in business, and incidentally, every one of the major shipbuilders is against this proposal, and they testified before the Committee on National Security to that effect, so the people that the gentleman from California [Mr. DREIER] says he wants to help are all against it, without exception. But it would require this Nation to go seek the permission of about 20 other nations just to help our own shipbuilders so that they can be in business when we need them, because there is going to be another war.

Since the fall of the Iron Curtain we have had a war in Panama, we have had a war in the desert, and we have had a situation in Bosnia. It is going to happen again. I have kids, and I wish it would not happen again, but the history of this Nation is that it is and it happens whenever we let our guard down, and this is letting our guard down.

It affects our national security, because if we cannot build ships this island Nation cannot defend itself. It is that simple.

So, Mr. Speaker, for all of these reasons, this is a bad agreement at the wrong time in our Nation's history. The great nations of the world have always been great manufacturers and been great maritime powers. With NAFTA, we have murdered American manufacturing. There have been 10,000 new factories build on this continent in the past 10 years, but they have all been built in Mexico, and now the people who brought us NAFTA want to do away with what is left of American shipbuilding and send it overseas.

Mr. Speaker, I urge the defeat of the rule and I would strongly urge the defeat of the measure.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time and await my dear friend's closing argument.

Mr. DREIER. Mr. Speaker, I yield myself the remainder of my time. I would like to close by simply responding to some of the remarks that were made by my friend from Mississippi and to extend hardy congratulations to my friend, the gentleman from Tampa, FL [Mr. GIBBONS].

Over the last three decades, in a bipartisan way, the United States of America has stood for free trade. There has been no Member of Congress who has been more diligent in the pursuit of those policies than SAM GIBBONS. The benefits to the consumer in the United States have been overwhelming because of the fact that we have successfully broken down barriers. And eliminating those barriers has improved the standard of living and at the same time it has created jobs.

The gentleman from Florida has been intimately involved in just the last few years with implementation of the North American Free-Trade Agreement and with the Uruguay round of the General Agreement on Tariffs and Trade. And I would say, Mr. Speaker, that both of those items have been job creators here in the United States.

I differ with my friend from Mississippi. I happen to believe that the facts show that over 336,000 jobs here in the United States have been saved because of the North American Free-Trade Agreement. I also feel very strongly that if we look at the difficulties that existed in Mexico, and we juxtaposed those to the peso crisis of 1982, we would have seen a much different response if we had not had the North American Free-Trade Agreement as SAM GIBBONS and I and others fought on behalf of.

I also believe that this may be the last trade agreement of the very distinguished career of the gentleman from Florida, and so I think that it is important for us as a nation, having benefited from his three decades of work on this issue, to ensure that we move ahead and realize, realize that for our consumer, for those who are trying to find new markets by creating jobs with exports, that we are doing the right thing by passing this agreement. If we pass an amendment to it, it will kill it, and so I hope very much that we will move ahead and do the right thing here.

Mr. Speaker, I yield back the balance of my time and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JUST DO IT

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, this afternoon and evening we have discussed a budget resolution in our goals to eventually achieve a balanced budget. It makes me think, after listening to much of the discussion of what we should do, of the Nike running shoe ad that says, "Just do it".

We hear a lot of rhetoric about the fact that we should cut down on some of the wasteful spending. I say just do it. We hear a lot of discussion about let us lower some of those overwhelming taxes that we have imposed on the American working people. I say let us just do it. We have heard a lot of talk about how we change welfare, how we admit that welfare programs have been unsuccessful for the last 40 years and they need changing because we have taken the spirit away from people by giving them something for nothing. In changing the welfare program, I say just do it.

It is like the Nike ad on just doing it. It is not easy, it is going to be tough, but we have to just clench up our fists, we have to tighten up our stomachs and tighten up our dedication and just do it.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. CHABOT). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE TAX TRAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, when I am back in Michigan in our 7th Congressional District, around Battle Creek and Jackson and Hillsdale and Adrian, not a day goes by but a young mother or a young father comes up to me and says, you know, we are working very hard and we can hardly get by. We are both working now. Or sometimes it is a young mother, all by herself trying to support her kids, and they say why is it so difficult now when my mom and dad, when I was growing up, only one of them worked and we still ended up with enough money to go on vacations, to have good food, and to have good housing?

You know what I have concluded, Mr. Speaker, a large part of today's problem is? The tax trap. Back in the 1950's and the 1960's the taxes only took a small part of our earnings, but today taxes take almost 50 percent of what we earn. Taxes at the local, State and national level take 41 percent of what we earn. And then, if we earn more money and work harder, and we get into those higher tax brackets, in addition to the 15 percent that goes into FICA, we can go as high as 39 percent on our income tax.

I call it the tax trap because people may remember that old song that says the more you study, the more you learn; the more you learn, the more you forget; the more you forget, the less you know; so why study? It is sort of true on taxes. The harder you work and the more you earn, the higher your taxes are and the more you have to pay the Federal Government to spend the money that you worked so hard to earn.

I wonder if people know that today we spend more on food and clothing and shelter. The taxes that we pay to the government is more than we spend on food and clothing and shelter. I wonder if people know that there is about 70 percent of the hard-working American people that pay more in the FICA taxes, that 15 percent that is tacked on to our wages, than they do in the Federal income tax.

□ 2315

Let us look at the FICA taxes a minute. Most of that, 12.4 percent, goes to pay Social Security taxes. How many of the people under 40 today think that Social Security is going to be around when they are ready to retire?

We have got some real problems with Social Security. Back in the early 1980's and 1982, they appointed the Greenspan Commission because at that time they published reports that the unfunded liability of Social Security was 1.82 percent of payroll. In other words, taxes would have to be raised that much more to cover the unfunded liability of Social Security.

Guess what it is today. Today the unfunded liability of Social Security is 2.17 percent. So when we hear people say, "Don't worry about Social Security because it is going to have enough money until the year 2029," what happened is the actuaries just recently came and said it is not going to be 2030, but it is going to be 2029, but the fact is that is only if somehow Government pays back all the money that it has been taking out of the Social Security surpluses.

Since we changed the Social Security taxes in 1983, and at that time the estimate was that they would be solvent for 65 years, well, guess what one of the former commissioners, Dorcas Hardy, said a couple of weeks ago? She estimated that sometime during the year 2005 there would be less money coming in for Social Security than was required for the payout.

There is no trust fund. There is no reserve. The Federal Government has taken every cent of the surplus every year, written out an IOU, and spent that money for general fund spending, expanding Government spending, expanding programs, taking more of Americans' individual decisionmaking away from them and putting it in this Chamber and over in the Senate Chamber and having Government make the decisions that they used to decide.

So when that young mother and young father come to me and say, "What are your suggestions, what are we going to do," my suggestion is to slow down on the borrowing and eventually balance this budget. Slow down on those taxes. Let people keep some of that hard-earned money in their own pockets and decide how to spend that money, rather than sending it to this kind of Chamber to let Government decide how to spend your hard-earned dollar.

Somehow, Mr. Speaker, we have got to have a tax system where the people that work hard and try and save, end up better off than those that do not. That is the goal of our budget resolution, and our budget projection for the future of saying cut spending, do it now, do not put it off and let us get to a balanced budget. Let us quit borrowing and taking the future away from our kids.

IN OPPOSITION TO NUCLEAR WASTE STORAGE ON PALMYRA ATOLL, A POSSESSION OF THE UNITED STATES IN THE PACIFIC OCEAN

The SPEAKER pro tempore (Mr. CHABOT). Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, I come before my colleagues and our great Nation today to state my strongest opposition to a proposal that some people view as nuclear lunacy. Some of my colleagues may have heard of this reckless initiative circulating around Capitol Hill, that would give birth to the world's largest nuclear waste cesspool—right smack in the middle amongst Pacific island nations and in the middle of the Pacific Ocean.

Mr. Speaker, after approximately 50 years of nuclear testing in the Pacific, where hundreds of the world's most lethal nuclear weapons have been detonated, would you not think Mr. Speaker, that the peoples and the environment of the Pacific have suffered enough from nuclear poisoning and contamination? Apparently not—as a group of investors from New York and Russia—yes, Russian—are pushing the idea of commercially developing Palmyra Atoll, a United States possession in the Pacific, as an international storage site for spent nuclear fuel and plutonium. These investors are prepared to sacrifice the health and welfare of millions of men, women, and children who reside in the Pacific, for the billions of dollars these investors intend to make in annual revenues.

According to these investors, their commercial enterprise would bring together the Governments of the United States, Russia and others to jointly store over 200,000 metric tons of spent nuclear fuel and excess weapons plutonium on Palmyra Atoll. Although making money is the primary motive, they also proclaim altruistic objectives, such as: First, securing Russia's fissile materials from the nuclear black market, while restraining Moscow's spread of nuclear technology to suspect regimes; Second, discouraging the reprocessing of spent nuclear fuel by nations for plutonium; and Third, materially aiding global efforts to stop nuclear proliferation.

Although I find these nonproliferation objectives to be admirable, I take great exception to the investors' decision to locate their international nuclear storage site on Palmyra Island—a volcanic island. Hawaii's distinguished Senator, DANIEL AKAKA, has recently opposed the plan, calling it nuclear nonsense, and I cannot more wholeheartedly agree with the gentleman from Hawaii.

Mr. Speaker, it is the height of folly and sheer nonsense to build the planet's largest nuclear wastedump on a geologically-suspect, dormant volcano—a volcanic formation that is surrounded by swirling Pacific currents, storms, cyclones, and hurricanes. Or how about these freak waves that travel in the Pacific at 60 mph and at 60 feet in height?

As many of us know, the Pacific Basin is afflicted by shifting tectonic plates, and volcanoes erupt regularly. With the State of Hawaii less than 1000 miles away and my district, American Samoa, also close by—who can guarantee that Americans will not suffer from the environmental firestorm to erupt if Palmyra Atoll is, again, subjected to geologic movement? Mr. Speaker, we are talking about the storage here of 200,000 tons of nuclear materials that shall remain radioactive, toxic and hazardous for over 100,000 years—in essence, for all time, as far as I am concerned. Mr. Speaker, the menace to surrounding Pacific island nations, such as Kiribati less than 200 miles away, is obviously the greatest. I would not want my family to live on islands anywhere close to Palmyra. What guarantees are there for the lives of some 1.2 million American citizens who live in the State of Hawaii, which is located less than 1,000 miles north of Palmyra Island?

Mr. Speaker, the Palmyra proposal subjects Pacific residents to additional dangers, as ships carrying spent nuclear fuel and plutonium from all corners of the world shall traverse the Pacific to reach the island. The threat of accidental vessel sinkings and terrorist hijackings of the deadly nuclear cargoes are only the beginning of problems to anticipate and are surely to come if this body ever approves this proposal.

After review of proposed legislation that would facilitate Palmyra Atoll's development as a private nuclear storage site, I believe that, in addition to the concerns I have already raised, the proposal is grossly unsound on its face. I have attached a copy of the draft legislation for the RECORD.

The bill directs the Nuclear Regulatory Commission [NRC] to expeditiously review the issuance of a license to the owners of Palmyra to operate a spent nuclear fuel storage facility, thereby applying undue pressure upon the NRC to circumvent normal environmental, engineering and safety requirements for such storage facilities.

The bill further provides that key sections of the National Environmental Policy Act [NEPA] and the Clean Water Act shall not apply to the Palmyra facility, thereby sidestepping legal requirements for an environmental impact statement to be prepared. What are they trying to hide?

The bill also makes no provision whatsoever for the ultimate disposition of the 200,000-plus tons of nuclear material to be stored on Palmyra. From my understanding, Palmyra is not to be a permanent repository like Yucca Mountain, which has entailed years of study and analyses which are still ongoing.

Nor is there any provision that addresses who will be liable in the event that a nuclear accident occurs at Palmyra or while nuclear materials are intransit through the Pacific region. Can these investors cover this enormous liability, or are the United States and Russia expected to do so?

Finally, Mr. Speaker, the bill makes no mention of who will provide the necessary security and protection of these deadly fissile materials. The Palmyra storage facility will constitute a plutonium mine for centuries that will attract every rogue government and terrorist group with nuclear weapons ambitions. Who is to provide for the longterm security of Palmyra?

Mr. Speaker, as I said in the beginning, this Palmyra Atoll initiative is nuclear lunacy. Rather than governments putting the responsibility of storing dangerous nuclear materials in the hands of a private company, perhaps we should consider having the International Atomic Energy Agency [IAEA] perform this crucial function for the world community.

Mr. Speaker, the Palmyra Atoll proposal is the work of individuals who see only profits and outright greed, at the expense of the lives of the millions of people who live throughout the Asia-Pacific regions. These profiteers now see that by throwing to the Pacific Islands a few bones to chew on—that this will satisfy their needs. Is $250 million enough? What happened to the initial offer for $750 million?

Mr. Speaker, I cannot more strongly urge our colleagues to stand with me in opposing this reckless legislation when and if it is introduced to be considered by this body.

Mr. Speaker, I submit the following for the RECORD:

DRAFT BILL

To facilitate the ability of private owners to site, design, license, construct, operate and decommission a private facility for the interim or permanent storage of commercial high-level spent nuclear fuel on the Pacific Atoll of Palmyra subject to licensing by the Nuclear Regulatory Commission.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE—This Act may be cited as the "Private Storage Facility Authorization Act of 1996."

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.
Sec. 4. Authorization and siting of private storage facility.
Sec. 5. Funding of private storage facility.
Sec. 6. Design of private storage facility.
Sec. 7. Transfer of ownership of spent nuclear fuel.
Sec. 8. Transportation.
Sec. 9. Activities of the Commission.
Sec. 10. Participation in the project by Minatom.
Sec. 11. Plutonium processing facility.
Sec. 12. Trust fund to cover cost of final disposal.
Sec. 13. Trust fund for benefit of Pacific island nations.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that:

(1) The age of nuclear energy has brought with it three worldwide problems that may be summarized as follows:

(A) Safely disposing of high-level spent nuclear fuel which is necessarily generated in the process of producing electrical energy by nuclear technology and which is dangerous to life and ecology.

(B) Safeguarding of high-level spent nuclear fuel so that its by-products cannot be used to produce and proliferate weapons grade nuclear material.

(C) Safe storage and/or processing of plutonium that is surplus to legitimate national security requirements to insure that it does not fall into the hands of rogue governments and terrorists.

(2) Because of siting problems it has so far not been possible to begin construction of a repository for storage of high-level spent nuclear fuel in the United States even though the U.S. Department of Energy is contractually obligated to have such a facility available by January 31, 1998.

(3) Facilities for the temporary storage of spent nuclear fuel—primarily at the power plants that used the fuel—are virtually exhausted, a problem that affects the nuclear power industry all over the world.

(4) Reprocessing of spent nuclear fuel is a method of separating the components of that fuel so that the uranium it contains can be reused to generate electric power, but this method is not approved in the United States because it yields by-products that can be used to produce weapons grade nuclear materials.

(5) Prompt implementation of the plan for building a private storage facility will make it possible to include Minatom, the nuclear energy facility of the Russian Federation, as an equity partner in the project, a move that will greatly reduce the threat of weapons-grade nuclear materials falling into the hands of irresponsible nations while at the same time benefiting the ecology by providing the Russian Federation a safe repository for its high-level nuclear spent fuel. Participation by Minatom as an equity partner will enable Minatom to share substantially in the profits realized by the project.

(b) PURPOSES.—The purposes of this Act are—

(1) to facilitate the ability of private owners to site, design, license, construct, operate and decommission a facility for the safe storage of high-level commercial spent nuclear fuel and to establish procedures that will make such a facility available in the shortest possible time. The existence of this facility will provide adequate and safe storage space for all commercial high-level spent nuclear fuel and will render unnecessary and uneconomical the reprocessing of spent nuclear fuel; and

(2) to authorize private owners to designate and develop a site for a private storage facility on Palmyra Atoll for high-level spent nuclear fuel and facilities for storage and processing of surplus plutonium.

SEC. 3. DEFINITIONS.

In this Act:

(1) PALMYRA ATOLL.—Palmyra Atoll is a small group of coral islets of volcanic origin that surround a shallow lagoon and is located in the Pacific Ocean at 5 degrees, 52 minutes, north latitude and 162 degrees, 30 minutes, west longitude. The atoll is classified as an incorporated possession of the United States and is privately owned.

(2) COMEMRCIAL HIGH-LEVEL SPENT NUCLEAR FUEL.—The term "commercial high-level spent nuclear fuel" means fuel that has been withdrawn from a nuclear reactor primarily dedicated to the production of electric power following irradiation, the constituent elements of which have not been separated by reprocessing.

(3) PLUTONIUM.—The term "plutonium" refers to one of the by-products of nuclear fission that in its refined form is essential to the production of nuclear weapons.

(4) COMMISSION.—The term "Commission" means the United States Nuclear Regulatory Commission.

(5) PRIVATE OWNERS.—The term "private owners" means a group of investors organized into three corporations formed for the purpose of developing and operating a private storage facility for commercial high-level spent nuclear fuel and surplus plutonium in accordance with the provisions of this Act.

(6) PRIVATE STORAGE FACILITY.—The term "private storage facility" means a facility designed, constructed and operated by private owners for the receipt, handling, possession, safeguarding and storage of commercial high-level spent nuclear fuel in accordance with the provisions of this Act.

(7) STORAGE.—The term "storage" means retention of commercial high-level spent nuclear fuel with the intention of recovering the components of that fuel for subsequent use, processing or disposal. This term is not to be confused with the term "final disposal," which refers to high-level spent nuclear fuel whose toxicity has been reduced to an as yet theoretical level that poses no possible danger to life, health or environment.

SEC. 4. AUTHORIZATION FOR SITING, CONSTRUCTION AND OPERATION OF A PRIVATE STORAGE FACILITY.

(A) AUTHORIZATION.—

(1) The private owners may site, design, license, construct, operate and decommission a private storage facility on Palmyra Atoll for the storage of commercial high-level spent nuclear fuel in accordance with the regulations of the Nuclear Regulatory Commission.

(2) In order to facilitate this authorization, title VI, section 605(a) of Public Law 96-205 (48 U.S.C. 1491(a)) is amended by adding the words "or to the Atoll know as Palmyra" to the end of the last line of section 605(a).

(3) LICENSE.—On application by the private owners, the private storage facility shall be licensed by the Commission in accordance with its regulations governing the licensing of independent spent fuel installations as modified in accordance with section 9 infra.

(b) DESIGNATION OF PRIVATE STORAGE FACILITY SITE.—The site designated by the private owners for a private storage facility is Palmyra Atoll, which is owned in fee by them and is not under the jurisdiction of any State.

(c) ACTIVITIES.—The private owners shall be authorized to conduct specified activities at the private storage facility site, including the design, licensing, construction, operation and decommissioning of the private storage facility, with the scope of activities to be determined by the private owners.

SEC. 5. FUNDING OF THE PRIVATE STORAGE FACILITY.

SOURCE OF FUNDING.—The private owners will obtain funding for the design, licensing, construction and operation of the private storage facility from private sources. Income will be derived from user fees.

SEC. 6. DESIGN OF PRIVATE STORAGE FACILITY.

(A) STORAGE CAPACITY.—The private storage facility shall have a storage capacity of not less than 200,000 metric tons of commercial high-level spent nuclear fuel and plutonium. This capacity shall be expandable as necessary to meet storage requirements.

(b) CANISTER SYSTEM.—the design of the private storage facility shall provide for the use of such containment and transportation technologies as are licensed and certified by the Nuclear Regulatory Commission for use in handling transportation and storage of high-level spent nuclear fuel.

SEC. 7. TRANSFER OF OWNERSHIP OF SPENT NUCLEAR FUEL.

At the time that spent nuclear fuel is transferred to the canisters belonging to the private owners, ownership of that fuel shall vest in the private owners.

SEC. 8. TRANSPORTATION.

Upon acceptance by the private owners of spent nuclear fuel, the spent nuclear fuel shall be transported to the private storage facility in the safest, most cost-efficient manner in accordance with the regulations for such transit of the Nuclear Regulatory Commission and the Department of Transportation.

SEC. 9. ACTIVITIES OF THE COMMISSION.

(a) REGULATIONS.—Not later than 180 days after the date of enactment of this Act the Commission shall amend its regulations governing the licensing of independent spent nuclear fuel storage installations, as necessary, to provide for the licensing of the private storage facility upon application by the private owners.

(b) CONTENTS.—The regulations issued under subsection (a) shall incorporate the following provisions:

(1) LOCATION OF FACILITY.—The private storage facility shall be located at the site specified in section 4 supra.

(2) TERM OF LICENSE.—The private storage facility shall be licensed for the maximum period consistent with applicable law.

(c) LICENSING.—On application by the private owners for a license for construction and operation of the private storage facility at the designated site, the Commission shall review the license application and issue a final decision on it at the earliest practicable date, to the extent permitted by law and regulation, but not later than 18 months after receipt of the license application.

(d) COMPLIANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—Preparation of an environmental impact statement by the Commission under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) in conjunction with the licensing of the private storage facility authorized by this Act shall not be required.

(e) DREDGING PERMIT.—The issuance of a permit under section 404 of the Clean Water Act (33 U.S.C. 1344) for dredging of the lagoon in the Palmyra Atoll in conjunction with this project shall not be required.

SEC. 10. PARTICIPATION IN THE PROJECT BY MINATOM.

It shall be a condition binding on the private owners that Minatom, the nuclear energy facility of the Russian Federation, be offered a substantial equity position in the real estate and global services of this project in exchange for its agreement to deny nuclear weapons technology and materials to any nation whose interests and policies are inimical to the security interests of either the United States or the Russian Federation as determined by their respective heads of state. In exchange for equity participation in the project, Minatom also will not make any commitment for reprocessing high level spent nuclear fuel from sources outside of the Russian Federation after the time that this Act becomes law.

SEC. 11. PLUTONIUM STORAGE AND PROCESSING FACILITY.

For the purpose of implementing a global policy of nuclear non-proliferation, the private owners will design and build at their own cost, using revenues derived from storage fees, a facility for storage, conditioning, stabilizing and conversion of plutonium that is surplus to the security requirements of the United States and Russia. The private owners will not operate this facility, but it will be available for joint operation by the United States Department of Energy and Minatom.

SEC. 12. TRUST FUND FOR FINAL DISPOSITION.

From revenues received from storage fees, the owners will contribute to a trust fund to be administered by the United States Department of Energy the sum of $100,000 for each metric ton of high level spent nuclear fuel deposited in the private storage facility, which fund shall be used to defray the cost of making final disposition of the high-level spent nuclear fuel existing in the private storage facility at the time the disposition decision is made.

SEC. 13. TRUST FUND FOR BENEFIT OF PACIFIC ISLAND NATIONS.

In recognition of the interest in and support of this project on the part of the Pacific Island nations, the private owners will establish a trust fund, to be administered by the Office of Insular Affairs of the United States Department of the Interior and based in Hawaii, that will receive a share of the profits from each metric ton of spent nuclear fuel placed in the private storage facility. This trust will be funded by an initial contribution of $100,000,000 plus an increment of $25,000 for each metric ton deposited in the private storage facility up to a maximum payout of $250,000,000 per annum. This fund will be used to assist the Pacific Island Nations in economic development, education and environmental protection.

THE BURNING OF AFRICAN-AMERICAN CHURCHES IN THE SOUTH

The SPEAKER pro tempore. Under a previous order of the House, the Gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, from Johnson Grove Baptist Church in Tennessee in January 1995, to the Church of the Living God in Greenville, TX, just this week, America's black churches are under siege. The recent outbreak of arson crimes throughout the United States recalls a dark era in the history of our great Nation. In all, 33 black churches have been torched in the past 18 months in a rash of disturbing acts of violence, racism, and hatred. This cannot be tolerated.

The pain and anguish of these fires can be felt here in Washington and throughout the Nation by people of all races and creeds who value tolerance and diversity. While there is no clear evidence of a national conspiracy, it is clear that racial hostility is the driving force behind these reprehensible incidents. This must and will stop.

It is hard to imagine a more depraved and senseless act of violence than the destruction of a place of worship. In this Nation, black churches were burned in the 1950's and 1960's to intimidate civil rights workers. The sight of a Southern black church burning is part of a hateful mosaic which includes beatings, murders, and lynchings. It is easy to try and relegate these memories to the past. Yet, the recent crimes show that there is much work to be done when it comes to the end of discrimination and the promotion of civil rights for all.

As many oppressed races and religions know, the specter of hatred can rise at any time and in any place. We must always remain vigilant if all Americans are to have an equal opportunity to taste the sweet fruit of freedom.

These fires struck at the very heart and soul of the black community. Every family, without regard to race, has a right to expect that when they walk into a church, synagogue, mosque, or other place of worship, they will find a place of prayer and quiet contemplation and not the charred remnants of a hateful act perpetrated by cowards in the night.

We must work together as a nation to safeguard the right of every American to pray in safety in their own house of worship. That is what America stands for. That is why thousands of Americans have laid down their lives over the centuries, Mr. Speaker: to protect the lives of all Americans to worship as they choose, if they choose, to worship in safety, peace, and free of violence.

Ultimately, it is up to us to end this senseless violence. We must say to those who would feed upon what Dr. Martin Luther King, Jr., called the "stale bread and spoiled meat of racism" that they have lost sight of what America stands for. That is not the American way. Together, we can smother the fires of racial hatred which fuel this violence.

Religious freedom is one of the founding principles of our democracy and the black church has historically been the center of worship, self-help, and community life for millions of Americans. In my own home of Montgomery County, PA, some of my fondest memories are of the fellowship and friendship I have shared with my friends in many of the black congregations of my district.

We must all do our part to end this rash of violence. In Congress, Mr. Speaker, we have introduced legislation to deter these arson crimes and to increase the penalties for those who would perpetrate them. Americans must rise up and show the forces of hatred they cannot win and are not welcome here.

The United States is a great nation because for more than 200 years we have worked together to honor the religious convictions of freedom and celebrated the extraordinary religious diversity of our people. By unleashing the full strength of that freedom and diversity we can ensure that nothing will be able to divide us or defeat us.

DAMAGING CHANGES PROPOSED TO U.S. PATENT LAW

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California (Mr. ROHRABACHER) is recognized for 30 minutes as the designee of the majority leader.

Mr. ROHRABACHER. Mr. Speaker, I am here tonight to discuss a bill that will be coming to this body next week or the week thereafter. A bill that will dramatically—dramatically—change the patent laws of this country.

Mr. Speaker, it is a bill that I believe is part of an insidious attack on the well-being of the American people. They will not even realize how horrible it is and the impact that it will have on their way of life until many years after. Only when it has long since been passed will the American people wonder what it was that hit them, why their standard of living is going down, why America is no longer able to compete.

Mr. Speaker, the American people are used to being the leaders on this planet. We have been, and this has been called the American Century. But let us never forget that America used to be the most underdeveloped country in the world. We were a desolate frontier, and now the American people have turned a desolate frontier into a house of freedom and opportunity in which the common man in the United States of America lives a decent life and knows that his children have an opportunity to improve their well-being as well through a system that encourages innovation.

Yet there are those who seek to change some of the fundamental underpinnings of American prosperity, and at times they are not always up front with their goals. Today, I believe the incredible attack that we see coming on the patent system of the United States of America is part of this type of approach where people are seeking a change in America, but we are not certain exactly where they are coming from.

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One thing is for certain. Bill Clinton, shortly after becoming President, sent Bruce Lehman, his appointee to head America's patent office, to Japan. There Bruce Lehman, now the head of the American Patent Office, concluded a hushed agreement to harmonize America's patent laws with those of Japan.

It may surprise those who are hearing this speech tonight that an unelected official—the head of our Patent Office, Bruce Lehman—signed an agreement and that an agreement has been reached. It is in writing: to harmonize American law, change our law so that it is in harmony with Japanese law in terms of the patent law.

What we got, by the way, for agreeing that our law would change and harmonize with Japan, is almost no change in the Japanese law in return, except for an anemic restriction on corporate Japan's interferences with the patent process. But like Japan's promise to open its markets decades ago—I remember this 25 years ago when they were talking about opening their markets—no one has any idea when their weak concessions will actually be put into effect or whether those weak concessions are simply scribblings on pieces of paper until they are forced, decades from now, to actually pull back from the things that they agreed to if we would change our law.

In the meantime, however, Bruce Lehman and the multinational corporations are doing their god-awful best to change our fundamental patent law, to harmonize it to make it look exactly like the law of Japan over these many years. They have tried to do this as quickly as possible and as quietly as possible.

Step No. 1 was eliminating the guaranteed patent term of 17 years which has been a right that Americans have enjoyed—American inventors and investors have had as a right—for 134 years. Before that, there was a guaranteed patent term of 14 years, from the time of the founding of our country until 134 years ago. This guaranteed patent term has been part of our rights and part of something that has actually been written into the Constitution. Trying to keep this downgrading of the American patent rights quiet—instead of coming to Congress with legislation changing our patent laws—a provision was snuck into the implementation legislation for the General Agreement on Trade and Tariffs [GATT]. That may sound odd, but Congress could only vote up or down on this one omnibus bill that came before us, the GATT implementation legislation. No amendments were allowed.

Thus, a Member of Congress would be forced to vote against the entire world trading system in order to vote against this insidious change of our patent law. This tactic was a total betrayal of those of us who voted for the fast track process of GATT, because we knew that we would only get an up or down vote. That is what the fast track was all about. But we were told if we would vote for fast track, then nothing would be included in the GATT implementation legislation except for that which was absolutely necessary and required by the GATT agreement itself.

That is not what happened because this change was not required by GATT. This insidious, absolutely underhanded way of passing this change in our patent law, should tip off our citizens and should have tipped off Members of Congress that there is something that has gone afoul.

GATT did not require eliminating this patent change so it should never have been in the legislation implementing GATT.

I created a stir when GATT came to a vote. That was over 1½ years ago. I was promised a chance to correct this part of the implementing legislation. We can take it out of the implementing legislation. We can change the law and still be GATT consistent, because this was never required by GATT in the first place.

Changes in the patent term, of course, are not easy to understand. Most people do not understand the importance of them. They know it is important for America to be the No. 1 technological power in the world. But patent term: That is kind of confusing. That is exactly the area where America's enemies know they can strike and know they can get away with this type of effort—a blow to the well-being of the American people—because the American people will not realized what is happening.

Traditionally, when an American inventor or investor filed or a patent, no matter how long it took that patent to be issued by the Patent Office, once it was issued, the owners had a guaranteed patent term of 17 years to reap the benefits of their new technology. They actually owned the technology for 17 years. Anyone who would use it would have to give them some sort of a fee for using it, a royalty, it is called. They created the technology. It would not exist without them. This was a wonderful way to promote innovation in our society. It was, again, their right to a guaranteed patent term that was the basis of our system. We had the strongest patent protection of any country in the world.

I will say it worked so well for the United States, almost all of the major inventions of our age and of the last century came from America, which was a very small and weak country at the time. The light bulb, the telephone, the reaper, the steamboat, of course, the airplane, all of these things came from Americans because we had a strong patent system.

During the time before the patent was issued, Americans knew, under the old system, that they were secure, that even though it would take a long time for them to get issued that patent, that they would have a full 17 years to benefit. So people knew they would invest in something and they would expect a reward. That is why we invented all those wonderful things that changed our lives and uplifted the standard of living of our people.

This system not only encouraged inventors but also investors. Private dollars by the billions have been allocated in our society for developing new technologies. We did not rely on government bureaucracy or taxes or government interference. We relied on freedom and the profit motive. It worked for the United States.

The new system, which is being foisted on us, is nothing more than the Japanese system superimposed on us. Again, it is very difficult to understand this and understand the significance of the changes, these changes in our system and what it will mean in changes in our lives.

Under the new code, meaning the old, the Japanese code superimposed on us, the day an inventor files for a patent, 20 years later his time is up. If it took 20 years, if it took 10 years for a patent to be issued in the past, the investor still knew he had 17 years because when it was issued, he had 17 hears to reap the benefit. Under this new system, meaning the Japanese system, after 10 years one-half of the inventor's patent term is gone. It is eaten up. He or she only has 10 years left. The clock, in other words, is always ticking against the inventor and not the bureaucracy.

Anyone who has studied the process knows that it is not abnormal for breakthrough technologies, meaning technologies that will change our lives and change the world, innovations that will create tens of billions of dollars of new wealth, it is not odd for them to take 5, 10, or 15 years to go through the patent process. There are many, many examples of this. Yet these people under this system now, with their patent terms eaten away, would have no time to benefit from it. What kind of incentive does that give for investors who invest in people's breakthrough technology in their ideas?

Now, what else does it mean? What does it mean for the clock to be ticking against the inventor? It means the bureaucracy and special interests now have leverage on the inventor that they never had before. During negotiations which are part of the patent granting process, the inventor can be ground down because he or she is now vulnerable. And a patent can be delayed and the time shortened. And what does that mean? It means that all of those royalties, if now you only get 10 years of patent protection, really, that is left on your clock because it has taken that much time to get the patent issued and you only have 10 years left, what does that mean?

It means that royalties that were once going into the bank account of American inventors are now rerouted into the bank accounts of huge foreign and domestic and multinational corporations. These people who used to have to pay royalties the whole time now will end up having to pay royalties only part of the time, if any of the time, because there might not be enough time for the inventor to recoup the money necessary to fight in court the big corporations who are ripping off his product.

To claim stolen royalties, an individual American must pay lawyers then and legal specialists and go to court. Under the old system, the Americans were protected. Under the new system that is being installed, the Japanese system, Americans are at risk. The little guy gets ground down.

Under the old system, the Wright Brothers invented airplanes and lifted mankind into the heavens. Under this system, the Wright Brothers would have been ground down by Mitsubishi who would have probably ended up controlling their technology. And we would have gone to airports filled with Japanese airplanes reaping the benefits for that society.

This system, which our patent commissioner wants America to emulate, has ill-served the Japanese people because what has happened, although they have been able to grasp technology from others, there has been almost no innovation and creativity in Japan. The fact is, the Japanese are rightfully known as copiers and improvers, not innovators and inventors. This is because new inventions basically benefit a very small elite in Japan.

Their laws, which Bruce Lehman wants America to emulate, would have permitted and has permitted in Japan powerful business conglomerates to run roughshod over the people. They have been beaten down, when anyone raises his head. And those very same interests now will be able to come to the United States of America and run roughshod over our inventors.

As far as technological development, as I say, Japan basically has shown very little, very little, very little example of innovation in their own society because once an innovator does step forward, once an inventor does produce some sort of significant invention and tries to patent it in Japan, all of a sudden that inventor experiences pressures, official and unofficial, that are applied to beat him down. And so his rewards are limited.

However, the rewards of the big guys, the giant corporations, are very great there because they can envelope new innovation and pay very little in royalties as compared to their counterparts in the United States.

Unfortunately, we now are having that system superimposed on us. It is the difference between a society that is based on individual freedom versus collectivism and egalitarianism.

During the patent debate, Mr. Lehman constantly claimed the purpose of strong patent laws is to facilitate dissemination of information to the society as a whole. That is the ultimate in antifreedom collectivist thinking and has nothing to do with what our Founding Fathers had in mind. In our country the rights of the individual are paramount.

These patent laws were meant to protect individual property rights over those supposed needs of the society because we understood that protecting the rights, the property rights of the small farmer and the individual, the individual businessman, that this will indeed benefit all of us in the long run because individuals will then put out the maximum of effort. And they will have more personal responsibility, and it will create a prosperous citizenry.

This is what creates a prosperous country. Mr. Lehman's approach treats the individual as secondary, ants in a collective hole who, if they insist on their rights, must be smashed by the boots of those in power.

Of course, those trying to challenge our system will never admit this. Those trying to superimpose this Japanese system on us. The change is coming not as part of a democratic process, of course, so they do not have to tell us about it. It is coming by subterfuge, sneaking provisions into a treaty legislation or an omnibus bill so that basically this evil will be obscured from view.

When one can force the advocates into a debate, what they say is the reason why they are pushing all of these things is the fact that there is a submarine patent threat out there. Well, a submarine patentor is someone who has tried to elongate the system here. They have gamed the system. Thus, the date for a patent being issued to them is put off and they have a few more years in the outyears to collect some royalties. That is what a submarine patentor is.

□ 2345

Now, there have been some examples of that, and the fact is that that is a problem that can easily be corrected administratively, but this problem has been put up as a straw man to excuse this incredible fundamental change in our society and the diminishing of American patents rights.

Basically, they could have corrected the problem. It is like someone with a sore toe and someone telling them, "In order to get rid of your sore toe we are going to cut your leg off." "No, no, no. Please. I can correct the sore toe. I will put something on it that will make it better." "No, no. We are going to cut your leg off to get rid of your sore toe."

Now, when someone tells you that, maybe you have to question they do not have your best interests at heart, and that is what is happening with the submarine patent issue.

You see, the vast majority of all patent applicants, 95 percent and up if not 99 percent, do everything in their power to get their patent issued. You know, please issue it now, right away, because that is when they will start to benefit, when their patent is issued. They know that if they hold off, they may be left behind by other innovations, and let us note this:

Those people claiming that the submarine patent is, in fact, the reason why we have to change the patent law, do they not realize these are part of the very same forces that were trying to change the patent law before anyone ever talked about submarine patents, before anyone ever knew what that meant.

No, the fact is the real motive behind most of those people who want to change, the real motive is they want to harmonize our system with Japan because it will create a more global trading system.

Well, history will judge what happens by, you know, what they accomplish, by what they are trying to do and what happens to the American people.

Let us note that this is the first step in harmonizing our trade with Japan, and I will have to say that Mr. Lehman has used the bogeyman of submarine patents to get some Members of Congress to believe that that is a reason for this terrible change in our system that will have such a horrible impact on our society.

But again, if a submarine patent is a problem, we could work together and get it cured and get it corrected with just administrative changes within the system.

I, in fact, had a bill, H.R. 359, which would reinstate the 17 years of a guaranteed patent, but at the same time we included a provision that would basically stop the manipulation of the system. Yet when I put the provision in when it was suggested by others, that was not enough, and then again I said, well, let us put more things into this bill, let us put more things into this bill which will guarantee you cannot have a submarine patent just so long as you do not eliminate the guaranteed patentor, just as long as you do not cut your leg off in order to cure the sore toe. But, no, no one was ever willing to offer that as an alternative. No one ever came up with suggestions for me with that, because the real purpose was to eliminate the guaranteed patent term.

Now, we face another piece of legislation. The fact is the guaranteed patent term was eliminated by the GATT implementation legislation. Well, I will be trying to restore that as a substitute for a bill which will come to the floor next week, H.R. 3460. It is a patent bill that is basically designed, their patent bill, H.R. 3460 which will come to the floor, and I have a substitute which I want to substitute for that bill, but their bill basically is designed to complete the destruction of our patent system, and basically it is the next step from what they did when they snuck this first provision into GATT which will then totally harmonize us with Japan.

H.R. 3460, which I call the Steal American Technologies Act, is being put forward. Now, the official title is the Moorhead-Schroeder Patent Act. Well, better than anything else it demonstrates what is going on. It is very understandable to see what some of the provisions do, and it is very understandable to see the powerful international interests that are at work in this legislation.

H.R. 3460 is a package that obscures some of the mind-boggling provisions, but if you look closely you will be able to see it. One of the provisions was introduced last year in a bill entitled the Patent Publication Act. See, they had to change that now. They had to make it the Moorhead-Schroeder Act because the Patent Publication Act is too blatant a description. The title was too self-explanatory, in other words. That provision, which is part of this bill, H.R. 3460, mandates that after 18 months every American patent application, whether or not it has been issued, will be published for the world to see.

Please try to understand what I am telling you today. We have a bill that is insisting that every new idea of American technology will be made public, will be public, and thus every thief and brigand and pirate and multinational corporation and Asian copycat in the world will be handed the details of every idea that we have got. They will be standing in line. The Xerox machines will be running, the fax machines will be running, and our ideas will be overseas, and they will be in production of our new technology to use against us before our own people are issued the patents.

It is incredible, but of course that is part of the Japanese system, so we have to have it here too. That is part of the Japanese system. Everything is public, and thus they can beat down the individuals who are creating new technologies. Our newest and creative ideas, as I say, will be out before the public and out before our adversaries even before our own people can go into production, and H.R. 3460, as I say, is entitled to Moorhead-Schroeder Patent Act, and this provision, as I say again, it is almost too mind-boggling for the public to believe, but please believe it. That is part of the bill, that is the purpose of the bill, and basically this bill is passed, has already passed subcommittee and full committee.

When it was going through the subcommittee, I will never forget it. I was in my office, and there was a man from a medium-sized solar energy company from Ohio in my office, a president of his company. He had helped start that company and built it on his own creative ideas. they had lots of patents, and I told him what the provision of this bill was as it was going through subcommittee at the moment that I talked to him. I said, what if you have to publish your patent application before the patent is issued, and he said, "My gosh, our Asian competitors will have it in production, they will be making profit on my technology. It I try to go to court, what they will do is they will used the money, the profit they receive from my technology, to beat me down and destroy my company."

He was right. That is what will happen if we let them get away with it, and this is something we cannot let happen.

Now, when full committee, which this bill has already passed through full committee, when someone was asked, when an advocate of this bill was asked, is that true? Everyone will have to publish their patent application? They were told, "Oh, no." That has been taken care of. Yeah, do you know how that has been taken care of? In order not to get it published, a patent applicant has to withdraw his patent. That is all. You just have to withdraw your application, meaning you have to give up on getting a patent.

That was an untruth. That was an untruth. That was something that was wrong information that the people had in the full committee. They were told that it was taken care of, but that was not what they consider being taken care of, that unless you withdraw and do not push forward for a patent that your patent will be published.

□ 2355

This is the nightmare that will face every small- and medium-size company, that they will have their own technologies used against them by foreigners and they will be put out of business. Anyone who cannot afford a stable of expensive lawyers will be at the mercy of the worst thieves in the world, and the big guys are the ones, of course, our big companies have the contacts overseas. They can defend themselves. In fact, they would not mind stealing some of the technology from the little guys here themselves. It will be open season in our country on the little guy.

Of course, Mr. Speaker, we are told we have to do this to prevent this evil, the submarine patents. There are a few people who are elongating their patents by a few years, and that is very evil. Thus, we have to do all this other stuff and permit this other vulnerability for everybody in our country in order to solve that problem. We have to cut your leg off in order to correct that hangnail that you have on your toe.

Another major provision of H.R. 3460 is now basically, hold onto your hats, is the abolition of the U.S. Patent Office. They are advocating we eliminate the U.S. Patent Office, which has been part of our Government since the founding of our country in 1790. Yes, under H.R. 3460, basically our Government will eliminate the patent office, which eliminates congressional oversight, by the way, because they are going to set up a new patent corporation, sort of a quasi-independent government corporation like the Post Office.

Members know I am in favor of privatization. I am a conservative Republican. But this corporatization of a Government function, of a core Government function, it is the Government's job to protect our individual rights. It has been part of our system since the founding of our country. This is not the way to privatize Government. We cannot do that, because that is the job of the Government.

Mr. Speaker, basically the patent examiners, and by the way, by making it a quasi-corporate structure, congressional oversight is taken back, but what also happens is that the patent examiners, these men and women who have dedicated themselves to a fair adjudication of American applications for patents, these people work hard and they struggle, and it is a tough job, but it is a judicial function, because they are making decisions as to who owns billions of dollars of technology.

These people are going to be stripped, they will be stripped of their civil service protection. This opens up everything to corruption. It opens it up to outside influences. Why are we doing this? Why are we doing this? If the patent office is corporatized, Bruce Lehman, the minister of harmonization with our laws with Japan, he is going to head the patent office, and he will be a virtual dictator of that office compared to what now it is, when we basically have it being part of the Government rather than a semi-private operation.

These changes are destructive. They will work against the best interests of the United States. It is transparent, the corruption that will be created, and the special interests from all over the world who will be trying to interfere with a system, a system which has served us so well and kept America ahead of the pack, ensured that the United States of America had a middle class, people who had decent lives because we had technology that permitted us to outcompete our adversaries economically and defeat our military adversaries when our country was in trouble.

H.R. 3460, the Steal American Technologies Act, that is the Moorhead-Schroeder bill, patent act, it must be defeated. The Rohrabacher substitute, which I will offer on the floor, which restores American patent rights, must be passed. It is something we have to do to protect the well-being of our citizens.

Huge companies have been opposed to this proposal. It is up to the American people. The American people have to weigh in, or huge corporations, multinational corporations, will have their way. So far we have the support of small business, the little guys, every small inventors organization in the country, even American universities. But the big corporations of the United States of America have weighed in because they have a vision of a global market, and who cares about the rights of the American people or the standard of living of the American people. It is this global marketplace which is more important.

Mr. Speaker, we can make democracy work here. We can defeat the big guys if the little guys get together and make sure that they are contacting their Representatives in Washington and demanding that a piece of legislation so detrimental to our country's well-being, the Steal American Technologies Act, is defeated, H.R. 3460, and that the substitute that I am proposing, the Rohrabacher substitute, is placed in its stead.

Now is the time for us as Americans to stand together and tell the elites of the world we will never see our rights diminished by any kind of global vision. We will make sure that our children have a better life, because we are all the children, and all of Americans will always be the children, of Ben Franklin and Thomas Jefferson. We will never give up the rights that they gave us as their legacy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. EMERSON (at the request of Mr. ARMEY) for today until 3 p.m., on account of attending his daughter's graduation.

Mr. MARTINI (at the request of Mr. ARMEY) until 2 p.m. today, on account of attending his daughter's graduation.

Mr. BASS (at the request of Mr. ARMEY) until 2:30 p.m. today, on account of attending a funeral.

Mr. INGLIS of South Carolina (at the request of Mr. ARMEY) for today until 5 p.m., on account of traveling to Greelyville, SC, to join the President in standing against arson attacks on places of worship.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FALEOMAVAEGA) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mr. VOLKMER, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

(The following Members (at the request of Mr. ROHRABACHER) to revise and extend their remarks and include extraneous material:)

Mr. MANZULLO, for 5 minutes each day, on June 18 and 19.

Mrs. KELLY, for 5 minutes each day, on June 13 and 19.

Mr. WAMP, for 5 minutes each day, on June 12 and 13.

Mr. GUTKNECHT, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mrs. JOHNSON of Connecticut, for 5 minutes on June 13.

Mr. WELLER, for 5 minutes, today.

Ms. DUNN of Washington, for 5 minutes, today.

Mr. HILLEARY, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

Mr. DORNAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FALEOMAVAEGA) and to include extraneous matter:)

Mr. DELLUMS.

Mr. HAMILTON.

Mr. GEJDENSON.

Mr. JACOBS.

Mr. RAHALL.

Ms. DELAURO.

Ms. NORTON.

Mr. TORRES.

Mr. VENTO.

Mr. LAFALCE.

Mr. REED.

Mr. PALLONE.

(The following Members (at the request of Mr. ROHRABACHER) and to include extraneous matter:)

Mr. KING.

Mr. BOEHLERT.

Mr. GRAHAM.

Mr. DELAY.

Mr. DAVIS.

Mr. ROHRABACHER.

Mr. SPENCE.

Mr. HOKE.

Mr. YOUNG of Florida.

Mrs. MORELLA.

Mr. NETHERCUTT.

Mr. BILIRAKIS.

Mr. CUNNINGHAM in two instances.

Mr. ALLARD.

Mr. YOUNG of Alaska.

(The following Members (at the request of Mr. ROHRABACHER) and to include extraneous matter:)

Mr. GORDON.

Mr. PARKER.

Mr. DORNAN.

Mr. THOMPSON.

Mr. FARR of California.

Mr. KNOLLENBERG.

Mr. GILMAN.

Mrs. FOWLER.

Mr. LATHAM.

Mr. FLAKE.

ADJOURNMENT

Mr. ROHRABACHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Thursday, June 13, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3517. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Spearmint Oil Produced in the Far West; Revision of the Salable Quantity and Allotment Percentages for Class 1 (Scotch) Spearmint Oil the 1995-96 Marketing Year [Docket No. FV96-985-1FIR] (7 CFR Part 985) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3518. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Honey Research, Promotion, and Consumer Information Order—Amendment of the Rules and Regulations to Add HTS Code for Flavored Honey [AMS-FV-96-701.FR] (7 CFR Part 1240) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3519. A letter from the Secretary of Defense, transmitting certification that the detail of 88 DOD personnel to other Federal agencies, under the DOD Counterdrug Detail Program, are in the national security interest of the United States, pursuant to Public

Law 103-337, section 1011(c) (108 Stat. 2836); to the Committee on National Security.

3520. A letter from the Secretary of Defense, transmitting the Secretary's report entitled "Defense Nuclear Agency Long-Term Radiation Tolerant Microelectronics Program," pursuant to Public Law 104-106, section 217(c)(2) (110 Stat. 222); to the Committee on National Security.

3521. A letter from the Secretary of Housing and Urban Development, transmitting the Department's report entitled "Assessment of the Comprehensive Grant Program," pursuant to Public Law 101-625, section 509(i)(1) (104 Stat. 4193); to the Committee on Banking and Financial Services.

3522. A letter from the Secretary of Education, transmitting final regulations—William D. Ford Federal Direct Loan Program; Institutional Eligibility Under the Higher Education Act of 1965, as Amended; Student Assistance General Provisions—received June 10, 1996, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Economic and Educational Opportunities.

3523. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—William D. Ford Federal Direct Loan Program; Institutional Eligibility Under The Higher Education Act of 1965, As Amended; Student Assistance General Provisions (RIN: 1840-AC18) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3524. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania: Partial Approval of PM-10 Implementation Plan for the Liberty Borough Area of Allegheny County (FRL-5463-3) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3525. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Tennessee; Approval of Revisions to Process Gaseous Emission Standards for Total Reduced Sulfur Emissions from Kraft Mills (FRL-5519-6) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3526. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Quizalofop-P Ethyl Ester; Pesticide Tolerance and Feed Additive Regulation (FRL-5375-6) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3527. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Outer Continental Shelf Air Regulations Consistency Update for California (FRL-5515-7) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3528. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—48 CFR Parts 1501, 1509, 1510, 1515, 1532, 1552, and 1553 Acquisition Regulation (FRL-5516-4) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3529. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Prohibition on Gasoline Containing Lead or Lead Additives for Highway Use (FRL-5513-3) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3530. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Commonwealth of Pennsylvania: Revocation of Determination of Attainment of Ozone Standard by the Pittsburgh-Beaver Valley Ozone Nonattainment Area and Reinstatement of Applicability of Certain Reasonable Further Progress and Attainment Demonstration Requirements (FRL-5511-2) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3531. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Description of Areas for Air Quality Planning: State of Idaho; Correction to Boundary of the Power-Bannock Counties Particulate Matter Nonattainment Area to Exclude the Inkom Area (FRL-5515-1) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3532. A letter from the Director, Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pesticide Tolerance: 1-[[2-(2,4-Dichlorophenyl)-4-Propyl-1,3-Dioxolan-2-yl]Methyl]-1H-1,2,4-Triazole (FRL-5368-4) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3533. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Definition of Markets for Purposes of the Cable Television Mandatory Television Broadcast Signal Carriage Rules—Implementation of Section 301(d) of the Telecommunications Act of 1996: Market Determinations [CS Docket No. 95-178] received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3534. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992: Rate Regulation—Leased Commercial Access [MM Docket No. 92-266]; [CS Docket No. 96-60] received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3535. A letter from the Secretary of Health and Human Services, transmitting the Administration's proposals for the reauthorization of the National Institutes of Health; to the Committee on Commerce.

3536. A letter from the Director, Defense Security Assistance Agency, transmitting notification of a cooperative framework to facilitate any future United States/United Kingdom cooperative activity in the advanced concept technology demonstration [ACTD] area (Transmittal No. 13-96) Received June 11, 1996, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

3537. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Brunei for defense articles and services (Transmittal No. 96-51) received June 11, 1996, pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3538. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Shipping and Seamen (Bureau of Consular Affairs) (22 CFR Parts 81 through 88) [Public Notice 2406] received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3539. A letter from the Director of Financial Management and Deputy Chief Financial Officer, Department of the Interior, transmitting the Secretary's revised semiannual report on audit followup for the period April 1, 1995, through September 30, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3540. A letter from the Chairman, Board of Directors, Corporation for Public Broadcasting, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, and the semiannual management report on audit followup for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and oversight.

3541. A letter from the Director, Office of Personnel Management, transmitting notification that OPM has approved a proposal for a personnel management demonstration project for the Department of the Air Force, submitted by the Department of Defense, pursuant to Public Law 103-337, section 342(b) (108 Stat. 2721); to the Committee on Government Reform and Oversight.

3542. A letter from the Chairman, Securities and Exchange Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

3543. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

3544. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Powerless Flight (National Park Service, Appalachian National Science Trail) (RIN: 1024-AC23) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3545. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Conveyance of Freehold and Leasehold Interest, 36 CFR Part 17 (National Park Service) (RIN: 1024-AC27) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3546. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Atlantic Swordfish Fishery; 1996 Quotas, Minimum Size, Adjustment [Docket No. 960314073-6145-02; I.D. 030896E] received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3547. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Atlantic Striped Bass Fishery; Atlantic Coastal Fisheries Cooperative Management; Consolidation and Revision of Regulations [Docket No. 950915230-6123-03; I.D. 022796D] received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3548. A letter from the Assistant Attorney General of the United States, transmitting a draft of proposed legislation entitled the "Enhanced Prosecution and Punishment of Armed Dangerous Felons Act of 1996"; to the Committee on the Judiciary.

3549. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class D Airspace; Minneapolis, Anoka, MN (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0055) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3550. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Boone, IA—Docket No. 96–ACE–6 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0054) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3551. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Use of Safety Belts and Motorcycle Helmets (National Highway Traffic Safety Administration and Federal Highway Administration) (Docket No. 92–40; Notice 3) (RIN: 2127–AG23) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3552. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Highway Safety Program Standards—Applicability to Federally Administered Areas (National Highway Traffic Safety Administration and Federal Highway Administration) [NHTSA Docket No. 95–83; Notice 1] (RIN: 2127–AG10) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3553. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Rules of Procedure for Invoking Sanctions under the Highway Safety Act of 1966 (National Highway Traffic Safety Administration and Federal Highway Administration) [Docket No. 96–02; Notice 2] (RIN: 2127–AG10) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3554. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: San Francisco Bay, CA (United States Coast Guard) [COTP San Francisco Bay 96–003] (RIN: 2115–AA97) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3555. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Chesapeake Bay, Hampton Roads, Elizabeth River, Norfolk, VA (United States Coast Guard) [CGD05–96–038] (RIN: 2115–AA97) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3556. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Atlantic Intracoastal Waterway, FL (United States Coast Guard) [CGD07–95–057] (RIN: 2115–AE47) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3557. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industries Model A300, A310, and A300–600 Series Airplanes (Federal Aviation Administration) [Docket No. 93–NM–133–AD; Amendment 39–9658; AD 96–12–15] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3558. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Beech (Raytheon) Model BAe 125 Series 800A and 1000A, and Model Hawker 800 and 1000 Airplanes (Federal Aviation Administration) [Docket No. 95–NM–43–AD; Amendment 39–9660; AD 96–12–17] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3559. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Beech (Raytheon) Model BAe 125 Series 800A and Model Hawker 800 Airplanes (Federal Aviation Administration) [Docket No. 95–NM–122–AD; Amendment 39–9659; AD 96–12–16] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3560. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328–100 Series Airplanes (Federal Aviation Administration) [Docket No. 96–NM–109–AD; Amendment 39–9655; AD 96–11–17] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3561. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Mark 0100 Series Airplanes (Federal Aviation Administration) [Docket No. 95–NM–164–AD; Amendment 39–9662; AD 96–12–19] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3562. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Lockheed Model 382, 382B, 382E, 382F, and 382G Series Airplanes (Federal Aviation Administration) [Docket No. 95–NM–10–AD; Amendment 39–9663; AD 96–12–20] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3563. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Textron Lycoming Reciprocating Engines (Federal Aviation Administration) [Docket No. 93–ANE–48–AD; Amendment 39–9586; AD 96–09–10] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3564. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328 Series Airplanes with Honeywell GP–300 Guidance Display Controller (Federal Aviation Administration) [Docket No. 96–NM–112–AD; Amendment 39–9656; AD 96–12–13] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3565. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Cessna Aircraft Company 150 and A150 Series and Model 152 and A152 Airplanes (Federal Aviation Administration) [Docket No. 95–CE–14–AD; Amendment 39–9666; AD 96–12–23] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3566. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Mark 0100 Series Airplanes (Federal Aviation Administration) [Docket No. 92–NM–71–AD; Amendment 39–9657; AD 96–12–14] (RIN: 2120–AA64) received June 10, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3567. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Investigation Regulations (RIN: 2900–AI25) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3568. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Information Law; Miscellaneous (RIN: 2900–AI23) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans; Affairs.

3569. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Part III Administrative, Procedural, and Miscellaneous (Revenue Procedure 96–34) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the committee on Ways and Means.

3570. A letter from the Acting Director, Ballistic Missile Defense Organization, Department of Defense, transmitting a copy of Presidential Determination No. 96–27: United States-Israel Arrow Deployability Program, pursuant to Public Law 103–160, section 238(d)(2) (107 Stat. 1601); jointly, to the Committees on National Security and International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McCOLLUM: Committee on the Judiciary. H.R. 2803. A bill to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes (Rept. 104–618). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules. House Resolution 453. Resolution providing for consideration of the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–619). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

[Omitted from the Record of June 11, 1996]

H.R. 3107. Referral to the Committee on Ways and Means extended for a period ending not later than June 14, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN:

H.R. 3617. A bill to amend the National Highway System Designation Act of 1995 relating to metric highway signing requirements; to the Committee on Transportation and Infrastructure.

By Mr. RUSH (for himself, Mr. Poshard, Mr. Towns, Mr. Visclosky, Mrs. Collins of Illinois, Ms. Furse, Mr. Matsui, Ms. Pelosi, Mr. Condit, Mr. Dixon, Mr. Bonior, Mr. LaHood, Mr. Thompson, Mr. Clyburn, Mrs. Meek of Florida, Mr. Gutierrez, Mr. Roemer, and Ms. Eshoo):

H.R. 3618. A bill to amend title 49, United States Code, to prohibit the transportation of chemical oxygen generators as cargo on any aircraft carrying passengers or cargo in air commerce, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. CAMPBELL:

H.R. 3619. A bill to provide off-budget treatment for the land and water conservation fund; to the Committee on Resources, and in addition to the Committees on the Budget, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GOSS:

H.R. 3620. A bill to amend the act of October 11, 1974 (Public Law 93–440; 88 Stat. 1257), to provide for the continued operation of certain tour businesses in recently acquired areas of Big Cypress National Preserve; to the Committee on Resources.

By Mr. ENGEL (for himself, Mr. King, Mr. Manton, Mr. Walsh, Mr. Neal of Massachusetts, Mr. Lazio of New York, Mr. Torricelli, Mrs. Roukema, and Mrs. Lowey):

H.R. 3621. A bill to amend the Anglo-Irish Agreement Support Act of 1986 to require that disbursements from the International Fund for Ireland are distributed in accordance with the MacBride principles of economic justice, and for other purposes; to the Committee on International Relations.

By Mr. CHRYSLER (for himself, Mr. Camp, Mr. Bunn of Oregon, Mr. Heineman, Mr. Jones, Mr. Bono, Mr. Riggs, Mr. McCollum, Mr. Bartlett of Maryland, Mr. Gutknecht, Mr. Ehlers, Mr. Gingrich, Mr. Bilbray, Mr. Rogers, Mr. Kolbe, Mr. Laughlin, Mr. Tauzin, Mr. Whitfield, Mrs. Johnson of Connecticut, Mr. Upton, and Mr. Hastert):

H.R. 3622. A bill to provide for the substitution of the term "standard trade relations" in lieu of "nondiscriminatory treatment" and "most-favored-nation treatment", and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FARR:

H.R. 3623. A bill to require the Federal Communications Commission to revise its television duopoly rules to require public comment on certain local marketing agreements; to the Committee on Commerce.

By Mr. FORBES:

H.R. 3624. A bill to amend the Internal Revenue Code of 1986 to establish, and provide a checkoff for, a biomedical research fund, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MICA:

H.R. 3625. A bill to authorize appropriations for the National Historical Publications and Records Commission for fiscal years 1998, 1999, 2000, and 2001; to the Committee on Government Reform and Oversight.

By Mr. NADLER (for himself, Mr. Schaefer, Mr. Borski, Mr. Farr, Mr. Frost, Mr. Hinchey, Mr. Johnston of Florida, Mr. Kennedy of Massachusetts, Mr. Lantos, Mrs. Lowey, Ms. McKinney, Mr. Moran, Ms. Rivers, Mr. Sanders, and Ms. Woolsey):

H.R. 3626. A bill to direct the Administrator of the Federal Aviation Administration to issue regulations relating to recirculation of fresh air in commercial aircraft, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. ORTON:

H.R. 3627. A bill to provide for the transfer of certain lands near Myton, UT, to the Utah Division of Wildlife Resources; to the Committee on Resources.

By Ms. VELAZQUEZ (for herself and Ms. Molinari):

H.R. 3628. A bill to establish the Lower East Side Tenement Museum National Historic Site, and for other purposes; to the Committee on Resources.

By Mr. VENTO:

H.R. 3629. A bill to amend title 39, United States Code, to require that photographic evidence of a person's identity be presented before a change-of-address order shall be accepted by the U.S. Postal Service for processing; to the Committee on Government Reform and Oversight.

By Mr. FOX (for himself, Mr. Green of Texas, Mr. Lipinski, Mrs. Roukema, Mr. Davis, and Mr. Forbes):

H.R. 3630. A bill to require coverage for screening mammography and pap smears under health plans; to the Committee on Commerce, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DAVIS (for himself, Mr. Moran, Mr. Bateman, Mr. Pickett, Mr. Boucher, Mr. Sisisky, Mr. Payne of Virginia, Mr. Duncan, Mr. Frost, Mr. Fazio of California, Mr. Young of Alaska, Mr. Wolf, Mr. Wilson, Mr. Whitfield, Mr. Stearns, Mr. Scott, Mr. Roemer, Mr. Moorhead, Mr. Montgomery, Mr. Markey, Mr. Manton, Mr. Lantos, Mr. Conyers, Mr. Costello, Mr. Gejdenson, Mr. Durbin, Mr. Bereuter, and Mr. Bilirakis):

H.R. 3631. A bill to provide for the recognition and designation of the official society to administer and coordinate the United States of America activities to commemorate and celebrate the achievements of the second millennium, and promote even greater achievements in the millennium to come by endowing an international cross-cultural scholarship fund to further the development and education of the world's future leaders; to the Committee on Government Reform and Oversight, and in addition to the Committees on International Relations, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. EHRLICH:

H.R. 3632. A bill to amend title XIX of the Social Security Act to repeal the requirement for annual resident review for nursing facilities under the Medicaid Program and to require resident reviews for mentally ill or mentally retarded residents when there is a significant change in physical or mental condition; to the Committee on Commerce.

H.R. 3633. A bill to amend title XVIII and XIX of the Social Security Act to permit a waiver of the prohibition of offering nurse aide training and competency evaluation programs in certain nursing facilities; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CAMPBELL (for himself and Mr. Jacobs):

H.J. Res. 180. Joint resolution proposing an amendment to the Constitution of the United States to abolish the Electoral College and to provide for the direct election of the President and Vice President of the United States; to the Committee on the Judiciary.

by Mr. WALKER:

H.J. Res. 181. Joint resolution disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China; to the Committee on Ways and Means.

By Mr. SERRANO (for himself, Mr. Studds, Mr. Hilliard, Mr. Yates, Mr. McDermott, Ms. Velazquez, Mr. Hinchey, Mr. Frost, Mr. Green of Texas, Ms. Pelosi, Mr. Romero-Barcelo, Mr. Waxman, Ms. Jackson-Lee, Mr. Miller of California, Mr. Dellums, Mr. Johnston of Florida, Mr. Gonzalez, Mr. Pallone, Mr. Towns, Mr. Ackerman, Mr. Filner, Mr. Stokes, Mr. Cummings, Mr. Martinez, Mrs. Maloney, Mrs. Meek of Florida, Ms. Eddie Bernice Johnson of Texas, Mr. Manton, Mr. Owens, and Mr. Nadler):

H. Con. Res. 184. Concurrent resolution expressing the sense of the Congress with respect to pediatric and adolescent AIDS; to the Committee on Commerce.

By Mr. CAMPBELL (for himself, Mr. Farr, Mr. Cunningham, Mr. Calvert, Mr. Waxman, Mr. Pombo, Mrs. Seastrand, Mr. Riggs, Mr. Gallegly, Mr. Baker of California, Ms. Eshoo, and Mr. Doolittle):

H. Res. 452. Resolution expressing the sense of the House of Representatives that Colombian fresh cut flowers should not receive preferential tariff treatment; to the Committee on Ways and Means.

By Ms. LOFGREN (for herself and Mr. Farr):

H. Res. 454. Resolution directing the Committee on House Oversight of the House of Representatives to take all necessary steps to make voting records of members of the House and other information on the legislative activities of the House accessible on the Internet through the official homepage of the House of Representatives, and for other purposes; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 118: Mr. PETRI.
H.R. 1023: Mrs. VUCANOVICH.
H.R. 1230: Mrs. MEYERS OF KANSAS.
H.R. 2011: Mr. REED and Mr. CAMPBELL.
H.R. 2019: Mr. HAYWORTH.
H.R. 2090: Ms. ROS-LEHTINEN and Mr. KLUG.
H.R. 2260: Mr. LIGHTFOOT.
H.R. 2272: Mr. COYNE.
H.R. 2472: Mrs. MINK of Hawaii, Mr. MARTINEZ, Mr. PAYNE of New Jersey, and Mr. THOMPSON.
H.R. 2508: Mr. KNOLLENBERG.
H.R. 2652: Mr. SAWYER.
H.R. 2727: Mr. GRAHAM, Mr. HORN, Mr. CHRISTENSEN, and Mr. BREWSTER.
H.R. 2827: Mr. LOBIONDO and Mr. EDWARDS.
H.R. 2834: Mr. MASCARA.
H.R. 2925: Mr. HILLIARD.
H.R. 2931: Mr. BALDACCI.
H.R. 3118: Mr. DOOLEY, Mr. SPRATT, and Mr. ENGLISH of Pennsylvania.
H.R. 3161: Mr. MANZULLO.
H.R. 3168: Mr. BORSKI.
H.R. 3195: Mr. LATOURETTE, Mr. HOSTETTLER, and Mr. TAYLOR of North Carolina.
H.R. 3226: Mr. KING and Mr. CASTLE.
H.R. 3303: Mr. THOMPSON, Mr. ROMERO-BARCELO, and Mr. FOLEY.
H.R. 3316: Ms. FURSE and Mr. DEFAZIO.
H.R. 3393: Mr. TRAFICANT.
H.R. 3396: Mr. HAYES, Mr. RADANOVICH, Mr. BLILEY, Mr. WHITFIELD, and Mrs. VUCANOVICH.
H.R. 3398: Ms. MOLINARI, Mr. DAVIS, Mr. BALLENGER, Mr. GOODLATTE, Ms. DELAURO, Mr. JACOBS, and Mr. KLUG.
H.R. 3401: Mr. FARR and Mr. BAKER of California.
H.R. 3433: Mr. DUNCAN, Mr. KLUG, and Mr. HANSEN.
H.R. 3462: Mr. DEFAZIO, Mr. LAZIO of New York, Mr. SANDERS, and Mr. SISISKY.
H.R. 3477: Mr. DELLUMS, Mr. STUDDS, Mr. MARKEY, Mr. WATT of North Carolina, Mr. GREEN of Texas, Mr. BONIOR, and Ms. NORTON.
H.R. 3508: Mr. FRELINGHUYSEN, Ms. LOFGREN, Mr. LIPINSKI, and Ms. RIVERS.
H.R. 3514: Mr. HAYES.
H.R. 3525: Mr. COBLE, Mr. MCCOLLUM, Mr. JACOBS, Mr. WOLF, Mr. GEKAS, Mr. LAZIO of New York, Ms. GREENE of Utah, Mr. TEJEDA, Mr. TAYLOR of North Carolina, Mr. DIXON, Mr. SMITH of Texas, and Mr. BUYER.
H.R. 3548: Mr. BARR, Mr. INGLIS of South Carolina, Mr. LIVINGSTON, and Mr. BLUTE.
H.R. 3556: Mr. WELDON of Florida, Mrs. SCHROEDER, and Mr. TAUZIN.
H.R. 3566: Mr. MEEHAN, Mr. HOLDEN, Mr. DEFAZIO, and Mr. LIPINSKI.
H.R. 3577: Mr. LIPINSKI.
H.R. 3586: Mr. BURTON of Indiana and Mr. HERGER.
H.R. 3596: Mr. GOODLING and Mr. HOLDEN.
H.R. 3604: Mr. GILLMOR, Mr. KLUG, and Mrs. COLLINS of Illinois.
H. Con. Res. 175: Mr. MANTON, Mr. FORBES, and Mr. SAM JOHNSON.
H. Res. 286: Mr. FROST and Ms. PELOSI.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2951: Mr. BACHUS.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3610

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 4: Page 87, after line 3, insert the following new section:

SEC. 8095. Hereafter, the Air National Guard may assume primary or sole responsibility for providing firefighting and rescue services in response to all aircraft-related emergencies at the Lincoln Municipal Airport in Lincoln, Nebraska.

H.R. 3610

OFFERED BY: MR. DEFAZIO

AMENDMENT NO. 5: Page 30, line 1, insert after "9,068,558,000" the following: "(reduced by $350,000,000)".

H.R. 3610

OFFERED BY: MR. DEFAZIO

AMENDMENT NO. 6: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds provided in this Act for the National Missile Defense program may be obligated for space-based interceptors or space-based directed-energy weapons.

H.R. 3610

OFFERED BY: MR. FRANK OF MASSACHUSETTS

AMENDMENT NO. 7: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . New budget authority provided in this Act shall be available for obligation in fiscal year 1997 only to the extent that obligation thereof will not cause the total obligation of new budget authority provided in this Act for all operations and agencies to exceed $234,678,433,000.

H.R. 3610

OFFERED BY: MR. FRANK OF MASSACHUSETTS

AMENDMENT NO. 8: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by 1 percent.

H.R. 3610

OFFERED BY: MR. HOKE

AMENDMENT NO. 9: At the end of the bill, (before the short title), insert the following new section:

SEC. 8095. None of the funds available to the Department of Defense under this Act may be obligated or expended to procure landing gear for aircraft except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the manufacturer of the item is part of the national technology and industrial base;

(2) the landing gear is manufactured and assembled in the United States; and

(3) the contract through which the procurement is made is entered into more than 30 days after the date of the enactment of this Act.

H.R. 3610

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 10: Page 87, after line 3, insert the following new section:

SEC. . (a) None of the funds appropriated or otherwise made available by this Act for the Department of Defense specimen repository described in subsection (b) may be used for any purpose except in accordance with the requirement in paragraph numbered 3 of the covered Department of Defense policy memorandum that specifically provides that permissible uses of specimen samples in the repository are limited to the following purposes:

(1) Identification of human remains.

(2) Internal quality assurance activities to validate processes for collection, maintenance and analysis of samples.

(3) A purpose for which the donor of the sample (or surviving next-of-kin) provides consent.

(4) As compelled by other applicable law in a case in which all of the following conditions are present:

(A) The responsible Department of Defense official has received a proper judicial order or judicial authorization.

(B) the specimen sample is needed for the investigation or prosecution of a crime punishable by one year or more of confinement.

(C) No reasonable alternative means for obtaining a specimen for DNA profile analysis is available.

(D) The use is approved by the Assistant Secretary of Defense (Health Affairs) after consultation with the Department of Defense General Counsel.

(b) The specimen repository referred to in subsection (a) is the repository that was established pursuant to Deputy Secretary of Defense Memorandum 47803, dated December 16, 1991, and designated as the "Armed Forces Repository of Specimen Samples for the Identification of Remains" by paragraph numbered 4 in the covered Department of Defense policy memorandum.

(c) For purposes of this section, the covered Department of Defense policy memorandum is the memorandum of the Assistant Secretary of Defense (Health Affairs) for the Secretary of the Army, dated April 2, 1996, issued pursuant to law which states as its subject "Policy Refinements for the Armed Forces Repository of Specimen Samples for the identification of Remains".

H.R. 3610

OFFERED BY: MR. MENENDEZ

AMENDMENT NO. 11: Page 82, strike lines 12 through 15.

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 12: Page 22, line 6, strike $4,719,930,000" and insert "$4,215,930,000".

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 13: Page 22, line 6, after the dollar amount, insert the following: "(reduced by $504,000,000)".

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 14: Page 22, line 6, after the dollar amount, insert the following: "(reduced by $404,000,000)".

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 15: Page 24, line 17, strike "$7,326,628,000" and insert "$6,960,528,000".

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 16: Page 24, line 17, after the dollar amount, insert the following: "(reduced by $366,100,000)".

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 17: Page 24, line 17, after the dollar amount, insert the following: "(reduced by $314,100,000)".

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 18: Page 29, line 10, strike "$14,969,573,000" and insert "$13,969,573,000".

H.R. 3610

OFFERED BY: MR. OBEY

AMENDMENT NO. 19: Page 29, line 10, after the dollar amount, insert the following: "(reduced by $1,000,000,000)".

H.R. 3610

OFFERED BY: MR. SANDERS

AMENDMENT NO. 20: Page 87, after line 3, insert the following new section

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department of Defense for any costs incurred by the contractor when it is made known to the Federal official having authority to obligate or expend such funds that such costs are restructuring costs associated with a business combination that were incurred on or after August 15, 1994.

H.R. 3610

OFFERED BY: MR. SANDERS

AMENDMENT NO. 21: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department when it is made known to the Federal official having authority to obligate or expend such funds that the payment is for the costs of compensation with respect to the services of any one individual at a rate in excess of $200,000 per year.

H.R. 3610

OFFERED BY: MRS. SCHROEDER

AMENDMENT NO. 22: At the end of the bill (before the short title), add the following new section:

SEC. . The amount of appropriations provided by this Act is hereby reduced by $7,080,000,000.

H.R. 3610

OFFERED BY: MR. SHAYS

AMENDMENT NO. 23: Page 36, after line 5, insert the following new section:

SEC. 8001A. Each amount appropriated or otherwise made available in titles I through VII of this Act is hereby reduced by 0.74 percent.

H.R. 3610

OFFERED BY: MR. SHAYS

AMENDMENT NO. 24: At the end of the bill, inset after the last section (preceding the short title) the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by $2,508,406,000 so as to conform to total appropriations made in the Department of Defense Appropriations Act, 1996.

H.R. 3610

OFFERED BY: MR. SHAYS

AMENDMENT NO. 25: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by $2,008,406,000 so as to conform to total appropriations made in the Department of Defense Appropriations Act, 1996.

H.R. 3610,

OFFERED BY: MR. SHAYS

AMENDMENT NO. 26: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by $1,708,406,000 so as to conform to total appropriations made in the Department of Defense Appropriations Act, 1996.

H.R. 3610

OFFERED BY: MR. SHAYS

AMENDMENT NO. 27: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . New budget authority provided in this Act shall be available for obligation in fiscal year 1997 only to the extent that obligation thereof will not cause the total obligation of new budget authority provided in this Act for all operations and agencies to exceed $243,251,297,000, which amount corresponds to the new budget authority that was provided in the Department of Defense Appropriations Act, 1996.

H.R. 3610

OFFERED BY MR. SHAYS

AMENDMENT NO. 28: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . New budget authority provided in this Act shall be available for obligation in fiscal year 1997 only to the extent that obligation thereof will not cause the total obligation of new budget authority provided in this Act for all operations and agencies to exceed the amount of new budget authority that was provided in the Department of Defense Appropriations Act, 1996 (Public Law 104-61).

H.R. 3610

OFFERED BY MR. SHAYS

AMENDMENT NO. 29: At the end of the bill, after the last section (and before the short title), insert the following new section:

SEC. . Total appropriations made in this Act are hereby reduced by $1,813,703,000 .

H.R. 3610,

OFFERED BY: MR. SKELTON

AMENDMENT NO. 30: Page 87, after line 3, insert the following new section:

SEC. . Of the funds provided in title IV for "RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE", the amount available for National Missile Defense shall not exceed $802,437,000.

H.R. 3610

OFFERED BY: MR. SMITH OF NEW JERSEY

AMENDMENT NO. 31: At the end of the bill (before the short title) (page 87, after line 3), insert the following new section:

SEC. 8095. (a) Except as provided in subsection (b), none of the funds available to the Department of Defense under this Act may be obligated or expended to reimburse a defense contractor when it is made known to the Federal official having authority to obligate or expend such funds that such reimbursement is for restructuring costs associated with a merger, acquisition, or other business combination of the defense contractor.

(b) Subsection (a) does not apply when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the reporting requirement in section 818(e) of Public Law 103-337 (108 Stat. 2821; 10 U.S.C. 2324 note) has been completed.

(2) the decision by the defense contractor to undertake the merger, acquisition, or other business combination was primarily based on the availability of Federal restructuring payments as certified by the Comptroller General based on the best available information;

(3) the reimbursement will reduce the overall budget deficit for fiscal years 1996 and 1997, as certified in writing to Congress by the Director of the Congressional Budget Office based on the approximate number of persons to be laid off or dismissed as a result of the combination; an estimate of the reduction of Federal tax revenues that such unemployment will produce; and an estimate of the increase in Federal expenditures in other Federal adjustment programs, including food stamps, housing assistance, the program of aid to families with dependent children, medicaid programs, and any other programs the Director determines that unemployed persons are likely to use at a rate higher than employed persons; and

(4) the merger, acquisition, or other business combination with respect to which the restructuring costs are associated took place after July 1, 1993.

EXTENSIONS OF REMARKS

BELARUS FREEDOM FIGHTER DESERVES UNITED STATES SUPPORT

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. DELAY. Mr. Speaker, I rise today to join the growing chorus of protest against the increasingly violent and chaotic situation in the former Soviet satellite nation of Belarus.

As many of my colleagues know, Russian President Boris Yeltsin and Belarusan President Alexander Lukashenko last month signed an agreement that would reintegrate the political, economic, and social ties between the two nations. While I realize the importance of neighborly alliances, I am afraid that this new treaty has ominous implications for emerging democracies in the newly independent nations of Eastern Europe. In point of fact, the agreement has already produced frightening results.

Tens of thousands of Belarusans, realizing the very real threat to their new-found independence, have taken to the streets of Minsk to protest the agreement. In response, President Lukashenko has initiated a campaign of fear and terror meant to intimidate the Belarusan people into silence. Lukashenko has placed former members of the Soviet Armed Forces in top posts throughout the Belarusan secret police and military, sending them out into the streets to arrest thousands of his own people and to raid their homes and places of business. The Belarusan President's regard for his own countrymen, fighting homespun terrorism at the hands of their longtime oppressors, is so low that he has referred to them as " * * * sick people who have placed themselves outside of the law."

Standing in stark contrast to President Lukashenko's repressive tactics is Yury Khadyka, a longtime Belarusan freedom fighter. Mr. Khadyka fought the heavy yoke of communism when Belarus was a Soviet satellite and now that his homeland has tasted freedom, he has become a leading figure in the fight to preserve Belarusan independence. Distressingly, Mr. Khadyka has been imprisoned since April 27 for standing up to President Lukashenko's growing campaign of terror and intimidation.

Unfortunately, Mr. Speaker, the saddest chapter in this sordid story is the complicity of the Clinton administration in Mr. Khadyka's imprisonment. To fulfill a political agenda, this administration has stood idly by while the fragile framework of a newly independent nation crumbles and innocent people like Mr. Khadyka are imprisoned at the hands of a present-day dictator.

In order to prop up Boris Yeltsin's reelection campaign, this administration has signaled its tacit approval of the reintegration of Russia and Belarus. In fact, President Lukashenko, a career Communist Party bureaucrat, has given every indication that he would prefer to see one of President Yeltsin's more hard-line rivals prevail in the upcoming elections. If that happens, and if the Communist Party once again takes the reigns of power in Moscow, this agreement will signal the functional end of independence in Belarus. I support President Yeltsin's efforts to implement democratic and free-market reforms in Russia, but I would urge Mr. Yeltsin to recognize that Belarus has the right to pursue these same goals on its own terms.

As Thomas Jefferson wrote in the Declaration of Independence, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness." I do not quote this famous document lightly—the simple truth is that these words represent a plain, concise distillation of what we, as Americans, believe to be true for all people, everywhere. That is why I urge President Clinton to put political maneuvering aside and to support those ideals upon which the United States was founded. Now, as freedom takes root throughout Eastern Europe, the United States must support the standard-bearers of liberty on this democratic frontier. Yury Khadyka is such an individual, and he deserves our support and assistance as he strives to preserve democracy in his beloved homeland.

HONORING THE RUTHERFORD COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Rutherford County Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4- to 6-month period which includes instruction in cardiopulmonary resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

WHITTIER CITY SCHOOL DISTRICT HONORS NEAL J. AVERY FOR 45 YEARS SERVICE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. TORRES. Mr. Speaker, I ask my colleagues to join me today in honoring Whittier City School District Superintendent Neal J. Avery as he retires after 45 years of service in public education. On Wednesday, June 12, district employees and friends will gather to celebrate and honor Neal for his commitment to the education of our students.

Born in Salt Lake City, UT, Neal moved to California to attend the University of Southern California, earning his bachelor's degree in education in 1951 and his master's degree in 1956. In September 1951, he began his teaching career in the Whittier City School District at Lydia Jackson School, teaching fifth and sixth grade students. In 1954, he transferred to Longfellow School as a teaching vice principal and received his tenure also that year. In 1956, he was appointed principal of George Washington School, and by 1959 was serving as principal of two schools, Lou Henry Hoover and Abraham Lincoln schools. In 1981, he was appointed superintendent of the district. His entire career has been spent dedicated to the students of the Whittier City School District.

In addition to his service to the school district, Neal has served on the Whittier YMCA board of directors for many years. He helped to establish the Whittier Youth Network Club in cooperation with the city of Whittier, which is held at several school sites. He received the PTA Honorary Service Award in 1993 from the Whittier/Pico Rivera Council PTA. He and his wife, Nedine, have two children.

Mr. Speaker, it is with pride that I congratulate my friend, Superintendent Neal Avery, on the occasion of his retirement from Whittier City School District after 45 years of dedicated service to our students and to our community.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

A TRIBUTE TO EDWIN SCHNECK

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mrs. MORELLA. I rise to salute a long-term educator in my district, Mr. Edwin Schneck. He has taught science for over 35 years; 32 of the years were spent in Bethesda, MD. Since 1964, Edwin Schneck has been a science teacher at Bethesda-Chevy Chase High School.

In order to further education in Montgomery County, Mr. Schneck focused on the rewriting of curriculum and also took a variety of leadership positions in the county. One of the founding members of Homework-Hotline, Edwin Schneck never tired of helping students learn, even if it was not in the classroom. He tirelessly took on a variety of roles so that the needs of the diverse student body of Bethesda-Chevy Chase High School could be met.

A coach as well as a teacher, Mr. Schneck coached basketball, baseball, and golf during his tenure at Bethesda-Chevy Chase High School. Whether on the playing field or in the classroom, Edwin Schneck gave of himself for the sake of his students.

Mr. Schneck's conscientiousness as an educator should be an example for all of us; he was a teacher whose community was a better place for his service.

Mr. Speaker, I thank you for the opportunity to pay tribute to this devoted educator.

SUPPORT IMPROVEMENTS TO OUR NATION'S MEAT AND POULTRY INSPECTION SYSTEM

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. CUNNINGHAM. Mr. Speaker, I rise to commend Chairman SKEEN and members of the Appropriations Subcommittee on Agriculture for supporting full funding for the Food Safety and Inspection Service [FSIS]. American rely on FSIS to assure that meat and poultry products meet Federal quality, labeling, and packaging standards. I strongly support the $574 million provided in the fiscal year 1997 Agriculture appropriations bill for FSIS, which will work to improve our 90-year-old meat and poultry inspection system. In the near future, FSIS will initiate the Hazard Analysis and Critical Control Point [HACCP] system, a new method of meat and poultry inspection. This new inspection system is needed to prevent harmful bacteria from ever entering the food supply, thus protecting the health of America citizens.

As many are aware, an outbreak of the E.coli bacteria hit the west coast over 3 years ago. This outbreak infected 700 people and killed 4 children. Some of the victims lived in my district. Following this tragedy, families and friends of victims joined together to establish "Safe Tables Our Priority," whose goal is to educate the public and legislators about the deadly E.coli bacteria. They are committed to improving the safety of the Nation's meat and poultry system. I am proud to have worked very closely with this organization over the last 3 years, and I am pleased that they join me in supporting full funding of FSIS.

A TRIBUTE TO SENATOR BOB DOLE

HON. TILLIE K. FOWLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mrs. FOWLER. Mr. Speaker, yesterday, as I stood on the floor of the other body watching my friend Bob Dole say farewell, I was impressed, as always, by his remarks—which were delivered with his trademark sincerity and self-depreciating humor. But I was just as impressed with the response he got from the crowd, which ran the gamut from Senators and House Members to capitol tour guides, pages, and Senate staff.

It was clear to me that everyone present, regardless of party affiliation, age or importance, held this man in high regard. There was a palpable sense of affection and respect in that room—the kind of affection and respect that is only given to someone who has earned it over the years.

I would venture to say that although most Americans know about Bob Dole's leadership; his record of service; his keen intellect, and his commitment to making a difference for America, many of them do not know what the crowd in the Senate Chamber knew—that Bob Dole is a man with tremendous heart, and that he has served the American people, and the institution of the Senate for many years with everything he had to give.

Bob is known around here as one of the kindest, most generous people in Washington—the man who knows everyone in the Capitol, from the plumbers and the carpenters to the Senators and the reporters—and treats everyone the same. He is known as a leader of great skill, vision, and rock-solid integrity, and he is known as a man with heart.

It was Bob's heart that led him to serve our Nation during war, and that gave him the strength to recover from injuries that would have killed many men.

It is his heart that makes him someone who is consistently rated as a favorite by Capitol employees, and who has gone out of his way time and again to help me since I came to Washington. It is his heartfelt belief in the American ideals of hard work, individual responsibility and helping others that has led him to work night and day to make a difference for this Nation.

Bob Dole is a proven leader and a true American hero. He has the character, the courage, the compassion—and the heart—to lead this Nation into the next century, and I join with all his other friends, and colleagues in wishing him well as he departs Capitol Hill to move on to his next challenge.

STATEMENT OF LECH WALESA

HON. MARTIN R. HOKE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. HOKE. Mr. Speaker, the great twilight struggle against the incredible evil of communism produced some of history's most extraordinary people. But if you had to choose the three people who played the biggest role in relegating communism to the dustbin of history it would have to be Ronald Reagan, Pope John Paul II, and a shipyard worker from Gdansk named Lech Walesa—the three men Time Magazine dubbed "The Holy Alliance."

The centerpiece of the operation to free Eastern Europe from the chains of communism was Solidarity, the workers' union founded by Lech Walesa. Everything else flowed from that. Solidarity was the weapon that the Pope and President Reagan nurtured and protected and eventually used to help bring about communism's collapse, first in Poland, then in the rest of Eastern Europe.

None of what was accomplished, however, could have happened without Lech Walesa. It was his bravery, his skill, his dedication, and his love for his country and its people that showed the way. The world owes an debt of gratitude to this common man with uncommon valor.

Last week a ceremony was held in Washington both to honor this hero, as well as to celebrate the introduction of the NATO Expansion Act, a bill that will bring Poland, Hungary, and the Czech Republic into NATO. In many ways this bill is the culmination of all the Mr. Walesa has worked for and I am proud not only to be an original cosponsor of this bill, but also that I had a hand in drafting some of the language. I urge the Congress to pass this important bill and the President to sign it.

I would like to submit a copy of Mr. Walesa's inspiring remarks for the RECORD.

STATEMENT OF THE HONORABLE LECH WALESA, WASHINGTON, JUNE 4, 1996

Mr. Speaker, Members of Congress, Ladies and Gentlemen, Dear Friends.

First and above all, I would like to say how very grateful I am for being invited here today. Being here again brings back cherished memories of that day six years ago, when, as we were all witnessing the end of the communist empire and of the Cold War, I had the honor of addressing the joint session of the United States Congress. It was one of those rare moments when we all felt that history was being made. There are indeed very few such great landmarks to one's lifetime.

But this was not the first time Poles and Americans shared such moments. It was two centuries ago when, by a historical coincidence, our ancestors both in America and in Poland were simultaneously experiencing momentous changes in the lives of their nations. America had just won her independence and in 1790 ratified a democratic constitution. A year later and an ocean away on May 3rd, the Polish Parliament also passed its own constitution, a grand design for modern political reform.

There were striking similarities between them. The basic concept of the American constitution, that the source of governmental power stems from the will of the people, was also embodied in the Polish one.

Both stated the same basic objective: liberty and general welfare of the people. The Polish reformers were spiritually at home with the American Founding Fathers; they shared the same fundamental ideals. America was viewed as a model; it was certainly not an accident that Polish Reformer-King Stanislaw August had put a bust of George Washington in his study at the Warsaw Castle. And it was certainly not accidental that Polish volunteers participated in the American Revolution. At this point I must express my most sincere gratitude for the recent joint resolution of the United States Congress commemorating the two hundred fifth anniversary of the adoption of Poland's first constitution.

But while the America envisaged by the Founding Fathers has become a great democracy and still governs itself by the same constitution, Poland had spent most of the last two centuries relentlessly struggling to achieve among the nations of the earth that which your Declaration of Independence called "a separate and equal station to which laws of nature and Nature's God entitle them". I am not a historian, as you know, but sometimes I think that, perhaps, apart from the right ideals and stubborn resolve, nations need a bit of luck too. For instance, I would have liked Fortune to have placed the Poland of the 1791 Constitution somewhere on the map of North America and not in the center of Europe, between autocratic and imperial Russia and Prussia.

It was exactly 200 years ago that President George Washington was retiring. Having led a victorious fight against the imperial tyranny of Britain and ensured America's independence, he could withdraw into the peace and tranquillity of his beloved Mount Vernon. He cautioned that free people must always remain wary of potential threats, but he was convinced that what he called America's "detached and distant position" offered hope that the republic would endure. As you well know, my country, inhabiting the heart of Europe, unfortunately had not the luxury of such a "distant and detached position" over the past two centuries. The tough experiences of our history do not make a retirement in true peace of mind a very likely possibility for any leader. Perhaps that is why Poles love liberty as one loves a bride but Americans love her more as a grandmother.

But I believe that, although we cannot affect Fortune, we can and should help it. From 1989, liberty in Central Europe had been given a new, historic chance, a chance preceded by a very, very long and bitter struggle, and, as such, deserving the needed nourishment of peace and security. May I point out that Poland is today the fastest growing economy in Europe a remarkable evidence of fruits born of regained liberty.

We have before us a rare window of opportunity to help preserve both peace and freedom—and the former depends much on the latter—and ensure that it extends well into the twenty first century. Just as the eighteenth-century constitutions opened a new epoch, the fall of totalitarianism in Europe offers a similar prospect today. But many a great battle in history had been ultimately lost due to a lack of follow up by the victors to ensure a durable success. I strongly believe that this is such a moment requiring a follow up in the form of providing NATO security to ensure the durability of the democratic revolutions of 1989. Only United States has the power and authority today to lead towards this goal. I am particularly pleased that this cause has found much bipartisan support in the United States Congress. It gives me much faith and hope that the liberty for which so many have struggled for so long will be given the protection and opportunity it merits.

I wish to thank you once again for your kind invitation and for your inestimable support now as in the past.

HONORING THE SHACKLE ISLAND VOLUNTEER FIRE DEPARTMENT AND RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Shackle Island Volunteer Fire Department and Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4- to 6-month period which includes instruction in Cardiopulmonary Resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

THE MILLENNIUM ACT OF 1996

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. DAVIS. Mr. Speaker, today I am introducing the Millennium Act of 1996 along with my colleagues, Representatives MORAN, BATEMAN, PICKETT, SCOTT, SISISKY, L.F. PAYNE, BOUCHER, WOLF, GEJDENSON, FROST, WILSON, MOORHEAD, FAZIO, BEREUTER, ROEMER, MANTON, MONTGOMERY, LANTOS, STEARNS, COSTELLO, CONYERS, DURBIN, MARKEY, D. YOUNG, WHITFIELD, and BILIRAKIS.

This bill is a bipartisan effort to focus the Nation's attention on what may become one of the most anticipated events in history—the beginning of a new millennium. As the new millennium nears, this bill hopes to focus our attention on the achievements of the past 1,000 years and help to foster educational opportunities for those who may take on leadership responsibilities in the next 1,000 years.

Since its founding in 1979 by a group of college students from around the world, the Millennium Society has worked successfully to organize a global celebration and commemoration of humankind's achievements during this millennium and to endow a crosscultural scholarship program to help educate future leaders. I believe it is the oldest organization in the country formed for the specific purpose of celebrating and commemorating the historical significance of the millennium. The society was incorporated as a 501(c)(3) nonprofit, charitable organization in 1984 for the purpose of establishing and administering the Millennium Society Scholarship Program.

The Millennium Society plans to organize and telecast "Countdown 2000" celebrations here and around the world to permanently endow its Millennium Scholars Program.

Unlike the Bicentennial Commission which required Federal funding, this bill asks for no Federal funds. Title I of this bill provides the society with the official authorization and designation to administer millennium activities both here and abroad and ensures that charitable proceeds will go to the Millennium Scholars Program. The organizers hope that this designation can operate much like the U.S. Olympic trademark. Mr. President, to the best of my knowledge, there are no other organizations that are competing for this designation nor have any indicated any specific interest in doing so.

The second title authorizes the minting of commemorative coins. This bill incorporates some of the language from the House commemorative coin reform legislative package, H.R. 2614. Specifically, the Millennium Society agrees not to derive any proceeds until all the numismatic operation and program costs allocable to the program have been recovered by the U.S. Mint. Moreover, it embodies some of the key criteria and recommendations of the Citizens Commemorative Coin Advisory Commission. The minting of the millennium coins will not begin until July 1999. Further, through its own fundraising efforts, the Millennium Society will match the funds received through commemorative coin sales for its scholarship program.

The third title expresses the sense of Congress that the U.S. Postal Service should consider the issuance of stamps to commemorate the close of the second millennium and the advent of the third millennium.

The Millennium Society was established as an international, charitable organization dedicated to giving students from around the world a chance to go on to college and to promote international fellowship and understanding among the world's peoples on an unofficial and nongovernmental basis.

Mr. Speaker, I hope my colleagues will join us in supporting this legislation to both commemorate the coming millennium and help provide scholastic funding for its future leaders.

TRIBUTE TO JULIAN CERVANTES ON HIS RETIREMENT FROM UAW LOCAL 509

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. TORRES. Mr. Speaker, today I rise to recognize a dear friend and tireless advocate for the working men and women of America. Next Tuesday, June 18, 1996, Julian Cervantes will retire from the United Auto Workers Amalgamated Local Union No. 509 after 43 years of dedicated and exemplary service.

I have had the distinct pleasure of knowing Julian for most of his 43 years of membership in the UAW. We started our careers together, organizing hard working Americans under the banner of trade unionism and fighting to ensure workers would receive a decent wage for jobs well done.

Following his graduation from Roosevelt High School in east Los Angeles, Julian began his career at ITT Cannon Electric. In 1956, he was drafted and served with distinctin in the U.S. Army. Julian returned to ITT Cannon Electric, after his tenure in the Army.

After serving as UAW committeeperson, in 1968 Julian was elected chairperson of over 3,000 members to help with organizing drives for UAW Region Six. He also served until 1974 on the staff of the International Unions Manpower O.J.T. and an east Los Angeles community development corporation as an instructor for on-the-job training program.

In 1975, Julian was elected Local 509's vice president and service representative. Among his other duties at local 509 have included: co-coordinator of community services; the CAP Council; recreation committee; retires committee; and the F.E.P.C.

Currently, Julian serves as an international trustee, a position he was elected to at the International UAW Convention, and as local 509's president.

Julian and his loverly wife of 28 years, Marlene, have four children, Lorraine, Larry, James, and Mark, three grandchildren and one great granddaughter.

Mr. Speaker, Julian Cervantes has been a true champion for America's working men and women. His legacy of fair and decisive leadership will serve as a guiding light for local 509's membership in the days to come. I ask my colleagues to join me in saluting this great American and wishing him well in his retirement.

A TRIBUTE TO ED MULLANEY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mrs. MORELLA. Mr. Speaker, I take this opportunity to acknowledge one of Montgomery County's finest teachers, Ed Mullaney, on the occasion of his retirement. For 30 years, he has ensured that the students of the Montgomery County school system received educations of the highest standard. First a geography and history teacher at Leland Junior High School and later a social studies teacher at Bethesda-Chevy Chase High School, Mr. Mullaney energetically devoted himself to the students he taught. Yet far more than just teaching them academics, he educated students about community service.

As a founder of teen organizations, sponsor of yearbooks, student governments, and sports programs, Ed Mullaney gave of himself so that the communities of the schools in which he worked would be stronger. At B-CC, he was often recognized as the spirit of the school, a teacher who made students realize how fortunate they were to attend Bethesda-Chevy Chase High School. Even when they left, students could not forget Mr. Mullaney, for he even organized alumni events during his past 7 years at B-CC.

Wherever Mr. Mullaney has been, he has encouraged his students to involve themselves in their communities. He realizes that community spirit is the key to a successful education.

I fondly remember that when I was a Maryland State Legislator, Mr. Mullaney could be depended upon to bring students of the highest caliber to the State capitol. His organization of these excursions was always beyond the duty of a teacher, but he wanted to give his students something more than a classroom education.

Ed Mullaney will be missed both as a teacher and a leader in Montgomery County. Mr. Speaker, I am honored to add my voice to the praises of his students and colleagues who gather to salute him.

SAVING MEDICARE IS "MISSION: IMPERATIVE"

HON. MARTIN R. HOKE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. HOKE. Mr. Speaker, the Medicare trustees have just issued their annual report and the news isn't good.

Medicare is now losing money for the first time ever, and will be completely broke by 2001 unless prompt, effective, and decisive action is taken to control costs.

Last year the trustees—who include three members of the Clinton Cabinet—projected Medicare wouldn't run out of money until 2002. So the situation has worsened.

But as bad as the news is, the American people need to know that regardless of who wins in November, Medicare's financial crisis will be solved.

Letting Medicare go bankrupt simply is not an option.

Both Congress and the White House have offered plans that limit the rate of growth in Medicare spending—by strikingly similar amounts. The White House would increase spending 7.2 percent annually, Congress 7.0 percent. To put this in perspective, bear in mind that private sector health care spending is now growing at less than 3 percent annually.

This no doubt comes as a surprise to those who already have suffered from overexposure to the semihysterical, patently false, and politically motivated mantra of "cuts, cuts, cuts." President Clinton himself put it well: "When you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare."

While the sides essentially are in agreement with respect to how much, there are significant differences as to how.

The President and those who believe Washington knows best are committed to a top-down, bureaucratic solution that would increase the Government's role in the health care of our seniors, essentially identical to Mrs. Clinton's defeated health care plan of 1994.

The far better solution is to modernize Medicare by giving seniors the kinds of options, including medical savings accounts, now available in some of the best private sector plans, while preserving their right to stay with traditional Medicare. In addition, we must mount the first ever attack on the waste and fraud that have helped bring Medicare to the brink of bankruptcy. The congressional plan to preserve Medicare contains both of these elements.

Unfortunately, some folks, including politicians, Washington special interests groups, even the President, have indulged their partisan ambitions by intentionally trying to scare seniors into believing that Congress might take their Medicare benefits away from them. Helping to spread the poison are the big labor bosses in Washington, who have spent millions of dollars confiscated from their own rank and file membership on advertisements pusing that same big lie.

Yet when you cut through all the political grandstanding, one thing becomes crystal clear: the longer a Medicare solution is put off, the harder and more unpalatable the choices become.

We need all sides working together now—not as Republicans and Democrats, but as Americans—to solve this problem.

So the next time you hear someone attack Congress for killing Medicare, ask them to show you their plan to save it. Chances are they won't have one. That's because they're thinking more about the next election than the next generation.

A RECOGNIZED HERO

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. KNOLLENBERG. Mr. Speaker, I rise today to honor a special person and true hero—Chief Warrant Officer 2 Wade Chapple of Milford.

The operations group soldier was recently awarded the Soldier's Medal of Honor for an act of heroism that saved a Colombian man's Life.

Serving a 3-year tour as a tactical training advisor to the Colombian Army 10th Airborne Division in Malgar, Colombia, Chapple and his crew rescued an injured Colombian man who had fallen off a cliff.

First, Chapple was able to diplomatically convince the base commander to provide a helicopter for the rescue. After landing on a small finger of open space nearly 700 feet below the injured victim, Chapple and his crew of two men went to work.

Chapple scaled the vertical climb dragging a stretcher that was tied to his waste.

Upon arriving at the injured man, Chapple notice multiple injuries and the man in shock. Working quickly to immobilize the man, Chapple and his crew eased the injured man slowly down the steep face of the mountain

The helicopter rushed the victim back to the base and there a waiting ambulance rushed the man to the hospital. Three months later, Chapple met the man who was beginning to walk again and has since recovered.

The incident was reported to Chapple's commanders by the Colombian Army without his knowledge.

Chapple is a symbol of today's military. Compassionate, skilled and heroic. Wade put his life on the line to save a man he didn't even know. I am proud of Wade Chapple. His great and noble rescue has made our community smile.

THE 50TH ANNIVERSARY OF HIS MAJESTY, KING BHUMIBOL ADULYADEJ'S ACCESSION TO THE THRONE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GILMAN. Mr. Speaker, on June 9, 1996, citizens of Thailand celebrated the 50th anniversary of the accession to the throne of His Majesty, King Bhumibol Adulyadej. This is a joyous moment for the people of Thailand and the people of the United States join with them on this special auspicious occasion.

The King is a good friend of the United States. He permitted Thailand to be the most supportive nation in the region throughout the Vietnam war. He always makes sure that Thailand is a tremendous refuge for people fleeing repressive governments in the region.

The King has underscored that Thailand is a democracy in an otherwise undemocratic region. His tact, intelligence, and grace has enabled Thailand to grow and prosper. He is in constant touch with his people and he travels regularly throughout Thailand.

The King was born 68 years ago here in the United States and he is the world's longest serving living monarch. He is known as the "working king" because of his extensive travels throughout Thailand and the 2,000 projects in Thailand that he initiated.

Because of his diligent work, Thailand is a beacon of hope and serves as an example for other nations in the region.

Accordingly, I invite my colleagues to join me in wishing His Majesty, King Bhumibol Adulyadej's a long, healthy, and prosperous life on this auspicious occasion of the 50th anniversary of his accession to the throne.

STOP ATTACK ON CALIFORNIA AVOCADO JOBS

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. CUNNINGHAM. Mr. Speaker, as we consider the fiscal year 1997 Agriculture Appropriations Act, I want to take this opportunity to inform my colleagues of another Clinton administration attack on California agricultural jobs. Six thousand American avocado growers and 21,000 avocado industry workers are in danger of losing their livelihood should the USDA implement its proposed plan to modify the quarantine on Mexican Hass avocados. The quarantine was placed in 1914 to protect our avocado crops from Mexican pests and fruit flies.

During a trip to Mexico City, USDA Secretary Dan Glickman spoke about lifting the current ban. He continues to tell me that he is "absolutely committed to a sound, well-founded, science-based decision on this proposal." This is what I expect from the USDA. However, Secretary Glickman continues to ignore the warnings of independent scientists at the University of California Riverside and elsewhere that infestation of pests from Mexico is very likely if the quarantine is lifted. The USDA believes that Mexico can handle their serious pest problem. But, science has proven that Mexico has failed for years to destroy pests. NAFTA specifically left the quarantine intact because our Government knows that Mexican pests would devastate American avocados. The University of California Center for Exotic Pest Research released an important report based on their studies, entitled "Risks of Exotic Pest Introductions from Importation of Fresh Mexican Hass Avocados into the United States." Secretary Glickman must carefully consider the results of this report before a final rule is made.

Mexican pest-infested avocados have already been smuggled across our border. On January 5, 1996, the U.S. Customs Service confiscated and destroyed 3,337 pounds of Mexican Hass avocados at the Otay Mesa commercial facility in San Diego County. The driver, who had previously been arrested for the same offense, admitted to similar smuggling activities in recent months. Although U.S. Customs officials thought they were seizing a truck loaded with drugs, they definitely touched on a problem of significant concern to California's avocado growing region.

It is evident that the USDA proposal will only harm our country. I encourage my colleagues to give me a call, should any of you have questions about this plan to destroy the crops and lives of American avocado growers and workers. We must stop this attack against California jobs.

HONORING THE SMITHVILLE-DEKALB COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Smithville-DeKalb County Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4- to 6-month period which includes instruction in cardiopulmonary resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community voluntarism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

GILBERT DE LA ROSA HONORED FOR LIFETIME OF SERVICE TO CITY OF PICO RIVERA

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. TORRES. Mr. Speaker, I ask my colleagues to join me today in paying tribute to a friend of mine, the Honorable Gilbert "Gil" De La Rosa, Pico Rivera City Councilman. On Saturday, June 8, 1996, the board of directors of the Intercommunity Blind Center will recognize Gil for his many years of dedicated service to the city by honoring him with its Distinguished Leadership Award.

Gil served on the Pico Rivera City Council from 1982 to 1990. He served as mayor in 1986, and is currently mayor pro-tempore. He was elected again to the council in 1994.

He also was elected to the El Rancho Unified School District Board of Education in 1966, and was reelected to this position four times, serving until 1982. He was appointed to a management skills team to represent the California School Boards Association, and advised districts throughout the State on good management techniques. Gil was elected president of the Mexican-American School Boards Association in 1981, and was appointed by the National School Boards President to a 10 person task force that developed an investment procedure for school districts throughout the United States.

Gil is an active member of the Pico Rivera Lions Club, and served as its president in 1984–85. His extensive work with the St. Francis of Xavier Holy Name Society, and the Beverly Hospital Foundation, on whose board he has served for 16 years, are well known and respected throughout the community. His involvement in the community also includes membership on the board of directors of the Pico Rivera Redevelopment Agency, and the Pico Rivera Housing Assistance Agency; he also serves with the League of California Cities Environmental Quality Committee, the United Way Board, Pico Rivera Transportation Committee, and is a member of the Southeast Mosquito Abatement District.

Gil has received three gubernatorial appointments as a probate referee, and has been honored as a life member of the California Parents and Teachers Association. He is a member and now serves as immediate past president of the Intercommunity Blind Center. Gil is a veteran of the U.S. Army, having served in WWII. He and his lovely wife, Sylvia, live in Pico Rivera.

Mr. Speaker, it is with pride that I ask my colleagues to join me in saluting the Honorable Gilbert De La Rosa for his many years of selfless service to the Intercommunity Blind Center, the city of Pico Rivera, and to our Nation.

A TRIBUTE TO LESTER OLINGER

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mrs. MORELLA. Mr. Speaker, I would like to take this opportunity to pay tribute to Lester Olinger, a highly esteemed teacher who has taught U.S. history at Bethesda-Chevy Chase High School for more than 35 years. As he retires this year, he leaves behind generations of students who would never have had such an exceptional appreciation and understanding of American history were it not for Lester Olinger.

At Bethesda-Chevy Chase High School, his teaching style was legendary. Students knew that they would not leave his classroom without enhancing their knowledge of the history of their country. As a result, Mr. Olinger's students were known to have some of the highest test results in the Nation. He also taught advanced placement classes on U.S. history and American government.

As well as being an exceptional teacher, Lester Olinger gave time to a variety of clubs. A sponsor of both the frisbee and the ski teams, he could always be depended upon to cheer Bethesda-Chevy Chase's athletes to success.

Mr. Speaker, I thank you for the opportunity to salute a phenomenal teacher, Lester Olinger.

LEGISLATION TO IMPROVE THE LMA PROCESS

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. FARR of California. Mr. Speaker, today I am introducing legislation to address a serious flaw in the rules governing local marketing agreements for television stations.

Current FCC rules allow television stations to enter into what are called "local marketing agreements", or LMA's. An LMA allows a television station or other entity to manage programming, sales, and operations at another station.

For troubled stations, the LMA can provide needed assistance to maintain both their operations and independence. However, as they have become more frequent, so have they become broader and more comprehensive in their scope.

Strangely, although FCC rules are clear with respect to TV station ownership—owing two stations in the same market is illegal—they are extremely vague with respect to television LMA's.

For example, current FCC regulations do not take into account the size of a local marketing agreement, the amount of operations managed through an LMA, or the size of the media market affected. Nor do they require prior notice or public comment from the communities that might be impacted.

My own community has been affected by this ambiguity in FCC rules. Recently, two local stations in Monterey, CA reached a local marketing agreement which affected a sizeable portion of the programming and operations of one of the stations. No prior notice was given or required; no public input was requested; and there were no studies or consideration of the possible impact, positive or negative, of the LMA on the region.

Unfortunately, Mr. Speaker, this is a growing problem. Although radio LMA's account for the majority of such agreements, the expanding number of consolidations and mergers in the television industry have put greater economic pressures on small stations. LMA's have become an increasingly attractive alternative to bankruptcy—but also, for some, a useful loophole in the duopoly laws.

My bill will resolve this problem by extending the more exact and time-tested LMA rules for radio to television as well. As for radio, television LMA's affecting 15 percent or less of broadcast time on a station would not require prior notice or approval by the FCC. However, more comprehensive LMA's would require prior notice and public comment before the FCC could approve them. Such approval would have to be made on the basis of public interest, convenience, and necessity.

My bill will resolve the current ambiguity in FCC rules—ambiguity which leaves the LMA process open to broad interpretation, and makes no allowance for the needs, interests, or concerns of local communities. Making LMA rules clear and fair will benefit the station owners who benefit from these agreements, as well as television viewers and local communities affected by them.

I urge my colleagues to support this legislation.

A POEM OF REMEMBRANCE

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. YOUNG of Florida. Mr. Speaker, Memorial Day has just passed, but we should always hold in our hearts the memory of those who came before us offering their service to our country. They made many a sacrifice, none small, some ultimate, for the greatness of our Nation.

My constituent, Mr. Curt Perdelwitz, a retired U.S. Air Force Master Sergeant, has written a very poignant poem to remind us of our obligation to honor their memory. The poem, "We Remember," which I will include following my remarks, was selected as the Editor's Choice by the National Library of Poetry and published in the "Path Not Taken." I commend it to my colleagues and all Americans as a constant reminder of the great price we pay to defend freedom throughout the world.

WE REMEMBER

(By Curt W. Perdelwitz)

The guns of the battle are now silent,
The cries of the wounded no longer are heard
The fields at Verdun and Bastogne are now peaceful,
Antietam and the Hue are history remembered.
Inchon and Desert Storm but memories of conflicts,
Iwo Jima and Guadalcanal are part of our lore.
But, for those whose blood turned battlefields red,
And those who now rest in Valhalla,
We, on this day, offer this prayer:—
Oh Father in heaven! Lord of all living things!
Bestow on Your lowly human mortals
The wisdom and strength to lay aside
Our greed, and power, and desire for material things.
Awake within us, the sights of those crosses en row,
Remind us of the souls who rest beneath—those
Who gave their lives for us who now remain.
It is for us to keep alive their spirits and hopes
For those freedoms that shall never die.
Grant us the ability to keep the faith and our promises
To those who gave so much to us who now survive.

TRIBUTE TO FIFTH DISTRICT BOY SCOUTS

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. NETHERCUTT. Mr. Speaker, I would like to take this opportunity to recognize the achievements of several Boy Scouts from my district. Eric Jordan and Kevin Engbretson were recently recognized in a National Court of Honor Ceremony, and Travis Passey received his Eagle Scout Award, joining his five brothers in receiving this honor.

In the early morning of February 19, 1994, Scout Eric Jordan, of Walla Walla, WA, awoke to find his bedroom filled with smoke. Eric shared the bedroom with his younger brother Kristopher, and heard him gasping from the dense smoke. Crawling along the floor, Eric found his brother's electric blanket burning and the younger boy unconscious. He dragged Kristopher from the room and closed the bedroom door to suffocate the fire. For his quick thinking in averting the potential tragedy, Eric was awarded the National Heroism Medal.

On May 27, 1994, Scot Kevin Engbretson, also of Walla Walla, was on a field trip with his seventh grade class at Charbonneau State Park. When one of his classmates was playfully pushed off a dock into the Snake River, and it became apparent that she could not swim, Kevin quickly waded into the river and towed the girl to safety. For his efforts in rescuing his classmate, Kevin was awarded the National Certificate of Merit.

Travis Passey, of Cheney, WA, recently earned his Eagle Scout Award for organizing a project that raised funds for area libraries. Travis deserves recognition for his service, but equally deserving are his five brothers: Jared, Ryan Nathan, Allan, and David. Each of Glenn and Joan Passey's six sons have earned the rank of Eagle Scout, and I would like to congratulate this family's accomplishment. The young men honored their father's guidance over the years with a flag flown over the Capitol, and I think the accompanying certificate precisely summarizes their appreciation for his support. The certificate read, "Your six Eagles Scouts sons honor you for your dedication, inspiration and love."

Mr. Speaker, I feel privileged to recognize the achievements of these young men. I was a Life Scout, and I know of the significant personal dedication that is required of Boy Scouts. The lessons learned in Scouting are of great personal benefit but as these men have demonstrated, our families and communities are even greater beneficiaries Eric Jordan and Kevin Engbretson calmly reacted to crises that could have become tragedies. Travis, Jared, Ryan, Nathan, Allan, and David Passey, through their service as Eagle Scouts, have contributed lasting community service projects. I am proud of the contributions that these young men have made, and grateful for their commitment to their families and communities.

HONORING THE SMYRNA RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Smyrna Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a four to six-month period which includes instruction in Cardiopulmonary Resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

TRIBUTE TO BRIG. GEN. ANDREW P. GROSE

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. SPENCE. Mr. Speaker, I rise today to recognize Brig. Gen. Andrew P. Grose upon his retirement from the U.S. Air Force after 33-years of exemplary service. General Grose is currently the Air Force Reserve mobilization assistant to the director of legislative liaison for the U.S. Air Force. Since assuming this post in 1991, General Grose has demonstrated sound judgement and a keen sense of priority. His in-depth knowledge of the Air Force and the Congress has been of great benefit to Members of the House of Representatives as we have deliberated issues relating to our national security interests.

General Grose has served with distinction in demanding positions. The leadership and commitment that he has demonstrated throughout his career have earned for him the respect and gratitude of those who have had the privilege of working with him. Mr. Speaker, on behalf of my colleagues on the Committee on National Security, I bid General Grose a fond farewell and wish he and his family the very best as they move on to face new challenges and rewards.

CARRYING THE TORCH FOR THE 1996 OLYMPICS

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. BOEHLERT. Mr. Speaker, I would like to congratulate the individuals in my district who have been honored to carry the torch in the Olympic Torch Relay.

These individuals have distinguished themselves in the community by helping others who have been less fortunate. This group combines people of all ages, men and women for one purpose, to help bring the Olympic flame to Atlanta.

The Olympics are held only rarely in the United States. We should take advantage of this great opportunity to showcase true patriots of this country. Once again I congratulate these individuals on their achievement.

The individuals from my district are: James Barefoot, Sauquoit; Darrell Bruder, Rome; John Cribbs, Sidney; Judith Greiner, Clinton; Leo Hofmeister, Utica; Carlton Jarvis, III, Barker; Jeffrey Jost, Wampsville; Derek Macero, Utica; Dick Mattia, Utica; Robert Merritt, Utica; Allen Pylman, New Hartford; Kristina Rico, Rome; Sandy Shivas, Ilion; James Suriano, Sidney; Russell Brooks, II, Utica; Tim Catella, Oneonta; Eugene A. DiFondi, Jr., Utica; Dustin Hite, Camden; Scott Huges, Herkimer; David Jones, Utica; Joe Kelly, Whitesboro; Ward Mack, Sidney; Steven Mac, Utica; Thomas Mirabito, Jr., Sidney; David Rich, Utica; Williams Rys, New Hartford; James Simpson, New Hartford; and Bob Wood, Sauquoit.

PRINTING ALL THE NEWS THAT FITS AN AGENDA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. DORNAN. Mr. Speaker, just when I thought that Wes Pruden could not be more incisive in his commentary, he out does himself again. I submit for the RECORD his column which was printed in the June 11 Washington Times.

PRINTING ALL THE NEWS THAT FITS AN AGENDA

(By Wesley Pruden)

Bill Clinton and his boys on the bus are getting a hard lesson about how times have changed.

They can't any longer decide what news is fit to print—and more to the point, they can't any longer prevent news they think is not fit to print from getting printed anyway. This will become even more important three months hence.

The story about how the White House was building an enemies list from secret FBI files first broke on Thursday, with the revelation that Bernard Nussbaum, or someone using his name, asked the FBI to supply its dossiers on Billy Dale seven months after Mr. Dale, the head of the White House travel office until Hillary Rodham Clinton ordered the president's men to delivery his head, was beheaded.

This was the main, or lead, story in this newspaper, stretched across the top of Page One. The Washington Post put it on Page 4, a decorous announcement to the reporters around town, who imagine The Post to be the arbiter of what's news, that it wasn't much of a story. The New York Times, couldn't find any room at all for it on Thursday or Friday. But in fairness to the New York Times, there was a crush of other stuff of compelling interest to its constituency.

mostly news about how maybe you can, too, catch AIDS by taking unclean foreign objects in your mouth. There was even a story about how monkeys, if forced to by lab attendants, can catch AIDS this way.

The Associated Press, no doubt influenced by The Post and the New York Times, at first paid grudging attention to the story. But when the story grew, and it became clear that the White House had more in mind than merely seeking dirt on Billy Dale, the story sprouted legs.

By Saturday morning it was in full gallop, with the disclosure that the White House had obtained FBI dossiers on 339—or 341, the figure grew by the hour—Republicans. The White House explanations grew from improbable to unlikely and then to fanciful: It was of course "an innocent mistake," made because maybe they needed to know just who these people were, men like James Baker, the former secretary of state; Marlin Fitzwater, the press secretary for both President Reagan and President Bush; and Tony Blankley, the press secretary for Newt Gingrich. They might want to offer them jobs. Mr. Clinton is determined to keep the unemployment rate down, and you never know when these guys might be out of work.

By now the story was getting out of hand. The silence of the lambs at the New York Times and the reticence of the wolves at The Post was supposed to tell everyone that this was not news fit to print, but some people (like us) never seem to get the word. The New York times put it plain enough for everyone but people like us on Saturday: "Senior White House officials said tonight that they have discovered new facts about a White House request to the Federal Bureau of Investigation for information about a fired employee, *showing that the request was an innocent mistake.*" (Emphasis mine.) Everybody could now go back to sleep, and send your apologies to Bill and Hillary.

Too bad for Mr. Clinton and his pals, but now the story was racing on its little baby legs to front pages across the country, and by Sunday morning the TV talk shows couldn't get enough of it. Even Ann Lewis, the deputy director of the Clinton re-election campaign, in a fit of uncontrolled candor, likened the Clinton list to the enemies list compiled for Richard Nixon.

"That's the point we've been trying to make," said Tony Blankley.

"I was trying to be funny," replied Miss Lewis, frostily. (The resident wit, she's famous for cracking everybody up at the White House.)

"Oh," said Mr. Blankley. Being one of nature's gentlemen, he obliged with a laugh.

President Clinton, no doubt irritated that his pals had not contained the story, attempted a diversion on the weekend with his radio speech decrying—as he should have, but in a less blatantly political way—the torching of black churches in the South. He told reporters that the torchings particularly upset him because when he was just a little shaver in Hot Springs he was saddened by the smoking ruins of black churches in Arkansas.

This was too much for the home folks, black and white. None of them remembered a black church being torched, ever. Well, never mind. The story sounded good at the time, and since he had long since shredded the good name of his native state, what difference could it make?

His hometown paper, the Arkansas Democrat Gazette, called him on it the next day, quoting skepticism and outrage from the state historian and a collection of knowledgeable black ministers and NAACP officials. Washington read about it in the pages of this newspaper, which, like his hometown paper, knows him best. The news didn't fit in certain other famous places.

TRIBUTE TO TODD KAMINSKY

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. KING. Mr. Speaker, I rise today to commend Mr. Todd Kaminsky of Long Beach High School for the outstanding leadership which he has shown as a columnist and political activist to his school and community. It is encouraging to see an active, independent young man playing such a leading role in our political process.

Mr. Kaminsky will be graduating this month from Long Beach High School and plans to attend the University of Michigan. I am certain that he will have a particularly successful academic career.

I am pleased to insert in the CONGRESSIONAL RECORD a recent column which Mr. Kaminsky wrote for the April 1996 edition of the "Tide" which is the student newspaper for Long Beach High School.

KING CALLS FOR STUDENT INVOLVEMENT

(By Todd Kaminsky)

For a few months a year, a couple of hundred of men and women gather in a neatly assembled, large, white building to discuss a few matters concerning the state of our nation's well being. Welfare reform, gun control, the environment, and even the occasional blurb on nuclear weapons are some of the random sounds you might hear bounce off the inner walls of this stately building.

These are just some of the great topics most teenagers couldn't care less about. But these men and women are our Congressmen, easily some of the most important people in our country. Although the attitude on politicians reflected in the prior paragraph may be the prevailing one amongst teenagers, the teens of Long Beach have reason to breathe a little easier.

Of the near 500 members of Congress, struggling to tackle daily important foreign and domestic issues that face this nation, you will see that at least one of these brave souls is looking out for the future of our nation. Congressman Peter T. King, who represents Long Beach among other areas in the House of Representatives, knows how important teenagers are to a prosperous democracy.

"Even when I was very small, I was still interested in political events. I guess it was a natural interest," said King, who is one of the few politicians who realizes how vital a role teens actually play in our government.

In Congress right now, there are many important domestic issues that our Congressmen vote on. Some of this legislation effects teens directly, and some will affect them later on down the road. This is why King feels, "Teens owe it to themselves to get involved."

King has gained most of his fame in Congress, by passing or being the sponsor of bills that directly affect teenagers. Recently, he was given much attention for a bill which would make English the official language, and would end bilingual education. Representative King has always been involved in making important educational decisions. "I feel that my greatest work as a Congressman was done with the English bill. It has been one of my greatest accomplishments," said King.

There is a great variety of things a teenager can do to make a difference in his or her community. Most political meetings, (school board, or otherwise) are held publicly. Just by attending a few of these meetings, you can become aware of what is taking place in your community.

It is almost considered a fact, that most teenagers would rather play sports than follow the nation's political affairs. We have a whole slew of sports teams in LBPS, but do we have a Young Republican Club? Of course, we don't.

Congressman King played basketball in high school and boxed as well. He admits to never being great at these sports, but he always tried his hardest. If you ask any coach what makes a great athlete, he will tell you hard work, good thinking, and perseverance. It is no coincidence that when I asked Congressman King what are the characteristics one needs to be successful in Congress, he replied, "hard work, smarts, and perseverance."

Of all the characteristics King described, he felt that perseverance was the most important. He lost a race for State Attorney General a number of years ago. Not only did he lose, but he got clobbered. He lost by almost 1 million votes. But King kept coming back again, and again, and again. Now he is among the most powerful in Washington.

A TRIBUTE TO BEVERLY FIEGE

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mrs. MORELLA. Mr. Speaker, I rise to pay tribute to Beverly Fiege on the occasion of her retirement. A teacher at both Richard Montgomery High School and Bethesda-Chevy Chase High School, Ms. Fiege has taught French in the Montgomery County school system for over 15 years.

At Bethesda-Chevy Chase High School, Madame Fiege was beloved by her students. A joyful, cheerful educator, she transformed the learning of a language from the mundane memorization of grammar and vocabulary to a creative, enjoyable learning experience. Her enthusiasm for her work was undeniable to those who saw her teach. In addition, her remarkable attentiveness to every one of her students was never forgotten by those who were members of her class.

Mr. Speaker, I thank you for this opportunity to salute Beverly Fiege, an outstanding educator.

"TEENS ASSISTING SENIOR CITIZENS" VOLUNTEERS RECOGNIZED

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. TORRES. Mr. Speaker, I ask my colleagues to join with me today in honoring and thanking the volunteers at Teens Assisting Senior Citizens [TASC], located in Pico Rivera. On Friday, June 14, 1996, TASC will hold its annual recognition dinner to acknowledge and thank the volunteers who make this program successful year after year.

TASC is a program that serves the needs of Senior citizens while allowing local youth to benefit from service and involvement in the community. It began in 1983, with local youth and adult volunteers being recruited and trained in aging, communication, and emergency management. The volunteers were then sent to the homes of older community members who could benefit from help in their homes and sharing with youth. Volunteers provide friendly visiting, light housekeeping, shopping assistance, and yard work.

The goal of the program is to help older individuals of the community to remain independent and avoid unnecessary or premature institutionalization. TASC is a program of Catholic Charities Aging Services Department, a United Way Agency, and is supported by funds from the city of Pico Rivera. Kiwanis of Pico Rivera, and private donations.

The volunteers who deserve special recognition are: Rosa Alcocer; Lorraine Aldarondo; Frank Alvarez; Sergio Aguilar; Tiffany Avila; Adriana Bagues; Stephanie Barba; Cherly Bautista; Elizabeth Blanco; Omar Bravo; Cesar Chavez; Fabiola Chavez; Richard Chavez; Greg Cordova; Carlos Covarrubias; Diana De La Rosa; Araceli Delfin; Janice Diaz; Monique Dovalina; Mark Elias; Janet Gallogos; Gabriela Garcia; Michelle Garcia; Sandra Garcia; Ernie Gevara; Huge Gomez; Sally Gomez; Carolina Gonzalez; Matthew Heilgeist; Gia Hua; Sakina Hussain; Luis Jiminez; Stephanie Kary; Lendy Le; Tanya Lopez; Jessica Mecado; Eric Medrano; David Morales; Patty Morales; Sandy Mudry; Mary Nguyen; Fernando Ortega; Susana Ortega; Chantha Ouk; Priya Patel; Andy Perez; Richard Perez; Erin Perez; Carmen Ramirez; Janet Renteria; Fabiola Robles; Armando Rodriguez; Rocio Rodriguez; Yazmin Romero; Cesar Ruiz; Jennifer Salamat; Veronica Singh; Frances Soliz; Rosemary Soliz; Jesica Tapia; Andy Torres; Peter Ubugen; Lisa Valles; Elizabeth Vasquez; Michael Velasquez; Linh Vuoung, and TASC program director Cristina Quijada.

Mr. Speaker, it is with pride that I ask my colleagues to join me in honoring the volunteers in our community who have dedicated themselves to selfless service by participating in Teens Assisting Senior Citizens.

HONORING THE WILLIAMSON COUNTY RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Williamson County Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4- to 6-month period which includes instruction in cardiopulmonary resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community voluntarism which moves them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

TRIBUTE TO LARRY E. GRIFFIN

HON. MIKE PARKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. PARKER. Mr. Speaker, I come before the House to ask you to join me in honoring Mr. Larry E. Griffin, the current president of the International Right of Way Association and a resident of Laurel, MS.

Born on December 28, 1949, in Laurel, Mr. Griffin earned his bachelor of science degree from the University of Southern Mississippi. Following his graduation he began his career as a specialist in the acquisition of power line and pipeline rights-of-way. While serving in the Mississippi highway department, Griffin earned his senior right-of-way designation and worked to ensure that his peers were recognized and rewarded for their achievement. After 12 years of dedicated service to the department and the people of Mississippi, Mr. Griffin moved on in 1987 to become the director of lands at the South Mississippi Electric Power Association.

Mr. Griffin has been active with the International Right of Way Association serving in many capacities—treasurer, membership chairman, local president, director, public awareness chairman, course coordinator, nomination and election committee, liaison committee, president's club, a course coordinator, nomination and election committee, liaison committee, president's club, a representative for the pacesetter campaign, and as vice-chair and chair of the Southeast United States Region. In 1985, he received his chapter's Professional of the Year Award. He also has been recognized by two international awards: the Gene L. Land award for the greatest percentage increase in chapter membership, and the Frank C. Balfour professional of the year award.

A year ago, I had the privilege of installing Mr. Griffin as the 41st president and the first Mississippian to be president of the International Right of Way Association. In addition to holding this prestigious position, he has continued his daily responsibilities to the people of Mississippi, and his other commitments to his church and family, his children's schools and civic organizations. He is an advisory board member of the Word of Life Church, Parent Teacher Organization president, and director of the Kiwanis Club of Laurel.

Mr. Speaker and colleagues, I ask you to join with me in thanking Mr. Griffin for his dedicated service and in wishing his continued success. Mr. Griffin, thank you for all you have done for Mississippi and our Nation.

DEJA VU BUDGET

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. THOMPSON. Mr. Speaker, I rise today out of deep concern for our children, senior citizens and the working poor. This budget is deja vu all over again. I thought that the leadership learned a lesson last year when they shut down the Government and lost favor in the eyes of the American people but here we go again with the same old gimmickry. Just like last year, they are using the annual report published by the Medicare Board of Trustees to justify these extreme cuts in Medicare, while everyone knows that these cuts are going to used to pay for the tax cuts they plan to bestow on their wealthy friends.

Mr. Speaker, my colleagues on the other side of the aisle would have the American people believe that they are doing seniors a favor by causing them to have to choose between going to the doctor and buying groceries. This is no favor it is a vicious attack on the Nation's elderly. There are over 388,000 medicare beneficiaries in Mississippi and this bill will have a devastating impact on them.

Mr. Speaker, because this budget is just like the old one, more than 6 million families with children will see a reduction in the earned income tax credit. This is a credit that goes to working families and is not a welfare payment. To take this credit away from working families makes about as much sense as asking the Bulls to play without Michael Jordan tonight.

Mr. Speaker, it is a sad day when we are forced to stand before the American people as leaders and speak out to protect the most vulnerable people in our society against an irresponsible plan that would cause undue pain. I urge a "no" vote on this budget resolution.

RECOGNITION OF THE UNITED FAMILY COALITION

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Ms. NORTON. Mr. Speaker, I would like to recognize the United Family Coalition for its commitment to regaining control of their community in Ward 7, Washington, DC. On June

13, 1996, UFC will courageously march against drug offenders in their neighborhood. The organization will march from 60th and East Capitol Streets to the U.S. Capitol Grounds as a symbolic show of their solidarity and determination to rid the community of drug dealers and their illegal activity. The United Family Coalition will put all drug dealers and abusers on notice that the sale of narcotics and violent behavior will not be tolerated in Ward 7. UFC and march participants will announce to Congress that Ward 7 can govern itself.

UFC's mission is to enhance the quality of life for children, youth, and families in at-risk communities. This organization provides individual and group counseling on substance abuse, AIDS, employment, and parenting skills. They also provide tutoring and college preparation referrals.

We should all applaud the United Family Coalition for its efforts to regain control of their community. I enthusiastically support the march's objective to create safer communities for our children and families. I urge my colleagues on Capitol Hill to make a similar commitment.

TRIBUTE TO MARTHA M. RICH OF EDGEFIELD, SC

HON. LINDSEY O. GRAHAM

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GRAHAM. Mr. Speaker, Martha M. Rich, who is known affectionately throughout Edgefield County as Miz Martha, has served the people of Edgefield County in many ways since moving here in 1956. In that year she began work with the South Carolina Highway Department. Previously, she had worked as a bank teller in Augusta, GA, and operated a restaurant and motel in McCormick County.

It was in 1963 that Martha Rich was asked by then-County Commissioner Frank Timmerman to consider working for Edgefield County. Starting her county work in the tax assessor's office, she was involved that year in the very first property value reassessment program. In 1970, she was named assistant county administrator. During her 33 years with the county, she has served the public on matters as diverse as roads and bridges, emergency medical and fire operations, and waste disposal. Ms. Rich was a key figure in the transition to home rule, when county governments were gaining local control under new laws enacted at the State level. In the often trying political environment of country government, Ms. Rich has served six county administrators and numerous local elected officials. She has also remained a key contact person with State and Federal office holders on behalf of Edgefield County. Her professionalism and historical perspective of our county government will be missed tremendously now that she has decided to retire.

Though her work schedule has remained heavy throughout the years, Mr. Rich has always made time for community and family. She has been active in the Senior Citizens' Advisory Council, Piedmont Technical College, the Edgefield County Red Cross, the Edgefield County Transportation Committee, and the Governor's Beautification Task Force. She is also a fixture at Red Oak Grove Baptist Church, where she participates in the WMU and the Edgefield Baptist Association. Away from public life and civic pursuits, Martha Rich occupies herself with family. She has a son, Jackie, and three daughters: Patsy Smith, Greenie Crowder, and Georgia Morris. she has one brother, Kenneth Morgan. Six grandchildren also keep here quite busy and bring her a great deal of joy. Ms. Rich looks to family as a first priority in her retirement.

We wish Miz Martha the best in retirement, and we thank her for the work she has done on the behalf of Edgefield County.

IN HONOR OF FIRE CHIEF PETER PHELAN

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Ms. DELAURO. Mr. Speaker, on Wednesday, June 12, 1996, the Milford Fire Department will hold a testimonial dinner to honor Chief Peter Phelan who is retiring. It is with great pleasure that I salute Chief Phelan and his distinguished career of service to the Milford Fire Department.

Chief Phelan's career as a firefighter began in 1944 when he joined the Milford Fire Department as a volunteer firefighter with the former Myrtle Beach Volunteer Engine Company No. 3. He was following a long family history of firefighting for the town of Milford as both his father and grandfather had served in the same company. Chief Phelan was permitted to join even though he was only 17 years old and still in high school at the time. World War II had created a manpower shortage within the fire department so the chief's young age was overlooked.

In November of 1948 Chief Phelan was appointed to the Career Department. He left briefly from 1951 to 1953 to serve with distinction in the Korean conflict. The chief's early career included work with the late Fire Chief Richard Coley to reorganize the old civil defense programs into the Milford Civil Preparedness Agency. Chief Phelan was responsible for preparing plans to put the city of Milford in line for Federal grant programs.

In 1966, Chief Phelan was promoted to the rank of lieutenant. He was promoted again in 1967 to the newly established rank of captain. The chief became a battalion chief in 1972 and, in 1977, became the assistant chief/fire marshal. When the department was reorganized, he was named assistant chief/operations. On January 1, 1996, he was appointed to the office of fire chief.

Chief Phelan has earned a number of awards during the course of his career. The most outstanding awards are the Ryder Fireman of the Year Award and a bronze medal from the Connecticut Humane Society for his part in the rescue of a handicapped person from the second floor of a burning building. These awards illustrate Chief Phelan's dedication to firefighting and the safety of the residents of Milford. He is without doubt one of Milford's most important public servants.

In addition to his involvement with a number of community organizations, Chief Phelan has served as chairman of the Connecticut Fire Marshal's Association's Annual Educational Seminar for the past 15 years. He is also a member of the New England Division of the International Association of Fire Chiefs and was a member of the first group of the Fairfield County Arson Task Force. He is a past president of the Connecticut State Fireman's Association, has served as president of the Connecticut Fire Marshal's Association and has been a member of the board of directors of the New England Fire Marshals Association and the New Haven County Fire Chiefs Emergency Plan.

I am so pleased to join Chief Phelan's colleagues at the Milford Fire Department, his wife Catherine, and his children and grandchildren in congratulating him on his retirement. His departure is a great loss to the town of Milford and the Fire Department. I thank Chief Phelan for a lifetime of extraordinary service to the public and wish him enjoyment in his retirement.

THE WINNING TRADITION OF HUNTINGTON HIGH SCHOOL TENNIS

HON. NICK J. RAHALL, II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. RAHALL. Mr. Speaker, for years we have heard that national sports figures have been role models to young Americans all around the country. There has been a great debate centering around academics versus athletics and what takes precedent in the lives of young adults. I rise today to honor a group of individuals from my district that I am proud to say have excelled on both the athletic field and in the classroom.

The Huntington High School Pony Express boys and girls tennis teams have won a total of three State championships in a span of 2 years. The school won dual titles in 1995 and the girls team won again in 1996. Although they may not be as well known as Andre Agassi or Steffi Graf, they are great example of what one can achieve through hard work and dedication.

Under the guidance of coach Roberta Bunch, the teams combined have attained a record of 68 wins and 2 losses in 2-year span. They are the true definition of what one would call exceptional athletes.

But their performance does not stop between the baselines. In the classroom, this group of players is among the best in the school. All of the players are college bound to schools such as Marshall University, West Virginia University, Duke University, Wake Forest University, and Indiana University. The grade point averages among these players consistently rank in the top 10 percent of their respective classes. They are the true definition of what one would call exceptional students.

Mr. Speaker, I ask that their names be entered into the RECORD at this time: Jeff Morrison, Kyle Foster, Adam Woodruff, Jay Hatten, Jimmy Leach, Ellie Earles, Taryn Foster, Ashleigh Harrison, Lindsay Wilson, Tiffany Kassab, Erin Allen, Lauren Oxley, Jenna Hegg, Kate Denman, Ramsey Cook, Katie Twohig, Lynsey Jenkins, and Sabrina Copley.

I am proud to recognize these individuals who have striven for and attained the highest peak possible in the Mountain State. I congratulate and salute them.

OFFICER SORRY FOR ATTACK ON NAVY CHIEF

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. JACOBS. Mr. Speaker, the following is an article published by the Indianapolis Star on May 29.

Our Center Township assessor, Jim Maley, says, "Sticks and stones may have broken his bones, but names and words broke his heart. We good guys are proud of Big Mike Boorda."

An honest mistake which hurts no one else does not deserve dishonor, much less death.

At the airport, sometimes they turn the metal detector up too high and it even picks up the ring on your finger. If anything, Adm. Jeremy Boorda's sense of honor was too high. And whatever that is, it is certainly not dishonor.

[From the Indianapolis Star, May 29, 1996]

OFFICER SORRY FOR ATTACK ON NAVY CHIEF

(By Robert Burns)

WASHINGTON.—A Navy officer whose unsigned letter attacking Adm. Jeremy M. "Mike" Boorda was published in the Navy Times three days before Boorda's suicide has come forward and apologized.

"I am sorry for Admiral Boorda's family and for the sailors he loved," Cmdr. John E. Carey wrote in a letter to the editor of the Navy Times.

The newspaper, too, said it regretted publishing the earlier letter, which it called a "cheap shot." It promised to stop publishing letters containing personal attacks.

In a related development, the Navy distributed to all sailors a message from Boorda's widow, Bettie Moran Boorda, expressing thanks for their support.

In publishing Carey's attack against the chief of naval operations Navy Times did not mention that Carey had been relieved of command of the guided-missile destroyer USS Curtis Wilbur. He was punished for verbally abusing his crew.

In a suicide note left at his residence at the Washington Navy Yard, Boorda expressed distress over what he apparently felt would become a media scandal over questions about the propriety of two combat pins he had worn on his chest.

In the unsigned May 13 letter, Carey said Boorda had lost respect of his fellow officers and asked him to resign. He wrote that admirals often referred to the 5-foot-4-inch Navy chief as "Little Mikey Boorda" out of disrespect.

New York's Newsday, reported that Carey told one of its reporters he planned to leave the Navy soon.

THE 25TH ANNIVERSARY OF THE CLOSE UP FOUNDATION

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. YOUNG of Alaska. Mr. Speaker, I want to call the attention of my colleagues to a very special event that is taking place, the 25th Anniversary of the Close Up Foundation.

As many of you know, the Close Up Foundation is the largest civic education organization in the country. It has not always been that way, when Close Up started 25 years ago their first program included 25 participants from 14 States. Today, Close Up brings approximately 25,000 participants annually to Washington, DC, on their various programs. They have participants from all 50 States, the District of Columbia, Puerto Rico, and the Pacific Island territories.

These achievements are of themselves enough to make an organization and those who have supported it very proud; however, it does not stop there. Close Up has remained true to its mission over these 25 years. Their focus has been on efforts to be all inclusive and reach students who are underserved, either because of their economic, cultural, or geographic isolation. I am personally familiar with the difference Close Up has made to those who are geographically isolated.

Since 1979, more than 9,200 Alaska students and educators have participated in Close Up's programs. In 1987, Close Up began an effort to focus on including Alaska Native students in the Washington, D.C. High School Program. Since that time, approximately 685 Alaska Native students have taken part in the Close Up program. These students, from every corner of Alaska including our most remote villages, come to Washington and mix with their peers both from within Alaska and throughout the United States. While they are here, they are able to contribute to as well as learn from the diverse population of Close Up's student participants. By including Alaska Native students, young people, who rarely, if ever, have been outside of their villages, get the opportunity to expand their civic literacy as well as learn about the rest of the country and its citizens. We, in Alaska, are very proud of the input all of our Alaskan students bring to their peers from the rest of the country.

The contribution made by Alaska's students and educators takes many shapes, including returning to Alaska to become involved in and to organize Close Up local programs. These local programs provide civic education opportunities for all members of the community not just those students who were lucky enough to get to Washington, DC, to benefit from the Close Up experience. In this way, the Close Up message of informed, responsible citizenship is multiplied many times over to the great benefit of my State and the country.

In this time of distrust and cynicism, Close Up's program works to break down suspicion and to show high school students that government is relevant to their lives and important to them as citizens. With the recent disturbing results of a study of peoples' public opinion of Congress and the Government, we, as elected officials, should make it our goal to raise student interest in government because the future of this Nation depends on their civic involvement.

As we all know, Close Up's message of civic involvement is directed toward all students, not just the academic elite or the affluent. The federally funded Ellender Fellowship Program, along with Close Up generated fellowship funds, has made the Close Up civic learning opportunity a reality for students who would not otherwise be able to afford a trip to Washington, DC. In Alaska, students from families with limited means face an additional hurdle of very high travel costs. The Ellender fellowships help to level the playing field and provide civic educational opportunities to many students who might otherwise be overlooked or left behind.

Mr. Speaker, I have been a longtime supporter of the Close Up Foundation, and I am delighted to be able to send my heartiest congratulations to them on the celebration of their 25th anniversary. The congratulations are for a job well done, and one I hope will continue for another 25 years.

AN EASY WAY TO REDUCE MAIL FRAUD

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. VENTO. Mr. Speaker, I rise today to introduce legislation, the Mail Fraud Prevention Act, which will serve to increase the security of mail delivery for every individual who relies on the services of the U.S. Postal Service [USPS].

Current policies at the USPS allow an individual or household to change their address, and therefore forward their mail, to a new location simply by filling out a form and submitting it to the USPS. The forms can even be mailed to the postal service. This policy certainly makes service delivery more fluid for the estimated 42 million individuals or households who move and file mail forwarding orders each year. That convenience, however, has a price. That price may well be the security of personal and financial information delivered by the USPS to individuals and families across the Nation.

Because the USPS does not verify that the person submitting the forwarding order actually resides at the original address before processing the order and rerouting mail, criminals can fraudulently forward another individual or household's mail to a new address. The only information needed to submit a fraudulent forwarding order is the old address and a signature, which can be forged since the USPS does not check the identity of the individual at the time it accepts the completed form.

This policy gives criminals easy access to vital personal and financial information of every USPS customer, virtually every houshold in the Nation. Once bank account, credit card, or Social Security numbers fall into the hands of the thieves, it does not take long for them to drain finances and destroy credit histories that tool a lifetime of fiscal planning and saving to build. The USPS estimates that 1,000 people annually are victimized by this form of postal fraud.

To the credit of the USPS, they do eventually attempt to verify mail forwarding orders; however, this action comes only after the mail has been rerouted. The USPS mails letters to both addresses, new and old, telling residents that a forwarding order has been processed in their name. The flaw in this system, however, is that in the days or weeks it takes to send these verification notices, mail flows to the new address, sending sensitive and valuable information into the hands of the fraudulent filers.

The USPS has a responsibility to provide the highest level of security to its customers, and current policy regarding changes in address clearly ignores that responsibility. That is why I am introducing this legislation on the issue. This measure would require the USPS to check the identification of indivduals submitting change of address forms at the time the form is submitted, before mail is rerouted. Only forms that are submitted by residents of the original address will be processed.

There is an exception for homebound individuals and others who would have a difficult time getting to a USPS branch to submit the form, although the bill requires the USPS to develop policies to increase the security of these individuals' mail delivery as well. By verifying an individual's identity before mail is actually forwarded, criminals have less opportunity to access personal or financial information. With so many personal and financial documents being sent through the mail in today's society, we must ensure that these documents are as safe as we can make them. This legislation would take a large bite out of postal fraud crime and go a long way in increasing the security of mailed documents and information.

TRIBUTE TO THE LEDYARD HIGH SCHOOL GIRLS SOFTBALL TEAM

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GEJDENSON. Mr. Speaker, I rise today to commend the Ledyard High School girls softball team which has won four consecutive State championships, most recently on June 8, when it defeated Amity by a score of 4 to 3 in the finals.

Coached by Ellen Mahoney, a member of the school's faculty, Ledyard's program has compiled a remarkable record since it was started at the club level in the 1970's. The school has posted five State championships in the 1990's and had undefeated seasons in 1991 and 1993. This year saw yet another undefeated season, with an amazing record of 26 to 0, and a first place finish in the Hartford Courant's poll of girls' softball teams in Connecticut. Ledyard's record in the 1990's is a remarkable 165 victories and 10 losses. During the regular season this spring, the team compiled 16 shutouts in 20 games and allowed only 17 runs in the year's entire 26 game campaign.

Coach Mahoney says a dedicated coaching staff, fan support, and commitment from the kids contribute to the success of the Ledyard program.

The wonderful record of the girls softball team is one of the many elements on the academic and athletic fronts that makes Ledyard High School the excellent institution that it is.

TRIBUTE TO STAN HALL

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. DELLUMS. Mr. Speaker, today I rise to share with you and my colleagues the outstanding professional career and community service of a distinguished constituent who has resided in the city of Oakland for over 25 years, Mr. Stan Hall. On the occasion of his 50th birthday, I wish to join with the community to pay tribute to his dedication and commitment that has endeared him to those he had worked with and earned him well-deserved accolades for over two decades.

Stan Hall was born in Richmond, CA, to William and Hazel Hall. He is the seventh of eight children. Stan attended local schools in the Richmond Unified School District, graduating from Harry Ells High School. He was a member of the student council, drama class, the school band, the school's State championship basketball team and the Forensic Society. Stan received the State Championship Award for Oratorical Interpretation.

He obtained his B.A. degree from San Francisco State University and his M.P.A. from Golden Gate University. He served as a faculty member of the Graduate School of Public Administration at Golden Gate University where he authored and published municipal management articles and presentations.

Throughout his life, Stan has been active in the community, serving as a member or in leadership positions with a number of professional and community organizations. Some of the organizations of which he has held or currently holds positions with, are the United Way of the Bay Area, Bay Area Urban League, Mt. Diablo Therapy Center, CHAD, the NAACP, Municipal Management Assistants of Northern California, the American Society of Public Administration, the National Forum for Black Public Administrators, and the International City Management.

In recognition of his achievements and dedication to the community, Stan was twice named an Outstanding Young Man of America, named in Who's Who in Black America, and Who's Who in California. Among the numerous awards for achievement and community service of which Stan has been the recipient are the Meritorious Service Awards from the city of Richmond, CA, from the Seaside Masonic Lodge, and from the U.S. Department of Labor.

Stan is an active member of the Allen Temple Church of Oakland, CA, where he serves as a member of the public ministries committee, community development committee, the male chorus, and the sanctuary choir.

I join in celebration of Stan's 50th birthday and his more than 20 years of public service.

HONORING THE RED BOILING SPRINGS FIRE AND RESCUE SQUAD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Red Boiling Springs Fire and Rescue Squad. These brave, civic-minded people give freely of their time so that should disaster strike, we know that our friends and neighbors are there to help.

Few realize the depth of training and hard work that goes into being a member of the rescue squad. Rescue squad members undergo a training series over a 4- to 6-month period which includes instruction in Cardiopulmonary Resuscitation [CPR], vehicle extrication, emergency driving, and rescue orientation. In addition to this training, rescue squad members also meet monthly to address business concerns as well as hear guest speakers.

Rescue squad members are volunteers. They receive no pay for what they do. What also makes their service especially outstanding is that the organizations themselves receive no funding. They receive no funding from the city, the county, or the Federal Government.

Rescue squads are funded in the same spirit of community volunteerism which move them to serve. Family, friends, and neighbors pitch in at bake sales, road blocks, and fish frys to help those who sacrifice their time for the benefit of the whole community.

Committing such an amount of spare time and energy to a job so emotionally and physically taxing requires a sense of devotion and duty for which we are all grateful.

COMMENDING JENNIFER TUTAK ON HER ESSAY "THE BEST OF THE BEST"

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. BILIRAKIS. Mr. Speaker, I would like to share with my colleagues an excellent essay from an intelligent young student in my district named Jennifer Tutak. She writes that, looking back over the past 200 plus years of our country's history, we have made remarkable advances and are indeed the best of the best.

I would encourage my colleagues to take a moment and read her very optimistic and uplifting account of what we as Americans have accomplished since the beginning of our country. I certainly agree that the United States is the best country in the world, and Jennifer does well in reminding us of that.

THE BEST OF THE BEST

(By Jennifer Tutak)

Just over two hundred years ago, America was nothing more than a small band of colonies lacking unity and a strong government. Yet today we are leading the world in technological advances, medical breakthroughs, agricultural production, and global politics. A universal superpower, we have tremendous amounts of food, rich, vast lands, superb military forces, and a successful government. How did this happen? In two centuries, how did we surpass countries which have existed for thousands of years? The answer lies in the strong governmental and moral values of dedicated citizens which have pushed us to the top and continue to bring us to new heights and achievements.

It takes proficiency to make an administration strong, and our federal system of government provides just that. The ethical codes of each of the three branches have built up a stable governing body which meets the needs of its people and serves as a model for the rest of the world. The judicial branch protects the rights of all United States citizens, declaring them "innocent until proven guilty". Both the legislative and executive branches create laws to produce new benefits for the country, like safety regulations and trade agreements.

We hold public votes for our representatives in accord with the belief that the government directly serves us. They reflect our values and wishes and work to institute them. The United States strongly advocates world peace and belongs to a myriad of organizations and committees to promote goodwill, assistance, and trade between countries. We value our environment, the clean, crystal water, fresh air, and lush forests. The country recognizes the resources which we take for granted actually belong to our children's children's children. The government likewise has set up national parks, land reserves, pollution regulations, and created protection for endangered species. A third standard demanded by the people involves that of education. Our government provides public schooling for every child in this country, so that they may grow up with the means to make bright futures for themselves.

Another area in which the American public and their administration have used strong ideals lies in the economy. We have always fiercely believed in a free enterprise system. The incentives of owning a private business and making profit instigated millions of citizens to work hard and develop the country. In doing so, the United States started growing as a capitalist giant through mining, farming, trade, industry, entertainment, and building, to name a few. The money brought in, new inventions, and immigrants eager to try their own hand in business never let the country look back.

The government did uphold and expand on such values, but it was the American voices behind them who presented these ideals and their own customary, unwritten morals. As already shown in the example on free enterprise, U.S. citizens have been zealous believers of hard work since the country's formation. The Founding Fathers set up a government and turned a loose group of states into a nation. Pioneers opened up the West. Immigrants introduced their ideas and joined the fight to advance America. Oil was found, railroads were connected, the Wright brothers flew the first airplane, women won the right to vote, America met victories in both World Wars, Dr. Jonas Salk found the polio vaccine, man landed on the moon, computers were invented, and we continue to speed down the Information Superhighway to new prospects on the horizon. The determination and devoted labor of all Americans has proved quite possible to be our greatest strength.

Besides working hard, the policy of helping others has long been a value which has made America great. Whether it be a neighbor in trouble like Mexico, a devastating earthquake in southern California, or the atrocious Oklahoma City bombing, Americans have come to the rescue. The Red Cross, 911 Emergency Medical Services, police departments, fire stations, and a multitude of other volunteer organizations come forth in times of need. We care about our brothers and sisters. U.S. citizens give money, volunteer time and talent, spread hope, and even donate their own blood and organs for each other. In a country where Good Samaritans live, good things are bound to happen.

Thus, by supporting the ethics of the Constitution and the values of hard work and love, the American people and their government have made our country the international force it is today. We value our freedoms and friends as much as hard work and free enterprise. We value education, the environment, and a peaceful world. We value all of these because we value the future of America. As the 21st century arrives, we shall accomplish new feats and set new goals and continue to make our great country even better.

REFORMING GOVERNMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 12, 1996, into the CONGRESSIONAL RECORD.

MAKING GOVERNMENT WORK FOR HOOSIERS

Hoosiers often tell me how they feel shut out from the political process. They say that Washington does not listen to them, and is more responsive to special interests than to their own concerns. Many have concluded that government either makes things worse or is incapable of making them better.

It has always been true that people in this country have been skeptical of power, and our system of government, with its checks and balances, reflects that view. Our citizens have long cherished the right to strongly criticize their leaders, and that attitude can be a healthy one.

But public cynicism today is severe, intense, and stronger than it once was. A top priority for elected officials must be to restore confidence in government. People want to see that the government is on their side, working to help not hurt them.

A key element of any reform program must be to make government more responsive to the needs and concerns of its citizens. That means opening up the political process, reducing the role of special interests, and making elected officials more accountable. Congress, with my support, has taken steps to these ends, but more needs to be done.

MAKING VOTING EASIER

Congress, with my support, approved a law in 1993 to ease voter registration procedures, and the results have been encouraging. Since the law went into effect in 1995, almost 10 million more Americans registered to vote, including about 500,000 Hoosiers.

BANNING GIFTS

The House, with my support, passed a bill last year to ban all gifts to Members, with limited exceptions for close family and friends. There is simply no reason to take valuable gifts, meals or vacations from lobbyists.

STRENGTHENING LOBBYING RESTRICTIONS

I voted for a tough lobbying reform law last year that requires paid lobbyists to disclose who pays them, whom they lobby, what issues they lobby for, and how much they are paid to influence the government. This should help make the system more open and accountable.

APPLYING WORKPLACE LAWS TO CONGRESS

Last January Congress passed a law to apply private sector laws to Congress. This law was based on a recommendation of the Joint Committee on the Organization of Congress, which I co-chaired. The legislation applies key workplace laws to Congress, including overtime, workplace safety and anti-discrimination rules.

REFORMING CAMPAIGN FINANCE LAWS

The House leadership has pledged to take up campaign finance reform this July. I regret it has taken the leadership so long to bring this priority item to the floor. My view is that genuine reform must include the following elements.

First, the importance of political action committees (PACs) should be reduced. We should cap total PAC contributions to a candidate and reduce the limit on contributions from a single PAC.

Second, Members of Congress should be prohibited from running "leadership PACs," which a few Members, including leaders in both parties, use to gain power and influence over other Members for their own personal agenda.

Third, Congress should limit the flow of "soft money" and "independent" spending into political campaigns. Such spending, which is made by or on behalf of corporations, wealthy individuals, and other organizations, falls outside normal federal campaign finance restrictions, and has been abused by both parties in recent years.

Fourth, reforms should emphasize the importance of grassroots political fundraising over big-ticket donors. The number of large contributions should be capped.

Fifth, Congress should examine ways to encourage voluntary campaign spending limits, such as providing reduced-cost television and radio time to candidates who abide by the limits.

Sixth, Congress must give more authority and support to the Federal Election Commission to crack down on election law violations.

FREEZING CONGRESSIONAL SALARIES

I have consistently voted against congressional pay raises during my time in Congress, including the most recent increase in 1989; and for the last several years, have supported the freeze on Members' salaries.

CUTTING CONGRESSIONAL PENSIONS

The House will likely consider proposals this summer to reduce congressional pension benefits, and ban pensions to Members convicted of crimes. Possible reforms include increasing Members' personal contributions and capping total pension benefits. I voted last year to reduce congressional pensions.

LIMITING THE CONGRESSIONAL FRANK

Since 1992, with my support, the House has cut its mailing budget by more than 70%, banned mass mailings within 90 days of an election, and required all mass mailings to be approved by a bipartisan franking commission to ensure they are substantive and non-partisan.

REFORMING ETHICS PROCESS

I have introduced a bill to create an outside panel to investigate charges of mis-conduct against Members. The Ethics Committee has increasingly been unable to fully and fairly investigate, prosecute and judge ethics complaints against fellow Members.

REGULARIZING REFORM

In early 1995 the House, with my support, approved several internal House reforms, including proposals to eliminate three committees and cut committee staff by one-third. I have introduced a bill to regularize this type of reform effort by having Congress take up reform proposals every two years, rather than do one-shot, omnibus packages every twenty or thirty years.

CONCLUSION

No issue is more important than the restoration of the confidence of Americans in their government. Americans will forgive government's honest failings if they believe that it cares about their needs and is trying to do a better job. Members of Congress have an obligation to earn the public's respect and trust. Congress has taken some important steps, but other, broader reforms are necessary if Congress is to be the truly representative body the people deserve and the nation's founders intended.

TRIBUTE TO MAJ. SCOTT BURAN

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. REED. Mr. Speaker, I rise today to recognize an exceptional officer of the U.S. Marines in Maj. Scott Buran. This week, Major Buran completes a highly successful tour as the Marine Corps' assistant liaison officer to this body over the past 4 years. It is truly a pleasure for me to recognize a few of his many outstanding achievements.

A native of Vestal, NY, Major Buran became dedicated to the service of this country by following the fine example of his father, Lt. Col. Frank Buran. A retired Marine officer with his own impressive achievements, the elder Buran led marines during the amphibious assault on Iwo Jima during World War II and later during the Korean war. Following in his father's footsteps, Major Buran was commissioned in the Marine Corps on May 15, 1982, upon his graduation from the State University of New York via the Platoon Leaders Course Program.

Upon completion of The Basic School in Quantico, VA, Second Lieutenant Buran attended the Artillery Officer Basic Course at Fort Sill, OK, before reporting for duty with the First Battalion, Eleventh Marines at Camp Pendleton, CA, in August 1983. With 1/11, he served successively as a forward observer, adjutant, and battery executive officer.

In July 1985, First Lieutenant Buran joined Marine Barracks Subic Bay, Republic of the Philippines, for duty as a platoon commander and guard officer. Completing a successful 14 months in the Philippines, he returned stateside in the winter of 1986 for his new assignment at the Marine Corps Recruit Depot, San Diego, CA. Here, newly promoted Captain Buran contributed immeasurably to the process of making marines while serving successively as a platoon, series, and company commander, and finally as the S–3 training officer.

After a 6-month return to school at Fort Sill for the artillery officers advanced course, Captain Buran returned to the Fleet Marine Force in November 1989. Just 4 months later, he deployed with 3rd Battalion, 10th Marines as an artillery battery commander for duty in Operations Desert Shield and Desert Storm. Serving with distinction, Captain Buran participated in the liberation of Kuwait City.

Captain Buran arrived at the Capitol in August 1992 for duty as the Marine Corps assistant congressional liaison officer. Soon thereafter, he was advanced to the grade of major. In this capacity he has been instrumental in providing Congress with a working knowledge of the Marine Corps. Most importantly, Mr. Speaker, Maj. Scott Buran has come to epitomize those qualities that we as a nation have come to expect from our marines—impeccable integrity, moral character, and absolute professionalism.

I had the privilege of traveling with Major Buran to Somalia and to the former Yugoslavia. His superb professionalism, mature judgment, and tireless effort and enthusiasm made this trip not only possible, but extraordinarily useful as a means of informing the Congress of the situation in these troubled lands. Major Buran consistently exceeds the very high expectations of an officer of the Marines.

Major Buran's personal awards include the Combat Action Ribbon, the Navy-Marine Corps Achievement Medal with two gold stars in lieu of second and third awards, and the Meritorious Service Medal. Mr. Speaker, Maj. Scott Buran has served this Nation with distinction in war and in peace for the last 14 years. As he continues to do so, I call upon my colleagues from both sides of the aisle to wish him, his lovely wife Ann, and their three beautiful children, Elizabeth, Sydney, and Samuel, every success as well as fair winds and following seas.

A COLORADO AVALANCHE IN MIAMI

HON. WAYNE ALLARD

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. ALLARD. Mr. Speaker, I would like to take this opportunity to congratulate the Colorado Avalanche on their Stanley Cup championship. Colorado has had a long and illustrious history with all of its professional sports teams, yet the Avs are the first to bring home the top prize. While it has been almost 14 years since Colorado has had an NHL team, we are now able to appreciate Joe Sakic putting the biscuit in the basket and Patrick Roy's sterling defense in the net.

Coloradans closely associate themselves with the fortunes of our professional sports franchises, but it was the new kid on the block, the Avalanche, who overwhelmed the best team in NHL history, the Detroit Red Wings, for a shot at the NHL's most coveted prize. Marc Crawford and his Avalanche did not disappoint their frenzied fans at home. After hard fought victories in games one and three of the championship series, Uwe Krupp scored the final goal in the third overtime of the fourth game to complete a sweep of the Florida Panthers and bring the hardware home.

Mr. Speaker, since the Colorado Rockies hockey club left for New Jersey in 1982, NHL fans in Colorado have had little to celebrate. I can happily say that NHL hockey has returned to Colorado with a vengeance. With a team this young and talented, we look forward to many more championship seasons from the Colorado Avalanche.

A TRIBUTE TO REV. AARON GIBSON, SR.

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. PALLONE. Mr. Speaker, I rise to pay tribute to the Rev. Aaron Nathaniel Gibson, Sr., pastor of the Second Baptist Church of Long Branch, NJ. Reverend Gibson was overwhelmingly elected pastor by the members of the congregation on February 21, 1996, Ash Wednesday, after a 17-year association.

Mr. Speaker, the Second Baptist Church of Long Branch has a long and illustrious history, going back more than a century. In the 1880's, a group of believers in the Baptist faith settled in Long Branch. Finding no church, they met in the home of Mrs. Ellen Hill of Brook Street, with Brother William Bloodsaw as their leader. As the group of worshipers grew too large for the house on Brook Street, the congregation moved to Liberty Hall on Broadway, and, from there, back to Brook Street in the public primary school building, and then on to Layton Hall on Broadway. Brother Bloodsaw was succeeded by Reverend Jones, who was followed by Reverend Jeffries. It was during the tenure of Reverend Jeffries that the present site, 93 Liberty Street, was purchased and a frame building was constructed. The current stone building in which the congregation now worships was built in 1904. The church subsequently purchased a parish home on Liberty Street. The Reverend C.P. Williams was installed as pastor in 1934, and served continuously more than 50 years. During these sometimes difficult years of growth, expansion, and stability, the Second Baptist Church distinguished itself not only for providing its members with spiritual inspiration and sustenance, but also for civic, humanitarian, educational, and community endeavors.

Reverend Gibson, a native of Baltimore, has great experience not only as a minister, but also as an educator, published writer, human resource manager, and Army chaplain. He has studied at Brookdale Community College, El Paso Community College, Newark State College, and the University of Maryland. He has served as an associate minister of Fulton Baptist Church in Baltimore, assistant pastor of a 750-member church in Vogelweh, Germany, and as the director of parish development for the Army Chaplaincy. Reverend Gibson is married to Sheila Alexander, and they have three children: Aaron Nathaniel, Jr., Damon Garrick, and Rachel Renee.

Mr. Speaker, Reverend Gibson is seeking to lead the people of the Second Baptist Church of Long Branch on a spiritual pilgrimage of being "A Church Led By The Spirit Of God." Given the proud history of Second Baptist, the strong bonds of family and community of its members, and the inspired and devoted leadership of Reverend Gibson, I am confident that this spiritual journey will continue for many years to come.

QUEENS LIBRARY CELEBRATES 100 YEARS OF SERVICE TO RESIDENTS

HON. FLOYD H. FLAKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1996

Mr. FLAKE. Mr. Speaker, I rise today to recognize one of the oldest and most remarkable residents of my district. This constituent has lived in Queens for 100 years and has tirelessly given to many communities in the borough, reaching out to young and old of all faiths and ethnic groups. This constituent speaks dozens of languages, knows ancient history, understands the cultures of the world, and surfs the Internet.

This constituent of mine is the Queens Borough Public Library, which recently celebrated its centennial. Last month it marked 100 years of growth in size and services. It now boasts a central library and 62 branches within walking distance of almost the entire population of Queens, the highest circulation per capita of any public library, and more than 18,000 free cultural and educational programs each year.

After 100 years of growth and success, one could justifiably say that the library has hit its targets, it has made its mark, and it can rest on its laurels. The library has no such intentions. In the coming months, the library will open its new Asian center at the Flushing branch, a unique facility servicing the heart of the Asian community east of the Mississippi River; expand its highly popular and successfully latchkey and homework assistance programs that currently helps 35,000 children a year; and complete the networking of its branches with the main library to make even more resources available via computers to the community at large.

The Queens Library is simply an amazing place. Last year, it developed a special exhibit on Lewis Lattimer, an African-American inventor and engineer who worked with Edison on developing the electric light. It also displayed the oldest books printed with metal moveable type, brought all the way from Korea. It set up a database of community services for Queens residents, and even won the annual dragon boat race.

Mr. Speaker, I bring the library to our attention today with the utmost pride in its accomplishments. I congratulate the library on its century of service, and look forward to its second hundred years with great anticipation.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 13, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 14

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the General Accounting Office, and the Architect of the Capitol.
S-128, Capitol

1:00 p.m.
Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee
To hold hearings to examine the status of the hemisphere.
SD-419

JUNE 18

9:00 a.m.
Rules and Administration
To hold hearings on public access to government information in the 21st century, focusing on the Government Printing Office depository library program.
SR-301

9:30 a.m.
Agriculture, Nutrition, and Forestry
Research, Nutrition, and General Legislation Subcommittee
To hold hearings to review a report to the Department of Agriculture by the Advisory Committee on Agricultural Concentration, and to examine other livestock industry issues.
SR-328A

Commerce, Science, and Transportation
To hold oversight hearings on the Federal Communications Commission.
SR-253

Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

Labor and Human Resources
To hold hearings on S. 1035, to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests.
SD-430

10:00 a.m.
Judiciary
To hold hearings to examine oversight of the Department of Justice witness security program.
SH-216

Commission on Security and Cooperation in Europe Briefing to assess the impact of recent Albanian elections and prospects for its future.
2255 Rayburn Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

2:30 p.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for defense programs.
SD-138

JUNE 19

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine issues relating to salmon recovery research.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Rules and Administration
To continue hearings on public access to government information in the 21st century, focusing on the Government Printing Office depository library program.
SR-301

10:00 a.m.
Judiciary
To hold hearings on S. 1740, to define and protect the institution of marriage.
SD-226

JUNE 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings with the Committee on Indian Affairs on provisons of H.R. 2406, United States Housing Act, relating to Native American housing assistance.
SD-538

Indian Affairs
To hold hearings with the Committee on Banking, Housing, and Urban Affairs on provisons of H.R. 2406, United States Housing Act, relating to Native American housing assistance.
SD-538

JUNE 21

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Secretary of the Senate, the Sergeant At Arms, and the Government Printing Office.
S-128, Capitol

JUNE 25

9:30 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings to examine the security status of national computer information systems and networks.

SD-342

10:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Library of Congress.

S-128, Capitol

JUNE 26

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1726, to promote electronic commerce by facilitating the use of strong encryption.

SR-253

Energy and Natural Resources

To hold hearings on S. 1804, to make technical and other changes to the laws dealing with the territories and freely associated States of the United States, on a proposed amendment relating to Bikini and Enewetak medical care, and to hold oversight hearings on the law enforcement initiative in the Commonwealth of the Northern Mariana Islands.

SD-366

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings to examine the security status of national computer information systems and networks.

SD-342

Rules and Administration

To hold hearings on proposed legislation authorizing funds for the Federal Election Commission, and on campaign finance reform proposals.

SR-301

Indian Affairs

To hold hearings on proposals to reform the Indian Child Welfare Act.

SR-485

JULY 16

2:00 p.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Department of Education.

SD-138

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

334 Cannon Building

CANCELLATIONS

JUNE 13

2:00 p.m.

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Office of National Drug Control Policy.

SD-192

SENATE—*Thursday, June 13, 1996*

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, make us maximum by Your Spirit for the demanding responsibilities and relationships of this day. We say with the psalmist, "Blessed be the Lord, who daily loads us with benefits, the God of our salvation!"—Psalm 68:19.

We praise You that it is Your will to give good things to those who ask You. You give strength and power to Your people when we seek You above anything else. You guide the humble and teach them Your way. You know what we need before we ask You, and yet, encourage us to seek, knock, and ask in our prayers. When we truly seek You and really desire Your will, You do guide us in what to ask. Our day is filled with challenges and decisions beyond our own knowledge and experience. We dare not press ahead on our own resources. In the quiet of this magnificent moment of conversation with You we commit this day and ask for the wisdom of Your Holy Spirit. Thank You in advance for a great day lived for Your glory. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Good morning, Mr. President. Thank you very much.

SCHEDULE

Mr. LOTT. This morning, the Senate will begin consideration of the budget conference report, and will continue the discussion. Under the consent agreement reached yesterday, there will be 2 hours for debate on the conference report, with the time equally divided between Senators DOMENICI and EXON. All Senators should be aware that a vote will occur on the adoption of the budget at 12 noon today.

The House did act last night—it must have been close to 10 o'clock or so—but they did pass the budget resolution. We will have the papers, and we will be prepared to vote at 12 noon. Following that vote, there will be a period for morning business to accommodate a number of requests on both sides of the aisle. I emphasize that morning business will be after the 12 o'clock vote, not in the morning as we begin, as is quite often the case.

It is also possible later today the Senate will consider other legislative-executive items. Therefore, Senators should be aware that additional rollcall votes are possible during today's session. We are very hopeful that some agreement, perhaps, could be worked out on how we would handle the Federal Reserve Board appointees. We will have further information on that when we have the vote at 12 o'clock.

I yield the floor.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, the Senate will now move to consideration of the conference report, House Report 104-612, accompanying House Concurrent Resolution 178, which the clerk will report.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment to the bill (H. Con. Res. 178), a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 7, 1996.)

The PRESIDING OFFICER. There will now be 2 hours of debate equally divided between the Senator from New Mexico, Senator DOMENICI, and the Senator from Nebraska, Mr. EXON.

Mr. BYRD. Mr. President, on behalf of Mr. EXON, who controls the time on this side, I yield myself such time as I may consume. It will not be 30 minutes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I am convinced that if this budget resolution conference agreement is fully implemented over the next 6 years, it will lead the Nation into far more serious fiscal difficulty than we are in today. It follows the familiar supply-side policies of the Reagan administration, which, as we all recall, promised to balance the Federal budget while at the same time enacting massive tax cuts, it calls for increases in defense spending even when the Pentagon says it does not need the money, and cuts in entitlements—which never came to pass under the Reagan administration. President Reagan's policies did not result in the economy growing itself out of deficits or in balancing the budget. I voted with the President, Mr. Reagan, in support of his massive tax cuts and I also supported his buildup of a bloated defense budget. Instead, what did we see? We saw a massive increase in the national debt, which rose from under $1 trillion in the previous 200 years of the Nation to over $2.6 trillion on January 20, 1989, the day President Reagan left office.

Astoundingly to me, the fiscal blueprint contained in this budget resolution conference agreement is remarkably similar to those failed Reagan policies which nearly bankrupted the Nation, and from which we are still suffering, and which are still placing us in desperate straits with respect to our fiscal situation. For example, unlike the Senate-passed budget resolution, which allowed a tax cut to occur in a third reconciliation measure only after enactment into law of the first two reconciliation measures which contained deficit reduction, this conference agreement moves the tax cuts forward to the first reconciliation bill. The instructions for that first reconciliation bill call for the relevant Senate committees to report their proposals by June 21. Those instructions go to those committees with jurisdiction over welfare, Medicaid, and tax breaks.

So what we see then is that this first reconciliation bill will presumably cut Medicaid spending, cut welfare spending, and use those savings to finance a massive tax cut. That first reconciliation bill, I am advised, will reduce the deficit by a mere $2 billion over the entire 6 years, because the savings from welfare reform and Medicaid will be used to finance a huge tax cut.

I think it is utter folly to be talking about a tax cut at this time in our fiscal history. I say that with respect not only to the Republican tax cut, but also to the tax cut that is proposed by the Clinton administration. I was the one Democrat who voted against the President's budget, so I think I come into court here with fairly clean hands. I voted against that budget for two reasons: One, it cut taxes; and, two, it cut discretionary funding a great deal.

So if that were not enough, this conference agreement also allows for further tax breaks in the third reconciliation bill. Presumably, the purpose for this process is to allow the majority in the Congress to have another bite at the apple, should the President veto

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the first tax-break bill, or, if the majority finds that they did not do enough tax cutting in the first measure, even if the President signs it, they will have the opportunity to provide more tax cuts in the third reconciliation bill.

I do not try to second-guess the leadership or the other party in this matter. I have tremendous respect for Senator DOMENICI and Senator EXON. They provide a great service to the people of this country and to the Senate, and the Senate is in their debt. I respect them for their sincere judgments. But to those of us—I am one—who participated in the river boat gamble. So I come into court with unclean hands. I voted for the massive tax cuts over a 3-year period. I voted for them, although I did offer an amendment to provide that the tax cut for the third year, I believe, would not go into effect until such time as we could see what the impact of the tax cuts in the first 2 years would be on our budgetary and fiscal situation. But I voted for those. So I participated in that river boat gamble of tax cuts and a defense buildup first. I supported those two things as strongly as did the Republicans in this body. So I am not a Johnny-come-lately after the fact complaining about what the Republicans did on that occasion. I voted with them. I have been sorry for it.

To those of us who participated in the river boat gamble of tax cuts and spending cuts later as proposed by President Reagan, this conference agreement's proposed tax cuts now and spending cuts later is all too familiar to us. Have we not learned our lesson? It is all too easy to enact tax cuts and save the pain for later. I have voted for a good many tax cuts in my 50 years of politics, and I have voted against them. I said to the administration people that it is folly to talk about cutting taxes now with the colossal deficits that we have and the colossal debt that we have; the colossal payments of interest that we have to make on that colossal debt. If we follow the policies proposed in this budget resolution, we are about to do it again. What will keep the results from being the same at the end of this 7-year period as they were when we followed the policies proposed by the Reagan administration?

This budget resolution calls for $11 billion more in defense spending just in fiscal year 1997 alone than has been proposed by the President. It proposes tax cuts ranging from $100 to $200 billion or more. It proposes terrible devastation on the domestic discretionary part of the budget. I have been a member of the Appropriations Committee longer than anybody else in this body. I have been chairman of the Appropriations Committee for 6 years, and I have been a member of the Defense Appropriations Subcommittee for quite a long time. So I view these reductions in discretionary funding of exceedingly important programs to our people and to our country with a great deal of regret. It proposes, as I say, a terrible devastation on the domestic discretionary part of the budget—that portion which funds our investment in our Nation's education, environmental cleanup, clean air and water, highways, bridges and airports, flood prevention, crime control, war against drugs, plus the operations of the entire Federal budget. For that portion of the budget, this agreement, according to the Congressional Budget Office in a table provided to me just last evening, proposes real cuts in domestic discretionary budget authority of $254.9 billion below inflation over the period of fiscal years 1997–2002—$254.9 billion below inflation for domestic discretionary budget authority.

The people of this country are going to wake up one day, and they are going to say, "We are tired of having our domestic discretionary programs cut to the bone." It is already into the marrow of the bone, and discretionary spending has taken it on the nose for several years. Discretionary funding of domestic programs has borne the brunt of the budget cuts and will continue to bear the brunt of those cuts under this measure that is before us. One day the American people will say, "Where have you been? What is happening to our infrastructure—our highways, our sewage and water projects?" We need more money in West Virginia and in other rural areas to update our sewerage and water systems, and in some instances to install systems for the first time.

I am sure West Virginia is not alone in this. Why cannot we help our people? That is pretty important business—having clean water to drink. I offered an amendment twice here just in the last few days to provide for additional funding for States and for communities that need help with respect to their water and sewerage problems. Those amendments were defeated. Everything is being sacrificed here on the altar of a balanced budget. I do not decry the need to work toward our balancing the budget. But the way we are doing it, the way we are going about it, I object to.

Under this budget resolution, we will be able to purchase nearly $255 billion less in the year 2002 for domestic discretionary investments than we can today. The needs will be greater. The funding will be less than today.

I would point out that this budget resolution conference agreement cuts domestic discretionary budget authority below a freeze by $33 billion. That is a real cut. That is a cut from which the American people suffer, and they are going to be asking some questions down the road. They will be shaken out of their lethargy when they wake up one day and see that we are continuing to cut funding for domestic programs that mean so much for the health and well-being of the American people themselves. It is an outrage. It is a disgrace for American communities in this day and time not to have modern water systems. They need them in those rural areas to have pure water. Not to have clean water to drink—what is more important than that? In other words, under this budget resolution, $33 billion less will be available than would be required to fund the investments contained in the domestic discretionary portion of the budget at a hard freeze level over the next 6 years.

For fiscal year 1997 alone, Dr. Rivlin, the Director of OMB, points out in her letter to the chairman of the Budget Committee dated June 11, 1996, nondefense discretionary spending is cut by more than $15 billion below the President's request. The President's request was not anything to boast about. I can tell you that. The President's request was too low. The President's budget over the 6 years is $230 billion below inflation. So that is why I voted against them. It was not anything to beat one's chest over when it came to discretionary programs by President Clinton.

Furthermore, there is a peculiar section in this agreement as it relates to discretionary outlays for fiscal year 1997. According to page 28 of this conference report, section 307 is entitled "Government Shutdown Prevention Allowance." That section will hold in reserve $1,337,000,000 in nondefense discretionary outlays which will only be made available in the Senate pursuant to section 307(b). That paragraph reads as follows:

> (b) REVISED ALLOCATIONS.—In the Senate, upon the consideration of a motion to proceed or an agreement to proceed to a resolution making continuing appropriations for fiscal year 1997, or in the House of Representatives, upon the filing of a conference report thereon, that complies with the fiscal year 1997 discretionary limit on nondefense budget authority, the Chairman of the Committee on the Budget of the appropriate House may submit a revised outlay allocation for such committee and appropriately revised aggregates and limits to carry out this section.

In other words, if I understand it correctly, this section will allow the chairman of the Budget Committee to provide additional nondefense outlays of up to $1,337,000,000 to the Appropriations Committee "upon the consideration of a motion to proceed or an agreement to proceed to a resolution making continuing appropriations for fiscal year 1997."

This is getting curiouser and curiouser. Section 307 virtually ensures that there will be at least one continuing resolution for 1997. How else can the Appropriations Committee receive the $1.3 billion in outlays? What is this? This is an attempt by the majority to bludgeon the President into signing appropriation bills which will contain $15 billion less than he has requested for public investments in education, environmental cleanup, clean air and water, crime fighting, and a host of other programs. We faced this same problem in fiscal year 1996 and the President refused to accept cuts of this magnitude, and we ended up with total gridlock, Government shutdowns, and a record-setting 13 continuing resolutions to keep the Government functioning.

What we have in this agreement, it appears to me, is a blatant attempt to bypass the regular appropriations process even before it begins. Anyone can see that the President will not agree to sign regular 1997 appropriation bills when he is assured of getting $1.337 billion more in outlays if he waits for a continuing resolution. So the Republican majority has thrown up its hands and given up before it even begins to fight for the enactment of the 13 regular appropriation bills. They have tried to save themselves by creating a "Government Shutdown Prevention Allowance."

This just will not wash. Does the majority think that the President will just roll over and play dead on his budget priorities this year—with cuts of $15 billion as this resolution requires? Do they think that I and others who oppose such devastation in domestic investments will be satisfied with such cuts simply because we have a new Government shutdown prevention allowance? Well, let the majority proceed with their proposals and we will meet them one at a time and see how it turns out.

I can tell every Senator with complete confidence that this Nation cannot sustain the levels of cuts to the domestic discretionary portion of the budget over this 6-year period that are contained in this budget resolution without destroying the hopes of the American people for the betterment of their children and grandchildren. The money will not be there for increased investments in education. The money will not be there for an adequate transportation system to move our goods to market and our people to and from work in an efficient manner. The money will not be there for the safety and increased capacity of our national airport system, for improvement in flood prevention, cleaning up the environment, better water and sewage treatment for communities throughout the Nation. These will not be possible. There will be no improvement to these infrastructure systems, which are already in a state of serious deterioration.

Mr. President, like other budget resolutions before this which claimed to balance the Federal budget, several of which were put before the Senate by the present chairman of the Budget Committee, Mr. DOMENICI, this conference agreement contains no enforcement mechanism for any area of the budget except discretionary spending. We have operated under enforceable caps with across-the-board sequester mechanisms for a number of years. So that Senators can be sure that the devastation proposed by the cuts proposed in this budget resolution to the domestic discretionary portion of the budget will occur. Enforcement mechanisms make that a virtual certainty.

But, like all of its predecessors, this budget resolution conference agreement contains no such enforcement mechanisms for entitlement spending or for revenues. In other words, there is no assurance that the spending cuts proposed in any reconciliation measure that may be enacted into law pursuant to this budget resolution will actually result in the savings claimed. Traditionally, those savings have been far less than predicted. Similarly, any revenue increase measures that may occur in any of these reconciliation bills may not achieve the levels projected and the tax cuts may actually cost more than is being projected. If so, there is no method in this resolution to make certain that the revenue projections are, in fact, achieved or that the entitlement savings are, in fact, achieved.

There is no sequester mechanism or automatic tax-surcharge mechanism so that we may be certain that the entitlement spending cuts or any revenue increases will be achieved, or that any tax cuts will cost no more than is projected. So to all Senators who support this budget resolution today, I ask where will you be when the numbers go south in the future years as they did in the Reagan budgets? Where will you be? There is nothing here to ensure that these deficit projections will be reached. The only sure achievements will be the devastation in discretionary spending—that is a sure achievement—because of the caps for each of the next 6 years.

Finally, Mr. President, in closing let me point out that, despite all the rhetoric to the contrary, this budget resolution conference agreement does not result in a balanced budget in the year 2002. To confirm this fact one simply needs to turn to pages 3 and 4 of the conference report. At the bottom of page 3 one will see under Section 101(4) a heading entitled, deficits.

For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

fiscal year 1997: $227,283,000,000.
fiscal year 1998: $224,399,000,000.
fiscal year 1999: $206,405,000,000.
fiscal year 2000: $185,315,000,000.
fiscal year 2001: $141,762,000,000.
fiscal year 2002: $103,854,000,000.

So, apparently, there will still be a deficit of over $100 billion in fiscal year 2002 under this conference agreement.

No matter how hard this thing tries to impress by sticking out its chest and spreading its tail feathers, it is still a turkey and it will not fly.

I say this again to emphasize, with great respect to all of the Senators who have had a part in developing this conference agreement. We sometimes do the best we can, and then we are not able to do enough. I was not entitled to sit in on the conference. I do not know what arguments were made and what arguments were made and lost. I am simply looking at the agreement as I find it here today and making my own personal judgment concerning it.

Mr. President, how much time have I used?

The PRESIDING OFFICER. The Senator has used 29 minutes.

Mr. BYRD. I thank the Chair. I kept my word.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to Senator BYRD, I purposely came to the floor so I could hear his remarks, and I was here for all of them. I cannot respond right now, because the call of duty has me going somewhere else. But four or five of the points the Senator makes, I will state our versions of them, which I think are different than your assumptions.

I share some concerns. It is clear that if I were producing a budget and I were the king and all I had to do was do it myself, while I might come and confer with you, it would not be this budget. But we have to get a majority of the Senators to vote to reduce this deficit.

Frankly, I believe it is a pretty good plan. I think your analysis of the taxes, the tax cuts—I think we have an explanation that is slightly different, maybe in some respects greatly different, than you assume.

I would say one thing with reference to the appropriated accounts—well, let me say two things. It is most interesting, you have properly stated how much the President cuts discretionary programs. You would then, I am sure, agree that if we took the triggered part of his budget, it even cuts it more. That is the one that is on par—or did you use the triggered numbers? It would be more.

Mr. BYRD. I already took that into account in my numbers.

Mr. DOMENICI. There are two budgets, one which uses the Congressional Budget Office assumptions and one which uses the President's own assumptions. In each instance, the amount of the cuts are different.

But I would say one answer to your concern might be that you might adopt some of the President's Cabinet's approach to out-year appropriated accounts, for they come around and testify they are meaningless; it goes 1 year at a time, and not to worry about it. Frankly, we have not done that because we figure we need some of the savings. But when you put a budget down, you have to stand by it. You cannot find excuses and say it really is not real.

The second point is, we are fully aware that it would be grossly unfair, and probably not good for the country, to not get the entitlement cuts and insist on all of the discretionary. You would have some things out of proportion, and you probably would not get a balance. If you read the report and the resolution, it says if, in 1998, the entitlement savings have not occurred, then the caps are off discretionary accounts. That is not of great help, but it does at least make the point that we are fully aware that to get the balance, you have to have the entitlement savings; you cannot just do the discretionary accounts.

I will return and have a few additional comments. I yield the floor at this point.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, while the distinguished Senator from New Mexico, the chairman of the Budget Committee, is on the floor, I would like to ask him a question.

The PRESIDING OFFICER. The Senator from New Mexico has yielded the floor.

Mr. BYRD. Mr. President, do I have the floor?

The PRESIDING OFFICER. Yes, sir.

Mr. BYRD. Mr. President, I ask unanimous consent that notwithstanding I have the floor, I may ask a question of another Senator without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I am really going to be in a meeting. I will come back and answer any questions the Senator has within the next 30 or 40 minutes. I am supposed to be in Representative ARMEY's office at this moment, but I will come back, if the Senator has some questions.

Mr. BYRD. I thank the Senator.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time will be charged to both sides equally.

Mr. GORTON. Mr. President, I suggest the absence of a quorum and ask unanimous consent the time be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I have noted with interest over the last several weeks that our colleagues on the other side of the aisle have repeatedly spoken of the need for a balanced budget amendment to the Constitution. They have talked repeatedly about the need for deficit reduction.

I believe we do need to balance the budget. I believe we do need significant deficit reduction, because we face a demographic time bomb in this country. That demographic time bomb is the baby boom generation. When they begin to retire, they will double, in very short order, the number of people eligible for Social Security and Medicare, and that is going to put severe pressure on the finances of the United States. So it is critically important that we get our fiscal house in order.

Mr. President, given all the rhetoric that has come from the Republican side of the aisle about the need to balance the budget, about the need for deficit reduction, I looked with anticipation at their budget proposal that is, after all, the work that they now control. They control the House of Representatives. They control the U.S. Senate. As everyone in this Chamber knows, and everyone knows in the other House, the President is not involved with the budget resolution. He cannot veto it. He plays no role in it. This is completely a creature of the two Chambers, the House and the Senate, controlled by the Republican Party.

So I think, given the rhetoric, one would anticipate that if you look at the budget proposal, the Republicans would be reducing the deficit. What a shock it is to look at the budget proposal before us and find out that our Republican friends, instead of reducing the deficit, are increasing the deficit.

Let me repeat that, because I am certain a lot of people will find that hard to believe. After all of the rhetoric, after all of the discussion that said we are going to reduce the deficit, that that is the priority, if you look at the plan before us, it does not reduce the deficit, it increases the deficit.

Mr. President, this year the deficit is going to come in at $130 to $140 billion. Next year under this plan, the deficit will not go down, will not be decreased, will not be cut, the deficit will go up. The deficit will go up to $153 billion. The next year it will be $147 billion, both higher than the deficit we have now.

Sometimes I think the popular image is the Democrats are less in favor of deficit reduction than our friends on the other side of the aisle, but if one looks at the record, one finds quite a different result.

When President Clinton came into office, he inherited a deficit of $290 billion. That was the deficit in 1992. In 1993, we passed a plan that not a single Republican supported, and that plan led to a reduction in the deficit the next year of $255 billion. The next year it was further reduced to $203 billion. The next year it was reduced to $164 billion, and now this year, $130 to $140 billion—4 years of deficit reduction, the first time since the administration of Benjamin Harrison.

I think in fairness, one has to say the Democratic record of deficit reduction in the Clinton administration has been a good one. And I must say, I am disappointed our friends on the other side of the aisle, when they have a chance to exercise control over the budget, come in with a proposal that, instead of reducing the deficit, raises the deficit. That is not the direction we ought to be going.

I am still hopeful that we will go back to an approach of a bipartisan attempt to do what we all know must be done, which is to put this country on a path to fiscal responsibility. Not just rhetoric, but the reality.

I must say, I read in the paper this morning that some House Republicans were in revolt, because they did not come here to raise the deficit, but that is precisely what their plan does. Mr. President, I intend to vote against that plan. I hope other of my colleagues will vote against that plan as well, because not only does it raise the deficit, but it contains a set of priorities that are virtually the same set of priorities that we were confronted with last year which the American people soundly rejected—soundly rejected.

We should not go on that path again this year, and we certainly should not be voting for a plan that raises the deficit.

I thank the Chair and yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, if my colleague will stay just for a moment, I would like to engage in a colloquy with him about a point the Senator from West Virginia made.

I have been listening to part of the debate and participating in part of the debate. I found the representation both on the floor of the Senate and even in the newspaper this morning very interesting. It says "House Narrowly Passes Balanced Budget Plan," which is the plan we are talking about here. This is the plan the House narrowly passed yesterday, described as a "balanced budget plan."

This piece of paper is on every Senate desk. It is laying here on mine, but every Senate desk has it, and this is the actual conference report. On page 4 of the actual conference report, it says, "Deficits," and then in the year 2002, it says, "$103 billion in deficits."

The Senator from North Dakota, Senator CONRAD, has spoken on this before as well, but it seems to me what this does is technically comply with the law, because the law says that you cannot use Social Security trust funds to portray in a piece of legislation like this that you have balanced the budget. But with the exception of this notation on page 4 that the deficit is going to be $103 billion in 2002, with the exception of that one notation, every other piece of information given on the floor of the Senate, every speech given by the majority that brings this to the floor alleges this is a balanced budget.

Is it just out of step, I guess, with common practice to be able to ignore what you put in the legislation and claim something different? Can Senator CONRAD answer that question? I guess the question I would ask is, what is the circumstance that allows this kind of hoax to continue?

Mr. CONRAD. In answer, Mr. President, I might just say it is perhaps one of the most perplexing stories in this town, because this is not a balanced budget plan. I mean, honestly stated, to take the retirement funds of the people of the United States and throw those into the pot and call it a balanced budget, frankly, borders on laughable. There is a $103 billion deficit by the year 2002 under this plan.

Sometimes I think the media just do not get it. They are reporting on what we call the unified budget. The unified budget is when you put everything into the same pot and then you see whether you have balance or not. The problem with that, of course, is that includes Social Security, all of the receipts and all of the expenditures. Social Security is not contributing to the deficit, as the Senator from North Dakota knows, Social Security is in surplus, substantial surplus. And that is going to continue. In fact, those surpluses are going to grow, and the reason we put a plan in place to have Social Security surpluses grow is because we are getting ready for when the baby boom generation retires.

But, of course, we are not getting ready; we are spending every dime. As a result, to call these balanced budgets is not accurate. It is misleading.

Mr. DORGAN. If the Senator will yield further, on the same page it says, "Social Security revenues," and they are anticipating how much in revenues will come in to the Social Security Program during the next 6 years.

During the 6 years, the revenues from Social Security, which is the payroll tax everyone pays from their paycheck while they are working, will increase by $100 billion over the 6 years. It will go from $385 to $487 billion. In other words, this contemplates that from the payroll taxes, which are regressive taxes, will rise by $100 billion. People talk about flat taxes. These are the flat taxes. This is totally flat. Every worker, no matter what their income is, pays the identical percentage of payroll tax. That payroll tax will increase the proceeds to the Federal Government by $100 billion in the 6 years.

The solemn promise that has been made in law is that increase in the regressive payroll tax is designed to be put in a trust fund to be saved for when it is needed when the Social Security System will exhibit some strains when the war babies retire. It is interesting to me that the $100 billion increase in the regressive payroll tax is clearly not going to be saved, if you listen to the other side claim they now have balanced the budget, because they clearly are taking that $100 billion on the bottom of page 4 and saying, "Well, we don't care what the promise is with respect to taking that from workers and putting it in the trust fund, we intend to use it to balance the budget."

At the same time they want to construct a budget they say needs balancing, they want to reduce taxes. Yes, they want to cut the alternative minimum tax for corporations, they want to make it easier to move your plant overseas by giving a tax break, they want to enact a whole series of tax cuts. Most of those tax cuts will benefit upper income people.

They want to bring, next, to the floor of the Senate a proposal to build up to a $60 billion star wars program. There is an unending appetite to spend money on the part of even those who claim they are balancing the budget, but are not balancing the budget in this proposal.

I ask Senator CONRAD about the $100 billion increase in Social Security revenues that are anticipated in this budget. Does it not appear as if those are the revenues that they would then use to claim they have balanced the budget, when in fact they have not?

Mr. CONRAD. In fact, if you take the amount of money over the 6 years, it is $525 billion of Social Security surpluses that are going to be used to say that the budget has been balanced. So $525 billion of Social Security surpluses are going to be looted or raided, or whatever terminology one wants to apply in order to claim a balanced budget.

This is not a balanced budget. In fairness, I think one ought to say the President's plan is also not a balanced budget. Even the plan that I was part of, part of the centrist coalition, was not truly a balanced budget. None of these plans are truly balanced budgets.

In fact, the only plan that we have had a chance to vote on in the last 2 years that was truly a balanced budget was the one I offered last year, and the Senator from North Dakota supported it, the fair share balanced budget plan. That did balance without counting Social Security surpluses. It is the only budget that has been voted on on the floor on the Senate that was a true balanced budget plan. That got 39 votes here in the U.S. Senate. Obviously, 39 votes does not prevail.

I just say, the media, when they report, ought to tell the people accurately and honestly what has happened. Because to take retirement funds and throw those into the pot and call it a balanced budget, if we were doing that in the private sector, if in any company you took the retirement funds of employees, threw those into the pot, and said you were balancing the budget, you would be headed for a Federal institution. It would not be the U.S. Congress. It would be a Federal facility, a law enforcement facility. You would be headed for Federal prison because that is a violation of Federal law.

Mr. DORGAN. Let me make one additional comment.

Mr. President, I know the Senator from Nebraska wishes to contribute on these subjects. But the Senator from North Dakota says something I said yesterday. The President's budget also is not in balance, nor was the bipartisan budget in balance. I have never claimed they were. But those who bring this to the floor who claim they are in balance are wrong. This is not a balanced budget.

I only make the point that the Senator from Nebraska has been on the floor talking about this budget issue. I read his statement yesterday. I did not hear his statement when he made it, but I read it in the CONGRESSIONAL RECORD. He makes the point that I think is very important.

We ought not be talking about tax cuts. I know that might be popular. We ought to set the issue of tax cuts aside, talk seriously about how do you honestly and really balance the budget, do that job, finish that job, then come back to the question of how do you construct a tax system that eliminates or reduces some of the burden on middle-income people? That is what we ought to do.

But instead of that, we have a bunch of folks out here who wave their arms and flail around on the floor of the Senate and claim they have a balanced budget, which is not in balance; and then in the next breath say, "We not only have a balanced budget"—that is not in balance—"but we want to cut taxes and increase spending."

What on Earth kind of priorities are those? That does not make any sense. I could understand if there was a consistent approach, even if it was wrong. I can understand consistency. But to be consistently inappropriate in the way you approach this issue just makes no sense.

How can you be for a balanced budget and then come to the floor with this and be consistent about wanting to do the things that reach a balanced budget? This is not advertising. I mean, this is not some marketing game we are playing. The issue is, are we going to solve this problem?

This document is a remarkable document, not only for what it says, but for what it does not say. What it says is, "There they go again." That is what it says. That is what the Senator from Nebraska said. It is the same tired, old set of priorities. "Let's take money from the health care for the elderly and give it for tax breaks for upper income folks." There they go again; the same set of priorities.

But even more important than that, the inconsistency here is stark, the inconsistency of saying we want a balanced budget, then proposing one that is not in balance and then in the same breath saying let us reduce revenue by giving tax cuts to those, especially those at the upper end, who do not need it. And then let us spend more money especially on things like star wars and other defense boondoggles that cost tens and tens of billions of dollars. The inconsistency is incomprehensible. Senator CONRAD made that point and Senator EXON has made the point as well.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Nebraska has 13 minutes remaining.

Mr. EXON. How much?

The PRESIDING OFFICER. Thirteen minutes.

Mr. EXON. Mr. President, I have three other speakers who wanted 5 minutes each, including the leader.

At this point, Mr. President, I thank the senior Senator from West Virginia for the kind remarks that he made about this individual with regard to the budget. He is a real stalwart. I have enjoyed working very much with Senator BYRD over the years.

Mr. President, I ask unanimous consent that an analysis of the Republican budget, prepared by the Democratic staff of the Senate Budget Committee, be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF THE REPUBLICAN CONFERENCE REPORT ON THE FISCAL YEAR 1997 BUDGET RESOLUTION PREPARED BY THE DEMOCRATIC STAFF OF THE SENATE BUDGET COMMITTEE

INTRODUCTION

With the filing of this conference report, all of the efforts of the Republican majority to portray their budget as moderate are in vain. The Republican majority have done a superb job to airbrush their budget, but the American people can see the real thing—warts and all.

It retains the same unflattering profile as its predecessor: unnecessary reductions in Medicare and Medicaid paying for tax breaks for the wealthy. This is in fact the Newt Gingrich Budget. And as Senator Dole leaves Capitol Hill for the campaign trail, he leaves whatever is left of his budget to the tender mercies of the extreme right. They will give it their full attention.

This rehashed budget is part and parcel of the Republican strategy of no-work and all-political-play. They wanted to ram through their failed and stale political agenda and confront the President at every turn of this crooked legislative road. Worst of all, two of the three baby reconciliation bills the conference report creates will be devoted largely to cutting taxes—an act that will worsen the deficit.

The House is already working its voodoo in this conference report. At least the Senate language required that all the entitlement spending reductions be enacted into law before we considered the tax breaks. The House shamelessly tossed that requirement out the window and the Senate concurred.

The first reconciliation bill contains Medicaid, welfare, and tax breaks. So much for performing deficit reduction before doling out the tax breaks. So much for fiscal conservatism. The first reconciliation bill will reduce the deficit by just $2 billion, if it reduces the deficit at all. This is as plain as the light of day. The majority now want to eliminate the Medicaid guarantee of meaningful health care benefits for 18 million children, 6 million disabled Americans, millions of nursing home residents, 36 million people in all, to fund their tax breaks.

The conferees assume a net tax cut of $122 billion, yet Chairman Kasich maintains that the cuts will be as large as $180 billion. There is not a single specific mention of closing tax loopholes or of ending corporate tax giveaways. The same budget that eagerly reduces funding for our Medicare and Medicaid programs cannot find the courage to call upon the special interests to assume any of the burden of balancing the budget.

The Republicans cling to the tax breaks—the tax breaks that fuel the reductions in Medicare and Medicaid and divide our great Nation. That is why they and this budget will ultimately fail. And that is not only a tragedy for the departing Majority Leader but for the American people as well.

MEDICARE

The reduction in projected spending for Medicare is still too large. The Republican budget reduces Medicare spending by $168 billion and proposes $10 billion in new spending for a graduate medical education trust fund. Under these assumptions, Medicare spending per beneficiary falls dramatically below comparable private sector growth rates, reducing quality and access to health care for millions of middle-class Americans. Private health care costs are expected to increase by 7.1 percent per beneficiary compared to a 4.7 percent per-person rate in the Republican plan—a 34 percent difference. The GOP plan will dramatically cut the purchasing power that seniors have for health care.

The plan also includes a premium increase for high-income beneficiaries and a $123 billion reduction in Part A. Details on the premium increase are not available. The American Academy of Physicians, the American Hospital Association, and the American Association of Retired Persons concur, however, that the proposal contains deeps cuts in payments to hospitals, which could result in cost-shifting, undermine quality, and threaten the finance viability of many rural and urban hospitals.

Damaging structural changes proposed by the Republicans will risk turning Medicare into a second-class system for seniors who cannot afford to opt out of traditional Medicare through Medical Savings Accounts. These changes would segregate the sickest and least affluent beneficiaries into in a severely weakened fee-for-service program.

The President proved you can balance the budget with far less Medicare savings while keeping Medicare solvent and protecting seniors from new costs. The President's budget cuts Medicare by $50 billion less than the Republican plan but maintains solvency for 10 years. The President's budget shows that premium hikes, deep reductions, and damaging structural changes are not necessary to balance the budget and guarantee the life of the Medicare trust fund. By preserving cuts in corporate subsidies for tax cuts for the rich, the Republicans are forced to reduce the growth of programs for middle-class Americans far deeper than the President's plan.

REDUCTIONS FROM LOW-INCOME PROGRAMS

Although the Republican budget does not identify all of the assumptions behind cuts in mandatory programs, more than 42 percent of these savings come from programs that help low-income Americans.

MEDICAID

The Republican budget includes $72 billion in Medicaid cuts. This could translate into total cuts of more than $250 billion if states spend only the minimum required to receive their full allocations. If this occurs, spending growth per person would be reduced to a level below the general rate of inflation.

Recently introduced Republican legislation shows that they have not backed down from their proposal to block grant Medicaid and to eliminate health care guarantees for the elderly, disabled, and pregnant women and children. The Republican bill distributes more than 96 percent of the funding in exactly the same way as last year's Medigrant proposal.

As the Democratic Governors have pointed out, these Medicaid provisions do not reflect the bipartisan National Governors' Association proposal, because the NGA agreed that States must be protected from unanticipated program costs resulting from economic fluctuations in the business cycle, changing demographics, and natural disasters. The umbrella fund included in the new Republican proposal is not sufficient to achieve that goal.

Under this proposal, 36 million people will lose their guaranteed access to health care. Those who do receive coverage will no longer be guaranteed a basic level of benefits. States could be forced to deny coverage to millions of children and people with disabilities, and to older Americans who rely on Medicaid to pay for nursing home and long-term care.

Welfare

The Republicans claim to adopt the National Governors' Association's welfare reform recommendations. The Republican budget cuts $53 billion from welfare programs, however, significantly more than the $43 billion in savings attributed to the bipartisan NGA proposal. Recently introduced Republican welfare reform legislation does include several provisions requested by the Governors. But, as the Democratic Governors have pointed out, the Republican plan cuts food stamps more than the NGA proposal, rejects the NGA's work requirements, and includes a 20-percent cut in the Social Services Block Grant, which will undermine states' efforts to make sure that adequate child care will be available. The Republican bill also eliminates the provision supported by the NGA that States maintain their current level of effort in order to receive Federal foster care funding.

The Republican Medicaid and welfare bill was crafted with no Democratic input. It would appear that the Republicans would rather play election-year politics than work toward real, bipartisan reforms that could be signed into law.

Earned Income Tax Credit

The Republican plan includes $18.5 billion in cuts to the Earned Income Tax Credit

(EITC). The EITC helps low-income working families stay off welfare and out of poverty. The conference report does indicate that the tax credit would end for 4 million childless workers, and states that the EITC would be "coordinated" with the $500-per-child tax credit. Most families who receive the EITC, however, would be ineligible for much, if not all, of the child tax credit. The same claims were made last year, but analysis of the final proposal indicated that more than 7 million working households would have had their taxes increased under the EITC provisions in the vetoed reconciliation conference report.

EDUCATION

No Real Investment in Education and Training

The $1.3 billion by which the Republicans increase education funding from 1996 to 1997 is wholly insufficient to maintain the levels agreed to in the 1996 omnibus appropriations bill. In fact, over 6 years, the conference report is below a CBO 1996 freeze by $11 billion for Function 500 (Education, Training, Employment, and Social Services) discretionary spending. It is clear that the Republicans have still not learned that the American people, a majority of Congress, and the President believe that adequate funding for education programs is essential.

The trivial increase included in the conference report of $2.6 billion over 6 years over the Republicans baseline for Function 500 discretionary spending is shameful given how important education and training is to our Nation. The President's budget, by contrast, invests $59.4 billion more than the Republican budget. In real terms, the conference report reduces education and training spending by $25 billion over 6 years.

Capping the Direct Student Loan Program

The conference report proposes capping the Federal direct student loan program, crippling this successful program. (The conference report does not provide a volume amount at which this cap would be set. The House-passed budget resolution eliminated the program, while the Senate capped it at 20 percent.) Since schools participating in the direct loan program currently handle nearly 40 percent of loan volume, hundreds of schools will be forced out of the program. This will lead to disruptions and disarray for colleges and universities and considerable headache and uncertainty for students. The Republican majority does not believe that competition and choice belong in the student loan market; they want to assure banks and guarantee agencies continued access to Federal subsidies.

Even though the Republicans claim outlays savings of $3.7 billion over 6 years from their cap on direct lending, their proposal would cost, not save billions, if it were scored under the existing rules of the Credit Reform Act. The Republicans add $5.8 billion in outlays to the deficit through a "baseline adjustment" directing the Congressional Budget Office to override the Credit Reform Act in its scoring of student loan programs.

THE ENVIRONMENT

Over the next 6 years, the Republican budget cuts $3.8 billion from essential environmental and natural resources programs, a 17 percent cut below the President's level by the year 2002, including a 23 percent reduction for the EPA's enforcement and operations activities and a 36 percent reduction for the energy conservation programs. The Republican plan uses these reductions to let polluters off the hook, to the tune of $5.4 billion, by financing taxpayer spending for Superfund cleanups rather than requiring responsible parties to pay the cost.

The Republican budget plan also assumes a $1 billion of savings will be achieved from the opening of the Arctic National Wildlife Refuge (ANWR) to oil and gas development, putting at risk one of our national treasures. The Republican plan would weaken EPA's ability to protect public health and the environment and lead to further deterioration of the National Parks. The Republican plan jeopardizes administration priorities such as the environmental cops on the beat program, the Partnership for a new Generation of Vehicles, and the Climate Change Action plan.

CRIME AND JUSTICE

The Republican budget, as approved by the conferees, actually decreases the funding level from both the House and Senate budgets for the Administration of Justice function (Function 750). The proposed funding level is $20.9 billion, and is well below the House level of $22.1 billion and the Senate resolution of $21.7 billion, and considerably below the $23.5 billion requested by the President.

The Violent Crime Reduction Fund (VCRTF) would be funded at only $4.7 billion, which is $300 million below the $5 billion authorized level. The President requested that the Trust Fund be funded at the full $5 billion level. In addition, funding for the VCRTF is not included for the years 2000 and 2001. The President's budget assumes continued funding for the Trust Fund in those years. It is unlikely that our need to commit adequate resources to fighting crime will end after the year 2000.

At a time when Americans continue to express concerns about the level of violent crime and the need to continue an aggressive war on drugs, this Republican budget would actually spend less money ($20.924 billion) in 1997 than was allocated in 1996 ($20.969 billion).

The Republicans continually depict the President as soft on crime and not aggressively pursuing the drug war. This Republican budget at $2.6 billion below the President's request, however, clearly demonstrates that Congress, not the President, is placing a low priority on fighting crime and achieving justice in America.

TAX BREAKS

No one should be fooled into believing that the Republicans intend to limit their tax breaks to $122.4 billion, as claimed by the conferees. The Republicans try to hide the size of their tax breaks by not including in their baseline the extension of three expired excise taxes dedicated to trust funds and by counting the cuts over 6 years as opposed to last year's 7 years. The Republicans are not backing off of their huge tax breaks; they are merely disguising them with clever gimmicks. Simply extending the excise taxes will raise the tax cut to $155 billion. House Budget Committee Chairman Kasich claims that the tax breaks will be in the range of $180 billion.

On its face, this budget does not even pay for the one tax cut it endorses, as the child tax credit costs about $137 billion. Unlike the cost of the child tax credit that grows incrementally each year, the Republican tax cut in 2002 is reduced to $16.6 billion from a 2001 level of $22.6 billion. If the child tax credit is indeed the only assumed tax cut, then it must be sunsetted or triggered-off in some way in 2002, perhaps by lowering the size of the credit.

The Republican budget does not call upon special interests to assume any of the burden of balancing our budget. While President Clinton has proposed that $40 billion be raised from corporate reforms and loophole closing legislation, the Republican budget lists no savings from those categories.

The Republican budget allows for a "deficit neutral" tax relief bill that will most likely include capital gains tax breaks and other tax cuts. Chairman Domenici has repeatedly asserted that tax increases can be used by the Finance Committee to offset additional tax decreases. If the past is any guide, the Republicans will soon be proposing to raid pension funds for working families as a way to pay for tax cuts that benefit primarily our wealthiest citizens. As many of the other corporate reform provisions in the Balanced Budget Act have already been promised to pay for other legislation before the Senate, it remains unclear what will be used to offset the costs of any additional tax breaks.

Experience tells us to be very wary of Republican promises of who will benefit from their tax breaks. Last year's vetoed Republican reconciliation bill devoted 47 percent of its tax cuts to people making more than $100,000. Chairman Kasich has already promised that this year's tax breaks will likely be more of the same.

NATIONAL DEFENSE AND INTERNATIONAL AFFAIRS

For 1997, the Republican conferees adopt the Senate position and increased defense spending over the Pentagon's 1997 request by $11.3 billion. In 1998–2002, the conferees more or less split the difference between the House and the Senate resolutions. This $11.3 billion increase in 1997 tops last year's Republican budget, which increased spending over the Pentagon's request by $6.9 billion. As demonstrated by recent action in the House and Senate authorizing committees, much of this increase will go toward wasteful programs that the Defense Department does no want and did not request. In 1998–2002, the conferees allow the defense budget to grow at a rate slower than inflation, yielding spending levels that are well below the President's request for 2001 and 2002. In comparison to last year's budget resolution, this year's effort provides defense with $7.7 billion more in real purchasing power.

For International Affairs, the conference report provides $18.2 billion for 1997, which exceeds what was recommended in both the House and Senate resolutions. Despite this relative increase in funding, this allocation is still $1.0 billion less than the President requested and $260 million less than appropriated last year. For the period 1997 through 2002, the Republican budget provides over $18 billion less than the President requested for International Affairs. These reductions will undermine our global leadership responsibilities and compromise our ability to advance core national interests. Republicans once again talk the talk of being a global superpower, but then refuse to walk the walk by allocating the funds necessary to act like one.

PROCESS IN THE BUDGET RESOLUTION

The Republican budget contains instructions for three different reconciliation bills to try to maximize Republican exposure during this election year.

The first reconciliation bill addresses welfare, Medicaid, and tax breaks. The resolution moves the tax breaks up into the first bill, which will barely reduce the deficit, if it does at all. The House committee reporting date is this coming Thursday, June 13, and the Senate committee reporting date is June 21. The Senate committees instructed are Agriculture and Finance (both direct spending and revenue reductions).

The second reconciliation bill is devoted solely to Medicare. The House committee reporting date is July 18, and the Senate committee reporting date is July 24. The only Senate committee instructed is the Finance Committee, and for only direct spending.

The third reconciliation bill addresses miscellaneous direct spending and, once again, tax breaks. This way, if the President vetoes the first tax break bill, Congress can send him another. The House committee reporting date is September 6, and the Senate committee reporting date is September 18, not even a month and a half before the election! Senate committees instructed for this bill include Agriculture, Armed Services, Banking, Commerce, Energy, Environment, Finance (both direct spending and revenue reductions), Governmental Affairs, Judiciary, Labor, Veterans. Reporting is no longer contingent on passage of the prior two reconciliation bills, as it was in the Senate-passed reconciliation bill.

You can bet that there will be a continuing resolution—a C.R.—this year. That's because section 307 of the budget resolution—comically named the "Government Shutdown Prevention Allowance"—provides that the Budget Committee Chairman can boost the allocations to the appropriators and lift the appropriations caps by $1.3 billion in outlays (enough to get to a CBO freeze) if and only if the appropriators report out a C.R. The only question now is, will the FIRST appropriations bill be a C.R.?

The Republican budget contains a tax reserve fund that allows tax cut legislation to be offset by spending cuts. The types of tax breaks allowable show the Republican priorities: family tax relief, fuel tax relief, and incentives to stimulate savings, investment, job creation, and economic growth—read capital gains—so long as the legislation does not increase the deficit.

The Republican budget contains a reserve fund to reauthorize superfund. This will allow discretionary spending to be moved off budget to pay for cleanup without holding original polluters responsible.

The Republican budget contains a provision requiring that asset sales be counted, rejecting the compromise present-value language agreed to on the Senate floor.

The Republican majority has given us another extreme budget, and the Senate should reject it.

Mr. EXON. Mr. President, in view of the fact that we have roughly 10 minutes left—as I understand it, we are planning to vote at noon, I ask the Senator from Washington.

Mr. GORTON. The Senator from Nebraska is correct.

Mr. EXON. Mr. President, in order to expedite the proceedings, I ask unanimous consent that the final 10 to 12 minutes, whatever time is left on the Democratic side, be reserved for use between 11:40 and 11:55 this morning.

Mr. GORTON. Reserving the right to object, would the Senator from Nebraska make that period of time end at 11:50 so that the Senator from New Mexico, as the proponent, may have the last 10 minutes? Can the Senator move it forward a little and end at 11:50?

Mr. EXON. Yes, if the Senator wants that. I agree to amend the unanimous consent request as suggested by the Senator from Washington.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I suggest the absence of a quorum.

Mr. GORTON. Would the Senator withhold?

Mr. EXON. I withhold.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I regret the absence from the floor of the two Senators from North Dakota who just engaged in a discussion of this and of other budget proposals. But even in their absence, their statements should not go without response.

At one level, the so-called Social Security argument, the proposition that these budgets are not balanced, we are dealing with mere debating points, and relatively outrageous debating points at that.

At a second level, the concerns of the Senator from North Dakota, Mr. CONRAD, who was a part of the same bipartisan group attempting to reach a common ground on that issue, as I was, I wish my remarks to be more serious. I think his were more pointed and more thoughtful. I will try to do the same.

More than a year ago, at the time at which this argument about whether or not payroll taxes and Social Security benefits should be counted when we determine whether or not the budget was balanced, Charles Krauthammer, in his column in the Washington Post, wrote:

> In my 17 years in Washington, this is the single most fraudulent argument I have heard. I do not mean politically fraudulent, which is routine in Washington, in a judgment call anyway; I mean logically, demonstrably, mathematically fraudulent, a condition rare even in Washington, and a judgment call not at all.

Why did Mr. Krauthammer, an outside observer, write about this argument in this fashion? For one simple reason, Mr. President. The budget deficit of the United States of America, however many billions of dollars we are speaking of, is an exceedingly simple concept, readily understood by any citizen of this country. It is the difference between the amount of money the Government of the United States spends every year and the amount of money the United States takes in every year.

Unfortunately, for various and sundry purposes, some good, some not so good, we have frequently passed laws that put some of these receipts into a particular fund, spend out of that particular fund, and then we have gone beyond that process to pretend they are not a part of the budget or of the budget deficit. But they are.

The payroll tax is a tax which the Presiding Officer pays and I pay and every other working American pays, just to exactly the same extent that the income tax is a tax or an excise tax is a tax. The money spent by the Federal Government is a Federal expenditure, however worthy or unworthy its purpose, whether it is wasted or spent highly constructively.

When we speak of a balanced budget in the year 2002, we speak of it in the sense of how much money we are spending and how much money we are taking in. When President Clinton says that he has a balanced budget in the year 2002, he speaks of it in the sense of how much money we spend and how much money we take in. When the bipartisan group, of which the Senator from North Dakota was a part, speaks of a balanced budget, it uses exactly that same concept.

My gosh, Mr. President, by the argument that we received over here, we can balance the budget this year. All we have to say is that $150 billion of money we spend is not on the budget. Let us pass a law. Just pass a law. Let us say all the money that we spend on national defense is not counted on the budget. Presto, we would have a surplus, and we could all go home, and the budget would not be unbalanced.

Mr. President, obviously, it is not as easy as that. The money we spend on national defense does count. The money we spend on Social Security does count. The money that comes in our payroll taxes does count. When we count everything, the budget is passed.

Even worse, Mr. President, some Members voted against a constitutional amendment to balance the budget unless we included in it this fiction that payroll taxes for Social Security purposes and payments to Social Security recipients did not count. Mr. President, that is especially outrageous because by the time the constitutional amendment was ratified and became fully effective in this country, it would have exactly the opposite effect that the proposal has today.

Today, the proposal outlined by the two Members from North Dakota would say we cannot count as balanced a budget that is, in fact, balanced. We have to state there is a $100 billion deficit because in that particular year, the Social Security taxes are taking in $100 billion more than is being paid out in benefits.

We all know, we have been told, we know inevitably that sometime relatively early in the next century, exactly the opposite will be the case: The Social Security trust fund will be paying out more money than it is taking in.

So if these Senators have their way, in 10 or 15 years we will be able to claim a budget is balanced while the Social Security trust fund is going bankrupt and while the country is, in fact, obligated to spend hundreds of billions of dollars every year that it does not have. The books will say the budget is balanced in exactly the same way that it would say that they were balanced today if we just decided to take national defense off budget and claim the money we were spending on it did not count, for some reason or another.

It is for that reason, Mr. President, that Charles Krauthammer, a year and a half ago, said this was the most fraudulent argument he had ever heard in 17 years in Washington, DC. That is not the real issue before the Senate, in our judgment, as to whether or not to pass this budget resolution. That judgment really rests solely on the question, is it time to begin to move honestly toward a balanced budget? Is it time to arrest the growth rate of a handful of entitlements which each year take a larger percentage of our budget and each year contribute more to our budget deficit? Is it time to assure that we are going to have enough money for the very appropriated accounts about which the Senator from West Virginia was so eloquent, or are we going to allow them to be eaten up completely by these entitlements to the point which we will have no money for any of those purposes—for education, for the environment, for a park system, for the Department of Justice, because we are simply unwilling to deal with these entitlements?

In fact, Mr. President, it is true under this budget resolution, the deficit in 1997 will be larger, by a small margin, than the deficit in 1996. The deficit in 1998 will begin to go down, it will be about the same as the 1996 deficit, and then it will go down more rapidly thereafter.

Mr. President, if we were to adopt President Clinton's budget, the increase in the deficit in 1997 would be even greater, and in every single year it would be significantly more than it is under the proposal before the Senate now. Why? Because he does not arrest the growth of entitlements in the way we do. In the early years, at least, he proposes to spend much more in discretionary spending.

Mr. President, this is what I principally regret about the argument of the Senator from North Dakota. The bipartisan budget, which the two of us supported, also has a higher deficit using these figures in 1997 than in 1996. It has a higher one in 1998 than in 1997. Yet, the Senator from North Dakota and I both supported it. Why? Because, in my opinion, it does a better job in the long-term control of entitlement programs. Thereafter, it allows for at least as much in tax relief to working Americans as does ours, and allows for more in the way of discretionary spending on education, law enforcement and the like. I felt it preferable to the one we have before the Senate now, but we did not win. This one is infinitely preferable to the proposal of the President, and it is infinitely preferable to doing nothing and allowing the status quo to continue and engaging in fruitless debate-point kinds of arguments.

Mr. President, the job would have been easier had we started a year ago. The President's veto of a balanced budget then frustrated that goal. It would have been easier still if we had started 2 years before that, at the beginning of the Clinton administration, or 2 years before that in the Bush administration. For one reason or another, we did not. Now we have a series of excuses as to why we should not start now or, more precisely, why we should do it differently.

Everyone is for a balanced budget. Everyone is for a balanced budget, Mr. President. It is always a different one. It is never the one they have before them. That, accumulated over 30 years, is the reason we find ourselves in our present position.

I believe this resolution is going to pass. I think that will be a good thing. I believe the President of the United States is almost certain to veto the enforcement mechanisms which would make it a reality. That will be a bad thing.

We are likely to be back here next year, whoever is President, faced with the same challenge, but a more difficult challenge. We will be further in debt, it will be more difficult to bring these spending programs under control, but we will have the same debate once again as we do now. It will not be won by debating points. It will only be won by a support of something that is actually before the Senate and something that will actually work, that this present resolution most certainly is.

I suggest the absence of a quorum, and I ask unanimous consent it be charged equally against both sides.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Parliamentary inquiry, how much time does the minority have remaining?

The PRESIDING OFFICER. The minority has 10 minutes.

Mr. DOMENICI. On this side we have how much?

The PRESIDING OFFICER. The majority has 39 minutes.

Mr. DOMENICI. I ask unanimous consent that any time charged to the minority in the immediate past quorum call be charged to the majority, because they are very short of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERRY. Mr. President, I voted against the Republican budget resolution when it came before the Senate. I told this body my reason which distills to one simple truth: It does not reflect the priorities of the American people. Sadly, as soon as Members of the House of Representatives had their say in the budget, as soon as the influence of the Speaker of the House was brought to bear in the conference committee, a bad budget was rendered even worse.

Mr. President, the bill which lies before us is in fact the Newt Gingrich budget. After the drubbing the Republican Party took last year for holding hostage the Government and those its services help as those Republicans sought their scorched Earth budget at all costs, some of the rougher edges have been slightly rounded, some of the more severe slashes have been moderated. But this is unmistakably a budget without a heart, a budget that has no concept of investment for the future of our country and its people.

When we first considered the budget for the next fiscal year, I tried to improve the bill by restoring funds for environmental protection and conservation efforts, for education—the Gingrich budget marks the largest education cut in history—and I tried to trim unnecessary defense spending to the level requested by the President.

But then as now, the Republican Party has moved in lockstep to prevent us from providing services that the American people urgently need.

As an alternative, the President's budget continues the sound economic and fiscal policy put in place in 1993 which has halved the deficit, kept interest rates and inflation low and created more than 8 million jobs. His budget is the right way to balance the budget.

But this resolution is shameful. The Gingrich budget continues the smoke-and-mirror gimmicks vetoed by the President and rejected by the American people. It slashes Medicare, cripples education programs, and opens tax loopholes for big corporations. This is the wrong way.

Despite continuous and strong economic news, American workers feel insecure. Working families worry about their economic security; they worry about their retirement security. As I travel across Massachusetts, people tell me they are worried about their physical safety and their ability to afford health care.

This Republican budget will only exacerbate this pervasive sense of insecurity. At a time when we are fearful about the level of violent crime and the need to conduct a real war on drugs, the Gingrich budget would spend less in 1997 than was allocated in 1996 for crime prevention. At a time when Americans believe that their only chance to realize the American dream is through education, the Republican budget gives education and training funding short shrift—$56 billion less than the President's balanced budget. At a time when Americans look toward their senior years and see an uncertain future, the Republican conference report slashes Medicare spending by $168 billion.

That is the wrong set of priorities for our Nation, for our economy, and for hard-working American families, Mr. President. I reject this conference report as I, the President and the American people rejected the Republican plan last year, and as I rejected only 2 weeks ago this year's Republican plan.

I hope my colleagues oppose the Republican conference report. We can do better for the country and we ought to. I yield the floor.

WRONG BUDGET PRIORITIES

Mr. PELL. Mr. President, the budget resolution conference report now before us once again reflects the impact of what I fear is an extreme conservative agenda that I believe is not shared by the majority of my constituents, or indeed of the Nation. I cannot support it.

I note at the outset that I was happy to support the bipartisan centrist alternative budget that was offered last month by Senators CHAFEE and BREAUX. In my view, the alternative plan took a more moderate approach based on a far more reasonable ranking of priorities.

I should also note that the budget resolution which passed the Senate on May 23 was somewhat better than the pending conference report. Although I did not vote for the bill, I was pleased that the distinguished chairman of the Budget Committee, Mr. DOMENICI, added $5 billion to discretionary spending, of which $1.7 billion was earmarked for education.

Unfortunately, that enlightened step was quickly undone by the conferees, and the budget now before us resembles all too clearly last year's ill-conceived and misguided reconciliation bill that resulted in 2 Government shutdowns and 13 continuing resolutions. It is dismaying to contemplate a repetition.

The budget before us is all wrong, in my view. It continues the preposterous inconsistency of scheduling tax cuts and continuing tax breaks while at the very same time purporting to move toward a balanced budget. It pads the defense budget by more than $11 billion. And to offset these costly steps, it depends on excessive and unwise cuts in Medicare and Medicaid as well as in welfare and education.

I am, of course, most particularly distressed by the cavalier and to my mind dangerous treatment of the Federal investment in education, which this budget would cut by 20 percent across the board by 2002. The impact would be felt at all levels of education, at a time when enrollments particularly at the secondary levels are climbing to historic highs.

At the college level, the Republican budget would cut the Pell grant program by $6.2 billion over 6 years. An estimated 1.3 million students would lose Pell grants, and the value of the maximum grant would decline by $400 per student.

College work study opportunities would be lost by 800,000 students by 2002. The Direct Student Loan Program would be capped, forcing colleges and students out of the program. And national service would be cut, denying opportunity to some 40,000 over the 6-year period.

At the secondary level, in fiscal year 1997 alone, the pending budget will have a very harmful effect on several programs of proven merit:

Cuts in education for disadvantaged children would deny funding for math and reading skills for some 344,000 children.

Safe and drug free school antidrug and antiviolence programs would be cut by $30 million next year.

Cuts in Head Start would deny preschool education to at least 12,500 children next year.

Funding under Goals 2000 would be cut for 500 schools helping 250,000 students meet higher education standards.

Reduction in funding for bilingual education would eliminate services for some 38,000 students with limited proficiency in English.

Cuts in summer jobs for youth and dislocated workers assistance will result in lost opportunities for skill enhancement for some 81,000 young people.

Mr. President, these reductions might have been justified if every last dollar had been shaved from programs less essential than education, or if national defense was seriously at risk or if every taxpayer in the country was being taxed to the limit of his ability to pay.

But the fact is that none of these conditions obtain. On the contrary, this budget provides tax cuts and tax breaks that may reach $180 billion for the wealthiest individuals in the Nation while at the same time cutting education programs by $25 billion,.

This is an unconscionable inversion of reasonable priorities and it ought to be rejected out of hand. I can only hope that our successors will bring a more enlightened and responsible attitude to the task.

Ms. SNOWE. Mr. President, I rise this morning in strong support of the conference budget resolution. I believe it provides us yet another opportunity in the 104th Congress to put our Nation's budget on a path toward balance, and does so in the spirit of compromise.

Mr. President, as if we needed any further proof of the difficulty we face in balancing the budget after 27 consecutive years of fiscally irresponsible behavior, the last year and a half has further highlighted the challenges we face in achieving this goal. Even with an overwhelming majority in this Congress expressing strong support for a balanced budget—indeed, 64 Members of this body even voted for the balanced budget amendment just this past week—and a President expressing the same support, we have still not enacted the legislation necessary to put us on a path to balance.

If there is anything that we have learned during these past 17 months, it is that some measure of compromise will be needed by all of us in order to get to what we claim to be a shared goal. The Democratic Party may control the White House, but they do not control the Congress. By the same token, the Republican Party controls the Congress, but not with a margin sufficient to unilaterally override a Presidential veto. Therefore, with neither side having control sufficient to simply make happen whatever they would like, we are forced to exercise give-and-take if we truly wish to move forward at all.

Mr. President, I believe that the budget conference report that has been crafted demonstrates give-and-take, and is a sincere effort to forge a compromise before the 104th Congress adjourns sine die. By doing so, this resolution gives us a chance to move the process forward. And through continued compromise in reconciliation, legislation could then be enacted that would put us on a path toward balance in 2002.

Therefore, I would like to commend the chairman of the Senate Budget Committee, Mr. DOMENICI, and all of the members of the House-Senate conference committee for their efforts in crafting this conference budget resolution. Their willingness and ability to put together a budget that strikes a compromise between the positions taken by the President and congressional leaders during months of often acrimonious negotiations is a testament to their commitment to balancing the budget sooner rather than later.

Mr. President, during the debate on the Senate budget resolution just this past month, I was part of a bipartisan group of Senators that offered an alternative budget resolution that split the differences on contentious issues such as Medicare, Medicaid, and tax cuts. Although that resolution was ultimately defeated by a narrow margin, it proved that compromise was possible and that Republicans and Democrats could work together and find common ground.

After the defeat of that bipartisan resolution, I voted in favor of the budget resolution crafted by Senator DOMENICI because I felt it offered a sound and reasoned approach to balancing the budget—and could also warrant bipartisan support. I regret that none of my Democratic colleagues voted in favor of that resolution because I believed that it not only offered a fiscally responsible and realistic path to achieving balance in 6 years, but it also demonstrated the ongoing commitment to compromise by the chairman of the Senate Budget Committee, Senator DOMENICI.

In an effort to gain support from Democrats as well as Republicans, Chairman DOMENICI incorporated a variety of the bipartisan budget group's 7-year savings targets in his 6-year Senate budget resolution. Now, following negotiations with the House, the Chairman is again presenting us with a plan that contains many of these similar savings targets. I therefore give this conference report my support—and am hopeful that my Democratic colleagues will reconsider their prior opposition to the Senate budget resolution.

To reach balance, the total level of savings derived in the most contentious categories of the 1997 conference report are very similar to those contained in the bipartisan budget proposal. Specifically, the bipartisan budget assumed $154 billion of savings in Medicare, $62 billion in Medicaid, $58 billion in welfare and the EITC, and cut taxes by $130 billion. In comparison, the conference report would slow the growth of Medicare by $158 billion over 6 years, slow Medicaid growth by $72 billion, derive savings of $70 billion from reforms to the welfare and the EITC programs, and cut taxes by a net total of $122 billion.

Mr. President, despite these similarities, I am sure that there are those who will criticize this conference budget resolution on the grounds that the policies that back the numbers are wrong. I would simply remind my colleagues that a budget resolution is a blueprint and not a final package of policies for balancing the budget. The policies that embrace these targets will be crafted during the reconciliation process. We will have ample time to debate the specific policies that achieve these targets in the coming months.

Still others will argue that the savings targets contained in the 1997 conference report are unrealistic or hurtful. To those I would ask: Is it hurtful to save the Nation's Medicare Program from bankruptcy? Is it unrealistic to believe that Medicaid and welfare can be reformed in a manner that improves the delivery of services to those in need—especially the poor and elderly?

The answer to all of these questions is the same: "Of course not."

One striking example of the unjustified vilifying of this budget resolution is in the Medicare program. As we all learned from the Medicare trustees this past week, the Medicare trust fund is now expected to go insolvent in 5 short years—which is 1 year less than we were told just over 12 months ago—and perhaps in as quickly as 4 years. We have a responsibility and an obligation to make the changes necessary to ensure that this program—which provides essential health care for millions of our Nation's senior citizens—be preserved for 10 years.

Rather than embrace a broad budget goal for Medicare that would allow us to craft a package of reforms to preserve this program for 10 years, opponents contend that the President's plan —which contained real reforms that would only extend solvency of this trust fund for 1 additional year —should be embraced. We owe it to our senior citizens of today—and to those of tomorrow—that this vital program will not be imperiled simply because it appeared to be a good "wedge issue" for an upcoming election.

By the same token, Mr. President, the entire balanced budget debate is not only about today, but also about tomorrow. We must never forget that balancing the budget is not merely an exercise in national accounting, rather it is about improving the lives of every American both now and in the future. Today, a balanced budget would mean improved financial conditions for our Nation's workers and families by providing for higher growth and lower interest rates. We would effectively be putting money in the bank accounts of working Americans because they would be paying less interest on their mortgages, less on their student loans, and less on their car loans.

At the same time, balancing the budget is about preserving the future by ensuring that our children and grandchildren would not be subjected to an 82-percent tax rate or a 50-percent cut in benefits to pay for our profligate spending today. Every generation of Americans has sought to provide a brighter economic future for the next—but our unwillingness to exercise self control today is imperiling this goal for the generation of tomorrow.

I believe John F. Kennedy said it most succinctly: "It is the task of every generation to build a road for the next generation." I do not believe that building this road for the next generation can be put off any longer. I do not believe that we can stand idly by while our children's inheritance is squandered.

This budget resolution provides us with an opportunity. An opportunity to forge a compromise now—not after the next election. We should not allow the forces of politics to overcome the force of responsibility.

Mr. President, I support this budget agreement.

Mr. FEINGOLD. Mr. President, the finishing touches have been applied to the leadership's Presidential election year budget, and as many of us on both sides of the aisle feared, the cornerstone of that election year budget is not balancing the books but cutting taxes.

Even the few fig leaves that were carefully placed on last year's budget resolution have been removed. The special reserve fund from which tax cuts were to be funded only after CBO certified that we were on a glidepath to a balanced budget has been removed.

Instead we have a Rube Goldberg construction of reconciliation bills, leading to a massive tax cut which, we are told, totals $122 billion, but which might actually be closer to $180 billion if one believes the Chairman of the other body's Budget Committee.

If anything, the conference version of the budget resolution provides even more opportunities for enacting a tax cut before the budget is balanced. As I understand the conference report, Congress can now consider tax cuts as part of the welfare-Medicaid reconciliation bill, or as part of a separate tax cut reconciliation bill. It is readily apparent that the goal of this year's budget resolution is not to balance the budget in 7 years, in 6 years, or even sooner.

The goal is to pass an election year tax cut.

Mr. President, the goal, and thus the budget as a whole, is entirely political—a defect that is not unique to this budget resolution. The tax cut bidding war that has been heating up for the past 2½ years is now white hot. The President is proposing tax cuts. The Republican congressional leadership are proposing tax cuts. The GOP candidate for President is about to propose tax cuts. Even the bipartisan coalition of Senators proposed a significant tax cut as part of their own budget plan, though I think many in that coalition would have preferred no tax cuts at all until we balanced the budget.

Mr. President, every time you turn around you bump into somebody about to propose a tax cut. Last week, the President proposed a $1,500 education tax credit, and there are reports that he may propose a tax break for first-time homebuyers. The Republican congressional leadership is pushing a gas tax cut, and has also proposed an adoption tax credit and a series of business tax cuts. And the Republican Presidential nominee is expected to propose a significant tax cut, reportedly as much as a 15-percent across-the-board cut in income taxes, a cut that would cost about $90 billion a year according to one report.

Mr. President, we may need an environmental impact statement reviewing the loss of all those trees that will be used to make the paper for this blizzard of tax cut bills. The Washington Post took both Presidential candidates to task for their election year tax cut proposals. That June 4 editorial noted that "both men know better," and went on to say that "the candidates are moving, both of them, against what we persist in regarding as their own better instincts toward a bidding war on taxes."

Mr. President, I think that is a fair characterization.

I respect both President Clinton and Senator Dole, and I think they both know better than to engage in this bidding war on taxes. It is driven purely by political winds. With continuing budget deficits facing the Nation, our focus must remain on balancing the budget, not on cutting taxes.

This is true not only for the Federal budget as a whole, but also within the budget in areas such as Medicare. The recent report of the Medicare trustees came as no surprise. We have known for some time that the Medicare trust fund would be insolvent in a few years, a projection that has been all too common over the past 25 years.

We need to devote our economic resources toward stabilizing that trust fund in the short term, and ensuring its solvency in the long term. I regret that the path of this budget resolution is instead to further undermine that trust fund by putting tax cuts ahead of both balancing the Federal budget and the long-term solvency of Medicare.

Mr. President, the bipartisan budget plan that was debated here last month also had this fatal flaw. That plan, which held much promise in so many areas, was fatally flawed by having to provide funding for a tax cut that was neither politically necessary nor fiscally responsible. That it used as its funding source an across-the-board cut in Social Security COLA's not only frustrated the rest of the plan, it also may have jeopardized efforts to reform the Consumer Price Index which so many respected authorities maintain overstates the cost of living. Making a case that the CPI needs to be modified will only suffer if the savings realized from reform are used to cut taxes rather than to secure the fiscal stability of Social Security.

Mr. President, there was absolutely no need for that bipartisan plan to include a tax cut, and I very much hope that any future bipartisan actions which may flow from that important effort begin by dumping those tax cuts and focusing every last dime of savings on balancing the budget.

Mr. President, I regret that so many have been infected by this tax cut fever. Its symptoms seem to cloud the mind. Even those who persist in believing the thoroughly disproven voo doo economics of the early 1980's can find little on which to launch their arguments for a so-called pro-growth tax cut.

As some have noted, whether or not the "pro-growth" set believe in those discredited policies, there is little doubt that the Federal Reserve and the financial markets do not, and the effects of any tax cut that might be enacted would be countered in short order with an offsetting rise in interest rates.

Mr. President, we can barely cut taxes and balance the budget on paper, let alone actually putting such a plan into effect. Maintaining the fiscal discipline needed to eliminate the deficit is hard enough for Congress. Adding a tax cut on top of that goal is fiscally irresponsible.

Mr. President, this budget resolution invites mischief. It provides multiple opportunities to stray from what must be our most important economic goal, namely a balanced budget. And by opening up these new fronts, it further escalates a tax cut bidding war that is already getting out of control.

Mr. President, we can expect a long, hot summer of tax cut proposals flying back and forth.

Mr. President, it may have appeal in some quarters, but the great bulk of the American people would much rather be dealt with honestly and responsibly. They know that you cannot balance the budget and cut taxes at the same time. You have to choose one road or the other.

Mr. President, let us choose the road to a balanced budget.

Mr. DODD. Mr. President, as I come to the floor today to speak on this budget conference report I am reminded of the immortal words of Yogi Berra: "It feels like deja vu all over again."

Because, contrary to my colleagues' protestations of moderation, this conference report repeats the same mistakes of last year's failed budget process, which twice shut the Government down. Last year's plan gutted Medicare, Medicaid, education, and the environment and was soundly rejected by the American people and this conference report seems to be no different.

Frankly, I'm amazed that after the lessons of last year the Republicans would try to hoodwink the American people into thinking that they have changed their stripes. But this budget does just that by presenting the thin veneer of compromise and moderation, while at the same time maintaining draconian spending cuts in America's priorities and tax cuts for Americans who don't need them.

But the American people will not be fooled. They learned long ago that when it comes to the Republican's budget-cutting efforts, "All that glitters is not gold."

Unfortunately, the only thing that shines in this budget is the repetition of the same mistakes that gave us 13 continuing resolutions and 2 Government shutdowns last year.

For example, on Medicare this conference report calls for cuts of up to $168 billion. These reductions would leave seniors with an increasingly second-class health care system. The enactment of the accompanying profound policy changes would leave the sickest and poorest Americans in a weakend and toothless Medicare program.

This conference report also represents a $123 billion reduction in part A. These cuts would limit beneficiary access to hospital health services and limit payments to hospitals. These reductions could result in cost-shifting, affect quality and leave in serious jeopardy the continuing viability of many rural and urban hospitals.

But, Republicans don't stop with Medicare. Medicaid, too, would be gutted by $72 billion in cuts and block grants that would threaten this Nation's guarantee to provide health care for children and the poor. In fact, under the Republicans' block grant approach, these Medicaid reductions could total $250 billion if States spend only the minimum required.

If this conference report were enacted, more than 36 million Medicaid beneficiaries, including 18 million children, more than 6 million people with disabilities and millions of older Americans who rely on Medicaid, would lose their guarantee of adequate health care.

But these Medicaid costs are an integral part of a conference report that finds more than 42 percent of its savings by cutting priorities that affect low-income Americans. Is this any way to balance the budget—on the backs of America's poorest citizens while at the same time including sizable tax cuts for wealthy Americans?

Additionally, I hear a lot of rhetoric from across the aisle about moving Americans from welfare to work and making the opportunity of the American Dream available to millions of Americans. Maybe one of my Republican colleagues could explain to me how we are supposed to do that when we're taking away the tools to make those dreams a reality?

In my opinion, there is no better example of the Republicans' insensitive attitude to the working poor than their proposed cuts in the earned income tax credit. [EITC].

Here we have a program that benefits millions of America's working poor that in the past has had sweeping bipartisan support and that provides an essential lifeline for those Americans trying to escape poverty.

But, while most Americans would look at the earned income tax credit and say "Here's a Government program that works," my Republican colleagues look at the EITC and say, "Here's a place to save money." This is akin to raising taxes on the working poor.

At at time when growing wage inequalities threaten to segregate Americans by economics, it is beyond my ability to understand how my Republican colleagues could pass a conference report that raises taxes on the working poor while cutting taxes for wealthy Americans. But, it seems those kind of skewed priorities have become the norm is this body.

Additionally, this budget continues the Republican assault on education and job training. The overwhelming desire of the American people to see Congress maintain our national commitment to education has led my Republican colleagues to increase funding.

But, Americans won't be fooled by these hollow increases.

In real terms,this conference report would mean $25 billion less in education and training spending over the next 6 years. On the other hand, President Clinton understands the need for maintaining our commitment to education and job training. That's why his budget includes nearly $60 billion, more than the GOP budget, in new investments in priorities such as Head Start, Goals 2000, Pell grants, school-to-work, summer jobs, and dislocated worker training.

The President's budget also maintains our national commitments to the environment and to crime fighting, which suffer serious blows under the GOP conference report.

For example, the Republican budget cuts nearly $4 billion, from the President's request for environmental priorities such as energy conservation and EPA enforcement and maintains the GOP commitment to open up one of America's last great environmental treasures, the Arctic National Wildlife Refuge, to oil and gas drilling.

On the crime front, while Republicans like to portray this President as soft on crime, it is Republicans who are actually cutting money that helps keep our streets safe from the scourge of drugs and violent crime. For example, the Violent Crime Reduction fund would see serious cutbacks and the total funding for the Administration of Justice function would be cut by more tan $2.5 billion than the President requested.

Yet, at the same time they're cutting money for crime, education, the environment and job training, this conference report still finds enough money to provide $11.3 billion more in defense funding than the Pentagon even requested.

This additional, unrequested funding, along with another $60 billion boondoggle for a Star Wars missile system serves as a vivid reminder of where the priorities of my colleagues across the aisle lie. And to be honest with this much in additional spending it's hard to take seriously Republican assertions that they truly want to balance the budget.

There's an inherent hypocrisy in suggesting that on one hand we need to balance the budget—even amending the Constitution if need be—while on the other hand calling for additional, unrequested defense spending and a repeal of the gas tax, which will only drive up the deficit.

What's more, these spending increases come on the heels of Republicans' continued insistence that this Congress pass tax cuts for wealthy Americans who don't need them. Last year's budget devoted 47 percent of its tax cuts to people making more than $100,000 and there is little reason to believe that this year is any different.

Stop me if this agenda sounds familiar. As one of the 11 Senators to vote against the 1991 Reagan budget plan that cut taxes, raised defense spending and plunged this Nation into deeper and deeper debt the similarities are all too familiar.

It was that plan that brought this Nation to the point we're at today. If we hadn't exploded the deficit during the 1980s this debate would not necessary. But, it seems some people never learn.

If my Republican colleagues were truly intent on balancing the budget in a fair and equitable manner they might want to look down Pennsylvania Avenue to the White House.

President Clinton has presented a budget that puts our fiscal house in order while protecting our values and priorities as a Nation. But, it seems Republicans are more intent on playing politics with this issue, rather than taking up the President's offer to continue the negotiations.

This conference report puts us in the wrong direction toward compromise, but more importantly it puts us on the wrong path toward making a better future for our children. It is my intention to vote against this conference report and I urge all my colleagues, Democrats and Republicans, to reject it as well.

Mr. ROTH. Mr. President, I rise today to express my disappointment that the fiscal year 1997 budget resolution alters my sense-of-the-Senate amendment in a way that completely changes the intent of the amendment agreed to by 57 Senators.

In February I introduced legislation that would create a dedicated trust fund for Amtrak. As chairman of the Finance Committee, I reported out this legislation with the support of my colleagues on both sides of the isle. On the budget resolution I offered a sense-of-the-Senate amendment that expressed support for this legislation—for direct funding for Amtrak—and it was overwhelmingly approved by the Senate.

While my sense-of-the-Senate amendment received strong support in the Senate, my amendment was drastically changed while in conference with the House. My amendment was supported by 57 Senators who voted for direct funding for capital improvements to Amtrak. My legislation would have been offset according to the budget rules, therefore, it would not have had an affect on the deficit. It would fund Amtrak without raising taxes, without increasing the deficit, and without cutting funding for other forms of transportation.

Unfortunately, my amendment was modified in conference. The modified version of my amendment would only create an authorization, with no direct spending for Amtrak. These are two different amendments with two different meanings. However, only my amendment was voted on by the full Senate and only my amendment received overwhelming support from this body.

Mr. President, the 57 Senators that voted in favor of direct spending knew what they were voting on. These Members know that if Amtrak is to survive, it will need direct spending to make the needed capital improvements and upgrades to equipment and shops. They also know that another authorization will not help Amtrak secure the money needed for long term capital investments.

What Amtrak needs and what the Senate voted on is direct funding for capital improvements. I conclude by expressing my profound disappointment that the conference report for the fiscal year 1997 budget resolution does not reflect the will of the Senate on this issue.

Let me also point out that my preference for the overall budget resolution would have been the lower discretionary levels as contained in the House-passed version of the budget resolution.

Thank you Mr. President and I yield the floor.

Mr. INHOFE. Mr. President, I know there is a lot of redundancy in what we all say around here, and certainly I have tried to make these points before, but we had quite a discussion this morning debating the budget resolution. During that time, I guess one of the most eloquent Senators in the history of this body, Senator BYRD from West Virginia, had some comments that I want to respond to.

One was he commented on the mistake that he made when he voted for tax cuts back in the 1980's. I suggest that there is a basic difference in philosophy. I hope it came out. I think people have to weigh this on their own.

I can remember, in 1992, a quote I attribute to Laura Tyson, the chief economic adviser to President Clinton, who said, "There is no relationship between the level of taxation that a nation pays and its productivity." I think that is the crux of where we are now in our debate, whether it is about the balanced budget amendment or just a balanced budget. If you really believe that, then I can understand why people would not want to have tax cuts and why they would vote the way they do.

But I have to remind the distinguished Senator that there is no period of time in history when we had greater tax cuts than there was in the 1980's. That is when we had our marginal rates coming down so dramatically. In 1980, the total revenues for Government were $517 billion. In 1990, it was $1.03 trillion. It doubled in that period of time. During that period of time, we had the greatest tax decreases of any 10-year period in America's history. The revenues from marginal rates went, in 1980, from $244 to $466 billion.

That is where the basic difference of opinion is. People want to have more of their money to invest. For each 1 percent increase in the economy, it develops an additional $26 billion of new funds.

The distinguished Senator from West Virginia said—and this is a quote, I wrote it down—he said, "The people of America are going to wake up and say we are tired of cutting domestic discretionary programs." I think that is a basic difference of opinion among many of us here. I think perhaps the majority of us do not believe that. We think the people of America are not tired of cutting domestic programs. They are tired of tax increases. They are tired of deficit increases. They are tired of having their children and their grandchildren born into an environment where they immediately inherit a $19,000 debt, and if we do not do something to change it, they will end up having to pay 82 percent of their entire lifetime income just to support Government.

Another thing that was said was said by the distinguished Senator from North Dakota, who again used the "S" word, I call it, star wars. I have to say, and I firmly believe it—I am on the Senate Armed Services Committee and the Intelligence Committee and I was on the same committees over in the House of Representatives—I believe there is a greater threat facing America today than there has been, certainly, since World War II, maybe since the Revolutionary War: the proliferation of nuclear weapons, weapons of mass destruction, and the lack of defense against delivery of those weapons. As the distinguished Presiding Officer knows, because he is on the same committees I am, we are in an environment where we have had slashes in the military budget for 12 consecutive years. So now we are essentially where we were in buying power in 1980 when we could not afford spare parts.

So I think it is doing a disservice to the American people to use such terms as star wars. When you realize it is not $70 or $80 or $90 billion, we are talking about an investment that the American people have made in national missile defense today of about $50 billion. Just take the Aegis ships, 22 Aegis ships, already paid for, already floating, that have launching capability, all we have to do is spend about $4 billion more to give them the capability of getting into the upper tier to give us the defense system that we have to have.

We have rogue nations, as James Woolsey said, some 25 to 30 rogue nations, nations that have weapons of mass destruction, not the obvious ones of Russia and China and North Korea, but Iran, Iraq, and all the other nations, Syria, Libya. I think about the war that took place, the Persian Gulf war, where Saddam Hussein said, "If we could have waited for 5 more years before we invaded Kuwait, we would have been able to have the missile capability of delivering a weapon of mass destruction at the United States of America." This is coming from a guy who murdered his own grandchildren, so we are not talking about normal people who think like we do.

So I would say I wanted to respond to those two statements made by those two very distinguished Senators from West Virginia and from North Dakota.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I thank the distinguished chairman of our committee.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article in the Wall Street Journal of June 6 entitled, "A Tax Cut Trap," by the distinguished journalist Albert R. Hunt.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 6, 1996]

THE TAX CUT TRAP

(By Albert R. Hunt)

[*No matter how many consultants told him to make his message more upbeat . . . no one could ever convince Dole that deficits would simply "grow away." Bobby Joe Dole grew up in Russell, Kansas. He saw people die from debt.*— From "Bob Dole," a 1992 biography by Richard Ben Cramer.]

Bobby Joe Dole is on the verge of an epiphany on huge tax cuts aimed at helping the federal budget deficit simply grow away, according to Republican bigwigs who are prodding him in that direction. Running 16 points behind President Clinton, they want their nominee to return to those salad days when the GOP won elections by promising to cut taxes for everybody.

If a tax exists, Sen. Dole is being urged to cut it, ranging from lower capital gains rates to bigger write-offs for personal savings and donating to charities that help the poor. Overlaying this would be the big ticket: either an across-the-board 15% reduction in income taxes or a flatter income tax with only a few politically necessary exemptions.

The total tab over seven years could reach three-quarters of a trillion dollars, or three times as much as the huge GOP-drafted tax cut that played such a pivotal role in unraveling the Republican's budget plans this Congress.

Sen. Dole, who undoubtedly will propose a major tax reduction plan, probably in July, is more cautious than those giving him advice. And for good reason; skeptical voters may spot the fallacies in this supposed free lunch:

(1) It would be *sayonara* both to the centerpiece of the Republican revolution, a balanced budget, and to deficit cutting, a hallmark of Sen. Dole's 36-year congressional career (which is slated to end next Tuesday).

The Kansas Republican's contempt for supply-side tax cutters in the 1980s was legendary. In 1992 he assailed a proposed Bush tax cut as "bad medicine," and last year he was quoted as saying that in the 1980s the tax cutters said, "'Everything's going to be fine.' Well . . . it wasn't. You see how the debt went up during those years."

Dole advisers insist he'll accompany tax reductions with spending cutbacks, likely to include tax loophole closings too, and they note there'll be some stimulus effect of the massive tax cuts. But a quick glance at last year's budget battle shows just how tough this is. To finance a $245 billion tax cut the Republicans had to propose politically unpopular cutbacks in Medicare and slash so many social service programs that cumulatively their plan amounted to an assault on the poor. The conservative House Democrats, the so-called Blue Dogs, have proposed a federal budget that would balance in six years with no tax cut.

(2) The economic rationale for these cuts is full of snake oil. Proponents contend that the 1981 Reagan tax cuts produced a surge in revenues—rising, in real terms, an average of 3.8% a year from 1982 to 1989—and that the 1993 Clinton-engineered tax increase was a disaster.

Tax revenues did rise in the 1980s for one primary reason: Payroll taxes were boosted six times during that period, and rose an average of 4.8% from 1982 to 1989. Individual income tax revenues rose only an average of 2.2% and most of that was after passage of the 1986 tax reform act.

Since the 1993 act, tax revenues have risen 4.8% a year. Back in 1993 Republicans warned of the dire consequences of that deficit reduction/tax hike legislation. Newt Gingrich said it would "lead to a recession . . . and will actually increase the deficit." Rep. Dick Armey (R., Texas) called it a "job killer." Sen. Phil Gramm (R., Texas) was even more apocalyptic.

Here are the facts: The unemployment rate today is 5.4%; three years ago it was 7.1%. Since August 1993, seven million new jobs have been created, and the budget deficit has been more than cut in half to $130 billion. The Dow Jones Industrial Average has soared more than 2000 points, with relatively low inflation and interest rates.

(3) Under the proposed tax plans, the GOP can forget about emphasizing income inequality or the lagging middle class, issues that featured so prominently in the early primary contests.

When Sen. Spencer Abraham (R., Mich.) and others complain that individual taxes have risen 25% under the Clinton administration, they omit some pertinent particulars. The 1993 tax increase raised tax rates for only the wealthiest 1.2% of Americans. That legislation also included a tax *cut* for 15 million poor workers and their families. The average federal income tax rate for the typical family of four today is lower than it was four years ago, and lower than during much of the Reagan administration.

The Republican tax proposals being urged on Bob Dole—despite some window dressing—would amount to a considerable redistribution of income to the more affluent. If the Republican nominee opts for a flatter, two-tier tax, remember he already has vowed to retain the home mortgage deduction, charitable write-offs and deductions for state and local taxes. Thus he is left with three choices: (a) adopt rates so high that his plan loses any political appeal; (b) bust the budget; or (c) sock it to the middle class. More than 47% of the benefits of a 15% across-the-board cut would go to individuals making over $100,000 a year; less than 8% would go to people making less than $30,000.

Yeah, some Republicans counter, but the Republican nominee is so far behind he needs to try something audacious: Moreover, they relish the idea of switching the political terrain to a fight with President Clinton over tax cuts. One example: Privately, Treasury Secretary Bob Rubin—once a towering figure on Wall Street—is telling the president the evidence is that a capital gains tax cut would do little to stimulate the economy. Political strategist Dick Morris—with no experience in either tax policy or economics—is whispering it could undercut the Republicans and appeal to contributors. The Republicans figure the president will side with the politics and then they can outbid him.

But the GOP confidence that the tax issue always works to their advantage may be outdated. It may be more like generals who are always fighting the last war, even in the face of changing circumstances. Few voters love paying taxes, but polls suggest taxes are not a high priority for the vast majority of Americans.

Bob Dole hopes to capitalize on the character issue. Yet he's about to present a whopping tax cut that would be antithetical to much of what he has championed for years. This may gain Mr. Dole some previously skeptical converts, but he risks losing something far more valuable in this contest: his credibility.

Mr. HOLLINGS. Mr. President, I have been so frustrated in trying to get the truth out. I am not amazed that colleagues on the floor differ with my views on a tax cut, but my frustration has been with the media's coverage of this issue. When I find the truth I want to include it in the RECORD, and this is not only a very, very good analysis of the false promise of a tax cut, but also outstanding advice for our distinguished friend, Senator Dole.

I yield the floor.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator HOLLINGS' time be charged to the majority.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes of our time.

I am not sure I am going to have a chance, just before the vote, to thank people, but I want to thank Senator EXON. His last budget resolution and conference agreement is this one. Members of the Budget Committee come and go, but he has been a member since the 96th Congress, January 1979, when it was then chaired by Senator Muskie.

I want to recognize other departing members of the Budget Committee: Senator BENNETT JOHNSTON, who has been a member of the committee since January 1975, the 95th Congress, when it was under the chairmanship of Senator Muskie—19 years on the committee; Senator SIMON of Illinois, a member of the Budget Committee since the 100th Congress, January 1987, when Senator Chiles was chairman, and a member on the House Budget Committee, also, when he served there; and, finally, Senator BROWN from Colorado, a dedicated member of the committee who has been on this committee for a short period of time, comparatively speaking, during all his tenure with us in the Senate. His tenure began in the 102d Congress, in January 1991.

I thank each of the Senators for his distinguished service and hard efforts with reference to the budget.

Senator EXON, in your absence I had extended my congratulations and appreciation to you and including other members who are leaving the Budget Committee in my congratulations.

I understand, Senator EXON, that you have 10 minutes remaining. We have essentially 20 minutes at this point. I am trying to find out if Republicans are meeting, in which event I will leave for a while, but we will try to arrange the last 20 minutes in some kind of sequence. I have not had a chance to talk to our leader, but I am hopeful since you would have 10 of that 20, we would at that point presumably have 10, that we might divide it up in some kind of equal proportions, with the majority obviously being entitled to the last 5 minutes of any such arrangement. I am unable to do that for a while, but I hope you understand that is my intention.

Mr. EXON. Will the Senator yield for a question? We certainly want to accommodate all parties as best we can. We had earlier assumed that we would have a vote at 12. Is that still the intention?

Mr. DOMENICI. Absolutely. I think that is the unanimous consent agreement.

Mr. EXON. Therefore, as I understand it, we have 10 minutes left and we are to use that 10 minutes under the unanimous consent from 11:40 to 11:50, and then you, the majority, would have the last 10 minutes, is that the understanding?

Mr. DOMENICI. I do not know if that is the consent agreement. We can ask the Presiding Officer. What does the consent agreement says in terms of the allocation of the last 20 minutes?

The PRESIDING OFFICER. Senator EXON will have from 11:40 to 11:50, under the previous unanimous consent.

Mr. DOMENICI. What we are trying to do is do you a little better than that. When I get hold of Senator LOTT, if there are four speakers who want to wrap up, I am hoping to have them speak for 5 minutes each, not the full 10 first, but 5 from you and 5 from us.

Mr. EXON. We have no objection to that whatever. I thank my colleague from New Mexico. All these years we have worked on the committee together we have had an exceptionally fine relationship. He has always been kind and understanding before he was in the leadership position, and he has been even more kind and more understanding since he has been my chairman of the Budget Committee. I thank him for his fine remarks.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask the time be charged to the majority.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I propose the following unanimous-consent request. I ask unanimous consent that at 11:40, Senator EXON be recognized for up to 5 minutes, to be followed by Senator DOMENICI from New Mexico for up to 5 minutes, to be followed by the Democratic leader for up to 5 minutes, with the majority leader recognized for the final 5 minutes prior to the vote on the adoption of the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBB. Mr. President, I also ask unanimous consent that I be allowed to speak as in morning business for up to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBB. Mr. President, I rise today to oppose the budget resolution conference report advanced by our Republican colleagues. I do so, not because I object to implementing plans for a balanced Federal budget. My commitment to that objective remains unshakeable. I oppose this plan because it is tied to a political agenda, not a substantive one, and because it opens the door to huge tax cuts even before we make and lock in the tough principled choices necessary to actually balance the budget. The sad truth about this plan is that its proponents know it will be vetoed by the President, and budget gridlock will continue. This whole exercise is not about balancing the budget, which I have done everything I can to advance on a bipartisan basis. It's about political positioning for this fall's election. I know of no precedent under either party's control of Congress for the present course we are following.

This budget proposal has split up the reconciliation process into three different bills. The first bill will encompass both Medicaid and welfare reform.

While the President has indicated his willingness to enact a welfare reform bill this year, this budget resolution calls for the attachment of a Medicaid reform plan that our Republican colleagues know the President will veto. By combining these elements into the same package, the Republican majority precludes any chance for positive action on welfare reform this year.

The second reconciliation bill is directed at reform of the Medicare Program. Given the recent report of the trustees, action is clearly needed to address the finances of the program. While the Republicans deserve credit for tackling this issue head on, the fact of the matter is that the actions they have proposed for shoring up Medicare's finances threaten the effective delivery of the very health care services to our seniors that they say they want to preserve.

Mr. President, the bottom line is that the proposed reductions in Medicare, Medicaid, and welfare wouldn't have to be as large if they weren't needed to finance a large tax cut at a time we're trying to balance the budget, and their refusal to consider an adjustment to the consumer price index in order to spread the burden of deficit reduction more equitably across the entire Federal budget may be good politics but it's not good policy.

Not only are the reductions in Medicare, Medicaid, and welfare programs unneccessarily large in this budget proposal, we are going to have to vote on discretionary spending levels in this resolution which are both unwise as a matter of policy, and unattainable politically. While the conference committee has attempted to provide a sufficient amount for fiscal year 1997, not a single appropriator, from either side of the aisle, can tell you how those outyear numbers can be achieved which means that the pressure of future Congresses to ignore the proposed restraints will be overpowering—and most of the savings a sham.

Mr. President, the events of the past year have confirmed that the only way to solve our major fiscal problems, both short term and long term, is on a bipartisan basis. The difficulty is that enacting a credible, fair, and bipartisan budget proposal will require tough medicine for both sides. Republicans will have to come down on their demands for tax cuts, and Democrats will have to be more willing to confront entitlment reform, including Social Security.

Mr. President, I have been fortunate this past year to work with a group of bipartisan Senators, dubbed the centrist coalition, to produce a credible balanced budget proposal—a proposal with a realistic discretionary spending pattern, one with significant entitlement reform which continues to protect our most vulnerable citizens, and one which makes a justified modifcation of the consumer price index. This plan, offered as a substitute during the consideration of the current budget resolution, was the only proposal to receive significant bipartisan support this year, garnering 24 Democratic votes and 22 Republican votes.

While I cetainly understand the inability to move this proposal this year given election year politics, I am hopeful that it will provide the seeds for an effective compromise early in the next Congress since the budget resolution before us does not move us any closer toward long-term balanced budgets than we are today.

Mr. President, I am very frustrated by the process that we are engaged in at the moment. We have an opportunity, if we can work on a bipartisan basis, to advance the cause of a balanced budget and fiscal responsibility, and we are missing that opportunity.

I, for one, am prepared to make substantial reductions in spending in the entitlement areas—in Medicaid, in Medicare and in Social Security. I am also prepared to address the very politically sensitive area of adjustments to the Consumer Price Index to more accurately reflect inflation. But at this point, we are not going to do that.

The current resolution is designed to split the reconciliation process into three different pieces. The most objectionable part, from my point of view, is we put tax cuts right up at the front so that we undermine any public confidence that we are really serious about deficit reduction.

We are making bigger reductions in the projected spending in some of the entitlements than we need to because we are planning to put that money into a tax cut before we have actually locked in the tough, principled choices that are going to be necessary if we are going to achieve the stated objective of a balanced budget.

This resolution also substantially reduces the chance of ever getting any meaningful welfare reform in this Congress by linking Welfare reform with a Medicaid reform package that the President is committed to vetoing.

It seems to me that we ought to be able to get together; indeed, 24 Democrats and 22 Republicans found common cause with respect to a budget resolution that was submitted earlier. If we are serious about solving this particular problem, the Resolution before us is not the way to do it.

So, Mr. President, I regret very much that I am going to have to vote against the pending measure, notwithstanding my long-term commitment to deficit reduction and a balanced budget.

For the opportunity to express my views, I thank the Presiding Officer and I thank the ranking member of the Budget Committee for suggesting this approach for getting my views on the record.

With that, Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The time is controlled by the Senator from Nebraska, and under the previous unanimous consent agreement, he is to be recognized now for 5 minutes.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I ask unanimous consent that I may be allowed to speak as in morning business for 6 minutes.

I make a unanimous-consent request I be allowed to speak as in morning business for 4 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mrs. BOXER. Thank you very much, Mr. President. I spoke yesterday on the budget, and I will not reiterate that. I wanted to make a very brief statement about two issues.

BURNING OF CHURCHES

Mrs. BOXER. Mr. President, we have seen in recent weeks a series of attacks on black churches in the south. At least 33 churches have been set ablaze in a campaign of terror.

Mr. President, every one of us has to make his or her voice heard in opposition to this wave of terror. These churches have been sources of stability, of kindness, of moral and spiritual guidance for their congregations.

These fires are a chilling reminder of a period that we all thought had passed. A period marked by some of the most shameful, hateful acts ever perpetrated by Americans against Americans. A period in which bombings, fires, beatings, and shootings were tools to prevent African-Americans from realizing equal status in our society. A "dark era in our Nation's history," the President recently called it.

I want to praise President Clinton for his leadership in mobilizing Federal investigators while at the same time offering solace to the people whose churches have been burned. It is the business of the president to offer moral leadership, to console the victims of racists attacks, to call the cowards out for what they have done.

I also praise Ross Perot for his leadership in calling on his Reform Party members to guard the churches.

I also wish to praise Senator MOSELEY-BRAUN for offering a resolution, of which I am a cosponsor, condemning the church fires and urging the administration to mobilize all appropriate resources to put the people who set these fires behind bars.

Finally, Mr. President, I want to state that this is a problem not just for African-Americans, but for all Americans. We should speak with one voice and pass the Moseley-Braun resolution unanimously, so that our message is clear.

Mrs. BOXER. I thank the Chair.

(The remarks of Mrs. BOXER pertaining to the introduction of S. Res. 262 are located in today's RECORD under "Submissions of Concurrent and Senate Resolutions.")

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, as I understand the situation now, under the previous unanimous-consent request, we have 10 minutes equally divided on each side remaining before the vote. We have about 16 minutes, 17 minutes before noon, according to my clock. I ask unanimous consent that the scheduled vote at noon be extended to 3 minutes past noon so that the previous unanimous consent request can be abided with regard to time allotted by each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I ask unanimous consent that a table showing how the deficit in this budget increases because of its tax breaks be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REPUBLICAN DEFICITS WITH AND WITHOUT THE TAX CUT

[In billions of dollars]

	1996	1997	1998	1999	2001	2002	1996
CBO Baseline Deficits (April)[1]	130	165	175	182	192	194	210
Republican deficits with tax cut	130	153	147	117	89	42	5
Republican deficits w/o tax cut	130	135	129	97	63	11	−39
Addendum:							
Republican tax cut	0	18	16	18	23	26	28
Interest on tax cut	0	1	1	2	3	5	6
Total	0	19	17	20	26	31	34

[1] The 1996 deficit estimate is a preliminary revision from CBO based on current Treasury data. The 1996 estimate included in their official April forecast was $144 billion.

Mr. EXON. Mr. President, as we wrap up the debate on the budget conference report, I would like to make a few final observations, if I might.

If last year was the Republicans' winter of discontent, this is their spring of missed opportunities. I know the Republicans wanted to hit one out of the ballpark with this budget, but what they did reminds me more of the Red Sox's Bill Buckner in the infamous 6th game of the 1986 World Series. That is when he let Mookie Wilson's grounder roll through his legs. The Mets rallied and eventually won the series. That was a missed opportunity on a grand scale; so is this budget.

There was a chance—granted a small one—to craft a compromise on a balanced budget this year. To his credit, the President has repeatedly offered to come back to the bargaining table. As he has pointed out, at the very least, we could have agreed on the common savings in both the Republican and the Democratic plans. But the Republicans rebuffed the President, and now we are saddled with this GOP budget retread.

It still has too many reductions in Medicare—reductions that are not necessary to maintain the solvency of the trust fund. As much as the Republicans bridle at the suggestion, the size of the tax breaks always has and still does determine the size of the Medicare reductions. The Medicaid provisions still jeopardize the guarantees to health for our most vulnerable citizens. The cuts to education and the environment are still too severe, and they got worse in this conference report.

So much time has passed since we first saw this Republican budget 18 months ago, and so little has really changed. We can see from this same tired budget that the majority's cupboard is bare; they are bereft of new ideas. This conference report is just a sorry addendum to last year's budget fiasco. I think we all know it, and I urge my colleagues to vote against it.

In closing, Mr. President, let me thank all of the members of the Budget Committee on both sides, of which the distinguished presider of the Chair is one. On my side of the aisle, I have had nothing but cooperation from all the Democrats on the Budget Committee, and I particularly thank all of them for all of their efforts.

I want to take just a moment, if I can, to thank Bill Dauster, who heads up our great staff on this side of the committee. We worked well with the other side and staff as well.

I simply say, while we do not agree on this budget, there has been a lot of good-faith effort and good intentions to try to work this out the best we could. I am sorry that we do not have a better product.

I reserve any balance of my time that I have.

May I inquire of the Chair, do I have any time left of my 5 minutes?

The PRESIDING OFFICER. The Senator has 1 minute, 30 seconds.

Mr. EXON. How much?

The PRESIDING OFFICER. One and a half minutes.

Mr. EXON. Mr. President, I ask unanimous consent, although we have had very great difficulty this morning in coming to an agreement in breaking it, that those who are scheduled to make speeches at this time, to call to their attention time is running out. I will suggest at this time the absence of a quorum, and that the first 3 minutes of the quorum would be charged equally to the time remaining on both sides. I withdraw my request. The chairman of the committee has arrived on the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I am sorry I was late. I apologize to the Senate. How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. Four minutes, 50 seconds.

Mr. DOMENICI. Thank you very much.

Mr. President, as I have said frequently, if I were a king I would not write this budget. But we do not have any kings in the United States. We have a U.S. Congress. That means we have Senators from very different States. That is the way our Founding Fathers decided to run this Republic. And there are very differing views, even among Republicans and certainly among Democrats and Democrats and Republicans.

I believe, however, that other than having some kind of mandate from on high on how to do it, I believe this is as good as we can do this year. And to tell you the truth, I have been at budgeting for a long time. For those who would call this a budget that perhaps does not reduce spending enough, or counts on too many things happening next year and the year after that, let me suggest, it would be beyond the comprehension of the Senate 10 years ago to think they could vote up or down and pass a budget resolution with this much savings in it.

We have never come to grips with the real problems. And this budget resolution at least says, "We know the problems. We know we can't continue this deficit spending. And let's try it this way."

As I said, it is not perfect, but it takes the main problems with deficit spending, the big ones that everybody knows about, and it begins to say, "Let's try to spend less. Let's try to send some of them closer to home where more efficiencies can be adopted."

It says to Medicaid, which is burgeoning beyond what the States will be able to pay, "Let's ratchet it down. Let it increase, but not as much as it would. Let the States make some decisions to see if they can't save significant amounts of money and still cover our poor people with health care."

On welfare reform it is not only saying we are spending too much, it is saying the program is broken. Let us do a new one, give the States more authority, and build it around the premise of 5 years instead of a lifetime on welfare; and those who are on welfare have to get educated and work at preparing to get a job, and then get jobs. That is doing what the American people want.

Ten years ago if that were all the reform we had in the budget we would have been heralding it as something great for America. In addition, we try to make Medicare solvent for 10 years without hurting senior citizens.

Our budget also recognizes that in addition to a deficit up here, there is a deficit in the checkbook of working Americans. Especially those with children. Their taxes are too high and their credits for having to raise children are too low. So we say, let us fix one other deficit. Let us fix the deficit in the checkbooks of working men and women who have children under 18. Let us give them a $500 tax break for each child that they are raising. This is a deficit that is going to destroy family life unless we work at trying to solve it.

We have left only 122 billion dollars' worth of tax relief in this budget. Most of it will go to that cause. I think when you add it all up—and one salient point, that for all of the discretionary spending, we are at a freeze. We have asked the Congressional Budget Office, how much should we spend in 1997 if we want to spend at a freeze level? They gave us the dollar numbers, and that is what we settled with the U.S. House in conference.

So hopefully we will get appropriations done and we can tell Americans we have frozen it. We have not increased it, and we have not cut it. That is a pretty good approach to a year when you really say you are trying to balance the budget. When you add that all up, it seems to me this budget resolution not only deserves a majority vote, but I am very hopeful that the President will sign much of the legislation that comes from it because I think we have the right message. We are delivering in a way that is good for Americans, be they young or old or those who are out there working to make sure their children and their seniors are taken care of. It is a good budget. I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, let me begin by complimenting the distinguished ranking member of the Budget Committee, Senator EXON. This will be the last budget he works on in his capacity as ranking member of the Senate Budget Committee. I must say no one has put more effort, more work, and more real leadership into this whole process than has he over the last many years. He is an extraordinary member of the caucus. It has been my good fortune to work with him very closely and, fortunately, with great effectiveness as a result of his participation. I thank him, not only for his work in this Congress, but for all the years that he has worked so diligently as a very key member of the Budget Committee.

Let me also commend his excellent staff, led by Staff Director Bill Dauster, for the outstanding work they have done in presenting our case on this budget and throughout the many difficult budget battles in this Congress. They do exemplary staff work, and they have served this Senator, and indeed our entire caucus and the American people, with distinction and intelligence.

Let me also thank the distinguished chairman of the Budget Committee. He works diligently and with passion and conviction. I oftentimes remark about the real contribution he makes. I may find myself in disagreement with him on many occasions, but not with him personally. He carries out his duties admirably. I commend him for his work.

In this case, Mr. President, in spite of his leadership, the fact is that he proposes to move this process in the wrong direction. He and his colleagues have produced a budget that is designed to appear more moderate, but it contains the same failed policies that the President was forced to veto last winter.

In fact, this budget, in spite of all of the good work and rhetoric of the distinguished chairman, contains the same extreme proposals relating to Medicare, Medicaid, education, the environment, and the other issues we debated so vociferously last winter. It is just as extreme if you follow it out to take into account the 7-year budget timeframe that we had to work with last year. The numbers are hardly different. So no one should be misled. This is almost identical to what we were presented last year. Because of the extreme and harmful policies it contains, the President had to veto it last year.

The President has offered a plan that balances the budget without resorting to such extremism. The deficit as a result of his efforts and our efforts over the last 4 years has been cut by more than half. The deficit was $290 billion in 1992. The deficit this year is $130 billion. For 4 years in a row, the first time since the 1940's, we have cut the deficit dramatically. This resulted from real leadership, and because we did what we said we were going to do.

This deficit will actually go back up under the Republican budget plan for the next 2 years. So instead of this hyperbole and instead of all of the partisan rhetoric, we ought to be negotiating downtown with the White House, sitting down with the President and the bipartisan congressional leadership, and finding an agreement that will balance the budget by 2002.

Instead, as is often the case in this Congress, Democrats have been locked out: locked out of the budget negotiations, locked out of the budget process almost entirely, and locked out of any real effort to try to resolve these matters in a bipartisan way.

There are many problems with this budget. But I want to cite very briefly just six.

First of all, this budget reveals again what is really at the heart of the Republican priority list: more tax breaks for those who do not need them. The conference agreement drops any pretense of balancing the budget before it provides for the opportunity to propose tax cuts. At least in the Senate bill the tax cuts were contingent on the passage of two other bills which actually cut the deficit and achieved balance.

The reconciliation prescription in this budget conference report does not even do that. The conference agreement drops all contingencies. It proposes that major tax reduction proposals for those at the very highest income levels be dealt with in the very first reconciliation package that comes before the Senate.

The first bill could be a $122 billion net tax cut in addition to the deep cuts in Medicaid and welfare. The actual tax breaks, Mr. President, will actually add up to $180 billion in that bill, according to the Chairman of the Budget Committee in the other body.

This arrangement will force a veto. It is designed to include devastating Medicaid cuts that will act as a poison pill. There is no doubt in my view that the tax cuts that we are going to be confronted with are the same kind that created the deficit. Just after we have been able to deal so effectively with the deficit over the last 4 years is no time to turn back the clock and propose budget-busting tax breaks before any serious effort to cut the deficit.

So that is problem No. 1: approving tax cuts before we actually make room for them; tax cuts in many cases that are not necessary; tax cuts that are going to drive up the deficit all over again in the not-too-distant future.

The second problem is the excessive Medicare cuts that we all know are incorporated in this plan. The tax cuts, in large measure, to the extent they are paid for at all, are paid for out of Medicare cuts, $168 billion in Medicare cuts. We know these deep cuts will lower quality of health care provided to millions of seniors and individuals with disabilities. We know they threaten the solvency of many rural hospitals, who may be forced close their doors. We know they will undercut the ability of many beneficiaries to gain access to care, and we know they will create real problems for many who obtain their health only through the Medicare system today.

Mr. President, these issues will go away. They must be addressed in a comprehensive way. We know we have to deal with solvency. The President's budget proposal maintains the solvency of Medicare for the next 10 years. Yet, the pending budget resolution contains $50 billion more in Medicare reductions than the President's plan. The only purpose of such unnecessary reductions in Medicare is to finance the excessive tax breaks proposed in this resolution. We simply cannot accept a willingness on the part of some to use deep Medicare cuts to pay for the tax cuts in this budget plan.

The third problem is that this bill virtually destroys Medicaid—it proposes $72 billion in Medicaid cuts. We are also concerned about the way in which these cuts are provided. It proposes to turn the Medicaid Program into block grants. This approach does not reflect the bipartisan plan proposed by the National Governors Association. It has been opposed by Democratic Governors. Block grants would create a tremendous inconsistency in the availability of benefits under Medicaid, regardless of what other assurances were being given by the Republican majority. These cuts are not just $72 billion as they relate directly to the budget. Because of the ability for States to dramatically reduce the availability of funding, the cuts could actually reach $250 billion if the States maximize their ability to reduce the commitment to health care.

This will undercut the availability, and in some cases completely eliminate the availability for millions of children, and for persons with disabilities. It threatens seniors in nursing homes and the financial well-being of their spouses. All this devastation and sacrifice is being asked for in order to provide for tax breaks in many cases for those who do not need them at all. The fourth problem is this budget proposal dramatically shortchanges education. It reduces education and training by a full 20 percent in real dollars, or $25 billion by the year 2002. When we vote on this resolution, keep in mind that it incorporates the largest education cuts in history. Over the same time period, in spite of the fact this represents the most dramatic reduction in the availability of funding for education in our history, school enrollments are going to rise to historic highs. Every school is going to be faced with the prospect of increasing enrollment, and greater demands for real budgets, at the same time the Federal Government is reducing its commitment to the very schools it claims to support. The President's budget, on the other hand, invests $57 billion more than what this budget resolution provides.

The fifth problem, Mr. President, is this resolution dramatically harms the environment. It cuts $3.8 billion from environmental protection and natural resources. That is 17 percent below the President's commitment to the environment into the year 2002. We cannot all talk about how much of an advocate we are to the environment if we are not willing to commit the resources to ensure that environmental protection can become a reality. Mr. President, we have to address environmental funding in a way that ensures the ability to implement comprehensive environmental protection.

Finally, the sixth problem, is that it raises taxes on working families. It proposes an $18.5 billion in increase in taxes on working families through the cutting back on the earned-income tax credit. It raises taxes on 7 million working families in the next 7 years. As the President's budget makes clear, we can balance the budget without raising taxes on working people.

Mr. President, we can do a lot better than this. This is an extreme budget. This budget takes money from health, education, the environment, and working families. Those priorities, we have said from the beginning, are our priorities. This budget attacks those priorities in ways that we do not believe are wise for this country or for the people affected. Obviously, this budget continues the great debate about where we ought to be taking this country. Do we really want to make the dramatic and draconian cuts in health and in education, in Medicare and in Medicaid, in the EITC, to provide for the tax breaks for many people who simply do not need them today? I do not think the American people want that. I know members of our caucus do not want it, either.

This budget resolution represents an abandonment of any pretense of balancing the budget before cutting taxes. As a result of this fiscal irresponsibility and the cruelty of its priorities, this budget is dead. The reconciliation process that will be carried out as a result of this budget resolution is going nowhere.

The only way that we can resolve this matter is to do what we talked about doing yesterday, to work together, to resolve our differences, and in a bipartisan way to come up with an agreement on a plan that details ways with which to balance the budget. We should build on the record of the last 4 years, and guarantee the kind of economic growth and the protection of priorities that we all know are so critical to the long-term best interests of this Nation.

I urge all of our colleagues to look at this resolution very carefully and to join us in opposition when we have that opportunity a few moments from now. I yield the floor.

Mr. EXON. Mr. President, I have 1 minute remaining. I will stay within that 1 minute. I thank my Democratic leader, my good friend from the neighboring State of South Dakota for his kind remarks. I thank the chairman of my committee for all that he has done over the years.

This is my last part in managing a budget resolution. I simply say in leaving, while I am not satisfied with what we have done and while I will be involved, I am sure, in the months to come this year in trying to bring some resolution to the remaining differences, I want to say it has been a thrill and an honor to work with so many outstanding people on both sides of the aisle. I only wish my friends on the Republican side could have been a little bit more understanding. But I simply say we have, in the last 3 years, cut the deficit from about $300 billion to about $140 billion. We are on the road to the right course. We should not give up.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I know the hour of the vote has arrived. I believe we have 5 minutes' time remaining. I will use leader time if that is necessary.

Mr. President, I am proud to be here today to endorse this budget resolution conference report. It is obviously the thing we need to do. It is the first critical step in the process this year. After we pass this budget resolution conference report, we can then quickly move to the reconciliation bills that, in fact, enforce the things that we say we are going to do in this bill, and we can begin passing the appropriations bills because the Appropriations Committees will then have the numbers they need to mark to, and we can move this process forward as we need to in a cooperative way. But first, we must pass this conference report.

I begin by again recognizing the outstanding work of the distinguished chairman, the chairman of the Budget Committee. I daresay there is no Senator that knows more about the budget rules and the budget itself than Senator PETE DOMENICI of New Mexico. He does outstanding work, here in this body, on that committee, and working with Members across the aisle and with the other body. I congratulate him for the fine job he has done, once again, this year.

I also want to extend my congratulations and best wishes to our good friend, the Senator from Nebraska, Senator EXON. He certainly epitomizes the old saying, "you can disagree without being disagreeable," and particularly this year we have found that while he made his points and offered some amendments he has worked with us to move the process along. I know the Senator from New Mexico has already pointed that out. We appreciate the very fine work of Senator EXON.

Also, I might note today, Mr. President, that this the last budget resolution other Senators who are members of the Budget Committee will work on, too. Senator BENNETT JOHNSTON of Louisiana has been an excellent member of the Budget Committee since the 95th Congress, January 1977, I believe under the chairmanship of Senator Muskie. Mr. President, 19 years on the committee is almost a sentence, but he has done excellent work as a member of the Budget Committee. He also has been a pleasure to work with and has been helpful on many occasions.

The distinguished Senator from Illinois with the bow tie, Senator SIMON, has always worked as a really good member of the Budget Committee, and the distinguished Senator from Colorado, Senator BROWN, has worked on budgets many times in the past and has been a great member of the Budget Committee. I commend them all for their fine work and what they have done.

It has not been easy to reach this budget conference report, to get to this point. We have had disagreements along the way. In the Budget Committee and on the floor of the Senate efforts were made to amend it, substitute alternatives were offered, and the Senate passed an amendment that added some additional funds for nondefense discretionary spending. When the conference work was going on, that was not received with a great deal of pleasure in some circles, but we worked it out and we came up with a reasonable agreement that will allow us to do what we need to do for our country and continue to move us toward our ultimate important goal of a balanced budget by the year 2002.

We do have a budget resolution conference report here before the Senate that continues to represent dramatic changes in the way we govern. If you want to continue to build a monument to status quo, the way things have been done around here for years, that basically always seems to lead to more spending, then you do not want to be for this budget resolution. This budget resolution continues the good work that was started last year, that moves us in a different direction, that moves toward giving some relief to the American people that work and pay taxes, and moves toward some real reform in the entitlement areas, where we need it so badly.

It does continue to restrain spending. It does allow enough funds for a strong national defense, but it will continue a pattern overall, in that period of years, of less spending for defense. We have worked on that very carefully, and I think this conference report does an adequate job there.

This conference report reflects our beliefs in a balanced budget and lower taxes for families with children. When I hear these accusations about tax relief for those that do not need it, I wonder first of all, whose taxes are they, anyway? Whose money is it? It is the people's money. We are talking about allowing families with children to have just a little help in raising their children with their own money, a $500 tax credit—which, by the way, is limited to people under a certain income level.

So I do not apologize at all for wanting to help families with children, for wanting to help children with some tax relief instead of it coming to Washington and letting Washington decide, "Oh, yes, we will send it back the way that we determine is best for your children." We say, "How about letting the families make that determination?"

With regard to the Medicare issue, we have seen recently that the decline in the Medicare Trust Fund is greater than we had anticipated, greater than even a year ago. We can stand here and ignore this problem. But what we are threatening is our parents', our grandparents', and our children's future, and their ability to depend on this program.

The bipartisan substitute that was offered, as a matter of fact, had proposed Medicare reforms that would lead to a savings over the 6-year period of $154 billion. In this conference report, the proposed savings are $158 billion. As you can see, the numbers on Medicare are very close. Over a 7-year period, I think the difference between the administration's proposal and ours is around 2 percent. Yet, we are still all talking about an increase every year—every year for this important program.

So I think that we are doing the right thing here. It provides for reduced Government spending and less Government intervention. It lays out a blueprint for what we need to do, but it continues the path we started with last year. By the year 2002, we will have the first balanced budget since 1969.

With regard to what the President has proposed, Mr. President, I would like to submit for the RECORD a chart which shows budget deficits, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BUDGET DEFICITS

[In billions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Current law baseline	146	156	160	147	136	111	105
Conference agreement	146	153	147	117	89	42	−5
President's Budget: [a]							
With trigger	146	155	152	123	105	54	−3
Without trigger	146	156	153	125	108	87	81
Chaffee-Breaux Moderate	146	147	154	134	114	77	49
Balanced Budget Act [b]	151	159	127	97	73	34	−3

[a] CBO reestimate.

[b] CBO reestimate from December baseline.

Prepared by SBC Majority Staff, June 13, 1996.

Mr. LOTT. Mr. President, this chart shows that every year—every year—the President's proposals would have the deficits that our package has over these 6 years. As a matter of fact, there has been this reference to the spike we have in the next fiscal year. Yes, there is a spike in our budget in the next fiscal year, but there is also one in the President's budget, and it is $2 billion higher than our proposal.

So if you want to compare the proposals, I invite you to do so. This chart will be in the RECORD.

I am proud to support this package. It is fair. It is what we need to do.

I urge my colleagues today to stand up, do the right thing, and vote for this budget resolution. Let us move the process forward. Let us do what is right for our children and for our country.

I yield the floor, Mr. President.

Mr. President, I understand the yeas and nays have not been requested. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. BUMPERS] would vote "no."

The PRESIDING OFFICER (Mr. ASHCROFT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—1

Bumpers

The conference report was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I am disappointed and disillusioned by this conference report on the budget resolution for the 1997 fiscal year.

I am disappointed that the conference report lowered next year's discretionary spending by $1.3 billion from the Senate-passed budget resolution. I applaud Senate Budget Committee Chairman PETE DOMENICI and ranking member JAMES EXON for their strong support of adequate funding for programs that invest in our country. Unfortunately, the House of Representatives refused to accept the Senate's more responsible discretionary spending levels.

Moreover, I am disillusioned that the House budget conferees have resorted to a new budget gimmick. Instead of showing leadership to produce a more moderate budget resolution, they have added a new smoke and mirror—the Government shutdown prevention allowance. This section of the conference report will free up $1.3 billion more in spending only if Congress decides to pass a continuing resolution to fund the Government. This is a billion-dollar incentive for Members to pass a continuing resolution.

After two unnecessary and expensive Government shutdowns and more than a dozen continuing resolutions last year, I have had enough of this piecemeal approach to budgeting. Budgeting by continuing resolutions is a true failure in leadership. Instead of passing the buck by passing continuing resolutions, we should make the tough budget decisions and then vote on them in appropriations bills. Unlike short-term continuing resolutions, year-long appropriations bills allow Federal, State, and local agencies to plan their budgets and make Government more effective.

This conference report also makes harmful short-term cuts in important programs that will have devastating consequences over the long-term. It cuts Medicare and Medicaid more than is necessary to achieve a balanced budget. These cuts would reduce Medicare spending growth per-beneficiary far below projected private sector growth rates. I am disappointed that the majority persists in cutting a program that is vital to 83,000 Vermonters, 12 percent of whom live below the poverty level.

And it cuts environment funding while increasing defense spending by $11 billion for 1997—which is unacceptable in today's post-cold-war world. The people of the United States never voted to gut environmental spending in the last election. They overwhelmingly want to make sure Government provides basic safeguards for a clean environment. This is a job that Government can do and needs to do.

Mr. President, this budget resolution is better than last year's extreme budget, but it still cuts programs for elderly, young and low-income Vermonters more than is necessary to balance the budget. And it hurts the environment while resorting to budget gimmicks.

We can do better than this disappointing and disillusioning budget.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, we hope to have some announcement about proceeding for the remainder of the day and week momentarily. We are working on that right now. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

FEDERAL RESERVE SYSTEM NOMINATION OF ALAN GREENSPAN TO BE CHAIRMAN OF THE FEDERAL RESERVE SYSTEM

Mr. LOTT. Mr. President, as in executive session, I ask unanimous consent that the Senate now proceed to executive session to consider the nomination of Alan Greenspan, to be the Chairman of the Federal Reserve System, and it be considered under the following time agreement: The time beginning at 2 p.m., today, for the remainder of today's session, and all debate time during Friday's session be equally divided between Senators D'AMATO and HARKIN or their designees; at 9:30 a.m., on Thursday, June 20, there be 3 hours remaining on the nomination, to be equally divided between Senators D'AMATO and HARKIN; and that the vote occur on confirmation of Alan Greenspan at 2 p.m., on Thursday, June 20, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I further ask unanimous consent that immediately following the confirmation of Alan Greenspan, the Senate proceed to the vote on the nomination of Laurence Meyer to be a member of the Federal Reserve System, to be followed immediately by a vote on the confirmation of Alice Rivlin to be a member and Vice Chairman of the Federal Reserve System.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Finally, Mr. President, I ask unanimous consent that following the confirmation vote of Alice Rivlin, the President be immediately notified that the Senate has given its consent to these nominations and the Senate then resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for morning business, with Senators allowed to speak for up to 5 minutes each; and, further, that Senator THOMAS be in control of the first 30 minutes, and Senator DASCHLE or his designee be in control of up to 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, to update all Senators, following morning business, the Senate will then move to the consideration of the Federal Reserve nominations that are on the Executive Calendar. The agreement reached, therefore, will provide that no further votes will be called for today or during tomorrow's session of the Senate. We have discussed this with the Democratic leader and worked it out very carefully.

This matter has been delayed far too long already, and we need to take up these very serious nominations. So we now have reached a process that allows us to do that. I assume there will be 3 hours or so of debate today, and then debate again on Friday on these nominations, and then, of course, the vote for them would occur on Thursday, at 2 p.m., of next week. That is at the request of the Democratic leader.

We will be looking at what issues will be taken up on Monday and/or Tuesday, and we will notify the Members once an agreement has been reached on that. I yield the floor, Mr. President.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

"ME, TOO" POLITICS

Mr. THOMAS. Mr. President, we appreciate the opportunity to take some time this afternoon. This is a continuation of our effort among the freshmen to have a freshman focus and to bring what is often a unique perception of Senate Members, those of us who just came less than 2 years ago, on the topics of today. So we appreciate that. Some of my colleagues will join in.

Mr. President, we want to talk a little today about me, too politics. I think it is a timely topic. It is one that has been very prominent here in this body over the last several months or even, in fact, year.

It sounds kind of good—me, too. It sound like that ought to give us an opportunity to agree. We will order something and there will be a resounding, me, too.

Unfortunately, that is not the way it works. Unfortunately, me, too politics means when there is an idea that comes up, I say, me, too, and then find lots of reasons why you cannot do it, so that there is a very difficult problem in determining—walking one way and talking another, saying, "I'm for it," but making sure that it never happens. That is what we increasingly are seeing with this administration, President Clinton, and with the minority here in the Senate.

There are, of course, real choices to be made. There is nothing wrong with choices. That is what politics is about. It gives you and me, as voters, a chance to choose because various candidates are for various things. That is how the system works. When those choices are made indistinguishable, then it is very difficult. It is very difficult to have politicians who say one thing and do another, and continuously do that.

So there are basic decisions that have to be made. Are we going to have more Government, more Federal Government or less? Are we going to move in the direction of having more taxes, or are we going to move in the direction of having American families spend more of their money themselves? Those are basic decisions. Are we going to spend more? Are we going to borrow to spend more so that the credit card can go to our kids, or are we going to reduce spending?

These are tough decisions, but they are fairly clear decisions. What is happening is they are being blurred by this me, too politics. The technique, of course, is that whatever is suggested as fundamental change, then the others say, "Well, I'm for that as well," and then go about making sure it never happens.

The technique, of course, is to speak for it, and then decide, "Well, but it goes a little too far," or, "There are some details here that we can't do. I want a balanced budget, but this isn't the right way." So it is a way of saying, "I'm for it," but making sure you never have to vote for it.

Mr. President, I think that is troublesome. I think that is troublesome in terms of the system. It is troublesome certainly in terms of elections where, at least in my view, the purpose of elections is to give some direction to our Government.

We have to generally do it in fairly broad areas. Certainly no one talks about 800 different votes that you take in a year, but they do talk about your philosophy. Are you for less Government or for more? More spending or less? A balanced budget or not? Term limits or not?

Unfortunately, the President has become a me, too President. There are countless examples of echoing the fundamental changes that have been brought about by the Republican Party, or by Bob Dole, almost like a shadow. Every time the Republicans come out with a plan to make fundamental change, to bring about the reforms that people have asked for, why, we see the President standing up and saying he agrees; but when the chips are down, he goes the other way. It is no longer "Me, too." It is more like the old Frank Sinatra song, the old tune of "My way." "Do it my way."

So it is easy to say, "Well, I'm for that, but, you know, it's not the right way to do it," or, "I'm for that, but it goes too far," or, "I'm for that, but there are the details." So it confuses where we really are.

Balancing the budget and cutting taxes and reforming welfare, ending the days of big Government, why, the President continues to sound in tune with fundamental change, but when the reform comes around, then his position shifts and it does not happen. That has happened so many times this year.

For example, he vetoed the balanced budget after saying he was for a balanced budget. After running on a balanced budget, after saying, we can do it in 5 years, in 8 years, in 10 years, in 7 years, he vetoes a balanced budget.

He vetoed welfare reform after pledging to change welfare as we know it. He vetoed legislation that would have kept Medicare solvent for the next generation after promising to save the program. These are the issues that we are seeing too much of "Me, too" instead of reform.

We need to really bear down on the idea of people saying one thing and doing another. I am pretty proud of this body and of the majority in this body who came here a year and a half ago and said we believe that voters want some fundamental change in terms of the direction of this country, a balanced budget being one of them.

Of course, the idea of moving welfare and many of the programs closer to people by moving them to the States, these are fundamental changes that people talk about. We have done many of those things, but unfortunately, the "Me, too" politics has kept them from being completed. We have sent the first balanced budget in 25 years to the White House—the first time. Vetoed.

So we need to really take a look at what we are for. If people disagree, if people want more government—and there are those who do, a legitimate point of view. I do not happen to share it. But you can argue that, "Yes, there are more things Government can do. Yes, we ought to take more money from folks because we can spend it better in the Government." That is a legitimate point of view; not one I share. But we at least ought to decide where we are on those things so that what we say and what we do are the same.

Welfare reform is one that comes, of course, to mind. We provided the President an opportunity to reform the Nation's welfare system, not just once, but twice. On both occasions the President said no; first, as part of the Balanced Budget Act in November and then a bill that stood on its own in January.

Just last month the President issued an Executive order requiring States to end welfare payments to teenaged parents who quit school or refuse to live with a responsible adult, language in part that was part of the proposal. Now the "Me, too" politics will say, "Yeah, I'm for that. I agree with that. Look what I've done," which is about one-hundredth of the total package. We see more and more of that.

Another flip-flop occurred on, of course, announcing support for Wisconsin's historic welfare reform plan to put able-bodied recipients to work, something the Republican welfare program that was vetoed would have accomplished. Now the administration is backing off of that, flip-flopping again, saying there are some details in the Wisconsin plan that need to be negotiated.

Let me tell you, the people in Wisconsin have a better idea of what needs to be done to deliver services in their State than bureaucrats here do.

I come from a State that is small. We need a different system than you need in a large State. The States are the only place to do that. So you cannot talk one way and walk another. Balancing the budget clearly has been the most significant issue over the last year and a half, not simply because of the numbers, not simply because of the arithmetic, but because the budget reflects the kind of approach we take to govern, whether we are fiscally responsible, whether we say, "Yes, we will spend more than we take in," whether we say it is morally correct if you want services, those people who receive them ought to pay for them, rather than putting it on the credit card for the kids. Those are basic issues.

We cannot balance the budget unless we are willing to adjust and make fundamental changes in Government. Budgets are vital to where we are going. The first 2½ years the administration never submitted a balanced budget to the Congress despite all of the talk, and opposed a balanced budget amendment to the Constitution, arguing we do not need to do this. "Just balance the budget," the same argument that has been going on 25 years right here in this place, and we have not balanced it. Of course we need the discipline of a constitutional amendment.

Finally, under the pressure to produce a balanced budget, but not basically making the changes that have to be made to do it. You have to deal with entitlements. Two-thirds of the expenditures are in entitlements. If you do not deal with entitlements, several things happen. One is that you never balance the budget. The other is that programs we want to strengthen and save, like Medicare, cannot exist unless you make some fundamental changes in them.

Tax cuts, promises to cut taxes—instead, what do we get? The largest tax increase in the history of this country. Last year, we came forward with plans to reduce taxes—vetoed, of course.

Mr. President, I have great confidence in the American people. I have great confidence in voters that they will make decisions based on fundamental direction. I certainly hope so. That is our job as voters, to decide where we want to go and then, of course, have to decide who the candidates are that are going in the same direction we are, not that any party or any politician is going to represent every detail of our point of view, but in general this party, this party, this candidate or that candidate comes closer to representing my view than the other. That is the choice we have.

Mr. President, I hope we all understand this business of "Me, too, politics" is not leadership. It is not decisiveness. It is a matter of avoiding taking strong positions. It is a matter of saying, "Yes, this is a good idea. I am for it, I want to balance the budget, but I just cannot vote for it the way it is," and never will.

I appreciate the opportunity to discuss this. I see my associates have come forward. I yield to the Senator from Pennsylvania.

Mr. SANTORUM. I thank the Senator. On the issue of the President, which is a discussion that many of us are scratching our head about with respect to the rhetoric we are hearing from the White House on issues—very, very important issues—that face this country, where Republicans here in the Congress and in many places, on a bipartisan basis, are trying to move forward with programs we believe will move this country forward. We have been met with very stiff resistance from the White House.

Yet when the campaign that has now commenced—the speeches; the President is out, making the campaign speeches—you would think from the speeches that he gives that all of the things that we are pursuing, that the American public is in general agreement with, like balancing the budget, like cutting taxes, like having smaller Government, like giving more power back to State and local governments, like welfare reform, all of those things that are very much supported by the American public and have been stopped, clearly been stopped by this White House, because we have passed all of those things, and they have been vetoed down at the Oval Office, the President is now campaigning in his speeches that he is for all of this. In fact, he is the one who is trying to make these things happen.

It is particularly difficult for me, as someone who has worked extensively in the area of welfare reform, to hear the President of the United States not only giving speeches on the issue about how he is in support of the welfare system, but we have a President of the United States running ads on television talking about his welfare plan. Let me remind the President and my colleagues that the President of the United States has introduced one welfare reform proposal. It was introduced in June 1994, some 18 months into the President's term.

As you may recall, in 1992 when he ran for election, he promised to end welfare as we know it and made it a centerpiece of the campaign—he was a new Democrat, someone who understood that big Government policies of the Great Society were, in fact, hurting the very people they intended to help, and that we had to do something different. We had to do something dramatically different. As a Governor from Arkansas, he saw the need for decentralizing welfare back to the States, into the communities, where antipoverty programs have been more effective and more tailored to the needs of the people in those communities.

So he said he wanted to end welfare as we know it. I think that was a very significant component of putting together the Clinton majority that earned him the electoral votes necessary to win the Presidency. Mr. President, 18 months later, he introduced in that interim period of time massive health reform, tax increases, further spending increases, new entitlement programs, a whole lot of other things were introduced in the first 18 months. He tried to do the gays in the military and other things that were obviously higher in priority because they certainly came before any initiative on welfare. He took no initiative.

The 103d Congress, from 1993 and 1994, introduced no legislation, the Democratic majority in both Houses introduced no legislation to move the welfare debate forward. In June 1994, it was introduced. It was a pathetic bill by everyone's estimate. It was panned by both sides as being no significant reform at all. In fact, they had trouble finding Democratic cosponsors of the bill. Someone even introduced the legislation for the President because it was considered such a minimal, incremental, insignificant reform of a system that was in terrible need of reform.

This is the plan—I assume this is the plan—that the President now is going around the country suggesting ends to welfare as we know it. No one from the left or the right, whether you are for welfare as it is or would like to see substantial changes, would indicate that the President's plan of 1994 ended welfare as we know it. Yet, we have the President of the United States out on television, out in speeches, suggesting that he is trying to end welfare as we know it.

He had an opportunity to end welfare as we know it. Last year, we worked on a bipartisan basis here in the U.S. Senate and passed, I think, a very strong bill, one that attacked the significant problems in the welfare system, began to attack them. I do not see this as the final solution, by any stretch. But, in fact, it began to take us into a new course, where we focus more on allowing individual communities and States to fashion their own welfare programs with more flexibility. We put some work requirements in there, because we believe that is absolutely essential to transition people off of welfare. If you are going to transition people off of welfare, you have to give them work experience and teach them the skills necessary to work, and you have to put in time limits. If you do not put time limits in, you have a system that perpetuates nonwork, perpetuates a whole lot of values which I do not believe make for successful Americans.

We worked together on a bipartisan basis here in the Senate and came up with a bill that got 87 votes on the floor of the U.S. Senate—87 out of 99 votes; there were 12 who voted against it. That is an enormous bipartisan effort. In a year or two, now, where you have seen claims and disgust from the public about the intense partisanship, about the serious issues that face the country, here in the U.S. Senate, the issue that I think is one of the most pressing and important issues to this country and to our culture, to helping those who are in need, we were able to get 87 votes for a bipartisan bill.

The President of the United States, who originally said, "This is a great bill and I like it," as time went by, as we were working on this bill in conference, the President said he would veto, in fact, the Senate bill, that he would not support the Senate bill, even though it got 87 votes here in the U.S. Senate. So the President again very clearly signaled to the other side that he was not for anything that looked like the Senate bill or certainly not the House bill, and sent the signal to block whatever came out of conference as unacceptable welfare reform, even though there were 87 votes here.

Now, this is the President who is running ads saying he wants to end welfare as we know it, having torpedoed a bill that got 87 votes here in the U.S. Senate, having not offered any substantive proposal in this session of Congress, having offered a weak proposal in 1994 that, again, was panned by both left and right as insignificant.

This is the President who now wants you to believe that he is for us; he is for the same things that we are for and that you are for in welfare reform. The fact is on this "me, too" he is not "me." He is not "us." He is "them." He is the status quo. He is for perpetuating a system that while well meaning in its inception—and certainly the people who put these programs together did not put these programs together because they thought they were going to hurt the poor, or because they thought they were going to hurt the children, or they thought were going to destroy communities, or thought they were going to create a culture of despair, or thought that they were going to really begin to tear apart families, or thought they were going to see fathers becoming less and less responsible for their children. None of those things were intended consequences of the Great Society programs and the other welfare programs we passed. But they surely have contributed to all of those things.

What we are saying is that it is time to do things differently that we know work in rebuilding those institutions. The institutions of family, of parental responsibility to children, of community organization that builds values in the communities like churches and nonprofit organizations, and civic associations that build a sense of community and set standards and values for this community so people can relate to—in fact, not only do they relate to but they participate in establishing.

We believe that sending welfare back down is not just substituting a State bureaucrat for a Federal bureaucrat, but substituting the neighbor down the street who works at the local community center, or the pastor of the church, or the social worker at the nonprofit mission helping the poor. That is what we are talking about in the welfare reform that is envisioned in the bills. I am hopeful that we can see that kind of progress in this area.

I am also hopeful that the President will own up to the fact that he is not for welfare reform as that envisioned that I have just given you. That is not his vision of welfare reform. His vision of welfare reform is ensuring Federal control over these programs, guaranteeing that you will hear very much, "Well the Republican plan didn't guarantee this; it cannot guarantee that." I can tell you what all of these Federal guarantees have gotten us over the past 30 years: Guaranteed failure, Federal guarantees failures of families and communities and culture. We want to get rid of the Federal guarantees. Yes, because we believe it is much more important that instead of having the bureaucrat guarantee that someone gets a check passed out by someone who sits behind bulletproof glass and you receive the check because the number that you have on your card is the number that matches that computer. Who you are does not matter. What your concerns are, does not matter. What your needs are, does not matter. You are a number in a computer and you get processed like it. That is not the kind of guarantee that I think the poor want in this country. What they want is the guarantee that someone loves them, cares for them, who sees them as a neighbor, who sees them as part of what they are in a community, and has the resources available to them to help them. That is the guarantee that we want to provide. That is the kind of program envisioned that we see for helping the poor in this country, and it is not about the Federal Government taking care of people. It is about neighbors taking care of each other which is about the goodness of America and the culture that we so much want to rebuild in this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

I just wanted to add a few words to what my colleagues have been talking about here this afternoon—about leadership that I believe the American people have been calling for, leadership in areas such as a balanced budget, leadership of Federal spending reforming our welfare system, and, yet, leadership in providing tax relief to America's hard working families. That is what people think about leadership on these type of issues. They usually first think of the President because he naturally, after all, is our chief executive officer of the country; the person who delivers the State of the Union Address every year; the one required by law to begin the budget process by submitting that proposal to Congress. The President is elected to lead. But that is not what President Clinton has done over the last 3½ years. Instead of leading the Nation he has been more of one that is following in the footsteps of Congress. Whatever we do the President now especially in this campaign year is saying "me, too" as we have noted in other things. But his proposals in comparison with ours are really just pale examples of what needs to be done.

We talk about welfare reform. He says "me, too." But he does not provide adequate reform that we need to save and provide for that system of Medicare. We say we need to save Medicare. He says "me, too" but does not provide the basic reform and changes in the Medicare system to ensure that it is going to be here for the seniors who rely on it today and for the generations to come.

Few issues symbolize the me-too response better than what has happened to tax relief. This President in 1992 as candidate Bill Clinton for President campaigned on the issue of tax relief for American families. In fact, then even called for tax relief as high as $1,000 per child tax credit. He said American families need tax relief. But what did the President do after the election? Did he come to Congress? Did he come with a budget that said, "Now I am going to do what I promised to do, and that is to provide tax relief in some form to America's families?" No. He did not. In fact, in 1993 the President proposed and this Congress passed—again without one Republican vote because we did not want to add to the tax burden of the American families—a $265 billion tax increase; not tax relief for families, but tax increases. Of course, we are going to hear the rhetoric all the time that it was targeted for the rich so they can pay their fair share. If that is true, why is the average tax burden on Americans today at all levels higher than it was just 3 years ago? Why is tax freedom day now on May 7 and not May 1 as it was 3 years ago? It is because the average American in this country is paying more taxes today than at any time in history.

Our tax levels are higher today than at any time in history for average Americans—not just for a few but for all Americans. This flies in the face of what President Clinton said just 3½ years ago in 1992 that he was going to provide tax relief.

In 1993 while a Member of the House I introduced a budget called families first, and among the budget proposals included was tax relief, and specifically $500 per child in that tax relief package, half of what the President had talked about but as much as we can get a consensus on. We thought that was important. But when it reached the White House as part of our budget plan last year what did the President do? The President vetoed that. The President did not carry through on his promise of providing tax relief as I said, in fact he added more taxes to the average American family's debt.

In doing so, I was hoping that we could win the President back over by providing for and including this tax cut in our budget. For nearly 3 years we have been fighting that. As I said, the President has vetoed every attempt that we have made.

So the President keeps saying—and we will hear it on the floor here as well, again as I mentioned—that this is just tax relief for the rich. I do not know where that comes from. When average American families in this country—in my State of Minnesota alone $500 million a year for average families could stay in their pockets rather than being sent to Washington. You will hear a lot of those—"Well, Washington speaks, and we can't afford here in Washington to give this type of tax relief." Well, the question is: Whose money is it? It is not Washington being able to afford to give tax relief. The question should be: Should American families be able to keep more of the money that they worked hard for every day? How much can we allow them to keep? That should be the question rather than saying, "How much is this going to cost Washington?"

The President though in his me-too efforts says, "Well, I do want to give tax relief now." This is an election year. But now he is saying in his latest budget, "Yes. I want to give tax relief. Me, too. I want to give a family tax credit, $500 per child. Me, too." But what is the President's proposal? It is not $500, and it is not for all children. It starts out as a $300 tax break for children, and it is phased in over 5 years. But at the end of 5 years it dies again. So he gives it and takes it away.

Is it for all children? No. It is for children up to the age of and including the age of 12. So it is not for the same type of a tax relief that we have offered across the board of $500 per child tax credit.

So, in other words, when it comes to $500 and the tax credit, the President has said "me, too" but only for a few years, not for children over the age of 13, and I guess not for real.

So today, still 4 years after that promise was made, 3 years after we began the fight of offering tax credit and tax relief for American families, taxpayers still find themselves now caught between the rhetoric and reality. We have tried. We have included tax relief in our budgets. The President has vetoed it.

So when Bill Clinton took office in 1993 we said then the taxes were too high, we believed Government was too big, and that spending was out of control. Nearly 3½ half years into the Clinton Presidency, and despite all the efforts that we have made, taxes are still higher than they were 3 years ago, Government is bigger than it was 3 years ago, and spending. Well, I think you get the message. Spending has increased over the last 3 years.

The bottom line is this cannot continue. We cannot give up on our efforts to return to the American people their hard-earned tax dollars. If the President is not willing to exercise the responsibilities of leadership handed to him by the voters, then we must. We are going to continue our efforts when it comes to carrying out the taxpayers' agenda. Their demand for a balanced budget, less Government spending, and tax relief is what we are going to continue to work for. We cannot afford to simply sit back and say, "Me, too," like the President has done. We have to say we can and we will do this.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I want to continue this same theme of discussing ideas that have been put forth by Republicans in the Congress and which the President has claimed he also supports, though in some cases the record would suggest otherwise.

Former Congressman and HUD Secretary Jack Kemp has said something that I always thought was very wise. He said that campaigns are not so much about defeating an opponent as they are about providing leadership and new ideas.

The Republican Congress, particularly under the leadership of then Majority Leader Bob Dole and Speaker NEWT GINGRICH, have provided the leadership and the new ideas that have animated the agenda here in Washington for the last year and a half. It began with the Contract With America, and it followed through with many of the ideas that have just been discussed by the Senator from Pennsylvania and the Senator from Minnesota.

One of those was the idea of tax cuts that the Senator from Minnesota was just talking about. These were proposed, of course, by Republicans. The President said, "Me, too, but not as much."

With regard to welfare reform, the Senator from Pennsylvania talked about that. I remember when President Clinton said, "Me, too" on that, and tried to steal the thunder, apparently, from Majority Leader Bob Dole, who was prepared to talk about welfare reform, when President Clinton said, "I like that Wisconsin State plan. That is the kind of real welfare reform we need," in a Saturday morning radio address. Then, when it came time for following through and signing the waiver that would allow Wisconsin to follow through with its welfare reform, the White House said, "Well, we are not quite ready to do that, yet. We want to think about it a while." So one is not even certain whether, when the President says, "Me, too," he really means it.

In any event, taxes and welfare have been discussed. Let me mention quickly three other subjects that fall into the same category. One is the subject of defense and, in particular, ballistic missile defense. This is something that has concerned Republicans in the Congress, and some Democrats, for a long time. It was a particular challenge when, during the cold war, the Soviet Union had the capability of raining on the United States the ultimate in weapons of mass destruction, the ability to destroy, literally, the United States and, if we retaliated, eventually the world.

President Reagan decided that the best way to deal with this was through the development of a defense, so that no longer would the world be threatened with annihilation as a result of two superpowers killing each other and every other living thing on the face of the Earth; that we would provide a defense for ourselves so no nation would want to attack us because they would know they could not succeed and they would simply be wasting their money to try.

That work on star wars, as opponents called it—it was really called the Strategic Defense Initiative [SDI]—is credited by many Russians as being one of the things which finally caused the Soviet Union to throw in the towel in the cold war, to acknowledge they could never compete with us, not only economically but also militarily in these sophisticated high-tech areas, and, therefore, they may as well decide to be our friend rather than our enemy.

Today's ballistic missile threat is a little different. It does not come from a country like Russia. It comes from a lot of so-called rogue nations around the world who are acquiring the technology to deliver weapons of mass destruction by ballistic missiles, perhaps a little shorter range than the Russian missiles, but still with the capacity to rain harm on their neighbors, on neighboring states, on the capitals of our allies, capital cities, on troops deployed abroad.

The administration said, "We are for that, too. But we do not really want to spend as much money as it would take to develop the systems, at least as soon as you would like to see them developed." So it has been distressing to those of us who tried to support these programs to see the administration delay them and delay them and delay them, while all the time suggesting that nevertheless they do support them. Specifically, I have in mind two very important theater ballistic missile programs, the so-called THAAD Program and the Navy Upper Tier Program.

Both of these are designed to, when they are deployed, intercept missiles that would be delivered by an enemy in some theater around the world. One reason for the Navy program is that you could send the Aegis cruisers all over the world, literally, and defend against such a situation. For example, if the North Koreans decided to launch one of their new missiles against Japan or against South Korea, or even, as they will have the capability of doing after the turn of the century, against the United States—say Alaska or Hawaii—positioning those Aegis cruisers somewhere in the western Pacific would permit us to intercept such a missile.

The administration, however, has refused to comply with the law of the land in spending the money necessary to develop those programs within the timeframe called for by the legislation that was adopted by the Congress and signed by the President last year. Therefore, it is another example of an idea where the President has said, "I am for that, too," but he is not willing to back up the words with actions.

Quickly, Mr. President, two other examples I wanted to mention. One is one where I really hope we can have a bipartisan effort, because this should know no partisanship. It deals with the question of victims' rights. People who have been victimized by violent crime ought to have some constitutional rights in our criminal justice system. I say criminal justice system because that is what it has come to be called. But in a perverse way, it also expresses what has really happened to our system, where justice is provided to criminals—and we would have it no other way—but it is not provided to the victims of crime. We need to right that imbalance right now.

Our society believes in the rights of innocent people so strongly that we even say we would rather have nine guilty people go free than have one innocent person convicted of a crime. So we protect the rights of defendants, people who are accused of crimes. But we do not provide similar protections to those people who are innocent and have already been victimized. Senator FEINSTEIN, a Democrat, and myself have introduced a constitutional amendment to protect victims of crime. We hope this will be a bipartisan effort.

Recently, we find that sounds coming from the White House suggest, again, the President is for this. I am hoping this time he will not only be for it in his expressions, but that he will support us in our effort to get this constitutional amendment adopted. The former majority leader, Bob Dole, is a cosponsor of our legislation. I would be very, very pleased if President Bill Clinton would join with us in supporting this constitutional amendment so Republicans and Democrats alike could provide real protection for the victims of crime. This should be a real test for the President. Will he not just say, "Me, too," but come aboard and achieve the goal.

Finally, I just wanted to mention the fifth item, and that is the balanced budget. The President has been very, very willing to say he, too, is for a balanced budget. The problem is that every effort that we have undertaken to try to achieve that balanced budget he has thwarted.

We tried to do it first through a balanced budget amendment to the Constitution, because we knew it would be difficult to get the Congress to actually pass a balanced budget. He lobbied several Senators on the Democratic side who had previously supported the balanced budget amendment, urged them to oppose it, and it failed by one vote, as we all know. So we did not get a balanced budget amendment to the Constitution, even though the President said he was for a balanced budget.

He said that ought to be the job of the House and Senate, so we took him up on his word. On November 17 of last year, the Senate of the United States passed a balanced budget, the first one in 20-some years, I think it is 28 years. The House did the same thing. We sent that balanced budget to the President. On December 6 last year, he vetoed it.

He is for a balanced budget, but when it came time to actually sign it, he was not ready to do that. So, once again, we have an example—this is the fifth one, as I said—where the President is very quick to say, "Me, too," but when it comes time to follow through, he is not there.

I will return to the beginning of my remarks. As Jack Kemp said, campaigns are about providing leadership and new ideas. The Republicans have provided this leadership. We have provided the new ideas. We have really won this campaign of ideas because it seems to me that the President and many of our Democratic friends are now agreeing with us that welfare reform, Medicaid reform, tax relief for American families, a strong national defense, a balanced budget, regulatory reform—which I have not even talked about—all of these things are good ideas and they should be implemented.

The President says, "I agree." The problem is that we cannot get him to follow through with this. That is what this next election probably is going to be all about. Will we follow our leadership? Do you agree with our ideas? If you do, Mr. President, what we will be saying is elect the kind of people who will follow through on those ideas. If you do not agree with those ideas, of course, then you are going to want to support someone else. But I think politics is about providing leadership and new ideas. These are the right ideas, and it is time for us to get support, not just in the House and in the Senate of the United States, but from the President of the United States.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET RESOLUTION CONFERENCE REPORT

Mr. LEVIN. Mr. President, I cannot support the budget resolution which the majority has presented to us. First, it reduces funding for Medicare and Medicaid more than is necessary in order to provide dollars for tax cuts which are likely to benefit most of the wealthiest among us.

The budget also reduces discretionary funding for education from current levels—and I emphasize that—the funding for education is being reduced in this budget from current levels for 5 of the next 6 years. It does that at the same time that it increases the funding for defense each and every year during that period, including $11 billion more for next year than the Pentagon requested.

Those are not the right priorities. Last year we fought long and hard before succeeding in restoring funding for education, such as Head Start, vocational education, the title I reading, writing and math skills program, Perkins loans and the State student incentive grants for college students. I believe it would be shortsighted to now retreat from a firm commitment to the best investment in our future, and that is education.

We have now reduced the deficit for three straight years, and we are on the verge of a fourth. We are doing that—reducing the deficit for three straight years—for the first time since World War II. During those same years, the deficit has been cut by more than half, from $290 billion in 1992 to less than $145 billion in 1996.

We should build on that progress, and we should continue that progress. That is why I supported two alternative budget resolutions, each of which would have balanced the Federal budget within 7 years.

Those budgets would do so, however, without providing large tax cuts to the wealthiest among us at the expense of children, seniors and students. We can balance the budget without damaging cuts to health care for the elderly, education funding and environmental protection, and those are among the top priorities of American working families.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Ms. MOSELEY-BRAUN and Mrs. MURRAY pertaining to the submission of 263 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mrs. MURRAY. Mr. President, I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

THE POWER OF RELEVANT EDUCATION

Mrs. MURRAY. Mr. President, yesterday, I was privileged to see and hear a dramatic presentation by four high school sophomores from my home State of Washington. They performed a short dramatic work, with choral music, in my office for me and my staff. They had no fancy stage lights or microphones or curtains. They had simple costumes, and no stage makeup. Yet, they created true magic. It was emotional, powerful, and indicative of what young people can do if given half a chance.

These four young women, Dallas Milholland, Cynthia Ward, Kristin Allen-Zito, and Malissa Kobbevik, came to Washington, DC, from their home 3,000 miles away in Bellingham, WA, to compete in the National History Day Finals. The presentation they created was entitled "Focus of Concern: Breaking the Silence Surrounding Battered Women."

They researched the plight of battered women throughout history. They examined the accounts of women's ill-treatment, and the silence, ignorance, and approval of such treatment. They also looked at the rise of concern about domestic violence and passage and enforcement of laws to protect women against it.

These four young women wrote the script, adapted the accompanying music for beautiful three-part harmony, chose the subdued black costumes, and did the understated blocking and choreography. They performed before national judges, and other students from around the country.

This morning, they called and told me that they have been chosen as the National Champions of the National History Day Competition. I know the Presiding Officer is as proud of these four young women from Washington State as I am.

The teachers and students of Bellingham High School, and those on Vashon Island, in Port Angeles, and Richland, who also brought their terrific History Day projects to the competition, should all be proud. The people of Bellingham, of Washington State, and all Americans should be very proud of these four young women from Bellingham, and all those who made their great victory possible.

What their performance teaches every person who sees it is that domestic violence is an overpowering presence in the lives of too many women and children, almost as hard to outlive as his to live through. As these young women point out in their presentation, "During the 10 minutes of (our) presentation, 66 women have been beaten. Sometime during the next 3 hours, one of these women will die."

To quote further: "During the 13 years of the Vietnam war, 58,000 American service personnel died on the battlefield. During the same time period, 54,000 American women were killed by their domestic partners."

Their performance teaches that with brutality against women, as with all brutality in the human experience, there are times of concern, when actions happen, and there are times of silence, or worse, times when brutality is condoned. Each of us needs to be responsible to call 911 when we hear the sounds of domestic violence in our neighborhoods. Each of us needs to be responsible to value women and their young children. Each of us needs to tell young girls that they deserve and should expect better.

We must become aware that every day women are beaten, pushed, and threatened by those they love: and they are too afraid to admit "someone I love is hurting me."

This performance also teaches something about the power of a relevant education. Young people learn best when they see relevance to their own lives outside the classroom, relevance to their current interests, and relevance to their future careers.

These young women are talented, interested, and powerful. They are not, however, alone, and they are not unique. Behind these four young women are four families, and at least one great teacher who gave them a chance. A chance to do something adults these days don't seem to expect from American students—strive for excellence.

Every student can benefit from seeing this performance. Every student can also benefit from being given a chance to work hard for something that they truly care about. Whether it's a book, a social cause, a business idea, a sport or hobby—we must encourage young people to see the connections.

These young people from my State are incredible. They can help us solve the problems facing this country, so can all the other children in this country today.

Mr. President, I ask unanimous consent the text of the script from the students at Bellingham High School be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"BATTERED WOMEN"—SCRIPT

4 girls standing in darkness with backs to audience.

C/D/K: Open with song: "Can You Hear the Prayer of the Women."

[single spotlight on.]

M: My heart is in anguish within me. The terrors of death have fallen on me. Fear and trembling come upon me and horror overwhelms me. It is not enemies who taunt me. I could bear that: It is not adversaries who deal insolently with me. I could hide from them, but it is you, my equal. My companion, my familiar friend with whom I kept pleasant company—Psalm 55.

[spot off.]

C/D/K: Song: "Crying Jesus Help me to see the morning light of one more day. But if I should die before I wake, I pray my soul to take."

M: I was charged with first degree murder. I have 15 to life: I killed my husband.

K: I was charged with murder in the first. I have life without: I killed my husband.

D: I was charged with second degree murder. I'm serving 15 to life: I killed my husband.

C: I was charged with first degree murder. I'm doing life without. I killed my husband.

[4 spots on.]

All: I killed my abuser.

C: During the 13 years of the Vietnam war 58,000 American service personnel died on the battlefield.

D: During the same time period 54,000 American women were killed by their domestic partners.

All: Beaten to death.

K: Stomped.

C: Kicked.

M: Choked.

D: Their head bashed repeatedly against solid stationary objects.

All: Battered.

C: Every fourth woman who enters a hospital is there because of injuries sustained during an attack by her domestic partner.

D: Every 9 seconds in America a woman is beaten by her husband: The flash of the red light is indicative of this time of violence.

M: Seven women die each day as a result of these beatings.

K: For 1,000's of years society has not only allowed, but has tacitly encouraged the battering of women.

D: The Old Testament.

C: "The Levite picks up his battered wife and cutting her into 12 pieces he sends her remains throughout the land." Judges 19:30

D: 300 A.D.

M: In Rome the Emperor has his young wife boiled to death when she is no longer of any political use to him. Constantine 1st Christian Emperor.

D: 1517.

K: "When my wife gets saucy, she gets nothing but a box on the ear." German reformer, Martin Luther.

D: 1804.

M: "Women are like walnut trees, they should be beaten daily." Napoleon Bonapart.

C: Throughout history a man's right to beat his wife was clearly acknowledged in the law.

M: 1395.

D: It is the husband's right to inflict extreme punishment on his wife because it is reasonable and solely for the purpose of reducing her from her errors.

C: Supported by the Church as his spiritual duty.

M: 1850.

K: "Woman was created after man, therefore she is a byproduct of him. She was created in response to his needs. She was the agent of his downfall and the cause of his banishment from paradise. All of these things are proof of her inferiority."

C: And implicitly condoned by society.

M: 1791: French citizen. Lavacher batters his wife during a meal with two male guests. Their response.

D/K: It is not appropriate to ill-treat your wife in front of your friends.

K: Because society believes.

M: It is his right.

K: It is his duty.

D: It is God's will.

C: It is her fault.

M: It is her cross.

All: She must bear it.

K: Perpetrators and victims also believe.

D: 1963: the Perpetrator.

M: "I'm sorry I hit you, but it was your fault, you provoked me. You'll just have to learn that I'm the boss." Mickey/Michigan.

D: 1996: The victim.

C: "All the time he was beating me I believed his mind games and thought this is my fault maybe if I try harder to be what he wants." Heather/Bellingham.

M: For 100's of years wife abuse has cycled through the public awareness.

C: A focus of concern.

K: The early 1600's.

D: Puritan leaders take a stand against family violence because they believe that it weakens the community and offends God. Citizens are encouraged to watch neighbors. To stop domestic violence as it occurs and report these cases to the authorities.

K: The church strongly supports this stand. Puritan Preacher Cotton Mather.

M: "For a man to beat his wife is as bad as any sacrilege. Any such rascal were better buried alive than to show his face among his neighbors.

D: This stand by community and church eventually impacts the law.

K: 1641.

C: The Massachusetts Body of Liberties. A Civil and Criminal Code, becomes the first American reform making domestic violence illegal.

M: "Every married woman shall be free from bodily correction or stripes by her husband."

C: Over time this defense of women becomes clouded in a confusion of perspective.

K: From the late 1600's to the mid 1800's

D: A time of silence.

C: "What goes on behind closed doors should stay behind closed doors."

K: This social attitude weaves a fabric of silence surrounding the issue of wife abuse.

M: I do not see it.

D: I do not hear it.

K: I do not know it.

C: I do not feel it.

All: I cannot help it.

C/D/K: Song: "Can You Hear the Voice of the Women Softly Pleading. No More Silence in Their Shattered World."

M: A focus of concern.

C: The mid-1800's to the turn of the century.

M: Taking a stand, women begin campaigning for radical social change, one of their issues.

D: Relief for battered women.

K: 1871: The court rules:

M: "The privilege, ancient though it may be, to beat her with a stick, to pull out her hair, to choke her, to spit in her face, to kick her about the floor, is not acknowledged by law."

D: Suffragists realize that although this law clearly forbids wife abuse, society does not consider wife abuse a crime and so it goes unpunished and unabated.

K: 1876.

C: Lucy Stone, editor of the Women's Journal takes a stand against the ineffectiveness of these laws by demanding that they be backed by appropriate penalties.

D: "The law for the use of the whipping post should exist in every State. An abusive husband will not fear a month in jail nor a fine, but he will dread the pain and disgrace of a whipping."

M: Laws specifying punishments for wife beaters are passed.

D: But over time, public interest wanes. Although laws exist to protect women, public apathy renders these mandates useless and for the next 70 years a silence of indifference drowns out the prayers of women.

CDK: Song: "Empty Eyes With No More Tears To Cry."

M: A time of silence.

D: 1967. A desperate woman calls the police.

C: "My boyfriend is mad at me, he's going to beat me up."

D: The dispatcher replies:

K: "Call us again when he does."

M: The Civil Rights movement of the 1960's focuses public attention on the rights of minorities including the rights of women. The feminists movement of the 1970's continues this struggle. One of it's issues, public and judicial support for battered women.

D: Time and time again the terror of abuse pushes women to desperation. Without support from neighbors, police, or the judicial system. Women are pushed into violent acts of their own.

K: A focus of concern: 1977.

C: Francine Hughes, battered wife of 15 years takes the only stand she can. She douses her husband's bed with gas while he sleeps. Francine lights a match and is finally freed from his abuse.

K: Jennifer Patri. Evelyn Ware. Sharon McNearny.

M: Patricia Ross, Marlene Roan-Eagle, Barbara Jean Gilbert.

D: Idelia Meija, Hazel Morris, Bernestine Taylor.

C: Elsie Monic, Shirley Martin, Martha Hutchinson.

All: Shot and killed her husband.

K: It is tragic that these women are left alone to take such drastic measures. However the stands which they take shatter the silence surrounding wife abuse and screams for society's intervention.

D: Eventually society does intervene and significant changes occur.

K: Public awareness, concern and support for battered women.

M: The issuance of ex parte protection orders.

C: Mandatory arrest laws and criminal penalties for perpetrators.

M: Shelters and legal services for women in crisis.

K: We are told that history repeats itself and we have seen how the issue of wife abuse has cycled through the public's conscience. The time to stop that cycle is now while battered women are still a focus of concern.

M: During the 10 minutes of this presentation, 66 women have been beaten.

K: Sometime during the next 3 hours one of these women will die.

D: Will we again allow the silence to fall?

[All spots off.]

CDK: Song: "Crying Jesus Help Me."

[single spot on.]

M: "Today in my small natural body I sit and learn, my woman's body, like yours, target on any street taken from me at the age of 12. I watch a woman dare, I dare to watch a woman, we dare to raise our voices." Victim 1975.

C: Song: "Can You Hear * * *"

K: Can you hear the prayers of the women?

D: or is the silence too loud?

[spot off/close.]

Mrs. MURRAY. I encourage all Members to read these young women's powerful work, and I encourage you all to help all our students strive to be the best.

Mr. LIEBERMAN addressed the Chair.

(The remarks of Mr. LIEBERMAN pertaining to the submission of 263 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to set aside the pending business so that I may speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANLEY R. BROWNE

Mr. GRASSLEY. Mr. President, I rise today to mourn the untimely passing of a former Senate staff member, great Iowan, and personal friend. Stanley Browne started from very humble roots, one of six children born to a school administrator and housewife in Sioux Falls, SD, in 1923. His father Walter died suddenly when Stan was just 6 years old. From that day on, he watched the determination and selfless dedication of not only his mother Ida, as she cared for the family all day, then scrubbed floors and cleaned homes evenings, but also his oldest brothers as they dropped out of school, and sacrificed their futures—all to enable their family to stay together. He grew up rather quickly, acutely aware of both the value of hard work and money, for then there was no such thing as welfare. He became an Eagle Scout and served in various leadership roles in Scouting as an adult. He served our country in World War II, as a Paratrooper with the 13th Airborne Division, 326th Glider Infantry in central Europe, European African Middle East theater. After the war, he rekindled an acquaintance with a wonderful lady named Coral Jane Freeman. They would have celebrated their 48th wedding anniversary this Thursday, June 13. Stan Browne, both with the help of this great country's GI bill and the hard work ethic installed upon him and embedded in his mind as a young child, went on to graduate from Drake University Law School in Des Moines, IA, while simultaneously juggling several part-time jobs to make ends meet. While at Drake he was president of the Delta Theta Phi law fraternity. Upon graduation, he practiced in the law firm of Wilson and Browne. He was active in Republican politics as both a candidate and campaign manager. After a victorious Senate campaign, Stan Browne became Senator Jack Miller's administrative assistant for 12 years. He served as president of the Administrative Assistants Association and was a member of St. Marks Presbyterian Church in Bethesda, MD. As current member and past chairman of the 116 Club, he was especially proud to have been responsible for admitting the very first woman to this formerly male dominated organization during his tenure. After his departure from the Hill, Stan Browne entered the private sector, joining the DuPont Corp., serving as its Washington counsel until his retirement in 1986. He served on the board of directors for the PUBCO and Bobbie Brooks Corp., based in Cleveland, OH. He was also a former member of the Iowa State Bar Association, Polk County Bar Association and the Jr. Bar Association, Worshipful Master of New Century Masonic Lodge, past president of the Central Iowa Multiple Sclerosis Society, and a member of the Landings Club in Savannah, GA. Both on and off "the Hill," Stan Browne was known for his modesty, humbleness, honesty and integrity. With his calm and cool demeanor, he was highly respected and well known for his effective low-key and behind-the-scene accomplishments. In addition to his wife of nearly 48 years, Coral, he leaves behind two children; Laurel Bigelow and Neal Browne—currently in the Senate Document Room—14 years service—daughter-in-law Lisa Browne, three surviving siblings; Norma Egland, Barbara Fonder, and Miles Browne, seven grandchildren; Daniel Bigelow, Thomas, Scott, and Joshua Trickett, Adam and Rachel Browne, Skylar Hattrich; and one great grandson, Christopher Bigelow.

"IOWA SPIRIT" SALUTE TO EDUCATION

Mr. GRASSLEY. Mr. President, for those awaiting the floor, I will only be here for another 3 or 4 minutes. I started a week ago to speak about the 150th anniversary of the State of Iowa, which we are celebrating with a congressional reception on June 26 on The Mall outside the Smithsonian Institution. I hope all of my colleagues will come to that and see some of the exhibits over the next 2 weeks honoring our 150th anniversary of our State.

I had a chance earlier this week to speak about the only Iowan to become President, Herbert Hoover. I want to speak today about something that is really great about Iowa, our educational system.

Our country's Founding Fathers, of course, had a very clear vision about America's public schools and firmly believed that excellence in education is paramount to the growth and prosperity of America. Iowa benefited from a pattern that was set by the central government, even before we had a U.S. Constitution, when the Northwest Compact was adopted in 1786, when land was set aside for public education in the new territories. That tradition continued west of the Northwest Compact area to be included in the traditions of education throughout the upper Midwest.

Today, in honor of Iowa's sesquicentennial celebration, I am proud to be able to tell you that Iowa's educational system is a working example of what our Founders had in mind. Iowa's high standard of excellence in education began in one-room rural school houses on the prairie. That same standard can now be seen in advanced academic settings across our State, both in the urban areas as well as the rural areas and small towns of Iowa.

The one-room rural school environment ended in the 1950's, but there is still the foundation in today's educational system of the personal interest of teacher and student in each other that comes from that one-room rural tradition.

Today, though, I am proud to share with you accomplishments of Iowa's increasingly diverse student population. I commend the continued dedication to education not only of students and teachers, as I have already said, but of parents and the volunteer school board members as well as school administrators across the State. Their combined daily efforts are a key part in the continued success of the Iowa public school system and the Iowa private school system.

Iowans are proud of our commitment to quality education for all children. It is a commitment that has earned national and international respect. Iowa's excellence in education is a direct result of its local control of schools and community-level responsibility. For decades, Iowa students have received the highest quality education and performed well above national averages in academic assessment.

It is estimated that 88 percent of Iowa students graduate from high school. What's more, each year Iowa's rate of students pursuing post-secondary education and other post-high school training continues to grow.

Iowa's high literacy rate is a key component of the success of Iowa's students. We rank as No. 1 of the 50 States in literacy. And, individuals in Iowa read more books than those in any other State on a per capita basis. The active involvement of some 525 public libraries, 7 regional libraries, and 62 academic libraries is testimony to Iowa's commitment to the advancement of knowledge.

Iowa's young scholars have ranked at the highest level in the Nation for a number of years in college testing assessments. In fact, for 6 of the last 7 years, Iowa has ranked first of all the 50 States in the SAT tests—and either first or second vis-a-vis Minnesota or Wisconsin, depending upon what year you are looking at, as tops in the ACT test.

In addition to Iowa's 390 public school districts and 235 non-public school districts, educators across the Nation rely on the Iowa Tests of Basic Skills and Iowa Tests of Educational Development to assess student achievement in grades 3 through 12. These two standardized achievement tests, developed by the Iowa Testing Program in Iowa City, where our university is located, provide teachers nationwide with unique supplementary information of the students that are in their organizations. This information bears on decisions about academic objectives, instructional materials, and learning environments for students in elementary and secondary schools.

I also want to acknowledge the proud tradition, although it is a relatively new tradition of about 30 years, of Iowa's 15 community colleges. Prior to the community college we had a student system of junior colleges throughout Iowa. But it was not statewide. The community college system developed 30 years ago is a statewide system of community colleges so that all students throughout the entire State of Iowa have access to a community college.

Each year, thousands of students in Iowa have successful academic experiences through one of Iowa's 15 community college districts. Last year, over 50 percent of the new freshmen in Iowa colleges and universities were enrolled at public community colleges. Year after year, these community colleges award thousands of high school equivalency GED diplomas for that 12 percent of our students who do not graduate from high school. Iowa's community colleges provide a myriad of curricula options for students whether they are seeking a degree or whether they want just a few courses. Our State's community colleges promote the concept that is a fact of life in our technological age—that education does not begin at kindergarten and stop with a college degree. Today, for people of all ages, education is a continuing process throughout life, including the formalized aspect of education that comes through an institution.

So access, quality, and responsiveness, are the three fundamental concepts upon which the community colleges' mission was developed and the principles which guide their growth and development that began 30 years ago and is an expanding and more influential aspect of education in Iowa all the time.

Iowa's long history of academic excellence meets the high standards that our Founding Fathers set over 150 years ago when our State was established. With ongoing dedication from students, parents, teachers and school officials, I am confident that Iowa's education system will continue its path of growth and success as we continue our history and development as a leading State in the Nation.

I look forward to these new developments in education for today's leaders and future generations of American students.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I preface my comment by joining with my friend and colleague from Iowa, congratulating his great State on the sesquicentennial of admission to the Union. As he and I discussed before, I have a good many relatives who live in his State. I have had the privilege of spending a good bit of time over the years in Iowa. I enjoy the State, the people, and, again, I express my congratulations to them on the occasion of their celebration.

LEGAL GAMING ENTERTAINMENT INDUSTRY

Mr. BRYAN. Mr. President, I rise to discuss the issue about which much has been said recently, the so-called need for a Federal gaming study.

The PRESIDING OFFICER. The Senator from Nevada is advised that some time ago we were to have gone to certain Federal Reserve Board nominations.

Mr. BRYAN. Mr. President, I ask unanimous consent that we set aside the pending business and that I be able to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. I thank the Chair for advising me of the parliamentary situation.

Mr. President, I was commenting, we have had much discussion in the media, on the floor and as part of the national dialog of the need for a so-called Federal study of gaming. The integrity of the legal, legitimate entertainment industry, one which is of primary importance to the economy of my State, has been repeatedly impugned.

One Member of the other body took the House floor to call those who work in the gaming entertainment industry a group of "roaches."

I want to cut through some of this rhetoric and set the record straight. Excessive rhetoric has been used to drown out a constructive dialog and a careful deliberation about a legitimate issue: the rapid growth of gaming across America.

Opponents of legalized gaming have resorted to character assassination, guilt by association, and distortion of the views of those with whom they disagree.

The time, Mr. President, has come to say, "Enough is enough."

At the outset, it is imperative to step back from this emotional rhetoric by gaming critics and to observe that gaming entertainment in all forms would not be expanding without demand for this form of entertainment. Simply stated, the American consumer, not the Government, has decided to spend his or her precious recreational dollar in this fashion. For example, 30 percent, or 32 million households, made a total of 125 million visits to casinos across America in 1994. The total number of casino visits rose to 150 million in the following year of 1995. In many respects, this growth in casino visits is not surprising, given the changing nature of gaming entertainment in general and casino gaming in particular.

Since the late 1980's, casinos have become what the experts characterize as "destination resorts" which offer more than the various games of chance normally associated with the casino. These destination resorts now offer a range of additional entertainment experiences, including a variety of sporting events and recreational activities, theme dining experiences, unique shopping, Broadway-quality shows, and many other attractions.

If casino entertainment was not providing solid value for the dollar spent, consumers would not be patronizing these establishments. It is somewhat puzzling that those who are defenders of the free market and proponents of State regulation are quick to second-guess consumers and States on this policy question.

Advocates of legislation to create a Federal gaming study commission have stressed in their public statements and in testimony before various congressional committees that the limited purpose of this commission was to study the socioeconomic effects of all forms of gambling and to give policymakers at the local, State, and Federal level the data they need to make educated decisions.

I might just say parenthetically that there has been no request generated by local or State government, that I am aware of, of calling upon the Federal Government to conduct such a study. But that is ostensibly what they claim.

They have consistently emphasized that no one, least of all the legal gaming industry, should fear anything that is just a study.

Mr. President, the gaming entertainment industry in my own State has absolutely nothing to fear from a fair and unbiased study. Nevada's tough regulation has made this industry a model for other States, which have adopted gaming, to follow and, indeed, is an international or global model.

However, what is going on here is a crusade by those who want to destroy an activity that they do not like, and that, Mr. President, is dangerous. The principal premise for the proposed commission advanced by its antigaming opponents is that States and local governments lack the ability to acquire and act on objective information in the face of well-financed attempts to put casinos in. This simply does not square with reality.

No State—and I repeat, Mr. President, no State—has approved new casino gaming for several years. For example, 7 of 10 gaming initiatives were defeated in 1994, and no new casino gaming was approved by a new jurisdiction in 1995.

Let me just comment parenthetically. From a parochial perspective, representing my State, I am not an advocate for the expansion of casino gaming in other jurisdictions. But the point needs to be made that that is a decision which States, local governments, free from Federal interference, ought to be able to make on its own.

Those who have an established agenda decided to elevate this commission from one to study the impact of gaming to one that is designed to investigate the operation of a legalized gaming industry.

While many of those who support a study have good intentions and prefer a reasonable approach, they are being drowned out by those extremists whose goal is the destruction of this industry. The loudest voices calling for a gaming study are those who want to shut down a legal industry in a State which has chosen to allow gaming. They believe they possess a superior moral barometer and should tell us what is right and what is wrong.

They feel the same way on other aspects of our society, and we know not what will be their next target. What I want to do today is to give you a more fair picture of the legal and highly regulated gaming industry in my own State.

In Nevada, the gaming entertainment industry provides 43 percent of the $1.2 billion annual State general revenue. This is the source that finances the essential operations of State government; first and foremost, education.

The gaming entertainment industry accounts for more than 50 percent of Nevada's employment, either directly or indirectly. The gaming industry in Nevada has today extensive regulation and oversight, involving day-to-day onsite supervision by State gaming control authorities, the Internal Revenue Service, and the Treasury Department unit which handles currency transaction issues.

In fact, when the Treasury Department testified before the U.S. Senate Banking, Housing, and Urban Affairs Committee recently, they had high praise for the regulation of currency transactions in the State of Nevada.

The regulation of gaming is not perfect. We have worked long and hard in Nevada to establish a tough regulatory system that is a model for how such a system should be run.

The State of Nevada employs 372 regulators and charges the gaming industry $19 million on an annual basis to see that only legitimate interests are involved in gaming and that the games of chance are conducted honestly and fairly.

Despite Nevada's success with gaming, I would be the first to admit that legalized gaming may not be the best choice for every community, and I have repeatedly expressed my concern that Indian gaming regulation in some States is far too lax.

Some States have unrealistically looked at gaming to solve all of their financial problems; a panacea, if you will. And some States have rushed into gaming without the proper regulatory controls, and the results have been disastrous. Any State or community that chooses to legalize gaming should do so with its eyes open and with a strong commitment to strict regulation and control.

I am confident, however, that States are more than qualified to make these type of decisions on their own without the intrusion of the Federal Government.

I am proud of what I did in Nevada in my 6 years as Governor at a time when the industry worked with me to improve the industry's operation. The chairman of the Nevada Gaming Control Board is Bill Bible, the son of a highly respected colleague of ours, U.S. Senator Alan Bible. Bill Bible is tough, he is honest, and he is effective. Nevada's gaming regulations reflect his commitment to making sure that our industry is regulated completely and thoroughly.

The fact is that today the legalized gaming industry is a legitimate business, as legitimate as any business on the Fortune 500 list. More than 50 publicly traded companies, all regulated by the Securities and Exchange Commission, own gaming interests. The financial operations of these concerns are carefully scrutinized by market analysts, market regulators and investors of all kinds. All these companies file 10K's, or similar forms, with the SEC.

The stocks of these companies are widely traded on major public stock exchanges, including the New York Stock Exchange and overseas markets. Stocks of gaming and gaming-related companies are broadly held by major institutional investors, such as pension funds and other retirement-related funds, including the California Public Employees Retirement System, the Colorado Public Employees Retirement System, the New York State Teachers Retirement Fund, the Wisconsin Investment Board and Harvard University.

The gaming entertainment industry employs over 1 million people throughout the United States, paying $6.8 billion in salaries in 1994. The industry paid more than $1.4 billion in taxes to State and local governments in 1995, along with an estimated $6 billion to $7 billion more paid by other forms of gaming entertainment, such as State lotteries, sports betting, horse and dog racing.

While Las Vegas is proud to be the gaming entertainment capital of the world, Nevada is far from alone as a gaming industry base. Jobs, entertainment, taxes and positive economic effects are felt in States as economically and politically diverse—New Jersey, Mississippi, Illinois, Connecticut, Minnesota and Iowa. Indeed, some forms of gaming entertainment are legal in 48 of the 50 States.

The industry will spend an estimated $3 billion on new construction in 1996, with billions more slated to be spent on construction projects over the next several years. This construction creates demands for goods and services sold by companies around the country for everything from construction materials to architectural services.

The true agenda of the industry's critics is an agenda of ending legalized gaming, as the title of the group "National Coalition Against Legalized Gaming" states in bold letters.

My response is simple: in this country, adults are free to make their own decisions about where, when, and how to spend their entertainment dollars.

It is indeed ironic, at a time when many decry the power of the Federal Government and seek a return to more State and local control and personal freedom, that some of the very same people who assert this as their philosophy are people who seek to establish a national commission in this case, without requiring involvement of State government officials, to determine how best to oversee a State-regulated industry.

None of this is to suggest that gaming entertainment, like any other major business, particularly one which hosts millions of visitors each year, does not have its share of public issues and challenges. For example, in all of the recent commentary, little if anything has been said about the serious effort made by individual companies and the industry as a whole to address concerns about problem gaming.

The industry recently announced the creation of a multimillion dollar commitment to the new National Center for Responsible Gaming.

The companies involved in gaming entertainment are recognizable names like Hilton, ITT, and Harrah's.

These companies engage in a wide range of community activities.

These companies are run by highly respected business leaders such as Terry Lanni, Bill Bennett, Clyde Turner, Dan Reichartz, Bill Boyd, and many others I could mention who are recognized for the business acumen well beyond gaming circles.

When a Member takes the floor to call a hard-working, law abiding industry a group of "roaches", it is time for a return to civility, to disagreeing without being disagreeable or disingenuous, in order to permit a rational debate on matters pertaining to the gaming industry.

I thank the Chair and I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent that I may proceed as in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I want to thank the Senator from Iowa for permitting me to go on his time.

THE OUTRAGEOUS ABUSE OF POWER BY THE WHITE HOUSE

Mr. CHAFEE. Mr. President, we have learned that an extraordinary number of highly confidential FBI files were improperly obtained by the White House. I do not know what I find more appalling: the fact that the White House requested, received and kept the confidential files of more than 300 Reagan and Bush administration workers—that is appalling enough—but is that more appalling than the fact that the FBI turned them over to the White House these files without an apparent second thought?

This latest White House mishap, or snafu, or outrageous abuse of power raises serious questions about the White House, the FBI, the Secret Service, and the Department of Justice. I cannot help wondering if anyone is in charge.

I have no doubt that if this kind of misadventure occurred on the watch of a Republican President, it would create a tremendous furor. The irony is that it was discovered during an investigation into the Travel Office affair which also involved the admitted misuse of the FBI by the White House. It seems as though this White House views the FBI as its own personal private investigator. This is the kind of arrogant abuse of power that led to the fall of the Nixon White House. Mr. President, this is what Watergate was all about.

FBI files on individuals should be the most private and confidential of all documents. They are not compiled for political purposes, and they should never be used for political reasons. They certainly should not be easily provided to partisan political appointees.

What was actually in these files? They were summaries of comprehensive FBI files on Reagan and Bush Administration employees whose last names began with the letters A though G. They include James A. Baker, former White House Chief of Staff and Secretary of State in the Bush administration. They include another former chief of staff of the White House, Ken Duberstein; and the fired Travel Office Director Bill Dale.

These files contained summaries of interviews with neighbors, friends, co-worker going way back to the high school years of those upon whom the files were complied. Some of those interviewed might be individuals with an ax to grind. They can contain any bizarre allegation that such an individual may concoct. This is the type of information that the Clinton White House thought should be trusted to a low-level civilian detailed from the Army who answered to a partisan, political appointee.

This all come up because of the inability of the White House to admit that it fired Billy Dale to make room for the President's Arkansas cousin and his Hollywood friends. For months, the White House has refused to comply with the Clinger committee's subpoena of all documents related to the Travel Office firings. When Billy Dale cried foul upon learning that his FBI file had been turned over to the White House, the White House claimed it received his file as part of a routine investigation of employees. That was the original explanation. Suddenly the Billy Dale file shows up in the White House. How did it get there? As part of a routine investigation of an employee? Then the story changed. The White House tried to claim that it was not its request after all. The GAO had asked for the FBI files. "No, no, no," said the GAO, "not us!" Suddenly the whole thing became an innocent mistake that involves trampling on the fundamental right to privacy of 330 loyal public servants.

I applaud Representative CLINGER, chairman of the House Committee on Government Reform and Oversight, for his commitment to untangling this web of misinformation, claims of executive privilege, and rationalizations. I believe that his matter is serious enough to warrant a full congressional investigation. Unfortunately, this White House has dodged the truth for too long.

I remember when an overzealous Bush supporter, Elizabeth Tamposi, who was an Assistant Secretary of State, decide to search the passport records of a young Governor from Arkansas, Bill Clinton. The press was outraged. Bill Clinton was outraged, but, most of all, President Bush was outraged. He fired Elizabeth Tamposi.

What have we heard from this administration about this latest scandal? Mark Fabiani, a White House attorney hired to answer questions about Whitewaster and the Travel Office matter, believing that the best defense is a good offense, said, "Instead of attacking, CLINGER and Speaker GINGRICH should be apologizing." Now that is chutzpa if I ever heard it.

This is a serious matter Mr. President. We cannot have the FBI used as a private research agency for the White House. I think this matter needs immediate attention.

Mr. President, I yield the floor and again want to thank the Senator from Iowa for permitting me to go before him.

NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the nomination of Alan Greenspan, to be Chairman of the Federal Reserve System. The clerk will report the nomination.

The bill clerk read the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Under the previous order, time is equally divided under the control of Senator D'AMATO and Senator HARKIN. Senator HARKIN is recognized.

Mr. HARKIN. Mr. President, finally we have gotten to the nomination of Alan Greenspan to be Chairman of the Federal Reserve Board. I have been waiting for several months for this opportunity, to have the opportunity to debate not just the nomination but what this nomination means for the American people.

I am very pleased that we finally have a reasonable opportunity to debate this nomination, the nomination of the most important Presidential nomination to come before this Congress, the nomination of Alan Greenspan to serve as Chairman of the Federal Reserve System. I have been pushing for this debate for months, and I want to thank the Republican and Democratic leaders for scheduling this 3-day debate.

This debate about Chairman Greenspan's policies and their impact on our economy, about how we can get our economy to grow faster, about how we can create more jobs and raise incomes, zeros in on the most important issues that we face.

Before we get into substance, I want to be clear about one thing. This issue has never been about personalities. It is about policy. It is about making sure that this body gives thorough consideration to the nomination of the Chairman of the Federal Reserve System, the single most important economic decisionmaker in our land.

Over the course of today and tomorrow and next Thursday, I and others on our side hope to cover at least the following areas.

First, we want to talk about a policy of growth versus a policy of no growth that has been prevalent at the Fed for the last several years and that is prevalent today. We wish to talk about the record of Alan Greenspan. I will go into his record at some length. Why? Because he has been Chairman of the Fed now for two terms.

I think it is legitimate for us to ask: Has his stewardship, has his running of the Federal Reserve, been such that we, the Congress and the Senate, should reward him with another 4-year term? We would ask that of any person nominated by the President to fill an important position. We certainly should ask it of Alan Greenspan and look at his record.

Third, we hope to talk about the impact on our budget and what we do here over the next several years and the impact on our economy of decisions made by the Federal Reserve Board, especially the Open Market Committee.

Fourth, a recent GAO study that recently came out in preliminary form—the final version of that, I guess, will be out next Thursday—I believe raises substantial questions about how the Federal Reserve System is operating. Let us also be clear about another thing, Mr. President. The Federal Reserve Board is a creature of Congress.

Yes, it is independent, and I believe it should be independent, but it is not a separate branch of Government enshrined in the Constitution. It is not like the judiciary or like the executive branch or the legislative branch. It is, in whole, a creature of the U.S. Congress. As such, it must be responsive to the Congress, responsive to the American people through Congress. I believe it is our duty to examine closely the policies of the Federal Reserve and to suggest through the legislative process changes that we may wish to make in the Federal Reserve System.

I will be talking about one thing later, for example, the fact that the minutes of the Federal Open Market Committee are held secret for 5 years. Why 5 years? Maybe there is a legitimate reason to keep them withheld for a period of time, but certainly not 5 years. I think that needs to be reexamined. Maybe 1 year, but not 5 years. Having said that, I will say we have gone back in the minutes of 5 years, 8 years, and 10 years ago and looked at the minutes, that quite frankly revealed some pretty interesting comments by the nominee now before the Senate. We will be talking about that at some length later, also. Those are the items we wish to cover in this debate.

Again, I want to thank both the Republican and Democratic leaders for working this out. It is something that is going to take some time because this is a complex subject, but, I believe, a very important subject, one that really ought to command the attention not only of the Senate, but of the American people.

The real point, I believe here, Mr. President, is to start a national dialog and to deliberate and not simply rubberstamp this important nomination, as well as other nominations to the Federal Reserve. The Chairman is the single most important. Again, I think that is our duty and our obligation. Let me say I consider this debate that we begin today a victory for this body and a victory for the American people. So we did not just rubberstamp and put someone through of this importance without raising serious policy questions about the Federal Reserve and how it is operated.

Mr. President, raising the living standards and real wages of ordinary Americans stands as our primary economic challenge. The policy of the Federal Reserve under Chairman Greenspan has stood in the way. Under current law, the Federal Reserve is obligated to conduct a balanced monetary policy, so as to reconcile reasonable price stability with full employment and strong, stable, economic growth, and balance. But under the Greenspan Fed, job growth and the living standards of average Americans have been sacrificed in the blind pursuit of inflation control. The Greenspan Fed has raised interest rates not when inflation was knocking at the door or threatening, but when there was not even any specter of inflation.

In 1994, in the midst of six straight rate increases, Chairman Greenspan himself acknowledged there was no evidence of rising inflation. Mr. President, I raise a lot of eyebrows at a lot of meetings when I talk about the Fed and why I wanted to have this debate. When I tell people, Mr. President, in 1 year, from February 1994 to February 1995, that Alan Greenspan raised interest rates 100 percent, people look at me like I arrived from another planet. They say, "That is impossible." It is true. Look at the record. The Federal funds rate went from 3 percent in February 1994 to 6 percent in 1995, a 100-percent increase in 1 year, with no inflation threatening. I will have more to say about that later. Since that time, it has only come down three-quarters of a point. Again, no inflation threatening. I believe that is leading this country to an economy where we see more and more millionaires every month, but average working families are stuck in a rut. They are working harder, spouses are working, and yet they are not getting ahead. I will have more data on that as we go through the debate in terms of what wage increases have been in the last few months, several months, last couple of years, what prices have done, to show the average working family is not only not getting ahead, they are falling behind in this great economy. Our stores are chock full of goods, and yet for some reason, the American family is not getting ahead.

One of the reasons they are not getting ahead is because their debt load is too great. We hear a lot of talk around here about cutting taxes, because the American people feel they are overburdened with taxes. They do and they are. I submit there is another burden that they are carrying that is weighing them down, and that is the burden of debt and the high interest rates that they are paying. There is no reason for those high interest rates now. Again, I intend to go into this in great depth over the next few days. Mr. President, 100-percent increase in interest rates in 1 year, and they are still there.

Mr. President, the decisions of a Fed Chairman touch every pocketbook and every family budget in America. The decisions of this Chairman have cost American families in lost wages and lost opportunities. The Greenspan Fed has stifled economic growth and the incomes of average Americans. Interest rates have been kept artificially high, and middle-class families and businesses have been forced to pay the price. It is time for the Federal Reserve to pursue a more balanced policy based on raising economic growth and increasing jobs alongside continued vigilance against inflation.

America at this point in our history ought to have a forward-looking Fed Chairman who recognizes the importance of expanding opportunities for our economy and our people in today's global market. We do not live in the 1970's. We have changed considerably since that time. We need strong leadership, committed to higher growth and incomes, fuller employment, and lower, more stable interest rates to improve the quality of life for average Americans. We have not gotten that with Alan Greenspan. There is what I call a common thread, Mr. President, in the thinking and the actions, and the policies of Mr. Greenspan over the years. It did not start yesterday. It will not end tomorrow or next week.

Ripe from his days as Chairman of the Counsel of Economic Advisers under President Ford, until today, Mr. Greenspan has consistently shown the same two tendencies, as evidenced by the public record. First, he often misjudges the signs of an oncoming recession. Second, he does not act decisively enough to pull the economy out of recession because of an inordinate fear of inflation.

Again, I will discuss both of these issues in greater detail throughout my remarks. Let me ask unanimous consent to have printed in the RECORD at this point, Mr. President, a guest editorial that was in the Investor's Business Daily, May 1, 1996. It is headlined "Greenspan's Rotten Record," by Mr. Don Hays. I do not know Mr. Hays.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Investor's Business Daily, May 1, 1996]

GREENSPAN'S ROTTEN RECORD

(By Don Hays)

We may have an exciting new contrary indicator: Alan Greenspan's predictions. Our search of the record has never found him to be right about what the economy, inflation or interest rates were going to do.

We could go back further, but let's begin with a much-noted 1981 speech. As a private and well-connected economist, Greenspan declared that inflation would not decline anytime soon. Whoops—inflation was about to drop from 12% a year down to 4%.

In 1982, he wrote a letter of commendation for Charles Keating. He also made an impassioned plea to Congress, asking for more freedom for the savings and loan industry. Years later, the S&Ls went bust at great cost to the taxpayers. Keating wound up in jail.

The same year, Greenspan's published economic forecast said bond yields would fall ¼% from the previous year-end level. In fact, they fell 3½%.

But the drop in inflation was only temporary, he argued in May 1983. The extraordinary Volcker-induced inflation calm, he insisted, was about to end. In fact, inflation stayed quite steady at 4% through 1987 and the end of the Volcker regime.

Also in 1983, Greenspan said long-term interest rates would increase 20 basis points. This proved to be his best forecast ever: Rates did rise—but by 1%, not the meager 0.2% he predicted.

At the start of 1984, he forecast that for the next three years, bond yields would rise from 5 to 55 basis points. They actually dropped each year, from 123 to 199 basis points.

Perhaps because he spent more time schmoozing the halls of the White House and Congress than he did in his office, in 1987 Greenspan was chosen to be chairman of the Federal Reserve Board. He promptly got in a contest with the Bundesbank to see who could raise interest rates faster, and also squabbled flagrantly with Treasury Secretary James Baker. Some would argue that the conditions fostered by these conflicts ultimately let to the October 1987 stock market crash.

Greenspan answered the crash with a flood of monetary easing. But by mid-88, he was right back to the battle, raising the fed funds level from 6% to 9¾% by mid 1980.

He seemed to think this famine-feast-famine was just the thing for the economy. In February 1990, he told Congress the economic weakness had stopped. In fact, it continued to weaken, and a recession began in August.

On top of his chaotic monetary reversals, he launched a regulatory war. In 1990–91, he bought the claim that banks held too many real estate loans. In concert with Treasury, he sent swat teams of auditors through the banking system, totally wrecking banks sentiment to loan.

As a result, when Greenspan tried to drive the economy away from the ditch he had steered it into in 1992 and 1993, he found the vehicle extremely sluggish, unresponsive to the lower fed funds rate. He had to ratchet them down until he'd achieved the steepest yield curve in history. With short-term rates at 3% and the long bond up close to 8%, Orange County and many corporations and hedge funds leveraged their bond positions to the hilt.

Let's jump ahead to a more recent example. In 1995, a sales slump moved auto dealers to offer the biggest rebates in history to tempt consumers. In September, Greenspan saw the temporary hike in auto sales in his rear-view mirror—and declared that his monetary policy and the economy were right on track. So he refused to lower interest rates. That Christmas was the weakest in at least four years. Judging by the bellwether Wal-Mart earnings, it could be argued that it was the weakest in 25 years.

Greenspan's rear-view mirror finally cleared up in late December, with the economy about to drive once again into the ditch. He reversed course, cutting interest rates by ¼% in December and again in January.

It looks like we can go in a direction always opposite to Greenspan's current message and look like an economic genius.

So why did Republicans leave President Clinton no choice but to reappoint Greenspan? Maybe they thought Clinton should have to suffer the same election-year treatment the Fed chief had dished out to GOP presidents. More likely, they are just more proof of his amazing ability to mesmerize the herd—despite a record that has virtually never been right.

Mr. HARKIN. I wanted to read a few of the lines from this editorial.

We may have an exciting new contrary indicator: Alan Greenspan's predictions. Our search of the record has never found him to be right about what the economy, inflation or interest rates were going to do.

We could go back further back, but let's begin with a much noted-1981 speech. As a private and well-connected economist, Greenspan declared that inflation would not decline any time soon. Whoops, inflation was about to drop from 12 percent a year down to 4 percent.

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>
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>
> At the start of 1984, he forecast that for the next 3 years bond yields would rise from 5 to 55 basis points.

Listen to this. At the start of 1984, he forecast that for the next 3 years bond yields would rise from 5 to 55 basis points. They actually dropped each year from 123 to 199 basis points.

Well, the article goes on. I will have more to say about this article. I do not know the author of the article, but he correctly, I think, captured the record of Mr. Greenspan.

Again, I want to talk about this because the bottom line is that Chairman Greenspan has this long history of focusing solely on inflation to such an extent that all focus on expanding our economy has been lost.

So what do we have today? We have a mindset at the Fed that 2-percent growth is acceptable—2 percent—that the economy cannot grow any faster; maybe 2.5, but that is getting close to the limits, but that we cannot have the 3-percent growth of the 1970's or the 4 percent growth of the 1960's. That is the mindset at the Fed.

Mr. President, I believe we ought to do more to promote stronger economic growth, and at the very least we should not put our economy in a harness when there is such a tremendous potential for growth in America today. Saying that America can grow at 2 or 2.5 percent is like saying that we are going to accept a C average when we know we can do a B-plus or an A. I would not let my kids get by with that, and neither would you, and neither would anyone else. We should not let America get harnessed in these shackles when all of the indications are out there that, with a better monetary policy at the Fed, our manufacturing sector will expand, we will get new plant and new equipment, we will have some wage growth for average working families that will not be inflationary, and our farmers will be able to have a better deal, because they borrow a lot of money, and especially our small main street businesses. They are the ones in our main streets of our small towns that have to borrow money at higher rates of interest. They need a break, too. It is small businesses that employ most of the people, the ones that are getting the new jobs out there. They should not be shackled by this low-growth mentality that we see evidenced by the Chairman of the Fed.

I urged President Clinton to appoint someone with a greater orientation toward economic growth, someone with a greater concern for the need to increase the incomes of average Americans, and someone who would strive toward keeping the unemployment low.

There is a constant flow of articles written about relatively minor changes in tax policy or in the amount of spending for a number of relatively trivial Federal programs. Yet, the questions of our monetary policy and what we do about the supply of money and interest rates are just not being written about or discussed. That is one of the reasons I took the position which I did when this nomination came to the Senate back in March—that we needed articles written about him, that we needed voices heard around the country to start talking about the monetary policy of the Fed, to bring it out of the shadows and into the sunlight. We have seen more and more articles and more and more economists speaking out and business people speaking out saying that we ought to have a better growth policy at the Fed.

Because of the huge deficits run up in the 1980's to the present, fiscal policy changes in the amount of Government spending and taxes have become pretty ineffective in our efforts to stimulate the economy during poor economic times. We cannot afford to increase the deficit even when we are entering a recession. One of the reasons, I feel, for reaching a balanced budget and then to perhaps run a small surplus is so that we can restore this capability—this capability of the Federal Government to be able to respond to recessions in a meaningful manner. So with such a huge deficit and high debt load, we cannot do that. We need to get to that balanced budget and reduce the debt load of the United States so that we can begin to invest more in our infrastructure. I do not mean just our physical infrastructure; I mean our human infrastructure such as education.

This dependence that we have today on monetary policy and the extent that we have any control over it whatsoever is set by the Federal Reserve System. There is little doubt that the Chairman of the Federal Reserve and the policies he espouses are crucial to our economy.

What will be the balance between our concerns for inflation and our concern about economic growth and unemployment? Rising interest rates mean a tremendous downward pressure causing the economy to slow. Higher interest rates mean higher costs of doing business, or running a farm. It means smaller profits. It means buying a home or a car is more difficult for working families. If you have an adjustable rate mortgage, as more and more people do these days, it means a bigger chunk of money will be going to the mortgage and less money will be available to your family for other needs like education. It also means we have rising interest rates; high interest rates. It means more unemployed people and the social unrest and harm that this causes.

When we talk about family values, few things are as destructive to a family as unemployment. It strains marriages, causes divorces, and our children suffer. This stricture on our monetary policy also means fewer pay increases and a lower standard of living even for those who do not lose their jobs. People ask a lot of times, and I read articles, about why in America today with our seemingly wonderful economy that the stores are full of goods, and prices in most cases are pretty decent, why is it that there seems to be this unrest among the American people? Mr. President, it was there in 1992. It was there in 1994, and it is still there in 1996. It can all be summed up by saying that the average working families are stagnant in their incomes. Their wages are not increasing as fast as prices. They are incurring more and more of a debt load and paying higher and higher interest rates for the money they borrow. I believe this is leading to great social unrest and will continue to lead to great social unrest unless we have a change in monetary policy at the Fed.

Federal Reserve policy has a considerable impact on the health of the economy, the level of unemployment, and the ability of average Americans to improve their incomes.

So I am happy to say that I have seen some increase in the number of substantive articles in this area over the past few months. I believe that is one of the benefits of the delay that we have had. I hope that we see more articles in the future.

Mr. President, Mr. Greenspan has had a long history in key economic positions; as chairman of the Council of Economic Advisers under President Ford, and as Chairman of the Federal Reserve since 1987. He is a known quantity. He is, I believe, proud of his reputation as a so-called inflation hawk. By that I mean he consistently emphasizes the need to fight inflation. Unfortunately, his policies seem cold to the needs of families to see a little more income come in and to not lose their job. I am not saying he does not care. I am just saying that his orientation toward fighting inflation is, in my view, almost obsessive. It seems to blind him to the need to react to signs of recession or to the societal inequities that his policies lead to.

Mr. President, the current law of the land is that the Federal Reserve is to balance concerns about inflation on the one side and full employment and production on the other. These goals are in law, placed in law by the Full Employment and Balanced Growth Act of 1978. It is still the law of the land.

Prior to the 1978 act, I understand there was no specific mention of inflation in the law at all. It was not in the Employment Act of 1946 or laws prior to that, going all the way to the founding law of the Federal Reserve in 1913.

Now Mr. Greenspan wants to overturn that balance. He actually supports the concept of eliminating the requirement that the Federal Reserve consider the need for full employment and production. He wants to focus solely on the goal of very low inflation. That is not a balanced policy, in my view, and I think we need, at this point in our history, a Federal Reserve Chairman with more balance.

Mr. President, I now want to get back to looking at the results of some of Mr. Greenspan's policies at the Federal Reserve and what have been the results of his policies during his tenure at the Federal Reserve System. I have a series of charts and some other things I would like to refer to here at this point in time.

Let us take a look, first, at this chart. This is, "Economic Performance Under Greenspan." We have compared the years 1959 through 1987, in aggregate, versus his tenure at the Fed from 1987 to the present. We have different indices here. We have: GDP, real GDP, income per capita, payroll jobs, and productivity. The green bar represents the pre-Greenspan years. The orange bar depicts the Greenspan years.

Let us look at real GDP. During the years, cumulative years—and there were some that were pretty bad in there, too. There were some good and some bad. But during the years prior to Mr. Greenspan, real GDP averaged 3.4 percent per year. That is from 1959. The only reason we picked 1959 is because we changed the way we calculate the GDP. Those figures only go back to 1959. GDP averaged 3.4 percent. Under Mr. Greenspan, it has only averaged 2.2 percent growth, in real GDP.

Let us look at per capita income. The average prior to Mr. Greenspan's tenure, 2.5 percent growth in per capita income; under Mr. Greenspan, 1.2 percent average growth in per capita income.

Let us look at payroll jobs, growth of jobs, new jobs. Prior to Mr. Greenspan, an annual average of 2.4 percent growth in new jobs; with Mr. Greenspan, 1.7 percent growth in real jobs.

But this is one of the most telling of all, and that is the last bar on this graph. It has to do with productivity. Productivity prior to Mr. Greenspan averaged 2.3 percent. Under him, it has averaged 1.1 percent. That is crucial. It is through productivity growth that we get our ability to increase incomes of people with little inflation risk.

I suppose there are some who say there are other reasons for this. That may be true that there are other factors that influence this, but I believe that in each one of these, the key, let us say the one domino that you push that knocks over all the rest, is the actions taken by the Federal Reserve in each one of these areas, because it has to do with the monetary policy and what our monetary policy is.

I would like to turn to another chart, which was in an article written by Rosanne Cahn. I will read parts of that article. This article was in a publication, issued by CS First Boston. This is an economic treatise put out by CS First Boston, May 31, 1996, by Ms. Rosanne Cahn. Again, I do not know Ms. Cahn. Let me read some of this before I turn to the chart, because it will tell you what this chart shows. Ms. Kahn writes, in the May 31, 1996, CS First Boston report on the economy, "Grow Is Not a Four-Letter Word."

> The Federal Reserve acts like it's wrong for the economy to grow at a reasonable rate. The bond market, conditioned by a stern parent, deteriorates so rapidly in response to strong growth that it may not even be necessary for the Fed to raise short-term rates anymore. Like a child catching itself in a naughty deed, it punishes itself by sitting in the corner in advance of a parent's reprimand.
>
> Between 1950 and 1989, U.S. annual growth averaged 3.6 percent, with one-third of the years above 4 percent. The 1990's, at a 1.8 percent average annual rate, have been the slowest 6-year period since 1950.

We wonder why there is unrest around America?

> The immediate post-war recession and the beginning of the Great Depression were the only 6-year periods with worse records since 1929. The rate that rocked the bond market this year was first published at 2.8 percent. . . .

That was first quarter. I remember when it came out, oh, my gosh, a huge surge in growth, 2.8 percent. Later on we found out that it had to be revised down to 2.3 percent. Ms. Cahn asked, "Can't we grow faster without jacking up bond yields by a percentage point?" These are not this Senator's words. These are words written by Rosanne Cahn in this article.

> Chairman Alan Greenspan's record on growth is the worst of all post-war Fed Chairmen, with no meaningful progress on inflation.

Maybe, Mr. Greenspan argued, we have not had growth because we have had great progress on inflation. Well, that is not so. As shown, growth during his leadership has been, as I pointed out on the earlier chart, a paltry 2.2 percent—right down here, real GDP growth, 2.2 percent, with inflation in the year before he took over at 4.1 percent and inflation averaging 3.2 percent.

Paul Volcker, right before him, real GDP growth, 2.5 percent, kind of paltry but a little bit better than Greenspan's. But look what Mr. Volcker did with inflation. You can say, "Yeah, he didn't have much growth," but look at inflation. The year before he came in, inflation was 13.2 percent. He brought it down to 6.2 percent during his term. He cut it in half.

If you go back through, you can see the same thing. What has happened is in each of these cases—then you see here the real higher GDP growth rates during the other terms—what happened is that Mr. Greenspan really has not cut inflation by that much, but he has stifled the economy with low growth.

So, if we are going to be suffering with low growth, well, inflation 4.1, we should probably be down to zero inflation. We are not. So, again, we are suffering low growth without any real attack on inflation and no real headway made there at all.

Ms. Cahn goes on to say:

> Some would assert that the U.S. economy's rate of expansion is constrained by its maturity. That argument has been made throughout history.

I particularly like this part.

> For example, after the invention of the wheel, cavepeople presumably thought that there was nothing more they needed. Today, penetration of cellular phones and home computers is low, so buying them should keep consumers busy until the next new products/services are invented.
>
> By some measure, there's not much wrong with the U.S. economy. For example, full employment has been achieved according to some experts. Why quibble over one percent? Anyone who is willing to give up a percentage point per year of income growth for the next six years can stop reading now. Multiply that by 100 million households and it adds up to real money.
>
> Other wonderful things happen with a strong economy. The Federal budget deficit shrinks . . . For example, if growth were 1 percentage point per year faster for the next 6 years, that would reduce the deficit by $120 billion, according to Congressional Budget Office (CBO) estimates, or bring it close to balance.
>
> Households' debt problems evaporate if incomes grow without new debt being added. Income distribution disparities might or might not narrow, depending on structural factors behind the higher growth. However, the poor would certainly become less poor as the economy expanded rapidly.
>
> So what is the problem? Why not go for growth?

Ms. Cahn goes on to say:

> Prices are determined by the intersection of supply and demand. As demand gets closer to supply, inflation heats up. Inflation is bad because it allegedly causes distortions in the economy, and eventually accelerates enough to destabilize the economy. Most problems caused by inflation are infeasible to quantify; many are subtle or hidden. Therefore, no one has taken a stab at measuring the costs of inflation. However, adults who lived through the 1970s and early-1980s recognize double-digit inflation imposes serious burdens on the U.S. economy.
>
> Without quantifying the cost of inflation, it is impossible to determine the rational policy choice between inflation and growth.
>
> Besides, no one knows what number to put on full resource utilization, though many will argue vigorously for or against a specific one. In 1993 most analysts contend that NAIRU (non-accelerating inflation rate of

> unemployment) was above 6 percent; now some say 6 percent and many say 5½ percent. In mid-1960s, debate focused on 5 percent, 4½ percent and 4 percent.
>
> The policy dilemma is compounded by the long lag between when the economy reaches full employment and when wage inflation picks up.
>
> Under such uncertainty, what is a wise monetary policymaker to do? We'll never know, because the Feds' anti-inflationary fervor is more religious than intellectual.
>
> Even if the above difficulties are serious, perhaps there is a more favorable inflation/employment trade-off than the Fed will allow, without taking too much risk in the area of uncertainty.

I think what Ms. Cahn basically has said here is that you have to have a balance, you have to have a balance between caution on inflation and making sure that we have adequate growth, and to just have this almost religious fervor against inflation can send us into a tailspin in terms of real GDP growth per capita income and the well-being of working Americans.

Mr. President, I want to talk just a minute more about NAIRU, the non-accelerating inflation rate of unemployment, and what that means. A lot of people say, "Well, we can't have lower unemployment because that will push wages up and that will cause inflation." Maybe that might have been true in the sixties, and it may have been true in the seventies, but we live in a different global economy today that a lesser unemployment rate and concurrently some wage increases for hard-working Americans can be offset.

We are in a global market. If they push too high, obviously businesses will tend to take their jobs offshore. Likewise, if the price of goods gets too high because the supply and demand is getting too close, well, then, because of the global economy, more goods can come in from overseas. So we do not have the kind of economic mix that we had in the sixties and seventies.

I might add one other thing. We did not have in those years either the kind of mass marketing and mass wholesaling that we have today, like the Wal-Mart syndrome that we have in America today. That, too, acts as a buffer, as a damper on the push on inflation if, in fact, supply and demand gets too close.

I now want to turn to a couple of articles by Mr. Felix Rohatyn. The first appeared in Time magazine in May, May 20, 1996. Mr. Rohatyn is a well-respected investment banker, perhaps the best kind of an economist, not one who lives in an ivory tower but one who is out there in the real world and has been very successful in what he does.

I first met Mr. Rohatyn over 20 years ago. Actually it has been 21 years ago, I think, when I was a Member of the House of Representatives. I represented a very rural district in Iowa, and that was about the time when New York City needed some help from the Federal Government in order to avoid defaulting in its financial obligations. I did not have much interest in that. In fact, I was predisposed to vote against the so-called bailout of New York City.

Then Mr. Rohatyn—I do not know what his position was at the time—came down to speak to us on behalf of the city government of New York City at the time. For a very then-young freshman Member of the House of Representatives who was very much predisposed to vote against a bailout of New York City, I listened with great attention to what Mr. Rohatyn had to say about New York, why it was in the position it was in, how it was going to get out, why it was in the best interest of our country to pass the New York City bailout bill and how New York would pay back every dime on the dollar and how it would lead to greater growth in the future for that city.

I voted for the New York City bailout. It probably was not the smartest thing for a Congressman from a rural district in Iowa to do, but I did, and I defended it.

It turns out he was right and we were right to do what we did at that time. So I have had a great deal of respect for Mr. Rohatyn over all those years, because I felt he had a commonsense, hands-on judgment of really what was happening in the marketplace. I believe he understands economics very well, but he understands it both in the theoretical aspect and in the actual aspect.

The one thing I have always admired about Mr. Rohatyn is that he has always believed that America can do better, that we can grow better and not be just obsessed with the fear of inflation.

Anyway on May 20, in Time magazine Mr. Rohatyn wrote the following—I will not read it all, but I think there are some passages in here I want to read for the RECORD. The title is "Fear of Inflation Is Stifling the Nation. An outdated obsession is depriving us of greater wealth."

Mr. Rohatyn writes, on May 20, not even a month ago—

> As recently as March, most observers were concerned that the economy might be headed for recession. Many expected the Federal Reserve to lower interest rates. Suddenly the great concern is that the economy may be growing too fast. Earlier this month, the Commerce Department reported that the economy grew at a rate of 2.8% during the first quarter of the year. The bond and stock markets treated this very good news as if it were an unwelcome visitor, and declined sharply. Fickle behavior in financial markets is nothing new, but this latest episode illustrates a deeper problem.
>
> It has become an article of faith among policymakers and on Wall Street that if the economy grows at an annual rate above 2% or 2½%, inflation will rise, perhaps uncontrollably. As illustrated by recent events, such conventional wisdom has become almost a self-fulfilling limitation. When growth rises above this level, investors, spooked by a belief that the Federal Reserve will soon be "forced" to raise short-term interest rates in order to prevent an outbreak of inflation, rush to sell bonds. This pushes long-term interest rates up. The result is that prospects for future growth are dampened.

And he points out parenthetically—"(And should the Fed do nothing, bondholders sell because they fear the central bank is no longer vigilant against inflation.)"

> The irony is that these economic statistics, which so frightened the markets, actually tell us that higher growth is possible without inflation. The real rate of inflation for the first quarter was 2.1%, with no sign of any upward pressure; actual growth was understated because of the General Motors strike and the winter blizzard. And remember, inflation statistics are generally believed to be overstated at least 0.5%.

So perhaps the real rate of inflation was not 2.1 percent. It could have been closer to about 1.5 or 1.6 percent.

> What the first-quarter results make clearer is that the economy can grow more than 3% while holding real inflation below 2%. The same can be said about unemployment. The latest unemployment figures came in at 5.4%; that's well below the 6% unemployment figure that is supposed to trigger inflation through demands for higher wages, according to the standard view.

That is the NAIRU view.

> . . . This view fails to take into account the forces of global competition. American workers no longer compete for jobs only with one another, but with workers worldwide, and that tends to dampen wage demands at home. Wage inflation is not a real threat, but we keep treating it as such.
>
> Sure, one quarter isn't a trend, but there is nothing in these numbers to provoke fear of inflation; on the contrary, they should have been the basis for satisfaction and the determination to do better.

I guess that is what I like about Mr. Rohatyn. He believes we can do better, that a C average is not good enough for America.

> The conventional wisdom, however, is so embedded in the financial community that the National Economic Council chairman, Laura D'Andrea Tyson, felt understandably compelled to reassure the markets by announcing that the Administration's growth forecast for the year was unchanged from its original 2.2%. It should not be necessary to tell Wall Street that the economy isn't as good as it looks.

Perhaps this is an argument I have with the Clinton administration. If they are accepting a 2.2-percent growth forecast, and if that is acceptable to the Clinton administration, all I can say is it is unacceptable to me, and it ought to be unacceptable to this country. We need a higher growth rate than that.

Mr. Rohatyn goes on to say:

> There was a time when 2.8% would have been considered a modest rate of growth; today it is considered dangerously robust. The sad reality is that it is still below our real needs. Many corporate leaders don't agree with this notion of dragging the anchor just as soon as the economy has the wind behind it. They understand how we can sustain high growth based on the muscular

productivity improvements they are generating in their own businesses. In today's environment of rapid technological innovation and international integration, we should be willing to be bolder, both in fiscal and monetary policy.

Our excessive fear of inflation has a huge price: stagnating wages for the vast majority of American workers, the decline of our cities and the deepening of our social and economic ills. Although there is no single answer to these problems, increasing wealth and incomes hardly seems like a bad way to start. As President Kennedy said, "A rising tide lifts all boats." The difference between then and now is that the tide is not rising as fast—and it certainly is not raising all boats equally. Without more growth we are simply setting the stage for a battle over the same pie.

We need higher growth if we are to balance the budget without unacceptable cuts to social programs, or without letting our infrastructure crumble. Only a growing economy lets us generate the revenues needed by the public sector while reducing the tax burden on the private sector.

The Clinton Administration is entitled to a great deal of credit for cutting the federal deficit in half, while putting the economy on a path of stable, moderate growth. But it's time for Administration and congressional leaders to take advantage of the current momentum to reach for a higher level. It's also time for Wall Street and the Federal Reserve to stop kicking up interest rates reflexively every time the economy shows signs of momentum. The notion that we must choose between growth and inflation is a false choice. Global competition as well as new technologies has set new parameters on every aspect of the economy. A 3%-to-3½% growth rate is not only an achievable national objective; it is an economic and social necessity.

Mr. President, I ask unanimous consent that that article be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time Magazine, May 20, 1996]

FEAR OF INFLATION IS STIFLING THE NATION—AN OUTDATED OBSESSION IS DEPRIVING US OF GREATER WEALTH

(By Felix G. Rohatyn)

As recently as March, most observers were concerned that the economy might be headed for recession. Many expected the Federal Reserve to lower interest rates. Suddenly the great concern is that the economy may be growing too fast. Earlier this month, the Commerce Department reported that the economy grew at a rate of 2.8% during the first quarter of the year. The bond and stock markets treated this very good news as if it were an unwelcome visitor, and declined sharply. Fickle behavior in financial markets is nothing new, but this latest episode illustrates a deeper problem.

It has become an article of faith among policymakers and on Wall Street that if the economy grows at an annual rate above 2% or 2½%, inflation will rise, perhaps uncontrollably. As illustrated by recent events, such conventional wisdom has become almost a self-fulfilling limitation. When growth rises above this level, investors, spooked by a belief that the Federal Reserve will soon be "forced" to raise short-term interest rates in order to prevent an outbreak of inflation, rush to sell bonds. This pushes long-term interest rates up. The result is that prospects for future growth are dampened. (And should the Fed do nothing, bondholders sell because they fear the central bank is no longer vigilant against inflation.)

The irony is that these economic statistics, which so frightened the markets, actually tell us that higher growth is possible without inflation. The real rate of inflation for the first quarter was 2.1%, with no sign of any upward pressure; actual growth was understated because of the General Motors strike and the winter blizzard. And remember, inflation statistics are generally believed to be overstated at least 0.5%.

What the first-quarter results make clearer is that the economy can grow more than 3% while holding real inflation below 2%. The same can be said about unemployment. The latest unemployment figures came in at 5.4%; that's well below the 6% unemployment figure that is supposed to trigger inflation through demands for higher wages, according to the standard view. This view fails to take into account the forces of global competition. American workers no longer compete for jobs only with one another, but with workers worldwide, and that tends to dampen wage demands at home. Wage inflation is not a real threat, but we keep treating it as such.

Sure, one quarter isn't a trend, but there is nothing in these numbers to provoke fear of inflation; on the contrary, they should have been the basis for satisfaction and the determination to do better. The conventional wisdom, however, is so embedded in the financial community that the National Economic Council chairman, Laura D'Andrea Tyson, felt understandably compelled to reassure the markets by announcing that the Administration's growth forecast for the year was unchanged from its original 2.2%. It should not be necessary to tell Wall Street that the economy isn't as good as it looks.

There was a time when 2.8% would have been considered a modest rate of growth; today it is considered dangerously robust. The sad reality is that it is still below our real needs. Many corporate leaders don't agree with this notion of dragging the anchor just as soon as the economy has the wind behind it. They understand how we can sustain high growth based on the muscular productivity improvements they are generating in their own businesses. In today's environment of rapid technological innovation and international integration, we should be willing to be bolder, both in fiscal and monetary policy.

Our excessive fear of inflation has a huge price: stagnating wages for the vast majority of American workers, the decline of our cities and the deepening of our social and economic ills. Although there is no single answer to these problems, increasing wealth and incomes hardly seems like a bad way to start. As President Kennedy said, "A rising tide lifts all boats." The difference between then and now is that the tide is not rising as fast—and it certainly is not raising all boats equally. Without more growth we are simply setting the stage for a battle over the same pie.

We need higher growth if we are to balance the budget without unacceptable cuts to social programs, or without letting our infrastructure crumble. Only a growing economy lets us generate the revenues needed by the public sector while reducing the tax burden on the private sector.

The Clinton Administration is entitled to a great deal of credit for cutting the federal deficit in half, while putting the economy on a path of stable, moderate growth. But it's time for Administration and congressional leaders to take advantage of the current momentum to reach for a higher level. It's also time for Wall Street and the Federal Reserve to stop kicking up interest rates reflexively every time the economy shows signs of momentum. The notion that we must choose between growth and inflation is a false choice. Global competition as well as new technologies has set new parameters on every aspect of the economy. A 3%-to-3½% growth rate is not only an achievable national objective; it is an economic and social necessity.

Mr. HARKIN. There was another article by Mr. Rohatyn. This one was in the Wall Street Journal, last December. In this article he talks about the growth assumptions that we have made and the affect it has on policy. I just want to read a couple of parts of it. I will not read the whole article, but I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Asian Wall Street Journal, Dec. 7, 1995]

CUT AND BE PROSPEROUS

(By Felix G. Rohatyn)

The current budget debate in the U.S. between the Clinton administration and Congress has an air of unreality about it. First, the debate is dominated by economic numbers to which all sides cling with theological devotion, despite the lack of any evidence that they correspond to events in the real world. Second, the debate focuses on only one part of the budget-balancing equation—controlling expenditures. Nobody is talking about growing revenues by growing the economy, yet this is certainly more important than any other part of the budget equation.

Start with the numbers. Both the President and Congress have signed off on a seven-year goal to balance the budget. But there is nothing magical about the number seven. Whether the budget is balanced in seven years or six or eight has no economic, financial or intellectual relevance; the financial markets will react no differently if, ultimately, there is an eight-year or even nine-year agreement. What is critical to the markets is the certainty of the outcome. In the present seven-year plan there is no certainty whatsoever; the only certainty is that things will undoubtedly turn out differently than the budget forecast.

That's because the economic assumptions made by both sides are faulty. The Congressional Budget Office forecast is for 2.3% annual growth for the seven-year period; the administration's is for 2.5% annual growth. Both forecasts are undoubtedly wrong. That is not their greatest sin, however, because all forecasts are wrong, especially when they go beyond next year. Their greatest sin is to accept, and implicitly condemn, the U.S. to our present growth rate. Despite Wall Street's love affair with slow growth, the vast majority of the business community believes this to be far short of the economy's real capacity for noninflationary growth, as well as being inadequate to meet the nation's private and public investment needs.

What's pushing us toward accepting lower growth? Part of the problem is faulty economic measurements. Both Federal Reserve Chairman Alan Greenspan and a distinguished panel of economists have said that U.S. actual inflation rate may be more than 50% below the official measurement of the

> consumer price index. This means inflation may be a less immediate danger. Furthermore, the Bureau of Labor Statistics has decided that the methodology of growth rate measurements is faulty and needs to be revised downward. Once this is adjusted, it may ease fears that we're growing "too fast."
>
> Another factor pushing the U.S. toward lower growth is its foreign trade partners. In Western Europe, the goal of a single European currency, requiring lower budget deficits and lower debt, is given priority over growth and employment in every country except Britian. Both Germany and France, with inflation rates around 2% and unemployment rates of 9% and 12% respectively, are running deflationary policies of high interest rates together with budgetary contraction. Japan is effectively in a no-growth, asset-deflation mode.
>
> I would be a tragic mistake for the U.S. to join the rest of the developed world in a set of economic policies combining low growth, high real interest rates and fiscal contraction—the prescription seemingly favored by both Congress and the White House. The net result of these policies will not be balanced budgets but higher deficits and serious social strains, because they will lead to less growth and hence lower government revenues.
>
> Every major American social and economic problem requires stronger economic growth for its solution. This includes improvements in public education as well as increasing private capital investment and savings; balancing the budget and maintaining a social safety net; improving the economic conditions in the big cities and reducing racial tensions as a result. The economic and social pressures of global capitalism can be offset only by higher rates of economic growth. Even when global competition was less severe and social problems less daunting, the U.S. did not generate sufficient jobs and government revenues at less than 3% to 3½% annual growth in gross domestic product.
>
> There is only one explanation for the U.S. government's reluctance to adopt a higher growth objective: The inordinate fear of inflation resulting from higher growth. The view that the economy's capacity for non-inflationary growth in limited to 2½% is strongly supported by the financial community, the Treasury and the Federal Reserve, all rightly anxious to protect the securities and currency markets. But business leaders strongly believe that we can achieve higher growth with little risk of higher inflation. The latest economic statistics seem to confirm this: The last quarter saw 4.2% growth and less than 2% inflation. It is totally appropriate to fight inflation; it is counterproductive to limit economic growth unnecessarily.
>
> It is obviously not possible, overnight, to try to raise the growth rate without raising the fear of renewed inflation; global capital markets are very nervous, and maintaining a strong dollar is fundamental to U.S. prosperity. But a number of policy changes should be considered—but aren't at the moment.
>
> First, the U.S.'s European and Japanese partners should be persuaded to set a parallel course and coordinate lower interest rates while promoting domestic growth policies of their own. At home, the U.S. should consider tax reform to promote investment and savings. It should make appropriate increases in public investment, even as it reduces the cost of social programs and defense spending. It should make improvements in public education an integral component of a strategy of higher growth and higher productivity. Hard money, higher rates of growth, low interest rates and low inflation should be the economic platform.
>
> There will be obviously be vigorous differences between Republicans and the administration about the tax and spending policies needed to achieve these goals. However, since there is no real argument any more about the goal of a balanced budget let us, at least, agree that balance must be achieved by higher growth and retrenchment. There is an excellent precedent for this strategy: New York City's experience in 1975, when it teetered on the edge of bankruptcy. How did the city balance its budget in five years and regain access to the credit markets? Through a combination of rapid and sustained economic growth, on the one hand, and, on the other, year-by-year compliance with tough budget targets enforced by an Emergency Financial Control Board.
>
> At the federal level, no new agency is needed—but a new mechanism is required to keep the budget plan on track year to year: First, the Congressional Budget Office would determine the actual deficit, as opposed to the projected one. Second, the President and the congressional leadership would agree on measures to resolve differences between the predicted deficit and the real one; this could include additional spending cuts or new taxes, or a combination of the two. This agreement would be subject to ratification by Congress. Third, if no agreements was reached, automatic across-the-board cuts in the budget (interest payments on the debt alone would be exempt) would come into effect to comply with the forecast. Of course, provisions would have to be made to defer cuts in case of a serious recession or a national emergency, but this plan would reassure financial markets far more than any seven-year budget goal.
>
> As a final step, both the administrative and the congressional Republicans should agree on an objective of at least 3% annual growth to be reached in the next two or three years. The difference between 2.3% and 2.5% growth over the seven-year period is $475 billion of added revenues; the difference between 2.5% and 3% is more than $1 trillion. There are stakes worth fighting for. The national debate should now focus on the most important issue facing America: not whether, but how, to generate the growth that is adequate to the country's needs.

Mr. HARKIN. This was in the December 7, Asian Wall Street Journal.

Mr. Rohatyn is talking about budget forecasts. Let me just start where he says:

> That's because the economic assumptions made by both sides are faulty. The Congressional Budget Office forecast is for 2.3 percent annual growth for the seven-year period; the administration's is for 2.5 percent annual growth. Both forecasts are undoubtedly wrong. That is not their greatest sin, however, because all forecasts are wrong, especially when they go beyond next year. Their greatest sin is to accept, and implicitly condemn, the United States to our present growth rate.

Let me repeat that. What Mr. Rohatyn said is that to forecast and to set our policies based upon 2.3 percent or 2.5 percent growth for several years, that is not the greatest sin, he says, he stated the greatest sin is to accept and implicitly condemn the United States to our present growth rate.

> Despite Wall Street's love affair with slow growth, the vast majority of the business community believes this to be far short of the economy's real capacity for non-inflationary growth, as well as being inadequate to meet the Nation's private and public investment needs.

Mr. Rohatyn goes on, he says:

> What is pushing us toward accepting lower growth? Part of the problem is faulty economic measurements. Both Federal Reserve Chairman Alan Greenspan and a distinguished panel of economists have said that U.S. actual inflation rate may be more than 50 percent below the official measurement of the Consumer Price Index. This means inflation may be a less immediate danger. Furthermore, the Bureau of Labor Statistics has decided that the methodology of growth rate measurements is faulty and needs to be revised downward. Once this is adjusted it may ease fears that we're growing "too fast."

Mr. Rohatyn goes on to say:

> It would be a tragic mistake for the U.S. to join the rest of the developed world in a set of economic policies combining low growth, high real interest rates, and fiscal contraction—the prescription seemingly favored by both Congress and the White House. The net result of these policies will not be balanced budgets, but higher deficits and serious social strains, because they will lead to less growth, and hence lower Government revenues.
>
> Every major American social and economic problem requires stronger economic growth for its solution. This includes improvements in public education as well as increasing private capital investment and savings; balancing the budget and maintaining a social safety net; improving the economic conditions in the big cities and reducing racial tensions as a result. The economic and social pressures of global capitalism can be offset only by higher rates of economic growth. Even when global competition was less severe, and social problems less daunting, the U.S. did not generate sufficient jobs in Government revenues at less than 3 percent to 3½ percent annual growth in gross domestic product.
>
> There is only one explanation, for the U.S. government's reluctance to adopt a higher growth objective: the inordinate fear of inflation resulting from higher growth. The view that the economy's capacity for non-inflationary growth is limited to 2½ percent is strongly supported by the financial community and the treasury and the Federal Reserve, all rightly anxious to protect the securities and currency markets. But business leaders strongly believe we can achieve higher growth with little risk of higher inflation.
>
> It is totally appropriate to fight inflation. It is counterproductive to limit economic growth unnecessarily.

(Mr. THOMPSON assumed the chair.)

Mr. HARKIN. Mr. President, I think Mr. Rohatyn, really in both those articles, has really outlined what our policy ought to be at the Federal Reserve. That is, a policy of balance. That is what he is arguing for. He is not saying, forget about inflation. He is saying, when there is no inflation, when the fear of inflation is low and inflation is way down, below 2 percent, we can take some risks for more growth.

Like the story about the turtle that only makes progress when he sticks his head out from underneath the shell. Of course, he is most vulnerable at that point. The turtle could live his entire life closed up in a shell. He would not get very far, but he would be safe. Like the turtle, we have to stick our necks out once in a while for growth. If we see inflation coming, yes, then we can retreat. But to retreat before inflation is threatened is to condemn America to slow growth, is to condemn American families to low wages and high unemployment. It means that we will have a tougher time balancing our budget, or it means if we do want to balance the budget, we are going to cut very deeply into social safety net programs. We will cut into education, we will cut into health, we will cut into Medicare, and we will start cutting to balance the budget. That will exacerbate and make worse social unrest that we already see starting out there.

We must have a policy of growth. The Federal Government cannot do it by itself. We have no magic here to do that. Yes, we can cut budgets, and we are. We can cut the deficit, and we are. We can streamline Government.

I commend the Clinton administration for what it has done to streamline Government. It was the Clinton administration that started the reorganization of the Federal Government. It was President Clinton who suggested we trim the size of the Federal bureaucracy to its lowest point since John Kennedy was President.

Yes, we can take those steps, and we are taking those steps, but unless we have growth in our economy, those cuts are going to get harder and harder in the future. It will be harder to make politically, but it will be harder on people with real needs, whether it is an elderly person who is ill or maybe an elderly person that needs heating oil in the wintertime and we do not have enough money to pay and to help them buy that heating oil to keep warm in the winter. It is a family that has a child that needs a Head Start Program and cannot get it because we do not have the money for it. We simply do not. Or maybe it is a young couple starting out, both of them are working, and they would like to save to buy a new home. They cannot to it because the interest rates are too high. That is what is ahead for us if we do not have growth in our economy.

As I said, we have limited resources at our fingertips here in the Congress to do that. We cut the deficit, we cut the size of the Federal Government, we can streamline, but in the end it has to be the Federal Reserve and its monetary policy to reduce the interest rates that will allow the private sector to expand. By allowing the private sector to expand and grow with new plants and new equipment and, yes, wage growth for hard-working families, that will create the kind of revenues that the Federal Government takes in to help meet our obligations to those less fortunate.

Mr. President, Rohatyn points out the increasing social unrest that will happen if we continue on with the tight money policy under Mr. Greenspan. Mr. President, I do think we should have monetary goals that allow for 3 percent, maybe 3½ percent growth, a percent higher than what we have. Of course, as I said, if it was achieved, we would see our revenues climb as profits and income increase, and many program costs would fall. Again, I commend President Clinton for the approaches he has taken to reduce the budget deficit and to reduce the size of the Government.

Next, I want to discuss some of the recent news impacting on interest rates, how the perceptions of the Federal Reserve and its actions have shaped the market's reaction to the news, and why I believe Alan Greenspan's historic pattern of actions is not helpful for our economy to grow. I would like to know how approving his renomination and his hair-trigger reaction toward raising interest rates makes talk of a growing economy from a supply side tax cut totally impossible.

There are those who say we need to have this big tax cut now, as if somehow this tax cut is going to lend itself to a supply side growth in our economy. But if you have high interest rates, unreasonably high interest rates, tight money policy, then that will not happen. Tax cuts will just simply go for higher interest payments. That is all they will go for. If you want to really get the economy moving, yes, you should get our rate of interest down, and then have targeted tax cuts to working families. That would really spur the economy. To do it without lowering interest rates is counterproductive.

If the Federal Reserve is going to look at a reduction of revenue without immediate offsetting reductions in spending as inflationary, then interest rates are likely to increase and higher interest rates will send the economy into a dive, further exacerbating the deficit. In that environment, the ability to promote any kind of a supply side tax reduction that benefited the economy becomes highly suspect.

One of the very strange things to most people who read the newspapers is how the bond and stock markets now tend to go down when there is significant good news about the economy as a whole, as I just read from a couple of articles. The reason is because they believe as soon as the economy gets better, interest rates will rise.

Will they rise because of fear of inflation, or do they think they will rise because of a hair-trigger orientation toward raising interest rates at the Federal Reserve? I believe a very large component is the fear of the Federal Reserve increases in its interest rates and not the fear of inflation.

I suppose Mr. Greenspan's supporters would say the answer is if the economy overheats, there will be a bottleneck in the economy, shortages of goods, the inability to deliver them on time, shortages in employees. This, of course, will result in higher prices for wages paid, and thus inflation. Inflation will increase and erode the value of long-term bonds. The bond market will therefore demand higher interest rates to slow the economy and reduce inflation, and clearly higher interest rates reduce consumer demands, increase business costs and lower profits.

Under Mr. Greenspan's Federal Reserve, I believe there is a perception, cultivated by him, that he does have a hair trigger and if there is ever any early sign at all of any inflation, they will raise interest rates. Unfortunately, it is more than true. He may claim it calms the markets, but I think he is leading the charge to higher rates in a slower economy.

Sometimes we have seen this hair trigger operate when signs of inflation are ephemeral, at best. The bonds and stock markets both initially hit the skids when the Bureau of Labor Statistics issued its report on May unemployment last Friday. What did the report say? Mr. President, 348,000 jobs were added to the payroll. In addition, there was an upward revision in the April employment figures by 163,000; about 500,000 additional jobs in America over a 2-month period. There was about 40,000 less than that because statistics counted higher for election day in many States, so we are talking about 460,000.

There was a huge 549,000 increase in the work force in May. Half a million people wanted to get into the job market. They wanted to work in April. Only two-thirds found jobs.

I hear people say, "My gosh, look at all the new jobs we have created. We are up to 500,000 in a couple of months." But what they point out is that in May, there was a 549,000 increase in the work force, and what we found is that over that period of time, about 460,000 new jobs.

So only about two-thirds of the people looking for work found work. So, in actuality, the unemployment rate increased from 3.6 to 5.6 percent in May. Again when you tell people that, they say, "Wait a minute. I have been reading about all of these new jobs created." That is true. That is only one side of the ledger. You must look at the other side of the ledger and how many people are looking for work. This is about a third more looking for work than actually found jobs. So unemployment actually increased. With a fear that increased jobs will yield to bottlenecks, this news says there are a lot more people looking, providing competition for the growing number of job positions that become available.

What about the direct measure of inflation—rising wages? We talked about unemployment; let us talk about wages. In the March figures released in April, wages increased by 7 cents. On Friday, the new figure said, after adjustments after the past 2 months, wages only increased by a penny an hour. The economy, they said, did very well in April. Generally, economists felt it was a pretty good month and a pretty good quarter of the year. There is a widely held view that the economy will not do as well in the second half.

What is the problem with rising bond prices? It is the Federal Reserve. Everyone in the market understands Mr. Greenspan's character. So the 30-year Federal bond interest rate increased by 13 basis points last Friday largely on the bet that the Federal Reserve rate increase was on the way. We keep hearing that, at the next meeting of the Federal Open Market Committee, there is going to probably be an increase.

First of all, unemployment actually went up. Rising wages is only about a penny an hour. Why? Yet, bond interest rates increased by 13 basis points. Why is all of this important? It is important because, in the short term, the fear and the expectation of Federal Reserve rate hikes mean higher mortgage rates and other interest costs even before possible Federal Reserve action. If the Federal Reserve increases the interest rates, which in recent years is almost automatically followed by increases in the prime rates of banks, then the cost of doing business or operating a farm will increase. The cost to consumers who want to buy things increases.

But the most important effect of Mr. Greenspan's Federal Reserve policy is it blocks faster economic growth. As I said, Mr. Greenspan talked about the desirable growth at a bit over 2 percent a year. Many economists say that our economy could grow well over 3 percent, as Mr. Rohatyn does, without triggering higher inflation. Many say we could sustain that rate for a longer period of time.

But I think it can be said with certainty, a 1-percent increase in growth for 1 year means an extra $75 billion added to the economy and the following year and each year thereafter. If we sustain that higher growth for 2 years, then we are talking about an extra $150 billion in the size of the economy per year; 3 years, $225 billion a year added; 4 years—you get my point. What this would mean in cumulative effects to the economy is nothing short of startling.

A larger economy means more in wages and a better quality of life for Americans. I believe it is worth a try. Mr. Rohatyn believes it is worth a try, and so do many, many economists. Especially business people think it is worth a try. I think we should allow the economy to grow at the strongest rate possible. Of course, this means we must lower interest rates.

Again, is there a risk of inflation? Yes; not as great as the risk would have been 20 years ago in the 1970's. As I pointed out, we have a world market in goods, we have a world market in labor, and we have new, more massive retailing and discounting in America that we never had 20 years ago. Plus we have a large pool not only of unemployed but underemployed.

That is another point that I am going to be talking about later. We can look at the unemployed figures. They say, "Well, it is 5.6-percent unemployment. But there are a lot of people—and we all know it because we talked to our constituents—there are a lot of people out there who are underemployed. They have a job, but it is not the job they want, and it is not the job paying them the wage that their education and their abilities might otherwise argue for. But they are taking it because there is nothing else. It is not uncommon for a family with the husband working one or two jobs, the spouse, the wife, working one or two jobs, and one or more of the children working. Many of those second jobs are lower wage, many times minimum-wage, jobs. So there is, I think, a great deal of underemployment.

So, if we were able to spur economic growth to buy new plants and equipment, new opportunities, I believe that a lot of the underutilized jobs would move to other sectors and a lot of the underemployed people would take those jobs. So again, it argues against any kind of tightness in the labor market that would argue for inflation. So, yes, there is a chance, there is a risk.

As I said, it is like the turtle. The turtle never makes progress until it sticks its neck out. Of course, that is when it is most vulnerable. A turtle can spend its whole life clammed up in its shell, but it would never get anywhere. We can spend the rest of this century and a good portion of the early part of the next century clammed up in our shell, too, while other nations outstrip us, while other nations' growth rates exceed ours, and while we condemn our people to a lower standard of living. That is really what this is about.

Some people say, "Well, you mean to tell me it is all wrapped up in one person, Mr. Greenspan?" My answer is, yes, a lot of it; not all of it, but a lot of it because of the power of the Federal Reserve Chairman and because of the monetary policy of the Federal Reserve.

Some would say that cannot be true. Alan Greenspan does not want the economy to grow more quickly? Is that a fair statement? Mr. Greenspan does not believe that the risk of inflation is worth what could be substantial job growth and higher income. He has spent his entire professional life fighting for that view. I believe he is so oriented toward that view, blinded by that view, that he failed to act decisively to bring the U.S. economy out of two of the most serious recessions in the post-World War II era.

In 1974, while chairman of President Ford's Council of Economic Advisers, and in 1990, as Chairman of the Federal Reserve, both times he failed to act decisively to bring the U.S. economy out of serious recessions. In February 1994, he started a series of seven interest-rate increases with no real sense of inflation. Perhaps on the horizon there may have been a mirage of inflation sometime in the future.

Last Thursday's Washington Post had an interesting article written by John Berry. It said the Federal Reserve officials did not intend to orchestrate a signal on the prior Wednesday, on May 29, that the Fed wanted to raise interest rates at their July 3 meeting. But we have seen a number of statements last week on exactly that point, a few days before the article. Some of those statements said that the Federal Reserve was not intending to raise rates, and inflation looks like it is under control; the economy is not going out of hand. But I note that the bond and stock markets did take some of the remarks made by Fed officials made on May 29 very seriously.

Susan Phillips, a member of the board, and Al Brodous a member of a Richmond bank, indicated that they were seeing inflationary pressures in the economy. When the news came out that the 30-year bond moved up, stocks quickly dipped when the economists were heard on Wall Street. Speaking in Washington, according to the Wall Street Journal, Phillips was concerned about rising commodity prices and Brodous was concerned about the tightness in the labor market. On Friday, 2 days later, the 30-year bond was still 13 basis points higher, affecting real people. Mortgage rates were also up sharply. The beginning of last week saw lots of statements of denial, and the culmination was John Berry's piece in the Washington Post, and the 30-year bond returned to near its prior level.

My point in telling this is not to say that Fed officials purposely organized an effort to send a signal or not. That is not the point. It is to say that everyone in the market knows about Mr. Greenspan's hair trigger. If you are going to have large sums that will be invested in the bond market, that view is highly to your advantage. It keeps the chances of inflation way down. Unfortunately, it keeps the economy hobbling along and wages close to stagnant. What is good for bondholders is not necessarily always good for America, and not necessarily always good for the average American.

At the end of last week the 30-year bond was about 15 basis points higher than it was a few days before. Mortgage rates went up. And, unfortunately, there is now a reasonable chance that the Federal Reserve might increase rates on July 3. That is all being bandied about. Again, why? What is there out there that would even cause someone to think that the Federal Reserve might raise interest rates? The labor market is not tight. There is no inflation inherently threatening at all. Yet they are talking about it.

What was the truth, anyway—commodity prices? They have been stable for months. On the day Ms. Phillips made her comments, the IPC stood at 253. A month before, at the end of April, it was around 256. This is the Index of Prices for Commodities. So how could that statement be made that there is a tightening in commodities when, in fact, the index came down three points, from 1 month to the other?

Oil came down to about $20 a barrel from its peak of about $25 a couple of months ago. Oil prices are coming down, to the refinery. Unfortunately we have not seen much at the gas pump yet.

So where is the climb in commodity prices? They are generally going down more than up.

Let us look at the labor markets. Again, what do we see? Unemployment was up. Unemployment was up 5.4 percent for April, but unemployment has been in a range of 5.4 to 5.8 percent since October, 1994. And in 1994 many at the Fed were saying that anything below 6-percent unemployment would likely cause higher inflation. Wrong. Perhaps, if we would not send interest rates skyrocketing, we might discover we could sustain strong growth without accelerating inflation, bringing unemployment down actually to 5 percent.

In recent months the Help Wanted Index has also been low. This is a clear indication that employers are not having difficulty finding employees. A weak Help Wanted Index is something that might be expected in a slumping economy. More important, a weak Help Wanted Index is also one more indication that inflation is not threatening because employers will not have to increase wages and benefits to attract employees. And we all know that employee wages and compensation are one of the greatest causes of inflation. So why the hair trigger? There is little reason, in my view, that fair-minded, balanced experts should want to raise interest rates at this time.

Just over the last couple of days we have received some good news about inflation. The CPI went up by .3 percent, core CPI went up only .2 percent, producer prices went down .1 percent. Yet the airwaves have been all filled with talk that the Fed may raise rates. Why? Because of Mr. Greenspan's hair trigger.

I would like to now go through some of Alan Greenspan's actions in the past concerning interest rates, that might explain the perceptions of the bond and stock markets.

First I want to talk briefly about a constant called NAIRU. I referred to it earlier, the nonaccelerating inflation rate of unemployment. Under this concept, as unemployment falls below a certain point, bottlenecks occur because the country runs out of skilled employees. As a result, employers must begin to offer increased pay and greater benefits to attract employees. As a result of this, producers must raise their prices to keep pace with the increased costs of doing business. Thus, this leads to inflation.

This model argues that if monetary policy is structured in such a way as to keep unemployment below its natural level, runaway inflation will result at an accelerating rate that could be reversed by only painfully high levels of unemployment. The conventional wisdom held by Mr. Greenspan is that the current natural rate of unemployment is around 6 percent. I want to be as fair as I can. Mr. Greenspan said he has no specific rate in mind, that he just watches the details. But for a long time the word was that this NAIRU, if I can call it that, was at least 6 percent. Below that rate, we would see escalating inflation. But unemployment went below 6 percent about 20 months ago and there is still no impact. Now the accountants are saying that NAIRU is maybe 5.8 percent, or 5.5 percent.

There was an interesting article by Patrice Hill earlier this month in the June 4 Washington Times on that point. I just wanted to read a little bit from that article. This was in the Washington Times dated June 4, by Patrice Hill.

Is the Federal Reserve keeping unemployment unnecessarily high and preventing more than a million workers from finding jobs?

A number of analysts say yes, the Fed may be depriving workers because of a too-cautious belief that if it loosen the money tap and lets the unemployment rate fall below its current level of 5.4 percent, the would trigger wage and price inflation.

"The Fed is probably shortchanging the economy," said Maury Harris, chief economist with Paine Webber Inc. in New York pointing to a succession of relatively inflation-free economic reports.

In the 1980's, inflation reared its ugly head when unemployment dropped to between 5.5 and 6 percent, so the Fed and many economists still see that level of unemployment as a "danger zone" where inflation lurks. They fear the demand for workers will start outstripping the number of people seeking work, driving up wages, the cost of business, and ultimately, fueling inflation.

But Fed critics in Congress and in economic circles note that unemployment has hovered in the 5.5 percent range for two years now, with little sign of a pickup in wage growth or inflation. In fact, "wage stagnation" is frequently singled out as a problem.

Mr. Harris and a growing number of prominent analysts say unemployment could drop still further—to between 4 percent and 5 percent—without triggering inflation. And that would make life better for a lot of people—a one-point drop in unemployment puts a little over a million back to work.

Mr. President, I ask unanimous consent that article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 4, 1996]

INFLATION-WARY FED COSTS JOBS, CRITICS SAY

(By Patrice Hill)

Is the Federal Reserve keeping unemployment unnecessarily high and preventing more than a million workers from finding jobs?

A number of analysts say yes, the Fed may be depriving workers because of a too-cautious belief that if it loosens the money tap and lets the unemployment rate fall below its current level of 5.4 percent, that would trigger wage and price inflation.

"The Fed is probably shortchanging the economy," said Maury Harris, chief economist with Paine Webber Inc. in New York, pointing to a succession of relatively inflation-free economic reports.

In the 1980s, inflation reared its ugly head when unemployment dropped to between 5.5 and 6 percent, so the Fed and many economists still see that level of unemployment as a "danger zone" where inflation lurks. They fear the demand for workers will start outstripping the number of people seeking work, driving up wages, the cost of business, and ultimately, fueling inflation.

But Fed critics in Congress and in economic circles note that unemployment has hovered in the 5.5 percent range for two years now, with little sign of a pickup in wage growth or inflation. In fact, "wage stagnation" is frequently singled out as a problem.

Mr. Harris and a growing number of prominent analysts say unemployment could drop still further—to between 4 percent and 5 percent—without triggering inflation. And that would make life better for a lot of people—a one-point drop in unemployment puts a little over a million back to work.

Their theory gives fuel to a handful of liberal senators who have been holding up Alan Greenspan's nomination to remain as Fed chairman, arguing that his unnecessarily high interest rate policies have held back growth and employment.

Mr. Harris said the Fed is just being cautious because "they don't want to take any chances of setting off inflation" after bringing it down to the lowest levels in decades.

He held out hope that as the Fed sees unemployment go down gradually without igniting price increases, it may be more content to sit on the sidelines and not raise short-term interest rates.

Mr. GREENSPAN, in appearances before Congress, insists that the Fed is open to higher growth and employment and is not targeting any specific unemployment rate such as 5.5 percent. But he defends the Fed's decision to dramatically raise interest rates in 1994 when unemployment fell below 6 percent, saying it was accompanied by a big pickup in commodity prices.

Some Fed members have been more straightforward about tying the central bank's actions to the level of unemployment.

"The unemployment rate is about as low as you can expect it to go without a worry of inflation," said Cathy Minehan, the president of the Federal Reserve Bank of Boston, last week, while admitting that inflation, as

> measured by the Consumer Price Index, remains well-behaved.
>
> San Francisco reserve bank President Robert T. Parry has told reporters that he believes the unemployment rate below which inflation becomes a problem—in technical jargon known as the "non-accelerating inflation rate of unemployment"—is around 5.75 percent. He says the economy is already operating in the inflation "danger zone."
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> "It would surprise me if '96 and '97 didn't show some pickup" in inflation, he said last week. "It would probably be wrong to think that the lack of influence of wage pressures will continue indefinitely."
>
> While many economists agree with the Fed, some say it has not fully taken into account two factors that have increased the economy's employment potential: the aging of Baby Boom workers and the stiff, worldwide competition in trade that has unfolded since the end of the Cold War.
>
> Mr. Harris and Ed Yardeni, chief economist with C.J. Lawrence Inc. in New York, say the unprecedented trade competition has held down prices and wages, while the aging of the baby boom has brought more experience to the work force and is driving down the unemployment rate.
>
> When the large baby boom generation was young and less skilled in the 1970s and 1980s, they had a harder time finding jobs, causing the unemployment rate to drift higher. But now, the reverse may be happening, the analysts say.
>
> Mr. Harris points to the low, 4.5 percent unemployment rate in the Midwest manufacturing belt—accompanied by low, 2.7 percent wage inflation—as evidence that unemployment nationwide could drop further without setting off a wage-price inflation spiral.
>
> Mr. Yardeni notes that unemployment dropped as low as 4 percent in the 1960s without inflation. The same thing could happen in the 1990s, but for different reasons, he said.
>
> "The world has changed. The end of the Cold War is a major shock" that has brought with it a flood of trade and cheap imported goods, but along with it the fierce competition that has kept a lid on prices and wages, he said.
>
> David Wyss, economist with DRI/McGraw-Hill Inc. in Boston, defended the Fed and dismissed as "wishful thinking" the theory that unemployment could go much lower without inflation.
>
> Some one-time factors have been aiding employers in holding jobs costs down, he said, including a recent dramatic drop in health care inflation, and recessions in Europe and Japan that have held down worldwide demand and prices for raw materials. Those helpful developments could soon subside, he said.

Mr. HARKIN. I just want to read one other part of that article. Ms. Hill said that:

> Mr. Greenspan, in appearances before Congress, insists that the Fed is open to higher growth and employment and is not targeting any specific unemployment rate such as 5.5 percent. But he defends the Fed's decision to dramatically raise interest rates in 1994 when unemployment fell below 6 percent, saying it was accompanied by a big pickup in commodity prices.
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> * * * * *
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> While many economists agree with the Fed, some say it has not fully taken into account two factors that have increased the economy's employment potential: the aging of Baby Boom workers and the stiff, worldwide competition in trade that has unfolded since the end of the Cold War.

She quotes Mr. Ed Yardeni, chief economist with C.J. Lawrence, Inc., in New York who said:

> Mr. Yardeni notes that unemployment dropped as low as 4 percent in the 1960s without inflation. The same thing could happen in the 1990s, but for different reasons, he said.

So, again, I said at the outset of my comments, I think Mr. Greenspan's economic perceptions are locked in the 1960's and 1970's. And the world has changed dramatically since that point in time.

So, let us say—let us assume that the floor on unemployment is not 5.5 percent. Let us just say it is 5 percent, half a percent lower. The National Bureau of Economic Research, a distinguished group that is recognized as the arbiter of when recessions begin and end, recently published a working paper which might explain part of the problem. It is entitled, "How Precise are Estimates of the Natural Rate of Unemployment," NAIRU.

To explain this point I would like to use the hypothetical example of a political poll, which we are kind of all familiar with. For example, if a poll says that 60 percent of the American people believe x, it basically means that 60 percent plus or minus a certain percentage actually believe x. NAIRU, nonaccelerating inflation rate of unemployment, and other economic statistics, work the same way. So I was surprised to learn that the range of NAIRU is plus or minus 2.6 percent of unemployment. That means that when NAIRU is assumed to be 6.2 percent in 1990, the natural rate of unemployment is actually somewhere between 5.1 percent and 7.7 percent.

I would like to point out that each one-tenth of one point of unemployment represents about 132,000 people who do not have a job, many of whom have families. What this means is that a Federal Reserve decision to tighten credit through higher interest rates to slow the economy down does a couple of things that impact Americans. Some become unemployed, more than would otherwise have become unemployed. Every tenth of a percent almost equals more than the entire working age population of the capital city of Iowa, Des Moines.

Second, it keeps the cost of wages down. That is the real goal. Increased unemployment is an indirect goal, although it is not stated that way, but what they are really after is keeping wages from rising to prevent inflation. We must keep in mind, however, that employees' hourly wages have fallen in 1995 dollars from $12.85 in 1978 to $11.46 per hour in 1995, a drop of 11 percent. And while that is happening, our productivity is going up. Not as much as it should. But productivity is, in fact, going up in our country at a time when wages are going down.

So now we are told we have to keep tight reins on the economy or it will overheat and damage the economy. At what point will the economy overheat and damage our economy? Should we really be worried if unemployment comes down to 5 percent, 4.8, 4.6 or maybe even 4.5 percent? Is there really any fear that that will cause inflation?

There are many who do not believe so, and I happen to be one of those. I believe we can reduce the rate of unemployment in this country, provide for more jobs and better wages without increasing inflation.

I guess the concern I have with Mr. Greenspan is he always seems to come down on one side of this debate, stopping inflation at any cost, and will not let the economy grow as it should.

Mr. President, I said when I started my comments that I would at some point go over Mr. Greenspan's history, and I do want to do that, but I see in the Chamber the Senator from North Dakota, who has been a great leader in this effort to get a more reasonable balance at the Fed, who has been an eloquent spokesman for a more balanced policy and for lower rates of interest and for a growth in our economy. I see the Senator is present on the floor.

At the conclusion of his remarks, or perhaps tomorrow, when we are in session tomorrow, I wish to trace for the record and for Senators and for the public Mr. Greenspan's record from the time that he was Chairman—well, I may even go back further when he was one of Ayn Rand's disciples in New York. I may even go back to that. But I want to trace his history from the time he was chairman of the Council of Economic Advisers through his private years, when he was private and he was stating what the economy would do, and to show also through this period of time as Chairman of the Fed how, quite frankly, Mr. Greenspan just simply has been wrong.

I say that with no malice. I just say that is the record. I wish to trace that record in some detail in the hours and days that follow. I, again, see my colleague and again, as I say, one of the great spokesman for a better balance at the Fed and for more growth in our economy and one of the great fighters for small businesses and our farmers present on the floor.

I yield whatever time he might consume.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I thank very much the Senator from Iowa. I have listened to his comments. I know that he has taken some criticism for his position that there ought to be a debate about monetary policy here on the floor of the Senate. But I admire the fact that he will not back down. There are big economic interests out there who want to say to the Senator from Iowa, "Back away from this, back down or else."

The Senator from Iowa has one of those stubborn streaks that says if something is right and it ought to be done, he is going to make sure it is done. I say to him I appreciate the fact he stood strong and said, "We demand an opportunity to debate on the floor of this Senate," something that is as important to every family and to our economy as this subject is.

A century and a half ago, from barbershops to barrooms in this country, people would talk about interest rate policy and monetary policy. It was enormously important. In fact, if you study the two centuries of economic or financial history of this country, you find that there has always been a constant wrestling match between those who produce and those who finance production. Sometimes you go for a decade or two and the financiers have the upper hand. Then it switches and the producers have the upper hand. But always this tension and this wrestling back and forth for economic power.

In 1913, we created something called the Federal Reserve Board. It was promised at the point of its creation not to become a central bank accountable to no one. It was promised that would not happen. Of course, what has happened at the end of this century is it is a strong central bank accountable to no one, serving its interests as it sees its interests in dealing with monetary policy and interest rates with respect to the American economy.

I thought it would be helpful just to begin this discussion to put up on a poster board the Federal Reserve Board. Almost no one ever sees these folks. They are undoubtedly wonderful people. I have only met a few of them.

This is Alan Greenspan, appointed in 1987. He has been in and out of the Federal Reserve System in the field of economics and doing consulting work, and so on, for many years.

Let me say at the start, we are talking about confirming Alan Greenspan, Chairman of the Fed, for another term. I admire him, and I respect him. However, I fundamentally disagree with him about monetary policy and about his stewardship at the Fed. He knows I disagree with him, because we have had these discussions back and forth when I was on the Joint Economic Committee, when I was on the Ways and Means Committee in the House and in other venues. But because I disagree with him on interest rate policy, no one ought to interpret that to mean that I do not admire him. I do. I just think he is wrong.

How? Alan Greenspan is the person who heads the Federal Reserve Board. He believes that America's unemployment really should not drop below 5½ percent because that would cause us a lot of trouble. He also thinks that economic growth should really not go much above 2 or 2½ percent, because that would cause us trouble. He believes largely in a high-interest-rate, slow-economic-growth policy.

It does not take great creativity to pursue a slow-growth economic policy. My Uncle Joe could do that. If I said, Look, our goal is to slow the American economy down, my Uncle Joe could slow it down, and he does not have a Ph.D. in economics. He has no experience at the Fed, but my uncle Joe could slow the economy down.

My point is, the current Federal Reserve Board strategy, stemming from the Chairman, is a strategy that says, "Let's keep economic growth rates in this country slow," because they believe that that represents the right balance in dealing with the kind of issues they ought to deal with, the twin economic goals of stable prices and full employment.

The goal of price stability now is the overriding goal of the Fed, and the Fed will probably say, "Well, we have cut inflation 5 years in a row, inflation is down and it continues to come down. Look at what a wonderful job we've done." And I say to them, my uncle Joe could have done that as well. Bringing inflation down was not your success. The global economy has reduced the rate of inflation. You don't see wages in America increasing; you see wages coming down.

Why? Because two-thirds of the American work force are now competing with 2 to 3 billion other people halfway around the world, some of whom will work for 10 cents, 20 cents and a half dollar an hour. This global work force has put downward pressure on American wages. And as a result, too many families now are working for fewer wages or fewer dollars than they used to earn in the same job.

So inflation is coming down, wages are coming down, and the Fed will say, "Gee, look at what a great job we've done." I do not know that they ought to claim credit for lowering inflation when the global economy is what has resulted in lower wage rates in America.

But I will say this: While they have been about whatever job it is they are doing, America has sustained a rate of economic growth that is simply anemic. This economy has the capacity of producing economic growth and new jobs and new opportunities at a much greater rate than now exists.

Why does it not? Because, in my judgment, the Chairman and the current Federal Reserve Board see themselves as a set of human brake pads whose job it is to slow down the American economy.

Let me read something from the National Association of Manufacturers. I sometimes agree and sometimes disagree with them. Jerry Jasinowski, who is the president of the NAM and a friend of mine, an awfully good thinker and author, writes the following, along with Dana Mead, who is chairman and chief executive officer of Tenneco. They coauthored a guest editorial in Investors' Business Daily. Let me read what he says:

> Whether it's balancing the budget, raising worker compensation or paying for tax cuts or social and environmental programs, the answer to most of our difficult problems is higher economic growth. Raising economic growth by a mere one-half of a percentage point would generate nearly $200 billion in increased tax revenue over the next 8 years. Personal disposable income would be $180 billion higher in 2003 than 1995, which brings us to one of the great mysteries of the late 20th century: Why is the world's most competitive economy restricting itself to economic growth rates—

Or he says "anemic growth rates"—of 2 percent to 2.5 percent?

That is the key question posed by the president of the National Association of Manufacturers. "Why is the world's most competitive economy restricting itself to anemic growth rates of 2 percent to 2.5 percent?"

The answer, he says:

> The Federal Reserve Board. They all seem to buy—not only the Fed, but the CBO, OMB, and the forecasters—the prevailing wisdom that higher growth rates will trigger inflation. That recalls Mark Twain's observation about the cat who once sat on a hot stove. He'll never sit on a hot stove again, but he'll never sit on a cold one either.

This from a producer, the National Association of Manufacturers, and the chief executive officer of Tenneco, asking the question, why should we be content, as the most competitive economy in the world, with 2 to 2½ percent rates of economic growth? We are content with that, or at least some are content with that, because that is what the Federal Reserve Board determines our economic growth rate will be.

That is what the Federal Reserve Board has managed to do. They make interest rate decisions in secret. They do it in a closed room with the door shut, and with no debate that the American public can become a part of. There is no public discussion that represents any form of democratic notion at all. They do it in private.

This is the dinosaur of public policy institutions. It is the only one left that is highly secretive, and does all of its business in secret. In fact, here are the Fed's Board of Governors.

Then you have the presidents of the regional Reserve banks. They participate on a rotating basis, I believe five at a time. They join the Board of Governors in what is called an Open Market Committee. They decide what the interest rates will be. They vote in a closed room with the door closed. You and I are not a part of it. The American people are not a part of it. They vote.

Who do the bank presidents report to? Who are they accountable to? Well, they come from the regional Fed banks, and they are accountable to their boards of directors. They are accountable to the boards of directors.

Who are the boards of directors of these regional Fed banks? Bankers. So these folks come to Washington, DC, and in the Open Market Committee vote on interest rate policies. They have neither been appointed nor confirmed by Congress. There is no people's involvement or people's input here. They owe their job to their boards of directors, which are bankers.

Now, what interests are they going to represent when they are in this closed room with the Board of Governors voting on interest rate issues? The interest of the money center banks, I think.

The point I am making here is, this represents the closed system by which monetary policy is dealt with in this country. It is not democratic. It is not open. There are many imperfections in this system today.

Would I suggest we get rid of it? No, I do not suggest that. I suggest we make some substantial changes. Do I believe we should give monetary policy to the Congress? No, I do not believe that either. Should monetary policy be part of the normal politics of this country? No; it is too important for that as well.

But should it be closed off, isolated, insulated, and away from the view or input of the American people? Of course not. This is a dinosaur, one of the last remaining dinosaurs in our country. Change needs to occur with respect to the workings of the Federal Reserve Board. A little fresh air and a few rays of light creeping through the doors of the Federal Reserve Board would be good for this Board and good for this country.

But that is not the issue. The Federal Reserve Board reform issue is not the issue today. Today's issue is the nomination of Chairman Greenspan for another term as Chairman of the Federal Reserve Board.

About 2 weeks ago, there was a story in the Washington Post. They were talking about the political campaign that is now going on in this country—President Clinton and Senator Dole—and they were talking about the proposals for tax cuts that are ricocheting around and the proposition that Senator Dole may or may not propose some across-the-board tax cuts.

I thought it was interesting that the former CBO Director, Robert Reischauer, said something that relates to this discussion today. He said:

> Whether or not the supplysiders think cutting taxes will make the economy grow faster does not really matter, said former CBO Director Robert Reischauer, now of the Brookings Institution. The Fed Chairman, Alan Greenspan, thinks the economy can't grow faster than 2.2 percent a year without triggering inflation. It is not going to happen.

No matter what anyone thinks about monetary policy issues here in the Congress or what they try to do with respect to fiscal policy issues, if Alan Greenspan does not believe the economy should grow faster than 2.2 percent, it is not going to happen, Mr. Reischauer alleges. Of course, he is absolutely correct.

I will talk just a bit about what has happened in recent years. I will talk about the high interest rate policies now pursued by the Federal Reserve Board. I have a chart that shows the current Federal funds rate. That is the rate that the Federal Reserve Board sets by itself. It says, "Here is what our rate is going to be." And all other interest rates come off of this rate, with the exception of long-term rates, which are set by the market but are influenced by this.

But the fact is, all other interest rates—credit cards, business loans, the prime rate—all follow the Federal funds rate. Historically, the Federal funds rate has been 1.77 percent above the rate of inflation. In other words, the rent that is incorporated in the Federal funds rate above the rate of inflation is 1.77 percent. These are very short-term funds, as you know. Since Chairman Greenspan came to the Fed, the average has been 2.18 percent, and the current rate is 2.32 percent above inflation.

In other words, all other interest rates in this country that virtually everyone pays—consumers and business men and women and farmers and others—is now higher than it should be because the Federal Reserve Board is keeping the current Federal funds rates much higher than in the past.

Why are they doing that? Well, because I guess they fear, if they would cut the Federal funds rates, someone would believe they have given up their fight against inflation. Despite the fact that the Fed has said that they see no troubling signs of inflation over the horizon. They believe the long-term market in which you have a spikeup of long-term rates, or had a spikeup of long-term rates, the assessment by the market is wrong.

I asked the Fed, "If you believe that, if you believe there is not a credible long-term threat of inflation or a credible threat of inflation just over the horizon, why, then, are you deliberately keeping the Federal funds rates at a level that is historically a fair amount higher than it has been in the past and, therefore, causing every American to be taxed—yes, taxed—with an interest charge that they did not have any part in being able to debate or talk about or wonder about whether they should be paying?" It is a tax in the form of an interest charge extracted from every single American family, higher than it should be, because the Federal Reserve, sitting behind their closed doors, decides they want higher interest rates. Presumably they want higher interest rates because they want to continue to dampen the rate of economic growth.

If you said to Mr. Greenspan or many of the other members of the Fed, why can't we have more economic growth, which would produce more jobs at better pay and more expansion and more opportunity in our country? Why cannot we do better than 2 or 2.5 percent? They would probably say to us, well, it is because of inflation. If we have higher economic growth, then we overheat the economy and get more inflation. "Look what we have done with inflation," they would say. "Look at what has happened in 5 years. Inflation has come down, down, down, down, down, all the way down to 2.5 percent." Because Alan Greenspan has said publicly he thinks the CPI overstates the rate of inflation by as much as 1 or 1.5 percent, one would conclude that in his mind inflation is somewhere around 1.5 percent or 1 percent in our country today.

So, they say, we cannot have a healthy rate of economic growth. We cannot have robust expansion of new jobs in our country because they are worried about inflation, despite the fact that inflation has come down for 5 straight years, not because of the Fed but because the global economy has put downward pressure on wages by and large, in my judgment. But that is what the Fed would say: No, we cannot have more robust economic growth because we are worried about inflation.

Well, I am worried about inflation as well. I think we ought to fight inflation. But I think the twin economic goals that we ought to be pursuing in monetary policy are not only stable prices, but also full employment, which means a robust growing economy. To focus on one exclusively, which I think is what is happening at the Fed, I think is unfair to the American people.

Let me provide a record of the economic performance of this country under this monetary policy scheme. I should say that not only monetary policy affects our economic performance; so does our fiscal policy. I am not one who wants to pat Congress on the back for its wonderful fiscal policy. I understand that we have also caused problems. But let us talk a little about what is happening with respect to the economy.

Real gross domestic product. Prior to the Greenspan years—I think it is about a 20-year period—the average was 3.4 percent of economic growth per year; Greenspan years, only 2.2 percent. This difference is substantial. This might look like a bar chart to most people. This looks like unemployment to many people. This looks like families without jobs. This looks like lost opportunity. This looks like lower income. This looks like kids coming out of college that cannot find work to some people. But this difference is substantial. A 3.4-percent average yearly rate of economic growth prior to Mr. Greenspan going to the Federal Reserve Board and 2.2 percent following, and since and during.

Income per capita; 2.5 percent to 1.3 percent. I should note this is not wages. Wages would look different than this. This is aggregate income per capita.

Payroll jobs; 2.4 to 1.7 percent.

Productivity; 2.3 to 1.1 percent.

The record demonstrates a slow-growth economic policy that squeezes our economy and dampens our opportunity to produce the kinds of jobs and the kind of opportunity we should have in this country.

Another chart shows the consequences of this kind of strategy. The consequences of someone saying we should slow the rate of economic growth might not seem like very much today. The difference between 2.2 percent growth and 3.2 percent might not seem like very much next month or next year, but if you take a look in the outyears, what you have, the difference in these rates of growth of 2.3 percent annual rate of growth versus 3.3 percent, you will see that in the outyears, 20 years, you are talking about nearly $3 trillion in additional economic opportunity and output. What is $3 trillion converted to jobs, to hope, to a brighter future?

So while some people may think this is fairly irrelevant whether you have a 2.3 percent rate of economic growth or 3.3 percent, it is an equation that will determine our place in the world as an economic power.

To develop a strategy that says, "Let's get reasonable rates of economic growth out of our economy so our economy can grow and provide jobs and opportunity," that is not going to happen with respect to this Federal Reserve Board and its leadership.

I previously used a chart that showed the real Federal funds rate. I also have a chart that shows the difference in the real prime rate. The prime rate, the rate the very best customers of the lending institutions get their money at, shows pre-Greenspan, 3.09; current, 5.35; the average Greenspan is 4.63. Everyone borrowing at prime rate is paying a higher prime rate than they ought to because the Federal Reserve Board decides they want to slow the economy down by extracting from the economy a higher interest charge and slowing growth rates as a result.

I have spoken some about the Federal Reserve Board's policies, and especially the monetary policies with which I disagree. I expect some will substantially disagree with me. They will say, "We like the Fed as it is; 2.3 or 3.3 economic growth are irrelevant issues. We want to vote to confirm Mr. Greenspan." When this debate is over, I expect Mr. Greenspan will be confirmed and will likely be confirmed with a rather substantial vote. I do not intend to join in the vote in favor of confirmation. I will restate again, lest anyone think differently, it is not personal. I admire Mr. Greenspan and his public record. I disagree substantially with the policies he is pursuing at the Federal Reserve Board, and I believe President Clinton would have done better for this country by offering a candidate with a chairmanship of the Federal Reserve who would pursue more balanced policies, policies that do not so clearly benefit one part of the economy at the expense of the other, policies that do not so clearly benefit the bigger banks at the expense of this country's productive capability and at the expense of this country's worries.

I will speak for a couple of minutes about a GAO report that Senator REID and I requested be done about the Federal Reserve Board. It is another element that ought to be discussed with respect to a discussion, not only of the confirmation of Chairman Greenspan but the appointment of two other members of the Board of Governors at the Federal Reserve Board. We asked the GAO to do an evaluation of the Federal Reserve System largely because it sits out there apart from other Government institutions. It operates by itself and chooses how much money it wishes to spend, and takes the money from the interest charges it levies and makes its own judgments about how many people it wants to hire and how it wants to spend its money.

We have not really had any indepth audits of the Federal Reserve System. There is very little information about the Federal Reserve Board available to Congress. Senator REID and I asked for information to be made available through the General Accounting Office. We asked the GAO to do the audit. And it took them some 2 years to do it. It was interesting what we discovered.

The first thing we discovered was a cash stash, we call it, actually, a surplus account at the Federal Reserve Board. I suppose some were aware of it. I was not aware of the surplus account that had been accrued at the Federal Reserve Board. This Federal Reserve Board has put away nearly $4 billion in a surplus account. They have done so in order, they say, to have it available to offset any losses they might incur. The Federal Reserve Board has been in existence for 80 years. In 79 years they have not ever had a loss. In 79 consecutive years they have always had a surplus, they have made money, had no loss, and there is no expectation in the next 79 years that the Federal Reserve Board would have a loss.

Yet they have captured some $3.7 billion—not million, billion—and put it into an account called a surplus reserve account. It has grown more recently because they want to offset against any losses they might have. An agency that has never had a loss and is never going to have a loss squirrels away $3.7 billion as a hedge against loss? That seems incredible to me.

We have a big debt with big deficits. We have a lot of needs. We are in a situation in this country where the Federal Reserve Board has counseled, appropriately so, everyone, including the rest of the Government, to tighten their belt, and the Federal Reserve Board, behind closed doors, decided to overeat. We should tighten our belt; they want to expand.

I have a picture of a building that the Fed had built. Here is the outside of the building, a beautiful building. I would not suggest they build an ugly building. It is a beautiful building built in Dallas, TX. Next, I want to show you the lobby of the building, because one of the things the GAO pointed out was that this Dallas Federal Reserve Bank, they purchased more land than they needed for it. The original square footage approved for the lobby area was exceeded by 250 percent. I thought the picture was interesting because they were going to build a bank with a lobby that had 7,800 square feet. If you can see this picture, we ended up with a lobby with 27,000 square feet. This is a giant lobby with all these wonderful windows and shiny marble, and this tiny little desk, two tiny chairs and a coffee table that could fit into a trailer, even if it was not a double wide. They put it in a 27,000 square foot lobby in a building they built suggesting they would have a lobby of 7,000 feet. The GAO says—I guess the taxpayer here ends up paying for a 27,000 square foot lobby. Who is accountable for that? Where does it come from? I do not want to spend a lot of time on the lobby in Dallas. I have never been there. I do not expect to go there. I wish them well. In the meantime, somebody had to pay the bill to build a 27,000 square foot lobby. Some wonder if that is a useful approach to using taxpayers' money.

Perhaps we could talk about the cumulative percentage increase in Federal Reserve expenses that the GAO found. The GAO is fairly critical of the Federal Reserve Board, saying at a time when the rest of the Government is told, "Tighten your belt," the blue line on this chart suggests their operating expenses far exceed the Federal discretionary spending. If you included some entitlement spending here with health care costs that are automatically increasing, you have a different chart. This is a chart the GAO made. They point out in the areas where there is discretionary spending decisions that are made, while the rest of the Government is told to tighten their belt, the Fed is substantially increasing its spending.

The next chart shows again, while the rest of the Government is being asked to tighten its belt, benefits per employee of the Federal Reserve Board in a 6-year period increased 91 percent. Benefits per employee increased 91 percent in a 6-year period, at a time when others are being told, "You should tighten your belt."

The GAO report raises a series of questions about the stewardship and the management of the Fed. We intend to address some of those questions through legislation. I think it is useful for the Congress to read it and to evaluate it and have a discussion about it when we are discussing the confirmation of Mr. Greenspan, the other nominees and discussing the Federal Reserve Board generally.

I have more to say, and there is more time to say it at a later time. I will be happy to yield the floor. I will be back on the floor at a later point and finish my statement. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ABRAHAM). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I thank my colleague from North Dakota for his eloquent remarks a few moments ago in regard to the pending nomination of Mr. Alan Greenspan to continue as Chairman of the Federal Reserve Board, a position he has now held for 8 years. The nomination is for another 4 years.

When I turned over the floor to Mr. DORGAN I had said at the time that I wanted to begin a process of going through Mr. Greenspan's history and I thought I might do it somewhat sequentially and then tomorrow I will pick up on a little bit more of his background regarding his early years. Because, not that I want to go back into ancient history, but I think you can see a pattern here throughout his entire adult lifetime of, quite frankly, being wrong on the economy and misjudging what is taking place.

Again, it is my observation that, when you find people who are consistently wrong in a certain area, more often than not it happens because, I think, that person is more closely linked with an ideology or a certain philosophy, and therefore cannot accept facts as they really are, but they tend to be molded into an ideology, they tend to be molded into a conceptual framework and it impacts their view of the actual or real facts or real world as it might be.

I think Mr. Greenspan's focus on getting as close to zero inflation as possible has molded his economic thinking, forecasting views, observations, prognostications, in such a way that they do not really comport with what is happening. Thus, the seemingly endless string of errors that he has made since the earliest times.

I quoted earlier from the Investors Business Daily about some of those items. I will now go over a few more, before I yield the floor for the day. But let us start here with the time when Mr. Greenspan was the head of the Council of Economic Advisers for President Ford.

President Ford introduced his whip inflation now, plan. I remember the little buttons, the "WIN" buttons: whip inflation now. He took a lot of his advice and consultation from Alan Greenspan. Let me say Jerry Ter Horst, Jerry Ford's press secretary, said this about Mr. Greenspan and the WIN plan, whip inflation now, and I am quoting Mr. Ter Horst, who was President Ford's press secretary.

> To be blunt about it, the President has lost confidence in their ability, [meaning the economic advisers' ability] to predict the future. He feels he has received inaccurate advice and, having been burned politically and publicly because of it, Ford has adopted a "show me" attitude toward his economic counselors while listening more seriously to the advocates of direct Federal action to overcome the country's economic crisis. This fall, when he fashioned the anti-inflation package he presented Congress following his series of economic summit meetings, Ford relied heavily on the forecasts of his consultants, including economic council chairman Alan Greenspan. They assured him that rising prices and production costs were the prime enemy of a healthy America. He was advised that, while a recession lurked distantly on the horizon, it was not an imminent prospect that would confront him immediately.

Well, what happened is just the opposite of what was happening—what Mr. Greenspan had predicted. Let us look here at the recession of 1974–1975. This is a question in an interview with U.S. News & World Report, November 4, 1974. Keep in mind the President introduced his plan in October.

> Question. Are you prepared to say we are in a recession now?
>
> Answer. I would say that as of September, the last month for which we have actual figures—the answer is no.

That is November 4. The fact is that GDP fell at a rate of 4.2 percent in the third quarter of 1974, it fell—not grew—fell 2.8 percent in the fourth quarter of 1974, and it fell 5.8 percent in the first quarter of 1975.

So, here we are, we have a GDP falling at these rates in the third quarter, which he had the figures then, and the fourth quarter in which he was in the middle of at this time. GDP is falling and he says no, we do not have a recession. There is no recession out there.

So, again, I think that is why President Ford lost confidence.

Let us look at unemployment. Mr. Greenspan was completely off in his estimates for the unemployment level for mid-1975. Instead of the 6.5 percent ceiling as he predicted, unemployment reached 9 percent in May 1975. It should be noted that when President Ford introduced his "Whip Inflation Now" in October 1974, the unemployment rate was 6 percent.

Here again, the same U.S. News & World Report interview, November 1974.

> Question. Do you have a projection for unemployment for mid-1975?
>
> Answer. I have several, and they all show an unemployment rate of more than 6 percent. It could be as high as 6.5 percent.

Reality: For December 1974, the next month, the unemployment rate reached 7.2 percent. For May 1975, the unemployment rate reached 9 percent. Again, Mr. Greenspan was off by more than a considerable amount.

In a March 16, 1975, editorial, the New York Times stated:

> But the administration has consistently underestimated the force of the recession and the rise of unemployment. The first version of President Ford's economic program offered, after his time-wasting economic summits last fall, would have deepened the recession by going all out against inflation, just as inflation was starting to slacken and the recession worsen.

Again, who was advising the President to go all out against inflation? Mr. Alan Greenspan. At a time when we were going into a recession—we already had the figures—at a time when unemployment was increasing dramatically, Mr. Greenspan says that we have to whip inflation—forget about unemployment—and we fell into a very bad recession.

This editorial went on to criticize the tight money policies and the lack of focus on unemployment of the Ford administration that lasted into 1975. Again, I will finish the quote from this article. It says:

> But why should inflation be a threat to an economy functioning far below its full capacity? The administration's own economic assumptions, stated in his fiscal 1976 budget projections, are that unemployment will continue to hover around 8 percent for the next 3 years.

Mr. Greenspan says it is only going to be 6.5 percent, do not forget.

> If the administration were to walk away from its own long-term forecast of unemployment, it cannot walk away from the existing joblessness, the worst in the postwar period, and the high probability that unemployment will increase over the next few months.

In fact, unemployment stayed high and did not get back down to 6 percent until May 1978. So, we had a long recessionary period there.

Summarizing the strategy of Greenspan and Ford, the economist Hobart Rowan noted:

> Ford and Greenspan were willing to drag the Nation through a long period of recession and stagnation in which layoffs would mount, profits shrink and business expansion be postponed, all in the hope that austerity would cure the inflationary mess.

That is a quote from the Nation, by Hobart Rowan.

The concern about inflation over employment continued well into 1975 when the Ford administration was beginning its economic plans and predictions for 1976. Now we are past 1974; we are now into 1975.

Walter Heller, who was President Kennedy's chairman of Council of Economic Advisers, said:

> The fear of inflation is still so dominant in Washington today that it is evidently destroying policymakers' faith in the recuperative powers of the American economy and blinding their sensitivity to the governing plight of the unemployed.
>
> Transfixed by this fear, the White House and Federal Reserve authorities are greeting the earliest signs of modest recovery from the deepest of all postwar recessions as if prosperity was just around the corner. The hellfires of a new inflation are about to engulf us and let the devil take the hindmost the job beast.
>
> President Ford justifies his veto of the emergency jobs bill last month in good part that economic recovery would be well along by the end of 1975, and much of the bill's impact would not be felt until 1976.

As we know, unemployment did not come back down again until 1978.

Those are a few of the things that Mr. Greenspan said during the recession of 1974–75. Inflation was at a high period and should have been of concern. But, Greenspan's focus was only on that point. It was not balanced.

Let us jump ahead to the recession of 1990–91. This is the transcript from the minutes of the Federal Open Market Committee, August 21, 1990. Earlier in the day, I said they keep these minutes sealed for 5 years. We now have these minutes from that August 21 meeting. Mr. Greenspan says:

> I think there are several things we can stipulate with some degree of certainty; namely, that those who argue that we are already in a recession I think are reasonably certain to be wrong.

August 21, 1990.

The reality: The National Bureau of Economic Research, the official arbiter of when recessions begin and end, determined the recession began in July 1990.

In fact, Mr. Greenspan went on after that, later on—and I will get those minutes—when he went clear into November basically stating that there was really no recession at hand.

In his testimony at his confirmation hearings in 1987 before the Senate Banking Committee, Senator Riegle had the following exchange with Mr. Greenspan. This is Mr. Riegle:

> Now, in the first place, when you were chairman of the Council of Economic Advisers during the Ford administration, the council had a dismal forecasting record. I have here a study by the Joint Economic Committee which showed in 3 years—1976, 1977, 1978—the forecasts of the agency which you headed, Mr. Greenspan, were wrong by the biggest margin of any in the 11 years 1976 through 1986. They tied the record for being wrong in 1978. They were almost as bad in 1977, and they were way off in 1976. That's on growth.

I am still quoting from Mr. Riegle's question.

> When it comes to Treasury bill rate forecasting interest rates, there you broke all records for the entire period . . . when you estimated that you predicted that the Treasury bill rate in 1978 would be 4.4 percent. It actually was 9.8 percent. You were off by a huge margin.
>
> In 1977, you predicted it would be 5.3 percent; it was 8.8 percent. Again, way off. 1976 wasn't quite as bad, but you were off then.

Again, Mr. Riegle, continuing on with his question, says:

> Then we come to your forecast on inflation of the Consumer Price Index. There, again, Mr. Greenspan, you broke all records. 1978 was the worst forecasting year that you had. You estimated the rate of increase in the CPI would be 4.5 percent. It was 9.2 percent. And you were way off in 1977 and 1976.

What was Dr. Greenspan's response?

> Well, if they're written down, those are the numbers.

As if it just did not matter. The source of this is testimony of Alan Greenspan before the Senate Banking Committee on July 21, 1987.

So, Mr. Greenspan's private record in the early 1980's was just as bad.

After Ford's defeat in 1976, Greenspan returned to his economic consulting firm: Townsend, Greenspan. There he continued to make inaccurate predictions about which direction the economy was heading. In 1982, Mr. Greenspan's published economic forecasts said bond yields would fall one-quarter of a percent from the previous year-end level. In fact, they fell 3½ percent. But the drop in inflation was only temporary, he argued, in 1983.

The Fed-Volcker-induced inflation calm, he insisted, was about to end. In fact, inflation stayed quite steady at 4 percent to the end of 1987 and the end of the Volcker regime at the Fed.

Also in 1983, Mr. Greenspan said:

> Long-term interest rates would increase 20 basis points.

This proved to be his best forecast ever. Rates did rise, but by a full 1 percent, not the meager two-tenths of a percent that he predicted.

At the start of 1984, Mr. Greenspan forecast that for the next 3 years, bond yields would rise from 5 to 55 basis points. They actually dropped from 123 to 199 basis points. So even in his private years, when we look at his forecasts, they were way, way off.

Let us look at the rate increases in 1990. As Chairman of the Federal Reserve, Greenspan's forecasting abilities continued to leave much to be desired. Again, according to the June 9, 1995 Investors' Business Daily:

> In February 1989, despite clear evidence of a slowdown, the Greenspan Fed pushed its benchmark interest rate higher, to 9.75 percent. The Federal Open Market Committee based its decision on staff advice that the recession was low, according to the minutes from that period. The Fed did not start easing rates again until June, too late to avoid a recession. In fact, transcripts indicate that the Fed was contemplating interest rate increases for much of the earlier part of 1990.

During the August 21, 1990 Federal Open Market Committee hearing, there was much discussion about the possibility that the U.S. economy had slipped into a recession. Backed up by his economists, Greenspan believed there was significant evidence that showed the economy was not in a recession; it was merely sluggish. And thus his quote here:

> I think there are several things we can say with some degree of certainty; namely, that those who argue that we are already in a recession I think are reasonably certain to be wrong.

He goes on to say in the sense that we do have weekly data that suggests, as others have mentioned, that there was no evidence of deterioration in what was a very sluggish pattern. Yet, the recession started in July of 1990. Now, you might say this is a little early.

Two months later, at an October 2, 1990, Federal Open Market Committee hearing, Mr. Greenspan used a meteorological analogy to strengthen his argument that the U.S. economy had not slipped into recession. Mind you, we started the recession in July. We are now in October, about 3 months into the recession. And here is what Mr. Greenspan said:

> I still think we're in a situation in which there are forecasts of thunderstorms, and everyone is saying, "Well, the thunder has occurred and the lightning has occurred and it's raining," but nobody has stuck his hand out the window. And the point is, it isn't raining. The point is, as best I can judge, that the third quarter GNP figures in the green book are not phony. I think they are relatively hard numbers. They can get revised. They are being put down more and more, but the economy has not yet slipped into a recession.

The actual words of Mr. Greenspan, October 2, 1990. I will not get into the thunder and lightning and the rain and all that kind of stuff. What he was saying is, oh, there is all this talk about a recession but, he said, I have looked at the numbers and it is not there. We had been in a recession for 3 months. He was very wrong.

The economy actually went into a recession in July 1990, a month before Iraq invaded Kuwait, by the way. Not only did Mr. Greenspan miss the oncoming recession, he missed it when he was in the middle of it. And he did little to reverse its negative effects.

In testimony before the Senate Banking Committee he rejected measures to put Americans back to work by saying proposals by Democrats to stimulate economic growth by pumping more Federal money into public works programs were "risky" and "probably counterproductive." Instead, he denied the economy had gone flat and predicted a moderate 2.5 percent growth rate that year rising as high as 3 percent in 1993. The GDP only grew 2.2 percent in 1993.

Even Senator D'AMATO said at a July 1992 hearing:

> I believe the Federal Reserve has acted in an almost timid manner. You, (Mr. Greenspan) don't know what's taking place on Main Street.

That is a quote of my colleague from New York, Senator D'AMATO. That was quoted in the Indianapolis Star, July 22, 1992.

I think that brings us to a period of time that I want to dwell on at some length tomorrow, that is, the period of 1994 into 1995. As I said earlier today, when I tell people that Mr. Greenspan raised interest rates 100 percent in one year, February 1994 to February 1995, people cannot believe it. They have never heard of such a thing.

Yet, here is what happened. The Federal funds rate in February 1994 was 3.05 percent. In May they went to 4.25; March they went to 3.5; April, 3.75; in May of 1994 to 4.25. So from February to May, that is one, two, three—that is four increases already. And in August another increase. November another increase. February another increase. By the time February of 1995 came around, the Federal funds rate was 6 percent, up from 3.05 percent 1 year earlier. A 100 percent increase in 1 year.

And again, why? Was there inflation? Even Mr. Greenspan during that period of time said he did not really see inflation. I will have those quotes and I will have those words.

But I just wanted to make the point here before I close—I see I have some other people on the floor who want to speak; probably about other items—that Mr. Greenspan was wrong when he was head of the Council of Economic Advisers. He was wrong when he was in private business. Now as Chairman of the Fed, when we are in the midst of a recession, he says he does not see it happening. Then in 1994, with little threat of increasing inflation, he raises interest rates 100 percent. That hit working families hard. It slowed our economy down. I think it is a large part of some of the problems we have now with the stagnation in our wages.

Mr. Greenspan can have all kinds of reasons why he raised the interest rates. But the fact is, there was absolutely no inflation threatening at all at that period of time. I am going to have more to say tomorrow about 1994 and 1995. I will have the quotes from Mr. Greenspan when he basically said that he did not think there was any inflation threatening. But he went ahead and raised interest rates.

What has happened? You might say, OK, interest rates went up 100 percent. But that was February 1995. Since February 1995, throughout now, we have had not seen inflation increase. So have interest rates come back down? Three-quarters of a point. Three-quarters of a point.

In fact, the last time they came down, in January, I believe a quarter of a point, there was all this talk about how the Fed was now reducing interest rates. But the fact is, as Mort Zuckerman pointed this out in his editorial—I will read that tomorrow also—in U.S. News & World Report, pointing out that actually there was not a decrease in interest rates. It was an increase in interest rates. Why? Because during the previous period of time, inflation had fallen more than a quarter of a point. Inflation fell by more than a quarter of a point and interest rates only came down a quarter point. Real interest rates were still high. It was not a real reduction, a reduction in real interest rates.

We have had this 100 percent increase in interest rates, 1994 to 1995. Since that time Mr. Greenspan has only reduced interest rates three-quarters of a point. So I believe American working families, American workers, the middle class, the real middle class in America, is overburdened by too much debt and too high interest rates. It is sapping our economy and hurting our small businesses. It is hurting our productive sector, and it is hurting farming and manufacturing.

As I said, it is hurting our working families. It is hurting the real middle-class America, not Congressman HEINEMAN's middle class, but the real middle class. The Congressman from North Carolina stated last year that he believed the real middle class were people who made between $300,000 and $700,000 a year. That is not the real middle class.

The real middle class is feeling really pinched these days. They are pinched by high interest rates that do not need to be there. They are only there because Mr. Greenspan, I believe, has an inordinate, unhealthy fear of the specter of inflation. That has caused the kind of hair-trigger approach that they have at the Fed that any time there is even the specter on the horizon of inflation, they will move to increase interest rates, to the point now, that the bond markets react even before they do it because they think they are going to do it.

So I am going to discuss the 100 percent increase in interest rates, 1994 to 1995, why that happened, why at least I think it happened, and the fact that interest rates should have come back down to that previous level by now and could come down, not in one fell swoop, but could have over a period of time. That could have really strengthened our economy.

As I said, that is nothing personal. I agree with Mr. DORGAN. I have nothing personal against Mr. Greenspan. I assume he is a very bright, intelligent individual. But I believe that his policies, I believe that his mindset, are locked in the past. After all, this is an individual who as late as last year in committee on the record said that he did, indeed, believe in going back to the gold standard, he would support going back to the gold standard.

Well, I do not know how many economists believe that. But I think you get that kind of mindset that says, yes, he would like to be on the gold standard again. Well, that may have been a good thing at one time, but the world has moved, the economy has moved. We are in a little different situation today. I daresay anyone who believes that we ought to go back to the gold standard is the same kind of person who would have this inordinate attitude that we must keep relatively high interest rates no matter what, even if inflation is less than 2 percent.

I believe it does a disservice to our economy, it does a disservice to America, and it does a disservice to our next generation of young people coming along. We need to grow this economy. We can do all we want here in the Congress. Because of budget constraints, there is nothing we are going to do that could in any way affect the growth of our economy as much as lowering interest rates by the Fed could. That probably will not happen as long as we have Mr. Greenspan.

(The remarks of Mr. HARKIN pertaining to the introduction of S. 1876 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

BOSNIA

Mr. INHOFE. Mr. President, I have been very distressed, as many people have, over the recent developments in Bosnia, statements that have been made, attributed to a number of our high-ranking officials, including Secretary of Defense William Perry.

Many of us were quite outspoken in our opposition to sending troops into Bosnia back when the decision was made by the President and his administration. I can remember having the resolution of disapproval that I had with Senator HUTCHISON. We only lost that by four votes. One of the selling points on the floor was this is going to be a mission that will be completed, successfully completed, and the troops will be out in a period of 12 months. None of us believed that at that time.

I can remember so well on October 17 of 1995, the Senator from New Mexico, Senator BINGAMAN, asked the question of Secretary Perry: "What do we contemplate as far as a remaining presence once the one-year period is up, or once the IFOR troop development is complete? Would we expect to see some residual NATO force remain?"

Secretary Perry responded:

> "I expect that the security— that the function of external forces maintaining security will be accomplished by then . . . The IFOR, the NATO force which is responsible, an external force for maintaining security—we expect that function to be completed in one year and the forces to be completely removed."

Later in testimony before the Senate Armed Services Committee, he said: "The implementation force will complete its mission in a period not to exceed 12 months. We believe this will be more than adequate to accomplish the needed tasks that will allow the peace to be self-sustaining. As we did in Haiti, we anticipate the IFOR will go in heavy and, if successful"—a key phrase—"would begin drawing down significantly far in advance of the final exit date," that exit date being 12 months.

We keep hearing how successful the operation is, so we assume, if successful, that condition has been met. He was talking about drawing down the forces far in advance of the 12-month period that he committed to.

I suggest the commitment was much stronger. I asked in that committee meeting: "Are you saying to this committee on the record that 12 months is it, and after 12 months we are out of there?"

I remember that distinctly because I asked the question of General Shalikashvili: "Can you tell me any time in military history when you had an exit strategy that is geared to time as opposed to events." That was October 17.

General Shalikashvili, the Chairman of the Joint Chiefs of Staff, also responded at that time to a question asked by Senator ROBB of Virginia. The response was: "From a military perspective," this is General Shalikashvili, Chairman of the Joint Chiefs of Staff, the top guy, "From a military perspective, as I evaluated the tasks we wished this force to accomplish, it was my judgment that in fact can be done in 12 months or less."

Right after that, Mr. President, I wanted to see for myself, and I spent some time and went over to Bosnia, went alone, and talked to a number of the commanders. Not a single U.S. NATO or U.N. commander thought the peace in Bosnia could be achieved in anything close to 12 months. I thought I would talk to the people in the northeast sector, which is that sector assigned for our troops, our thousands of troops that would go over there and accomplish some mission that is still not real clear to me. I could not get there, only to find out that no American had been up there in the northeast sector.

I remember so well a very attractive British general by the name of Rupert Smith, who we will be hearing a lot from. He is quite a figure. He took pity on me after the second or third day and agreed to help me get up there. So we did, in a driving snowstorm, go up to the northeast sector, where we talked to those individuals up there with the United Nations.

The commander at that time, from Norway, was General Haukland, who said at that time when I said, "Can you assure us that our participation up in this northeast sector can be done and the mission accomplished and we can be out of here in 12 months," and they all started laughing. General Haukland used the analogy, he said, "Senator, it is like putting your hand in water and then leaving it there 12 months, and you take it out of there and everything is back the way it was, and you cannot tell your hand was there in the first place." He started talking about the responsibilities we would have to keep peace up there. At one time, when I said, "12 months," he said, "You mean 12 years."

"No, we mean 12 months."

It was a very distressing experience. When we came back, we had another Senate Armed Services Committee, and we repeated the questions to Secretary of Defense Bill Perry and General John Shalikashvili. Again, they were emphatic that it would be done. Of course, that is when we had the lengthy debate on the resolution.

I will read to you out of the CONGRESSIONAL RECORD from December 13 from this floor, right here, quoting myself:

> But the administration cannot have it both ways. President Clinton cannot say that our vital interests are threatened in Bosnia and at the same time pledge that we will be out of Bosnia in a year. If two vital interests—European security and NATO alliance—are truly threatened in Bosnia, how can there be a one-year statute of limitations on our response? Since when are American vital interests only worth one year's commitment? . . . If there are vital interests at stake, the administration should be honest and tell the American people that we are committed to Bosnia for a longer period of time.

In the last few days, Tuesday's Washington Post: " * * * A consensus is growing among senior NATO officials that a substantial NATO-led follow-on force will likely patrol Yugoslavia well into 1997, according to alliance officials in and Western diplomats."

Strong indications are that United States troops will stay in Bosnia for much longer than 1 year.

Finally, yesterday, the other shoe dropped, and Secretary Perry said, "NATO will not want simply to give up on the investment that we have made in Bosnia."

This is a kind of a creep that we get into. We make a commitment, and while mission creep is a very realistic thing, this is commitment creep. We are now saying we will be there for a longer period of time.

I wanted to be proven wrong, but I was right when I said on this floor on December 13, 1995, and I have to repeat it now because this will become a major issue:

> The simple truth, Mr. President, is that the Republic of Bosnia and Herzegovina is about to become America's pet country. The United States of America is going to own Bosnia and all of her problems just as soon as the 1st armored division sets up in Tuzla. Does anyone really believe that we will leave Bosnia in a year if the threat to her stability remains? Does anyone really believe after arming, training, and equipping the Bosnian army for a year that we will stand by and watch if our pet army is on the verge of defeat? Of course not; if Bosnia is as important as the administration says it is, we will stay in Bosnia as long as we have to . . . I say to my colleagues—

December 13.

> We are on the verge of what may be a very long commitment.

I am not saying that to say we were prophetic at that time, Mr. President. I am only saying that we made that statement. I firmly believe there are more than four Senators who would have voted for the resolution of disapproval if the administration had been honest with us and admitted to us that our commitment was going to be longer than 1 year. They were not honest with us. They were not honest with America. That was just a commitment that happens to coincide with the reelection in November of this current year.

I think it is something we have to address. We will have to make a decision. Are we going to stay in until some tragedy takes place? I remember so well—I am not being partisan, I am not just being a Republican on this floor—it was George Bush in December 1992 that sent the first American troops over to another commitment that we had, with the idea they would be coming back in 90 days, and of course Bill Clinton took office in January 1993, and the troops stayed over in Somalia. It was not until 18 of our troops were brutally murdered and their corpses dragged through the streets of Mogadishu that the American people finally put enough pressure on the administration to bring our troops home.

I see the same type of analogy right here, that we could leave them there indefinitely. I can tell you right now if they do not stay with that 1-year commitment, it will not be just another few days, another week or another month; it will be exactly as every U.N. commander, U.N. and NATO force that we dealt with said it was going to be and predicted, as we told the American people.

It is going to be a much longer period of time. This is a very serious thing. We are going to have American troops at risk. It is far more serious than the other one; that is, while we are deploying troops all around the world on missions that are either peacemaking or peacekeeping—and the world is expecting us to do this now all the way from the Near East to the Far East to the Middle East—now they are expecting us to come in on the Golan and come into the Gaza on peacemaking and peacekeeping missions at the same time we are sending our American troops. We are depleting our very scarce resources. As I said earlier on the floor today, we have been cutting our military budgets each year for 12 consecutive years, and we are in the same position we were back in 1980.

So it exacerbates that problem to think we are going to be leaving troops over there longer than this period of time. I am deeply distressed about developments in the Middle East, and about the things we are hearing out of Iraq.

I remember so well when the Saddam Hussein—the guy who murders his own grandchildren—made a statement 5 years ago that if we had waited 5 years to invade Kuwait he would have had the capability of reaching the United States with a missile with a weapon of mass destruction. This is a very serious thing.

So we are making it even worse by leaving troops in place where the President committed to the American people the troops would be out in a period of 12 months. I never believed they would. Most of the people here never believed they would. I suggested there are many people who would have voted in favor of a resolution of disapproval to keep our troops out of it. Now we are in the position where I would lead the charge to support our troops over there, but we have to go back to the original mission, keep our commitment to the American people, and keep our commitment to this Congress and to the Senate Armed Services Committee.

So I serve notice to the administration at this time that it is not going to be easy for them to leave our troops over there past the time that they promised and committed to us the troops would be back.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

NOMINATION OF ALAN GREENSPAN TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The Senate continued with the consideration of the nomination.

Mr. GRASSLEY. Mr. President, I am very pleased to support the reappointment of Alan Greenspan to the chairmanship of the Federal Reserve Board. If we want to do something about the economy, if we want to do something about creating jobs and keeping the economy moving, it seems to me that the first step we can take is the quick approval of the nomination of Alan Greenspan. It has been on the agenda quite a while. I think that we ought to move forward.

I have had a chance to observe several Chairmen of the Federal Reserve Board. I look at what these Chairmen do not in the way of specific policy but in the way of bringing stability, in the way of bringing confidence, to the system. It seems to me that Alan Greenspan has been very good at bringing confidence to the system. Confidence is very important in a free market economy. Particularly where a Government like ours is so dominate in the economy, with about 23 percent of the gross national product being our Federal budget. The fact that we may make erratic decisions in Government, or unpredictable decisions, or even send the signal that we might be about to make some bad decision, can have a very tremendous impact upon the economy; whether the President makes the decision, or whether the Congress makes it. The public is very suspicious of the Government making irresponsible decisions in an election year. All of this brings a lack of confidence in Government action, having a very detrimental impact upon the economy.

So when you have a steady hand like Chairman Greenspan tends to have, it seems to me that it builds confidence. He has given a very good stewardship to the American financial system. He has had a very consoling influence over the economy. He has had a sound policy.

If we are going to build the economy and create jobs, it means that we need to approve this type of steady person to be Chairman of the Federal Reserve Board. The fact that we are raising some questions about whether he should be confirmed and that we are taking so long to get him confirmed, seems to me to be disconcerting to a lot of people who otherwise, if they had confidence that Congress is going to make responsible decisions, would move forward with those business, economic, and investment decisions that are going to create jobs.

So I think the reappointment of Alan Greenspan is nothing but good news for jobs and for the economy. He has had the confidence of three Presidents of different philosophies. I believe he has proven himself to be an effective inflation fighter. Big Government types might be disappointed in the announcement. But the fact is that Chairman Greenspan has held the line on inflation, and that has been a big part of helping the economy grow.

The economy I believe grows because Greenspan himself is a personality. There is a certain amount of confidence building in what he does. He kind of leadership exudes confidence through his personality. This confidence is so necessary for job creation, or I should say for the investment that brings about job creation.

We have just spent a lot of time talking about balancing the budget. This very day we passed a budget resolution balancing the budget in 6 years. Unfortunately, not 7 years like we were talking about last year, because we lost that opportunity when the President of the United States vetoed the first balanced budget act that a Congress had passed in a generation. He vetoed it on December 5.

If you wonder if Congress can pass a balanced budget, yes. Congress can do it. But we cannot do it over a Presidential veto. So we start out again as we did today to balance the budget.

If we balance the budget, if we create a situation where Government is going to live within its means—and a policy of living within our means is a much more predictable policy and sends a more clear signal about the economy—then people are going to have more confidence in what Congress is going to be doing in the future. Just balancing the budget will reduce interest rates by 2 percent. Chairman Greenspan has said that. That is going to have a very positive impact upon investment and job creation, particularly in small business where 70 percent of the jobs are created in our economy.

But when Congress has not balanced the budget for a generation—27 years to be exact—when Congress is fiscally irresponsible over such a long period of time, the public has to have confidence that there is some nonpolitical entity out there that is going to be a counterbalance to the irresponsible fiscal decisions made by the elected branch of Government—the Congress and the President.

The more Congress acts with fiscal responsibility, the less significant is the job of the Federal Reserve Board to offset the bad decisions made by the Congress.

If the people who raise questions about the impact of the Federal Reserve, and what they would consider negative impacts of the Federal Reserve on the economy, would put their muscle and shoulder behind having a sound fiscal policy passed by the Congress of the United States, then they would not have to be so concerned about the Federal Reserve. There would be less concern of inflation and less for the Federal Reserve to do. The more satisfied the Chairman would be, and the less there would be observation by the financial centers of the world about what he might be saying. We would all be working together to build the confidence that it takes to create jobs and to encourage investment to do it.

So we, in this body, ought to be putting our energy to not so much fighting the appointment of Chairman Greenspan but to being more fiscally responsible. Those particularly on the other side of the aisle should have encouraged their President to sign the first Balanced Budget Act that had been passed in a generation to get us on the road to fiscal responsibility and to build the confidence that encourages investment and creates jobs. Further, they should stop putting on the shoulders of our children and grandchildren our living high on the hog in this generation. The immoral aspect of our being materialistic and not caring about who pays for the bill has, more sadly, deprived our children and grandchildren of the American dream. They deserve a life without being saddled with paying for an out-of-control Government.

Alan Greenspan has been a strong and consistent advocate of our balancing the budget. While we have been spending time debating, Chairman Greenspan has been on the front line fighting the results of big Government spending, the deficit and the potential inflation that that brings about, especially high interest rates. The Federal Government is more and more every day in the line seeking credit—we always tend to be first in the credit line and the Federal Government will pay whatever it takes to borrow what is needed—affecting interest rates. And the private sector borrowers, who are next in line, are going to pay more than what the Federal Government pays to borrow money. There is going to be less investment and less jobs created because of that. Because he is an inflation fighter, because he helps build confidence, he has saved jobs by keeping inflation in check and he has helped to provide a steady climate for business to grow.

There is a recent Journal of Commerce editorial that states, "the Fed and Mr. Greenspan have done their jobs well. The economy has been growing at a decent rate."

The editorial goes on to quote the chairman of the Senate Banking Committee, Senator D'AMATO, that Americans have "benefited from a lengthy period of stable, predictable prices, making purchase and investment decisions much more efficient."

The big Government types in Washington think that only the Federal Government can spend money efficiently. The Federal Government can spend money very efficiently, but the efficiency with which we spend the money is more related to the rapidity with which we spend money, and not the efficiency with how much we get out of each dollar that is being spent. There is going to be more economic progress made by that dollar being spent in the private sector than being spent in the public sector. More jobs will be created as a result of the private sector, and that is the efficiency that Senator D'AMATO speaks about.

I know there are those who would still like nothing more than to start up the Government printing presses and to push more money into the economy, to reflate, as some people would say. But inflation is the result. And inflation is a sales tax on the consumers of America. It is an expense on interest being borrowed. It is just another tax that is the most regressive tax that you can have. It is a tax applied regardless of ability to pay.

For those people on the other side of the aisle who are always talking about: We have to tax the high incomes, tax the wealthy, tax the corporations, be progressive in the taxation—I wish they were as concerned in the war against inflation as Chairman Greenspan is, of how regressive the tax of inflation is upon the poor people of America.

Those who want to start up the printing presses believe that is the way to make the economy grow, a way to solve economic problems. That was the old way for Government to do business. It is still too much a part of Government, but not as much of a part, as it has been under a lot of other people. All of the previous Chairmen's jobs were more difficult because of an irresponsible Congress for a generation, I might say. I do not tend to blame the Federal Reserve Board. They are always acting after the fact. They are always looking at what is a responsible Congress doing, or, rather is it being irresponsible? The blame ought to rest with us, but it is always easier to push it off onto somebody else.

So, all Americans can be thankful that Chairman Greenspan does not walk down the path of inflation, of inflating our way out of the problem. For all Americans today recognize the wisdom of fiscal responsibility. That is why we have 80 percent of the people of America who expect us to pass a constitutional amendment requiring a balanced budget. It does not matter whether that is fiscal responsibility in the Congress or in the administration, because they know, if we do that, we are going to have a responsible monetary policy.

It is ironic, perhaps, that when he was first nominated to the Federal Reserve by President Reagan, many thought that Mr. Greenspan would not be aggressive enough against inflation. We must remember that he was replacing one of those legendary inflation fighters of all times, former Chairman Paul Volcker. All of us remember how Chairman Volcker tamed sky-high interest rates that were hurting ordinary Americans. Many were fearful of a return to that time. Now, being nominated to a third term, the criticism is being leveled from the opposite direction. "Alan Greenspan is being too tough on inflation," these critics say. "Alan Greenspan should lower interest rates and free up money," they say.

There is one way to lower interest rates effectively to the benefit of the American people and American businesses. That way is to have a sound fiscal policy in the Congress of the United States. It is the best way to build confidence. I suppose somebody could argue you do not always have to have a balanced budget to have a sound fiscal policy because I suppose you could measure it over the long haul, but over the long haul we have been totally irresponsible, year after year, for 27 years.

It might sound idealistic, but at least, if you have a balanced budget and the public can predict you are going to live within a balanced budget, that helps to build confidence. Because the more we can do in Government that lends to predictability, the more confidence we are going to build. So, that way is to balance the Federal budget. Nothing could be more beneficial to the American economy than if we in Congress could get our own spending habits under control.

During the debate on the farm bill last year, and this gets back to interest rates being lower as a result of our balancing the budget, I had an opportunity to ask the Food and Agriculture Policy Research Institute, an institute working in tandem between the University of Missouri and Iowa State University—I asked the Institute what benefit it would be to agriculture if Congress balanced the budget. This institute replied that, if the Federal budget were balanced by the year 2002, the yearly benefit to agricultural economy would be $2.3 billion due to interest rate reductions. On top of that increased cash flow from increased economic activity would be another $300 million yearly into the profitability of agriculture. So this adds up to a total increase of $2.6 billion per year, just for agriculture, if Congress balances the budget.

The Institute's findings are based on the Congressional Budget Office estimate that short-term interest rates would decrease 1.1 percent, and long-term interest rates would decline 1.7 percent. That is still under what Chairman Greenspan said that interest rates would go down to if we were to balance the budget. Everybody knows, whether it is small business or agriculture, interest rates are extremely important to profitability. Farming happens to be a very highly capital intensive industry. Land is expensive and getting more expensive, and farm machinery is expensive. The lower the interest rates the better for our farmers. Small business benefits as well. We all understand the need of lower interest rates.

But, again, it is better to achieve those lower interest rates through congressional action on a balanced budget, not on some inflationary action by the Federal Reserve.

A recent editorial in the Washington Post said it so well—that editorial states:

> There will always be a debate about how fast the economy can safely be allowed to grow and where the balance point exists between the risk of renewed inflation and lingering slack. The more success the Fed has had in combating inflation, lately, the more that risk has seemed to recede. But that hardly means that the board's policies have been wrong.

The editorial continues:

> Our own sense is that the board has both less latitude and less fine control of the economy than some of the rhetoric surrounding its decisions would suggest. Its ability to tilt in the direction of growth is further constrained by Congress itself. The budget deficit they have compiled in recent years has given the board little choice but to lean on the brakes as an offset. Mr. Greenspan seems to have done the job in navigating a narrow channel.

I think that says it better than anything I can say. But it reemphasizes, from the Washington Post editorial, the significant difficulty of Chairman Greenspan's job and the Federal Reserve's job of fighting inflation when Congress is fiscally irresponsible.

If we want the economy to grow, we do that by having a predictable fiscal policy, and that is best done when we are committed to balancing the budget year after year after year. In turn, people then can look at the Federal Reserve and say they do not have a very important job; their job is less significant than our decisionmaking of business investment and the number of jobs that would be created, bringing about a stable economy.

Congress has not been responsible. So in the meantime, we have to have a master who can stabilize the economy. It seems to me that Alan Greenspan serves that purpose. We have seen real growth. We have seen real confidence. We have seen people investing more money in the stock market daily. We have seen new highs achieved in the stock market. If you do not think that is an important indicator, the President is talking about it all the time as a measure of why he should be reelected.

But if we want to encourage growth, we have no further to look than ourselves in this body and the other body. Balancing the Federal budget will promote and ensure economic growth. Confirming Alan Greenspan to a new term as Chairman of the Federal Reserve will keep inflation under control and promote economic stability. The American people need this stability because it is the only way we are going to create the jobs we have to create to keep the American dream alive.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, I ask unanimous consent to speak as in morning business for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 1878 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. AKAKA. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENSELESS BURNING OF CHURCHES

Mrs. HUTCHISON. Mr. President. I have introduced a resolution against the senseless burning of churches that we have witnessed and, really, just become aware of in recent weeks. The latest one, unfortunately, is in my State. So I want to speak out on this issue for a few minutes.

Let me say, I think all of us have been horrified that a place of worship would be a place to be chosen by terrorists to desecrate. We all know in this country, whatever our religious preference is, how important a part of our lives the place of worship is, that it is a part of our communities, part of our families and part of what makes America so wonderful, that we do have the freedom of religion and the ability to come together to worship God in a way that we want to do.

It is because of that very special place that churches hold in our society that it is particularly awful that we see a burning of churches in any way, but especially in what seems to be a pattern. In fact, since 1991, there have been 110 such incidents of church arson that have been reported.

I picked up the phone this week and called Chester Thomas, who is the pastor at the New Light House of Prayer in Greenville, TX. This church was burned to the ground. Mr. President, I never cease to be amazed at how wonderful people can be in a time of crisis. And, truly, Pastor Thomas is a person that inspires me because he is so upbeat about the experience that he has just had. He told me that they have been experiencing burglaries in the church and vandalism. But now, of course, they have lost the church. It was burned to the ground. But he said that he had just come from a service that was put together by another church in Greenville, TX, a church that said, "Come and worship with us. Bring your congregation to our congregation, and we are going to work together to rebuild what you have lost."

You know, that is what America is—reaching out in a time of crisis that helps heal the wounds for something that really is unexplainable such as burning down a place of worship. But Pastor Thomas was very, very upbeat about it. He said, "We are going to come together, and this is going to make us stronger, and I love the people of this community. I even love the person that did this terrible act, because I know whoever it is is a troubled person."

Well, we can learn a lot from Pastor Thomas. I am here today to say to Pastor Thomas and to all of the people who worship at the New Light House of Prayer in Greenville, TX, as well as the people who worship in the Church of the Living God in Greenville, TX, which was not destroyed but which was burned and is badly damaged, I am here to say to them that all of America cares, that this is not right, and we must condemn the burning, the desecrating and the destruction of religious property.

In fact, I am reading from the resolution that condemns the burning, desecrating, and destruction of religious property. We urge Federal law enforcement authority to expeditiously and vigilantly investigate and appropriately punish the perpetrators of these heinous crimes.

Mr. President, this is something that we can all come together and fight for. We will work with the President. We will work with the entire U.S. Senate and the entire U.S. Congress to say that we want to put teeth in the laws that would keep this from happening, because you are tearing down the very spirit of a community when you desecrate a place of worship. We do not want to do that. We want to speak out against it.

So I say to Pastor Thomas and to his whole congregation, to the people who also worship at the Church of the Living God in Greenville, TX, that we must to stand together against this, and by doing so, we will learn the lesson from Pastor Thomas. We will be stronger. We will be stronger as communities. We will be stronger as a country.

Mr. President, I wanted to read the list of the cosponsors of this resolution. Besides myself, they are Senators GRAMM, FAIRCLOTH, MCCONNELL, COCHRAN, THURMOND, COVERDELL, HELMS, D'AMATO, MURKOWSKI, WARNER, NICKLES, and ABRAHAM.

COMMENDING BECKY CAIN

Mr. BYRD. Mr. President, I would like to take a moment to commend the efforts of a fellow West Virginian, Becky Cain, for her enormous contribution to her State and country. Since Ms. Cain's days as a high school civics and American government teacher, she has worked to reverse the trend of low voter turnout and the lack of citizens' participation in politics.

In the 1970's, Ms. Cain began to volunteer for the League of Women's Voters, a nonprofit organization aimed at increasing the political participation of American women. Constantly on the search for new voters, she did not leave her days of manning voter registration tables behind when she became president of the League in 1992.

Mr. President, as president of the League, a volunteer post, Ms. Cain decided that the organization should undertake projects that would rebuild voters' faith in the political system. She has made it her mission to attack the apathy and distance between citizens and their government, a recurring problem that the League hopes to cure. Becky Cain and the League of Women Voters of the United States have made great strides toward this goal with the passage of the National Voter Registration Act, or the "motor-voter" law, in 1995. The "motor-voter" law has generated the greatest increase in voter registration since the late 19th century, registering some eleven million voters.

Ms. Cain and the League are now focusing on encouraging registered voters to take the second step and to responsibly vote. They have joined the Ladies' Home Journal in an effort to educate women voters by running political features aimed at women's issues.

Ms. Cain has been active in West Virginia for more than 20 years, working on numerous advisory boards to the government on issues such as environmental protection and health care reform. Her experience in grass roots movements has helped her to keep in touch with the voters as she fulfills the responsibilities of her national position in the League.

Mr. President, Ms. Becky Cain has ably served her fellow West Virginians and the American people through her participation on advisory boards, as well as her volunteer work for the League of Women Voters for the United States. She is a West Virginian who embodies the qualities and character of a leader, and I salute her for her commitment to the American political process. I ask unanimous consent that a recent article in the National Journal, entitled "She's in a League of Her Own," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Natural Journal, May 4, 1996]

SHE'S IN A LEAGUE OF HER OWN

(By Eliza Mewlin Carney)

When Becky Cain started staffing voter registration tables for the League of Women Voters of the U.S. in the 1970s, she frequently ran into people who were embarrassed to admit that they had failed to sign up to vote.

Now that she's president of the league, one of the nation's oldest nonprofit dedicated to citizen political participation, Cain still goes to malls and state fairs in search of new voters. But these days the public reaction is different.

"We get people saying: 'No. No way. I don't want to legitimize that system with my participation.' That's a whole different change in attitude," Cain said. "They are choosing—deliberately choosing—not to participate in a system that they think is broken.

To Cain, a former teacher of high school civics and American government, that change is alarming. Cain's concern has helped prompt the league this year to pursue several projects aimed at rebuilding voters' faith in the political system and at closing the gulf between citizens and their government.

Since 1992, when Cain became president, a volunteer post, the league has scored one of its most important victories: the passage of the National Voter Registration Act, or "motor-voter" law, which took effect last year. Some 11 million citizens registered to vote in 1995, and another 9 million are expected to do so by November—the largest increase since the late 19th century, the league maintains.

Now it's time to make sure that those voters take the next stop and actually pull the lever, Cain said. In addition to a full roster of league get-out-the-vote and voter education activities, Cain's group has teamed up with the Ladies' Home Journal on a massive "Power the Vote!" campaign to increase women's political participation, which poll show has recently declined. (For more on the drop in women's voting, see NJ 4/13/96, p. 824.)

The league and the New York City-based Journal have set up a toll-free number to help people register and vote, as well as a World Wide Web site that offers how-to tips on rating debates, understanding political polls and interpreting campaign ads. Between now and November, the Journal, which has a circulation of 4.5 million, will also run political features aimed at women.

It's one of dozens of ambitious league partnerships formed under Cain, 48, who has been working her way up the group's ranks since 1975. A citizen activist in West Virginia for more than two decades, her eclectic background includes grass-roots political work and a stint as West Virginia's deputy secretary of state. She's also served on dozens of government advisory boards set up to tackle issues ranging from environmental protection to health care reform.

Her hands-on political savvy has helped Cain win powerful allies and raise the league's profile. The nonprofit, nonpartisan organization enjoys credibility on both ends of the political spectrum, and a healthy budget adds to its clout. The organization and its educational affiliate, the League of Women Voters Education Fund, spent upwards of $5 million last year.

But Cain's down-to-earth, ebullient personality has never allowed her to lose touch with voters and their day-to-day concerns, her colleagues say. Cain still lives in West Virginia, in a town outside the capital called St. Albans, and commutes by plane two or three days a week to the league's Washington headquarters. (The league reimburses her for the propeller plane rides, which officials say are cheaper than if Cain rented an apartment in Washington.) Much of her time is spent on the road visiting the league's 1,200 affiliates.

"She is very much in touch with not only what league members are doing, but with the politics of the country, which I think is an extremely important thing to bring into an organization," said Ann McBride, president of Common Cause, which is collaborating with the league and other like-minded groups on a grass-roots lobbying drive to promote campaign finance reform.

The league's education fund is helping to host a series of "citizen assemblies" nationwide that explore the relationship between money and politics. Dubbed "Money + Politics: People Change the Equation," the project is a team effort with the Harwood Group, a Bethesda (Md.)-based research firm. The idea is to improve public understanding and to brainstorm new solutions to the campaign reform quandary.

If the league can help fight the malaise that's driving citizens from politics, Cain said, the 76-year-old organization will, in a sense, have come full circle. Originally launched by women who'd recently won the right to vote, the league has long sought to educate voters about citizenship and coax them to the polls. To Cain, that mandate is timelier than ever.

"We're seeing this erosion of people's trust and faith in the democratic process, in the health of our democracy," Cain said. "Right now, Americans are opting out of the system. That's new, and that scares us. Because we believe in the common good. And you can't get the common good if we're not all at the table."

HONORING SENATOR MARK HATFIELD

Mr. BYRD. Mr. President, on June 11, 1996, a dinner honoring Senator MARK HATFIELD, who will be retiring from the U.S. Senate in January, was hosted by Senator STEVENS and myself in the National Archives Rotunda. I was privileged to make remarks at this salute to my good friend and colleague, Senator HATFIELD. I ask unanimous consent that my remarks, as delivered, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR BYRD

The great Supreme Court Justice Oliver Wendell Holmes once observed that, "Life is painting a picture, not doing a sum."

And, indeed, the transcendent life requires much, much more than a mere balance sheet of wins versus losses. Just as shade, hue and the subtle use of light distinguish great art, delicate nuances of character, honor and intellect provide the defining elements of a sublime human existence.

The man we honor here tonight has painted a life portrait worthy of Rembrandt. A deeply religious man, Mark Hatfield has done one of the hardest things in life for mere mortals to do. He has actually lived, and even more incredibly conducted a political career in near-perfect accordance with the teachings of his personal faith.

Mark Hatfield has been a faithful disciple of his own conscience. He has maintained that fidelity despite intense pressure sometimes from his own party. He has gone against the grain of popular public opinion. He was right about Vietnam when most of the rest of us, including myself, were wrong. He has sailed his boat against the wind time and time again, and only grown stronger from the experience. He has been called a "maverick;" yet, the quiet demeanor and ever gentle way of his conversation belie none of the steel in his spine.

The blind poet, Milton, wrote, "Give me the liberty to know, to utter, and to argue freely, according to conscience above all liberties." We celebrate tonight the life and achievements of a man who has always known, and uttered, and argued freely from the dictates of his own keen inner voice. He is an inspiration to anyone who has been fortunate enough to watch him or to serve with him in public life. His kind is rare and growing rarer still in this vast city of towering egos, silly pretensions, and paper-mache values. Senator Hatfield is, in the words of Edwin Markham, "a man to hold against the world, a man to match the mountains and the sea."

Mark Hatfield's decision to return to the peaceful Oregon countryside leaves the United States Senate and this great country with a special kind of uneasy void. The political landscape of this nation will be suddenly starker for his leaving. Markham's words come once again to mind:

". . . He held the ridgepole up, and spiked again

The rafters of the Home. He held his place—
Held the long purpose like a growing tree—
Held on through blame and faltered not at praise.
And when he fell in whirlwind, he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky."

RECOGNIZING THE 25TH ANNIVERSARY OF THE CLOSE UP FOUNDATION

Mr. NICKLES. Mr. President, I want to take this opportunity to congratulate the Close Up Foundation on the celebration of its 25th anniversary.

I would like to start this tribute by recognizing Close Up's Oklahoma roots. A fellow Oklahoman, Harry Janger, encouraged and guided his son, Steve, in the creation of the Close Up Foundation. While we are saddened by Harry's passing earlier this year, his legacy lives on. Steve Janger, the president and founder of Close Up, is a native Oklahoman. He is a graduate of the University of Oklahoma, the former president of the university's alumni association, and a continuing supporter of the university. Steve's family still resides in Oklahoma and he visits home as often as possible.

The strength Oklahoma gives to Close Up does not end with Steve Janger. He has involved many other Oklahomans on the foundation's board of directors. From the beginning, Close Up has benefitted from several distinguished graduates of the University of Oklahoma—Tom Kenan, Max Berry, and Gordon Zuber. Several years later, Joel Jankowsky, another distinguished Oklahoman, joined the Close Up board. These Oklahomans and the other board members serve without compensation and devote many hours of work to ensure the well-being of the foundation.

Their hard work and commitment has paid off. Close Up is the Nation's largest civic education organization, bringing approximately 25,000 participants a year to Washington for its various citizenship education programs. Close Up has participants from all 50 States, the District of Columbia, Puerto Rico, and the Pacific Island territories. Their principal program is the Washington High School Program. In addition, Close Up has developed programs for various special constituencies, in keeping with their mission of trying to reach at-risk or underserved students. This commitment has resulted in the creation of the program for new Americans, the program for Older Americans, a program for American Indians and Alaska Natives, and a program for Pacific Islanders.

Close Up's participants include all kinds of kids, from the academically gifted to those who struggle to stay in school. There are students with disabilities, students from inner cities, rural areas and suburban areas. There are students from all ethnic backgrounds and from all economic situations that are served by Close Up's efforts. Congress has appropriately recognized the importance of Close Up Foundation's work with students from virtually every background imaginable.

The uniqueness of Close Up is that it takes all of these students and puts them together for a week of learning. What results are strangers becoming best friends, young people breaking down stereotypes, and all of them learning the important lesson that as different as we all are, we all share the common bond of American citizenship and the responsibility for ensuring its continued greatness.

Mr. President, I want to congratulate Steve Janger, all of the other Oklahomans, and the thousands of people who have been associated with Close Up for the past 25 years. I wish them great success as they begin their work for another 25 years.

FOREIGN OIL CONSUMED BY THE UNITED STATES? HERE'S WEEKLY BOX SCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending June 7, the United States imported 8,000,000 barrels of oil each day, 1,100,000 barrels more than the 6,900,000 barrels imported during the same week a year ago.

Americans relied on foreign oil for 56 percent of their needs last week, and there are no signs that this upward spiral will abate. Before the Persian Gulf war, the United States obtained about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? U.S. producers provide jobs for American workers. Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 8,000,000 barrels a day.

INDIANAPOLIS 500 WINNER BUDDY LAZIER

Mr. CAMPBELL. Mr. President, as a sports enthusiast, I take great pride on coming to the floor today to acknowledge the extraordinary accomplishments of members of the sports community from my home State of Colorado.

To begin, I would like to pay tribute to Buddy Lazier, winner of the 80th annual Indianapolis 500 which took place this past Memorial Day. Buddy, a resident of Vail, CO, comes from a family with a history in race car driving, his father also being an Indy car competitor and finisher.

Winning this event would be a tremendous achievement for any race car driver. What makes Buddy's victory so special is the personal courage and strength that it took for him to even compete in the race, for it was only this past March that Buddy suffered a broken back as the result of a crash that occurred in Phoenix, AZ.

Barely 9 weeks prior to the Indy 500, Buddy was still in the hospital recovering, feeling no sensation in either his hands or feet. And, yet, Buddy arrived at the Indy 500 prepared to compete with every other driver, and in the end, was victorious in race car driving's most prestigious race. It takes an enormous amount of strength, both emotional and physical, for someone to overcome obstacles such as these. However, the recovery period for Buddy is far from over. He still experiences pain from his back injury. In fact, he had to be assisted out of the cockpit of his car when he reached the winner's circle that day.

As a motor sports enthusiast, I would like to commend Buddy on his skill and courage, and I'm certain all Coloradans will join with me in congratulating Buddy and wishing him well for a full and speedy recovery.

COLORADO AVALANCHE VICTORY

Mr. CAMPBELL. Mr. President, I would like to recognize the recent success of Colorado's national hockey league, the Colorado Avalanche. As many in this Chamber already know, the Colorado Avalanche won the Stanley Cup during the early morning hours of Wednesday the 12th, after an incredible triple-overtime 1 to 0 win over the Florida Panthers. This victory marks the first world championship in a major sport for Colorado, the Centennial State.

We were fortunate enough to have the Avalanche move to Colorado from Quebec, where they were known as the Nordiques. This last year was their very first season playing in Colorado, and their defeat of the Panthers make the Avalanche only the second expansion team in professional sports history to win a championship in its opening season.

During the course of the playoffs, the Avalanche also set a number of other records. For instance, the final game against the Panthers is now on record as being the longest scoreless game in finals history, with Uwe Krupp's winning goal coming after 104 minutes and 31 seconds of play.

In closing, Mr. President, I would like to commend both the Colorado Avalanche and the Florida Panthers on an exciting Stanley Cup final, and I congratulate the Avalanche on a job well done. I yield the floor.

THE VERY BAD FEDERAL DEBT BOXSCORE

Mr. HELMS. Mr. President, in making these daily reports about the Federal debt, which I began on February 27, 1992, I have tried to avoid partisan comment. But if I were a young American, just beginning my career, or just beginning to set up my family, I would be greatly concerned at the breakdown of the Senate vote on the budget resolution earlier today.

No, I would be more than concerned. I would be angry. The American people have demonstrated a hundred times in countless different ways that they want the tragic finances of the Federal Government cleaned up. They want a balanced Federal budget. They want Federal spending to be brought under control.

But in all fairness, Mr. President, when one looks at the 53 to 46 vote today on the budget resolution, it is apparent that the finances of the Federal Government are not going to be cleaned up, and the Federal budget is not going to be balanced, and Federal spending is not going to be brought under control. Not by the 104th Congress in any event.

Mr. President, the budget resolution approved today by the votes of 53 Republicans is not really going to help the young people of America who are now moving into maturity. The best that can be said of it is that it's better than doing nothing. None of the 46 Senators who today voted against the resolution has made any noticeable effort to cut Federal spending except for occasional efforts to try to downgrade our Nation's national defense.

As a result, the Federal debt, which today exceeds $5 trillion by more than $100 billion, will stand at a minimum of $6.5 trillion shortly after the turn of the century. Even under the resolution approved today, the interest on the Federal debt in 1997 will cost the taxpayers more than $282 billion; and in the year 2002, the American taxpayers will be socked for a minimum of $302 billion just to pay the interest on the debt that the Congress of the United States will have run up by that time.

Where did I get these figures? I got them by calling the Congressional Budget Office which acknowledged that the sad story I've outlined here probably will be even worse on the taxpayers than today's CBO's computations.

Mr. President, 4 years ago when I commenced these daily reports to the Senate it was my purpose to make a matter of daily record the exact Federal debt as of the close of business the previous day.

In that first report on February 27, 1992, the Federal debt at the close of business the previous day stood at $3,825,891,293,066.80. Fast forward to yesterday when, at the close of business, a total of $1,315,395,536,138.33 had been added to the Federal debt since February 26, 1992.

Yesterday, Wednesday, June 12, 1996, the exact Federal debt stood at $5,141,286,829,205.13 at the close of business. On a per capita basis, every man, woman, and child in America owes $19,396.59 as his or her share of the Federal debt. But since the majority of Americans are children, or are unemployed, or pay only a small amount of taxes, the "per capita" computation is almost meaningless. You might want to ponder what your share of the debt really is.

And today's young people really have an enormous burden facing them in the 20th century.

LABELCRAFTERS OF SOUTH DAKOTA, INC.

Mr. DASCHLE. Mr. President, I want to share a story of how one South Dakota family turned their vision and entrepreneurial drive into a thriving business. "We had one press, one employee, and zero customers." That statement tells the story of the beginning of Labelcrafters of South Dakota, Inc., the Sioux Falls-based company honored by the Small Business Administration. Del and Janice Buttolph started Labelcrafters in 1987 and 9 years later are being named the South Dakota Small Business Persons of the Year. They manufacture pressure-sensitive labels for a variety of manufacturers in the four-State region.

The Buttolphs met with me here in Washington, DC, during Small Business Week. That statement about their beginning is indicative of the risk-taking, entrepreneurial spirit, and dedication small business owners like Del and Janice Buttolph bring to a business startup. I know from my discussions with them that they brought great talent and experience to this venture.

The Labelcrafter motto is "Quality and Service—Our Priority." Acting on this motto has resulted in growth to 27 employees and three state-of-the-art presses with a fourth on the way. In fact, they plan on expanding into a larger building next year.

We all strive to learn the ingredients of a successful business startup. Besides their commitment to quality and service, I was most impressed by their commitment to treating their employees well. They provide employees with health, life, and disability insurance, a 401(k) plan matched by the company, and well-paying jobs. I hope their experience is an inspiration not only to budding entrepreneurs, but to established companies as well.

The Buttolphs were helped in this venture by the Small Business Administration, which provided timely and technical advice and cost-sensitive capital through the local bank. This public-private collaboration worked exactly as it was designed by Congress. As a result of their initiative and dedication, the Buttolphs produce a quality product, provide excellent service, and run a profitable business that benefits their 27 employees and the Sioux Falls community.

MESSAGES FROM THE HOUSE

At 10:58 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 172) authorizing the 1996 Summer Olympic Torch Relay to be run through the Capitol Grounds, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the U.S. Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.

The message further announced that the House agrees to the following concurrent resolution, without amendment:

S. Con. Res. 63. Concurrent resolution to express the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2909. An act to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that Act only by donation or exchange, or otherwise with the consent of the owner of the lands.

H.R. 3603. An act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 2909. An act to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that Act only by donation or exchange, or otherwise with the consent of the owner of the lands; to the Committee on Environment and Public Works.

H.R. 3603. An act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and other purposes; to the Committee on Appropriations.

Pursuant to the order of May 23, 1996, the following bill was referred to the Committee on Indian Affairs for a period not to exceed 10 session days:

H.R. 3286. An act to help families defray adoption costs, and to promote the adoption of minority children.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3026. A communication from the Secretary of the Department of Education, transmitting, pursuant to law, the report entitled "Semiannual Report to Congress on Audit Follow-Up"; to the Committee on Governmental Affairs.

EC–3027. A communication from the Secretary of Education, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3028. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1994; to the Committee on Governmental Affairs.

EC–3029. A communication from the Secretary of Labor, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3030. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3031. A communication from the Secretary of Energy, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3032. A communication from the Attorney General, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3033. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3034. A communication from the Secretary of Veterans' Affairs, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3035. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-268 adopted by the Council on May 5, 1996; to the Committee on Governmental Affairs.

EC–3036. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, a notice of approval for a personnel management demonstration project for the Department of the Air Force; to the Committee on Governmental Affairs.

EC–3037. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the semiannual report of the Inspector General and the Management Response for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3038. A communication from the Administrator of the U.S. Environmental Protection Agency, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3039. A communication from the Federal Co-Chairman of the Appalachian Regional Commission, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3040. A communication from the Tennessee Valley Authority, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1994; to the Committee on Governmental Affairs.

EC–3041. A communication from the Chairman of the Board of Directors of the Panama Canal Commission, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3042. A communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3043. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting, pursuant to law, a rule relative to additions to the procurement list, received on June 4, 1996; to the Committee on Governmental Affairs.

EC–3044. A communication from the Chief Operating Officer and President of the Resolution Funding Corporation, transmitting, pursuant to law, the report of financial statements and other reports for calendar years 1994 and 1995; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–584. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources.

"SENATE JOINT RESOLUTION NO. 13

"Whereas, the Secretary of the Interior has proposed rules concerning R.S. 2477, rights-of-way on public lands, and these proposed rules would create a hardship on the state; and

"Whereas, longstanding and previously accepted public property rights could be legislatively extinguished, because the rule requires all public rights-of-way across lands administered by the Bureau of Land Management, National Park Service, and Fish and Wildlife Service to be reclaimed within two years, and a failure to reclaim these lands would constitute an automatic relinquishment of the rights-of-way; and

"Whereas, the burden of proving the validity of all existing public rights-of-way is placed upon the local government and the proposed rules would require local governments to immediately initiate a labor-intensive and time-consuming validity determination process; and

"Whereas, in view of the fact that most rural governmental agencies would not have sufficient staff or funding to comply with the proposed federal validity requirements, the likely result is a loss of many public rights-of-way; and

"Whereas, where a valid right-of-way is subsequently recognized by the Department of the Interior, maintenance or reconstruction activities associated with the right-of-way, that occurred after October 1976, may be deemed an unauthorized use or trespass; and

"Whereas, the determination of validity will be vested in the "authorized officer" which is defined as the Director of the Bureau of Land Management, the Regional Director of the United States Department of Fish and Wildlife, and the Regional Director of the National Parks Service, or a combination of those officials; and

"Whereas, compliance with, and interpretation of, those validity determination requirements will most likely result in a complex bureaucratic process for local governmental agencies; and

"Whereas, during the validity determination process, routine maintenance activities could be denied because they would be subject to review and approval by the appropriate federal agency; and

"Whereas, in the event of an accident, that delay could result in serious liability issues for the local government previously responsible for maintenance of the right-of-way; and

"Whereas, R.S. 2477, constitutes another significant unfunded federal mandate, and illustrates the problems created by the proliferation of unfunded mandates; and

"Whereas, the costs incurred as a result of the validity determination process would not be reimbursed by the federal government and the process could result in forfeiture of rights-of-way by those local governments unable to bear the costs of the process: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly*, that the Legislature of the State of California respectfully memorializes the President and Congress of the United States to enact legislation that would temporarily prevent the Secretary of the Interior from implementing the proposed rule changes regarding R.S. 2477, as published August 1, 1994, in the Federal Register governing rights-of-way access across federal public lands, until such time that Congress can reexamine the issue of public rights-of-way in collaboration with affected states, local governments, landowners, and the general public; and be it further

"*Resolved*, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, the Secretary of the Interior, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–585. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Energy and Natural Resources.

"HOUSE JOINT RESOLUTION NO. 159

"Whereas, the Federal Surface Mining Act of 1977 has been adopted by the Commonwealth of Virginia; and

"Whereas, the current reclamation laws require complete elimination of all highwalls; and

"Whereas, this requirement discourages the use and economical remining of abandoned strip mine sites in southwest Virginia; and

"Whereas, the remining of such abandoned sites would increase employment and provide usable reclaimed property for housing and industrial development; and

"Whereas, the General Assembly of Virginia appreciates and supports reasonable safeguards to protect watershed, streams, water supplies and citizens; and

"Whereas, the General Assembly of Virginia believes that government funds now being used to reclaim abandoned sites should be substantially used to supply potable water to coalfield residents; and

"Whereas, the General Assembly of Virginia supports the appropriate amendments to all applicable federal and state laws and regulations which would encourage and allow the remining of previously strip-mined sites under the appropriate safeguards to ensure protection of the public safety and welfare: Now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress be urged to support appropriate amendments to federal laws to encourage the remining of previously strip-mined sites; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Virginia Liaison Office, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly of Virginia."

POM–586. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Energy and Natural Resources.

"SENATE JOINT RESOLUTION NO. 64

"Whereas, the Federal Surface Mining Act of 1977 has been adopted by the Commonwealth of Virginia; and

"Whereas, the current reclamation laws require complete elimination of all highwalls; and

"Whereas, this requirement discourages the use and economical re-mining of abandoned strip mine sites in Southwest Virginia; and

"Whereas, the re-mining of such abandoned sites would increase employment and provide usable reclaimed property for housing and industrial development; and

"Whereas, the General Assembly of Virginia appreciates and supports reasonable safeguards to protect watersheds, streams, water supplies and citizens; and

"Whereas, the General Assembly believes that government funds now being used to reclaim abandoned sites should be substantially used to supply potable water to coalfield residents; and

"Whereas, the General Assembly of Virginia supports the appropriate amendments to all applicable federal and state laws and regulations which would encourage and allow the re-mining of previously strip-mined sites under the appropriate safeguards to ensure protection of the public safety and welfare: Now, therefore, be it

"*Resolved by the Senate the House of Delegates concurring*, That the Congress of the United States be urged to support appropriate amendments to federal laws to encourage the re-mining of previously strip-mined sites; and, be it

"*Resolved further*, That the Clerk of the Senate transmit copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly of Virginia."

POM–587. A resolution adopted by the Senate of the Legislature of the State of Georgia to the Committee on Energy and Natural Resources.

"SENATE RESOLUTION NO. 433

"Whereas a proposal has been made to the United States Congress to sell facilities used by the Southeastern Power Administration (SEPA) which is headquartered in Elbert County, Georgia; and

"Whereas, these facilities, which include nine hydroelectric dams, provide electric power and reservoirs for Georgia; and

"Whereas, all of these facilities, operated by the United States Army Corps of Engineers, also provide the public with needed fish and wildlife resources, municipal, industrial, and agricultural water supplies, flood control, reservoir and downstream recreational uses, and river water level regulation; and

"Whereas, such proposed sale would give too little assurance that these assets will be administered with due consideration to the purposes of the facilities not related to power production, such as water supply, flood control, navigation, recreation, and environmental protection; and

"Whereas, the revenue from the electricity generated by the hydroelectric dams exceeds the retirement obligations of the construction bonds and costs of operation and maintenance for these facilities; and

"Whereas, many Georgians served by these facilities could likely experience significant rate increases in electricity and water as a result of this sale: Now, therefore, be it.

"*Resolved by the Senate*, That the members of this body urge the United States Congress to reevaluate the negative impacts of this proposal and avoid any transfer of federal dams, resources, turbines, generators, transmission lines, and related power marketing association facilities.

"*Resolved*, That the Secretary of the Senate is authorized and directed to transmit an appropriate copy of this resolution to the Speaker of the United States House of Representatives, and presiding officer of the United States Senate, and members of the Georgia congressional delegation."

POM–588 A concurrent resolution adopted by the Legislature of the State of Arizona to the Committee on Energy and Natural Resources.

"HOUSE CONCURRENT MEMORIAL 2001

"Whereas, wise and enlightened management is vital to preserving the vital resources of the vast rural areas of the west in general and the state of Arizona in particular, including environmental, scenic, wildlife, habitat, land and water resources; and

"Whereas, most of Arizona's rural lands are characterized by a patchwork of federal, state and private land ownership patterns, resulting in divergent uses and management goals and practices; and

"Whereas, the disunity of management fails the public interest and the public expectation of the optimal use and protection of the land and its resources; and

"Whereas, holistic resource management practices have proven to be a successful method of incorporating the critical environmental and habitat requirements of plant and animal species with the resource requirements of the public; and

"Whereas, holistic practices involve the participation and sponsorship of all parties with an interest in resource management and thus bring together otherwise competing and opposing interests to work cooperatively toward a united goal; and

"Whereas, federal land managers, vital elements in achieving overall consistency, are frequently constrained from participating in comprehensive resource planning because of narrowly focused policies imposed by remote and hierarchical organizational orientation; and

"Whereas, federal resource management needs to be incorporated into a broader, community based approach to reach the best public good.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress of the United States enact legislation to allow comprehensive holistic resource management of federal lands along with state and private lands and authorize federal land management agencies to study and determine the management practices that provide a comprehensive overview to benefit all resources, including plant and animal species.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation."

POM–589. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources.

HOUSE CONCURRENT MEMORIAL 2002

"Whereas, on July 18, 1995 Governor Fife Symington established the Arizona preserve initiative task force to evaluate and recommend appropriate ownership and management alternatives for environmentally sensitive state trust lands; and

"Whereas, the task force identified over six hundred thousand acres of state trust lands that have unique and significant public values; and

"Whereas, the task force recommended that these lands be conserved and protected from incompatible use so that their value as undeveloped open land can be enjoyed by future generations; and

"Whereas, the task force considered many factors, including the potential threats to the land, potential uses of the land, the open space value of the land, conservation strategies and alternative management options, entities and agencies, in order to arrive at the optimum recommendations with regard to the several study areas; and

"Whereas, several areas of state trust land are adjacent to and within federal management areas and suitable for conveyance to the federal government in order to preserve them from uses that are incompatible with their preservation value; and

"Whereas, the federal government has used a condemnation process in the past to acquire state property and provide payment with federal lands of equal value that are more suitable for lease or sale for revenue purposes for the state trust beneficiaries; and

"Whereas, the condemnation process has had and could have significant environmental benefits for land management and major financial benefits for the trust beneficiaries; and

"Whereas, meetings on this issue have occurred between state and federal land management agencies over several years and a tentative condemnation package has been discussed; and

"Whereas, the condemnation process requires congressional authorization.

"Wherefore, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress of the United States enact legislation to authorize federal acquisition of designated environmentally sensitive state trust lands in the State of Arizona that are best suited for conservation by condemnation and repayment to the state trust with federal lands of equal value that are suitable for future lease or sale for revenue generation for the trust beneficiaries, and which are acceptable to the state, except that state trust land shall not be condemned for expansion of the Buenos Aires national wildlife refuge.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation."

POM–590. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources.

"HOUSE CONCURRENT MEMORIAL 2007

"Whereas, livestock production and open range grazing have played a major role in the cultural and economic development of the western states and, along with mining, timbering and homesteading, were a principal incentive for western settlement. Today, many western ranchers depend on designated federal lands to graze their livestock, and meat production is an important use of federal lands that benefits the public at large; and

"Whereas, the Taylor Grazing Act of 1934 put grazing resources under federal government supervision and authorized the Secretary of the Interior to charge reasonable fees for grazing on federal lands. Since then, federal legislation such as the Environmental Protection Act of 1969, the Federal Land Policy and Management Act of 1976 and the Public Rangelands Improvement Act of 1978 have maintained restrictions on livestock grazing on federal lands and have reinforced the intent of the federal government to retain ownership of these public lands; and

"Whereas, grazing regulations must strike a fair balance between the concept of compensating the public for use of its lands and ensuring proper protection of these resources while considering the implications of grazing fees or restrictions on individual ranching operations. Recently, however, the Secretary of the Interior implemented new public rangeland regulations that severely restrict livestock grazing on federal lands; and

"Whereas, both houses of the Congress have proposed legislation that would replace these regulations with others that balance both environmental and livestock grazing interests by promoting better management techniques that do not penalize western livestock ranchers. This legislation would, among other things, require the Secretary of the Interior, after consulting with relevant state officials, to set standards and guidelines for rangeland management at a regional, state or county level, allow nongrazing parties from the affected rangeland areas to participate in resource advisory councils that would advise the Secretary of the Interior on federal land use and provide for a modest increase in grazing fees that does not threaten the livelihood of western ranchers; and

"Whereas, many of the issues related to grazing on public lands are of regional and state concern, yet the new regulations implemented by the Secretary of the Interior include minimum national standards, covering all federal grazing areas, that fail to consider the specific, varying rangeland conditions in the individual states. In deference to state and local interests, the Secretary of the Interior should issue grazing guidelines on a state or regional, not national, basis, in consultation with the states' agricultural authorities; and

"Whereas, the members of the Forty-second Legislature of the State of Arizona support this state's ranchers and find that the grazing regulations recently adopted by the current administration impose extreme restrictions that threaten to shut down their ranching operations. If the federal government is unable to maintain equitable and productive multiple uses, including grazing, on federal lands, this state willingly accepts the responsibility to do so.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress of the United States provide needed relief to the ranching industry by enacting legislation that protects the use of federal lands for livestock grazing.

"2. That the Congress of the United States encourage federal agencies, including the United States Forest Service and the United States Fish and Wildlife Services, to adopt a cooperative approach, when feasible, in promptly resolving livestock grazing issues.

"3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States and each Member of the Arizona Congressional Delegation."

POM–591. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources.

"HOUSE CONCURRENT MEMORIAL 2006

"Whereas, millions of acres of trees and brush are at unnaturally high densities that choke the national forests in Arizona where dead, downed vegetation and foliage provide high hazard conditions for catastrophic wildfires; and

"Whereas, fire suppression capability cannot provide adequate fire protection for the vast expanse of national forest land and tens of thousands of private homes within Arizona; and

"Whereas, with the current situation of Arizona's national forest land, the question is not whether we will have catastrophic fires but rather when and where these fires will occur, threatening not only this state's abundant natural resources, but its citizens and communities as well.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress of the United States immediately encourage the United States Forest Service to implement already authorized emergency timber sales to reduce fire hazard in the many communities that interface with national forests, reduce continuous landscape forest fuel loads, widen the highway corridors that pass through Arizona's national forests, prepare emergency access and egress routes through the national forests where local fire fighting agencies deem it necessary and to provide forest fuel breaks around populated areas located adjacent to high risk national forest lands.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States and each Member of the Arizona Congressional Delegation."

POM–592. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources.

"HOUSE CONCURRENT MEMORIAL 2005

"Whereas, the government of the United States has recognized the Tohono O'Odham tribe of Indians and has established the Tohono O'Odham Indian reservation on which the tribe may exist and preserve its identity, society and culture; and

"Whereas, the reservation contains many sites that are significant to the tribe's traditional cultural and religious heritage; and

"Whereas, a particular site that is sacred to the Tohono O'Odham Indians, Baboquivari peak, is only partially included in the reservation; and

"Whereas, a portion of Baboquivari peak, adjacent to the reservation, is owned by the federal government, and is thus not currently protected or preserved for the benefit of the Tohono O'Odham people.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress of the United States enact legislation to transfer in trust that portion of Baboquivari peak consisting of federal lands for inclusion in the Tohono O'Odham Indian reservation.

"2. That the Secretary of State of the State of Arizona transmit certified copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation."

POM–593. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Energy and Natural Resources.

"SENATE CONCURRENT RESOLUTION NO. 19

"Whereas, Vernon, Beauregard, and the surrounding parishes rely heavily on the continuing economic support of Fort Polk; and

"Whereas, the potential transfer of portions of the Kisatchie National Forest should ensure the stability and permanence of the Fort Polk military base and possibly lead to its future expansion; and

"Whereas, the potential transfer of lands of the Kisatchie National Forest should not result in the expropriation of any privately owned property; and

"Whereas, if Congress transfers these lands, there should be no infringement upon private landowners' rights to their property by the military presence; and

"Whereas, the stewardship of the lands of Kisatchie National Forest should remain with the United States Forest Service in the event of such land transfer; and

"Whereas, if the transfer occurs, Fort Polk should ensure that the forest lands be subject to periodic inspection by the Environmental Protection Agency to address environmental concerns; and

"Whereas, if Congress transfers the lands, Fort Polk should use the land for maneuvering exercises without the use of live artillery or toxins which may endanger the public and indigenous wildlife; and

"Whereas, if the land transfer occurs, Fort Polk will give the public access to the forest at times it deems prudent: therefore, be it

"*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to transfer certain portions of the lands of the Kisatchie National Forest to the Fort Polk military base provided that the viability of the military base is ensured, that there will be no infringement upon property owners' rights to their land, and that environmental concerns will be addressed; be it further

"*Resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POW–594. A joint resolution adopted by the Legislature of the State of New Hampshire to the Committee on Energy and Natural Resources.

"HOUSE JOINT RESOLUTION

"Whereas, much of New Hampshire's air pollution results from air pollutants and their precursors transported into the state from upwind sources including electricity generation stations; and

"Whereas, the Energy Policy Act of 1992 requires the Federal Energy Regulatory Commission (FERC) to implement increased competition in the electric utility industry, but does not relieve FERC or other federal agencies of their responsibility and obligation to act in the public interest and to carefully review and mitigate critical environmental and health impacts that may result from open access to transmission services; and

"Whereas, FERC's draft Environmental Impact Statement on its Notice of Proposed Rulemaking Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Service by Public Utilities (the "Mega-NOPR"), asserts that sizable increases in air pollution could occur due to a shift from cleaner generation sources to cheaper and dirtier generators, but then greatly underestimates FERC's obligation to mitigate the impact of its proposed Mega-NOPR actions, by selecting an inappropriate base case which assumes incremental implementation of the same policy of open transmission access, instead of selecting the more appropriate base case of no action and current air quality trends; and

"Whereas, there is sufficient underutilized electric generating capacity in midwestern states, subject to much lower air emissions standards than competitors in northeastern states, so that implementing open transmission access, without more appropriate, comparable and equitable environmental regulation, could result in increased electricity generation in midwestern states and significant additional air pollution transport to northeastern states; and

"Whereas, federal air pollution regulation of electric generators has too often been inappropriately based almost exclusively on air quality in the vicinity of the generator, without sufficient consideration of the effects of transport of pollutants to downwind areas; and

"Whereas, a considerable burden has been placed on New Hampshire by its designation as part of the Ozone Transport Region delineated by the Clean Air Act Amendments of 1990, despite considerable evidence that New Hampshire's exceedances of federal ambient air quality standards are overwhelmingly due to transported air pollution from upwind states; and

"Whereas, New Hampshire's electric rates have been much higher than the national average for many years, a substantial cause of which has been New Hampshire's pursuit over many years of lesser-polluting electricity sources as alternatives to construction of additional lower-cost, higher polluting coal-fired stations; and

"Whereas, New Hampshire, as a result of its Reasonably Available Control Technology (RACT) requirements for its own electrical generating stations, has shown that state-of-the-art selective catalytic reduction (SCR) RACT equipment installed at New Hampshire's largest coal-fired electrical generating station is a cost-effective method for reducing emissions of oxides of nitrogen (NOx), and would be cost-effective in other states as well; and

"Whereas, the costs for upwind electric generators to make similar source emission reductions, particularly in coal-fired stations, typically appear to be significantly smaller than the costs to northeastern states to compensate for transported air pollution by imposing more expensive mitigation measures on other sources of pollution; and

"Whereas, such source mitigation costs also appear to be only a small fraction of the potential additional revenue from increased generation by low cost coal-fired generators as a result of FERC's Mega-NOPR; and

"Whereas, Governor Stephen Merrill indicated in a July 20, 1995 letter to EPA Administrator Carol Browner that New Hampshire is not willing to subsidize the economy, environment, health and quality of life of upwind states at the expense of those aspects of its own citizens' lives; and

"Whereas, the state of New Hampshire would strongly prefer to avoid suing the federal government and upwind states to take actions to mitigate increased air pollution resulting from FERC's actions, pursuant to the Clean Air Act Amendments of 1990 and the National Environmental Policy Act: Now, therefore, be it

"*Resolved by the Senate and House of Representatives in General Court convened*:

"That the state of New Hampshire petitions the Federal Energy Regulatory Commission to implement open access to transmission services and increased competition in the electric utility industry in a manner that supports and furthers the goals of environmental improvement, such as by stipulating that all electricity generators transmitting power under FERC open access rules comply with equitable and appropriate environmental regulation to reduce interstate transport of air pollutants; and

"That the state of New Hampshire further petitions the United States Environmental Protection Agency, the Council on Environmental Quality, the Federal Energy Regulatory Commission, the Congress, and the President of the United States to work together to ensure that increased competition in electricity markets be truly full, free, and fair, including equitable and appropriate environmental regulation, based on comparable scientific criteria, for all electricity generators and consumers; and to carefully consider as alternatives to existing regulatory controls, innovative market-driven forms of environmental regulation, such as valuing the costs of pollution and using pollution control offsets; and

"That copies of this resolution, signed by the president of the senate, the speaker of the house, and the governor be forwarded by the house clerk to each member of the New Hampshire Congressional delegation, the President of the United States, the President Pro-Tempore of the United States Senate, the Speaker of the United States House of Representatives, the Federal Energy Regulatory Commission, the United States Environmental Protection Agency, and the Council on Environmental Quality; and

"That this resolution is intended to be read in conjunction with HB 1392, which establishes principles for restructuring the New Hampshire utility industry, if and when it has been signed into law."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, with amendments:

H.R. 3286. A bill to help families defray adoption costs, and to promote the adoption of minority children (Rept. No. 104–279).

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

H.R. 419. A bill for the relief of Benchmark Rail Group, Inc..

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

H.R. 1533. A bill to amend title 18, United States Code, to increase the penalty for escaping from a Federal prison.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. Res. 226. A resolution to proclaim the week of October 13 through October 19, 1996, as "National Character Counts Week."

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1559. A bill to make technical corrections to title 11, United States Code, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably the attached listing of nominations. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORDS of January 22, March 20, April 15, 19, 25, May 6, 14, 17, and 22, 1996, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of January 22, March 20, April 15, 19, 25, May 6, 14, 17, and 22, 1996, at the end of the Senate proceedings.)

**In the Army there are 133 promotions to the grade of colonel (list begins with Loren D. Alves). (Reference No. 836.)

**In the Army there are 1,210 promotions to the grade of lieutenant colonel (list begins with Daniel F. Abahazy). (Reference No. 965.)

**in the Army there are 27 promotions to be grade of lieutenant colonel (list begins with Glen L. Bloomstrom). (Reference No. 1019.)

**In the Army there is 1 promotion to the grade of lieutenant colonel (Robert A. Childers). (Reference No. 1037.)

**In the Army Reserve there are 3 appointments to the grade of lieutenant colonel (list begins with Carl E. Dawkins, Jr.). (Reference No. 1038.)

**In the Air Force there are 11 appointments to the grade of colonel and below (list begins with Kathleen S. Bohanon). (Reference No. 1050.)

**In the Air Force Reserve there are 19 promotions to the grade of lieutenant colonel (list begins with James C. Bair). (Reference No. 1051.)

**In the Navy there are 49 appointments to the grade of lieutenant (list begins with James A. Caviness). (Reference No. 1052.)

**In the Army there is 1 promotion to the grade of lieutenant colonel (Wayne E. Anderson). (Reference No. 1072.)

**In the Army Reserve there are 10 appointments to the grade of lieutenant colonel (list begins with Timothy J. Coen). (Reference No. 1073.)

**In the Army there are 174 promotions to the grade of lieutenant colonel (list begins with Garry F. Atkins). (Reference No. 1074.)

**In the Air Force Reserve there are 2 appointments to the grade of lieutenant colonel (list begins with Thomas R. Bird). (Reference No. 1092.)

**In the Air Force Reserve there are 18 promotions to the grade of lieutenant colonel (list begins with Warren J. Andersen). (Reference No. 1093.)

**In the Air Force Reserve there are 79 promotions to the grade of colonel (list begins with Kenneth D. Allen, Jr.). (Reference No. 1094.)

**In the Marine Corps there is 1 promotion to the grade of lieutenant colonel (E. D. Elek). (Reference No. 1102.)

**In the Marine Corps there is 1 promotion to the grade of colonel (Wade C. Straw). (Reference No. 1103.)

**In the Marine Corps there is 1 promotion to the grade of lieutenant colonel (Thomas J. Felts). (Reference No. 1104.)

**In the Marine Corps there is 1 promotion to the grade of lieutenant colonel (Patrick A. Sivigny). (Reference No. 1105.)

**In the Army Reserve there are 72 promotions to the grade of colonel and below (list begins with Charles C. Appleby). (Reference No. 1106.)

**in the Army Reserve there are 90 promotions to the grade of colonel and below (list begins with Mitchell L. Brown). (Reference No. 1107.)

**In the marine Corps there are 41 promotions to the grade of lieutenant colonel and below (list begins with Ronald J. Crabbs). (Reference No. 1112.)

Total: 1,994.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Ronald T. Kadish, [redacted] U.S. Air Force

The following-named officer for appointment to the grade of general in the U.S. Air Force while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. Walter Kross, [redacted]

IN THE ARMY

The following-named officer for reappointment to the grade of general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Gen. John H. Tilelli, Jr. [redacted] U.S. Army

The following-named officer for appointment to the grade of general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Lt. Gen. Wesley K. Clark [redacted] U.S. Army

The following U.S. Army Reserve officers for promotion in the Reserve of the Army to the grades indicated under title 10, United States Code, sections 3371, 3384, and 12203(a):

To be major general

Brig. Gen. Paul C. Bergson [redacted]
Brig. Gen. Douglas E. Caton [redacted]
Brig. Gen. Anthony R. Kropp [redacted]
Brig. Gen. John M. O'Connell [redacted]

To be brigadier general

Col. Voneree Deloatch, [redacted]
Col. Robert M. Diamond [redacted]
Col. Alfonsa Gilley [redacted]
Col. Haywood S. Gilliam [redacted]
Col. Pierce A. Roan, Jr [redacted]
Col. Alfred T. Rossi [redacted]
Col. Richard G. Simmons, [redacted]

The following-named officer for appointment to the grade of general in the United States Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Lt. Gen. David A. Bramlett, [redacted] U.S. Army

The following-named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Peter J. Schoomaker, 514–44–3788

IN THE MARINE CORPS

The following-named brigadier generals of the U.S. Marine Corps for promotion to the grade of major general, under the provisions of section 624 of title 10, United States Code:

To be major general

Brig. Gen. Thomas A. Braaten [redacted] USMC

Brig. Gen. Michael P. DeLong [redacted] USMC

Brig. Gen. Edward Hanlon, Jr. [redacted] USMC

Brig. Gen. Geoffrey B. Higginbotham, 298–38–8936, USMC

Brig. Gen. George M. Karamarkovich, 184–32–2460, USMC

Brig. Gen. Jack W. Klimp, [redacted] USMC

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under the provisions of section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Carol A. Mutter, [redacted]

The following-named officer for appointment as Assistant Commandant of the Marine Corps, Headquarters, U.S. Marine Corps, and appointment to the grade of general while serving in that position under the provisions of section 5044, title 10, United States Code:

To be Assistant Commandant of the Marine Corps

Lt. Gen. Richard I. Neal [redacted]

The following-named officer for appointment to the grade of lieutenant general in the U. S. Marine Corps while assigned to a position of importance and responsibility under section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Terrence R. Dake [redacted]

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Jeffrey W. Oster, [redacted]

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. James L. Jones, Jr., 579–64–2699

IN THE NAVY

The following-named officers for promotion in the U.S. Navy to the grade indicated under title 10, United States Code, section 624:

TO BE REAR ADMIRAL

Rear Adm. (lh) Edward R. Chamberlin, 033–32–9933, U.S. Navy

To be rear admiral

Rear Adm. (lh) Noel K. Dysart, Jr., 475–46–0597, U.S. Navy

Rear Adm. (lh) Dennis I. Wright [redacted] U.S. Navy

The following-named officers for promotion in the staff corps in the U.S. Navy to the grade indicated under title 10, United States Corps, section 624:

To be rear admiral (lower half)

Capt. Alberto Diaz, Jr., [redacted] U.S. Navy

To be rear admiral (lower half)

Capt. David P. Keller, [redacted] U.S. Navy

To be rear admiral (lower half)

Capt. Peter W. Marshall [redacted] U.S. Navy

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (selectee) Thomas B. Fargo, 559–66–9953

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code section 601:

To be admiral

Vice Adm. Archie R. Clemins, [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (selectee) Robert J. Natter, [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. James B. Perkins III [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. Herbert A. Browne II [redacted]

The following-named officers for promotion in the U.S. Navy Reserve to the grade indicated under title 10 United States Code, section 5912:

To be rear admiral (lower half)

Capt. John Nicholas Costas, [redacted] U.S. Naval Reserve

Capt. Joseph Coleman Hare, [redacted] U.S. Naval Reserve

Capt. Daniel Lawrence Kloeppel, [redacted] U.S. Naval Reserve

Capt. Henry Francis White, Jr. [redacted] U.S. Naval Reserve

To be rear admiral (lower half)

Capt. John Francis Brunelli [redacted] U.S. Naval Reserve

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601, and title 42 United States Code section 7158:

To be admiral

Vice Adm. Frank L. Bowman, [redacted]

The following-named officer for reappointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code section 601:

To be vice admiral

Vice Adm. Arthur K. Cebrowski [redacted]

The following-named officers for promotion in the U.S. Naval Reserve to the grade indicated under title 10, United States Code, section 5912:

To be rear admiral (lower half)

Capt. Vernon Paul Harrison, [redacted] U.S. Naval Reserve

To be rear admiral (lower half)

Capt. Clifford Joseph Sturek, [redacted] U.S. Naval Reserve

To be rear admiral (lower half)

Capt. Steven Robert Morgan, [redacted] U.S. Naval Reserve

To be rear admiral (lower half)

Capt. Robert Charles Marlay [redacted] U.S. Naval Reserve

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral

Vice Adm. J. Paul Reason, [redacted]

The following-named officer for appointment to the grade of vice admiral in the United States Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (selectee) Patricia A. Tracey, [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10 United States Code, section 601:

To be vice admiral

Rear Adm. (selectee) James O. Ellis, Jr., [redacted]

By Mr. ROTH, from the Committee on Finance:

Raymond W. Kelly, of New York, to be Under Secretary of the Treasury for Enforcement.

Marcia E. Miller, of Indiana, to be a member of the U.S. International Trade Commission for the term expiring December 16, 2003.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCAIN (for himself, Mrs. KASSEBAUM, Mr. MURKOWSKI, Mr. STEVENS, and Mr. SIMON):

S. 1869. A bill to make certain technical corrections in the Indian Health Care Improvement Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. MOYNIHAN:

S. 1870. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

By Mr. CHAFEE:

S. 1871. A bill to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SIMON:

S. 1872. A bill to amend section 922(x)(5) of title 18, United States Code, relating to the prohibition of possession of a handgun by a minor, to change the definition of minor from under 18 years of age to under 21 years of age; to the Committee on the Judiciary.

By Mr. INHOFE (for himself, Mr. CHAFEE, Mr. LIEBERMAN, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. MOYNIHAN, Mr. REID, and Mr. LUGAR):

S. 1873. A bill to amend the National Environmental Education Act to extend the programs under the act, and for other purposes; to the Committee on Environment and Public Works.

By Mr. JOHNSTON:

S. 1874. A bill to amend sections of the Department of Energy Organization Act that are obsolete or inconsistent with other statutes and to repeal a related section of the Federal Energy Administration Act of 1974; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself and Mr. WYDEN):

S. 1875. A bill to designate the United States Courthouse in Medford, Oregon, as the "James A. Redden Federal Courthouse"; to the Committee on Environment and Public Works.

By Mr. HARKIN (for himself and Mr. BAUCUS):

S. 1876. A bill to amend chapter 89 of title 5, United States Code, to end health insurance portability for Members of Congress and eliminate continued coverage for departing Members of Congress until health insurance portability for other United States citizens is enacted into law, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1877. A bill to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interests in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States; to the Committee on Energy and Natural Resources.

By Mr. AKAKA:

S. 1878. A bill to amend the Nuclear Waste Policy Act of 1982 to prohibit the licensing of a permanent or interim nuclear waste storage facility outside the 50 States or the District of Columbia, and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. BOXER (for herself and Mr. GREGG):

S. Res. 262. A resolution expressing the sense of the Senate that sanctions should be imposed on the People's Republic of China until the United States Trade Representative certifies that the People's Republic of China is complying with its agreement with the United States regarding the protection of intellectual property rights; to the Committee on Finance.

By Ms. MOSELEY-BRAUN (for herself, Mr. LEVIN, Mr. DASCHLE, Mr. KEMPTHORNE, Mrs. BOXER, Mrs. FEINSTEIN, Mr. KERRY, Mr. WELLSTONE, Mr. LIEBERMAN, Mrs. MURRAY, Mr. PELL, Mr. LAUTENBERG, and Mr. INHOFE):

S. Res. 263. A resolution relating to church burning; ordered held at the desk.

By Mr. MACK (for himself, Mr. LIEBERMAN, Mr. CRAIG, and Mr. JEFFORDS):

S. Res. 264. A resolution to designate May 14, 1997, and May 14, 1998, as "National Speak No Evil Day", and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. AKAKA):

S. Con. Res. 64. A concurrent resolution to recognize and honor the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II; to the Committee on the Judiciary.

By Mr. PRESSLER (for himself and Mr. LEAHY):

S. Con. Res. 65. A concurrent resolution expressing the sense of the Congress that Members should understand and use the Internet to improve the democratic process and to communicate with the Internet community;

to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCAIN (for himself, Mrs. KASSEBAUM, Mr. MURKOWSKI, Mr. STEVENS and Mr. SIMON):

S. 1869. A bill to make certain technical corrections in the Indian Health Care Improvement Act, and for other purposes; to the Committee on Indian Affairs.

THE INDIAN HEALTH CARE IMPROVEMENT TECHNICAL CORRECTIONS ACT OF 1996

Mr. MCCAIN. Mr. President, I rise today on behalf of myself and Senators KASSEBAUM, MURKOWSKI, STEVENS, and SIMON to introduce legislation to make various technical amendments to the Indian Health Care Improvement Act.

The bill we are introducing today will simply make technical changes to certain provisions of the act and extend the authorization for several Indian health care demonstration programs.

Mr. President, the Congress passed the Indian Health Care Improvement Act in 1976 to raise the level of health care provided to American Indians and Alaska Native communities. While the health status of Indian people has generally improved since its enactment, it still lags far behind any other segment of our population. Health crises in every possible problem area continue to afflict many reservation communities at alarming rates. The mortality rate for diabetes exceeds the national average by 139 percent. American Indians are four times more likely to die from alcoholism than other Americans. The incidence rates for fetal alcohol syndrome among native Americans is six times the national average.

The Indian Health Care Improvement Act was enacted to meet the fundamental trust obligation of the United States to ensure that comprehensive health care would be provided to American Indians and Alaska Natives as it is provided to all other Americans. The act was amended in 1992 to extend most of the authorized programs through the year 2000, at which time the Indian Health Service is required to report to Congress on the progress of meeting the health objectives outlined in the act. Until such time, we are seeking to make minor changes to certain provisions of the act to allow maximum flexibility in the delivery of health services to American Indians and Alaska Natives and to ensure that several important tribal programs can continue through the year 2000.

First, the bill amends section 4(n), the Indian health scholarship and loan repayment fund, by modifying the definition of the term "Health Profession." This modification will provide greater flexibility to the IHS to determine eligibility for financial assistance to Indians enrolled in health degree programs. Second, the bill amends section 104(b), the Indian health professions scholarship, to maximize opportunities for scholarship recipients to meet their service obligations to the IHS. It also authorizes the Secretary to waive or suspend a service or payment obligation upon death, extreme hardship conditions or bankruptcy. Next, the bill amends section 206 regarding reimbursement from certain third parties of costs of health services to clarify the provisions for individuals in collection actions for services provided by IHS or tribal health facilities. These provisions were previously adopted by the Senate on October 31, 1995 as part of S. 325, the Native American Technical Corrections Act. However, the House has not yet acted upon S. 325 because the bill contained provisions resulting in joint referrals to a number of House committees. The bill I am introducing today has been drafted to permit referral to just one House Committee.

The bill also amends section 405 to continue the Medicare/Medicaid Demonstration Program for direct billing of Medicaid, Medicare and other third party payers. The demonstration program authorizes up to four tribally-operated IHS hospitals or clinics to participate directly in the billing and receipt of Medicare/Medicaid payments rather than through the current system of channeling payments through the IHS. The four participating tribes including Mississippi Choctaw Health Center, Bristol Bay Area Health Corporation, Choctaw Tribe of Oklahoma and South East Alaska Regional Health Consortium, unanimously report successful results and satisfaction with the program. Collections for some of these tribes have since doubled due to the implementation of the program. I have also received a strong interest from other Indian tribes in expanding this program so that other eligible tribal operators may participate in this direct billing process.

The Medicare/Medicaid Demonstration Program is set to expire on September 30, 1996 at which time the Secretary of the Department of Health and Human Services will evaluate the program and provide a recommendation on whether the program should be made a permanent program. However, without this proposed extension, the four tribal participants will be forced to shut down their direct billing/collection departments and return to the old system of IHS-managed collections.

Given the highly favorable reports of the participating tribal programs, we are proposing to continue the program through the year 2000 and expand the number of eligible tribal facilities from four to twelve. The Congress will evaluate the future of the program when the Secretary has submitted the final report on the project.

Finally, the act extends the authorization for several innovative health care demonstration projects that were established as model programs to be replicated on other Indian reservations. Several of these demonstration projects, including the California Contract Health Services Demonstration Program, the Gallup Alcohol and Substance Abuse Demonstration Program, the Substance Abuse Counselor Education Demonstration Program and the Home and Community Based Care Demonstration Program, are due to sunset in this fiscal year.

While the programs expire in fiscal year 1997, the Secretary is not required to provide a report on these programs until 1999. I believe that these programs should be reauthorized through the year 2000 in order to continue the important health care services provided by these programs and to achieve consistency with other portions of the act. The bill will simply extend the authorization for these programs through the year 2000 until such time that the Secretary prepares his report on the entire Indian Health Care Improvement Act.

Mr. President, this legislation is necessary to ensure the continuation of these important health care programs for Indian people. It is my hope that we can move this bill quickly and favorably. I urge my colleagues to support the immediate passage of this legislation.

I ask unanimous consent that the full text of this bill and the section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1869

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Indian Health Care Improvement Technical Corrections Act of 1996".

(b) REFERENCES.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of the Indian Health Care Improvement Act.

SEC. 2. TECHNICAL CORRECTIONS IN THE INDIAN HEALTH CARE IMPROVEMENT ACT.

(a) DEFINITION OF HEALTH PROFESSION.—Section 4(n) (25 U.S.C. 1603(n)) is amended—

(1) by inserting "allopathic medicine," before "family medicine"; and

(2) by striking "and allied health professions" and inserting "an allied health profession, or any other health profession".

(b) INDIAN HEALTH PROFESSIONS SCHOLARSHIPS.—Section 104(b) of the Indian Health Care Improvement Act (25 U.S.C. 1613a(b)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking the matter preceding clause (i) and inserting the following:

"(3)(A) The active duty service obligation under a written contract with the Secretary under section 338A of the Public Health Service Act (42 U.S.C. 254l) that an individual has entered into under that section shall, if that individual is a recipient of an Indian Health Scholarship, be met in full-time practice, by service—";

(ii) by striking "or" at the end of clause (iii);

(iii) by striking the period at the end of clause (iv) and inserting "; or"; and

(iv) by adding at the end the following new clause:

"(v) in an academic setting (including a program that receives funding under section 102, 112, or 114, or any other academic setting that the Secretary, acting through the Service, determines to be appropriate for the purposes of this clause) in which the major duties and responsibilities of the recipient are the recruitment and training of Indian health professionals in the discipline of that recipient in a manner consistent with the purpose of this title, as specified in section 101.";

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) At the request of any individual who has entered into a contract referred to in subparagraph (A) and who receives a degree in medicine (including osteopathic or allopathic medicine), dentistry, optometry, podiatry, or pharmacy, the Secretary shall defer the active duty service obligation of that individual under that contract, in order that such individual may complete any internship, residency, or other advanced clinical training that is required for the practice of that health profession, for an appropriate period (in years, as determined by the Secretary), subject to the following conditions:

"(i) No period of internship, residency, or other advanced clinical training shall be counted as satisfying any period of obligated service that is required under this section.

"(ii) The active duty service obligation of that individual shall commence not later than 90 days after the completion of that advanced clinical training (or by a date specified by the Secretary).

"(iii) The active duty service obligation will be served in the health profession of that individual, in a manner consistent with clauses (i) through (v) of subparagraph (A).";

(D) in subparagraph (C), as so redesignated, by striking "prescribed under section 338C of the Public Health Service Act (42 U.S.C. 254m) by service in a program specified in subparagraph (A)" and inserting "described in subparagraph (A) by service in a program specified in that subparagraph"; and

(E) in subparagraph (D), as so redesignated—

(i) by striking "Subject to subparagraph (B)," and inserting "Subject to subparagraph (C),"; and

(ii) by striking "prescribed under section 338C of the Public Health Service Act (42 U.S.C. 254m)" and inserting "described in subparagraph (A)";

(2) in paragraph (4)—

(A) in subparagraph (B), by striking the matter preceding clause (i) and inserting the following:

"(B) the period of obligated service described in paragraph (3)(A) shall be equal to the greater of—"; and

(B) in subparagraph (C), by striking "(42 U.S.C. 254m(g)(1)(B))" and inserting "(42 U.S.C. 254l(g)(1)(B))";

(3) in paragraph (5), by adding at the end the following new subparagraphs:

"(C) Upon the death of an individual who receives an Indian Health Scholarship, any obligation of that individual for service or payment that relates to that scholarship shall be canceled.

"(D) The Secretary shall provide for the partial or total waiver or suspension of any obligation of service or payment of a recipient of an Indian Health Scholarship if the Secretary determines that—

"(i) it is not possible for the recipient to meet that obligation or make that payment;

"(ii) requiring that recipient to meet that obligation or make that payment would result in extreme hardship to the recipient; or

"(iii) the enforcement of the requirement to meet the obligation or make the payment would be unconscionable.

"(E) Notwithstanding any other provision of law, in any case of extreme hardship or for other good cause shown, the Secretary may waive, in whole or in part, the right of the United States to recover funds made available under this section.

"(F) Notwithstanding any other provision of law, with respect to a recipient of an Indian Health Scholarship, no obligation for payment may be released by a discharge in bankruptcy under title 11, United States Code, unless that discharge is granted after the expiration of the 5-year period beginning on the initial date on which that payment is due, and only if the bankruptcy court finds that the nondischarge of the obligation would be unconscionable.".

(c) Reimbursement From Certain Third Parties of Costs of Health Services.—Section 206 (16 U.S.C. 1621e) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "Except as provided" and inserting "(a) Right of Recovery.—Except as provided";

(ii) by striking "the reasonable expenses incurred" and inserting "the reasonable charges billed";

(iii) by striking "in providing" and inserting "for providing"; and

(iv) by striking "for such expenses" and inserting "for such charges"; and

(B) in paragraph (2), by striking "such expenses" each place it appears and inserting "such charges";

(2) in subsection (b), by striking "(b) Subsection (a)" and inserting "(b) Recovery Against State With Workers' Compensation Laws or No-Fault Automobile Accident Insurance Program.—Subsection (a)";

(3) in subsection (c), by striking "(c) No law" and inserting "(c) Prohibition of State Law or Contract Provision Impediment to Right of Recovery.—No law";

(4) in subsection (d), by striking "(d) No action" and inserting "(d) Right to Damages.—No action";

(5) in subsection (e)—

(A) in the matter preceding paragraph (1), by striking "(e) The United States" and inserting "(e) Intervention or Separate Civil Action.—The United States"; and

(B) by striking paragraph (2) and inserting the following new paragraph:

"(2) while making all reasonable efforts to provide notice of the action to the individual to whom health services are provided prior to the filing of the action, instituting a civil action.";

(6) in subsection (f), by striking "(f) The United States" and inserting "(f) Services Covered Under a Self-Insurance Plan.—The United States"; and

(7) by adding at the end the following new subsections:

"(g) Costs of Action.—In any action brought to enforce this section, the court shall award any prevailing plaintiff costs, including attorneys' fees that were reasonably incurred in that action.

"(h) Right of Recovery for Failure To Provide Reasonable Assurances.—The United States, an Indian tribe, or a tribal organization shall have the right to recover damages against any fiduciary of an insurance company or employee benefit plan that is a provider referred to in subsection (a) who—

"(1) fails to provide reasonable assurances that such insurance company or employee benefit plan has funds that are sufficient to pay all benefits owed by that insurance company or employee benefit plan in its capacity as such a provider; or

"(2) otherwise hinders or prevents recovery under subsection (a), including hindering the pursuit of any claim for a remedy that may be asserted by a beneficiary or participant covered under subsection (a) under any other applicable Federal or State law.".

(d) California Contract Health Services Demonstration Program.—Section 211(g) (25 U.S.C. 1621j(g)) is amended by striking "1993, 1994, 1995, 1996, and 1997" and inserting "1996 through 2000".

(e) Medicare and Medicaid Demonstration Program.—Section 405(c) (42 U.S.C. 1395qq note) is amended—

(1) in paragraph (1)(D), by striking "prior to October 1, 1990" and inserting "on or before the date which is 1 year after the date of submission of the plan"; and

(2) in paragraph (2)—

(A) by striking ", prior to October 1, 1989, select no more than 4" and inserting "select no more than 12"; and

(B) by striking "September 30, 1996" and inserting "September 30, 2000".

(f) Gallup Alcohol and Substance Abuse Treatment Center.—Section 706(d) (25 U.S.C. 1665e(d)) is amended to read as follows:

"(d) Authorization of Appropriations.—There are authorized to be appropriated, for each of fiscal years 1996 through 2000, such sums as may be necessary to carry out subsection (b).".

(g) Substance Abuse Counselor Education Demonstration Program.—Section 711(h) (25 U.S.C. 1665j(h)) is amended by striking "1993, 1994, 1995, 1996, and 1997" and inserting "1996 through 2000".

(h) Home and Community-Based Care Demonstration Program.—Section 821(i) (25 U.S.C. 1680k(i)) is amended by striking "1993, 1994, 1995, 1996, and 1997" and inserting "1996 through 2000".

SECTION-BY-SECTION SUMMARY—INDIAN HEALTH CARE IMPROVEMENT TECHNICAL CORRECTIONS ACT OF 1996

Section 1(a) sets forth the short title of the Act.

Section 1(b) provides that wherever a section or other provision is amended or repealed in this Act, such amendment shall be considered made to the referenced section or provision of the Indian Health Care Improvement Act (25 U.S.C. 1601 et. seq.).

Section 2(a) amends Section 4(n) of the Indian Health Care Improvement Act to modify the definition of "Health Profession" to specify that "allopathic medicine" shall be added as an eligible degree program for individuals to qualify for scholarships and loan repayment programs. This section also modifies the definition by striking the current language of "and allied health professions" and inserting "an allied health profession, or any other health profession" to allow the IHS additional flexibility to determine eligibility for scholarships and loan repayments for individuals enrolled in health professions not specified under this section.

Section 2(b) amends Section 104(b) of the Indian Health Care Improvement Act to add a new provision that clarifies that an individual serving in an academic setting that is funded under sections 102, 112, or 114 of the Act who is responsible for the recruitment and training of Indian Health Professionals shall be considered to be meeting their service obligations under section 338A of the Public Health Service Act. This provision will allow an individual to meet their service obligation to the IHS by working at a university or other academic setting which is responsible for recruiting and training American Indians in the health professions. This is also intended to clarify that the Secretary may defer an individual's service obligation during the term of an internship, residency or other advanced clinical program. Section 104(b) is further amended by adding new subsections to address unique circumstances under which the Secretary to authorized to waive or suspend service or payment obligations due to death or the Secretary's determination that it would cause extreme hardship or to enforce such a requirement would be unconscionable. An additional subsection is added to clarify the terms under which an individual's payment obligation may be discharged in a bankruptcy proceeding.

Section 2(c) amends Section 206 of the Indian Health Care Improvement Act to clarify the notice provisions for individuals in collection actions for services provided by IHS or tribal health facilities and recoverable costs in such a collection action and the right of the United States and Indian tribes to recover against an insurance company or employee benefit plan.

Section 2(d) amends Section 211(g) of the Indian Health Care Improvement Act to extend the authorization for the California Contract Health Services Demonstration Program until the year 2000.

Section 2(e) amends Section 405(c) of the Indian Health Care Improvement Act to provide that applicants for the Medicare and Medicaid Demonstration Program must be accredited by the Joint Commission on Accreditation of Hospitals within one year of submission of an application. Section 405(c) is amended to increase the number of eligible tribal health facilities from four to twelve. The authorization for the Medicare and Medicaid Demonstration Program is extended until the year 2000.

Section 2(f) amends Section 706(d) of the Indian Health Care Improvement Act to strike out 706(d) in its entirety and add a new subsection that will extend the authorization for the Gallup Alcohol and Substance Abuse Treatment Center until the year 2000.

Section 2(g) amends Section 711(h) of the Indian Health Care Improvement Act to extend the authorization for the Substance Abuse Counselor Education Demonstration Program until the year 2000.

Section 2(h) amends Section 821(I) of the Indian Health Care Improvement Act to extend the authorization for the Home and Community-Based Care Demonstration Program until the year 2000.

By Mr. MOYNIHAN:

S. 1870. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

THE MEDICAL EDUCATION TRUST FUND ACT OF 1996

Mr. MOYNIHAN. Mr. President, I rise to introduce legislation that would establish a Medical Education Trust Fund to support America's 124 medical schools and 1,250 teaching hospitals. These institutions are national treasures; they are the very best in the world. Yet today they find themselves in a precarious financial situation as market forces reshape the health care delivery system in the United States. Explicit and dedicated funding for these institutions, which this legislation will provide, will ensure that the United States continues to lead the world in the quality of its health care system.

This legislation requires that the public sector, through the Medicare and Medicaid programs, and the private sector, through an assessment on health insurance premiums, will contribute broad-based and fair financial support. Over the 5-year period, 1997 to 2001, the Medical Education Trust Fund established under this legislation would provide average annual payments of about $17 billion, roughly doubling the funding that we currently provide for medical education.

BRIEF HISTORY

My particular interest in this subject began in 1994, when the Finance Committee took up the President's Health Security Act. I was Chairman of the Committee at the time. In January of that year, I asked Paul Marks, M.D., President of Memorial Sloan-Kettering Cancer Center in New York City, if he would arrange a "seminar" for me on health care issues. He agreed, and gathered a number of medical school deans together one morning in New York.

Early on in the meeting, one of the seminarians remarked that the University of Minnesota might have to close its medical school. In an instant I realized I had heard something new. Minnesota is a place where they open medical schools, not close them. How, then, could this be? The answer was that Minnesota, being Minnesota, was a leading state in the growth of Health Maintenance Organizations, and HMO's do not send patients to teaching hospitals, absent which you cannot have a medical school.

We are in the midst of a great age of discovery in medical science. It is certainly not a time to close medical schools. This great era of medical discovery is occurring right here in the United States, not in Europe like past ages of scientific discovery. And it is centered in New York City. This heroic age of medical science started in the late 1930's. Before then, the average patient was probably as well off, perhaps better, out of a hospital as in one. Progress from that point 60 years ago has been remarkable. The last few decades have brought us images of the inside of the human body based on the magnetic resonance of bodily tissues; laser surgery; micro surgery for reattaching limbs; and organ transplantation, among other wonders. I can hardly imagine what might be next. Physicians are now working on a gene therapy that might eventually replace bypass surgery.

After months of hearings and debate on the President's Health Security Act, I became convinced that special provisions would have to be made for medical schools, teaching hospitals, and medical research if we were not to see this great moment in medical science suddenly constrained. To that end, when the Committee on Finance voted 12 to 8 on July 2, 1994, to report the Health Security Act, it included a graduate medical education and academic health centers trust fund. The trust fund provided an 80-percent increase in Federal funding for academic medicine; as importantly, it represented stable, long-term funding. While nothing came of the effort to enact universal health care coverage, the medical education trust fund enjoyed widespread support. An amendment by then-Senator Malcolm Wallop of Wyoming to kill the trust fund by striking the source of its revenue—a 1.75-percent assessment on health insurance premiums—failed on a 7 to 13 vote in the Finance Committee.

I continued to press the issue in the first session of the 104th Congress. On September 29, 1995, during Finance Committee consideration of the budget reconciliation legislation, I offered an amendment to establish a similar trust fund. With a new majority in control and the committee in the midst of considering a highly partisan budget reconciliation bill, my amendment failed on a tie vote, 10 to 10. Notably, however, the House version of the reconciliation bill did include a graduate medical education trust fund. That provision ultimately passed both Houses as part of the conference agreement, which was subsequently vetoed by President Clinton.

The conference agreement on the budget resolution, being considered by the Senate and House this week, also apparently assumes that this year's Medicare reconciliation bill will include a similar trust fund.

That is the history of this effort, briefly stated.

NEED FOR LEGISLATION

Medical education is one of America's most precious public resources. It should be explicitly financed with contributions from all sectors of the health care system, not just the Medicare Program as is the case today. The fiscal pressures of a competitive health care market are increasingly closing off traditional implicit revenue sources—such as additional payments from private payers—that have in the past supported medical schools, graduate medical education, and research. This legislation provides alternative funding to prevent the deterioration of these institutions and the invaluable services they provide.

Events in Rochester, NY, a community with a long and proud tradition of quality, cost-effective health care, provide a good example of how market forces are reshaping the health care delivery system. Last year, the only option available to retirees of Kodak at no additional cost was a managed care plan. Unfortunately, that managed care plan excluded Strong Memorial, Rochester's prestigious teaching hospital. Strong Memorial was established in 1920 with the help of George Eastman and was named for Henry Strong, a financier of Eastman. Yet ironically, 75 years later, Eastman Kodak's retirees could not get care at Strong Memorial Hospital.

After much protest, the managed care plan brought Strong Memorial into its provider network, but only after Kodak agreed to make separate payments for 1 year to support the costs of graduate medical education at Strong. The Rochester community worked out a solution, however temporary, to the problems faced by its primary teaching hospital, but we cannot, and should not, rely on the Kodaks of the world to finance medical education. We must adopt a comprehensive Federal strategy.

Other teaching hospitals are facing similar difficulties. In its June 1995 "Report to Congress," the Prospective Payment Assessment Commission [ProPAC], the Commission which advises Congress on Medicare hospital insurance part A payment, summarized the situation of teaching hospitals as follows:

> As competition in the health care system intensifies, the additional costs borne by teaching hospitals will place them at a disadvantage relative to other facilities. The role, scale, function, and number of these institutions increasingly will be challenged. . .. Accelerating price competition in the private sector . . . is reducing the ability of teaching hospitals to obtain the higher patient care rates from other payers that traditionally have contributed to financing the costs associated with graduate medical education.

ProPAC's June 1996 "Report to Congress," issued just last week, confirmed that "major teaching hospitals have the dual problems of higher overall losses from uncompensated care and less above cost revenue from private insurers."

It is obvious that teaching hospitals can no longer rely on higher payments from private payers to cover the costs of their teaching programs. Nor should they. The establishment of this trust fund, which reimburses teaching hospitals for the costs of graduate medical education, will ensure that teaching hospitals can pursue their vitally important patient care, training, and research missions in the face of an increasingly competitive health system.

Medical schools also face an uncertain future. There are many policy issues that need to be examined regarding the role of medical schools in our health system, but two threats faced by medical schools now require immediate attention. This legislation addresses both. First, many medical schools are immediately threatened by the dire financial condition of their affiliated teaching hospitals. Medical schools rely on teaching hospitals to provide a place for their faculty to practice and perform research, a place to send third- and fourth-year medical school students for training, and for some direct revenues. By improving the financial condition of teaching hospitals, this legislation significantly improves the outlook for medical schools.

The second immediate threat faced by medical schools stems from their reliance on a portion of the clinical practice revenue generated by their faculties to support their operations. As competition within the health system intensifies and managed care proliferates, these revenues are shrinking. This legislation provides payments to medical schools from the trust fund that are designed to partially offset this loss of revenue.

None of the foregoing is meant to suggest that the new competitive forces reshaping health care have brought only negative results. To the contrary, the onset of competition has had many beneficial effects, the dramatic curtailing of growth in health insurance premiums being the most obvious. But as Msgr. Charles J. Fahey of Fordham University warned in testimony before the Finance Committee in 1994, we must be wary of the "commodification of health care," by which he meant that health care is not just another commodity. We can rely on competition to hold down costs in much of the health system, but we must not allow it to bring a premature end to this great age of medical discovery, an age made possible by this country's exceptionally well-trained health professionals and superior medical schools and teaching hospitals. This legislation complements a competitive health market by providing tax-supported funding for the public services provided by teaching hospitals and medical schools.

DESCRIPTION OF LEGISLATION

The medical education trust fund established in the legislation I have just introduced would receive funding from three sources broadly representing the entire health care system: A 1.5-percent tax on health insurance premiums, the private sector's contribution; Medicare, and Medicaid, the latter two sources comprising the public sector's contribution. The relative contribution from each of these sources will be in rough proportion to the medical education costs attributable to their respective covered populations.

Over the 5-year period 1997 to 2001, the medical education trust fund will provide average annual payments of about $17 billion. The tax on health insurance premiums, including self-insured health plans, raises approximately $4 billion per year for the trust fund. Federal health programs contribute about $13 billion per year to the trust fund: $9 billion in transfers of Medicare graduate medical education payments and $4 billion in Federal Medicaid spending.

This legislation is only a first step. It establishes the principle that, as a public good, medical education should be supported by dedicated, long-term Federal funding. To ensure that the United States continues to lead the world in the quality of its medical education and its health system as a whole, the legislation would also create a medical education advisory commission to conduct a thorough study and make recommendations, including the potential use of demonstration projects, regarding the following: alternative and additional sources of medical education financing; alternative methodologies for financing medical education; policies designed to maintain superior research and educational capacities in an increasingly competitive health system; the appropriate role of medical schools in graduate medical education; and policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals.

Mr. President, the services provided by this Nation's teaching hospitals and medical schools—groundbreaking research, highly skilled medical care, and the training of tomorrow's physicians—are vitally important and must be protected in this time of intense economic competition in the health system. I therefore urge Senators to support the Medical Education Trust Fund Act of 1996.

I ask unanimous consent that a summary and a copy of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medical Education Trust Fund Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Medical Education Trust Fund.
Sec. 3. Amendments to medicare program.
Sec. 4. Amendments to medicaid program.
Sec. 5. Assessments on insured and self-insured health plans.
Sec. 6. Medical Education Advisory Commission.
Sec. 7. Demonstration projects.

SEC. 2. MEDICAL EDUCATION TRUST FUND.

The Social Security Act (42 U.S.C. 300 et seq.) is amended by adding after title XX the following new title:

"TITLE XXI—MEDICAL EDUCATION TRUST FUND

"TABLE OF CONTENTS OF TITLE

"Sec. 2101. Establishment of Trust Fund.
"Sec. 2102. Payments to medical schools.
"Sec. 2103. Payments to teaching hospitals.

"SEC. 2101. ESTABLISHMENT OF TRUST FUND.

"(a) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the Medical Education Trust Fund (in this title referred to as the 'Trust Fund'), consisting of the following accounts:

"(1) The Medical School Account.

"(2) The Medicare Teaching Hospital Indirect Account.

"(3) The Medicare Teaching Hospital Direct Account.

"(4) The Non-Medicare Teaching Hospital Indirect Account.

"(5) The Non-Medicare Teaching Hospital Direct Account.

Each such account shall consist of such amounts as are allocated and transferred to such account under this section, sections 1876(a)(7), 1886(j) and 1931, and section 4503 of the Internal Revenue Code of 1986. Amounts in the accounts of the Trust Fund shall remain available until expended.

"(b) EXPENDITURES FROM TRUST FUND.—Amounts in the accounts of the Trust Fund are available to the Secretary for making payments under sections 2102 and 2103.

"(c) INVESTMENT.—

"(1) IN GENERAL.—The Secretary of the Treasury shall invest amounts in the accounts of the Trust Fund which the Secretary determines are not required to meet current withdrawals from the Trust Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

"(2) SALE OF OBLIGATIONS.—The Secretary of the Treasury may sell at market price any obligation acquired under paragraph (1).

"(3) AVAILABILITY OF INCOME.—Any interest derived from obligations held in each such account, and proceeds from any sale or redemption of such obligations, are hereby appropriated to such account.

"(d) MONETARY GIFTS TO TRUST FUND.—There are appropriated to the Trust Fund such amounts as may be unconditionally donated to the Federal Government as gifts to the Trust Fund. Such amounts shall be allocated and transferred to the accounts described in subsection (a) in the same proportion as the amounts in each of the accounts bears to the total amount in all the accounts of the Trust Fund.

"SEC. 2102. PAYMENTS TO MEDICAL SCHOOLS.

"(a) FEDERAL PAYMENTS TO MEDICAL SCHOOLS FOR CERTAIN COSTS.—

"(1) IN GENERAL.—In the case of a medical school that in accordance with paragraph (2) submits to the Secretary an application for fiscal year 1997 or any subsequent fiscal year, the Secretary shall make payments for such year to the medical school for the purpose specified in paragraph (3). The Secretary shall make such payments from the Medical School Account in an amount determined in accordance with subsection (b), and may administer the payments as a contract, grant, or cooperative agreement.

"(2) APPLICATION FOR PAYMENTS.—For purposes of paragraph (1), an application for payments under such paragraph for a fiscal year is in accordance with this paragraph if—

"(A) the medical school involved submits the application not later than the date specified by the Secretary; and

"(B) the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(3) PURPOSE OF PAYMENTS.—The purpose of payments under paragraph (1) is to assist medical schools in maintaining and developing quality educational programs in an increasingly competitive health care system.

"(b) AVAILABILITY OF TRUST FUND FOR PAYMENTS; ANNUAL AMOUNT OF PAYMENTS.—

"(1) AVAILABILITY OF TRUST FUND FOR PAYMENTS.—The following amounts shall be available for a fiscal year for making payments under subsection (a) from the amount allocated and transferred to the Medical School Account under sections 1876(a)(7), 1886(j), 1931, 2101(c)(3) and (d), and section 4503 of the Internal Revenue Code of 1986:

"(A) In the case of fiscal year 1997, $200,000,000.

"(B) In the case of fiscal year 1998, $300,000,000.

"(C) In the case of fiscal year 1999, $400,000,000.

"(D) In the case of fiscal year 2000, $500,000,000.

"(E) In the case of fiscal year 2001, $600,000,000.

"(F) In the case of each subsequent fiscal year, the amount specified in this paragraph in the previous fiscal year updated through the midpoint of the year by the estimated percentage change in the general health care inflation factor (as defined in subsection (d)) during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous underestimations or overestimations under this subparagraph in the projected health care inflation factor.

"(2) AMOUNT OF PAYMENTS FOR MEDICAL SCHOOLS.—

"(A) IN GENERAL.—Subject to the annual amount available under paragraph (1) for a fiscal year, the amount of payments required under subsection (a) to be made to a medical school that submits to the Secretary an application for such year in accordance with subsection (a)(2) is an amount equal to an amount determined by the Secretary in accordance with subparagraph (B).

"(B) DEVELOPMENT OF FORMULA.—The Secretary shall develop a formula for allocation of funds to medical schools under this section consistent with the purpose described in subsection (a)(3).

"(c) MEDICAL SCHOOL DEFINED.—For purposes of this section, the term 'medical school' means a school of medicine (as defined in section 799 of the Public Health Service Act) or a school of osteopathic medicine (as defined in such section).

"(d) GENERAL HEALTH CARE INFLATION FACTOR.—The term 'general health care inflation factor' means the consumer price index for medical services as determined by the Bureau of Labor Statistics.

"SEC. 2103. PAYMENTS TO TEACHING HOSPITALS.

"(a) FORMULA PAYMENTS TO ELIGIBLE ENTITIES.—

"(1) IN GENERAL.—In the case of any fiscal year beginning after September 30, 1996, the Secretary shall make payments to each eligible entity that, in accordance with paragraph (2), submits to the Secretary an application for such fiscal year. Such payments shall be made from the Trust Fund, and the total of the payments to the eligible entity for the fiscal year shall equal the sum of the amounts determined under subsections (b), (c), (d), and (e).

"(2) APPLICATION.—For purposes of paragraph (1), an application shall contain such information as may be necessary for the Secretary to make payments under such paragraph to an eligible entity during a fiscal year. An application shall be treated as submitted in accordance with this paragraph if it is submitted not later than the date specified by the Secretary, and is made in such form and manner as the Secretary may require.

"(3) PERIODIC PAYMENTS.—Payments under paragraph (1) to an eligible entity for a fiscal year shall be made periodically, at such intervals and in such amounts as the Secretary determines to be appropriate (subject to applicable Federal law regarding Federal payments).

"(4) ADMINISTRATOR OF PROGRAMS.—The Secretary shall carry out responsibility under this title by acting through the Administrator of the Health Care Financing Administration.

"(5) ELIGIBLE ENTITY.—For purposes of this title, the term 'eligible entity', with respect to any fiscal year, means—

"(A) for payment under subsections (b) and (c), an entity which would be eligible to receive payments for such fiscal year under—

"(i) section 1886(d)(5)(B), if such payments had not been terminated for discharges occurring after September 30, 1996;

"(ii) section 1886(h), if such payments had not been terminated for cost reporting periods beginning after September 30, 1996; or

"(iii) both sections; or

"(B) for payment under subsections (d) and (e)—

"(i) an entity which meets the requirement of subparagraph (A); or

"(ii) an entity which the Secretary determines should be considered an eligible entity.

"(b) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

"(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Indirect Account under sections 1876(a)(7) and 1886(j)(1), and subsections (c)(3) and (d) of section 2101 for such fiscal year.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(d)(5)(B) if—

"(A) such payments had not been terminated for discharges occurring after September 30, 1996; and

"(B) such payments included payments for individuals enrolled in a plan under section 1876, except that for fiscal years 1997, 1998, and 1999, only the applicable percentage (as defined in section 1876(a)(7)(B)) of such payments shall be taken into account.

"(c) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

"(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Direct Account under sections 1876(a)(7) and 1886(j)(2), and subsections (c)(3) and (d) of section 2101 for such fiscal year.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(h) if—

"(A) such payments had not been terminated for cost reporting periods beginning after September 30, 1996; and

"(B) such payments included payments for individuals enrolled in a plan under section 1876, except that for fiscal years 1997, 1998, and 1999, only the applicable percentage (as defined in section 1876(a)(7)(B)) of such payments shall be taken into account.

"(d) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

"(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account for such fiscal year under section 1931, subsections (c)(3) and (d) of section 2101, and section 4503 of the Internal Revenue Code of 1986.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(d)(5)(B) if—

"(A) such payments had not been terminated for discharges occurring after September 30, 1996; and

"(B) non-medicare patients were taken into account in lieu of medicare patients.

"(e) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

"(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Direct Account for such fiscal year under section 1931, subsections (c)(3) and (d) of section 2101, and section 4503 of the Internal Revenue Code of 1986.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(h) if—

"(A) such payments had not been terminated for cost reporting periods beginning after September 30, 1996; and

"(B) non-medicare patients were taken into account in lieu of medicare patients.".

SEC. 3. AMENDMENTS TO MEDICARE PROGRAM.

(a) IN GENERAL.—Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

(1) in subsection (d)(5)(B), in the matter preceding clause (i), by striking "The Secretary shall provide" and inserting the following: "For discharges occurring before October 1, 1996, the Secretary shall provide";

(2) in subsection (h)—

(A) in paragraph (1), in the first sentence, by striking "the Secretary shall provide" and inserting "the Secretary shall, subject to paragraph (6), provide"; and

(B) by adding at the end the following new paragraph:

"(6) LIMITATION.—

"(A) IN GENERAL.—The authority to make payments under this subsection shall not apply with respect to—

"(i) cost reporting periods beginning after September 30, 1996; and

"(ii) any portion of a cost reporting period beginning on or before such date which occurs after such date.

"(B) RULE OF CONSTRUCTION.—This paragraph may not be construed as authorizing any payment under section 1861(v) with respect to graduate medical education."; and

(3) by adding at the end the following new subsection:

"(j) TRANSFERS TO MEDICAL EDUCATION TRUST FUND.—

"(1) INDIRECT COSTS OF MEDICAL EDUCATION.—

"(A) TRANSFER.—

"(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund, the Secretary shall, for fiscal year 1997 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to the amount estimated by the Secretary under subparagraph (B).

"(ii) ALLOCATION.—Of the amount transferred under clause (i)—

"(I) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to the Medical Education Trust Fund under title XXI (excluding amounts transferred under subsections (c)(3) and (d) of section 2101) for such fiscal year; and

"(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Indirect Account.

"(B) DETERMINATION OF AMOUNTS.—The Secretary shall make an estimate for each fiscal year involved of the nationwide total of the amounts that would have been paid under subsection (d)(5)(B) to hospitals during the fiscal year if such payments had not been terminated for discharges occurring after September 30, 1996.

"(2) DIRECT COSTS OF MEDICAL EDUCATION.—

"(A) TRANSFER.—

"(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, the Secretary shall, for fiscal year 1997 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to the amount estimated by the Secretary under subparagraph (B).

"(ii) ALLOCATION.—Of the amount transferred under clause (i)—

"(I) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to the Medical Education Trust Fund under title XXI (excluding amounts transferred under subsections (c)(3) and (d) of section 2101) for such fiscal year; and

"(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Direct Account.

"(B) DETERMINATION OF AMOUNTS.—For each hospital, the Secretary shall make an estimate for the fiscal year involved of the amount that would have been paid under subsection (h) to the hospital during the fiscal year if such payments had not been terminated for cost reporting periods beginning after September 30, 1996.

"(C) ALLOCATION BETWEEN FUNDS.—In providing for a transfer under subparagraph (A) for a fiscal year, the Secretary shall provide for an allocation of the amounts involved between part A and part B (and the trust funds established under the respective parts) as reasonably reflects the proportion of direct graduate medical education costs of hospitals associated with the provision of services under each respective part.".

(b) MEDICARE HMO'S.—Section 1876(a) of the Social Security Act (42 U.S.C. 1395mm(a)) is amended by inserting after paragraph (6) the following new paragraph:

"(7)(A) In determining the adjusted average per capita cost under paragraph (4) for fiscal years after 1996, the Secretary shall not take into account the applicable percentage of costs under sections 1886(d)(5)(B) (indirect costs of medical education) and 1886(h) (direct graduate medical education costs).

"(B) For purposes of subparagraph (A), the applicable percentage is—

"(i) for fiscal year 1997, 25 percent;

"(ii) for fiscal year 1998, 50 percent;

"(iii) for fiscal year 1999, 75 percent; and

"(iv) for fiscal year 2000 and each subsequent fiscal year, 100 percent.

"(C)(i) There is appropriated and transferred to the Medical Education Trust Fund each fiscal year an amount equal to the aggregate amounts not taken into account under paragraph (4) by reason of subparagraph (A).

"(ii) Of the amounts transferred under clause (i)—

"(I) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to the Medical Education Trust Fund under section 2101 (excluding amounts transferred under subsections (c)(3) and (d) of such section) for such fiscal year; and

"(II) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Indirect Account under such section and the Medicare Teaching Hospital Direct Account under such section in the same proportion as the amounts attributable to the costs under sections 1886(d)(5)(B) and 1886(h) were of the amounts transferred under clause (i).

"(iii) The Secretary shall make payments under clause (i) from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, in the same manner as the Secretary determines under section 1886(j).".

SEC. 4. AMENDMENTS TO MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended—

(1) by redesignating section 1931 as section 1932; and

(2) by inserting after section 1930, the following new section:

"TRANSFER OF FUNDS TO ACCOUNTS

"SEC. 1931. (a) TRANSFER OF FUNDS.—

"(1) IN GENERAL.—For fiscal year 1997 and each subsequent fiscal year, the Secretary shall transfer to the Medical Education Trust Fund an amount equal to the amount determined under subsection (b).

"(2) ALLOCATION.—Of the amount transferred under paragraph (1)—

"(A) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section

2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under paragraph (1) bears to the total amounts transferred to the Medical Education Trust Fund under title XXI (excluding amounts transferred under subsections (c)(3) and (d) of section 2101) for such fiscal year; and

"(B) the remainder shall be allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account and the Non-Medicare Teaching Hospital Direct Account, in the same proportion as the amounts transferred to each account under section 1886(j) relate to the total amounts transferred under such section for such fiscal year.

"(b) AMOUNT DETERMINED.—

"(1) OUTLAYS FOR ACUTE MEDICAL SERVICES DURING PRECEDING FISCAL YEAR.—Beginning with fiscal year 1997, the Secretary shall determine 5 percent of the total amount of Federal outlays made under this title for acute medical services, as defined in paragraph (2), for the preceding fiscal year.

"(2) ACUTE MEDICAL SERVICES DEFINED.— The term 'acute medical services' means items and services described in section 1905(a) other than the following:

"(A) Nursing facility services (as defined in section 1905(f)).

"(B) Intermediate care facility for the mentally retarded services (as defined in section 1905(d)).

"(C) Personal care services (as described in section 1905(a)(24)).

"(D) Private duty nursing services (as referred to in section 1905(a)(8)).

"(E) Home or community-based services furnished under a waiver granted under subsection (c), (d), or (e) of section 1915.

"(F) Home and community care furnished to functionally disabled elderly individuals under section 1929.

"(G) Community supported living arrangements services under section 1930.

"(H) Case-management services (as described in section 1915(g)(2)).

"(I) Home health care services (as referred to in section 1905(a)(7)), clinic services, and rehabilitation services that are furnished to an individual who has a condition or disability that qualifies the individual to receive any of the services described in a previous subparagraph.

"(J) Services furnished in an institution for mental diseases (as defined in section 1905(i)).

"(c) ENTITLEMENT.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment to the Non-Medicare Teaching Hospital Indirect Account, the Non-Medicare Teaching Hospital Direct Account, and the Medical School Account of amounts determined in accordance with subsections (a) and (b).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective on and after October 1, 1996.

SEC. 5. ASSESSMENTS ON INSURED AND SELF-INSURED HEALTH PLANS.

(a) GENERAL RULE.—Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by adding after chapter 36 the following new chapter:

"CHAPTER 37—HEALTH RELATED ASSESSMENTS

"SUBCHAPTER A. Insured and self-insured health plans.

"Subchapter A—Insured and Self-Insured Health Plans

"Sec. 4501. Health insurance and health-related administrative services.

"Sec. 4502. Self-insured health plans.

"Sec. 4503. Transfer to accounts.

"Sec. 4504. Definitions and special rules.

"SEC. 4501. HEALTH INSURANCE AND HEALTH-RELATED ADMINISTRATIVE SERVICES.

"(a) IMPOSITION OF TAX.—There is hereby imposed—

"(1) on each taxable health insurance policy, a tax equal to 1.5 percent of the premiums received under such policy, and

"(2) on each amount received for health-related administrative services, a tax equal to 1.5 percent of the amount so received.

"(b) LIABILITY FOR TAX.—

"(1) HEALTH INSURANCE.—The tax imposed by subsection (a)(1) shall be paid by the issuer of the policy.

"(2) HEALTH-RELATED ADMINISTRATIVE SERVICES.—The tax imposed by subsection (a)(2) shall be paid by the person providing the health-related administrative services.

"(c) TAXABLE HEALTH INSURANCE POLICY.— For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'taxable health insurance policy' means any insurance policy providing accident or health insurance with respect to individuals residing in the United States.

"(2) EXEMPTION OF CERTAIN POLICIES.—The term 'taxable health insurance policy' does not include any insurance policy if substantially all of the coverage provided under such policy relates to—

"(A) liabilities incurred under workers' compensation laws,

"(B) tort liabilities,

"(C) liabilities relating to ownership or use of property,

"(D) credit insurance, or

"(E) such other similar liabilities as the Secretary may specify by regulations.

"(3) SPECIAL RULE WHERE POLICY PROVIDES OTHER COVERAGE.—In the case of any taxable health insurance policy under which amounts are payable other than for accident or health coverage, in determining the amount of the tax imposed by subsection (a)(1) on any premium paid under such policy, there shall be excluded the amount of the charge for the nonaccident or nonhealth coverage if—

"(A) the charge for such nonaccident or nonhealth coverage is either separately stated in the policy, or furnished to the policyholder in a separate statement, and

"(B) such charge is reasonable in relation to the total charges under the policy.

In any other case, the entire amount of the premium paid under such policy shall be subject to tax under subsection (a)(1).

"(4) TREATMENT OF PREPAID HEALTH COVERAGE ARRANGEMENTS.—

"(A) IN GENERAL.—In the case of any arrangement described in subparagraph (B)—

"(i) such arrangement shall be treated as a taxable health insurance policy,

"(ii) the payments or premiums referred to in subparagraph (B)(i) shall be treated as premiums received for a taxable health insurance policy, and

"(iii) the person referred to in subparagraph (B)(i) shall be treated as the issuer.

"(B) DESCRIPTION OF ARRANGEMENTS.—An arrangement is described in this subparagraph if under such arrangement—

"(i) fixed payments or premiums are received as consideration for any person's agreement to provide or arrange for the provision of accident or health coverage to residents of the United States, regardless of how such coverage is provided or arranged to be provided, and

"(ii) substantially all of the risks of the rates of utilization of services is assumed by such person or the provider of such services.

"(d) HEALTH-RELATED ADMINISTRATIVE SERVICES.—For purposes of this section, the term 'health-related administrative services' means—

"(1) the processing of claims or performance of other administrative services in connection with accident or health coverage under a taxable health insurance policy if the charge for such services is not included in the premiums under such policy, and

"(2) processing claims, arranging for provision of accident or health coverage, or performing other administrative services in connection with an applicable self-insured health plan (as defined in section 4502(c)) established or maintained by a person other than the person performing the services.

For purposes of paragraph (1), rules similar to the rules of subsection (c)(3) shall apply.

"SEC. 4502. SELF-INSURED HEALTH PLANS.

"(a) IMPOSITION OF TAX.—In the case of any applicable self-insured health plan, there is hereby imposed a tax for each month equal to 1.5 percent of the sum of—

"(1) the accident or health coverage expenditures for such month under such plan, and

"(2) the administrative expenditures for such month under such plan to the extent such expenditures are not subject to tax under section 4501.

In determining the amount of expenditures under paragraph (2), rules similar to the rules of subsection (d)(3) apply.

"(b) LIABILITY FOR TAX.—

"(1) IN GENERAL.—The tax imposed by subsection (a) shall be paid by the plan sponsor.

"(2) PLAN SPONSOR.—For purposes of paragraph (1), the term 'plan sponsor' means—

"(A) the employer in the case of a plan established or maintained by a single employer,

"(B) the employee organization in the case of a plan established or maintained by an employee organization, or

"(C) in the case of—

"(i) a plan established or maintained by 2 or more employers or jointly by 1 or more employers and 1 or more employee organizations,

"(ii) a voluntary employees' beneficiary association under section 501(c)(9), or

"(iii) any other association plan,

the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

"(c) APPLICABLE SELF-INSURED HEALTH PLAN.—For purposes of this section, the term 'applicable self-insured health plan' means any plan for providing accident or health coverage if any portion of such coverage is provided other than through an insurance policy.

"(d) ACCIDENT OR HEALTH COVERAGE EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The accident or health coverage expenditures of any applicable self-insured health plan for any month are the aggregate expenditures paid in such month for accident or health coverage provided under such plan to the extent such expenditures are not subject to tax under section 4501.

"(2) TREATMENT OF REIMBURSEMENTS.—In determining accident or health coverage expenditures during any month of any applicable self-insured health plan, reimbursements (by insurance or otherwise) received during such month shall be taken into account as a reduction in accident or health coverage expenditures.

"(3) CERTAIN EXPENDITURES DISREGARDED.—Paragraph (1) shall not apply to any expenditure for the acquisition or improvement of land or for the acquisition or improvement of any property to be used in connection with the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be considered as expenditures.

"SEC. 4503. TRANSFER TO ACCOUNTS.

"For fiscal year 1997 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund amounts equivalent to taxes received in the Treasury under sections 4501 and 4502, of which—

"(1) there shall be allocated and transferred to the Medical School Account an amount which bears the same ratio to the total amount available under section 2102(b)(1) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred to the Medical Education Trust Fund under title XXI of the Social Security Act under this section bears to the total amounts transferred to such Trust Fund (excluding amounts transferred under subsections (c)(3) and (d) of section 2101 of such Act) for such fiscal year; and

"(2) the remainder shall be allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account and the Non-Medicare Teaching Hospital Direct Account, in the same proportion as the amounts transferred to such account under section 1886(j) relate to the total amounts transferred under such section for such fiscal year.

Such amounts shall be transferred in the same manner as under section 9601.

"SEC. 4504. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subchapter—

"(1) ACCIDENT OR HEALTH COVERAGE.—The term 'accident or health coverage' means any coverage which, if provided by an insurance policy, would cause such policy to be a taxable health insurance policy (as defined in section 4501(c)).

"(2) INSURANCE POLICY.—The term 'insurance policy' means any policy or other instrument whereby a contract of insurance is issued, renewed, or extended.

"(3) PREMIUM.—The term 'premium' means the gross amount of premiums and other consideration (including advance premiums, deposits, fees, and assessments) arising from policies issued by a person acting as the primary insurer, adjusted for any return or additional premiums paid as a result of endorsements, cancellations, audits, or retrospective rating. Amounts returned where the amount is not fixed in the contract but depends on the experience of the insurer or the discretion of management shall not be included in return premiums.

"(4) UNITED STATES.—The term 'United States' includes any possession of the United States.

"(b) TREATMENT OF GOVERNMENTAL ENTITIES.—

"(1) IN GENERAL.—For purposes of this subchapter—

"(A) the term 'person' includes any governmental entity, and

"(B) notwithstanding any other law or rule of law, governmental entities shall not be exempt from the taxes imposed by this subchapter except as provided in paragraph (2).

"(2) EXEMPT GOVERNMENTAL PROGRAMS.—In the case of an exempt governmental program—

"(A) no tax shall be imposed under section 4501 on any premium received pursuant to such program or on any amount received for health-related administrative services pursuant to such program, and

"(B) no tax shall be imposed under section 4502 on any expenditures pursuant to such program.

"(3) EXEMPT GOVERNMENTAL PROGRAM.—For purposes of this subchapter, the term 'exempt governmental program' means—

"(A) the insurance programs established by parts A and B of title XVIII of the Social Security Act,

"(B) the medical assistance program established by title XIX of the Social Security Act,

"(C) any program established by Federal law for providing medical care (other than through insurance policies) to individuals (or the spouses and dependents thereof) by reason of such individuals being—

"(i) members of the Armed Forces of the United States, or

"(ii) veterans, and

"(D) any program established by Federal law for providing medical care (other than through insurance policies) to members of Indian tribes (as defined in section 4(d) of the Indian Health Care Improvement Act).

"(c) NO COVER OVER TO POSSESSIONS.—Notwithstanding any other provision of law, no amount collected under this subchapter shall be covered over to any possession of the United States.".

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle D of the Internal Revenue Code of 1986 is amended by inserting after the item relating to chapter 36 the following new item:

"CHAPTER 37. Health related assessments."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to premiums received, and expenses incurred, with respect to coverage for periods after September 30, 1996.

SEC. 6. MEDICAL EDUCATION ADVISORY COMMISSION.

(a) ESTABLISHMENT.—There is hereby established an advisory commission to be known as the Medical Education Advisory Commission (in this section referred to as the "Advisory Commission").

(b) DUTIES.—

(1) IN GENERAL.—The Advisory Commission shall—

(A) conduct a thorough study of all matters relating to—

(i) the operation of the Medical Education Trust Fund established under section 2;

(ii) alternative and additional sources of graduate medical education funding;

(iii) alternative methodologies for compensating teaching hospitals for graduate medical education;

(iv) policies designed to maintain superior research and educational capacities in an increasing competitive health system;

(v) the role of medical schools in graduate medical education; and

(vi) policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals;

(B) develop recommendations, including the use of demonstration projects, on the matters studied under subparagraph (A) in consultation with the Secretary of Health and Human Services and the entities described in paragraph (2);

(C) not later than January 1998, submit an interim report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services; and

(D) not later than January 2000, submit a final report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services.

(2) ENTITIES DESCRIBED.—The entities described in this paragraph are—

(A) other advisory groups, including the Council on Graduate Medical Education, the Prospective Payment Assessment Commission, and the Physician Payment Review Commission;

(B) interested parties, including the Association of American Medical Colleges, the Association of Academic Health Centers, and the American Medical Association;

(C) health care insurers, including managed care entities; and

(D) other entities as determined by the Secretary of Health and Human Services.

(c) NUMBER AND APPOINTMENT.—The membership of the Advisory Commission shall include 9 individuals who are appointed to the Advisory Commission from among individuals who are not officers or employees of the United States. Such individuals shall be appointed by the Secretary of Health and Human Services, and shall include individuals from each of the following categories:

(1) Physicians who are faculty members of medical schools.

(2) Officers or employees of teaching hospitals.

(3) Officers or employees of health plans.

(4) Such other individuals as the Secretary determines to be appropriate.

(d) TERMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Advisory Commission shall serve for the lesser of the life of the Advisory Commission, or 4 years.

(2) SERVICE BEYOND TERM.—A member of the Advisory Commission may continue to serve after the expiration of the term of the member until a successor is appointed.

(e) VACANCIES.—If a member of the Advisory Commission does not serve the full term applicable under subsection (d), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(f) CHAIR.—The Secretary of Health and Human Services shall designate an individual to serve as the Chair of the Advisory Commission.

(g) MEETINGS.—The Advisory Commission shall meet not less than once during each 4-month period and shall otherwise meet at the call of the Secretary of Health and Human Services or the Chair.

(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—Members of the Advisory Commission shall receive compensation for each day (including travel time) engaged in carrying out the duties of the Advisory Commission. Such compensation may not be in an amount in excess of the maximum rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—

(1) STAFF DIRECTOR.—The Advisory Commission shall, without regard to the provisions of title 5, United States Code, relating to competitive service, appoint a Staff Director who shall be paid at a rate equivalent to

a rate established for the Senior Executive Service under 5382 of title 5, United States Code.

(2) ADDITIONAL STAFF.—The Secretary of Health and Human Services shall provide to the Advisory Commission such additional staff, information, and other assistance as may be necessary to carry out the duties of the Advisory Commission.

(j) TERMINATION OF THE ADVISORY COMMISSION.—The Advisory Commission shall terminate 90 days after the date on which the Advisory Commission submits its final report under subsection (b)(1)(D).

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 7. DEMONSTRATION PROJECTS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall establish, by regulation, guidelines for the establishment and operation of demonstration projects which the Medical Education Advisory Commission recommends under subsection (b)(1)(B) of section 6.

(b) FUNDING.—

(1) IN GENERAL.—For any fiscal year after 1996, amounts in the Medical Education Trust Fund under title XXI of the Social Security Act shall be available for use by the Secretary in the establishment and operation of demonstration projects described in subsection (a).

(2) FUNDS AVAILABLE.—

(A) LIMITATION.—Not more than 1/10 of 1 percent of the funds in such trust fund shall be available for the purposes of paragraph (1).

(B) ALLOCATION.—Amounts under paragraph (1) shall be paid from the accounts established under paragraphs (2) through (5) of section 2101(a) of the Social Security Act, in the same proportion as the amounts transferred to such accounts bears to the total of amounts transferred to all 4 such accounts for such fiscal year.

(c) LIMITATION.—Nothing in this section shall be construed to authorize any change in the payment methodology for teaching hospitals and medical schools established by this Act.

SUMMARY OF THE MEDICAL EDUCATION TRUST FUND ACT OF 1996

OVERVIEW

The legislation establishes a Medical Education Trust Fund to support America's 124 medical schools and 1,250 teaching hospitals. These institutions are in a precarious financial situation as market forces reshape the health care delivery system. Explicit and dedicated funding for these institutions will guarantee that the United States continues to lead the world in the quality of its health care system.

The Medical Education Trust Fund Act of 1996 recognizes the need to begin moving away from existing medical education payment policies. Funding would be provided for demonstration projects and alternative payment methods, but permanent policy changes would await a report from a new Medical Education Advisory Commission established by the bill. The primary, and immediate, purpose of the legislation is to establish as Federal policy that medical education is a public good which should be supported by all sectors of the health care system.

To ensure that the burden of financing medical education is shared equitably by all sectors, the Medical Education Trust Fund will receive funding from three sources: a 1.5 percent assessment on health insurance premiums (the private sector's contribution), Medicare, and Medicaid (the public sector's contribution). The relative contribution from each of these sources is in rough proportion to the medical education costs attributable to their respective covered populations.

Over the five year period 1997-2001, the Medical Education Trust Fund will provide average annual payments of about $17 billion, roughly doubling federal funding for medical education. The assessment on health insurance premiums (including self-insured health plans) contributes approximately $4 billion per year to the Trust Fund. Federal health programs contribute about $13 billion per year to the Trust Fund: $9 billion in transfers of current Medicare graduate medical education payments and $4 billion in federal Medicaid spending.

Estimated Average Annual Trust Fund Revenue By Source, 1997–2001

(In billions of dollars)

1.5% Assessment	4
Medicare	9
Medicaid	4
Total	17

INTERIM PAYMENT METHODOLOGIES

Payments to Medical Schools

Medical schools rely on a portion of the clinical practice revenue generated by their faculties to support their operations. As competition within the health system intensifies and managed care proliferates, these revenues are being constrained. Payments to medical schools from the Trust Fund are designed to partially offset this loss of revenue. Initially, these payments will be based upon an interim methodology developed by the Secretary of Health and Human Services.

Payments to Teaching Hospitals

To cover the costs of education, teaching hospitals have traditionally charged higher rates than other hospitals. As private payers become increasingly unwilling to pay these higher rates, the future of these important institutions, and the patient care, training, and research they provide, is placed at risk. Payments from the Trust Fund reimburse teaching hospitals for both the direct and indirect costs of graduate medical education.

Payments for direct costs are based on the actual costs of employing medical residents. Payments for indirect costs are based on the number of patients cared for in each hospital and the severity of their illnesses as well as a measure of the teaching load in that hospital. For the purposes of payments to teaching hospitals, the allocation of Medicare funds is based on the number of Medicare patients in each hospital; the allocation of the tax revenue and Medicaid funds is based on the number of non-Medicare patients in each hospital.

The legislation also includes a "carve out" of graduate medical education payments from Medicare's payment to HMOs. Under current law, this payment is based on Medicare's average fee-for-service costs—including graduate medical education costs. Therefore, every time a Medicare beneficiary enrolls in an HMO, money that was being paid to teaching hospitals for medical education in the form of additional payments for direct and indirect costs, is paid instead to an HMO as part of a monthly premium. There is no requirement that HMOs use any of this payment to support medical education. Over a 4-year period, the legislation removes graduate medical education payments from HMO payment calculation. These funds are deposited into the Medical Education Trust Fund and paid directly to teaching hospitals.

MEDICAL EDUCATION ADVISORY COMMISSION

The legislation also establishes a Medical Education Advisory Commission to conduct a study and make recommendations, including the potential use of demonstration projects, regarding the following:

operations of the Medical Education Trust Fund; alternative and additional sources of medical education financing; alternative methodologies for distributing medical education payments; policies designed to maintain superior research and educational capacities in an increasingly competitive health system; the role of medical schools in graduate medical education; and policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals.

The Commission, comprised of nine individuals appointed by the Secretary of Health and Human Services, will be required to issue an interim report no later than January 1, 1998, and a final report no later than January 1, 2000.

By Mr. CHAFEE:

S. 1871. A bill to expand the Pettaquamscutt Cove National Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

THE PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE EXPANSION ACT OF 1996

Mr. CHAFEE. Mr. President, today I am pleased to introduce a bill to enhance legislation I authored in 1988 that established the Pettaquamscutt Cove National Wildlife Refuge in Rhode Island.

Pettaquamscutt Cove—a cove which divides the towns of Narragansett and South Kingstown, RI—is one of the State's natural jewels. The tidal marshes and mudflats in Pettaquamscutt Cove are home to a diverse species of waterfowl, wading birds and shore birds, and numerous small mammals, reptiles, and amphibians.

Pettaquamscutt Cove has been identified as the most important migration and wintering habitat in Rhode Island for the black duck population under the North American waterfowl management plan. I might mention that this plan has been a tremendous success, capitalizing on the cooperative efforts of the Federal Government working with nonprofit groups and local governments. These efforts to protect wetlands—through establishment of national wildlife refuges such as Pettaquamscutt, through conservation efforts to implement the North American Wetlands Conservation Act, and through other statutes like the Wetlands Reserve Program that was recently expanded in the farm bill that protect our Nation's wetlands—have been a great success. Add to this some decent rainfall, and the waterfowl populations have rebounded tremendously. Not since 1955 have we witnessed such a spectacular migration of waterfowl as this past year.

Rhode Island has lost almost 40 percent of its original wetlands. It is essential that we do all we can to hold the line on continued losses of wetlands through preservation of ecosystems such as Pettaquamscutt Cove. By expanding Pettaquamscutt Cove Refuge, this bill will protect the fertile marsh habitat that supports a multitude of fish and wildlife and plants along Rhode Island's coast and provide more recreational opportunities for Rhode Islanders and other visitors.

Currently, the Pettaquamscutt Cove National Wildlife Refuge boundary encompasses 460 acres of salt marsh and surrounding forest habitat. One hundred seventy-five acres of habitat have already been acquired by the Service. This bill expands the Pettaquamscutt Cove National Wildlife Refuge boundary to include a 100-acre parcel, known as foddering farm acres and; allows the Fish and Wildlife Service to expand the refuge boundary to include other important habitat if and when suitable properties become available in the future.

Mr. President, the expansion of Pettaquamscutt Cove Refuge to include the foddering farm acres property provides a wonderful example of cooperation between the Fish and Wildlife Service and private citizens. The 100-acre foddering farm property—adjacent to long pond—contains valuable wetland habitat for waterfowl and other species. The Rotelli family who owns the property has been working with, and waiting patiently for, the U.S. Fish and Wildlife Service for several years. The Rotellis have indicated their willingness to donate a portion of the value of the property to the Service. Through their partial donation, the National Wildlife Refuge System gains valuable habitat at a bargain price. Three cheers for the Rotellis. It is just this kind of private conservation effort and public spiritedness that has enabled us to preserve important open space throughout Rhode Island.

This bill will enable the Fish and Wildlife Service to continue their efforts to work with Rhode Islanders like the Rotellis to protect the beautiful and important natural resources along Rhode Island's coast.

Mr. President, I urge my colleagues to support this legislation and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXPANSION OF PETTAQUAMSCUTT COVE NATIONAL WILDLIFE REFUGE.

Section 204 of Public Law 100–610 (16 U.S.C. 668dd note) is amended by adding at the end the following:

"(e) EXPANSION OF REFUGE.—

"(1) ACQUISITION.—The Secretary may acquire for addition to the refuge the area in Rhode Island known as 'Foddering Farm Acres', consisting of approximately 100 acres, adjacent to Long Cove and bordering on Foddering Farm Road to the south and Point Judith Road to the east, as depicted on a map entitled 'Pettaquamscutt Cove NWR Expansion Area,' dated May 13, 1996, and available for inspection in appropriate offices of the United States Fish and Wildlife Service.

"(2) BOUNDARY ADJUSTMENT.—After making the acquisition described in paragraph (1), the Secretary shall revise the boundaries of the refuge to reflect the acquisition.

"(f) FUTURE EXPANSION.—

"(1) IN GENERAL.—The Secretary may acquire for addition to the refuge such lands, waters, and interests in land and water as the Secretary considers appropriate and shall adjust the boundaries of the refuge accordingly.

"(2) APPLICABLE LAWS.—Any acquisition described in paragraph (1) shall be carried out in accordance with all applicable laws.".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 206(a) of Public Law 100–610 (16 U.S.C. 668dd note) is amended by striking "designated in section 4(a)(1)" and inserting "designated or identified under section 204".

SEC. 3. TECHNICAL AMENDMENTS.

Public Law 100–610 (16 U.S.C. 668dd note) is amended—

(1) in section 201(1)—

(A) by striking "and the associated" and inserting "including the associated"; and

(B) by striking "and dividing" and inserting "dividing";

(2) in section 203, by striking "of this Act" and inserting "of this title";

(3) in section 204—

(A) in subsection (a)(1), by striking "of this Act" and inserting "of this title"; and

(B) in subsection (b), by striking "purpose of this Act" and inserting "purposes of this title";

(4) in the second sentence of section 205, by striking "of this Act" and inserting "of this title"; and

(5) in section 207, by striking "Act" and inserting "title".

By Mr. SIMON:

S. 1872. A bill to amend section 922(x)(5) of title 18, United States Code, relating to the prohibition of possession of a handgun by a minor, to change the definition of minor from under 18 years of age to under 21 years of age: to the Committee on the Judiciary.

AMENDMENTS TO THE YOUTH HANDGUN SAFETY ACT

Mr. SIMON. Madam President, I know that all of my colleagues share my concern about the increasing violence committed by and against young people in our Nation. There are many factors contributing to youth crime and violence and, as legislators, it is essential that we consider them not only as a whole but also individually. One of the contributing factors is clearly the easy access to handguns by young people. According to "Violence by Young People: Why the Deadly Nexus?" by Prof. Alfred Blumstein of Carnegie Mellon University, the number of murders committed by juveniles involving a gun has doubled since 1985, while there has been no such shift in the number of non-gun homicides. Guns are therefore playing a disproportionate role in the juvenile murder rate.

The legislation I am introducing amends the Youth Handgun Safety Act. Senator KOHL sponsored this important act, which was passed as part of the 1994 crime bill, to establish a minimum age requirement of 18 years old for the possession of a handgun. Specifically, the act makes it illegal for anyone under age 18 to possess a handgun and for anyone to knowingly transfer a handgun to a juvenile. There are exceptions for ranching or farming, and when the juvenile has written consent from a parent and is in compliance with all State and local laws. The act makes handgun possession and transferring a handgun to a juvenile a misdemeanor crime punishable by fines and up to 1 year imprisonment. Of course, Congress intends this measure to apply to handguns that have traveled in interstate commerce.

Before the act became law, it was illegal for a licensed dealer to sell a handgun to anyone under age 21 and a long gun to anyone under age 18. However, there were no Federal penalties for the under-age person who bought the gun or for private transfers of a handgun. I applaud Senator KOHL for his sponsorship of this important initiative.

As it now stands, however, the Youth Handgun Safety Act defines the term "juvenile" as a person who is less than 18 years of age. My proposal would amend the definition of "juvenile" in this measure to mean a person who is less than 21 years of age.

Unfortunately, more and more frequently we hear stories about juvenile brawls which turn into deadly battles. Increasing the age limit for possession of a handgun to 21 is one step we can take to try to reduce this bloody cycle. Recognizing that alcohol and teenagers can be a deadly combination, Congress wisely amended the highway fund to include penalties for States that did not raise the drinking age to 21. We should follow this example when it comes to guns and teens as well. By introducing this measure I hope to encourage my colleagues to think about how we might help our teens to grow into responsible young adults. As limiting access to alcohol has certainly saved lives, so too will limiting access to handguns.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO THE YOUTH HANDGUN SAFETY LAW.

Section 922(x)(5) of title 18, United States Code, is amended by striking "18 years" and inserting "21 years".

By Mr. INHOFE (for himself, Mr. CHAFEE, Mr. LIEBERMAN, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. MOYNIHAN, Mr. REID, and Mr. LUGAR):

S. 1873. A bill to amend the National Environmental Education Act to extend the programs under the act, and for other purposes; to the Committee on Environment and Public Works.

THE NATIONAL ENVIRONMENTAL EDUCATION AMENDMENTS ACT OF 1996

Mr. INHOFE. Mr. President, I introduce legislation to reauthorize the National Environmental Education Act. I am joined by my colleagues, Senators CHAFEE, LIEBERMAN, FAIRCLOTH, KEMPTHORNE, MOYNIHAN, REID, and LUGAR. And I am joined on the House side by my colleague, Congressman SCOTT KLUG of Wisconsin, who is introducing an identical bill in the House today.

This bill will reauthorize the educational efforts at the National Environmental Education and Training Foundation and the EPA's Office of Environmental Education. These programs support environmental education at the local level. They provide grant money and seed money to encourage local primary and secondary schools and universities to educate children on environment issues.

With the importance of the environment and the continuing debate on how best to protect it, it is vital to educate our children so that they truly understand how the environment functions.

Over the last few years environmental education has been criticized for being one-sided and heavy-handed. People have accused environmental advocates of trying to brainwash children and of pushing an environmental agenda that is not supported by the facts or by science. They also accuse the Federal Government of setting one curriculum standard and forcing all schools to subscribe to their views. This is not how these two environmental education programs have worked, and I have taken specific steps to ensure that they never work this way.

The programs that this act reauthorizes have targeted the majority of their grants at the local level, allowing the teachers in our community schools to design their environmental programs to teach our children, and this is where the decisions should be made. In addition, the grants have not been used for advocacy or to lobby the Government, as other grant programs have been accused of doing.

This legislation accomplishes two important functions. First, it cleans up the current law to make the programs run more efficiently. And second, it places two very important safeguards in the program to ensure its integrity in the future.

I have placed in this bill language to ensure that the EPA programs are balanced and scientifically sound. It is important that environmental education is presented in an unbiased and balanced manner. The personal values and prejudices of the educators should not be instilled in our children. Instead we must teach them to think for themselves after they have been presented with all of the facts and information. Environmental ideas must be grounded in sound science and not emotional bias. While these programs have not been guilty of this in the past, this is an important safeguard to protect the future of environmental education.

Second, I have included language which prohibits any of the funds to be used for lobbying efforts. While these programs have not used the grant process to lobby the Government, there are other programs which have been accused of this and this language will ensure that this program never becomes a vehicle for the executive branch to lobby Congress.

This bill also makes a number of housekeeping changes to the programs which are supported by both the EPA and the Education Foundation which will both streamline and programs and make them more efficient.

The grants that have been awarded under this program have gone to a number of local groups. In Oklahoma alone such organizations as the Stillwater 4-H Foundation; Roosevelt Elementary School in Norman, OK; Oklahoma State University; the Kaw Nation of Oklahoma; and the Osage County Oklahoma Conservation District have received grants for environmental education under these programs.

This is an important piece of legislation, and I hope both the Senate and the House can act quickly to reauthorize these programs.

By Mr. JOHNSTON:

S. 1874. A bill to amend sections of the Department of Energy Organization Act that are obsolete or inconsistent with other statutes and to repeal a related section of the Federal Energy Administration Act of 1974; to the Committee on Energy and Natural Resources.

THE DEPARTMENT OF ENERGY STANDARDIZATION ACT OF 1996

Mr. JOHNSTON. Mr. President, the bill that I have just introduced, which is strongly supported by the administration, amends or repeals a number of sections in the Department of Energy Organization Act and the Federal Energy Administration Act of 1974 that are obsolete or that are duplicative or inconsistent with other, Governmentwide statutes governing rulemaking and advisory committee management.

Over the past 3 years, I have proposed, on a number of occasions, amendments to remove administrative requirements of the Department of Energy Organization Act that are more onerous than similar Governmentwide requirements contained in more general statutes. For example, with the support of the Department of Energy [DOE] and the Office of Government Ethics, I have successfully promoted the repeal of financial disclosure and divestiture requirements affecting DOE employees that were more stringent than the comparable requirements of the Ethics in Government Act and that provided potent recruitment disincentives for outstanding potential employees for the Department.

This bill continues the process of placing DOE on a similar footing in administrative law to other Federal agencies. The first subsection in section 2 of the bill repeals redundant and obsolete requirements affecting DOE rule making under the Administrative Procedure Act, and places DOE procurement rulemaking under the same statutory basis, that is, the Office of Federal Procurement Policy Act, as all other Federal agencies. The second subsection repeals a restriction on DOE advisory committees that effectively prevents DOE from using committees under the Federal Advisory Committee Act for peer review of scientific and technical proposals and the selection of awardees for such departmental scientific honors as the Fermi Award and the E.O. Lawrence Award.

The proposals are noncontroversial, the Department of Energy has rendered technical assistance in their drafting, and the administration has indicated its strong support for these provisions in a letter dated June 10, 1996. I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, DC, June 10, 1996.

Hon. J. BENNETT JOHNSTON,
Ranking Democrat Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR SENATOR JOHNSTON: This responds to your request for Department of Energy views on proposed amendments to the Department of Energy Organization Act (DOE Organization Act). These amendments would repeal subsections 624(b) and 501(b) and (d) of the Act. The Department strongly supports these amendments.

The first amendment would repeal section 624(b) of the DOE Organization Act (DOE Act) and section 17 of the Federal Energy Administration Act. The amendment would place DOE advisory committees on the same legal and procedural basis as all committees covered by the Federal Advisory Committee Act. Under current law DOE advisory committees are required to meet in public session, while other agencies may close meetings to protect information exempt from disclosure under the Administrative Procedure Act. DOE's more stringent requirement was justified at the time of its enactment by the economic regulatory role of the Department's predecessor, the Federal Energy Administration.

The second amendment would repeal subsections 501(b) and (d) of the DOE Organization Act. Subsections 501(b) and (d) elaborate on requirements in the Administrative Procedure Act interpreted by the Supreme Court to require agencies to provide the basis or purpose of the rule in their rulemaking (*Motor Vehicle Manufacturers Association* v. *State Farm*, 463 U.S. 29, 43 (1983). With repeal of subsections 501(b) and (d), the Department would be governed by the same standard procedural requirements as other agencies in conducting notice-and-comment rulemakings. The Department supports this change.

The Office of Management and Budget advises that there is no objection from the standpoint of the President's program to submission of this report for the Committee's consideration.

If you have further questions, please contact me, or have a member of your staff contact Douglas W. Smith, Deputy General Counsel for Energy Policy, at (202) 586-3410.

Sincerely,

HAZEL R. O'LEARY.

By Mr. HATFIELD (for himself and Mr. WYDEN):

S. 1875. A bill to designate the U.S. Courthouse in Medford, OR, as the "James A. Redden Federal Courthouse"; to the Committee on Environment and Public Works.

THE JAMES A. REDDEN FEDERAL COURTHOUSE ACT

Mr. HATFIELD. Mr. President, it is my pleasure to introduce today legislation to name a Federal courthouse in my State after a fine lawyer, judge and Oregon citizen, U.S. District Judge James Anthony Redden. My legislation would rename the currently unnamed Federal courthouse in Medford, OR, the James A. Redden Federal Courthouse.

Over the years Judge Redden's many accomplishments have made him worthy of this tribute. Judge Redden practiced law in Medford, OR, from 1956–72. While practicing law he was elected to the Oregon State House of Representatives, in which he served from 1963–69. During the 1967 session he served as the minority leader of the Oregon House of Representatives.

Judge Redden left private practice in 1973 to serve as the Oregon State treasurer. In 1977, he began serving as Oregon attorney general. He served as Oregon's attorney general until 1980, when President Jimmy Carter appointed him to the position of U.S. District Judge. He was also appointed to serve on the U.S. Judicial Conference Committee in 1990 and reappointed to another 3 year term in 1993.

Judge Redden is a charter member of the American Board of Trial Advocates. In 1954, he was admitted to the Massachusetts State bar followed by the Oregon Bar in 1955. In 1955, he was also admitted to the bars of the U.S. District Court of Oregon and Court of Appeals, and finally, in 1979, to the bar of the U.S. Supreme Court.

The most important of Judge Redden's accomplishments is that he practiced law for 20 years in the Federal courthouse my legislation proposes to name in his honor. This courthouse is located in Judge Redden's beloved Jackson County. During his political life, he represented the people of Jackson County for 6 years, and now as a senior judge, he plans to try cases in Jackson County again. He has also taken a special interest in the ongoing renovation of the fine old building.

Once again I believe that it would be a highly appropriate honor to name this courthouse after an individual who has done so much, and who has had such a successful career.

I look forward to working with my colleagues on the Senate Environment and Public Works Committee to advance this important proposal through the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse at 310 West Sixth Street in Medford, Oregon, shall be known and designated as the "James A. Redden Federal Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "James A. Redden Federal Courthouse".

Mr. WYDEN. Mr. President, it is my pleasure to cosponsor legislation to name a Federal courthouse in my State after a fine soldier, lawyer, and judge, U.S. District Judge James Anthony Redden. This legislation would name the Federal courthouse in Medford, OR, the "James A. Redden Federal Courthouse."

Judge Redden has made public service the centerpiece of his life. He served his country in the U.S. Army from 1946 to 1948. He honed his legal skills practicing law from 1956 to 1972 in Medford, OR. He then left his private practice to serve the people of Oregon as the Oregon State treasurer in 1973 and as the Oregon attorney general in 1977. In 1980, President Jimmy Carter appointed him to the position of U.S. District Judge.

For 20 years, Judge Redden practiced law in the courthouse that Senator HATFIELD and I propose to rename today. Judge Redden and Senator HATFIELD have worked together over the years to renovate this courthouse, and now I, as a Member of the Senate, am pleased to join in the effort to rename this courthouse after Judge Redden, a great Oregonian and a great American.

By Mr. HARKIN (for himself and Mr. BAUCUS);

S. 1876. A bill to amend chapter 89 of title 5, United States Code, to end health insurance portability for Members of Congress and eliminate continued coverage for departing Members of Congress until health insurance portability for other U.S. citizens is enacted into law, and for other purposes; to the Committee on Governmental Affairs.

THE MOVE IT OR LOSE IT HEALTH COVERAGE ACT

Mr. HARKIN. Mr. President, I rise today to offer the Move It or Lose It Health Coverage Act. This is a straightforward bill that says if Members of Congress fail to move health insurance portability for Americans in a way that can be signed into law, then they will lose the health insurance portability that they now enjoy. If we don't pass it for America, we lose it for ourselves.

My legislation is designed with one goal in mind: to build up the pressure to provide greater health security for millions of American families.

Mr. President, when many Members of Congress leave office today, they can take their health care with them. No need to worry about preexisting condition exclusions or waiting periods or cancellations of policy if they become sick. It's all taken care of. Everything's covered.

Not so for far too many working families. Millions of Americans today face preexisting condition exclusions because they change jobs, lose jobs, or work for employers who change insurance policies.

The legislation I offer today says plain and simple—as long as health insurance portability is denied to working Americans, it ought to be denied to Members of Congress as well. Holding office shouldn't insulate anyone from all the health insurance concerns that face working families in America every day.

And I am hopeful that this bill I offer today will provide the incentive needed for all of us to come together and pass responsible health insurance reform legislation for all Americans.

So my bill says that until Congress passes the Kassebaum-Kennedy health insurance measure or similar legislation, the coverage provided to Members of Congress through the Federal Employees Health Benefits Program [FEHBP] will be modified in several ways so that we know what so many others are facing.

First, health insurers participating in the FEHBP would be allowed to include preexisting condition exclusions in health plans covering Members of Congress. Second, insurers would be free to refuse to issue coverage or renew coverage provided to a Member because of current health, or preexisting medical condition. Carriers would be free to include these restrictions and limitations in any health plan covering a current or retired Member of Congress.

And, third, current Members of Congress would no longer receive taxpayer-subsidized health coverage after leaving office.

Mr. President, the Kassebaum-Kennedy health insurance reform bill passed this body 100 to 0. Not one Senator voted against it. But now that legislation—and those important reforms—are languishing.

It is time to unite together to give the American people some of the same protections and health security that we have. If health insurance portability is good enough for Members of Congress, it ought to be good enough for working Americans, too.

And we must go about passing the Kassebaum-Kennedy reform in the same spirit that it was introduced and approved by the Senate the first time around—with strong bipartisan support and without controversial provisions that will keep it from being signed into law.

Let us pass what the American people want: a clean bill of health. A clean bill of security for American families.

And make no mistake, Mr. President. If the Kassebaum-Kennedy legislation is reduced from the commonsense bill that it was when it left the Senate to merely a partisan, political bill, then there will be no winners and American families will lose.

There is plenty of room to reach common ground by using common sense. It was in that spirit that I acted over 1 month ago to call for a carefully designed pilot project for medical savings accounts. And it is in that spirit that I offer my legislation today.

The Kassebaum-Kennedy bill which passed the Senate unanimously is truly a modest proposal. It does not fix many of the flaws in the current health care system. But it represents an important step toward reforming health care and injecting some fairness into the system. It would offer some welcome relief for American families worried about losing their health insurance.

Specifically, it would allow families to switch health plans without facing preexisting conditions. And it would assure that they won't be dropped and their coverage will be renewed even if they become sick.

The General Accounting Office estimates that 25 million Americans would be helped by portability reforms contained in the Kassebaum-Kennedy health insurance bill.

We can not afford to deny this basic reform to the American people. We have passed common sense change before. We must do so again. The American people demand and deserve no less. It is time to deliver.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1876

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATIONS OF HEALTH CARE COVERAGE FOR MEMBERS OF CONGRESS.

(a) FINDINGS.—The Congress finds that—

(1) an estimated 81,000,000 United States citizens suffer from some type of preexisting medical condition that could make it difficult to obtain health coverage, especially for that condition;

(2) millions of citizens are at risk of being subjected to preexisting condition exclusions under current law because they change jobs, lose jobs, or work for employers who change insurance policies;

(3) Members of Congress may—

(A) choose to receive a health plan through the Federal Employees Health Benefits Program; and

(B) enroll in a plan without facing restrictions because of health status or preexisting medical conditions;

(4) health care coverage for Members of Congress under such program—

(A) is portable because Members can change plans without worry of preexisting condition exclusions or waiting periods; and

(B) cannot be canceled and is required to be renewed;

(5) Members of Congress are often eligible to continue to receive health care through the Federal Employees Health Benefits Program after they leave Congress; and

(6) Congress should pass legislation to ensure health insurance portability for United States citizens.

(b) ENDING HEALTH INSURANCE PORTABILITY AND OTHER PROTECTIONS FOR MEMBERS OF CONGRESS.—

(1) IN GENERAL.—Section 8902 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(o)(1) Notwithstanding subsection (f) or (h), or any other provision of this chapter, a contract for a plan under this chapter shall provide that a carrier may—

"(A) include in a plan offered to an individual described under paragraph (2) preexisting condition exclusions and impose a limitation or exclusion of benefits relating to treatment of a preexisting condition based on the fact that the condition existed prior to enrollment;

"(B) exclude from enrollment an individual described under paragraph (2) due to health status or preexisting condition; or

"(C) refuse to renew the health plan of an individual described under paragraph (2) due to health status or preexisting condition.

"(2) Paragraph (1) shall apply with respect to the health status or preexisting condition of a member of family of an individual described under paragraph (3).

"(3) An individual referred to under paragraphs (1) and (2) is—

"(A) a Member of Congress; or

"(B) an annuitant who on the date immediately preceding the date of retirement described under section 8901(3)(A) was a Member of Congress.

"(4) This subsection shall cease to be effective on and after the date on which the Director of the Office of Personnel Management has received certification from the Secretary of Labor that a statute has been enacted into law that—

"(A) makes health coverage for United States citizens portable by limiting exclusions for preexisting conditions;

"(B) guarantees availability of health insurance to United States citizens; and

"(C) guarantees renewability of health coverage to employers and individuals as long as premiums are paid.".

(2) EFFECTIVE DATE.—This subsection shall take effect 30 days after the date of the enactment of this section.

(c) ELIMINATION OF COVERAGE FOR DEPARTING MEMBERS OF CONGRESS.—Section 8905 of title 5, United States Code, is amended—

(1) in subsection (b) by striking "An annuitant" and inserting "Subject to subsection (g), an annuitant"; and

(2) by adding at the end the following new subsection:

"(g)(1) This section shall not apply to any annuitant who—

"(A) on the date immediately preceding the date of retirement described under section 8901(3)(A) was a Member of Congress; and

"(B) becomes an annuitant on or after the date which occurs 30 days after the date of the enactment of this subsection.

"(2) This subsection shall cease to be effective on and after the date on which the Director of the Office of Personnel Management has received certification from the Secretary of Labor that a statute has been enacted into law that—

"(A) makes health coverage for United States citizens portable by limiting exclusions for preexisting conditions;

"(B) guarantees availability of health insurance to United States citizens; and

"(C) guarantees renewability of health coverage to employers and individuals as long as premiums are paid.".

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1877. A bill to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interests in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States; to the Committee on Energy and Natural Resources.

THE ENVIRONMENTAL IMPROVEMENT TIMBER CONTRACT EXTENSION ACT OF 1996

• Mr. MURKOWSKI. Mr. President, today along with Senator STEVENS and Congressman YOUNG, I am introducing the Environmental Improvement Timber Contract Extension Act of 1996. This bill would extend for 15 additional years the long-term timber sale contract on the Tongass National Forest between the Forest Service and the Ketchikan Pulp Corp. [KPC]. The extension would provide KPC with a stable timber supply over a sufficient length of time to amortize the cost of new environmental improvements and energy efficiency equipment. KPC's situation is unique because all of its timber comes from the Forest Service. There is no State or private timber available to the company.

I am introducing this bill as a result of: First, the important role that KPC plays in the social, economic, and environmental vitality of southeast Alaska; second, the strong, bipartisan support within the State for this action; third, the record from field hearings I held last month in southeast Alaska which overwhelmingly supports introduction; and fourth, the performance of the Forest Service which strongly indicates that, without congressional intervention, the KPC mill cannot survive. Let me elaborate on each of these factors.

First, let me describe the nature of the forest in southeast Alaska. Thirty percent of the trees are dead or dying. The fiber is suitable only for pulp. Without a pulp mill, lumber mills would be less profitable and the pulp would have to be exported, creating no domestic jobs. Let me also share with my colleagues what the Forest Service told us about the evolution and importance of KPC's long-term contract to southeast Alaska. Here is what the Agency told us at a May 28 oversight hearing in Ketchikan, AK:

> The long-term contracts in Alaska which required the construction and operation of manufacturing facilities such as sawmills and pulp mills facilitated the establishment of a timber industry in southeast Alaska.
>
> Prior to the 1950's, economic conditions in southeast Alaska were characterized as boom-bust. Federal Government employment, mining and salmon processing were the economic mainstays. After World War II, mining was essentially gone, leaving a small local timber industry and commercial fishing in the natural resources sector. Both the timber and commercial fishing industries were subject to market swings from year to year and were seasonal in terms of employment. The United States favored the expansion of the timber industry through several long-term timber sales on the Tongass National Forest to stabilize employment in southeast Alaska.
>
> Making the best use of the timber on the Tongass required having suitable markets for both high and low quality timber and species. The markets were largely export markets in the Pacific Rim and were somewhat limited by the need to use most of the timber for pulp. The Forest Service advocated the use of long-term sales to establish a pulp industry that would bring greater economic diversity to the region and more year-round employment. If successful, more service and trade establishments were expected to follow—creating greater tax bases, which would provide opportunities for improved services, such as schools, water, fire protection, and the like. For all of this to come together, however, the Forest Service had to guarantee a long-term, stable timber supply to attract outside capital investment.

I found this testimony compelling. The Forest Service witnesses recounted the decisions of their predecessors—farsighted people recognizing the nature and importance of the resource and planning for an environmentally and economically secure future. The Forest Service recognized that, as the sole owner of land and timber, it controlled the economic and environmental vitality of the region.

Well what is the situation today? Today, KPC's operations directly or indirectly provide 25 percent of the total annual employment wages in Ketchikan. KPC's municipal real estate and sales taxes generated $13.6 million in revenues in 1992.

More broadly, the southeast Alaska timber industry is the dominant contributor to real estate development in Ketchikan. More than 25 percent of all households are timber dependent, and the typical timber employee can purchase more than 90 percent of the existing housing units. KPC comprises more than 50 percent of the total borough's industrial assessed valuation.

Tourism and fishing are also important to the economy of Ketchikan and southeast Alaska. We need all three of our basic industries—timber, fishing, and tourism—to be healthy if we are to have a healthy economy in the region. But quite simply, without some stability of timber supply, the economies of the region generally, and Ketchikan specifically, are doomed.

Perhaps that is why the proposal to extend the KPC contract has received broad, bipartisan support from elected officials throughout the State. Earlier this year, the Alaska Senate voted 18 to 1 to support a resolution urging the Congress to extend the contract. The Alaska House voted 34 to 3 to support the same measure. These are extraordinary margins of support. I will submit the resolution for the record.

Then, the Governor joined in, offering his support for congressional action to extend the contract. In a May 23 letter to me, Gov. Tony Knowles informed me that:

> The State of Alaska supports a KPC contract extension, contingent on KPC's agreement with the following five principles: To protect the environment, Alaska jobs, and other forest users; and to utilize the Tongass Land Management Planning [TLMP] process and value-added processing techniques.

I am pleased to say that these conditions have been agreed to by KPC and are included in the compromise legislation I am introducing today. I will include the Governor's letter for the RECORD.

After receiving these views from the legislature and the Governor, I scheduled two oversight hearings on May 28 and May 29 in Ketchikan and Juneau, respectively. What I heard at these hearings was overwhelming support for the legislature's resolution, the Governor's action, and the extension of the KPC contract. I heard from tourism interests, bankers, and fishermen who supported the contract extension. While not unanimous, the preponderance of testimony offered over the 2 days—and all of the demonstrators who marched in Ketchikan, as well as most or them in Juneau—called for congressional action to extend the contract. These people recognize that there is no alternative source of timber available.

Last, I am introducing this legislation today because I have finally lost confidence in the ability of the Forest Service to provide a stable and sustainable supply of timber for southeast Alaska. Over the past few years, the agency has fallen further behind in keeping a working timber sale pipeline. This problem has worsened despite the efforts of Senator STEVENS to provide the agency with additional funding for timber sale preparation. Consequently, more than half of the operating mills in southeast Alaska have closed their doors during the last few years during this administration's watch. KPC is the last remaining pulp mill in the State.

This situation is absolutely tragic. The Tongass is our Nation's largest national forest. Yet the level of economic activity associated with the production of forest products is very small, and sinking. We have only one pulpmill and a few scattered sawmills left. Employment in the industry has fallen 40 percent since 1990. New Yorkers burn more wood in their fireplaces and stoves than we harvest in southeast Alaska each year.

In its May 25 testimony, the Forest Service acknowledged that "the contract with Ketchikan Pulp Co. [KPC] has played an important role in the development of Alaska's resources in southeast." Given this admission, one would think that the Forest Service would want to see the mill stay. One would expect the Forest Service to weigh-in in favor of a contract extension. But not so.

In very disappointing testimony, the agency maintained that "the terms of the existing contract provide that all obligations and requirements of the long-term contract must be satisfied on or before June 30, 2004." In response to questions about any future obligations past that date, the agency insisted that it has none—none. This testimony was offered even though the preamble to the contract discusses a commitment to a permanent economic base.

On the question of whether Congress should extend the contract, the Forest Service testified that "a long-term commitment of resources through a timber contract could further affect the flexibility of management on the Tongass," and that "we are committed to completing the Revision of the Tongass Land Management Plan before we begin any discussion of future long-term commitments to timber related industries in Southeast." Yet, in response to questions, the agency witnesses could not tell me: First, whether such commitments could be made within the latitude provided by the range of alternatives in the draft TLMP; second, whether additional National Environmental Policy Act analysis would be required; or third, whether such commitments would actually be precluded by the selected alternative of the final plan. The testimony was extremely unsettling. It convinced me that either the Forest Service and/or the administration would like to see the KPC mill go away.

They have apparently no interest in seeing KPC invest $200 million to pioneer chlorine-free manufacturing technology that could benefit environmental control efforts nationwide. That is also tragic.

Mr. President, the simple facts are that—without the contract extension—KPC will be unable to amortize the required capital investments for environmental improvements, and it will go away. The company's new CEO also testified on May 28. He was refreshingly, if not reassuringly, frank. He said:

> In the very near future, we have to decide whether to continue the large investments required to make KPC viable or whether the losses currently being inflicted by the appropriate implementation of the contract can be carried any longer. Now, we are going to make that decision relatively soon. This is not an issue for the year 2003. This is a 1996 issue and decision.
>
> We will make that decision, first of all, based on just to keep running today we must have the Forest Service meet the intent of the long-term bilateral contract, including the volume and pricing provisions. And, then, secondly, to continue to invest at the rapid rate that we are right now, millions of dollars per quarter, this revised version of the long-term contract must be extended a minimum of 15 years at an offering level of 192 million board feet per year.
>
> The people of KPC and the thousands of people who have worked with us have met its—their contractual obligations to develop the economy and provide permanent, year-round employment for southeast Alaska. We want the government to meet its contractual obligation to provide a sufficient volume of economically viable timber in a timely fashion.

Some in southeast Alaska suggest that the region does not need the KPC pulpmill to have a successful and sustainable timber industry. What is needed they opine, is to eliminate the monopoly contract and develop more small, value-added manufacturing facilities.

This is wishful thinking. The independent mill witnesses at our hearings indicated that the lack of a stable timber supply will preclude any additional investments in southeast Alaska. The manufacture of pulp is a higher value added process than any of the alternatives suggested by opponents of the pulpmill. The loss of the pulpmill will destabilize the industry and the infrastructure of the region, and have a chilling effect on future industry investments. Available capital will migrate to other regions.

Mr. President, I cannot stand idly by and watch the town of Ketchikan die. I will not. I am introducing, and ask respectful consideration of, the Environmental Improvement Timber Contract Extension Act.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1877

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Environmental Improvement Timber Contract Extension Act."

SEC. 2. MODIFICATION OF LONG-TERM CONTRACT REGARDING TONGASS NATIONAL FOREST.

(a) DEFINITIONS.—In this section:

(1) The term "board feet" means net scribner long-log scale for all sawlogs and all hemlock and spruce utility grade logs.

(2) The term "contract" means the timber sale contract numbered A10fs-1042 between the United States and the Ketchikan Pulp Company.

(3) The term "contracting officer" means the Regional Forester of Region 10 of the United States Forest Service.

(4) The term "mid-market criteria" means an appraisal that ensures an average timber operator will have a weighted average profit and risk margin of at least 60 percent of normal in a mid-market situation, representative of the most recent 10 years of actual market data.

(5) The term "proportionality" means the proportion of high volume stands (stands of 30,000 or more board feet per acre) to low volume stands (stands of 8,000 to 30,000 board feet per acre.)

(6) The term "purchaser" means the Ketchikan Pulp Company.

(b) FINDINGS.—Congress finds the following:

(1) On July 26, 1951, the Forest Service, on behalf of the United States, and the purchaser entered into a contract to harvest 8,250,000,000 board feet of timber from the Tongass National Forest in the State of Alaska. While the contract is scheduled to end June 30, 2004, it acknowledges an intention on the part of the Forest Service to supply adequate timber thereafter for permanent operation of the purchaser's facilities on a commercially sound and permanently economical basis. This legislation is necessary to effectuate that intent.

(2) A pulp mill or similar facility is necessary in southeast Alaska to optimize the level of year-round, high-paying jobs in the area, to provide high value added use of low-grade wood and by-product material from sawmilling operations, and to maintain a stable regional economy.

(3) The purchaser plans to make environmental and operational improvements to its pulp mill, including conversion to an elementally chlorine free bleaching process, expansion of wastewater treatment facilities, relocation of the existing wastewater outfall, and improvements to chemical recovery and power generation improvements to chemical recovery and power generation equipment. Total capital expenditures are estimated to be $200,000,000, $25,000,000 of which the purchaser has already invested.

(4) Extension of the contract for 15 years is the minimum reasonable extension period to allow amortization of these environmental improvement and energy efficiency projects.

(5) Ketchikan is the fourth largest city of Alaska. Its economic and job base are extremely dependent upon the continuation of the contract, which provides the principal source of year-round employment in the area. The purchaser has stated among its goals and objectives the following:

(A) Continuation of a long-term commitment to Ketchikan and southeast Alaska, including maintenance of a stable Alaskan workforce, utilization of Alaskan contractors, vendors, and suppliers to permit those businesses to hire and maintain Alaskan employees.

(B) Participation in the Forest Service's land management planning process with other users so that the process may be completed expeditiously with maximum information.

(C) Adherence to sound principles of multiple-use and sustained yield of forest resources providing for the production of sustainable contract volumes for the purchaser and the other timber operators in southeast Alaska and the protection and promotion of other forest uses, including tourism, fishing, subsistence, hunting, mining, and recreation.

(D) Protection of air, water, and land, including fish and wildlife habitat, through compliance with applicable Federal, State, and local laws.

(E) Commitment to continue to explore new processes and technology to maximize the use of timber harvested and increase the value of products manufactured in southeast Alaska.

(6) The national interest is served by a policy that accomplishes the proper stewardship of publicly owned assets in the Tongass National Forest, a fair return to the United States for public timber in the Tongass National Forest, and a proper balance among multiple use interests in the Tongass National Forest to enhance forest health, sustainable harvest, and the general economic health and growth in southwest Alaska and the United States in order to improve national economic benefits. The national interest is best achieved by fostering domestic forest product markets and by modifying the terms of the contract pursuant to subsection (c).

(c) CONTRACT FAIRNESS CHANGES.—The contract is hereby modified as follows:

(1) EXTENSION.—The term of the contract is extended by 15 years from June 30, 2004.

(2) SALE OFFERING PLAN.—The contract shall include a plan describing the amount of volume, location, and the schedule by which the purchaser shall receive the timber required by paragraph (3) for the remainder of the contract term. The plan shall be coordinated with the Tongass Land Management Plan.

(3) VOLUME REQUIREMENTS.—The volume of timber required under the contract shall be provided in 5-year increments of 962,500,000 board feet, which the purchaser shall be obligated to harvest in an orderly manner, subject to the following:

(A) Until March 1, 1999, when the next 5-year increment is provided to the purchaser, the Forest Service shall provide the purchaser with at least 192,500,000 board feet per year of available timber at a date certain each year and shall maintain a supply of timber adequate to insure the purchaser can reasonably harvest 192,500,000 board feet each year.

(B) To ensure harvest in an orderly manner, the contracting officer shall provide for the construction by the purchaser of roads in portions of the 5-year increment area of timber in advance of the 5-year operating period by including such roads in the environmental impact statement prepared for the 5-year operating period.

(C) Timber selected for inclusion in the 5-year increment shall meet the mid-market criteria.

(4) APPRAISALS AND RATES.—The contracting officer shall perform appraisals using normal independent national forest timber sale procedures and designate rates for the increments of timber to be provided. The rates shall not be designated at a level that places the purchaser at a competitive disadvantage to a similar enterprise in the Pacific Northwest and those rates shall be the sole charges the purchaser shall be required to pay for timber provided.

(5) MEASUREMENT OF PROPORTIONALITY.—The Forest Service shall measure proportionality using the following criteria:

(A) Measure for groups of all contiguous management areas.

(B) Measure proportionality by acres.

(C) Measure proportionality over the entire rotation age.

(6) CONVERSION OR REPLACEMENT OF PULP MILL.—The purchaser may convert or replace, in part or in whole, its pulp mill with a facility that manufactures any other value added product that utilizes pulp logs as a raw material component.

(7) UNILATERAL TERMINATION.—The unilateral termination clause of the contract is eliminated.

(8) SUBSEQUENT MODIFICATIONS.—Any clause in the contract, as modified by this subsection, may be further modified only by mutual agreement of the Forest Service and the purchaser and may be so modified without further Act of Congress.

(d) EFFECTIVE DATE FOR CONTRACT MODIFICATION.—

(1) EFFECTIVE DATE.—The modifications made by subsection (c) shall take effect 45 days after the date of the enactment of this Act.

(2) MINISTERIAL DUTY TO MODIFY THE CONTRACT.—Not later than such effective date, the contracting officer shall revise, as a ministerial function, the text of the contract to conform with the modifications made by subsection (c) and implement the modified contract. The contracting officer shall make conforming changes to provisions of the contract that were not modified by subsection (c) in order to ensure that the modifications made by such subsection are implemented.

(e) TRANSITION TIMBER SUPPLY.—Timber volume available or scheduled to be offered to the purchaser under the contract in effect on the day before the date of the enactment of this Act shall continue to be offered and scheduled under the contract as modified by subsection (c) along with such additional timber volume as is necessary to satisfy the timber volume requirement of 192,500,000 board feet per year.

SENATE JOINT RESOLUTION NO. 40 IN THE LEGISLATURE OF THE STATE OF ALASKA

Whereas, for the last 40 years, the timber industry operating on national forest land in Southeast Alaska has been the largest private employer in Southeast Alaska; and

Whereas the United States Forest Service strategy for creating permanent year-round employment through a timber industry in Southeast Alaska has been to offer long-term contracts to attract pulp mills to use, and add value to, low-grade and by-product materials from timber harvesting; these pulp mills serve as a market for pulp logs and chips from the sawmills in Southeast Alaska; and

Whereas pulp mills assure full utilization and protect forest health by using that significant portion of the Tongass National Forest that consists of dead, dying, and overmature timber; and

Whereas, since passage of the Tongass Timber Reform Act of 1990 (TTRA), a pulp mill and a major sawmill have closed, and more than 40 percent of the timber industry has been lost due, in part, to the failure of the United States Forest Service to make available the approximately 420,000,000 board feet per year needed to meet the jobs protection promises made by those who sought passage of the TTRA, all of which has created severe social and economic harm to the timber industry, its workers, and timber-dependent communities in Southeast Alaska; and

Whereas another of the reasons for the closure of the Sitka pulp mill was the adverse economic impacts of unilateral changes to its long-term contract made by the TTRA, those unilateral changes also adversely impact the economics of the Ketchikan Pulp Company (KPD) contract; and

Whereas KPC, which obtained a long-term contract to help create year-round jobs in Southeast Alaska, is the sole remaining pulp mill in Alaska, a mjor employer in Southeast Alaska, and the market for pulp logs and chips from all the other sawmills in Southeast Alaska; and

Whereas the loss of the KPC pulp mill would lead to the loss of the entire industry now operating on the Tongass National Forest with devastating social and economic effects on families and communities throughout Southeast Alaska; and

Whereas, KPC pulp mill faces an uncertain future, not of its own making, as a result of the continuing log shortage created by the failure of the United States Forest Service to meet its volume requirements under KPC's contract and the TTRA, as a result of the adverse economic impacts to its long-term contract caused by the unilateral TTRA changes, and as a result of the requirement that more than $155,000,000 in capital expenditures be made over the next few years to meet new and ever changing federal environmental standards and operating needs; and

Whereas, as a matter of economic common sense, KPC cannot make all the necessary expenditures without the federal government extending its contract for a sufficient period to amortize those expenditures, without an adequate supply of timber, and without modifying those portions of the unilateral TTRA contract changes that have adversely impacted the contract's economics; and

Whereas the legislature finds that an additional 15 years is a minimum reasonable period to extend the KPC's timber sale contract to allow such amortization and to provide opportunities for value-added alternatives that maximize the number of jobs and assures environmentally sound operations; and

Whereas the legislature finds that sufficient timber must be made available to maintain the KPC contract, to provide 100,000,000 board feet for the contracts to small business, and to reopen the Wrangell facility and a by-product facility in Sitka; be it

Resolved, That the Alaska State Legislature respectfully urges the Alaska delegation in Congress and the Governor to take all steps necessary, this year, to extend the Ketchikan Pulp Company long-term contract for an additional 15 years and modify those portions of the contract which the TTRA unilaterally impacted, because such an extension and modification are critical to the environmental, social, and economic well-being of the Tongass National Forest timber workers, their families, and timber-dependent communities in Southeast Alaska and because such an extension is in the public interest of the State of Alaska; and be it further

Resolved, That the Tongass National Forest should be managed for a healthy and diversified economy for the benefit of all users, including value-added forest products, commercial and sport fishing, seafood processing, tourism, subsistence, sport hunting, and local businesses that provide goods and services; and be it further

Resolved, That the Alaska State Legislature also respectfully urges the Alaska Congressional Delegation, the Governor, and the United States Forest Service to take action this year to assure that sufficient timber be made available as part of any revision of the Tongass Land-Use Management Plan to maintain the Ketchikan Pulp Company contract, to provide 100,000,000 board feet for small business contracts, and to reopen the Wrangell facility and a by-product facility in Sitka.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Daniel R. Glickman, Secretary of the U.S. Department of Agriculture; the Honorable Bruce Babbitt, Secretary of the U.S. Department of the Interior; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Washington, DC, May 23, 1996.

Hon. FRANK MURKOWSKI,
U.S. Senate, Washington, DC.

DEAR SENATOR MURKOWSKI: On behalf of Governor Tony Knowles, I hereby submit, for the hearing record, the attached letter from the Governor to Mr. Mark Suwyn, Chairman of Louisiana-Pacific Corporation, concerning a possible contract extension for the Ketchikan Pulp Company (KPC).

As the attached letter indicates, the State of Alaska supports a KPC contract extension, contingent on KPC's agreement with the following five principles: to protect the environment, Alaska jobs, and other forest users; and to utilize the Tongass Land Management Planning (TLMP) process and value-added processing techniques. The State's support for a contract extension, however, leaves for the federal public process to resolve the issues of volume, contract duration, and pricing structure.

With respect to the TLMP process, which we understand you are also having hearings on, the State continues to provide information and comments to the United States Forest Service in an effort to develop a management plan for the Tongass that is based on sound science, prudent management, and meaningful public participation.

In addition to this letter for the record, the State plans to be represented at the hearings by Veronica Slajer, of the Department of Commerce and Economic Development, who will be in attendance to listen to the testimony of the witnesses. As we informed your staff earlier, Ms. Slajer will not be testifying at the hearings, but the State is interested in learning about what others think about these issues so that the State can incorporate these thoughts in the formulation of State policy.

Thank you for considering the State's views.

Sincerely,

JOHN W. KATZ,
Director of State/Federal Relations and Special Counsel to the Governor.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, April 26, 1996.

Mr. MARK SUWYN,
Chairman and CEO, Louisiana Pacific Corporation, Portland, OR.

DEAR MARK: Thank you for our recent discussions about the future of the Ketchikan Pulp Company (KPC).

As you know, my Administration has consistently supported a sustainable timber industry in the Tongass, including a predictable timber supply to meet the terms of the KPC contract and 100 million board feet for small operators through Small Business Administration sales. Thousands of Alaskan families depend on the Tongass for their livelihoods, subsistence hunting and fishing, recreation, and other uses.

With this letter, I want to inform you my Administration supports a KPC contract extension, contingent on the five principles outlined below. As you mentioned during our recent meeting, a decision to extend KPC's current contract is a federal one. While the state has no authority to grant an extension, the long-term partnership between the people of Southeast Alaska and the timber industry and between the City of Ketchikan and KPC gives us an important interest in the extension issue. This partnership has benefited the jobs and families of Southeast Alaska and has helped maintain healthy, safe, and stable communities.

Inherent in this long-term partnership are five principles:

1. *Environmental Protection*. Protection of air, water, and land, including fish habitat through compliance with applicable federal, state, and local laws. This means KPC should develop a plan to achieve full compliance with environmental laws within three years. This would include a meaningful public process that resolves public health and environmental issues.

2. *Commitment to Ketchikan*. A long-term commitment to Ketchikan and the maintenance of a stable workforce, including the hiring and training of resident Alaskans and a willingness to hire Alaska contractors. KPC should have longer terms contracts with Alaska timber businesses to provide them the certainly to hire permanent employees from Alaska. KPC should support a policy for directing 50 percent of the timber from SBA sales to in-state secondary processing through contracts with SBA timber businesses.

3. *Multiple Use*. Adherence to sound principles of multiple use and sustained yield of forest resources. This means the production of sustainable contract volumes for KPC and the small timber operators in southeast and the protection and promotion of other forest uses and users, including tourism, fishing, subsistence, hunting, mining, and recreation.

The planning process is of little value if individual sales remain mired in controversy and litigation. Therefore, timber offerings in areas of high community interest and important fish habitat, such as Cleveland Peninsula, Honker Divide, East Kuiu, and Poison Cove, should be avoided. In addition, every effort should be made to bring about a transition from the harvest of old growth to second growth timber.

4. *TLMP Process*. The Tongass Land Management Plan, including full participation by the timber industry and other forest users, must be completed expeditiously. The timber volume available for harvest must be determined through the TLMP planning process.

5 *Value-Added*. The timber industry should continue to explore new processes and technology to maximize the use of timer harvested and increase the value of products.

As we discussed, the matter of volume, contract duration, and price must be determined by the federal public process.

I look forward to our continued cooperation.

Sincerely,

TONY KNOWLES,
Governor. •

By Mr. AKAKA:

S. 1878. A bill to amend the Nuclear Waste Policy Act of 1982 to prohibit the licensing of a permanent or interimnuclear waste storage facility outside the 50 States or the District of Columbia, and for other purposes; to the Committee on Environment and Public Works.

THE NUCLEAR WASTE POLICY ACT OF 1982 AMENDMENT ACT OF 1996

Mr. AKAKA. Mr. President, today I am introducing an amendment to the Nuclear Waste Policy Act to prohibit an interim or permanent nuclear waste storage facility outside of the 50 States. My bill would prevent the Nuclear Regulatory Commission from issuing a license to store nuclear waste in any of the territories, or on U.S. possessions such as Midway Island or Palmyra Atoll.

Some of my Senate colleagues may wonder whether this is a bill in search of a problem that does not exist. Until a few weeks ago, I would have never imagined that legislation such as this was necessary. However, based on information I have compiled, it is clear that the bill I am proposing is urgently needed.

Earlier this year, the Honolulu papers reported that Palmyra Island, a Pacific atoll located 900 miles southwest of Hawaii, was sold to a New York investment firm known as KVR, Inc. The reason KVR purchased Palmyra has always been vague and uncertain. However, 2 weeks ago details of a scheme for Palmyra were uncovered when the island's new owners quietly circulated legislation that would direct the Nuclear Regulatory Commission to issue a license for high-level nuclear fuel storage on Palmyra. The State of Hawaii and its delegation in Congress strongly oppose this proposal.

I have recently discovered that Palmyra was not the only island targeted for nuclear storage. Midway Island and sites in the Republic of the Marshall Islands were also proposed for nuclear waste storage by the owners of Palmyra and their associates.

As more and more information surfaces about the activities of Palmyra's new owners, their business associates, and the web of corporations they control, the true picture of their scheme emerges. When you fit all the pieces of the puzzle together, you find that a group of nuclear entrepreneurs have been combing the Pacific for the past 2 years, searching for a home for their nuclear waste dump. It is an affront to Hawaii and the Pacific that they would hatch this scheme and operate in the shadows for so long.

Let me present the facts in greater detail. In October 1994, the developers of this nuclear waste initiative wrote the President of the Republic of the Marshall Islands to propose that high-level nuclear waste be stored in the Marshall Islands. Prior to sending their letter, representatives from both sides met in Washington to discuss the proposal. In exchange for providing exclusive use of an island for storing nuclear fuel, the Republic of the Marshall Islands Government would receive $160 million in concession payments as well as a share of any profits from the venture.

Fortunately this initiative did not succeed. The plan to store nuclear materials in the Republic of the Marshall Islands was opposed by the Clinton administration and prompted Congress to enact legislation prohibiting the Department of Energy from negotiating such an arrangement with the Republic of the Marshall Islands Government.

At this point the scheme to build a nuclear waste dump on a low-lying Pacific atoll appeared dead. But the proposal resurfaced when a group of Washington lobbyists and Wall Street financiers purchased Palmyra Atoll earlier this year.

The bill drafted by the new owners of Palmyra is one of the most remarkable legislative proposals I have seen in my 20 years in Congress. It is a legislative blank check, granting carte blanche authority to the owners of Palmyra to become the world's only, privately owned nuclear fuel storage and reprocessing enterprise. This proposal would vastly increase the risk of nuclear proliferation by placing the critical elements of weapons of mass destruction—plutonium and uranium—in private hands.

The bill directs the Nuclear Regulatory Commission to issue a license to store 200,000 tons of nuclear fuel on Palmyra. The license shall be granted for the maximum period permitted by law. By directing the NRC to license nuclear waste storage on Palmyra, the draft legislation would circumvent NRC licensing standards and waive environmental, engineering, and safety requirements that normally apply to the storage of spent nuclear fuel.

One of the boldest elements of the bill grants the owners of Palmyra the exclusive right to determine the scope of activities on the atoll. Why should anyone, whether a private individual or an arm of government, be granted unfettered authority over an island where 200,000 tons of nuclear fuel is being stored and reprocessed? This would be nuclear madness.

Another flaw of this proposal is that atolls like Palmyra are environmentally sensitive and prone to erosion and extreme weather conditions. Eastern Island, the highest point on the atoll, is less than 6 feet above sea level.

Any nuclear material stored at Palmyra would eventually have to be relocated. The National Academy of Sciences and the Nuclear Regulatory Commission have determined that above-ground storage of nuclear materials can only be an interim solution. Spent nuclear fuel stored at Palmyra would eventually have to be relocated to a permanent storage site. If this proposal succeeds, ships carrying spent nuclear fuel from all corners of the globe will transect the Pacific to deposit nuclear material at Palmyra, only to transport this fuel once again to a permanent storage site at another location. If the plan for nuclear reprocessing goes forward, the traffic in nuclear cargo would increase dramatically.

The bill further declares that the owners of Palmyra shall have title to any nuclear fuel, commencing at the time waste is transferred to containers bound for Palmyra. It would summarily select a site for storing nuclear waste without scientific or technical evaluation of the geologic, hydrologic, seismic or other conditions of the atoll. It negates decades of research, planning, and development we have invested in achieving an acceptable approach to our nuclear waste problem.

Of course, in order to achieve this remarkable plan, the bill waives the Clean Water Act and the National Environmental Policy Act. These laws are the hallmark of our Nation's commitment to protecting the environment and enjoy broad, bipartisan support. The notion that these fundamental environmental laws should be waived during the licensing of a high-level nuclear waste storage site is simply irresponsible. The American people will never accept such a proposal, no matter how well it is sugarcoated.

The revelation this week that Midway, an island that is part of the Hawaiian chain, was also sought by the owners of Palmyra is an especially frightening development for the people of Hawaii. In December 1995, the chairman of U.S. Fuel and Security requested that the Navy allow high-level nuclear fuel storage on Midway Island. U.S. Fuel and Security is a company affiliated with the new purchasers of Palmyra. The company has a business plan that calls for storing nuclear materials on a privately owned island in the Pacific Ocean, which we now know to be Palmyra.

Fortunately, the request was denied and the Navy transferred operational control of Midway to the U.S. Fish and Wildlife Service in May of this year. The purchase of Palmyra was consummated only after it became clear that the Navy would not approve the proposal for Midway storage.

Weeks ago, when details first surfaced about establishing a nuclear waste dump on Palmyra, it was difficult to believe that there was any truth to these proposals. But as I uncovered more and more information, I began to realize that this story was fact, and not fiction. This tale of nuclear intrigue is like a bad onion. Each time you peel away another layer it smells even more. You begin to wonder what else this group is up to that we do not know about.

That is why I am introducing legislation to prohibit the storage of nuclear waste in any of the Pacific territories or on U.S. islands such as Midway or Palmyra. My bill is a preemptive strike against proposals to store nuclear waste on Palmyra. It would shut the door on any possibility of turning these Pacific islands into a nuclear waste dump.

I also want to put the Senate on notice that I am examining legislation to transfer jurisdiction of Palmyra, Midway, and five other U.S. possessions to the State of Hawaii. This proposal would give Hawaii legal authority over, but not title to, these islands.

When a similar proposal surfaced last year in the House of Representatives, legitimate concerns were raised about the potential liability associated with such a transfer. In light of efforts to store nuclear fuel on some of these islands, I believe that we should revisit the idea of placing these Pacific islands, which are geographically close to Hawaii, under the State's jurisdiction. I will closely examine the question of liability and take steps to ensure that the Federal Government is responsible for cleanup of any hazardous or toxic substances on these islands, and that the State of Hawaii is indemnified from future liability.

Transferring jurisdiction of islands like Palmyra and Midway to the State of Hawaii would mean that our Governor, the State legislature, and ultimately the people of Hawaii would have a greater say in determining the future of these islands. This legislation could be a substitute for, or an addition to, the bill I have introduced today.

My colleagues, the nuclear era began in the Pacific when the first atomic bomb was dropped on Hiroshima. Since that time, more than 150 nuclear devices have been detonated in the region. The United States conducted 66 tests in the Marshall Islands and Johnston Atoll during the 1940's and 1950's. The British conducted 21 tests on Christmas Island and in Australia during the 1950's. The French detonated more than 180 devices on Mururoa and Fangataufa Atolls under a nuclear testing program that began in 1974 and ended in February 1996. The environmental consequences of this nuclear legacy are evident throughout the Pacific to this day.

Given the international outpouring of criticism during the recent French testing, it is inconceivable that anyone would consider establishing the world's largest spent nuclear fuel dump at Palmyra. The Pacific has been under assault since the dawn of the nuclear era and should not become a future dumping ground for the world's nuclear problems. Half a century of nuclear testing is enough.

ADDITIONAL COSPONSORS

S. 258

At the request of Mr. PRYOR, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 258, a bill to amend the Internal Revenue Code of 1986 to provide additional safeguards to protect taxpayer rights.

S. 1610

At the request of Mr. BOND, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 1610, a bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees.

S. 1628

At the request of Mr. BROWN, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 1628, a bill to amend title 17, United States Code, relating to the copyright interests of certain musical performances, and for other purposes.

S. 1689

At the request of Mr. GRAMM, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1689, a bill to provide regulatory fairness for crude oil producers, and to prohibit fee increases under the Hazardous Materials Transportation Act without the approval of Congress.

S. 1713

At the request of Mr. FRIST, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Vermont [Mr. JEFFORDS], and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 1713, a bill to establish a congressional commemorative medal for organ donors and their families.

S. 1735

At the request of Mr. PRESSLER, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1735, a bill to establish the United States Tourism Organization as a nongovernmental entity for the purpose of promoting tourism in the United States.

S. 1741

At the request of Mr. ASHCROFT, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1741, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes.

S. 1794

At the request of Mr. GREGG, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from North Carolina [Mr. HELMS], and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 1794, a bill to amend chapter 83 of title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction.

S. 1809

At the request of Mr. MURKOWSKI, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1809, a bill entitled the "Aleutian World War II National Historic Areas Act of 1996."

S. 1815

At the request of Mr. GRAMM, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1815, a bill to provide for improved regulation of the securities markets, eliminate excess securities fees, reduce the costs of investing, and for other purposes.

S. 1845

At the request of Mr. GREGG, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1845, a bill to amend the Federal Election Campaign Act of 1971 to require written consent before using union dues and other mandatory employee fees for political activities.

S. 1853

At the request of Mr. FAIRCLOTH, the names of the Senator from Virginia [Mr. WARNER], the Senator from Missouri [Mr. ASHCROFT], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 1853, a bill to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

SENATE CONCURRENT RESOLUTION 42

At the request of Mrs. KASSEBAUM, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of Senate Concurrent Resolution 42, a concurrent resolution concerning the emancipation of the Iranian Baha'i community.

SENATE RESOLUTION 247

At the request of Mr. SPECTER, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of Senate Resolution 247, a resolution expressing the sense of the Senate regarding a resolution of the dispute between Greece and Turkey over sovereignty to the islet in the Aegean Sea called Imia by Greece and Kardak by Turkey.

SENATE RESOLUTION 250

At the request of Mr. BROWN, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Resolution 250, a resolution expressing the sense of the Senate regarding tactile currency for the blind and visually impaired.

SENATE CONCURRENT RESOLUTION 64—RELATIVE TO FILIPINO WORLD WAR II VETERANS

Mr. INOUYE (for himself and Mr. AKAKA) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 64

Whereas the Commonwealth of the Philippines was strategically located and thus vital to the defense of the United States during World War II;

Whereas the military forces of the Commonwealth of the Philippines were called into the United States Armed Forces during World War II by Executive order and were put under the command of General Douglas MacArthur;

Whereas the participation of the military forces of the Commonwealth of the Philippines in the battles of Bataan and Corregidor and in other smaller skirmishes delayed and disrupted the initial Japanese effort to conquer the Western Pacific;

Whereas that delay and disruption allowed the United States the vital time to prepare the forces which were needed to drive the Japanese from the Western Pacific and to defeat Japan;

Whereas after the recovery of the Philippine Islands from Japan, the United States was able to use the strategically located Commonwealth of the Philippines as a base from which to launch the final efforts to defeat Japan;

Whereas every American deserves to know the important contribution that the military forces of the Commonwealth of the Philippines made to the outcome of World War II; and

Whereas the Filipino World War II veterans deserve recognition and honor for their important contribution to the outcome of World War II: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should issue a proclamation which recognizes and honors the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II.

Mr. INOUYE. Mr. President, I rise to submit a concurrent resolution which recognizes the valiant military service of Filipino soldiers during World War II.

The Philippine Islands were the possessions of the United States from the end of the Spanish-American War in 1898 until shortly after the end of World War II in 1946. On December 8, 1941, the Japanese invaded the Philippine Islands. The invasion delayed the islands' independence from the United States for 2 years.

On July 26, 1941, 4 months before the invasion of the Philippines, President Roosevelt issued a military order calling members of the Philippine Commonwealth Army:

> into the service of the armed forces of the United States for the period of the existing emergency, and placed under the command of a general officer, United States Army * * * all of the organized military forces of the Government of the Philippines * * *

On December 18, 1941, General MacArthur issued General Order No. 46 which provided that:

> Pursuant to provisions of the Proclamation of the President of the United States, dated July 26, 1941, all personnel of the Philippine Army on active duty and all active units of the Philippine Army, less personnel and units already accepted for service with the United States Armed Forces, are hereby called into the service of the armed forces of the United States in the Philippines * * *

Among the fierce battles fought was the battle at Bataan, which could not have been maintained without the valiant efforts of Filipino servicemen who constituted more than 75 percent of the troops and incurred a dispropriornate number of deaths. During the Bataan Death March and subsequent internment, Japanese brutality toward Filipino solders far exceeded those of American prisoners. For example, approximately one-half of the 60,000 Filipino servicemen died at Bataan in contrast to one quarter of the 10,000 United States servicemen who lost their lives while imprisoned.

According to a June 1973 Philipine study entitled "The Status of Members of Philippine Military Forces During World War II," Filipino guerilla resistance movements arose prior to the May 7, 1942, surrender to the Japanese. These movements comprised of personnel from the Philippine Army, the Old Philippine Scouts and other units of the United States Army. These guerilla forces engaged in overly aggressive moves against the Japanese that resulted in heavy losses and the capture of many of the movement's leaders. From his headquarters in Australia, General MacArthur, in March 1943, instructed the guerillas to limit combat contact to the minimum necessary for self-protection, and to concentrate instead of improving organizational and intelligence-gathering abilities. During May 1942 to May 1944, the Japanese could only maintain control over the major cities and towns because guerilla forces controlled the countryside. Without the combat and support contributions of the guerilla forces before and during General MacArthur's return to the Philippines in October 1944,

> the task of reoccupying the Islands would have been vastly more costly to the United States in terms of time, money, manpower, and casualties.

On October 28, 1944, Philippine Commonwealth President Osmena issued Executive Order No. 21, which recognized the military service of guerilla forces as active service in the Philippine Army, the date of entry into such active service being the date of joining a recognized guerilla force. General MacArthur subsequently issued retroactive recognition orders dating back to the times when the various guerilla units began to fight, thereby bringing them within the terms of President Roosevelt's order calling Philippine forces into the service of the United States. Effective June 30, 1946, after cessation of hostilities in the Philippine Islands, the Philippine

Army and its recognized guerilla units were released from service in the armed forces of the United States by military order of the President.

The Philippine Army and its recognized guerilla units, loyally and valiantly fought, suffered, and in many instances, died in the service of our country, in the same manner as other members of our armed forces during World War II. We must not ignore the recognition they duly deserve as United States veterans. Accordingly, I urge my colleagues to support this resolution which recognizes the valiant military service of the Filipino World War II soldiers.

Mr. AKAKA. Mr. President, I rise to join my colleague, the senior Senator from Hawaii, to recognize and honor World War II Filipino veterans. The concurrent resolution we submit today is the first step in acknowledging the contributions made by Filipino veterans to the United States during World War II.

Few Americans realize the pivotal role Filipinos played during World War II. From 1898 to 1946, the Philippines were a U.S. possession. Although the Philippine Independence Act of 1934 established a 10 year timetable for independence and bestowed the Commonwealth of the Philippines with certain powers over internal affairs, its full independence was delayed until 1946 because of the Japanese occupation from 1942 to 1945.

Between 1934 and 1946, the United States retained certain sovereign powers over the Philippines. President Roosevelt invoked an executive order on July 26, 1941, which ordered the Philippine Commonwealth Army into the service of the U.S. Army Forces of the Far East under the command of Lieutenant General Douglas MacArthur.

Thousands of Filipinos served with United States military personnel in the Pacific during World War II. Of the nearly 142,000 Filipino veterans who fought during World War II, only 70,000 survivors remain today. From the Japanese landing at Lingayen to the liberation of the Philippines in 1944, Filipino Army units gave their all to repel Japanese forces. Filipinos forces marched alongside Americans in the Death March after the surrender at Bataan and Corregidor. Thousands of Filipinos continued to resist Japanese occupation and continued to assist the United States through intelligence gathering throughout the war.

In return for their service, Filipino veterans were granted benefits amounting to only fifty cents on the dollar compared to other veterans. President Truman objected to the restrictions on benefits for the Commonwealth Army veterans. The Filipino veterans who were called into service by the United States served just as honorably and faithfully as American veterans and deserve to be treated with respect and dignity.

Recognition of the Filipino veterans who served during World War II is long overdue and I urge my colleagues to support this resolution.

SENATE CONCURRENT RESOLUTION 65—RELATIVE TO THE INTERNET

Mr. PRESSLER (for himself and Mr. LEAHY) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 65

Whereas approximately 18,000,000 people use the Internet and nearly 100,000,000 expect to use it by 1998;

Whereas the Internet is changing the way the world communicates, conducts business, and educates;

Whereas the Internet can lead to a more open democratic process if fully utilized by elected representatives;

Whereas many Members of the House of Representatives and Senate do not use electronic mail or World Wide Web sites;

Whereas an increase in the usage and knowledge by Members of the Internet will lead to better policy decisions regarding the Internet and better communications with the Internet community: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) Congress should educate itself about the Internet and use the technology in personal, committee, and leadership offices;

(2) Congress should work in a bipartisan and bicameral fashion to facilitate the growth and advancement of the Internet;

(3) Congress should maximize the openness of and participation in government by the people via the Internet so that our constituents can have more information from and more access to their elected representatives;

(4) Congress should promote commerce and free flow of information on the Internet;

(5) Congress should advance the United States' world leadership in the digital world by avoiding the passage of laws that stifle innovation and increase regulation of the Internet; and

(6) Congress should work with the Internet community to receive its input on the issues affecting the Internet that come before Congress.

Mr. PRESSLER. Mr. President, today I am submitting a senate concurrent resolution along with an identical concurrent resolution to be submitted in the other body.

Yesterday, Wednesday, June 12, the committee I am proud to chair, the Senate Commerce Committee, held a subcommittee hearing on the vital importance of making strong encryption available so that future electronic services will come into being. Indeed, the very future of the Internet hangs in the balance with respect to the availability of strong encryption. But at that hearing, I noted that I'm an industrial age man trying to make sense of the current information age we now find ourselves in. I'm an industrial age legislator making decisions about information age issues.

This, of course, describes almost everyone else in the Senate and in the House, so at least I am not alone. But it is this dynamic, where industrial age legislators are making information age decisions, that has caused us to found the Congressional Internet Caucus.

We all know that the Internet will change beyond all imagining the way we will all work and play. Already, tens of millions of Americans are using the Internet to communicate and to conduct important business. Cyberspace has even become important in politics, where it is now a vital tool in many areas.

Congress has to be computer and Internet literate if we are to be a Congress for the 21st century. This is why we have founded the Congressional Internet Caucus. It is our intention to try to help to provide for our other congressional colleagues navigation tools with which to find their way across the information landscape.

And that is why today we, the founding members of the Internet Caucus, are introducing this joint concurrent resolution on the Internet in both the House and the Senate today.

This House and Senate concurrent resolution urges our colleagues to get on-line and use the Net. It calls on Members of Congress to develop a better personnel understanding of the Net and how it operates. And, finally, it calls on Congress to start to use the Net in order to better communicate with the voters of this country.

The Internet and other information technology issues will only grow in importance as time goes by. Congress will be seeing more and more issues coming before it involving these new information technologies. We'd better be prepared.

This concurrent resolution is a good beginning step in that direction.

SENATE RESOLUTION 262—RELATIVE TO THE PEOPLE'S REPUBLIC OF CHINA

Mrs. BOXER (for herself and Mr. GREGG) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 262

Whereas violations by the People's Republic of China of United States intellectual property rights cost the United States economy an estimated $2,300,000,000 in 1995;

Whereas in 1991, 1992, and 1994, the office of the United States Trade Representatives initiated special section 301 investigations of the People's Republic of China's intellectual property rights violations, but did not impose sanctions;

Whereas in 1995 the People's Republic of China entered into an agreement with the United States that called for the closing of, or cessation of illegal activities in, factories that were pirating American videotapes, computer software, CD-ROMs, compact disks, and laser disks;

Whereas despite the terms of the 1995 Intellectual Property Rights Agreement, piracy of intellectual property rights has continued in the People's Republic of China;

Whereas while United States officials report that officials of the People's Republic of China have recently raided and closed a few factories engaged in piracy, in the past such actions have been cosmetic and only temporary; and

Whereas the United States Trade Representative has determined that the People's Republic of China tolerates the greatest volume of intellectual property rights piracy of all of the United States trading partners: Now, therefore, be it

Resolved, That it is the sense of the Senate that sanctions should be imposed upon the People's Republic of China for its failure to comply with the 1995 Intellectual Property Rights Agreement which it entered into with the United States and that such sanctions should remain in effect until the United States Trade Representatives certifies to the Congress that the People's Republic of China is complying with all of the terms of that Agreement by either—

(1) closing all factories that are engaged in piracy, or

(2) assuring such factories operate only pursuant to joint ventures or licensing agreements with United States companies.

Mrs. BOXER. Mr. President, I have been calling on the administration to impose sanctions on China if they do not live up to the intellectual property agreement that they willingly signed.

The fact of the matter is, they have approximately 31 factories that are turning out laser disks and CD's. They are supposed to destroy these factories. I spoke to the U.S. Trade Representative. They seem to be making some progress, but not enough.

And so, Mr. President, I will be pushing hard for these sanctions. As the MFN debate comes up, I will support MFN. I also am pleased to say Senator Judd GREGG is a coauthor of my sanctions resolution.

Mr. President, in January 1992 the United States and China signed a Memorandum of Understanding obligating China to strengthen its patent, copyright and trade secret laws and to improve the protection of United States intellectual property.

On April 30, 1994 the United States Trade Representative, or USTR, announced that while China had made significant progress toward implementing the 1992 agreement—by enacting new laws on intellectual property rights—China's enforcement of those laws was weak and sporadic.

In February 1995 the United States and China reached an agreement, signed in Beijing, in which China pledged to substantially reform its intellectual property rights and to improve market access. It is under this agreement, the 1995 Intellectual Property Rights Agreement, that the United States and China currently operate.

The USTR has determined that China's overall implementation of its obligations under the 1995 agreement fall far short of the requirements of the agreement.

The manufacture of pirated U.S. intellectual property, particularly computer software, compact discs, laser discs and videos, continues to be rampant. Moreover, China's efforts to stop the manufacture of pirated United States products has been utterly inadequate.

A delegation from the office of the United States Trade Representative traveled to China on Thursday, June 6 and Friday, June 7, to reiterate to Chinese officials the United States' resolve in holding China to the commitments it made in the 1995 Intellectual Property Rights Agreement.

Ambassador Barshefsky is joining that delegation today and they will be meeting with Chinese officials in Beijing over the next several days.

The United States delegation, led by Ambassador Barshefsky, is seeking China's commitment to close compact disc plants producing pirated software, tighten customs controls on exports of pirated goods and to give greater access to the Chinese markets for United States music, film and computer software firms.

It is important to note that the USTR is not seeking new concessions on the part of the Chinese Government. Rather, Chinese officials made all of these commitments in the Intellectual Property Agreement signed last year.

It has been reported that Chinese officials have indicated progress could be made on most of the United States demands—closing compact disc factories producing pirated software and tightening controls on exports of pirated goods. However, Chinese officials have apparently said that United States demands of freer access to the Chinese publication, music and software markets may not be met.

Chinese officials have also balked at United States demands to open their markets and to allow United States companies to engage in joint ventures with Chinese companies to produce legitimate copies of music, films and books.

Yesterday China's propaganda department reported that it had ordered all CD plants opened in recent months, not approved by Beijing, closed. China reports that at least 12 plants have been closed.

Exactly how many plants have been closed, will be closed and most important will remain closed remains the subject of verification efforts by the USTR delegation and the subject of Ambassador Barshefsky's talks with Chinese officials.

Ambassador Barshefsky has said that "it remains to be seen whether the Chinese effort in this and other areas is sufficient to meet the terms of our agreement. I also want to ensure that there is an enforcement system in place to crack down on intellectual property piracy in the future."

Among the seven factories which were closed last spring when the agreement was initially signed, all but one has re-opened. There are currently about 31 factories, operating throughout China, churning out pirated United States computer software, compact discs, laser discs, videos, movies, and other products.

The USTR has recently estimated that United States companies lose more than $2 billion annually as a result of the pervasive piracy of United States products in China.

The United States software industry estimates that piracy of computer software is in excess of 95 percent in China. The piracy of United States CDs, laser discs, cassette tapes, videos, and movies is close to 100 percent in many parts of China.

The USTR reports that in the past 2 years, Chinese companies have begun to export pirated products in fairly significant quantities. For example, 29 compact disc and laser disc factories in China have a production capacity of as much as 75 million CDs for a domestic market that can absorb only 5 million CDs.

Similarly, China's exportation of CD ROMs, which can hold dozens of computer software programs, and other copyrighted works, on a single disc continues to increase.

Some of the fastest growing and most competitive industries in the United States—and ones in which we frequently have a trade surplus—are located in my home State of California. These companies have been particularly devastated by China's failure to adequately enforce intellectual property rights. The California economy has also been affected.

California is the leading producer of movies, computer software, recordings, video games, and other creative works.

California's movie and television industries employed almost 165,000 Californians last year. The combined payroll of those industries was almost $7.5 billion.

California, while in the midst of an economic recovery, was gripped by a recession from 1990 through early 1995. Much of the success of this recovery is largely dependent upon the continued growth and expansion of California's entertainment and high technology industries. Industries which produce patented and copyrighted material to be sold domestically and internationally.

I would note that the entertainment and high technology industries have also helped spurn the Nation's economy. Moreover, these industries have provided more jobs and more high wage jobs in California than almost any other industries.

These companies cannot continue to flourish, however, if their intellectual property rights are not vigilantly enforced and protected throughout the world.

I understand that the United States-China relationship is a multifaceted and important relationship for reasons beyond economics. However, China's effective enforcement of intellectual property protections is critical to the future success of that relationship and is also a clear test of our resolve to enforce our trade agreements.

That is why I, along with my cosponsor Senator GREGG, am introducing this resolution, expressing the sense of the Senate that sanctions should be imposed on China until the USTR certifies that China is complying with the 1995 agreement—whether by closing all pirate factories, or by allowing such factories to operate pursuant to joint venture or licensing agreements with U.S. companies.

The USTR initiated special section 301 investigations of China's intellectual property rights violations in 1991, 1992, and 1994, but no sanctions were imposed.

The USTR has determined that China tolerates the greatest volume of intellectual property rights piracy of all of other United States trading partners.

Therefore, I think it is imperative that we pass this resolution. The passage of this resolution will send a clear message that the U.S. Senate is firmly committed to protecting U.S. intellectual property throughout the world.

The passage of this resolution will also let the Chinese government know that the United States Senate is firmly resolved to effectuating and enforcing our trade agreements.

SENATE RESOLUTION 263—RELATING TO CHURCH BURNING

By Ms. MOSELEY-BRAUN (for herself, Mr. LEVIN, Mr. DASCHLE, Mr. KEMPTHORNE, Mrs. BOXER, Mrs. FEINSTEIN, Mr. KERRY, Mr. WELLSTONE, Mr. LIEBERMAN, Mrs. MURRAY, Mr. PELL, Mr. LAUTENBERG, and Mr. INHOFE) submitted the following resolution; which was held at the desk:

S. RES. 263

Whereas there have been at least 32 fires of suspicious origin at churches serving African-American communities in the last 18 months;

Whereas these churches are a vital part of the life of these communities;

Whereas intentionally burning churches is a very heinous crime in these communities, and all across America, because church burning was used during the civil rights struggle in an attempt to intimidate African-Americans from exercising their Constitutional rights;

Whereas there have been at least 60 fires and incidents of desecration in houses of worship in 15 different States since 1990;

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights as an American, is inconsistent with the First Amendment to the United States Constitution, which guarantees every American the right to the free exercise of his or her religion;

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights as an American is also inconsistent with the First Amendment guarantee that ensures that Americans can freely and peaceably assemble together; and

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights is a serious national problem that must be expeditiously and vigorously addressed: Now, therefore, be it

Resolved, That—

(1) the Senate condemns arson against churches as being totally inconsistent with American values;

(2) the Senate believes that the investigation and prosecution of those who are responsible for fires at churches, and especially any incidents of arson whose purpose is to divide communities or to intimidate any Americans, should be a high national priority; and

(3) the Senate commends the President for devoting all Federal resources necessary to bring those responsible for committing any act of arson against churches to justice, and urges that all investigations of fires at churches which are of suspicious origin are conducted in a sensitive manner that reflects the special character of churches and the rule they play in American communities.

Ms. MOSELEY-BRAUN. Yesterday, Mr. President, I came to the floor and spoke about what I called the domestic terrorism that we are suffering in this country with the burning of churches and other hate crimes in our Nation. I spoke at some length about it and mentioned a time that I will submit a resolution pertaining to the church burnings. I am submitting that legislation now, Mr. President. I would like it held at the desk until the time of adoption.

Mr. President, I know there will be other legislative activity associated with this issue in the days to come. But as the Chair is no doubt aware, since yesterday, when I first took to the floor, there has been yet another church burning in this country.

As I said yesterday, the people who are perpetrators of this rash of hate crimes and church burnings are no more than cowardly domestic terrorists. These are people who work under cover of darkness and anonymity to intimidate some and encourage others, and it is out of cowardice.

However, in spite of the objective of these actions, which it has been suggested are intended to start a race war, there is every indication that these arsonists are confused about the country in which their crimes are taking place.

Most Americans—I reiterate, most Americans—are appalled and outraged. The fact of the matter is, there is in this darkness some light coming through. The light relates, Mr. President, to the efforts of Americans, from the President of the United States down to ordinary people, to stand up, to speak out, to be heard and to demonstrate that this kind of crime, this kind of heinous crime and this kind of domestic terrorism is not to be tolerated in this America.

I have been encouraged, Mr. President, by some of the reports from my home State. In Glenn Carbon, IL, there had been a cross burning. In one of the newspapers in Illinois, the headline there was "Neighbors Comfort Black Family Who Found Cross in Yard." The story goes on to say that the people, white and black alike, who live in the community came to the aid of the individuals who suffered the cross burning to indicate their support, to indicate their reassurance that the racial hatred that was symbolized by the cross burning did not reflect the feelings of the neighborhood or of that community. I think that is a very positive and powerful thing.

Another article, Mr. President, from the Alton Telegraph, "Neighbors show good will to victims of cross burning," makes the same point. This article goes on to say that neighbors delivered flowers and food, cards, plants and other gifts to the family on Monday, people reaching outside of themselves to stand up against hatred, to stand up against racism, to stand up against the evil that this church burning represents.

I think therein lies the key. We can take action here in this U.S. Congress, the Senate and the House, and the President can take action. We can all come together as a collective community through our Government to take leadership in showing that in this America this kind of criminality will not be tolerated, but we can only do that, and it only takes real meaning when we are joined in our official capacity by individual, unofficial action, when the churches, themselves, come together to participate in ceremonies and services and marches and demonstrations in favor of unity and in favor of love.

When we really focus in on the fact that this rash of hate crimes is just that, a rash of evil afoot in the land, and that good people of all races will make it a point to be heard, not to sit back in silence and to allow this evil to take seed among us, but, rather, that we will all stand up as individual citizens to say, "This America, in this time, is putting the ugly legacy of racism and racial hatred behind. We will not go back to the days when these kinds of things can happen with impunity."

We will engage every asset, every resource at our disposal to see to it that these criminals are brought to justice, that the truth is uncovered, that no stone will be left unturned in our efforts to prosecute the perpetrators of these crimes, because they are criminals. We will make it very clear as a national community, all of us, that we will not tolerate this kind of conduct, and that the people who have tried to foist this horror on our community, on our country, will be prosecuted to the fullest extent of the law.

Mr. President, I also say after the speech that I gave yesterday, which is already in the RECORD, I was just really taken personally by the expressions of support, expressions of concurrence and the expressions from my colleagues on both sides of the aisle, people coming up to say, "We think it is just terrible what is going on. We want to do something about it. We want to be heard. We want to make certain that everybody understands that this kind of activity has no place in America." I am encouraged and heartened by that, because I think, if anything, that change of heart, that change of collective consciousness, that change in the climate of opinion is precisely the victory that reflects the moral victory that the civil rights movement achieved.

We have a mindset in this country that does not tolerate this kind of horror, that not only does not tolerate it, but is ashamed by it. Out of our repudiation, out of our rejection of these expressions of evil, I believe we will find a new birth as an American community. We will find a new level, frankly, of coming together and of working together, and of unity in this country, and will, I think, set the stage so the young people that are here today will begin to ask the question, in their time: "I remember the days when race was a debate in the United States, but we got past that. We got smarter, we matured, we moved beyond that." That is my hope for these young people.

If anything, I think with the expressions of support, the expressions of love, the expressions of unity, the good will that is being shown all over this country in reaction and in response to the hatred we have seen, the cross burnings and the church burnings, the moral victory will be ours as a Nation, and we will move forward as a Nation together, a stronger country because of it.

Mr. President, I understand the resolution will be adopted or can be adopted later this evening. I wanted to bring to my colleagues' attention the fact that this resolution is pending. I understand there will be other legislative initiatives in this regard. I am delighted to join with those, as well, because I think it is very important as a body we speak with one voice, that these people who are doing this are not Americans. Their activities fly in the face of the America that we believe in, fly in the face of the values that this America represents to the world, and that we will not allow their evil to shame all of us, and we will not allow them to get away with it. From that, Mr. President, I believe we will be a greater Nation, and we will have found, out of this horror, some light, and from that light we will be able to build a stronger Nation.

I commend my colleagues who have already joined me. Again, thanks to everyone who has stepped up and said something. One other word: There is a tradition that the only thing that allows evil to prevail is for good people to say nothing. Now is the time for good people to be heard. Now is the time for good people to stand up and say, "The America that we know and the America we believe in is an America that cherishes the value of brotherhood and love and unity."

Mrs. MURRAY. Mr. President, let me associate my remarks with my colleague from Illinois, Senator CAROL MOSELEY-BRAUN. I am delighted that I had the opportunity to be on the floor to hear the very, very important words that the Senator from Illinois has shared with all of us today about this extremely important issue.

I am delighted that the citizens of Illinois had the intelligence to send her here so that she could be a leader and a voice that all of us could follow. I am delighted to support the Senator with the resolution, and I am delighted to stand shoulder to shoulder as we pursue this very, very important issue in this country and put to rest the racism that we see.

Mr. LIEBERMAN. Mr. President, I want to speak following the very eloquent words of our friend and colleague from Illinois, Senator MOSELEY-BRAUN, about the wave of church burnings in the South. There is a way in which it would be assumed that all of us here in this Chamber, reflecting, representing, as we do the American people throughout the 50 States, would naturally be outraged by these church burnings. But this is one of those cases where it is important not to leave the assumption not testified to, not to leave the feelings unexpressed, not to leave the Chamber as a body silent. Therefore, I commend the Senator from Illinois for introducing the resolution which she will.

I have asked her and she has agreed to add me as a cosponsor. At this point, Mr. President, I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. I thank the Chair.

Mr. President, last night, as we know, a fire broke out in the First Missionary Baptist Church in Enid, OK, which brings now to more than 30 the number of African-American churches that have been burned by arsonists over the past 18 months, and, of course, the pace seems to be quickening in the last couple of weeks.

This outrage recalls memories of similar attacks on religious people and religious institutions throughout the centuries. Sadly, they continue in the other places in our world today. Christians, Jews, Moslems, and others have all suffered for their faith in many horrible ways. The details of the acts of persecution vary widely, but the seeds of hatred that underlie the terror are sadly and tragically quite the same.

The sheer blasphemy—I use the word intentionally—the blasphemy of these church burnings must chill our souls. We do not know if the acts of arson are the result of some horrible conspiracy. But in some measure, it would be a little bit easier to grasp the enormity of this evil if it were the result of the work of a single group of criminals because we can crush such a small band of terrorists, which is what they are. But, if these arsonists are not connected in some organized way, we have to ask ourselves again, as we have before in our history, "How do we fight back against the larger stain of racism that exists in so many individual hearts consumed by the shared desire to destroy the spirit of those they hate?" The answer, I want to suggest to my colleagues today, to this conspiracy of crime and hate is to enter into our own conspiracy of law and love.

By law I mean we must—and I am confident we are using—use every legal weapon in our arsenal, in society's arsenal, to investigate every fire and follow every lead until the perpetrators of these injustices are brought to justice. We must consider these to be acts of terrorism and use the most sophisticated techniques at our disposal to hunt down those who have perpetrated them.

By love what do I mean? I mean reaching into ourselves and as a country enveloping the victims of the church burnings with our own prayers and support and acts of kindness to make up, as best we can, not just for their tragic loss of their houses of worship but to respond to the sense of fear and alienation that go with those burnings.

Mr. President, the ties that bind us as Americans—particularly our shared faith in God—are greater than this evil. By coming together now, we can guarantee that these acts of evil will gain no ground.

In a sense, all of us who worship God and try to love our neighbors as God's children are the targets of these hate crimes, these arsonists. Yes; we may have different backgrounds and come from different denominations, but we are bound by a common faith—the same faith that helped inspire the founding of this Nation, as is clear from the first words of the Declaration of Independence; that the rights with which we are endowed do not come from some committee of lawyers or constitutional theorists; that we are endowed by these rights by our Creator. That is the source of our liberty, the driving idea of our democracy. Religion has always been a source of strength and purpose and, indeed, of unity in America. Religious people have carried some of the most noble acts of citizenship and leadership across the history of our country.

So when these arsonists strike at houses of worship in America, they strike at the heart of America, the source of America's strength. Those who are full of such hate must fear that which poses the greatest threat to them. The spirit of faith that inhabits those who worship in the churches that have been burned must strike great fear in the hearts of those who have burned them. But the spirit of faith that has been expressed in those churches is not only strong; it is, as the arsonists will learn, a spirit that is unbreakable.

So, though the church is burned, the light of faith that has burned within that church will grow stronger and spread in the minds and souls of those who have worshiped there and, I believe, in the minds and souls of the great majority of the American people.

So I look forward to the resolution coming forth and to whatever other ways in which this Senate can express its outrage at the acts of arson and its sense of fellowship and brotherhood in the most profound sense for those who have worshipped at these churches.

SENATE RESOLUTION 264—RELATIVE TO NATIONAL SPEAK NO EVIL DAY

Mr. MACK (for himself, Mr. LIEBERMAN, Mr. CRAIG, and Mr. JEFFORDS) submitted the following resolution; which was considered and referred to the Committee on the Judiciary:

S. RES. 264

Whereas words used unfairly, whether expressed through excessive anger, unfair criticism, public and private humiliation, bigoted comments, cruel jokes, or rumors and malicious gossip, traumatize and destroy many lives;

Whereas an unwillingness or inability of many parents to control what the parents say when angry causes the infliction of often irrevocably damaging verbal abuse on the children;

Whereas bigoted words are often used to dehumanize entire religious, racial, and ethnic groups, and inflame hostility in a manner that may lead to physical attacks;

Whereas the spreading of negative, often unfair, untrue, or exaggerated, comments or rumors about others often inflicts irrevocable damage on the victim of the gossip, the damage epitomized in the expression "character assassination"; and

Whereas the inability of a person to refrain for 24 hours from speaking unkind and cruel words demonstrates a lack of control as striking as the inability of an alcoholic to refrain for 24 hours from drinking liquor: Now, therefore, be it

Resolved, That the Senate designated May 14, 1997, and May 14, 1998, as "National Speak No Evil Day". The Senate requests that the President issue a proclamation calling on the people of the United States to observe the days with appropriate ceremonies, activities, and educational endeavors.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. CAMPBELL. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, June 20, 1996, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to revise S. 1424, a bill to redesignate the Black Canyon of the Gunnison National Monument as a national park, to establish the Gunnison Gorge National Recreation Area, to establish the Curecanti National Recreation Area, to establish the Black Canyon of the Gunnison National Park complex.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management.

The hearing will take place Thursday, July 11, 1996, at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1738, a bill to provide for improved access to and use of the Boundary Waters Canoe Area Wilderness, and for other purposes.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Thursday, June 13, 1996, session of the Senate for the purpose of conducting an executive session and markup.

THE PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, June 13, 1996, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S. 1844, a bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water based recreation and for other purposes.

THE PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. LOTT. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, June 13, 1996, beginning at 10 a.m. in room SD–215.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 13, 1996, at 10 a.m. to hold a briefing.

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, June 13, 1996, at 10:30 a.m. to hold an executive business meeting.

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Constitution, Federalism, and Property Rights be authorized to meet during the session of the Senate on Thursday, June 13, 1996, at 2 p.m. to hold an executive business meeting.

SUBCOMMITTEE ON AGING

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources Subcommittee on Aging be authorized to meet for a hearing during the session of the Senate on Thursday, June 13, 1996, at 9 a.m.

The PRESIDING OFFICER. Without objection,it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO THE TOWN OF HUDSON, NH ON ITS 250th ANNIVERSARY

• Mr. SMITH. Mr. President, I rise today to pay tribute to the people of Hudson, NH, on their town's 250th anniversary. The town's residents will begin celebrating this historic occasion on June 21 with a number of festivities including a grand ball, parade, and block party events. I was proud to participate in this meaningful celebration.

Hudson's history first dates back to the year 1672 when families first settled in the Hudson area. On July 5, 1746, then Governor and Command in Chief

Benning Wentworth signed the town's first charter. As Hudson and the surrounding areas began to grow, the first bridge was built across the Merrimack River there in 1827.

Many descendants of the town's first settlers still live in Hudson. Near the end of the 18th century, Simon Robinson settled on the north side of the pond later named the Robinson Pond. Originally, the pond was called Little Massabesic meaning the place of much water. Some of Simon Robinson's descendants still reside there. In addition, James Hills was one of the three brothers credited with being the first settlers in the town and his great-grandson settled on Alvirne, the old 181 acre Derry Road homestead, and had several children.

Hudson opened their first library in 1797. The Nottingham West Social Library was founded during that year, and served the town residents for 50 years. In 1856, the Hudson Center Library opened its doors. Then, in 1891, Adoniram Greeley gave his private collection of 1,878 books to the town. The library was renamed the Greeley Public Library and in 1908, Alfred Hills donated money for the construction of a new library, the Hills Memorial Library.

Today, the 20,000 people of Hudson still exhibit the Yankee traditions and commonsense values of their forefathers. The first school houses were built in Hudson in 1806. Since then, the school system has grown steadily to include three elementary schools, one middle school, and one high school. Alvirne High School has 1,032 students in grades 9 through 12, including 349 students from Litchfield. The police department has 50 officers and staff, the fire department has 28 full-time firemen and 26 volunteer firemen. The town also has a board of selectmen form of government.

I congratulate the town of Hudson, and all of the dedicated and patriotic citizens there. I am proud to be their Senator.●

PLAYING IT CLOSE TO THE VEST

● Mr. SIMON. Mr President, Richard Cohen, the thoughtful columnist at the Washington Post, recently had an op-ed piece on gambling in the United States titled, "Playing It Close to the Vest." It is a hard hitting, but factual presentation of the situation that we face today.

One of the things that I noted, was the reference to the lottery in Maryland. He writes:

> Gambling has yet another dirty secret. It makes a lot of money from those who can least afford to lose it. For instance, residents of Baltimore, Maryland's poorest jurisdiction, wager $316 per capita on the State lottery; for Montgomery County, the State's richest jurisdiction, the figure is $115. Lest you think that phenomenon applies only in Maryland, look anywhere lottery tickets are sold.

The problem with the lottery is only a small tip of a much bigger iceberg.

I ask that the op-ed piece written by Richard Cohen be printed in the RECORD.

The op-ed follows:

[From the Washington Post, May 28, 1996]

PLAYING IT CLOSE TO THE VEST

(By Richard Cohen)

I am thinking now of one of the "Godfather" movies in which the young Michael Corleone, having transplanted his family and operations to Nevada, bluntly tells a U.S. senator what to do and how to do it. That sort of thing, of course, could never happen today. Instead, the gambling industry merely makes political contributions and hosts fund-raisers. For most politicians, that's the offer they can't refuse.

By way of illustration let us look at the progress of a proposal to establish a national commission to study gambling. This is not the worst idea to come out of Washington, because not much is known about gambling's real impact. Twenty years ago, only two states had some form of gambling; now only two states do not. So it seemed to Rep. Frank Wolf (R–Va.) and Sen. Paul Simon (D–Ill.) that a study was in order.

That, though, was easier proposed than done. The resolution passed the House, but the Senate has been a different story. There, opposition of the gambling industry has slowed things down, and the post-Dole leadership reportedly is hostile to the study. The American Gaming Association ("Gaming?") has bought itself a trifecta of top lobbyists and has thrown oodles of money into, particularly, the Republican Party.

Steve Wynn, owner of Las Vegas' Mirage casino company, now has the sort of entry into GOP circles that was once reserved for captains of industry. Little wonder. Last June, he hosted a fund-raiser for Bob Dole. The take: $478,000. In June 1994, he raised $540,000 for the GOP. Just possibly for this reason, Newt Gingrich recently proposed that the gambling commission not even have subpoena power. Just by coincidence, he made this proposal in Las Vegas. Family values at work again.

The "gaming" industry insists that there is really nothing to study. Gambling—er, gaming—is heavily regulated and state controlled and so clean that you can see mommies with their kiddies at the slots in Vegas. But that, of course, is the problem. It would be interesting to know just how many mommies are gambling away their kids' milk money as they feed the slots or, worse, video poker machines. The poker machines, in particular, are known for their addictive charm.

Gambling is a huge business. It takes in more money than the movies, baseball, football, theme parks or just about anything else you can name. About 70 million people attend professional baseball games annually, but 125 million go to casinos, where there is never a rainout, but then the sun never shines, either.

Americans wagered nearly $500 billion in 1994 and lost about $40 billion of that total. Most of the losers could afford what they left on the table, but some, clearly, could not. These compulsive gamblers—maybe no more than 4 percent to 6 percent of all players—may well account for at least 25 percent of the gambling industry's profits. They are to gambling what pint buyers are to the liquor industry: a gold mine and a dirty shame.

Gambling has yet another dirty secret. It makes a lot of money from those who can least afford to lose it. For instance, residents of Baltimore, Maryland's poorest jurisdiction, wager $316 per capita on the state lottery; for Montgomery County, the state's richest jurisdiction, the figure is $115. Lest you think that phenomenon applies only in Maryland, look anywhere lottery tickets are sold.

Here and there in this country, in weird pockets of liberalism and in homes for the aged, some people can be found who still care about the poor. As for the rest, we mostly don't care if they spend more than they can afford or if the government, through the false hope of a lottery, imposes what amounts to a "dream tax" on those who can least afford it. No more government as nanny. If people want to gamble, let them gamble.

But let us not fool ourselves. Some of them will gamble the rent money, and some will become addicted to games like Keno and after a while, maybe the money that states collect from gambling in going out in social services. It's one thing for the mob to bleed the poor; it's quite another thing for the state to do the same thing.

Whatever the case, little is known about gambling's impact, and, it seems, the gambling industry likes it that way. It pretends that what was once an industry dominated by the mob is now the equivalent of a state fair. Not quite. Politicians still are on the take, and the poor are still being victimized. Little wonder the gaming industry is so reluctant to have the feds take a look. It sells fantasy, but often delivers misery.●

VIRGINIA GIRLS STATE

● Mr. WARNER. Mr. President, I am pleased today to applaud the 50th anniversary of the Virginia Girls State. Sponsored by the American Legion Auxiliary, the Virginia Girls State provides high school girls with leadership and citizenship training during a week-long program held on college campuses across the country. This program features learning by doing activities which teach young women the duties, privileges, and rights of American citizenship—the backbone of democracy.

This magnificent program reinforces to our young citizens the notion that they are an essential part of their government and responsible for its character and success. Through the program, the young women are taught the value of individual responsibility to the community, State, and Nation.

The United States of America was founded on, and will flourish because of, the principles of democracy. I strongly believe in the lessons of democracy handed down from our forefathers. The more our young people know about the Constitution and the Bill of Rights, the stronger our great Nation becomes. Remember that knowledge is power. Through learning, the young women of Virginia Girls State add to the vitality and strength of America.

Mr. President, as you know, there is no stronger foundation for democracy anywhere in the world than the U.S. Constitution. I commend the participants, supporters and founders of Virginia Girls State for their dedication to American citizenship and democracy.

Again, I extend a happy 50th anniversary to the Virginia Girls State.•

AUNG SAN SUU KYI

• Mr. SIMON. Mr. President, one of the most impressive political leaders in our world today is the courageous Aung San Suu Kyi of Burma, who has quietly, consistently but firmly, stood for democracy for Burma, now called Myanmar by its present leaders, but still called Burma by Aung San Suu Kyi.

The military government there which still does not permit free assembly or a multiparty system, or other things that democracies take for granted, to its credit, has released Aung San Suu Kyi from house arrest.

Recently, the Los Angeles Times published an interview with her by Scott Kraft, which said something about her courage and her country.

I particularly like his question "How does it feel to be a free citizen?" She replied:

I'm a free citizen but the country is not free. So I feel like a free citizen in an unfree country. I appreciate the opportunity to be in touch with the people. That is what our work is all about.

You know, I always felt free. I felt free when I was under house arrest because it was my choice. I chose to do what I'm doing and because of that, I found peace within myself. And I suppose that is what freedom is all about.

I ask that the Los Angeles Times article be printed in the RECORD.

The article follows:

AUNG SAN SUU KYI—STRIVING TO BUILD A DEMOCRACY AMID THE HARSH REGIME OF MYANMAR

(By Scott Kraft)

Aung San Suu Kyi had a rigid routine during the six years she spent under arrest in her family's lakeside home. She would rise at 4:30 a.m. for exercise and meditation, then spend the day reading biographies or autobiographies and listening to the radio. The only human being she would see was the maid.

Though free for eight months now, she still spends most of her days in that two-story house. But the 1991 Nobel Peace Prize winner is hardly isolated. Two appointments secretaries, one for foreign dignitaries and the other for fellow party members, have guided thousands of visitors to meet her.

"I'm afraid I can no longer keep to a strict timetable," Suu Kyi says. "I can't get up at 4:30 anymore because there are times I don't get to bed until 2 a.m. If I got up early, I wouldn't be able to operate full-steam for 12 hours."

Many here hoped her release was a first step toward democracy in Myanmar. But the military regime, which nullified her party's victory in the 1990 elections, still runs the country. It is stage-managing a constitutional convention while trying to attract foreign investment.

Suu Kyi is biding her time and rebuilding her party network. Her weekdays are filled with appointments and on weekends, hundreds of supporters gather outside the gated compound to hear her speak and answer their questions. Soon, she says, the government will come to its senses.

Even as the government tries to ignore her, Suu Kyi, 50, remains the most-respected political figure in Myanmar. Her father, Aung San, is considered, even by her detractors, as the greatest hero of Burmese independence. He was assassinated in 1947, when she was 2.

Suu Kyi left Burma in 1960, at age 15, and later received a degree from Oxford University. She married a Briton, Michael Aris, who is now a professor and specialist in Tibetan studies at Oxford. In 1988, she returned to Burma to tend to her ailing mother and became a leader of the pro-democracy movement.

Aris and the couple's two sons, Kim, 18, and Alexander, 22, who are in school abroad, usually visit Suu Kyi at holidays, as they did during her years of house arrest, if the government grants them visas. Suu Kyi is prevented from leaving Myanmar only by the certainty that she would never be allowed to return.

In person, Suu Kyi is low-key and polite, though her determination is evident. She always refers to the country as Burma and the capital as Rangoon, purposefully ignoring the government decree that this nation be called Myanmar and the city, Yangon.

She meets visitors at home in a square room surrounded by 1940s-era photographs of her family and a wall-sized painting of her father. "The painting is a bit Andy Warhol, don't you think?" she says, "But it's really a very good likeness."

Q. How would you assess the eight months since you've been released? What are the positive developments and the disappointments?

A. Well, in politics, I don't think you ever get disappointed as such. It's an occupational hazard that things don't always turn out as you would wish them to. You hope for the best and prepare for the worst. That's politics.

The most positive aspect of things since my release is the fact that our party has become far more active. We've been reorganizing and reconsolidating. We've been subjected to a lot of restrictions. There continue to be intimidations and harassment.

But we still have the strong support of the people and we manage to get along with our party building.

Q. Many in the West thought that when you were released, everything would begin to improve.

A. I don't think it's as simple as that. There are some people who say I was released because the government thought the National League for Democracy was dead. But in fact, it is far from dead. There have been miscalculations like that in the past by this government.

In the 1990 elections, the government thought we might win a plurality but not an absolute majority. In fact, we got 82%, with the result that those elections have been totally ignored and our members persecuted.

Q. So you aren't disappointed in the slow pace of change?

A. I wouldn't say "disappointed" is the word. There is so much happening within our party that it does compensate for what is not happening on the other side.

Of course, we know that the best thing for the country is national reconciliation, which can only take place through dialogue. And we hope that it will take place sooner rather than later. But that doesn't mean we just sit and hope. We have other work to do and we carry on.

Q. So you aren't impatient with the pace of things?

A. If you are very busy, you have no time to be impatient. If you ask us when do we want democracy, well, we want it now, of course, I feel just as strongly about that as anybody else. But because we are so occupied with our numerous jobs, we are not that impatient.

Q. Do you think the current constitutional conference, in which your party is not participating, is a step in the right direction?

A: No. That constitution is not headed for democracy. In the first place, they are not allowing political parties to operate effectively, and without political parties operating effectively there can be no multiparty democracy.

The constitution they are writing really doesn't mean anything. A constitution is just a piece of paper unless it has the support of the people, and many a country has gone through many a constitution that is unacceptable to the people. Such constitutions do not last.

Q: So what can you do to get this government to change direction?

A: It is the will of the people that the country should become a democracy, and I'm sure the people will join me in guiding the country to its democracy. We will do what we can as a legally registered party. We will use political means of reaching our goal. This is our constant.

Q: So you are talking about passive resistance.

A: We don't really believe that the way to bring about democracy is by encouraging popular uprisings. We believe that democracy will come through the strength of the political will of the people, expressed through political parties.

Q: How does it feel to be a free citizen?

A: I'm a free citizen but the country is not free. So I feel like a free citizen in an unfree country. I appreciate the opportunity to be in touch with the people. That is what our work is all about.

You know, I always felt free. I felt free when I was under house arrest because it was my choice. I chose to do what I'm doing and because of that, I found peace within myself. And I suppose that is what freedom is all about.

Q: Do you think that it is possible the government thought it could make you a nonperson by releasing you?

A: Sounds likely, doesn't it? Yes, it seems likely.

Q: The government often points out that you are married to a foreigner. How important is that criticism to the average Burmese?

A: I don't think it means very much. If I were married to a Burmese, they'd probably attack my husband's family for other reasons than that he was foreign. Don't forget that they are also attacking—very, very viciously—other party leaders who are not married to foreigners.

Q: Is your husband able to visit you?

A: He came for Christmas, but last year he was refused a visa for the Easter holidays. So he comes if he gets a visa.

Q: You have frequently called for dialogue with the government.

A: Yes, we believe in dialogue and we will always believe in dialogue because that's the way all political problems end up.

Q: Has the government made any overtures to you?

A: Our party has a policy that we will make no statements about dialogue until we decide we are ready to bring out an official version.

Q: So you're saying . . . ?

A: What I'm saying is that I'm not answering your question (laughs).

Q: If there is an election based on the government's new constitution, would your party participate?

A: We don't even know whether there is going to be a constitution or what sort of constitution. In any case, I don't think we should be talking about the next elections when the issue of the last elections has not yet been resolved.

Q: Currently, the government is promoting foreign investment, and many companies, including Unocal in Los Angeles, have investments here. What's your message to those companies?

A: We have always said—very, very clearly—that Burma is not right for investment. The climate is not right because the structural changes necessary to make an investment really profitable are not yet in place.

We have now acquired in Burma a small group of very, very rich people. We did not have such people eight years ago—people who could go to a hotel and spend $1,000 on a meal. That was unheard of. And the gap between the haves and the have-nots is increasing. That does not make for social stability.

Q: Do you think the government's hold on power will be strengthened as it opens up the economy?

A: Well, it's not a free market. Some are freer than others in their access to the market. The mechanism necessary for a really healthy open economy does not yet exist. And one of the most important parts of that is the rule of law. You have to know where you stand. . . . Without that, there can be neither credibility nor confidence. And every businessman must agree that good business cannot be done without credibility and confidence.

Q: What do you do to discourage investment?

A: It's not just what I say and it's not just the support there is abroad for the movement for democracy. Potential investors who really study the situation in depth, who don't just take a superficial view, will come to their own conclusion that the time is not yet right.

They may want to put a little bit here so they can have a toe hold, waiting for the day when Burma takes off. Of course, that day will be when democracy comes.

Q: In your heart, when do you think that will come? Are we talking five years?

A: I can't really say. But certainly I don't think it will be that long.

On the other hand, I know there will be a lot of problems to deal with once we have democracy. In fact, I think we'll probably have more problems after we have democracy than before. This is always the case when a system changes from an authoritarian system to an open and transparent one.

Q: You tell the crowds that democracy is no panacea.

A: Yes, I tell them that under a democracy, we will have to be prepared to take responsibility for our country's problems. Once they have democracy, they can no longer blame the government because they are really the government.

Q: But won't there need to be pressure to bring about change here?

A. There is international pressure. But of course what is more important is that there is pressure from within.

The Burmese people are tired of authoritarianism, and they have seen for themselves that the authoritarian system has not done the country any good at all. Our standards of education are falling. Standards of health are falling. The face that we have new hotels does not make up for the fact that our children are less well-educated.

Q: Were you surprised, after your release, that there was still strong support for you? Did you worry that you might have been forgotten?

A: No, no. I was not that surprised. It's nothing to do with me. It has more to do with the desire of the people for a system that gives them both liberty and security. This is what people want, isn't it? People want to be free and at the same time they want to be secure.

Q: And you personally?

A: It's not me they are supporting in particular. The government seems to think it's me personally that the people are supporting. This government always gets things wrong.

We won the election in 1990 because the people wanted democracy. It was not because of me.

Q: Do you worry about your safety?

A: No, I don't worry very much at all. It's not because I'm all that courageous or anything. It's just that there is no point in it. If they want to do anything to me they can do it any time they like.•

COLLEGE NATIONAL FINALS RODEO

• Mr. BURNS. Mr. President, I stand today to wish all those young cowboys and cowgirls that are participating in the College National Finals Rodeo good luck. These fine young men and women are at the heart of the sport of rodeo and deserve to be commended for their hard work and determination.

The CNFR is especially important to all these young riders because of the great opportunity for college scholarships and prizes. For many, this competition will determine which school they will be able to afford, if any. These generous scholarships are provided by the U.S. Tobacco Association and they should be given applause for their work to strengthen the sport and help these young riders obtain a college education.

The city of Bozman has also contributed a great deal to the CNFR. Celebrating the 25th anniversary of hosting the rodeo, the Brick Breeden Field House has provided the perfect location for the finals and hopefully will continue to do so well into the future.

You have good reason to be proud of your sport and what you do. As the only original America sport, you are carrying on a tradition that was started over 100 years ago. When the cowboys of the Old West were driving their herds across the plains, little did they know that their friendly competitions would become a multimillion dollar sport. Your dedication to the rodeo honors them and their hard work and commitment to the land.

My hats off to you and the best of luck.•

AND IN THE LONG RUN—WE SHOULD WIN

• Mr. SIMON. Mr. President, recently the New York Times carried an item in its business section, written by Richard H. Koppes, deputy executive officer and general counsel of the California Public Employees Retirement System, the Nation's largest public employee pension fund with almost $100 billion in assets.

What he writes makes a huge amount of good sense.

He calls on corporate America to look long term rather than short term. Both in politics and in business we have the tendency to look short term.

I ask that the New York Times article be printed in the RECORD.

The article follows:

[From the New York Times, May 19, 1996]

AND IN THE LONG RUN WE SHOULD WIN

(By Richard H. Koppes)

Last Thursday, President Clinton put the spotlight on excessive corporate profits and exorbitant layoffs by holding a party at the White House to congratulate those companies that "do well" by their employees and their shareholders.

The Administration, however, may want to take to the woodshed the real culprits of corporate greed: the boards of directors that have allowed "the hollowing out" of America's corporations to obtain short-term increase in stock prices.

That statement may be surprising, coming from the Nation's largest public pension fund and one of this country's strongest advocates for good performance. But contrary to assumptions being made in some board rooms of the United States, Calpers, the California Public Employees Retirement System, is not pushing to bump up short-term stock prices. We are a company's long-term patient capital and are troubled when companies sell out to short-term Wall Street traders.

So let me set the record straight: Calpers opposes layoffs to lift stock prices in the near term. This is wrong and will not work to create wealth over the long run. One public pension fund official put it best recently when he said, "You can shrink your way to profitability in the short term, but it isn't the road to greatness in the long run."

Calpers doesn't condone what's going on. We won't participate in that kind of greed. And we intend to be a constructive voice to change it, by demanding high-quality, independent directors.

How did America's corporations get to this point? To understand, we need only examine the evolution of the balance of corporate power over the last decade.

When investors began to zero in on corporate governance issues in the early 1980's management held most of the power that might rightfully have belonged to the company's directors and its share owners.

As corporate governance activism grew, share owners, from the short-term Wall Street traders to the long-term investors like Calpers, became increasingly influential, and managers began to heed their share owners' bidding. Some managements over-responded to the point that they were willing to slash human assets to improve stock prices.

Either way, the balance of power is out of whack, this time have swung too far toward share owners. Institutional investors recognize it is not their role to govern the company. That is the responsibility of the board. Only the directors can insure that neither management nor share owners hold an unequal share of the power.

How do they do that? They can learn a lot from the Chrysler Corporation and what transpired when Kirk Kerkorian vigorously sought to distribute more of Chrysler's $7.5 billion in cash to shareholders last year.

Chrysler is led by a strong, independent board that is strategically focused and knows the business. It could resist Mr. Kerkorian's proposal because it engaged its directors, managers and investors in debating what was best for the company. "None of our institutional owners asked us to change directions," Chrysler's chairman, Robert J. Eaton, said in recent speech to the Economic Club of Detroit. "Not one of them told us to compromise the future for the sake of today." In the last five years, Chrysler has added more than 15,000 hourly workers while creating impressive shareowner value. At its own pace, it has moved to give share owners more money, including another dividend increase last week.

The approach taken by Chrysler's board thus serves as a model for how to remedy the needles "hollowing out" of the corporation. Strong, independent boards must be formed with directors who will individually and collectively ask questions about proposed layoffs to satisfy themselves that the layoffs are motivated by a strategic plan for long-term growth, not a desire to increase the stock price.

What critics of public pension fund investors do not realize is that we don't care about next quarter's stock price or even this year's stock price. At the company's patient capital, we hold our positions for a decade or longer.

Therein lies Calper's next stage of corporate governance activism. We will be looking for measures of performance that are based not simply on quarterly earnings and the most recent rise in the stock price.

We will be examining how a corporation is positioned for the long term. Part of that screen will be an evaluation, for example, of whether executive compensation is rewarding short-termism and whether the company has placed true value on its workers.

Calpers will continue its focus on board structural issues with an expansion into board performance, evaluating directors individually and collectively. Among the key questions it will ask is whether the position of board chairman or chairwoman is separate from that of the chief executive. If the positions are combined, is there an independent director as lead outside director to act as a counterbalance to the power of the chief executive? We will also want to know if directors own enough stock to make themselves meaningful owners.

When we meet with directors, we'll be asking them what they have done to add value to the their company. We will look at issues that affect their own objectivity and their ability to devote sufficient time to board work: the number of boards they serve on and whether they represent cross-directorships, for example.

We shouldn't let the underperformers with bloated payrolls off the hook. But Calpers and many other institutional investors will continue to advocate real long-term growth and recognize, as Mr. Clinton did on Thursday, those who resist short-termism. We will listen to quality boards that commit to actively pursue long-term growth.

With this structure in place, America will see an end to what's been called the "looting of corporate America's human capital." It can't happen soon enough.•

THE 1995 FEDERAL AVIATION ADMINISTRATION EN ROUTE FACILITY OF THE YEAR

• Mr. GREGG. Mr. President, I wish to pay tribute to an outstanding group of Federal Aviation Administration officials—the air traffic controllers at Boston Center Local in Nashua, NH. This outstanding group of dedicated Federal employees has been awarded by the U.S. Department of Transportation, Federal Aviation Administration, the 1995 Federal Aviation Administration En Route Facility of the Year Award.

Keeping our skyways safe for both national and international flights is what this group's work is all about. I applaud all of the hard work and dedication they have demonstrated in serving the public. I wish to extend my most sincere congratulations to the employees of the Boston Air Route Traffic Control Center, in Nashua, NH. I am confident that this distinguished group of individuals will continue to enjoy continued success in the future. I ask that the attached commendation reflecting the sentiments of both the House of Representatives and the Senate be printed in the RECORD.

The commendation follows:

A COMMENDATION—BOSTON AIR ROUTE TRAFFIC CONTROL CENTER: 1995 FEDERAL AVIATION ADMINISTRATION EN ROUTE FACILITY OF THE YEAR

Whereas, The Boston Air Route Traffic Control Center, located in Nashua, New Hampshire, has been awarded the United States Department of Transportation, Federal Aviation Administration's 1995 En route Facility of the Year Award; and

Wheres, The employees of the Boston Air Route Traffic Control Center are recognized nationally for their exemplary service provided to the flying public of New Hampshire, New England, and worldwide; and

Whereas, The employees of the Boston Air Route Traffic Control Center have focused on being proactive in their mission to efficiently serve the public and on improving the total service to the aviation industry, flying public, local community, and Federal Government; and

Whereas, Boston Air Route Traffic Control Center employees have made extensive contributions to our local communities and are actively involved in charitable organizations; and

Whereas, the Boston Air Route Traffic Control Center level of operations, employee activities, and special projects in 1995 were unprecedented; therefore be it

Resolved, That the employees of the Boston Air Route Traffic Control Center are commended by the 104th Congress of the United States for their service cited by this award.•

NATIONAL ENVIRONMENTAL EDUCATION AMENDMENTS ACT

• Mr. MOYNIHAN. Mr. President, I rise in support of the National Environmental Education Amendments Act, a measure which I am proud to cosponsor. I was also proud to support the original enacting legislation in 1990. This bill is designed to extend the life of the National Environmental Education and Training Foundation [NEETF], which was established in 1990 to meet critical environmental needs in the very best way we know how. It relies on solid, reputable science to bring broad-based environmental education to citizens and workers across the country and around the world.

Specifically, the Foundation serves as a link between public and private resources. It administers a matching grant program to encourage, leverage, and manage private gifts for environmental education. Those funds are spent on school projects, after-school activities, worker training, and adult education.

In my home State of New York, the Foundation has sponsored approximately 80 projects, which I expect will have tremendous impact on the participants and many others. One grant was awarded to the High School for Environmental Studies Project, sponsored by the Council on the Environment of New York City, to infuse environmental awareness into all subjects in the 9th through 12th grade curricula. The NEETF also sponsored a bilingual program addressing environmental issues affecting Harlem residents through the waste reduction demonstration project, which is part of the Harlem environmental impact project. In Cortland, NY, NEETF operates an environmental education after-school program for elementary students. These projects share a common theme: They are visionary and proactive efforts to make citizens better informed about issues which affect them.

In the June 10th issue of US News & World Report, Michael Satchell writes about the growing criticism of environmental education in this country. Although some 20 States now require or strongly encourage environmental education, the quality of the education is spotty and the criticism from some camps has been overly pointed. The answer is not to abandon environmental education; there are identifiable risks about which the public deserves honest information. Rather, we should encourage fair, credible education based on solid science—a philosophy which is very much consistent with the mission of the NEETF.

I urge my colleagues to join me in support of this program.•

CONGRATULATIONS TO SOCIAL SECURITY ADMINISTRATION'S TAMPA TELESERVICE CENTER

• Mr. GRAHAM. Mr. President, for years, many of us have urged the Federal Government to revamp the way it provides services. Three years ago, Vice President AL GORE made this mission his own. And in that time, the National Performance Review—better known as Reinventing Government—has brought about notable improvements in the way our Government does business.

Today, I am very proud to recognize one of the brightest stars in the Reinventing Government initiative: the Social Security Administration's Tampa Teleservice Center.

Last month, Vice President GORE selected the Tampa Teleservice Center as a recipient of his Hammer Award. Mr. President, the Hammer Award recognizes both individuals and teams of Government workers who have made a significant contribution to the National Performance Review principles of putting customers first, cutting red tape, empowering employees, and getting back to basics.

Mr. President, the Tampa Teleservice Center's commitment to serving clients in a timely, helpful, and courteous manner is exactly the kind of service that Reinventing Government intended.

In a cynical era where Government agencies are frequently accused of being unresponsive, the Tampa Teleservice Center is proof that services can be delivered quickly and skillfully. Over 90 percent of the calls it receives each year are handled to completion, with no need for further contact.

That's an incredible record. And perhaps the most impressive part is that the Social Security Administration has improved its performance so much that is now rated as the best in telephone customer service from a list of nine service providers—including respected companies like Nordstrom L.L Bean, Disney, and Federal Express. these companies are in a league of their own when it comes to customer service, and even they are not in the Social Security Administration's league.

This achievement is particularly impressive when one considers the difficult task assigned to Social Security telephone agents. The sheer volume of calls that these agents handle is daunting. So is the complex nature of many of the customers' questions.

The Tampa Teleservice Center is to be commended for its skill in handling this difficult task. Last year, its agents assisted over one million satisfied customers.

I join Vice President GORE in saluting this significant achievement. The workers of the Social Security Administration's Tampa Teleservice Center truly embody the best principles of public service.•

CONVERSION OF POSITIONS IN THE U.S. FIRE ADMINISTRATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 432, which is S. 1488.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1488) to convert certain excepted service positions in the United States Fire Administration to competitive service positions, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be deemed read three times, passed, the motion to reconsider be laid upon the table, and that any statements relating thereto appear at the appropriate place in the RECORD as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1488) was deemed read for a third time, and passed, as follows:

S. 1488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVERSION OF CERTAIN EXCEPTED SERVICE POSITIONS IN THE UNITED STATES FIRE ADMINISTRATION TO COMPETITIVE SERVICE POSITIONS.

(a) IN GENERAL.—No later than the date described under subsection (d)(1), the Director of the Federal Emergency Management Agency and the Director of the Office of Personnel Management shall take such actions as necessary to convert each excepted service position established before the date of the enactment of this Act under section 7(c)(4) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(c)(4)) to a competitive service position.

(b) EFFECT ON EMPLOYEES.—Any employee employed on the date of the enactment of this Act in an excepted service position converted under subsection (a)—

(1) shall remain employed in the competitive service position so converted without a break in service;

(2) by reason of such conversion, shall have no—

(A) diminution of seniority;

(B) reduction of cumulative years of service; and

(C) requirement to serve an additional probationary period applied; and

(3) shall retain their standing and participation with respect to chapter 83 or 84 of title 5, United States Code, relating to Federal retirement.

(c) PROSPECTIVE COMPETITIVE SERVICE POSITIONS.—Section 7(c)(4) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(c)(4)) is amended to read as follows:

"(4) appoint faculty members to competitive service positions and with respect to temporary and intermittent services, to make appointments of consultants to the same extent as is authorized by section 3109 of title 5, United States Code;".

(d) EFFECTIVE DATE.—(1) Except as provided under paragraph (2), this Act shall take effect on the first day of the first pay period, applicable to the positions described under subsection (a), beginning after the date of the enactment of this Act.

(2)(A) The Director of the Federal Emergency Management Agency and the Director of the Office of Personnel Management shall take such actions as directed under subsection (a) on and after the date of the enactment of this Act.

(B) Subsection (c) shall take effect on the date of the enactment of this Act.

AUTHORITY FOR COMMITTEE TO REPORT

Mr. LOTT. Mr. President, I ask unanimous consent that on Monday, June 17, the Special Committee on Whitewater have until midnight to file any reported items.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION ON CHURCH BURNINGS

Mr. LOTT. Mr. President, I understand that perhaps there had been some misinformation about passing a resolution with regard to the church burnings that have been occurring. We all agree this is a despicable act and one that the Senate wants to speak on in a resolution.

I have discussed this matter with the distinguished Democratic leader. It is our intent to work together to see if we cannot come to an agreement on whether there would be a bipartisan bill tomorrow so that we can express ourselves and express the Senate's feeling on this very important matter. It is our intent to pursue that with those who have offered resolutions to address this issue.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, let me express my hope that we can do just as the majority leader has suggested. There is great interest in the Senate in putting this body on record in a way that will allow us to express ourselves on these hideous fires. We can do that, and I hope we can work together to find a way, a resolution, that will allow us to do that as early as tomorrow. I intend to talk to Senator MOSELEY-BRAUN and Members on my side. We will work with the majority leader to see if we can make that happen.

Mr. LOTT. Mr. President, I note that Senator HUTCHISON, the Senator from Texas, has been very interested in this. She will be involved in trying to work that issue out. Also, Senator FAIRCLOTH has some legislation in this area. We will be working on this together to get it done in a very quick fashion.

UNANIMOUS CONSENT AGREEMENT—S. 1745

Mr. LOTT. Mr. President, I ask unanimous consent that at 10 a.m. on Tuesday, June 18, 1996, the Senate proceed to the consideration of Calendar No. 433, S. 1745, the DOD authorization bill for debate only prior to recess.

Mr. DASCHLE. Reserving the right to object, Mr. President, let me just point out that when we considered the scheduling of the State Department authorization bill some time ago—in fact, as I understand it, it was December 7, 1995—I had an opportunity to conduct a colloquy with the majority leader at the time, Senator DOLE. I asked him if it was his intention to bring up the chemical weapons convention at some point during the second session of Congress. His answer was that it was his intention to consider the convention in a reasonable time period, once the convention is on the Executive Calendar.

It has been on the calendar now since April 30. I fully appreciate that the distinguished majority leader is just beginning to put his plans for the legislative schedule together and I would not expect that he would have a date certain, but I ask the majority leader whether the chemical weapons convention could be considered, and if it is his intention to consider the treaty at some point in the future as we take up this particular bill that is very important to many of our Members, and I think some clarification with regard to his intent would be very helpful.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I would like to respond to the distinguished Democratic leader. I think that is a reasonable request.

He is right. I have been on the job as majority leader for a little more than 24 hours, and there are a lot of issues that we are working together on. We are making some progress on those. We will continue to work on the health care reform, and we have not been able to get the budget resolution passed so we can move on to the appropriations calendar.

This is an issue that I had done some work on as the whip, just trying to get an agreement on some other issues, including the missile defense issue. I had never really discussed it, in terms of its relationship to the DOD authorization bill. I know that there are a couple of Senators who have some concerns about it. I have not had a chance to sit down and be briefed with them.

I have a meeting of our committee chairmen scheduled for early next week, Tuesday. I would like to ask the chairman of the committee exactly what his situation is on this legislation. It is obviously very important. The chemical weapons convention is something that we are all concerned about. I think it should be given proper consideration. I hate to use the words reasonable time, because that is what the leader did use in his response to your question at that time, and I believe it was reported out of committee on April 30.

It is not my intention to withhold this convention, but I do want to understand what the problems are, how much time we would be talking about in bringing it up. As the Senator knows, we have a limited number of days in which to do a lot of important work. But I will say this, I am going to talk to those Senators, hopefully tomorrow if they are here, but certainly early next week. And I will get back to the Democratic leader and we will talk about how we can work out an agreement on this issue.

I cannot make a commitment on a date certain at this time because I do not know what the situation is. If you will give me the benefit of a few days, I will try to give a more responsive answer at that time.

Mr. DASCHLE. Mr. President, under the circumstances think that is an appropriate answer and I appreciate the majority leader's willingness to work with us in finding a mutually acceptable time.

With that, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I thank very much the distinguished Democratic leader.

ORDERS FOR TUESDAY, JUNE 18, 1996

Mr. LOTT. Mr. President, I further ask the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. on Tuesday in order for the weekly party caucuses to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask when the Senate reconvenes at 2:15 on Tuesday, the majority leader be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR FRIDAY, JUNE 14, 1996

Mr. LOTT. Mr. President, I now ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. on Friday, June 14; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, that no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day and that there then be a period for morning business until the hour of 12 noon, with Senators to speak for up to 5 minutes each with the following exceptions: Senator COVERDELL or his designee to have up to 90 minutes under his control, from 9:30 to 11; Senator BINGAMAN, 15 minutes; Senator MURKOWSKI, 15 minutes; Senator KEMPTHORNE for 10 minutes; Senator DASCHLE or his designee, 20 minutes.

I further ask unanimous consent that at 12 noon the Senate resume executive session and the consideration of the nomination of Alan Greenspan.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. For the information of all Senators, tomorrow, following the period for morning business, the Senate will resume debate on the Greenspan nomination. No rollcall votes will occur during Friday's session of the Senate, and the Senate may consider any other executive or legislative items that can be cleared for action.

Also, it is, I believe, after discussion with the Democratic leader, our intent that there not be a session on Monday.

Then we will go in, I believe, at 9:30 on Tuesday, for the action under the agreement just reached.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. LOTT. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:28 p.m, adjourned until Friday, June 14, 1996, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, June 13, 1996*

The House met at 10 a.m.

The Reverend Colin Kelly III, Trinity-on-the-Hill Episcopal Church, Los Alamos, NM, offered the following prayer:

Gracious God, bless these men and women of the House of Representatives. Endow them with wisdom, courage, and strength to know and to do Your will. Inspire them to rise above differences and see common tasks with Your vision.

We pray for the President of these United States, and all in authority, that they may always remember to look in trust to You as they fulfill their daily responsibilities.

We pray also for all the people of our country. We seek justice, freedom, and peace. Help us always to remember that freedom comes with responsibility and peace comes at the price of lives sacrificed. Give us Your peace.

Purify our hearts, O God, and renew a right spirit within us. Through Christ Jesus we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. HEFLEY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HEFLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Oklahoma [Mr. WATTS] come forward and lead the House in the Pledge of Allegiance.

Mr. WATTS of Oklahoma led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain fifteen 1-minutes on each side.

WELCOMING THE REVEREND COLIN P. KELLY III

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, it gives me great pleasure to formally welcome and introduce today's guest chaplain, the Reverend Colin P. Kelly III of Trinity-on-the-Hill Episcopal Church in Los Alamos, NM.

Reverend Kelly has had a long and distinguished career of service to his congregants and to this Nation. A West Point graduate, he served his country in Germany and at Fort Riley, KS. After receiving a master of divinity degree from Philadelphia Divinity School, he returned to active duty military for extensive pastoral experience. Among his duties, he served as assistant chaplain at the Military Academy and also served as division chaplain at Fort Carson where he supervised 21 Army chaplains who were responsible for the spiritual welfare of over 16,000 soldiers and their families.

After retiring from the Army, he settled in Los Alamos where he assumed duties as rector of Trinity-on-the-Hill Episcopal Church. He is married to Sue Ellen Kelly who just joined him on this mission to Washington and they have five children.

While we in New Mexico know and respect Colin P. Kelly III for his pastoral duties, others around the country might recognize his name—his father was a World War II hero. Colin P. Kelly, Jr., was shot down over the Philippines in December 1941, shortly after the attack on Pearl Harbor. He had engaged the enemy in what was the first strike back by the United States in World War II.

In recognition of the outstanding service offered by the Kelly family to this great Nation, it is only fitting that Reverend Kelly be given the opportunity to offer his prayers before the House. I urge my colleagues to join me in welcoming and honoring Reverend Colin P. Kelly III.

HEALTH INSURANCE

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, I simply wanted to rise to note that we are on the verge of a historic achievement. We have a bill which will extend guaranteed portability of health insurance to every American in the health insurance system. That is, you will never again have to worry about changing jobs. You will never again have job lock because of a precondition. You will never again have to worry about a precondition stopping you from getting health insurance once you are in the system. You can change jobs; you can move around; you can do what you need to do.

This is a vital, vital improvement for the people of America. It is the No. 1 concern of working Americans in health care.

In addition, this bill includes lower cost insurance for family farms, for small businesses, and for the self-employed; that is, the groups that have the lowest level of insurance participation, those who are the least covered by insurance.

We have developed a medical savings account plan which allows them to buy lower cost health insurance to cover any kind of major illness they might have. So this is a win/win. It is better health coverage for families already in the insurance system because it eliminates preconditions, and it is lower cost health insurance for the self-employed family farms and small businesses.

I simply hope that the liberals in the Senate who are blocking it will get out of the way and allow the American people to have better health insurance with better coverage at lower cost.

THE IRS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the IRS does not tolerate mistakes. The IRS expects taxpayers to have every single receipt. But check this out. The GAO did an audit of the IRS, and guess what they found; the IRS cannot even tell the difference between income taxes and Social Security taxes. Also, the IRS cannot account for $3 billion of spending. Also, the IRS says taxpayers owe $130 billion in overdue taxes, but

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the GAO says they could find no proof of that.

Just think about it. If you could not account for massive spending, if your books were in a shambles, what would the IRS do to you, Mr. Speaker? You would be guilty, guilty, guilty. They would take you to court and you would have to prove yourself innocent.

Beam me up. No wonder the American people are taxed off. I think Congress should take the IRS, handcuff them to a chain-link fence, and flog them with their own damn Tax Code.

That is what the Congress should do. Yield back the balance of the taxes.

WHITE HOUSE AND CONFIDENTIAL FBI FILES

(Mr. CHABOT asked and was given permission to address the House for 1 minute.)

Mr. CHABOT. Mr. Speaker, yesterday we learned that among those former Reagan and Bush officials whose confidential FBI background files have been pawed through by the Clinton White House is a distinguished Cincinnatian, Mr. Joseph W. Hagin.

The search of Mr. Hagin's file is noteworthy not only because Joe is a well respected member of my community but also because the White House initially had said that it had only gotten through files from A through G. Mr. Hagin's last name, of course, begins with the letter "H" and I'm willing to bet that the FBI is good enough to have figured that out.

Now Mr. Speaker, President Clinton has said that the White House never should condone an enemies list and that all of this vast intrusion into the privacy of former public servants is simply the result of administration incompetence. I sure hope that's the case. But I can understand why some of the victims are skeptical. After all this administration had turned the Justice Department over to a political crony named Webster Hubble who now stands convicted of various felonies. And the administration had done little to quell suspicion that the FBI was urged to target and harass Mr. Billy Dale. The President has apologized to Billy Dale. He also should apologize to Mr. Hagin.

The whole thing stinks to high heaven.

HEALTH CARE REFORM

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, I heard what Speaker GINGRICH said about the health care reform bill. My concern is that what he mentioned really is very far from the truth. The fact of the matter is the Democrats and Republicans want to see a bill passed that would increase portability and eliminate preexisting conditions as a factor. But the Republican leadership has insisted on the poison pill of MSA's medical savings accounts.

The effect of including medical savings accounts in this legislation is basically to drive up the cost of insurance for the average person. Instead of expanding the opportunities of health care coverage and eliminating the ranks of the uninsured, by including medical savings accounts only the healthy and the wealthy will be able to take advantage of that. The cost for the average person of health insurance will go up. Instead of having more people covered by health insurance, the effect is that there will be less and less people covered by health insurance because they will not be able to afford the higher premiums.

The poison pill in MSA's is still there. The suggestion by the Speaker that somehow this legislation, if it includes the MSA's is going to solve the health care problem, is not true.

BUREAUCRATIC SNAFUS

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, the Clinton administration is quickly becoming a litany of bureaucratic snafus and mistakes. Clinton responds to all of these mishaps the same way—"I was not aware of any wrongdoing." Notice that Clinton never says that the charges are completely false, they are just someone else's fault not his.

When Bill Clinton campaigned it was "I didn't inhale."

When Whitewater developed, it was "I am not aware of any wrongdoing."

Finally, as the X-files scandal has developed, Clinton's response: "It appears to have been a completely honest bureaucratic snafu."

Mr. Speaker, I believe it was a completely bureaucratic snafu. But this administration has had far too many snafus to fool the American people into believing that these are all honest bureaucratic snafus. It is time for this administration to start taking a small measure of responsibility for its unethical actions. The people want honesty and integrity from the President.

EXTREME, EXTREMER, AND EXTREMIST

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, the election in the Senate yesterday gives the American people some idea of where the Republican Party is going. The three top leaders in the Senate now, like the three top leaders in the House, are far over on the far right extreme, far away from the mainstream American. Not a single moderate Republican is in the House leadership or the Senate leadership. That relates to what the Speaker came to talk about today.

Americans want portability. They want portability in health care. They do not know about any newfangled proposal on MSA's that have come up because some big insurance magnet is pushing it with big contributions. Move portability without any of these other ideological bells and whistles, and you will help the American people. I say, in conclusion, we now have three leaders in the House and Senate: extreme, extremer, extremist. Do not let that vitiate the kind of mainstream health care policy that the American people want.

ABUSIVE CLINTON ADMINISTRATION

(Mr. WATTS of Oklahoma asked and was given permission to address the House for 1 minute.)

Mr. WATTS of Oklahoma. Mr. Speaker, I was born in Eufaula, OK, on November 18, 1957. I graduated from Oklahoma University in May 1981. I was married on May 7, 1977, to Frankie Jean Jones.

I had three fights when I was in the third grade, and I was 3 and 0 for the year. My high school football coach was Paul Bell. My high school basketball coach was Perry Anderson, and my college football coach was Barry Switzer.

□ 1015

Mr. Speaker, in order to prevent taxpayers' hard-earned dollars from being wasted on this type of information from my FBI background check, I thought I would voluntarily hand this over to the White House. By giving this to the White House, they would be able to save time and money on helping us to save to balance the budget.

I would like to point out to this Chamber that valuable taxpayer money has been wasted time and time again by this White House on politically motivated shenanigans such as these FBI files, their travel office and helicopter follies to golf courses by White House personnel.

Mr. Speaker, these problems will continue to happen. I urge my colleagues and the American people to realize that this abuse of our Government by this administration and their liberal buddies is not the first, nor will it be the last.

REPUBLICANS MORE INTERESTED IN REDUCING TAXES FOR THE WEALTHY THAN REDUCING THE DEFICIT

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, Members of the House, the cat is out of the bag. The radical Republican extremists are not in favor of reducing the deficits. They do want a tax cut, a massive tax cut, for the wealthy. We saw it last night.

Mr. Speaker, if my colleagues listened to the chairman of the Committee on the Budget, the gentleman from Ohio [Mr. KASICH], he never once in this closing argument for that budget, never once, mentioned the word "deficit." In fact, under their budget, the reason he did not, under their budget next year the deficit goes up; the following year, the deficit goes up. It does not go down. They need to do that in order to give tax cuts for the wealthy.

The spending cut for Medicare; where is that going to go? The spending cuts for food stamps; where is that going to go? Tax cuts for the wealthy, not to reduce the deficit, because the deficit is going to go up.

Mr. Speaker, they are more interested in reducing taxes for wealthy than they are in reducing the deficits. I say let us reduce the deficits before we give any tax cuts for anybody. That is my position. Let us get a balanced budget first. Then we reduce the deficits.

BROKEN ARMS AND BROKEN PROMISES

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, late last night the House passed the 1997 budget, after an intense battle. The Republican leadership spent an entire day twisting arms to get the votes they needed. The result: A House Chamber filled with broken arms and, most important, broken promises.

Some freshman Republicans who came to Washington to balance the budget ended up voting to actually increase the deficit. Two in particular, Representatives COOLEY and CUBIN, actually voted "no" on passing the budget and then switched their votes. They were joined by two other switchers, Representatives ALLARD and METCALF. Clearly there was a lot of pressure in this Chamber yesterday.

Pressure to approve a budget that increases the deficit, cuts the Medicare Program by $168 billion over a 6-year period to pay for tax breaks for the wealthy, limits student loans, taxes working families, and closes rural hospitals.

Now the drama of the budget battle is over and the Republican leadership has made one thing explicitly clear: Promises can be made and promises can be broken.

PARLIAMENTARY INQUIRIES

Mr. WALKER. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Pennsylvania will state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, is it within the rules of the House for Members to ascribe motivation to other Members and identify them by name?

The SPEAKER pro tempore. Political motivations can be suggested, but not personal motivations.

Mr. WALKER. And the use of names is an appropriate kind of behavior on the House floor?

The SPEAKER pro tempore. There is nothing per se a violation by using another Member's name in describing a political action or motive. However, tradition has been to refer to Members by the State of origin rather than by personal names.

Mr. WILLIAMS. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Montana will state his parliamentary inquiry.

Mr. WILLIAMS. Mr. Speaker, is it within the rules of the House for Members during 1-minutes to question the motivation of the President?

The SPEAKER pro tempore. Again, in debate it would be allowable to question political motivation. What the gentleman raised as a parliamentary inquiry was on personal motivation.

Mr. WILLIAMS. Mr. Speaker, is it within the rules for a Member of the House during 1-minutes, or at any other time, to question whether or not a President is acting within the law in his own or her own personal activities?

The SPEAKER pro tempore. The Chair will not make a judgment on what the charges may be or the motivations behind that, but the Members should refrain from personalities in debate.

Mr. WILLIAMS. I would encourage that as well.

WHAT IF A REPUBLICAN PRESIDENT WERE ACCUSED OF RAIDING FBI FILES?

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, the other day in the Washington Post, Mary McGrory brought up a point about the Filegate controversy that I thought was very relevant. What if this had been a Republican administration? Think about it, Mr. Speaker; every member of the liberal media would be at their wits end. CNN would have special Filegate music and would break in every 10 minutes with a special report. Dan Rather and Peter Jennings would be breathless in their zeal to find out the truth about what was going on in the White House.

"60 Minutes" and "20/20" would do special interviews with the people whose FBI files were investigated. They would ask sensitive questions like, "How does it feel to have your FBI file looked into by the White House?"

But this is not what is happening, Mr. Speaker. Of course, there is media coverage of Filegate, I do not deny that. But there is a different standard applied to liberal Democrats by the media. If a Republican President were accused of raiding FBI files of Democrats, the liberal media would be in absolutely apoplexy.

AFRICAN-AMERICAN CHURCHES UNDER SIEGE IN AMERICA

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, in the 1960's, as the civil rights journey, bloody though it might have been, unfolded in this Nation the eyes of most of America were riveted on those who were seeking simply freedom. Today we are under siege as the most recent church burned in Enid, OK. African-American churches across this Nation are under siege through the tragedy of church burnings. Some of my colleagues have disdained to call this political. I cry out in outrage.

As a cosponsor of the Church Arson Prevention Act, I asked the Speaker of the House in posthaste to bring this to the floor. In joining the gentlewoman from North Carolina who sponsored a resolution for this Nation to denounce this tragedy, I asked for its immediate attention in this House, and I ask America not to sleep at night while these tragedies are occurring, for I ask whether or not our colleagues are willing to entertain the possible loss of life. I ask America to have a day of prayer this coming Sunday to join for peace and freedom and the end of racial hostilities and this tragedy and blight on the Constitution of the United States of America.

BART SIMPSON AND THE WHITE HOUSE: "I DIDN'T DO IT"

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, Bart Simpson said, "I didn't do it, nobody saw me, you can't prove anything."

Mr. Speaker, that is what we are hearing out of the White House when it comes to the files that were requested from the FBI: I did not do it. Bernard Nussbaum says, and he was White House counsel, he says he did not request these FBI files; yet 341 of them were sent to the White House on a letter with his name on it: Nobody saw me. The President says he did not read the files.

But that is kind of what the gentleman from Texas, DICK ARMEY, said: "That is like the President saying he did not inhale."

You can't prove anything. That is because the White House is withholding 2,000 pages of information related to Travelgate documents, which is what spurred the request for the FBI files to begin with.

Mr. Speaker, it is time for the White House to come clean about Travelgate and about Filegate because the American people deserve to know the truth about what is going on within those walls.

TIME FOR THE WHITE HOUSE TO COME CLEAN ON THE FBI FILE SEARCH

(Mr. GUTKNECHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTKNECHT. Mr. Speaker, it is interesting that the gentlewoman from Colorado [Mrs. SCHROEDER] talks about the Nixon White House, because as far as the latest White House blunder the President's silence has been almost deafening. The unanswered questions keep piling up, and the President still has not taken responsibility. What was the White House doing with over 340 private citizens' FBI files? How did these files just happen to be of members of the former Bush and Reagan administration? And why is the President not taking responsibility for these actions?

Mr. Speaker, once again we have a case of feigned innocence by higher-ups at the White House, but this is one time too many that lower level staffers have had to take the blame for major mixups. The excuses are running thin, the coverup game has gone on a little too long. It is time for the White House and the President to come clean about the FBI search. The American people demand no less.

CONCERN ABOUT REPUBLICAN BUDGET PRIORITIES

(Mr. WARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. WARD. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I just wanted to state that the President of the United States did apologize yesterday, and I think it is very important to have that on the record.

Mr. WARD. Mr. Speaker, I rise today to express my concern over the majority's priorities. Last night the budget resolution was passed by a slim margin, changing Medicare in ways that will hurt our working families, raising tax on our working families and limiting direct student loans.

☐ 1030

Today I hear that Medicaid is on the chopping block in the Committee on Commerce. I have one question to ask my colleague on the other side of the aisle: How far will you go, attacking the elderly, the poor, our children, and the disabled?

Completely repealing the Medicaid Program will mean that 18 million children will lose their health coverage if we turn what is now a responsibility and commitment on the part of the Federal Government into a State block-granted program. Four million seniors and disabled will lose their guaranteed coverage needed for doctor and hospital care. I ask, when will this stop?

AN APOLOGY BY THE PRESIDENT IS NOT ENOUGH

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, the gentlewoman from Colorado suggested an apology from the President of the United States is enough; enough, when 340 people have had their lives stripped bare for purely political reasons, their FBI files open for purely political reasons, and an apology is enough.

Mr. Speaker, that is not enough, particularly when we have an FBI official today who tells us about the situation as it may relate to the Nixon administration. He says, "Some Presidents have made good use of FBI background investigations and some, to their regret, have not. But never before has any administration used background investigations of another President's political staff. FBI employees knew it would be wrong to give raw FBI files on political opponents to the other party. In fact, they knew it would be illegal, each disclosure a violation of the Federal Privacy Act."

We are talking about a very serious matter, Mr. Speaker. It deserves full investigation. I am shocked to hear Democrats who came to this floor, time and time again, telling us how Reagan administration officials should be investigated, Bush administration officials should be investigated, how telling us that an apology by the President is enough.

STUPID IS AS STUPID DOES

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute.)

Ms. MCKINNEY. Mr. Speaker, in 1981, President Reagan convinced Congress to increase military spending and cut taxes for the wealthy, claiming this would balanced the budget by 1983. Well, 1983 came along and our deficit exploded to $207 billion in just the first 2 years of the Reagan administration.

Yesterday, Mr. Speaker, Republican leaders did the exact same thing. The Republican budget resolution passed last night actually increases the deficit by $40 billion over the next 2 years, just to pay for—you guessed it—tax breaks and star wars.

In summary, Mr. Speaker, Republican leaders shut down the Government twice just so they could increase the deficit by $40 billion, leaving real deficit reduction to future congresses.

As Forrest Gump said, Mr. Speaker, "stupid is, as stupid does."

THE LIBERAL DEMOCRATS IN THIS HOUSE WERE RESPONSIBLE FOR OUR HUGE DEFICITS, NOT THE REAGAN ADMINISTRATION

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, I want to address the comments of the gentlewoman who just spoke. The Reagan administration was not responsible for those huge deficits. It was this House, the liberal Democrats in this House, who repeatedly served up to that President increasing levels of spending, the creation of new programs and new departments, which President Reagan repeatedly vetoed those appropriations bills, and it resulted in the Government being closed down. Yes; the Government was closed down 17 times during the Reagan and Bush administrations. Why? Because the liberal Democrats in the House wanted to spend more money.

Mr. Speaker, for the first time, we have a House of Representatives that wants to spend less and a liberal Democrat President in the White House who is closing down the Government with his vetoes because he wants to spend more money. We need to set the record straight for the American people. Those deficits that were created in the 1980's were created while Federal revenues to the Treasury increased $600 billion. It is because this House of Representatives spent $800 billion more over that time period, creating the hugest deficits this Nation has ever known.

WE MUST INVEST IN EDUCATION, NOT STEAL FROM IT

(Ms. ESHOO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ESHOO. Mr. Speaker, I rise this morning to comment on more than one thing. First, Mr. Speaker, make no mistake about it, I say to the American people, the deficit was increased last night with the vote that was taken.

Something extraordinary happened in the 14th Congressional District, just as something extraordinary happened last night in this Chamber, but it is far more positive. It happened a week ago this last Tuesday, June 2, where the voters of the 14th Congressional District, in community after community, voted and passed four school bond measures.

Mr. Speaker, this is extraordinary, not only for what I said, but in California there is a requirement that there be a two-thirds vote, a two-thirds vote in order to make that happen. So the people of my congressional district, Mr. Speaker, understand that we will end up with many deficits in this country if we do not, in fact, invest in education.

On Sunday, Tomorrow's Leaders Today, in Sunnyvale, CA, graduated 36 young people by investing in their education. Mr. Speaker, take notice from the people of the 14th Congressional District: Education, education, education. Invest in it, do not steal from it.

IT IS TIME TO FIX THE PROBLEMS WITH MEDICAID AND MEDICARE

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, it is interesting to hear our friends on the other side of the aisle talk about an increase in the deficit, where we all know the deficits have been increased, driven by entitlements, Medicaid and Medicare.

Mr. Speaker, sometimes we can stick our heads in the sand or put our hands over our eyes and not see the problems, but I think it also pairs up with a philosophy on this other side of the aisle that big government does better, big government knows more; that we should not let people at home in our States, our elected representatives, our Governors, happen to fashion those Medicare plans or Medicaid plans that fit best in their own States.

Also, Mr. Speaker, somebody putting their hands over their eyes and saying there is not really a problem with Medicare, it is only going to go broke a year or two earlier than we thought it was going to go broke; it is only $100 billion more in debt than we thought it was going to be last year. That is what the President's own board of trustees said. It is time that somebody fixes it. We should not have this class warfare or geriatric warfare that tries to come from the other side of the aisle.

CLASS WARFARE CREATED BY REPUBLICAN PRIORITIES AND LEGISLATION

(Mr. GEJDENSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEJDENSON. Mr. Speaker, class warfare began when the Republicans took control of this House, when they decided it was a higher priority to cut taxes for the wealthiest 1 percent in America and leave seniors and children behind. They want to take seniors and leave them in a position where Medicare will no longer cover their health bills. They will walk in and the Government may pay half, $10,000 for a hip replacement, and then the senior will be billed the remainder of $5,000 or $10,000. They want kids not to be able to get a college education unless they are part of that 1 percent.

Where was the assault on welfare on the other side when corporate welfare was on the table, when subsidies to billionaire corporations and multimillionaire farmers were on the floor? The other side refused to look at their welfare. When it comes to senior citizens and the health care they paid for and the health care they have a right to expect, that is what they want to cut. They have declared war on the classes in this society.

THE BEGINNING OF FILEGATE, AND REQUESTING THE HOUSE OF REPRESENTATIVES TO ACT TO OBTAIN ADDITIONAL FILES

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, I serve on the Committee on Government Reform and Oversight. Members have heard speeches today about filegate. I just wanted to tell my colleagues how this started. This started as a result of our inquiry into travelgate, which was an examination of misuse of the FBI, and also of the IRS, by the White House.

As Members will recall, we asked for the release of documents that we found out about by accident, and we got 1,000 pages. That is how we found out about this. We stopped a contempt proceeding without receiving the other 2,000 pages. I think it is time that we bring that contempt citation back before the House of Representatives and get the rest of the information about this disaster.

Mr. Speaker, I read this matter and I thought I was reading about the KGB, the way this operation took place. I ask the House to immediately take action, and if necessary, enact a contempt citation and obtain this information.

THE HOUSE-PASSED BUDGET RESOLUTION IS INHUMAN TO CHILDREN

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, last night we passed a budget resolution in this House which is predicated on the passage of welfare reform. I sat in the Committee on Ways and Means as we took away the economic security for children and women in this country.

I want to use just the example of the State of Washington. If today every one of the 100,000 people on welfare said, "I am going to quit being shiftless and not caring, and I am going to go down and get a job," they would meet the 173,000 people who are on unemployment in our State. If we count all those people, it is about 200,000 people in the State of Washington today that do not have a job.

Last year we created people 44,000 jobs. Those 44,000 jobs clearly are not going to take care of the 200,000 people who would be standing in line asking for a job. Their children would have no guarantee of food and no guarantee of health care. That budget resolution was inhuman to kids in this country.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Agriculture; the Committee on Commerce; the Committee on Economic and Educational Opportunities; the Committee on Government Reform and Oversight; the Committee on International Relations; the Committee on National Security; the Committee on Resources; the Committee on Transportation and Infrastructure.

It is my understanding that the minority has been consulted and there are no objections to these requests.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SHIPBUILDING TRADE AGREEMENT ACT

The SPEAKER pro tempore. Pursuant to House Resolution 448 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2754.

☐ 1041

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2754) to approve and implement the OECD Shipbuilding Trade Agreement, with Mr. GUTKNECHT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

The gentleman from Texas [Mr. ARCHER], the gentleman from Florida [Mr. GIBBONS], the gentleman from South Carolina [Mr. SPENCE], and the gentleman from California [Mr. DELLUMS] will each be recognized for 15 minutes.

The Chair understands the Committee on Ways and Means will use all its time first.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I must take a moment to commend our colleague, the gentleman from Florida, SAM GIBBONS, for his hard work, leadership, and expertise, not only on this bill but on all of the trade bills that we have worked on together for so many years. SAM, you have been a rock, a solid free trader, and over these years, you have been a real leader in forcing open markets, reducing trade barriers, and thereby creating greater opportunity for all working Americans in the next century. That is what this is all about: economic improvement and opportunity for all American workers.

I realize that this may be the last time that we will be here on the floor together working to achieve freer trade and opportunity for working Americans. I, for one, am going to miss your leadership, your vision, and your expertise, your experience, your unsurpassed knowledge in these trade issues.

Mr. Chairman, I strongly support H.R. 2754 to implement the OECD agreement on shipbuilding negotiated by the administration. It has taken us over 6 years from the beginning of the negotiations to get to this point. We are presented with a unique opportunity to allow U.S. shipyards to compete in a global market without losing out to companies from countries that are only too willing to provide billions of dollars in subsidies.

This is a good agreement that accommodates the priorities of a broad bipartisan cross-section of the House. It adds a new trade remedy to our arsenal for U.S. shipbuilders that are injured by unfair pricing of ships around the world. It preserves our national security interest, and it preserves the Jones Act.

□ 1045

We may continue our Title XI: Loan Guarantee Program, although under the international standards set forth in the agreement. Our trading partners have to give up far more than we do. In fact, our trading partners, many of them have already approved this agreement and others are in the process of approving it and looking to us and what we are going to do today.

There is strong bipartisan support for the agreement. The Committee on Ways and Means, which has primary jurisdiction, approved it by a vote of 27–4. The administration is strongly in support, as well, because it accurately reflects the negotiated agreement.

I am opposed to the one amendment that will be offered to this bill because it is clearly inconsistent with the agreement. In extending the time period in which we can offer title XI loan guarantees that exceed the terms of the agreement, the amendment would put us in direct violation of the international standards set forth in the agreement.

This amendment is being presented as a compromise because it would keep the current title XI program in effect for only 30 months, yet would not go so far as to maintain the current program indefinitely. But whatever the justification, it represents a clear and unmistakable violation of the agreement. In fact, our trading partners, in a matter of hours after the ink was dry on this amendment, wrote to tell us in no uncertain terms that they view the amendment as violating the agreement.

In implementing this agreement we are hamstrung by the fact that we do not have fast track procedures in place that limit amendments once the legislation has been formally introduced. Nevertheless, we must show our trading partners that we have the ability to implement agreements that are negotiated by representatives of this country.

If we fail to implement the agreement, or if we adopt the amendment which is inconsistent with the agreement, we lose twice. First, we will have lost the considerable opportunity to enable U.S. shipbuilders to reenter the worldwide commercial market and to compete on a level playing field. Second, such an outcome will reflect poorly upon the credibility of the United States.

Ours was the country that initiated the negotiations on behalf of its industry in the first place and was the driving force during the 5-year negotiating process. We must not lose our reputation as a country that is able to implement the agreements that it negotiates and signs. The negotiations must end at the negotiating table and any congressional concern should be taken up at that point. We cannot redo our agreements in the implementation process.

Accordingly, I believe that it is important to the future of our trade goals that we want to accomplish that we implement the agreement cleanly and quickly, without amendment. If Members vote for H.R. 2754 and against the amendment, they can be assured they are voting for faithful implementation of the agreement that the administration negotiated.

Mr. Chairman, I yield the balance of my time for distribution to the gentleman from Illinois [Mr. CRANE].

The CHAIRMAN. Without objection, the Chair will recognize the gentleman from Illinois to control the balance of the time.

There was no objection.

Mr. GIBBONS. Mr. Chairman, I yield myself 3 minutes.

First let me thank the gentleman from Texas [Mr. ARCHER] for his generous comments about my service.

Let me say that the debate here today goes far past this agreement. One of the reasons we have such a difficult time in international agreements is because the rest of the world says to America, "As soon as we agree with you on something, you will unravel it in the ratification process." Let me make it clear that on this agreement, every other nation that is involved has already ratified this agreement and we face a deadline of tomorrow on ratifying this agreement.

I want to talk about the Bateman amendment, with no animosity to the gentleman from Virginia [Mr. BATEMAN] or any of the supporters of his amendment. But the Bateman amendment, if adopted, will kill this agreement. The evidence is in yesterday's RECORD if my colleagues want to read it, all of the signatories of this agreement that said they will back out if we ratify the Bateman amendment, and tomorrow is the deadline.

So this is a crucial historic point for this Congress. Can we enter into an international agreement without unraveling it here on the floor?

The Bateman amendment itself, it adopted, will be ineffective. The Bateman amendment itself hangs on the slim gossamer thread of a standstill arrangement that is in the basic agreement and tomorrow is the deadline on the basic agreement. So if we signify today that we are not going ahead with this agreement as negotiated, the Bateman amendment stands no chance of having any influence upon shipbuilding in America.

The standstill agreement is something that is common to every international agreement. That is, when we sign those agreements, all nations agree to not escalate the practice that we are outlawing.

At best the Bateman amendment will be ineffective. At worst it will kill the agreement. We must vote down the Bateman amendment.

The people that the gentleman from Virginia [Mr. BATEMAN] represents have had some 7 years to adjust to the changes that are coming about. The position he attempts to ratify and move forward is only short-term. On its face it looks reasonable, but there is more at stake than just the reasonableness of the Bateman amendment here. It is the credibility of America in negotiating an international agreement. We cannot negotiate then with anyone. People will refuse to negotiate any agreements with us if we are going to unravel them here on the floor. That is the issue that is before us today.

Please vote "no" on the Bateman amendment and support this agreement when it comes up for final ratification.

Mr. Chairman, I rise in strong support of H.R. 2754, the OECD Shipbuilding Trade Agreement Act. This legislation would implement under U.S. law an international agreement reached after 5 long years of negotiations carried out by both the Bush and Clinton administrations. The agreement would eliminate the destructive pattern of heavy Government subsidies and chronic predatory pricing that has long characterized the global commercial shipbuilding industry.

H.R. 2754 was favorably reported by the Ways and Means Committee on March 21 by a bipartisan vote of 27 to 4. It was also favorably reported as an amendment in the nature of a substitute by the National Security Committee by voice vote on May 29. Unfortunately, several key provisions of the National Security Committee's version of the legislation are inconsistent with the agreement. These provisions will be offered as a National Security Committee amendment by Mr. BATEMAN. Make no mistake about it, the Bateman amendment, if enacted into law, will kill the agreement.

The administration strongly supports this legislation as does the Shipbuilders Council of America. The Shipbuilders Council includes 17 companies operating 44 shipyards in 13 States across the country. In addition to SCA members, a large coalition of leading shippers, ports, and U.S.-flag operating companies support the agreement, including the American Waterways Shipyard Conference, the American Association of Port Authorities, the American Institute of Merchant Shipping, and the Labor Management Maritime Committee.

THE OECD SHIPBUILDING AGREEMENT ON H.R. 2754—THE KEY ELEMENTS

To give Members an idea of what is contained in the OECD Shipbuilding Agreement and H.R. 2754, I would like to briefly outline the key elements of the agreement and H.R. 2754, which implements that agreement.

Generally speaking, the OECD agreement contains four major elements—

First, the elimination of virtually all subsidies granted either directly to shipbuilders or indirectly through ship operators;

Second, an injurious pricing code designed to prevent dumping in the commercial shipbuilding industry;

Third, a comprehensive discipline on Government financing for exports and domestic ship sales designed to avoid trade-distortive financing; and

Fourth, an effective and binding dispute settlement mechanism.

H.R. 2754 would implement the OECD Shipbuilding Agreement under U.S. law. By enacting H.R. 2754 into law, Congress would approve the agreement and make the necessary statutory changes to conform U.S. law to the agreement.

Title I would establish a new title VIII to the Tariff Act of 1930, as amended, in order to create an injurious-pricing mechanism applicable to commercial shipbuilding, analogous to current U.S. antidumping law.

Title II would eliminate the current 50-percent repair duty for repairs made to U.S.-flag vessels repaired in a country party to the agreement. Title II would also amend certain provisions of the Merchant Marine Act of 1936 to bring U.S. law into conformity with the agreement. In this regard, title II would amend the operational differential subsidies, capital construction fund, capital reserve fund, and cargo preference programs so that such programs would be available both to U.S.-built vessels as well as to vessels built in countries party to the agreement. Title II would also amend the title XI loan guarantee program to bring its terms into conformity with the agreement.

Title III contains a revenue offset provision in the amount of $36 million over 5 years by amending the penalty provisions for failure to file a disclosure of exemption for shipping income of foreign persons.

THE BATEMAN AMENDMENT

The Bateman amendment contains those provisions of the National Security-reported bill not included as original text in the version of H.R. 2754 being considered by the House today. I strongly oppose the Bateman amendment because it will effectively kill the OECD agreement. I would like to focus on the two key provisions of the Bateman amendment that are inconsistent with the agreement.

The first inconsistent provision would extend the current title XI loan guarantee program for an additional 30 months. The current title XI program, passed in 1994, provides Government guarantees to finance the purchase of a ship for up to 87.5 percent of the ship's value over 25 years. The agreement, however, only allows financing for up to 80 percent of the ship's value over 12 years. By passing H.R. 2754 without the Bateman amendment, the United States will continue to operate title XI financing on these terms.

Unfortunately, if this provision of the Bateman amendment is enacted into law, it will scuttle the agreement. I have received letters from the chairman of the OECD negotiating group and high level officials from the EU, Japan, and Norway stating that continuation of the current title XI program is inconsistent with the agreement and therefore unacceptable. The administration also objects to this provision. We have had a temporary advantage with the current title XI program because every signatory to the agreement has been operating since the agreement was signed in December 1994 under a standstill, pending ratification of the agreement. If the agreement is not faithfully implemented, our trading partners will match, or better, our current title XI program and go back to providing other subsidies as well.

The second inconsistent provision in the Bateman amendment would be contrary to the section of the agreement the United States negotiated to preserve the home build requirements of the Jones Act. Under the agreement, every country, except the United States, agreed to eliminate their home build requirements for ships operating in the coastwise trades. The United States took a full and permanent exception for the Jones Act, which means that the Jones Act will never be touched by the agreement. In exchange for protecting fully the Jones Act, however, the United States had to agree to a mechanism that would adjust downward, in certain circumstances, benefits that U.S. shipyards benefiting from the Jones Act would be entitled to under the agreement. Conceptually, the notion is that U.S. shipyards that receive increasing benefits because of exempted Jones Act contracts would be entitled to correspondingly fewer benefits under the provisions of the agreement in order to maintain an overall balance of advantages under the agreement. Given that potential Jones Act contracts are probably less than 1 percent of total worldwide ship tonnage built every year, U.S. shipyards benefiting from the Jones Act would potentially have to give up 1 percent of the international market. This trade-off seemed reasonable in order to fully exempt the Jones Act from the agreement. Unfortunately, the Bateman amendment would unilaterally negate this section of the agreement.

CONCLUSION

Mr. Chairman, the OECD Shipbuilding Agreement took 5 long, hard years of negotiations. It is our best hope for creating a level playing field internationally for our commercial shipbuilders. Without this agreement, we will be back where we started some 15 years ago—with massive subsidies and unfair pricing practices by our trading partners. I strongly urge this House to oppose the Bateman amendment and to vote in favor of H.R. 2754. Nothing less will save this agreement.

Mr. Chairman, I reserve the balance of my time.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2754, the Shipbuilding Trade Agreement Act. This legislation would implement the OECD Agreement on Shipbuilding. H.R. 2754, and the agreement it implements, are the culmination of many years of effort to level the playing field worldwide for the shipbuilding industry. I sponsored H.R. 2754, along with my colleagues, Mr. GIBBONS and Ms. DUNN, and Ways and Means favorably reported this legislation by an overwhelming bipartisan vote of 27 to 4. I strongly believe that this agreement will open up trade in shipbuilding for our industry by eliminating virtually all government subsidies and creating equitable terms of competition in the international shipbuilding market for U.S. shipbuilders. The agreement represents the best chance that our industry has to compete on a worldwide basis without having to contend with the huge subsidies offered by other governments to their shipbuilding industries.

In addition, the agreement and implementing bill would provide a new remedy to U.S. shipyards that have been injured by unfair pricing. Unless this legislation is passed, our shipyards will not have access to this valuable remedy, which would force offending shipyards to pay a charge in the amount of injurious pricing or face significant trade restrictions.

Of course, any international agreement must be fair and balanced, and I personally took care to assure that the agreement is truly symmetrical and that no special deals were cut to the detriment of the U.S. shipping industry. Any subsidies that are grandfathered under the agreement are limited and mainly in the form of worker assistance related to reducing capacity within these countries. Of course, capacity reduction benefits shipbuilding industries worldwide.

You will hear debate today that we should not cut back our title XI loan guarantee program to conform to the agreement because it would take away the one subsidy that our shipyards have. Do not be misled by this argument. If we do not implement this agreement out of fear of having to scale back on our title XI and other programs, we will permit our trading partners to increase the level of subsidies that they provide to their industries to a level far beyond any U.S. subsidies—and the U.S. industry will not be able to compete under those circumstances. The simple fact is that it is highly unlikely that Congress will vote to increase subsidies for the U.S. shipbuilding industry to make it more competitive with highly subsidized foreign shipyards. As a result, the only way our industry can be competitive is to force its competitors to give up their subsidies and their ability to engage in unfair pricing practices. That is precisely what this agreement does.

You will also hear debate today that we should simply reject the agreement we have and return to the negotiating table in an attempt to cut an even better deal for our industry. This argument is misguided as well. The agreement took 5 years to conclude and was the product of hard bargaining and concessions on all sides. Our trading partners are giving up billions of dollars in subsidies. The biggest change that we have to make is to change the terms of our loan guarantee program. Our trading partners have told us that if we do not implement this agreement in a timely manner, support for the agreement in their countries will erode and vanish. In fact, I have letters from the European Community, Japan, Norway, and the OECD itself stating that renegotiating the agreement is simply impossible. If we fail, we will return to the days when the foreign industries are heavily subsidized but the U.S. industry is not.

You will also hear that this bill forces us to eliminate our title XI program in order to comply with the agreement. That is not the case. We are able to retain title XI, although we have to scale it back to meet the agreement requirements, just as every other signatory must do. We can even maintain the same funding levels as we currently have.

Opponents to the agreement are raising the specter that our national defense is somehow at risk unless we adopt the amendment. That is simply untrue. The agreement itself contains an exception that allows a government to back away if it believes its national security interests are at stake. The Department of Defense has also sent us a letter stating, and I quote, that "the agreement will not adversely affect our national security." Mr. Chairman, if our own Defense Department can make such a bold statement, it is powerful evidence that the agreement does not threaten our national security.

Mr. Chairman, the shipbuilding agreement represents a good deal. In an effort to save our shipbuilding industry and in the spirit of bipartisanship, I urge my colleagues to vote for H.R. 2754.

Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. McDERMOTT].

Mr. McDERMOTT. Mr. Chairman, I rise in support of H.R. 2754, the Shipbuilding Trade Agreement Act, and in opposition to the Bateman amendment.

I think the chairman and the ranking member have made the arguments, but I think it is important to say that this implements under U.S. law an international agreement that sets out the most effective subsidy discipline ever included as part of a multilateral trade agreement. It also creates under U.S. law an unfair pricing remedy similar to our antidumping laws for ships engaged in international trade.

Mr. Chairman, this bill is unique. It has bipartisan support both from the Bush and the Clinton administrations and from the Democrats and the Republicans in the House of Representatives. Supporters of this legislation include a diverse coalition of maritime interests in this country, including the Shipbuilders Council whose membership includes 17 companies operating 44 shipyards in 13 States. This agreement will create the necessary conditions for our commercial shipyards to begin to compete once again in the world shipbuilding industry. Foreign subsidies have completely forced U.S. shipbuilders out of the international market to the point that today U.S. yards have less than 1 percent of the world market. The Bateman amendment is inconsistent with the agreement and will kill it and should be rejected. If we do not pass H.R. 2754, we will be back to where we were in the 1980's. Our trading partners will continue their subsidizing ways and we will continue to engage in predatory pricing practices with impunity.

Mr. Chairman, I urge my colleagues to reject the Bateman amendment and pass H.R. 2754.

Mr. CRANE. Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, I rise in support of H.R. 2754, in opposition to the Bateman amendment, and also to thank SAM GIBBONS who for so many years has been active in these very sensitive negotiations which involve not just shipbuilding today but shipbuilding tomorrow.

☐ 1100

We are all pleased that America now is going into an era of peace, that we are moving swiftly from defense into commercial shipping, and that we now are going to have to make certain that we can have a plane, an equal, a flat playing field as we move forward in economic competition with other shipbuilders, and that is exactly what this agreement has done.

It prevents other countries from manufacturing, making ships, and dumping them on our markets for less than the price that they actually paid for it. It really sets the rules for all of the countries that have sat down and realized that there are pluses and minuses in every agreement. The subsidies that we have now, sure, we can continue those, which are higher than other countries, but that does not mean that other countries cannot change if there is no agreement and put in for deeper subsidies.

So what we are talking about is a war between which country is prepared to subsidize this industry more than the other. We know that we have the expertise, we have the ability to excel, and all we ask is that other governments play by the same rules.

It took 5 years for the Bush administration, the Clinton administration, and for other countries to try to figure out what is in their best interests, and that is what international treaties are all about. It means that those who have an advantage now will not have that advantage next year.

So I think that after all of these years, we cannot have America say, yes, we agree; yes, we spent time at the table; but here again we find some people that believe that they got a little edge now but are not looking at the long picture as to where America will be if we do not restrict other countries from depending on subsidies and allow us to depend on our expertise, our experience, our high-technology, and know that those people, whether they are in military vessels or not can succeed in a fair market.

Mr. CARDIN. Mr. Chairman, I rise in strong support of H.R. 2754 and against the Bateman amendment, which would basically defeat the bill.

First, I really want to compliment the gentleman from Florida, Congressman GIBBONS, for the work that he has done for so many years to bring us to this point by bringing forward legislation in this Chamber that have brought our European friends to the table so that we could enter into this agreement. We are here today because of his good work and we all appreciate that very much.

Mr. Chairman, the Port of Baltimore was once a great center for commercial shipbuilding. During the Second World War we were producing the Liberty ships after just a few days of work. We had many commercial shipyards located in the harbor area of Baltimore. Well, today, we have one major commercial shipbuilding yard that remains, and that yard basically competes for repair work.

The reason why Baltimore lost its shipbuilding was not because it was inefficient; it lost its shipbuilding because of international subsidies. Other countries were willing to put up tremendous subsidies for their shipbuilding and we in this Nation thought that was wrong and we protested and protested, but the jobs were lost in this country.

If we can return to an even playing field, remove the international subsidies, we can compete. We are finding commercial shipbuilding coming back in this Nation, but it will only come back if we remove the international subsidies. We cannot outcompete the Europeans and Korea and Japan in the amount of subsidies that they will put forward to their shipbuilding. We want a level playing field. This bill gives us that level playing field.

If the Bateman amendment is adopted, we have lost this opportunity to eliminate the international subsidies in this area. Let our communities rebuild commercial shipbuilding. Support this legislation and vote against the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes for purposes of control to the gentleman from Florida [Mr. GIBBONS].

The CHAIRMAN. Without objection, the gentleman from Florida [Mr. GIBBONS] will control 2 additional minutes.

There was no objection.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman for yielding me that time, and I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, I thank the distinguished chairman of the subcommittee and to the ranking member of the Committee on Ways and Means for yielding me this time.

Mr. Chairman, I just want to say a couple of words on this bill in favor of it and against the proposed amendment. This is not a perfect solution, but I think it is clear it is the best we are going to be able to do under these circumstances, and the alternatives, really, are quite a bit worse, unraveling this entire structure.

I mainly want to focus on a provision that has received very little attention and it relates to what is called injurious pricing mechanisms. We have fought long and hard in international agreements to make sure that there are some strong antidumping provisions.

These provisions are most beneficial to companies in the United States and their workers because it is the United States which has been the place where other countries have tried to dump. We have had open markets, and other countries have tried to take advantage of that.

This bill incorporates, in essence, the work that we have been doing all these years to try to have a strong antidumping regimen. And as I said, in this case, it is framed somewhat differently because we are talking about ships, but the thrust of it is the same under the terminology "injurious pricing mechanism."

So this is a step forward. It is the best we can do, and it is surrounded by provisions that will try to prevent other countries injuring our shipbuilding by essentially dumping or undercutting through unfair price mechanisms.

Mr. Chairman, I urge support of the bill and opposition to the amendment.

Mr. GIBBONS. Mr. Chairman, I yield myself 1 minute.

I regret that the debate is arranged such as it is today because I would like to have had the gentleman from Virginia [Mr. BATEMAN] and others participate in this debate so that we could respond to issues that are bound to be raised. So let me raise some of the issues.

First of all, they will say that this agreement does not play fairly with the United States. The United States had no subsidies or practically had no subsidies when we entered into this agreement. In 1981, here on this floor in the Gramm-Latta amendment, we abolished practically all the subsidies that could be found. One little subsidy slipped through, that is the title XI subsidy. It just was not seen and was not operative at that time, and we did not take any advantage of it.

Because of the standstill arrangement in this agreement, we were able to exploit the title XI subsidy and some small contracts were garnered by some of the big navy yards in this country. But the big navy yards are not really the huge commercial builders in this country. They represent a very small part of the commercial capacity. The commercial capacity and the Navy capacity is really somewhat different because of specialization of labor and work.

So we face it today. The gentleman from Virginia [Mr. BATEMAN] is trying to defend his big Navy yard. I do not blame him; I would too if I had one of those things. But most of the commercial shipbuilders are in non-Navy yards and they are the ones that will profit, along with the yard that the gentleman from Virginia represents. It will also profit from all of this arrangement if we can get it into position.

The problem is we have delayed so long, because of the legislative process in Congress, getting this matter to the floor, all the other nations have already ratified the agreement. We have had to seek extension, and our extension runs out tomorrow, and this agreement is in the best interest of the greatest number of Americans. We are having to give up very little.

The gentleman from Virginia [Mr. BATEMAN] only wants to extend his slight preference fore another 30 months. Sounds reasonable on its face. The only trouble is the other nations of the world just do not trust us. Every time we bring agreements to the floor for ratification, we have to bring them under a fast track procedure or they will unravel here on the floor.

This agreement was not brought back under a fast track arrangement and, therefore, it is being unraveled on the floor by what looks like harmless little amendments, and that is what the issue is here today.

All of the industrialized nations that build ships have already served notice on us in writing that if we adopt the Bateman amendment today this agreement is dead. Let me repeat that. All of the other signatories to this pact have agreed to this proposal, and they have served notice on us in writing that if we agree to the Bateman amendment this whole agreement is dead.

We do not have any choice. And it would not be a good choice anyway, because if the Bateman amendment ever becomes law the standstill arrangement that is in this pact will have expired and other nations can meet or match or better the Bateman subsidies. It will not work.

Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. STUDDS] for a colloquy.

Mr. STUDDS. Mr. Chairman, I want to engage the manager of the bill, the distinguished gentleman from Illinois [Mr. CRANE], for one moment.

When the agreement was negotiated, it was agreed that U.S. shipbuilders would have a full 3 years to deliver vessels financed with favorable lending terms under title XI. This is critical to many of our shipyards, including one in my district. Since we are late in passing implementing legislation, some have suggested our yards will have only 2 or 2.5 years to deliver the vessels.

I know the U.S. Trade Representative has taken steps to make sure that our yards have a full 3 years from the effective date of the agreement to deliver the so-called subsidized vessels. I wanted to confirm that this is the understanding of the gentleman from Illinois and that he can give us his assurance that he will do everything he can to ensure U.S. yards have the 3-year delivery window.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, my understanding is if before July 15 this were to occur, that it would be in order, but that ultimately is an administration decision, and I have no input whatsoever that they would have any objections to that.

Mr. STUDDS. I appreciate that.

My second point is MarAd has a number of title XI applications in the pipeline, ones submitted many months ago and are substantially completed. Is it the gentleman's understanding that MarAd will be allowed to offer the favorable terms, depending on title XI applications which are substantially complete, and to work with me to ensure that applications, such as that from the Quincy shipyard, are eligible for the favorable terms before the agreement enters into effect?

Mr. CRANE. That is my understanding. As I say, it would be an administration interpretation, but I do not think there would be a problem.

Mr. STUDDS. Mr. Chairman, I thank the gentleman, and I thank the gentleman from Florida for the time.

Mr. CRANE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from Florida [Mr. GIBBONS] has expired; the gentleman from Illinois [Mr. CRANE] yields back the balance of his time.

The gentleman from South Carolina [Mr. SPENCE] will be recognized for 15 minutes and the gentleman from California [Mr. DELLUMS] will be recognized for 15 minutes.

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE].

Mr. Chairman, I yield myself such time as I may consume.

Mr. SPENCE. Mr. Chairman, now it is time to hear the other side of the story. Today I rise to express my support not for the OECD shipbuilding trade agreement, or H.R. 2754, but for the amendment that will be offered by my colleague, the gentleman from Virginia [Mr. BATEMAN].

H.R. 2754, the Shipbuilding Trade Agreement Act, would implement the Organization for Economic Cooperation and Development, or OECD, agreement on shipbuilding. This agreement, which was signed in December 1994 by the United States and other major shipbuilding countries, eliminates most shipbuilding subsidies provided by signatory countries to their shipbuilding industry or ship operators.

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The OECD agreement also includes provisions designed to eliminate anticompetitive pricing practices which would have allowed some countries to sell ships on the open market at unfairly low prices.

Many Members of the House, and certainly the Committee on National Security, consider the base bill to be seriously flawed. Many believe that the agreement negotiated by the administration contains loopholes that will allow foreign shipyards to continue to receive subsidies, while we will have abolished our successful loan guarantee program for struggling U.S. shipbuilders.

Many believe that the OECD agreement does not give America's major shipyards, most of which have primarily been in the business of building U.S. Navy ships, sufficient time to transition form military to commercial work.

Still others are concerned that the agreement will adversely affect the Jones Act and could prevent shipyards from building vessels for domestic shipping without penalty.

Finally, many are concerned that the existing OECD agreement does not allow the United States adequate flexibility to protect its national security interests and to exempt from the agreement ships that serve military purposes. In short, many Members believe that the agreement negotiated by the administration is seriously flawed.

The Bateman amendment, which was agreed to in the Committee on National Security and enjoys strong bipartisan support, attempts to correct many of the flaws I have described. In the debate ahead, the gentleman from Virginia [Mr. BATEMAN] and others will address the constructive fixes his amendment proposes for the title XI program, the Jones Act, and important definitional issues. It is an important amendment that deserves Members' attention and support.

Suffice it to say, Mr. Chairman, H.R. 2754 is a flawed bill that would implement an imperfect agreement. Regardless of how Members feel about voting on final passage of this bill, I strongly encourage my colleagues to vote in favor of the Bateman amendment, which goes a long way toward protecting our national security interests.

Mr. Chairman, I ask unanimous consent that I be permitted to yield the remainder of my general debate time to the gentleman from Virginia [Mr. BATEMAN] and that he be permitted to manage and control such debate time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DELLUMS. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I too join the gentleman from Florida in his concern with respect to the nature of this process. We were told that the Committee on Ways and Means wanted to exercise their option to debate on this matter for the first 30 minutes, otherwise this gentleman would have been more than willing to engage in significant debate because I think this is an important issue.

Obviously, the bill before us is designed to put the Congress in the position to ratify an agreement, the purpose of which is to end subsidies, Government subsidies, in the shipbuilding industry across the world.

There have been great allusions to the amendment that will be offered by the gentleman from Virginia [Mr. BATEMAN]. They have suggested that in offering the amendment, the ratification of this amendment would kill the agreement. Let us step back for a moment.

First of all, we believe that what we are being asked to agree to is a flawed agreement. Congress does, indeed, have a role in this process to ratify. Are we simply rubber stamps, or do we have the option to exercise our intellectual and political responsibilities in this matter? If we do, then it seems to me that it is perfectly within our right and prerogatives to offer an amendment. Now, that is the nature of the process, otherwise why have the agreement here?

We think that it is indeed flawed. The stakeholders in this issue, the workers, the union people, the shipbuilders looked at this agreement and said long term they agree with the purpose. But the problem with this agreement is in the transition. We believe that the U.S. shipbuilders have been grossly disadvantaged.

Now, we believe that in offering this amendment and accepting this amendment, it would be not unlike many other exceptions and exemptions from other countries, and I will point them out in a moment. If we pass it, they will simply go back with the exception, exemption, and renegotiate, because it is in the world's collective interest to stop subsidies. Other countries, other governments do not wish to continue. That is the imperative. That is the self-interest that will drive everyone back.

Now, are we doing something different, Mr. Chairman, than any other country? Example: Foreign governments were granted the following subsidy packages and the authority to continue paying out existing subsidies for ships delivered up until January 1, 1999: Spain, $1.4 billion in restructuring aid; Portugal, $110 million in restructuring aid; Belgium, $74 million in restructuring aid; South Korea, restructuring aid amount unknown, but based on information we have received it includes the $750 million plus government bailout of Daeoo Shipyard begun in 1990.

With respect to France, unknown at this time in terms of the overall amount, but special offers are currently being made by other Members of the European Community to gain France's support for the agreement; minimally, $480 million. Germany: Germany has a package for exemption. Germany's package to modernize, restructure and cover the loss of the shipyards in former East Germany, we believe that that figure adds up to approximately $4 billion.

So, what the United States is asking in comparison to these other countries, they went back in, Mr. Chairman, and renegotiated these exceptions and these exemptions. Title XI did not just happen; it just did not sneak in through the back-door. The distinguished gentleman from Mississippi [Mr. TAYLOR] and this gentleman, during the time when this party was in control of the Congress, put $50 million in loan guarantees in title XI because we saw that we cannot specialize in these shipyards because not enough work is being done.

So we took DOD money, put it into loan guarantees, leveraged it. Do my colleagues know what happened? Shipbuilding began on a commercial level in this country unprecedented in the last one or two decades.

Now, Mr. Chairman, we are simply saying that we would like to be on a level playing field. Ultimately, let us end all subsidies, but in the transition give us the opportunity to make the transition correctly. Leave title XI in for 3 years. That simply puts us on a level playing field, not only at the end of the day but in the transition period.

Now, we need to understand Mr. Chairman, 90 percent of the American workers in this country work in the top six shipyards in America. So if my colleagues care about working-class people, if they care about the working people in this country, they work in the top six yards in America.

There is no such thing anymore as specialized shipbuilding. We do not do as much. At one point we were moving toward a 600-ship Navy. The cold war is over, the military budget is coming down, and we are battling over how fast and how deep that it does come down. Shipbuilding is coming down in terms of military activity, so where do we have to balance that out? With commercial development.

We simply say at the end of the day, my conclusion is this. We are simply asking for what other signatories went in and renegotiated. This is not going to kill this agreement. It is in everybody's interest to get to the table.

We are simply saying let us not be fools. Let us go in intelligently, with our self-interest involved, and let us make this decision here. That is what our responsibility is. We have a fiduciary responsibility to the American people. Let us carry it out. If the other countries do not particularly like this, then let us ask them, "Why did you ratify these other exceptions?" They will not do it. They will come back to the table because it is in their self-interest.

Mr. Chairman, I hope my colleagues will support the Bateman amendment. Without it, it seems that this agreement is not supportable.

Mr. Chairman, I reserve the balance of my time.

Mr. BATEMAN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would like to first associate myself with the splendid remarks of the gentleman from California [Mr. DELLUMS], who I think has very well articulated what is before the House today. Let me say, in order to try and reinforce and to place this debate in context, that I heard today that the amendments which I will offer are reasonable and they are modest, and yet I am told that we will unravel the agreement if this House, in pursuit of what it conceives to be sound public policy for the United States of America, were to adopt those amendments.

This presumably is a meaningful process. If this agreement is flawed, and I put it to my colleagues that it is very seriously flawed, then we should not approve it and implement it.

Mr. Chairman, I am not asking this House to reject this amendment. I am asking this House to adopt amendments which would remove the flaws and the warps from this agreement so that it at least is arguably in the best interest of the people of the United States and our national security.

To do less, Mr. Chairman, would in my view be an abdication of our responsibility. Much has been said about how long this agreement was in process of negotiation. I think there is something that needs to be said about that.

During the course of the Bush administration, no agreement could be struck, and the reason it could not be struck is because there was an insistence on the part of this country that we protect and preserve the Jones Act for our domestic internal trade.

This agreement does not protect the Jones Act, as least according to all of the people who have said my amendment undermines the agreement, because we make it explicit by my amendment that the Jones Act shall not be affected because that is what the U.S. Trade Representative told us.

But now even they are saying the Bateman amendment, by making it explicit that the Jones Act will be protected, is going to unravel the agreement. This is not a treaty or an agreement that I think has been dealt with very uprightly in terms of what it does and does not include. Clearly, we should insist through my amendment that we preserve the Jones Act inviolate.

To say that we should have no interim transition provisions protecting our shipbuilding is, I think, again a terrible mistake, especially when we look at it in the context that has been pointed out, that numerous other parties who are signatories to this agreement were taken care of by transition provisions for their shipyards while we have none.

Our trade representative came back after he signed this agreement in December and admitted to me that they had not even sought any transition provisions for this country's shipbuilders, even though the other parties to this agreement had been subsidized to the tune of as much as $8 billion a year when we were not subsidizing at all, and yet they sought no concession or transition provision for American shipbuilders.

Mr. Chairman, that is why this agreement is flawed. That is why it needs the amendments.

Mr. Chairman, I reserve the balance of my time.

Mr. BATEMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. QUILLEN].

Mr. QUILLEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the National Security Committee amendment to H.R. 2754. The amendment offered by the National Security Committee will mitigate the damage this shipbuilding trade agreement will have on our national security interests and our defense shipbuilding industrial base. No commercial trade agreement should place restrictions on our domestic Jones Act trade. The Jones Act fleet and the industrial base sustained through construction of ships for this trade is an essential arm of our military in a contingency.

During the Gulf war, shipyards worked around the clock to activate moth-balled ships to transport our tanks and helicopters to our forward deployed troops, and the mariners who operated our Jones Act fleet in peacetime were called upon to crew these military reserve vessels. The Department of Defense has stated that the Jones Act is essential to our national security interests. The House National Security Committee amendment will ensure that the Jones Act ship construction and operating requirement is not jeopardized by this agreement.

It will also clarify that noncombatant military auxiliary and sealift ships are not covered by this agreement. No commercial trade agreement should restrict the U.S. Department of Defense from procuring surge and prepositioning sealift ships needed to meet our Army and Marine Corps requirements. This was not the intent of these negotiations; however, this will be the case unless the National Security Committee amendment is passed.

I also support the 30-month extension of our title XI ship loan guarantee program which has enabled our navy shipbuilders to transition back into the business of building large ocean-going commercial ships. This commercial work has created 4,000 jobs in our shipyards, and helped to sustain our critical Navy shipbuilding base during a historical low in Navy shipbuilding orders. This limited extension of title XI is very modest compared to the 3- and 4-year transition subsidies granted to foreign signatories of this trade agreement—subsidies above and beyond their already massive subsidies.

I urge my colleagues to vote for the National Security Committee amendment.

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The CHAIRMAN. The Chair advises that the gentleman from Virginia [Mr. BATEMAN] has 5½ minutes remaining, and the gentleman from California [Mr. DELLUMS] has 8 minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Chairman, I thank the distinguished Member for yielding the time.

No one comes here to increase the deficit. No one comes here to dismantle America's might. But just last night, the new majority voted for a budget for the next 2 years that increases the annual operating deficit and in turn the national debt. Today we are going to have a choice of whether or not we are going to dismantle America's industrial might. I have to my left, and I hope the television camera can show this, one of the 66 jewels of America's industrial might. It is so huge that this 990-foot warship appears to be but a toy when compared to that overall industrial facility. It is called Ingalls Shipbuilding and is one of the six remaining shipyards in America that build ships to defend our country.

This agreement would preclude any chance Ingalls Shipbuilding ever has of in the long run staying in business. And that is what it comes down to. You see, as mentioned before, during the Reagan years there was talk of a 600-ship Navy and therefore people like Ingalls and Newport News would have plenty of work building those ships. We are now looking at a 150-ship Navy, which means there is not work for all six of them. If we do not find commercial work for those yards, they will simply go out of business. Why is that important?

This island nation during World War II had to build 16,000 ships to save itself from Japan and Nazi Germany. We are now down to what will be in the near future a 150-ship fleet so, if we lose our ability in the meantime between wars to do some commercial work, those yards will not be around. If you had to start this yard from scratch, you would have to find $800 million. That just is not going to happen.

So why is the agreement bad? The agreement is bad because we are counting on about 20 other nations to quit subsidizing their yards unilaterally. It is not going to happen. It has not happened. Even today in the Journal of Commerce, here is the story, that the Danes, even before the ink on this agreement is dry, are already cheating on this agreement. The reason the Danes say that they are cheating is because the Germans are cheating.

So we are being asked by the Committee on Ways and Means to unilaterally disarm, to give away the ability of our Nation to defend itself in future wars. So the Committee on Ways and Means can proudly proclaim that they have passed another failed trade agreement. May I remind them of their tremendous success of NAFTA? May I invite the Committee on Ways and Means to come to Lucedale, MS, or to Hattiesburg, MS, or Poplarville, MS, and go to the cattle auction and see the cattlemen who cry because they are selling their calves for one-half of the price that they were just 3 years ago before NAFTA. Or maybe once again to go to Lumberton, MS, or Poplarville, MS or Wiggins, MS or Neely, MS, or Gulfport, MS and visit the empty garment plants where thousands of people have been laid off as a direct result of NAFTA. In Neely, MS, when you lose your job, job retraining does not matter because there is no other factory in Neely, MS. The only business in town shut down.

So based on the success of NAFTA and our ability to pass an agreement that hurts only us and helps only our competitors, we want to do this again, except this time we want to do it with regard to national defense. We want to take the magnificent machine built up over the course of the past century, first by Democrats like FDR and later by Republicans like Ronald Reagan and George Bush, and we want to put it out of business so that when the next war comes we will not have a yard. And maybe if we are lucky, the Germans will sell us a ship. Maybe if we are lucky the Japanese will sell us a ship. But maybe if we are not lucky, they will be on the other side. Then what do we do?

The great powers of the world have always been great manufacturers, and they have been great maritime powers. Those two things go hand in hand during the course of recorded history. With NAFTA, we have given away a lot of our manufacturing might. With this agreement, they are trying to give away our maritime might, what is left of it, and our ability to get back in the business.

Title XI works. It is a loan guarantee program that works. We are building ships in this country, and now they are saying, let us take it away. The gentleman from Virginia [Mr. BATEMAN] is saying, let us slow that down a little bit.

I encourage Members to vote for the Bateman amendment. At the very least it will slow it down a little bit. And then I encourage Members to vote against this entire agreement because we do not need to give up our sovereignty to 20 other countries to tell us where and when we can invest in the industrial might of this Nation.

Mr. BATEMAN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I want to thank the distinguished gentleman from Virginia for yielding to me. I want to note to my colleagues in the full committee and all the Members that this is one of those occasions, as you can see with respect to this substitute amendment, there is solidarity in the Committee on National Security, on the Democrat side, on the Republican side, on all shades of the political spectrum. This is the reason: No matter how much we disagree about weapons systems and about strategies and about budget numbers, we all agree on one thing, one fact that comes home to us every time we have a conflict. When we move out to project American power, we carry that power, whether it is marines or soldiers or ammunition or aircraft and all the logistics that you have to take to a foreign place to fight a war on ships.

In Desert Storm we carried 95 percent of our war materiel on ships, not on airplanes, and everybody knows that. The gentleman from California [Mr. DELLUMS] knows that. The gentleman from South Carolina [Mr. SPENCE] knows that. Every member of the committee knows that. Every Member of the House knows that. With respect to our ability to move to change this amendment, all of our allies know that. All of the signatories of this agreement know that.

South Korea is not going to complain because we want to maintain our shipbuilding base. South Korea exists because we had a shipbuilding base. We saved them as the North Koreans were driving down the Korean Peninsula and the Chinese shortly thereafter because we were able to move an American blocking force in there, hold the line and gradually push it back.

Our European allies are not going to complain because two times in this century we have saved Europe with American ships carrying American personnel and war materiel. Our allies who depended on the lifeline in the Gulf war understand that, while we had to rely on rent-a-ships in that case, 95 percent of the American equipment that was carried to that war was carried on ships.

Now, this bill, if it is not amended by the national security substitute, is going to do some bad things because theoretically it excludes military construction but it reserves for foreign judges the definition of what is a military program. It warns us against "disguising commercial shipbuilding in military programs." That means somebody else is going to be interpreting what is an American military program.

Is a prepositioning ship an American military program or just another way to have commercial cargo or to have logistics that you might be taking on a rent-a-ship? Is that an American military program? In the WTO we are now seeing these decisions come home where they have enforced Brazil's right to send dirty gas into the United States because foreign judges have said American environmental laws are invalid. We have seen the problem with giving to foreign judges the right to arbitrate and to determine what is an American military program.

Let me urge all of my colleagues to support the national security position on this and vote against the full bill on final passage.

Mr. DELLUMS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] is recognized for 4 minutes.

Mr. DELLUMS. Mr. Chairman, the bill, H.R. 2754, provides the Congress of the United States with the opportunity to ratify an agreement, the purpose of which is to end government subsidies in shipbuilding. I believe that it is in the interest of the shipbuilding industry and in the interest of the American worker and ultimately the American people that we ratify a treaty, the purpose of which is to end Government subsidies. That is indeed in our interest.

I would like to take this opportunity to applaud the gentleman from Florida [Mr. GIBBONS], who has perhaps beyond any other Member of this body worked tirelessly to get such an agreement because he had the wisdom and the vision to understand that it is indeed in the interest of the United States to end Government subsidy. For that, I applaud the gentleman. I am one of the gentleman's greatest fans.

My point of departure today with my distinguished colleague is very simple and very straightforward. I believe that the agreement is flawed in its transition implications. We are simply saying that we need to put the United States in a better position in this transition period, as we move from a heavy reliance on military dollars, building hundreds of military ships, to building commercial ships.

As I look at the experience around this agreement, I have come to the startling realization but the comforting realization that other countries saw problems in the transition and sought exemptions and exceptions prior to signing the agreement that would allow them to step forward and then sign the agreement.

I believe that the notion that if the Bateman amendment passed that it would kill the agreement is hyperbole. But I have been here going on 26 years, and I know how we can engage in hyperbole in this institution. The amendment will kill the bill. But that is hyperbole, and I love the Members that say it, but we often practice overstatement and hyperbole.

You have to be bright enough to cut through the weed and get to the real issue. It is not going to kill this agreement, because it is in the world's collective interest to end government subsidies. That imperative and that imperative alone will drive everybody back to the table.

If we pass this agreement, the world is not going to step back and say, well, you guys are going to do this, I am going to spend $2 billion a year subsidizing shipbuilding. That is bizarre, extreme and absurd. What they will do is sit down and try to work it out. That is all we are simply saying.

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Finally, as I said in my opening remarks, if the Congress did not have any role, then why are we here to ratify it? And I think our role should go beyond simply rubber stamping when we believe substantively, economically, politically and intellectually that there is something wrong with the agreement. Working people in this country looked at it and said it is flawed in the transition. Shipbuilding people looked at it and said it is flawed in its transition. These are two major stakeholders who believe ultimately that we ought to end government subsidy.

So we stepped up to the plate and said, "Let's correct it, let's clarify on the Jones Act, let's clarify some boilerplate language with respect to national security issues.

That is all this amendment does. I urge my colleagues to listen carefully to the debate around the Bateman amendment, not be guided by hyperbole and overstatement, and look at the facts, and I believe that they will come to the conclusion that we are correct. Adopt the Bateman amendment, and go forward to pass H.R. 2754, as amended.

Mr. BATEMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Chairman, the reason we are debating these amendments to this trade agreement today is that we are seeking at least some element of fairness to our shipbuilders. The reason we are debating these amendments is that we believe it is important to maintain these critical manufacturing jobs that shipbuilding and the supplier base provides. The reason we are debating these amendments is that many of us fear this trade agreement will be like so many before it—one that is unfair to the United States and that will send these jobs to other countries.

But let us not lose sight of the most important reason we are debating these amendments: and that is, that we are concerned about the national security of this country. You see, we have gotten to the point where the shipbuilding industrial base that embodies the critical skills and facilities needed to produce our Navy's ships has shrunken to just six shipyards and 70,000 employees. These same shipyards are the ones that have historically produced most of the large, oceangoing ships built in this country for both our domestic and international trades. Commercial shipbuilding has always been essential to helping level out the valleys when the government's purchase of ships has declined.

We are at this very moment considering Navy shipbuilding budgets that are the lowest in over 40 years! And while the Congress is attempting to increase that level slightly, the numbers of ships being ordered by the Navy are simply not sufficient to sustain the bare minimum shipbuilding base we now have. And if we are going to even come close to maintaining the 346-ship Navy that forms the basis of our current warfighting strategy, we are going to ask these same shipbuilders a few years from now to increase their rate of shipbuilding to two to three times what it is today.

Even with these amendments, we are perilously close to signing away our capability to ensure economic and national security through our shipbuilding industrial base.

I urge my colleagues to join me in voting for jobs and for national security. Vote for the National Security Committee amendments.

Mr. BATEMAN. Mr. Chairman, I yield myself the 30 seconds remaining only to remind the Members of the House that the six major shipyards who are diametrically opposed to this agreement in its present form represent 300,000 jobs at their shipyards and in the companies that service and work with them. This is over 90 percent of all the workers engaged in ship construction in the United States, and these shipyards build 98 percent of all ships for the United States Navy. We are speaking not just for those shipyards, but for all of the unions and the workers who are employed in those shipyards and for whom my amendments to this bill are extremely significant and are very intensely supported by those people.

Mr. BLILEY. Mr. Chairman, I rise in support of the efforts of the gentleman from Virginia [Mr. BATEMAN] regarding our Nation's shipbuilding industrial base by ensuring that industry's success in its endeavor to participate in commercial shipbuilding on the international level. I speak on this matter to support my colleague, and to note my interest as chairman of the Committee on Commerce in the issue of dumping.

In support of my colleague, I signed a letter delineating the problem created by the OECD Shipbulding Agreement that H.R. 2754 would implement. The agreement fails to remedy the historical advantage foreign shipbuilders have maintained over the U.S. shipbuilding industry through government subsidies. Although the agreement does eliminate certain aspects of foreign government subsidies, it still does not place U.S. shipbuilders on equal footing with foreign shipbuilders in the international market. Therefore, I support Mr. BATEMAN'S efforts to create an even playing field.

My interest in the matter as chairman of the Committee on Commerce stems from my committee's extensive work in the area of trade. H.R. 2754 would add a new title, "Title VIII—Injurious Pricing and Countermeasures Relating to Shipbuilding" to the Tariff Act of 1930, The new title VIII would provide a mechanism, tailored to the unique situation of the shipbuilding industry, to address concerns regarding the practice of dumping—selling goods, in this case ships, for less than their fair value.

Without recounting the lengthy history of my committee's work in the area of trade, I will point out just a few previous legislative initiatives—focusing on the 100th Congress—that addressed dumping. During the 100th Congress, at least four trade measures considered by the Commerce Committee were incorporated into the Omnibus Trade Reform Act of 1988. Although other measures included provisions on the issue of dumping, H.R. 268—notably—addressed only the issue of dumping. Through that measure, my committee and others sought to amend the Tariff Act of 1930 "to provide private remedies for injury caused by unfair foreign competition and violations of certain customs fraud provisions."

Just as H.R. 268 establishes remedies where an article "is imported or sold within the United States at a United States price which is less than the foreign market value or constructed value of such article," H.R. 2754 provides for remedies where "a foreign vessel has been sold directly or indirectly to one or more United States buyers at less than its fair value." Therefore, my interest in this measure is twofold. First, I want to support my colleague Mr. BATEMAN; and second, I want to express my committee's jurisdictional interest in the dumping provisions of this measure. Based on my committee's lengthy history of work in the area of trade, and on the issue of dumping, I would like to note our intent to continue in the exercise of our authority in these areas.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute, recommended by the Committee on Ways and Means, modified by the amendment printed in part 1 of House Report 104-606, is considered as an original bill for the purpose of amendment and is considered read.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

H.R. 2754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Shipbuilding Trade Agreement Act".

SEC. 2. APPROVAL OF THE SHIPBUILDING AGREEMENT.

The Congress approves The Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry (hereafter in this Act referred to as the "Shipbuilding Agreement"), a reciprocal trade agreement which resulted from negotiations under the auspices of the Organization for Economic Cooperation and Development, and was entered into on December 21, 1994.

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act take effect on the date that the Shipbuilding Agreement enters into force with respect to the United States.

TITLE I—INJURIOUS PRICING AND COUNTERMEASURES

SEC. 101. INJURIOUS PRICING AND COUNTERMEASURES PROCEEDINGS.

The Tariff Act of 1930 is amended by adding at the end the following new title:

"TITLE VIII—INJURIOUS PRICING AND COUNTERMEASURES RELATING TO SHIPBUILDING

"*Subtitle A—Injurious Pricing Charge and Countermeasures*

"*Sec. 801. Injurious pricing charge.*
"*Sec. 802. Procedures for initiating an injurious pricing investigation.*
"*Sec. 803. Preliminary determinations.*
"*Sec. 804. Termination or suspension of investigation.*
"*Sec. 805. Final determinations.*
"*Sec. 806. Imposition and collection of injurious pricing charge.*
"*Sec. 807. Imposition of countermeasures.*
"*Sec. 808. Injurious pricing petitions by third countries.*

"*Subtitle B—Special Rules*

"*Sec. 821. Export price.*
"*Sec. 822. Normal value.*
"*Sec. 823. Currency conversion.*

"*Subtitle C—Procedures*

"*Sec. 841. Hearings.*
"*Sec. 842. Determinations on the basis of the facts available.*
"*Sec. 843. Access to information.*
"*Sec. 844. Conduct of investigations.*
"*Sec. 845. Administrative action following shipbuilding agreement panel reports.*

"*Subtitle D—Definitions*

"*Sec. 861. Definitions.*

"Subtitle A—Injurious Pricing Charge and Countermeasures

"SEC. 801. INJURIOUS PRICING CHARGE.

"*(a) BASIS FOR CHARGE.—If—*

"*(1) the administering authority determines that a foreign vessel has been sold directly or indirectly to one or more United States buyers at less than its fair value, and*

"*(2) the Commission determines that—*

"*(A) an industry in the United States—*

"*(i) is or has been materially injured, or*

"*(ii) is threatened with material injury, or*

"*(B) the establishment of an industry in the United States is or has been materially retarded,*

by reason of the sale of such vessel, then there shall be imposed upon the foreign producer of the subject vessel an injurious pricing charge, in an amount equal to the amount by which the normal value exceeds the export price for the vessel. For purposes of this subsection and section 805(b)(1), a reference to the sale of a foreign vessel includes the creation or transfer of an ownership interest in the vessel, except for an ownership interest created or acquired solely for the purpose of providing security for a normal commercial loan.

"*(b) FOREIGN VESSELS NOT MERCHANDISE.—No foreign vessel may be considered to be, or to be part of, a class or kind of merchandise for purposes of subtitle B of title VII.*

"SEC. 802. PROCEDURES FOR INITIATING AN INJURIOUS PRICING INVESTIGATION.

"*(a) INITIATION BY ADMINISTERING AUTHORITY.—*

"*(1) GENERAL RULE.—Except in the case in which subsection (d)(6) applies, an injurious pricing investigation shall be initiated whenever the administering authority determines, from information available to it, that a formal investigation is warranted into the question of whether the elements necessary for the imposition of a charge under section 801(a) exist, and whether a producer described in section 861(17)(C) would meet the criteria of subsection (b)(1)(B) for a petitioner.*

"*(2) TIME FOR INITIATION BY ADMINISTERING AUTHORITY.—An investigation may only be initiated under paragraph (1) within 6 months after the time the administering authority first knew or should have known of the sale of the vessel. Any period in which subsection (d)(6)(A) applies shall not be included in calculating that 6-month period.*

"*(b) INITIATION BY PETITION.—*

"*(1) PETITION REQUIREMENTS.—(A) Except in a case in which subsection (d)(6) applies, an injurious pricing proceeding shall be initiated whenever an interested party, as defined in subparagraph (C), (D), (E), or (F) of section 861(17), files a petition with the administering authority, on behalf of an industry, which alleges the elements necessary for the imposition of an injurious pricing charge under section 801(a) and the elements required under subparagraph (B), (C), (D), or (E) of this paragraph, and which is accompanied by information reasonably available to the petitioner supporting those allegations and identifying the transaction concerned.*

"*(B)(i) If the petitioner is a producer described in section 861(17)(C), and—*

"*(I) if the vessel was sold through a broad multiple bid, the petition shall include information indicating that the petitioner was invited to tender a bid on the contract at issue, the petitioner actually did so, and the bid of the petitioner substantially met the delivery date and technical requirements of the bid,*

"*(II) if the vessel was sold through any bidding process other than a broad multiple bid and the petitioner was invited to tender a bid on the contract at issue, the petition shall include information indicating that the petitioner actually did so and the bid of the petitioner substantially met the delivery date and technical requirements of the bid, or*

"*(III) except in a case in which the vessel was sold through a broad multiple bid, if there is no invitation to tender a bid, the petition shall include information indicating that the petitioner was capable of building the vessel concerned and, if the petitioner knew or should have known of the proposed purchase, it made demonstrable efforts to conclude a sale with the United States buyer consistent with the delivery date and technical requirements of the buyer.*

"*(ii) For purposes of clause (i)(III), there is a rebuttable presumption that the petitioner knew or should have known of the proposed purchase if it is demonstrated that—*

"*(I) the majority of the producers in the industry have made efforts with the United States buyer to conclude a sale of the subject vessel, or*

"*(II) general information on the sale was available from brokers, financiers, classification societies, charterers, trade associations, or other entities normally involved in shipbuilding transactions with whom the petitioner had regular contacts or dealings.*

"*(C) If the petitioner is an interested party described in section 861(17)(D), the petition shall include information indicating that members of the union or group of workers described in that section are employed by a producer that meets the requirements of subparagraph (B) of this paragraph.*

"*(D) If the petitioner is an interested party described in section 861(17)(E), the petition shall* *include information indicating that a member of the association described in that section is a producer that meets the requirements of subparagraph (B) of this paragraph.*

"(E) If the petitioner is an interested party described in section 861(17)(F), the petition shall include information indicating that a member of the association described in that section meets the requirements of subparagraph (C) or (D) of this paragraph.

"(F) The petition may be amended at such time, and upon such conditions, as the administering authority and the Commission may permit.

"(2) SIMULTANEOUS FILING WITH COMMISSION.—The petitioner shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority.

"(3) DEADLINE FOR FILING PETITION.—

"(A) DEADLINE.—(i) A petitioner to which paragraph (1)(B) (i) or (ii) applies shall file the petition no later than the earlier of—

"(I) 6 months after the time that the petitioner first knew or should have known of the sale of the subject vessel, or

"(II) 6 months after delivery of the subject vessel.

"(ii) A petitioner to which paragraph (1)(B)(iii) applies shall—

"(I) file the petition no later than the earlier of 9 months after the time that the petitioner first knew or should have known of the sale of the subject vessel, or 6 months after delivery of the subject vessel, and

"(II) submit to the administering authority a notice of intent to file a petition no later than 6 months after the time that the petitioner first knew or should have known of the sale (unless the petition itself is filed within that 6-month period).

"(B) PRESUMPTION OF KNOWLEDGE.—For purposes of this paragraph, if the existence of the sale, together with general information concerning the vessel, is published in the international trade press, there is a rebuttable presumption that the petitioner knew or should have known of the sale of the vessel from the date of that publication.

"(c) ACTIONS BEFORE INITIATING INVESTIGATIONS.—

"(1) NOTIFICATION OF GOVERNMENTS.—Before initiating an investigation under either subsection (a) or (b), the administering authority shall notify the government of the exporting country of the investigation. In the case of the initiation of an investigation under subsection (b), such notification shall include a public version of the petition.

"(2) ACCEPTANCE OF COMMUNICATIONS.—The administering authority shall not accept any unsolicited oral or written communication from any person other than an interested party described in section 861(17)(C), (D), (E), or (F) before the administering authority makes its decision whether to initiate an investigation pursuant to a petition, except for inquiries regarding the status of the administering authority's consideration of the petition or a request for consultation by the government of the exporting country.

"(3) NONDISCLOSURE OF CERTAIN INFORMATION.—The administering authority and the Commission shall not disclose information with regard to any draft petition submitted for review and comment before it is filed under subsection (b)(1).

"(d) PETITION DETERMINATION.—

"(1) TIME FOR INITIAL DETERMINATION.—(A) Within 45 days after the date on which a petition is filed under subsection (b), the administering authority shall, after examining, on the basis of sources readily available to the administering authority, the accuracy and adequacy of the evidence provided in the petition, determine whether the petition—

"(i) alleges the elements necessary for the imposition of an injurious pricing charge under section 801(a) and the elements required under subsection (b)(1)(B), (C), (D), or (E), and contains information reasonably available to the petitioner supporting the allegations; and

"(ii) determine if the petition has been filed by or on behalf of the industry.

"(B) Any period in which paragraph (6)(A) applies shall not be included in calculating the 45-day period described in subparagraph (A).

"(2) AFFIRMATIVE DETERMINATIONS.—If the determinations under clauses (i) and (ii) of paragraph (1)(A) are affirmative, the administering authority shall initiate an investigation to determine whether the vessel was sold at less than fair value, unless paragraph (6) applies.

"(3) NEGATIVE DETERMINATIONS.—If—

"(A) the determination under clause (i) or (ii) of paragraph (1)(A) is negative, or

"(B) paragraph (6)(B) applies,

the administering authority shall dismiss the petition, terminate the proceeding, and notify the petitioner in writing of the reasons for the determination.

"(4) DETERMINATION OF INDUSTRY SUPPORT.—

"(A) GENERAL RULE.—For purposes of this subsection, the administering authority shall determine that the petition has been filed by or on behalf of the domestic industry, if—

"(i) the domestic producers or workers who support the petition collectively account for at least 25 percent of the total capacity of domestic producers capable of producing a like vessel, and

"(ii) the domestic producers or workers who support the petition collectively account for more than 50 percent of the total capacity to produce a like vessel of that portion of the domestic industry expressing support for or opposition to the petition.

"(B) CERTAIN POSITIONS DISREGARDED.—In determining industry support under subparagraph (A), the administering authority shall disregard the position of domestic producers who oppose the petition, if such producers are related to the foreign producer or United States buyer of the subject vessel, or the domestic producer is itself the United States buyer, unless such domestic producers demonstrate that their interests as domestic producers would be adversely affected by the imposition of an injurious pricing charge.

"(C) POLLING THE INDUSTRY.—If the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total capacity to produce a like vessel—

"(i) the administering authority shall poll the industry or rely on other information in order to determine if there is support for the petition as required by subparagraph (A), or

"(ii) if there is a large number of producers in the industry, the administering authority may determine industry support for the petition by using any statistically valid sampling method to poll the industry.

"(D) COMMENTS BY INTERESTED PARTIES.—Before the administering authority makes a determination with respect to initiating an investigation, any person who would qualify as an interested party under section 861(17) if an investigation were initiated, may submit comments or information on the issue of industry support. After the administering authority makes a determination with respect to initiating an investigation, the determination regarding industry support shall not be reconsidered.

"(5) DEFINITION OF DOMESTIC PRODUCERS OR WORKERS.—For purposes of this subsection, the term 'domestic producers or workers' means interested parties as defined in section 861(17)(C), (D), (E), or (F).

"(6) PROCEEDINGS BY WTO MEMBERS.—The administering authority shall not initiate an investigation under this section if, with respect to the vessel sale at issue, an antidumping proceeding conducted by a WTO member who is not a Shipbuilding Agreement Party—

"(A) has been initiated and has been pending for not more than one year, or

"(B) has been completed and resulted in the imposition of antidumping measures or a negative determination with respect to whether the sale was at less than fair value or with respect to injury.

"(e) NOTIFICATION TO COMMISSION OF DETERMINATION.—The administering authority shall—

"(1) notify the Commission immediately of any determination it makes under subsection (a) or (d), and

"(2) if the determination is affirmative, make available to the Commission such information as it may have relating to the matter under investigation, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority.

"SEC. 803. PRELIMINARY DETERMINATIONS.

"(a) DETERMINATION BY COMMISSION OF REASONABLE INDICATION OF INJURY.—

"(1) GENERAL RULE.—Except in the case of a petition dismissed by the administering authority under section 802(d)(3), the Commission, within the time specified in paragraph (2), shall determine, based on the information available to it at the time of the determination, whether there is a reasonable indication that—

"(A) an industry in the United States—

"(i) is or has been materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is or has been materially retarded,

by reason of the sale of the subject vessel. If the Commission makes a negative determination under this paragraph, the investigation shall be terminated.

"(2) TIME FOR COMMISSION DETERMINATION.—The Commission shall make the determination described in paragraph (1) within 90 days after the date on which the petition is filed or, in the case of an investigation initiated under section 802(a), within 90 days after the date on which the Commission receives notice from the administering authority that the investigation has been initiated.

"(b) PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—

"(1) PERIOD OF INJURIOUS PRICING INVESTIGATION.—(A) The administering authority shall make a determination, based upon the information available to it at the time of the determination, of whether there is a reasonable basis to believe or suspect that the subject vessel was sold at less than fair value.

"(B) If cost data is required to determine normal value on the basis of a sale of a foreign like vessel that has not been delivered on or before the date on which the administering authority initiates the investigation, the administering authority shall make its determination within 160 days after the date of delivery of the foreign like vessel.

"(C) If normal value is to be determined on the basis of constructed value, the administering authority shall make its determination within 160 days after the date of delivery of the subject vessel.

"(D) In cases in which subparagraph (B) or (C) does not apply, the administering authority shall make its determination within 160 days after the date on which the administering authority initiates the investigation under section 802.

"(E) In no event shall the administering authority make its determination before an affirmative determination is made by the Commission under subsection (a).

"(2) DE MINIMIS INJURIOUS PRICING MARGIN.—In making a determination under this subsection, the administering authority shall disregard any injurious pricing margin that is de minimis. For purposes of the preceding sentence, an injurious pricing margin is de minimis if the administering authority determines that the margin is less than 2 percent of the export price.

"(c) EXTENSION OF PERIOD IN EXTRAORDINARILY COMPLICATED CASES OR FOR GOOD CAUSE.—

"(1) IN GENERAL.—If—

"(A) the administering authority concludes that the parties concerned are cooperating and determines that—

"(i) the case is extraordinarily complicated by reason of—

"(I) the novelty of the issues presented, or

"(II) the nature and extent of the information required, and

"(ii) additional time is necessary to make the preliminary determination, or

"(B) a party to the investigation requests an extension and demonstrates good cause for the extension,

then the administering authority may postpone the time for making its preliminary determination.

"(2) LENGTH OF POSTPONEMENT.—The preliminary determination may be postponed under paragraph (1)(A) or (B) until not later than the 190th day after—

"(A) the date of delivery of the foreign like vessel, if subsection (b)(1)(B) applies,

"(B) the date of delivery of the subject vessel, if subsection (b)(1)(C) applies, or

"(C) the date on which the administering authority initiates an investigation under section 802, in a case in which subsection (b)(1)(D) applies.

"(3) NOTICE OF POSTPONEMENT.—The administering authority shall notify the parties to the investigation, not later than 20 days before the date on which the preliminary determination would otherwise be required under subsection (b)(1), if it intends to postpone making the preliminary determination under paragraph (1). The notification shall include an explanation of the reasons for the postponement, and notice of the postponement shall be published in the Federal Register.

"(d) EFFECT OF DETERMINATION BY THE ADMINISTERING AUTHORITY.—If the preliminary determination of the administering authority under subsection (b) is affirmative, the administering authority shall—

"(1) determine an estimated injurious pricing margin, and

"(2) make available to the Commission all information upon which its determination was based and which the Commission considers relevant to its injury determination, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority.

"(e) NOTICE OF DETERMINATION.—Whenever the Commission or the administering authority makes a determination under this section, the Commission or the administering authority, as the case may be, shall notify the petitioner, and other parties to the investigation, and the Commission or the administering authority (whichever is appropriate) of its determination. The administering authority shall include with such notification the facts and conclusions on which its determination is based. Not later than 5 days after the date on which the determination is required to be made under subsection (a)(2), the Commission shall transmit to the administering authority the facts and conclusions on which its determination is based.

"SEC. 804. TERMINATION OR SUSPENSION OF INVESTIGATION.

"(a) TERMINATION OF INVESTIGATION UPON WITHDRAWAL OF PETITION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an investigation under this subtitle may be terminated by either the administering authority or the Commission, after notice to all parties to the investigation, upon withdrawal of the petition by the petitioner.

"(2) LIMITATION ON TERMINATION BY COMMISSION.—The Commission may not terminate an investigation under paragraph (1) before a preliminary determination is made by the administering authority under section 803(b).

"(b) TERMINATION OF INVESTIGATIONS INITIATED BY ADMINISTERING AUTHORITY.—The administering authority may terminate any investigation initiated by the administering authority under section 802(a) after providing notice of such termination to all parties to the investigation.

"(c) ALTERNATE EQUIVALENT REMEDY.—The criteria set forth in subparagraphs (A) through (D) of section 806(e)(1) shall apply to any agreement that forms the basis for termination of an investigation under subsection (a) or (b).

"(d) PROCEEDINGS BY WTO MEMBERS.—

"(1) SUSPENSION OF INVESTIGATION.—The administering authority and the Commission shall suspend an investigation under this section if a WTO member that is not a Shipbuilding Agreement Party initiates an antidumping proceeding described in section 861(29)(A) with respect to the sale of the subject vessel.

"(2) TERMINATION OF INVESTIGATION.—If an antidumping proceeding described in paragraph (1) is concluded by—

"(A) the imposition of antidumping measures, or

"(B) a negative determination with respect to whether the sale is at less than fair value or with respect to injury,

the administering authority and the Commission shall terminate the investigation under this section.

"(3) CONTINUATION OF INVESTIGATION.—(A) If such a proceeding—

"(i) is concluded by a result other than a result described in paragraph (2), or

"(ii) is not concluded within one year from the date of the initiation of the proceeding,

then the administering authority and the Commission shall terminate the suspension and continue the investigation. The period in which the investigation was suspended shall not be included in calculating deadlines applicable with respect to the investigation.

"(B) Notwithstanding subparagraph (A)(ii), if the proceeding is concluded by a result described in paragraph (2)(A), the administering authority and the Commission shall terminate the investigation under this section.

"SEC. 805. FINAL DETERMINATIONS.

"(a) DETERMINATIONS BY ADMINISTERING AUTHORITY.—

"(1) IN GENERAL.—Within 75 days after the date of its preliminary determination under section 803(b), the administering authority shall make a final determination of whether the vessel which is the subject of the investigation has been sold in the United States at less than its fair value.

"(2) EXTENSION OF PERIOD FOR DETERMINATION.—(A) The administering authority may postpone making the final determination under paragraph (1) until not later than 290 days after—

"(i) the date of delivery of the foreign like vessel, in an investigation to which section 803(b)(1)(B) applies,

"(ii) the date of delivery of the subject vessel, in an investigation to which section 803(b)(1)(C) applies, or

"(iii) the date on which the administering authority initiates the investigation under section 802, in an investigation to which section 803(b)(1)(D) applies.

"(B) The administering authority may apply subparagraph (A) if a request in writing is made by—

"(i) the producer of the subject vessel, in a proceeding in which the preliminary determination by the administering authority under section 803(b) was affirmative, or

"(ii) the petitioner, in a proceeding in which the preliminary determination by the administering authority under section 803(b) was negative.

"(3) DE MINIMIS INJURIOUS PRICING MARGIN.—In making a determination under this subsection, the administering authority shall disregard any injurious pricing margin that is de minimis as defined in section 803(b)(2).

"(b) FINAL DETERMINATION BY COMMISSION.—

"(1) IN GENERAL.—The Commission shall make a final determination of whether—

"(A) an industry in the United States—

"(i) is or has been materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is or has been materially retarded,

by reason of the sale of the vessel with respect to which the administering authority has made an affirmative determination under subsection (a)(1).

"(2) PERIOD FOR INJURY DETERMINATION FOLLOWING AFFIRMATIVE PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—If the preliminary determination by the administering authority under section 803(b) is affirmative, then the Commission shall make the determination required by paragraph (1) before the later of—

"(A) the 120th day after the day on which the administering authority makes its affirmative preliminary determination under section 803(b), or

"(B) the 45th day after the day on which the administering authority makes its affirmative final determination under subsection (a).

"(3) PERIOD FOR INJURY DETERMINATION FOLLOWING NEGATIVE PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—If the preliminary determination by the administering authority under section 803(b) is negative, and its final determination under subsection (a) is affirmative, then the final determination by the Commission under this subsection shall be made within 75 days after the date of that affirmative final determination.

"(c) EFFECT OF FINAL DETERMINATIONS.—

"(1) EFFECT OF AFFIRMATIVE DETERMINATION BY THE ADMINISTERING AUTHORITY.—If the determination of the administering authority under subsection (a) is affirmative, then the administering authority shall—

"(A) make available to the Commission all information upon which such determination was based and which the Commission considers relevant to its determination, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority, and

"(B) calculate an injurious pricing charge in an amount equal to the amount by which the normal value exceeds the export price of the subject vessel.

"(2) ISSUANCE OF ORDER; EFFECT OF NEGATIVE DETERMINATION.—If the determinations of the administering authority and the Commission under subsections (a)(1) and (b)(1) are affirmative, then the administering authority shall issue an injurious pricing order under section 806. If either of such determinations is negative, the investigation shall be terminated upon the

publication of notice of that negative determination.

“(d) PUBLICATION OF NOTICE OF DETERMINATIONS.—Whenever the administering authority or the Commission makes a determination under this section, it shall notify the petitioner, other parties to the investigation, and the other agency of its determination and of the facts and conclusions of law upon which the determination is based, and it shall publish notice of its determination in the Federal Register.

“(e) CORRECTION OF MINISTERIAL ERRORS.—The administering authority shall establish procedures for the correction of ministerial errors in final determinations within a reasonable time after the determinations are issued under this section. Such procedures shall ensure opportunity for interested parties to present their views regarding any such errors. As used in this subsection, the term ‘ministerial error’ includes errors in addition, subtraction, or other arithmetic function, clerical errors resulting from inaccurate copying, duplication, or the like, and any other type of unintentional error which the administering authority considers ministerial.

“SEC. 806. IMPOSITION AND COLLECTION OF INJURIOUS PRICING CHARGE.

“(a) IN GENERAL.—Within 10 days after being notified by the Commission of an affirmative determination under section 805(b), the administering authority shall publish an order imposing an injurious pricing charge on the foreign producer of the subject vessel which—

“(1) directs the foreign producer of the subject vessel to pay to the Secretary of the Treasury, or the designee of the Secretary, within 180 days from the date of publication of the order, an injurious pricing charge in an amount equal to the amount by which the normal value exceeds the export price of the subject vessel,

“(2) includes the identity and location of the foreign producer and a description of the subject vessel, in such detail as the administering authority deems necessary, and

“(3) informs the foreign producer that—

“(A) failure to pay the injurious pricing charge in a timely fashion may result in the imposition of countermeasures with respect to that producer under section 807,

“(B) payment made after the deadline described in paragraph (1) shall be subject to interest charges at the Commercial Interest Reference Rate (CIRR), and

“(C) the foreign producer may request an extension of the due date for payment under subsection (b).

“(b) EXTENSION OF DUE DATE FOR PAYMENT IN EXTRAORDINARY CIRCUMSTANCES.—

“(1) EXTENSION.—Upon request, the administering authority may amend the order under subsection (a) to set a due date for payment or payments later than the date that is 180 days from the date of publication of the order, if the administering authority determines that full payment in 180 days would render the producer insolvent or would be incompatible with a judicially supervised reorganization. When an extended payment schedule provides for a series of partial payments, the administering authority shall specify the circumstances under which default on one or more payments will result in the imposition of countermeasures.

“(2) INTEREST CHARGES.—If a request is granted under paragraph (1), payments made after the date that is 180 days from the publication of the order shall be subject to interest charges at the CIRR.

“(c) NOTIFICATION OF ORDER.—The administering authority shall deliver a copy of the order requesting payment to the foreign producer of the subject vessel and to an appropriate representative of the government of the exporting country.

“(d) REVOCATION OF ORDER.—The administering authority—

“(1) may revoke an injurious pricing order if the administering authority determines that producers accounting for substantially all of the capacity to produce a domestic like vessel have expressed a lack of interest in the order, and

“(2) shall revoke an injurious pricing order—

“(A) if the sale of the vessel that was the subject of the injurious pricing determination is voided,

“(B) if the injurious pricing charge is paid in full, including any interest accrued for late payment,

“(C) upon full implementation of an alternative equivalent remedy described in subsection (e), or

“(D) if, with respect to the vessel sale that was at issue in the investigation that resulted in the injurious pricing order, an antidumping proceeding conducted by a WTO member who is not a Shipbuilding Agreement Party has been completed and resulted in the imposition of antidumping measures.

“(e) ALTERNATIVE EQUIVALENT REMEDY.—

“(1) AGREEMENT FOR ALTERNATE REMEDY.—The administering authority may suspend an injurious pricing order if the administering authority enters into an agreement with the foreign producer subject to the order on an alternative equivalent remedy, that the administering authority determines—

“(A) is at least as effective a remedy as the injurious pricing charge,

“(B) is in the public interest,

“(C) can be effectively monitored and enforced, and

“(D) is otherwise consistent with the domestic law and international obligations of the United States.

“(2) PRIOR CONSULTATIONS AND SUBMISSION OF COMMENTS.—Before entering into an agreement under paragraph (1), the administering authority shall consult with the industry, and provide for the submission of comments by interested parties, with respect to the agreement.

“(3) MATERIAL VIOLATIONS OF AGREEMENT.—If the injurious pricing order has been suspended under paragraph (1), and the administering authority determines that the foreign producer concerned has materially violated the terms of the agreement under paragraph (1), the administering authority shall terminate the suspension.

“SEC. 807. IMPOSITION OF COUNTERMEASURES.

“(a) GENERAL RULE.—

“(1) ISSUANCE OF ORDER IMPOSING COUNTERMEASURES.—Unless an injurious pricing order is revoked or suspended under section 806 (d) or (e), the administering authority shall issue an order imposing countermeasures.

“(2) CONTENTS OF ORDER.—The countermeasure order shall—

“(A) state that, as provided in section 468, a permit to lade or unlade passengers or merchandise may not be issued with respect to vessels contracted to be built by the foreign producer of the vessel with respect to which an injurious pricing order was issued under section 806, and

“(B) specify the scope and duration of the prohibition on the issuance of a permit to lade or unlade passengers or merchandise.

“(b) NOTICE OF INTENT TO IMPOSE COUNTERMEASURES.—

“(1) GENERAL RULE.—The administering authority shall issue a notice of intent to impose countermeasures not later than 30 days before the expiration of the time for payment specified in the injurious pricing order (or extended payment provided for under section 806(b)), and shall publish the notice in the Federal Register within 7 days after issuing the notice.

“(2) ELEMENTS OF THE NOTICE OF INTENT.—The notice of intent shall contain at least the following elements:

“(A) SCOPE.—A permit to lade or unlade passengers or merchandise may not be issued with respect to any vessel—

“(i) built by the foreign producer subject to the proposed countermeasures, and

“(ii) with respect to which the material terms of sale are established within a period of 4 consecutive years beginning on the date that is 30 days after publication in the Fedeal Register of the notice of intent described in paragraph (1).

“(B) DURATION.—For each vessel described in subparagraph (A), a permit to lade or unlade passengers or merchandise may not be issued for a period of 4 years after the date of delivery of the vessel.

“(c) DETERMINATION TO IMPOSE COUNTERMEASURES; ORDER.—

“(1) GENERAL RULE.—The administering authority shall, within the time specified in paragraph (2), issue a determination and order imposing countermeasures.

“(2) TIME FOR DETERMINATION.—The determination shall be issued within 90 days after the date on which the notice of intent to impose countermeasures under subsection (b) is published in the Federal Register. The administering authority shall publish the determination, and the order described in paragraph (4), in the Federal Register within 7 days after issuing the final determination, and shall provide a copy of the determination and order to the Customs Service.

“(3) CONTENT OF THE DETERMINATION.—In the determination imposing countermeasures, the administering authority shall determine whether, in light of all of the circumstances, an interested party has demonstrated that the scope or duration of the countermeasures described in subsection (b)(2) should be narrower or shorter than the scope or duration set forth in the notice of intent to impose countermeasures.

“(4) ORDER.—At the same time it issues its determination, the administering authority shall issue an order imposing countermeasures, consistent with its determination.

“(d) ADMINISTRATIVE REVIEW OF DETERMINATION TO IMPOSE COUNTERMEASURES.—

“(1) REQUEST FOR REVIEW.—Each year, in the anniversary month of the issuance of the order imposing countermeasures under subsection (c), the administering authority shall publish in the Federal Register a notice providing that interested parties may request—

“(A) a review of the scope or duration of the countermeasures determined under subsection (c)(3), and

“(B) a hearing in connection with such a review.

“(2) REVIEW.—If a proper request has been received under paragraph (1), the administering authority shall—

“(A) publish notice of initiation of a review in the Federal Register not later than 15 days after the end of the anniversary month of the issuance of the order imposing countermeasures, and

“(B) review and determine whether the requesting party has demonstrated that the scope or duration of the countermeasures is excessive in light of all of the circumstances.

“(3) TIME FOR REVIEW.—The administering authority shall make its determination under paragraph (2)(B) within 90 days after the date on which the notice of initiation of the review is published. If the determination under paragraph (2)(B) is affirmative, the administering authority shall amend the order accordingly. The administering authority shall promptly publish the determination and any amendment to the order in the Federal Register, and shall provide a copy of any amended order to the Customs Service. In extraordinary circumstances, the administering authority may extend the time for its determination under paragraph (2)(B) to not later than 150 days after the date on which the notice of initiation of the review is published.

"(e) EXTENSION OF COUNTERMEASURES.—

"(1) REQUEST FOR EXTENSION.—Within the time described in paragraph (2), an interested party may file with the administering authority a request that the scope or duration of countermeasures be extended.

"(2) DEADLINE FOR REQUEST FOR EXTENSION.—

"(A) REQUEST FOR EXTENSION BEYOND 4 YEARS.—If the request seeks an extension that would cause the scope or duration of countermeasures to exceed 4 years, including any prior extensions, the request for extension under paragraph (1) shall be filed not earlier than the date that is 15 months, and not later than the date that is 12 months, before the date that marks the end of the period that specifies the vessels that fall within the scope of the order by virtue of the establishment of material terms of sale within that period.

"(B) OTHER REQUESTS.—If the request seeks an extension under paragraph (1) other than one described in subparagraph (A), the request shall be filed not earlier than the date that is 6 months, and not later than a date that is 3 months, before the date that marks the end of the period referred to in subparagraph (A).

"(3) DETERMINATION.—

"(A) NOTICE OF REQUEST FOR EXTENSION.—If a proper request has been received under paragraph (1), the administering authority shall publish notice of initiation of an extension proceeding in the Federal Register not later than 15 days after the applicable deadline in paragraph (2) for requesting the extension.

"(B) PROCEDURES.—

"(i) REQUESTS FOR EXTENSION BEYOND 4 YEARS.—If paragraph (2)(A) applies to the request, the administering authority shall consult with the Trade Representative under paragraph (4).

"(ii) OTHER REQUESTS.—If paragraph (2)(B) applies to the request, the administering authority shall determine, within 90 days after the date on which the notice of initiation of the proceeding is published, whether the requesting party has demonstrated that the scope or duration of the countermeasures is inadequate in light of all of the circumstances. If the administering authority determines that an extension is warranted, it shall amend the countermeasure order accordingly. The administering authority shall promptly publish the determination and any amendment to the order in the Federal Register, and shall provide a copy of any amended order to the Customs Service.

"(4) CONSULTATION WITH TRADE REPRESENTATIVE.—If paragraph (3)(B)(i) applies, the administering authority shall consult with the Trade Representative concerning whether it would be appropriate to request establishment of a dispute settlement panel under the Shipbuilding Agreement for the purpose of seeking authorization to extend the scope or duration of countermeasures for a period in excess of 4 years.

"(5) DECISION NOT TO REQUEST PANEL.—If, based on consultations under paragraph (4), the Trade Representative decides not to request establishment of a panel, the Trade Representative shall inform the party requesting the extension of the countermeasures of the reasons for its decision in writing. The decision shall not be subject to judicial review.

"(6) PANEL PROCEEDINGS.—If, based on consultations under paragraph (4), the Trade Representative requests the establishment of a panel under the Shipbuilding Agreement to authorize an extension of the period of countermeasures, and the panel authorizes such an extension, the administering authority shall promptly amend the countermeasure order. The administering authority shall publish notice of the amendment in the Federal Register.

"(f) LIST OF VESSELS SUBJECT TO COUNTERMEASURES.—

"(1) GENERAL RULE.—At least once during each 12-month period beginning on the anniversary date of a determination to impose countermeasures under this section, the administering authority shall publish in the Federal Register a list of all delivered vessels subject to countermeasures under the determination.

"(2) CONTENT OF LIST.—The list under paragraph (1) shall include the following information for each vessel, to the extent the information is available:

"(A) The name and general description of the vessel.

"(B) The vessel identification number.

"(C) The shipyard where the vessel was constructed.

"(D) The last-known registry of the vessel.

"(E) The name and address of the last-known owner of the vessel.

"(F) The delivery date of the vessel.

"(G) The remaining duration of countermeasures on the vessel.

"(H) Any other identifying information available.

"(3) AMENDMENT OF LIST.—The administering authority may amend the list from time to time to reflect new information that comes to its attention and shall publish any amendments in the Federal Register.

"(4) SERVICE OF LIST AND AMENDMENTS.—(A) The administering authority shall serve a copy of the list described in paragraph (1) on—

"(i) the petitioner under section 802(b),

"(ii) the United States Customs Service,

"(iii) the Secretariat of the Organization for Economic Cooperation and Development,

"(iv) the owners of vessels on the list,

"(v) the shipyards on the list, and

"(vi) the government of the country in which a shipyard on the list is located.

"(B) The administering authority shall serve a copy of any amendments to the list under paragraph (3) or subsection (g)(3) on—

"(i) the parties listed in clauses (i), (ii), and (iii) of subparagraph (A), and,

"(ii) if the amendment affects their interests, the parties listed in clauses (iv), (v), and (vi) of subparagraph (A).

"(g) ADMINISTRATIVE REVIEW OF LIST OF VESSELS SUBJECT TO COUNTERMEASURES.—

"(1) REQUEST FOR REVIEW.—(A) An interested party may request in writing a review of the list described in subsection (f)(1), including any amendments thereto, to determine whether—

"(i) a vessel included in the list does not fall within the scope of the applicable countermeasure order and should be deleted, or

"(ii) a vessel not included in the list falls within the scope of the applicable countermeasure order and should be added.

"(B) Any request seeking a determination described in subparagraph (A)(i) shall be made within 90 days after the date of publication of the applicable list.

"(2) REVIEW.—If a proper request for review has been received, the administering authority shall—

"(A) publish notice of initiation of a review in the Federal Register—

"(i) not later than 15 days after the request is received, or

"(ii) if the request seeks a determination described in paragraph (1)(A)(i), not later than 15 days after the deadline described in paragraph (1)(B), and

"(B) review and determine whether the requesting party has demonstrated that—

"(i) a vessel included in the list does not qualify for such inclusion, or

"(ii) a vessel not included in the list qualifies for inclusion.

"(3) TIME FOR DETERMINATION.—The administering authority shall make its determination under paragraph (2)(B) within 90 days after the date on which the notice of initiation of such review is published. If the administering authority determines that a vessel should be added or deleted from the list, the administering authority shall amend the list accordingly. The administering authority shall promptly publish in the Federal Register the determination and any such amendment to the list.

"(h) EXPIRATION OF COUNTERMEASURES.—Upon expiration of a countermeasure order imposed under this section, the administering authority shall promptly publish a notice of the expiration in the Federal Register.

"(i) SUSPENSION OR TERMINATION OF PROCEEDINGS OR COUNTERMEASURES; TEMPORARY REDUCTION OF COUNTERMEASURES.—

"(1) IF INJURIOUS PRICING ORDER REVOKED OR SUSPENDED.—If an injurious pricing order has been revoked or suspended under section 806(d) or (e), the administering authority shall, as appropriate, suspend or terminate proceedings under this section with respect to that order, or suspend or revoke a countermeasure order issued with respect to that injurious pricing order.

"(2) IF PAYMENT DATE AMENDED.—(A) Subject to subparagraph (C), if the payment date under an injurious pricing order is amended under section 845, the administering authority shall, as appropriate, suspend proceedings or modify deadlines under this section, or suspend or amend a countermeasure order issued with respect to that injurious pricing order.

"(B) In taking action under subparagraph (A), the administering authority shall ensure that countermeasures are not applied before the date that is 30 days after publication in the Federal Register of the amended payment date.

"(C) If—

"(i) a countermeasure order is issued under subsection (c) before an amendment is made under section 845 to the payment date of the injurious pricing order to which the countermeasure order applies, and

"(ii) the administering authority determines that the period of time between the original payment date and the amended payment date is significant for purposes of determining the appropriate scope or duration of countermeasures,

the administering authority may, in lieu of acting under subparagraph (A), reinstitute proceedings under subsection (c) for purposes of issuing a new determination under that subsection.

"(j) COMMENT AND HEARING.—In the course of any proceeding under subsection (c), (d), (e), or (g), the administering authority—

"(1) shall solicit comments from interested parties, and

"(2)(A) in a proceeding under subsection (c) or (d), upon the request of an interested party, shall hold a hearing in accordance with section 841(b) in connection with that proceeding, or

"(B) in a proceeding under subsection (e) or (g), upon the request of an interested party, may hold a hearing in accordance with section 841(b) in connection with that proceeding.

"SEC. 808. INJURIOUS PRICING PETITIONS BY THIRD COUNTRIES.

"(a) FILING OF PETITION.—The government of a Shipbuilding Agreement Party may file with the Trade Representative a petition requesting that an investigation be conducted to determine if—

"(1) a vessel from another Shipbuilding Agreement Party has been sold in the United States at less than fair value, and

"(2) an industry, in the petitioning country, producing or capable of producing a like vessel is materially injured by reason of such sale.

"(b) INITIATION.—The Trade Representative, after consultation with the administering authority and the Commission and obtaining the approval of the Parties Group under the Shipbuilding Agreement, shall determine whether to *initiate an investigation described in subsection (a).*

"(c) DETERMINATIONS.—Upon initiation of an investigation under subsection (a), the Trade Representative shall request the following determinations be made in accordance with substantive and procedural requirements specified by the Trade Representative, notwithstanding any other provision of this title:

"(1) The administering authority shall determine whether the subject vessel has been sold at less than fair value.

"(2) The Commission shall determine whether an industry in the petitioning country is materially injured by reason of the sale of the subject vessel in the United States.

"(d) PUBLIC COMMENT.—An opportunity for public comment shall be provided, as appropriate—

"(1) by the Trade Representative, in making the determinations required by subsection (b), and

"(2) by the administering authority and the Commission, in making the determinations required by subsection (c).

"(e) ISSUANCE OF ORDER.—If the administering authority makes an affirmative determination under paragraph (1) of subsection (c), and the Commission makes an affirmative determination under paragraph (2) of subsection (c), the administering authority shall—

"(1) order an injurious pricing charge in accordance with section 806, and

"(2) make such determinations and take such other actions as are required by sections 806 and 807, as if affirmative determinations had been made under subsections (a) and (b) of section 805.

"(f) REVIEWS OF DETERMINATIONS.—For purposes of review under section 516B, if an order is issued under subsection (e)—

"(1) the final determinations of the administering authority and the Commission under subsection (c) shall be treated as final determinations made under section 805, and

"(2) determinations of the administering authority under subsection (e)(2) shall be treated as determinations made under section 806 or 807, as the case may be.

"(g) ACCESS TO INFORMATION.—Section 843 shall apply to investigations under this section, to the extent specified by the Trade Representative, after consultation with the administering authority and the Commission.

"Subtitle B—Special Rules

"SEC. 821. EXPORT PRICE.

"(a) EXPORT PRICE.—For purposes of this title, the term 'export price' means the price at which the subject vessel is first sold (or agreed to be sold) by or for the account of the foreign producer of the subject vessel to an unaffiliated United States buyer. The term 'sold (or agreed to be sold) by or for the account of the foreign producer' includes any transfer of an ownership interest, including by way of lease or long-term bareboat charter, in conjunction with the original transfer from the producer, either directly or indirectly, to a United States buyer.

"(b) ADJUSTMENTS TO EXPORT PRICE.—The price used to establish export price shall be—

"(1) increased by the amount of any import duties imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the subject vessel, and

"(2) reduced by—

"(A) the amount, if any, included in such price, attributable to any additional costs, charges, or expenses which are incident to bringing the subject vessel from the shipyard in the exporting country to the place of delivery,

"(B) the amount, if included in such price, of any export tax, duty, or other charge imposed by the exporting country on the exportation of the subject vessel, and

"(C) all other expenses incidental to placing the vessel in condition for delivery to the buyer.

"SEC. 822. NORMAL VALUE.

"(a) DETERMINATION.—In determining under this title whether a subject vessel has been sold at less than fair value, a fair comparison shall be made between the export price and normal value of the subject vessel. In order to achieve a fair comparison with the export price, normal value shall be determined as follows:

"(1) DETERMINATION OF NORMAL VALUE.—

"(A) IN GENERAL.—The normal value of the subject vessel shall be the price described in subparagraph (B), at a time reasonably corresponding to the time of the sale used to determine the export price under section 821(a).

"(B) PRICE.—The price referred to in subparagraph (A) is—

"(i) the price at which a foreign like vessel is first sold in the exporting country, in the ordinary course of trade and, to the extent practicable, at the same level of trade, or

"(ii) in a case to which subparagraph (C) applies, the price at which a foreign like vessel is so sold for consumption in a country other than the exporting country or the United States, if—

"(I) such price is representative, and

"(II) the administering authority does not determine that the particular market situation in such other country prevents a proper comparison with the export price.

"(C) THIRD COUNTRY SALES.—This subparagraph applies when—

"(i) a foreign like vessel is not sold in the exporting country as described in subparagraph (B)(i), or

"(ii) the particular market situation in the exporting country does not permit a proper comparison with the export price.

"(D) CONTEMPORANEOUS SALE.—For purposes of subparagraph (A), 'a time reasonably corresponding to the time of the sale' means within 3 months before or after the sale of the subject vessel or, in the absence of such sales, such longer period as the administering authority determines would be appropriate.

"(2) FICTITIOUS MARKETS.—No pretended sale, and no sale intended to establish a fictitious market, shall be taken into account in determining normal value.

"(3) USE OF CONSTRUCTED VALUE.—If the administering authority determines that the normal value of the subject vessel cannot be determined under paragraph (1)(B) or (1)(C), then the normal value of the subject vessel shall be the constructed value of that vessel, as determined under subsection (e).

"(4) INDIRECT SALES.—If a foreign like vessel is sold through an affiliated party, the price at which the foreign like vessel is sold by such affiliated party may be used in determining normal value.

"(5) ADJUSTMENTS.—The price described in paragraph (1)(B) shall be—

"(A) reduced by—

"(i) the amount, if any, included in the price described in paragraph (1)(B), attributable to any costs, charges, and expenses incident to bringing the foreign like vessel from the shipyard to the place of delivery to the purchaser,

"(ii) the amount of any taxes imposed directly upon the foreign like vessel or components thereof which have been rebated, or which have not been collected, on the subject vessel, but only to the extent that such taxes are added to or included in the price of the foreign like vessel, and

"(iii) the amount of all other expenses incidental to placing the foreign like vessel in condition for delivery to the buyer, and

"(B) increased or decreased by the amount of any difference (or lack thereof) between the export price and the price described in paragraph (1)(B) (other than a difference for which allowance is otherwise provided under this section) that is established to the satisfaction of the administering authority to be wholly or partly due to—

"(i) physical differences between the subject vessel and the vessel used in determining normal value, or

"(ii) other differences in the circumstances of sale.

"(6) ADJUSTMENTS FOR LEVEL OF TRADE.—The price described in paragraph (1)(B) shall also be increased or decreased to make due allowance for any difference (or lack thereof) between the export price and the price described in paragraph (1)(B) (other than a difference for which allowance is otherwise made under this section) that is shown to be wholly or partly due to a difference in level of trade between the export price and normal value, if the difference in level of trade—

"(A) involves the performance of different selling activities, and

"(B) is demonstrated to affect price comparability, based on a pattern of consistent price differences between sales at different levels of trade in the country in which normal value is determined.

In a case described in the preceding sentence, the amount of the adjustment shall be based on the price differences between the two levels of trade in the country in which normal value is determined.

"(7) ADJUSTMENTS TO CONSTRUCTED VALUE.—Constructed value as determined under subsection (d) may be adjusted, as appropriate, pursuant to this subsection.

"(b) SALES AT LESS THAN COST OF PRODUCTION.—

"(1) DETERMINATION; SALES DISREGARDED.—Whenever the administering authority has reasonable grounds to believe or suspect that the sale of the foreign like vessel under consideration for the determination of normal value has been made at a price which represents less than the cost of production of the foreign like vessel, the administering authority shall determine whether, in fact, such sale was made at less than the cost of production. If the administering authority determines that the sale was made at less than the cost of production and was not at a price which permits recovery of all costs within 5 years, such sale may be disregarded in the determination of normal value. Whenever such a sale is disregarded, normal value shall be based on another sale of a foreign like vessel in the ordinary course of trade. If no sales made in the ordinary course of trade remain, the normal value shall be based on the constructed value of the subject vessel.

"(2) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection:

"(A) REASONABLE GROUNDS TO BELIEVE OR SUSPECT.—There are reasonable grounds to believe or suspect that the sale of a foreign like vessel was made at a price that is less than the cost of production of the vessel, if an interested party described in subparagraph (C), (D), (E), or (F) of section 861(17) provides information, based upon observed prices or constructed prices or costs, that the sale of the foreign like vessel under consideration for the determination of normal value has been made at a price which represents less than the cost of production of the vessel.

"(B) RECOVERY OF COSTS.—If the price is below the cost of production at the time of sale but is above the weighted average cost of production for the period of investigation, such price shall be considered to provide for recovery of costs within 5 years.

"(3) CALCULATION OF COST OF PRODUCTION.—For purposes of this section, the cost of production shall be an amount equal to the sum of—

"(A) the cost of materials and of fabrication or other processing of any kind employed in producing the foreign like vessel, during a period

which would ordinarily permit the production of that vessel in the ordinary course of business, and

"(B) an amount for selling, general, and administrative expenses based on actual data pertaining to the production and sale of the foreign like vessel by the producer in question.

For purposes of subparagraph (A), if the normal value is based on the price of the foreign like vessel sold in a country other than the exporting country, the cost of materials shall be determined without regard to any internal tax in the exporting country imposed on such materials or on their disposition which are remitted or refunded upon exportation.

"(c) NONMARKET ECONOMY COUNTRIES.—

"(1) IN GENERAL.—If—

"(A) the subject vessel is produced in a nonmarket economy country, and

"(B) the administering authority finds that available information does not permit the normal value of the subject vessel to be determined under subsection (a),

the administering authority shall determine the normal value of the subject vessel on the basis of the value of the factors of production utilized in producing the vessel and to which shall be added an amount for general expenses and profit plus the cost of expenses incidental to placing the vessel in a condition for delivery to the buyer. Except as provided in paragraph (2), the valuation of the factors of production shall be based on the best available information regarding the values of such factors in a market economy country or countries considered to be appropriate by the administering authority.

"(2) EXCEPTION.—If the administering authority finds that the available information is inadequate for purposes of determining the normal value of the subject vessel under paragraph (1), the administering authority shall determine the normal value on the basis of the price at which a vessel that is—

"(A) comparable to the subject vessel, and

"(B) produced in one or more market economy countries that are at a level of economic development comparable to that of the nonmarket economy country,

is sold in other countries, including the United States.

"(3) FACTORS OF PRODUCTION.—For purposes of paragraph (1), the factors of production utilized in producing the vessel include, but are not limited to—

"(A) hours of labor required,

"(B) quantities of raw materials employed,

"(C) amounts of energy and other utilities consumed, and

"(D) representative capital cost, including depreciation.

"(4) VALUATION OF FACTORS OF PRODUCTION.—The administering authority, in valuing factors of production under paragraph (1), shall utilize, to the extent possible, the prices or costs of factors of production in one or more market economy countries that are—

"(A) at a level of economic development comparable to that of the nonmarket economy country, and

"(B) significant producers of comparable vessels.

"(d) SPECIAL RULE FOR CERTAIN MULTINATIONAL CORPORATIONS.—Whenever, in the course of an investigation under this title, the administering authority determines that—

"(1) the subject vessel was produced in facilities which are owned or controlled, directly or indirectly, by a person, firm, or corporation which also owns or controls, directly or indirectly, other facilities for the production of a foreign like vessel which are located in another country or countries,

"(2) subsection (a)(1)(C) applies, and

"(3) the normal value of a foreign like vessel produced in one or more of the facilities outside the exporting country is higher than the normal value of the foreign like vessel produced in the facilities located in the exporting country,

the administering authority shall determine the normal value of the subject vessel by reference to the normal value at which a foreign like vessel is sold from one or more facilities outside the exporting country. The administering authority, in making any determination under this subsection, shall make adjustments for the difference between the costs of production (including taxes, labor, materials, and overhead) of the foreign like vessel produced in facilities outside the exporting country and costs of production of the foreign like vessel produced in facilities in the exporting country, if such differences are demonstrated to its satisfaction.

"(e) CONSTRUCTED VALUE.—

"(1) IN GENERAL.—For purposes of this title, the constructed value of a subject vessel shall be an amount equal to the sum of—

"(A) the cost of materials and fabrication or other processing of any kind employed in producing the subject vessel, during a period which would ordinarily permit the production of the vessel in the ordinary course of business, and

"(B)(i) the actual amounts incurred and realized by the foreign producer of the subject vessel for selling, general, and administrative expenses, and for profits, in connection with the production and sale of a foreign like vessel, in the ordinary course of trade, in the domestic market of the country of origin of the subject vessel, or

"(ii) if actual data are not available with respect to the amounts described in clause (i), then—

"(I) the actual amounts incurred and realized by the foreign producer of the subject vessel for selling, general, and administrative expenses, and for profits, in connection with the production and sale of the same general category of vessel in the domestic market of the country of origin of the subject vessel,

"(II) the weighted average of the actual amounts incurred and realized by producers in the country of origin of the subject vessel (other than the producer of the subject vessel) for selling, general, and administrative expenses, and for profits, in connection with the production and sale of a foreign like vessel, in the ordinary course of trade, in the domestic market, or

"(III) if data is not available under subclause (I) or (II), the amounts incurred and realized for selling, general, and administrative expenses, and for profits, based on any other reasonable method, except that the amount allowed for profit may not exceed the amount normally realized by foreign producers (other than the producer of the subject vessel) in connection with the sale of vessels in the same general category of vessel as the subject vessel in the domestic market of the country of origin of the subject vessel.

The profit shall, for purposes of this paragraph, be based on the average profit realized over a reasonable period of time before and after the sale of the subject vessel and shall reflect a reasonable profit at the time of such sale. For purposes of the preceding sentence, a 'reasonable period of time' shall not, except where otherwise appropriate, exceed 6 months before, or 6 months after, the sale of the subject vessel. In calculating profit under this paragraph, any distortion which would result in other than a profit which is reasonable at the time of the sale shall be eliminated.

"(2) COSTS AND PROFITS BASED ON OTHER REASONABLE METHODS.—When costs and profits are determined under paragraph (1)(B)(ii)(III), such determination shall, except where otherwise appropriate, be based on appropriate export sales by the producer of the subject vessel or, absent such sales, to export sales by other producers of a foreign like vessel or the same general category of vessel as the subject vessel in the country of origin of the subject vessel.

"(3) COSTS OF MATERIALS.—For purposes of paragraph (1)(A), the cost of materials shall be determined without regard to any internal tax in the exporting country imposed on such materials or their disposition which are remitted or refunded upon exportation of the subject vessel produced from such materials.

"(f) SPECIAL RULES FOR CALCULATION OF COST OF PRODUCTION AND FOR CALCULATION OF CONSTRUCTED VALUE.—For purposes of subsections (b) and (e)—

"(1) COSTS.—

"(A) IN GENERAL.—Costs shall normally be calculated based on the records of the foreign producer of the subject vessel, if such records are kept in accordance with the generally accepted accounting principles of the exporting country and reasonably reflect the costs associated with the production and sale of the vessel. The administering authority shall consider all available evidence on proper allocation of costs, including that which is made available by the foreign producer on a timely basis, if such allocations have been historically used by the foreign producer, in particular for establishing appropriate amortization and depreciation periods, and allowances for capital expenditures and other development costs.

"(B) NONRECURRING COSTS.—Costs shall be adjusted appropriately for those nonrecurring costs that benefit current or future production, or both.

"(C) STARTUP COSTS.—

"(i) IN GENERAL.—Costs shall be adjusted appropriately for circumstances in which costs incurred during the time period covered by the investigation are affected by startup operations.

"(ii) STARTUP OPERATIONS.—Adjustments shall be made for startup operations only where—

"(I) a producer is using new production facilities or producing a new type of vessel that requires substantial additional investment, and

"(II) production levels are limited by technical factors associated with the initial phase of commercial production.

For purposes of subclause (II), the initial phase of commercial production ends at the end of the startup period. In determining whether commercial production levels have been achieved, the administering authority shall consider factors unrelated to startup operations that might affect the volume of production processed, such as demand, seasonality, or business cycles.

"(iii) ADJUSTMENT FOR STARTUP OPERATIONS.—The adjustment for startup operations shall be made by substituting the unit production costs incurred with respect to the vessel at the end of the startup period for the unit production costs incurred during the startup period. If the startup period extends beyond the period of the investigation under this title, the administering authority shall use the most recent cost of production data that it reasonably can obtain, analyze, and verify without delaying the timely completion of the investigation. For purposes of this subparagraph, the startup period ends at the point at which the level of commercial production that is characteristic of the vessel, the producer, or the industry is achieved.

"(D) COSTS DUE TO EXTRAORDINARY CIRCUMSTANCES NOT INCLUDED.—Costs shall not include actual costs which are due to extraordinary circumstances (including, but not limited to, labor disputes, fire, and natural disasters) and which are significantly over the cost increase which the shipbuilder could have reasonably anticipated and taken into account at the time of sale.

"(2) TRANSACTIONS DISREGARDED.—A transaction directly or indirectly between affiliated

persons may be disregarded if, in the case of any element of value required to be considered, the amount representing that element does not fairly reflect the amount usually reflected in sales of a like vessel in the market under consideration. If a transaction is disregarded under the preceding sentence and no other transactions are available for consideration, the determination of the amount shall be based on the information available as to what the amount would have been if the transaction had occurred between persons who are not affiliated.

“(3) MAJOR INPUT RULE.—If, in the case of a transaction between affiliated persons involving the production by one of such persons of a major input to the subject vessel, the administering authority has reasonable grounds to believe or suspect that an amount represented as the value of such input is less than the cost of production of such input, then the administering authority may determine the value of the major input on the basis of the information available regarding such cost of production, if such cost is greater than the amount that would be determined for such input under paragraph (2).

“SEC. 823. CURRENCY CONVERSION.

“(a) IN GENERAL.—In an injurious pricing proceeding under this title, the administering authority shall convert foreign currencies into United States dollars using the exchange rate in effect on the date of sale of the subject vessel, except that if it is established that a currency transaction on forward markets is directly linked to a sale under consideration, the exchange rate specified with respect to such foreign currency in the forward sale agreement shall be used to convert the foreign currency.

“(b) DATE OF SALE.—For purposes of this section, ‘date of sale’ means the date of the contract of sale or, where appropriate, the date on which the material terms of sale are otherwise established. If the material terms of sale are significantly changed after such date, the date of sale is the date of such change. In the case of such a change in the date of sale, the administering authority shall make appropriate adjustments to take into account any unreasonable effect on the injurious pricing margin due only to fluctuations in the exchange rate between the original date of sale and the new date of sale.

“Subtitle C—Procedures

“SEC. 841. HEARINGS.

“(a) UPON REQUEST.—The administering authority and the Commission shall each hold a hearing in the course of an investigation under this title, upon the request of any party to the investigation, before making a final determination under section 805.

“(b) PROCEDURES.—Any hearing required or permitted under this title shall be conducted after notice published in the Federal Register, and a transcript of the hearing shall be prepared and made available to the public. The hearing shall not be subject to the provisions of subchapter II of chapter 5 of title 5, United States Code, or to section 702 of such title.

“SEC. 842. DETERMINATIONS ON THE BASIS OF THE FACTS AVAILABLE.

“(a) IN GENERAL.—If—

“(1) necessary information is not available on the record, or

“(2) an interested party or any other person—

“(A) withholds information that has been requested by the administering authority or the Commission under this title,

“(B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (b)(1) and (d) of section 844,

“(C) significantly impedes a proceeding under this title, or

“(D) provides such information but the information cannot be verified as provided in section 844(g),

the administering authority and the Commission shall, subject to section 844(c), use the facts otherwise available in reaching the applicable determination under this title.

“(b) ADVERSE INFERENCES.—If the administering authority or the Commission (as the case may be) finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority or the Commission, the administering authority or the Commission (as the case may be), in reaching the applicable determination under this title, may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available. Such adverse inference may include reliance on information derived from—

“(1) the petition, or

“(2) any other information placed on the record.

“(c) CORROBORATION OF SECONDARY INFORMATION.—When the administering authority or the Commission relies on secondary information rather than on information obtained in the course of an investigation under this title, the administering authority and the Commission, as the case may be, shall, to the extent practicable, corroborate that information from independent sources that are reasonably at their disposal.

“SEC. 843. ACCESS TO INFORMATION.

“(a) INFORMATION GENERALLY MADE AVAILABLE.—

“(1) PROGRESS OF INVESTIGATION REPORTS.—The administering authority and the Commission shall, from time to time upon request, inform the parties to an investigation under this title of the progress of that investigation.

“(2) EX PARTE MEETINGS.—The administering authority and the Commission shall maintain a record of any ex parte meeting between—

“(A) interested parties or other persons providing factual information in connection with a proceeding under this title, and

“(B) the person charged with making the determination, or any person charged with making a final recommendation to that person, in connection with that proceeding,

if information relating to that proceeding was presented or discussed at such meeting. The record of such an ex parte meeting shall include the identity of the persons present at the meeting, the date, time, and place of the meeting, and a summary of the matters discussed or submitted. The record of the ex parte meeting shall be included in the record of the proceeding.

“(3) SUMMARIES; NON-PROPRIETARY SUBMISSIONS.—The administering authority and the Commission shall disclose—

“(A) any proprietary information received in the course of a proceeding under this title if it is disclosed in a form which cannot be associated with, or otherwise be used to identify, operations of a particular person, and

“(B) any information submitted in connection with a proceeding which is not designated as proprietary by the person submitting it.

“(4) MAINTENANCE OF PUBLIC RECORD.—The administering authority and the Commission shall maintain and make available for public inspection and copying a record of all information which is obtained by the administering authority or the Commission, as the case may be, in a proceeding under this title to the extent that public disclosure of the information is not prohibited under this chapter or exempt from disclosure under section 552 of title 5, United States Code.

“(b) PROPRIETARY INFORMATION.—

“(1) PROPRIETARY STATUS MAINTAINED.—

“(A) IN GENERAL.—Except as provided in subsection (a)(4) and subsection (c), information submitted to the administering authority or the Commission which is designated as proprietary by the person submitting the information shall not be disclosed to any person without the consent of the person submitting the information, other than—

“(i) to an officer or employee of the administering authority or the Commission who is directly concerned with carrying out the investigation in connection with which the information is submitted or any other proceeding under this title covering the same subject vessel, or

“(ii) to an officer or employee of the United States Customs Service who is directly involved in conducting an investigation regarding fraud under this title.

“(B) ADDITIONAL REQUIREMENTS.—The administering authority and the Commission shall require that information for which proprietary treatment is requested be accompanied by—

“(i) either—

“(I) a nonproprietary summary in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence, or

“(II) a statement that the information is not susceptible to summary, accompanied by a statement of the reasons in support of the contention, and

“(ii) either—

“(I) a statement which permits the administering authority or the Commission to release under administrative protective order, in accordance with subsection (c), the information submitted in confidence, or

“(II) a statement to the administering authority or the Commission that the business proprietary information is of a type that should not be released under administrative protective order.

“(2) UNWARRANTED DESIGNATION.—If the administering authority or the Commission determines, on the basis of the nature and extent of the information or its availability from public sources, that designation of any information as proprietary is unwarranted, then it shall notify the person who submitted it and ask for an explanation of the reasons for the designation. Unless that person persuades the administering authority or the Commission that the designation is warranted, or withdraws the designation, the administering authority or the Commission, as the case may be, shall return it to the party submitting it. In a case in which the administering authority or the Commission returns the information to the person submitting it, the person may thereafter submit other material concerning the subject matter of the returned information if the submission is made within the time otherwise provided for submitting such material.

“(c) LIMITED DISCLOSURE OF CERTAIN PROPRIETARY INFORMATION UNDER PROTECTIVE ORDER.—

“(1) DISCLOSURE BY ADMINISTERING AUTHORITY OR COMMISSION.—

“(A) IN GENERAL.—Upon receipt of an application (before or after receipt of the information requested) which describes in general terms the information requested and sets forth the reasons for the request, the administering authority or the Commission shall make all business proprietary information presented to, or obtained by it, during a proceeding under this title (except privileged information, classified information, and specific information of a type for which there is a clear and compelling need to withhold from disclosure) available to all interested parties who are parties to the proceeding under a protective order described in subparagraph (B), regardless of when the information is submitted during the proceeding. Customer names (other than the name of the United States buyer of the subject vessel) obtained during any investigation which requires a determination under section 805(b) may not be disclosed by the administering authority under protective order until either an order is published under section 806(a) as a result of the investigation or the investigation is suspended or terminated. The Commission may delay disclosure of customer names

(other than the name of the United States buyer of the subject vessel) under protective order during any such investigation until a reasonable time before any hearing provided under section 841 is held.

"(B) PROTECTIVE ORDER.—The protective order under which information is made available shall contain such requirements as the administering authority or the Commission may determine by regulation to be appropriate. The administering authority and the Commission shall provide by regulation for such sanctions as the administering authority and the Commission determine to be appropriate, including disbarment from practice before the agency.

"(C) TIME LIMITATIONS ON DETERMINATIONS.—The administering authority or the Commission, as the case may be, shall determine whether to make information available under this paragraph—

"(i) not later than 14 days (7 days if the submission pertains to a proceeding under section 803(a)) after the date on which the information is submitted, or

"(ii) if—

"(I) the person submitting the information raises objection to its release, or

"(II) the information is unusually voluminous or complex,

not later than 30 days (10 days if the submission pertains to a proceeding under section 803(a)) after the date on which the information is submitted.

"(D) AVAILABILITY AFTER DETERMINATION.—If the determination under subparagraph (C) is affirmative, then—

"(i) the business proprietary information submitted to the administering authority or the Commission on or before the date of the determination shall be made available, subject to the terms and conditions of the protective order, on such date, and

"(ii) the business proprietary information submitted to the administering authority or the Commission after the date of the determination shall be served as required by subsection (d).

"(E) FAILURE TO DISCLOSE.—If a person submitting information to the administering authority refuses to disclose business proprietary information which the administering authority determines should be released under a protective order described in subparagraph (B), the administering authority shall return the information, and any nonconfidential summary thereof, to the person submitting the information and summary and shall not consider either.

"(2) DISCLOSURE UNDER COURT ORDER.—If the administering authority or the Commission denies a request for information under paragraph (1), then application may be made to the United States Court of International Trade for an order directing the administering authority or the Commission, as the case may be, to make the information available. After notification of all parties to the investigation and after an opportunity for a hearing on the record, the court may issue an order, under such conditions as the court deems appropriate, which shall not have the effect of stopping or suspending the investigation, directing the administering authority or the Commission to make all or a portion of the requested information described in the preceding sentence available under a protective order and setting forth sanctions for violation of such order if the court finds that, under the standards applicable in proceedings of the court, such an order is warranted, and that—

"(A) the administering authority or the Commission has denied access to the information under subsection (b)(1),

"(B) the person on whose behalf the information is requested is an interested party who is a party to the investigation in connection with which the information was obtained or developed, and

"(C) the party which submitted the information to which the request relates has been notified, in advance of the hearing, of the request made under this section and of its right to appear and be heard.

"(d) SERVICE.—Any party submitting written information, including business proprietary information, to the administering authority or the Commission during a proceeding shall, at the same time, serve the information upon all interested parties who are parties to the proceeding, if the information is covered by a protective order. The administering authority or the Commission shall not accept any such information that is not accompanied by a certificate of service and a copy of the protective order version of the document containing the information. Business proprietary information shall only be served upon interested parties who are parties to the proceeding that are subject to protective order, except that a nonconfidential summary thereof shall be served upon all other interested parties who are parties to the proceeding.

"(e) INFORMATION RELATING TO VIOLATIONS OF PROTECTIVE ORDERS AND SANCTIONS.—The administering authority and the Commission may withhold from disclosure any correspondence, private letters of reprimand, settlement agreements, and documents and files compiled in relation to investigations and actions involving a violation or possible violation of a protective order issued under subsection (c), and such information shall be treated as information described in section 552(b)(3) of title 5, United States Code.

"(f) OPPORTUNITY FOR COMMENT BY VESSEL BUYERS.—The administering authority and the Commission shall provide an opportunity for buyers of subject vessels to submit relevant information to the administering authority concerning a sale at less than fair value or countermeasures, and to the Commission concerning material injury by reason of the sale of a vessel at less than fair value.

"(g) PUBLICATION OF DETERMINATIONS; REQUIREMENTS FOR FINAL DETERMINATIONS.—

"(1) IN GENERAL.—Whenever the administering authority makes a determination under section 802 whether to initiate an investigation, or the administering authority or the Commission makes a preliminary determination under section 803, a final determination under section 805, a determination under subsection (b), (c), (d), (e)(3)(B)(ii), (g), or (i) of section 807, or a determination to suspend an investigation under this title, the administering authority or the Commission, as the case may be, shall publish the facts and conclusions supporting that determination, and shall publish notice of that determination in the Federal Register.

"(2) CONTENTS OF NOTICE OR DETERMINATION.—The notice or determination published under paragraph (1) shall include, to the extent applicable—

"(A) in the case of a determination of the administering authority—

"(i) the names of the foreign producer and the country of origin of the subject vessel,

"(ii) a description sufficient to identify the subject vessel,

"(iii) with respect to an injurious pricing charge, the injurious pricing margin established and a full explanation of the methodology used in establishing such margin,

"(iv) with respect to countermeasures, the scope and duration of countermeasures and, if applicable, any changes thereto, and

"(v) the primary reasons for the determination, and

"(B) in the case of a determination of the Commission—

"(i) considerations relevant to the determination of injury, and

"(ii) the primary reasons for the determination.

"(3) ADDITIONAL REQUIREMENTS FOR FINAL DETERMINATIONS.—In addition to the requirements set forth in paragraph (2)—

"(A) the administering authority shall include in a final determination under section 805 or 807(c) an explanation of the basis for its determination that addresses relevant arguments, made by interested parties who are parties to the investigation, concerning the establishment of the injurious pricing charge with respect to which the determination is made, and

"(B) the Commission shall include in a final determination of injury an explanation of the basis for its determination that addresses relevant arguments that are made by interested parties who are parties to the investigation concerning the effects and impact on the industry of the sale of the subject vessel.

"SEC. 844. CONDUCT OF INVESTIGATIONS.

"(a) CERTIFICATION OF SUBMISSIONS.—Any person providing factual information to the administering authority or the Commission in connection with a proceeding under this title on behalf of the petitioner or any other interested party shall certify that such information is accurate and complete to the best of that person's knowledge.

"(b) DIFFICULTIES IN MEETING REQUIREMENTS.—

"(1) NOTIFICATION BY INTERESTED PARTY.—If an interested party, promptly after receiving a request from the administering authority or the Commission for information, notifies the administering authority or the Commission (as the case may be) that such party is unable to submit the information requested in the requested form and manner, together with a full explanation and suggested alternative forms in which such party is able to submit the information, the administering authority or the Commission (as the case may be) shall consider the ability of the interested party to submit the information in the requested form and manner and may modify such requirements to the extent necessary to avoid imposing an unreasonable burden on that party.

"(2) ASSISTANCE TO INTERESTED PARTIES.—The administering authority and the Commission shall take into account any difficulties experienced by interested parties, particularly small companies, in supplying information requested by the administering authority or the Commission in connection with investigations under this title, and shall provide to such interested parties any assistance that is practicable in supplying such information.

"(c) DEFICIENT SUBMISSIONS.—If the administering authority or the Commission determines that a response to a request for information under this title does not comply with the request, the administering authority or the Commission (as the case may be) shall promptly inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person with an opportunity to remedy or explain the deficiency in light of the time limits established for the completion of investigations or reviews under this title. If that person submits further information in response to such deficiency and either—

"(1) the administering authority or the Commission (as the case may be) finds that such response is not satisfactory, or

"(2) such response is not submitted within the applicable time limits,

then the administering authority or the Commission (as the case may be) may, subject to subsection (d), disregard all or part of the original and subsequent responses.

"(d) USE OF CERTAIN INFORMATION.—In reaching a determination under section 803, 805, or 807, the administering authority and the Commission shall not decline to consider information that is submitted by an interested party

and is necessary to the determination but does not meet all the applicable requirements established by the administering authority or the Commission if—

"(1) the information is submitted by the deadline established for its submission,

"(2) the information can be verified,

"(3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination,

"(4) the interested party has demonstrated that it acted to the best of its ability in providing the information and meeting the requirements established by the administering authority or the Commission with respect to the information, and

"(5) the information can be used without undue difficulties.

"(e) NONACCEPTANCE OF SUBMISSIONS.—If the administering authority or the Commission declines to accept into the record any information submitted in an investigation under this title, it shall, to the extent practicable, provide to the person submitting the information a written explanation of the reasons for not accepting the information.

"(f) PUBLIC COMMENT ON INFORMATION.—Information that is submitted on a timely basis to the administering authority or the Commission during the course of a proceeding under this title shall be subject to comment by other parties within such reasonable time as the administering authority or the Commission shall provide. The administering authority and the Commission, before making a final determination under section 805 or 807, shall cease collecting information and shall provide the parties with a final opportunity to comment on the information obtained by the administering authority or the Commission (as the case may be) upon which the parties have not previously had an opportunity to comment. Comments containing new factual information shall be disregarded.

"(g) VERIFICATION.—The administering authority shall verify all information relied upon in making a final determination under section 805.

"SEC. 845. ADMINISTRATIVE ACTION FOLLOWING SHIPBUILDING AGREEMENT PANEL REPORTS.

"(a) ACTION BY UNITED STATES INTERNATIONAL TRADE COMMISSION.—

"(1) ADVISORY REPORT.—If a dispute settlement panel under the Shipbuilding Agreement finds in a report that an action by the Commission in connection with a particular proceeding under this title is not in conformity with the obligations of the United States under the Shipbuilding Agreement, the Trade Representative may request the Commission to issue an advisory report on whether this title permits the Commission to take steps in connection with the particular proceeding that would render its action not inconsistent with the findings of the panel concerning those obligations. The Trade Representative shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of such request.

"(2) TIME LIMITS FOR REPORT.—The Commission shall transmit its report under paragraph (1) to the Trade Representative within 30 calendar days after the Trade Representative requests the report.

"(3) CONSULTATIONS ON REQUEST FOR COMMISSION DETERMINATION.—If a majority of the Commissioners issues an affirmative report under paragraph (1), the Trade Representatives shall consult with the congressional committees listed in paragraph (1) concerning the matter.

"(4) COMMISSION DETERMINATION.—Notwithstanding any other provision of this title, if a majority of the Commissioners issues an affirmative report under paragraph (1), the Commission, upon the written request of the Trade Representative, shall issue a determination in connection with the particular proceeding that would render the Commission's action described in paragraph (1) not inconsistent with the findings of the panel. The Commission shall issue its determination not later than 120 calendar days after the request from the Trade Representative is made.

"(5) CONSULTATIONS ON IMPLEMENTATION OF COMMISSION DETERMINATION.—The Trade Representative shall consult with the congressional committees listed in paragraph (1) before the Commission's determination under paragraph (4) is implemented.

"(6) REVOCATION OF ORDER.—If, by virtue of the Commission's determination under paragraph (4), an injurious pricing order is no longer supported by an affirmative Commission determination under this title, the Trade Representative may, after consulting with the congressional committees under paragraph (5), direct the administering authority to revoke the injurious pricing order.

"(b) ACTION BY ADMINISTERING AUTHORITY.—

"(1) CONSULTATIONS WITH ADMINISTERING AUTHORITY AND CONGRESSIONAL COMMITTEES.—Promptly after a report or other determination by a dispute settlement panel under the Shipbuilding Agreement is issued that contains findings that—

"(A) an action by the administering authority in a proceeding under this title is not in conformity with the obligations of the United States under the Shipbuilding Agreement,

"(B) the due date for payment of an injurious pricing charge contained in an order issued under section 806 should be amended,

"(C) countermeasures provided for in an order issued under section 807 should be provisionally suspended or reduced pending the final decision of the panel, or

"(D) the scope or duration of countermeasures imposed under section 807 should be narrowed or shortened,

the Trade Representative shall consult with the administering authority and the congressional committees listed in subsection (a)(1) on the matter.

"(2) DETERMINATION BY ADMINISTERING AUTHORITY.—Notwithstanding any other provision of this title, the administering authority shall, in response to a written request from the Trade Representative, issue a determination, or an amendment to or suspension of an injurious pricing or countermeasure order, as the case may be, in connection with the particular proceeding that would render the administering authority's action described in paragraph (1) not inconsistent with the findings of the panel.

"(3) TIME LIMITS FOR DETERMINATIONS.—The administering authority shall issue its determination, amendment, or suspension under paragraph (2)—

"(A) with respect to a matter described in subparagraph (A) of paragraph (1), within 180 calendar days after the request from the Trade Representative is made, and

"(B) with respect to a matter described in subparagraph (B), (C), or (D) of paragraph (1), within 15 calendar days after the request from the Trade Representative is made.

"(4) CONSULTATIONS BEFORE IMPLEMENTATION.—Before the administering authority implements any determination, amendment, or suspension under paragraph (2), the Trade Representative shall consult with the administering authority and the congressional committees listed in subsection (a)(1) with respect to such determination, amendment, or suspension.

"(5) IMPLEMENTATION OF DETERMINATION.—The Trade Representative may, after consulting with the administering authority and the congressional committees under paragraph (4), direct the administering authority to implement, in whole or in part, the determination, amendment, or suspension made under paragraph (2).

"(6) IMPLEMENTATION OF DETERMINATION; NOTICE OF IMPLEMENTATION.—The administering authority shall implement the determination, amendment, or suspension under paragraph (2)—

"(A) with respect to a matter described in subparagraph (A) of paragraph (1), only if the injurious pricing margin determined under paragraph (2) differs from the injurious pricing margin in the determination reviewed by the panel, and

"(B) with respect to a matter described in subparagraph (B), (C), or (D) of paragraph (1), upon issuance of the determination, amendment, or suspension under paragraph (2).

The administering authority shall publish notice of such implementation in the Federal Register.

"(c) OPPORTUNITY FOR COMMENT BY INTERESTED PARTIES.—Before issuing a determination, amendment, or suspension, the administering authority, in a matter described in subsection (b)(1)(A), or the Commission, in a matter described in subsection (a)(1), as the case may be, shall provide interested parties with an opportunity to submit written comments and, in appropriate cases, may hold a hearing, with respect to the determination.

"Subtitle D—Definitions

"SEC. 861. DEFINITIONS.

"For purposes of this title:

"(1) ADMINISTERING AUTHORITY.—The term 'administering authority' means the Secretary of Commerce, or any other officer of the United States to whom the responsibility for carrying out the duties of the administering authority under this title are transferred by law.

"(2) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

"(3) COUNTRY.—The term 'country' means a foreign country, a political subdivision, dependent territory, or possession of a foreign country and, except as provided in paragraph (16)(E)(iii), may not include an association of 2 or more foreign countries, political subdivisions, dependent territories, or possessions of countries into a customs union outside the United States.

"(4) INDUSTRY.—

"(A) IN GENERAL.—Except as used in section 808, the term 'industry' means the producers as a whole of a domestic like vessel, or those producers whose collective capability to produce a domestic like vessel constitutes a major proportion of the total domestic capability to produce a domestic like vessel.

"(B) PRODUCER.—A 'producer' of a domestic like vessel includes an entity that is producing the domestic like vessel and an entity with the capability to produce the domestic like vessel.

"(C) CAPABILITY TO PRODUCE A DOMESTIC LIKE VESSEL.—A producer has the 'capability to produce a domestic like vessel' if it is capable of producing a domestic like vessel with its present facilities or could adapt its facilities in a timely manner to produce a domestic like vessel.

"(D) RELATED PARTIES.—(i) In an investigation under this title, if a producer of a domestic like vessel and the foreign producer, seller (other than the foreign producer), or United States buyer of the subject vessel are related parties, or if a producer of a domestic like vessel is also a United States buyer of the subject vessel, the domestic producer may, in appropriate circumstances, be excluded from the industry.

"(ii) For purposes of clause (i), a domestic producer and the foreign producer, seller, or United States buyer shall be considered to be related parties, if—

"(I) the domestic producer directly or indirectly controls the foreign producer, seller or United States buyer, *"(II) the foreign producer, seller, or United States buyer directly or indirectly controls the domestic producer,*

"(III) a third party directly or indirectly controls the domestic producer and the foreign producer, seller, or United States buyer, or

"(IV) the domestic producer and the foreign producer, seller, or United States buyer directly or indirectly control a third party and there is reason to believe that the relationship causes the producer to act differently than a nonrelated producer.

For purposes of this subparagraph, a party shall be considered to directly or indirectly control another party if the party is legally or operationally in a position to exercise restraint or direction over the other party.

"(E) PRODUCT LINES.—In an investigation under this title, the effect of the sale of the subject vessel shall be assessed in relation to the United States production (or production capability) of a domestic like vessel if available data permit the separate identification of production (or production capability) in terms of such criteria as the production process or the producer's profits. If the domestic production (or production capability) of a domestic like vessel has no separate identity in terms of such criteria, then the effect of the sale shall be assessed by the examination of the production (or production capability) of the narrowest group or range of vessels, which includes a domestic like vessel, for which the necessary information can be provided.

"(5) BUYER.—The term 'buyer' means any person who acquires an ownership interest in a vessel, including by way of lease or long-term bareboat charter, in conjunction with the original transfer from the producer, either directly or indirectly, including an individual or company which owns or controls a buyer. There may be more than one buyer of any one vessel.

"(6) UNITED STATES BUYER.—The term 'United States buyer' means a buyer that is any of the following:

"(A) A United States citizen.

"(B) A juridical entity, including any corporation, company, association, or other organization, that is legally constituted under the laws and regulations of the United States or a political subdivision thereof, regardless of whether the entity is organized for pecuniary gain, privately or government owned, or organized with limited or unlimited liability.

"(C) A juridical entity that is owned or controlled by nationals or entities described in subparagraphs (A) and (B). For the purposes of this subparagraph—

"(i) the term 'own' means having more than a 50 percent interest, and

"(ii) the term 'control' means the actual ability to have substantial influence on corporate behavior, and control is presumed to exist where there is at least a 25 percent interest.

If ownership of a company is established under clause (i), other control is presumed not to exist unless it is otherwise established.

"(7) OWNERSHIP INTEREST.—An 'ownership interest' in a vessel includes any contractual or proprietary interest which allows the beneficiary or beneficiaries of such interest to take advantage of the operation of the vessel in a manner substantially comparable to the way in which an owner may benefit from the operation of the vessel. In determining whether such substantial comparability exists, the administering authority shall consider—

"(A) the terms and circumstances of the transaction which conveys the interest,

"(B) commercial practice,

"(C) whether the vessel subject to the transaction is integrated into the operations of the beneficiary or beneficiaries, and

"(D) whether in practice there is a likelihood that the beneficiary or beneficiaries of such interests will take advantage of and the risk for the operation of the vessel for a significant part of the life-time of the vessel.

"(8) VESSEL.—

"(A) IN GENERAL.—Except as otherwise specifically provided under international agreements, the term 'vessel' means—

"(i) a self-propelled seagoing vessel of 100 gross tons or more used for transportation of goods or persons or for performance of a specialized service (including, but not limited to, ice breakers and dredgers), and

"(ii) a tug of 365 kilowatts or more,

that is produced in a Shipbuilding Agreement Party or a country that is not a Shipbuilding Agreement Party and not a WTO member.

"(B) EXCLUSIONS.—The term 'vessel' does not include—

"(i) any fishing vessel destined for the fishing fleet of the country in which the vessel is built,

"(ii) any military vessel, and

"(iii) any vessel sold before the date that the Shipbuilding Agreement enters into force with respect to the United States, except that any vessel sold after December 21, 1994, for delivery more than 5 years after the date of the contract of sale shall be a 'vessel' for purposes of this title unless the shipbuilder demonstrates to the administering authority that the extended delivery date was for normal commercial reasons and not to avoid applicability of this title.

"(C) SELF-PROPELLED SEAGOING VESSEL.—A vessel is 'self-propelled seagoing' if its permanent propulsion and steering provide it all the characteristics of self-navigability in the high seas.

"(D) MILITARY VESSEL.—A 'military vessel' is a vessel which, according to its basic structural characteristics and ability, is intended to be used exclusively for military purposes.

"(9) LIKE VESSEL.—The term 'like vessel' means a vessel of the same type, same purpose, and approximate size as the subject vessel and possessing characteristics closely resembling those of the subject vessel.

"(10) DOMESTIC LIKE VESSEL.—The term 'domestic like vessel' means a like vessel produced in the United States.

"(11) FOREIGN LIKE VESSEL.—Except as used in section 822(e)(1)(B)(ii)(II), the term 'foreign like vessel' means a like vessel produced by the foreign producer of the subject vessel for sale in the producer's domestic market or in a third country.

"(12) SAME GENERAL CATEGORY OF VESSEL.—The term 'same general category of vessel' means a vessel of the same type and purpose as the subject vessel, but of a significantly different size.

"(13) SUBJECT VESSEL.—The term 'subject vessel' means a vessel subject to investigation under section 801 or 808.

"(14) FOREIGN PRODUCER.—The term 'foreign producer' means the producer or producers of the subject vessel.

"(15) EXPORTING COUNTRY.—The term 'exporting country' means the country in which the subject vessel was built.

"(16) MATERIAL INJURY.—

"(A) IN GENERAL.—The term 'material injury' means harm which is not inconsequential, immaterial, or unimportant.

"(B) SALE AND CONSEQUENT IMPACT.—In making determinations under sections 803(a) and 805(b), the Commission in each case—

"(i) shall consider—

"(I) the sale of the subject vessel,

"(II) the effect of the sale of the subject vessel on prices in the United States for a domestic like vessel, and

"(III) the impact of the sale of the subject vessel on domestic producers of the domestic like vessel, but only in the context of production operations within the United States, and

"(ii) may consider such other economic factors as are relevant to the determination regarding whether there is or has been material injury by reason of the sale of the subject vessel.

In the notification required under section 805(d), the Commission shall explain its analysis of each factor considered under clause (i), and identify each factor considered under clause (ii) and explain in full its relevance to the determination.

"(C) EVALUATION OF RELEVANT FACTORS.—For purposes of subparagraph (B)—

"(i) SALE OF THE SUBJECT VESSEL.—In evaluating the sale of the subject vessel, the Commission shall consider whether the sale, either in absolute terms or relative to production or demand in the United States, in terms of either volume or value, is or has been significant.

"(ii) PRICE.—In evaluating the effect of the sale of the subject vessel on prices, the Commission shall consider whether—

"(I) there has been significant price underselling of the subject vessel as compared with the price of a domestic like vessel, and

"(II) the effect of the sale of the subject vessel otherwise depresses or has depressed prices to a significant degree or prevents or has prevented price increases, which otherwise would have occurred, to a significant degree.

"(iii) IMPACT ON AFFECTED DOMESTIC INDUSTRY.—In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to—

"(I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

"(II) factors affecting domestic prices, including with regard to sales,

"(III) actual and potential negative effects on cash flow, employment, wages, growth, ability to raise capital, and investment,

"(IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of a domestic like vessel, and

"(V) the magnitude of the injurious pricing margin.

The Commission shall evaluate all relevant economic factors described in this clause within the context of the business cycle and conditions of competition that are distinctive to the affected industry.

"(D) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under subparagraph (C) shall not necessarily give decisive guidance with respect to the determination by the Commission of material injury.

"(E) THREAT OF MATERIAL INJURY.—

"(i) IN GENERAL.—In determining whether an industry in the United States is threatened with material injury by reason of the sale of the subject vessel, the Commission shall consider, among other relevant economic factors—

"(I) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased sales of a foreign like vessel to United States buyers, taking into account the availability of other export markets to absorb any additional exports,

"(II) whether the sale of a foreign like vessel or other factors indicate the likelihood of significant additional sales to United States buyers,

"(III) whether sale of the subject vessel or sale of a foreign like vessel by the foreign producer are at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further sales,

"(IV) the potential for product-shifting if production facilities in the exporting country, which can presently be used to produce a foreign like vessel or could be adapted in a timely manner to produce a foreign like vessel, are currently being used to produce other types of vessels,

"(V) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of a domestic like vessel, and

"(VI) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of the sale of the subject vessel.

"(ii) BASIS FOR DETERMINATION.—The Commission shall consider the factors set forth in clause (i) as a whole. The presence or absence of any factor which the Commission is required to consider under clause (i) shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.

"(iii) EFFECT OF INJURIOUS PRICING IN THIRD-COUNTRY MARKETS.—

"(I) IN GENERAL.—The Commission shall consider whether injurious pricing in the markets of foreign countries (as evidenced by injurious pricing findings or injurious pricing remedies of other Shipbuilding Agreement Parties, or antidumping determinations of, or measures imposed by, other countries, against a like vessel produced by the producer under investigation) suggests a threat of material injury to the domestic industry. In the course of its investigation, the Commission shall request information from the foreign producer or United States buyer concerning this issue.

"(II) EUROPEAN COMMUNITIES.—For purposes of this clause, the European Communities as a whole shall be treated as a single foreign country.

"(F) CUMULATION FOR DETERMINING MATERIAL INJURY.—

"(i) IN GENERAL.—For purposes of clauses (i) and (ii) of subparagraph (C), and subject to clause (ii) of this subparagraph, the Commission shall cumulatively assess the effects of sales of foreign like vessels from all foreign producers with respect to which—

"(I) petitions were filed under section 802(b) on the same day,

"(II) investigations were initiated under section 802(a) on the same day, or

"(III) petitions were filed under section 802(b) and investigations were initiated under section 802(a) on the same day,

if, with respect to such vessels, the foreign producers compete with each other and with producers of a domestic like vessel in the United States market.

"(ii) EXCEPTIONS.—The Commission shall not cumulatively assess the effects of sales under clause (i)—

"(I) with respect to which the administering authority has made a preliminary negative determination, unless the administering authority subsequently made a final affirmative determination with respect to those sales before the Commission's final determination is made, or

"(II) from any producer with respect to which the investigation has been terminated.

"(iii) RECORDS IN FINAL INVESTIGATIONS.—In each final determination in which it cumulatively assesses the effects of sales under clause (i), the Commission may make its determinations based on the record compiled in the first investigation in which it makes a final determination, except that when the administering authority issues its final determination in a subsequently completed investigation, the Commission shall permit the parties in the subsequent investigation to submit comments concerning the significance of the administering authority's final determination, and shall include such comments and the administering authority's final determination in the record for the subsequent investigation.

"(G) CUMULATION FOR DETERMINING THREAT OF MATERIAL INJURY.—To the extent practicable and subject to subparagraph (F)(ii), for purposes of clause (i) (II) and (III) of subparagraph (E), the Commission may cumulatively assess the effects of sales of like vessels from all countries with respect to which—

"(i) petitions were filed under section 802(b) on the same day,

"(ii) investigations were initiated under section 802(a) on the same day, or

"(iii) petitions were filed under section 802(b) and investigations were initiated under section 802(a) on the same day,

if, with respect to such vessels, the foreign producers compete with each other and with producers of a domestic like vessel in the United States market.

"(17) INTERESTED PARTY.—The term 'interested party' means, in a proceeding under this title—

"(A)(i) the foreign producer, seller (other than the foreign producer), and the United States buyer of the subject vessel, or

"(ii) a trade or business association a majority of the members of which are the foreign producer, seller, or United States buyer of the subject vessel,

"(B) the government of the country in which the subject vessel is produced or manufactured,

"(C) a producer that is a member of an industry,

"(D) a certified union or recognized union or group of workers which is representative of an industry,

"(E) a trade or business association a majority of whose members are producers in an industry,

"(F) an association, a majority of whose members is composed of interested parties described in subparagraph (C), (D), or (E), and

"(G) for purposes of section 807, a purchaser who, after the effective date of an order issued under that section, entered into a contract of sale with the foreign producer that is subject to the order.

"(18) AFFIRMATIVE DETERMINATIONS BY DIVIDED COMMISSION.—If the Commissioners voting on a determination by the Commission are evenly divided as to whether the determination should be affirmative or negative, the Commission shall be deemed to have made an affirmative determination. For the purpose of applying this paragraph when the issue before the Commission is to determine whether there is or has been—

"(A) material injury to an industry in the United States,

"(B) threat of material injury to such an industry, or

"(C) material retardation of the establishment of an industry in the United States,

by reason of the sale of the subject vessel, an affirmative vote on any of the issues shall be treated as a vote that the determination should be affirmative.

"(19) ORDINARY COURSE OF TRADE.—The term 'ordinary course of trade' means the conditions and practices which, for a reasonable time before the sale of the subject vessel, have been normal in the shipbuilding industry with respect to a like vessel. The administering authority shall consider the following sales and transactions, among others, to be outside the ordinary course of trade:

"(A) Sales disregarded under section 822(b)(1).

"(B) Transactions disregarded under section 822(f)(2).

"(20) NONMARKET ECONOMY COUNTRY.—

"(A) IN GENERAL.—The term 'nonmarket economy country' means any foreign country that the administering authority determines does not operate on market principles of cost or pricing structures, so that sales of vessels in such country do not reflect the fair value of the vessels.

"(B) FACTORS TO BE CONSIDERED.—In making determinations under subparagraph (A) the administering authority shall take into account—

"(i) the extent to which the currency of the foreign country is convertible into the currency of other countries,

"(ii) the extent to which wage rates in the foreign country are determined by free bargaining between labor and management,

"(iii) the extent to which joint ventures or other investments by firms of other foreign countries are permitted in the foreign country,

"(iv) the extent of government ownership or control of the means of production,

"(v) the extent of government control over the allocation of resources and over the price and output decisions of enterprises, and

"(vi) such other factors as the administering authority considers appropriate.

"(C) DETERMINATION IN EFFECT.—

"(i) Any determination that a foreign country is a nonmarket economy country shall remain in effect until revoked by the administering authority.

"(ii) The administering authority may make a determination under subparagraph (A) with respect to any foreign country at any time.

"(D) DETERMINATIONS NOT IN ISSUE.—Notwithstanding any other provision of law, any determination made by the administering authority under subparagraph (A) shall not be subject to judicial review in any investigation conducted under subtitle A.

"(21) SHIPBUILDING AGREEMENT.—The term 'Shipbuilding Agreement' means The Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry, resulting from negotiations under the auspices of the Organization for Economic Cooperation and Development, and entered into on December 21, 1994.

"(22) SHIPBUILDING AGREEMENT PARTY.—The term 'Shipbuilding Agreement Party' means a state or separate customs territory that is a Party to the Shipbuilding Agreement, and with respect to which the United States applies the Shipbuilding Agreement.

"(23) WTO AGREEMENT.—The term 'WTO Agreement' means the Agreement defined in section 2(9) of the Uruguay Round Agreements Act.

"(24) WTO MEMBER.—The term 'WTO member' means a state, or separate customs territory (within the meaning of Article XII of the WTO Agreement), with respect to which the United States applies the WTO Agreement.

"(25) TRADE REPRESENTATIVE.—The term 'Trade Representative' means the United States Trade Representative.

"(26) AFFILIATED PERSONS.—The following persons shall be considered to be 'affiliated' or 'affiliated persons':

"(A) Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

"(B) Any officer or director of an organization and such organization.

"(C) Partners.

"(D) Employer and employee.

"(E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization, and such organization.

"(F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

"(G) Any person who controls any other person, and such other person.

For purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person.

"(27) INJURIOUS PRICING.—The term 'injurious pricing' refers to the sale of a vessel at less than fair value.

"(28) INJURIOUS PRICING MARGIN.—

"(A) IN GENERAL.—The term 'injurious pricing margin' means the amount by which the normal value exceeds the export price of the subject vessel.

"(B) MAGNITUDE OF THE INJURIOUS PRICING MARGIN.—The magnitude of the injurious pricing margin used by the Commission shall be—

"(i) in making a preliminary determination under section 803(a) in an investigation (including any investigation in which the Commission cumulatively assesses the effect of sales under paragraph (16)(F)(i)), the injurious pricing margin or margins published by the administering authority in its notice of initiation of the investigation; and

"(ii) in making a final determination under section 805(b), the injurious pricing margin or margins most recently published by the administering authority before the closing of the Commission's administrative record.

"(29) COMMERCIAL INTEREST REFERENCE RATE.—The term 'Commercial Interest Reference Rate' or 'CIRR' means an interest rate that the administering authority determines to be consistent with Annex III, and appendices and notes thereto, of the Understanding on Export Credits for Ships, resulting from negotiations under the auspices of the Organization for Economic Cooperation, and entered into on December 21, 1994.

"(30) ANTIDUMPING.—

"(A) WTO MEMBERS.—In the case of a WTO member, the term 'antidumping' refers to action taken pursuant to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

"(B) OTHER CASES.—In the case of any country that is not a WTO member, the term 'antidumping' refers to action taken by the country against the sale of a vessel at less than fair value that is comparable to action described in subparagraph (A).

"(31) BROAD MULTIPLE BID.—The term 'broad multiple bid' means a bid in which the proposed buyer extends an invitation to at least all the producers in the industry known by the buyer to be capable of building the subject vessel.".

SEC. 102. ENFORCEMENT OF COUNTERMEASURES.

Part II of title IV of the Tariff Act of 1930 is amended by adding at the end the following:

"SEC. 468. SHIPBUILDING AGREEMENT COUNTERMEASURES.

"(a) IN GENERAL.—Notwithstanding any other provision of law, upon receiving from the Secretary of Commerce a list of vessels subject to countermeasures under section 807, the Customs Service shall deny any request for a permit to lade or unlade passengers, merchandise, or baggage from or onto those vessels so listed.

"(b) EXCEPTIONS.—Subsection (a) shall not be applied to deny a permit for the following:

"(1) To unlade any United States citizen or permanent legal resident alien from a vessel included in the list described in subsection (a), or to unlade any refugee or any alien who would otherwise be eligible to apply for asylum and withholding of deportation under the Immigration and Nationality Act.

"(2) To lade or unlade any crewmember of such vessel.

"(3) To lade or unlade coal and other fuel supplies (for the operation of the listed vessel), ships' stores, sea stores, and the legitimate equipment of such vessel.

"(4) To lade or unlade supplies for the use or sale on such vessel.

"(5) To lade or unlade such other merchandise, baggage, or passenger as the Customs Service shall determine necessary to protect the immediate health, safety, or welfare of a human being.

"(c) CORRECTION OF MINISTERIAL OR CLERICAL ERRORS.—

"(1) PETITION FOR CORRECTION.—If the master of any vessel whose application for a permit to lade or unlade has been denied under this section believes that such denial resulted from a ministerial or clerical error, not amounting to a mistake of law, committed by any Customs officer, the master may petition the Customs Service for correction of such error, as provided by regulation.

"(2) INAPPLICABILITY OF SECTIONS 514 AND 520.—Notwithstanding paragraph (1), imposition of countermeasures under this section shall not be deemed an exclusion or other protestable decision under section 514, and shall not be subject to correction under section 520.

"(3) PETITIONS SEEKING ADMINISTRATIVE REVIEW.—Any petition seeking administrative review of any matter regarding the Secretary of Commerce's decision to list a vessel under section 807 must be brought under that section.

"(d) PENALTIES.—In addition to any other provision of law, the Customs Service may impose a civil penalty of not to exceed $10,000 against the master of any vessel—

"(1) who submits false information in requesting any permit to lade or unlade; or

"(2) who attempts to, or actually does, lade or unlade in violation of any denial of such permit under this section.".

SEC. 103. JUDICIAL REVIEW IN INJURIOUS PRICING AND COUNTERMEASURE PROCEEDINGS.

(a) JUDICIAL REVIEW.—Part III of title IV of the Tariff Act of 1930 is amended by inserting after section 516A the following:

"SEC. 516B. JUDICIAL REVIEW IN INJURIOUS PRICING AND COUNTERMEASURE PROCEEDINGS.

"(a) REVIEW OF DETERMINATION.—

"(1) IN GENERAL.—Within 30 days after the date of publication in the Federal Register of—

"(A)(i) a determination by the administering authority under section 802(c) not to initiate an investigation,

"(ii) a negative determination by the Commission under section 803(a) as to whether there is or has been reasonable indication of material injury, threat of material injury, or material retardation,

"(iii) a determination by the administering authority to suspend or revoke an injurious pricing order under section 806(d) or (e),

"(iv) a determination by the administering authority under section 807(c),

"(v) a determination by the administering authority in a review under section 807(d),

"(vi) a determination by the administering authority concerning whether to extend the scope or duration of a countermeasure order under section 807(e)(3)(B)(ii),

"(vii) a determination by the administering authority to amend a countermeasure order under section 807(e)(6),

"(viii) a determination by the administering authority in a review under section 807(g),

"(ix) a determination by the administering authority under section 807(i) to terminate proceedings, or to amend or revoke a countermeasure order,

"(x) a determination by the administering authority under section 845(b), with respect to a matter described in paragraph (1)(D) of that section, or

"(B)(i) an injurious pricing order based on a determination described in subparagraph (A) of paragraph (2),

"(ii) notice of a determination described in subparagraph (B) of paragraph (2),

"(iii) notice of implementation of a determination described in subparagraph (C) of paragraph (2), or

"(iv) notice of revocation of an injurious pricing order based on a determination described in subparagraph (D) of paragraph (2),

an interested party who is a party to the proceeding in connection with which the matter arises may commence an action in the United States Court of International Trade by filing concurrently a summons and complaint, each with the content and in the form, manner, and style prescribed by the rules of that court, contesting any factual findings or legal conclusions upon which the determination is based.

"(2) REVIEWABLE DETERMINATIONS.—The determinations referred to in paragraph (1)(B) are—

"(A) a final affirmative determination by the administering authority or by the Commission under section 805, including any negative part of such a determination (other than a part referred to in subparagraph (B)),

"(B) a final negative determination by the administering authority or the Commission under section 805,

"(C) a determination by the administering authority under section 845(b), with respect to a matter described in paragraph (1)(A) of that section, and

"(D) a determination by the Commission under section 845(a) that results in the revocation of an injurious pricing order.

"(3) EXCEPTION.—Notwithstanding the 30-day limitation imposed by paragraph (1) with regard to an order described in paragraph (1)(B)(i), a final affirmative determination by the administering authority under section 805 may be contested by commencing an action, in accordance with the provisions of paragraph (1), within 30 days after the date of publication in the Federal Register of a final negative determination by the Commission under section 805.

"(4) PROCEDURES AND FEES.—The procedures and fees set forth in chapter 169 of title 28, United States Code, apply to an action under this section.

"(b) STANDARDS OF REVIEW.—

"(1) REMEDY.—The court shall hold unlawful any determination, finding, or conclusion found—

"(A) in an action brought under subparagraph (A) of subsection (a)(1), to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law, or

"(B) in an action brought under subparagraph (B) of subsection (a)(1), to be unsupported by substantial evidence on the record, or otherwise not in accordance with law.

"(2) RECORD FOR REVIEW.—

"(A) IN GENERAL.—For purposes of this subsection, the record, unless otherwise stipulated by the parties, shall consist of—

"(i) a copy of all information presented to or obtained by the administering authority or the Commission during the course of the administrative proceeding, including all governmental memoranda pertaining to the case and the record of ex parte meetings required to be kept by section 843(a)(2); and

"(ii) a copy of the determination, all transcripts or records of conferences or hearings, and all notices published in the Federal Register.

"(B) CONFIDENTIAL OR PRIVILEGED MATERIAL.—The confidential or privileged status accorded to any documents, comments, or information shall be preserved in any action under this section. Notwithstanding the preceding sentence, the court may examine, in camera, the confidential or privileged material, and may disclose such material under such terms and conditions as it may order.

"(c) STANDING.—Any interested party who was a party to the proceeding under title VIII shall have the right to appear and be heard as a party in interest before the United States Court of International Trade in an action under this section. The party filing the action shall notify all such interested parties of the filing of an action under this section, in the form, manner, and within the time prescribed by rules of the court.

"(d) DEFINITIONS.—For purposes of this section:

"(1) ADMINISTERING AUTHORITY.—The term 'administering authority' has the meaning given that term in section 861(1).

"(2) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

"(3) INTERESTED PARTY.—The term 'interested party' means any person described in section 861(17).".

(b) CONFORMING AMENDMENTS.—

(1) JURISDICTION OF THE COURT.—Section 1581(c) of title 28, United States Code, is amended by inserting "or 516B" after "section 516A".

(2) RELIEF.—Section 2643 of title 28, United States Code, is amended—

(A) in subsection (c)(1) by striking "and (5)" and inserting "(5), and (6)"; and

(B) in subsection (c) by adding at the end the following new paragraph:

"(6) In any civil action under section 516B of the Tariff Act of 1930, the Court of International Trade may not issue injunctions or any other form of equitable relief, except with regard to implementation of a countermeasure order under section 468 of that Act, upon a proper showing that such relief is warranted.".

TITLE II—OTHER PROVISIONS

SEC. 201. EQUIPMENT AND REPAIR OF VESSELS.

Section 466 of the Tariff Act of 1930 (19 U.S.C. 1466), is amended by adding at the end the following new subsection:

"(i) The duty imposed by subsection (a) shall not apply with respect to activities occurring in a Shipbuilding Agreement Party, as defined in section 861(22), with respect to—

"(1) self-propelled seagoing vessels of 100 gross tons or more that are used for transportation of goods or persons or for performance of a specialized service (including, but not limited to, ice breakers and dredges), and

"(2) tugs of 365 kilowatts or more.

A vessel shall be considered 'self-propelled seagoing' if its permanent propulsion and steering provide it all the characteristics of self-navigability in the high seas.".

SEC. 202. EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.

No person other than the United States—

(1) shall have any cause of action or defense under the Shipbuilding Agreement or by virtue of congressional approval of the agreement, or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, the District of Columbia, any State, any political subdivision of a State, or any territory or possession of the United States on the ground that such action or inaction is inconsistent with such agreement.

SEC. 203. IMPLEMENTING REGULATIONS.

After the date of the enactment of this Act, the heads of agencies with functions under this Act and the amendments made by this Act may issue such regulations as may be necessary to ensure that this Act is appropriately implemented on the date the Shipbuilding Agreement enters into force with respect to the United States.

SEC. 204. AMENDMENTS TO THE MERCHANT MARINE ACT, 1936.

The Merchant Marine Act, 1936, is amended as follows:

(1) Section 511(a)(2) (46 App. U.S.C. 1161(a)(2)) is amended by inserting after "1939," the following: "or, if the vessel is a Shipbuilding Agreement vessel, constructed in a Shipbuilding Agreement Party, but only with regard to moneys deposited, on or after the date on which the Shipbuilding Trade Agreement Act takes effect, into a construction reserve fund established under subsection (b)".

(2) Section 601(a) (46 App. U.S.C. 1171(a)) is amended by striking ", and that such vessel or vessels were built in the United States, or have been documented under the laws of the United States not later than February 1, 1928, or actually ordered and under construction for the account of citizens of the United States prior to such date" and inserting "and that such vessel or vessels were built in the United States, or, if the vessel or vessels are Shipbuilding Agreement vessels, in a Shipbuilding Agreement Party".

(3) Section 606(6) (46 App. U.S.C. 1176(6)) is amended by inserting "or, if the vessel is a Shipbuilding Agreement vessel, in a Shipbuilding Agreement Party or in the United States" before ", except in an emergency.".

(4) Section 607 (46 App. U.S.C. 1177) is amended as follows:

(A) Subsection (a) is amended by inserting "or, if the vessel is a Shipbuilding Agreement vessel, in a Shipbuilding Agreement Party," after "built in the United States".

(B) Subsection (k) is amended as follows:

(i) Paragraph (1) is amended by striking subparagraph (A) and inserting the following:

"(A)(i) constructed in the United States and, if reconstructed, reconstructed in the United States or in a Shipbuilding Agreement Party, or

"(ii) that is a Shipbuilding Agreement vessel and is constructed in a Shipbuilding Agreement Party and, if reconstructed, is reconstructed in a Shipbuilding Agreement Party or in the United States,".

(ii) Paragraph (2)(A) is amended to read as follows:

"(A)(i) constructed in the United States and, if reconstructed, reconstructed in the United States or in a Shipbuilding Agreement Party, or

"(ii) that is a Shipbuilding Agreement vessel and is constructed in a Shipbuilding Agreement Party and, if reconstructed, is reconstructed in a Shipbuilding Agreement Party or in the United States, but only with regard to moneys deposited into the fund on or after the date on which the Shipbuilding Trade Agreement Act takes effect,".

(5) Section 610 (46 App. U.S.C. 1180) is amended by striking "shall be built in a domestic yard or shall have been documented under the laws of the United States not later than February 1, 1928, or actually ordered and under construction for the account of citizens of the United States prior to such date," and inserting "shall be built in the United States or, if the vessel is a Shipbuilding Agreement vessel, in a Shipbuilding Agreement Party,".

(6) Section 901(b)(1) (46 App. U.S.C. 1241(b)(1)) is amended by striking the third sentence and inserting the following:

"For purposes of this section, the term 'privately owned United States-flag commercial vessels' shall be deemed to include—

"(A) any privately owned United States-flag commercial vessel constructed in the United States, and if rebuilt, rebuilt in the United States or in a Shipbuilding Agreement Party on or after the date on which the Shipbuilding Trade Agreement Act takes effect, and

"(B) any privately owned vessel constructed in a Shipbuilding Agreement Party on or after the date on which the Shipbuilding Trade Agreement Act takes effect, and if rebuilt, rebuilt in a Shipbuilding Agreement Party or in the United States, that is documented pursuant to chapter 121 of title 46, United States Code. The term 'privately owned United States-flag commercial vessels' shall also be deemed to include any cargo vessel that so qualified pursuant to section 615 of this Act or this paragraph before the date on which the Shipbuilding Trade Agreement Act takes effect. The term 'privately owned United States-flag commercial vessels' shall not be deemed to include any liquid bulk cargo vessel that does not meet the requirements of section 3703a of title 46, United States Code.".

(7) Section 905 (46 App. U.S.C. 1244) is amended by adding at the end the following:

"(h) The term 'Shipbuilding Agreement' means the Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry, which resulted from negotiations under the auspices of the Organization for Economic Cooperation and Development, and was entered into on December 21, 1994.

"(i) The term 'Shipbuilding Agreement Party' means a state or separate customs territory that is a Party to the Shipbuilding Agreement, and with respect to which the United States applies the Shipbuilding Agreement.

"(j) The term 'Shipbuilding Agreement vessel' means a vessel to which the Secretary determines Article 2.1 of the Shipbuilding Agreement applies.

"(k) The term 'Export Credit Understanding' means the Understanding on Export Credits for Ships which resulted from negotiations under the auspices of the Organization for Economic Cooperation and Development and was entered into on December 21, 1994.

"(l) The term 'Export Credit Understanding vessel' means a vessel to which the Secretary determines the Export Credit Understanding applies.".

(8) Section 1104A (46 App. U.S.C. 1274) is amended as follows:

(A) Paragraph (5) of subsection (b) is amended to read as follows:

"(5) shall bear interest (exclusive of charges for the guarantee and service charges, if any) at rates not to exceed such percent per annum on the unpaid principal as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Secretary, except that, with respect to Export Credit Understanding vessels, and Shipbuilding Agreement vessels, the obligations shall bear interest at a rate the Secretary determines to be consistent with obligations of the United States under the Export Credit Understanding or the Shipbuilding Agreement, as the case may be;".

(B) Subsection (i) is amended to read as follows:

"(i)(1) Except as provided in paragraph (2), the Secretary may not, with respect to—

"(A) the general 75 percent or less limitation contained in subsection (b)(2),

"(B) the 87½ percent or less limitation contained in the 1st, 2nd, 4th, or 5th proviso to subsection (b)(2) or in section 1112(b), or

"(C) the 80 percent or less limitation in the 3rd proviso to such subsection,

establish by rule, regulation, or procedure any percentage within any such limitation that is, or is intended to be, applied uniformly to all guarantees or commitments to guarantee made under this section that are subject to the limitation.

"(2) With respect to Export Credit Understanding vessels and Shipbuilding Agreement vessels, the Secretary may establish by rule, regulation, or procedure a uniform percentage that the Secretary determines to be consistent with obligations of the United States under the Export Credit Understanding or the Shipbuilding Agreement, as the case may be.".

(C) Section 1104B(b) (46 App. U.S.C. 1274a(b)) is amended by striking the period at the end and inserting the following:

", except that, with respect to Export Credit Understanding vessels and Shipbuilding Agreement vessels, the Secretary may establish by rule, regulation, or procedure a uniform percentage that the Secretary determines to be consistent with obligations of the United States under the Export Credit Understanding or the Shipbuilding Agreement, as the case may be.".

SEC. 205. WITHDRAWAL FROM THE AGREEMENT.

(a) WITHDRAWAL.—

(1) NOTICE.—The President shall give notice, under Article 14 of the Shipbuilding Agreement, of intent of the United States to withdraw from the Shipbuilding Agreement, as soon as is practicable after one or more Shipbuilding Agreement Parties give notice, under such article, of intent to withdraw from the Shipbuilding Agreement, if paragraph (2) applies.

(2) TONNAGE OF NEW CONSTRUCTION IN WITHDRAWING PARTIES.—This paragraph applies if the combined gross tonnage of new Shipbuilding Agreement vessels constructed in all Shipbuilding Agreement Parties who have given notice to withdraw from the Shipbuilding agreement, which were delivered in the calendar year preceding the calendar year in which the notice is given, is 15 percent or more of the gross tonnage of new Shipbuilding Agreement vessels that were constructed in all Shipbuilding Agreement Parties and were delivered in the calendar year preceding the calendar year in which the notice is given.

(3) TERMINATION OF WITHDRAWAL.—If a Shipbuilding Agreement Party described in paragraph (2) takes action to terminate its withdrawal from the Shipbuilding Agreement, so that paragraph (2) would not apply if that Party had not given the notice to withdraw, the President may take the necessary steps to terminate the notice of withdrawal of the United States from the Shipbuilding Agreement.

(b) REINSTATEMENT OF LAWS.—If the United States withdraws from the Shipbuilding agreement on the date on which such withdrawal becomes effective, the amendments made by section 204 shall be deemed not to have been made, and the provisions of law amended by section 204 shall, on and after such date, be effective as if this Act had not been enacted.

SEC. 206. DEFINITIONS.

As used in this title—

(1) the terms "Shipbuilding Agreement", "Shipbuilding agreement Party", and "Shipbuilding Agreement vessel" have the meanings given those terms in subsections (h), (i), and (j), respectively, of section 905 of the Merchant Marine Act, 1936, as added by section 204(7) of this Act; and

(2) the terms "GATT 1994" and "Uruguay Round Agreements" have the meanings given those terms in section 2 of the Uruguay Round Agreements Act.

TITLE III—REVENUE OFFSET

SEC. 301. PENALTIES FOR FAILURE TO DISCLOSE POSITION THAT CERTAIN INTERNATIONAL SHIPPING INCOME IS NOT INCLUDIBLE IN GROSS INCOME.

(a) IN GENERAL.—Section 883 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(d) PENALTIES FOR FAILURE TO DISCLOSE POSITION THAT CERTAIN INTERNATIONAL SHIPPING INCOME IS NOT INCLUDIBLE IN GROSS INCOME.—

"(1) IN GENERAL.—A taxpayer who, with respect to any tax imposed by this title, takes the position that any of its gross income derived from the international operation of a ship or ships is not includible in gross income by reason of subsection (a)(1) or section 872(b)(1) shall be entitled to such treatment only if such position is disclosed (in such manner as the Secretary may prescribe) on the return of tax for such tax (or any statement attached to such return).

"(2) ADDITIONAL PENALTIES FOR FAILING TO DISCLOSE POSITION.—If a taxpayer fails to meet the requirement of paragraph (1) with respect to any taxable year—

"(A) the amount of the income from the international operation of a ship or ships—

"(i) which is from sources without the United States, and

"(ii) which is attributable to a fixed place of business in the United States,

shall be treated for purposes of this title as effectively connected with the conduct of a trade or business within the United States, and

"(B) no deductions or credits shall be allowed which are attributable to income from the international operation of a ship or ships.

"(3) REASONABLE CAUSE EXCEPTION.—This subsection shall not apply to a failure to disclose a position if it is shown that such failure is due to reasonable cause and not due to willful neglect."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 872(b) of such Code is amended by striking "Gross income" and inserting "Except as provided in section 883(d), gross income".

(2) Paragraph (1) of section 883(a) of such Code is amended by striking "Gross income" and inserting "Except as provided in subsection (d), gross income".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Notwithstanding section 3, the amendments made by this section shall apply to taxable years beginning after the later of—

(A) December 31, 1996, or

(B) the date that the Shipbuilding Agreement enters into force with respect to the United States.

(2) COORDINATION WITH TREATIES.—The amendments made by this section shall not apply in any case where their application would be contrary to any treaty obligation of the United States.

(d) INFORMATION TO BE PROVIDED BY CUSTOMS SERVICE.—The United States Custom Service shall provide the Secretary of the Treasury or his delegate with such information as may be specified by such Secretary in order to enable such Secretary to determine whether ships which are not registered in the United States are engaged in transportation to or from the United States.

The CHAIRMAN. No other amendment is in order except the amendment printed in part 2 of the report. That amendment may be offered only by a member designated in the report, shall be considered read, shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider the amendment printed in part 2 of the report.

AMENDMENT OFFERED BY MR. BATEMAN

Mr. BATEMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BATEMAN: In section 3 (page 2, line 15), strike "This" and insert "Except as provided in section 206, this".

Redesignate section 206 as section 209, and insert the following after section 205:

SEC. 296. APPLICABILITY OF TITLE XI AMENDMENTS.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Notwithstanding any provision of the Shipbuilding Agreement or the Export Credit Understanding, the amendments made by paragraph (8) of section 204 shall not apply with respect to any commitment to guarantee made under title XI of the Merchant Marine Act, 1936, before January 1, 1999, with respect to a vessel delivered—

(A) before January 1, 2002, or

(B) in the case of unusual circumstances to which paragraph (2) applies, as soon after January 1, 2002, as is practicable.

(2) UNUSUAL CIRCUMSTANCES.—This paragraph applies in a case in which unusual circumstances beyond the control of the parties concerned prevent the delivery of a vessel by January 1, 2002. As used in this paragraph, the term "unusual circumstances" means acts of God (other than ordinary storms or inclement weather conditions), labor strikes, acts of sabotage, explosions, fires, or vandalism, and similar circumstances.

SEC. 207. OTHER LAWS NOT AFFECTED.

The Shipbuilding Agreement shall not affect, directly or indirectly, the Merchant Marine Act, 1920, the Act of June 19, 1886 (46 U.S.C. App. 289), or any other provision of law set forth in Accompanying Note 2 to Annex II to the Shipbuilding Agreement, and shall not provide any mechanism to subject any producer of vessels in the United States to financial penalties, duties, bid restrictions, unfavorable bid preferences, or withdrawal of concessions under the GATT 1994 or other Uruguay Round Agreements, in the competition for international commercial vessel construction or reconstruction orders because of construction of vessels by United States shipbuilders for operation in the coastwise trade of the United States.

SEC. 208. PROTECTION OF UNITED STATES INTERESTS.

Nothing in the Shipbuilding Agreement shall be construed to prevent the United States from taking any action which it considers necessary for the protection of essential security interests or from invoking its sovereign authority to define, for purposes of exclusion from coverage under the Shipbuilding Agreement and from any dispute or challenge based on Annex I to the Shipbuilding Agreement, "military vessel", "military reserve vessel", or "essential security interest" on a case by case basis, as determined by the Secretary of Defense.

In paragraph (1) of section 209 (as redesignated by this amendment), strike "and 'Shipbuilding Agreement vessel' have the meanings given those terms in subsections (h), (i), and (j)" and insert "'Shipbuilding Agreement vessel', and 'Export Credit Understanding' have the meanings given those terms in subsections (h), (i), (j), and (k)"

Page 6, strike line 19 and all that follows through page 7, line 2.

Page 7, line 3, insert "(I) if" before "the petitioner".

Page 7, strike lines 9 through 11 and insert the following:

"(II) if the petitioner was not invited to tender a bid, the petition".

Page 7, line 19, strike "(i)(III)" and insert "(i)(II)".

Page 9, line 10, strike "(i) or (ii)" and insert "(i)(I)".

Page 9, line 18, strike "(1)(B)(iii)" and insert "(1)(B)(i)(II)".

Page 49, add the following after line 24:

"SEC. 809. THIRD COUNTRY SALES.

"(a) FILING OF PETITION.—Any interested party that would be eligible to file a petition under section 802(b)(1) with respect to a sale if such sale had been to a United States buyer may, with respect to a sale of a vessel by a foreign producer in a Shipbuilding Agreement Party to a buyer in a third country that is a Shipbuilding Agreement Party, file with the Trade Representative a petition alleging that—

"(1) such vessel has been sold at less than fair value; and

"(2) the industry in the United States producing or capable of producing a like vessel is materially injured by reason of such sale.

"(b) DETERMINATION.—Upon receipt of a petition under subsection (a), the Trade Representative shall request the following determinations to be made in accordance with substantive and procedural requirements specified by the Trade Representative, notwithstanding any other provision of this title:

"(1) The administering authority shall determine whether there is reasonable cause to believe that the subject vessel has been sold at less than fair value.

"(2) The Commission shall determine whether there is reasonable cause to believe that the industry in the United States is materially injured by reason of such sale.

"(c) COMPLAINT BY TRADE REPRESENTATIVE.—If the administering authority makes an affirmative determination under paragraph (1) of subsection (b), and the Commission makes an affirmative determination under paragraph (2) of subsection (b), the Trade Representative shall make application to the country of the buyer of the subject vessel for an injurious pricing action and relief similar to that available under section 808. The Trade Representative shall advise the petitioner of the proceedings undertaken by the third country in response to such application and shall permit the petitioner to participate in such proceedings to the greatest extent practicable."

Page 102, line 9, strike "or 808" and insert ", 808, or 809".

In the table of contents for chapter 8 of title VII of the Tariff Act of 1930 (page 3, after line 9), insert the following after the item relating to section 808:

"Sec. 809. Third country sales."

Page 100, line 20, strike "and"; on line 21, strike "(iii)" and insert "(iv)", and insert the following after line 20:

"(iii) a military reserve vessel, and".

Page 101, insert the following after line 15:

"(E) MILITARY RESERVE VESSEL.—A 'military reserve vessel' is a vessel that has been constructed with national defense features and characteristics required by the Secretary of Defense for the purpose of supporting the United States Armed Forces in a contingency.

The CHAIRMAN. Pursuant to the rule, the gentleman from Virginia [Mr. BATEMAN] and a Member opposed will each control 30 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I ask unanimous consent that 15 minutes of the time allotted to me on the Committee on National Security be assigned to the gentleman from California [Mr. DELLUMS].

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BATEMAN. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, my amendment will address a number of deficiencies in the underlying text of H.R. 2754. Again I wish to emphasize that my complaints with this agreement are not over the pros and cons of subsidizing this industry or any other industry. This is not a fight over subsidies. It is, however, a fight over the fairness of this agreement as it relates to our large domestic shipyards.

This amendment will not make the agreement perfect, but it will negate to some degree its negative impact on the large shipyards which have been committed to building naval vessels.

Let me explain how this agreement works from the perspective of our shipyards during the process of transitioning from 100 percent Navy work to a combination of Navy and commercial work. Take, for example, the title XI loan guarantee program which my amendment addresses. Under the agreement in H.R. 2754, as presently before my colleagues, the favorable terms are offered effective July 15, 1996. Current law, which my amendment seeks to retain for a period of 30 months, allows U.S. Maritime Administration to issue loan guarantees for the construction of vessels in U.S. yards. Those guarantees allow for a loan repayment period of up to 25 years and a downpayment required of 12.5 percent. Under this agreement this will change to a repayment term of only 12 years and require a downpayment of 20 percent.

In simple terms, the shipowner will have to pay off the mortgage twice as fast and will have to come up with almost double the downpayment if he chooses to build in a U.S. shipyard.

The more favorable terms which my amendment seeks to retain for only 30 additional months was the product of extensive debate between the House and the Senate during consideration of the fiscal year 1994 defense authorization bill. The Senate had, at the urging of the administration, sought to adopt at that time the less favorable terms which we are being asked to adopt now. The House version recognized that if we were to offer any chance to our large U.S. yards to move to commercial ship construction, that we had to offer a program to encourage foreign purchases to at least give U.S. shipyards one competitive tool.

The Committee on National Security was well aware that our foreign competitors had received literally billions of dollars annually in subsidies. We also knew that it would take more than 24 months to have our yards retooled and market a totally new product. Remarkably two of our shipyards, Newport News in Virginia and Avondale in Louisiana are making the transition having recently begun construction, thanks to title XI loan guarantees, on double-hull commercial tankers.

It is important to keep in mind that our northern competitors have benefited from literally billions of dollars in subsidies over the years. As my colleagues can see from charts that we put before them, the annual average has exceeded $8 billion for our six major competitors. Our title XI program has amounted to an average of only $50 billion since fiscal year 1994.

The advantage of my amendment is severalfold. It brings to an end subsidies. Yes, it is a compromise. It also recognizes that we cannot wish budgets, as tight as they are, to afford to get in subsidy battles with other nations. With the compromise here is that it recognizes that our foreign competitors were able to retain under the guise of restructuring a large package which lasts well into 1999.

In other words, my amendment, as it addresses title XI, brings some measure of fairness to this agreement, fairness which our negotiators choose not to insist on. It is now up to the Congress to step up and correct the deficiency.

Let me briefly respond to charges that this amendment will result in the agreement falling apart. Our negotiators are already at work getting an extension of the delivery date on vessels which are built using the title XI guarantees. They have already gained a delay of 6 months from the original effective date.

Now, I appreciate that they do not wish to approach our trading partners again but for what is, by any fair assessment, a very modest extension. However, it is the obligation and the duty of Congress not to accept every agreement that has been negotiated. We are not here to simply rubber stamp an agreement if we think it is wrong.

Finally, my amendment corrects several other deficiencies, particularly as they relate to the Jones Act and DOD procurements. As presently drafted, this agreement may be used as a wedge against the Jones Act. The Jones Act requires that all merchandise transported to points in the United States must be carried on U.S.-registered and U.S.-built vessels. This agreement appears to allow foreign countries to retaliate against U.S. companies if U.S. shipbuilders construct more than 200,000 tons of Jones Act trade vessels annually for the first 3 years. After 3 years, any construction creates a presumption that the rights and balances of the parties is upset and sanctions can be imposed.

This part of the en bloc amendment simply assures that exemption from the Jones Act, which our trade negotiators tell us is consistent with the agreement even though the OECD representatives insist the Jones Act must go away. The U.S. Trade Representatives noted in our hearing that European Union interpretation of the Jones Act provisions were wrong. We are simply making it absolutely clear that nothing in this agreement affects the

Jones Act. The Committee on National Security believes the changes to domestic law within the jurisdiction of the Congress and the imposition of penalties by foreign entities for compliance with the domestic statute is inappropriate. My amendment prevents this from happening. If our Trade Representative is correct and the Jones Act is not affected, my amendment clearly can do no harm. If they are incorrect, my amendment is critically needed. We should protect the Jones Act and do so, and to do so my colleagues should vote for my amendment.

Last, my amendment would clarify that nothing in the agreement should be construed as preventing the United States from taking any action which it considers necessary for the protection of its essential security interests. This part of the amendment would allow the United States to invoke its sovereign authority to define for the purposes of exclusion from the agreement the terms, quote, military vessel, unquote, military reserve vessel, or, quote, essential security interests on a case-by-case basis as determined by the Secretary of Defense. This part of the amendment would prevent an international trade organization from defining what is or is not in the national security interests of the United States.

Finally, this amendment would allow greater rights for U.S. shipbuilders to petition the U.S. Trade Representative if they believe other countries are selling ships at less than the cost to foreign countries.

In conclusion, the Committee on National Security changes are modest, reasonable, and crucial. They will not bring down this agreement as the opponents would have us believe. If it does, it demonstrates the signatories are not seriously interested in ending shipbuilding subsidies, and if they are not so interested, then the agreement is worthless.

I urge my colleagues' support if they believe it is important to preserve a strong defense industrial base that will be available if, God forbid, we ever need to mobilize our shipbuilders.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is the gentleman from Illinois [Mr. CRANE] opposed to the amendment?

Mr. CRANE. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois is recognized for 30 minutes.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am adamantly opposed to this amendment. If implemented, it would cause the agreement to disintegrate, leaving us with nothing but many wasted years. Make no mistake: the amendment violates the agreement in a fatal way. We have received letters from a number of our trading partners telling us that if this amendment is adopted, we will not have implemented the agreement and that they will not renegotiate the agreement. We cannot afford to have them walk away.

Let me rebut the arguments raised by the supporters of this amendment. First, we do not need to eliminate our title XI program in order to comply with the agreement. We merely have to scale it back to meet the agreement requirements, just as our trading partners must. We will achieve balance instead of a war of escalation that we cannot and will not win.

Second, our national security is completely protected under the agreement. The agreement contains an exception that allows a government to back away if it believes its national security interests are at stake. The Department of defense has also sent us a letter stating, and I quote, that "the Agreement will not adversely affect our national security." This statement is powerful evidence that the agreement does not threaten our national security.

Third, our negotiators were able to achieve an exception for the Jones Act, something no other country was able to achieve. Although I agree that the Jones Act is not affected, I do not believe that we need specific statutory language that says so. But more importantly, I believe that this amendment goes too far. I am concerned that we could potentially violate a whole series of agreements, let alone the Shipbuilding Agreement, by prohibiting such measures from taking effect. There is no need to put us at such risk. As the Defense Department stated in the letter I quoted earlier, the agreement "does not change cabotage laws, that are clearly vital to our national security."

We have heard some discussion that the amendment represents a compromise position because there are some members that wanted even tougher language. Mr. Chairman, a serious violation is still a serious violation. Merely because the amendment keeps the current title XI program in effect for 30 months as opposed to a longer period of time does not change the fact that any extension of the current title XI program violates the agreement.

Nor can it be said that the amendment merely extends the transition period. Let us not be naive. We would be asking for more benefits than we currently have but, at the same time, would be requiring our trading partners to implement all of the terms of the agreement immediately. But trade agreements do not work that way. We have to give up something, too. But the reality is that our shipyards will feel the pinch considerably less than our trading partners: Our $50 million in title XI loan guarantees compared to billions of dollars in foreign subsidies. And we do not even have to give up our $50 million. Instead, we just have to make sure that we do not make guarantees in a manner that violates the agreement.

Let me read what our administration and some of our trading partners have said about the amendment. U.S. Trade Representative Charlene Barshefsky has stated:

> I want to make clear that the substitute amendment to H.R. 2754 approved by the National Security Committee * * * modifies the legislation in ways that are clearly incompatible with the agreement and unacceptable to the other signatories.

The EU Ambassador to the United States has stated:

> This amendment clearly is inconsistent with the terms of the agreement as negotiated between the parties. * * * This significant amendment would not be acceptable to the European Community since it would be contrary to the basic objectives and balance of mutual concessions contained in the agreement. I cannot envisage the circumstances under which signatories of the OECD agreement would be willing to reopen negotiations. The adoption of the amendment would put the agreement in serious jeopardy.

The OECD has stated:

> If this amendment is attached to H.R. 2754 and passed by the House of Representatives, the United States is putting in jeopardy the entry into force of the Agreement.

For all of these reasons, Mr. Chairman, let me be clear that a vote for the amendment is a vote against the agreement. Contrary to what the supporters are arguing, this amendment would not improve the agreement; it would destroy it. I urge my colleagues to join together in a bipartisan effort to support our shipbuilding industry and to oppose the amendment.

Mr. Chairman, I include the following information for the RECORD:

ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT,
Paris, June 4, 1996.

Hon. HERBERT H. BATEMAN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN: I understand that the mark-up by the House National Security Committee of HR 2754, a bill to approve and implement the provisions of the 1994 "Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry" has led to an amendment by yourself, among others, that would extend the provisions of the present Title XI Loan Guarantee Program until January 1999, with the vessels constructed using these terms being required to be delivered by January 1, 2002. It is clear that this proposal will be in contradiction to the Agreement and a breach of its provisions. As you know, the essential approach to shipbuilding subsidization in the Agreement and a guarantee of its effectiveness is equal treatment of all Parties and quick elimination, i.e. by entry into force, of all existing support measures.

Let me therefore express my great concern that if this amendment is attached to HR 2754 and passed by the House of Representatives, the United States is putting in jeopardy the entry into force of the Agreement.

Failure to bring the Agreement into effect, though possibly of some advantage for the

US shipbuilding industry in the very short-term, will be of great harm to it in the longer-term. Failure will, inter alia, prompt a resurgence of shipbuilding subsidies in the other countries—which as you know have severely affected the competitiveness of US yards in the past. Furthermore, it would deprive the United States shipbuilding industry of the tool to act against dumping in the world shipbuilding market.

I therefore urge you to reconsider your amendment as the legislation makes its progress on the floor of the House of Representatives. Strict and immediate implementation of the Agreement seems to me to be the way of ensuring the long-term viability of the shipbuilding industries in the United States, as well as those of the other Parties to the Agreement.

Sincerely,

P.M. OLBERG,
Ambassador.

EUROPEAN UNION, DELEGATION
OF THE EUROPEAN COMMISSION,
Washington, DC, May 31, 1996.

Hon. HERBERT H. BATEMAN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN: I am writing on behalf of the European Commission to express our considerable concern with respect to the amendment passed by the House National Security Committee in its mark-up of the OECD shipbuilding implementing legislation. The amendment calls for an extension of the term of Title XI financing for ship construction for thirty months. Furthermore the amendment would clearly state that the agreement does not require changes in the Jones Act and that certain Department of Defense procurements are not covered.

This amendment clearly is inconsistent with the terms of the agreement as negotiated between the parties.

The agreement is the result of five years of complex negotiations which have led to the adoption of the basic principles originally proposed by the United States (i.e. the prohibition of virtually all forms of future government subsidies). Therefore this significant amendment would not be acceptable to the European Community since it would be contrary to the basic objectives and balance of mutual concessions contained in the agreement. I cannot envisage the circumstances under which signatories of the OECD agreement would be willing to reopen negotiations.

The adoption of the amendment would put the agreement in serious jeopardy. Therefore, I should like to urge you to take the above into account in future consideration of the bill.

Sincerely Yours,

HUGO PAEMEN,
Ambassador.

EMBASSY OF JAPAN,
Washington, DC, June 5, 1996.

Hon. PHILIP M. CRANE,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN CRANE: Upon the instruction from my government, I wish to draw your attention to an important and urgent matter concerning the "OECD Shipbuilding Agreement" (the Agreement respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry) which is to be ratified by 15 June.

Recently we were informed that the amendments of the implementing bill, which would not be consistent with the obligations under the Agreement, was made in a U.S. House committee. We noted with surprise that such an action has been taken in the U.S., which was the initiator and driving force behind the negotiations of the Agreement.

This Agreement was negotiated for several years and aims to reach normal competitive conditions in the world commercial shipbuilding and repair industry. We are gravely concerned that amending the Agreement would, in fact, make it impossible to enter into force. It would seriously undermine the credibility of the U.S., if the Agreement, made by the U.S. initiatives, would not enter into force due to the U.S. failure to conclude it.

In Japan, this Agreement was approved by the House of Representatives on 31 May and is to be put to a vote in the responsible committee of the House of Councilors in the very near future. The implementing legislation was already approved by the Diet on 5 June. Thus, we are approaching to the goal in time for the target date of 15 June.

I would like to invite you to review the above situations and impacts and strongly encourage the U.S. to quickly conclude this Agreement as it is.

Sincerely,

KUNIHIKO SAITO,
Ambassador of Japan.

ROYAL NORWEGIAN EMBASSY,
Washington, DC, June 5, 1996.

Hon. CHARLENE BARSHEFSKY,
Acting U.S. Trade Representative,
Washington, DC.

DEAR AMBASSADOR BARSHEFSKY: I am writing to you to express the Norwegian Government's grave concern regarding the amendments passed by the National Security Committee of the House of Representatives in its mark-up last week of the legislation for implementation of the OECD Shipbuilding Agreement.

Several of the amendments, most notably the provisions for extending the Title XI shipbuilding loan guarantee program and the provisions for removing the applicability of the Agreement with respect to the building of Jones Act vessels, are clearly inconsistent with the terms of Agreement.

The OECD Shipbuilding Agreement is the result of many years of complex negotiations and represents a carefully crafted compromise between the parties to the Agreement. My Government holds the view that the Agreement is of vital importance for the return to normal competitive conditions in the commercial shipbuilding industry.

Norway has ratified the OECD Agreement, and would find that the introduction of amendments such as those proposed by the National Security Committee would destroy the balance of obligations and, thus, undermine the foundation upon which the Agreement was built. On the Norwegian side, we do not foresee circumstances whereby the signatories of the OECD Agreement would be prepared to reopen negotiations.

Hoping that you will convey to Congress Norway's concern that adoption of the aforementioned amendments would seriously jeopardize the OECD Agreement, I remain.

Sincerely yours.

KARSTEN KLEPSVIK,
Chargé d'Affaires ai.

□ 1200

Mr. Chairman, I reserve the balance of my time.

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to my distinguished colleague, the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I rise in strong support of the Bateman amendment. It is absolutely essential for our national security and the security of our economy that we continue to have a shipbuilding industry. It seems to me, Mr. Chairman, that there is no better public-private partnership than the loan guarantee. I want to congratulate the gentleman from Virginia [Mr. BATEMAN] for having brought this absolutely vital amendment to us. I urge my colleagues to support it, both for the economy and for our national security.

Mr. DELLUMS. Mr. Chairman, I yield 4 minutes to my distinguished colleague, the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Chairman, I want to thank the gentleman from California for yielding this time to me.

Mr. Chairman, as the former chairman of the Committee on Merchant Marine and Fisheries, or as the chairman of the late Committee on Merchant Marine and Fisheries, I rise today in very strong support of the amendment offered by the gentleman from Virginia [Mr. BATEMAN]. Mr. BATEMAN and I, when we had the Committee on Merchant Marine and Fisheries, worked very, very hard on behalf of the maritime industry. I am very happy that he has continued to do so over on the Committee on National Security, as I have tried to do on the Committee on Infrastructure and Transportation.

Mr. Chairman, I commend the gentleman from Virginia and the other members of the National Security Committee for recognizing the need to improve the OECD Shipbuilding Trade Agreement to make it more equitable for the United States shipbuilding industry.

The United States initiated negotiations for the OECD Shipbuilding Trade Agreement 5 years ago in order to end the massive government subsidies that give foreign shipbuilders an unfair competitive advantage. Unfortunately, the final OECD agreement fails to meet the objective of eliminating foreign government shipbuilding subsidies. For instance, the agreement contains a major restricting loophole which European Governments are using to spend millions of dollars for the modernization of their shipyards. In fact, the French Government refused to even sign the agreement until it was allowed to spend $480 million for such restructuring of its shipyards. In addition, United States trade negotiators agreed to grandfather certain subsidy programs by South Korea and Germany, which were initiated during the negotiations. Yet, the United States is expected to immediately depredate the title XI loan guarantee program for U.S. shipbuilders—despite the fact that

U.S. shipbuilders have not enjoyed a direct Government subsidy in over a decade.

The OECD agreement is full of loopholes and exemptions that will benefit foreign shipbuilders. Moreover, the agreement does not even cover such major shipbuilding nations such as Poland, China, Taiwan, and Russia, allowing those countries to continue their direct and substantial subsidization of their domestic shipbuilding. Yet, the United States is expected to immediately reduce the current Title XI: Loan Guarantee Program. This will cause immediate harm to the U.S. shipbuilding industry.

With Navy shipbuilding at an all time low, it is critical for our yards to secure commercial work. And, for the first time in 35 years, American shipbuilders are experiencing a resurgence in commercial business. These recently signed commercial contracts were made possible by the Title XI: Ship Loan Guarantee Program. Yet, the OECD agreement and the bill would bring a screeching halt to this resurgence by rendering the title XI program ineffective.

A 30-month extension of the modest title XI, as provided in the Bateman amendment, is needed to give U.S. shipyards an adequate transition period to ensure their continued viability. This is a reasonable request when compared to the unfair competitive advantage subsidized foreign shipbuilders have enjoyed for the past decade—and will continue to enjoy in China, Poland, and other nonsignatory nations.

This amendment is the absolute minimum we can, and must, enact. I urge my colleagues to support the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 2754 as approved by the Committee on Ways and Means, and to commend the chairman of the committee and the gentleman from Florida [Mr. GIBBONS] for their steadfast work in securing enactment of this historic agreement.

Unfortunately, in spite of their efforts, some individuals argue that no agreement is better than this agreement. In reality, if the Bateman amendment is adopted, that is exactly what we would have: No agreement.

To all those people, I say, take off your blinders and recognize that, embodied in this agreement, is our best chance to revitalize our domestic industry. For years we have witnessed the continued decline of the U.S. shipbuilding industry at the hands of massive foreign subsidization. The remaining American commercial shipbuilders have become the most efficient in the world. Yet no amount of belt-tightening could ever overcome the enormous subsidy margins provided by their foreign competitors.

Over the past several years, many have expressed frustration with the negotiating of this agreement. I must say that while the road to this final agreement has been extremely difficult, I am confident that this agreement provides our domestic shipbuilders with the best opportunity to compete in a fair world market.

If Members believe they are helping our domestic shipbuilding industry by voting for the Bateman amendment, let me tell the Members, I believe they are wrong. Our failure to pass this measure as approved by the Committee on Ways and Means will likely spur existing subsidies by our foreign competitors to record levels, and this would certainly be the final and fatal blow to our domestic shipbuilding industry.

Mr. Chairman, I urge my colleagues to defeat the Bateman amendment and adopt this historic and sound international agreement.

Mr. BATEMAN. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I commend the loyalty of the gentlewoman from Washington [Ms. DUNN] to the chairman of the committee she serves on, but I believe she is wrong.

Mr. Chairman, let me go to a little different direction. I truly believe that both under Republican and Democrat administrations, our State Department has been the weak link of this country. While we have strong militaries, the American worker can compete against any nation in the world, but yet our trade agreements which I supported, NAFTA and GATT, they have been treated very, very poorly as far as the administration of them. Who ends up paying for that? The American worker, Mr. Chairman.

If we take a look in which title XI uses $50 million, why was it created in the last couple of years? Under OPA 90 we wanted to build dual hull tankers. There is no money to build ships in the United States, because foreign nations have subsidized by billions of dollars and cut on the west coast. NASCO is the only shipbuilder left on the west coast. We only built one ship in this decade, because foreign nations, with their cutthroat economic tactics, have cut and killed the American worker. So we established it not only to help the environment, so we could build tankers, but to neutralize that system.

In the meantime, while we build one ship, they build 100. I cannot tell the Members just the economy of scale. If you build 100 ships, it is much cheaper to build those ships. They say let us do away with title XI, and that will neutralize this situation. No, it will not, Mr. Chairman, because they still have the advantage of all of these orders and all of these ships they are building, which makes our ships cost much more, which we cannot sell. All we are asking is to give us a level playing field.

Mr. Chairman, I think for the first time this country has a chance to walk softly and carry a big stick. Let us approach this trade agreement for a change with a benefit to the American worker, not to the benefit of foreign trading interests. The President was right on his trading policies, but we have to get tough.

Do Members think the Secretary of State, under either Republican or Democratic administrations, is going to push and support this? No, they are not. Let us support the American worker, let us support the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Chairman, the agreement that is really before us, the OECD agreement, is an agreement which I think all of us would argue, at least the concept of the agreement, will greatly benefit the United States of America. It would end the subsidies that other countries have been doing for years, the dumping that other countries have done for years to adversely affect the American shipbuilding industry.

All we need to do is look at the facts on the ground in this country today, or the facts in the shipyards. Those facts are that the United States right now does not sell very many ships in terms of the world market, an infinitesimal percentage of those ships in the world market, because of the type of system that exists today and that this agreement is trying to end.

Now in front of us, the Bateman amendment says, well, this agreement is going to adversely affect the defense of the United States of America, our national security. That is why we need the Batement amendment. I would reiterate what actually has been pointed out by the chairman of the subcommittee previously, the gentleman from Illinois [Mr. CRANE], that the Defense Department, the Joint Chiefs, have obviously gone through this agreement, have sent correspondence to the chairman of the committee the gentleman from South Carolina, [Mr. SPENCE] specifically, categorically stating that there would be no adverse effect. There is a specific national defense exemption that exists in the agreement.

Mr. Chairman, I think it is really unfortunate to raise this issue, really almost as a scare tactic, versus what the facts are as based through the Joint Chiefs.

□ 1215

The other issue that I would raise is, it has been brought out, the whole issue that this is a jobs loss issue for the United States of America. Let us look at the facts. The facts are we are not producing a heck of a lot of jobs in terms of commercial production and, in fact, the commercial production that would exist, the potential for us to compete in that market is far greater than really any potential loss that exists.

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me surface an issue that has not been dealt with and just put it on the table so we all can look at it. That is that this bill, there is joint jurisdiction on this piece of legislation.

The tragedy of this institution is that we tend to get caught up and see the world in very narrow terms, and that is through the narrow prism of our committee jurisdiction. But someone was wise enough, Mr. Chairman, to refer this bill to two committees.

I would hope that the process would allow us to bring together the perspectives and the perceptions of both committees in the hope that in joining those two perceptions, we will arrive at the wisest decision, so we do not get caught up in knee-jerk responses on the basis of a committee jurisdiction. I do not know taxes. I am not on Ways and Means. But I will debate anyone in this town on national security matters, because that has been my job for 25 years here.

We looked at this bill. Where are we in agreement? First, that this is a maritime nation. Second, that we need to stimulate shipbuilding. Third, that we need to stimulate commercial shipbuilding. Fourth, that American workers and shipbuilders believe that it is in their mutual self-interest to end government subsidies of shipbuilding. So let us take that off the table. We all agree with that, so we do not have to sword fight over these issues.

Where is the area of disagreement? The area of disagreement is that we believe that this agreement is flawed with respect to its transition implications. When speaking to the persons that negotiated the agreement, they admitted that they never sought transition assistance to the American shipbuilding industry.

Did other countries do it? The answer is yes. I repeat, and underscore for the purposes of emphasis: Spain, $1.4 billion in restructuring aid; Portugal, $110 million in restructuring aid; Belgium, $74 million in restructuring aid; South Korea, restructuring aid, we believe that that amount is somewhere around $750 million plus bailout guarantees to the Daewoo shipbuilding industry.

France, unknown total amount at this time, but we know minimally $480 million. Special offers are currently being made by other members of the European Community to gain France's support for this agreement. Germany, a package to modernize, restructure, and cover losses of shipyards in the former East Germany.

So some other Nation's negotiators looked at transition, and these subsidies that I spoke to were granted to January 31, 1999, Mr. Chairman. So somebody saw the need for transition.

We are being asked to ratify an agreement, as I have said on more than one occasion today, and we have a responsibility to bring our intellectual capacity, our economic understanding and our political prowess to this situation and make the best decision. We tend to engage in hyperbole around here. "Killer amendment." I have not seen anything die in the 25 years I have been around here, and I have gone after some things to try to kill them, so that is a bunch of hyperbole, Mr. Chairman.

As I said before, the world wants this agreement, we want this agreement, I want this agreement, the shipbuilders want the agreement, and thousands and thousands of American workers want this agreement. They are the stakeholders. But when they looked at the agreement, they said, "Hey, fellows, what about the transition? What about us until January 1999?" All the Bateman amendment does is says, "Here is some transition assistance, 30 months."

Loan guarantee program. Where were all the people around here when we put in this loan guarantee program and fought to get a measly $50 million in loan guarantees for an economic conversion program because a lot of people said, "Wait a minute, you're spending DOD dollars to stimulate commercial shipbuilding development?" We said that if we do not build some kind of ships, we are going to lose our industrial base.

That is why we have a National Security Committee. That is why we have Ways and Means. We study certain things, but our collective perception is where the great wisdom is.

We are simply saying that this is an important agreement, it is a wonderful agreement. I have complimented the gentleman from Florida and I said, without equivocation, I am one of his greatest fans on the floor of this Congress. There is no finer person in this institution.

I am simply saying that my point of departure is on the basis of the problems that it gives our American shipbuilding industry in the transition, and our American workers, who are extremely sensitive to these issues. They have all communicated with all of us here and said, "We want the agreement, the intent makes sense, but in the transition, we feel disadvantaged."

I do not think this agreement dies, because there is an imperative larger than this amendment. It is the world community coming together. But we can enter that stage, that world stage, as rational and intelligent people and say, just as these other nations did in their restructuring aid, that we can restructure as well.

That is what this gentleman's argument is all about, not to kill the agreement. That would be stupid. It would be bizarre. It would be extreme. It would be self-defeating. But it would seem to me to allow it to go forward when other nations continue to have this kind of extraordinary advantage to January 1999 stabs at the agreement, the very people we choose to help, the American shipbuilding industry, the American worker, and at the end of the day the American citizen, because we are a maritime Nation.

That is this gentleman's argument, so I am not trying to engage in any scare tactics, but I would make this point. We have six major shipbuilding industries, and when Ronald Reagan was spending $300 billion a year on the military budget, everybody was building ships, they were coming out of our ears. That day is over. There is no such thing as a 600-ship Navy anymore. The gentleman from Mississippi pointed out we are moving toward a 150-ship Navy.

So if we are not going to build naval ships because we are cutting the military budget, we have got to build some other kind of ships to keep this going, keep these people working, keep the economy moving. It is in the area of commercial ships, in a post-cold-war environment, where our future lies. So we want to see this agreement, but we want to see the transition period speak to us as eloquently as this restructuring speaks to these other countries that are moving toward signing this agreement.

A final point. One of my colleagues said that this amendment would violate the agreement. We cannot violate anything that we have not agreed to as yet. That is why we are here, to use our brains, to use our ingenuity, to use our competence to decide how and what we will agree with.

I hope my colleagues will join me in overwhelming support of the Bateman amendment, overwhelming support of the American shipbuilding industry, overwhelming support of the hundreds of thousands of American workers who desperately need us to do this, and overwhelming support for a transition period that speaks to the dignity of the respect and the reality of the American shipbuilding industry.

Mr. Chairman, I reserve the balance of my time.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Chairman, the comments of our colleague from California are eloquent as always. I take a back seat to no one in my admiration of the work that he has done in the interests of economic conversion. Nothing could be more important to the economy of this Nation.

Mr. Chairman, in many areas, American industries and their workers have had to complete against heavily subsidized European firms. Even where the gap between the level of subsidies has been the greatest—most notably in the areas of aerospace and agriculture—American industries have largely been able to overcome this added challenge.

However, in shipbuilding, American firms have simply been at too great a disadvantage. We have two choices of actions to address this: complete by enacting—and inevitably increasing—our own subsidies, or use our economic leverage to convince our trading partners to reduce their own subsidies.

As public sector deficits have emerged as an increasing drag on the economies of all nations, those partners have seen the advantages of reducing their spending on subsidies. That is part of the reason we have this agreement before us today.

We must also recognize the reality that we cannot afford a subsidy war. The continuation of the title XI program unchanged for another 3 years, as the Bateman amendment would accomplish, will not alter that fact. It will only convince our trading partners to resurrect the subsidies that have crippled our ability to compete in the past.

The complexities and challenges of international competition will continue to cause pain and disruption in this country and across the world. But when we can convince other nations to level the international playing fiend, the opportunities of trade become that much more apparent. The decision we face today is between seizing such an opportunity or hanging on to the vestiges of a disappointing past. I urge my colleagues to oppose the Bateman amendment and support the bill.

Mr. BATEMAN. Mr. Chairman, I yield 1½ minutes to the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Chairman, I will be supporting the Bateman amendments, but I also want to make clear that I do not think the shipbuilding agreement itself is the solution. It will in all likelihood make much more difficult if not impossible U.S. shipbuilders' pursuit of commercial shipbuilding orders in the international market.

This agreement is fatally flawed in that it permits other governments to continue direct subsidy shipbuilding payments to their yards until 1999 as long as those subsidies are committed by the end of this year. The last direct U.S. commercial subsidy program was unilaterally terminated by our Government in 1981, a full 15 years ago. I find it appalling that U.S. negotiators took part in formulation of an agreement in which numerous exceptions are granted to specific subsidizing foreign governments totaling billions of dollars. How this combination of provisions does anything other than make the international commercial playing field even more lopsided against unsubsidized American shipbuilders escapes me.

A French shipyard received a subsidy package in the range of $480 million after the agreements were concluded and our negotiators had returned home. That event alone should have provided more than ample grounds for our Government to insist on reopening the negotiations for the purpose of gaining more equitable treatment for the unsubsidized U.S. industry. Other subsidies are actually provided for in the agreement, including subsidies to Spain, Portugal, and Belgium.

It is unfortunate, to say the least, that the administration chose to ignore this information and not respond favorably last December to the formal request of the six major U.S. shipbuilders which represent 95 percent of all active American shipbuilding workers that the United States not sign the agreement in its present form.

I will support the Bateman amendments but I will also oppose final passage. Bateman will fix some of the weaknesses in the bill, but, by the same token, they do not go far enough.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

(Mr. RICHARDSON asked and was given permission to revise and extend his remarks.)

□ 1230

Mr. RICHARDSON. Mr. Chairman, I speak as a 14-year member of the Democratic Party with a 90-percent labor voting record. The AFL–CIO has been mentioned here. Yes, they are opposed, but let me state that their opposition stems from following the lead of the big Navy-oriented yards.

Mr. Chairman, while 80 percent or more of total employment in shipbuilding is in these big yards, these yards primarily build Navy ships, not commercial ships. Over 90 percent of commercial ships are build in yards other than these Navy yards. The bill does not affect military ships. The big Navy yards are hopeful for big new subsidies for commercial ships. That is very enlightening. Jobs would be created for commercial yards to build more, but they cannot compete with the much larger subsidies from foreigners.

Foreign subsidies are more than $4 billion. U.S. subsidies are $50 million. This is the reason for the agreement to eliminate these subsidies, so we can create more American jobs, so our shipbuilders are more active and can compete more. The agreement would eliminate these unfair subsidies that we cannot compete with.

This is a good bill, this is an amendment that would violate the fair trade agreement.

Significant growth is projected for the highly competitive international shipbuilding market, while domestic military and commercial markets are expected to be small. The commercial shipbuilding market is projected to be $265 billion for the period 1992 to 2001.

American shipbuilders are being squeezed out of this market by heavy foreign government shipyard subsidiaries. This agreement eliminates those subsidies and allows the American builders to compete on a level playing field with the major shipbuilding countries of the world.

We are in the midst of tight fiscal pressures to reduce our own spending, we cannot compete with major industrialized nations in a race to subsidize our shipping industries.

The United States must take the lead in implementing this agreement. It will signal our commitment to freer markets to the international community. The strength of U.S. industry is its ability to compete. This agreement will give American shipbuilders the opportunity to expand operations and increase their production.

International leadership requires courage and vision. Let's demonstrate to the world that we are looking forward and embracing the principles that have made America great.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, I thank the gentleman for yielding to me, and I want to associate myself with his remarks and rise in opposition to the amendment and in support of the bill.

Let me say sadly and somewhat soberly that we have been here before. In the early 1980's, this country decided that it could no longer afford to and no longer wished to try to compete with the subsidies of foreign nations for the construction of vessels. We withdrew and, ironically, this agreement before us, the ratification of it, is a result, ultimately, of a suit brought under our own trade laws by our own shipbuilding industry, which concluded they could not possibly win a battle of competition with the subsidies of foreign nations.

We cannot afford to go back there. I think in the long run our best bet is a world without these subsidies and, therefore, I complement the gentleman and join him in his remarks.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

The gentleman from Virginia [Mr. BATEMAN] stated earlier that because the USTR is reopening the agreement to add 6 months to the delivery date, that it can renegotiate to permit us to retain title XI. And I want to explain to colleagues that is not correct. It will be impossible to reopen the agreement, as Mr. BATEMAN suggests.

The agreement currently provides that no subsidies may be awarded under the agreement after the effective date of the agreement, July 15. Subsidies may be granted before that point as long as the vessel is constructed by December 31, 1998. The signatories had originally agreed that the agreement would take effect on February 1, 1996.

That date had to be delayed 6 months because the United States was not ready to implement. However, the December 31, 1998, delivery date remained in place.

The administration is merely seeking a change applicable to all countries that would extend the delivery date 6 months to match the delayed starting date. The administration is not renegotiating the agreement. This change can be made merely through an understanding.

Our trading partners appear to be willing to discuss this limited change that applies to all countries equally. However, our trading partners have told us that they will not renegotiate the agreement under the terms set forth in the Bateman amendment because it would destroy the balance in the agreement and give the United States an undue advantage.

Mr. Chairman, I reserve the balance of my time.

Mr. BATEMAN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me this time. I want to make a couple of closing remarks, first to my friend, the gentleman from Illinois [Mr. CRANE], a dear friend and one of the real leaders in this Congress with respect to trade. I know that the President's, the Clinton administration's appointees in the Pentagon have said there is no threat to national security. They also told us the other day and repeated in a statement there is no threat to this country in terms of incoming ballistic missiles. Both of us disagree with the second statement that they made, and I think we should both disagree with the first statement they have made.

Mr. Chairman, I want to remind my colleagues that all of the nations which are signatories to this agreement, all the major nations that are asking us to give up our national shipbuilding program, are nations that in this century have been saved militarily or protected militarily by America's national shipbuilding program. They will wait for us to work this agreement and make it right before they sign it.

Second, my colleagues, this is a sovereignty issue. We are doing the same thing we did in the World Trade Organization, where we are giving up the right to a foreign judge to decide what is a military program. And I would just remind Members that the latest World Trade Organization ruling under WTO, in which foreign judges said Brazil and Venezuela can send dirty gas into the United States and, in the absence of that, retaliate against Americans, because they said that our environmental laws were in conflict with the World Trade Organization's ideas of what those laws should be. We will see exactly the same thing here because these foreign tribunals reserve to themselves the definition of what is an American military shipbuilding program.

This is a sovereignty issue. Every single conservative should vote against the bill and for the Bateman amendment because it fixes some of those sovereignty problems on that basis. This is also predominantly a national security issue. I would hope that when national security goes head to head with economic considerations, national security with respect to maritime power should predominate. Please vote for the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

On the question of whether the agreement unfairly disadvantages the United States, let me reassure colleagues that other countries are not permitted to transition, as the gentleman from California [Mr. DELLUMS] had earlier suggested. The agreement does provide for some existing shipbuilding restructuring programs to be phased out in Spain, Portugal, and Belgium; however, these programs are primarily for the express purpose of reducing capacity in the respective shipbuilding industries of these nations, not for expanding the industry or supporting specific ship construction activities.

The precise terms of these programs, the amounts of funding, the purpose and deadlines for completion of these programs are spelled out in the agreement. The downsizing of European shipbuilding capacity is in the best interest of this Nation and the United States shipbuilding industry and should be encouraged. The special provisions result in an advantage, not a disadvantage to United States shipbuilders that wish to compete in the world shipbuilding marketplace.

No other countries have received special deals. Without the OECD agreement there would be no way to monitor or control these programs. They could continue indefinitely at any level of funding for whatever purpose they chose. The Bateman amendment would not provide us with transition; it would completely and unequivocally kill the agreement and all we have achieved.

Mr. Chairman, I reserve the balance of my time.

Mr. DELLUMS. Mr. Chairman, may I inquire as to the remaining amount of time on either side?

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] has 1½ minutes remaining; the gentleman from Virginia [Mr. BATEMAN] has 2 minutes remaining; and the gentleman from Illinois [Mr. CRANE] has 14½ minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield the balance of my time, 1½ minutes, to my distinguished colleague, the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I thank the gentleman for yielding me this time and I rise in strong support of the Bateman amendment and want to talk a little bit with the membership about why the agreement without this amendment is so flawed.

The agreement essentially will not end foreign subsidy and dumping practices, it will, however, kill the recent rebirth of commercial shipbuilding in our country. It will eliminate thousands of highly skilled jobs in our shipyards and in the thousands of industries throughout 46 States which supply our shipyards.

While our Trade Representative was at the negotiating table, it is important to point out that South Korea announced a $750 million bailout of its Daewoo Shipyard, which has been dumping ships on the world's market; Germany granted a $4 billion shipyard modernization subsidy to its shipyards, monies which are still being disbursed.

Our negotiators agreed to grandfather these special subsidies, and though our trade negotiator maintains that restructuring is supposed to be tied to closure of facilities and associated worker restraining, that is not how foreign governments see it. In fact, Spain is spending $723 million to modernize all of its existing facilities with no closures planned.

Further, the overall agreement fails to discipline the ship dumping practices of Japan and South Korea, and even though China has just begun to target shipbuilding as a means to develop its manufacturing industries, China is not a signatory to this agreement, nor is Poland, nor is Russia.

So what did America get out of this deal? Nothing. What did American shipbuilders get out of this deal? Nothing. And what did American workers get out of this deal? Nothing. In fact, our negotiators agreed to immediately gut the modest title XI ship loan program that is included in the Bateman amendment. So without the Bateman amendment we will kiss more U.S. shipyard jobs goodbye.

Mr. Chairman, I urge my colleagues to support the Bateman amendment and, without its inclusion, to oppose the bill.

Mr. BATEMAN. Mr. Chairman, I yield myself the remainder of my time, and say in closing the debate on behalf of the Committee on National Security that it is passing strange to have heard my amendment referred to as reasonable on its face and modest, and at the same time be told that we are going to unravel an agreement and that we are violating an agreement.

Mr. Chairman, we will not be violating an agreement. What we are contemplating is essentially a proposed agreement until and unless this Congress, in the exercise of its sovereign right for the people of the United States, determines that this is an agreement that should be implemented.

My amendment, contrary to some who would have me taking a position of total opposition to any agreement, is a midpoint. It simply says there are flaws in this proposed agreement which had been identified, and, in the interest and protection of American shipbuilding because of its importance to American national security, need to be modified.

If the other nations who purport to be in agreement on this agreement are unwilling to accept these modest transition provisions, it speaks volumes to me as to whether or not they were seriously interested in ending shipbuilding subsidies. I am. We should be.

This is not about doing that. This is about modest, reasonable transition provisions in protection of the core American shipbuilding capability, which is absolutely essential to our national security. And it is those shipyards and the workers in those shipyards and the merchant mariners who man American ships, and because of the importance of that merchant marine to the United States, that ask that Members vote for the Bateman amendment.

Mr. CRANE. Mr. Chairman, I yield the remainder of my time to the gentleman from Florida, SAM GIBBONS, our distinguished ranking minority member for closing remarks, and I want to pay tribute to him again as the man who served for so long as chairman of the trade subcommittee on which I served in my ranking minority position. We have worked collegially for years together and I pay tribute to this great man from Florida.

☐ 1245

Mr. GIBBONS. Mr. Chairman, I thank the gentleman from Illinois [Mr. CRANE] and others of my colleagues who have recognized my service here, and I want to say to them I close this debate with certainly no personal rancor toward them or to the cause that they advocate.

I am here to give the best of my knowledge to the Members of this House, and the best of my judgment about the outcomes of actions we may take, what will follow.

Mr. Chairman, over the years, ever since World War II, the United States has been backing out of the subsidy in shipbuilding. Through the 1950's and the 1960's we cut back on our appropriations to commercial shipbuilding subsidies. Through the 1970's we did the same thing, and finally in the 1980's, under a procedure here on the budget reconciliation bill, the minority, together with some Members of the majority, got control of the situation through the Gramm-Latta substitute and actually abolished all the shipbuilding subsidies they could find. So since the 1980's the United States has had absolutely no shipbuilding subsidies of any consequence.

Now, as I sat here attentively listening to this debate today, I had been hoping that I would find something that I had not heard before that perhaps I could respond to or answer a question about.

Now, I know that negotiations are a tedious process. I participated in the launching of these negotiations many, many years ago. The negotiations have actually gone on for more than 5 years. Prior to that, I met with all of the shipbuilding industry in the United States. They all, because of my responsibilities, came by to see me. I sat down with them all in my office over here in the Rayburn building and we agreed to launch these negotiations.

Now, as I hear these negotiations discussed, I would have to believe that they were not even a party to the negotiations, but they sent representatives to these negotiations that sat there with our negotiators and participated in all of these negotiations. Nobody was surprised about anything that was brought up. They would come back from these negotiations and come to see me and we would discuss these points.

Mr. Chairman, I started unilateral U.S. action against these countries because at first they would not even negotiate with us on this. They would just come to the sessions and say no. Finally, they got concerned enough about the actions of Congress here to come to the negotiations and really truthfully begin the negotiations, and 5 tortuous years of negotiations took place.

During those 5 tortuous years, everybody in the shipbuilding industry had somebody around the negotiating table there to kibitz and to add their suggestions as to what should be done. Concessions were made back and forth. Deals were entered into and agreed to. Finally, all of these mutual concessions and negotiations came to an agreement.

I celebrated, as did the shipbuilding industry at that time, because we thought we had a good agreement and I believe we still do have a good agreement.

One thing was overlooked. The Committee on National Security found and rejuvenated an old, old subsidy that goes back to 1936; one that had been overlooked in the 1981 abolishment of all subsidies. Perfectly all right.

Under the standstill agreement that is a part of the general agreement we are talking about here today, all countries agreed to stand still and not to go out and create new additional subsidies, and this little subsidy for $50 million that the Committee on National Security found qualified as one of those that could still be used. So, Mr. Chairman, some of our yards got a little jump out of that.

But tomorrow, Mr. Chairman, June 15, is the deadline for us to take affirmative action on this agreement. If we do not take affirmative action in this House today to ratify this agreement, all of the other nations that have agreed to this agreement will back out of it. They have not just told us that; they put it in writing, and it is in yesterday's CONGRESSIONAL RECORD there for my colleagues' examination.

Now, I know my friend, the gentleman from California [Mr. DELLUMS], believes that they will come back to the negotiating table. Well, I do not have the optimism that he has. Perhaps my lack of optimism is caused by having followed this agreement so closely over the years. All of these other nations are having trouble with their own shipbuilders, and the only reason they are standing still is because their word is good. But once we back out of the agreement, I do not see them coming back to the negotiating table to do what the gentleman from Virginia [Mr. BATEMAN] wants to do here.

Mr. Chairman, let me say this. This agreement was negotiated with everybody participating. Every American shipbuilder in the United States had an opportunity and most of them did participate in this agreement. It was an agreement that had concessions on all sides. On our side, the Jones Act people put up a good case, and every other nation on Earth that participated in this agreement got rid of their so-called Jones Act subsidies or protection except the United States. We got a concession there. But a resulting concession had to come in, and that is that the Jones Act people, acting under the protection that they get from the Jones Act, would not take the economic advantage that they got from their Jones Act protection and go out and get a double dip under the international marketplace agreement that was negotiated here. That is all that is involved here.

Now, the Department of Defense has signed off on this agreement. They followed the negotiation, both Republican and Democratic administrations. They have been a part of it. They know the consequences of it, and they are not concerned about it at all. The letter from the Secretary of Defense is also in the record.

So, Mr. Chairman, this is not a national security issue; it is an economic issue for America. We stand on the verge of entering into the international shipbuilding market for the first time since 1981. If we do not take this advantage, we are going to lose a lot of jobs that we already have in the United States, and we are not going to take the opportunity to get the new jobs that are coming about because of the rapid obsolescence of the world's merchant marine fleet. American shipyards are competitive. They can compete against the best shipyards around the world. Our labor costs are low. Let me repeat that: Our labor costs are low and our technology is high.

What has defeated us all these years is that all of the other nations on Earth continued their subsidies, continued their unfair pricing, and we sat with our hands tied. Do not let us go down today with our hands continually tied behind us. Give our yards an opportunity to get out and compete.

Shipbuilders from all over the United States have come and talked to me about, "Mr. GIBBONS, if we could only get there subsidies ended, we can compete. But if we cannot end these subsidies right now, we are going to have to go on welfare."

Now, that is not fair. There are many conflicting interests in all of this in the United States, and I respect everyone's interest in this. I accuse no one of any unfair, undemocratic practices. But the problem is we have got a once-in-a-lifetime opportunity to get rid of these pernicious worldwide subsidies. If we do not do it now, the RECORD already reflects that our trading partners will back out. We cannot afford to do that.

It is really bigger than this shipbuilding issue. Ever since I have had a responsibility for monitoring our international trade negotiations, the rest of the world is structured politically different than we. No one has a Congress or a lawmaking body that is as powerful and as intrusive in the process as the Congress of the United States, and all of the rest of the world understands that and knows that.

That is the reason why they will not deal with us on any kind of international agreement unless we have what we call fast track. A horrible misnomer, but I think all of us know what it is. They accuse us time and time again, in all international negotiations, of coming back to the House floor and the Senate floor and unraveling all of the mutual concessions that were made in the agreement.

That is really what we are doing here today. I know we do not recognize it but they recognize it. They are resisting that, not only because of shipbuilding but because of all of the other negotiations that they have carried on with us and will carry on with us over the period of time.

So this is a big issue. It is a big issue about how we organize a peaceful world, a world that lives under law, a world that lives under law openly developed and put forward and negotiated and agreed to by the different bodies of this country.

Certainly the Committee on National Security has a role in all of this. I guess I regret as I stand here now that they probably were not involved in it enough during the negotiating process. I am sorry I did not call it to their attention. But I though that all of the shipbuilders in this country, particularly the large Navy yards that are so dependent on national security contracts, were keeping in touch with their other Members of Congress. I can tell my colleagues that I spent a lot of other time with them, time that I could have better spent on Florida concerns rather than on national concerns.

So believe me, we have got an opportunity here today. We have got an opportunity to get a good agreement. This is the best agreement that American negotiators, including the private sector in all of these negotiations, could work out in 5 tortuous years. Four sets of negotiators, Republican and Democrat. We wore out in these negotiations. We cannot go back and undo all of that again because of these rather last-minute concessions.

At best, if the Bateman amendment succeeds, it will last until Monday. It will last until Monday, and then it is gone, because it is only protected by the standstill agreement that is in this basic agreement. The other nations have told us, "If you are not going to agree to it, we are not going to stand still," and they will meet and match on Monday the Bateman amendment subsidy, and there will be no more advantage, as temporary as it is, for the United States under the Bateman amendment. That is what all of this is about.

This is perhaps my swan song on trade. I may have a few words on some other things around here before my term expires, but I want to thank the Members of Congress for listening to me, and I want to thank you also for this opportunity to participate.

Mr. CRANE. Mr. Chairman, I yield 30 seconds to the gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Mr. Chairman, I just want to echo what the gentleman from Florida [Mr. GIBBONS] was talking about, and to tell the gentleman that the day has already arrived.

Mr. Chairman, just yesterday in my district, a press release came from the Alabama shipyard, and it is based upon whether or not this agreement is enacted, where they signed a contract for five Russian tankers to be built in the State of Alabama. We are talking about 600 new jobs.

Mr. Chairman, I chair or have chaired for the past 8 years, the revitalization of the shipbuilding industry in this country. This is the biggest thing that we have going for us. We are now here. We already have achieved contracts, created jobs. If we turn this back, then we are going to lose American jobs.

So, Mr. Chairman, I would encourage my colleagues to vote against the Bateman amendment and encourage them to support the bill once the Bateman amendment is rejected.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. BATEMAN].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 278, noes 149, not voting 7, as follows:

[Roll No. 237]

AYES—278

Abercrombie
Ackerman
Andrews
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (WI)
Bartlett
Bateman
Becerra
Bilirakis
Bishop
Bliley
Blute
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Burr
Burton
Buyer
Calvert
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Costello
Coyne
Crapo
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
Dellums
Diaz-Balart
Dickey
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Duncan
Durbin
Edwards
Ehrlich
Emerson
Engel
Eshoo
Evans
Ewing
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Funderburk
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Graham
Green (TX)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hansen
Harman
Hayes
Hayworth
Hefner
Hilleary
Hinchey
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Jones
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
Klink
LaFalce
LaHood
Lantos
LaTourette
Lazio
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lofgren
Longley
Lowey
Lucas
Maloney
Manton
Markey
Martinez
Martini
Mascara
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Neal
Neumann
Ney
Norwood
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Poshard
Quillen
Rahall
Reed
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Serrano
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Solomon
Souder
Spence
Spratt
Stark
Stockman

Stokes
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NOES—149

Allard
Archer
Armey
Bachus
Baker (CA)
Barrett (NE)
Barton
Bass
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Blumenauer
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bunn
Bunning
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chapman
Christensen
Chrysler
Clinger
Coble
Collins (GA)
Combest
Cox
Cramer
Crane
Cremeans
Cubin
de la Garza
DeLay
Deutsch
Dicks
Dreier
Dunn
Ehlers
English
Ensign
Everett
Fawell
Foley
Fowler
Frelinghuysen
Frisa
Ganske
Gibbons
Gilchrest
Goss
Gutknecht
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (FL)
Hastings (WA)
Hefley
Heineman
Herger
Hilliard
Hobson
Hoekstra
Hoyer
Istook
Jacobs
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Kasich
Kennelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
Laughlin
Leach
Levin
Lewis (KY)
Lightfoot
Linder
LoBiondo
Luther
Manzullo
Matsui
McCarthy
McCollum
McCrery
McDermott
Meyers
Miller (FL)
Minge
Myrick
Nethercutt
Nussle
Orton
Parker
Paxon
Peterson (FL)
Petri
Portman
Pryce
Quinn
Radanovich
Ramstad
Rangel
Richardson
Rohrabacher
Roth
Royce
Salmon
Sanford
Sawyer
Schroeder
Sensenbrenner
Shadegg
Shaw
Shays
Skaggs
Smith (TX)
Smith (WA)
Stearns
Stenholm
Studds
Taylor (NC)
Thomas
Thurman
Walker
Waxman
White
Whitfield
Zeliff
Zimmer

NOT VOTING—7

Gillmor
Greene (UT)
Houghton
Lincoln
McDade
Miller (CA)
Oxley

□ 1321

Messrs. KIM, KNOLLENBERG, FOLEY, McCOLLUM, ZELIFF, SHADEGG, CANADY of Florida, and HOYER changed their vote from "aye" to "no."

Messrs. GILMAN, EWING, WELLER, Mrs. MEEK of Florida, and Mr. BARRETT of Wisconsin changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The Committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BARRETT of Nebraska) having assumed the chair, Mr. GUTKNECHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2754), to approve and implement the OECD Shipbuilding Trade Agreement, pursuant to House Resolution 448, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

Is a separate vote demanded on the amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the Committee amendment in the nature of a substitute.

The Committee amendment in the nature of a substitute amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DAVIS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 325, noes 100, not voting 9, as follows:

[Roll No. 238]

AYES—325

Ackerman
Allard
Andrews
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Bonior
Bono
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Burr
Calvert
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (MI)
Condit
Conyers
Crane
Cremeans
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dickey
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Durbin
Ehlers
Ehrlich
Emerson
Engel
Ensign
Eshoo
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Greene (UT)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hancock
Hansen
Harman
Hastings (FL)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hinchey
Hoekstra
Hoke
Horn
Hostettler
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kleczka
Knollenberg
LaFalce
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Ney
Norwood
Olver
Ortiz
Orton
Owens
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Porter
Pryce
Quillen
Quinn
Radanovich
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Roth
Roukema
Roybal-Allard
Sabo
Sanders
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (TX)
Solomon
Souder
Spence
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Talent
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wicker
Williams
Wilson
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff

NOES—100

Abercrombie
Archer
Armey
Bachus
Baker (CA)
Barr
Barton
Bevill
Boehner
Bonilla
Browder
Bunning
Burton
Callahan
Camp
Chenoweth
Chrysler
Collins (GA)
Collins (IL)
Combest
Cooley
Costello
Cox
Coyne
Cramer
Crapo
Cubin
de la Garza
DeLay
Diaz-Balart
Dicks
Doolittle
Dornan
Dunn
English
Evans
Everett
Foley
Fowler
Graham
Gunderson
Hall (TX)
Hastert
Hastings (WA)
Hilleary
Hilliard
Hobson
Holden
Hunter
Jacobs
Johnson (CT)

Johnson, Sam
Kingston
Klink
Klug
Kolbe
Lantos
Laughlin
Lewis (KY)
LoBiondo
Longley
McCrery
McDermott
Mollohan
Montgomery
Nethercutt
Neumann
Nussle
Oberstar
Obey
Pombo
Portman
Poshard
Rahall
Ramstad
Rohrabacher
Ros-Lehtinen
Rose
Royce
Rush
Salmon
Sanford
Schroeder
Shadegg
Smith (NJ)
Smith (WA)
Stearns
Stockman
Stump
Tanner
Taylor (MS)
Thompson
Tiahrt
Torricelli
Traficant
White
Whitfield
Wise
Yates
Zimmer

NOT VOTING—9

Buyer
Edwards
Gillmor
Green (TX)
Houghton
Lincoln
McDade
Meyers
Oxley

☐ 1342

Mr. McNULTY changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GENE GREEN of Texas. Mr. Speaker, on rollcall vote No. 238 earlier today I was unavoidably detained. Had I been present, I would have voted "aye."

GENERAL LEAVE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2754, the bill just passed.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3610, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 453 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 453

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30,1997, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI, clause 7 of rule XXI, or section 302(c) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived. Before consideration of any other amendment it shall be in order without intervention of any point of order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Young of Florida or his designee. That amendment shall be considered as read, may amend portions of the bill not yet read for amendment, shall be debatable for twenty minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. If that amendment is adopted, the bill, as amended, shall be considered as the original bill for the purpose of further amendment. After disposition of that amendment, during further consideration of the bill pursuant to this resolution, the appropriate allocation of new discretionary budget authority within the meaning of section 302(f)(1) of the Congressional Budget Act of 1974 shall be $245,065,000,000. The corresponding level of budget outlays shall be $243,372,000,000. During further consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than fifteen minutes. After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

☐ 1345

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for debate purposes only.

Mr. Speaker, House Resolution 453 is an open rule providing for the consideration H.R. 3610, the Defense Department appropriations bill for fiscal year 1997.

The rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Appropriations Committee. The rule waives the 3-day availability requirements for the committee report and the published hearings.

The report was filed Tuesday morning and was available to Members yesterday. So today is the second day of its availability.

The rule contains a technical waiver of section 302(c) of the Budget Act which prohibits consideration of an appropriations bill until the committee has made allocations pursuant to the most recent budget resolution. Since the House just last night adopted the conference report on the budget resolution for fiscal 1997, and the Appropriations Committee has not yet filed its new subcommittee allocations based on that resolution, this technical waiver is necessary.

However, the rule does provide a mechanism for bringing the bill within its new suballocations which were voted on in committee this morning.

Under the rule, a manager's amendment by Subcommittee Chairman YOUNG, which is printed in the report on the rule, will be considered at the outset.

That amendment reduces the funding level in the bill by another $500 million, thereby bringing the bill back under its new 602(b) allocations.

The manager's amendment will be debated for 20 minutes divided between the proponent and opponent.

While it is nonamendable at the outset, if it is adopted its provisions will be folded into the base text for purposes of further amendment under the open amendment process.

In addition, if the amendment is adopted, the rule provides that the new discretionary ceilings for budget authority and outlays will be in effect for the consideration of the bill.

Mr. Speaker, the rule further waives clauses 2 and 6 of House Rule XXI against provisions in the bill. Those rules prohibit the consideration of unauthorized and legislative provisions in appropriations bills, and the transfers of unobligated balances.

While the House has passed its defense authorization bill, it has not yet become law. However, we are informed that this bill closely tracks the decisions we made on that authorization bill, and that the chairman of the National Security Committee has no objection to these waivers. The rule further provides priority in recognition to Members whose amendments have been pre-printed in the CONGRESSIONAL

RECORD. It allows the Chairman of the Committee of the Whole to postpone and cluster recorded votes to save the time of the House.

In addition, the rule permits the majority leader to offer the privileged motion to rise and report the bill back to the House at any time after the final lines of the bill have been read. Finally, the rule provides for one motion to recommit, with or without instructions.

In summary on the rule, Mr. Speaker, this is a complicated rule, admittedly, given the transition we are making from the previous budget allocations to the new ones. But in so doing, the rule brings the bill into conformity with the budget conference report adopted yesterday and the new allocations proposed by the Appropriations Committee today.

It is important that we comply with our budgetary decisions, and this rule makes that possible.

In the final analysis, this is a fair and open rule. That was reflected in the rule's unanimous adoption by voice vote in the Rules Committee yesterday, and its support by Chairman BILL YOUNG and Ranking Member JOHN MURTHA who have worked very hard together to conform this bill to the budget conference agreement. In that same, bipartisan spirit, I urge the adoption of the rule by the House today.

On the bill itself, I would like to commend Chairman YOUNG and Mr. MURTHA for once again putting together an excellent bill that takes care of this Nation's defense needs within the very tight budget constraints we all face.

Mr. Speaker, for the fourth year in a row, the Clinton administration has sent to Congress a defense budget request that is simply inadequate to this country's needs.

Of particular note was this year's weapons procurement requests of only $39 billion, which is $21 billion short of where the joint Chiefs of Staff tell us that we need to be in just a few years.

And that is important, Mr. Speaker. The joint Chiefs of Staff and this Nation's military commanders are telling us that the modernization of our weaponry is grossly underfunded. So let's remember that when we here the catcalls that we are going beyond the Pentagon request in this bill.

It is the President's political request that we are going beyond, and well we should, because the needs of our men and women in uniform outweigh any political need. So I commend the committee for adding $5.7 billion dollars to the President's weapons procurement request.

Mr. Speaker, weapons purchases have declined by 70 percent since 1985, and that is precisely what has led to today's severe modernization problems.

This increase, along with a large increase in the President's ammunition request, will help fulfill one of the most sacred obligations the U.S. Government has: Ensuring that American soldiers and sailors have a plentiful supply of the best weapons and equipment available so that they can adequately defend themselves in battle.

Anything less than that is unforgivable.

Our military personnel are also helped in this bill by a full 3 percent pay increase as well as a 4.6 percent increase in the basic housing allowance.

This bill makes positive strides in other categories as well. The Appropriations Committee added $2.9 billion to the President's request for Research and Development, including $704 million for missile defense.

On that note, let me just say that it's high time for this President to commit himself to defending the American people against ballistic missiles. The time for talk is over. There are no more excuses for not protecting ourselves from this threat.

Mr. Speaker, the long slide in defense spending must come to an end. The end of the cold war did not mean that American forces don't need the best equipment and weaponry they can possibly get. They do. And the end of the Cold War certainly didn't mean that there are no threats to peace in the world. There are.

Anybody reading the papers lately knows that Communist China, for instance, is both massively increasing its own military and helping to transfer the technology to build weapons of mass destruction to rogue nations like Iran.

Slashing our defense budget, refusing to build missile defenses and appeasing countries like Communist China is no way to deal with these threats. Unfortunately, that is precisely what President Clinton is doing. Fortunately, however, we are beginning to take steps in this Congress to reverse this situation. And we can continue that reversal by adopting this bill before us today.

Once again, Chairman YOUNG, Mr. MURTHA, and their staffs deserve high praise for their work and I urge support for this rule and this critical legislation.

Mr. Speaker, I include the following material for the RECORD:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of June 13, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open[2]	46	44	73	59
Structured/Modified Closed[3]	49	47	33	27
Closed[4]	9	9	17	14
Total	104	100	123	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of June 12, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of June 12, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of June 12, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	A: voice vote (6/12/96).
H. Res. 450 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. ——— (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. YOUNG], the chairman of the subcommittee, who has done such a great job here to explain the necessity and the brevity of this bill.

Mr YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding time.

Mr. Speaker, I want to point out this is an open rule, and we ought to be able to expedite the consideration of the rule and even adopt it by a voice vote, I would hope. We are already an hour past the time we expected to be starting this bill. I know that Members have plans for tomorrow that do not involve being here in the Chamber, so our plan is to finish this bill tonight. The sooner we can expedite it, the sooner Members can get about their other plans, and I know at the White House, the President is having a significant function there tonight that some Members who have been invited would like to get to. Hopefully, we can expedite the rule, move on to the bill and get into the substance of the bill without any delay.

Mr. SALMON. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this rule and of this bill. Maintaining a strong defense of our Nation is one of the paramount responsibilities of Congress, and I am pleased that this bill meets that responsibility head on.

As reported, H.R. 3610 provides appropriations of $245.8 billion for the functions of the Department of Defense in fiscal year 1997 which is $11.1 billion above the administration's request. While some may disagree with the funding levels and priorities established by this bill, the simple fact is that in end, these priorities will protect the best interests of the United States. These priorities will keep us strong and deserve our support.

Mr. Speaker, the rule will allow any Member to offer amendments to cut funding levels in the bill and thus ensures that we will have a full and fair debate on the defense programs funded here. In addition, the manager's amendment made in order in the rule will cut an additional $800 million from the reported bill to bring it in line with the conference agreement on the budget for fiscal year 1997. I commend Chairman YOUNG and his ranking member, Mr. MURTHA, for their willingness to adjust this bill to meet the requirements of the budget resolution.

I would also like to commend the Appropriations Committee for not including in the bill the social issues that generated such controversy in the fiscal year 1996 appropriation. Mr. Speaker, the purpose of this appropriation is to fund programs of the Department of Defense that relate to our military preparedness. Passage of this appropriation for those important programs should not be slowed by adding to them social issues that are of importance to a certain extreme element of the Republican Party. I am gratified that this year my Republican colleagues have seen the wisdom of adhering to the rules of the House and have kept those controversial issues out of the appropriations bill.

Mr. Speaker, H.R. 3610 is a forward looking appropriation. This bill accelerates the acquisition of several important weapons systems, accelerates the research and development programs relating to the next generation of several others, and funds quality-of-life programs that insure that we will be able to recruit and keep the young men and women who serve as our soldiers, airmen, sailors, and marines. I am particularly gratified that the committee has provided advance funding for the acquisition of additional C–17's and V–22's. The accelerated acquisition of these two aircraft systems will save the U.S. Treasury nearly $9 billion. Saving $9 billion while ensuring for our Nation's defense is no mean feat and I congratulate the Defense Subcommittee for making these recommendations to the full House.

Mr. Speaker, this is a good bill and I urge my colleagues to support H.R. 3610 and the rule providing for its consideration.

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Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this open rule as well as the underlying bill, the Defense Appropriations Act for fiscal 1997. It would be shortsighted and reckless to underestimate the national security dangers that face the United States.

Yes, the Soviet Union collapsed, but Russia remains engaged in serious internal debates that will decide its future course of behavior in the world community. China, as the gentleman from New York [Mr. SOLOMON] recently stated, is acquiring wealth at an extraordinary rate. Some project that it may even surpass the United States in gross domestic product in the next century, and with wealth inevitably comes vast military power.

If we take specific examples, for example, Mr. Speaker, North Korea, though the Clinton administration is providing massive amounts of oil and technical assistance to North Korea, that regime remains an enemy of the United States. The regime in Iran is a deadly enemy of the United States as well, with enormous oil reserves. And there remain many other enemies of this great Nation throughout the world.

Many would love to see the United States on its knees, our youth destroyed by drugs, our economy shattered by debt. Here in this hemisphere the regime in Havana is one such enemy of the American people. In 1982, four senior aides to the Cuban dictator were indicted, Mr. Speaker, for drug smuggling in the United States.

The U.S. attorney in the Southern District of Florida has ready another indictment, this time of 15 high-ranking officials in the Castro government, including Castro's brother, Raul, for trafficking cocaine into the United States. For unexplained and unsatisfactory reasons the administration has refused to authorize the issuance of that indictment.

We, in Congress, passed a tough sanctions law 3 months ago against the Cuban regime. Some of our trading partners, irresponsibly, have criticized us for doing so. Last week the Organization of American States came out against our sanction against Castro. It is very interesting that at that time the brother of the Secretary General of the OAS, Mr. Gaviria, was being held captive by Communist terrorists in Colombia.

Mr. Gaviria was very happy last week after the OAS criticized our sanction of Castro, known as the Helms-Burton law. Mr. Gaviria also asked Castro at that time to get his brother freed. Again, his brother, at that time, was being held by Communist terrorists in Colombia. Yesterday, the Communist terrorists freed Gaviria's brother and all the terrorists flew to Havana, where they arrived, weapons and all, and were given sanctuary by Castro.

Mr. Speaker, Congress has the obligation to find out what the terms of the deal between Gaviria and the Castro government that got Castro to first request and then obtain the release of Gaviria's brother and to accept the kidnappers into Cuba. So I call upon this Congress, through our Subcommittee on the Western Hemisphere and its distinguished chairman, the gentleman from Indiana [Mr. BURTON], to summons the OAS Secretary General in order to ask him the following questions.

And if there is a jurisdictional problem with a summons, then demand, request, or ask, because we have a right to know, being the country that most pays for the OAS, to know the answers to the following questions.

In addition to looking into the terms of the deal between the OAS Secretary General and Castro to get Gaviria's brother freed, we need to know, first, what relation was there between the action of the OAS in Panama last week against the Helms-Burton law and the release of the Secretary General's brother at Castro's request this week?

Second, does Gaviria support the impunity and protection given to his brother's kidnappers by the Castro government; in other words, of the terrorists who were received and given sanctuary yesterday in Cuba?

Third, can Gaviria act impartially as the OAS Secretary General after having made a deal with his brother's kidnappers and with Castro for his brother's freedom?

We must investigate the relationship between Latin American governments who attack our Helms-Burton law and guerrillas and kidnapers controlled by Castro who blackmail those governments. They key question is, in fact, who is the leader in this hemisphere? Who is the boss, Castro and his guerrillas? Can Castro also kidnap in the United States? Is that next, Mr. Speaker? If so, will the United States also acknowledge his authority over all the hemisphere's terrorists?

America has plenty of enemies, Mr. Speaker, and this hemisphere is obviously suffering a crisis of leadership. In Congress, we can, at least, provide the means for the protection of the American people from all possible threats to their security.

Furthermore, Mr. Speaker, military strength and the ability to project military power are closely connected to economic influence and, consequently, to the opportunity for solid economic development and its accompanying jobs and protection of a strong middle class.

For many reasons and, for the most important reason of all, because security is Government's main responsibility, we need a strong national defense and this bill is a necessary ingredient in a strong posture for the United States of America.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I do not think I will take the full 5 minutes, but I did want to take some time to suggest that this bill today has two fundamental problems:

First of all, it is, in my view, reflective of a view that somehow the United States is under serious duress and, in fact, is falling behind potential military competitors.

The fact is, it is not. The fact is that right now we spend two-and-a-half times as much as all of our military adversaries combined and this bill will add to that lead, not subtract from it.

Second, I would like to point out that a little known fact about the defense budget is that while both parties are talking about proceeding to balance the budget in 7 years, the fact is that by the seventh year the defense budget, reflected by the budget resolution that passed yesterday, the majority party's defense budget, is in fact lower than the budget provided by the President. Yet, at the same time that these outyear numbers are substantially lower than the President's, for the first 2 or 3 years this committee is insisting on adding billions of dollars above the President's request.

That makes absolutely no sense. It means that we will be continuing to avoid the tough choices that are needed on the kind of weapons that are going to be bought, and as long as we avoid those tough decisions, it means that we will be buying more than we can afford just a few years down the line.

That will mean that if the Congress, in fact, sticks to its outyear budget ceilings it will be forced to either cancel programs or make substantial reductions in operation and maintenance and other key items at a later point in the cycle, precisely at the time when we ought to be not doing that.

That is why Secretary of Defense Perry has described what is happening as a catastrophe, and that is why it is important to understand that this is not just an argument between the traditional doves and hawks, it is not just an argument about whether this budget ought to spend more money or less money. It is an argument about whether or not it makes sense to grossly inflate the military budget today when we know that we will have to produce substantial reductions in the outyears to meet the targets under the budget resolution.

I submit to my colleagues that we are fooling ourselves and the American people when we pass legislation such as this, and I do not think we should do it. I will, during the course of the debate, be offering a number of amendments to try to bring it in line, but I think it is important, before we begin the debate on the amendment process, to understand the context in which those amendments are offered.

As I have said, the context is that, very clearly, this bill is jamming far too much money into the bill the first 2 or 3 years of this so-called 7-year budget cycle. It will require all kinds of reductions 3 and 4 years down the line. We could make our job a whole lot easier in the future if we would make the choices today that, unfortunately, this committee has refused to make.

Mr. DIAZ-BALART. Mr. Speaker, I yield 1 minute to my distinguished friend, the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Speaker, this is not a controversial rule, it is a good open rule, but I may not be available to talk during the appropriations bill discussion itself, so I wanted to make a few points.

I am extended for 2 years on the Permanent Select Committee on Intelligence. It is my eighth year. And there will not be a single Republican member of the Permanent Select Committee on Intelligence who will argue with the figures provided for our defense and national security structure in this bill or, for that matter, in the authorization bill, which is a bit higher.

I do not believe any Democrat who serves on the Permanent Select Committee on Intelligence, who has a reputation of working consistently and hard on defense, will either find any question that the funding levels here are exaggerated.

We may be the sole standing surviving superpower, but when there is as much nuclear weaponry around the world as still exists, that do not have the checks and balances that we have in our governmental system, then we do still live in a severely dangerous world. And I would ask everybody to reject all the amendments coming up that cut our defense budget.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding me this time, and I must say I am pleased that this is an open rule.

As one who has sat on the defense authorization committee for now 24 years, when that bill came to the floor we had a closed rule and we were not allowed to offer one substantive cutting amendment. Not one. I find that outrageous. So at least so far today, unless we do something else, it appears we are going to get to have some debate about what is the right level.

The gentleman from Wisconsin just pointed out that this bill equals two-and-a-half times what all of our adversaries together are spending, so one would think that we ought to be able to make a few cuts in here.

I have an amendment that several other distinguished Members are cosponsoring with me that would bring the level of this bill down to the bipartisan Coalition budget number. That number is what the administration asked for plus 3 percent for the pay raise.

I think that makes a tremendous amount of sense. I would save $7 billion and, if it were adopted, it would almost make the budget that we adopted last night, without my vote because the deficit is higher than it is this year, but it would almost bring that deficit down to the level of this year.

So I would hope Members who voted for the Coalition budget, as I did, on both sides of the aisle, would listen to this. I think it makes a lot of sense and it is really where we should go.

I must say the reason I am speaking on the rule is I hear some rumblings that there may be some steamrollers starting up outside to try and limit the time overall. So those of us who have limiting amendments at the end of the bill may never be able to present them or have to present them just boom, boom, boom, without being able to explain them.

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I hope that does not happen.

Mr. YOUNG of Florida. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I would like to assure the gentlewoman we have no intention of denying anyone the opportunity to speak to the extent that they must. So, the gentlewoman might be assured of that.

Mrs. SCHROEDER. Mr. Speaker, reclaiming my time, I am happy to hear that. I assume that the gentleman means that we will not be having an overall limit so that those of us at the end will not be steamrolled out as people run for their airplanes.

Mr. YOUNG of Florida. Mr. Speaker, if the gentlewoman will continue to yield, I am not assuring her how we are accomplishing this, but I will assure her that we are not going to deny legitimate debate on this bill or the amendments.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman from Florida because I think these are very critical issues. This is the largest spending bill, as the gentleman knows, that we are probably going to be dealing with that is discretionary spending. And because we did not get to deal with it at all on the authorization side, I think it makes it all the more important that we be allowed to carry it on here.

If we do not get it finished now, let us carry it over to next week or let us do something. But I think this stampede out of here would be unfair.

So, Mr. Speaker, I thank the gentleman from Florida very much for his agreement.

Mr. DIAZ-BALART. Mr. Speaker, we have no further speakers on this side of the aisle. There is great consensus on our side of the aisle in favor of the rule and the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, I would like to reiterate some of the points made by the gentlewoman from Colorado. There is a concern that a number of amendments that might come toward the ends of consideration as we adopt a 3- or 4-hour limit will get short shift if we spend a predominant amount of time on amendments that do not have much significance to some Members.

The point is, we adopted a bill authorizing over $240 billion of expenditures for the Pentagon with not one single cutting amendment allowed. In fact, the gentlewoman from Oregon, I recall, wanted to offer an amendment, I think, to cut $1, and that was not allowed, which is to say that we are assured that this agency, this one agency of the Government is so unique. The largest agency of the Government with the largest budget that there is, not a single dollar of waste; that they could not benefit from any oversight from the Congress or any scrutiny of their programs or any active debate on some of the commitments that we are making that we will carry out for decades to come and cost tens and thousands of billions of dollars.

Mr. Speaker, I do not believe that and I do not think Members on that side of the aisle believe that. There is $15 billion that has gone missing, the accountants cannot find, over the last 10 years. If we had any other agency that could not account for an average of $1.5 billion a year of expenditures without any sort of receipt, I believe we would have special investigators and special prosecutors and special hearings and special committees. But that is a fact. That has happened at the Pentagon.

Mr. Speaker, we must have a full, active, and open debate here about the largest single budget, the largest single employer in the Federal Government. And I would hope that we do not find constraints being adopted.

This House was scheduled to be in session today, it was scheduled to be in session tomorrow, it was scheduled to be in session on Monday. And now we are hearing we have to skate out here tonight so that the east coast Members can catch their planes. There is only one an hour. Those of us from the west coast, it is just about too late to get home tonight. Let us stay here as late as is necessary to have a full and open debate.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply point out that this is an open rule that we are bringing to the floor, and no limitations on debate nor on amendments.

Mr. Speaker, I continue to reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the beginning of this Congress, the Republican majority claimed that the House was going to consider bills under an open process. I would like to point out that 63 percent of the legislation this session has been considered under a restrictive process.

Mr. Speaker, I submit for the RECORD the following material:

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 63	Open	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive	N/A.
S. 2	Senate Compliance	N/A	Closed	None.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive	N/A.
H.R. 1530	National Defense Authorization Act; FY 1996	H. Res. 164	Restrictive	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive	2R/2D.
H.R. 743	The Teamwork for Employees and Managers Act of 1995	H. Res. 226	Open	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed	....
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive	1D.
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive	1D.
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive	1D.
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive	5R.
H.R. 2539	ICC Termination	H. Res. 259	Open	....
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed	2R.
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed	1D; 2R.
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed	N/A.
PROCEDURE IN THE 104TH CONGRESS 2D SESSION				
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed	N/A.
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed	N/A.
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; Rule tabled	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social Security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive	2D/2R.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed	N/A.
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed	N/A.
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive	N/A.
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive	1D
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open	N/A.
H.R. 2715	Paperwork Elimination Act of 1996	H. Res. 409	Open	N/A.
H.R. 1675	National Wildlife Refuge Improvement Act of 1995	H. Res. 410	Open	N/A.
H.J. Res. 175	Further Continuing Appropriations for FY 1996	H. Res. 411	Closed	N/A.
H.R. 2641	United States Marshals Service Improvement Act of 1996	H. Res. 418	Open	N/A.
H.R. 2149	The Ocean Shipping Reform Act	H. Res. 419	Open	N/A.
H.R. 2974	To amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims.	H. Res. 421	Open	N/A.
H.R. 3120	To amend Title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.	H. Res. 422	Open	N/A.
H.R. 2406	The United States Housing Act of 1996	H. Res. 426	Open	N/A.
H.R. 3322	Omnibus Civilian Science Authorization Act of 1996	H. Res. 427	Open	N/A.
H.R. 3286	The Adoption Promotion and Stability Act of 1996	H. Res. 428	Restrictive	1D; 1R.
H.R. 3230	Defense Authorization Bill FY 1997	H. Res. 430	Restrictive	41 amends; 20D; 17R; 4 bipartisan
H.R. 3415	Repeal of the 4.3-Cent Increase in Transporation Fuel Taxes	H. Res. 436	Closed	N/A.
H.R. 3259	Intelligence Authorization Act for FY 1997	H. Res. 437	Restrictive	N/A.
H.R. 3144	The Defend America Act	H. Res. 438	Restrictive	1D.
H.R. 3448/H.R. 1227	The Small Business Job Protection Act of 1996, and The Employee Commuting Flexibility Act of 1996.	H. Res. 440	Restrictive	2R.
H.R. 3517	Military Construction Appropriations FY 1997	H. Res. 442	Open	N/A.
H.R. 3540	Foreign Operations Appropriations FY 1997	H. Res. 445	Open	N/A.
H.R. 3562	The Wisconsin Works Waiver Approval Act	H. Res. 446	Restrictive	N/A.
H.R. 2754	Shipbuilding Trade Agreement Act	H. Res. 448	Restrictive	1R.
H.R. 3603	Agriculture Appropriations FY 1997	H. Res. 451	Open	N/A.
H.R. 3610	Defense Appropriations FY 1997	H. Res. 453	Open	N/A.

*Contract Bills, 67% restrictive; 33% open. **All legislation 1st Session, 53% restrictive; 47% open. ***All legislation 2d Session, 63% restrictive; 37% open. ****All legislation 104th Congress, 57% restrictive; 43% open. *****NR indicates that the legislation being considered by the House for amendment has circumvented standard procedure and was never reported from any House committee. ******PQ Indicates that previous question was ordered on the resolution. *******Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

Mr. FROST. Mr. Speaker, I urge adoption of the rule, and I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I reiterate our strong commitment on this side of the aisle to a strong defense, and reiterate the fact that this is an open rule not closing debate in any way nor prohibiting amendments in any way.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3610, making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, and that I may be permitted to include tabular and extraneous materials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman for Florida?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 453 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3610.

☐ 1420

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, with Mr. CAMP in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida [Mr. YOUNG] and the gentleman from Pennsylvania [Mr. MURTHA] each will control 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am very happy to present to the House what I think is an excellent national defense appropriations bill. There will be those who disagree with that statement, but I have to say this, that this bill was created by Members of both parties in a bipartisan fashion and the bill that we bring to the floor is agreed to by the vast majority of the subcommittee and the full Committee on Appropriations.

We did this because of the tremendous cooperation that the Members showed toward each other in dealing with the issues. And those issues were decided based on the merit, based on whether or not they contributed something to our national security, and based on whether or not there actually was a requirement for what we included in the bill.

There was no question about who did it help politically or where did it create jobs or not create jobs. The decisions were based on what is good to provide for the security of this Nation, and our interests, wherever they might be.

And not only the Members who are outstanding members of this committee on both sides, I wanted to take just a minute and call attention to those who serve us at the staff level, those staffers who work here hours and hours late at night after we have done our work and gone home.

And I want to point out Kevin Roper, for whom this Congress is his first time as the chief clerk of this subcommittee and has done such an outstanding job. His brain is like a computer. He is able to call up information without any hesitation when he is called upon to do that.

John Plashal, Dave Kilian, Alicia Jones, Juliet Pacquing, Greg Walters, Trish Keenan, Doug Gregory, Paul Juola, Tina Jonas, Steve Nixon, Stacy Trimble; Paige Schreiner, who by the way is on maternity leave, just having had a lovely new daughter; and Cynthia Hill, who was a detailee from Navy; and Mr. Greg Dahlberg, who works as a partner with Kevin Roper, who also is a tremendous asset to the work of this subcommittee; and Carmen Scialabba, who is in Mr. MURTHA's office.

These ladies and gentlemen have all made tremendous contributions to helping this subcommittee do its work with the thousands and thousands of items and thousands and thousands of decisions that we have make during our markup.

Mr. Chairman, I wanted to say this: This bill that we present, we started with the President's budget request. There are those who say that, "Well, you are a Republican Congress. When the President's budget gets there, it is going to be dead on arrival." And we assured them all that is not the case.

We worked in cooperation with the administration. We began with the President's budget. We believed then, and we still believe, that it was short in a number of areas; so we made some additions. But basically and budget requested by the President is provided for in this bill.

But I will call to the attention of the Members some of the adds that we included, but let me tell Members about the numbers. We began with a 602(b) allocation of $246.6 billion and we marked to that amount, and we did the best we could to get the most for the money that we possibly could. At that, based on real growth, counting for inflation, is actually $4 billion under last year's bill.

By the time we got to the full committee, we had to make another $800 million reduction. So again we stood up to the plate, and we made that $800 billion reduction based on what the leadership thought would be the budget split between the House number and the Senate number.

Well, now we come to the floor, and that number is not low enough, based on the budget resolution we passed yesterday. So we will have to offer an amendment today that will cut an additional $500 million out of this bill. and that amendment has been prepared with the cooperation and work of all of the members of the subcommittee. By the time we finish with that amendment, this bill will be down to $245.3 billion. That is $4.7 billion under last year if we adjust for inflation, which is the realistic thing to do, and it is $1.6 billion under the authorized levels.

We have worked closely with the authorizers, with the chairman of the Committee on National Security and with the chairman of the Permanent Select Committee on Intelligence, to fashion this bill. We have worked in lock step. We cannot provide everything that they authorize because we do not have that much money available. But the bill we are going to vote on today is very close to the bill that Members have already voted in large numbers to support for the intelligence authorization bill and as well as the national security authorization bill. As we get into the amendments, we will then get into more debate about the bill.

Mr. Chairman, I submit the following tabular material for the RECORD:

FY 1997 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL (H.R. 3610)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I					
MILITARY PERSONNEL					
Military Personnel, Army	19,946,187,000	20,580,738,000	20,692,838,000	+746,651,000	+112,100,000
Military Personnel, Navy	17,008,563,000	16,942,956,000	17,000,856,000	-7,707,000	+57,900,000
Military Personnel, Marine Corps	5,885,740,000	6,102,108,000	6,103,808,000	+218,068,000	+1,700,000
Military Personnel, Air Force	17,207,743,000	17,043,150,000	17,099,550,000	-108,193,000	+56,400,000
Reserve Personnel, Army	2,122,466,000	2,043,679,000	2,083,379,000	-39,087,000	+39,700,000
Reserve Personnel, Navy	1,355,523,000	1,386,306,000	1,392,406,000	+36,883,000	+6,100,000
Reserve Personnel, Marine Corps	378,151,000	381,143,000	387,943,000	+9,792,000	+6,800,000
Reserve Personnel, Air Force	784,586,000	775,967,000	780,497,000	-4,089,000	+4,530,000
National Guard Personnel, Army	3,242,422,000	3,242,493,000	3,279,393,000	+36,971,000	+36,900,000
National Guard Personnel, Air Force	1,259,627,000	1,284,290,000	1,294,490,000	+34,863,000	+10,200,000
Total, title I, Military Personnel	69,191,008,000	69,782,830,000	70,115,160,000	+924,152,000	+332,330,000
TITLE II					
OPERATION AND MAINTENANCE					
Operation and Maintenance, Army	18,321,965,000	18,031,145,000	18,365,679,000	+43,714,000	+334,534,000
(By transfer - National Defense Stockpile)	(50,000,000)	(83,334,000)	(50,000,000)	....	(-33,334,000)
Operation and Maintenance, Navy	21,279,425,000	20,112,864,000	20,390,397,000	-889,028,000	+277,533,000
(By transfer - National Defense Stockpile)	(50,000,000)	(83,333,000)	(50,000,000)	....	(-33,333,000)
Operation and Maintenance, Marine Corps	2,392,522,000	2,203,777,000	2,465,077,000	+72,555,000	+261,300,000
Operation and Maintenance, Air Force	18,606,167,000	17,830,122,000	17,938,755,000	-667,412,000	+108,633,000
(By transfer - National Defense Stockpile)	(50,000,000)	(83,333,000)	(50,000,000)	....	(-33,333,000)
Operation and Maintenance, Defense-Wide	10,388,595,000	10,156,468,000	10,212,985,000	-175,610,000	+56,517,000
(By transfer)	(15,000,000)	....	....	(-15,000,000)	....
Operation and Maintenance, Army Reserve	1,119,191,000	1,084,436,000	1,116,436,000	-2,755,000	+32,000,000
Operation and Maintenance, Navy Reserve	859,542,000	843,927,000	882,927,000	+23,385,000	+39,000,000
Operation and Maintenance, Marine Corps Reserve	100,283,000	99,667,000	108,467,000	+8,184,000	+8,800,000
Operation and Maintenance, Air Force Reserve	1,519,287,000	1,488,553,000	1,491,553,000	-27,734,000	+3,000,000
Operation and Maintenance, Army National Guard	2,440,808,000	2,208,477,000	2,268,477,000	-172,331,000	+60,000,000
Operation and Maintenance, Air National Guard	2,776,121,000	2,654,473,000	2,671,373,000	-104,748,000	+16,900,000
United States Court of Appeals for the Armed Forces	6,521,000	6,797,000	6,797,000	+276,000	....
Environmental Restoration, Army	....	356,916,000	....	....	-356,916,000
Environmental Restoration, Navy	....	302,900,000	....	....	-302,900,000
Environmental Restoration, Air Force	....	414,700,000	....	....	-414,700,000
Environmental Restoration, Defense-Wide	....	258,500,000	....	....	-258,500,000
Environmental Restoration, Defense	1,422,200,000	....	1,333,016,000	-89,184,000	+1,333,016,000
Summer Olympics	15,000,000	....	....	-15,000,000	....
Former Soviet Union threat reduction	300,000,000	327,900,000	302,900,000	+2,900,000	-25,000,000
Overseas Humanitarian, Disaster, and Civic Aid	50,000,000	80,544,000	60,544,000	+10,544,000	-20,000,000
(Transfer out)	(-15,000,000)	....	....	(+15,000,000)	....
Quality of Life Enhancements, Defense	....	....	975,000,000	+975,000,000	+975,000,000
Total, title II, Operation and maintenance	81,597,627,000	78,462,166,000	80,590,383,000	-1,007,244,000	+2,128,217,000
(By transfer)	(150,000,000)	(250,000,000)	(150,000,000)	....	(-100,000,000)
TITLE III					
PROCUREMENT					
Aircraft Procurement, Army	1,558,805,000	970,815,000	1,308,709,000	-250,096,000	+337,894,000
Missile Procurement, Army	865,555,000	766,329,000	1,044,767,000	+179,212,000	+278,438,000
Procurement of Weapons and Tracked Combat Vehicles, Army	1,652,745,000	1,102,014,000	1,500,414,000	-152,331,000	+398,400,000
Procurement of Ammunition, Army	1,110,685,000	853,428,000	1,150,128,000	+39,443,000	+296,700,000
Other Procurement, Army	2,769,443,000	2,627,440,000	2,899,040,000	+129,597,000	+271,600,000
Aircraft Procurement, Navy	4,589,394,000	5,881,952,000	6,896,552,000	+2,307,158,000	+1,014,600,000
Weapons Procurement, Navy	1,669,827,000	1,400,363,000	1,384,408,000	-285,419,000	-15,955,000
Procurement of Ammunition, Navy and Marine Corps	430,053,000	....	341,689,000	-88,364,000	+341,689,000
Shipbuilding and Conversion, Navy	6,643,958,000	4,911,930,000	4,719,930,000	-1,924,028,000	-192,000,000
Other Procurement, Navy	2,483,581,000	2,714,195,000	2,889,591,000	+406,010,000	+175,396,000
Procurement, Marine Corps	458,947,000	555,507,000	623,973,000	+165,026,000	+68,466,000
Aircraft Procurement, Air Force	7,367,983,000	5,779,228,000	7,326,628,000	-41,355,000	+1,547,400,000
Missile Procurement, Air Force	2,943,931,000	2,733,877,000	2,279,500,000	-664,431,000	-454,377,000
Procurement of Ammunition, Air Force	338,800,000	....	272,177,000	-66,623,000	+272,177,000
Other Procurement, Air Force	6,284,230,000	5,998,819,000	6,078,539,000	-205,691,000	+79,720,000
Procurement, Defense-Wide	2,124,379,000	1,841,212,000	2,247,812,000	+123,433,000	+406,600,000
National Guard and Reserve Equipment	777,000,000	....	908,000,000	+131,000,000	+908,000,000
Total, title III, Procurement	44,069,316,000	38,137,109,000	43,871,857,000	-197,459,000	+5,734,748,000
TITLE IV					
RESEARCH, DEVELOPMENT, TEST AND EVALUATION					
Research, Development, Test and Evaluation, Army	4,870,684,000	4,320,640,000	4,874,537,000	+3,853,000	+553,897,000
(By transfer)	(8,000,000)	....	....	(-8,000,000)	....
Research, Development, Test and Evaluation, Navy	8,758,132,000	7,334,734,000	8,399,357,000	-358,775,000	+1,064,623,000
Research, Development, Test and Evaluation, Air Force	13,126,567,000	14,417,456,000	14,969,573,000	+1,843,006,000	+552,117,000
Research, Development, Test and Evaluation, Defense-Wide	9,461,057,000	8,398,836,000	9,068,558,000	-392,499,000	+669,722,000
Developmental Test and Evaluation, Defense	251,082,000	252,038,000	272,038,000	+20,956,000	+20,000,000
Operational Test and Evaluation, Defense	22,587,000	21,968,000	26,968,000	+4,381,000	+5,000,000
Total, title IV, Research, Development, Test and Evaluation	36,490,109,000	34,745,672,000	37,611,031,000	+1,120,922,000	+2,865,359,000

FY 1997 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL (H.R. 3610)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE V					
REVOLVING AND MANAGEMENT FUNDS					
Defense business operations fund	878,700,000	947,900,000	947,900,000	+69,200,000	
National Defense Sealift Fund:					
Ready Reserve Force	289,000,000	261,000,000	261,000,000	-28,000,000	
Acquisition	735,220,000	702,002,000	1,643,002,000	+907,782,000	+941,000,000
Total	1,024,220,000	963,002,000	1,904,002,000	+879,782,000	+941,000,000
Total, title V, Revolving and Management Funds	1,902,920,000	1,910,902,000	2,851,902,000	+948,982,000	+941,000,000
TITLE VI					
OTHER DEPARTMENT OF DEFENSE PROGRAMS					
Defense health program:					
Operation and maintenance	9,938,325,000	9,358,288,000	9,398,188,000	-540,137,000	+39,900,000
(Transfer out)	(-8,000,000)			(+8,000,000)	
Procurement	288,033,000	269,470,000	269,470,000	-18,563,000	
Total, Defense Health Program	10,226,358,000	9,627,758,000	9,667,658,000	-558,700,000	+39,900,000
Chemical Agents and Munitions Destruction, Defense: 1/					
Operation and maintenance	353,850,000	477,947,000	477,947,000	+124,097,000	
Procurement	265,000,000	273,600,000	273,600,000	+8,600,000	
Research, development, test, and evaluation	53,400,000	48,300,000	48,300,000	-5,100,000	
Total, Chemical Agents	672,250,000	799,847,000	799,847,000	+127,597,000	
Drug Interdiction Defense	688,432,000	642,724,000	774,724,000	+86,292,000	+132,000,000
Office of the Inspector General	178,226,000	138,501,000	138,501,000	-39,725,000	
Total, title VI, Other Department of Defense Programs	11,765,266,000	11,208,830,000	11,380,730,000	-384,536,000	+171,900,000
TITLE VII					
RELATED AGENCIES					
Central Intelligence Agency Retirement and Disability System Fund	213,900,000	196,400,000	196,400,000	-17,500,000	
Intelligence Community Management Account	90,683,000	91,739,000	149,555,000	+58,872,000	+57,816,000
National Security Education Trust Fund	7,500,000	5,100,000		-7,500,000	-5,100,000
Payment to Kaho'olawe Island conveyance remediation and Environmental Restoration Fund	25,000,000	10,000,000	10,000,000	-15,000,000	
Total, title VII, Related agencies	337,083,000	303,239,000	355,955,000	+18,872,000	+52,716,000
TITLE VIII					
GENERAL PROVISIONS					
Additional transfer authority (sec. 8005)	(3,100,000,000)	(2,000,000,000)	(2,000,000,000)	(-1,100,000,000)	
Contractor ADP	-30,000,000			+30,000,000	
Rescissions	-561,217,000			+561,217,000	
Inflation Reestimate	-832,000,000			+832,000,000	
Management efficiencies	-442,000,000			+442,000,000	
FFRDCs labs	-90,000,000			+90,000,000	
Overseas Military Fac Investment Recovery (sec. 8045)		1,000,000	1,000,000	+1,000,000	
National Science Center, Army (sec. 8055)	85,000	120,000	120,000	+35,000	
Disposal & lease of DOD real property (sec. 8042)	8,000,000	26,565,000	26,565,000	+18,565,000	
Air Force DBOF pass through (sec. 8082)			-195,000,000	-195,000,000	-195,000,000
Spare parts inventories (sec. 8089)			-350,000,000	-350,000,000	-350,000,000
Excess funded carryover (sec. 8076)			-500,000,000	-500,000,000	-500,000,000
Total, title VIII	-1,947,132,000	27,685,000	-1,017,315,000	+929,817,000	-1,045,000,000
GRAND BILL TOTAL	243,406,197,000	234,578,433,000	245,759,703,000	+2,353,506,000	+11,181,270,000
Total, Department of Defense:					
Bill total	243,406,197,000	234,578,433,000	245,759,703,000	+2,353,506,000	+11,181,270,000
Scorekeeping adjustments	-1,338,900,000	100,000,000		+1,338,900,000	-100,000,000
Grand total	242,067,297,000	234,678,433,000	245,759,703,000	+3,692,406,000	+11,081,270,000

NOTE: Grand total does not include $820 million in emergency appropriations enacted in PL 104-134. The FY 1996 grand total including these appropriations is $242,887,297,000.

1/ Included in Budget under Procurement title.

FY 1997 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL (H.R. 3610)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
RECAPITULATION					
Title I - Military Personnel	69,191,008,000	69,782,830,000	70,115,160,000	+924,152,000	+332,330,000
Title II - Operation and Maintenance	81,597,627,000	78,462,166,000	80,590,383,000	-1,007,244,000	+2,128,217,000
Title III - Procurement	44,069,316,000	38,137,109,000	43,871,857,000	-197,459,000	+5,734,748,000
Title IV - Research, Development, Test and Evaluation	36,490,109,000	34,745,672,000	37,611,031,000	+1,120,922,000	+2,865,359,000
Title V - Revolving and Management Funds	1,902,920,000	1,910,902,000	2,851,902,000	+948,982,000	+941,000,000
Title VI - Other Department of Defense Programs	11,765,266,000	11,208,830,000	11,380,730,000	-384,536,000	+171,900,000
Title VII - Related agencies	337,083,000	303,239,000	355,955,000	+18,872,000	+52,716,000
Title VIII - General provisions	-1,947,132,000	27,685,000	-1,017,315,000	+929,817,000	-1,045,000,000
(Additional transfer authority)	(3,100,000,000)	(2,000,000,000)	(2,000,000,000)	(-1,100,000,000)	
Total, Department of Defense	243,406,197,000	234,578,433,000	245,759,703,000	+2,353,506,000	+11,181,270,000
Scorekeeping adjustments	-1,338,900,000	100,000,000		+1,338,900,000	-100,000,000
Grand total	242,067,297,000	234,678,433,000	245,759,703,000	+3,692,406,000	+11,081,270,000

NOTE: Grand total does not include $820 million in emergency appropriations enacted in PL 104-134. The FY 1996 grand total including these appropriations is $242,887,297,000.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. MURTHA. Mr. Chairman, I yield back the balance of my time.

Mr. POMEROY. Mr. Chairman, I rise in support of the fiscal year 1997 Department of Defense appropriations bill.

The bill before contains many valuable provisions that will enhance the readiness of our Armed Forces and improve the quality of life for the men and women who serve in our Nation's military. The 3 percent pay raise for military personnel, the additional funding for medical care for active duty members and military retirees, and the resources dedicated to repair and upgrade substandard military barracks are three important provisions that will strengthen troop morale and in turn improve the combat readiness of our military.

I also take this opportunity to highlight two items in this bill that are critically important to the Nation's defense and to my State of North Dakota. First, this bill fully funds the Minuteman III life extension/modernization program to preserve the viability and reliability of our ICBM force well into the next century as recommended by the Nuclear Posture Review. Second, the legislation maintains the number of fighters assigned to the Nation's general purpose Air National Guard fighter units at 15 Primary Assigned Aircraft. Given the increasing reliance on the National Guard to defend our national interest, it makes good sense to maintain current fighter force levels.

Mr. Chairman, I am disappointed that this bill does not include a provision similar to Section 1302 of the fiscal year 1997 Defense Authorization bill to strictly prohibit the retirement of B–52 bombers. The B–52 remains our Nation's most combat capable bomber and should not be prematurely retired as proposed by the administration. While I understand that the Appropriation bill provision may suffice in blocking the retirement of B–52s, I am hopeful and confident that the final Defense Appropriations will include a similar provision.

Finally, Mr. Chairman, I do have concern regarding the $10.2 billion increase this bill provides over and above the Pentagon's request. I voted in favor of both the Schroeder and the Shays amendments to reduce bill's funding and make it more consistent with our effort to balance the Federal budget. Although I am disappointed that these amendments failed, I will support passage of the bill because, in the final analysis, it fulfills an important commitment to our troops and the Nation's defense.

I urge my colleagues to support this legislation.

Mr. McCOLLUM. Mr. Chairman, I rise in support of H.R. 3610, the National Security Appropriations bill, and to thank my friend and colleague from the great State of Florida, Chairman BILL YOUNG, for all his good work on this bill that is so important to U.S. interests at home and abroad.

Defense spending, adjusted for inflation, has been cut each and every year since 1985. Despite this decline, the President's budget called for a $10 billion cut in fiscal year 1997. During testimony before the House Committee on National Security, all of the Joint Chiefs have suggested the President's budget was not adequate to address the needs of our national defense.

Mr. Chairman, H.R. 3610 provides the funds needed to ensure that we have the best equipped troops in the world prepared to defend our Nation. Chairman YOUNG has made great strides at increasing military readiness by increasing the quality of life for our troops. The world remains a dangerous place at the same time the U.S. force structure has hit its lowest level in 50 years. The frequent deployment of our troops has created many problems for our soldiers and their families. To address this situation, this bill provides a needed 3 percent pay raise for the brave men and women who have volunteered to defend our Nation.

Another important issue addressed in this bill is the need to maintain adequate health care for our soldiers. By adding $475 million to the President's request for defense health care, we are insuring that our troops will be ready for whatever mission might surface. If this House had not supported a higher level of health care funding, the services would have had to make deep reductions in the medical care we promised our service members.

This bill also adds $400 million for the repair and upgrade of military barracks. Two-thirds of this housing is currently rated by the DOD as substandard. This is an important component of maintaining a high level of readiness for our Armed Forces. Our sailors and soldiers make many personal sacrifices to provide for our Nation's defense. We owe it to them to provide a decent place for these men and women and their families to live.

H.R. 3610 also addresses the concerns of the Joint Chiefs by adding necessary funds for the weapons procurement needs identified by our field commanders. The Joint Chiefs and the Chairman know that funding for weapons procurement has declined by nearly 75 percent in real terms over the past 11 years. With a smaller force structure, our troops will have an even greater need for the most modern and capable weapons available. This bill ensures that our troops will be equipped with these weapons.

I will gladly support this bill and urge my colleagues to do the same. Again, thank you, Mr. Chairman, for your hard work on this bill that balances the need for a fiscally sound defense program with the needs our men and women who serve our great Nation. Your work is truly appreciated.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 3610, and particularly want to commend the Committee for including funds for cooperative DOD/VA medical research. In providing $25 million in funding for this important activity, the Committee is helping foster valuable research that serves not only our active duty personnel, but veterans as well.

These moneys will help fund research into such areas as combat casualty care, Persian Gulf veterans' illnesses, and post-traumatic stress disorder.

Members may not be fully aware of the kind of bang Congress and the Nation have gotten from putting bucks into VA research. By way of example, the contributions VA research program has given us over the years include such developments as:

Surgical transplanting of kidneys using drugs to suppress organ rejection; an artificial foot that allows amputees to jog and play sports; drugs for the treatment of diseases including tuberculosis; and a taking computer for the blind.

The military and this Nation will benefit by providing funds that encourage cooperative VA and DOD research efforts.

Mr. YOUNG of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

Before consideration of any other amendment, it shall be in order to consider the amendment printed in House Report 104–619 if offered by the gentleman from Florida [Mr. YOUNG] or his designee. That amendment shall be considered read, may amend portions of the bill not yet read for amendment, shall be debatable for 20 minutes, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

If that amendment is adopted, the bill, as amended, shall be considered as an original bill for the purpose of further amendment.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less that 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment made in order by the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. YOUNG of Florida: On page 17, line 9, strike "$1,044,767,000" and insert "$988,567,000".

On page 17, line 10, strike all after "1999" through the end of line 12, except the period.

On page 22, line 6, strike “$4,719,930,000” and insert “$4,469,930,000”.

On page 24, line 17, strike “$7,326,628,000” and insert “$7,274,628,000”.

On page 24, line 19, strike “$54,700,000” and insert “$2,700,000”.

On page 29, line 10, strike “$14,969,573,000” and insert “$14,869,573,000”.

On page 29, line 15, strike “$1,698,486,000” and insert “$1,598,486,000”.

On page 82, line 6, strike “$350,000,000”’ and insert “$400,000,000”.

On page 82, line 11, strike “$226,400,000” and insert “$276,400,000”.

The CHAIRMAN. Pursuant to the rule, the gentleman from Florida [Mr. YOUNG] and a Member opposed will each control 10 minutes.

The Chair recognizes the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I explained during general debate, in order to conform this bill to the budget resolution that was adopted yesterday in the House, it was necessary to cut another $500 million, actually $508 million, over a half billion, from this bill, and that is the purpose of the amendment that I just offered, and I will submit a statement that will explain in detail how we had to arrive at this point. But I wanted to point out for the RECORD so that it would be clear exactly what it is that we are doing so that no one has any questions.

We have reduced the MLRS launcher line by $56.2 million. That leaves an increase over the budget of $10 million. We eliminate, basically eliminate the TAGS ship. We leave $4 million in that account but we take $50 million. The third *Seawolf*, we reduce by $100 million. That still leaves $599 million in the budget. The new attack submarine program line, we have reduced by $100 million; that still leaves $704 million in that account.

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The C–130, the airborne command and control version of that aircraft, we would eliminate one that we had added. That is $52 million. And then we have a classified item that we are not able to discuss on the floor but those Members cleared for the information are aware of it. That is another $100 million cut. That comes to $508 million. I would hope that we could expedite the consideration of this amendment. It is necessary to conform this bill to the budget request or to the budget resolution as passed.

Mr. Chairman, pursuant to the rule, I send to the desk an amendment made in order by the rule.

Mr. Chairman, as I explained during general debate, in order to conform this bill to the conference agreement on the budget resolution, it is necessary to cut the funds in this bill by an additional $500 million.

That is the purpose of the amendment I just offered—to bring this bill in line with the budget resolution.

In the budget resolution process, the House originally recommended a total for Defense which was $1.6 billion higher than the Senate.

The House position was higher. And when we passed the Defense authorization bill 4 weeks ago, that bill was marked to the higher House level.

And when we marked up this bill, we also went to the original House-passed level.

We brought this bill to the full Appropriations Committee last week. Based on tentative discussions in the budget conference, we were led to believe the House and Senate would split the difference in the defense number. That meant the House number would come down by $800 million.

So in full committee, I offered an amendment which cut our subcommittee bill by $800 million.

So the bill before the House right now is already $800 million under our original target.

But when the final budget agreement was reached, it turns out we did not get a split, we went all the way to the lower Senate figure.

That means we have to cut this bill, again.

So, I find myself in the somewhat awkward position of offering this amendment.

For those of you who know me, I think if you had approached me a few years ago, or even a few weeks ago, and said Bill, we want you to offer amendments to cut your committee's Defense appropriations bill by $1.3 billion, I probably would have told you not on your life.

Our subcommittee wrote a good bill. FLOYD SPENCE, and his committee, and LARRY COMBEST and the Intelligence Committee, they wrote good bills.

We are trying to take care of the troops and their families. We are trying to make sure our personnel have the best equipment, the best training, the best intelligence to do their jobs around the world.

So when as chairman of this subcommittee, I get the pleasure of trying to find $1.3 billion in cuts to what we thought was a pretty good Defense appropriations bill, it is not a job I enjoy.

But we all have to deal with the hand we have been dealt. So here we are, cutting half a billion dollars out of the Defense bill.

Finding this money has not been easy. We have been working over a week to come up with a balanced package, one that does not do irreparable harm.

And when I say we, I mean myself and our ranking minority member, Mr. MURTHA. I worked with Mr. MURTHA from the start on this. We went back and forth, and believe me, neither of us enjoyed it because we had to make some tough decisions. Everybody had to give something.

We also ran this past our subcommittee, getting their input as well as the members of the committee.

So this is not a perfect amendment, but it is one we tried to develop on a bipartisan basis, one that was fair and that did the least harm.

This amendment cuts a total of $508.2 million.

We propose cutting $50 million out of excess spare parts inventories. This a cut we found based on audit work done at the Pentagon that shows in certain instances we have overbudgeted for spare parts.

That was the easy one. To find the other $458 million, we had to cut, or trim back, money we recommended in modernization programs, each one important to the services.

The amendment cuts $56.2 million from Army missile procurement, which we recommend to come from the total in the bill for MLRS launchers.

We originally proposed an add over the President's budget of $66.2 million—we would cut that back by $56 million.

We take out $52 million from Air Force aircraft procurement, that being for one airborne command, control, and communications aircraft—or A–B–Triple C.

This was on the Air Force shortfall list, as a top unfunded item. We originally added funds for three A–B–Triple C's, but the amendment takes out money for one of the three.

Navy shipbuilding—there would be a reduction of $250 million.

This comes in three pieces.

Fifty million dollars is from an oceanographic ship, the TAGS ship. Again, this was on the Navy's shortfall list so we had $54 million in the bill. We take out $50 million in the amendment, which leaves $4 million which could be used with money we provided last year for long-lead purchases needed to build a TAGS ship.

One hundred million dollars comes from the new attack submarine line. Right now the bill has $800 million for the new attack submarine, providing long lead money for the first sub, which is being built in Groton, CT, and the second sub which will be done at Newport News, VA.

The amendment cuts this back by $100 million. It does not specify which sub it will come out of. This leaves $700 million, still an increase of $404 million over the budget which we think is enough to keep this program underway.

And the final shipbuilding piece comes from the SSN–23, the third *Seawolf*.

Before this year, we had appropriated $1.6 billion for the third *Seawolf*.

The budget for this year requested $699 million. The last increment for the *Seawolf* is budgeted for next year, at $100 million for a total cost of $2.4 billion.

We think we can take $100 million out from the $699 million in the bill, without really disrupting the program.

Most of the money in the request this year is for Government-furnished equipment, or GFE, which means components like pumps and valves, and electronics. These go into the submarine after it is basically built and so we think taking this money out will not really impact the construction schedule.

That brings us to one last item, a $100 million reduction in Air Force research and development.

This is for classified activities, and I'm constrained from describing what this is because of the sensitivity of the issues.

Let me just say the bill had recommended additions over the budget to accelerate certain activities. This reduction of $100 million will not stop this effort, and in fact still allows these projects to move out.

On all these items, we know we may need to make adjustments down the line and I expect if we have taken out too much we will have another chance to deal with them in conference.

That's our proposal, a $508.2 million cut.

If adopted, this would bring the bill down to a total of $245.3 billion.

This level is significantly less than last year, if you adjust for inflation.

We would be 2 percent less than fiscal year 1996, or about $4.7 billion less than 1996 when adjusted for inflation.

In fact, if this amendment is adopted, we will be at a level which you could consider as being below the 1996 enacted level, if you back out the pay raise and the extra $475 million for medical care we have in the bill to restore the cuts for medical care proposed by the President.

I mention all this because you will hear throughout the debate today that this bill is over last year's level—and you will be asked to vote on any number of cutting amendments to bring the bill down even further.

I want to say again—if you vote for this amendment, then we will be nearly $5 billion less than last year, adjusting for inflation. The DOD will be asked to operate with $4.7 billion less in terms of buying power. This will be the twelfth straight year Defense budgets will have lost ground.

And we will actually be below a hard freeze, if you give us credit for the pay raise and the medical funding in the bill.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. YOUNG of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. YOUNG].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Florida [Mr. YOUNG] will be postponed.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1997, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $20,692,838,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $17,000,856,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $6,103,808,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses for temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C.(b)), and to the Department of Defense Military Retirement Fund; $17,099,550,000.

RESERVE PERSONNEL ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $2,083,379,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,392,406,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 to title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $387,943,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $780,497,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $3,279,393,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,294,490,000.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that title I of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $11,437,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $18,365,679,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided*, That of the funds appropriated in this paragraph, not less than $300,000,000 shall be made available only for conventional ammunition care and maintenance: *Provided further*, That of the funds appropriated in this paragraph, $12,084,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $3,995,000, can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $20,390,397,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided*, That of the funds appropriated in this paragraph, $39,933,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $2,465,077,000.

OPERATION AND MAINTENANCE, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $8,362,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $17,938,755,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided*, That of the funds appropriated in this paragraph, $39,133,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $10,212,985,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which not to exceed $28,500,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,116,436,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $882,927,000: *Provided*, That of the funds appropriated in this paragraph, $24,000,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $108,467,000: *Provided*, That of the funds appropriated in this paragraph, $2,000,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,491,553,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $2,268,477,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; $2,671,373,000.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces; $6,797,000, of which not to exceed $2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense; $1,333,016,000, to remain available until transferred: *Provided*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes (including programs and operations at sites formerly used by the Department of Defense), transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, as the Secretary may designate, to be merged with and to be available for the same purposes and for the same time periods as the appropriations of funds to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2551 of title 10, United States Code); $60,544,000, to remain available until September 30, 1998.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise; $302,900,000, to remain available for obligation until September 30, 1999.

QUALITY OF LIFE ENHANCEMENTS, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, resulting from unfunded shortfalls in medical programs and the repair and maintenance of real property of the Department of Defense (including military housing and barracks); $975,000,000, of which—

(1) $475,000,000 shall be transferred to funds made available under the heading "Defense Health Program" in title VI of this Act and be available for operation and maintenance; and

(2) $500,000,000 shall be available for the maintenance of real property of the Department of Defense (including minor construction and major maintenance and repair) and shall remain available for obligation until September 30, 1998, as follows:

Army, $165,000,000;
Navy, $75,000,000;
Marine Corps, $40,000,000;
Air Force, $120,000,000;
Army Reserve, $20,000,000;
Navy Reserve, $20,000,000;
Marine Corps Reserve, $2,000,000;
Air Force Reserve, $16,000,000;
Army National Guard, $29,000,000; and
Air National Guard, $13,000,000.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MS. FURSE

Ms. FURSE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. FURSE: At the end of title II (page 16, after line 3), add the following new paragraph:

REDUCTION OF FUNDS

Amounts appropriated in other paragraphs of this title are hereby reduced as follows:

From OPERATION AND MAINTENANCE, ARMY, $12,950,000.

From OPERATION AND MAINTENANCE, NAVY, $3,500,000.

From OPERATION AND MAINTENANCE, MARINE CORPS, $1,750,000.

From OPERATION AND MAINTENANCE, AIR FORCE, $7,700,000.

From OPERATION AND MAINTENANCE, DEFENSE-WIDE, $9,100,000.

Mr. MURTHA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Ms. FURSE. Mr. Chairman, I am just going to thank the chairman and the ranking member for accepting the amendment. I will not take any more of the time.

Mr. Chairman, I rise to offer an amendment that makes sense for the U.S. taxpayer and that makes sense for our military transportation system. First, however, I want to express my appreciation for the excellent leadership of Chairman YOUNG and Ranking Member MURTHA. Their collegiality is the hallmark of this fine institution in which we work.

My amendment reduces funding for USTRANSCOM—the transportation command—by an additional $35 million. It will cut out layers of unnecessary wasteful bureaucracy so that the Department of Defense transportation system can operate more efficiently and adopt practices more similar to those utilized in the private sector.

The U.S. Transportation Command budget is estimated at $4 billion for fiscal year 1997. The General Accounting Office recommended reducing that budget in order to encourage making needed organizational changes.

Our defense transportation costs are much higher than necessary. The Department of Defense frequently pays double or triple the cost of the basic transportation, ocean freight, for example, because of redundant bureaucratic structures.

DOD's transportation system is organized in substantially the same way it was more than a decade ago before the era of containerization. Containers are a much more efficient means of moving cargo intermodally—a container can be trucked overland, shipped across the ocean and then trucked to its ultimate destination without being unpacked at transfer points.

Mr. Chairman, my State of Oregon that is perched on the Pacific rim knows about trade. Our industries know how to move our products around the world in an efficient manner. I know that we can create a seamless, intemodal transportation system that best serves our national security needs. DOD has begun to make some efforts in that direction, but I believe organizational changes are needed in order to achieve real savings.

I urge support for my amendment which will build upon the outstanding work of the subcommittee in implementing those changes.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

The SPEAKER pro tempore (Mr. MCCRERY) assumed the chair.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 178) "Concurrent resolution establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.".

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment because we are not exactly sure what the effect of it would be. Basically these cuts come from operation and maintenance for all the services. We have made substantial efforts to substantially improve quality of life for the people who serve us in the military.

Mr. Chairman, having just been handed a different copy of the amendment, let me ask the question, is this one not operational now?

Mr. Chairman, I yield to the gentlewoman to answer the question. We are not sure what amendment is pending. It is difficult to get these amendments at the last minute and not know exactly what the effect might be. We have been very careful in crafting the bill to pretty much know what the effect of what we did might be.

Mr. Chairman, I would like to ask the gentlewoman from Oregon [Ms. FURSE], to give us some assurance that her amendment is not directed at operation and maintenance for the services that would affect barracks repair, for example, or quality of life issues, education, things of this nature.

I yield to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, it would help the Department of Defense transportation system operate more efficiently. It would be just directly at that efficiency of operation for U.S. Transcom.

Mr. YOUNG of Florida. Mr. Chairman, just to make sure that we understand, the paper that I was given originally as the gentlewoman's amendment that did relate to operations and maintenance, that is not the operational amendment that we are dealing with now?

Mr. FURSE. That is correct, Mr. Chairman. I apologize that I caused that confusion. I thank the gentleman for his patience with me.

Mr. YOUNG of Florida. Mr. Chairman, we are willing to accept this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon [Ms. FURSE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Florida [Mr. YOUNG] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 396, noes 25, not voting 13, as follows:

[Roll No. 239]

AYES—396

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger

Barcia
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—25

Barr
Bartlett
Bishop
Clyburn
DeLauro
Everett
Gejdenson
Geren
Hansen
Hefley
Hostettler
Hunter
Johnson, Sam
Kennedy (RI)
Kennelly
McIntosh
Meek
Montgomery
Pickett
Reed
Sisisky
Skelton
Stump
Talent
Taylor (MS)

NOT VOTING—13

Bilbray
Bonior
Callahan
Ewing
Forbes
Gillmor
Hayes
Houghton
Lincoln
Lowey
McDade
Moran
Schumer

☐ 1459

Messrs. BARTLETT of Maryland, PICKETT, and EVERETT changed their vote from "aye" to "no."

Mrs. EDDIE BERNICE JOHNSON of Texas and Mr. YATES changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Chairman, during rollcall vote No. 239 on H.R. 3610 I was unavoidably detained. Had I been present, I would have voted "aye."

Mr. GEKAS. Mr. Chairman, I move to strike the last word for the purpose of entering into a colloquy with the chairman of the committee. Mr. Chairman, I wish to engage the chairman, the distinguished gentleman from Florida [Mr. YOUNG], in a colloquy of importance to my district and to the Nation as a whole.

I would say to the chairman of the committee, it had been my intention to come before the Subcommittee on National Security, which the gentleman chairs, to ask for his support of an environmental restoration database center at the Superfund site of the former Olmsted Air Force base, now the Harrisburg International Airport, which is in my congressional district in Pennsylvania. However, knowing that the committee's preference was to proceed without such amendments, I have instead come to the floor of the House to discuss my concerns about the database center.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding to me.

I have read the information the gentleman has provided to me about the need for the database center at the Harrisburg International Airport. We see merit with the gentleman's conclusions that such a database center is, in fact, necessary for the continued environmental restoration of the former Olmstead Air Force Base and that the Air Force should fund such a database center.

Mr. GEKAS. I thank the chairman. In fact, for a sum of $123,000 over 5 years, the Pennsylvania State Data Center has proposed to professionally manage and maintain the mountains of Superfund data that have been collected. I doubt that a better choice could be made, since this is the only data center for the entire Commonwealth of Pennsylvania, and is also located adjacent to the said Harrisburg International Airport.

I pledge to the distinguished chairman of the Subcommittee on National Security that I will report to him regularly on the progress we are making with the Air Force on this matter, as this appropriation bill makes it way to conference.

Mr. YOUNG of Florida. I thank the gentleman from Pennsylvania and will look forward to the gentleman keeping the committee informed.

Mr. GEKAS. Mr. Chairman, as previously discussed with Subcommittee Chairman YOUNG of Florida, I had intended to offer an amendment to title II, Air Force Operation and Maintenance, of H.R. 3610, the fiscal year 1997 Department of Defense Appropriations Act. My amendment would have addressed Air Force funding for the operation and maintenance of an environmental restoration database center on the site of the former Olmsted Air Force Base, a current Superfund site in Middletown, PA.

The Air Force, which has been fully funded by past Congresses to complete the environmental restoration of the former Olmsted Air Force Base—now the Harrisburg International Airport and other properties—refuses to fund a site database center. The center, which would serve as the final step in the site's complete restoration and deletion from the Superfund list, would incorporate data from all current and future environmental investigations. There are two options available to the Congress: either compel the Air Force to use the funds it has already been appropriated, or obtain an additional appropriation.

The Harrisburg International Airport [HIA] located in Middletown, PA, near the State capital of Harrisburg, is situated on the immediate and surrounding grounds of the former Olmsted Air Force Base. The former Air Force base is now a 1984-designated Environmental Protection Agency Superfund site—referred to as the Middletown Airfield Site. The site's existence is due directly to the activities that took place during the operation of Olmsted Air Force Base from 1917 to 1967. For the last 13 years, an intense effort has been undertaken at the local, State and Federal level to determine the nature of the hazardous waste left by the Air Force when it closed Olmsted, the origins and locations of its spread, and the proper remediation of the waste, all within the dictates of the EPA Superfund designation and with the goal of getting HIA deleted off the Superfund list by the end of this year.

I have been involved with the HIA/Olmsted waste site since 1983 when it was thought that its inclusion on the Superfund list would be the fastest, cheapest and best way to clean up the waste left by the Air Force. In the years since HIA was put on the Superfund list, the Air Force, the Army Corps of Engineers, the Commonwealth of Pennsylvania—the current owner of the land—local, regional and private entities, our late U.S. Senator John Heinz, former Senator Wofford, current Senators SPECTER and SANTORUM, Congressmen MURTHA, MCDADE, GOODLING, WALKER, and this Member of Congress—along with many others too numerous to mention at this time—have sought to make the efforts at HIA a model site cleanup program for emulation by other formerly used defense sites [FUDS] across the United States.

As part of the cleanup effort, adequate funds were dedicated in several Defense Appropriations bills to provide for a full cleanup of the site. At this moment it is doubtful that all those funds have been expended. All parties have understood that full cleanup meant that follow up Superfund delisting the land in question would be available for public and private development.

Throughout the cleanup process, a huge amount of data has been collected from the several public and private environmental investigations conducted. A crucial part of the current EPA-mandated delisting effort—and any post-delisting development that occurs—is the continued interpretation and management of this data. Remediation could not occur under Superfund without the requisite interpretations of site data. Personnel at the Harrisburg International Airport and post-Superfund developers must be able to determine what happened on the site, and any future environmental questions that arise at HIA must refer back to the data from the current cleanup effort. When all the current participants have left the site, the only reliable reference source will be a database.

If new contamination is discovered at HIA in the future, the current data will be consulted to determine how to respond. In fact, if any new contamination is found and determined to be from the same source—Olmsted—as was the previous contamination, the Air Force may be called back to conduct new remediation efforts. Or, in a worst case scenario, on-site personnel from the airport and localities might have to make quick decisions about how to deal with an emergency situation. To adequately and accurately do this will require a fully functioning and accessible site database. If no database is centrally maintained after HIA Superfund delisting—that is, after the Air Force discontinues its work—the new remediation efforts will be much more difficult, much more costly, and take much longer to accomplish, and any emergency response effort may be critically flawed by the lack of necessary data.

But, unfortunately, as we near the end of the long march to delisting, the issue of who will fund and maintain this database has arisen as a very serious bar to post-cleanup development. The Air Force, through the Army Corps of Engineers, refuses to either maintain or pay for the maintenance of a site database. The Air Force is wrong in their refusal. From the very beginning, in the many meetings with various Assistant and Under Secretaries of Defense regarding HIA, it was fully understood that post-Superfund site maintenance would include a managed database and appropriations were made with the database in mind.

The "Report of the Defense Environmental Response Task Force" of October, 1991, submitted by then-Chairman Thomas E. Baca, recommended that "* * * adequate resources [be] available * * * for environmental restoration and oversight at closing bases."

As recently as this year, the Department of Defense stated its support for the type of post-remediation followup the HIA database would allow. A February 22, 1996 letter from Sherri W. Goodman, Deputy Under Secretary of Defense—Environmental Security—cites her support for the annual report to Congress of the Defense Environmental Response Task Force [DERTF], which she chairs: "The purpose of the DERTF is to study and provide findings and recommendations for expediting and improving environmental response actions at military installations being closed or realigned." Further, section 3.3 of the DERTF report states: "Effective measures must be in place before transfer of property to ensure adequate protection of human health and the environment." And, in the same report, section 3.4—Liability For Subsequent Response Actions: "However, further cleanup may be required if the land use changes and the original remedy, although protective for the anticipated land use, is not fully protective under the new land use."

And, finally, and most importantly, I offer excerpts from the April, 1996, "Final Report of the Federal Facilities Environmental Restoration Dialogue Committee," which is an EPA advisory committee whose participants include the Department of Defense. In its report, the committee notes the importance of the role of local governments in Federal facility environmental restoration, stating that "local governments very often serve as first responders in emergency response situations." In discussing the role of the Federal Government in the Federal facility cleanup process, the committee states that policies should include:

"The identification and characterization of contamination and the evaluation of health impacts on human populations are essential parts of the cleanup process."

"* * * provid[ing] access to resources, information, and training so all stakeholders are able to participate in decision making."

"Designating locations for access to information appropriate and convenient for the affected communities.* * *"

"* * * funding of preventative pollution control activities should be viewed as a cost of doing business and funded in conjunction with the activity causing the problem."

Mr. Chairman, how can the Department of Defense, in publication after publication, express a need for and responsibility of site maintenance in the future and then deny such maintenance as is proposed with the site database for Harrisburg International Airport? And, further, the Commonwealth of Pennsylvania has offered the Pennsylvania State Data Center, located next to HIA, to manage and maintain the HIA site database for 5 years for under $123,000. The State data center is a public entity, a professional data center, and an on-site location which has offered to manage a database for a very reasonable cost.

The phrase "penny wise, pound foolish" seems appropriate here.

The Commonwealth of Pennsylvania is on record in complete support of the database center, especially as it impacts the Harrisburg International Airport. In a recent letter to Senator RICK SANTORUM, Elizabeth Sarge Voras, Deputy Secretary for Aviation, states;

> The Commonwealth of Pennsylvania considers this matter to be of paramount importance in meeting the airport's operational, preventive maintenance and repair, health and safety, and developmental requirements.

The facts are these: I believe the Department of Defense made a commitment to this and other Members of Congress and the Commonwealth of Pennsylvania to manage and maintain a post-cleanup database; the Department of Defense has stated in a report to Congress this year its commitment to post-cleanup development and database management at its waste sites; and, the Pennsylvania State Data Center has offered the best database management service at the best location for the best price. Mr. Chairman, based on the simple facts, I believe that the Committee on Appropriations may want to take action in the future to persuade the Department of Defense to fund this site database. We hope that the Department of Defense—and specifically the Air Force and Corps of Engineers—will see that the Pennsylvania State Data Center is the best way to proceed and will make available funds for the database from the appropriations it has already been given by the Congress.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows.

TITLE III

PROCUREMENT

Aircraft Procurement, Army

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,308,709,000, to remain available for obligation until September 30, 1999.

Missile Procurement, Army

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,044,767,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $16,938,000 shall not be obligated or expended until authorized by law.

Procurement of Weapons and Tracked Combat Vehicles, Army

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therin, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,500,414,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $175,600,000 shall not be obligated or expanded until authorized by law.

Procurement of Ammunition, Army

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,150,128,000, to remain available for obligation until September 30, 1999.

Other Procurement, Army

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; the purchase of not to exceed 14 passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $2,899,040,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $86,800,000 shall not be obligated or expended until authorized by law.

Aircraft Procurement, Navy

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $6,896,552,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $227,600,000 shall not be obligated or expended until authorized by law.

Weapons Procurement, Navy

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $1,384,408,000, to remain available for obligation until September 30, 1999: *Provided*, That in addition to the foregoing purposes, the funds appropriated above under this heading shall be available to liquidate reported deficiencies in appropriations provided under this heading in prior Department of Defense appropriations acts, to the extent such deficiencies cannot otherwise be liquidated pursuant to 31 U.S.C. 1553(b): *Provided further*, That of the funds appropriated in this paragraph, $79,100,000 shall not be obligated or expended until authorized by law.

Procurement of Ammunition, Navy and Marine Corps

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $341,689,000, to remain available for obligation until September 30, 1999.

Shipbuilding and Conversion, Navy

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; $4,719,930,000, to remain available for obligation until September 30, 2001: *Provided*, That additional obligations may be incurred after September 30, 2001, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: *Provided further*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

Other Procurement, Navy

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $2,889,591,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $18,096,000 shall not be obligated or expended until authorized by law.

Procurement, Marine Corps

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 88 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; $623,973,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $77,225,000 shall not be obligated or expended until authorized by law.

Aircraft Procurement, Air Force

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $7,326,628,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $54,470,000 shall not be obligated or expended until authorized by law.

Missile Procurement, Air Force

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $2,279,500,000, to remain available for obligation until September 30, 1999.

Procurement of Ammunition, Air Force

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $272,177,000, to remain available for obligation until September 30, 1999.

Other Procurement, Air Force

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 506 passenger motor vehicles for replacement only; the purchase of 1 vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $287,000 per vehicle; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $6,078,539,000, to remain available for obligation until September 30, 1999.

Procurement, Defense-Wide

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 389 passenger motor vehicles for replacement only; the purchase of 2 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles, but not to exceed $200,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $2,247,812,000, to remain available for obligation until September 30, 1999: *Provided*, That of the funds appropriated in this paragraph, $357,600,000 shall not be obligated or expended until authorized by law.

National Guard and Reserve Equipment

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; $908,000,000, to remain available for obligation until September 30, 1999: *Provided*, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component: *Provided further*, That of the funds appropriated in this paragraph, $103,000,000 shall not be obligated or expended until authorized by law.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. OBEY: Page 22, line 6, after the dollar amount, insert the following: "(reduced by $404,000,000)".

Mr. OBEY. Mr. Chairman, with the end of the cold war, the Navy acknowledges that they have no military requirement for an additional nuclear attack submarine. At the present time we are cutting up dozens of submarines, including a number of Los Angeles class submarines, but the Navy nonetheless decided that they were going to proceed to spend billions of dollars to build a new attack submarine because they wanted to maintain the industrial base.

That is not a bad reason. I do not argue with that. But the fact is that from there on, what the Pentagon wanted to do has been sidetracked by the Congress and by the authorizing committee. DOD essentially wanted to build two submarines. They paid for one last year. They wanted to do another one, not this year but the coming year after this, but the committee instead decided what they wanted them to do is to build four different prototype submarines.

End result: We are going to be spending $4 billion more than the Pentagon wanted us to spend to determine what kind of attack submarines we ought to be building in the future. My amendment simply removes $404 million to eliminate the congressional expansion of what was originally a limited Department of Defense decision in terms of proceeding with the construction of attack submarines.

Mr. Chairman, there is absolutely no reason why we are building more than two submarines except pork. The only reason is that we have a competition between a number of shipyards, Connecticut and Virginia being the two in question here, and as a result, we are going to wind up keeping both happy at an additional cost of $4 billion.

Mr. Chairman, when this bill is done today, we are going to go over to the Rayburn Building and we are going to be voting on the Labor, Health, Education bill that requires us to squeeze education, squeeze student loans, squeeze job training, squeeze social services, and yet we are buying into, in this bill, the idea that we ought to proceed with this expanded acquisition of attack submarines. That does not make any financial sense, it does not make military sense; it may make a lot of political sense for the people involved in the decision, but it is a cockamamie way to go about meeting a threat that does not even exist.

Mr. Chairman, I would suggest that is all there is to the argument. People will know where they are going to come from. I do not see any reason to take more time. I would simply urge the Members, if they are interested in meeting the requirement laid down by DOD, rather than meeting the political requirement laid down by the Congress, they will save $404 million by voting for this amendment.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the vote we have just had already reduced this submarine line by $100 million. Without going into a lot of detail why we need the new submarines, the old submarines are getting older and older. The fact is that the Navy had planned to build 30 of these new attack submarines and do them at one yard. We believe that the idea of building all of the submarines in one yard is not good for the taxpayer. We believe that competition is the smart way to go in dealing with large military procurement programs. The program in this bill provides for competition. If we do not have the competition, it is going to cost us a lot more per submarine as we get into the future.

I would just give one big example. A few years back we were having a major battle over aircraft jet engines. One supplier, one manufacturer, was making basically all of the jet aircraft engines.

We decided to go into competition and we ended up with a strong competition between two aircraft jet engine builders, and we got a better engine for less money. The same thing will happy to the submarines. So let us defeat this amendment. Let us continue the program as we have worked it out in the committee and with the administration.

Mr. Chairman, I yield to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I thank the distinguished gentleman from Florida for yielding to me.

Mr. Chairman, I think it is important to understand that this amendment undoes the agreement that was struck last year, not just here in the Congress, but between the Congress, the administration, the Secretary of Defense, the Secretary of the Navy, and the Chief of Naval Operations of the Navy. This completely undermines that agreement, which would have the future submarine construction program of America developed in two shipyards with a competition for a series of the later attack submarines following the procurement of the first four. This totally undoes that.

The gentleman speaks in terms of the economy of having all submarines constructed in one shipyard. There is a lot of logic to that, but his amendment flies in the teeth of the logic by basically consigning all future submarine construction to the yard which would be the most expensive yard in which to build. Every expert, everyone in the Navy, has conceded that if we are going to have but one yard to build submarines, it could be built more economically in Newport News, where there is no overhead of other naval ship construction and commercial shipbuilding to spread the cost, whereas at the other remaining yard capable of building a nuclear attack submarine, all of the overhead is attributable just to the submarines.

The amendment makes no sense in terms of a single purpose yard. It makes no sense in terms of we in the Government mandating where future submarines will be built, rather than having them built where competition says they can be built at the most economical basis for the taxpayers of America. Heaven only knows, we need the submarines.

The Secretary of the Navy wrote us, saying that funding for this submarine that he was eliminating was the highest priority for the Navy. The Secretary of the Navy said the same thing. The Secretary of Defense reaffirmed his support for last year's agreement. Let us not undo it.

Mr. YOUNG of Florida. Mr. Chairman, this amendment was offered in the Committee on Appropriations and it was defeated on a very strong bipartisan vote of 35 against, 12 for. I hope the ratio is equally strong here. I ask the Members to oppose this amendment.

Mr. MURTHA. Mr. Chairman, I rise in opposition to the amendment, and ask for a vote on the amendment.

The CHAIRMAN. Is there further debate on the amendment?

If not, the question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered withdrawn.

Are there further amendments to title III?

Mr. BONILLA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 3610 the fiscal year 1997 Department of Defense Appropriations Act. I ask my colleagues to join me in supporting this bill, which provides the bare minimum to keep the peace and ensure that America's military remains second to none.

I am troubled that some fail to recognize that the only guarantee of peace is a strong America. Those who would disarm, those who would further downsize the military fail to understand the basic concept of cause and effect. Like most dreamers they steadfastedly refuse to cloud their crystal clear vision with reality. Others argue we can't afford our military. They argue that America cannot continue to spend funds on our defense. This view is as dangerous as it is irresponsible.

But don't take my word for it. Walk across the street. Go to the Library of Congress. Pick up any history book and read about the past. I ask the dreamers to read about Nazi Germany's respect for their disarmament treaties; read about imperial Japan's respect for other's independence. Read this before you vote. I ask the penny pinchers to read about how unprepared America and democracies were. To read about how small our military was, to think about what kind of world we would live in today if that decade's penny pinchers had won their argument and stopped the modernization of the R.A.F. I shudder to think who would have won the Battle of Britain and ultimately the war in Europe if they had won that debate. These are the facts, it's history, it's there in black and white for each and every one of you to read.

I am disturbed that some of you ignore these experiences saying that's old news. History is for the past and mankind is different today. My friends you are playing with fire. Remember we have a sacred responsibility to uphold the Constitution and defend our Nation. If you remain unconvinced take a few minutes and go to Arlington National Cemetery. Listen to those who speak so articulately in their silence. Remember their sacrifices and remember your responsibility to those who are following in their footsteps by serving America and defending freedom. Then stop and visit the Archives. Look at our Declaration of Independence and our glorious Constitution and remember your responsibility. These are not mere pieces of papers. These are the heart and soul of what America is.

As Americans we can make only one choice if we are to remain true to those heroes who fell defending our freedom. Our only choice is to vote for this bill. A "no" vote betrays those who have made the ultimate sacrifice. A "no" vote jeopardizes the freedoms we hold so dear. A "no" vote is wrong for America. My friends as we vote today under the watchful gaze of our first Commander in Chief—our greatest leader—George Washington—be true to his legacy—be true to America—and vote "yes" for this Defense appropriations bill.

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Mr. MURTHA. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from Vermont [Mr. SANDERS] numbered 20 may be considered as the Smith-Sanders amendment at this point, notwithstanding it addresses a portion of the bill not yet read, because one of the Members cannot be on the floor later on.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. YOUNG of Florida. Mr. Chairman, reserving the right to object, I do so to inquire of the gentleman if this is amendment No. 20 as printed on page 6287 of the CONGRESSIONAL RECORD of June 12?

Mr. SANDERS. If the gentleman will yield, Mr. Chairman, that is correct.

Mr. YOUNG of Florida. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 20 offered by Mr. SMITH of New Jersey: Page 87, after line 3, insert the following new section:

SEC. . None of the funds available to the Department of Defense under this Act may be obligated or expended to pay a contractor under a contract with the Department of Defense for any costs incurred by the contractor when it is made known to the Federal official having authority to obligate or expend such funds that such costs are restructuring costs associated with a business combination that were incurred on or after August 15, 1994.

Mr. MURTHA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, I thank my friend and colleague from Vermont [Mr. SANDERS] for his cooperation in working on this amendment. We have been working on this for some time now.

Mr. Chairman, if you thought taxpayers were outraged and dismayed over the revelation that the Pentagon was shelling out $500 for hammers and $600 for toilet seats, wait until they learn that Uncle Sam is now subsidizing big corporate mergers and acquisitions, which by design, are intended to throw thousands of people out of work.

That's right, American taxpayers are footing the bill to merge, downsize, and fire people. This is corporate welfare at it worst.

Wait until the public discovers, Mr. Chairman, that thousands of hardworking Americans who have or recently had high paying defense industry jobs, got pink slips not necessarily because of fewer purchase orders, but because the Clinton administration's cynical policy of providing huge subsidies for corporate mergers.

In July 1994, the GAO's first and only available report on just one subsidy approved for payment makes clear a connection between payoffs and layoffs: "The contractor's proposed savings were based entirely on workforce reductions." (GAO/NSIAD-96-80)

The amendment I am offering today, which is cosponsored by Messrs. SANDERS, DUNCAN, MINGE, DEFAZIO, KLUG, and NEUMANN, puts a stop to this outrageous and largely obscure policy of subsidized downsizing until Congress and the taxpayers receive some reliable data on how much has been spent and what the human and budgetary impact of these subsidies are.

Make no mistake: Nobody is trying to interfere with legitimate private business decisions to merge. Of course, the establishment of monopolies is a different story. And nobody denies that leaner defense firms have the potential to save DOD some money on future cost-plus contracts.

But when Uncle Sam crosses the line between simply permitting mergers, and actively promoting and partially underwriting them, we have strayed.

Mr. Speaker, my amendment will end this fatally flawed policy from inflicting any more damage that has already been done.

The Smith-Sanders-Duncan-Minge-DeFazio-Klug-Neumann amendment is based on common sense—because the proponents of the Clinton policy have not proven their case—they have not even performed the duties that they were required by law to do.

Amazingly, the report by DoD called for in section 818 of Public Law 103-337 has still not been released, even though it was to be available by November 1995. This report was at the heart of congressional demands for accountability over these merger subsidies.

And when the hard data becomes available, it may show that the Clinton policy isn't just antijobs, but a net loss to taxpayers as well. GAO's testimony on this policy said the amount of restructuring costs charged to DoD contracts "could be substantial, possibly involving several billions of dollars." (GAO/T-NSIAD-94-247) Furthermore, GAO added that money spent on merger subsidies was "likely to place further increased pressure on DoD procurement budgets."

How can we, as guardians of the public purse, just watch as money goes out the door and nobody knows who's getting what and exactly how much this is costing us?

To date, some 32 defense contractors have lined up to receive some of Uncle Sam's corporate largess. Lockheed-Martin is just one of those contractors, but their requests could cost the taxpayers $1.6 billion. Among Lockheed-Martin's approved requests for downsizing costs is a proposal submitted on January 31, 1996, to close down the Astro Space facility in East Windsor, NJ, which puts 3,200 jobs in jeopardy.

Mr. Speaker, this policy is the direct cause of some 3,200 layoffs in my district alone, and it uses the tax dollars of these every same people to do it.

Nor does anybody know what the net impact of these layoffs are likely to be. The premise, behind this policy are fundamentally at odds with America's free-market economy. Firms merge and restructure when they believe it is in their best interest to do so. If Wall Street lacks the confidence to underwrite a merger, why should Uncle Sam come to the rescue, doling out the tax dollars to make it work?

The flaws in current law are legion. Current law says DOD can only pay out restructuring costs if they see audited cost savings. That sounds nice, but what about the ripple effects of all these layoffs? What about the lower revenues realized and higher government services needed to assist those thrown out of work? What about the reduction in competition as mergers lead to monopolies?

This amendment is supported by a wide variety of organizations and individuals. Charlie Marciante of the New Jersey State AFL-CIO says "Republican Smith's amendment ensures that Uncle Sam's reimbursement offers do not prompt otherwise unlikely layoffs and it also ensures that taxpayers are not forced to pay for programs that put people out of work."

Steve Moore of the CATO Institute described the policy as "an egregious example of unwarranted corporate welfare in our budget." Dr. Lawrence Korb, a former Under Secretary of Defense during the Reagan administration, said, "By this policy of subsidizing defense mergers and acquisitions, the Clinton administration has already created megacompanies that will stifle competition and wield tremendous political power."

Defenders of merger subsidies argue that putting taxpayer money up front to pay for restructuring will lead to cost savings on future contracts. My question is: Since when is it the obligation of the Federal Government to inject itself into a firm's decisionmaking process by offering multimillion dollar inducements to merge and downsize?

For defense contractors, the only thing that seems to separate a good business deal from a bad business deal is how much money Uncle Sam injects into the process. In fact, the former CEO of Lockheed-Martin, Norman Augustine, stated in congressional testimony: "specifically, had [DOD] refused to [subsidize or reimburse] Martin Marietta's proposed General Dynamics Space Division acquisition *we would not have made the purchase, certainly not because of spite, but simply because it would have been a bad business deal.*" (emphasis added) (HASC 103-56, page 46).

Furthermore, why should taxpayers give a windfall to companies to merge if it can be shown that they would have merged anyway? And the idea that Uncle Sam must share savings on cost-plus contracts in order to give incentives to defense contractors is seriously flawed.

The fact of the matter is that when a contractor restructures, they save money for themselves and potentially to DOD. With lower overhead costs distributed throughout the newly merged organization, contractors pick up big savings on both fixed and cost-plus government contracts.

So when contractors tell you how much money DOD may or may not save, what they conveniently leave out is how much money they—not us—are going to save on existing fixed-price contracts.

In fact, Secretary Deutch actually conceded in congressional testimony that lower overhead costs for contractors will lead to windfalls on existing fixed-price contracts.

My colleagues, this issue should be a no-brainer. We need to put a stop to merger subsidy payments until we actually get some hard evidence that this policy even comes close to being what its proponents suggest. I think when all the facts are in, you will agree with me to kill this policy outright. Let's take a breather from government-subsidized "merger mania" and assess the damage already been done. Support the Smith-Sanders amendment to H.R. 3610.

Mr. SANDERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to thank the gentleman from New Jersey [Mr. SMITH] for his strong efforts and willingness to work with us on this very important amendment, and also point out that the gentleman from Minnesota [Mr. MINGE], the gentleman from Oregon [Mr. DEFAZIO] and the gentleman from Wisconsin [Mr. NEUMANN] are also cosponsors and working with us on this effort.

Mr. Chairman, let me begin by thanking the chairman, Mr. YOUNG, and the ranking member, Mr. MURTHA, and all the Members of the House for the support that they gave me last year for an amendment which I successfully offered, which stopped the disgrace of the Pentagon providing a $32-million bonus for the CEO's and board members of Martin-Marietta for their merger, and that is a merger which ended up laying off at least 19,000 American workers.

Well, if my colleagues think the $32 million was a waste of taxpayers' dollars, then they better listen up, because what the gentleman from New Jersey [Mr. SMITH] and I are talking about today amounts to billions of dollars. Yes, the taxpayers are providing payoffs for layoffs. We are actually giving multibillion-dollar corporations huge amounts of money in order to merge their companies, stifle competition, and lay off American workers. This is an absurd policy, it is a disgraceful policy, it is the worst kind of corporate welfare, and it is a policy that we should end today.

Mr. Chairman, the Members who have come together to sponsor the Smith-Sanders amendment have different philosophical points of view, but we are in agreement that it is absurd that the U.S. Government is providing billions of dollars in taxpayer subsidies to huge profitable corporations so that they can merge and then lay off tens of thousands of American workers. That makes no sense to anyone.

Mr. Chairman, this amendment has widespread support. It is supported by the Taxpayers for Common Sense, the CATO Institute, the Project on Government Oversight, and also supported by Lawrence J. Korb, the former Under Secretary of Defense under President Reagan.

Mr. Chairman, there are a number of reasons why we should support this amendment. First, we have a $5-trillion national debt. We should not be providing billions of dollars in subsidies to large corporations to lay off American workers. Second of all, we have received almost no documentation from these companies as to what they are doing. What they are saying basically is, "Don't worry, give us the money, trust us, we're going to save the government money." At the very least, we must have a clear outline of the net savings, and we want to know what savings will be effectuated.

Mr. Chairman, if we can believe this, the Pentagon has never submitted any of the annual reports required by law on this program, and the first report was scheduled to be due in November 1995. It has never been filed.

Mr. Chairman, in August 1995 the GAO began their own investigation in spite of the inaction of the Pentagon. The GAO's first and only report on the two companies that applied for and received these payments stated that, and I quote, the contractor's proposed savings were based entirely on work force reductions, end quote.

The GAO also found that in exchange for free taxpayer cash up front, the same companies—FMC Corp. and Harsco Corp. BMY—projected out-year savings fell 85 percent short of what they originally presented to DOD. Further, the GAO reported that only one hearing has ever been held on a policy the GAO has said could cost, quote, several billions of dollars. The GAO also reported that 32 contractors have already lined up and put in requests to receive merger subsidies. One hearing. Billions of dollars.

Third, Mr. Chairman, we can agree about the wisdom or lack of wisdom of industrial policy, but I think everybody here understands that it makes no sense for the government to get involved in the private sector so that we can lose American jobs. That is insane.

I would support industrial policy if it created decent-paying jobs. Some in this body would not support any industrial policy. The thing they must ask themselves is why is the government selecting certain very large corporations and saying to them, quote, the taxpayers are going to help your company engender certain efficiencies, end quote.

Essentially what the Pentagon is doing is saying to this company, "We're going to help you, we're not going to help the other company." They are encouraging mergers. I think there is a lot to be discussed in terms of this whole issue.

Last, Mr. Chairman, it seems to me that at a time when real wages in this country for working people are in decline, at a time when people are scared to death about whether or not they are going to have their decent paying jobs, they do not want to see their tax dollars going to large multibillion-dollar corporations so that these companies can then merge and lay off American workers.

The CHAIRMAN. The time of the gentleman from Vermont [Mr. SANDERS] has expired.

(By unanimous consent, Mr. SANDERS was allowed to proceed for 1 additional minute.)

Mr. SANDERS. In fact, Mr. Chairman, we should be standing in opposition to that policy. Our tax dollars should not be going to that policy. Imagine the worker from Lockheed-Martin who has been laid off because of the merger saying, "My tax dollars went to laying me off and to hurt my family." That makes no sense.

Mr. DUNCAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will be very brief because I understand the managers of this amendment have agreed to accept it. I appreciate their graciousness in that regard very much but I also want to say that I appreciate Mr. SMITH's work on this and the work of many others. This amendment, I think, would have received widespread support on both sides of the aisle. I have been told that there are already some 32 companies that have filed approximately 2 billion dollars' worth of claims under this program and I think that if we had not been careful that this would very quickly turn into one of the largest boondoggles in the entire Federal Government.

The gentleman from New Jersey [Mr. SMITH] and the gentleman from Vermont [Mr. SANDERS] both made reference to the $92 million in bonuses that were paid out in one merger, approximately a third of those paid by the taxpayers. One man received a bonus of $9.2 million. I do not believe there is any way that he could have really earned that type of bonus. I think this is a program that really would horrify most taxpayers if they realized that it was going on and is something that we have never done and would not even consider, I don't believe, for 99.9 percent of the small businesses in this country. I am pleased that this amendment is going to be accepted, and I hope it survives in conference.

Mr. SISISKY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really did not want to get into this fight here, but I have been working on this same thing for 3 years. It seems strange that somebody who is almost fighting a single battle about privatization in this country and worried about Federal employees has to come up here and try to bring a lot of sensibility into this.

The gentleman said that there were no documents submitted and they are right. They were supposed to submit them in November 1995. Today I talked to the Defense Department. OMB held it up for some unknown reason, I cannot imagine that long, but they will be in in 2 weeks.

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As far as no documentation that the gentleman said, I want to show this body section 818 and what we did in that, and then with the Defense Department. This is all of the loops before one penny can come out that they have to go through and be signed off by the Secretary of Defense or an Assistant Secretary of Defense.

I want DOD held accountable when they reimburse defense contractors for restructuring costs. Section 818 achieves this goal. And I think the gentleman from Vermont [Mr. SANDERS] and the gentleman from New Jersey [Mr. SMITH] fully appreciate that. We have certainly briefed their staff on that.

They object to the payment of any reimbursement whatever, and all of us understand why. I know in the case of the gentleman from New Jersey I would be the same way if a merger or combination led to a plant being closed in my district, and that is how I got started in this out in California with former Congresswoman Schenk, who came to me, and that is why we had hearings on it.

But the question is whether this is a good policy. Should DOD reimburse restructuring costs? And I think the answer is yes. Perhaps some of the reason why is for over 10 years DOD procurement spending declined more than 60 percent, 60 percent. There is a significant overcapacity in the defense industry, and that leads to higher overhead and higher prices for defense goods and services.

Yes, it is sad to lay off people, but it is also sad for a plant to go into bankruptcy and lay off people. We just do not have enough business for all the defense contractors. In some cases the most effective restructuring comes from business combinations, acquisitions, and mergers. DOD reimburses contractors for restructuring after acquisitions or mergers that will clearly result in overhead savings for DOD. DOD provides this incentive because the quicker a restructuring occurs, the sooner the Department of Defense and this Government saves money.

Restructuring costs are costs the company incurs to combine facilities and eliminate layers of management. DOD pays a share of allowable costs, such as severance pay, retirement incentives, job training, moving equipment, and relocating employees.

Now, listen to this carefully. This came from the Department of Defense, I have not had GAO, although we have had a report which came from GAO, but DOD does not pay for executive golden parachutes, good will, or for gains or losses resulting from the transfer of assets. No matter what Members read in the paper, and I just heard it now, DOD does not pay for executive bonuses that are contingent solely on merger or acquisitions.

When I learned about DOD's policy of reimbursing restructuring costs, I held hearings and wrote section 818. GAO says it works because they want to repeal it. The industry wants to repeal it because it is too hard to get that money. Section 818 protects taxpayers by forcing DOD to benefit from the legitimate savings of restructuring.

For over 3 years DOD has negotiated restructuring agreements that will save this Government over $1.4 billion by agreeing to pay restructuring costs of about $300 million. I think that is a heck of a deal for the taxpayers, and I ask Members to oppose changes in a sound policy and good law.

I have come out of the business world and I think I know a little bit about what is happening. I have a lot of public facilities down my way, and what we are trying to do now is reduce overhead, no matter how we have to do it, to reduce overhead. And this flies raw in the face of just that.

I ask, and I know that Members will accept the amendment and I will not argue with Members on that, but the argument is not over yet because this is the wrong policy that we are getting ready to do.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. SISISKY] has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. SISISKY was allowed to proceed for 1 additional minute.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SISISKY. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to commend the gentleman for his work on this thing, and I have great sympathy for what the gentleman from Vermont, Congressman SANDERS, and the gentleman from New Jersey, Congressman SMITH, are doing, but I think there is one other point that needs to be made here. When we go from $135 billion a year in procurement down to $38.5 billion a year in procurement, we need less infrastructure, less industrial base to handle those things, and it will require some downsizing.

I think one of the things I have been committed to, I know the gentleman from Virginia has too, is to help when these Government workers, and other workers, private sector workers, get dislocated, to try to have funds to help them get retrained and back into some new endeavor. But to think we can completely avoid any downsizing when we go from $135 billion a year in procurement down to $38 billion, I think we have to think about that.

Mr. SISISKY. Mr. Chairman, reclaiming my time, therein lies the problem, really. It is not an easy problem to solve, but we just cannot afford to save everybody and save every company.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

I would like to point out to my colleagues that we have discussed this, and although the Department of Defense strongly opposes this, we think there is some merit to what the gentleman from New Jersey and the gentleman from Vermont are trying to do. We have agreed to accept the amendment with the understanding that we would certainly allow the Department of Defense to come back to us with whatever legal information that they would have relative to this.

One of the reasons we did this was to save a lengthy debate. If we are going to get into a lengthy debate, we may have to start getting into the details of this and maybe we will not be able to accept it.

So at this point I am prepared to accept it with the understanding that we will have to take a close look at this between now and conference, because the Department of Defense is definitely opposed to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. OBEY. Page 24, line 17, after the dollar amount, insert the following: "(reduced by $314,100,000)".

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, to be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MONTGOMERY. Mr. Chairman, reserving the right to object, could I ask the gentleman from Wisconsin [Mr. OBEY], what weapon systems are covered in this?

Mr. OBEY. Mr. Chairman, if the gentleman will yield, I do not want to impose on the House a lengthy explanation, but essentially what I am trying to do is to eliminate six C–130–J airplanes from this bill because we can save $10 million a year by waiting until next year to buy the same six planes.

So that is basically what I am trying to do with the amendment, and I do not really much care how much time we have on the amendment.

Mr. MONTGOMERY. Mr. Chairman, how much time was asked for?

Mr. YOUNG of Florida. My unanimous consent request is still pending; correct, Mr. Chairman?

The CHAIRMAN. The gentleman is correct.

Mr. YOUNG of Florida. Mr. Chairman, does the gentleman want to change the time?

The CHAIRMAN. The gentleman from Mississippi [Mr. MONTGOMERY] has the time.

Mr. MONTGOMERY. Forty minutes?

Mr. YOUNG of Florida. Twenty?

Mr. MONTGOMERY. Yes.

Mr. YOUNG of Florida. Mr. Chairman, I withdraw my unanimous-consent request.

Mr. OBEY. Mr. Chairman, if there are no other requests pending, might I be recognized?

The CHAIRMAN. If there is no unanimous consent, the gentleman from Wisconsin [Mr. OBEY] is recognized for 5 minutes.

Mr. OBEY. Mr. Chairman, the Air Force wants to buy C–130–J transport aircraft but they only wanted to buy one of them. The Air Force, instead, is getting six more planes than they expected.

I do not really know whether they need those additional planes or not, that is up to somebody who knows a whole lot more about the military requirements of the Air Force on this point than I do. But the problem is that they do not need these planes for more than a decade, and the real kicker is that the Air Force documents, which were obtained by the General Accounting Office, indicated that the Air Force and Lockheed have agreed that the price will drop in fiscal 1998 by $8.4 million a plane or $50 million total for the six aircraft.

In other words, all we have to do to save the $50 million is to wait 1 year. Now, it seems to me under those circumstances that the decision to buy in bulk before the discount defies common sense, but that is exactly what we are going to do.

The issue here is very simple. There will be a lot of people who will want to buy these planes. I am not getting into that argument. All I am saying is if the Air Force needs the planes they can get them next year at a discount. But by buying them this year it will cost us $50 million more. That is very expensive $50 million ride the taxpayers are being taken on, and so I would simply, in the interest of economy, say go ahead and buy these planes, but do not buy them until next year because we can save $50 million if we simply wait 1 year. It is a done deal.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the gentleman's amendment, and I would call to the attention of our colleagues that we have already reduced the C–130 line in the manager's amendment we adopted earlier today.

Among the six aircraft that the Obey amendment would eliminate are four hurricane hunters, WC–30s. These hurricane hunters are extremely important to the United States and especially areas that are subject to hurricanes. The other two of those aircraft would be airborne command and control aircraft. We have already eliminated one of those in the amendment that we have already done.

The gentleman from Wisconsin [Mr. OBEY] makes the case that the Air Force does not want them. Not so. During our hearings, for those Members who attended the hearings, they will recall that when we asked the Air Force for their list of unfunded requirements, these aircraft were on that list.

So the Air Force does not want these airplanes and those of us who are concerned about prediction of hurricane paths and things of this nature, we want these airplanes. We want them to be able to fly, to give us advanced warning to protect our properties and our lives.

So I hope we will defeat this amendment. It is definitely on the Air Force's list of aircraft they would have funded if they did not have a political number so low that they could not ask for it. But it is on their list.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding, and let me say from the national security side and the procurement subcommittee we also asked the Air Force what they needed, and they, in fact, sent these aircraft over to us on a list. They do want it, and we are having that list sent over here and we will supply it to the gentleman from Wisconsin whenever he wants it.

It is requested and it is very important to the Air Force.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for those comments, but I have the list here. This is a copy of the Air Force unfunded requirements list, and the C–130 requirement is right on this page.

Mr. Chairman, I ask for a "no" vote on this amendment.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I have great respect for the gentleman from Wisconsin and the gentleman from Pennsylvania, as well as the chairman of this subcommittee, they have done well on the procurement of appropriations, but I am worried we are moving a little too fast on this amendment.

We have already cut one C–130 from this bill and this, now, is six C–130's. Last night it was seven C–130's. Now it is cut back to six. Four of these C–130's are going to the Air Reserve for the hurricane hunters who are flying 40-year-old C–130's now.

It is a dangerous mission going out and looking for hurricanes, seeing which way they are going, how much danger is in the turbulence of these hurricanes. And so these six that he is eliminating, four will go to the Air Reserve. If it had not been for this Congress, we would not have any new equipment for the Air Guard and for the Air Reserve.

I think this is a mistake. I hope we will vote against the amendment.

□ 1545

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Chairman, I thank the dean of the Mississippi delegation. It is common knowledge that world's populations are moving to the shorelines. Even in this country, well over half of the people in this country live within 50 miles of the coast.

Mr. Chairman, that means that every one of them is vulnerable to a typhoon or hurricane and every one of them needs to know when to leave prior to that hurricane. The greatest commission that these planes that the gentleman from Wisconsin [Mr. OBEY] would do away with serves is to let people know where and when a killer storm is going to land.

Coming from a place which Hurricane Camille literally knocked off the map, where 250 people in south Mississippi were murdered in one night by a storm, I call tell my colleagues how important it is that people know where and when a storm hits. People thought Hurricane Camille was going to hit New Orleans. It did not. It hit Mississippi, and because people did not leave, 250 lives were lost.

So, Mr. Chairman, I want to thank the gentleman from Florida [Mr. YOUNG] for his opposition to this amendment, and I thank the senior member of the Mississippi delegation for standing firm in trying to replace these 30-year-old aircraft, that is the newest, where people are literally playing Russian roulette every time they fly a mission because they are the most dangerous peacetime missions that the Air Force serves.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me point out that we are not eliminating the hurricane-seeking capability that the gentleman is talking about. They can use existing aircraft for that, and the Air Force testified to that.

All we are saying is if we are going to buy new replacement airplanes, wait 1 year so that we can save $8.5 million a copy. Given the squeeze on the budget, I do not think that is an unreasonable request since the agreement has already been reached that any planes that are bought next year will be $8.5 million cheaper.

Mr. MONTGOMERY. Mr. Chairman, reclaiming my time, with the new equipment that we have given the Guard and Reserve in the Air Force, 40 percent of all the missions of the Air Force are flown by the Air Reserve and the Air Guard.

Mr. Chairman, this is a step backward. I hope Members will vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered is withdrawn.

The CHAIRMAN. Are there other amendments to title III?

If not, the Clerk will read.

The Clerk read as follows:

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,874,537,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds appropriated in this paragraph, $194,558,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $8,399,357,000, to remain available for obligation until September 30, 1998: *Provided*, That funds appropriated in this paragraph which are available for the V–22 may be used to meet unique requirements of the Special Operations Forces: *Provided further*, That of the funds appropriated in this paragraph, $209,400,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $14,969,573,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds made available in this paragraph, $25,000,000 shall be only for development of reusable launch vehicle technologies: *Provided further*, That of the funds appropriated in this paragraph, $1,698,486,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,068,558,000, to remain available for obligation until September 30, 1998: *Provided*, That not less than $304,171,000 of the funds appropriated in this paragraph shall be made available only for the Sea-Based Wide Area Defense (Navy Upper-Tier) program.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; $272,038,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds appropriated in this paragraph, $20,000,000 shall not be obligated or expended until authorized by law.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evacuation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $26,968,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds appropriated in this paragraph, $5,000,000 shall not be obligated or expended until authorized by law.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that title IV of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 19 offered by Mr. OBEY: Page 29, line 10, after the dollar amount, insert the following: "(reduced by $1,000,000,000)".

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 10 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 5 minutes, and a Member opposed, the gentleman from Florida [Mr. YOUNG] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment would simply cut $1 billion of the roughly $2 billion appropriated in the bill to continue research and development for the F–22 fighter aircraft. The amendment would direct the Air Force to use the remaining $1 billion to restructure and delay the program by 5 years for one simple reason: Because the General Accounting Office said it ought to be delayed 7 years, and it seems to me that that being the case, we ought to delay it at least 5 years.

Mr. Chairman, the reason, as I see it, is very simple. The Air Force and the F–22 supporters want us to spend some $70 billion to buy 442 F–22 replacement planes for the F–15E's. The fact is that we right now have 734 F–15E's. They are estimated to have a military useful shelf life to at least 2010.

So, Mr. Chairman, it seems to me, therefore, that it is absurd for us to buy replacement aircraft for the best fighter aircraft in the world 7 years or more before we need to.

I recognize that there is tremendous pressure to proceed with this purchase and this expenditure. They have subcontracts salted in virtually every State in the Union, and I understand why so few people are going to vote for this amendment. But that does not mean that cutting out this expenditure at this time is the wrong thing to do.

Mr. Chairman, it is the right thing to do. We are seeing a squeeze on the budget all over, whether we are looking at what is happening on housing, whether we are looking at what is happening on the environment, on education, and in fact and indeed other defense programs.

It seems to me, therefore, that we ought to listen to the accounting arm of the Congress itself, the General Accounting Office, when it says that we ought not to replace these planes early.

I realize that I just misspoke, Mr. Chairman. I indicated that the military useful shelf life of the existing F-15E's took us out to at least 2010. I misspoke. It takes us out to at least 2015, so we have plenty of margin. We have incredible overlap by this purchase.

It seems to me that we ought to save the billion dollars that I am talking about in this bill by stretching out the purchase of this new fighter for at least 5 of the 7 years recommended by the GAO.

Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to this amendment. Again, this amendment was defeated in the full committee on a very large vote, and I would ask that we have that same negative vote on this amendment now.

Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I will be very brief, and I appreciate the gentleman from Florida yielding me time.

Mr. Chairman, the F-22 is the Air Force's No. 1 priority. I think this has been an outstanding program. My only concern about it, frankly, is quite the contrary of my good friend from Wisconsin. I think we are going at this program too slowly and we are going to wind up spending more money on it because we are dragging it out.

Mr. Chairman, to cut this program this significantly this year would delay it even further and completely disrupt this R&D program. This plane will give us stealth capability and the highest military capability for the future.

Our committee is just as concerned as anyone about long-range power projection and tac air, and we have ordered a study to look at these two issues. I am prepared to wait and see what the outcome of the study is, but I urge my colleagues to stay with the committee, support the F-22. This is an outstanding program and the Air Force's No. 1 priority.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HUNTER], a member of the Committee on National Security.

Mr. HUNTER. Mr. Chairman, let me say to the gentleman from Wisconsin [Mr. OBEY], my friend, it is not the shelf life of the aircraft that is important; it is the survival time and the survivability of the pilot who is flying the aircraft who may happen to be in a kill zone, meaning that he is being tracked by a SAM system with a missile at the end of that SAM system.

Now, the F-22 has a stealth capability. That means if we have people with SAM's down on the ground aiming at our aircraft with an American pilot, they have a much smaller chance of being able to hit that American airplane than they do with the F-15's which have more shelf life.

We preserved the F-117 program, we in Congress preserved it. It served us well in Desert Storm. We should preserve the F-22 program because that will save the lives of American pilots and project our air power.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. BARR].

Mr. BARR of Georgia. Mr. Chairman, I thank the distinguished gentleman from Florida for yielding me time.

Mr. Chairman, representing tens of thousands of Americans and tens of thousands of American fighting men and women all across the world, I rise today and urge strong defeat of this amendment.

Its proponent, the gentleman from Wisconsin [Mr. OBEY] said it is absurd to buy new fighter aircraft. Hogwash. It is essential that we purchase these new fighter aircraft. It is essential that we continue the efforts to develop the next generation of fighter aircraft which will take us well into the 21st century.

Mr. Chairman, while the gentleman is busy listening to the accountants and the bean counters, I am listening to, and you are listening to, the fighting men and women who depend on that air superiority for their very lives.

This is a foolish amendment. Let us stand up for a program that is recognized by Presidents, Republican and Democrat alike. This is extremely important. This is bipartisan. I urge defeat of this wrong-headed and misguided amendment. Support the F-22 program. Support our troops in the world, and support air superiority into the 21st century. Defeat the amendment.

Mr. YOUNG of Florida. Mr. Chairman, might I inquire as to how much time I have remaining?

The CHAIRMAN. Each side has 2 minutes remaining.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, could I ask who has the right to close?

The CHAIRMAN. The manager of the bill has the right to close.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me simply read two quotes from the senior DOD official who gave the background briefing on March 1, 1996, who said the following: "We're committed to it (the F-22) even though I can't project a threat right now that justifies an F-22."

That was said by the Defense Department official who provided the background briefing. The GAO report in March 1994 said, "Our analysis shows that the F-15 exceeds the most advanced threat system expected to exist * * * Thus, the F-22 initial operational capability can be delayed 7 years."

Now, I know the usual game on this bill. We have military contractors all over the country and because this country is doing very little else to generate jobs and employment, the Defense Department is having its budget used as a fancy public works program.

But the fact is, Mr. Chairman, it is ludicrous for us to spend $70 billion on a new system that we do not need for at least 7 years and probably twice that long. It is absolutely ludicrous. There is only one reason that this Congress is proceeding, and that is because it is being lobbied to death by all kinds of contractors and subcontractors.

I do not doubt that there are some Members of the House who intellectually feel that this is a good system, but we are going to be in a budget squeeze. We have to recognize that just because the service wants something, we cannot necessarily afford to give them everything they want. The fact is that on the merits, especially given competing priorities in the Defense Department as well as out, we ought to delay this.

That is what this does. This does not end the program; it simply delays it. There is no reason to rush to building a new $70 billion system for which, in the words of the DOD official doing the background briefing, there is no threat that he can cite right now to justify moving ahead with this aircraft.

Mr. YOUNG of Florida. Mr. Chairman, I yield 30 seconds to the gentleman from Washington [Mr. DICKS] a distinguished member of the subcommittee.

Mr. DICKS. Mr. Chairman, I would like to point out that both the F-15E and the F-16 are not stealthy aircraft, and there has been a proliferation of surface-to-air missiles, including the SA-10, which is a threat to any nonstealthy aircraft that flies today.

So if we are going to send our young men and women into combat in these aircraft, we need to have a stealthy airplane. I have been a major advocate for stealth because it saves money and it saves lives. We can send them into the most heavily defended areas and with standoff weapons take out the surface-to-air missiles where conventional planes would be shot down.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, one of the many responsibilities that members of this subcommittee have is to look out for the taxpayer and make sure that their tax dollars are spent wisely, and at the same time make sure that we provide enough money to ensure our national security.

On this particular program, the F–22, previous program stretchouts have delayed completing the F–22 by nearly 3 years with a cost growth of $1.8 billion. We could have used that $1.8 billion somewhere else. Additional slowdowns or growth time involved in the program will cost additional money.

The gentleman's reduction, as recommended by the Obey amendment, would postpone indefinitely the deployment of the F–22 at the time we are now beginning to build the airplane. Any reduction in this program could be very costly, in fact it could lead to as much as a 40-percent increase in the cost of the balance of this program.

This subcommittee is trying to play catchup. We are trying to pay off some credit card bills that developed over the years.

□ 1600

Mr. Chairman, we are trying to make sure we conduct defense procurement on a very strict, businesslike basis. This amendment will upset all of those plans. Let us defeat this amendment, as we did in the full committee, on a strong bipartisan vote and guarantee that the flyers, the pilots, the aviators, the warriors of just a few years from now will have the best equipment possible should they be required to risk their life in the defense of our Nation. I oppose the amendment and ask for a no vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered withdrawn.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 453, proceedings will now resume on those amendments on which further proceedings were postponed in the following order:

Amendment No. 14 offered by the gentleman from Wisconsin [Mr. OBEY]; amendment No. 17 offered by the gentleman from Wisconsin [Mr. OBEY] and amendment No. 19 offered by the gentleman from Wisconsin [Mr. OBEY].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 14 OFFERED BY MR. OBEY

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment No. 14 offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 143, noes 285, not voting 6, as follows:

[Roll No. 240]

AYES—143

Barrett (WI)
Becerra
Beilenson
Berman
Blumenauer
Boucher
Brown (CA)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Campbell
Castle
Chabot
Chapman
Clay
Clayton
Coble
Coburn
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cummings
Danner
DeFazio
DeLauro
Dellums
Dingell
Doggett
Dooley
Duncan
Durbin
Ehlers
Engel
Ensign
Eshoo
Evans
Fattah
Filner
Flake
Foglietta
Foley
Ford
Frank (MA)
Franks (NJ)
Furse

Ganske
Gejdenson
Gibbons
Gunderson
Gutierrez
Gutknecht
Heineman
Hinchey
Hoekstra
Inglis
Jackson (IL)
Jacobs
Johnson (SD)
Kennedy (MA)
Kennedy (RI)
Kennelly
Klug
LaFalce
Levin
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Markey
Matsui
McCarthy
McDermott
McKinney
Meehan
Menendez
Meyers
Miller (CA)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Owens
Pallone
Pastor

Payne (NJ)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Poshard
Ramstad
Rangel
Reed
Riggs
Rivers
Rohrabacher
Roukema
Roybal-Allard
Royce
Rush
Sanders
Sanford
Sawyer
Schroeder
Sensenbrenner
Serrano
Shays
Skaggs
Smith (MI)
Stark
Stenholm
Stockman
Stokes
Studds
Stupak
Thurman
Torres
Towns
Upton
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—285

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter

Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Brewster
Browder
Brown (FL)
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert

Camp
Canady
Cardin
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Clyburn
Coleman
Collins (GA)
Combest
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin

Cunningham
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
English
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gekas
Gephardt
Geren
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hilleary
Hilliard
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde

Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Livingston
Longley
Lucas
Manton
Manzullo
Martinez
Martini
Mascara
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Metcalf
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)

Pickett
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Richardson
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Sabo
Salmon
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Tiahrt
Torkildsen
Torricelli
Traficant
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—6

Bilbray
Gillmor

Hayes
Lincoln

McDade
Schumer

□ 1623

Mr. GREENWOOD, Mr. HANCOCK, and Ms. MILLENDER-McDONALD changed their vote from "aye" to "no."

Messrs. BERMAN, TORRES, INGLIS of South Carolina, and CASTLE changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Chairman, during rollcall vote No. 240 on H.R. 3610 I was unavoidable detained. Had I been present, I would have voted "aye".

AMENDMENT NO. 17 OFFERED BY MR. OBEY

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment number 17 offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the "noes" prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device and there were—ayes 126, noes 299, not voting 9, as follows.

[Roll No. 241]

AYES—126

Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Blumenauer
Borski
Brown (CA)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Campbell
Clay
Coble
Coburn
Collins (IL)
Collins (MI)
Conyers
Cooley
Coyne
Cummings
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Doggett
Doyle
Duncan
Durbin
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (NJ)
Furse
Ganske
Gephardt
Gibbons
Goodlatte
Green (TX)
Gutierrez
Heineman
Hilliard
Hoekstra
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kennedy (MA)
Kleczka
Klug
Lantos
Levin
Lewis (GA)
LoBiondo
Lofgren
Lowey
Luther
Maloney
Markey
Martini
McCarthy
McDermott
McKinney
Meehan
Miller (CA)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Obey
Olver
Owens
Payne (NJ)
Pelosi
Porter
Ramstad
Rangel
Rivers
Rohrabacher
Roukema
Roybal-Allard
Royce
Rush
Sanders
Schroeder
Sensenbrenner
Serrano
Shays
Slaughter
Smith (MI)
Stark
Stockman
Stokes
Studds
Tiahrt
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Woolsey
Wynn
Yates
Zimmer

NOES—299

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (FL)
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (GA)
Combest
Condit
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Gonzalez
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hilleary
Hinchey
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Longley
Lucas
Manton
Manzullo
Mascara
Matsui
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Torkildsen
Torricelli
Traficant
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—9

Bilbray
Gillmor
Hayes
Johnson (CT)
Lincoln
Martinez
McDade
Schumer
Williams

□ 1630

Mr. DEUTSCH and Mr. BRYANT of Texas changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. JOHNSON of Connecticut. Mr. Chairman, on rollcall No. 241, I was unavoidably detained. Had I been present, I would have voted "no".

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Chairman, during rollcall vote No. 241 on H.R. 3610 I was unavoidably detained. Had I been present, I would have voted "aye."

AMENDMENT NO. 19 OFFERED BY MR. OBEY

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 19 offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 119, noes 307, not voting 8, as follows:

[Roll No 242]

AYES—119

Barrett (WI)
Becerra
Beilenson
Blumenauer
Bonior
Borski
Brown (CA)
Brown (OH)
Brownback
Campbell
Cardin
Chapman
Clay
Collins (IL)
Collins (MI)
Conyers
Cooley
Coyne
Cummings
Danner
DeFazio
Dellums
Deutsch
Dingell
Doyle
Duncan
Durbin
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA).
Franks (NJ)
Furse
Gephardt
Gunderson
Gutierrez
Hilliard
Hoekstra
Holden
Jackson (IL)
Jacobs
Johnston
Kanjorski
Kennedy (MA)
Kleczka
Klink
Klug
LaFalce
Lantos
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
Mascara
McCarthy
McDermott
McHale
McKinney
Meehan
Menendez
Miller (CA)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Pelosi
Petri
Rahall
Ramstad
Rangel
Rivers
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Sensenbrenner
Serrano
Shays
Skaggs
Smith (MI)
Stark
Stokes
Studds
Stupak
Torres
Towns
Upton
Velazquez
Vento
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—307

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fazio
Fields (LA)
Fields (TX)

Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hinchey
Hobson
Hoke
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martinez

Martini
Matsui
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Ney
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson

Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Visclosky
Volkmer

Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller

White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—8

Bilbray
de la Garza
Gillmor

Hayes
Lincoln
McDade

Norwood
Schumer

□ 1639

Mr. ROYCE and Mr. JOHNSON of South Dakota changed their vote from "aye" to 'no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Chairman, during rollcall vote No. 242 on H.R. 3610, I was unavoidably detained. Had I been present, I would have voted "aye."

The CHAIRMAN. Are there any other amendments to title IV?

If not, the Clerk will read.

The Clerk read as follows:

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE BUSINESS OPERATIONS FUND

For the Defense Business Operations Fund; $947,900,000.

NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs (including the development and acquisition of lighterage), projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744); $1,904,002,000, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive these restrictions on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That of the funds appropriated in this paragraph, $781,000,000 shall not be obligated or expended until authorized by law.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; $9,667,658,000, of which $9,398,188,000 shall be for Operation and maintenance, of which not to exceed three percent shall remain available until September 30, 1998; and of which $269,470,000, to remain available for obligation until September 30, 1999, shall be for Procurement: *Provided*, That notwithstanding any other provision of law, of the funds provided under this heading, the Secretary of Defense is directed to use and obligate, within thirty days of enactment of this Act, not less than $3,400,000 only to permit private sector or non-Federal physicians who have used and will use the antibacterial treatment method based upon the excretion of dead and decaying spherical bacteria to work in conjunction with the Walter Reed Army Medical Center on a treatment protocol and related studies for Desert Storm Syndrome affected veterans.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, $799,847,000, of which $477,947,000 shall be for Operation and maintenance, $273,600,000 shall be for Procurement to remain available until September 30, 1999, and $48,300,000 shall be for Research, development, test and evaluation to remain available until September 30, 1998.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; $774,724,000: *Provided*, That the funds appropriated by this paragraph shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act: *Provided further*, That of the funds appropriated in this paragraph, $92,000,000 shall not be obligated or expended until authorized by law.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; $138,501,000, of which $136,502,000 shall be for Operation and maintenance, of which not to exceed $400,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $2,000,000, to remain available until September 30, 1999, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $196,400,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For necessary expenses of the Intelligence Community Management Account; $149,555,000.

PAYMENT TO KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law; $10,000,000, to remain available until expended.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title V, title VI and title VII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to that portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided*, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further*, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: *Provided further*, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $2,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: *Provided further*, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds and the "Foreign Currency Fluctuations, Defense" and "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

SEC. 8008. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services shall be available for payments to physicians and other non-institutional health care providers in excess of the amounts allowed in fiscal year 1996 for similar services, except that: (a) for services for which the Secretary of Defense determines an increase is justified by economic circumstances, the allowable amounts may be increased in accordance with appropriate economic index data similar to that used pursuant to title XVIII of the Social Security Act; and (b) for services the Secretary determines are overpriced based on allowable payments under title XVIII of the Social Security Act, the allowable amounts shall be reduced by not more than 15 percent (except that the reduction may be waived if the Secretary determines that it would impair adequate access to health care services for beneficiaries). The Secretary shall solicit public comment prior to promulgating regulations to implement this section. Such regulations shall include a limitation, similar to that used under title XVIII of the Social Security Act, on the extent to which a provider may bill a beneficiary an actual charge in excess of the allowable amount.

SEC. 8009. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the congressional defense committees have been notified at least thirty days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: *Provided further*, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

Javelin missiles;
Army Tactical Missile System (ATACMS);
MK19-3 grenade machine guns;
M16A2 rifles;
M249 Squad Automatic Weapons;
M4 carbine rifles; and
M240B machine guns.

SEC. 8010. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239: *Provided further*, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8011. (a) During fiscal year 1997, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 1998 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1998 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 1998.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8012. Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the fifty United States, its territories, and the District of Columbia, 125,000 civilian workyears: *Provided*, That workyears shall be applied as defined in the Federal Personnel Manual: *Provided further*, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8013. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8014. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 3015(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

(1) enlists in the armed services for a period of active duty of less than three years; or

(2) receives an enlistment bonus under section 308a or 308f of title 37, United States Code,

nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: *Provided*, That in the case of a member covered by clause (1), these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: *Provided further*, That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided*, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further*, That this subsection applies only to active components of the Army.

SEC. 8015. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That this section shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent Native American ownership.

(TRANSFER OF FUNDS)

SEC. 8016. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8017. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: *Provided*, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further*, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8018. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided*, That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8019. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8020. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by Executive Agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided*, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further*, That the Department of Defense's budget submission for fiscal year 1998 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further*, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further*, That each such Executive Agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate thirty days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8021. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M–1 Carbines, M–1 Garand rifles, M–14 rifles, .22 caliber rifles, or M–1911 pistols.

SEC. 8022. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 percent of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8023. None of the funds appropriated by this Act shall be available for payments under the Department of Defense contract with the Louisiana State University Medical Center involving the use of cats for Brain Missile Wound Research, and the Department of Defense shall not make payments under such contract from funds obligated prior to the date of the enactment of this Act, except as necessary for costs incurred by the contractor prior to the enactment of this Act: *Provided*, That funds necessary for the care of animals covered by this contract are allowed.

SEC. 8024. None of the funds provided in this Act or any other Act shall be available to conduct bone trauma research at any Army Research Laboratory until the Secretary of the Army certifies that the synthetic compound to be used in the experiments is of such a type that its use will result in a significant medical finding, the research has military application, the research will be conducted in accordance with the standards set by an animal care and use committee, and the research does not duplicate research already conducted by a manufacturer or any other research organization.

SEC. 8025. No more than $500,000 of the funds appropriated or made available in this Act shall be used for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and Senate that such a relocation is required in the best interest of the Government.

SEC. 8026. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5 or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the Armed Forces, as described in section 261 of title 10, or the National Guard, as described in section 101 of title 32;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under section 331, 332, 333, or 12406 of title 10, or other provision of law, as applicable, or

(B) full-time military service for his State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave:

Provided, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5.

SEC. 8027. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A-76 if the study being performed exceeds a period of twenty-four months after initiation of such study with respect to a single function activity or forty-eight months after initiation of such study for a multi-function activity.

SEC. 8028. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8029. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8030. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC-130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8031. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase "qualified nonprofit agency for the blind or other severely handicapped" means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48).

SEC. 8032. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8033. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided*, That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriation or fund which incurred such obligations.

SEC. 8034. Of the funds made available in this Act, not less than $22,700,000 shall be available for the Civil Air Patrol, of which $15,426,000 shall be available for Operation and Maintenance.

SEC. 8035. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense Federally Funded Research and Development Center (FFRDC), either as a new entity, or as a separate entity administered by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities.

(b) LIMITATION ON COMPENSATION.—No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, may be compensated for his or her services as a member of such entity, or as a paid consultant, except under the same conditions, and to the same extent, as members of the Defense Science Board: *Provided*, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the Department of Defense from any source during fiscal year 1997 may be used by a defense FFRDC, through a fee or other payment mechanism, for charitable contributions, for construction of new buildings, for payment of cost sharing for projects funded by government grants, or for absorption of contract overruns.

SEC. 8036. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided*, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: *Provided further*, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.

SEC. 8037. For the purposes of this Act, the term "congressional defense committees" means the National Security Committee of the House of Representatives, the Armed Services Committee of the Senate, the subcommittee on Defense of the Committee on Appropriations of the Senate, and the subcommittee on National Security of the Committee on Appropriations of the House of Representatives.

SEC. 8038. Notwithstanding any other provision of law, during the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided*, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further*, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section.

SEC. 8039. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement

memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 1997. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8040. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

SEC. 8041. During the current fiscal year and hereafter, voluntary separation incentives payable under 10 U.S.C. 1175 may be paid in such amounts as are necessary from the assets of the Voluntary Separation Incentive Fund established by section 1175(h)(1).

(INCLUDING TRANSFER OF FUNDS)

SEC. 8042. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2) (A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8043. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: *Provided*, That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: *Provided further*, That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8044. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

SEC. 8045. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8046. During the current fiscal year and hereafter, annual payments granted under the provisions of section 4416 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–428; 106 Stat. 2714) shall be made from appropriations in this Act which are available for the pay of reserve component personnel.

SEC. 8047. Of the funds appropriated or otherwise made available by this Act, not more than $119,200,000 shall be available for payment of the operating costs of NATO Headquarters: *Provided*, That the Secretary of Defense may waive this section for Department of Defense support provided to NATO forces in and around the former Yugoslavia.

SEC. 8048. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $100,000.

SEC. 8049. During the current fiscal year and hereafter, appropriations available for the pay and allowances of active duty members of the Armed Forces shall be available to pay the retired pay which is payable pursuant to section 4403 of Public Law 102–484 (10 U.S.C. 1293 note) under the terms and conditions provided in section 4403.

SEC. 8050. (a) During the current fiscal year, none of the appropriations or funds available to the Defense Business Operations Fund shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Defense Business Operations Fund if such an item would not have been chargeable to the Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 1998 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1998 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 1998 procurement appropriation and not in the supply management business area or any other area or category of the Defense Business Operations Fund.

SEC. 8051. None of the funds provided in this Act shall be available for use by a Military Department to modify an aircraft, weapon, ship or other item of equipment, that the Military Department concerned plans to retire or otherwise dispose of within five years after completion of the modification: *Provided*, That this prohibition shall not apply to safety modifications: *Provided further*, That this prohibition may be waived by the Secretary of a Military Department if the Secretary determines it is in the best national security interest of the United States to provide such waiver and so notifies the congressional defense committees in writing.

SEC. 8052. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1998.

SEC. 8053. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8054. (a) HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM.—Of the funds appropriated in this Act under the heading "Procurement, Defense-Wide", $143,235,000 shall be made available for the High Performance Computing Modernization Program (referred to in this section as the "program"). Of the funds appropriated in this Act under the heading "Research, Development, Test and Evaluation, Defense-Wide", $61,380,000 shall be made available for the program. Of the total funds made available for the program pursuant to this subsection, $20,000,000 shall be for the Army High Performance Computing Research Center.

(b) IMPLEMENTATION OF PROGRAM.—The procurement funds made available for the program pursuant to subsection (a) shall be used only for the procurement of computer hardware and ancillary equipment for the high performance computing facilities of the Department of Defense.

(c) ANNUAL PUBLICATION OF PROGRAM PLANS.—Hereafter, the Secretary of Defense shall annually prepare, and make available to the public, an updated and unclassified program plan and program implementation plan.

(d) REDUCTION OF ACQUISITION DELAYS.—Hereafter, the Secretary of Defense shall take such actions as may be necessary to minimize delays in the acquisition of computer hardware under the program.

SEC. 8055. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986 and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8056. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

SEC. 8057. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-competitive, and available in a timely fashion.

SEC. 8058. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8059. Funds appropriated by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 1997 until the enactment of the Intelligence Authorization Act for fiscal year 1997.

SEC. 8060. (a) None of the funds made available by this Act may be obligated for design, development, acquisition, or operation of more than 47 Titan IV expendable launch vehicles, or for satellite mission-model planning for a Titan IV requirement beyond 47 vehicles.

(b) $59,600,000 made available in this Act for Research, Development, Test and Evaluation, Air Force, may only be obligated for development of a new family of medium-lift and heavy-lift expendable launch vehicles evolved from existing technologies.

SEC. 8061. None of the funds available to the Department of Defense in this Act may be used to establish additional field operating agencies of any element of the Department during fiscal year 1997, except for field operating agencies funded within the National Foreign Intelligence Program: *Provided*, That the Secretary of Defense may waive this section by certifying to the House and Senate Committees on Appropriations that the creation of such field operating agencies will reduce either the personnel and/or financial requirements of the Department of Defense.

SEC. 8062. Notwithstanding any other provision of law, for resident classes entering the war colleges after September 30, 1997, the Department of Defense shall require that not less than 20 percent of the total of United States military students at each war college shall be from military departments other than the hosting military department: *Provided*, That each military department will recognize the attendance at a sister military department war college as the equivalent of attendance at its own war college for promotion and advancement of personnel.

SEC. 8063. None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year.

SEC. 8064. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8065. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8066. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: *Provided*, That during the performance of such duty, the members of the National Guard shall be under State command and control: *Provided further*, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602 (a)(2) and (b)(2) of title 10, United States Code.

SEC. 8067. Funds appropriated in this Act for operation and maintenance of the Military Departments, Unified and Specified Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence support to Unified Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the General Defense Intelligence Program and the Consolidated Cryptologic Program: *Provided*, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8068. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1996 level.

SEC. 8069. All refunds or other amounts collected in the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be credited to current year appropriations.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8070. None of the funds appropriated in this Act may be transferred to or obligated from the Pentagon Reservation Maintenance Revolving Fund, unless the Secretary of Defense certifies that the total cost for the planning, design, construction and installation of equipment for the renovation of the Pentagon Reservation will not exceed $1,218,000,000.

SEC. 8071. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(TRANSFER OF FUNDS)

SEC. 8072. Appropriations available in this Act under the heading "Operation and Maintenance, Defense-Wide" for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8073. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: *Provided*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8074. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8075. None of the funds appropriated by this Act shall be available to lease or charter a vessel in excess of seventeen months (inclusive of any option periods) to transport fuel or oil for the Department of Defense if the vessel was constructed after October 1, 1995 unless the Secretary of Defense requires that the vessel be constructed in the United States with a double hull under the long-term lease or charter authority provided in section 2401 note of title 10, United States Code: *Provided*, That this limitation shall not apply to contracts in force on the date of enactment of this Act: *Provided further*, That by 1997 at least 20 percent of annual leases and charters must be for ships of double hull design constructed after October 1, 1995 if available in numbers sufficient to satisfy this requirement: *Provided further*, That the Military Sealift Command shall plan to achieve the goal of eliminating single hull ship leases by the year 2015.

SEC. 8076. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $500,000,000 to reflect savings from reduced carryover of activities funded through the Defense Business Operations Fund, to be distributed as follows: "Operation and Maintenance, Army", $60,000,000; and "Operation and Maintenance, Navy", $440,000,000.

SEC. 8077. During the current fiscal year, the Army shall use the former George Air Force Base as the airhead for the National Training Center at Fort Irwin: *Provided*, That none of the funds in this Act shall be obligated or expended to transport Army personnel into Edwards Air Force Base for training rotations at the National Training Center.

SEC. 8078. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate of all such Department of Defense costs by operation or mission.

(b) The Secretary of Defense shall detail in the quarterly reports all efforts made to seek credit against past United Nations expenditures and all efforts made to seek compensation from the United Nations for costs incurred by the Department of Defense in implementing and supporting United Nations activities.

SEC. 8079. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

(b) COVERED ACTIVITIES.—(1) This section applies to—

(A) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(B) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8080. None of the funds available to the Department of Defense shall be obligated or expended to make a financial contribution to the United Nations for the cost of an United Nations peacekeeping activity (whether pursuant to assessment or a voluntary contribution) or for payment of any United States arrearage to the United Nations.

SEC. 8081. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

SEC. 8082. The amount otherwise provided by this Act for "Operation and Maintenance, Air Force" is hereby reduced by $195,000,000, to reflect a reduction in the passthrough to the Air Force business areas of the Defense Business Operations Fund.

SEC. 8083. None of the funds provided in title II of this Act for "Former Soviet Union Threat Reduction" may be obligated or expended to finance housing for any individual who was a member of the military forces of the Soviet Union or for any individual who is or was a member of the military forces of the Russian Federation.

SEC. 8084. Beginning in fiscal year 1997 and thereafter, and notwithstanding any other provision of law, fixed and mobile telecommunications support shall be provided by the White House Communications Agency (WHCA) to the United States Secret Service (USSS), without reimbursement, in connection with the Secret Service's duties directly related to the protection of the President or the Vice President or other officer immediately next in order of succession to the office of the President at the White House Security Complex in the Washington, D.C. Metropolitan Area and Camp David, Maryland. For these purposes, the White House Security Complex includes the White House, the White House grounds, the Old Executive Office Building, the New Executive Office Building, the Blair House, the Treasury Building, and the Vice President's Residence at the Naval Observatory: *Provided*, That funds made available to the WHCA (or any successor agency) for support services for the President from funds appropriated for the Department of Defense for any fiscal year (beginning with fiscal year 1997) may be used only for the provision of telecommunications support to the President and Vice President and related elements (as defined in regulations of that agency and specified by the President with respect to particular individuals within those related elements).

SEC. 8085. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading "Shipbuilding and Conversion, Navy" shall be considered to be for the same purpose as any subdivision under the heading "Shipbuilding and Conversion, Navy" appropriations in any prior year, and the one percent limitation shall apply to the total amount of the appropriation.

SEC. 8086. During the current fiscal year, and notwithstanding 31 U.S.C. 1552(a), funds appropriated under the heading "Aircraft Procurement, Air Force" in Public Laws 102-172 and 102-396 which were available and obligated for the B-2 aircraft program shall remain available for expenditure and for adjusting obligations for such program until September 30, 2002.

SEC. 8087. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101-510, as amended (31 U.S.C. 1551 note): *Provided*, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: *Provided further*, That the total amount charged to a current appropriation under this section may not exceed an amount equal to one percent of the total appropriation for that account.

SEC. 8088. During the current fiscal year the Marine Security Guard Program shall be administered under the terms and conditions of the March 29, 1994 Memorandum of Understanding between the Department of Defense and the Department of State concerning such program and the Department of State shall continue to pay, or provide reimbursement for, Marine Security Guard costs which are the responsibility of the State Department under the provisions of such Memorandum.

SEC. 8089. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $350,000,000 to reflect savings from improved management of spare and repair parts inventories of the Department of Defense, to be distributed as follows: "Operation and Maintenance, Army", $91,000,000; "Operation and Maintenance, Navy", $32,600,000; and "Operation and Maintenance, Air Force", $226,400,000.

SEC. 8090. Notwithstanding any other provision of law, the Air Force shall not introduce any new supplier for the remaining production units for the AN/ALE-47 Countermeasure Dispenser System.

SEC. 8091. In applying section 9005 of the Department of Defense Appropriations Act, 1993 (Public Law 102-396)—

(1) synthetic fabric and coated synthetic fabric shall be deemed to include synthetic fiber and yarn and their products; and

(2) such section shall (notwithstanding section 34 of Public Law 93-400) be treated as being applicable to contracts and subcontracts for the procurement of commercial items that are articles or items, specialty metals, or tools covered by that section 9005.

SEC. 8092. TRADE-OFF STUDY OF CURRENT AND FUTURE DEEP-STRIKE CAPABILITIES.—

(1) The Secretary of Defense shall carry out the deep-strike tradeoff study announced by the President to study tradeoffs between bombers, land and sea-based tactical aircraft, and missiles capable of striking targets in an enemy's rear area.

(2) The Secretary of Defense shall establish an ad hoc review committee under the auspices of the Defense Science Board to establish the methodological approach to the tradeoff study, to establish a broad range of stressing scenarios of interest, and to review assumptions regarding the analyses to be conducted.

(3) The ad hoc review committee to be established under paragraph (2) shall include

among its members analysts who have performed or participated in bomber trade-off analysis, retired military personnel with broad experience in recent conventional warfare operations, and experts on the logistics of both initial deployment and sustaining support. These members shall be selected without regard for current service on the Defense Science Board.

(4) After submitting its recommendations for the conduct of the deep-strike tradeoff study to the Secretary of Defense, the ad hoc review committee shall continue to meet regularly to review preliminary results of the analysis and to recommend additional variations in assumptions that may be required to illuminate particular force tradeoff issues.

SEC. 8093. TACTICAL AIRCRAFT REQUIREMENT STUDY.—The Secretary of Defense and the Chairman of the Joint Chiefs of Staff shall carry out a joint study under the direct supervision of the Joint Requirements Oversight Council (JROC) assessing future tactical aircraft requirements across service jurisdictions. This study shall determine the best and most affordable mix of weapon systems to carry out different mission areas and shall include recommendations for changes to the planned numbers and types of tactical aircraft to be developed and procured over the next ten years if appropriate. Such report shall be submitted to the Congressional defense committees no later than March 30, 1997.

SEC. 8094. (a) CONSIDERATION OF PERCENTAGE OF WORK PERFORMED IN THE UNITED STATES.—None of the funds available to the Department of Defense under this Act may be obligated or expended to evaluate sealed bids and competitive proposals for a contract for the procurement of property or services except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) a factor in such evaluation is the percentage of work under the contract that the bidder or offeror plans to perform in the United States; and

(2) a high importance is assigned to such factor.

(b) BREACH OF CONTRACT FOR TRANSFERRING WORK OUTSIDE THE UNITED STATES.—None of the funds available to the Department of Defense under this Act may be obligated or expended to procure property or services except when it is made known to the Federal official having authority to obligate or expend such funds that each contract for the procurement of property or services includes a clause providing that the contractor is deemed to have breached the contract if the contractor performs less work in the United States than the contractor stated, in its response to the solicitation for the contract, that it planned to perform in the United States.

(c) INELIGIBILITY FOR CONTRACT RENEWAL.—(1) None of the funds available to the Department of Defense under this Act may be obligated or expended to renew a covered contract when it is made known to the Federal official having authority to obligate or expend such funds that the amount of work performed outside the United States under the covered contract exceeded the maximum amount of work that the contractor was expected to perform outside the United States, based on the amount of work that the contractor stated, in its response to the solicitation for the contract, that it planned to perform inside the United States.

(2) For purposes of this section, a covered contract is a contract for the procurement of property or services that is made pursuant to a solicitation described in subsection (a).

(d) WAIVER.—Subsections (a), (b), and (c) shall not apply with respect to funds available to the Department of Defense under this Act when it is made known to the Federal official having authority to obligate or expend such funds that an emergency situation or the national security interests of the United States requires the obligation or expenditure of such funds.

(e) EXCEPTION FOR CONTRACTS BELOW SIMPLIFIED ACQUISITION THRESHOLD.—This section does not apply to contracts for amounts not greater than the simplified acquisition threshold (as specified in section 2302(7) of title 10, United States Code).

(f) EFFECTIVE DATE.—This section shall apply with respect to contracts entered into more than 60 days after the date of the enactment of this Act.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title VII through page 87, line 3, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to that portion of the bill?

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Obey: Page 87, after line 3, insert the following new section:

PROHIBITION AGAINST UNNEEDED AND HIGH COST ACQUISITIONS

SEC. 8095. None of the funds in this Act may be made available for any acquisition program, project or activity under Title III of this Act (except under the appropriation "National Guard and Reserve Equipment") if it is made known to the Federal official having authority to obligate or expend such funds that such acquisition—

(a) has no documented military requirement under established Department of Defense procedures; and

(b) has a cost per job created of more than $100,000 according to documentation submitted to the staff of the House National Security Committee by the military services.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the amendment.

Mr. OBEY. Mr. Chairman, I have in my hand, as Senator McCarthy from my home State used to say, a pork barrel catalog. What happened this year is that the authorizing committee asked the various services at the Pentagon to prepare a list of projects in the authorization bill, by Member of Congress, indicating what the economic impact would be for each of the items in the bill in each Member's congressional district.

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They were also asked to estimate how many jobs were created by the projects in each Member's congressional district. Again, there is nothing wrong with that. But what this amendment says is very simple, and I offer it with absolutely no expectation it will be adopted because I understand how much pressure thee is on this bill.

But nonetheless, the amendment says something very simple: It simply says if there is a project in this bill and if the military says it has no military value, that it has no documented military requirement under their formal mission needs statement process, and, second, if it is so extremely high in cost, as defined by this pork catalog put together by the national security authorizing committee, that the cost per job of that project would exceed $100,000, then we should not do it. That is all it says.

The CHAIRMAN. Does the gentleman from Florida [Mr. YOUNG] insist on his point of order?

Mr. YOUNG of Florida. Mr. Chairman, I withdraw my reservation of the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to this amendment.

I do so mainly because we are having a hard time figuring out what the amendment would really do or what the effect of this amendment would be. The way it is written, it is hard to figure that out.

I do not know what this means, who establishes what, whether he is talking about by law, by regulation, by policy. We have no idea what the list is that he is waving around over there, the list of projects that are so-called pork projects. This could be very disruptive of this entire legislation which has been crafted with great sensitivity.

But I want to make this point, and I wish the gentleman would listen. I have discussed it with him before. When the members of this committee sat down to prepare this bill to present to the committee, the full committee and to the House, we were extremely cautious. We applied a number of tests.

One is, does whatever is gong into this bill have an application to our national defense, national security or quality of life for our military forces?

No. 2, is there a requirement for it?

And, No. 3, how do we do it, if it should be done, in the most cost-effective way?

I can assure the gentleman from Wisconsin that nothing in the bill that we present today is going to fall into any category of being a political addition for some Member of Congress or for some contractor. We have been extremely careful not to do that. I say that to the gentleman with all sincerity. He has waved this little booklet around before. I do not know what is in it and I do not know where it came from. We certainly never asked for any information of this type.

I would have to oppose the amendment at this time.

Mr. MURTHA. Mr. Chairman, I move to strike the last word and in opposition to the amendment.

Mr. Chairman, this sounds like a good government amendment and we always try to accommodate Members, but on the other hand we make sure that it is something that the services need, something that is important to the services, before we accept any amendment.

This amendment is so widespread, and I understand the point he is making. We certainly never ask where the jobs come from, we do not ask whose district creates how many jobs. We ask what is military implication, how does it apply to the threat, how important it is to our national security. That is what we ask when we are doing any kind of amendment to the bill.

I would ask the gentleman to give us an opportunity to study this. This is the first we have seen it. I have to oppose this as it is now. Maybe we can work something like this out in the bill, if the gentleman would give us an opportunity to take a look at this thing and work it out as we move to conference.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Washington.

Mr. DICKS. I concur with the gentleman. I think we should try to work with the gentleman from Wisconsin [Mr. OBEY]. But the one think I do worry about is sometimes there are occasions when Congress says we want them to build something or buy something.

I remember the SL–7 incident where the Navy steadfastly said, "We don't need to have these fast sealift ships" and Congress said, "Yes, you must buy them." They probably did not have a mission statement or something like that. Therefore, we would have not gotten the ships that were absolutely essential to moving the forces out to the gulf.

I worry that without knowing the implications of this or having talked to the Pentagon about this, and I do not believe this amendment was offered either in the subcommittee or in the full committee where we would have had an opportunity to really take a look at it.

I would not forgo the opportunity of trying to work something out with the gentleman, but I think this is very dangerous when we do not know the full implications.

Mr. MURTHA. Mr. Chairman, I would ask if the gentleman would withdraw this, give us an opportunity to look at this amendment, see what the gentleman is trying to do, and see if we cannot work something out.

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, I want to address my friend from Wisconsin who has held that list up, which incidentally I have not seen yet, but I as the chairman of the procurement subcommittee in National Security requested the information from DOD that the gentleman has in that book. I am the guy that asked for that information. Although I have not yet received my copy of the book, I am glad he has got it.

But let me just say, Mr. Chairman, that we put a request together after we had held extensive hearings, after all the services had come in, after the services made their requests for what they needed, and the chiefs of the services requested some $15 billion in additional modernization above and beyond what President Clinton presented for them in his budget. When they did that, we held extensive hearings. We had 3 major themes. One of our themes was first to give enough ammo to the troops so they could carry out the two-MRC scenario. We plused up the ammo accounts with the Marines and with the Army. We put in precisely, in those ammunition accounts, what they asked for.

Second, we wanted to arm the bombers with precision-guided munitions because we have no precision-guided munitions to speak of in our bomber force today. We put that together.

Third, we had hearings on aviation safety. After the crashes of the F–14s and the AV–8Bs, we said to the Navy and the Marine Corps, "What do you need to make your planes safer?" They said, "Here it is" and we went down from there and asked the services to give us their request. When they gave us their requests, the bill that we built was 95 percent, in the additions, 95 percent consistent with what was requested by the services. In some cases, I believe the Navy, it was as high as 99 percent requested.

Having said that, at the same time I thought that it was important, since our President was going to places like California and standing before all the McDonnell Douglas workers and saying, "My defense bill means jobs," that they should have additional information, the rest of the story.

The rest of the story is that while the President's bill might mean jobs, so did the bill that we were putting together in the Armed Services Committee. So I asked our staff to put together the number of businesses and the number of jobs that would be increased in the defense plus-up that is manifest in the bill before us today. We wanted that to be put together by the same gentlemen who put together the President's brag sheet that he was using at McDonnell Douglas in California and other places.

That is a fact. It is a fact that defense spending is different from foreign aid spending, for example, in that it does produce jobs in the defense industrial base and the Members of this House have a right to know what that is. But if the gentleman is implying that somehow we put together a list after we had gone through and analyzed districts, that is absolutely wrong.

The chairman of the full committee said the most important thing we have got here is what the services want. He asked the services to go on record. They went on record. We gave them what they asked for. For example, in the ammunition account, and the gentleman from Wisconsin [Mr. OBEY] mentioned a few items himself to me that were important items, we looked at some of those items, and some of them we were responsive to the request because he was right, the services did not need them. So we did precisely what the services needed.

In the ammo account, for example, every single "T" that was crossed and "I" that was dotted in type of munition was given that was requested by the Marine Corps or by the Army. There is nothing inappropriate about that list. I would be happy to take a look at it.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, the only thing I would say to the gentleman is that the President went out to California, but what he was out there talking about is a program that enjoys bipartisan support in the House of Representatives, and that is the C–17, unquestioned military value. They had some problems producing it for several years, but they finally got their act together and it is now a very good aircraft. I think we have got to be careful here in trying to justify defense expenditures based on companies and jobs. If we start doing that, I think we get into the public works scam.

Mr. HUNTER. If I could take back my time, I agree with the gentleman, but I think it is also important to have the facts on the table. The facts on the table, according to the report I have gotten back, is the increase in defense expenditures we put in this year, along with making the country more secure, provides an additional 200,000 plus jobs above and beyond the level that the President was talking about in California.

I think it is important to have a complete record, and I might remind my friend that the President did not make that speech to the Joint Chiefs of Staff or to a security group. He made it to workers who were concerned about their jobs. He was plainly making a pitch to aerospace workers to the effect that the Clinton administration is going to maintain aerospace jobs. We say fine. We would also like to put on the record exactly how many jobs are created by this defense bill.

Mr. MINGE. Mr. Chairman, I move to strike the requisite number of words and in support of the amendment that has been offered.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MINGE. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, let me simply say that I will simply repeat what the amendment does, because I do not know how else to make clear that it is so simple. What this amendment says is that if there is a project in the bill which has no documented military requirement under their formal mission needs statement process, and if any project is so high in cost per job that it exceeds $100,000 per job as defined by this project which was requested by the House authorizing committee, that they simply not proceed with the project. That is all it says.

I make no value judgment about anyone's project in this bill. This applies to all procurement except Guard and Reserve. All I am saying is that if there is no mission needs statement for the project in question, and when they total up the total number of jobs created by the project and divide it into the total number of dollars for the project, if that cost exceeds $100,000 per job, they do not go ahead with it. It seems to me that that is a rational thing to do.

I did not ask each service to provide this information. The gentleman did. I have a copy of a letter from the Navy to a person who I believe is his staffer, Mr. Steve Thompson, dated May 13, transmitting this information, so he knows as much about it as I do.

Mr. MINGE. Mr. Chairman, I would like to support the amendment that has been offered. What we have here is a commonsense proposal. There is concern that common sense if applied to the defense budget might result in some untoward conclusion.

Certainly we ought to let this proceed as proposed. If indeed there is something that the Defense Department has not been able to justify that is in the bill, that should be justified, I suggest that there is ample opportunity in the conference committee process or in the Senate for the Defense Department to identify this.

But it certainly does not make sense for the United States House of Representatives to be appropriating billions of dollars or millions of dollars, whatever it may be, for military expenditures that the Defense Department has not said are necessary. I cannot overemphasize this. Here we are, one day after we have passed a budget resolution which increases the Federal deficit from the fiscal 1996 to the fiscal 1997 years. This is an amazing result, that the majority in this body would increase the deficit when we are trying to eliminate the deficit. This amendment is but one humble way to try to achieve that conclusion.

□ 1700

Mr. EVERETT. Mr. Speaker I move to strike the requisite number of words.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from California, the chairman of the procurement committee.

Mr. HUNTER. Mr. Chairman, I thank my friend for getting this time for me.

Let me just say that under the formula that the gentleman from Wisconsin has offered, that if a job, if a particular defense job amounts to $100,000 or more per job, and if it is not requested by the services that it should not be authorized and appropriated, let me just suggest that under the formula he has offered the F-117 stealth aircraft would not be with us in the numbers it is with us today because of the fact that program was put forth by Congress over the objections of the administration and because it is such a high-tech program it cost a lot per job.

But that aircraft did much more work in the Desert Storm operation than any of the conventional aircraft. It had stealth capability. It was highly valuable. So we have a very arbitrary equation that the gentleman has tried to stick in in an attempt to embarrass the Committee on National Security, and I am just here to tell the gentleman we took requests from all the services. We had $15 billion in requests on system; over 95 percent commonality of the additional spending was in fact spending that was requested by the services, and ultimately we only put in about $6 billion in additional funds in modernization.

So the services requested $15 billion, far more than we put in, we put in about $6 billion, and our budget was put together before that analysis was done. We put the budget together and we said we want to do the same thing the President does, we want you to tell us how many jobs are in our budget just like he goes out and talks about how many jobs are in his budget.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would ask the gentleman if it is true if there was such an expenditure, that the administration, the Defense Department, could seek a rescission on it under current law. Is that not correct?

Mr. HUNTER. Mr. Chairman, if the gentleman will continue to yield, absolutely.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, what level would the gentleman from California feel is appropriate?

Mr. HUNTER. Mr. Chairman, if the gentleman will continue to yield, first, here is what is appropriate to this gentleman. What is appropriate to this gentleman is to put in the Armed Services bill what we need to defend the country. That means we hold hearings like the ones we had on aircraft safety, on Army and Marine ammo, on the needs of the Navy, on the needs of the bomber force, and we put together a bill that we think does that. And sometimes, as in the case of the F-117, Congress is right and the Pentagon is wrong.

When we said we need F-117's, they said, no, you can kill the program now. We said, no, we need them. So we do not always agree. But the idea the gentleman has put forth that the Pentagon is always right and that Congress cannot have any different idea about a weapon system, so if we are off 1 percent, we are wrong, I think the idea the gentleman puts forth is highly invalid.

I am telling the gentleman again, the increases we put together were 95 percent requested by the Army, the Air Force, and the Marines.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I just hope we can come to a vote here because we are trying to get this thing over. A lot of people have commitments and so forth, and I just wonder if we could not get a vote here.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Florida, the chairman.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

I want to give one example of why I am concerned about this amendment, since we really have not had a chance to totally understand its effect: The tragedy of Secretary Ron Brown flying in an OSA aircraft into Croatia, losing his life and that of the crew and those with him, because the aircraft did not have certain types of safety equipment, including global positioning systems.

Now, in this bill we provide money to outfit that fleet with GPS, a safety upgrade. Now, is that documented by something in the service? Did the Air Force ask for it? No. But we put it in and we think it is a good add.

I just think we really need to know who would do the documentation, how will they do the documentation. I think there are too many questions unanswered in this, and I am like the gentleman from Pennsylvania [Mr. MURTHA], I would like to move along. Maybe we can address this in conference.

Mr. WELDON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. EVERETT. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. I thank my friend for yielding.

I do not know whether this amendment applies to, for instance, the $200 million that we have put in the bill, the defense bill in the past, for breast cancer research. Is that part of the documentation for job creation that the gentleman is trying to get at? Is that one of the items we will use this criteria against in terms of jobs?

And my second point is what do we mean by job creation? Does that mean subcontracting job and sub-subcontracting job? There is so much ambiguity here it is very difficult to understand what we are voting on.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. EVERETT] has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. EVERETT was allowed to proceed for 1 additional minute.)

Mr. EVERETT. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply like to make the point that on the item that the gentleman mentioned in connection with Secretary Brown there is, in fact, a request from the Pentagon on that point, and that would not be covered by this amendment.

Mr. EVERETT. Mr. Chairman, reclaiming my time, I urge a "no" vote against this strictly political amendment.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

The gentleman from Wisconsin is correct, Mr. Perry changed the requirement just a few days ago, but up to that point they said they do not need this equipment and they did not put it on these planes because of monetary considerations.

If we had the Obey amendment in place, if that had been the policy and Congress had added the money, to fix the problem it might not have been spent. And what bothers me the most is this looks like a line-item veto. Giving the Defense Department the ability to go in and pick out items it does not want and strike them out without Congress having a chance to reconsider it. That is why I think DOD should send up a rescission. If it is as bad as the gentleman from Wisconsin [Mr. OBEY] points out, they should send up a rescission and we should consider it.

Mr. WELDON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Chairman, I would make this point to the distinguished ranking member of the Committee on Appropriations. Is he aware that the administration has yet to request one dollar of funding for the Nautilus program, that he has told the Israelis is the highest priority for their national security?

Is the gentleman aware there has been no request for that funding, yet we in this bill and the authorization bill are taking the lead to provide that funding?

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me simply say I find this discussion highly interesting and entertaining. The fact is that the item mentioned as far as the Commerce Secretary's plane is concerned is a hypothetical with respect to this bill. The Congress never put that money in. This amendment does not apply to something that Congress does not do, it only applies to something Congress does do.

Mr. DICKS. Mr. Chairman, reclaiming my time, Congress thought these planes had the equipment on them. We could not believe the Air Force had not put the equipment on the planes. We gave them directives to do it. We told them to put this equipment on and they refused to do it.

Mr. OBEY. Mr. Chairman, if the gentleman would continue to yield, again, this amendment cannot make up for congressional lack of effectiveness, but this amendment does not attack something Congress has not done.

Mr. DICKS. Mr. Chairman. once again reclaiming my time, I think it is a lack of effectiveness on the part of the Air Force and the Department of Defense for not having put it on in the first place. They should have known, because the equipment is available. They just did not do it for budgetary reasons.

Mr. OBEY. Mr. Chairman, if the gentleman would yield once more, the gentleman from Wisconsin is hardly a Member who always takes the advice of the Pentagon over the services, but I would simply say that this is an honest attempt to try to save some money. For every project the gentleman can point out that might be essential to national interest, I will show you 50 that are straight pork, and I would urge a vote on this amendment.

Mr. DICKS. Mr. Chairman, once again reclaiming my time, I would assume we could again take a look at this list, and I think we should try to cut these things out, if they are unnecessary, in the conference committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: At the end of the bill (before the short title), add the following new section.

SEC. . The amount of appropriations provided by this Act is hereby reduced by $6,572,000.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mrs. SCHROEDER. Mr. Chairman, reserving the right to object, we have had many people say they want to speak, but because of the confusion of the scheduling I do not know if they will get here or not. So I am a little troubled about what to do on time.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, first off, I thought there had been an agreement reached on the 20-minute time limit, is the reason I made the request. If the gentlewoman would like me to withdraw it, I will do so, but we are attempting, as diligently as we can, to complete this bill this evening, because I know that Members have commitments for tomorrow.

Again, I thought we had an agreement on the 20 minutes.

Mrs. SCHROEDER. Mr. chairman, reclaiming my time, as the gentleman knows, there are three authors to this amendment, and so I hesitate to speak for all three. But I think if we could maybe not put a time limit on this one, it would be helpful. I do not think it will take a tremendous amount of time. I think it is very clear what we are doing, but I just hesitate to shut people off if people do come over.

Mr. YOUNG of Florida. Mr. Chairman, if the gentlewoman will continue to yield, as I told the gentlewoman earlier in the discussion of this on the rule, we would not attempt to deny anyone the opportunity to speak, but we would hope that we would get cooperation to continue to expedite the bill as well as we have.

Mr. Chairman, I withdraw my unanimous-consent request.

Mrs. SCHROEDER. Mr. Chairman, the gentleman is indeed a gentleman and has stuck by his word and I appreciate that very, very much.

Members of this body, my amendment is really quite simple. It is different from the one that was in the RECORD because I just amended it to make it in line with the distinguished gentleman from Florida's amendment, the manager's amendment, that did cut the spending. So what my amendment does now is what it was supposed to do from the very beginning. We have changed the numbers to make sure it is right on point, and that is it lowers the amount of this bill to what was in the blue dog coalition budget. I am one of the people who voted for the coalition budget. I think newspaper editorials all over the country backed the coalition budget and said that this was a very fair number.

What is this number? This number is more than the Defense Department and the President asked for and it is, obviously, less than what is in this bill. this number is what the administration requested plus 3 percent because we care very much and want to guarantee that the pay raise is included.

I think everyone understands one of the most important things for any fighting force is morale, morale, morale, morale, and whatever happens we want to be absolutely assured that we do not end up with a shortfall for the pay raise. So this is the administration plus a guarantee by the 3 percent that there will be money for a pay raise.

Now, that still leaves megabucks and gigabucks in the whole budget. We still end up spending 2.5 times more than all of our adversaries combined and, actually, we spend more than all of our allies combined. And there comes a point when we begin to say how much more money should we throw at this.

I want to back up, however, and remind people of the debate we had yesterday and how difficult it was to get people to vote in the end for that budget, because the budget that was adopted yesterday had a higher deficit than the one that we had this year. Now, if my amendment passes, it would mean that this year's budget deficit would be almost equal to the one that we now have. I mean, next year's budget deficit would be almost equal to the one we have now. We would still be a couple billion more, but is would be down from the budget resolution that was adopted last night.

I think when we look at the coalition budget, when we listen to the cries of civility and a bipartisan approach to these things, this makes an incredible amount of sense. This was the bipartisan attempt to try to come together, and it says we should be spending this money but we also must be sure our personnel do not get squeezed.

Now, if we cannot get a defense budget that will defend this country for that kind of money, we ought to throw in the towel.

□ 1715

Mr. Chairman, we listen every day to debates about children who are not doing as well, so we are going to cut back their school lunches and cut back this person and cut back that. But when it comes to defense it seems no matter what happens, it never ever transpires that we bring it down. They have been the sacred cows in this whole budget debate. I have pointed out that the British have been affected by the mad cow disease, but this House seems to be affected by the sacred cow disease every time the defense budget comes to the floor. And I think that this amendment that is coauthored by the gentleman from Minnesota [Mr. MINGE] and the gentleman from Oregon [Mr. DEFAZIO] makes a tremendous amount of sense.

So, Mr. Chairman, I ask everyone who voted for the coalition budget to please stand for what we said we stand for. And I ask every other Member to look at this amendment with an open mind. If Members do not think this is enough, why is it not enough? Why can the Joint Chiefs of Staff and the President not be trusted with a plus-up for 3 percent just in case they are wrong? When we look at how we are treating every other aspect of the budget, chop, chop, chop, chop, chop, and when we realize this is over half of the discretionary spending, half, that we are debating today, we really need to look at this as sensibly and reasonably as everything else.

So, Mr. Chairman, I stand here proudly with my other two coauthors. I certainly hope the body will adopt this amendment. And I think what we will find is that we will be moving forward and it will really help the deficit. It will put next year's budget much more in line this this year's.

I urge an "aye" vote on this amendment.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I have a question to begin with. The gentlewoman said that her amendment would exempt this cut applying to the pay for military. I have read the amendment three or four times now and I do not see any exemption in this amendment to exempt pay for military.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, basically, what I said was it was the figure that was utilized in the coalition budget, which was the administration plus 3 percent. This does not exempt, but what the purpose was, was to make sure that there was adequate pay for the pay raise. We wanted to make sure that did not come out without being covered.

Mr. YOUNG of Florida. Mr. Chairman, I did not want anyone to misunderstand. This did not exempt anything. This could be across the board. What would it cut? How about the $475 million that we had to add for medical care that was identified by the Surgeon General, a serious addition that we made that the President did not ask for; the billion dollars that we added for barracks renovation and real property at bases; $125 million for breast cancer research and treatment?

Mr. Chairman, all of these things would be gone, because what we would do under her amendment was to allow the Pentagon officials to decide where to make these cuts. The items that I just mentioned were not on the Pentagon's list, so obviously would be on the top of their list to cut.

So I say we should not spend any time on this amendment. We ought to go to a vote and defeat it soundly because it is not workable.

Mr. MINGE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to begin by making a brief comment on the remarks of the distinguished chair of the subcommittee. I do not believe that we are just giving this to the Pentagon to make the decisions and acting irresponsibly in that sense. We certainly have ample opportunity in the conference committee process and at the Senate to deal with this amendment.

Second, I would note that the Chair actually reduced the level of expenditures by $500 million as a manager's amendment at the outset of the debate today. And certainly this change is parallel to the proposal in that respect.

Mr. Chairman, I would like to direct my comments this afternoon to the Members on both sides of the aisle who voted against the budget resolution last night, because we recognized in that vote that the budget resolution actually increased the deficit for the 1997 fiscal year.

This amendment gives those of us who are uncomfortable with a deficit increase an opportunity to follow through with our concern. The Schroeder-Minge-DeFazio amendment would reduce spending in the Department of Defense appropriations by 6.58 billion. Adoption of our amendment would reduce the deficit to $146 billion and would eliminate virtually all of the increase in the 1997 deficit that was proposed in the budget resolution. Here we have a chance to redeem ourselves.

This amendment would also eliminate 60 percent of the increased spending above what the administration requested. And I certainly think that it behooves us to listen to the Defense Department and the administration when it comes to defense spending.

Mr. Chairman, we certainly would like to think that wisdom, truth, and justice all resides in this Chamber, but on the other hand we cannot micromanage an agency of that size. I think that if we exercise good oversight function we have played a critical role, but to determine the exact level of expenditure and then increase it over what the Defense Department has asked I think is irresponsible.

I also am disturbed when I look at the appropriations bill that we considered last night, which was the House agricultural appropriations bill. We reduced the outlay for the U.S. Department of Agriculture by a very substantial amount over 1996 fiscal year expenditure levels.

It is certainly something that needed to be looked at, and it was done. But at a time when we are at peace with our former enemies in this world, the world war is over, why is it that we need to make an increase in defense spending above what the Pentagon asks, and at the same time cut expenditures in other sectors of our economy?

I submit that this is not responsible budgeting. We certainly ought to treat all sectors of the budget proportionately and appropriately.

Mr. Chairman, I would like to remind every Member that this amendment still allows for an increase in defense spending by $5 billion over the President's request. I must confess that I am uncomfortable in doing this; however, I am a member of the blue dog coalition and I feel that what we attempted to do in the blue dog coalition report was to strike a balance between what the administration requested and what the Republican leadership is submitting.

I also feel it is only responsible to attempt to avoid a veto. What sense does it make to submit to the President a defense appropriation which he has said he expects to veto and then start the shutdown dance all over again?

We certainly ought to listen to the 19 freshman Republicans who voted to hold the line on the deficit. This is a common sense compromise.

In closing, I would like to call to the attention of the Members of this Chamber this chart, which shows military spending comparisons, U.S. spending versus potential threats.

We are spending approximately 75 percent of this pie, whereas the potential threats to this country are spending approximately 25 percent of this pie.

And when you look at what Russia is getting in Chechnya for its defense expenditures, I think you can see that this comparison is not irrelevant. There is no reason why we need to continue this massive level of expenditures when we find that the potential threats to this country are spending such an insignificant amount.

And I certainly, Mr. Chairman, have a great deal of trust in the Pentagon and defense contractors that the money that we are appropriating is at least as well spent as the money that is being appropriated in those other countries.

Mr. HUNTER. Mr. Chairman, I move to strike the last word.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I think this might be a good time to address this issue that we heard all last year, and we are hearing it again now, that we are talking about things that the Pentagon does not want. That is not true.

I want to unroll this scroll sometime during the debate, and I am going to show you several thousand items that the Pentagon said they really needed but could not be included in the budget because they had a political number that said they could not go beyond that number.

Here is what Secretary Perry said when he presented the fiscal year 1997 budget. He said:

> If there's more money put into the defense budget, I would urge that it be done the same as they did last year, which is not add new program * * * but rather move forward programs that are already in the budget.
>
> That is what I asked them to do last year, when they were putting more money in. And by and large, they did that.

And that is what we did this year. So do not come on the floor and try to tell our colleagues that the military does not need these things or does not want them. They were given an artificial political dollar amount and they had to abide by that. We do not have to abide by that.

Mr. HUNTER. Mr. Chairman, reclaiming my time, I thank the gentleman from Florida for his point, and he makes it so well.

Mr. Chairman, if the gentleman from Minnesota who was just talking would just listen for 1 minute, we added in procurement about $6 billion to the request that was made by the services. Now, the entire approximately $40 billion in request that was made by the services, that is about a 70-percent cut under what we used to spend in the Reagan years. That was all requested by the services. So, the base budget that was requested by the services was approved.

We then asked the services, after Mr. Perry said we really need an additional $20 billion in modernization spending, we then added $6 billion after we asked the services what they wanted. They came up with a list of $15 billion. The increased $6 billion that we added was 95 percent requested by the services.

So if my friend looks at the total procurement bill that we have before us right now, less than 1 percent of that bill is congressional initiatives that were not requested by the services. And I would just ask the gentleman if he listened to the gentleman from Florida [Mr. YOUNG], he listens to the gentleman from Pennsylvania [Mr. MURTHA] and other leaders on the committee. The gentleman says he trusts the Pentagon. Fine. The Pentagon has 99 percent of this budget, 1 percent, like the smart guys in Congress who kept the F-117 Stealth program going when the Pentagon said stop; those were people like Mr. MURTHA, Mr. YOUNG, and other people. Don't you trust your own leadership in the committee and in the Congress to even add or even participate in 1 percent of the defense damage, or do you want to take a total veto from the Pentagon? What is the answer to that? Do you trust them?

Mr. MINGE. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Minnesota.

Mr. MINGE. Mr. Chairman, first I notice there was a discrepancy. The gentleman said it was 95 percent and now he says it was 99 percent.

Mr. HUNTER. Mr. Chairman, reclaiming my time. If the gentleman will listen carefully to me, I am talking about 90 percent of the add-on. The add-on is approximately $6 billion. But that is not the $39 billion that the Pentagon sent over to us under the Clinton budget.

If the gentleman would add all of that together, take 95 percent of the add-on of the total procurement bill, that is, everything we buy in the modernization accounts, roughly 1 percent or less is done purely by congressional initiative. All of the rest of the items have been requested by the services.

Mr. MINGE. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. And I would ask the gentleman, and I have yielded to the gentleman a lot more than he yielded to me.

Mr. MINGE. The gentleman has asked me a question. I have not asked the gentleman any questions.

Mr. HUNTER. Mr. Chairman, I want to get the same courtesy I gave the gentleman when he did not want to yield. We have a budget that is 99 percent put together by the Pentagon, 1 percent put together by the members of the defense committees and the Members of Congress. I think that is a pretty good balance, and I think the good judgment and wisdom of Members like the ones who wanted to see the changes in the aircraft that would bring about greater safety, like those who wanted to see greater ammunition accounts should be listened to and relied on by our fellow Members of Congress. I thank the gentleman.

MODIFICATION TO AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I ask unanimous consent to modify the amendment by correcting the clerical error in the dollar figure. I confess to the body I am a math nerd.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

> Modification to amendment offered by Mrs. SCHROEDER: At the end of the bill (before the short title), add the following new section:
>
> SEC. . The amount of appropriations provided by this Act is hereby reduced by $6,572,000,000.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

Mr. YOUNG of Florida. Reserving the right to object, Mr. Chairman, I would like to point out that the effect of this amendment is to take this from a $6 million cut to a $6 billion cut. And I would rather deal with a $6 million cut. But to extend the courtesies that the gentlewoman will extend to us throughout the day, I will not object.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman and I owe him a plate of cookies.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

□ 1730

Mr. DEFAZIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the question before the Members of the House is quite simple. Will the Pentagon be exempt from the cuts which we are going to exact on every other part of the Government as we move toward a balanced budget in the year 2002, something that is absolutely essential to the economic security of our Nation? Is the Pentagon spending every penny and has it spent so well every penny in its whole budget that it should be exempt and not only exempt but it should get an add-on over and above that requested by the Joint Chiefs of Staff, the Secretary of Defense, and the President of the United States?

Should they be exempt from procurement reform, prioritization, new efficiencies? I think not. I will use a couple of examples. I mentioned one earlier.

In a GAO audit of procurement by the Department of Defense over the last decade, there is $15 billion, B, billion dollars totally unaccounted for, $15 billion was spent for which no one can find a receipt, a disbursement or a purpose, $15 billion. What was it spent on?

Was it spent on essential things, perhaps it could have acquired the GPS little handout units and the little laptop computers that will cost about 5,000 bucks a plane for the 500 planes in the fleet, $2.5 million. That would be a tiny fraction of the missing $15 billion, but it was not spent there.

I believe if Congress begins to clamp down a little bit on the mismanagement at the Pentagon that they will spend the money more wisely and effectively and defend America even better than they have in the past, certainly more cost effectively.

Fifteen billion dollars. If any other agency of the Government could not account for $15 billion of spending over the last decade, there would be an uproar like we would not believe, but here it is ho hum, give them more money. If they cannot account for $15 billion, let us increase their budget this year by $11 billion.

Then there is the warehouse situation. We have done a little bit of looking at what is in the warehouses. It is essential that we must have more money this year. Well, there is $36 billion of equipment in the warehouses that exceeds the 100-year requirement of the Pentagon for operations, including wartime contingencies. This is $36 billion of wasteful acquisition, things sitting in warehouse, vacuum tubes for equipment that no longer exists. They did get rid of the leather stock, I believe, for chaps for the cavalry, but there is still other things in 10 million cubic feet of warehouses. Yet this is the same agency that we are told has to be able to write its own ticket that comes forward and tells us what additional acquisitions they need with no scrutiny.

Now, I believe the original request was excessive, given these points. But certainly the request before this body which busts the budget and puts us on an upward trend in the deficit next year is not warranted nor necessary. I believe that the Pentagon, the defense of the United States and certainly the taxpayers of the United States, we would all benefit if very simply we just said no. You got a lot of money over there. Spend it a little more effectively. Figure out what you did with that $15 billion and maybe you can spend it again, or how about you figure out what to do.

Let us have a garage sale with the $36 billion of equipment that exceeds the 100-year operational requirement of the military even in wartime contingency. Maybe there are some antique collectors somewhere that would like to buy some of that stuff.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was impressed with the candor of the explanation as to how the appropriations subcommittee budgets for the Pentagon. They ask them what they want; they give them most of it. That is a pleasant way to spend one's time but not a wise way to spend one's money.

Let us understand a couple of points. First of all, the price of this budget, absent the amendment of the gentlewoman from Colorado, who spent more than 20 years on the Committee on Armed Services and has time and again demonstrated the wisdom of her judgments in this area, the price of this amendment being defeated is cutbacks everywhere else.

We are going to balance the budget. We are going to reduce spending. If you continue the pattern of insulating the pentagon and the CIA and the intelligence agencies, which are included in this budget, from any significant budgetary discipline, and it does not seem to me that it is budgetary discipline when the justification for the budget is, that is what the agency wanted, if you continue to insult the Pentagon from that, then every other area government gets hurt.

Now there are Members in the House who do not care much about environmental programs. There are Members who think that we should not be spending as much money to help young people to go to college. There are Members who do not like the community development block grant program. I assume they can easily vote against this amendment.

But any Member who has told people in his or her district, I am sorry we cannot do more in Medicare, I regret that we have to cut back as much as we have in Medicaid, I wish we could do more for this program, I am sorry about it, vote against this amendment and you have undercut the accuracy of these statements, because if you give the Pentagon an additional $6.5 billion because they want it, then that $6.5 billion will come from education, from the environment, from public safety.

Yes, this is a dangerous world. But I believe $6.5 billion could be far better spent protecting Americans against crime in their cities, against drug-induced problems, against serious environmental hazards than it would be against foreign enemies who are already dwarf with our military power.

That is the choice. Do you think people are endangered by hazardous waste or are they endangered by crimes, by drugs, or by outdated infrastructure, or are they endangered by the countries which collectively spend a very small percentage of what we spend?

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for yielding to me.

I thought of one more thing. The gentleman has such an active mind, but there is also the threat of the debt. We could decide not to spend it at all and assign it to the debt.

Mr. FRANK of Massachusetts. Mr. Chairman, I understand that, but the Pentagon wants it. What is debt reduction compared against the desires of the Pentagon? The gentlewoman must understand what is going to win around here. So I assume we are not going to do that.

This, of course, is the account in which the magical increasing missing intelligence pot comes. You remember that. That was the $1 billion that we checked into, and we made it $2 billion. Then our diligent overseers checked into it and it became $4 billion. That is hidden in here. Who knows how much it is?

You are saying now that, gee, we cannot afford to take away $6 billion which is what happened when we caught them with money that they were withholding. We let them spend it elsewhere. So the first part is the real cost of this. Second, let us also retitle this bill. This is the foreign aid bill. We spend more in foreign aid in one military budget than we spend in all the so-called foreign aid budgets because, as was noted, Japan and England and Germany and France and Norway and Belgium and all of the other wealthy countries in the world are the beneficiaries of those who vote to kill this amendment because none of them have military budgets as a percentage of their governments, of their gross product like ours. We confer on them this great benefit.

Of course, there are bad people in the world. But there are also some good countries in the world that are the potential victims. They understand that they do not have to do things. Virtually, all of our allies are making very significant military cutbacks. Why? Because the Soviet Union has collapsed and because the Pentagon wants more money. Therefore, since we will give the Pentagon what they want, they do not have to do it in England, in Germany, and elsewhere.

This is the subsidy to our competitors economically. It is an imposition on every other Government program. It undercuts one basic point. People have said we have to tell the American people they have to sacrifice, we have to cut back on Medicare. They cannot have Social Security. Give the Pentagon everything it wants, and you undercut your ability to get other people to accept sacrifice.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Schroeder-Minge-DeFazio amendment. This is a sound amendment that should appeal to Members on both sides of the aisle. This amendment cuts the bloated military budget by just under $7 billion and brings it in line with the conservative blue dog budget and closer to the President's budget and the Pentagon's own request. Cutting $6,572,000,000 is not a radical proposal, not at all. It is one small step for fiscal sanity at a time when we really should be taking a giant leap.

Right now we are considering a defense bill which is loaded up with expensive cold war hardware like seven Trident D–5 missiles which will cost $267 billion in 1997, and continuation of the *Seawolf* submarine program at the outrageous price of $699 million in 1997. For the price of continuing the *Seawolf* submarine program, Mr. Chairman, we could send over 200,000 children to Head Start for a full year.

Think about it. We waste money on weapons we do not need which in turn prevents us from spending money on our children, our families, our seniors, and our environment. Those are investments we do need. Just last night the majority passed a budget agreement which cuts college loans for students, raises taxes on poor working families and eliminates the guarantee of health care for low-income seniors.

Just last night, the Gingrich majority told children: If you are poor, do not get sick, do not get hungry, do not get cold, because we really do not think you are important. In fact, we will no longer guarantee health care for you if you are poor. But, on the other hand, if you are a defense contractor, you are really important. This budget provides $246 billion for defense programs, $11.1 billion more than the President's request and $3.7 billion more than last year's budget.

Let us get our priorities straight. Let us add back some sanity to the defense budget by subtracting $6.5 billion in wasteful spending. And for heaven's sakes, let us invest in our children and their education, our seniors and their health care, and our families and their security while we invest wisely in our military.

Vote for the Schroeder-Minge-DeFazio amendment.

Mr. OLVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with about 10 legislative weeks left in the 104th Congress, I think it is a good time to examine the priorities of the new majority. The Republicans have relentlessly attacked education and health care and environmental protection, energy conservation, crime control. The minimum wage remains unlivable, corporate welfare unstoppable. The deficit is going to go up each of the next 2 years under the plan that was adopted last night while taxes are deliberately increased on working families who earn under $25,000 a year. But spending on unrequested and unneeded weapons systems is off the charts: billions of dollars for new missile defense systems to defend against hypothetical or imagined enemies that do not exist, millions for further development of the B–2 bomber, many millions more for other aircraft and hardware the Pentagon says it does not need to defend either our shores or our interests.

This defense budget is an utter perverse reading of the peace dividend the end of the cold war was supposed to produce. It makes you wonder who really wants to balance the budget. Makes you wonder who is really willing to make tough choices of shared sacrifice.

Both the President's budget and the coalition budget are fair and more human, more honest, more realistic plans to balance the budget in 6 years. The amendment by the gentlewoman from Colorado brings defense spending in line with the coalition's budget, almost $7 billion less than the Republican majority's plan. That would leave a full $238 billion for defense and might open the door for protection for working families that the President rightfully demands. If we would do that, if we would pass this amendment, we might get a balanced budget agreement.

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Is that not really what the Republicans say they want?

I urge all of us to take a constructive step to adopt a dose of common sense to put our children's future before special interests, and the next time we have an opportunity to take a commonsense, constructive step on behalf of our children's future, we find it easier.

I urge my colleagues to support the amendment that has been offered by the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mrs. SCHROEDER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER] will be postponed.

Mr. ZIMMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to commend the chairman of the subcommittee, the gentleman from Florida [Mr. YOUNG] for his work on this legislation and for taking action to reduce the funding for the Operational Support Airlift. The OSA provides air transport for senior military officials, Members of Congress, and the executive branch. Some of these trips may be necessary, but many are clearly questionable.

Mr. Chairman, each year the Pentagon spends $300 million on military travel for top Government officials. According to the General Accounting Office, roughly $24 million of this amount is being spent needlessly by government officials flying military planes rather than commercial transport.

The press regularly reports about abuses by congressional junketeers who use military planes at taxpayers' expense to fly to destinations such as Victoria Falls, Amsterdam and Bali.

The Defense Department's inspector general reprimanded a general who used a C–141 cargo jet to fly from Italy to Colorado with only his personal aide, his cat and himself as passengers. The cost of this trip was estimated at $120,000. The general paid the Government $5,000, but the rest of the tab was picked up by the taxpayers.

The GAO has reported on members of the executive branch utilizing the military airplanes for personal purposes, like the White House staffers who in

1994 used a military helicopter for a famous golf outing.

If taxpayers are going to pay millions of dollars a year for Government travel, they have a right to know exactly who is running up the tab, where they are going and why.

Last year the GAO estimated that the Department of Defense had a fleet of 600 aircraft that could be used by the OSA. GAO has estimated that the costs for operating military aircraft range from $5,300 per hour to $15,000 per hour. Because the cost of operational support aircraft is so high, members of the military, Congress and the executive branch should be more responsible when requesting trips.

For instance, many military and civilian officials take frequent trips by military helicopters from Andrews Air Force Base in Maryland to the Pentagon, which is 15 miles away. The cost of some of these military helicopter flights is $1,600. A Yellow Cab costs $18 for the same trip.

This bill reduces the funding for the OSA by $68 million. Equally important, it calls for a study of the use of military aircraft. I believe this action by the committee will help the Pentagon to better manage its assets and save substantial amounts of taxpayers' money, but I would urge Congress to take an important step beyond this and require full disclosure of all air trips taken on military transport.

In this regard I would ask to engage the gentleman from Florida [Mr. YOUNG] in a colloquy regarding the Operation Support Airlift.

I have expressed concern about the use and possible abuse of DOD Operational Support Airlift fleet. I am aware that the chairman of the National Security Appropriations Subcommittee shares my concern and has taken measures to reduce OSA funding levels, and I commend him for his actions. I am also aware that this bill directs DOD to prepare a thorough report on its activities. Nevertheless, I believe Congress must pursue this matter further.

As Congress proceeds to conference on this bill, I would like to have the assurance of the gentleman from Florida that he will work with me to obtain a complete accounting from DOD of who is taking these trips, why, where they are going and the estimated cost of each trip when Members of Congress and the executive branch use Government aircraft.

Mr. YOUNG of Florida. Mr. Chairman, would the gentleman yield?

Mr. ZIMMER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding, and I would like to thank him for raising this issue and respond to the gentleman by saying that in the fiscal year 1996 appropriation bill we reduced funding for this type of travel by $50 million. The bill that we have before us today reduces last year's level by an additional $68 million.

I would also have to advise the gentleman that getting information on the specifics that he is asking about is not really easy, but we are trying, and we have some reviews ongoing. But I certainly expect to continue to work with him and others who are interested in this issue and continue to do what we can to make sure that whatever is done in the way of military transportation is done properly.

Mr. ZIMMER. Mr. Chairman, I thank the gentleman for his work on behalf of the taxpayers in this connection.

Mr. MORAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am as anxious to conclude this bill as anyone here, but I do have a simple amendment that addresses a very serious problem.

Mr. Chairman, as all my colleagues know, young men and women are recruited into the military service with the promise that they will receive free health care for life. I can show my colleagues dozens of brochures where this is in writing that they will get free quality medical care for life. Unfortunately, the Government has decided to renege on this contract. Military retirees now, once they turn 65, are kicked out of the military insurance programs and effectively denied treatment at many military facilities.

At the time when military retirees need medical treatment the most, our Government gives them the least. After age 65, military retirees are not allowed to enroll in CHAMPUS, they are not even allowed to enroll in TRICARE, and even worse they are effectively denied care at a military medical treatment facility because they are last on the priorities list.

I have heard countless stories, and I know the chairman of the committee has, the chairman of the subcommittee, the ranking member. I bet most of the Members of this body have heard countless stories of people over the age of 65 waiting all day at a military medical treatment facility having younger people than them brought up ahead of them. People that come in much later than they have been waiting are brought to the front of the line because the policy is, if they are over the age of 65, they go to the back of the line, then have to wait until everyone else gets their health care. They only get health care on what they call a space-available basis.

So, as my colleagues know, we have got to do something about this. Medicare is available to them under Medicare subvention. It is not adequate in many ways. It does not cover prescription drugs. Its reimbursement rates are simply too low. Our amendment addresses this inequity and honors the commitment made to military retirees by creating a very limited demonstration project that will allow military retirees over the age of 65 to enroll in the Federal employees health benefits program. This is the same insurance program that all of us have. All we want to do is to make it available to military retires on a limited demonstration basis to see whether this will meet the demand. We want to determine what the cost will be, how much acceptance there will be, whether it is going to work.

Now, I can go on and on, I have got plenty of compelling arguments. I am not going to, because I know there is a lot of support for this. Let me just say that the military coalition and virtually every military group has endorsed this. I have introduced legislation as well that would establish the program nationwide, and that has over 75 co-sponsors. But this amendment today would simply give us the kind of information that we need to make sure we are doing the right thing, and we know it is the fair thing, we know that there is some urgency to do it because this policy is effectively excluding people that really need medical treatment today.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding, and I appreciate the effort that he has put into this effort, and I would say to him, as I have in private, that I probably have the privilege of representing more retired military who fall into this situation than anybody in this House, and I made a commitment to my constituents, and I made a commitment to the members of the military coalition who I met with just last week to discuss this. We have sent the proposal for a demonstration program to the Congressional Budget Office. The numbers are being juggled at this point.

What I would say to the gentleman is that we are going to do everything we can to solve this problem. We have a shared jurisdiction situation with the Committee on Ways and Means and also with the subcommittee of the gentleman from Florida [Mr. MICA], but we are going to work together. When we go into our conference, we would like to address this, do whatever we can because I have the same commitment that the gentleman from Virginia has, and we are going to make this happen because it has to happen, it is only fair. It keeps our commitment that we have made a long time ago to those who served us in the military for a lifetime.

Mr. MORAN. I much appreciate the commitment of the gentleman from Florida, and my friend and colleague, the chairman of the Civil Service Subcommittee, is on his feet, and he also would have authorizing responsibility for this, is very supportive as well, and

I know that the ranking member of the Defense Appropriations Subcommittee, the gentleman from Pennsylvania [Mr. MURTHA], is strongly supportive of doing this as well.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, I rise to enter into a colloquy with the chairman of the Appropriation Subcommittee on National Security, the gentleman from Florida [Mr. YOUNG]. As the gentleman from Virginia [Mr. MORAN] indicated, we have agreed tonight to withdraw this amendment.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. MORAN] has expired.

Mr. MICA. Mr. Chairman, I move to strike the last word and continue with my colloquy.

Again, as the gentleman from Virginia [Mr. MORAN] has indicated, we have agreed to withdraw this amendment because we have an understanding, we believe, with him that this will be addressed in the conference committee. I believe the amendment that was offered needs further refinement, and by addressing this issue in conference we will have the time necessary to thoroughly examine all the ramifications of the proposal. It may be necessary, in fact, to expand the demonstration projects in the amendment to include all non-active-duty individuals eligible for military health care.

Mr. Chairman, I certainly appreciate the dedication and commitment of the gentleman from Florida [Mr. YOUNG] to resolving the deficiencies in the military health care system and his agreement to address these problems in conference. I have the honor of serving as chairman of the House Subcommittee on Civil Service, and the issue of improving access to health care for military families was a subject of our subcommittee hearing on September 12, last year. We have gathered information on this important subject, and, as my colleagues know, it is vital to our military retirees, their survivors and families, and we ask again for the cooperation of the gentleman as this legislation and this bill move on to conference in trying to find a solution, and we understand that the gentleman intends to cooperate.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Yes, the answer is exactly correct. The same response that I made to the gentleman from Virginia [Mr. MORAN]. Page 205 of our committee report, there is a page devoted to that issue, and let me add to this further.

This is just one of the reasons that we added the $475 million over the President's budget for medical health care, for members of the military and their family, and, by the way, that is one of the items that can very likely be cut by the amendment offered by our colleague, the gentlewoman from Colorado [Mrs. SCHROEDER], or the amendment that will be offered by our colleague, the gentleman from Connecticut [Mr. SHAYS], and the gentleman from Massachusetts [Mr. FRANK]. We have to be careful. We do not want to give anybody the opportunity to take those moneys out of this bill.

Mr. MICA. I would like to respond, if I may, to the gentleman from Florida [Mr. YOUNG].

First of all, we appreciate the gentleman's leadership on the issue, the leadership of the gentleman from South Carolina [Mr. SPENCE]. I thank the ranking member of our subcommittee, the gentleman from Virginia [Mr. MORAN], who has worked with us. Our intent is to provide health care to as many folks who served, and their dependents, as possible, and that is our sole intent, and we also know the fiscal constraints that the gentleman is under. I intend to support him on this next measure which would get that, and I do know the circumstances of our military personnel and their dependents who do not have this health care; visited in Europe and saw, and other places where our military, one-third of them, live in substandard housing, and I know the damage that this potential cut could do.

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Mr. YOUNG of Florida. If the gentleman will yield further, I would like to say this, that it was the gentleman from Pennsylvania [Mr. MURTHA], the ranking member of our subcommittee, who first raised this issue in the subcommittee with the witnesses who appeared, and he has been the driver on this issue to get us to where we are. The gentleman has our commitment that we are going to continue on this issue.

Mr. MICA. Again, I thank the gentleman, I thank him for agreeing to the colloquy, and I thank the ranking member.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

I want to comment on the gentleman from Florida's threat assessment that the amendment of the gentlewoman from Colorado cuts $6 billion or the amendment that will be offered by the gentleman from Kansas, the gentleman from Wisconsin, myself, and others, our amendment would cut $1.8 billion from this, and he says this might endanger this particular project. Only if you want to.

Our amendment gives total discretion to the defense appropriators and the Defense Department as to where to cut. So I would just make a prediction to Members. As we talk about cutting $1.8 billion, we will hear people opposing this threaten that it is going to cost about $40 billion in cuts. Add up how many times that $1.8 billion is going to be spent. In fact, a $1.8 million cut out of this $240 billion budget in no way, shape, or form would threaten this particular program unless the people involved do not like the program and want to threaten it.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, the $475 million that I just identified that we added for medical care for military and their families was not in the President's request, so it obviously would be at the top of the list of those items to cut if the cutting amendment would be agreed to.

Mr. FRANK of Massachusetts. I would take back my time to point out to the gentleman that if the amendment that the gentlewoman from Colorado [Mrs. SCHROEDER] offered passes, you will still have $5 billion over the President's request. If the amendment of the gentleman from Connecticut [Mr. SHAYS], I, the gentleman from Wisconsin [Mr. NEUMANN], and others is adopted, you will have $9 billion over the President's request.

The fact is that you do not have to listen to the President's request. So the notion that by cutting $1.8 billion, which would still leave it $9 billion over the President's request, we have endangered that $475 million, I guess that is the kind of excessive threat assessment that leads you to think that you have got to keep pumping this bill up. But the fact is that there is no rational connection between the two and this is a preview of coming distractions.

Mr. MURTHA. If the gentleman will yield, I appreciate all the compliments we get on what we are doing here. I wonder if we could not move along, because I have been in the forefront of health care all these years. I do not think anybody has done any more than I have for the military health care. BILL YOUNG and I have worked on it constantly. So I wonder, instead, if we could just move right along here and go to the next amendment here.

Mr. BARTLETT of Maryland. Mr. Chairman, I move to strike the last word to enter into a colloquy with Chairman YOUNG.

Mr. Chairman, on page 214 of the report accompanying H.R. 3610 is language that says that the committee expects the President to notify and consult with Congress prior to any such deployment of peace enforcement, peacekeeping or international humanitarian assistance operations; is that correct?

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT of Maryland. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. The gentleman is correct.

Mr. BARTLETT of Maryland. Mr. Chairman, I would just like to clarify and make absolutely sure that this language in no way is an attempt to broaden the President's warmaking powers by contravening existing law.

Under the U.N. Participation Act of 1945, as amended in 1949, Congress must give prior approval before the President may deploy any troops to peacekeeping operations. His advising us is not adequate. This law says that he must get prior approval from Congress before he deploys any troops to peacekeeping operations in response to chapter VII U.N. resolutions.

I just want to make very sure that the report language in this bill is not designed in any way to change the requirement of this existing law.

Mr. YOUNG of Florida. I would respond that the gentleman is correct. The U.N. Participation Act requires prior congressional approval before the President can submit any troop to peacekeeping or peace enforcement operations. So the answer is "no," the gentleman is correct.

Mr. BARTLETT of Maryland. I thank the gentleman for this clarification.

The CHAIRMAN. Are there any other amendments not precluded by clause 2(a) or 2(c) of rule XXI?

AMENDMENT OFFERED BY MR. SHAYS

Mr. SHAYS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 27 offered by Mr. SHAYS: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . New budget authority provided in this Act shall be available for obligation in fiscal year 1997 only to the extent that obligation thereof will not cause the total obligation of new budget authority provided in this Act for all operations and agencies to exceed $243,251,297,000, which amount corresponds to the new budget authority that was provided in the Department of Defense Appropriations Act, 1996.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 1 hour and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. FRANK of Massachusetts. Mr. Chairman, reserving the right to object, I just wanted to clarify that if any amendments to the amendment were offered, they would not come out of the hour. We certainly, I think, would agree to the hour but just in case any amendments to the amendment were offered, they would not come out of the hour.

Mr. YOUNG of Florida. If the gentleman will yield, I would suggest we deal with that if we get to it. As we did with the gentlewoman from Colorado [Mrs. SCHROEDER], we are not going to deny anyone the opportunity to be heard.

Mr. FRANK of Massachusetts. I appreciate that, and I would not object if we were talking about 1 hour on the amendment that the gentleman is offering, and any amendment to the amendment would have to be dealt with separately, that it would not come out of that limit.

The CHAIRMAN. The Chair would state that that is the way the request is stated.

Mr. FRANK of Massachusetts. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The time limitation on the Shays amendment is 1 hour.

Mr. SHAYS. Mr. Chairman, I ask unanimous consent to designate 15 minutes to my colleague the gentleman from Massachusetts [Mr. FRANK], who is an equal cosponsor of this amendment for the purposes of yielding time.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent to yield 15 minutes of my time to the gentleman from Pennsylvania [Mr. MURTHA].

The CHAIRMAN. Without objection, the time will be divided 15 minutes for the gentleman from Connecticut [Mr. SHAYS], 15 minutes for the gentleman from Florida [Mr. YOUNG], 15 minutes for the gentleman from Pennsylvania [Mr. MURTHA], and 15 minutes for the gentleman from Massachusetts [Mr. FRANK].

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a very simple amendment. This is not a cutting amendment nor is it an increasing amendment. This is an amendment that says that this Congress will authorize and appropriate the same amount next year as we have appropriated this year, $243,251,297,000.

This is an amendment that freezes defense spending for next year at the level that it is this year.

With that, Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I rise in support of H.R. 3610 and in opposition to the Shays amendment. This amendment proposes to cut funds in quality of life programs which are in the bill.

Our chairman, BILL YOUNG, should be praised for putting these items in the bill. Our service men and women serve our Nation with great dignity, and Congress and the American people should respect this fact. Of particular importance to me, and women throughout our Nation, is the commitment to breast cancer research, prevention, and treatment. This bill provides $100 million to continue the Department of the Army's peer-reviewed breast cancer research program and $25 million for prevention and education programs. More than 184,000 women will discover they have breast cancer this year, and many of those women will be members of our Armed Forces or family members.

Beyond this funding, the committee has restored the budget shortfall in the Defense Health Program. Any reduction to this account would drastically limit medical services for our military families and retirees. The very least we can do is show our support for our men and women who serve our Nation without reservation.

I urge my colleagues to support the funding levels in H.R. 3610, and oppose the Shays amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we now have the question as to whether this is a Congress seriously dedicated to reducing the budget deficit, understanding that that causes some difficult choices everywhere, or whether we will, as this appropriations bill does, exempt the defense and intelligence budgets together from any significant budget discipline.

Remember, we talk about the entitlements leaving us only a certain amount of discretionary spending. We are talking about approximately half the discretionary spending. If you go forward and provide this significant increase for the defense and intelligence budgets, an intelligence budget which found, and let us be very clear, this cut would be $1.8 billion from the appropriations proposal, which would make it a freeze. It is acknowledged by the intelligence agencies which are part of this budget that they misplaced more than twice this amount. More than twice the amount of $1.8 billion was kind of lost because they have got so much money they cannot keep track of it. So that notion that we have got to cut health or cut this or cut that, we will hear all kinds of exaggerations. All we are saying to the defense and intelligence agencies together is, "No, live this year with the same amount you had last year and you will be doing better than many, many other agencies."

Reject this amendment, and I think this is too small of a cut, but if this amendment is rejected, then you have said, no, we will get into a situation where we will reduce the deficit, reduce every other discretionary program so the Pentagon can go up and up and up, and your ability to persuade people that they should accept sacrifices elsewhere will be substantially eroded.

This leaves entire discretion to appropriators and the Defense Department to make this cut of less than 1 percent. I hope the amendment is adopted.

Mr. SHAYS. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would emphasize again that this is a freeze amendment. We are not advocating that the Department of Defense spend less than we spend this year next year. We are advocating that they have a freeze. I am a member of the Budget Committee. On the Budget Committee we are allowing entitlements to grow. We are allowing the growth of entitlements like Medicare and Medicaid. We advocate freezing defense spending—at least I do—and we are cutting discretionary domestic spending. We are having real and absolute cuts in discretionary spending.

Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. KLUG] for our freeze amendment to defense.

Mr. KLUG. Mr. Chairman, I thank my colleague from Connecticut and my colleague from Massachusetts for leading the fight on this amendment today. It parallels the fight we actually tried to do several weeks ago during the defense authorization bill. Unfortunately we were not allowed that opportunity on the floor to make our case.

Let me really simply try to argue that there are three points in front of us today on this. First of all, I think it is a test for Republicans, whether we are going to apply the same kind of scrutiny to the Pentagon that we apply to every other Federal agency.

I heard my colleague from California, Mr. HUNTER, come to the well a few minutes ago and say, "Look, we came up with this list of what the Department of Defense needs because that's what the Department of Defense told us they needed."

Do we really deal that same way with any other Federal agency? If the Environmental Protection Agency came in and said: We need this money. You got it.

Or the EPA came in and said: We need this money. You got it.

Or the Interior Department came in and said: We need this money. You go it.

Of course not. We have said to every single one of those Federal agencies over the last 2 years, "We're broke."

We are broke as a country. We are hundreds of billions of dollars in the hole this year, and we are several trillion dollars in the hole in terms of the national debt itself. And so we have asked every one of those agencies to operate more intelligently and more efficiently.

Somebody please explain to me where the Pentagon suddenly developed this reputation as the poster boy for Government efficiency. This idea that somehow the Pentagon is sacrosanct just does not, I think, confront reality.

Mr. Chairman, my second point is going to be characterized in some ways as an attack on our ability to defend ourselves. We are not saying you cannot buy bullets. What we are suggesting is maybe you already have enough pencils. And we are not saying you cannot buy tanks. Maybe you already have enough offices filled with enough file cabinets.

You are going to tell me in a $260 billion budget, you cannot eliminate three-quarters of 1 percent through efficiency standards?

Folks will say if you do not pass the bill in front of us as the Committee on Appropriations wrote it, that means there will not be any quality of life, there will not be raises for our service men and our service women. Set that money aside, give them the raises, then go back and look at the other $250 billion and find another three-quarters of 1 percent.

We are not military experts. And so we did not come to the floor and say, "Here is the places you cut in order to do that." We came to the floor to say, on principle, we have got to ask the Pentagon to live by the same kind of standards we have asked every other Federal agency.

☐ 1815

In fact, as the gentleman from Connecticut [Mr. SHAYS] has correctly characterized this amendment, it is not a cut, it is a freeze. We are saying they get the same amount of money they got last year, where every other appropriations bill debated on the floor over the last several weeks and over the next several months we will actually have Federal agencies substantially cut. Not freezes, but cuts. This is the same money they got last year.

Finally, I want to say to my Republican colleagues, I think if we are to earn the respect of the American public and develop the sense of credibility on other deficit issues, we have to apply the same kind of standards to the U.S. military and to the Pentagon. To somehow say we are going to look aggressively at every program and to say we are going to ask Medicare to slow its rate of growth and we are going to ask the Environmental Protection Agency to live with less money, and the National Park Service to live with less money, and the FBI, and every single Federal agency across the board, but then say, wait a minute, wait, the only guys who get more money are the folks at the Pentagon because they have operated so efficiently and so intelligently over the years that they cannot find any place to cut.

I find that absolutely incredible, Mr. Chairman, and I think every single one of my colleagues should ask themselves, if they are serious about deficit reduction and if they want a balanced budget and they want to provide a future for our children, then we should ask the Pentagon to be subject to the same kind of scrutiny we ask every other Federal agency to live with, and we should do it with a vote early this evening.

Mr. Chairman, I urge my colleagues to vote for the Shays amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, may I inquire how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Massachusetts [Mr. FRANK] has 13 minutes remaining; the gentleman from Connecticut [Mr. SHAYS] has 10 minutes remaining; the gentleman from Florida [Mr. YOUNG] has 13½ minutes remaining; and the gentleman from Pennsylvania [Mr. MURTHA] has 15 minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds to say I am struck by how we are told that cutting $1.8 billion could cause such havoc. The appropriations subcommittee underestimated its own skill. They were just told by the Committee on the Budget cut $700 million and they did it fairly painlessly. Apparently, they were able to get rid of 700 million and America is still secure; no invasion impends, no health care has been cut back.

They could cut 700 million apparently with no problem. I think if they worked a little harder, they could cut another $1.8 billion, which is still less than 1 percent of the total budget.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Chairman. I rise to support the freeze amendment. That is what this does. It is a freeze amendment.

Now, it is interesting to me, when we voted on the balanced budget amendment there were about 300 Members of the House of Representatives who came in here and voted for a balanced budget amendment. That was the easy part, come in a vote for a balance budget amendment, go back to our districts and say, well, I voted for a balanced budget amendment; I want to balance the budget.

We tried yesterday to cut corporate welfare with very little success, then we tried to cut tobacco subsidies with a little more success, but we were unable to do it. Mr. Chairman, this defense appropriations bill adds close to $11 billion more than what the President requested, $3.7 billion more than we gave the Pentagon last year.

Adding $11 billion to the defense budget is the height of fiscal irresponsibility; 15 percent of the budget is the defense budget. How in the world are we going to tell the American people that we are serious about balancing the budget when we do not have the courage to make the difficult choices with defense?

In this particular option, $1.8 billion, as my colleague from Massachusetts said, we cut $800 million just with the rule that we passed. This is an easy amendment.

I hear this talk about we are going to cut health care, we are going to cut the extra money for the troops and the extra money for readiness. This bill appropriates $6 billion more than the President's request on weapons procurement. It accelerates the purchases of new fighter aircraft and submarines, items that the Pentagon had not planned to buy for years. And if they had not planned to buy them for years, how in the world will we pay the upkeep?

It does not make any sense. This budget sinks $858 million, 69 percent more than the President requested, into the national missile defense system.

If we are serious about balancing the budget, let us not exempt 15 percent of the budget. Let us pass this freeze amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LEWIS], a distinguished member of the subcommittee.

Mr. LEWIS of California. Mr. Chairman, I thank the chairman and the distinguished ranking member, the gentleman from Pennsylvania.

I first want to say to both my colleagues, my chairman as well as the gentleman from Pennsylvania, that I could not admire more the work of these two gentlemen in terms of the efforts they make in that Committee on Appropriations on behalf of the country. There is not a responsibility at the Federal level that is more important, more significant to this country and to the world than the work of this subcommittee, where we either appropriate the money or we do not appropriate the money to keep America strong.

In my time in the Congress, there has been nothing more important that we have done than to lay a foundation that causes us to be strong, as the one leader in the entire world. It is the result of their work that indeed the Soviet Union eventually collapsed. The pressure it put on that process brought an end to the East-West confrontation. I do not know how many trillions of dollars that effort has saved this country.

The price of peace is great but, indeed, the price of not having it could be much, much greater. To suggest that we should continue to reduce this budget is almost laughable if it was not so important. Indeed, ladies and gentlemen, over the last 5 years we have reduced these budgets not by a billion dollars discussed here, but by $100 billion. And over those same years, every other program of much less significance has been increased beyond inflation by the very people who do not want to support defense.

It is time to recognize that this is one of the critical responsibilities of the Federal Government. It is appropriate for the Congress to go forward with this spending. Indeed, the job being done here should be commended; it certainly deserves our support.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank my friend from Connecticut for yielding me this time. I think this is a very important amendment not only because of the money involved, but I think because of the thought process that it goes into when we vote on these amendments.

As I interpret this amendment, what we will be doing rather than spending $245 billion, we will be spending $243 billion. That seems to me to be a rather modest cut.

The speaker before had mentioned that we spent a lot of money on defense and the Soviet Union therefore is no longer. One of the reasons the Soviet Union fell is not because we spent a lot of money on defense, but because of what technology did in the Soviet Union.

But it is true we spent a lot of money to keep our country strong. I served in the Army; I served on the board at West Point. I am very partial to our military. But there is a time when we start asking ourselves why are we spending these billions?

No one here has come to the well, now that the Soviet Union is no longer, no one has come to the well and said why are we spending this money; to defend ourselves from who? Who is the enemy? Even with this amendment we are spending $243 billion. That is a lot of money.

If we want to protect the United States of America, do not build more planes or more ships. We had a hearing today. In Odessa, in the Ukraine, there is no longer communism there. They do not have school from December through March. Why? Because there is not enough heat for the schools. They do not have pens in the schools. They do not have paper. They are here in the United States looking for old books and textbooks to send to Odessa so the kids have something to go to school with, so the kids have something to write on, and we are spending billions of dollars in defense.

If we want to do something in defense of America we should start sending some textbooks, sending some pencils, sending some school supplies to Odessa and to the regions in that part of the world. Do not send more missiles. We are spending billions of dollars to help the people in the Ukraine destroy their weaponry and over here we are building more weaponry. It does not make sense.

The problem, as I see it, is one of thinking. It is difficult to have change. We see that in our society today. The most difficult thing to do is to change our way of thinking. I have been here in the Congress for 18 years. When I came here we had a Soviet Union. I voted for all the defense spending. But that enemy is gone. It is a different era, it is a different time. We have to bring some new thinking to the world.

It is a different world and we have to acclimate to the world we are moving into and that we are in today. The world we are in today is one of economic competition, not more and more military planes and ships. What are we going to do with more subs that we will have? Who are we defending ourselves against?

I know it is difficult to bring in new thinking, to change one's thinking, but this is what we have to do and that is why this amendment is important. It is not only that we are saving a couple billion dollars, but we have to have a different mental attitude, a different thinking in this Congress. We are not acclimating to the new world.

We are like the old Communists trying to get back in power against Yeltsin in Russia today. We have to have some new thinking, and this amendment goes in that direction. That is why it is important.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2½ minutes, because I want to comment on this notion that defense and intelligence is somehow an obligation different than every other.

In this budget, remember the intelligence agencies, for instance, have now gotten into economic intelligence. The budget does not just talk about guns and ships and men and women in uniform. This funds the intelligence agency, where we have been told the intelligence agencies have decided to do economic analysis. I am glad they are, but is economic analysis in the intelligence budget of a qualitatively different nature from economic analysis elsewhere so that it should be exempted from any kind of budget scrutiny? Because all this is a freeze. All we are saying is they do not get more than they got last year. It is a freeze, not a cut, that we are advocating.

Let us talk about other Government functions; the FBI, faced in Montana with a difficult situation. We are told in the Judiciary that, yes, they did not have quite as many agents to investigate church burnings. We were going to adjourn temporarily to deal with the terrible issue of church burnings. I think putting a stop to church burnings is a very significant Federal responsibility. That takes well-financed Federal agencies.

What about Immigration protecting our borders? What about the problem of drug-induced crime? What about the problem of terrible toxic dumps? We have had to slow down the money we put into reducing hazards where small children live because we have said to people we do not have enough money.

All we are saying is, yes, defense is a very important function. So is domestic law enforcement. So is taking poison away from small children. So is having adequate control of our borders. But we cannot do all of it to the extent that we would like. And a freeze, giving the Defense Department the same amount of money this year in this budget as they had in the year before, given the trends the gentleman from Wisconsin quite thoughtfully pointed out, given the fact of the diminution in the exterior threat, indeed if we look at America today compared to 8 years ago, where has the threat to our security gotten worse? I think it is more domestic than exterior.

Frankly, I think with the collapse of the Soviet Union, we are somewhat safer internationally than we were before. I wish we could say the same about crime and about environmental problems. So does it make sense to exempt from the process of freezing and discipline the foreign area, where we are almost certainly safer, and take out even more from the domestic area where the threats sadly are even greater?

☐ 1830

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Chairman, I thank the gentleman for yielding. I serve as chairman of the Subcommittee on Civil Service of the Committee on Government Reform and Oversight, and I know where the cuts in our work force are taking place. We have heard of 273,000 employees downsized; 80 percent of the cuts in this administration have come out of the civilian defense force.

We just heard the last speaker say, What is the threat? The threat is we have had the largest arms sale in the history of the world, and we have missiles, and we have subs, and we have all kinds of weapons. Pick up the newspaper today and we see the potential of the threat. And our No. 1 responsibility under the Constitution is what? To provide for the defense of this country. It does not say to get into all these programs.

It is no problem for us to come here or this administration to come here and spend $2 billion on Haiti; $2 billion on Somalia; another billion in Rwanda; Bosnia, $5 to $6 billion. And then we talk about a missile defense of $5 billion. We are really standing still. We are losing ground.

Mr. Chairman, two-thirds of our money to three-quarters of it is on salaries and retirement benefits. We are now paying more on interest on the national debt than we are in real dollars for our national security, our No. 1 responsibility under the Constitution.

Mr. Chairman, we cannot afford to err. We cannot afford as a Congress to make a mistake. That is the threat. That is where the money is being spent and that is our obligation under the Constitution.

Mr. FRANK of Massachusetts. Mr. Chairman, what is the time remaining, please?

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] has 7 minutes remaining; the gentleman from Florida [Mr. YOUNG] has 9½ minutes remaining; the gentleman from Massachusetts [Mr. FRANK] has 8 minutes remaining; and the gentleman from Pennsylvania [Mr. MURTHA] has 15 minutes remaining.

Mr. MURTHA. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Chairman, I rise in opposition to this amendment. I know that there are a lot of folks who believe in the need to balance the budget, and I take second place to no one in that belief. The fact is we do need to balance the budget, that our children and our grandchildren are going to be paying for our profligacy if, in fact, we do not start getting our spending in line with our in-flow.

The fact is, Mr. Chairman, that for the last 40 years we have been spending far too much, running deficits of $100 billion a year, $200 billion a year, $300 billion a year, and the interest within the next 12 to 18 months, the interest on the debt that we have accumulated, that $5 trillion plus debt that has been accumulated over the years, will soon exceed what we spend on the defense of this Nation.

For the first time in the history of the country, our No. 1 priority, providing a defense for our people, providing security for every man, woman, and child in this country, will come second to paying interest on the debt, interest on the borrowings that we have had in order to just pay for government.

So there is no doubt that we have got to get our budget under control. But the fact is that in discretionary spending in the last year and a half, we have saved roughly $43 to $50 billion under what was appropriated 2 years ago, and by the end of this appropriations season we will have saved about $60 billion under what was appropriated 2 years ago.

Mr. Chairman, if Members look at the trend line for what President Clinton would have asked this Congress to spend had we not had the change in Congress that we have had, the savings have run about $80 billion.

Mr. Chairman, we are succeeding in getting the discretionary portion of the budget under control. We are losing the battle still, because without the President's agreement, we cannot get his consent to get entitlements or the mandatory portion of the budget under control. That is no reason, absolutely no reason to say well, therefore, we should take extra savings out of the hide of the defense of this Nation.

The fact is that we need a ballistic missile defense. That is still in contention. It is opposed by Members of the House, it is opposed by Members of the Senate, and it is opposed by the President of the United States. Oh, he says we need to work on the development of a system, but he says we do not want to deploy one. I happen to disagree with him. I think it is one of the few threats that the American people face. It is a dangerous world when we look at North Korea, when we look at China and the technological advances of China, when we look at the Iranians and the Muslim governments.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Chairman, when we look at the advances of a hostile world out there, we begin to understand that if America does not prepare for what threats might develop in the future, that we may well find ourselves underprepared and not ready for those threats when they occur. That would be a disaster. We owe it to our troops, we owe it to our people to be secure.

As this chart shows, Mr. Chairman, we actually, with the current proposed spending, after we take off medical spending and the pay raise that has been built into the system, we are actually going down under last year. When the Joint Chiefs have said we actually need an extra $15 billion in weapons modernization, we are not giving them the $15 billion in weapons modernization. We are not even keeping even with where we were last year.

Mr. Chairman, this amendment would cut us by an additional $2 billion. That is unwise, it cuts our seed corn so that we cannot sow seeds for the future and be prepared. It will leave us ill prepared to meet the threats of the 21st century, and I urge the defeat of this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I am learning the lexicon. Sometimes a freeze is a cut, and sometimes a freeze is a freeze. A freeze is a cut when it is for some programs and a freeze is not a cut or is just a freeze for the Pentagon.

Mr. Chairman. I yield 2½ minutes to the gentleman from Minnesota [Mr. LUTHER].

Mr. LUTHER. Mr. Chairman, I rise in support of this amendment to freeze Department of Defense spending at the fiscal year 1996 level.

In the past year and a half we have seen some progress in reducing our country's deficit, but not nearly enough. With the budget crisis facing this Nation, we must look for every single opportunity we have to reduce the deficit. And we simply cannot justify spending more on defense than our own military experts believe is necessary.

Mr. Chairman, we have been elected to this body to exercise judgment, common sense, and courage to make the hard choices necessary to achieve a balanced Federal budget. Freezing military spending would demonstrate our collective commitment to getting our Nation's fiscal house in order. But more importantly, it will set the stage for asking the American people to make sacrifices in other important budget areas.

It is much easier to discuss the idea of shared sacrifice with senior citizens, children, and hardworking American people when we can assure them that all Federal programs and agencies are facing the same budget constraints.

The American people know it is wrong to ask them to share the pain of balancing the budget when a big part of the budget, the military budget, is being increased. The bottom line is simple, and we should know it by now after everything we have gone through in the last year and a half. If we are serious about balancing the budget of this country, it is essential that every Federal program and Federal agency share in the sacrifice, including the Department of Defense.

Mr. Chairman, let us show the American people that we really are committed to fiscal responsibility. Let us apply the same belt tightening to the military budget that we applied to the rest of the budget.

Mr. Chairman, I urge my fellow House Members to vote for this amendment and freeze military spending at the 1996 level.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. NEUMANN] in support of the amendment to freeze defense.

Mr. NEUMANN. Mr. Chairman, this is an amendment to freeze defense spending at last year's levels. It is no big secret in this Nation that elections are coming up in November of this year and I have become accustomed to hearing an awful lot of demagoguing. I hope this amendment passes so that there will be no demagoguing come the fall elections this year about defense spending increasing.

Mr. Chairman, if we pass this amendment, defense spending is frozen. Period. It is not an increase or decrease. It is frozen, period. And there should be no demagoguing going into the fall elections after we pass this amendment. This amendment freezes defense spending at last year's level.

Last year's level was $243 billion. Next year's level would be $243 billion if this is passed. What about defense spending and where does this rate in priorities of the Nation? I think defense spending is one of the highest priorities of the Nation and should be treated that way. But does that mean defense spending should not be treated with the same scrutiny that all other parts of the budget are?

Mr. Chairman, I personally think we need to develop a missile defense system for this Nation. Many of the American people do not realize that if somebody launches a missile against the United States of America, we have no ability to shoot that missile down and to protect our own Nation. So, I think we do need to develop a missile defense system.

If we freeze defense spending, how can we go about developing a missile defense system? Well, we go at the defense budget the same way we have gone after all the other parts of this budget. We find the programs that are not absolutely essential and we take money from those programs that are not absolutely essential and we redirect the funds into the programs that are the most important.

Mr. Chairman, my recommendation is I think we move to a high-technology military. I think we use technological advancements the best we possibly can. We develop the systems that are necessary to preserve and protect this Nation for our children.

But when we are doing that, at the same time we have to retire planes that are too old to service properly, planes that are too dangerous and other equipment that is too old, and properly bring down the support for that equipment that we no longer need with a high-technology military.

What is happening in this amendment? Defense spending will be frozen. The National Taxpayers Union supports it, and I would like to quote their letter directly. It says, "Congress has committed to reining in wasteful spending. We cannot afford to increase military spending if we are to gain control of our Federal deficits and achieve a balanced budget."

Last night on the floor of the House of Representatives we had a very interesting debate. The vote outcome indicated that we in this body believed that we have to have an $8 billion increase in the deficit next year.

Mr. Chairman, I would like to suggest to my colleagues that the passage of this amendment allows us to move $1.8 billion closer to a balanced budget. I would like to conclude my remarks this evening by encouraging the people in this body to do what is right for the future of our Nation, to do what is right for our children's future.

Mr. Chairman, I say to my colleagues, move us closer to a balanced budget. We are $5.2 trillion in debt. That is $20,000 for every man, woman, and child. It is time we move closer to a balanced budget. I encourage the support of this amendment which simply freezes defense spending.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Washington, [Mr. DICKS], a member of the subcommittee.

Mr. DICKS. Mr. Chairman, I just wanted to make sure my colleagues have not forgotten a little history here. I have heard a lot of talk about the defense budget not having been cut. I want to say that is the most ridiculous thing I have heard all night tonight.

Mr. Chairman, we have cut the defense budget by $100 billion a year since 1985. When we take today's budget, it would have been $350 billion. Today, it is $250 billion. We have cut procurement by 70 percent. The Joint Chiefs have just written a letter to Secretary Perry saying that we are short annually $20 billion in procurement.

□ 1845

We have downsized the military since the gulf war dramatically. In the gulf war we had 1 million men in the U.S. Army. Today we are down at 495,000. And we are operating at a higher op tempo than at any point between the Vietnam war and the gulf war.

We are sending these kids, these young men and women in the military, out more often to more places. The op tempo has never been higher. To say in the face of that evidence that we do not need to do more for defense is simply incorrect. We are operating in a very fragile situation here. We added about $6 billion to procurement. That takes us up to $44 billion. The Joint Chiefs say that we need to be at $60 billion, and Secretary Perry has admitted the fact that we have got a major shortfall in procurement. This budget does not really come close to meeting the legitimate requirement.

Now, I understand my colleagues who say we should be doing more on domestic priorities. I wish we could do more in domestic priorities. But if you cut the money out of this defense budget, it is not going to go over and help HEW or other bills. It is going to go to deficit reduction, which is a very important issue. And I do not favor tax cuts, other things that are part of the other side's budget that will make the deficit situation worse. But to say that we have not cut defense, we have cut defense more than any other discretionary spending issue in the budget. Nothing has been cut more than defense over the last decade.

The requirements today on the military are major. So I urge my colleagues not to forget history here. We have leveled this off for the last couple years. We have not really done what is necessary. I just urge Members not to take this amendment, because it will make the job even more difficult to try and have adequate procurement funding for the equipment that our services need. We are going to have a major problem out there in the future if we do not have adequate funding for procurement.

I urge Members to stay with this budget. It is not perfect, but it is certainly a step in the right direction. And to say that we have not cut defense is just ludicrous.

Mr. MURTHA. Mr. Chairman, I yield 30 seconds to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Chairman, I would like to associate myself with the remarks of the gentleman who just spoke. We cannot cut this defense budget anymore.

It is interesting in all this debate, not much has been said about the soldier. The first place that you cut, the easiest place that you cut is from the soldier, himself or herself from those who are on the high seas, who keep the airplanes flying. We should not forget those because they are the first to be cut in an event of a cut such as this amendment would provide.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute.

Let me say to my good friend from Washington, I do not disagree with his history. It is his mathematics that I want to focus on. The gentleman is the most honest advocate of increased military spending. He says the military budget would be $340 billion. But it was never in dollars more than about 200 billion.

What did he do? He used an inflation adjusted figure and that is at the heart of this discussion. We are talking about dollars being dollars. The gentleman from Washington says, it is a cut in part because we have not keep up with inflation. So I ask, particularly Members on the other side, if that is the accounting they want to go back to, OK. But understand that that is the basis for the gentleman from Washington's argument.

He talks about a reduction from $340 billion, but we never got to $340 billion. It is the inflation adjustment.

This is a freeze. This is the same dollars. That is the issue here. Are we going to adopt a whole different set of accounting for the military? My friend says, 340, understand that that is getting you into inflation adjusted accounting. And if you do not keep up with inflation, it is a cut.

Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, old habits break hard. That is as true of nations as it is of people. We are in the habit of spending enormous amounts of money on the military budget. Right now we are spending approximately the same amount as the next 10 nations combined.

It is simply a prudent thing to freeze our defense spending at its present level. Some might argue that we ought to go far beyond that and reduce the military budget substantially. There are people in this town, responsible people who follow the military expenditures intimately, who would argue that you could safely cut $50 billion out of the military budget without affecting the security of this country one iota. No one there is proposing anything like that. They are simply proposing that we freeze military spending at its present level so that we can begin to establish some new priorities.

Our priorities approximately have been to spend for the military, for the Second World War and for the cold war. All of that is behind us now. The major threats to our countries are within.

We have schools in this country that are falling apart. We have children who are not getting decent education. We have people who need health care. We have roads and bridges which are falling apart. Half of the bridges in this country are below standards, below safety standards. Everywhere we look the basic infrastructure of this country is in dire need. We continue to pour more and more money into larger and larger military budgets against an enemy that is no longer extant. They are gone. We have beat them. They are defeated. They are not here anymore.

his kind of military has got to be brought in line. We have to, this Congress has got to be given the opportunity to establish new priorities, reasonable priorities that meet the needs of our country. We have got to begin to focus more approximately on our domestic needs.

I have just mentioned a few. They are legion. They go far beyond those few that I have just mentioned. But the best priorities of this country are hurting and wanting, and we are not treating them appropriately. This amendment is reasonable. We should freeze military spending and refocus our priorities appropriately.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Massachusetts [Mr. FRANK] is recognized for 2¼ minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to be very clear again about what we are discussing. The gentleman from Washington was very honest. He said he does not think this budget is enough. I will be honest and say that, even if this amendment passes, I think it will be too much. I asked for a realistic threat assessment. I asked the same intellectual and mathematical standards be applied to the Pentagon as elsewhere. We do not do enough with the FBI. We do not do enough to reduce serious hazardous weight. We do not do enough to improve air traffic safety. We do not do enough to provide health care for older people.

We are about to tell older people they will have to take some reduction in the kind of health care that is available to them. You cannot exempt one area from that. If you reject this amendment, that is what you do. This amendment does not cut the Pentagon. It cuts it from the inflation adjusted figure which I thought we were not using anymore.

This amendment says the Pentagon and the intelligence entities. Let us be clear, not just the Pentagon, It is all the intelligence agencies as well. They will get the same amount of money this year as they had last year. Unlike almost any other agency of government, they will be held harmless against the reductions.

Now look at the threats in the world. Yes, we have Iran and we have Iraq. We had them when we had the Soviet Union as well. I do not believe that they are at this point a greater threat than the collectivity of crime, hazardous waste, air traffic problems, terrorism. We have serious problems here at home as well. Here is what we do if we reject this amendment. We say to the wealthy European and Asian nations of this world, do not worry about defending yourselves because that is what we are talking about here. When we talk about a two-war strategy, had we talked about the broad projections of American power, we are talking explicitly in defense planning of saying to Europe and Asia, those prosperous areas of the world, you need not spend very much on your own defense. We will do it. Save your money to become more efficient. Save your money so you can outcompete us.

Let us adopt this amendment as a beginning of a rational decision to deal with military spending in the same way that we should deal with other spending.

Mr. MURTHA. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I just want to say to the Members, this is an across-the-board cut. We have rejected several specific cuts. Over the years we have cut substantial amounts from defense. The threat has changed dramatically. I think this would be a mistake for us to now freeze the defense spending at this level.

We go to conference, we may have to make some more adjustments. All of us know how difficult it is to make sure the troops are taken care of, make sure the threat is taken care of. All of us work diligently listening to hearings, listening to what the military wants. They have long lists of what they would like. But in order to keep our military ready to respond and our National Guard and Reserve ready to respond, we cannot take another cut at this point as we negotiate through this bill. So I would urge Members to vote against this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Washington [Mr. NETHERCUTT], a member of the subcommittee.

Mr. NETHERCUTT. Mr. Chairman, I thank the gentleman very much for yielding time to me. I have been sitting in my office listening to this debate. I felt compelled to come here to the floor as a member of this subcommittee who sat through the hearings day after day, moment after moment, listening to the needs expressed by the military for our future readiness and our current readiness.

I want to speak to my Republican freshman colleagues. Be very careful about what we do here. This is a bad amendment. This is something that is going to threaten, in my judgment, the future of this Nation. Think back just recently when we were so proud in this country to have our military forces be able to go to Bosnia and rescue Scott O'Grady, a constituent of mine from Spokane, WA. Think back how we felt in 1978 and 1979 when we had the fiasco in our military problems in the Iran rescue attempts. All the reason for that success in the Scott O'Grady case is because we are prepared.

We have to be prepared for the future. This is a dangerous world. We have heard it time after time in our subcommittee. This is a dangerous amendment. In my judgment, my colleagues, we ought to reject it very, very strongly.

Mr. SHAYS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] is recognized for 4 minutes.

Mr. SHAYS. Mr. Chairman, I believe with all my heart and soul, if you tell the American people the truth, they will have you do the right thing. If you tell your colleagues the truth, they will have you do the right thing, too.

It is truthful, it is very truthful, as the opponents of this bill point out, there have been cuts in defense. In 1990, we appropriated $286 billion. In 1991, $268 billion. In 1992, $269 billion. In 1993, $253 billion. In 1994, we spent, appropriated $240 billion. Since that time, 1995, $243 billion, 1996, the budget we are in now, $243 billion.

This amendment is saying that we should not cut from defense anymore. We should not add to defense anymore. We should spend $243 billion. It is in truth a freeze.

Now, it is important to point out that, when we took over, I speak primarily to my Republican colleagues and to those who might be watching on TV, especially to the staff, when we took over, we had a rescissions bill that cut $20 billion.

The CHAIRMAN. The gentleman should address his remarks to the Chair and not to the audience.

Mr. SHAYS. Mr. Chairman, none of it was cutting defense. We were cutting discretionary domestic spending. We added back $11 billion; some of it went to defense, for very necessary things.

In 1996, the President wanted to spend $7 billion more than 1995 in discretionary spending. We spent $23 billion less. All cuts to domestic discretionary spending. No cut to defense. We cut HUD $6.3 billion from 1995 to 1996. EPA we cut $713 million. FEMA we cut $143 million. The Department of Education, we cut $1.5 billion. NASA, we cut $473 million. The National Science Foundation, we cut $141 million. The summer youth program, we cut $185 million. We cut from legal services $122 million. We did cut domestic spending. We have to be truthful about it. We did not cut Medicare. We did not cut Medicaid. We allowed the student loan program to grow. We did not cut the earned income tax credit. That is all going up.

□ 1900

Entitlement are going up under our budget. We are just slowing the growth. Domestic spending, nondefense spending, is going down. We are cutting it. And some of us happen to serve on those committees where we would have liked to have spent more, but we knew we had to cut to balance this budget in 7 years, and I just urge my colleagues to recognize that we need to get our financial house in order.

If my colleagues did not like the bump in next year's budget and they were tempted to vote against the budget resolution, that was a plan, that was not all that of a hard vote to vote "no" if my colleagues thought so. What is important is to vote to actually cut spending where we can, domestic spending, to freeze it where we can, defense spending, to slow the growth of entitlements.

If we do all three things, we will, in fact, balance the budget.

I urge my colleagues to recognize this is not a cut from next year, from this year to next year. We are freezing defense spending. My God, if we cannot freeze defense spending, how the heck can we continue to say that we can cut domestic spending, that we can slow the growth of entitlements?

This is our moment of truth for anyone who wants to get our financial house in order and balance the Federal budget. I urge adoption of this freeze amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Florida is recognized for 4½ minutes.

Mr. YOUNG of Florida. Mr. Chairman, I just think it is time now to get real about what it is that we are doing and what it is we are talking about. We've heard all of the facts and figures being thrown out. This $2 billion cut will have the effect of reducing this budget $6.7 billion below last year's level, adjusted for inflation. Whether my colleagues like it or not, there is an inflation factor out there that we have to take into account, and so this would not be a freeze, it would be $6.7 billion below last year in terms of actual buying power.

Now, this subcommittee that brings this bill here today has already cut $1.3 billion out of the original number that this House gave us to work with. They gave us the number, and we worked from that number. We have had to cut it $1.3 billion already, from subcommittee to the floor.

Now we talk about the defense budget. For the last 12 years, including this year, the real dollars invested in our Nation's security have declined while almost every other spending account that has been mentioned in that same 12-year period increased. So, in effect, we are playing catchup, and there is a lot more that needs to be done than we are doing here, and I am going to talk about that in just a minute.

But I think it is important that the Members know that two-thirds of the money, listen to this, two-thirds of the money appropriated by this bill goes for pay, housing, education, medical care, quality-of-life issues for our people in the military, as well as training and readiness; two-thirds of this bill go for these purposes. Now, why is that, and why is it we spend more on our military than other nations?

Mr. Chairman, it is because we have an all-volunteer military. Those men and women serving in uniform today are volunteers. They are serving their country because they want to. They have not been drafted or conscripted. they are a volunteer military, and we have an obligation to take care of them.

Some $540 million of the money in this budget is going to pay for Bosnia, one of the many contingencies that our troops have been involved in. With all the operational tempo, the contingencies, we are wearing out our equipment, and we need to replace some of that equipment.

What do we do today, my colleagues? What we do today not only determines where we are in our military capability in 1996 and 1997. What we do today determines what our readiness situation will be 5 years from now or 10 years from now. Let us not take the chance. Let us be prepared, let us reject this amendment, and let us get on with passing this bill and getting to conference with the Senate and getting it to the President.

Mr. Chairman, I yield back the balance of my time.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, are we going to roll this vote? Just for the guidance of the Members, is it the intention of the Chair to now take the pending votes and go on to the next amendment in debate?

The CHAIRMAN. A request for a recorded vote on this amendment will be postponed until after disposition of the Schroeder amendment.

Mr. FRANK of Massachusetts. But we will not go on to the next debate until the next votes?

The CHAIRMAN. That is correct.

The question is on the amendment offered by the gentleman from Connecticut [Mr. SHAYS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Connecticut [Mr. SHAYS] will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 453, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: an amendment offered by the gentleman from Wisconsin [Mr. OBEY]; an amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER]; and an amendment offered by the gentleman from Connecticut [Mr. SHAYS].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. OBEY

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin [Mr. OBEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 101, noes 319, not voting 14, as follows:

[Roll No. 243]

AYES—101

Ackerman
Barcia
Barrett (WI)
Becerra
Beilenson
Blumenauer
Bonior
Brown (CA)
Brown (OH)
Bryant (TX)
Clay
Collins (IL)
Collins (MI)
Conyers
Coyne
Cummings
Danner
DeFazio
Dellums
Dingell
Doggett
Duncan
Durbin
Ehlers
Evans
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA)
Furse
Gephardt
Gutierrez
Hilliard
Hinchey
Jackson (IL)
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kleczka
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
McCarthy
McDermott
McKinney
Meehan
Menendez
Miller (CA)
Minge
Mink
Nadler
Neal
Oberstar
Obey
Olver
Owens
Payne (NJ)
Pelosi
Petri
Poshard
Ramstad
Rangel
Reed
Rivers
Roukema
Roybal-Allard
Rush
Sanders
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Slaughter
Stark
Stearns
Stockman
Stokes
Studds
Stupak
Torres
Towns
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates
Zimmer

NOES—319

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
  (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martinez
Martini
Mascara
Matsui
McCollum
McCrery
McHale
McHugh
McInnis
McKeon
McNulty
Meek
Metcalf
Meyers
Mica
Millender-
  McDonald
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Sabo
Salmon
Sanford
Sawyer
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stenholm
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—14

Berman
Bevill
Bilbray
Cardin
English
Gillmor
Hayes
Lincoln
McDade
McIntosh
Moran
Saxton
Smith (NJ)
Thornton

□ 1924

Mr. UPTON, Mr. GENE GREEN of Texas, Mrs. MYRICK, and Mrs. CLAYTON changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT, AS MODIFIED, OFFERED BY MRS. SCHROEDER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment, as modified, offered by the gentlewoman from Colorado [Mrs. SCHROEDER], on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 148, noes 265, not voting 21, as follows:

[Roll No. 244]

AYES—148

Ackerman
Allard
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Blumenauer
Blute
Bonior
Borski
Brown (CA)
Brown (OH)
Bryant (TX)
Campbell
Chrysler
Clay
Clayton
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cummings
Danner
DeFazio
Dellums
Deutsch
Dingell
Doggett
Dooley
Doyle
Duncan
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (NJ)
Furse
Gephardt
Green (TX)
Gutierrez
Hall (TX)
Hilliard
Hinchey
Holden
Jackson (IL)
Jackson-Lee
  (TX)
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kleczka
Klink
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McKinney
Meehan
Menendez
Miller (CA)
Minge
Mink
Moakley
Morella
Nadler
Neal

Neumann
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Pomeroy
Poshard
Ramstad
Rangel
Rivers
Roemer
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Stark
Stenholm
Stokes
Studds
Stupak
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—265

Abercrombie
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Clement
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Cooley
Costello
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
de la Garza
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martinez
Matsui
McCollum
McCrery
McInnis
McKeon
McNulty
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Rahall
Reed
Regula
Richardson
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—21

Bevill
Bilbray
Cardin
Clinger
Cox
Davis
English
Gillmor
Gonzalez
Hayes
King
Lincoln
McDade
McHugh
McIntosh
Meek
Moran
Quinn
Saxton
Smith (NJ)
Thornton

□ 1931

Mr. GORDON changed his vote from "aye" to "no."

So the amendment as modified was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SHAYS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Connecticut [Mr. SHAYS] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 194, noes 219, not voting 21, as follows:

[Roll No. 245]

AYES—194

Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Berman
Blumenauer
Blute
Bonior
Borski
Brown (CA)
Brown (OH)
Bryant (TX)
Bunn
Camp
Campbell
Castle
Chabot
Chapman
Chrysler
Clay
Clayton
Collins (IL)
Collins (MI)
Condit
Costello
Coyne
Cummings
Danner
Deal
DeFazio
Dellums
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Durbin
Ehlers
Engel
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Ford
Fox
Frank (MA)
Franks (NJ)
Furse
Ganske
Gephardt
Gilchrest
Goodlatte
Gordon
Green (TX)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hilliard
Hinchey
Hoekstra
Hoke
Holden
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kingston
Kleczka
Klug
LaFalce
LaHood
Lantos
Latham
LaTourette
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Morella
Nadler
Neal
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Ramstad
Rangel
Riggs
Rivers
Roemer
Rohrabacher
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Smith (MI)
Smith (WA)
Spratt
Stark
Stokes
Studds
Stupak
Thurman
Tiahrt
Torres
Torricelli
Towns
Upton
Velazquez
Vento
Volkmer
Wamp
Waters
Watt (NC)
Waxman
Weller
Williams
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—219

Abercrombie
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Chambliss
Chenoweth
Christensen
Clement
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
de la Garza
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
Everett
Fields (TX)
Forbes
Fowler
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gejdenson
Gekas
Geren
Gibbons
Gilman
Gonzalez
Goodling
Goss
Graham
Greene (UT)
Hall (OH)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kennedy (RI)
Kennelly
Kildee
Kim
Klink
Knollenberg
Kolbe
Largent
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martinez
Matsui
McCollum
McCrery
McKeon
Meek
Meyers
Mica
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Norwood
Ortiz
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pombo
Pryce
Quillen
Radanovich
Rahall
Reed
Regula
Richardson
Roberts
Rogers
Ros-Lehtinen
Rose
Royce
Salmon
Sawyer
Scarborough
Schaefer

Schiff
Scott
Seastrand
Shadegg
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Shuster
Sisisky
Skeen
Skelton
Smith (NJ)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Torkildsen
Traficant
Visclosky
Vucanovich
Walker
Walsh
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—21

Ackerman
Bevill
Bilbray
Cardin
Clinger
Conyers
Cunningham
Davis
English
Gillmor
Hayes
Johnson, E.B.
King
Lincoln
McDade
McHugh
McIntosh
Quinn
Saxton
Souder
Thornton

□ 1939

Mr. PORTMAN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HOKE

Mr. HOKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hoke: At the end of the bill (before the short title), insert the following new section:

Sec. 8095. None of the funds available to the Department of Defense under this Act may be obligated or expended to procure landing gear for aircraft except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the manufacturer of the item is part of the national technology and industrial base;

(2) the landing gear is manufactured and assembled in the United States; and

(3) the contract through which the procurement is made is entered into more than 30 days after the date of the enactment of this Act: *Provided*, That contracts existing on the date of enactment of this Act and existing or subsequent options in such contracts through January 1, 2000 are not covered by this section if the Secretary of the military department which issued the aircraft production contract certifies to the Appropriations Committees of the House and Senate that purchasing landing gear under the terms of this section will create a significant adverse technical, cost, or schedule impact on the aircraft production program.

Mr. HOKE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOKE. Mr. Chairman, this is the amendment as originally published in the Record with an addition to it that clarifies the intent that the gentleman from Ohio [Mr. Traficant] and I had with respect to the amendment.

The clarification makes it clear expressly that the amendment does not apply to existing contracts on the date of enactment of the act or to subsequent options in such contracts through January 1, 2000. This was included at the request of the chairman of the subcommittee.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. HOKE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, we reviewed this amendment and asked the gentleman to modify his amendment, which he did. We are prepared to accept it on that basis.

Mr. HOKE. Mr. Chairman, I thank the gentleman for accepting the amendment. I would like to say just very, very briefly that what this does is essentially it is a "Buy American" amendment that applies to landing gear with certain exceptions and its makes it clear that the landing gear that will go on our military aircraft will, to the extent possible, be manufactured and assembled in the United States of America.

Mr. Chairman, I yield to my good friend from Youngstown, OH, Mr. Traficant.

Mr. TRAFICANT. Mr. Chairman, this is a good amendment, it will save a lot of jobs, and I appreciate the committee happily accepting it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Hoke].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Kennedy of Massachusetts: Page 87, after line 3, insert the following new section:

Sec. . (a) None of the funds appropriated or otherwise made available by this Act for the Department of Defense specimen repository described in subsection (b) may be used for any purpose except in accordance with the requirement in paragraph numbered 3 of the covered Department of Defense policy memorandum that specifically provides that permissible uses of specimen samples in the repository are limited to the following purposes:

(1) Identification of human remains.

(2) Internal quality assurance activities to validate processes for collection, maintenance and analysis of samples.

(3) A purpose for which the donor of the sample (or surviving next-of-kin) provides consent.

(4) As compelled by other applicable law in a case in which all of the following conditions are present:

(A) The responsible Department of Defense official has received a proper judicial order or judicial authorization.

(B) The specimen sample is needed for the investigation or prosecution of a crime punishable by one year or more of confinement.

(C) No reasonable alternative means for obtaining a specimen for DNA profile analysis is available.

(b) The specimen repository referred to in subsection (a) is the repository that was established pursuant to Deputy Secretary of Defense Memorandum 47803, dated December 16, 1991, and designated as the "Armed Forces Repository of Specimen Samples for the Identification of Remains" by paragraph numbered 4 in the covered Department of Defense policy memorandum.

(c) For purposes of this section, the covered Department of Defense policy memorandum is the memorandum of the Assistant Secretary of Defense (Health Affairs) for the Secretary of the Army, dated April 2, 1996, issued pursuant to law which states as its subject "Policy Refinements for the Armed Forces Repository of Specimen Samples for the Identification of Remains".

Mr. KENNEDY of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have spoken with my friend, the chairman of the committee, as well as Mr. Murtha about this provision. These provisions deal with what is an exciting new development in the human genome project and the fact that there will probably be no larger group of donors of DNA and genetic information than all of the members of our military that will be required to provide DNA samples.

Under current Pentagon policy, the use of genetic information only goes to the identification of remains or for the investigation of the prosecution of a crime.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I know the gentleman from Florida [Mr. Young] and I have looked at this. This is, I think, an important safeguard that is necessary. It may need to be cleaned up, but I certainly have no problem with it.

Mr. KENNEDY of Massachusetts. I appreciate that.

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will yield, we are prepared to accept it and move on to the next amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the cooperation of both the chairman and the ranking member.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. Kennedy].

The amendment was agreed to.

□ 1945

Mrs. FOWLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is for the purpose of entering into a colloquy with the chairman of the Subcommittee on National Security on the question of funding reductions to Defense Business

Operations Fund activities, which are included in his bill.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. FOWLER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would be more than happy to engage in such a colloquy.

Mrs. FOWLER. Mr. Chairman, I note that the committee has reduced funding for Army and Navy activities in the Defense Business Operations Fund by $500 million to reduce funded carryover of these activities. I hope that I can receive some clarification from the chairman on how the committee intends to distribute this reduction. Could the gentleman provide some assurance that the committee intends to apply this reduction in a manner that is directly proportionate to the level of projected carryover assignable to each of the various kinds of DBOF activities?

I ask this because I am aware that the Naval Aviation Depots' budgets were reduced in the Department of Defense review of the Military Services' budget request. I am concerned about the possibility that further reductions could be applied in an inequitable manner. I would also note that the Department of Defense has convened a study group to consider modifications to the DOD policy in this area.

Mr. YOUNG of Florida. Mr. Chairman, if the gentlewoman will continue to yield, let me assure my colleague from Florida that it is the committee's intent to reduce these accounts in a manner that reflects the various DBOF activities' proportionate share of the total carryover. The committee does not intend to impose an excessive or inappropriate burden on any one kind of DBOF function or activity.

Mrs. FOWLER. Mr. Chairman, reclaiming my time, I thank the gentleman from his clarification. I also want to praise the chairman and his committee for the outstanding product they have brought us today. His bill makes significant improvements over the administration's request by enhancing readiness, modernization, and military quality of life.

I strongly support passage of this bill, and urge my colleagues to do the same.

Mr. TORRES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to enter into a colloquy with the gentleman from Florida, Chairman YOUNG, at this time.

I deeply appreciate Chairman YOUNG's efforts to improve the readiness of our U.S. Armed Forces to conduct operations in chemical and biological operations and their environment. I fully support the chairman's request for increased appropriations for the procurement of protective chemical-biological clothing.

Mr. Chairman, I have brought to the subcommittee's attention an offer to provide the Armed Services with just such individual protective clothing which may result in a cost savings to the American taxpayer. Discussions which are ongoing with our Armed Services on this offer require additional discussions, and I am seeking the chairman's support in assisting me to resolve these discussions during the conference process.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. TORRES. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for bringing this matter to our attention and assure him that we will look forward to working with him between now and conference to come to a final resolution on this matter.

Mr. TORRES. Mr. Chairman, reclaiming my time, I thank the gentleman for taking this under consideration.

AMENDMENT OFFERED BY MR. DE FAZIO

Mr. DEFAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. DEFAZIO: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds provided in this Act for the National Missile Defense program may be obligated for space-based interceptors or space-based directed-energy weapons.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. DEFAZIO. Mr. Chairman, reserving the right to object, we talked about 30. Did the gentleman just say 20?

Mr. YOUNG of Florida. Mr. Chairman, I said 20, and that was my preference.

Mr. DEFAZIO. Mr. Chairman, when I discussed it earlier with the ranking member——

Mr. YOUNG of Florida. All right, Mr. Chairman, I withdraw that request, and let me offer another unanimous-consent request.

Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 30 minutes and that the time be equally divided, and, hopefully, we will not use all the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Oregon [Mr. DEFAZIO] and the gentleman from Florida [Mr. YOUNG] will each be recognized for 15 minutes.

The Chair recognizes the gentleman from Oregon [Mr. DEFAZIO.]

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

The amendment before the House is quite simple. It says, and I can read it because it is so brief, "None of the funds provided in this act for the national missile defense program may be obligated for space-based interceptors or space-based directed energy weapons."

The intent of this amendment is to have the Pentagon focus on effective missile defense; that is, theater missile defense and other national missile defense initiatives which have great promise, and not to spin off back into space in the fantasy of star wars once again.

As we know from our last experiences with star wars, it has an infinite capacity to consume funds. We have had much debate here today about scarce resources at the Pentagon, and I believe adopting this amendment will help the Pentagon to focus more effectively on the technologies that have the most promise to defend the United States of America and defend our allies.

It will not impact theater missile defense; it will not impact the Nautilus program, which is being developed in concert with Israel; it will not impact the Navy Upper Tier program; it will not impact the three-plus-three BMDO proposal; it will not impact the LEAP proposal of the Navy; it will not impact the EKV proposal of the Army. But what it does, within the context of this bill, which will provide $3.2 billion for missile defense programs of all types, it will prevent movement and dispersal of scarce funds into space-based fantasies.

Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, I would like to begin by putting this amendment in a little bit of context, because I think the American people do not understand exactly where we are with regard to missile defense.

There are missiles that threaten people in the United States today. There are some now and there will be more in the future. There gets to be a debate about how quickly we will have more and how quickly other countries will have this capability, but there will be more and nobody denies that.

Second, there is absolutely nothing that we can do today to stop a missile from hitting the United States. That is a fact. The children in this country are absolutely vulnerable, as is everyone else, to a missile attack by a country that has missiles now or someone that may have missiles in the future.

This amendment asks us to tie one hand behind our back as we seek to find the best way to meet that threat in the future. The truth is this is not the area where most of the work is going on now. It is not the area that offers the best possibility for an immediate kind of protection against a small sort of launch, but it is something we should explore.

We ought to look ahead to the kinds of threats we will have in the future and the best and most effective ways to prevent it in the future, and that is why I think it is foolish for us to tie one hand behind our back as this amendment seeks to do. We should explore all the options and we should take advantage of the best option to protect our people and our children, because I think that is the first obligation of this Congress and the defense that we are responsible for.

Mr. DEFAZIO. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I rise in support of the amendment offered by my colleague from Oregon. I do so as a supporter of ballistic missile defense, both national and theater, and I do so as a supporter of the plus-up that the Committee on National Security and the appropriations subcommittee have given national missile defense.

Used wisely, this extra sum of $300 million to $350 million will take us, I think, to the point in 3 years where we will have a ground-based interceptor to test, and once we have it to test, we can decide if we want to move forward with it and deploy it in 3 more years.

A lot of people in this institution, this House, like the last speaker, decry the fact that we do not have ballistic missile defense. Let me tell my friends it is not for want of spending money. Since Ronald Reagan made his speech in March 1983, we have spent over $35 billion in pursuit of ballistic missile defenses, strategic defense. And a good bit of that, at least at the outset, was spent on space-based lasers.

To start with, there was the x-ray laser, which was to be the coup de grace. It was to be the ultimate answer to ballistic missile defense. It did not pan out. Then there was the excimer laser, and the free electron laser, both of which would have been ground-based, but they could not propagate a beam through the atmosphere without gross corrections. And then there were three or four or five different kinds of chemical lasers, and none of them has yet come to fruition, proved its efficacy as a system that can be so-called weaponized.

We have spent more money on space-based interceptors, something called Brilliant Pebbles. The idea once was to launch thousands of these cheap small satellites encircling the globe in low-earth orbit. We built Endo- and Exo-atmospheric interceptors.

If there is any lesson learned from all of this, it is simply this: It is not for lack of funding but lack of focus that we do not have anything to deploy that we can call strategic or national missile defense today. And if there is anywhere that the lack of focus has cost us more, there is nowhere more that it has cost us and bought us less than in the area of directed energy systems or spaced-based laser systems.

Now, I support a reasonable level of research on these space-based systems, on these directed energy laser systems. One day they may realize their potential. They may transform missile defense and other forms of military defense. But this amendment, the DeFazio amendment, does not preclude this kind of research. That is because this amendment does not cut the President's request for research in another ballistic missile defense account called the advanced technology line. It leaves that line untouched and unaffected.

This amendment also does not prohibit or affect at all tactical laser systems, like the Nautilus, which we are pursuing jointly with Israel right now. That is because this is funded in the Army's R&D budget. This applies only to national missile defense and says as to it, we can do research but we cannot pursue national missile defense systems which include a space-based laser.

The technology to make space-based lasers militarily useful is simply years, decades away from fruition, and the cost of developing and deploying lasers or interceptors in space is far beyond anything we can afford in this tight budget. If we try it, we will only drain dry our conventional military systems.

So this amendment keeps us from going down a very costly and maybe ultimately fruitless road.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I appreciate the gentleman's yielding. I just want to associate myself with the gentleman's remarks.

I believe that we should move forward with a treaty compliant ground-based system. I am not at all opposed to doing research on advanced systems, but I think any effort to procure them or to move ahead rapidly to a space-based system violates——

Mr. SPRATT. I yield to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, as I said, that would violate the ABM agreement and would be a very serious mistake.

I appreciate the gentleman, all his hard work and his effort and expertise on this matter, and, in my judgment, a ground-based system could be effective; and, frankly, I think the real threat to America is terrorism and, in my judgment, we should be doing more about that. I think that is more of a threat than a ballistic missile attack from an enemy.

Mr. SPRATT. Mr. Chairman, reclaiming my time, I would say that for those Members, like the gentleman from Washington and myself who support some form of ballistic missile defense, national missile defense, the way to go, the sensible approach is with a ground-based system. That is the near-term system that is attainable right now.

This amendment is important because it keeps us focused on that with limited amounts of money to spend. If we are going to have a ground-based system, we can only accomplish it by staying focused and staying disciplined.

Mr. DICKS. Mr. Chairman, if the gentleman will continue to yield, the other thing is, our first priority has to be theater missile defense and CorpsSAM. When we deploy troops, we have to be able to defend those troops, and I think the priorities the administration has are correct on this.

□ 2000

Mr. YOUNG of Florida. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Chairman, I think it is interesting just to listen to that conversation that just preceded us. The two gentlemen were talking past each other. One was talking about the ground-based system and the other was talking about some system that is out there in the hinterlands for a theater-based defense, and they are not necessarily the same. So, they were not necessarily in agreement.

Look, the liberals have been saying since Gen. Daniel Graham came out with what they called the star wars system, they have been saying it does not work. Technology is not capable of delivering such a system. You cannot possibly shoot down an incoming missile. They said that all the way through the eighties.

All of a sudden, in the nineties, we started developing these systems and they started realizing, well, so much for that argument. It is gone. Because it is technologically capable. Then they said, well, we cannot develop a space-based system or lasers will never work.

Well, if lasers never work, how come the Israelis want one right now that has been utilized in the deserts of Arizona or New Mexico and actually shot down incoming targets? And Israel says that is so neat, we would like to have it.

The liberals are saying, oh, my goodness, we cannot have a space-based laser. They are not saying it is not technologically possible. They are saying it is not treaty-compliant. What treaty are they talking about? The ABM Treaty. The treaty that was confected between the United States and a country that used to be called the Soviet Union, a monolithic totalitarian government comprised of some 16 entities, some of which do not even exist today, and certainly that entity does not exist today.

Mr. Chairman, even if we were compliant with that treaty, which was probably bad news back then, it certainly did not apply to this highly technological age of ours today where the North Koreans, the Chinese, the Iranians, the Iraqis and everybody else who is of ill will in the world will have the capability of putting ballistic missiles together with nuclear warheads, chemical warheads, or biological warheads and dropping them on New York. And we are going to say we are not going to deploy those space-based opportunities because we do not want to spend our money?

Everybody knows the ground-based system that the gentleman already talked about is the most expensive system we already have. The space-based system actually is the cheapest. The one in between is the Navy system, which probably could be deployed by the year 2000.

Mr. Chairman, the gentleman has amended the Republican plan which would call for deployment by the year 2003 by saying, well, he has got a better amendment. We can develop a system in the year 2000 which may or may not be deployed by 2003.

Weasel words. We will never deploy it if it is up to the gentleman who proceeded me in the well. The fact is he does not want an antiballistic missile system. He does not want to protect the American people. He is willing to hide behind words and good thoughts as much as he possibly can, but he does not want a missile defense system that will protect the American people or our troops, as was indicated was the preference of the gentleman from Washington.

Now, we are going to have to have a system. We can deploy a system. And whether it is space based or sea based or land based, whether it is lasers or whatever it is, it ought to be the most effective system that money can buy, and it ought to be the most cost-effective system that we can get. We should not be standing here in the well of this House of Representatives and saying one technology is off limits for whatever reason.

Mr. Chairman, that is insane. We might as well be saying we are going to tie our hands behind our backs and not defend the American people. Is that what my colleagues on the other side of the aisle want? If that is what they want, they should vote for DeFazio. If it is not what they want, they should vote against it.

Mr. DEFAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I began my last statement by saying I am a supporter of ballistic missile defense, and in years past when our side was in the majority, on several occasions I came to the floor when my own committee had cut the request for national missile defense and offered amendments which plussed it back up, which prevailed in the House.

Mr. Chairman, I supported ballistic missile defense and support it now on the ground, because I think it is an attainable system. But I also think, and the chairman of the Committee on Appropriations knows well, that we have a terribly tight defense budget. If we are going to put national defense, missile defense in place by the year 2003, we have got to keep it focused on a basic system that we can, indeed, deploy.

Mr. Chairman, we are very close to being able to deploy a ground-based system which is cheaper than a laser-based system. BMDO put our cost estimates in March of 1995, which placed the cost of space-based lasers at $20 billion, $30 billion, $40 billion. Those were extrapolations. Nobody knows for sure, because it is a very, very embryonic technology. We have years to go.

There is another problem with space-based, or any kind of space-based systems, and that is their inherent vulnerability. Because once they are placed in space in fixed orbit, then they can be taken out in fixed orbit. They can be taken out by any country which is our adversary and can launch an ICBM that would truly be a threat to us. They can fire an ICBM against it, or they can use an antisatellite system which itself is space-based. They could even launch a space-based laser against it.

So, Mr. Chairman, one of the reasons that BMDO abandoned space-based systems some time ago in preference for ground-based, at least as a first stages, is the inherent vulnerability of predeployed assets in space, lasers and interceptors.

Mr. Chairman, I am against wasting more money on deployment; not on research. I specifically made that clear. This allows research to continue. But against pursuing the deployment of these systems, because they would preclude the one thing that is attainable in the near term: ground-based interceptors.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to say to the distinguished gentleman from Louisiana [Mr. LIVINGSTON], that the gentleman from South Carolina and myself, the former chairman of the Senate Arms Services Committee, are all people who are committed to deploying a system. We think that a thin system that is treaty-compliant is the right way to go because we think it is attainable. We think it does not start an arms race with the other side, and it will be less expensive.

Now, what I said, and I think the gentleman misunderstood me, is that it is crucial. First of all, if we are going to send 500,000 troops to the Gulf again, I want them to go with theater missile defense, PAC–3, THAD, and using Navy ships with the standard missile. I think that is a good approach to defending our troops in the field. To me, that should be the highest priority.

Mr. Chairman, when we are sending men and women into combat, they have to have protection from scud missiles and other launchers. That should be first.

And then, second, we should keep working on deploying this system. We are prepared to go in that direction, and we should continue to do the research on the other, more exotic layered systems, but I think we should not deploy them; as long as we are going to maintain the ABM agreement, I do not think they should be deployed.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Chairman, three points. First of all, the gentleman that preceded me is talking about the use of existing technology, which means we could deploy that right now. We have that equipment. That is not the issue.

The gentleman is trying to substitute existing technology for future technology. The fact, is in answer to the gentleman who preceded him, Mr. SPRATT, the fact is any system is vulnerable to some degree. I mean, you could take out a ground-based system; you could take out a sea-based system; you could take out a space-based system. They are all vulnerable. The point is, are we going to provide some umbrella of protection for the American people?

Mr. Chairman, I happen to think we should look for the best technology at the best available price, and we should not start blocking out certain technologies just because they happen to be exotic for somebody who never believed in them in the first place. That is exactly the position of the author of this amendment.

Mr. Chairman, I would hope that Members would understand, we are not the experts. Let us develop the system. Actually, I have read the language very carefully, from the gentleman from South Carolina [Mr. SPRATT] to the ballistic missile defense program or the bill that we have offered on the floor, and he does not commit to deploying. The gentleman says he looks forward to developing a system that may be deployed by the year 2003.

Mr. Chairman, we say we will deploy by the year 2003. There is a gulf of difference between those two positions. I say we should be deploying and we should be looking forward to the best, cheapest, most effective system to protect the American people. Anything less than that is an abdication of our responsibility to them, our constituents.

Mr. DEFAZIO. Mr. Chairman, I yield 30 seconds to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, the question is, what are we going to deploy? What is there to deploy? Are we going to fly before we have done the technology and worked it out and proven it will work? That is a prescription for throwing money at the problem in a ideological overreaction.

Mr. Chairman, let us try to go with technology that we know something about that will work, that will give us limited protection, because that is all we are going to get.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. DEFAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, star wars is the Freddie Krueger of defense. It simply will not die.

Mr. Chairman, this amendment is very simple. If Members oppose star wars, vote "yes" on this amendment. If they want to revive star wars, an ill-fated taxpayer boondoggle that has never done anything for the American people's defense, then oppose this amendment. It is very simple.

Mr. Chairman, if Members think it was not enough to take $30 billion of taxpayers' money to put into this program that never proved out, was never able to be deployed in the 1980's, then vote "no" on this amendment. To spend more money on star wars is like spending more money on the Edsel. It simply will not work no matter how hard we try. It is very simple.

Finally, if we want to take limited defense dollars and ultimately put them in a space-based system that is unproven, rather than military construction, military pay raises, theater missile defense, if Members want to take money out of their terribly important defense programs and put it once again into star wars, which I thought my Republican colleagues said in the defense bill debate right on this floor last year they had no interest in, if Members want to do all of that, they should vote "no" on this amendment.

If my colleagues think it is time to put a stake in the heart of this modern-day Dracula known as star wars, then vote "yes" for this amendment.

Mr. DEFAZIO. Mr. Chairman, could I inquire as to the remaining time?

The CHAIRMAN. The gentleman from Oregon [Mr. DEFAZIO] has 4½ minutes remaining, and the gentleman from Florida [Mr. YOUNG] has 8 minutes remaining.

Mr. DEFAZIO. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Chairman, just when we thought star wars was relegated to the video rental store, it comes back as national policy.

Mr. Chairman, It is unbelievable that in the same week that the Gingrich Congress passed a budget that hurts seniors, hurts children, and hurts the environment, we are considering spending $245 billion on the military. This bill that we are talking about now will accelerate the space-based star wars program and wind up costing $30 billion to $40 billion by the time the project is completed.

That is not science fiction, folks; it is double-feature horror show: yesterday's conference report and today's defense bill.

Mr. Chairman, I rise in support of the DeFazio amendment because the Nation cannot waste $30 billion to $40 billion on a space-based star wars system.

When our seniors are losing the guarantee of high-quality health care, this Nation cannot afford to waste $30 billion to $40 billion on a space-based star wars system when our young people cannot afford to go to college.

This Nation cannot afford to waste $30 billion to $40 billion on a space-based star wars system when poor children are losing the guarantee of basic health care.

Mr. Chairman, let us ground ourselves in reality for a moment. The United States spends as much on the military as all of our allies combined. We spend 100 times more money on the military than Iraq. Iraq, which is the biggest spender among the rogue nations.

This Nation cannot afford to waste $30 billion to $40 billion on a space-based star wars system when the threat of a missile attack has been reduced by the end of the cold war.

Inventing a threat in order to justify this star wars gravy train for defense contractors is simply irresponsible.

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I remember the debate last year when the gentleman from Texas [Mr. EDWARDS] stood on this side and a Member on the other side kept saying, "I wish you would not say star wars." We are not talking about star wars. We are not going back to star wars. Star wars was a failure. We are talking about ballistic missile defense and things that are workable.

Mr. Chairman, here we are now a year later, and we want to open that door again. As we heard so ably discussed by the gentleman from South Carolina [Mr. SPRATT] and the gentleman from Washington [Mr. DICKS], there is technology out there which exists, which can potentially defend the United States against these threats that we hear so much about, the rogue nations and the single or the few multiple missiles.

But what we are talking about here, if this amendment is defeated, is opening the door again to the star wars fantasy to spend another $30 billion to $60 million, which is estimated by the majority's own Congressional Budget Office. They came up with the $30 billion to $60 billion estimate for star wars.

□ 2015

That is why the bill was pulled about a week and a half ago from the floor of the House. So let us focus our scarce resources on something that might provide benefit for the United States of America in terms of defending our own Nation against rogue nations, which might, in fact already has defended our troops when they are deployed overseas hopefully defend some of our allies overseas in the co-development with Israel of the Nautilus program.

This amendment allows the TMD, the Nautilus, the Navy Upper Tier, the 3 plus 3 BMDO, the LEAP, the EKV; all those programs can go forward. They are all technologies that have a good chance of working.

What it does say is that we are not going to move ahead to deployment of a $30- to $60 billion boondoggle that will not do anything to defend our Nation.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I wish you could understand how silly it sounds, all these references to star wars, to talk about all these other theater missile defense systems that are working. Where do my colleagues think all that technology came from?

This is simply a funding limitation, doing something to ourselves that no other Nation is doing to itself. This is an R&D program, and to not spend this, and this is why I am shocked by some of the strong Democrat defense eagles on the other side, not clearing the air here. Stop this silly rhetoric, and let us not hamstring ourselves in a dangerous world. Do my colleagues not take questions at townhall meetings that indicate that this country is still undefended from a rogue missile?

Mr. YOUNG of Florida. Mr. Chairman, the author of the amendment has suggested all the things that we can do under his amendment. But there are some things that we cannot do. We restrict the ability under this amendment to move into some types of technology that really look like they might be very promising and very clean and very efficient.

I would give the example, the U.S.-Israeli program referred to as Nautilus, a laser program missile defense program. It seems to have a tremendous amount of promise, and we are funding it in this bill. Except for the range involved, it is not unlike the type of laser that we might be talking about. The point is that may or may not be the system that we would deploy eventually. But we should not deny ourselves the opportunity to investigate, to search out, to find out what really would be the best way to defend our Nation against a rogue attack or in the future, who knows, against an intentional attack.

We know the threat is growing. The point is that we do not have the ability to defend this Nation against an incoming missile. We all know that in this Chamber. There may be some who do not believe that. But that is the fact.

The gentleman from Pennsylvania [Mr. MURTHA] and I, because of the positions that we hold in this Congress, have the opportunity to know whether we have that kind of a protective device or not. The answer is we do not.

It is interesting. Just about 3 weeks ago I was talking with a group of business people, some of who were involved in military industry. And one of the persons who really should know said to me: Look, I do not care what you guys say. I know you have something out there to defend us if the enemy should send a missile or whether it should come by mistake or however it might come.

Of course we know that the North Koreans are developing longer-range missiles all the time. We know that Libya and Iraq and countries like those are and have been developing weapons of mass destruction that could easily fit on a North Korean No Dong missile.

We also know that Iran is willing to put up plenty of money to harass the United States and our interests. So the threat is there, and the threat is growing.

We ought not to deny ourselves the opportunity to really find out what is the best way to defend our Nation. The administration says we do not have to worry about this for at least 15 years. I disagree with that. I think the capability on the part of a rogue nation will be there long before the 15-year period, and I think even the gentleman from Washington [Mr. DICKS] would agree with that.

Here is what I want to tell Members. Despite the gentlemen in industry who told me we really have something, in your town hall meetings, in your meeting with children in schools, the question comes up about defending America from missile attacks. Most of the people in our country believe that somewhere, someone has the answer, has something to pull out of the magic hat to defend our Nation. The fact is we do not.

When Pearl Harbor was attacked, I was just a little kid. I was growing up in a small coal mine town in western Pennsylvania. We did not have television back then, so we did not know too much about what was happening. But the radio accounts and the newspaper accounts were frightening to young kids who wondered if we were going to be invaded next week or next month because we had suffered such a devastating blow in Pearl Harbor.

As I began to learn more about what was happening, as our Nation rebuilt after Pearl Harbor, we had time in those days; we would not have time today. I began to realize that in America someone was looking out for me and all the other little kids in my same generation. And they did. They came back and rebuilt the armies and the navies and the air forces. After a tremendous struggle, tremendous sacrifice, tremendous loss of life, we won World War II. Today those kids in those schoolrooms where you go to visit believe that we have the capability to defend your Nation against an incoming missile. They think in their hearts, like I did when I was a kid, and I will bet many of you did, that, OK, so there is a threat out there; but someone somewhere is going to make sure that we have whatever it is we need should the time ever come.

Mr. Chairman, that is us. We are the ones that those young kids of today believe have something somewhere to take care of the Nation should that attack ever come. That is us. And that vote is here today on this amendment.

Vote no on this amendment, and let us prepare this Nation to defend itself should the time ever come.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. DICKS TO THE AMENDMENT OFFERED BY MR. DE FAZIO

Mr. DICKS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKS to the amendment offered by Mr. DEFAZIO: On line 2, add at the end "for the deployment of".

Mr. DICKS. Mr. Chairman, I ask unanimous consent to explain my amendment for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DICKS. Mr. Chairman, I want to make it perfectly clear that what we are talking about in this amendment is the deployment of a space-based system, not that we are stopping the obligation of money for an R&D approach. There are legitimate R&D programs that should go forward, and I would urge the chairman and the ranking member to accept the amendment, and my colleague from Oregon.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, is this intended to be an amendment to the amendment or an amendment to the bill?

Mr. DICKS. Mr. Chairman, it is an amendment to the amendment.

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will continue to yield, the amendment says, at the end of the bill before the short title. It does not say amendment to the amendment.

Mr. DICKS. Mr. Chairman, it is added at the end of line 2, "for the deployment of".

Mr. WELDON of Pennsylvania. Mr. Chairman, I object. Mr. Chairman, I object.

The CHAIRMAN. The amendment has already been reported and is pending. The unanimous-consent request of the gentleman from Washington was for time to debate the amendment.

Mr. DICKS. Mr. Chairman, I ask for a vote on my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. DICKS], to the amendment offered by the gentleman from Oregon [Mr. DEFAZIO].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. DEFAZIO], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. DEFAZIO. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Oregon [Mr. DEFAZIO], as amended, will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BEREUTER: Page 87, after line 3, insert the following new section:

SEC. 8095: Hereafter, the Air National Guard may assume primary or sole responsibility for providing fire fighting and rescue services in response to all aircraft-related emergencies at the Lincoln Municipal Airport in Lincoln, Nebraska.

MODIFICATION OF AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I ask unanimous consent that the amendment be modified, that on line 2 of the amendment the words "primary or sole" be stricken.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment offered by Mr. BEREUTER: In line 2 of the Bureuter amendment No. 4, strike "primary or sole".

The CHAIRMAN. Without objection, the modification is agreed to.

There was no objection.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, we have a few problems with this amendment but would be prepared to accept it.

Mr. BEREUTER. Mr. Chairman, in light of the chairman's generous agreement to accept the amendment, as modified, I will not complete my entire statement.

I will say, however, that this should save the American taxpayer and the taxpayers of Lincoln a substantial amount of money. And by the deletion of the three words, we remove any kind of direction to them about what kind of agreement the National Guard and the city of Lincoln acting through the Lincoln Airport Authority may agree to. I think it is appropriate to leave complete discretion to them regarding the amount of degree of responsibility that may be assured.

I thank the gentleman for his comments and for his courtesy.

Mr. Chairman, this is a very simple and straightforward amendment. It would allow the Air National Guard to assume responsibility for providing firefighting and rescue services in response to all aircraft-related emergencies at the Lincoln Municipal Airport in Lincoln, NE.

This amendment offers a commonsense, cost-effective solution to a long-standing problem at the airport. Currently, the Lincoln Fire Department and the Air National Guard both are stationed at the airport and respond to aircraft-related emergencies at the airport. This is clearly an inefficient and costly situation which does nothing to increase safety.

The airport, the city of Lincoln, and the Nebraska National Guard all agree that it makes more sense to place the National Guard firefighting personnel with their matchlessly superb equipment—5 trucks and 30 personnel—in charge of all aircraft-related emergencies. Not only would this change result in no increase in costs to the National Guard, it would actually save them money. The airport has, preliminarily agreed, for example, to cancel the National Guard's $60,000 per year payment to the Lincoln Airport if the National Guard assumes the firefighting responsibilities.

This would clearly be a win-win situation for everyone. Unfortunately, the interested parties are running into a bureaucratic roadblock because there is no explicit congressional authority to allow this arrangement. This amendment fixes the problem by making it clear with permissive legislation that the National Guard may assume responsibility for firefighting and rescue services at the Lincoln Municipal Airport.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER], as modified.

The amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: Page 87, after line 3, insert the following new section.

SEC. . Of the funds provided in title IV for "RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE", the amount available for National Missile Defense shall not exceed $812,437,000.

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, I rise with an amendment to modify the funding priorities of the bill for missile defense programs. It is my intention to explain this and to discuss it briefly with the chairman of this subcommittee, Mr. YOUNG, and then it is my intention to withdraw it. But I wish I could explain it at this time.

The bill before us contains $350 million increase for national missile defense research and development but eliminates funding for the only emerging technology aimed at protecting our front line troops throughout the world. The program formerly named CORPS SAM and now called Medium Extended Air Defense Systems, or MEADS, is a joint research and development program with Germany and Italy. The administration's budget request included $56 million, but this bill includes no funding, no funding. My amendment recommends restoring $46 million to MEADS from the National Missile Defense Account.

Our forward deployed military personnel face a critical and growing threat from the air. Today short range ballistic missiles, cruise missiles and unmanned aerial vehicles threaten American soldiers, front line American soldiers. Tomorrow this threat will certainly be greater. We live in a dangerous world. Our troops were vulnerable to missile attack in Desert Storm, and further proliferation of dangerous weapons will certainly increase the threat tomorrow. I am concerned because no other program, Mr. Chairman, no other program promises to protect our forward deployed troops as shown by a chart that I have available.

I might say that, on behalf of our soldiers and our marines, three of our regional commanders have written about the requirements for MEADS: Generals Luck, Peay, and Joulwan.

Mr. Chairman, I include for the RECORD the following correspondence:

DEPARTMENT OF THE ARMY, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS,
Washington, DC, May 1, 1996.

Hon. FLOYD SPENCE,
Chairman, House National Security Committee, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Army understands that the House National Security Committee (HNSC) Research & Development Subcommittee will recommend during full committee markup that Medium Extended Air Defense System (MEADS) funding be cut. This action is apparently based on concerns surrounding technical, fiscal, and cooperative issues surrounding this international effort. These misconceptions place this program in severe jeopardy and place our future deployed forces at risk.

The MEADS effort was undertaken to explore a cost effective international solution to the need for defense of maneuver forces against the full threat spectrum to include aircraft, helicopters, unmanned aerial vehicles (UAV), cruise missiles (CM), and theater ballistic missiles (TBM). This need was re-emphasized both last summer in a series of Senior Department level and CINC letters to Congress and in DoD's recently completed Ballistic Missile Defense Review which fully funded the programs' Project Definition and Validation (PD-V) Phase. Despite the potential French withdrawal from the program, the urgent need to provide maneuver force protection still exists.

The United States, Germany, and Italy recently committed to continue the international program, as demonstrated by their 22 April 1996 trilateral Statement of Intent. The Army enthusiastically supports pursuit of this international program with our NATO allies including Germany, one of our strongest and most stable air defense partners. The lack of demonstrated U.S. financial resolve will undoubtedly send a perplexing signal to this international industrial and governmental partnership.

MEADS is recognized as a vital defense system for the challenge of force protection on the 21st century battlefield. The Army views a system like MEADS as the eventual long term replacement for the Patriot system as the Army's lower tier TBM defense in the post 2010 time frame. The current investment in the PD-V phase will ensure that Soldiers, Marines, Airmen, and Sailors of the future will be protected on the battlefield by a robust system capable of responding to the full spectrum of threat.

Request your support for this critical Department of Defense Army air and missile defense program.

Respectfully,
EDWARD G. ANDERSON III,
Major General, U.S. Army.

DEPARTMENT OF DEFENSE, BALLISTIC MISSILE DEFENSE ORGANIZATION,
Washington, DC, May 1, 1996.

Hon. FLOYD SPENCE,
Chairman, House National Security Committee, House of Representatives, Washington, DC.

DEAR SIR: I understand that the R&D Subcommittee has recommended that, in the FY97 Authorization Bill, the Medium Extended Air Defense (MEADS) be canceled. I would respectfully ask the Committee not to accept this recommendation for several reasons.

MEADS is an absolutely critical element of our ballistic missile defense architecture, providing the critical protection for US maneuver forces as they engage the enemy. It is strongly supported by both the U.S. Army and Marine Corps. In last year's discussion of MEADS, General Joulwan, our European CINC, forwarded a particularly strong letter of support for MEADS, reflecting the views of our other warfighters.

It is the only system that will have the transportability and mobility to be brought into theater and to forward deploy with the troops. Besides its capability to defend against ballistic missiles, it is a critical system to also protect these forces against advanced aircraft and cruise missiles. Patriot and other missile defense systems in our theater architecture cannot fulfill this role.

MEADS is envisioned to be a key multinational co-development program where we will leverage investment by European partners, who have similar military requirements, to undertake and complete the system development. We are responding to the direction given to us by the Congress in the FY96 Authorization Act.

As I have indicated to the Committee in my recent testimony, our negotiations with our European partners are complete and we should sign the Memorandum of Understanding within the next few weeks. Against the backdrop of a HNSC cancellation of the Program in FY97, the credibility of the United States vis-a-vis armaments cooperation will be called into question. Additionally, such a cancellation would have very serious ramifications vis-a-vis other programs where the United States is seeking European support.

Sincerely,

MALCOLM R. O'NEILL,
Lieutenant General, USA, Director.

DEPARTMENT OF THE ARMY, U.S.
ARMY SPACE AND STRATEGIC DEFENSE COMMAND
Arlington, VA, May 16, 1996.

Hon. FLOYD SPENCE,
Chairman, House National Security Committee, Washington, DC.

DEAR MR. CHAIRMAN: The Army understands that the House National Security Committee has recommended that funding for the Medium Extended Air Defense System (MEADS) be cut and the Senate Armed Services Committee has recommended funding be reduced below the level negotiated for the international program. These actions place this program in severe jeopardy and, as a result, place our deployed forces at risk.

The threats to Army and Marine Corps maneuver forces (short range tactical ballistic missiles, cruise missiles and unmanned aerial vehicles) exist today and will grow significantly as we enter the 21st Century. The joint requirement document specifics countering these threats with a strategically deployable, tactically mobile system providing 360 degree coverage. Existing system configurations fail to provide the required protection due to deployability and mobility limitations, lack of 360 degree coverage, and lack of growth potential to meet these essential requirements.

As envisioned, this requirement will provide our forces the mobile protection required on future battlefields. The United States, Germany and Italy recently committed to continue the international program as demonstrated by their April 22, 1996 trilateral statement of intent. MEADS is the only system currently being designed with the mobility, deployability, target set and other critical characteristics of meet the Corps SAM requirements.

As the Theater Missile Defense Advocate for the United States Army, I strongly recommend that the Congress consider the MEADS/Corps SAM requirements and restore the funding necessary for this system designated for the protection of our maneuver forces.

Sincerly,

JAY M. GARNER,
Lieutenant General, U.S. Army, Commanding Officer.

UNITED STATES ARMY,
THE VICE CHIEF OF STAFF.

Hon. FLOYD SPENCE,
Chairman, Committee on National Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I understand the House National Security Committee (HNSC) recommended zeroing the funding request for the Medium Extended Air Defense System (MEADS) in the FY97 Defense Authorization Bill. As its Chief of staff emphasized last summer following the SASC's vote to terminate the program, the critical warfighting requirement that MEADS intends to fill remains completely valid. As such, further funding disruptions will significantly impair our ability to expeditiously field a theater missile defense (TMD) system designed to protect our maneuver forces.

The threats to Army and Marine Corps maneuver forces form short range tactical ballistic missiles, cruise missiles and unmanned aerial vehicles exist today and will grow significantly as we enter the 21st Century. The MEADS requirements documents specifies countering these threats with a strategically deployable, tactically mobile system providing 360 degree defense coverage. Existing system configurations fail to provide the required protection due to deployability and mobility limitations, lack of 360 degree defense coverage, and lack of growth potential to meet these essential requirements.

Despite the potential French withdrawal from the program, the Army fully supports the MEADS international effort with our NATO allies. The MEADS program improves both US and NATO operational capability through total interoperability. Having MEADS deployed with our allies would mean less reliance on US assets to defend US and Allied forces and interests. This critical program is essential to further NATO cooperative efforts and a strong alliance. We support the Department of Defense decision to fully fund the MEADS Project Definition and Validation phase. This will allow international industry teams to fully explore all key TMD technologies and recommend robust, cost-effective solutions. I appreciate your support as we seek to provide the highest quality TMD force protection possible.

Sincerely,

RONALD H. GRIFFITH,
General, United States Army, Vice Chief of Staff.

DEPARTMENT OF THE NAVY,
UNITED STATES MARINE CORPS,
Washington, DC.
DEPARTMENT OF THE ARMY,
HEADQUARTERS, U.S. ARMY,
Washington, DC.

Hon. TED STEVENS,
Chairman, Subcommittee on Defense, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to reaffirm our requirement for 360 degree protection against all tactical aircraft—from supersonic jets to attack helicopters, against advanced, low signature cruise missiles, and against medium and short range ballistic missiles. Army and Marine Corps maneuver forces face these threats today and are expected to face an expanding threat as we enter the 21st Century.

The Army and Marine Corps are in agreement that the Initial International Common Operational Requirements for the Medium Extended Air Defense System (MEADS) includes features necessary to meet the expeditionary nature of the Marine Corps, and will satisfy future Army Air Defense requirements. The MEADS program will involve participation by two key NATO allies, Italy and Germany.

We are very concerned that the Army and the Marine Corps currently do not have a system to meet this requirement. MEADS is projected to fulfill this requirement. The Army and the Marine Corps fully support the Department of Defense decision to fully fund the MEADS Project Definition and Validation phase. Funding will allow international industry teams to fully explore all key theater missile defense technologies and recommend robust, cost-effective solutions.

As always, we appreciate your support as we seek to provide the highest quality Missile Defense protection available for soldiers and Marines.

Sincerely,

C.C. KRULAK,
General, U.S. Marine Corps, Commander of the Marine Corps.
DENNIS J. REIMER,
General, U.S. Army, Chief of Staff.

HEADQUARTERS,
UNITED STATES FORCES, KOREA,
June 13, 1996.

Hon. IKE SKELTON,
Ranking Minority Member, Subcommittee on Military Procurement, Committee on National Security, U.S. House of Representatives, Washington, DC.

DEAR MR. RANKING MINORITY MEMBER: On behalf of the airmen, soldiers, sailors, marines and civilians serving under my command in the Republic of Korea, I would like to thank you for your past support. I again find myself coming to you for assistance on a matter of the utmost importance to our mission on the Korean peninsula. I am writing you because of the threat to funding of a program that I view as a critical component of the security of my theater.

As I stated in testimony earlier this year and in a letter to the Chairman of the Joint Chiefs of Staff which was well reported in the press, "Theater Missile Defense is another key area where we must improve our capability on the Korean peninsula. DPRK missiles threaten all our major ports, air bases, fielded ROK and US forces, and the population at large. However, even after upgrading to the PAC-3 configuration, these missiles can not cover all of our critical locations." Although this statement was directed toward an upper tier system, I emphasized the importance of an upper tier system being in concert with an effective lower tier system.

The threat to forward ground combat forces in this theater from short and medium range ballistic missiles, unmanned aerial vehicles (UAV), and cruise missiles is already formidable, and continues to grow. The only system in place to defeat these threats across the full spectrum is Patriot, which consumes tremendous amounts of lift to get to the theater, lacks the mobility to support mobile combat forces and survive on the forward battlefield, and can only provide defense in a 90 degree sector.

The requirement for the Medium Extended Air Defense System (MEADS), formerly known as Corps SAM, gives the corps commander the means to protect his warfighting capability, and would also protect Marine amphibious forces from forced landing through redeployment. Compared to Patriot, MEADS/Corps SAM cuts airlift requirements in half, can cover twice as many forces in a movement to contact, with a third of the survival risk, and provides full 360 degree protection against all airborne threats. The need for this system is clear and fielding of this capability is vital to our survival and success on the future battlefield. That is precisely why this requirement, as part of a complete Theater Missile Defense program, is in the top 10 of our integrated priority list.

The Department of Defense has decided to fully fund the MEADS Project Definition and Validation Phase. Again, what concerns me is that funding for this critical program is threatened. Request your immediate support in the restoration of funding to the DOD requested level. Thank you for your continued support and assistance in this important endeavor.

Sincerely,

GARY E. LUCK,
General, U.S. Army,
Commander in Chief.

UNITED STATES CENTRAL COMMAND,
OFFICE OF THE COMMANDER IN CHIEF,
MacDill Air Force Base, FL, June 12, 1996.

Hon. IKE SKELTON,
Ranking Member, Subcommittee on Military Procurement, Committee on National Security, U.S. House of Representatives, Washington, DC.

DEAR MR. SKELTON: The House National Security Committee's 1997 Defense Authorization Bill currently proposes to eliminate funding support of the Medium Extended Air Defense System (MEADS). In today's increasingly complex, unstable world, this is unfortunate.

In the Central Region, the ability to defend against an ever growing threat from aircraft and short/medium range ballistic missiles is one of our highest priorities. In our view, key capabilities of any air/missile defense system are: mobility, 360 degree coverage, technical performance against the threat, and interoperability with our allies as well as across service lines. Systems currently in use do not meet these essential requirements. More importantly, we need a multilayered air defense system that has as a major component the lower altitude capability to protect deep and fast moving land forces (Army and Marine) at distance from the shore or land entry point.

The capabilities inherent in Corps SAM/MEADS, or some similar derivative, will result in an increased ability to defend against current and future threats as well as possessing the characteristics so important in today's joint environment: mobility and interoperability. Continued funding support for this capability is crucial given the current threat we face in the Central Region as well as the prospects afforded by the proliferation of ballistic missile technology. In sustaining an international coalition, it is important that we be capable of providing a viable defense for the forces committed to our mutual objectives. I appreciate your support in restoring funding for this key program that will help defend our service men and women.

Sincerely,

J.H. BINFORD PEAY III,
General, USA, Commander in Chief.

COMMANDER IN CHIEF,
UNITED STATES EUROPEAN COMMAND,
June 13, 1996.

Hon. IKE SKELTON,
Ranking Member, Subcommittee on Military Procurement, House Committee on National Security, U.S. House of Representatives, Washington, DC.

DEAR MR. SKELTON: The President's Budget request for fiscal year 1997 included $56.2 million for the multinational Medium Extended Air Defense (MEADS) program, but the House recently passed a Department of Defense Authorization Bill that zeroes the MEADS program funding. In the short time since passage of the Authorization Bill, the Bill's key concern, expressed in the House report, has been addressed. The Memorandum of Understanding has been signed by the U.S., Germany, and Italy. Despite the withdrawal of the French from the program, there remains solid trilateral support for MEADS. Continued Congressional support of this program is essential for our Theater Missile Defense (TMD) program.

Theater missile defense is one of my top priorities. Many nations are developing and employing theater ballistic missiles, cruise missiles, and unmanned aerial vehicles which threaten U.S. and allied security interests. The "core" U.S. TMD systems play a central role in defending U.S. interests and forces, but these systems are limited by geography and strategic life requirements. Naval systems can reach only so far inland, and Patriot battalions require almost 70 C–5 sorties to deploy and offer little tactical mobility.

On tracked vehicles, the MEADS system moves forward with maneuver forces while protecting against low-level aircraft and cruise missiles as well as ballistic missiles. It requires substantially less strategic lift and enables the U.S. to protect both its forces and its regional interests against a wide spectrum of threats.

MEADS is an integral part of the multi-national, multi-service, layered defense architecture and provides cost-effective defense in our constrained fiscal environment. Unilateral development and fielding of new TMD systems often make programs unaffordable. Yet, with the Germans and Italians sharing the MEADS program costs, we can realize substantial savings.

I urge your support for the critical TMD system.

Sincerely,

GEORGE A. JOULWAN,
General U.S. Army.

Mr. Chairman, I ask the gentleman from Florida if he understands the importance of this MEADS proposal?

□ 2030

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would respond and say we certainly understand the importance of CORPS SAM. We also know there are some difficulties in the program because of the international participation in the program, where it is unclear if some of the sponsors or some of those who are involved are committed to this effort. However, we will work with the gentleman to make sure that the right thing is done on the issue of CORPS SAM because I think it is an important issue.

Mr. SKELTON. I appreciate that. This is terribly important. In all of this discussion about missile defense, no one seems to be looking out for the front-line American troops. That is the purpose of this MEADS proposal.

Mr. Chairman, with the gentleman agreeing to work with me and looking forward to the future in the conference, I will at this time ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Missouri [Mr. SKELTON] is withdrawn.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: At the end of the bill (before the short title), insert the following new section:

SEC. . None of the funds made available to the Department of Defense under this Act may be obligated or expended to enter into or renew a contract with an entity when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, I will be very brief. Veterans who serve in the U.S. Armed Forces over all the years of this country have always lagged behind their peers, those that did not serve in the military. They were always 4 years behind going to college, 4 years behind advancing up the ladder of success and promotion, and because of that, we have veterans preference laws in this county to try and help them catch up. Many times those laws are disregarded.

We, in the middle of the 1970's, when a very unpopular war had been taking place and our veterans returning home, we enacted title 38, United States Code, which required contractors or entities who received contracts or grants of moneys from this defense budget, that they be required to file a report to show their hiring practices and policies. Today we know by studies that over 23,000 contractors just completely disregarded this.

What this amendment says is that none of the funds can be used for any contractor who has not lived up to the law and filed that report. This is meant to encourage those contractors to live under the law and treat our veterans fairly.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding and say to him that we have reviewed this amendment and discussed it with him. We know that he is one of the many Members of this Chamber who is always in the front line defending the rights of veterans and protecting veterans. We appreciate that, and we are prepared to accept the amendment.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. Mr. Chairman, I yield to my friend, the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I accept the amendment.

Mr. SOLOMON. Very good, and I thank both those great Americans.

Mr. Chairman, it is troubling to think that anyone in our society would even consider discriminating against our veterans.

However, that is the case and that's why Congress enacted laws to help them find employment.

But now those laws are being ignored.

In 1972 the Vietnam Era Veterans Readjustment Assistance Act was enacted to increase the level of employment of veterans by Federal contractors.

In 1973, concerns raised by Congress over the continuing high rate of unemployment among Vietnam veterans led to a GAO investigation.

GAO's report in 1974 showed serious shortcomings in both implementation and enforcement of the statute by the U.S. Department of Labor.

Congress then responded by authorizing statutory adjustments that gave rise to the Vietnam Era Readjustment Assistance Act of 1974.

Since these original concerns expressed by the GAO, it is now fair to note that 22 years later, there is still evidence of D.O.L.'s failure to appropriately enforce the provision that Government contractor's file reports on veterans employment.

They are required to report the number of Vietnam-era veterans and special disabled veterans employed by job category, as well as the total number of covered veterans hired.

Since 1988 this annual report has been required of Federal contractors.

The Vets-100 report was created to monitor veterans' employment and meet this requirement.

However, research performed by the center for the study of veterans in society indicates that a large number of contractors have failed to file the required Vets-100 report.

In 1992, a F.O.I.A. request was filed with the Secretary of Labor by the Center for the Study of Veterans in Society.

Resulting analysis showed that in 1990, of 130,930 Federal contractors, 10,092 failed to file this and in 1991, the percentage more than doubled to 15.9 percent, with 23,664 of 148,923 contractors failing to file.

This disturbing trend must be changed.

Information on the employment of veterans is essential to insure they are not forgotten, discarded warriors.

But sadly enough, that's exactly what's happening.

Less than 1 percent of those employed by some of this country's largest and more prominent universities are veterans.

Just listen to the obstacles faced by one such distinguished veteran, who holds a Ph.D in his field.

This particular Vietnam veteran was actually asked to leave the home of a college president during an interview, when he let it slip that he had served in Vietnam.

In addition, in 80 instances when he was asked back for an interview after applying for a job, all contact ended in 76 of them when his military service was revealed.

Now that is just plain unacceptable.

From now on, anyone who wants to forget, ignore, or just plain discriminate against our veterans when it comes to hiring, recommending, promoting, or firing workers will have to go without any Federal tax dollars.

Eventually, agencies within this very government—and those contracting with them—will get the message that our veterans helped get us where we are today and have a great deal to offer any organization.

Vote for my amendment, and show America's veterans we will not accept discrimination against them, and want them properly represented in the work force.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

If not, pursuant to House Resolution 453, the Clerk will read the last two lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Department of Defense Appropriations Act, 1997".

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 453, proceedings will now resume on the amendment on which further proceedings were postponed: the amendment offered by the gentleman from Oregon [Mr. DEFAZIO], as amended.

AMENDMENT OFFERED BY MR. DEFAZIO, AS AMENDED

The CHAIRMAN. The pending business is the request for a recorded vote on the amendment offered by the gentleman from Oregon [Mr. DEFAZIO], as amended, on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 208, not voting 37, as follows:

[Roll No. 246]

AYES—190

Abercrombie
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Blumenauer
Blute
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Campbell
Castle
Clay
Clayton
Clement
Clyburn
Coble
Collins (IL)
Collins (MI)
Costello
Coyne
Cramer
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Ganske
Gejdenson
Gephardt
Goodling
Gordon
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hinchey
Hoekstra
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaFalce
Lantos
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Manton
Martini
Mascara
Matsui
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moran
Morella
Nadler
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pomeroy
Poshard
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Roemer
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Skelton
Slaughter
Smith (MI)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Whitfield
Williams
Wise
Woolsey
Wynn
Zimmer

NOES—208

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell

Fields (TX)
Flanagan
Foley
Forbes
Fowler
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Gallegly
Gekas
Gibbons
Gilchrest
Gilman
Gingrich
Gonzalez
Goodlatte
Goss
Graham
Greene (UT)
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martinez
McCollum
McCrery
McInnis
McIntosh
McKeon
Meek
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myrick
Nethercutt
Neumann
Norwood
Oxley
Packard
Parker
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Traficant
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—37

Ackerman
Bevill
Bilbray
Bunning
Cardin
Clinger
Coleman
Conyers
Cunningham
Davis
Doyle
English
Geren
Gillmor
Hayes
Holden
Johnson, E. B.
King
Lincoln
Maloney
Markey
McCarthy
McDade
McHugh
Moakley
Myers
Neal
Quinn
Saxton
Souder
Thornton
Torricelli
Walsh
Waxman
Wilson
Yates
Zeliff

□ 2052

Messers. ALLARD, STOCKMAN, and TRAFICANT changed their vote from "aye" to "no."

Mr. MARTINI, Mr. FIELDS of Louisiana, and Ms. MILLENDER-McDONALD changed their vote from "no" to "aye."

So the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. JONES) having assumed the chair, Mr. CAMP, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 3610) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 453, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. JONES). Under the rule, the previous question is ordered.

It is a separate vote demanded on any amendments? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 278, nays 126, not voting 30, as follows:

[Roll No. 247]

YEAS—278

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Chambliss
Chapman
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fazio
Fields (LA)
Fields (TX)
Flake
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manton
Manzullo
Martinez
Matsui
McCollum
McCrery
McHale
McInnis
McIntosh
McKeon
McNulty
Meek
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myrick
Nethercutt
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Reed
Regula
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Salmon
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stokes
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torres
Traficant
Visclosky
Vucanovich
Walker
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—126

Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Berman
Blumenauer
Blute
Bonior
Borski
Brown (CA)
Brown (OH)
Bryant (TX)
Bunn
Camp
Campbell
Castle
Chabot
Chrysler
Collins (IL)
Collins (MI)
Costello
Coyne
Danner
DeFazio
Dellums
Dingell
Doggett
Dooley
Doyle
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Filner
Flanagan
Foglietta
Foley
Ford
Frank (MA)
Franks (NJ)
Furse
Ganske
Gunderson
Gutierrez
Gutknecht
Hilliard
Hinchey
Hoekstra
Jackson (IL)
Johnson (CT)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kleczka
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Markey
Martini
Mascara
McDermott
McKinney
Menendez
Miller (CA)
Minge
Morella
Nadler
Neumann
Ney
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Poshard
Rahall
Ramstad
Rangel
Riggs
Rivers
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Smith (MI)
Stark
Stockman
Studds
Stupak
Towns
Upton
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Williams
Wise
Woolsey
Zimmer

NOT VOTING—30

Ackerman
Bevill
Bilbray
Cardin
Clinger
Conyers
Cunningham
English
Geren
Gillmor
Hayes
Johnson, E. B.
Lincoln
Maloney
McCarthy
McDade
McHugh
Meehan
Moakley
Myers
Neal
Richardson
Saxton
Thornton
Torricelli
Walsh
Waxman
Wilson
Yates
Zeliff

□ 2112

The Clerk announced the following pair: On this vote:

Mr. Bilbray for, with Mr. Ackerman, against.

Mr. CLAY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconisder was laid on the table.

PERSONAL EXPLANATION

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, due to business in my district, I was absent for rollcall votes 245, 246, and 247. Had I been present, I would have voted "no" on rollcall 245, "yes" on rollcall 246, and "yes" on rollcall 247.

PERSONAL EXPLANATION

Ms. McCARTHY. Mr. Speaker, during rollcall votes numbered 246 and 247, I was unavoidably detained. Had I been present I would have voted "Yes" on rollcall vote 246, and "No" on rollcall vote 247.

PERSONAL EXPLANATION

Mr. CLINGER. Mr. Speaker, on Thursday, June 13, 1996, I was unavoidably detained and missed rollcall votes 244, 245, 246, and 247 during the debate on H.R. 3610, the fiscal year 1997 National Security Appropriations Act. Had I been present, I would have voted "No" on rollcall 244 (Schroeder amendment), "No" on rollcall 245 (Shays amendment), "No" on rollcall 246 (DeFazio amendment), and "Aye" on rollcall 247 (final passage).

The reason I would have opposed the amendments to cut the defense budget—as the Schroeder and Shays amendments attempted to do—and supported the bill on final passage is based on my concerns about cutting the defense budget too deep, too quickly. Defense spending, adjusted for inflation, has been cut each year since 1985. While I have supported budgets that lower our defense spending in the past, I am wary about reducing our defense capabilities any further.

Dangers still exits—such as the situation in Bosnia, Haiti, and North Korea—and future threats are impossible to predict. It is clear that the United States must maintain a significant military force to deter and defeat future aggressors and to safeguard our Nation against the threat of nuclear proliferation, continuing regional conflict, and global instability. I believe that H.R. 3610 sets forth defense spending levels that are fiscally responsible while providing an appropriate defense of our Nation.

Finally, I would have opposed the DeFazio amendment, stipulating that none of the funding included in the bill to develop an anti-missile defense of U.S. territory could be used for space-based antimissile weapons. In my view, it would be shortsighted and irresponsible to limit our options in seeking to find the best way to defend our Nation against a nuclear missile attack.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I yield to my friend from Texas [Mr. ARMEY], the distinguished majority leader, for the purpose of engaging in a colloquy to find out the schedule for the rest of the week and next week.

Mr. ARMEY. I thank the gentleman for yielding.

Mr. Speaker, in just a few minutes we will be taking under consideration a very important resolution regarding the burning of churches. By common agreement out of consideration for the Members of the body and the lateness of the hour, we can assure Members due to the generosity on both sides of the aisle that there will not be a recorded vote on that matter. That being the case, I can announce that we have just had the last vote for the evening and for the week.

On Monday next, June 17, the House will meet in pro forma session. Members should note, contrary to the original House schedule, we will not have legislative business or votes on Monday.

□ 2115

On Tuesday, June 18, the House will meet at 9 a.m. for morning hour, and 10 a.m. for legislative business. Members should be advised that recorded votes will be postponed until 12 noon on Tuesday, June 18.

On Tuesday, the House will take up six bills under suspension of the rules: H.R. 3005, the Securities Amendments of 1996; H.R. 2803, the Anti-Car Theft Improvements Act of 1996; H.R. 3525, the Church Arson Prevention Act of 1996; H.R. 3572, a bill to designate the William H. Natcher Bridge; H.R. 3184, the Single Audit Act Amendments of 1996; and H.R. 3107, the Iran Oil Sanctions Act of 1996.

On Wednesday, June 19, and Thursday, June 20, the House will meet at 10 a.m. for legislative business. We will consider the Interior and the VA-HUD appropriations bills, both of which will be subject to rules.

And, Mr. Speaker, if I might just add, we are continuing to talk to Members on both sides of the aisle that are concerned with the VA appropriation bill, and it is hoped that possibly we might be able to work that out for consideration on Tuesday. That has not yet been settled.

I would like to remind Members, though, Mr. Speaker, that we may take up a resolution holding the President's aides in contempt of Congress. It is our hope that the President will be forthcoming with the subpoenaed Travelgate documents before next week; however, in the event that these key documents are not provided, we may find a need to act on the contempt resolution.

Next week, Mr. Speaker, we should conclude legislative business and have the Members on their way home by 6 p.m. on Thursday, June 20.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BONIOR. Mr. Speaker, I thank my colleague for his information for this week and next week.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield.

Mr. BONIOR. I yield to my friend, the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I am a little bit concerned. We need to be taking up these two appropriation bills this coming week, Interior and the HUD-independent agencies bill. I have a Committee on Rules to run upstairs and the gentleman from Michigan [Mr. BONIOR] served on that committee for many years. He knows that if we are going to be coming back here, which we are willing to do in the Committee on Rules Monday night and put out a rule so that we can have the HUD-independent agencies bill on the floor Tuesday, we need to know this evening.

Members have the right to know what they are going to be doing. If we are going to have to be coming back here on Monday, we need to make reservations. Under the laws now we cannot have two or three or four backup reservations, and I would suggest my good friend, the majority leader, who I know wants to cooperate, and the gentleman from Missouri [Mr. GEPHARDT], work this thing out and let us know tonight what we are going to be doing, one way or the other, so that these Members can schedule their weekends and the valuable time they have back in their districts. That is only fair.

We are willing to sacrifice coming back here a day early to do it. So think about that. It is important to all of us.

Mr. ARMEY. If the gentleman would continue to yield for a moment, I would advise the chairman of the Committee on Rules that we are having discussions on this. They are going cordially, and as soon as we have more complete discussions, we will let the gentleman and the committee know.

Mr. SOLOMON. I appreciate that.

ADJOURNMENT TO MONDAY, JUNE 17, 1996

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore (Mr. JONES). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I the Journal stands approved.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON HOUSE OVERSIGHT

The SPEAKER pro tempore. The Speaker, pro tempore laid before the House the following communication from the Chairman of the Committee on House Oversight:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE OVERSIGHT,
Washington, DC, June 10, 1996.

Hon. NEWT GINGRICH,
Speaker, of the House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that the House Franking Commission has been served with a subpoena issued by the United States District Court for the Eastern District of Michigan.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

BILL THOMAS, *Chairman.*

COMMUNICATION FROM THE CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE

The SPEAKER pro tempore. The Speaker pro tempore laid before the House the following communication from the Chief Administrative Officer of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER, HOUSE OF REPRESENTATIVES,
Washington, DC, June 12, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that the Office of Finance has been served with a subpoena issued by the United States District Court for the Eastern District of Michigan.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

SCOT M. FAULKNER.

EXPRESSING SENSE OF CONGRESS WITH RESPECT TO RECENT CHURCH BURNINGS

Mr. WATTS of Oklahoma. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the concurrent resolution (House Concurrent Resolution 187) expressing the sense of the Congress with respect to recent church burnings, and ask for its immediate consideration in the House; that debate on the concurrent resolution be limited to fifty minutes, equally divided and controlled by myself and the gentlewoman from North Carolina [Mrs. CLAYTON]; and that the previous question be considered as ordered on the concurrent resolution to final adoption without intervening motion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mrs. CLAYTON. Mr. Speaker, reserving the right to object, although I do not plan to object, let me just understand the time.

Mr. WATTS of Oklahoma. Mr. Speaker, will the gentlewoman yield?

Mrs. CLAYTON. I yield to the gentleman from Oklahoma.

Mr. WATTS of Oklahoma. Mr. Speaker, 50 minutes total, 25 minutes per side.

Mrs. CLAYTON. Mr. Speaker, we have quite a number of people who have expressed a desire to speak, and I would like some accommodation. I know that the gentleman has been working with me, but is it possible we can do 30 minutes each side?

Mr. WATTS of Oklahoma. Mr. Speaker, if the gentlewoman would continue to yield, we probably will not use our 25 minutes, so I can accommodate the gentlewoman, yes.

Mrs. CLAYTON. Mr. Speaker, I appreciate that.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

H. CON. RES. 187

Whereas more than 30 African-American churches have been burned over the last 18 months;

Whereas arrests have been made in only 5 of the cases currently under investigation;

Whereas the African-American community deserves the full support of Congress in solving these cases in an expeditious manner and it is important for Congress to speak out against the recent incidents of arson; and

Whereas several measures which would expedite the investigation into these incidents and assist in the prosecution of individuals found guilty of involvement in these incidents are now pending before Congress: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) attacks on places of worship because of the race, color, denomination, or ethnicity of the congregation undermine fundamental American ideals;

(2) these fires appear to be hate crimes and also implicitly interfere with the First Amendment rights and other civil rights of the victims;

(3) the arson of a place of worship is repulsive to us as a society;

(4) the Congress condemns, in the strongest possible terms, these abhorrent actions against freely worshipping American citizens and the African-American community in particular;

(5) the Congress sends its sincere condolences to those individuals who have been affected by these acts of cowardice;

(6) the Congress fully supports the activities of local law enforcement officials, the Department of Justice, and the Department of the Treasury in investigating these incidents;

(7) the Congress urges the United States Attorney General and local prosecutors to seek the maximum penalty available under law to punish the perpetrators of these craven acts;

(8) it is important that Congress enact appropriate legislation to ensure that Federal law enforcement has the necessary tools to punish and deter these shameful, vile acts, including the bipartisan legislation introduced by Representatives Hyde and Conyers which would facilitate the prosecution of persons responsible for these acts;

(9) the President is urged to make the fullest possible use of all available law enforcement resources to bring the culprits in these crimes to justice;

(10) Congress encourages the people of the United States to work within their own communities to prevent arson against African-American or any other house of worship; and

(11) Congress encourages American citizens to observe a national week of prayer beginning June 16, 1996, and ending June 23, 1996, in their churches, synagogues, mosques and other places of worship for racial harmony, religious tolerance and respect for the civil and human rights of all Americans.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the gentleman from Oklahoma [Mr. WATTS] and the gentlewoman from North Carolina [Mrs. CLAYTON] each will control 25 minutes.

The Chair recognizes the gentleman from Oklahoma, Mr. WATTS.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. MYRICK].

Mrs. MYRICK. Mr. Speaker, I am very happy to stand here tonight in support of this resolution, and I am very happy that the resolution is coming forward. Back on the first of March some of us who are members of the Family Caucus actually sent a letter to Attorney General Reno asking her to take action and bring all resources to bear because we knew that this problem existed, and so it is good that we are coming together and there is a very strong interest in finding a solution to the problem.

This is a bipartisan effort, which always is great to see when everybody can work across all lines and come forward to share. We have the gentleman from Illinois, Chairman HYDE, whose legislation is coming on the floor next week, which will put some teeth into prosecution and bring to justice the people who are doing these things. The gentleman from Iowa [Mr. LIGHTFOOT] came forward with an appropriations bill, which is budget neutral, I might add, and that is going to help give the resources to the ATF agents who work in the arson division. And I will say from firsthand experience, unfortunately we had an incident in my city last week, and they are dedicated, dedicated people who really are shorthanded. So this is going to be a big help to them.

And then today, the gentleman from Pennsylvania, CURT WELDON, announced that the Fire Caucus and all the fire services and the insurance agencies are coming together with a prevention effort that we can all share in our districts and really get the word out there of what people can do to try to prevent some of this.

So I commend both the gentlewoman from North Carolina, EVA CLAYTON, and the gentleman from Oklahoma, J.C. WATTS, for coming forward with this resolution, and it sends a strong message that we are not going to tolerate this anymore in our country. I do not care who these people are or where they are from, this is totally inexcusable and it has to stop.

I am embarrassed to say that North and South Carolina have had more of these church burning incidents than any other geographical area or State combined, and that is very depressing to me, but we do need to come together not just at the congressional level, but we need to come together locally.

The fourth aspect of this is that we really need to look toward helping these communities rebuild. We are going to be rebuilding the church in our area, and it is going to serve as a museum memorial to the culture of the black church because this is something that people really need to understand.

The whole community is doing it, it is a volunteer effort completely, and I am challenging other communities to reach out and do the same. They say you can burn the building, but you do not burn the church, and I think we all know that.

Mrs. CLAYTON. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. GEPHARDT], our distinguished minority leader.

Mr. GEPHARDT. Mr. Speaker, I rise today to urge my colleagues to vote in a unanimous way for this resolution. I commend my friend the gentlewoman from North Carolina [EVA CLAYTON] for working so hard to bring this resolution to the floor. I commend my friend, the gentleman from Oklahoma [Mr. WATTS] for being a sponsor and being one who has made this bipartisan.

There is no more dastardly act than burning a place of worship, and the offense is even greater when racial hatred is involved, as it is in many of these cases. It is very important tonight that all of us, Republican, Democrat, from every part of this country, with one voice say tonight that these acts are morally reprehensible and wrong and must end.

I have no idea why these things are happening. I am sure none of the rest of us do. I assume racial hatred and hatred lies at the core of these acts. This had stopped and did not go on for years and years because there was a sense in this society that this was inappropriate behavior. Perhaps the dialog on some of our radio shows, or something, is making it possible for people to believe that we can act out our hatred by the violence that is represented in these acts.

The President has spoken out, and now it is entirely necessary and appropriate that every Member of this body tonight say unequivocally to the people of our country that these acts must end. And we will take every action that is necessary in the days ahead to make sure that whatever laws need to be changed are changed, to see that every person who is responsible in any way for any of these burnings is brought swiftly to justice.

Mr. Speaker, I thank my friends for bringing this resolution, and I urge every Member to raise their voice, not only tonight but in their district and in their communities to stop these dastardly acts.

□ 2130

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise today in strong support of this resolution, House Concurrent Resolution 187, expressing Congress' outrage and my personal outrage at the burnings of over 30 African-American churches throughout the southern United States. I commend the sponsor of this measure, the distinguished gentleman from Oklahoma [Mr. WATTS] and the gentlelady from North Carolina [Mrs. CLAYTON] for their efforts in introducing this important resolution.

Mr. Speaker, there is no more cowardly act than the desecration of another's house of worship. It is an act perpetrated by bigots who use the cover of night to burn a sacred place that so many in their community hold dear. Our houses of worship are a significant part of the glue that holds our sense of community together. When these gutless individuals strike at the sanctuaries of our neighbors, they are striking at the sanctity of our communities and the freedoms we all enjoy under the first amendment to practice our religious beliefs.

My heart and sympathy go out to our African-American citizens and I strongly encourage this body to enact the bipartisan legislation introduced by Judiciary Committee Chairman HENRY HYDE and ranking member JOHN CONYERS to ensure that Federal law enforcement officials have the requisite tools to investigate and vigorously prosecute those who committed these abhorrent acts. In addition I encourage the Justice Department, the Treasury Department, and the Attorney General to expeditiously prosecute these cowards to the fullest extent of the law.

We must not stand by allowing this outrage to continue. Accordingly, I urge my colleagues to support this worthy measure.

Mrs. CLAYTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. PAYNE], the chairman of the Black Caucus.

Mr. PAYNE of New Jersey. Mr. Speaker, let me thank the gentlewoman from North Carolina and the gentleman from Oklahoma for bringing this resolution to the floor.

Mr. Chairman, as Chairman of the Congressional Black Caucus, I rise to express my outrage at the senseless desecration of African-American churches and also to extend my sympathy to the ministers and their congregations all over the country who have lost their places of worship. Our thoughts are also with members of the other churches and synagogues which have been defaced. These incidents of racial and religious bigotry remind us of other painful episodes in our history which we had hoped never reoccur.

Sadly the legacy of racial division is kept alive not only by those who carry out these acts, but by others who crate an atmosphere which not only tolerates but encourages bigotry. We can turn on our radio any day of the week and hear right-wing talk radio hosts spewing forth words of hatred to appeal to those in the audience who are discontented with their lives and are looking for scapegoats.

In my area, the radio talk show host Bob Grant, who is courted by some politicians, has built his career out of making offensive and hurtful statements. He finally pushed things too far the day of the tragic accident when the plan carrying Ron Brown and others went down. On his radio show he said, upon learning that initially there was one survivor, Bob Grant joked that his pessimism led him to believe that the late Secretary may have survived.

Although this radio talk host was fired, he was immediately picked up by another radio station. And we call this corporate responsibility?

The most recent church bombing in Oklahoma reminds us that these evil incidents are not confined to the Southeast. The Department of Justice has received reports of incidents in States like Maryland, where the target was a Quaker meeting house; in my home State of New Jersey. We have had them in Richmond; Seattle, Washington; and in other parts of New York State this has occurred.

Mr. Speaker, we must stop these senseless burnings.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WELDON].

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise in support of this important piece of legislation, and thank the gentleman from Oklahoma [Mr. WATTS] and the gentlewoman from North Carolina [Mrs. CLAYTON] for offering this legislation.

I join in the outrage that is being expressed by Members of both parties, liberals and conservatives, those from rural areas and those from urban areas, about the devastation caused by these terrible and outrageous fires.

As someone who got involved in public life first of all in the fire service, when I served as volunteer five chief, I understand perhaps in a way that many of us do not the impact of anyone suffering through the tragedy of fire.

It is especially outrageous when it hits a place of worship, and all of us must come together in this country and condemn it. We are here to acknowledge that there has been a special focus on African-American churches in the South, and that is especially outrageous.

I would also acknowledge, Mr. Chairman, there have been 80 churches burned since January of this year, 30 that we know of in the South and in black areas. But a number of them have not gone reported, but yet have been turned in to the insurance corporation which services and provides insurance for churches and synagogues across America.

Today we announced a major initiative, supported by a bipartisan group of Members who are part of the Congressional Fire and Emergency Services Caucus, to attack this problem in a different light. The focus up until now has been on catching those hardened criminals who have committed these acts, or those vandals, or those outrageous individuals.

The problem we have, Mr. Speaker, is that that is very difficult. In fact, the conviction rate for arson in this country is less than 2 percent. It is the toughest crime to convict someone unless someone actually sees them lighting the match. So while it is important that we look for the perpetrators, we must also realize it is especially difficult.

What we announce today is the establishment of a trust fund that would provide reward money for information leading to the arrest and conviction of anyone that is convicted of the act of arson. But that is not enough, because that is extremely difficult. What we announce today, Mr. Chairman, is the ability for us to have a proactive effort focusing on how to help churches across America prevent arsons from occurring.

To that end we brought together the insurance industry, all the major fire service groups: the International Association of Arson Investigators, the paid firefighters, the volunteer firefighters, the Black Professional Firefighters, the National Fire Protection Association, the insurance industry, the American Insurance Association, and the Insurance Committee for Arson Control, and we announced a 3-part initiative that is declaring war on arson as it relates to churches in this country, especially our black churches.

The initiative will take place through the offices of Members of Congress and it is in three parts. First of all, it provides arson prevention kits for every church in every Member's district that that Member wants to send that packet to, any church or synagogue. It will outline specific steps that can be taken locally to help reduce the possibility for arson.

Secondarily, we will be offering free half-day seminars to any Member of Congress that wants to establish a seminar for one half day for clergymen, for deacons, for ministers, for rabbis to come together with professionals who will be provided for free, to give those people direct insight into arson and how they can prevent it.

The third part of this initiative, Mr. Speaker, allows for a proactive effort to allow any church that so desires the contact their Member, and they will be provided a free professional survey of their church with specific recommendations that they can take to reduce the likelihood of an arson fire occurring, at no cost to that church or its congregation.

None of this is being funded by the Government. All of this is being provided by those individuals in the arson investigation community and the insurance industry who want to take proactive steps. It is in our hands now as Members of Congress to implement these recommendations, to coordinate these efforts, and to make sure there is follow through. There is much that can be done to reduce the potential for arson, and we must take the lead to make sure that that education is provided to every church and synagogue in this country.

Together, Mr. Speaker, as Republicans and Democrats and liberals and conservatives, as those representing rural and urban areas, we will solve this problem, and we will send a signal that anyone who ever contemplates the act of arson, especially at a religious institution, is going to face the most severe consequences that this country can bring to bear.

We are going to mobilize the communities of this country in a way they have not been mobilized before to stop these despicable acts. I thank my colleagues, and I urge support of this resolution.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Speaker, I want to commend my colleague from Oklahoma and my colleague from North Carolina for bringing this resolution forward.

I tell my colleagues that I worshiped on Sunday in the church that burned in Charlotte, NC, and I want to lift up two quick messages from the minister's speech that day. He said unequivocally to the people who are doing these burnings, "You can destroy the building, but you cannot destroy the church."

Second, he said to his members, "We have got to find a way to find the good in this and to rise above this and to maintain the values that we hold dear."

I hope all of us will keep those two things in mind as we condemn these church burnings and as we all vote, hopefully unanimously, in support of this resolution.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I commend the gentleman from Oklahoma for bringing this resolution in a timely manner to this floor.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. WAMP].

Mr. WAMP. Mr. Speaker, of course we should all come together tonight and unanimously condemn these outrageous acts. But I want to come tonight from a little bit different perspective because, Mr. Speaker, long before I was a Member of this body, I was a member of a much greater body, and long after I am a Member of this body, I am going to continue to be a member of a much greater and everlasting body.

I hope that our gentleman from North Carolina is right that some good can come out of this, and I hope to my core that this serves as a wakeup call to the church, to all churches everywhere, that this could be an opportunity for the church to do its work, to build the kingdom of God; that our brothers and sisters in the predominantly white churches would come out of their churches between now and Sunday and between now and next Wednesday and offer to rebuild these churches; that this would be an opportunity for the kingdom of God to come alive here, that some good could come out, that our brothers and sisters all across the land would offer their support.

I hear today that the Southern Baptist Convention took a step, but many more need to be taken to have some good come from this, that the kingdom would be lifted up, that we would go out as churches and offer to rebuild these churches, and that good would actually rise out of these ashes.

The most important word in the world today, that is needed so desperately in this country, is reconciliation. This is an opportunity for reconciliation. This is an opportunity for white folks to say, "We love you, black brothers and sisters, and we want to help you, and we hurt for you." Please country, come together.

Mr. Speaker, I call on people of faith all across America to get out of your church, take your resources. If ever there was a mission project for churches and religious institutions all across the United States of America, this is the mission project that could heal our land. Let us reconcile as a Nation, Mr. Speaker, through this one action, and have some good rise from these horrific acts.

GENERAL LEAVE

Mrs. CLAYTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 187.

THe SPEAKER pro tempore. Is there objection to the request of the gentlewoman from North Carolina?

There was no objection.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Connecticut, [Mrs. DELAURO].

Ms. DELAURO. Mr. Speaker, I congratulate my colleague, Mrs. CLAYTON, on this resolution. I rise in strong support of the resolution.

I stand with my colleagues tonight to voice my outrage and condemnation of these church arson. As towns and neighborhoods begin that process of healing and rebuilding, it is imperative that we send a loud and a clear and a firm message to the perpetrators of these sick crimes that Americans will not tolerate bigotry or hate crimes.

□ 2145

The perpetrators must and will be punished. History teaches us that we all have a stake in the battle against the forces of hatred. We cannot stand and be silent. We must speak louder than the voices of hate. Those voices encourage violence and have resulted in the destruction of churches, churches built on faith, on hope, and on love.

I am proud to join my colleagues today in support of this resolution and urge its adoption. Further, I urge my colleagues to call on others to go to their districts, to speak out against the voices and the actions of hatred in this country. It is only through such acts that we can prevent further violence and destruction.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Speaker, I want to compliment the gentleman from Oklahoma and the gentlewoman from North Carolina for bringing this resolution to the floor. As a Representative from the State of Maine, I want to add my voice to the national chorus that denounces these instances of religious and racial hatred. I ask unanimous support for this resolution that we offer tonight.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, I commend and thank the gentlewoman from North Carolina [Mrs. CLAYTON] and all of those who have joined with her for her leadership in expressing our collective outrage at what has been occurring in communities across this country. Now is the time for people of good will regardless of religion or their political persuasion or their region of the country to join together to condemn the outrage that has occurred and the attempt at intimidation steeped in hate on which it is based.

It is not enough merely to condemn. For while we are all outraged by what has occurred, we know that simply expressing our fury through resolution is only a first step. It is time to match our actions with our words and resolutions. So it is extremely important that the Church Arsons Prevention Act introduced by our colleague, the gentleman from Michigan [Mr. CONYERS], that would strengthen our ability to fight this kind of arson, be enacted at the earliest possible date in this Congress.

We should move forward on this legislation to halt attacks on our communities. Our communities are suffering, and they should look to our national leaders with confidence, for we have the responsibility to prove, as Barbara Jordan would say, that America is as good as its promise. In keeping this promise, we can be inspired by the congregations who refuse to be intimidated.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Speaker, I join my colleagues here and rise in strong support of this resolution. Since we have a limited amount of time, I would like to briefly comment on one aspect of this resolution, and that is Congress' full support of Federal, State and local law enforcement investigations.

We are going to do more than offer just words. As chairman of the subcommittee in charge of ATF's appropriation, I will be introducing supplemental legislation next week as part of the fiscal year 1997 Treasury appropriations bill to provide $12 million in additional resources right here and right now. In addition, we will continue our commitment to solving these church fires with an additional $12 million for fiscal year 1997, a total of $24 million. If that does not do it, we will come back for some more.

This money will go toward the basics of law enforcement, overtime, travel offices, phones, rewards, money, and equipment. This will allow the establishment of full-blown church fire task forces, not just the high level discussions that the administration has been hosting but real offices in the States where these churches are being burned, agents answering calls and gathering evidence.

I have every confidence that we will be able to solve these crimes. ATF investigators have a world class reputation in arson investigation. They have been called in on challenging cases all around the world. They solved the World Trade Center bombing. They found the evidence that led to the arrest of the people who perpetrated the bombing in Oklahoma City. They unraveled the pipe bombings and mail bombings in the Southeastern United States of the judges several years ago. Interestingly enough, Louis Freeh, who is now head of the FBI, was a prosecutor. They brought them to trial. If we look back at 1992, when we had a series of church bombings, all but one of those crimes has been solved.

So I would say tonight to whoever is the perpetrator of these crimes, whatever their motives might be, because they have to be less than human, we are setting on your trail. If you are watching out there tonight, the world's premier arson investigators, they are going to find you. They are going to collect the evidence. They are going to collect it correctly and they are going to take you to jail. Then hopefully through the trial process you will prosecuted and punished to the full extent of the law.

I think that is one thing that we can do. I think it is an obligation that we have to everyone in this country. It does not make any difference whether we are black or white or brown or whatever the color of our skin, Republicans, Democrats or not, when you start to attack anyone's house of worship, that is an attack on God. I think all of us rise up as brothers and sisters and revile that kind of activity. I think we have an obligation and a duty to find that these people are found, prosecuted adequately punished. We make that commitment here tonight to do that.

I compliment my two friends for offering this resolution.

The SPEAKER pro tempore (Mr. JONES). The Chair reminds Members to please address their remarks to the Chair.

Mrs. CLAYTON. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank the gentlewoman from North Carolina and the gentleman from Oklahoma for bringing this resolution before us.

The church has long been the heartbeat, they very soul of the black community. In the 1960's, those who opposed the civil rights movement recognized that strength. Our churches were burned. looted and burned. Our holy places were no longer a place of sanctuary but a target of those who preached hate, division and intolerance. Today, despite the progress we made as a Nation and as a people, history is repeating itself. In the ashes, of these churches are the hopes and dreams of the African-American community, justice, equality and simple acceptance. The fires that destroyed these churches are fueled not only by gasoline and matches but also by hated and intolerance and bigotry. There is a conspiracy, a conspiracy of intolerance.

Mr. Speaker, I urge all of my colleagues tonight to vote for this resolution and send a strong message to this Nation that we will build a sense of community. Let us use this occasion, let us use this resolution not to divide but to bring together. Bring us all together, not to tear down but to uplift. Let us speak tonight with one mighty voice. We must use our outrage to rededicate ourselves to building Dr. King's beloved community, a Nation in which we all are judged not by the color of our skin but by the content of our character.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Speaker, I would commend my colleagues from North Carolina and from Oklahoma for drafting and presenting this resolution this evening.

Mr. Speaker, what type of person, what type of twisted, sick mind would choose to launch an attack on a house of worship, no matter its denomination, no matter the people who choose to worship there?

Tonight, as my colleague from Georgia who preceded me in the well noted, it is time to come together. We often have spirited and contentious debate in this Chamber. Indeed, we champion that right to freely express differences of opinion honestly held. But tonight, Mr. Speaker, the call for all Americans should be, let us unite against those who would seek to deprive us of our most fundamental freedom, the freedom to worship individually or corporately according to the dictates of our own conscience.

Questions of motives, indeed veiled references, if you will, to one political philosophy or another really have no place in this debate. Indeed, even as we could attack or isolate one form of communication, we could also point to the growing secularization of America and hostility toward churches and people of faith.

Let us come together, Mr. Speaker, tonight, resolute in the knowledge that all these actions taken against any house of worship are blatantly wrong, and this Congress will work to stop it.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Alabama [Mr. HILLIARD].

Mr. HILLIARD. Mr. Speaker, I would like to take this opportunity to congratulate the gentlewoman from North Carolina for organizing this. It is very important.

I also would like to thank everyone who has been involved. I certainly hope that we will all vote in favor of the resolution so that we will have an opportunity to support the bill if it comes forth.

I would like to use just one-half of my minute to say that I had a very sad meeting on Monday of this week. I spoke to four ministers; each one of their churches had been set ablaze. There have been nine burnings in my district, more than any other congressional district. But one of the things that must be said here, not one of those ministers was satisfied with the efforts of the FBI and the ATF. In fact, it is a fact that the FBI and the ATF had mixed a voter fraud case with the church fire investigations causing conflict and intimidating members of those congregations. If they are sincere, if they wish to pursue the evidence on the fire, the fires that have been set, they must separate those cases.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STOCKMAN].

Mr. STOCKMAN. Mr. Speaker, I would like to comment a little bit about this resolution. It is quite personal because in my district, they burned down a church, a little church on Galveston Island. Pastor Booth to this day has not been able to rebuilds that church. He did not get much recognition, and he did not get much talked about because it was not fashionable at that point to talk about burning churches. But that church is still struggling to recoup from that terrible burning.

Right now Pastor Booth has got the foundation laid, and he is trying to put up the sides of the church. They burnt that church down, that beautiful town of Galveston where the breezes come across and you see the sandy beaches and everything. But right there in that town in which you would think that there would be no hatred, there was hatred. They burnt down the church. For what reason? I do not know. But I ask Members that the people of America as they are watching this debate to pray and hold out their heart towards their saviour and their Christ that they may put an end to this burning, because this is not something that our country should have or should even have to be discussing.

□ 2200

In fact, if anything, it is disgusting that we have to talk about this, and I tell my colleagues as a member of First Bethel Church of Houston, I have a deep, abiding faith, and I believe that out of this there will be good that will come of it because I believe the American people, whether Democrat or Republican, they are honest and courageous and have basic faith in principles, in American principles which unite us in this tragedy, and once again I would like to offer up a prayer to Pastor Booth as he rebuilds his church down there in Galveston.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, just a few short months ago I visited Bosnia, and Sarajevo as the city was one that stuck in my mind, stuck in my mind because in viewing that city what I saw most of all and what the people wanted to show me was the devastation and the destruction of their houses of worship. But one difference is: They were at war. It is tragic to now come home to America and see across this Nation symbols of war, people attacking churches, African-American churches, churches on the basis of hatred and dislike for someone else.

But, thank God, I recognize that churches are not just wood and stone, that we must give back the right of the people to worship in a constitutionally free society.

So it is important that I thank the gentlewoman from North Carolina for her leadership, for bringing us together, along with the gentleman from Oklahoma, that although we can rise and begin to articulate all of the efforts that we are making, and I applaud those efforts, that we must do more, and that must be to call for a week of prayer that will allow us to insure that we do bring America together from June 16 to June 23. And I thank the gentlewoman and gentleman for allowing this language to go in:

> A national week of prayer that we may bond together to tell Americans who may think to do these dastardly acts that we will stand up against it and provide a safe and free place for all of America to be free in their houses of worship.

Mr. WATT of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. WELLER].

Mr. WELLER. Mr. Speaker, I wish to commend my friend from Oklahoma and my friend from North Carolina for their leadership and their bipartisanship, the bipartisan spirit of this so very important resolution.

This past Sunday I joined with a multidenominational organization called Jacob in one of the largest cities in my district, the city of Joliette, and Jacob is an organization representing the churches, black and white, Hispanic, Mexican, multidenominational. We all joined together, and we marched across the city of Joliette. Republican elected officials were part of the march, Democrat elected officials were part of the march, church leaders were part of the march, and church members were part of the march. And this march, frankly, was a response to an outrage that occurred locally in the community of Joliette, IL, and that was where a newly established church which had located on the west side of Joliette, a newly established church which was majority African-American, had been vandalized.

Mr. Speaker, we made very clear in our statement that there is no room for racism, there is no room for bigotry, there is no room for anti-Semitism in our community.

That is the spirit of this resolution, and I ask for unanimous support.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Illinois [Mrs. COLLINS].

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, let me, too, add my appreciation to the gentleman from Oklahoma and to the gentlewoman from North Carolina for bringing this issue up at this time, and I rise to speak of the shameful desecration of our Nation's African-American churches.

Mr. Speaker, as my colleagues know, these fires are burning our sacred edifices and fanning the flames of racial intolerance, but they are also burning the U.S. Constitution. All of us have a right to freely worship, something on which our very Constitution was built, and my colleagues know I am glad my colleague from Illinois happened to have mentioned that church burnings and desecration and vandalism are not just happening in the South, they are happening all across this land. As he pointed out so eloquently, right outside of Chicago, IL, there have been churches, one newly purchased by an African-American Baptist group, that had the side of its walls spray painted with the n word twice already, twice already in less time than a month.

It just seems to me that we ought to be very careful about these kinds of things because my colleagues know they hurt.

When I go to church on Sundays and put on my choir robe and sing praise to my God, I want to feel that my church is going to be there the next time I want to go there and worship. I certainly hope that will be the case in the future.

Mr. WATT of North Carolina. Mr. Speaker, I reserve the balance of my time.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. Mr. Speaker, I commend our friend from North Carolina and our friend from Oklahoma for bringing this resolution to the floor.

Mr. Speaker, about a month ago I had the opportunity to visit that church on 16th in Birmingham, AL, where several young women lost their lives. It is a beautiful place, and my colleagues would not know the horror unless they open a closet or look in the basement and see the cracked foundations.

We are here tonight, the good people of Alabama and all across this country to say no, no, we will not go back to those days and we will not put up with anybody burning our churches.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Michigan [Ms. RIVERS].

Ms. RIVERS. Mr. Speaker, I rise in support of this resolution and in the condemnation of the tidal wave of racism and hatred that is threating America's African-American churches.

I was a child in the 1960's, and in front of our family's big television set I watched in wide-eyed silence as fire hoses were turned on young black men asking only to be treated as real citizens, as vicious dogs attacked African-American women and their children, as little African-American girls, barely older than I was at the time, were killed in a cowardly attack on the church where they worshipped.

Today I am no longer a child, and I will no longer watch in silence as the African-American community suffers under the last of bigotry. Today I join the chorus of voices from all across this country, people of conscience, people from all regions, and all religions, all races, who are speaking out against the cowardly forces of hate and for a nation where all are valued and protected.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. GIBBONS], the ranking member of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, I commend the sponsors of this resolution, and I condemn the perpetrators of the crime of burning churches and promoting disharmony in our country. But, Mr. Speaker, some good is going to flow from all of this, as perverse as that might be. America will have better arson laws than we have now. America will have better law enforcement in the field of arson than we have now. And if the perpetrators of these crimes are trying to drive the races apart, they have made a terrible mistake because whites and blacks will join together in greater unity in this adversity.

There can be no more cowardly and, I think, ineffective crime than burning churches. The history of mankind is that you can never succeed in persecuting anybody based upon their belief.

I do not know what the motives of these people are, but they are bound to fail, and I believe that failure will bring America closer together.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Florida [Mrs. MEEK]

Mrs. MEEK of Florida. Mr. Speaker, first of all I want the Congress and the world to know that we are grateful to the gentlewoman from North Carolina [Mrs. CLAYTON] and the gentleman from Oklahoma [Mr. WATTS], a sister and brother of mine who have brought this resolution in front of the Congress.

The church burnings are despicable acts, and they are very outrageous as well, perpetrated by these people who crawl on their bellies in our society. It is a very small segment of our society representing these burnings.

I also want to commend the President of the United States, who went to lend his sympathy to the people who were churchgoers from these churches.

We need leadership at all levels, I think, both the Republicans and the Democrats in the Congress, because the churches of this country, they do not lean on parties, they lean on God, and it so important that we solve it in this resolution.

We cannot say with all confidence that these burnings will stop. We hope that they will. I think the people who have come out with fresh and adventuresome initiatives want to be sure that these things do not happen again. But we cannot say with all confidence because we know prior history shows us that it is not beyond them.

Peter, one of Christ's disciples, said: "Upon this rock I build my church, and the gates of hell shall not prevail against it."

Let us pass this resolution.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Speaker, I want to thank our colleagues and join with all who have expressed the gratitude of Members of this body to the gentlewoman from North Carolina and the gentleman from Oklahoma for their initiative in bringing this before us and to join with so many others this evening in sharing our dismay at the events that have spread across this Nation in recent weeks.

I particularly want to thank those congregations that have opened their doors to those who have lost for now their places of worship and to call upon congregations everywhere across this country this weekend and in coming weeks to join together in sharing their diverse traditions of worship with other congregations in their community symbolically to join together with those who share these podiums tonight and to let the word go forth from every pulpit and pew in this Nation, with voices joined together, to say that there is a message that binds us altogether:

That in the United States of America there is no tolerance of intimidation and no license for hatred.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Speaker, I want to commend my colleagues for bringing this resolution. The gentleman from Ohio [Mr. SAWYER] and I were in the car starting home, and he said to me, "Should we go and say something?" And I said yes, because I thought of Dietrich Bonhoffer, who was a Lutheran minister in Nazi Germany, who, when they came, he said:

> When they came for the trade unionists, I did not speak up; when they came for the Catholics, I did not speak up; when they came for the Jews, I did not speak up. When they came for me, there was nobody left.

If we do not speak up for each other, none of us are free in this country.

□ 2215

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Speaker, I grew up in an America where young people were taught the love of God and country, values and character and integrity, to be trustworthy, loyal, helpful, friendly, courteous, kind, obedient, and reverent; an America where hats were removed when a funeral procession came down the street and all movement ceased; where a church ground was sacred and where the sanctuary was treated with reverence. My, how America has changed.

Almost 2,000 years ago Jesus said, upon this rock I will build my church and the gates of hell shall not prevail against it. Well, I am happy to say that that was true then and it is true now.

Mr. Speaker, I am happy to join with my colleagues on both sides of the aisle here tonight to join in one voice, the voice of brotherhood, to say that in this House, in this country, people of goodwill all across this Nation are expressing today and tonight their outrage at what has happened, but more importantly, we are exerting our prayers all across this Nation for those poor souls who are responsible for this dastardly conduct.

I support my colleagues and this resolution, and God bless America.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the gentleman from the great State of Oregon [Mr. BLUMENAUER] a new Member of Congress.

Mr. BLUMENAUER. Mr. Speaker, I am saddened that my first appearance before this body is on the occasion of such a hateful event. I think we all had hoped that this was behind us. But I am heartened by the attitude and tone of love and reconciliation that one hears this evening.

I find I must join with the words of my colleague from Georgia. We pray that we are aware of this terror as we go about our business, remembering the power of words and the power of reconciliation, because I think if we remember this somber, yet hopeful moment, as we go about the rest of our business on behalf of the people, that this hateful act of racial intolerance and bigotry will help us do our job better for the American people.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentlewoman for her leadership and that of the gentleman from Oklahoma [Mr. WATTS] for their help and leadership on this very important presentation tonight, and I think the American people have come together in total horror about the recent church burnings. We are taking action here tonight to show the outrage of Congress that this has occurred and to take positive action.

This afternoon there was a presentation by our colleagues, in working with the insurance companies to make sure that we assist these churches with fire prevention programs and work with our fire caucus in making sure that this does not occur, and legislation that is going to increase the penalty for arson, and most of us, to bring about the inspirational setting of Republicans and Democrats working together, the African-American community and the white community and the Hispanic community in all parts of this country working together, brothers and sisters, to make sure that this kind of bigotry and hatred is ended. I thank again both of these Congress people for bringing this issue forward and to make sure that we take positive action.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the gentlewoman from Wyoming [Mrs. CUBIN].

Mrs. CUBIN. Mr. Speaker, I would like to thank the gentlewoman for yielding this time to me.

Mr. Speaker, I am proud to be here this evening to speak on this issue. I think that every time that there is a problem in our country, we pull together as Americans. We have won two world wars, we have put a man on the Moon. We have the best health care system in the world. When we need a neighbor, when we need a friend, Americans are always there to pull together to help one another. I am grateful that we have the opportunity to speak on this issue tonight. We will not accept, in no way, this sort of behavior. I think we should use every effort and every resource we have to try to find the people that are responsible for this and bring them to justice.

Every cloud has a silver lining, and the conciliatory tone of this Congress this evening is heartwarming, and I hope the people across the country can feel the sentiment that we feel here this evening.

Mrs. CLAYTON. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Speaker, freedom if religion and freedom of speech are the two most precious rights in our American society. Implicit in our freedom to worship the God of our choice is the freedom to worship without fear. It is a very sad day when the right to worship without fear has been jeopardized by the unconscionable torching of houses of worship.

I am pleased to join my colleagues in strongly supporting H.R. 3525. However, as much as we try through legislation to stop the fires, the most important change must come in the hearts of those who hate. I just have a message for those out there: Remember what you plant will come back to you. I do believe that there is a God, and you are creating a fire here, but know that there is going to be a great day, and that fire will burn eternal.

Mrs. CLAYTON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the recent rash of burnings of African-American churches has cut a swath of destruction across this Nation and has called into question America's will to resist racism.

The President has responded swiftly, outlining a four point plan of action and today, in a strong demonstration of will, travelling to South Carolina, one of the burning sites.

It is now time for Congress to stand up. It is now time for Congress to speak out. It is now time for Congress to act.

One of the most important things Congress can do is to let our voices be heard. Sometimes silence is viewed as acceptance.

Sometimes no position is regarded as a position.

Sometimes failure to act is tantamount to acting.

Indeed, many believe that the growing divisions and racial strife in America today is due, at least in some part, to the divisions and strife that have been evident among this Nation's leaders.

But, despite our differences on politics and policy and party and despite the fact that we have had deep disagreements during our deliberations and debate, I believe this Congress and my colleagues will stand together to resist racism.

The fact that those who have done these wicked deeds have chosen to do them to houses of worship—the very places we hold most dear and most precious, leaves no doubt in my mind that good will come from this evil.

Our churches, our synagogues, and our mosques have always been places of peace and sanctuary, a welcome retreat and shelter from the problems and difficulties outside.

But, for the past 6 years, African-American churches have been targets for arson, places of anguish, unsuspecting victims of a pattern and practice of violence.

Assistant Attorney General Deval Patrick has referred to these acts as an "Epidemic of Terror."

And, while there is no evidence of conspiracy, it is strangely coincidental that more than 50 African-American churches have been burned during the 1990's, with 32 of those burnings occurring in 1995 alone.

On average, Mr. Speaker, two African-American church fires have taken place each month, over the past 18 months. Since late Friday, four churches have been victims of suspicious fires.

If this is not an "Epidemic of Terror," it is certainly a situation that is far too extensive to be ignored.

Prior to today's church burning in Oklahoma most of these fires have been concentrated in nine Southern States, including Alabama, Mississippi, Tennessee, Georgia, Louisiana, South Carolina, North Carolina, Texas and Virginia.

The investigation of the fires has been difficult.

Nearly all of them have taken place in rural and remote areas, during late night or early morning hours.

There have been few if any witnesses, and the fires have generally not been discovered until the churches have burned to the ground, leaving little evidence for law enforcement.

The President's response has been strong and forceful.

He has outlined a four step plan that has been put in place in response to these acts.

The private sector has also stepped forward.

For example, NationsBank in my State of North Carolina has offered a half million dollar reward for information leading to the arrest and conviction of the person or persons responsible for the recent church fire in Charlotte.

It is now time for the Congress to step forward.

It is time now for Congress to be heard. First, we should all support the bipartisan legislation introduced by our colleagues, Mr. CONYERS and Mr. HYDE.

That legislation would make it easier to bring prosecutions and stiffen the penalties against those who target houses of worship.

I would urge support for House Concurrent Resolution 188, a resolution I have introduced that now has more than 100 bipartisan cosponsors, expressing the collective outrage of Congress and denouncing these acts of arson.

We condemn the burnings, pledge to assist law enforcement, support the Conyers and Hyde legislation and appeal for broad community preventive action.

And, finally we should all, work within our respective communities to help prevent future arson.

These acts of hate that have wounded our souls have inspired acts of love that have renewed our faith.

Across the country, volunteers have stepped forward to help rebuild the burned churches.

I was especially moved by the story of Rev. Terrence Mackey, who awakened one morning to a spot in a field where this church had stood and said to his daughter "They didn't burn down the church. They burned down the building in which we hold the church. The church is still inside all of us."

Fittingly, on June 15, Reverend Mackey, his daughter, the congregation and friends will undertake a symbolic march from the scorched earth site of the old church in Greeleyville, SC, to the pristine site of their new church.

House Concurrent Resolution 188 also recognizes June 15 as a day when all members can join with Reverend Mackey, his daughter, his congregation and others, in whatever gesture is deemed appropriate, to say to those who would promote evil, that you have burned our churches, but you can not burn our spirit.

Mr. Speaker, There is a time to be silent and a time to speak. With these burnings, this is a time to speak.

I urge every Member to speak out against these church burnings in their communities. And, I urge every citizen to resist this racism.

These acts do not represent America, and we must demonstrate to the world the true spirit of our great Nation.

□ 2230

Mr. Speaker, I yield back the balance of my time.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I came here this evening with the gentlewoman from North Carolina [Mrs. CLAYTON] and the rest of my colleagues on both sides of the aisle to introduce a House concurrent resolution addressing a serious crime called arson, and more specifically the recent horrifying crime of arson used to destroy more than 30 black churches around the country, over the last 16 or 18 months, including a church that burned last night in my home State of Oklahoma, where arson activity is suspected. My sympathies and condolences go out to those affected by these senseless and tragic deeds.

In Eufaula, OK, where I grew up, our church was the heart and soul of our small community. It was a symbol of hope and faith, of pride and serenity. The church is where we would all gather to rejoice in celebration and pray in times of sorrow. It was the cornerstone of our community and it is a special place that holds some of my dearest memories.

This atmosphere is not unique to me. American should be a country of faith and community. There are thousands of cities who see their church as the fabric of strength in their community. It is inconceivable to me that anyone would try to destroy this very fabric that provides the identity and life for a community simply out of hate and ignorance.

By setting churches on fire, not only are these vandals attempting to destroy the house of a community, they are destroying the house of God. This is one of the most horrific crimes a person can commit.

As a man who has been brought up with faith in God and faith in justice, I call upon our judicial system to take action against these terrible violations of liberty. We cannot sit idle and tolerate these acts of hate. We cannot watch these criminals continue to torch any more sanctuaries of faith.

It is my hope that the proper authorities—the Justice Department, the Attorney General, and State and local officials—will move swiftly to investigate and stop these vicious crimes. I think Martin Luther King, Jr.'s words still hold true today when he said, "A threat to justice anywhere is a threat to justice everywhere." These burnings are a serious threat to justice and will lead to more perilous consequences if justice is not served. This country has worked too hard to heal the wounds of racial divide to allow ignorant individuals to once again divide us in our communities.

There is no excuse for the lack of commitment dedicated to serving justice and finding the individuals responsible for these arson activities. I commend groups like the Christian Coalition for efforts to help find the culprits, and I challenge other organizations, citizens as well as elected officials to help fight this battle.

Fire spreads fast and furious, and once it is out of control, we may not possess the means to contain if. It we do not insist that justice is served, the fire of hate and ignorance will continue to burn and spread, reducing all we have strived for to ashes of despair.

We need to extinguish these fires and reignite the fires of faith. These affected communities are not letting the fires burn down the foundation and fabric of their community. They will rebuild and show an unwavering strength of faith. The victims of these church burnings are not letting the vandals win, and we cannot allow them to win either. It is our obligation to do all that we can to see that justice is served and that the people responsible for these crimes are caught and punished.

Beginning with the times back in Eufaula, OK, and even more as a minister, when I have needed strength and guidance, I have turned to my church and to my God. I cannot imagine not having a church to turn to. These burnings represent more than arson activity. The burnings represent a violation of basic rights and basic freedoms. I have always enjoyed the freedom to practice my religion in a place I feel safe. That is a right the Constitution provides to me. It is my hope that we will not deny that right to anyone, and that justice will suffocate the fires of hate and continue to kindle the torch of liberty, as we provide justice for all.

Mr. ROEMER, Mr. Speaker, I am pleased to be a cosponsor of House Concurrent Resolution 187, a measure to condemn the sinister and hateful arson plaguing African-American churches in our Nation. This is a national shame that such activity could continue in this day and age, and deserves a national and immediate response.

That someone, anyone, could attack a House of God is unforgivable. Our churches, our synagogues, our temples, are not just houses of worship, but symbols of our commitment to understanding and tolerance. Understanding of our mission in this great Nation under God, and our tolerance of our wonderful diversity. These attacks on our present truly mar our past, where in recent times we have worked so hard to grow in acceptance and understanding. In so many ways, we have all come to know and understand and appreciate one another. Of course, we have a long way to go.

But we should not—and will not—tolerate the hateful acts of those who would pull us backward, destroy our hard-won progress, and elevate their own base and evil feelings into an otherwise enlightened progress. Yes, we have far to go, but we will never go back.

Mr. Speaker, this resolution is a start. It is a step on the path to healing. But it also lays upon us a commitment. This commitment is to realize that the fight against racism, against bigotry, against hatred, is still very much needed and very much ours, because the world is far from perfect. When even our houses of worship are targets of those who would oppose peace and fairness in society, then we must truly be on our guard, physically and spiritually.

We can surely fight these heinous acts with the full weight of the law, and we surely should. But we must also fight them with the spirit, knowing that the love of God unites us all. And even as we celebrate the blessings that God gives us in this great Nation, we must always be diligent in fighting those who would rob us of those gifts.

Mr. Speaker, the evils of those whose hatred has conquered their spirit must not be allowed to conquer our spirit, and may this resolution be a beginning in our demonstration that love and brotherhood will conquer all. In the end, justice must and will reign, and those that tear down the House of God, no matter what the color of the person that worships within, will find that mercy will drown their hatred.

Mr. FRANKS of Connecticut. Mr. Speaker, I and a great number of my colleagues are understandably alarmed by the rash of intentionally-set church fires—many of those of African-American congregations—which have been occurring in the United States, particularly in the Southeast.

We have seen the lamentable pictures and images on the television news, Mr. Speaker. The parishioners wandering about the charred ruins of what used to be their church. Reverends and deacons wondering aloud where their flock will go to worship and how they will cope. Church patrons left wondering what short of twisted individual could commit the heinous crime of burning down a house of worship.

We must take a good look at these sobering facts by this epidemic of hate. According to a recently-sent Dear Colleague by two of our most-distinguished Members, HENRY HYDE and JOHN CONYERS, since October of 1991, there has been 110 incidents of church arson that have been reported to Federal authorities with thirty-three of these arsons committed this year. Messrs. HYDE and CONYERS also inform us that since the beginning of 1995, of the 51 church arsons committed, more than half of them involved African-American congregations.

Meanwhile, officials from the Department of Justice have stated in testimony that our current laws do not give our Federal law enforcement officials the needed tools to prosecute and punish those sick, evil individuals who desecrate or burn our places of worship. Mr. Speaker, we need to amend our laws so we can incarcerate those who perpetuate bigotry and hatred for the good and well-being of society.

Accordingly, I encourage my colleagues to join me in rising in strong support of H.R. 3525, the Church Arson Prevention Act of 1996, which has been offered by Congressman HYDE and Congressman CONYERS.

H.R. 3525, of which I am a cosponsor, will make important changes to the laws which are present on the books so that we may send more of these fire-toting hatemongers to jail.

This bill, as noted in Messrs. HYDE and CONYERS' Dear Colleague, would broaden the scope of the statute which makes it a crime to damage religious property or to obstruct a person in the free exercise of religious beliefs by applying criminal penalties if the offense 'is in or affects interstate or foreign commerce.' According to Congressman HYDE and Congressman CONYERS, H.R. 3525 will thus provide the amendment to our Federal statutes that will grant Federal jurisdiction, and thus will augment the Attorney General's ability to prosecute these arson cases.

Also, this bill will reduce the current dollar value of destruction which must occur before these crimes of desecration may be prosecuted. At the present time, our laws state that the loss from the destruction of property must be more than $10,000. However, H.R. 3525 will reduce the dollar threshold to $5,000. As Congressman HYDE and Congressman CONYERS rightly point out, by reducing this threshold to a lower dollar number on destruction, it will make it easier for the Federal Government to prosecute more of these arson cases.

Mr. Speaker, this House should put its foot firmly down on those who would espouse terror and religious bigotry. To help do that, H.R. 3525 should be wholeheartedly supported by every Member of this Congress.

Mrs. KENNELLY. Mr. Speaker, I rise in strong support of this resolution to condemn the horrific outbreak of church fires in the South.

There is little doubt that those who are responsible for these church-burnings are trying to send this Nation a message, one that we had hoped faded away years ago, but which is still very much with us. It is a message of hate and exclusion, and it is a message of bigotry and intolerance.

Like many of my constituents, I have struggled over recent months to understand the thought process that would lead someone to set fire to a church. Few structures symbolize security and peace in a frightening world better than a place of worship. By destroying these buildings in such a violent and ruthless way, the perpetrators of these crimes are telling millions of Americans that they should not feel at peace in their communities, that they are not secure.

At times like this, we can find some comfort in the fact that no amount of violence can destroy the progress we have made toward becoming a more tolerant society. Everyday, in communities across the country, men and women young and old are teaching the lessons of peace, love, and faith so central to American life. But even as we take comfort, we cannot become so comfortable that we do nothing. For if we do nothing, we are accepting bigotry as part of our social landscape—and we will never accept that.

Cowardly actions demand powerful responses. The President began today by saying, "They know not what they do." Some may not know, but the perpetrators of these acts know exactly what they do—and it cannot be tolerated.

When those who burn churches send their message of hate, good people across this Nation need to rally together. When bigots tell millions of Americans that they are less than equal, then we must tell the bigots that we are all brothers and sisters. And when arsonists slink in the dark of night trying to undermine our community, we must stand up in the light of day and proclaim that our community is far too strong to be damaged by their actions.

Those who burn churches want to mark the Earth with the ashes and rubble of their intolerance. Instead, let us rebuild these churches as a living memorial, made of stone and brick, to our commitment to human rights and human dignity.

By passing this resolution, we let the purveyors of hate know that the good people of this Nation will drown out the message of hate wherever it appears.

Mr. WATTS of Oklahoma. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. JONES). All time for debate has expired.

Pursuant to the order of the House of today, the previous question is ordered.

The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

WHITE HOUSE FILE SCANDAL—THE AMERICAN PEOPLE DESERVE ANSWERS

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. HAYWORTH. Mr. Speaker, there certainly is no deficit of delusion, distortion and desperation from these born-again budgeteers on the liberal side of the aisle, but, Mr. Speaker, I come here today to commend to everyone's attention the article that appears in this morning's Wall Street Journal headlined "Inside the White House File Scandal", which I submit for the RECORD:

[From the Wall Street Journal, Thursday, June 13, 1996]

INSIDE THE WHITE HOUSE FILE SCANDAL

(By Gary W. Aldrich)

I loved my career with the FBI and treasure my years as a special agent. Of the many assignments I was privileged to have over the course of a 26-year career, the highlight was the five years, just prior to my 1995 retirement, I spent assigned to the White House.

For more than three decades the FBI, the Secret Service and the White House Counsel's Office had worked as a team to clear the hundreds of new staff members who come with each new administration. This clearance process entailed a lengthy FBI background investigation to document the good character of every White House employee. It was a comprehensive and effective security system, perfected by six presidents to protect national security, the taxpayer and the White House itself.

DEEPLY DISTRUBING

But the things I saw in the last 2½ years of my tenure deeply disturbed me. And the recent disclosures that the Clinton White House requested, and the FBI provided, more than 340 background investigations on previous administrations; employees raise questions that pierce the very heart of national security, and call into question the relationship between the White House and FBI.

Some presidents have made good use of the FBI background investigations, and some to their regret have not. Never before has any administration used background investigations of another president's political staff. FBI employees knew it would be wrong to give raw FBI flies on political opponents to the other party. In fact, they knew it would be illegal, each disclosure a violation of the federal Privacy Act.

Why, then, did the Clinton administration request such files, and why did the FBI provide them? The White House's "explanation"—that it was "an honest bureaucratic snafu"—is really too much for this FBI veteran to believe. How does a unit at FBI headquarters copy and box for shipment to the White House Counsel's Office more than 340 highly confidential files, when the two FBI supervisors are both lawyers? Do the White House and the FBI really expect us to believe that the wholesale copying of hundreds of FBI files wouldn't raise an eye brow? That the two FBI supervisors didn't know who James Baker was? If the FBI supervisors didn't know that hundreds of confidential files were going out the door, they were so grossly negligent as to imperil not only the civil rights of more than 340 individuals, but also national security.

In truth, I know that FBI management had plenty of warning that elements of security and background investigations were drastically wrong at the Clinton White House. As early as May 1993, Special Agent James Bourke, supervisor of the FBI office responsible for background investigations, had come under fire when, at the behest of the White House, he started a criminal investigation of seven innocent men in the Travel Office.

Not publicly known until now were the constant warnings that Mr. Bourke and other FBI management received from me and from my partner, Dennis Sculimbrene (who would go on to testify against his own agency and the White House as a defense witness in the Billy Dale trial). Why are Mr. Bourke and the good folks at the FBI just now finding serious reasons to check on the legitimacy of the requests of this White House? Documents exist that prove they have know about these problems for years. Mr. Bourke declined to be interviewed for this article, so one can only speculate as to why he ignored the repeated warnings. It may be that, like any bureaucrat, Mr. Bourke was simply trying to win favor from those he thought could advance his career—in this case, officials at the White House.

These allegations are more serious than anything we have seen in decades. So how can the White House, through Attorney General Janet Reno, be allowed to order the FBI to investigate itself? No federal bureaucracy is good at conducting an internal probe that has this kind of potential for explosive political revelation.

Right up to the time I retired in June 1995, Mr. Bourke and other FBI supervisors responsible for background investigations continued to honor each and every outrageous request the Clinton White House Counsel's Office made, Mr. Bourke cannot claim he did not know these requests were improper. He was well aware the Clinton administration had relaxed the security system at the White House so that those loyal to the administration could evade background checks. Other agents and I had told him so, and scores of documents gong across his desk provided more evidence, just in case he did not believe his own agents. In fact, at the time the White House requested the files on previous administrations' appointees—one full year into the Clinton administration—more than 100 Clinton staffers, including then Press Secretary Dee Dee Myers, still had not been investigated by the FBI for passes or clearances.

Yet the Clinton's White House Counsel's office apparently was wasting no time looking deeply into the background of any one who was not lucky enough to have been hired by President Clinton. As Mr. Bourke also knew, permanent White House employees whose loyalty to the Clintons was in question were in for some "special" attention, Hillary Clinton style. For example, permanent employees in the White House residence who were suspected of being disloyal to the first lady were reinvestigated out of sequence, that is, early—in some cases four years before their periodic review was due.

Some of these staff members, appointed by Presidents Carter, Reagan or Bush, had just been cleared by the FBI. When I attempted to head off what appeared to be unnecessary and premature investigations by offering to obtain copies of the background investigations, my superiors at the FBI and Craig Livingstone, director of security for the White House Counsel's Office, effectively told me to mind my own business. What prompted the White House to investigate these staffers was a story, leaked to the press, that Mrs. Clinton had thrown a lamp at the president during a domestic argument. The Clintons had to know who the leader was. Result: Decent, loyal, law abiding citizens with spotless records were investigated by the FBI again, just to make sure. I believe that these permanent employees were being harassed and that if anything, anything at all, had turned up in a new FBI probe, they would have been summarily tossed out the door to "make slots" for the Clintons' people. And indeed, other employees besides Billy Dale were fired on the basis of these investigations.

At the same time, the White House was requesting copies of FBI investigations of hundreds of long-gone Reagan and Bush staffers. Why? Knowing that the Clintons casually used the FBI to weed out politically suspect employees, would it be so unreasonable to suspect them of also misusing the FBI to investigate political "enemies"? Statements by Clinton spokesmen that nobody looked at these FBI files are as plausible as saying that if 340 Playboy magazines were sent to a boys' high school, they would remain in their boxes, unmolested.

BEDROOM-SIZE SAFE

The safe where these secret records were allegedly kept was the size of a small bedroom. Maybe the files were taken out of the safe, and maybe they weren't. There was no need to take them out to examine them. Anyone—including Mr. Livingstone, whose desk was just outside the entrance to the safe—could have walked in, sat down at the table and perused the files to his heart's content. And the security office was equipped with a photocopy machine. I knew Mr. Livingstone as a fierce defender of the Clintons, especially Mrs. Clinton, who handpicked him for this sensitive position.

Which of these files were copied, and where were the copies sent? The time has come for real explanations, real investigations of the Clinton White House Counsel's Office and, sadly, maybe even of the FBI. In particular, Mr. Bourke and Mr. Livingstone should explain their roles. These FBI files could not have been requested, received and maintained without Mr. Livingstone's full knowledge, consent and direction. Mr. Bourke is responsible for protecting the FBI files and for ensuring the FBI's arm's-length relationship with this or any administration.

These two men should be brought before both a federal grand jury and Congress to account for this highly irregular conduct—conduct that has embarrassed the presidency and the FBI, undermined the public's trust in both institutions and potentially violated federal law. The Clinton administration has earned it's reputation. But the FBI—my FBI—deserves better. Enough is enough.

Listen to what Gary Aldrich, a former FBI official, writes: "Never before has any administration used background investigations of another President's political staff." How does a unit at FBI headquarters copy and box for shipment to the White House counsel's office more than 340 highly confidential files when the two FBI supervisors are both lawyers? Do the White House and the FBI really expect us to believe that the wholesale copying of hundreds of FBI files would not raise an eyebrow?

Oh, it raises more than an eyebrow, it raises serious questions. The American people deserve answers. This House will find those answers.

ANSWER TO THE QUESTION: WHAT IF IT WERE A REPUBLICAN ADMINISTRATION?

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I came to this floor to talk about this historic vote yesterday when all the judiciary Republicans voted unanimously against defining marriage as a nonadulterous, nonmonogamous relationship. I found that shocking.

Mr. Speaker, I really want to talk about something else now after listening to this. I want to congratulate the Republicans for being concerned about FBI files, and I want to congratulate this President for apologizing for what happened, and I want to say to the Republicans I can answer the question about what would happen if it was a Republican administration.

In 1972, when I was a candidate for Congress, our house got broken into over and over, our car got broken into, we kept having Jim's barber, my husband's barber show up at our house. We could not figure out what was going on.

Many months after I got elected a man got picked up for breaking into a house, and he said, "You can't do this to me because I've been hired by the FBI to break into SCHROEDER's house."

That was the Nixon FBI. Not one Republican came forward and said anything about it, nor did President Nixon.

So, let us put this in context, please.

Mr. Speaker, yesterday was a sad day for the institution of marriage. The House Judiciary Committee voted down an amendment I offered that would have defined marriage as a nonadulterous, monogamous relationship.

For all their talk about family issues, not one Republican voted for my amendment. The party of family values failed to stand up for them when it counted. That's because in introducing the Defense of Marriage Act, the Republicans are far less interested in defending family values than in stirring up division and fear in the election season.

This bill is the first attempt in history by the Congress to define marriage. Traditionally, the power to define and regulate marriages has been entirely up to the States. What is the grave threat facing marriage that would prompt Congress for the first time in 200 years to sound the emergency alarm? Well, maybe in the next 3 years, the State of Hawaii, might recognize same-sex marriages.

But everyone knows that adultery is a far greater threat to marriage than the speculative threat of same-sex marriages, which not one State recognizes today.

Well, if Congress is going to define marriage, then I think it's important to make it clear in that definition that we do not condone adultery. But not one Republican was willing to make commitment to marriage.

Yesterday's committee vote showed who values families and who's just fooling around.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

BURRELL COMMUNICATIONS 25TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, this evening it is my pleasure to honor a distinguished citizen and corporate entity from my district, Tom Burrell and the Burrell Communications Group who on tomorrow, June 14, will celebrate 25 years of outstanding service to African-American consumers.

In this wonderfully diverse Nation it is essential that the broad span of American diversity be fully represented in advertising. It is good business because it extends the reach of corporate marketing efforts, and it is good social policy because it creates positive images of African-American culture, serves as a bridge of information and awareness among general audiences, and as a source of inspiration and self-esteem among African-Americans.

Twenty-five years ago as a young copy writer Tom Burrell affirmed that the best way to communicate with the black consumer is through the natural channel of communications, the African-American advertising agency. And thus began Tom's legacy of developing culturally relevant and sensitive advertising messages that have over the years generated business-building, award-winning marketing communications programs for some of our Nation's best-known companies.

Tom Burrell's creativity work embodies the highest level of professionalism. His award winning advertisements are often imitated by general advertising agencies. And most importantly he has never forgotten his community. Burrell Communications continues to be a significant training around for young African-Americans in the advertising industry. Their work and financial contributions for the betterment of our community and our nation must not go unmentioned.

Tom has overcome many, many difficult obstacles in making these achievements, and some surely remain.

Mr. Speaker, it has always been one of my highest legislative priorities to work to improve conditions for African-American, women, seniors, and minorities in every aspect of this society. I first introduced The Non-Discrimination in Advertising Act in 1987, and I introduced H.R. 177, the Diversity in Media Act in 1995.

I am proud that I have been successful in amending a great deal of legislation over the past 23 years to make sure that minorities were included.

I would like to officially thank you Tom and the Burrell Communications Group for the roles you have played in helping me better understand the barriers confronting the African-American advertising agencies. They have been an invaluable resource to me and my staff as we have worked to shape legislation to ensure that African-Americans and African-American advertising agencies are included in the mainstream of advertising industry.

Mr. Speaker, I am proud to salute the leadership and service displayed by Tom Burrell and the Burrell Communications Group. Tom Burrell's courage, vision, leadership, and creative contributions to the advertising industry have been a continuing source of inspiration and self-esteem for African-Americans.

I look forward to continuing to work with him and the African-American advertising industry as we move forward into the 21st century. I salute and thank Tom Burrell and the Burrell Communications Group for 25 years of positive images of African-American culture in American media. I am confident that the next 25 will be even more fruitful.

FILIPINO WORLD WAR II VETERANS DESERVE HONOR, RESPECT, AND RECOGNITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, this evening we have heard many moving words about bringing America together, about justice for all. I want to speak about bringing justice to another group of people. Today, Congress, after waiting for 50 years, has an opportunity to restore to Filipino World War II Veterans the respect and honor they so richly deserve.

Today, Representative BENJAMIN GILMAN, the distinguished chairman of the House International Relations Committee, joins me in introducing a resolution in the House of Representatives to recognize the brave service of these veterans and their contributions to the victory of the United States in World War II.

Joining us as original cosponsors are a representative number of Members from both sides of the aisle, including Representative BOB STUMP, the chairman of the House Veterans' Affairs Committee, and Representative G.V.

(SONNY) MONTGOMERY, the ranking Democratic member of the Veterans' Affairs Committee, who support recognition for the Filipino World War II Veterans. Senators INOUYE and AKAKA are also introducing this concurrent resolution in the Senate. Many more Representatives have also joined us as cosponsors of H.R. 1136, the Filipino Veterans Equity Act.

It is truly hard to believe that soon after World War II ended—the war in which Filipino soldiers died defending the American flag in the epic battles of Bataan and Corregidor and through four long years of enemy occupation—the 79th Congress in 1946 voted to rescind the benefits and recognition that were promised to these soldiers.

It is even harder to believe that Filipino World War II veterans have been kept waiting for over 50 years for the recognition they deserve. Many have already died, and in 15 years, there will no longer be any of these veterans alive.

The bullets in World War II did not ask if their target was an American or Filipino soldier. Both Filipino soldiers from the United States mainland fought side-by-side against a common enemy. We must act now to redress the wrongs these Filipino veterans have suffered.

This concurrent resolution will finally recognize the contribution of the brave Filipino World War II veterans. I urge my colleagues to join with Representative GILMAN and me to correct this injustice.

□ 2245

TIME TO TAKE BACK THE AMERICAN DREAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas, Mr. SAM JOHNSON, is recognized for 5 minutes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, is your tax bill too high? Do you worry about paying your bills. Hardly a day goes by without a call or letter from a constituent or a friend telling me how they struggle from day to day to make ends meet and how they worry about their future and their children's future.

It is wrong, simply wrong, that so many families are working harder and longer, but continue to have less and less to show for it.

I have to wonder why more people are working two jobs and why more families are forced to have both parents work, yet everyone has less money in their pockets.

I have the answer—it's the Washington tax trap. The longer and harder you work, the more taxes you pay. The more taxes you owe. The bottom line is that Washington ends up with more, and you end up with less.

Think about what the tax trap has done to society, to families, and to working parents. When I was a child, the largest investment most families made was in their home. Guess what, now it's paying their tax bill.

In 1950, taxes took just a fraction of our income. Today, almost half of what you earn goes to the Government. Half. That is more than a person spends on food, clothing, and shelter combined.

The tax trap is punishing working parents who are trying to balance career and family, and the children who are in daycare because both parents have to work are feeling the pain of high taxes.

In the America that I grew up in, if you worked hard and played by the rules, you still had enough money left over from your paycheck to put something away for the future, and enough for those little extras that made life special. That was the American dream.

The American dream was also about making a better life for the next generation—so that children would have more opportunities, more choices, and be better off than their parents.

But now, for the first time in our history, an entire generation of Americans is losing hope and confidence in the future.

And all blame for this uncertain future lies right here in Washington. For decades, Washington, DC has told America that everything is OK—don't worry, Washington can solve all of your problems.

But at the same time Washington has been spending our children's inheritance and creating a national debt that now undermines our future.

For too long, Washington has increased the debt by spending more than it takes in, to pay for a growing bureaucracy—a bureaucracy that includes 160 different job training programs, 240 education programs, 300 economic development programs, and 500 urban aid programs.

A bureaucracy that pays over 1,900 union employees at the Social Security Administration using money from the Social Security trust fund.

How does Washington afford all this? By taking more of the money that you earn. Take Bill Clinton. He wasn't in office 100 days before attempting to raise taxes. By comparison, Republicans spent their first 100 days trying to cut taxes. After all, it is your money.

Three years ago, against unanimous Republican opposition, Bill Clinton, forgot that it was your money, and imposed the largest tax hike in American history.

I want to know—what is so wrong about asking Washington to live within its means?

What is so wrong about demanding that Washington not spend extravagantly at the expense of our children? Is it fair to punish working families who are trying to save for the future?

It's time to end the tax trap and give the American family some well-deserved tax relief.

But, I don't want to stop there. Our entire tax system needs an overhaul. The current system is economically destructive, impossibly complex, overly intrusive, unprincipled, dishonest, unfair, and inefficient.

We need to look toward the future and develop a tax system that will make that future a success. And I don't care if it is a flat tax, a sales tax, a round tax, or a square tax—I just want it to be based on the principles of freedom. That is, it must be fair and simple, reduce bureaucracy, encourage savings and investment, be efficient, drive the economy, create opportunity for all, and put more money in your pocket.

Americans don't want, don't need, and don't deserve an intrusive IRS any longer.

America was made great because we, as a Nation, strived hard, sacrificed often and worked together to be the best.

And we will continue to be a great Nation if we embrace a vision that will abandon the failed systems of the past and be led by the opportunities of the future.

With this vision we can enact policies that encourage economic growth, raise wages, promote savings, and return hope and optimism to every American.

Unending dreams and limitless possibilities—that's what the American dream is all about. It's up to us to take it back. It is our destiny.

REPUBLICANS GOAL IS TO END THE TAX TRAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. WELLER] is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, I represent probably the most diverse district in the State of Illinois. I represent part of the city of Chicago and the south suburbs, industrial communities like Joliet, and Rockdale and La Salle, Peru, and many bedroom communities and farm towns, too.

As I travel throughout my district, I look for things that are always in common, even though my district is so very diverse, and one thing that I have always noticed is that there is hardly a day that goes by that a young working mother or working father does not come up to tell me how difficult their life is right now and how concerned and fearful they are for their future.

They ask questions about why so many families are struggling to keep their heads above water. Why is it that Americans are working harder and working longer yet they have less to show for it? Why is it that more people have to hold two jobs just to make ends meet?

The answer can be summarized in three words, the tax trap. It is simple to explain. The harder you work, the more taxes you have to pay. The more taxes you have to pay, the longer and harder you have to work. And you end up working harder and longer and Washington ends up with more, but you end up with less.

Today, almost half of what you earn goes to Washington and the government in one form or another. Half. And the tax trap is particularly difficult on working women who are trying to balance a career and family obligations just to pay all the additional taxes. Every year you send more of your hard-earned income to support a Washington bureaucracy that is growing and that leaves less for you and for your family.

Did you ever wonder why Bill Clinton and his liberal friends are asking you to sacrifice a little more so Washington can spend a little more? Should we not demand that Washington spend less so that you can keep more? After all, it is your money.

Against unanimous Republican opposition, Bill Clinton imposed the largest tax hike in American history, $264 billion, to be exact. Yet he still expects Americans, after that, to save more and to give more. But we know it just cannot happen that way.

Let me state this clearly. The cost of Bill Clinton's tax policies to the typical Illinois family in higher taxes and lower earnings is $2,600. And all of us have felt that tax crunch. That is why we have so many people in this country who are so afraid of the future.

And in many ways I share that fear, because when I think of this, I think of parents with children in high school who have the dream of sending their children off to college, but they fear they cannot afford the interest on the student loan.

Then I think of the newly married couple who wants to buy their piece of the American dream, their own home, but they are afraid they cannot afford to because mortgage rates are becoming higher and higher.

I think of American seniors, people like my own mom and dad, who are depending on Medicare but are afraid it will not be there in just a few years when they will really need it.

These are real people with real concerns and real fears, and for them I ask, what is so wrong about asking Washington to live within its means? What is so wrong about demanding that Washington not spend extravagantly at the expense of our Nation's children? Is it fair to punish working families who are trying to save for their future?

The Washington liberals and the bureaucrats will tell you to just work a little harder for Washington. Well, maybe the Washington bureaucrats need to work a little harder. I say it is time that you stop working for Washington and start working for yourselves. It is time to end the tax trap and give the American family some well-deserved tax relief. It is time to return your power and your money and your influence to where it belongs, with you, the citizen and the taxpayer.

As Americans, we cannot settle for less. As Americans, we cannot accept second best. As Americans, we cannot lower our expectations. This could be the greatest economy in the world, but we will only restore that greatness if we enact policies that encourage economic growth, raise wages, encourage savings, and return hope and optimism to the work force.

Our Washington bureaucracy did not make us great, America was made great because we as a Nation strived hard, sacrificed often, and worked together to be the best. It is our goal, the Republican goal, to end the tax trap. It is our goal to help Americans earn more money and to keep more of the money they earned so they can do more for themselves, their children, their family and their community, and save more for their children and their future. And, frankly, to be able to give a little more at the collection box on Sunday.

Unending dreams and limitless possibilities, that is what the American dream is all about. It is up to all of us to take it back.

THE AMERICAN DREAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. HILLEARY] is recognized for 5 minutes.

Mr. HILLEARY. Mr. Speaker, today we send more money to the tax collector than we spend combined on food, clothing, and shelter. In 1950, taxes just took a fraction of the working family's income, but today almost half of what the working person earns goes to the government in one form or another. Half.

Mr. Speaker, in the America my parents grew up in, if you worked hard and played by the rules, you had enough money left over from your paycheck to put something away for the future and you still had enough for those little extras that help make life special, at least your material life, like maybe taking your family on a vacation, for example.

That was what the American dream was all about. The American dream was also about making sure that children had more opportunities, more choices, and a better life than their parents.

□ 2300

And they should have those things. Then why is it for the first time in our history an entire generation of Americans has lost hope and confidence in their future? Why have we lost the vision of dreaming dreams and of unlimited possibilities?

The answer for too many people lies in Washington, DC. For decades, Mr. Speaker, Washington has told America that everything is OK, while it spent our children's inheritance and undermined their future. For too long, Washington has spent more than it takes in and spent our hard-earned tax dollars unwisely just to pay for a growing Washington bureaucracy. A bureaucracy that includes 160 different job training programs, 240 education programs, 300 economic development programs and 500 urban aid programs, just to mention a very few.

How does Washington afford all of these overlapping programs? By raising our taxes through the roof. Just ask our President. He was not in office 100 days before attempting to take even more of the hard-working people's hard-earned dollars.

By comparison, Republicans in Congress spent our first 100 days trying to desperately give tax relief to those same people but it was vetoed by the President. It should not surprise anyone that more and more American families find it difficult to make ends meet; that more and more Americans are forced to live paycheck to paycheck; and, that too many Americans want to put something away for the future but are not able to do it.

We should not be surprised by Bill Clinton's response. Against unanimous Republican opposition, Mr. Clinton imposed the largest tax hike in American history, $264 billion, yet he thinks if we take that money to pay for more and more government programs, somehow this will make people's lives better off.

It just cannot happen that way. The cost of Mr. Clinton's policies to the typical American family in higher taxes and lower earnings is $2,600 and all of us have felt that crunch; specially those who work for a living. Clinton's tax trap costs a lot of money and higher taxes means less savings and a more uncertain future, and that is why we have so many people in this country so afraid of the future and I share that fear.

These are real people with real concerns and real fires, and for them I ask every Washington bureaucrat, every Washington lawyer, every Washington lobbyist and frankly every Washington liberal, what is so extreme about asking Washington to live within its means? What is so extreme about demanding that Washington not spend extravagantly at the expense of our children?

Is it right to punish working families who are trying to save for the future or just trying to get ahead? Of course it is not. The liberals and the bureaucrats will tell you to work just a little harder for them. I say it is time we stopped working for the government tax collector and that next extra overlapping government program and start working for ourselves. It is time to end the tax trap and to give the American family some well-deserved tax relief. It is way past time to return power, influence, and money where it belongs: back to America's working families.

TROOPS IN BOSNIA SHOULD COME HOME BY CHRISTMAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, six months ago, 20,000 top United States combat troops were sent to do guard duty in Bosnia. We also support our troops in every possible way and want them back safely before Christmas as promised.

I have consistently opposed sending our fighting forces to foreign lands unless the objectives are clear and achievable and the timetable and the exit strategy are stated and fully understood by everyone. None of these details were presented to the Congress.

It is easy to send people to trouble spots, but it is seldom easy to get them out safely in a timely manner and an honorable manner.

President Clinton pledged that this was a temporary mission and that they would be pulled out and brought home in one year. The year is barely half gone. The costs are more than anticipated and rising. What are we now hearing from the highest levels of the administration? The word is filtering down that it may take more time, that our troops may have to stay longer in Bosnia to accomplish their objectives. Objectives which have never been clearly stated and, I believe, never even understood by those who gave the orders that sent them there.

We in Congress must be vigilant in the coming weeks and months. We must not allow our service personnel to become permanent occupation troops in Bosnia. If 1 year is not enough, will 2 or 3 or even 5 years suffice? Not likely. Our Nation should keep its word and our troops should be brought home this winter as promised.

WHO REALLY SPEAKS FOR THE CHILDREN?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, when talking about children, there are significant differences between Democrats and Republicans. Republicans do not believe it takes Washington bureaucrats and spending to raise a child.

But after 30 years of a failed welfare system, a rapidly failing public education system, and a deteriorating justice system, Republicans have a different answer. What it takes to raise a child successfully today is quite simple: two responsible parents. What children need is not more Government spending but a mother and a father who care about them.

When talking about children, Republicans begin with three principles:

First, that the moral health of a nation is no less important than its economic or military strength. The fact is, you cannot have a healthy moral environment to raise children in America when 12-year-olds are having babies, 15-year-olds are killing each other, 17-year-olds are dying of AIDS, and 18-year-olds are graduating with diplomas they cannot read. If we are to restore the moral health of America, this behavior has got to stop.

Second, it is the results, not the rhetoric, that counts. Anyone can sound compassionate, but the truly compassionate are those that go out and find ways to make the lives of our children more happy and healthy.

And third, we must be willing to face ourselves in the mirror and be honest with the American people about the failure of the Washington welfare system to help those who need it most. It is our responsibility as elected officials to acknowledge that Washington got it wrong, so that next time we can get it right.

The welfare trap in this country literally enslaves generations of Americans on Government assistance by depriving hope, diminishing opportunity, and destroying the lives of our precious children.

Just look at our inner cities. You will meet a generation fed on food stamps but starved of nurturing, hope, and basic education.

Yet every year Washington spends more money on more welfare programs, expanding the welfare trap from one child to another, from one generation to another. What the Democrats do not understand is that raising more taxes to expand a welfare system that does not work now will only make matters worse later.

And welfare is not the only problem facing children. Among industrialized nations at the start of this decade, we had the most murders, the worst schools, the most abortions, the highest infant mortality, the most illegitimacy, the most one-parent families, the most children in jail, and the most children on Government aid.

A Washington-based social policy does not help children. It destroys them. It does not keep families together. It tears them apart. Instead of turning urban areas of America into shining cities on a hill, it has made them into war zones.

We have spent $7 trillion on welfare-related programs, and yet we have more poverty, more crime, more drug addiction, more broken families, and more immoral behavior. The Washington welfare system is broken and needs to be shut down. We need to start over.

But there are alternatives that are less expensive and work better than the current system.

Why does Habitat for Humanity work so much better than HUD? Because Habitat for Humanity first requires recipients to learn the responsibility of home ownership, then requires them to build a home for someone else, and only then do they build their own home. What does HUD require? Absolutely nothing. Do you see the difference? The private charity requires something of the individual.

The current Washington-based welfare system demands no responsibility, no work ethic, no learning, no commitment, and in the end, no pride. What we need are local solutions that involve local citizens working with local children.

Spending more on the current Washington welfare system will not help children. We have to rebuild parents, families, and communities, but you cannot do it from Washington. It has to be done at home, in school, and at church.

But it is also time we tackle the problem of American culture.

Think of what your own children will be watching on television tonight. Think of what they will see at the movies this weekend. It is wrong, it's harmful, and we cannot tolerate it any longer. It's time to challenge the entertainment industry to end its decadent slide. What we tolerate today would have been unacceptable 25 years ago.

And so the question for America is whether we move into the future, or remain in the past. Do we demand more from parents, or do we leave it to Washington to solve all our ills? Do we return control of education to the local community, or do we run education from a Federal department in Washington? Do we change the welfare system and restore hope and optimism to the next generation, or do we continue to accept the welfare world of dependency, illegitimacy and despair?

And most importantly, do we make a real commitment to improve the lives of children across the country, or do we use children as political pawns in the upcoming election?

THE RETRAINING AND OUTPLACEMENT OPPORTUNITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, today I introduced the Retraining and Outplacement Opportunity Act, legislation to help retrain Federal employees who are about to be separated by detailing them to the private sector or other agencies.

In light of the streamlining goals of the administration and the additional budget cuts proposed by the Congress, Federal workers are facing difficult times and are bracing themselves for more to come. Retirement and attrition will not add up to the 272,000 jobs mandated to be cut by the Workforce Restructuring Act of 1994. Agencies have been downsizing, and Federal workers know more reductions in force [RIF's] are imminent. Federal workers and Federal agencies are anxious about their future and the ramifications of further work force reductions.

I am a firm believer that loyalty must be repaid with loyalty. The Federal work force has provided outstanding services to this Nation, and now the Federal work force needs Congress' help. We must take this responsibility seriously and devise strategies that will help our Federal employees through this difficult transition.

Our strategies must center around two fundamental concepts: creating incentives for retirement and retraining displaced workers for jobs in the private sector.

Reform must allow for greater partnerships with the private sector, including extending the administration's idea of nonreimbursable details to the private sector. The legislation I introduced today would focus on retraining employees for the private sector through nonreimbursable details.

This legislation would permit an agency to allow an individual who has received a specific notice of separation or a certificate of expected separation to be placed on a nonreimbursable detail in another agency or private company for a period of up to 90 days while the Government pays his or her salary. After the 90-day period, the private sector would begin paying the salary. Unlike other details, the goal of this initiative is to place employees in these agencies and companies.

This bill would provide an employee and his or her agency to determine whether a potential match exists. The employee would have the opportunity to demonstrate his or her skills and ability, and the agency or company could evaluate the employee's likelihood of success.

This retraining opportunity would first be established as a demonstration project at the Department of Energy's Germantown, MD, facility. The DOE has been particularly hard hit by downsizing over the last 3 years. Recent cuts in the Department of Defense authorization threaten to impose substantial cuts of highly trained personnel and create a chaotic situation resulting from a massive RIF. These cuts would also divert time from critical cleanup programs, and I am actively fighting against these cuts. Regardless of whether these cuts occur, DOE is a good place to establish this demonstration project.

Within the current law, the administrators of this program would outline the plan, define the population, establish the selection criteria of candidates, and determine the agencies and companies that would be involved in the program.

If the detail occurs in the private sector, the employee would be considered an employee of the Federal Government and would retain all rights and privileges of a Federal employee until separated officially. The date of separation could be extended in the event that the employee would be separated before the detail ended. During the detail, the employee's compensation would be based on the employee's rate of pay before the detail. Private companies involved would set up an escrow account to store funds that would have been used for compensation had the employee been hired initially. If the employee is retained by the private company and remains for 2 years, the company would be required to transfer the money spent during the detail to the Treasury.

If the individual's work is satisfactory as defined under the agreement made by all parties, the individual would be given an offer, or, in the event that an offer could not be extended, the money would be reimbursed to the Government. If the individual is not satisfactory and not hired, the agency or company would not be forced to reimburse the Government. If the individual is extended an offer, he or she would become an employee of that agency or company on the day after the detail ends, at which time the former agency's financial obligation would end. Multiple details would be allowed, but the combined days for all details could not exceed 90 days.

This change could help Federal agencies be more proactive in the retraining of their employees for private sector jobs. This legislation provides an important window of opportunity for Federal employees who are facing the uncertainty and anxiety of losing their jobs.

□ 2315

THE NEED TO REFORM FEDERAL TRAVEL PRACTICES AND SAVE $300 MILLION A YEAR

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, there is a fundamental need to reform the Federal travel practices and thus save at least $300 million a year. Today on behalf of the gentleman from Pennsylvania [Mr. FOX] and myself, I am introducing H.R. 3637, to improve travel management in the Federal Government.

The Federal Government is far behind the best practices of private sector firms. At long last, we need to adopt practices common in the private sector in order to save the taxpayers money. According to the General Accounting Office, Federal agencies spent $7.6 billion in fiscal year 1994 on travel, including transportation, lodging, rental cars, other travel related expenses related to two types of travel: Temporary duty and permanent relocation.

Administrative costs to implement the current travel regulations and practices of the Federal Government are also significant. In the private sector, the costs to complete a travel voucher are about $15. In the public sector, the Federal sector, the cost to process a single travel voucher can be as high as $123. Since there are 10 million vouchers processed each year, the Federal Government must reengineer its travel management practices in order to achieve significant savings.

The Federal Government needs to reform its travel processes if we are to succeed in saving $300 million every year. The General Services Administration needs to update the Federal travel regulations, and H.R. 3637 will be ensuring that change and reform can be done in a way that increases savings and decreases the amount spent by Federal agencies on travel. H.R. 3637 has been endorsed by the joint financial management improvement project, which includes membership from the General Accounting Office, part of the legislative branch, and the Office of Management and Budget, the General Services Administration and the Office of Personnel Management, as well as the Department of the Treasury. These are the experts in travel management in Federal agencies.

In addition, the strong support of Senator COHEN of Maine has been instrumental in providing Federal agencies with the spur that was needed to develop these proposals which are designed to reduce costs and to provide agency flexibility. I commend Senator COHEN's efforts, and we will be working with him to enact this important measure.

As we begin the process of balancing the Federal budget, Congress must look to Federal agency managers and its employees to find innovative and creative ways to save travel dollars. H.R. 3637 represents an important part of that effort. According to the joint financial management improvement project, $300 million per year may be saved from the appropriated funds of the taxpayers. By reducing the administrative burden, we can achieve substantial savings by passing H.R. 3637, the Travel Reform and Savings Act of 1996.

Mr. Speaker, I ask consent that a summary of H.R. 3637 be printed at the end of my remarks.

SUMMARY OF THE TRAVEL REFORM AND SAVINGS ACT OF 1996

Section 1. Short title—Travel Reform and Savings Act of 1996.

Section 2. Table of contents.

Title I. Relocation Benefits.

Section 101. Modification of allowance for seeking permanent residence quarters.

This section would authorize the payment of pre-determined travel expenses for househunting trips for relocating Federal employees. In the private sector, predetermined cost reimbursement is already used for househunting trips because of simplicity to administer, administrative cost savings, and the flexibility it gives Federal employees to manage their move.

According to a Joint Financial Management Improvement Project [JFMIP] report entitled Improving Travel Management Governmentwide, this change would save $10.8 million per year.

Section 102. Modification of temporary quarters subsistence expenses allowance.

This section would authorize the payment of pre-determined travel costs associated with temporary quarters. While seeking permanent quarters, a relocating employee must often occupy temporary quarters. Federal agencies currently authorize up to 120 days of expenses. This change would limit this time to 60 days, and provide an amount pre-determined by the agency.

According to the JFMIP report, this change would save $59.2 million per year.

Section 103. Modification of residence transaction expense allowance.

This authorizes agencies to use cost-reimbursable pricing for relocation service contracts. Currently, the Federal Travel Regulation limits relocation home sale payments made by agencies to direct reimbursement of closing costs. This section would authorize the payment of actual costs, overhead, and a performance-based fee designed to speed up the home sale.

This limits the liability of the Federal Government by shifting to the contractor the risk that the home will take a long time to sell, and that the contractor's expenses will exceed the fixed payment. Agencies that exercise this authority will need to manage the risk that the home will take a long time to sell.

According to the JFMIP report, this change would save $33.1 million per year.

Section 104. Authority to pay for property management services.

When an employee transfers for a limited time period, it may be cost-effective for the employee to rent rather than sell his home in the old duty station. This is particularly true in instances when the employee will return to the old duty station. Since the costs borne by agencies of selling a home are larger than the cost of reimbursing property management fees, there are savings which could be achieved by allowing Federal employees this option.

According to the JFMIP report, this change would save $1.5 million per year.

Section 105. Authority to provide employment assistance services to the spouse of a transferring employee.

When a dual career family moves, the accompanying spouse must find employment without the assistance of the Federal Government. This results in the loss of a second income, and often Federal transferees are unable to qualify for home mortgages without the second income. This provision gives agencies discretionary authority to provide some level of job placement to relocating spouses, when deemed in the best interests of the Federal Government.

According to the JFMIP report, this change would cost $5.9 million per year.

Section 106. Authority to transport a privately owned motor vehicle within the continental United States.

Current statute prohibits the shipment of a vehicle to a new duty station within the continental United States. Agencies reimburse the transferee for mileage, plus a per diem, which generally exceed the costs of shipping the vehicle and using a more expeditious mode of transportation to relocate the employee. Requiring that vehicles be driven to the new duty station also requires extended administrative leave, thus increasing costs and reducing efficiency.

According to the JFMIP report, this change would save $7.9 million per year.

Section 107. Authority to pay limited relocation allowances to an employee who is performing an extended assignment.

This section authorizes agencies to pay for permanent change of station expenses in lieu of the daily per diem allowance for extended assignments. Since employee costs are lower over a longer-period of time, many employees receive an allowance that exceeds what is needed to cover expenses. This provides the option to reduce costs by providing permanent change of station expenses, which can include en route travel and transportation, shipment of vehicles, househunting trips (if necessary) and lease breaking expenses. Employees would not be eligible for expenses related to disposing or maintaining residences at the official duty station.

According to the JFMIP report, this change would save $14.5 million per year.

Section 108. Authority to pay a home marketing incentive.

Most Federal agencies currently offer some of their transferees the assistance of a relocation contractor to market and sell their home. The fees charged by the contractor are typically based on a percentage of the home's value, and are quite large. A pilot in the Social Security Administration demonstrated that allowing employees to sell their own homes and be paid a fixed fee can save Federal agencies large figures.

According to the JFMIP report, this change would save $142.2 million per year.

Section 109. Conforming amendments.

Title II. Miscellaneous Provisions

Section 201. Repeal of the long-distance telephone call certification requirement.

Current Federal statute requires agencies to certify that individual long distance calls are in the interest of the Federal Government. This law dates from 1939, when a long-distance telephone call was expensive and viewed as a luxury. In many instances, the cost of certifying a call will often exceed the cost of the call itself.

According to the JFMIP report, this change would save $19.3 million per year.

Section 202. Authority to require use of the travel charge card.

Currently, Federal agencies receive a payment based on charges made by its employees under the government-wide travel charge card program administered by GSA. Many payments, including cash advances, hotel charges and airline tickets for travel expenses are not charged to the card. This limits the potential rebate.

Section 203. Prepayment audits for transportation expenses.

This section authorizes audits prior to payment to verify transportation expenses. All other invoices submitted to the Federal Government are generally audited by the procuring agency for correctness prior to payment. Currently, GSA uses audit contractors to perform prepayment audits on some transportation vouchers. These contractors have identified overpayments that were four times the amount of the payments to contractors, proving that this is a cost-effective tool. In contrast, the GSA Office of Transportation Audits spends $11 million to recover $12 million in overpayments using postpayment audits.

According to the GSA, this change would save $50 million per year.

Section 204. Reimbursement for taxes on money received for travel expenses.

The 1992 Energy Act inadvertently established a tax liability for certain Federal employees. The Energy Act limited the income tax deduction for business related travel expenses incurred while away from home to a maximum of one year (the prior maximum was one year). Most temporary duty assignments are less than one year. Because of this tax change, most Federal agencies have limited temporary assignment to one year.

Most Federal agencies were unaware of this requirement because the IRS did not notify them until December of 1993 and did not withhold tax payments from the employee's salary. Thus, many of the impacted Federal employees were liable for a lump-sum payment plus penalty and interest. In some instances, the tax liability exceeds $1,000 per employee.

According to GSA, this change would cost $4 million on a one-time basis.

Section 205. Transfer of authority to issue regulations.

This section gives statutory authority to the Administrator of General Services to issue regulations, which are currently the subject of a delegation of authority from the President pursuant to several Executive Orders.

JUST DO IT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Wyoming [Mrs. CUBIN] is recognized for 5 minutes.

Mrs. CUBIN. Mr. Speaker, you all have seen the Nike ad with the words "Just do it?" That should be the slogan for the Democrats in Congress. They talk about a balanced budget. I say: Just do it. They talk about welfare reform. I say: Just do it. They talk about tax relief. I say: Just do it. They talk about an end to big government. I say: Just do it.

Talk is cheap, and nowhere is talk cheaper than in Washington. We've had enough talk, enough rhetoric, enough promises. It's time to stop talking about change and start making it happen. What we need is action, and we need it now. We need to stop all this wasteful spending—now. We need to balance the budget—now. We need to end welfare as we know it—now. We need tax relief for the forgotten American worker—now.

Did you ever wonder why Washington waits to solve a problem until it becomes a crisis? The American people should never accept second-best from their government or their elected leaders. They deserve better.

And why not? America's best days are still ahead. In the America of the 21st century, no one needs to be left behind. If we stop all this tax and spend behavior, we will end the Clinton crunch that as contributed to our national anxiety. And if we stop all this spending, we will end the tax trap caused by misguided Washington bureaucrats who want to spend more of your money, leaving you with less.

Let me be as clear as I can. Americans have a right to earn more, keep more, and do more. That's how we restore the American dream. Working together in a spirit of respect, with the right economic policy and incentives, our nation's potential is unlimited. We are Americans. There is nothing we cannot achieve. The best is yet to come. I say, just do it.

CHURCH BURNINGS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Louisiana [Mr. FIELDS] is recognized for the balance of the time until midnight as the designee of the minority leader.

Mr. FIELDS of Louisiana. Mr. Speaker, I rise tonight to talk about the issue of church burning. Before I do, Mr. Speaker, I want to commend the gentlewoman from North Carolina who had a resolution tonight on the floor of this House and it passed. And I want to thank the gentlewoman for her leadership in that area. I also want to thank the gentleman from Oklahoma as well.

Mr. Speaker, I have been asked by the chairman of the Congressional Black Caucus to chair an issue that we have been talking about tonight for some time. That is the issue of church burning, burnings across the country.

I take a moment of personal privilege to talk about these church burnings here again tonight because in my on own State five churches were burned.

Second, Mr. Speaker, I feel like Fannie Lou Hamer tonight. I feel sick and tired of being sick and tired. I am tired of individuals who have no respect for human life and no respect to buildings, burning churches at night. I also feel sick and tired of being sick and tired because while individuals burn churches at night, we have people who wake up in the morning and put on black robes and burn congressional districts in the daytime. And I think that is simply unacceptable and unconscionable.

I am happy that the gentlewoman from Texas will be a part of this special order tonight and the gentleman from Illinois will be a part of this special order tonight, the gentlewoman from California as well as the gentleman from South Carolina.

Before we talk about church burnings, Mr. Speaker, I want to talk a little bit about the districts that were burned today in the Supreme Court. To know that as a result of this ruling, a State like the State of Texas, a State with a population of almost 20 percent African-Americans, will not have the opportunity, not the guarantee but will not have the mere opportunity to send an African-American to this Congress is absolutely unacceptable and unconscionable. These burnings must stop, not only the burning of churches but the burning of congressional districts and legislative districts across this country. In order for us to get along in this country, in order for us to move forward in this country, we will have to learn how to be more inclusive.

I want to thank the gentlewoman from Texas, who has represented her constituents so well here in this body. I want to say to her in no uncertain terms that she has done a great job. Continue to press on and know that you must keep the faith. We are very pleased with the work that you do.

Now, on the issue of church burnings, Mr. Speaker, the CBC, the Congressional Black Caucus, we will first have a hearing right here in the Nation's capital. We will have the Justice Department. We will have ATF and all Federal agencies involved. That hearings will be headed and led by Congressman CONYERS. And we will talk, we will also have black churches, members, ministers of black churches to talk about these church burnings. Then we will leave this capital and we will travel across this country in each congressional district or each State where there has been church burnings, because we will not accept individuals putting torches to churches.

We are going to insist that every Federal agency in this country use every ounce of its power, every ounce of its resources, to make sure that we find the perpetrators of these crimes and bring them to justice and then move very swiftly to prosecute them.

I have, Mr. Speaker, a map of the entire United States of America which gives you some sense of church burnings across the country. Before I yield to my colleagues who have joined me here tonight, I want you to see, I want Members of the House to see how this proliferation of church burnings is taking place all across this country.

Utah, the State of Utah, one church burning; Colorado, one church burning; State of Arizona, one church was burned. Even the State of New Mexico had a church burning.

Texas, the distinguished gentlewoman from the State of Texas, not only have they burned the districts, the congressional districts in the State of Texas, but two churches, two black churches were burned in the State of Texas as well, which is absolutely, positively unacceptable and we must insist that every Federal agency that has anything to do with investigations do everything possible to find the perpetrators of these crimes.

The State of Oklahoma, one church; even the State of Illinois, the gentleman from Illinois who is here tonight, a church was burned in his States. The State of Tennessee, which leads the whole Nation in terms of church burnings, six churches were burned in the State of Tennessee; five in the State of Louisiana; three in the State of Mississippi; five in the State of Alabama; one in the State of Georgia; five in the State of South Carolina, the gentleman who is here tonight, five churches were burned, many of them were in his congressional district; three churches in North Carolina; one in Virginia; two in Maryland; one in the District of Columbia; one in New York; and one in Pennsylvania.

And then to know that in Oklahoma, which is the most recent church burning, when we were debating tonight, we were debating on this floor about church burnings, to wake up the next morning and learn that a church was burned in the State of Oklahoma, it absolutely irks Members of this Congress, particularly Members of the Congressional Black Caucus.

I want to thank the Members who decided to come here tonight at the wee hours of the night because this is an important issue. I want the Members of this congress to know that the Congressional Black Caucus will not sit idly by and allow individuals to burn churches and get away with it. We are going to insist that every Federal agency that we have under the control of this Federal Government do everything that is humanly possible to find the perpetrators of these crimes, bring them to justice and then prosecute them to the fullest extent of the law.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. JACKSON], who has been participating in these special orders for some time, and also to the gentleman from South Carolina and the gentlewoman from Texas and the gentlewoman from California as well.

□ 2330

I yield to the gentleman from Illinois.

Mr. JACKSON of Illinois. I want to take this opportunity to thank my distinguished friend from Louisiana, the distinguished gentleman, CLEO FIELDS; and you, Mr. Speaker, for allowing us the privilege and this opportunity to address the House during this special order.

Anyone who might have misunderstood what happened in the 1994 elections should have clearly been set straight on the 23rd of January 1995. That day, in the ornate hearing room in the House Committee on Rules, the victorious Republicans, our colleagues on the other side of the aisle, removed a portrait of former Representative Claude Pepper of Florida, a renowned white, liberal Democrat, and certainly that was understandable because the Republicans certainly have the right to change pictures in various committee rooms to reflect their new majority. But what tickled me about this was that the new Republican committee chairman, Mr. SOLOMON of New York, distinguished colleague of ours from

New York, had ordered the Pepper portrait to be replaced by another Democrat, the late Howard Smith of Virginia, a last-ditch segregationist in many of his years as Committee on Rules chairman, one of the most powerful opponents of civil rights legislation of the sixties.

And so I am here today to really join my colleague from Louisiana, my colleague from California, my colleague from Texas, and my colleague from South Carolina really to say that we are sick and tired as well of being sick and tired, sick and tired of having our churches burned at night, sick and tired of having our districts burned during the daytime, and what is left? Without political representation here in this institution to protect our rights in the society beyond Washington, with this whole motion and movement towards States rights, we are looking at the same kind of climate that we witnessed during the Tilden-Hayes Compromise of 1877.

I spoke not long ago at a high school to some students who at the end of my presentation stood up and asked the question, they said, "Representative JACKSON, what's the difference between a Democrat and a Republican?"

And I tried to say Democrats fight for jobs, they fight for opportunity, they make room for more people, and Republicans tend to be pro-business. But one of the young people said, "But wait a minute. I've heard Democrats on the floor argue on both sides of that issue."

And so in 1877 what we really had was two parties with one assumption. Demopublicans, they called them, and Republicrats; they really conspired. We call it States rights, we call it more access to resources in our communities by the States, and they began shifting more resources to the States, and by 1896 they had stacked the Supreme Court kind of, if you will, a Clarence Thomas court, a kind of Scalia court, and then we got Plessy versus Ferguson. We had 22 African-Americans in the U.S. House of Representatives between 1863 and 1896, and after they stacked the Supreme Court, black robes, not white sheets who burn churches, but black robes who burn districts by day; by 1901 there were zero blacks in this institution, and I believe it was our late colleague from Illinois, Mr. DuPriest, who stood in this well and gave a speech: We will rise again like the phoenix, we will be back. And then it is not until the 1954 Brown versus the Board of Education decision that allowed the principle of equal protection under the law to be extended to the States in the form of a 1964 Civil Rights Act, a 1965 Voting Rights Act, and after three different reapportionments, the 1970 census, the 1980 census, the 1990 census. African-Americans in this body are now finally achieving comparable numbers to those numbers that they had at the turn of the century. And now we are looking at Supreme Court decisions once again that are consistent with Plessy versus Ferguson, and it is really unfortunate in 1996 that Mr. Thomas is leading the voting rights cabal.

I also rise this evening to stand with my colleagues and to join the gentlewoman from North Carolina [Mrs. CLAYTON] and the gentleman from the other side of the aisle, Mr. WATTS, in support of their resolution to condemn not only these church burnings, but also to demand that our Federal Government put the kind of resources behind this investigation that is necessary. Mr. Deval Patrick, the assistant attorney general for civil rights, along with the Attorney General of the United States, Miss Janet Reno, have indicated to us on more than one occasion that this is the largest civil rights investigation of its kind, and we are just so grateful to have Representatives in this body who can fight and encourage the Justice Department to put those kind of resources behind these kinds of acts of violence, and it is only because we are here that we can really fight for this right.

And so I would hope, and I have indicated this on another occasion as I prepared to yield time to the gentlewoman from Texas, that in 1996 we have an opportunity in this House, knowing that race and churches are being burned and opportunities are being burned, we have an opportunity in this House not to be demagogic in 1996. There is no need for us to vote on affirmative action in this House in this climate; it only means that more churches will burn. We should put it in the 105th Congress. There are other racially sensitive issues in this political climate that should not be considered in this political climate, and I would urge those in the majority to consider the climate and the times that we are living in and move these votes into the next Congress and give us the opportunity and the Nation the opportunity to have an election that will be free of race and race insensitivity.

And with that, I yield to the distinguished gentlewoman from Texas. She had a very tough and a very long day. She is one of the most outspoken Members in the House of Representatives. We can count on her to fight for women's rights, we can count on her to fight for the rights of locked-out and disenfranchised people in our country, and it is just unfortunate that a woman of her calibre and her stature who has represented not only African-Americans—people see us, they see African-American, but my district is 65 percent African-American, 35 percent white and Latinos and others live in my district. I am not just a black Representative or a black Congressman. I represent probably one of the most diverse districts in this country. I do not know an African-American in here who represents 99 percent African-Americans. Our districts are diverse, and so she represents her district and has served this institution with great honor, and today the Supreme Court of the United States rules against the calibre and the quality of leadership that she represents.

With that, I now yield time to the distinguished lady from Texas [Ms. JACKSON-LEE].

Mr. FIELDS. Mr. Speaker, I yield to the lady.

I think the gentleman is absolutely right. The gentlewoman represents a very diverse district, and, as I stated earlier, we appreciate her leadership, and I think citizens not only in her congressional district but citizens all across her State and citizens all across this country appreciate her leadership, and this time I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE. The esteemed gentleman from Louisiana is appreciated, along with my respect for my colleagues who are here on the floor of the House, the gentleman from South Carolina in his leadership over the years in fighting for the rights of South Carolinians, the gentlewoman and her leadership from California, as I have spoken to her frequently on her concern about education, and the gentleman from Illinois who has reached out to the younger voter and demanded of that younger voter that they be part of this process called America.

The gentleman from Louisiana has had a longstanding friendship with young people, but more importantly I have admired his refusal to, even though tired and maybe sick and tired, never to be broken, and I appreciate your leadership on this special order. You are right to thank the gentlewoman from North Carolina and the gentleman from Oklahoma for their wisdom and vision earlier this evening to begin to set the tone for the American public on this whole issue of the burning of houses of worship.

As I heard for the first time this morning the rendering of the Supreme Court decision, it did not fall to my lot to immediately begin to think about what SHEILA JACKSON-LEE or any congressperson would do in this circumstance. But I began to think of those individuals in my district who yet have not reached or have not achieved the opportunity of even traveling outside of the 18th congressional district, citizens in my district who have lived their entire life within the context of the historic 18th Congressional District, individuals who are proud, who believe in America, who have sent young men and women off to war but yet live in housing of substandard quality, individuals who are still struggling to get the kind of education to see opportunities for their children, individuals who, if they missed one day of school lunch or school breakfast, their children, of occurs, would suffer the consequences and the pain of hunger; individuals who give their small donations to their beloved churches and pastors, they give their very best. And to be able to have to go home this weekend to speak to these individuals, to be able to say to them that today on June 13, 1996, they were declared less than an American by the U.S. Supreme Court, individuals who heretofore had paid poll tax or had their ancestors or grandparents or parents tell them how difficult it was first to achieve the right to vote in the State of Texas and now having spent just a few short years.

That is what America needs to understand, that these districts have only come into existence a mere three decades or less. Individuals who are in my district may be voting now consistently only for less than 30 years because of the obstacles that have been placed before them to vote even in the smallest election in the State of Texas, and then to have to go home to these individuals and to clear away the confusion for, they will be asking: Are we no longer part of America? Has the district been declared un-American? The chilling effect will be far reaching.

Young people who are just coming out of high school who I had the opportunity to speak before in the recent graduations in my district, bright-eyed and bushy-tailed, if you will, ready for the next day, looking for career opportunities, believing in America; now they must try to understand, are we truly second-class citizens in this country? The criteria used by the Supreme Court today was truly a burning of the Constitution. I would simply ask:

When does a configuration, a drawing, become a higher ideal than the opportunity for people to choose an individual of their choice to represent them in the U.S. Congress? When is it a sin and when is it illegal to take into consideration the diverse concept of race as it is with community of interests so that majority minority districts have now been categorized and labeled as a derogatory concept in the American political system? What does that say to an emerging population who have yet not taken their rightful place in the political arena; a Congress of 435 individuals with a mere 30-plus African-American Representatives, a number that has grown only since the 1990 census and the 1992 elections?

And so it is important, Mr. FIELDS, that we convene this special order. It is not for any selfish motives of those of us who come to the floor of the House, for I am grateful for the very small opportunities that I have had, but it is for the future of this Nation to recognize that the systematic destruction and undermining of the spirit of those who would cling to democracy is a destruction of this Nation's future. These opinions have continued to chip away at those who have tried to speak peace and equality and inclusion.

And as I bring my remarks to a close, let me say that I am gratified for the words that were said tonight with respect to this blight on America, this blaze on the Constitution, the burning of churches or houses of worship.

My colleagues on the other side of the aisle have indicated that they will rise up with millions of dollars for the ATF, the Alcohol, Tobacco, and Firearms agency.

In the Committee on the Judiciary, under the leadership of ranking member CONYERS and Chairman HYDE, we have brought out a piece of legislation that I have cosponsored to make the prosecution of these individuals more swift and effective.

But the real key has to be that we must catch these individuals and show America that we are serious, and then at the same time as we catch these individuals we must, in fact, begin to understand that we should not hide away from the racial anger and tones that have been set by the climate of political rhetoric in this Nation, and I hope that we all will commit to drawing down our words, stopping the polarization, and in order to do that let me say to you in closing that I am gratified that both Congresswoman CLAYTON and Congressman WATTS accepted my amendment that calls for, this week, calls for this Nation this week to adopt a week of prayer from June 16 to June 23, gathering in our respective houses of worship to speak not only against burning, but against the anger and the rancorous talk and the castigating of those of us who have come first as slaves in this Nation.

We must break the shackles of racism in this Nation. I call upon my brothers and sisters of Hispanics and Anglos and African-Americans and Asians and men and women in all parts of this community, Jewish people and gentiles, to respect the need to embrace each other.

□ 2345

I hope as we proceed this evening that our Supreme Court will be able to reconsider itself, and recognizing it as the highest body in the land, I respect its privilege, but I would simply hope that they would call upon the spirit of the Honorable Justice Thurgood Marshall who came to that court as a victor and a soldier and a general in the war of civil rights, and he carried the message forward that in fact we all are created equal. If we take that claim, we will stop the burning of the districts and we will stop the burning of the houses of worship, and we will rise as Americans together, and we will not be singing that song, "We Shall Overcome," but we will sing the song, "We Have Overcome."

I hope this special order will be in tribute to the gentleman from Louisiana [Mr. FIELDS] that Americans will listen and rise up to support freedom. I yield back to the gentleman from Louisiana.

Mr. FIELDS of Louisiana. I thank the gentlewoman for yielding.

Now I would like to recognize the gentlewoman from California [Ms. MILLENDER-MCDONALD]. Before I do, I would like to say that in our discussions on this task force on church burnings across the country, particularly in the southern part of our country, the gentlewoman from California, who by the way, is new to this body, made it very clear that we should have hearings, we should talk to ministers, we should talk to community people, people in the community about their feelings, and also make sure that there is a relationship merged between the investigators, the Federal agencies, and these ministers and these parishioners of these churches. I just want to thank the gentlewoman for her leadership because as a result, there was a meeting at 8 a.m. this morning in the office of the gentleman from Michigan [Mr. CONYERS], and as a result of that meeting, the ranking member of the Committee on the Judiciary decided to start his hearings right here in Washington, DC. Because of her leadership, we will be traveling all across the country as a caucus, Members of the Congressional Black Caucus, in each of these several States holding hearings on church burnings.

At this time I would like to yield to the distinguished gentlewoman.

Ms. MILLENDER-McDONALD. Mr. Speaker, I thank the gentleman from Louisiana. It is really fitting and absolutely great for me to see two young African-American men who are role models who are here tonight at this hour to talk about the rash of church burnings in this Nation. Then to hear the gentlewoman from Texas [Ms. JACKSON-LEE], who speaks so eloquently on this floor, who has to now go back and try to see what she can do with the recent decisions that have been brought down on her by the Supreme Court.

I would like to thank also the Speaker for allowing us tonight to come and speak about the rash of church burnings. Mr. Speaker, this issue is very important to me, as it should be to all Americans. However, I have a special concern about the rash of church burnings that is taking place across the South and other areas as I have lived through a similar period.

During the 1950's I was the child of an active Baptist minister in Alabama.

Given my father's status and the respect he had earned, especially among the African-American community, we lived in fear every night of the bombings and the arson that was rampant at the time. The young women who were killed in the church bombings in 1962 were neighbors and friends of our family.

Mr. Speaker, I can personally attest to the fact that these burnings, both in the 1950's as well as the ones with which we are currently faced, are acts of terrorism.

Furthermore, the U.S. Government, which spends billions of dollars each year investigating and attempting to abate terrorism here and abroad, should do all it can to stop this terrorism that is currently invading the souls of our community.

As we are all aware, Mr. Speaker, terrorism such as these church burnings is the insidious act of cowards; people who are too afraid to air their hatreds or fears in public lest they meet others who may be able to talk some sense into them during a debate.

Yet in order to really understand these random acts of violence and hatred, we should perhaps look at the culture by which they are being perpetuated.

The burning of African-American churches is but one manifestation of the fear, the hatred, and the divisiveness that is becoming more and more prevalent in our society.

Mr. Speaker, we see this divisiveness in ballot initiatives, we hear it in stump speeches by some politicians, and we witness it even in some of the legislation that is coming before us.

Moore and more, people are blaming minorities, immigrants, and women for their woes or their fears.

In my home State of California, we will have a ballot initiative in November on Whether or not to do away with all affirmative actions programs. This initiative follows closely on the heels of the Governor of my fair State asking the regents of the University of California to abolish all affirmative action administration programs.

While these actions, Mr. Speaker, as well as legislation that has been introduced here and in other bodies to eliminate affirmative action programs are not terrorism on the same level as the church burnings, they are born from the same fears and divisiveness.

What we, as national leaders, Mr. Speaker, should do is try to pursue a rational debate to try to solve the problems that face all Americans, regardless of their color, their age, their gender, or their religious affiliation.

We, the political leaders of our Nation, should not try to use the fears of the population to promote ourselves or our agendas. In doing this, we are only creating an environment in which hatred and anxieties are driven to extreme measures, such as those we are witnessing in the South and other places.

So, Mr. Speaker, I urge all Americans to join us in speaking out against the current rash of church burnings and to alert the perpetrators that this is not how civilized people conduct themselves.

I also urge Americans, and especially the politicians, to pause before they speak words of divisiveness. Rather than playing on and driving the fears of some citizens, I would hope that we could begin to work together for the resolves that will help all Americans build a better nation and indeed a better world.

Mr. FIELDS of Louisiana. I thank the gentlewoman. There are individuals in this country who are trying to turn back the hands of time, trying to make 1996 look like 1896, but we are not going back. We have come too far now. We have come to a threshold of freedom, and we have reached the periphery of liberation and we have seen the ambition of liberty. We are not going back.

There are those who try to burn opportunities by burning affirmative action. Some try to burn political inclusion by burning congressional districts, and some even try to burn our spirits by burning churches. But we are not going back.

At this time I would like to yield to the gentleman who has probably the most experience in the civil rights movement of all of us here tonight, the senior Congressman from the great State of South Carolina, who I have a great deal of respect for.

I want to say to the gentleman, I have never been confronted with a door that said colored or white only. I have never had to sit in the back of a bus. I am benefiting from fruits of a tree that I did not plant, I did not nourish, and I did not even shape. I am here today because of people like the gentleman from South Carolina who stood in those many lines and who marched the many highways. And I just want to say thanks to the gentleman, and I know I speak for the gentleman from Illinois as well.

□ 2355

We are here today because of the sweat and tears of your work and we want to thank you. I yield to the gentleman from South Carolina.

Mr. CLYBURN. I thank the gentleman very much, my good friend Mr. FIELDS from Louisiana. Thank you, first of all, for your kind words. I am pleased to hear them and I hope that I continue to earn them.

Second, let me thank the gentleman for organizing this special order. I think that your work chairing the Task Force on Church Burnings for the Congressional Black Caucus is work that is to be commended and I thank you so much for brining us all here this evening. I am pleased to join with my colleagues in this special order.

Let me begin my comments by first of all congratulating the people of South Carolina, Williamsburg County, Greeleyville.

As you may recall, this past Tuesday evening, I traveled to South Carolina where on Wednesday morning I went with President Clinton to visit the Greeleyville community, the community that suffered a church burning on June 20 of last year. On Wednesday, we met at the site of a new church. On this coming Saturday, 360 days after their church was burned to the ground, the people of Greeleyville, the members of Mount Zion AME Church, their pastor, Reverend Terrence Mackey, will all gather at the site of the old church and they will march one mile to the new church. I think that the people of that community, black and white, have demonstrated to all of us what can be done and what should be done in responding to these kinds of vitriolic actions.

I am very pleased with their demonstration of cooperation. Earlier this evening I heard one of our colleagues talk about the difficulty that a community is having rebuilding a church that was burned. I thought as he spoke of the people in this little town in the poorest county in South Carolina, how they all banded together, irrespective of skin color, irrespective of hair texture, and they all came together to make sure that they demonstrate to the rest of the world how we ought to conduct ourselves.

Mr. Speaker, I know that the time is late and I think my time is running out, but I want to say one thing in order to make my point.

Many of you may recall that Martin Luther King Jr. in 1963 issued a letter from the Birmingham City Jail, a letter that spoke to the question of time and the neutrality of time. King admonished us in that letter that we are going to be called to repent in this generation not just for the vitriolic words and actions of bad people but for the appalling silence of good people.

I want to say to all the Members of the body and the people of our great Nation that these vitriolic actions may be bad but it is just as bad for us to remain silent.

So I want all of us to speak up and speak out and make sure that we do so in such a way that the people who perpetrate these vitriolic acts will be driven back under the rocks from which they came and hopefully we, the good people of our Nation, can march forward together.

I thank the gentleman so much for letting me be a part of this special order.

Mr. FIELDS of Louisiana. I thank the gentleman.

In closing, I would just like to say to the gentleman that I am happy and pleased that this Congress, and the American people should know that this Congress stands in unison, we stand together tonight, both Democrats and Republicans, blacks, whites, young, old, men and women. We will not tolerate the burning of any churches. We are going to appropriate the necessary resources to the agencies that are conducting investigations and we will find the perpetrators of these crimes and they will be brought to justice.

To end this special order, I yield to the distinguished gentleman from Illinois. Before I do, I want to leave on this note. I often talk about what we have in common.

I will never forget when I graduated from high school my mother said, "What's the universal language?" I said, "It's English, Mom." And she said, "No, it's not."

She said, "If you cry, can you cry in English?" I said, no.

She said, "If you're in Spain can you cry in Spanish? If you're in France can you cry in French?" She said, "No, you cry in pain."

There is a lot of crying taking place tonight. I do not care if you are black or white, young or old, male or female, we all cry the same. I would hope we would work together to end that cry.

I yield to close to the gentleman from Illinois.

Mr. JACKSON of Illinois. Let me say that I think the gentleman from Louisiana's words were most appropriate and fitting to close this special order.

[National Rainbow Coalition, June 13, 1996]

"BURNING CHURCHES, BURNING OPPORTUNITY" JACKSON ATTACKS SUPREME COURT DECISION

Washington, D.C.—The Reverend Jesse L. Jackson attacked today's Supreme Court decision which struck down majority-minority districts in North Carolina and Texas.

"At night, the enemies of civil rights strike in white sheets, burning churches," Jackson said. "By day, they strike in black robes, burning opportunities."

"1996 is looking more like 1896 every day," Jackson continued. "Churches are burned, all across the South. The gains of the Second Reconstruction won by Dr. King are being rolled back, just like Jim Crow rolled back the gains of the First Reconstruction. The Supreme Court in 1896 ruled on Plessy vs. Ferguson, with its idea of 'separate but equal.' The Supreme Court now puts out ruling after ruling under the pretense that after four centuries of slavery and apartheid, that a white population which makes up 85% of the electorate, and an African American electorate which makes up only about 10%, operate on an equal playing field."

Jackson noted with approval the words of Justice Stevens, who wrote: "A majority's attempt to enable the minority to participate more effectively in the process of democratic government should not be viewed with the same hostility that is appropriate for oppressive and exclusionary abuses of political powers."

Jackson also commented on those who voted in the majority: "On the side of those voting to end the Second Reconstruction, we find Chief Justice Rehnquist, who first came to public notice as he attempted to intimidate minority voters from going to the polls.

"Second, we find Sandra Day O'Conner, an affirmative action justice, who is only on the court because the civil rights movement and the women's movement forced America to widen the pool of those 'qualified' to serve in our nation's highest positions—despite that, she votes to end the most effective electoral remedy we have yet found to diversify the make-up of our legislatures.

"And third, of course, we find Justice Clarence Thomas, who is on the Supreme Court only because he is Black—no white justice with his limited legal experience would ever have been considered for that position—and yet he turns his back on the same movement and remedies that allowed him to rise.

"Clarence Thomas is a memorial to George Bush's racial cynicism, and he has imposed upon us blow after blow more devastating than anything George Wallace was able to deliver.

Jackson concluded: "It is humiliating and painful to watch a prime beneficiary of Martin's movement stick the dagger in the heart of Dr. King's dream.

"Districts have historically been drawn based on incumbency, political parties, geographical boundaries, and industry. Racial factors were added after judges found, years after Selma, proof of patterns of racial discrimination. Therefore, they ordered the redrawing of boundaries for 'racial inclusion,' rather than 'racial exclusion.' These judges chose to be 'race-affirmative,' to offset centuries of 'race-negativity.'

"The result after the 1992 elections was the most representative U.S. Congress, and the most representative state legislatures, in the history of this nation. This is the context in which the Supreme Court today has acted to wound Dr. King's dream.

"America is moving towards the end of this century with the same tragic music with which Plessy v. Ferguson ended the last century. And the saddest notes of all are being played by one of the civil rights movement's prime beneficiaries—Clarence Thomas.

Mr. COYNE. Mr. Speaker, I rise tonight to join in this special order on the recent rash of arson attacks on African-American churches throughout the South.

It causes me great pain that such a special order is necessary today, 40 years after Brown v. Board of Education and 30 years after the civil rights breakthroughs of the 1960's. I think that we all had believed that we were past the shameful period of our Nation's history when racist hate groups bombed and burned African-American churches in order to frighten African-American communities into submission.

I don't know whether these fires were primarily the product of some misguided individual or some fringe hate group—or whether they represent the uncoordinated acts of a number of people who have focused their hatred and frustration on these churches. We will have to wait for the results of the ongoing investigations to find that out. But I do know that—whatever the reason—such acts are unacceptable. They are unconscionable.

Few crimes are as abhorrent as an attack on a church. A church is a place to worship God. It is the heart of the moral and emotional life of any community. An attack on a church is a clear statement of hostility toward an entire community. In a country like ours that places a very high value on freedom of association, freedom of religion, and our Nation's diverse ethnic background, it should also be interpreted as an attack on the ideals and principles of our society.

One such case would be too many. But a single case could be understood as the isolated action of some sick individual. Unfortunately, the number of such crimes has grown so great that I think we can reasonably conclude that these arson attacks are racially motivated and, to some undetermined extent, organized. Clearly, African-American churches have been targeted because they represent the moral and emotional center of these communities. These attacks are clearly hate crimes directed at African-Americans. These crimes make clear that our Nation's painful struggle over race relations is far from over. Moreover, the sheer number of attacks suggests some kind of conspiracy, as well as a number of copycat free agents.

At times like these, it is important that Americans spontaneously rise up and unequivocally condemn these attacks, and that our government take every possible action to identify, apprehend, and punish the perpetrators. We must make it unmistakably clear that our society will not condone, tolerate, or ignore crimes of hate. We must make it clear that an attack on any member of our society is an attack on us all. We must make it clear that ours is a nation based on tolerance, diversity, and compassion—not violence, prejudice, and hate.

As a result of our racially troubled past and the sad, lingering legacy of slavery and Jim Crow laws, white Americans have a special responsibility at times like these to reach out to our African-American brothers and sisters to let them know that we do not share the racial hatred that appears to have motivated these attacks. We have a responsibility to let them know that we share their pain and anger, and that we want to work with them to heal the wounds created by these reprehensible attacks.

Sadly, it is clear that our society is still torn over the issue of race. I believe, however, that we have the potential to grow and mature. Change can be difficult, and it often takes time. But I believe that the day is not that far off when this society will fulfill the ideals of equality, freedom, and harmony to which it has always aspired.

I believe that we should attempt to turn this tragedy into opportunity—an opportunity to address the tensions that still linger below the surface in the daily interactions between Americans of different races, religions, and ethnic groups. As a first step, let us rise up as one people to condemn these intolerable attacks. Second, let us make certain that the Federal Government makes every effort possible to get to the bottom of these crimes. And finally, let us engage in a national dialogue to expose and extinguish the misunderstanding and fear that motivate such hateful acts.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HOUGHTON (at the request of Mr. ARMEY) for today until 3 p.m., on account of attending a funeral.

Mr. CUNNINGHAM (at the request of Mr. ARMEY) for today after 7 p.m. and the balance of the week, on account of attending his daughter's graduation.

Mr. MYERS of Indiana (at the request of Mr. ARMEY) for today after 8 p.m. through Tuesday, June 18, on account of official business.

Ms. EDDIE BERNICE JOHNSON of Texas (at the request of Mr. ARMEY) for today after 7:30 p.m. and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FILNER) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Mr. HILLIARD, for 5 minutes, today.

(The following Members (at the request of Mr. HAYWORTH) to revise and extend their remarks and include extraneous material:)

Mr. LUCAS of Oklahoma, for 5 minutes today.

Mr. GOSS, for 5 minutes today.

Mr. WALKER, for 5 minutes today.

Mr. GUTKNECHT, for 5 minutes today.

Mr. WELLER, for 5 minutes today.

Mr. HILLEARY, for 5 minutes today.

Mr. WAMP, for 5 minutes today.

Mr. METCALF, for 5 minutes today.

Mr. WELDON of Florida, for 5 minutes today.

Mrs. MORELLA, for 5 minutes today.

Mr. HORN, for 5 minutes today.

Mr. BAKER of California, for 5 minutes today.

Mr. MCINTOSH, for 5 minutes, on June 20.

Mrs. CUBIN, for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FILNER) and to include extraneous matter:)

Mr. KENNEDY of Massachusetts.

Mr. EDWARDS.

Mr. SCHUMER.

Mr. MARTINEZ.

Mr. BONIOR.

Mr. LEVIN.

Mr. JACOBS.

Mr. TORRICELLI.

Mrs. KENNELLY.

Mr. MARKEY.

Ms. DELAURO.

Mr. LAFALCE.

Mrs. MALONEY.

Mr. TOWNS.

Mr. PAYNE of New Jersey.

Mrs. LOWEY.

Mr. CARDIN.

Mrs. THURMAN.

Mrs. CLAYTON.

Ms. LOFGREN.

Mr. REED.

Mr. GENE GREEN of Texas.

(The following Members (at the request of Mr. HAYWORTH) and to include extraneous matter:)

Mr. FIELDS of Texas.

Mr. HOKE.

Mr. FOX of Pennsylvania.

Mr. CUNNINGHAM.

Mr. SPENCE.

Mr. DORNAN.

ADJOURNMENT

Mr. FIELDS of Louisiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 midnight), under its previous order, the House adjourned until Monday, June 17, 1996, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3571. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Tobacco Inspection; Growers' Referendum Results (Docket No. TB–95–13) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3572. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Tobacco Inspection; Growers' Referendum Results (Docket No. TB–95–15) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3573. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Hazelnuts Grown in Oregon and Washington; Assessment Rate (Docket No. FV96–982–1IFR) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3574. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Increased Assessment Rate for Domestically Produced Peanuts Handled by Persons Not Subject to Peanut Marketing Agreement No. 146 and for Marketing Agreement No. 146 Regulating the Quality of Domestically Produced Peanuts (Docket No. FV96–998–1IFR) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3575. A letter from the Acting Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Apricots Grown in Designated Counties in Washington; Temporary Suspension of Minimum Grade Requirements (Docket No. FV96–922–1IFR) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3576. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of June 1, 1996, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 104–232); to the Committee on Appropriations and ordered to be printed.

3577. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled the "FHA Single Family Housing Reform Act of 1996"; to the Committee on Banking and Financial Services.

3578. A letter from the Assistant Secretary for Pension and Welfare Benefits, Department of Labor, transmitting the Department's final rule—Interpretive Bulletin 96–1 Participant Investment Education (Pension and Welfare Benefits Administration) (RIN: 1210–AA50) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3579. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Valuation of Plan Benefits in Single-Employer Plans; Valuation of Plan Benefits and Plan Assets Following Mass Withdrawal; Amendments Adopting Additional PBGC Rates (29 CFR Parts 2619 and 2676) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3580. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled the "Development Disabilities Assistance Amendments of 1996," pursuant to 31 U.S.C. 1110; to the Committee on Economic and Educational Opportunities.

3581. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Testing Consent Order for Alkyl Glycidyl Ethers; Technical Amendment (FRL–5368–3) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3582. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hazardous Air Pollutant List; Modification (FRL–5520–5) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3583. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Priorities List for Uncontrolled Hazardous Waste Sites (FRL–5520–2) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3584. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 15.117(g)(3) of the Commission's Rules Relating to the Filing of UHF Noise Figure Performance Measurements (ET Docket No. 95–144) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3585. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 302 of the Telecommunications Act of 1996: Open Video Systems (CS Docket No. 95–46) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3586. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Foods and Drugs; Technical Amendments (21 CFR Chapter I) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3587. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Change of Names and Addresses; Technical Amendment; Correction (21 CFR Parts 172, 173, 175, 176, 177, 178, 180, 181, and 189) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3588. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Change of Names and Addresses; Technical Amendment; (21 CFR Parts 172, 173, 175, 176, 177, 178, 180, 181, and 189) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3589. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Foods and Drugs; Technical Amendments (21 CFR Chapter I) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3590. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Production and Utilization Facilities; Emergency Planning and Preparedness Exercise Requirements (RIN: 3150–AF20) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3591. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Health Maintenance Organizations: Employer Contribution to HMO's (Health Care Financing Administration) [OMC–004–F] (RIN: 0938–AE64) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3592. A letter from the Secretary of Education, transmitting the semiannual report to Congress on audit follow-up for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3593. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–279, "Fiscal Year 1996 Budget Support Act of 1996," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

3594. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Airstrip Closure (National Park Service, Cape Lookout National Seashore) (RIN: 1024–AC29) received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3595. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Importation, Exportation, and Transportation of Wildlife (Fish and Wildlife Service) (RIN: 1018–AB49) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3596. A letter from the Acting Director, Fish and Wildlife Service, transmitting the Service's final rule—Endangered and Threatened Wildlife and Plants; Reclassification of Erigeron maguirei (Maguire daisy) from Endangered to Threatened (RIN: 1018–AC71) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3597. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Operating Requirements: Domestic, Flag, Supplemental, Commuter, and On-Demand Operations; Corrections and Editorial Changes (Federal Aviation Administration) (RIN: 2120–AG03) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3598. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Baker, Montana (Federal Aviation Administration) [Docket No. 96–ANM–001] (RIN: 2120–AA66) (1996–0056) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3599. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Federal Colored Airway B–9; FL (Federal Aviation Administration) [Docket No. 95–ASO–20] (RIN: 2120–AA66) (1996–0058) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3600. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Alteration of V–99, V–451, and J–62 (Federal Aviation Administration) [Docket No. 95–ANE–35] (RIN: 2120–AA66) (1996–0059) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3601. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Las Vegas (Federal Aviation Administration) [Docket No. 95–ASW–31] (RIN: 2120–AA66) (1996–0062) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3602. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Lockheed Model L–1011–385 Series Airplanes (Federal Aviation Administration) [Docket No. 96–NM–104–AD; Amendment 39–9667; AD 96–12–24] (RIN: 2120–AA64) (1996–0062) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3603. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Superior Air Parts, Inc. Pistons Installed on Teledyne Continental Motors O–470 Series Airplanes (Federal Aviation Administration) [Docket No. 94–ANE–30; Amendment 39–9646; AD 96–12–04] (RIN: 2120–AA64) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3604. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal, Inc. (formerly Textron Lycoming) LTS101 Series Turboshaft and LTP101 Series Turboprop Engines (Federal Aviation Administration) [Docket No. 95–ANE–16; Amendment 39–9647; AD 96–12–05] (RIN: 2120–AA64) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3605. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Teledyne Continental Motors and Rolls-Royce, plc O–200 Series Reciprocating Engines (Federal Aviation Administration) [Docket No. 94–ANE–53; Amendment 39–9648; AD 96–12–06] (RIN: 2120–AA64) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3606. A letter from the Director, Office of Global Programs, National Oceanic and Atmospheric Administration, transmitting the Office's final rule—Climate and Global Change Program—received June 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

3607. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Educational Assistance Programs and Service Members Occupational Conversion and Training Act Program (RIN: 2900–AH31) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3608. A letter from the Assistant Secretary (Tax Policy), Department of the Treasury, transmitting a draft of proposed legislation to amend the Internal Revenue Code; to the Committee on Ways and Means.

3609. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled the "Community Development Block Grant Performance Fund and HOME Performance Fund Act of 1996"; jointly, to the Committees on Banking and Financial Services and Ways and Means.

3610. A letter from the Vice President of the United States, transmitting a draft of proposed legislation entitled the "Everglades and South Florida Ecosystem Restoration Act of 1996"; jointly, to the Committees on Transportation and Infrastructure, Resources, and Agriculture.

3611. A letter from the Secretary of Housing and Urban Development, transmitting two drafts of proposed legislation entitled the "FHA Multifamily Housing Reform Act of 1996" and the "Housing Enforcement Act of 1996"; jointly, to the Committees on Banking and Financial Services, Resources, the Judiciary, and Ways and Means.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. COMBEST: Permanent Select Committee on Intelligence. H.R. 3237. A bill to provide for improved management and operation of intelligence activities of the Government by providing for a more corporate approach to intelligence, to reorganize the agencies of the Government engaged in intelligence activities so as to provide an improved Intelligence Community for the 21st century, and for other purposes, with an amendment; referred to the Committee on Government Reform for a period ending not later than July 23, 1996, for consideration of such provisions of the bill and the amendments recommended by the Permanent Select Committee on Intelligence as fall within the jurisdiction of that committee pursuant to clause 1(g), rule X (Rept. 104–620, Pt. 1). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3237. Referral to the Committee on National Security extended for a period ending not later than July 23, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRAZER (for himself, Mr. BALDACCI, Mr. BISHOP, Mr. THOMPSON, Ms. NORTON, Mr. MORAN, Mr. WYNN, Mr. HASTINGS of Florida, Mrs. MEEK of Florida, Mr. LUTHER, Mr. ROMERO-BARCELO, Mr. HILLIARD, Ms. MCKINNEY, Mrs. CLAYTON, Mr. RANGEL, Mr. DORNAN, Ms. JACKSON-LEE, Mr. LEWIS of Georgia, Mr. FLAKE, Mr. HAYWORTH, and Mr. MENENDEZ):

H.R. 3634. A bill to amend provisions of the Revised Organic Act of the Virgin Islands which relate to the temporary absence of executive officials and the priority payment of certain bonds and other obligations; to the Committee on Resources.

H.R. 3635. A bill to direct the Secretary of the Interior to enter into an agreement with the Governor of the Virgin Islands, upon request, that provides for the transfer of the authority to manage Christiansted National Historic site; to the Committee on Resources.

By Mr. NEUMANN (for himself, Mr. McIntosh, Mr. Bass, Mr. Bono, Mr. Brownback, Mr. Burr, Mr. Campbell, Mr. Chabot, Mrs. Chenoweth, Mr. Christensen, Mr. Chrysler, Mr. Coburn, Mr. Cooley, Mr. Cremeans, Mrs. Cubin, Mr. Ehrlich, Mr. English of Pennsylvania, Mr. Ensign, Mr. Foley, Mr. Forbes, Mr. Fox, Mr. Frisa, Mr. Funderburk, Mr. Graham, Ms. Greene of Utah, Mr. Gutknecht, Mr. Hastings of Washington, Mr. Hayworth, Mr. Hilleary, Mr. Hostettler, Mr. Jones, Mr. LaHood, Mr. Largent, Mr. LaTourette, Mr. Martini, Mr. Metcalf, Mrs. Myrick, Mr. Ney, Mr. Norwood, Mr. Radanovich, Mr. Riggs, Mr. Salmon, Mr. Scarborough, Mrs. Seastrand, Mr. Shadegg, Mr. Souder, Mr. Stockman, Mr. Tiahrt, Mr. Thornberry, Mr. Wamp, Mr. Watts of Oklahoma, Mr. Weldon of Florida, and Mr. Weller):

H.R. 3636. A bill to amend title II of the Social Security Act to ensure the integrity of the Social Security trust funds by requiring the Managing Trustee to invest the annual surplus of such trust funds in marketable interest-bearing obligations of the United States and certificates of deposit in depository institutions insured by the Federal Deposit Insurance Corporation, and to protect such trust funds from the public debt limit; to the Committee on Ways and Means.

By Mr. HORN (for himself and Mr. Fox):

H.R. 3637. A bill to amend chapter 57 of title 5, United States Code, and title 31, United States Code, to provide employees who transfer in the interest of the Government more effective and efficient delivery of relocation allowances by reducing administrative costs and improving services, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. BEREUTER (for himself, Mr. Houghton, Mr. Hastings of Florida, and Mr. Payne of New Jersey):

H.R. 3638. A bill to reauthorize the Development Fund for Africa under chapter 10 of part I of the Foreign Assistance Act of 1961; to the Committee on International Relations.

By Mr. BLUTE (for himself and Mr. Frank of Massachusetts):

H.R. 3639. A bill to amend the Federal Water Pollution Control Act; to the Committee on Transportation and Infrastructure.

By Mr. BONO (for himself, Mr. Hunter, Mr. Brown of California, Mr. Calvert, and Mr. Burton of Indiana):

H.R. 3640. A bill to provide for the settlement of issues and claims related to the trust lands of the Torres-Martinez Desert Cahuilla Indians, and for other purposes; to the Committee on Resources.

By Mr. GALLEGLY (for himself, Mr. Farr, Mr. Fazio of California, and Mrs. Seastrand):

H.R. 3641. A bill to amend the Federal Power Act to provide for the delegation of dam safety authority to State government; to the Committee on Commerce.

By Mr. GALLEGLY:

H.R. 3642. A bill to provide for the transfer of public lands to certain California Indian Tribes; to the Committee on Resources.

By Mr. HUTCHINSON (for himself, Mr. Edwards, Mr. Stump, and Mr. Montgomery):

H.R. 3643. A bill to amend title 38, United States Code, to extend through December 31, 1998, the period during which the Secretary of Veterans Affairs is authorized to provide priority health care to certain veterans who were exposed to Agent Orange or who served in the Persian Gulf war and to make such authority permanent in the case of certain veterans exposed to ionizing radiation, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KENNEDY of Massachusetts (for himself, Mr. Hansen, Mr. Conyers, Mr. Kasich, Mr. Hinchey, Ms. Norton, Mr. Hoke, Mr. Moran, Mr. Smith of New Jersey, Mr. Fattah, and Mr. Faleomavaega):

H.R. 3644. A bill to prohibit the advertising of distilled spirits on radio and television; to the Committee on Commerce.

By Mr. KLUG (for himself, Mr. Walsh, Mr. Barton of Texas, Mr. Pallone, and Mr. Pete Geren of Texas):

H.R. 3645. A bill to amend the National Environmental Education Act to extend the programs under the act, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mrs. LOWEY (for herself, Ms. Norton, Mr. Conyers, Mr. Watt of North Carolina, Ms. Jackson-Lee, Ms. Woolsey, Ms. Pelosi, Mrs. Meek of Florida, Ms. Eddie Bernice Johnson of Texas, Mrs. Maloney, Mrs. Clayton, Ms. Rivers, Ms. McKinney, Ms. Brown of Florida, Mr. Abercrombie, Mr. Ackerman, Mr. Brown of California, Mr. Dooley, Mr. Frost, Mr. Gutierrez, Mr. Hilliard, Mr. Lantos, and Mr. Thompson):

H.R. 3646. A bill to provide remedies for certain instances of sexual harassment, and to provide additional funding for the Equal Employment Opportunity Commission; to the Committee on the Judiciary, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MANZULLO (for himself, Mr. Weldon of Pennsylvania, Mr. Waxman, Mr. Solomon, Mr. Coleman, Mr. Coble, Mr. Evans, Mr. Diaz-Balart, Mr. Frost, and Mr. Jacobs):

H.R. 3647. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive benefits; to the Committee on the Judiciary.

By Mr. MARKEY:

H.R. 3648. A bill to reestablish the National Science Scholars Program; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MORELLA:

H.R. 3649. A bill to provide for a demonstration project to assess the feasibility and desirability of temporarily placing Federal employees with another agency or other potential employer so as to facilitate the reemployment of individuals facing separation pursuant to a reduction in force; to the Committee on Government Reform and Oversight.

By Mrs. MORELLA (for herself, Mr. Kennedy of Massachusetts, Mr. Wolf, Ms. Norton, Mr. Sabo, and Mr. Johnston of Florida):

H.R. 3650. A bill to amend part E of title IV of the Social Security Act to require States to regard adult relatives who meet State child protection standards as the preferred placement option for children, and to provide for demonstration projects to test the feasibility of establishing kinship care as an alternative to foster care for a child who has adult relatives willing to provide safe and appropriate care for the child; to the Committee on Ways and Means.

By Mr. POMEROY:

H.R. 3651. A bill to amend the Federal Election Campaign Act of 1971 to limit expenditures in House of Representatives elections; to the Committee on House Oversight.

By Mr. REED (for himself, Mr. Schumer, Mrs. Roukema, Mr. Berman, Mr. Engel, Mr. Nadler, Mr. Waxman, Mr. Yates, Mr. Kennedy of Rhode Island, Ms. Pelosi, Mr. McDermott, Mr. Horn, Ms. Norton, Mr. Clay, Mr. Owens, Ms. Lofgren, Mr. Manton, and Mr. Torricelli):

H.R. 3652. A bill to apply equal standards to certain foreign made and domestically produced handguns; to the Committee on the Judiciary.

By Ms. RIVERS:

H.R. 3653. A bill to amend the Federal Election Campaign Act of 1971 to require candidates for the House of Representatives or the Senate to file information included in quarterly candidate reports with the Federal Election Commission within 48 hours of the time the information becomes available, to require all reports filed with the Federal Election Commission to be filed electronically, to require the information contained in such reports to be made available through the Internet, and for other purposes; to the Committee on House Oversight.

By Mr. SPRATT (for himself, Mr. Coble, Mr. Payne of Virginia, Mr. Burr, Mr. Collins of Georgia, Mr. Rangel, Mr. Rogers, Mr. Cardin, Mr. Neal of Massachusetts, Mr. Coyne, Mr. Ford, Mr. Lewis of Georgia, Mr. Levin, Mr. Matsui, Mr. Hunter, Mr. Flanagan, Mr. Baker of California, Mr. Chambliss, Mr. Browder, Mr. Frank of Massachusetts, Mr. Hefner, Mr. Quillen, Ms. Kaptur, Mr. Spence, Mr. Montgomery, Mr. Lewis of Kentucky, Mr. Graham, Mr. Deal of Georgia, Mr. Funderburk, Mr. Jones, Mr. Clyburn, Mr. Watt of North Carolina, Mr. Ballenger, Mr. Heineman, Mr. Rahall, Mr. Andrews, Mr. Thompson, Mr. Rose, Mr. Peterson of Minnesota, Mr. Sisisky, Mr. Gordon, Mr. McHale, Mr. Holden, Mr. Bishop, Mr. Boucher, Mr. Wolf, Mr. Cramer, Mr. Engel, Mr. Condit, Mr. Stenholm, Mr. Reed, Mr. Whitfield, Mr. Hall of Texas, Mr. Inglis of South Carolina, Mr. Nadler, Mr. DeFazio, Mr. Miller of California, Mrs. Myrick, Mrs. Clayton, Mr. Stupak, Mr. Norwood, Ms. Jackson-Lee, Mr. Kingston, Mr. Linder, Mr. Tanner, Ms. Slaughter, and Ms. Danner):

H.R. 3654. A bill to ensure the competitiveness of the U.S. textile and apparel industry; to the Committee on Ways and Means.

By Mr. TATE:

H.R. 3655. A bill to amend title 18, United States Code, to reform Federal prisons; to the Committee on the Judiciary.

By Mr. TORRICELLI (for himself and Mr. PALLONE):

H.R. 3656. A bill to amend the Safe Drinking Water Act to require persons contributing to drinking water contamination to reimburse public water systems for the costs of decontamination; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. VELAZQUEZ:

H.R. 3657. A bill to provide pay equity and labor protection for contingent workers, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Ways and Means, Government Reform and Oversight, and House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. VOLKMER:

H.R. 3658. A bill to amend the Federal Election Campaign Act of 1971 to provide for campaign spending limits, and for other purposes; to the Committee on House Oversight.

By Mr. YOUNG of Alaska:

H.R. 3659. A bill to amend the Tongass Timber Reform Act to ensure the proper stewardship of publicly owned assets in the Tongass National Forest in the State of Alaska, a fair return to the United States for public timber in the Tongass, and a proper balance among multiple use interests in the Tongass to enhance forest health, sustainable harvest, and the general economic health and growth in southeast Alaska and the United States; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROHRABACHER (for himself, Mr. SOLOMON, Mr. GILMAN, Ms. PELOSI, Mr. COX, Mr. WOLF, Mr. LANTOS, Mr. HUNTER, Ms. KAPTUR, Mr. SMITH of New Jersey, Mr. BURTON of Indiana, Mr. FAZIO of California, Mr. TRAFICANT, Mr. DORNAN, Mr. FUNDERBURK, Mr. LIPINSKI, Mr. BUNNING of Kentucky, Mr. PALLONE, Mr. SCARBOROUGH, Mr. DIAZ-BALART, Mr. ROSE, Mr. STOCKMAN, Mr. BROWN of Ohio, Ms. ROS-LEHTINEN, Ms. MCKINNEY, Mr. STEARNS, Mr. DEFAZIO, Mr. STARK, Mrs. SCHROEDER, Mr. EVANS, Mr. MARKEY, Mr. MILLER of California, Mr. BAKER of California, and Mr. FRANK of Massachusetts):

H.J. Res. 182. Joint resolution disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to the products of the People's Republic of China; to the Committee on Ways and Means.

By Mr. WHITE (for himself and Mr. BOUCHER):

H. Con. Res. 185. Concurrent resolution expressing the sense of the Congress that Members should understand and use the Internet to improve the democratic process, communicate with the Internet community; to the Committee on House Oversight.

By Mr. WATTS of Oklahoma (for himself, Mrs. CLAYTON, Mr. HYDE, Mr. LAUGHLIN, Mr. WICKER, Mr. LARGENT, Mr. BONILLA, Mrs. MYRICK, Mr. HALL of Texas, Mr. PETERSON of Minnesota, Mr. ENGLISH of Pennsylvania, Mr. HEINEMAN, Mr. NORWOOD, Mr. HUTCHINSON, Mr. CONDIT, Mr. BAESLER, Mr. WAMP, Mr. FIELDS of Texas, Mr. SOUDER, Mr. HILLEARY, Mr. ARCHER, Mr. TALENT, Ms. JACKSON-LEE, Mr. GRAHAM, Mr. BONIOR, Mr. RICHARDSON, Ms. DELAURO, Mr. KING, Mr. PAYNE of New Jersey, Mr. SANDERS, Mr. WARD, Mr. FRAZER, Mr. FORD, Mr. BROWDER, Mr. HILLIARD, Mr. HINCHEY, Mr. OWENS, Mr. HALL of Ohio, Mr. FIELDS of Louisiana, Mr. MEEHAN, Mr. FROST, Mr. HASTINGS of Florida, Mrs. MALONEY, Mr. LANTOS, Mr. DELLUMS, Mr. FRANKS of Connecticut, Mr. WAXMAN, Mr. CLYBURN, Mr. ABERCROMBIE, Mr. FARR, Mr. JACKSON, Mr. GILCHREST, Ms. NORTON, Ms. WOOLSEY, Ms. FURSE, Ms. ESHOO, Mr. PALLONE, Mrs. THURMAN, Mrs. KENNELLY, Mr. SHAYS, Mr. CLAY, Ms. KAPTUR, Mr. WATT of North Carolina, Mr. FOGLIETTA, Mr. THOMPSON, Mr. MILLER of California, Mr. LEWIS of Georgia, Ms. PELOSI, Ms. ROYBAL-ALLARD, Mr. WYNN, Mr. EDWARDS, Mr. CLEMENT, Mrs. SCHROEDER, Miss COLLINS of Michigan, Mr. RUSH, Mr. TORRICELLI, Mr. STOKES, Mr. ROSE, Mr. CUMMINGS, Mr. HEFNER, Mrs. MEEK of Florida, Mr. Flake, Ms. PRYCE, Mr. SERRANO, Mr. BISHOP, Mr. FATTAH, Ms. SLAUGHTER, Ms. RIVERS, Mr. NADLER, Mr. FRANK of Massachusetts, Ms. VELAZQUEZ, Ms. WATERS, Mrs. COLLINS of Illinois, Mr. STARK, Mr. BARRETT of Wisconsin, Mr. SANFORD, Mr. ARMEY, Mr. ZELIFF, Mr. BAKER of California, Mr. STOCKMAN, Mr. PAXON, Mr. SHADEGG, Mr. ENSIGN, and Mr. COBURN):

H. Con, Res. 186. Concurrent resolution expressing the sense of Congress with respect to recent church burnings; to the Committee on the Judiciary.

By Mr. WATTS of Oklahoma (for himself, Mrs. CLAYTON, Mr. HYDE, Mr. LAUGHLIN, Mr. WICKER, Mr. LARGENT, Mr. BONILLA, Mrs. MYRICK, Mr. HALL of Texas, Mr. PETERSON of Minnesota, Mr. ENGLISH of Pennsylvania, Mr. HEINEMAN, Mr. NORWOOD, Mr. HUTCHINSON, Mr. CONDIT, Mr. BAESLER, Mr. WAMP, Mr. FIELDS of Texas, Mr. SOUDER, Mr. HILLEARY, Mr. ARCHER, Mr. TALENT, Ms. JACKSON-LEE, Mr. GRAHAM, Mr. BONIOR, Mr. RICHARDSON, Ms. DELAURO, Mr. KING, Mr. PAYNE of New Jersey, Mr. SANDERS, Mr. WARD, Mr. FRAZER, Mr. FORD, Mr. BROWDER, Mr. HILLIARD, Mr. HINCHEY, Mr. OWENS, Mr. HALL of Ohio, Mr. FIELDS of Louisiana, Mr. MEEHAN, Mr. FROST, Mr. HASTINGS of Florida, Mrs. MALONEY, Mr. LANTOS, Mr. DELLUMS, Mr. FRANKS of Connecticut, Mr. WAXMAN, Mr. CLYBURN, Mr. ABERCROMBIE, Mr. FARR, Mr. JACKSON, Mr. GILCHREST, Ms. NORTON, Ms. WOOLSEY, Ms. FURSE, Ms. ESHOO, Mr. PALLONE, Mrs. THURMAN, Mrs. KENNELLY, Mr. SHAYS, Mr. CLAY, Ms. KAPTUR, Mr. WATT of North Carolina, Mr. FOGLIETTA, Mr. THOMPSON, Mr. MILLER of California, Mr. LEWIS of Georgia, Ms. PELOSI, Ms. ROYBAL-ALLARD, Mr. WYNN, Mr. EDWARDS, Mr. CLEMENT, Mrs. SCHROEDER, Miss COLLINS of Michigan, Mr. RUSH, Mr. TORRICELLI, Mr. STOKES, Mr. ROSE, Mr. CUMMINGS, Mr. HEFNER, Mrs. MEEK of Florida, Mr. FLAKE, Ms. PRYCE, Mr. SERRANO, Mr. BISHOP, Mr. FATTAH, Ms. SLAUGHTER, Ms. RIVERS, Mr. NADLER, Mr. FRANK of Massachusetts, Ms. VELAZQUEZ, Ms. WATERS, Mrs. COLLINS of Illinois, Mr. STARK, Mr. BARRETT of Wisconsin, Mr. SANFORD, Mr. ARMEY, Mr. ZELIFF, Mr. BAKER of California, Mr. STOCKMAN, Mr. PAXON, Mr. SHADEGG, Mr. ENSIGN, Mr. COBURN, Mr. TIAHRT, Mr. INGLIS of South Carolina, and Mr. ROEMER):

H. Con. Res. 187. Concurrent resolution expressing the sense of Congress with respect to recent church burnings; to the Committee on the Judiciary.

By Mr. ROHRABACHER:

H. Con. Res. 188. Concurrent resolution expressing the sense of the Congress with respect to increasing political oppression in Burma; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

224. By the SPEAKER: Memorial of the House of Representatives of the State of Louisiana, relative to House Concurrent Resolution No. 48 to memorialize the U.S. Congress to take such actions as are necessary to designate U.S. Highway 90 as part of the Interstate System as an expansion of Interstate 49; to the Committee on Transportation and Infrastructure.

225. Also, memorial of the House of Representatives of the State of Louisiana, relative to House Concurrent Resolution No. 54 to memorialize the U.S. Congress to authorize the concurrent receipt of full retirement pay and disability compensation benefits for disabled veterans; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Ms. PRYCE.

H.R. 103: Mr. KANJORSKI.

H.R. 123: Mr. PORTMAN.

H.R. 127: Mr. JONES and Mr. DELLUMS.

H.R. 248: Mr. HOBSON.

H.R. 303: Ms. PRYCE.

H.R. 468: Mrs. KELLY.

H.R. 878: Mr. LOBIONDO, Mr. HAMILTON, Mr EVANS, Mr. ACKERMAN, and Mr. RICHARDSON.

H.R. 941: Mr. FRELINGHUYSEN.

H.R. 1073: Mr. HAMILTON and Mrs. COLLINS of Illinois.

H.R. 1074: Mr. HAMILTON and Mrs. COLLINS of Illinois.

H.R. 1090: Mrs. VUCANOVICH.

H.R. 1171: Mr. BEVILL and Mr. BENTSEN.

H.R. 1352: Mr. DICKS.

H.R. 1514: Mr. HOYER, Mr. COOLEY, Mr. LUTHER, and Mr. MATSUI.

H.R. 1661: Mr. NORWOOD.

H.R. 1662: Mr. GOODLATTE.

H.R. 1797: Mr. NADLER.

H.R. 1805: Mr. LOBIONDO and Mr. HAMILTON.

H.R. 2008: Ms. ROS-LEHTINEN.

H.R. 2026: Mr. SHUSTER, Mr. MCINTOSH, Mr. HILLIARD, Mr. BEVILL, Mr. BLUMENAUER, and Mr. EHLERS.

H.R. 2128: Mr. RIGGS and Mr. MCKEON.

H.R. 2138: Mr. SAXTON.

H.R. 2152: Mr. PAYNE of Virginia.

H.R. 2246: Mr. NADLER.

H.R. 2247: Mrs. MALONEY and Ms. RIVERS.

H.R. 2333: Mr. BISHOP and Mr. RIGGS.

H.R. 2462: Mr. DUNCAN.

H.R. 2536: Mr. SHAYS and Mr. TATE.

H.R. 2566: Mr. TORRICELLI.

H.R. 2705: Mrs. CLAYTON, Mr. ABERCROMBIE, Mr. MEEHAN, Mr. NEAL of Massachusetts, Mr. SABO, Mr. SANDERS, and Mr. WISE.

H.R. 2757: Mr. MATSUI, Mr. TAYLOR of North Carolina, Mr. FARR, and Mr. GUTKNECHT.

H.R. 2807: Mr. DEFAZIO.

H.R. 2911: Mr. RIGGS.

H.R. 2925: Mr. HILLEARY and Ms. KAPTUR.

H.R. 2976: Mr. BERMAN, Mr. CASTLE, Ms. FURSE, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 2997: Mr. CALVERT.

H.R. 3047: Mr. HAYES.

H.R. 3114: Mr. CASTLE, Mr. SOUDER, and Mr. LIGHTFOOT.

H.R. 3125: Mr. CANADY.

H.R. 3126: Mr. WATTS of Oklahoma.

H.R. 3142: Mr. COMBEST, Mr. SMITH of Texas, Mr. TIAHRT, Mr. LATOURETTE, Mr. CHRISTENSEN, Mr. CRAMER, and Mr. SCOTT.

H.R. 3187: Mr. DOYLE, Mr. BARCIA of Michigan, Mr. SCHAEFER, and Mr. MASCARA.

H.R. 3217: Mr. WALSH, Mr. LIPINSKI, and Mr. EVANS.

H.R. 3226: Mr. HOLDEN.

H.R. 3280: Mr. ACKERMAN, Mr. KENNEDY of Rhode Island, and Mr. OLVER.

H.R. 3338: Mr. PORTMAN, Mr. MINGE, Mr. POMEROY, Mrs. CHENOWETH, Mrs. VUCANOVICH, Mr. TANNER, Mr. COBLE, Mr. KLUG, and Mr. COLLINS of Georgia.

H.R. 3362: Ms. MCKINNEY, Ms. NORTON, Ms. RIVERS, and Ms. FURSE.

H.R. 3396: Mr. BILIRAKIS, Mr. HANSEN, Mr. CALLAHAN, Mr. PACKARD, Mr. PORTMAN, Mr. STENHOLM, and Mr. PETE GEREN of Texas.

H.R. 3416: Mr. GREEN of Texas and Mr. STEARNS.

H.R. 3427: Mr. DICKEY.

H.R. 3447: Mrs. KELLY and Ms. PRYCE.

H.R. 3467: Mr. LUCAS.

H.R. 3477: Mr. MINGE.

H.R. 3480: Mr. BARR, Mr. FUNDERBURK, Mr. TAYLOR of North Carolina, Mr. ROSE, and Mr. CANADY.

H.R. 3514: Mr. HALL of Texas, Mr. BARTON of Texas, and Mrs. SEASTRAND.

H.R. 3521: Mr. GREEN of Texas, Ms. RIVERS, Ms. LOFGREN, Ms. NORTON, Mr. ACKERMAN, and Ms. MCKINNEY.

H.R. 3525 Mr. INGLIS of South Carolina, Mr. DAVIS, Mr. GILCHREST, Miss. COLLINS of Michigan, and Mr. BLUTE.

H.R. 3559: Mr. TIAHRT, Mr. BEREUTER, and Mr. COOLEY.

H.R. 3571: Mr. HAYWORTH, Mr. MCHUGH, Mr. LIPINSKI, Mr. FORBES, Mr. QUINN, Mr. KENNEDY of Massachusetts, Mrs. KELLY, and Mr. DELLUMS.

H.R. 3601: Mr. MCINTOSH and Mr. HOSTETTLER.

H.R. 3622: Mr. BASS, Mr. ENSIGN, Mr. EWING, Mr. MANZULLO, Mr. HALL of Texas, and Mr. ENGLISH of Pennsylvania.

H.R. 3630: Mr. LONGLEY.

H.J. Res. 173: Mr. ROYCE, Ms. ROS-LEHTINEN, Mr. STEARNS, and Mr. SHADEGG.

H.J. Res. 174: Mr. ROYCE, Ms. ROS-LEHTINEN, Mr. CONDIT, and Mr. FOLEY.

H. Con. Res. 151: Mr. BENTSEN, Ms. SLAUGHTER, Mr. DURBIN, Mr. CUMMINGS, Ms. VELAZQUEZ, Mrs. MALONEY, Mr. ACKERMAN, Mr. DOYLE, and Mrs. SCHROEDER.

H. Con. Res. 156: Mr. NADLER.

H. Res. 172: Mr. FLAKE, Mr. POSHARD, Mr. DEFAZIO, and Mr. ACKERMAN.

H. Res. 452: Ms. LOFGREN.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 12 by Mrs. SMITH of Washington on House Resolution 373: Dick Zimmer.

EXTENSIONS OF REMARKS

PROMOTING THE STUDY OF SCIENCE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. MARKEY. Mr. Speaker, I rise today to introduce legislation aimed at promoting the study of science among our Nation's youth. My legislation would reauthorize the National Science Scholarship Program which was originally supported by a bipartisan majority of both Houses and signed by President Bush in 1990. It would reward outstanding students who have made a commitment to pursue a degree in the sciences. By awarding these students an academic scholarship, this legislation will help families offset the escalating costs of higher education while facilitating student interest in a field which has become increasingly important to our technologically based society. In addition, the legislation would require at least one-half of the scholarships be awarded to female students, promoting the participation of women in an area which has traditionally been dominated by men.

Never before has the need to have a work force well versed in the sciences been so critical to our Nation's success. Just 100 years ago, 10 of the 12 largest companies in America were natural resource companies. They were businesses whose success depended on raw materials such as cotton, tobacco, and steel. Today, our economy is drastically different. As we enter the 21st century, the 10 largest and most rapidly growing industries in the world are brainpower industries: microelectronics, biotech, material-science, telecommunications. They are industries which have succeeded because of the ingenuity and intelligence of their employees. If America hopes to keep these brainpower industries based in the United States, we need to provide employers with a work force which is technologically literate. My legislation addresses this need by encouraging students to pursue science-based careers.

The National Science Scholarship Program was initiated in 1990 under the Excellence in Mathematics, Science and Engineering Education Act to provide financial assistance for two extraordinary science students from each congressional district. President Bush originated the legislation and it was approved with wide bipartisan support. As he signed the National Science Scholarship Program into law, President Bush said of the program:

> This new program will provide an important vehicle for demonstrating the Nation's commitment to excellence in science, mathematics, and engineering achievement and to the recognition of excellent young people who are pursuing higher education and careers in those fields.

Although the program was relatively small in size, costing only $4.4 million annually, its impact was large as thousands of students across the country received up to $5,000 per year to help defray the costs of college.

One of the key elements of the National Science Scholarship Program's success is the provision that at least half of the scholarship recipients be women. Although the conditions for female scientists have greatly improved since the turn of the century when Dr. Elizabeth Blackwell, America's first female graduate of medical school was forced to go to England to practice her profession, the number of women entering this historically male dominated field is still relatively small. Today women receive 54 percent of all bachelor's degrees, yet they earn little more than 40 percent of all B.A.'s in science fields and less than 15 percent of engineering degrees. Over the last 10 years, the percentage of bachelors degrees awarded to women in the field of computer science actually decreased from 35 to 30 percent. The National Science Scholarship Program actively works to eliminate this disparity by encouraging young women to pursue careers in sciences at the very age when a disproportionate number of well-qualified girls and women give up on potential careers in science and engineering.

Despite the success of this program, it was merged into a larger, less focused program at the end of the last Congress. In the process, its authorization was repealed, appropriations cut, and science priority eliminated. The 50-50 split between men and women scholars and the district-by-district distribution of scholarships were also dropped. In short, the program disappeared. As a result, almost 2,000 intelligent, highly motivated students have been denied access to much-needed scholarship money.

In a post-GATT, post-NAFTA world, we cannot afford to create barriers to young scientists realizing their full potential. This is why I am introducing legislation which would reauthorize the National Science Scholarship Program. As we enter the information age, let us do so as a community which is prepared to meet the challenges of the next millennium. Let us support our young scientists by encouraging them to pursue careers in science fields. Let us reauthorize the National Science Scholarship Program.

TRIBUTE TO THE U.S. ARMY ON ITS 221ST BIRTHDAY

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. EDWARDS. Mr. Speaker, on June 14, 1775, the Second Continental Congress, representing the citizens of the 13 American colonies, authorized the establishment of a Continental Army with the expressed purpose of providing for the defense of a fledgling democracy and its bedrock principles and values. The next day, Congressman George Washington became Gen. George Washington and prepared to take command of the new Army. The collective expression of the pursuit of personal freedoms that caused the authorization and organization of the U.S. Army, subsequently led to our Nation's Declaration of Independence and the codification of our bedrock principles and values in the Constitution of the United States. The birth and growth of that Army led to the birth of our great Nation. Today we celebrate the birthday of the U.S. Army, in recognition of 221 years of continuous, selfless, and valorous service to the citizens, principles, and values of the United States of America.

For 221 years, our Army's central purpose has been to fight and win our Nation's wars. In years past, those wars have typically been fought and won on distant, foreign battlefields, while at home, the Army has provided for the security of a growing population. The Army's contributions include the development of our Nation's rail and water transportation networks, and innumerable medical and scientific achievements that have markedly improved the quality of life of our citizenry. Whatever the mission, the Nation turns to its Army for decisive victory, regardless of whether those victories are measured in the defeat of foreign armed forces or the timely delivery of humanitarian assistance at home or abroad. The 172 battle streamers carried on the Army flag are testaments to the valor, commitment, and sacrifice of those who have served and fought under its banner. Valley Forge, New Orleans, Mexico City, Gettysburg, Verdun, Bataan, Normandy, Pusan, Ia Drang Valley, Grenada, Panama, and Kuwait are but a handful of the places where American soldiers have won extraordinary distinction and respect for our Nation and our Army.

Soldiers of character are today, as they have been throughout the Army's glorious history, the heart and soul of our Army. "Duty, honor, country" are more than mere words—they are the creed by which the American soldier lives and serves. Today's Army is without equal, not in terms of its size, but in the quality and dedication of the young men and women who have chosen to selflessly serve the Nation, at home and abroad, in peace and war, to accomplish the tasks directed by the Nation's leaders. Our young men and women, who receive tough, realistic training and are equipped with the finest equipment, are the envy of the world's nations. The Army's strength always has been, and always will be, the American soldier. Intelligent, physically fit, highly motivated, and educated, and well trained and supported, soldiers are our Army's capital asset. While no one can predict the cause, location, or magnitude of future battles,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

there is one certainty—American soldiers of character, selflessly serving the Nation, will continue to be the credentials of our Army.

The Army is prepared to answer the Nation's call, and such calls have been increasing in number and disparity in recent years. These wide-ranging missions highlight the complex global security environment our Nation faces today. The threats are less distinct and less predictable than in the past, but more complex and just as real and dangerous. Rising sophistication among terrorists and rogue states, the standing armed forces of potential adversaries, and the proliferation of weapons of mass destruction portend increasing challenges for the future. Our Army will continue to serve the central role in the Nation's response to these challenges.

Our Army, the world's most capable and respected ground force, is in the midst of an unparalleled transformation as it prepares for the new challenges of the next century and a different world. The information age is already bringing rapid changes in the conduct of warfare. Future forces will be prepared to conduct quick, decisive, highly sophisticated operations anywhere, anytime. America's 21st century Army will integrate emerging information technologies with sound doctrine, flexible organizations, and soldiers of character and commitment to make our Nation's land force more versatile, deployable, lethal, and survivable.

Our Army was ready at Lexington and our Army is ready today. Our Army will be ready to fight and win our Nation's call to service at home and abroad. Whenever the time, wherever the place, whatever the mission, American can count on her Army.

CONDEMNING CHURCH BURNINGS

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Ms. DELAURO. Mr. Speaker, I rise to express my strong condemnation of a tragic trend—the vicious burning of African-American churches in the South.

On average, two African-American churches have been burned, under suspicious circumstances, each month over the past 1½ years.

I rise to voice my outrage and condemnation of these church arsons. I also speak out on behalf of the constituents of the Third District of Connecticut, who are also deeply troubled about the burnings of African-American churches in the South. We share the national sadness over the loss of these historic and sacred spaces. As towns and neighborhoods begin the process of healing and re-building, it is imperative that we send a long, clear, and firm message to the perpetrators of these sick crimes—Americans will not tolerate bigotry or hate crimes. The perpetrators must and will be punished.

History teaches us that we all have a great stake in the battle against forces of hatred. This quote about totalitarian oppression illustrates the point:

> In Germany they came first for the Communists, and I didn't speak up because I wasn't a Communist. Then they came for the Jews, and I didn't speak up because I wasn't a Jew. Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics, and I didn't speak up because I was a Protestant. Then they came for me, and by that time no one was left to speak up. (Martin Niemoeller, attributed)

African-American leaders and members of the clergy in my district have spoken out locally to express support for their brothers and sisters in need in the South. These fires could easily occur in any region of the country. Today it is in Southern neighborhoods, tomorrow it could be in yours, or mine. We must speak louder than the voices of hate. Those voices encourage violence and have resulted in the destruction of churches built on faith, hope and love.

The Reverend Lester McCorn, pastor of the Varick AME Zion Church and Auxiliary Bishop Theodore Brooks of the Beulah Heights First Pentecostal Church in New Haven in my district spoke out earlier this week.

Rev. McCorn said: "This is in on way an isolated incident limited to the South. It is old fashioned hatred."

Bishop Brooks said:

> The South might be just the beginning . . . Anything can happen at any time, anywhere, at any point. While racism may be less hidden in the South it's just as prevalent and dangerous in the North.

So I'm proudly calling on others to come together and to speak out against the voices and actions of hatred in this country.

A TRIBUTE TO LECH WALESA

HON. MARTIN R. HOKE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. HOKE. Mr. Speaker, the great twilight struggle against the incredible evil of communism produced some of history's most extraordinary people. But if you had to choose the three people who played the biggest role in relegating communism to the dustbin of history it would have to be Ronald Reagan, Pope John Paul II, and a shipyard worker from Gdansk named Lech Walesa—the three men Time Magazine dubbed "The Holly Alliance."

The centerpiece of the operation to free Eastern Europe from the chains of communism was Solidarity, the workers' union founded by Lech Walesa. Everything else flowed from that. Solidarity was the weapons that the Pope and President Reagan nurtured and protected and eventually used to help bring about communism's collapse, first in Poland, then in the rest of Eastern Europe.

None of what was accomplished, however, could have happened without Lech Walesa. It was his bravery, his skill, his dedication, and his love for his country and its people that showed the way. The world owes a debt of gratitude to this common man with uncommon valor.

Last week a ceremony was held in Washington both to honor this hero, as well as to celebrate the introduction of the NATO Expansion Act, a bill that will bring Poland, Hungary, and the Czech Republic into NATO. In many ways this bill is the culmination of all that Mr. Walesa has worked for and I am proud not only to be an original cosponsor of this bill, but also that I had a hand in drafting some of the language. I urge the Congress to pass this important bill and the President to sign it.

I would now like to submit a copy of Mr. Walesa's inspiring remarks for the RECORD.

STATEMENT OF THE HONORABLE LECH WALESA, WASHINGTON, JUNE 4, 1996

Mr. Speaker, Members of Congress, Ladies and Gentleman, Dear Friends.

First and above all, I would like to say how very grateful I am for being invited here today. Being here again brings back cherished memories of that day six years ago, when, as we were all witnessing the end of the communist empire and of the Cold War, I had the honor of addressing the joint session of the United States Congress. It was one of those rare moments when we all felt that history was being made. There are in deed very few such great landmarks to one's lifetime.

But this was not the first time Poles and Americans shared such moments. It was two centuries ago when, by a historical coincidence, our ancestors both in America and in Poland were simultaneously experiencing momentous changes in the lives of their nations. America had just won her independence and in 1790 ratified a democratic constitution. A year later and an ocean away on May 3rd, the Polish Parliament also passed its own constitution, a grand design for modern political reform.

There were striking similaries between them. The basic concept of the American constitution, that the source of governmental power stems from the will of the people, was also embodied in the Polish one. Both stated the same basic objective: liberty and general welfare of the people. The Polish reformers were spiritually at home with the American Founding Fathers; they shared the same fundamental ideals. America was viewed as a model; it was certainly not an accident that Polish Reformer-King Stanislaw August had put a bust of George Washington in his study at the Warsaw Castle. And it was certainly not accidental that Polish volunteers participated in the American Revolution. At this point I must express my most sincere gratitude for the recent joint resolution of the United States Congress commemorating the two hundred fifth anniversary of the adoption of Poland's first constitution.

But while the America envisaged by the Founding Fathers has become a great democracy and still governs itself by the same constitution, Poland has spent most of the last two centuries relentlessly struggling to achieve among the nations of the earth that which your Declaration of Independence called "a separate and equal station to which laws of nature and Nature's God entitle them". I am not a historian, as you know, but sometimes I think that, perhaps, apart from the right ideals and stubborn resolve, nations need a bit of luck too. For instance, I would have liked Fortune to have placed the Poland of the 1791 Constitution somewhere on the map of North America and not in the center of Europe, between autocratic and imperial Russia and Prussia.

It was exactly 200 years ago that President George Washington was retiring. Having led a victorious fight against the imperial tyranny of Britain and ensured America's independence, he could withdraw into the peace and tranquillity of his beloved Mount Vernon. He cautioned that free people must always remain wary of potential threats, but he was convinced that what he called America's "detached and distant position" offered hope that the republic would endure. As you well know, my country, inhabiting the heart of Europe, unfortunately had not the luxury of such a "distant and detached position" over the past two centuries. The tough experiences of our history do not make a retirement in true peace of mind a very likely possibility for any leader. Perhaps that is why Poles love liberty as one loves a bride but Americans love her more as a grandmother.

But I believe that, although we cannot affect Fortune, we can and should help it. From 1989, liberty in Central Europe had been given a new, historic chance, a chance preceded by a very, very long and bitter struggle, and, as such, deserving the needed nourishment of peace and security. May I point out that Poland is today the fastest growing economy in Europe a remarkable evidence of fruits born of regained liberty.

We have before us a rare window of opportunity to help preserve both peace and freedom—and the former depends much on the latter—and ensure that it extends well into the twenty first century. Just as the eighteenth-century constitutions opened a new epoch, the fall of totalitarianism in Europe offers a similar prospect today. But many a great battle in history had been ultimately lost due to a lack of follow up by the victors to ensure a durable success. I strongly believe that this is such a moment requiring a follow up in the form of providing NATO security to ensure the durability of the democratic revolutions of 1989. Only United States has the power and authority today to lead towards this goal. I am particularly pleased that this cause has found much bipartisan support in the United States Congress. It gives me much faith and hope that the liberty for which so many have struggled for so long will be given the protection and opportunity it merits.

I wish to thank you once again for your kind invitation and for your inestimable support now as in the past.

IN HONOR OF DAVID AND ESTHER SMITH

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mrs. MALONEY. Mr. Speaker, I rise today to honor David and Esther Smith, two of the most active, vibrant, and progressive activists ever to hit our neighborhoods and New York Democratic affairs. I am proud to announce that David and Esther Smith are being honored tonight at the annual dinner of the Chelsea Reform Democratic Club.

For three decades David has been part of the cooperative movement. He has served as president of Penn South Co-op for more than 20 years. His services, however, goes beyond Penn South. He has reached out to help other cooperatives and has strengthened the entire U.S. cooperative movement through his incredible volunteer efforts. One of his most gratifying experiences was spearheading the successful campaign to keep Penn South a viable middle-income cooperative. From the age of 18, David has devoted his life to the promotion of human rights and to progressive causes.

Meanwhile, Esther has been a force in Democratic politics. She served on the Democratic State Committee for more than 20 years, and was the chair of the reform caucus for 8 years. Presently Esther is a member of the Democratic National Committee. As a community activist, Esther served on Community Board No. 5 for 6 years on its housing and human services committee. All her life she has been a civil rights activist and a vocal and active proponent of the progressive principles of the Democratic Party. Esther is never afraid to speak out on issues she believes in, regardless of their popularity.

Mr. Speaker, I ask my colleagues to join with me today in honor of David and Esther Smith, who deserve great praise for their many years of service to the city of New York.

IN MEMORY OF ANTOINETTE M. GRENCO

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. LaFALCE. Mr. Speaker, I rise today to take a few moments to recognize and honor a native western New Yorker, Antoinette M. Genco, who passed away on April 18, 1996. Ms. Genco, a devoted mother and active member in her church, was a tireless advocate for the city of Buffalo, NY, and for the West Side neighborhood in which she lived

Professionally, Antoinette was an internal auditor at the Buffalo Urban Renewal Agency, helping in its efforts to improve the city and the lives of city residents. But Ms. Genco was much more than what she did on weekdays. She was a member of the board of the West Side Business and Taxpayers' Association, the Niagara District Leadership Club, and the West Side Civic Association as well as numerous block clubs and community development groups. She was also a member of the Holy Cross Church Parish Council and a well regarded religious instructor at Holy Cross Church.

Antoninette Genco's family and friends have lost someone they loved very deeply. And the Buffalo community has lost an advocate for the people who worked hard to improve everyone's lot. But we will not forget the admirable work that Antoinette accomplished. She touched the lives of many persons in western New York, and we in her community are grateful for her help in making our community a stronger and more vibrant place to live.

COVER ORAL PROSTATE CANCER DRUGS UNDER MEDICARE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. FIELDS of Texas. Mr. Speaker, prostate cancer has become increasingly visible as a disease of great concern to men across this country. This Father's Day weekend while we show our appreciation for our fathers, we need to focus again on the serious problem of prostate cancer that will strike nearly 1 out of every fathers in America.

Father's Day should be a time to celebrate some of the major advances in detection and treatment of prostate cancer. Within the last decade, we have seen a significant improvement in early detection of the disease, with widespread use of the PSA blood test. Early treatment has also advanced considerably—with new surgical techniques and a variety of nonsurgical techniques that can increase survival and reduce side effects for prostate cancer patients.

For patients whose cancer is detected in more advanced stages, there are advances in hormonal treatment to extend the length of time they can enjoy a productive life, free from symptoms. This involves the incorporation of oral antiandrogens in hormonal treatment to improve the effectiveness of the hormonal therapy. This relatively new approach is known as complete hormonal therapy because it completely blocks the hormones that cause prostate cancer tumors to grow.

The good news is that this advance in hormonal treatment is having an effect for those who can take advantage of it. The bad news is that many men do not benefit from the complete therapy because the important oral drugs that are part of the therapy are not covered under Medicare, and nearly 80 percent of the men with prostate cancer rely on Medicare. Ironically, Congress acted just a few years ago to cover oral cancer drugs under Medicare, but a number of oral cancer drugs were left off the list. These prostate cancer drugs were some of the ones left off.

Father's Day gives us the opportunity to focus again on the serious problem of prostate cancer. What is it we need to do to renew the attack and push for further advances against this disease? One of the most important and yet simplest accomplishments we can have in the short term is to cover oral prostate cancer drugs under Medicare. At a minimum, older men should have access to the treatments we know can work. This is the least we can do for fathers across America.

TERRORISTS FUNDRAISING IN THE UNITED STATES

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. SCHUMER. Mr. Speaker, I rise to share with my colleagues a very disturbing article that ran in the April 8, 1996, edition of the Dallas Morning News.

I have made fighting terrorism a focal point of my work as ranking member of the Crime Subcommittee. I find it terrifying that in this country groups actively raise money to support terrorist groups under the guise of nonprofit organizations. This article plainly demonstrates the critical need in the United States for tough fundraising provisions like those found in the terrorism bill signed by the President in April. I urge my colleagues to read this article in the Dallas Morning News. These groups aren't not-for-profit, they are for terrorism, and they must be stopped.

[From the Dallas Morning News, Apr. 8, 1996]

PAPER TRAIL LEADS TO HAMAS; TWO ORGANIZATIONS BASED IN RICHARDSON DENY THEY PROMOTE AGENDA OF ANTI-ISRAELI TERRORISTS

(By Gayle Reaves and Steve McGonigle)

Inside a Kansas City auditorium in 1989, a masked man stepped to a lectern and described in Arabic the "oceans of blood" spilled in Hamas' armed attacks on Israeli soldiers and civilians.

He thanked two nonprofit organizations for being early allies:

The Islamic Association for Palestine, sponsor of the conference, and the Occupied Land Fund.

Seven years later. Hamas is again threatening Middle East peace with a series of suicide bombings. The Occupied Land Fund has become the Holy Land Foundation for Relief and Development. That group and the IAP, both now based in Richardson, are under attack for allegedly aiding Hamas.

Leaders of the local groups denied affiliation with Hamas.

Sharing a stage with Hamas speakers doesn't mean they approve of Hamas terrorism or provide support for it, they say.

"We have never raised money for Hamas or tried to recruit members for Hamas," said Shukri Abu Baker, executive director of the Holy Land Foundation for Relief and Development.

Public records, materials from the two groups and interviews over seven months show a pattern of personal, financial and philosophical ties between Hamas and the two nonprofit groups. For example:

The Islamic Association for Palestine reprinted the Hamas charter, which calls for killing Jews in jihad, or holy war. The association's Arabic-language publications in the early 1990s routinely praised Hamas and its violent opposition to the peace process. The association also published and distributed Hamas communiques on U.S. college campuses.

Videotapes displaying the logo and phone number of an Islamic Association for Palestine subdivision glorify Hamas attacks on Jewish soldiers and civilians.

Last month, the Israeli government closed the Jerusalem office of the Holy Land Foundation because of alleged ties to Hamas. Officials also closed the headquarters of an Islamic school partly funded by the Holy Land Foundation and arrested its director for allegedly being a Hamas activist.

Mousa Abu Marzook, the political leader of Hamas, provided more than 10 percent of all donations to the Holy Land Foundation in 1992, according to Internal Revenue Service records. Mr. Marzook's wife is a cousin of Ghassan El-Ashi, a Holy Land Foundation board member, and Basman El-Ashi, a former president of the Islamic Association for Palestine.

The Israeli government alleges that Mr. Marzook is actually the military leader of Hamas and thus is involved in planning and financing the group's terrorist operations. It has filed bank records and confessions from alleged Hamas activities to support the claim.

Israeli officials allege that Mr. Marzook and Ismail Elbarasse, a former board member of the Islamic Association for Palestine's parent organization, funneled hundreds of thousands of dollars from U.S. banks to fund Hamas terrorism. Mr. Elbarasse and Mr. Marzook are friends and formerly were business partners.

Hamas—an Arabic acronym for Islamic Resistance Movement—was founded near the start of the intifada, a Palestinian uprising against Israeli occupation of the West Bank and Gaza. Hamas' goal is the destruction of Israel and establishment of an Islamic state.

The government of Israel and the Anti-Defamation League of B'nai B'rith have alleged that the two Richardson-based groups are part of the "command and control structure" of Hamas in the United States.

CHARGES ECHOED

Those charges have been echoed by two pro-Israel members of Congress, former FBI counterterrorism chief Oliver "Buck" Revell and in an award-winning and controversial documentary, Jihad in America, produced by journalist Steven Emerson.

U.S. Rep. Nita Lowey, D-N.Y., asked the IRS last month to revoke the Holy Land Foundation's tax-exempt status because of what she termed its support for Hamas terrorism.

Officials of the Islamic Association for Palestine and Holy Land Foundation say they want peace between Israel and the Palestinian people and that they deplore the killing of innocent people.

They admit sympathy with the Hamas cause of establishing a Palestinian state and share its opposition to the Israeli-PLO peace accord. But they argue that they are being demonized by Zionists to halt aid to and information about Palestinian Muslims.

"We've been targeted because we are very visible," said Mr. Baker, a co-founder of the Holy Land Foundation. "We are the only one focused on the needs of the Palestinian people."

Ghassan El-Ashi, another Holy Land Foundation co-founder and an incorporator of the Islamic Association for Palestine, branded the accusations "guilt by association." He called materials purporting to show links between the two nonprofit groups and Hamas "very old and shoddy."

Mr. El-Ashi said family ties to Mr. Marzook do not mean they share the same politics. Among Palestinians, he said, members of the same family ware often split among political factions.

RECORDS, INTERVIEWS

The Dallas Morning News examined court filings, business records and materials produced by the Islamic Association for Palestine and Holy Land Foundation since 1987, when Hamas was formed.

The newspaper also interviewed law enforcement officers, Middle Eastern scholars and high-ranking officials of the two nonprofit organizations.

The examination revealed two close-knit groups that often work together. The Islamic Association for Palestine, which describes itself as an information center, and the Holy Land Foundation, which raises money for Islamic charitable causes, have become prominent in the American Muslim community.

Islamic Association for Palestine publications state that the group was formed in 1981, six years before Hamas began in Gaza.

Osama Abdul, vice chairman of the association, said the group was started by students at universities around the United States.

The organization also says that it supplies information about the Palestinian cause by publishing newspapers and sponsoring conferences. The group has a home page on the Internet.

Al-Zaitonah (The Olive), an Arabic newspaper published by the Islamic Association for Palestine, is considered in Israel to be "the Hamas paper," said Israeli journalist Roni Shaked, author of a 1993 book on Hamas.

An issue dated March 16, 1995, carried an ad for a book entitled Jews Behind Every Crime and repeated a rhyme about carrying the Palestinian fight from the hotels—that is, diplomatic talks—to the trenches. A 1990 issue of another association publication printed song lyrics praising Hamas as "the conscience of the country" and "iron in the face of the Jews." The Islamic Association for Palestine has since ceased to publish the quarterly called Ila Falastin, Arabic for Toward Palestine.

Cartoons depicted a mosque with its minaret replaced by a Kalashnikov assault rifle and a map of the United States drawn as a target pierced with arrows.

A Palestinian-American convicted in Israel of aiding Hamas terrorism told police that both Islamic Association for Palestine papers were "published by Hamas activists." Hamas pamphlets are distributed in the occupied territories by enclosing them with Al-Zaitonah, he said.

HAMAS' MOTTO

The charter of Hamas was printed by the Islamic Association for Palestine, complete with the organization's name and local post office box address. The charter includes Hamas' motto, which lists "jihad as its methodology and death for the sake of Allah is its most coveted desire."

"There is no solution to the Palestinian Problem except by Jihad," the charter says. It refers to jihad as carrying weapons and confronting the enemy, providing equipment to the fighter and looking after his family.

Mr. Abdul said he did not know that the association had published the Hamas charter. But any Hamas statements published by the association "were published for information purposes only" because "everybody was asking about this organization," he said.

The Islamic Association for Palestine, he said, does not endorse the killing of innocent civilians.

"We as IAP, we don't feel happy when someone is killed," he said. News of the four suicide bombings that were carried out in Israel between Feb. 25 and March 4, claiming 58 lives, "worried us because we knew 2 million Palestinians will be punished" for them.

But audience members at the December 1989 conference of the Islamic Association for Palestine shouted "Allahu Akbar" ("God is great") when the masked Hamas spokesman talked about an ocean of blood.

In a videotape of the conference, Yaser Bushnaq, a Dallas resident who was then president of the Islamic Association for Palestine, welcomed participants. A Hamas banner draped a table, from which one speaker after another praised Hamas. The conference was named after Abdulla Azzam, considered a Hamas martyr.

Ahmed Al Qattan, a militant cleric from Kuwait, said Hamas "made the Jews shiver in fear." He led a chant that said, in part, "Long live Hamas. . . . Now the stone will be replaced by the Kalashnikov."

Mr. Abdul insists that the association was not endorsing Hamas terrorism by organizing the 1989 conference. At that time, "every Palestinian was emotionally involved with the intifada . . . . If you talked to people about anything else, they would just leave you," he said.

ATTACK RE-ENACTED

Mr. Emerson, the documentary producer, supplied another videotape that he described as a Hamas training video. It depicts men with assault rifles re-enacting an attack on a Jewish factory.

In another scene, rifle bullets spell out "Hamas" in Arabic characters. the opening frames carry the logo of Aqsa Vision Audio Visual Production. The association's Richardson telephone number is provided at the end for ordering copies.

Mr. Abdul called Aqsa Vision "the sales department of IAP," selling items with the association's logo or slogans. He said Aqse Vision "does not produce any tapes."

He called the alleged training video "a professional cut-and-paste job" by Mr. Emerson, whom he and Muslim leaders around the country have denounced as pro-Zionist.

Mr. Emerson's 1994 documentary drew national attention to the Islamic Association for Palestine and the Holy Land Foundation. He alleged that the two organizations were part of a radical Islamic network operating within the United States.

The recent bombings by Hamas in Israel have renewed that attention, as has Israel's effort to extradite Mr. Marzook from the United States to put him on trial for terrorism. He remains in jail in New York while the extradition case is being decided.

Israel says that Mr. Marzook, a former resident of Ruston, La., is actually Hamas' military leader. He has said that he knew nothing of Hamas' military actions and is fighting extradition.

Thick volumes of records filed by Israel in the case contain extensive statements by Muhammad Salah, a Chicago-area used-car dealer who confessed to being a Hamas agent. His statements, made in early 1993, fueled Israeli charges of Hamas activism in the United States.

Mr. Salah told Israeli investigators that Mr. Marzook sent him and another Hamas leader in London to reorganize Hamas operations and distribute funds to Hamas activists in the Occupied Territories.

CONFESSION RECANTED

Last year, Mr. Salah was convicted of aiding Hamas terrorism and sentenced to five years in prison. He later recanted his confession, insisting the statements were coerced through abuse and torture.

Statements by Mr. Salah and other alleged Hamas activists described attacks on Israeli soldiers and civilians. They also trace more than $200,000 provided for guns and terrorists action to a U.S. bank account.

The account, at a bank in McLean, Va., was held jointly by Mr. Marzook and Mr. Elbarasse, a former board member of the American Middle Eastern League for Palestine, an Islamic Association for Palestine parent organization.

Stanley Cohen, a New York attorney for Mr. Marzook, said it was Mr. Elbarasse who transferred $735,000 to Mr. Salah's Chicago bank account.

Mr. Salah then had $200,000 transferred to him in Israel, bank records show. When Mr. Salah was arrested, $97,000 in cash was also confiscated.

Mr. Cohen said the money did not belong to his client. Mr. Marzook did not know it had been sent to Mr. Salah, the attorney said, nor did Mr. Marzook direct how Mr. Salah should spend the funds.

A man at Mr. Elbarasse's home in Falls Church, Va., hung up the phone when a reporter asked to speak to Mr. Elbarasse.

Several current and former association officials are helping Mr. Marzook with his legal troubles. Mr. Bushnaq, the former association president, is one of two signatories on the Marzook legal defense fund, Mr. Cohen said.

Rafiq Jaber and Sabri Ibrahim, current president and vice president, respectively, of the Islamic Association for Palestine, say they also are assisting with Mr. Marzook's defense by circulating petitions and encouraging contributions. Both live in the Chicago area, where the association is planning to move its headquarters.

Mr. Marzook is also a key link between Hamas and the Holy Land Foundation, one of the largest U.S. fund-raisers for Islamic charitable causes.

Founded as the Occupied Land Fund in California in 1987, the organization renamed itself and moved to Richardson in 1992. Last year the group raised $2.25 million in donations and another $1 million in in-kind contributions, officials said.

TAX RETURNS

According to Holy Land Foundation tax returns, Mr. Marzook contributed $210,000 in 1992. His personal secretary, Nasser Alkhatib, contributed another $22,450. Total contributions for the year were $2 million.

Mr. Baker, the foundation's executive director, remembered Mr. Marzook making the contribution after an Islamic conference in Kansas City.

He cited the donation as proof that there is no secret relationship between Mr. Marzook and the foundation. Mr. Marzook knew his contribution would be reported, Mr. Baker said.

At the time, Mr. Baker said, Mr. Marzook had not stated publicly that he was a leader of Hamas.

"We'll take any money if it's legal," the Holy Land Foundation director said.

Mr. Marzook, through his attorney, denied making the contribution. Mr. Cohen said the donation came from Mr. Elbarasse.

"I'm saying that transaction was from the joint account and had nothing to do with Mr. Marzook," he said. "I'm sorry. Mousa Marzook did not donate $210,000 to them."

Mr. Cohen acknowledged that Mr. Marzook's wife, Nadia, invested $250,000 in 1993 in InfoCom Corp., a Richardson computer company run by her cousin, Bayan El-Ashi. Mr. El-Ashi is the brother of Ghassan El-Ashi, the foundation's treasurer and InfoCom's international marketing director.

Ghassan El-Ashi declined to discuss whether Mrs. Marzook was an investor in InfoCom, and he referred questions to Mr. Cohen.

There is an even stronger link between Hamas and the Holy Land Foundation than Mr. Marzook—one which Mr. Baker and Ghassan El-Ashi readily admit and defend.

The Holy Land Foundation provides grants to schools, clinics, mosques and other social service organizations in the Middle East and elsewhere to meet Muslim humanitarian needs.

Publications say the Holy Land Foundation raises money for widows, orphans, the homeless and "families of martyrs." The group boasts it was the first to aid 413 suspected Hamas activists whom Israel deported to Lebanon in 1992.

In Gaza and the West Bank, Middle East experts say, Hamas is widely regarded as one of the largest and most efficient providers of social services. The Holy Land Foundation helps supports some of those Hamas institutions.

HAMAS BASTION

The Islamic University of Gaza is listed by the foundation as one recipient. It is known as a Hamas bastion; Mr. Marzook was one of its founders.

Mr. Baker said the Holy Land Foundation does not care about the political leanings of the people whose programs it funds. "Our humanitarian work is not colored by political reality in that area," he said.

Mr. Abdul of the Islamic Association for Palestine denied that Hamas operates social service agencies—that is a Zionist mischaracterization, he said.

Dr. Philip Mattar, executive director of the Institute for Palestine Studies in Washington, said Hamas' social service system is undeniable.

"Hamas does run social and health services in the West Bank."

There's no doubt about it," he said. "Most of their money goes to running those services. But they benefit enormously in that it generates an enormous amount of good will, especially in underdeveloped areas."

In many such organizations in the Middle East, accusations of corruption are common. "You won't find too much corruption among Hamas organizations," Dr. Mattar said. "They are quite puritanical."

Another recipient of Holy Land Foundation funds was an Islamic school operated by Jamil Hamami. Mr. Hamami, who has been called a Hamas leader by Israel, has been detained several times. His Faith School is one of the most respected in the West Bank, Mr. Baker said.

Since the bombings began in March, Israeli authorities have shut down many Muslim charities because of suspected Hamas ties. Among those closed was the Holy Land Foundation's Jerusalem office.

"Yes, that was because they are claiming we have Hamas ties," Mr. Baker said. He called Israel's action "a political move" that the foundation is challenging in Israeli court.

Ms. Lowey, the congresswoman who is seeking to revoke the foundation's tax-exempt status, contended that the Holy Land Foundation's aid to Hamas-run charities and deportees is proof of the foundation's support for terrorism.

"If you're raising money for Hamas activists, you're raising money for Hamas," she said in a statement.

MONEY NOT TRACED

Vince Cannistraro, a former CIA counterterrorism chief, said U.S. officials have not been able to trace money raised by Muslim charities in the United States to Middle East terrorism. But he said contributions to the Hamas social service network can benefit its military operations.

"You can give money to a specific hospital in Gaza, for example, and that money will go there," he said. "And if that money is controlled by Hamas, that frees up money that can go for bad things."

Mr. Baker said the Holy Land Foundation is considering a fund-raising campaign to rebuild houses for families of suicide bombers. The Israeli government has demolished more than 100 such homes, he said.

The demolitions are against international law because they are "collective punishment" aimed at a large group of people rather than at specific individuals convicted of crimes, he said.

"My obligation as a humanitarian is to go there and rebuild those houses," he said. "I don't want the rest of the children to go and blow themselves up because they see the world is full of injustice."

Mr. Baker, who has spent half his life in the West and whose mother is Christian, said he believes Israel has a right to exist.

He said Israel's Zionist government should put aside its bigotry and permit Palestinians to have a country, too.

"A lot of good Jews are doing wonderful things in this country and everywhere. They do not deserve my anger or hate," he said. "A lot of bad Muslims are doing bad things. They deserve my frustration.

"But if you want to . . . base all your positions and attitudes in this life on religion or ethnicity or political backgrounds, you're doomed to be a failure."

TRIBUTE TO S. GOLDBERG & CO., INC.

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TORRICELLI. Mr. Speaker, I rise before the House today to honor a very special company. S. Goldberg & Co., Inc., rose from humble beginnings in 1896 to a position of prominence in the international business world. This month they will celebrate 100 years of business, an achievement I hope my colleagues will join me in recognizing.

Samual Goldberg first begin making slippers in a tiny shop in New York City's lower east side in 1896, before moving to Hackensack, NJ, the company's present home. After Samuel's death in 1935, his son, Sidney, took over the business and began preparing his two sons, Roy and Stan, to eventually run the company. Thanks in large part to Roy and Stan's present leadership, S. Goldberg employs 450 people and has facilities in Bogota, NJ, and Hong Kong. This truly exemplifies the American dream, as S. Goldberg has achieved success through hard work and perseverance.

This company is a leader in the footwear industry because it creates and markets innovative, high-quality footwear that is value priced for its consumers. Equally as important is S. Goldberg's strong commitment to domestic facilities and its worldwide sourcing capabilities. A true family business, S. Goldberg's dedicated employees have worked for the company for up to 60 years.

Mr. Speaker, S. Goldberg & Co., Inc., is an inspiration to us all and to the international business community. The company serves as evidence that the American dream is alive in Hackensack and is attainable anywhere with hard work and a commitment to quality.

BEST WISHES TO TOBIN R. BOENIG FOR A FULL RECOVERY

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. EDWARDS. Mr. Speaker, I rise today to offer best wishes for a full recovery to Tobin R. Boenig, a remarkable young man from Marion, TX.

I met Toby during the summer of 1994, when he interned in my office. He worked with my staff on numerous projects, including extensive work on agriculture issues. During his brief tenure in my office, Toby earned the respect and admiration of his coworkers through his dedication, responsibility, and hard work.

As a student at Texas A&M University in College Station, TX, Toby involved himself in many campus activities. He participated in the student senate beginning his freshman year, and held the position of academic affairs committee chair, speaker pro tempore, and speaker of the student senate. In addition, Toby served on the College of Agriculture and Life Science student council and was a member of the collegiate FFA. He was also an agrispeaker, speaking throughout the Bryan/College Station area about the importance of agriculture and youth leadership. Toby was awarded the Buck Weirus Spirit Award for his contributions to the Texas A&M student body.

This past academic year, Toby served as the student body president of Texas A&M University, representing over 42,000 students to the Texas A&M administration, former students, and the State and Federal Governments. He graduated cum laude from the College of Agriculture and Life Science in May 1996.

Shortly after graduation, Toby was involved in a tubing accident on the Guadalupe River in Texas, leaving him paralyzed from the neck down. In recent weeks, he has made great progress, regaining some feeling in his arms and legs, and the medical team now hopes for a full recovery through long and intensive physical therapy. During this time, Toby has maintained his positive spirit and enthusiasm for which he is known by family and friends.

Mr. Speaker, on behalf of this body of legislators, I would like to send best wishes to Tobin R. Boenig for a speedy and full recovery. He is an extraordinary young man and is an inspiration to us all. Good luck, Toby.

TRIBUTE TO DUNCAN H. KESTER

HON. ZOE LOFGREN

OF CALIFORNIA

in the house of representatives

Thursday, June 13, 1996

Ms. LOFGREN. Mr. Speaker, it is with pleasure that I rise today to pay special tribute to Duncan H. Kester, the standing chapter 13 trustee for division 5 of the northern district of California—counties of Santa Clara, Santa Cruz, San Benito, and Monterey—on his retirement, effective June 30, 1996, after 29 years of service in that capacity.

Mr. Kester served with the U.S. Army Air Force in World War II as a flight officer-navigator, second lieutenant. After the war, he married Marvis Horgan on February 16, 1946. He is the father of four children, two daughters, and twin sons, and is also a grandfather.

In July 1967, Duncan Kester was appointed to serve as the first chapter XIII trustee in the newly created area 2 commercial district of the northern district of California consisting of the counties of Marin, San Francisco, San Mateo, Santa Clara, Santa Cruz, San Benito, and Monterey by the bankruptcy referees at the direction of the judges of the northern district of California. After the bankruptcy code was adopted in 1978, Mr. Kester became the standing chapter 13 trustee for divisions 3 and 5 of the northern district of California, consisting of the counties of San Francisco, San Mateo, Santa Clara, Santa Cruz, San Benito, and Monterey. After the implementation of the United States Trustee Program, Mr. Kester continued his chapter 13 trusteeship with his appointment by the new United States trustee for region 17.

Mr. Kester served as a leader holding a number of offices with the National Association of Chapter Thirteen Trustees [NACTT], including serving as president of that organization in 1975–76. He has appeared frequently as a lecturer at educational seminars before creditors, attorneys, business education students, and commercial associations.

During his long and illustrious tenure as a trustee, Mr. Kester has administered approximately 100,000 cases through which roughly one-half billion dollars was paid by debtors to creditors. Through his office, thousands of debtors have been able to save their homes and property by restructuring their finances in chapter 13 plans. In addition, thousands of small business men and women have been able to continue operating their restructured companies and maintain the employment of their workers by filing chapter 13 plans.

Mr. Kester, known as "Duke" and "Mr. K," to his friends and colleagues, has earned the respect and affection of debtors, creditors, attorneys, and judges, and his employees.

I am proud to have the honor to offer Duncan H. Kester my sincere thanks and gratitude for his many years of exemplary service to our community and ask that my colleagues join me in wishing him a happy retirement.

ENVIRONMENTAL IMPROVEMENT TIMBER CONTRACT EXTENSION ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. YOUNG of Alaska. Mr. Speaker, today I rise to introduce a bill to extend by 15 years the only remaining long-term contract for timber on the Tongass National Forest. The extension was requested by the both Houses of the Alaska State Legislature. It is supported by Alaska's Governor. Democrats and Republicans in Alaska are behind the 15 year extension.

Some may remember that there were two long-term timber contracts when this House last passed the Tongass Timber Reform Act. There should be two contracts, but at the urging of environmental extremists, the Clinton administration breached one and canceled it in 1994.

This bill is not the ultimate answer to the problems of the Tongass, problems with which this body has dealt too often.

Many may know that I introduced a bill last year that could give power and control over the Tongass to the State of Alaska, but the bill I introduce today is no substitute for H.R. 2413. Ultimately, the Federal political process, Federal bureaucrats, and Federal actions are no way to guide the management of treasures like the Tongass.

Indeed, the fact that I even need to introduce a bill to again attempt a Federal solution for the Tongass—just 5 years after the last Federal legislative solution—is evidence that the State of Alaska by its laws and policies should own and manage the Tongass.

I want to be clear. This bill has nothing to do with expanding clearcutting on the

Tongass. The only lands subject to harvesting are those left in the timber base after the past wilderness withdrawals form past acts of Congress. This has nothing to do with the public financing of environmental improvements. The company will finance the improvements itself based on the extended contract. This contract extension is corporate workfare with a fair return to the taxpayers.

The bill I introduce today is needed because the 1990 Tongass Timber Reform Act, which was passed and signed over my objection, has failed. It failed because 42 percent of the timber economy that was not supposed to diminish after the 1990 act is gone from the Tongass. The remainder of the timber economy—at one time over 4,000 strong—is just hanging on.

With its command and control approach to Federal land management decisions, Washington, DC, has failed Alaskans and those in other States. It has failed because the promise of the land base to support timber has been eroded by administrative action, laws, and lawsuits. The latest administrative proposal is to withdraw an additional 600,000 acres from the land available for timber harvesting. That means more land withdrawn by that single administrative action than has been harvested in the Tongass since 1909. There have been so many failures by the Federal Government regarding laws and decisions on the Tongass and the 75,000 people who live there are tired of it.

One of the most grave Federal failures resulted from the unilateral timber contract modifications—over the objections of contract holders—ordered by the 1990 Tongass Timber Reform Act. While there is a deep history attached to the long-term contracts in the Tongass, overnight the Federal Government just changed the contract at its whim. It was not because of any environmental or ecological reason. It was with arrogance and the design to stop the very small amount of timber harvesting in the largest national forest.

That was one of several decisions forced onto the Federal Forest Service and is a primary reason that the Alaska Pulp Corp. wanted to begin retooling its facility in Sitka. After they began doing so, their long-term contract was canceled under orders from the Department. It was a blatantly political decision and will end up costing the Federal Government millions of dollars.

The other long-term contract holder, the Ketchikan Pulp Corp. now barely survives with the unfair changes unilaterally inserted into its contract by the 1990 Tongass Timber Reform Act. The company has about 8 years remaining on its contract, but is facing several business options. The company has indicated a willingness to invest substantial resources—upwards of $200 million—to install environmental improvements to the plant and make it more energy efficient. Amortizing that investment requires a 15-year extension to their existing contract.

The 15-year extension is the first feature of my bill. The remaining parts of the bill attempt to improve the fairness of the contract provisions that were unilaterally changed under the 1990 Tongass Timber Reform Act. One provision requires a harvest plan which details the volume of timber and its location. Another provision requires normal independent appraisals and competitive rates for timber. Another provision concerns proportionality of harvests and includes a new criteria—acreage—by which proportionality is measured. Other provisions remove the termination clause and specifically allow conversion or replacement of the pulp mill with a similar facility. A final provision says that future modifications of the contract must be by mutual agreement.

I remind critics of logging on the Tongass that this bill has nothing to do with changing wilderness or LUD II designations. This bill has nothing to do with removing stream buffer protection. This bill has nothing to do with restoring the Tongass timber supply fund. This bill has nothing to do with any other part of the Tongass Timber Reform Act. Some may wish it did change those parts of the unfair law, but it does not.

This bill concerns fairness. It concerns restoring a viable long-term contract and extending its term. Before passage of the 1990 Tongass Timber Reform Act, nearly every environmental interest emphasized that timber harvesting and timber employment would not be affected if the Tongass law was reformed. I regret to say that those who made the representations have forgotten that they promised peace in the valley. The bill I introduce today does the least possible to address one issue that might make peace in the valley.

The timber economy has faltered in the Tongass. Not because it is inefficient, but because the law agreed to by powers in Washington, DC, doomed the timber economy. Passage of this bill means hope to those in Ketchikan and throughout Southeast. It means hope because an extended, viable timber contract will result in a clearer chlorine-free mill with improved energy efficiency. It means hope because it means jobs. Jobs and a cleaner environment means a good future for the timber resource industry in the Tongass.

An additional point is worth mentioning. There were allegations of timber theft by the company holding the long-term contract on the Tongass. My staff checked this report. They were told by the FBI that there is no planned or existing investigation of the company for timber theft. Nothing, according to the FBI after having visited the Tongass, has prompted the Bureau to even initiate a preliminary or full-fledged investigation of criminal timber.

I look forward to working with my colleagues on the House Agriculture Committee to advance this piece of legislation.

AMEND THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. MANZULLO. Mr. Speaker, today I am introducing legislation that would amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that families of police and fire chaplains killed in the line of duty will receive well-deserved death benefits. I introduced this legislation in the previous Congress. It passed the House as an amendment to the omnibus crime bill but was taken out during the conference between the House and Senate negotiators. Thankfully, it is a rare occurrence when a fire of police chaplain loses his life in the line of duty. However, if such a tragedy does occur, the families of these courageous men and women will not be left out in the cold. These unsung heroes will have the assurance of knowing that their loved ones will be taken care of.

Unfortunately, Mr. Speaker, a rare occurrence did take place on June 18, 1994, when Los Angeles County Police Chaplain Bruce Michael Bryan was killed. Chaplain Bryan was an officially recognized and trained police chaplain. The night he was killed, he accompanied a sheriff's deputy on a routine call to a bar. The deputy first detained and subsequently drove home an intoxicated individual. Apparently, the individual believed he was under arrest, panicked and wrestled the deputy's gun free. The detained shot the deputy, did not kill him, and proceeded to chase Chaplain Bryan before shooting him three times in the head execution style.

Chaplain Bryan was a volunteer chaplain based out at the Carson Sheriff's substation. He was certified as their official chaplain and would hold Sunday morning services for the other officers. Yet, his record of public service was not only that of a police chaplain. He was very involved in his local church and also established and operated New Heart Ministries which offers continuing help and rehabilitation to former criminals starting new lives outside incarceration.

It is on behalf of all police and fire chaplain that I introduce this legislation today. In the memory and honor of Chaplain Bryan, I have titled the legislation the "Bruce M. Bryan Police and Fire Chaplain Public Safety Officers's Benefit Act of 1996". It is my sincere hope that Congress will pass this important and necessary piece of legislation.

Police and fire chaplains are often called upon to confront dangerous circumstances. For example, they may be counted upon to participate in situations where criminals are holding hostages, drive an ambulance if needed, or even pick-up a fire ax to combat a deadly fire. These men and women to to work every day and perform their duties diligently and quietly, responding to the same crime and fire scenes that their colleagues do.

I would like to take this opportunity to ask my colleagues that they join me in cosponsoring this legislation which would compensate the families of police and fire chaplains who, while in the line of duty, could pay the ultimate price possible for doing their job. This bill amends the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that police and fire chaplains killed in the line of duty receive federal death benefits.

I ask unanimous consent that this letter from Fateher William Wentink, police chaplain for the Rockford, IL, Police Department and the Illinois State Police, be inserted here as part of the RECORD.

ROCKFORD POLICE DEPARTMENT,
SAINT ANTHONY MEDICAL CENTER,
Rockford, IL, May 17, 1996.
Congressman DONALD A. MANZULLO,
Cannon House Office Building,
Washington, DC.

DEAR CONGRESSMAN MANZULLO, for over a quarter of a century I have served as Chaplain for the Rockford Police Department. I am also Chaplain for the Illinois State Police and the Federal Bureau of Investigation. The City of Rockford Police Department has approximately 30 Police Chaplains. There is a Chaplain on duty 24 hours a day every day of the year. These are all volunteer positions. Our Chaplains are involved in many areas of Police work. This includes helping people who need a place to stay, food or medicine. We also talk with people who might be lonely or suicidal. We are also involved in death situations. Our Chaplains are on the scenes of major disturbances and incidents in our city.

More and more Law Enforcement Agencies are utilizing the expertise and professionalism of Police Chaplains. Estimates are that between 25% and 50% of the 17,000 Law Enforcement agencies in our Country have Police Chaplains on staff. Approximately 1,200 of these Police Chaplains belong to the International Conference of Police Chaplains. Of these 1,200 Police Chaplains over 93% are volunteer. They offer their time, talents, and service to the citizens of their communities.

In the United States there are over 100 Police Officers killed in the line of duty each year. There is a Federal death benefit of over $100,000.00 that goes to the estate of a Police Officer whose life is taken in the performance of duty. I am asking if it would be possible to include Police Chaplains in this benefit. Although most are volunteer, they are officially appointed to their Departments and carry out their obligations and duties under the command and direction of the head of the agency.

Thank you for your consideration and efforts in this important matter.

Very truly yours,
REV. WILLIAM R. WENTINK,
Chaplain.

CITY OF GARDEN GROVE'S 40TH ANNIVERSARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. DORNAN. Mr. Speaker, I would like to take this opportunity to congratulate the beautiful city of Garden Grove, my home town, for celebrating its 40th anniversary on June 18.

Dr. Alonzo Cook, who is recognized as Garden Grove's founding father, would be so proud of the beauty and growth of this unique, southern California city. Since its incorporation on June 18, 1956, when services were formally coordinated to accommodate the booming population, Cook's pioneer spirit continues to be a part of life for Garden Grove and its citizens.

Originally a land of dry desert and no vegetation, Alonzo Cook had a vision to create a community filled with beautiful gardens for families to raise their children and individuals to support themselves. What has transpired since that time has been remarkable. Despite a devastating flood of the Santa Ana River in 1916 and a tragic earthquake in 1933, residents jointed in spirit and labor to see to it that Garden Grove continued its mission of creating and expanding the city's economic and social opportunities. And that trend continues today. At the time of the 1960 census, Garden Grove had a population of nearly 44,000. Today, the population is more than 140,000. That makes Garden Grove the fourth largest city in Orange County and the 17th largest in the State of California, a true testament to its attractive nature.

Today, Garden Grove remains a dynamic and thriving city with a strong sense of its roots based on a truly distinctive history. And due to its central geographic location within Orange County, one of the most economically robust areas in California, Garden Grove has become an ideal environment for family living, commercial enterprises, and recreation. It is just what Alonzo Cook envisioned.

Mr. Speaker, I'm so proud to be a resident of this city. Happy anniversary, Garden Grove.

TRIBUTE TO LT. PATRICK BOLAND

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. SPENCE. Mr. Speaker, I rise today to recognize Lt. Patrick Boland, a very determined young man, whose dauntless persistence and dedication have enabled him to reach a significant milestone in his life. Lieutenant Boland set a goal for himself, to serve our Nation as a pilot in the U.S. Air Force, and he has worked tirelessly to achieve that goal.

After earning a bachelor of science degree from Clarkson University in 1992, Patrick Boland enrolled in the master of aerospace engineering program at the Georgia Institute of Technology, and joined the Air Force Reserve Officers' Training Corps [AFROTC] in 1994. He received the Superior Performance Award in 1995, based on the leadership abilities that he demonstrated during his field training that summer. He also was chosen to be the leader of a newly formed Civil Air Patrol squadron. In the fall of 1995, he was selected for a pilot slot and was appointed to the highly selective Euro-NATO Joint Pilot Training Program, where he rose to the top of his class and was designated as a distinguished graduate. Last Friday, Patrick Boland received the last Regular Air Force commission from the Georgia Institute of Technology AFROTC program, while also receiving the master of aerospace engineering degree.

Lieutenant Boland is to be commended on his accomplishments. I would like to wish him much success as he dedicates himself to the service of our country as a pilot in the U.S. Air Force.

MINIMUM WAGE INCREASE

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. MARTINEZ. Mr. Speaker, in all of arguments we have heard against raising the minimum wage, an essential point is lost. In 1938, the Fair labor Standards Act established the minimum wage to help maintain a "minimum standard of living necessary for health, efficiency and general well-being of workers." Today's minimum wage fails to meet that standard.

Since the minimum wage was last increased in 1991, the cost of living has risen 53.5 percent. If it is to have the buying power it had in the 1960's, it would have to jump immediately to $5.65. And if it is left at the current level of $4.25, the minimum wage will reach a 40-year low, when adjusted for inflation, in January 1997.

All the debate about what economists have said is useless when you consider that they do not agree among themselves about the effect of an increase in the minimum wage. Several of their studies have resulted in distinctly opposite conclusions of what an increase will do to the economy and employment. What we must weigh in making this decision are the personal benefits such a move will have on individuals who are earning the current minimum wage.

As many of the religious organizations have attested in their calls for an increase, this is a matter of social and economic justice. No one can deny that those earning the minimum wage, particularly in those families where the sole wage earner only receives the minimum, are faced with severe economic hardship. And in a time when we are trying to promote independence and self-sufficiency, rather than reliance on the public dole, raising the minimum wage makes sense.

Raising the minimum wage will not prove to be such a hardship for many American companies. According to *Business Week* figures, corporate profits increased 75 percent and annual CEO pay increased 92 percent from 1990 to 1995. Productivity is on the rise. Nevertheless, the average hourly wages for the 82 percent of the workforce that are production or supervisory workers have steadily declined since 1979. Workers are simply not being paid at a rate that corresponds to their rising output, and it is time for corporations to reverse this trend.

For those who would argue that small businesses would be the ones that would truly suffer from an increase in the minimum wage, we have already passed the Small Business Tax Relief Act, which will be linked to this increase. In this bill, we alleviate some of the regulatory and financial burdens placed on these businesses, so they can devote more resources to their employees.

As this debate continues, we will see that for every argument, there is a counter argument. Let's just return to the basics and accept what even many Republicans have accepted, that humaneness calls upon us to raise the minimum wage again. Let's stop quibbling about how many teenagers, how many single mothers, how many sole household earners will be affected from an increase. Let us raise the minimum because it is the right thing to do; because 80 percent of the American people believe an increase is warranted; because we must re-establish a minimum wage that provides a "minimum standard of living necessary for health, efficiency and general well-being of workers."

TRIBUTE TO THE KALAMAZOO CENTRAL HIGH SCHOOL MOCK TRIAL TEAM

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. UPTON. Mr. Speaker, I rise today to urge my colleagues to join with me in congratulating the Kalamazoo Central High School Mock Trial Team. They defeated 37 other teams to earn the National High School Mock Trial Championship held recently in Pittsburgh, PA.

Mr. Speaker, please join me in congratulating students Andrew Fink, Joelle Renstrom, Linnaea Eberts, Ursula McTaggart, Aida Hussen, Ghislaine Storr, Jordan Klepper, Aash Bhatt Sonya Datta-Sandhu, Nichk Dybek, and Coach Sherry Myers, Assistant Coach Keith Platte, and Legal Coach Kurt McCamman.

These students worked hard in preparation for this important event. Their many hours of commitment, practice and dedication stand as an inspiration to us all. I am confident that we will continue to hear great things about these students. We are counting on them to provide this Nation with the leadership that will carry us into the next century.

This accomplishment not only says a lot about the student, it also speaks well for the Kalamazoo Public School System and the many quality people there that are truly making a difference.

Again, Mr. Speaker, congratulations to Kalamazoo Central High School Mock Trial Team, winner of this year's national championship.

INTRODUCTION OF RESOLUTION PROMOTING DEMOCRACY THROUGH THE INTERNET

HON. RICK WHITE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. WHITE. Mr. Speaker, today, I join with my good friend and colleague from Virginia in introducing a resolution calling on Congress to use the Internet to provide constituents with more access to government information; communicate with constituents through electronic mail, and work with the net community to get input on issues affecting the Internet.

Yesterday, a three-judge panel of the U.S. District Court for the Eastern District of Pennsylvania granted a preliminary injunction against enforcement of the Communications Decency Act, on the grounds of constitutionality. The main reason this act was found unconstitutional is because Congress didn't understand what the Internet is all about. We tried to apply the indecency standard—a rule developed for television—to the Internet, which is a very different medium. If we want to avoid such problems in the future, Congress is going to have to learn what the Internet is all about.

But the drive behind this resolution goes further than educating Congress about the Internet—it fulfills our promise to make Congress more accessible to the American people.

The Internet is a powerful new medium that is growing by leaps and bounds. Each day more and more people are logging onto the Net to get information. As more people use the Internet as a way to communicate, do business, and educate our children, we in Congress need to make sure that we are using this new medium as a way to communicate with our constituents. By posting committee reports, voting records, and other documents on the Internet we will give the public access to the same information we in Congress have.

Next year, Congress will go back to the drawing board to rewrite the CDA. When that time comes, I am optimistic that a more educated Congress will develop a solution that protects our children and protects our free speech.

Until that time, it is important to get more Members of Congress involved in Internet issues. That is why this resolution is so important. This resolution will require that Members of Congress go on record to show their commitment to learning about, and using, the Internet.

"WOULD"

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. JACOBS. Mr. Speaker, let's get rid of the dead WOULD.

A strange practice has crept in to discourse on the floor of the U.S. House. Members are beginning to use the subjunctive where it simply does not apply. One hears, "I WOULD yield 5 minutes to—."

"I WOULD"? I WOULD if what?

And of course, parliamentary rules require that a Member address the Chair, not "Ladies and Gentlemen."

While we are at it, I believe that recorded votes are requested in the Committee of the Whole and the yeas and nays are requested in the formal sessions of the House.

KIP TIERNAN TO BE HONORED ON HER 70TH BIRTHDAY FOR HER MANY ACHIEVEMENTS

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. KENNEDY of Massachusetts. Mr. Speaker, on Friday, June 21, 1996, the people of Boston are holding a truly momentous event. The purpose of the event is to honor a woman who has been at the forefront of the struggle for equal rights for all people. This party, to celebrate the 70th birthday of Kip Tiernan, is a recognition of the woman and her many great achievements throughout her life. Kip has valiantly fought for the rights of the poor and disenfranchised in our society, from the founding of Rosie's Place in 1974 to her continued work as a adjunct professor of ethical policy at the University of Massachusetts. Her work has reached far and touched many and that is why we have all come together to honor this truly extraordinary woman.

Rosie's Place was created by Kip in response to a need for a place where poor and homeless women could go to find food, shelter, and support in their time of need. The continued work and dedication Kip has given to this, the first such shelter of its kind in the United States, has allowed it to evolve into a place where women could not only find immediate food and shelter, but also long-term aid through permanent housing and education programs. The achievements of Rosie's Place, in addition to her part in founding the Boston Food Bank, the Boston Women's Fund, Health Care for the Homeless and Community Works mark Kip as a true champion of the poor.

It is an honor and a privilege to be able to lend my thoughts and sentiments to this celebration of Kip Tiernan. Her life and work and the aid she has been able to give to so many people should serve as an example to us all. Her life was, and continues to be, an influential one, unselfishly dedicated to helping others. Let us celebrate on this day a great woman who has done so much for so many.

UNITED STATES-INDIA RELATIONS: THE NEED FOR UNITED STATES AID

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. LEVIN. Mr. Speaker, I rise today to discuss the current status of United States-India relations.

Over the past decade the relationship between our countries has been increasingly positive. United States trade and business investments in India have grown to an all-time high. This growth should continue, for India recently reaffirmed its commitment to democracy by conducting the largest democratic election in history. Over 65 percent of India's 640 million eligible voters participated in the election.

At such a time, with so many positive developments, it is a serious misreading of history for us to even consider freezing aid to India, as some are now proposing. I urge those who are so inclined to listen to the warnings of Ambassador Frank Wisner, senior career ambassador to India, who recently said India would view such an attempt by Congress to be "a very negative message."

Undeniably, there have been human rights abuses in India in years past. But progress in this area is being made, as reflected most dramatically by the election results in Punjab Province. There, the ruling party which allegedly committed abuses against Muslims was thrown out by a Muslim-leaning party. Another reflection of progress was the decision by both the State Department and the United Nations to commend India for its recent resolution of human rights problems. These are trends to be encouraged, not discouraged by denying additional assistance.

In fact, a cutoff of United States developmental assistance would hurt the very people who most need help, hampering the intentions of newly elected Prime Minister Deve Gowda to improve the living conditions of the poorest citizens of India.

Finally, India's geographic position continues to be of great strategic importance in light of recent transactions between China and Pakistan.

For these reasons, and more, I believe those who want to send a symbolic message are jeopardizing our relationship with India and putting at peril United States national security interests in and around that region of the world.

CELEBRITY READ PROGRAM A GREAT SUCCESS

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, I am pleased to have the opportunity to invite my colleagues to join with me in congratulating and thanking the United Way of Essex and West Hudson. The United Way held their annual Celebrity Read Program which encourages inner-city youth to broaden their horizons and have hope for their futures. The program asks adults, both famous and not so famous, to attend classrooms and read passages from their favorite book about the accomplishments of people of color.

This year's program had a phenomenal level of participation, with twice as many reading volunteers as last year. Their words of inspiration touched the lives of more than 10,000 children. Among the more well-known participants were news reporters; Terrie Williams and Reggie Harris and former New York Giants football player, Harry Carson. One of the aspects of the program is that their definition of celebrity includes local business people, entrepreneurs, and everyday citizens from the community. This program makes it possible for individuals to take part in their community, share their wealth of knowledge and experience, and be a source of inspiration to our inner-city youth.

It is wonderful to see that this outstanding program has not just continued but grown since last year. I urge other communities, nationwide, to follow their lead and motivate children with programs such as this one. The Celebrity Read Program is one that should take place in as many cities as possible. I would also like to extend a most sincere thank you to the Celebrity Read Program and to the 400 celebrity readers for taking the time to interact with the leaders of the next generation. We should celebrate children for they are our greatest resource.

Thank you, Mr. Speaker, for allowing me this opportunity to share with my colleagues some of the exciting events that are taking place in the 10th Congressional District of New Jersey to ensure our future.

REMEMBERING ISRAELI MIA'S

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. Speaker, I rise today to ask my colleagues to join me in remembering the Israeli soldiers captured by the Syrians during the 1982 Israeli war with Lebanon.

On June 11, 1982, an Israeli tank unit battled with a Syrian armored unit in the Bekaa Valley in northeastern Lebanon. Sgt. Zachary Baumel, 1st Sgt. Zvi Feldman and Cpl. Yehudah Katz were captured by the Syrians that day. They were identified as the Israeli tank crew, and reported missing in Damascus. The Israeli tank, flying the Syrian and Palestinian flags, was greeted with cheers from bystanders.

Since that terrible day in 1982, the Israeli and United States Governments have been doing their utmost to obtain any possible information about the fate of these missing soldiers, working with the offices of the International Committee of the Red Cross, the United Nations, and other international bodies. According to the Geneva Convention, Syria is responsible for the fates of the Israeli soldiers because the area in Lebanon where the soldiers disappeared was continually controlled by Syria. To this day, despite promises made by the Syrian Government and by the PLO, very little information has been forthcoming about the condition of Zachary Baumel, Zvi Feldman, and Yehudah Katz.

June 11 marked the anniversary of the day that these soldiers were reported missing in action. Fourteen pain-filled years have passed since their families have seen their sons, and still President Assad has not revealed their whereabouts.

One of these missing soldiers, Zachary Baumel, is an American citizen, from my district in Brooklyn, NY. An ardent basketball fan, Zachary began his studies at the Hebrew School of Boro Park. In 1979, he moved to Israel with other family members and continued his education at Yeshivat Hesder, where religious studies are integrated with army service. When the war with Lebanon began, Zachary was completing his military service and was looking forward to attending Hebrew University, where he had been accepted to study psychology. But fate decreed otherwise and on June 11, 1982, he disappeared with Zvi Feldman and Yehudah Katz.

Zachary's parents Yoni and Miriam Baumel have been relentless in their pursuant of information about Zachary and his compatriots. I have worked closely with the Baumels, as well as the Union of Orthodox Jewish Congregations of America and the American Coalition for Missing Israeli Soldiers. These groups have been at the forefront of this pursuit of justice. I want to recognize their good work and ask my colleagues to join me in supporting their efforts. For 14 years, these families have been without their children. Answers are long overdue.

JUNETEENTH CELEBRATION JUNE 21, 1996

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mrs. KENNELLY. Mr. Speaker, I rise to celebrate one of Connecticut's most treasured African-American celebrations to be held in Hartford, CT, on June 21, 1996—the Annual Juneteenth Celebration.

Juneteenth is celebrated traditionally on June 19th and is this Nation's oldest African-American celebration. Originally celebrated in Texas, whereas in 1865 that enslaved Africans were formally notified of their freedom, literally 2½ years after the signing of the Emancipation Proclamation by President Lincoln.

This Texas celebration has become the model to similar events in other States. Held annually at the Wadsworth Atheneum, Juneteenth attracts thousands to the museum and proudly preserves and furthers the rich heritage and traditions of Connecticut's African-Americans. A 2-day celebration, Juneteenth offers a parade, historical perspectives, the Discovering Ellis Ruley exhibition, family day festivities, vibrant musicians, and benefits the Wadsworth Atheneum Amistad Foundation's African-American collection. Viewed by some as one of the Nation's outstanding records of the black experience in America, this 6,000 piece collection illuminates the brilliance of African-American artists and their contributions to American art and culture.

This gala affair is presented jointly by the Wadsworth Atheneum's Amistad Foundation director and curator Deirdre L. Bibby and the 1996 Juneteenth Jubilee Committee. Thanks should be given to all the members of the 1996 Juneteenth Committee, who have worked so hard to make this year's event a wonderful success. Special thanks goes to: 1996 cochairs Barbara Alleyne and Peter Roach, and members Sylvia Alexander, Charles Barrow, Alvin Bingham, Sondra Brittain, Carolyn H. Burney, Kristen Clark, C. Jeanne Costley, Diane Jackson, Ann Jennings, Darlene Leak, Winnie Johnson, Bunny Jones, Alice and Duane Luster, Claire Odoms, Genie Odoms, Loretta Pair, Joyce Peoples, Kelly Pittman, Alyce T. Rawlins, Randolph Ricketts, Sara Roach, Andrea B. Seldon, Tanya Sharpe, Mildred Smith, Marilyn Strong, Carolyn Thomas, Patricia Wiggings, and Alberta Mendenhall.

All Americans are enriched by the African-American experience. The courage, the faith, the fortitude in the face of enormous obstacles, and above all, the dedication to freedom should inspire all of us. The Juneteenth celebration is a joyful and uplifting community event, one that will strengthen our ties to our fellow Americans.

TRIBUTE TO STATE REPRESENTATIVE SHARON L. GIRE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to my good friend and my State representative, Sharon Gire. I am pleased and proud to have Sharon represent the district that I served in the 1970's. Sharon will be honored on Friday, June 14, at the Daughters of Isabella, Queen of the Skies Circle No. 683 annual testimonial dinner in Mount Clemens. This event is held each year to recognize a community leader or outstanding service and to raise funds for charity.

Sharon has always been a strong advocate for victims of domestic abuse and a staunch supporter of children's rights. Her long commitment to children is apparent when you consider her background. She has served as the Macomb area supervisor of the Big Brothers/Big Sisters organization, and was also the program director at the YWCA. As a State legislator, she continues to focus on the immediate concerns of women and children. One of her proudest moments was the development of a 14-bill package aimed at reforming domestic violence laws. Recently, she assisted members of the Macomb Domestic Violence Council with legislation regarding personal protection orders.

Taking an active role in one's community is a responsibility we all share, but few fulfill. Sharon has dedicated much of her life to this endeavor. I deeply admire her strong values and outstanding example of civic involvement. Among the many organizations that she is currently serving are the Clinton Township Goodfellows, Catholic Social Services Advisory Committee, and Citizen's for Better Care. Her time, talents, and energy are appreciated by all of us. I thank Sharon for all her efforts and commend her for her good work.

I applaud the Daughters of Isabella for recognizing Sharon Gire. She has provided outstanding leadership to our community and I know she is proud to be honored by this fine organization. On behalf of the Daughters of Isabella Queen of the Skies Circle No. 683, I urge my colleagues to join me in saluting State Representative Sharon L. Gire.

TRIBUTE TO PIA HARRIS, SAN MARCOS, CA, TEACHER OF THE YEAR

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. CUNNINGHAM. Mr. Speaker, I would like to pay tribute to Mrs. Pia Harris, a teacher at Alvin Dunn Elementary School in my congressional district, who has been named San Marcos, CA, Teacher of the Year.

Excellent education gives our young people a fighting chance at the American dream. Our communities and our country benefit from the work of outstanding teachers. As a former teacher and coach, as a dad, and as chairman of the House Subcommittee on Early Childhood, Youth and Families, I am thankful for Mrs. Harris' work.

I ask that the permanent Record of the Congress of the United States include the following article, from the May 1, 1996, North County Times, in appreciation for the honor bestowed upon Pia Harris by the San Marcos Unified School District.

[From the Northern County Times, May, 1996]

DUNN ELEMENTARY INSTRUCTOR NAMED SM TEACHER OF YEAR

(By Sandra San Agustin)

SAN MARCOS.—After raising 10 children, Pia Harris decided he had enough practical experience to become a teacher.

She had been a PTA member, a Brownie leader and a school aide.

When she hit her 40s, she went back to school and obtained a college education and her teaching credential.

On Friday, the Alvin Dunn Elementary School teacher received the "Teacher of the Year" award at the San Marcos Unified School District's employee recognition dinner.

"I'm very, very honored to be chosen for such a wonderful award," said the Swedish native. "There are so many excellent teachers out there that also deserve it."

Harris' husband. Pat Ebert and a handful of parents surprised the fifth-grade teacher with a small party in her classroom on Tuesday morning.

Former students joined Harris' class in congratulating her for winning the award.

"It was because of each of you that I was chosen (Teacher of the Year)," a teary-eyed Harris told the group.

Parents and students alike said Harris deserved the award because she makes learning fun and sincerely cares for the children.

"If you always complete your work and forget something one day, she lets you slide by," said Kyle Dodson, 11. "She always gives you a chance."

When Kathy Rocha's 10-year old daughter, Caity, entered the fifth grade, Rocha pushed to have her placed in Harris' class.

Her other daughter, Lisa, had been Harris' student a few years back.

"(Harris) loves her students with all her heart and is always hugging them," Rocha said. "At this age, the children are usually standoffish, but they love her."

Harris moved to the United States when she was 21 and settled in Southern California.

A champion of higher education, she decided to become a teacher because of the influence she would have on children.

"Education doesn't stop within the classroom," said the 26-year San Marcos resident, "I often encourage students and their parents to get involved in the community."

Besides teaching, Harris is also president of the San Marcos teacher's union, a member of the San Marcos Educational Foundation, direct of the North County Transit District board, and is serving her fourth term as a San Marcos City Council member.

IN HONOR OF THE BRAVE CREW OF THE RB-29 #44 61810

HON. JON D. FOX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. FOX. Mr. Speaker, on June 13, 1952, alone, unarmed, and unafraid, a crew of 12 men flying a sensitive reconnaissance mission over the Sea of Japan was engaged and shot down by two Soviet MIG-15 jet fighters, near the coast of Russia. This crew of RB-29 #44 61810 was part of the 91st Strategic Reconnaissance Squadron stationed at Yokota Air Base, Japan during the Korean war.

For more than 40 years family members of this crew believed that the plane had an air accident. This is what the Government had told them. These men received no medals or recognition for their mission because "the plane was not flying in a combat zone." The Russians had denied that they shot down the plane.

In 1992, President Yeltsin came forth and admitted that the Russians did indeed shoot down this plane, and that some airmen may have been taken prisoner and may still be alive. The fate of this crew is still under investigation.

Because of outstanding heroism and devotion to duty displayed by this crew, in October of 1995 the Air Force honored these men by posthumously awarding the Distinguished Flying Cross and the Purple Heart.

I would like to insert these men's names into the CONGRESSIONAL RECORD to ensure that they are forever a part of our history: Maj. Samuel Busch, Philadelphia, PA, 1st Lt. James Sculley, Philadelphia, PA, Capt. Samuel Service, Berkeley, CA, 1st Lt. Robert J. McDonnell, Oceanside, NY, M. Sgt. William B. Homer, Jeannette, PA, M. Sgt. David L. Moore, Yokota, Japan, S. Sgt. William Blizzard, Arlington, CA, S. Sgt. Miquel W. Monserrat, Philadelphia, PA, S. Sgt. Eddie Berg, Blackduck, MN, S. Sgt. Leon Bonura, Beaumont, TX, S. Sgt. Roscoe G. Becker, Tillamook, OR, A1c Danny Philsbury, Orange, TX.

THE TIBETAN FREEDOM CONCERT

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Ms. PELOSI. Mr. Speaker, I rise today to bring to the attention of my colleagues an important event which is taking place in San Francisco this weekend. The Tibetan Freedom Concert, a 2-day music festival for a free Tibet, begins this Saturday in Golden Gate Park. More than 20 well-known popular music artists, from the Beastie Boys and the Smashing Pumpkins to bay area natives Pavement, have donated their time and their talent to draw attention to the plight of the Tibetan people.

Leading the way to inspire our youth is a San Francisco-based organization called the Milarepa fund which publicizes and supports the Tibetan peoples' nonviolent struggle for freedom. The Milarepa fund's diligent efforts to promote human rights in China are making an important contribution to furthering public awareness of the Tibetan tragedy, and they are reaching out to the next generation to help them develop an understanding of human rights violations throughout the world.

I urge my colleagues to follow the example being set by the thousands of young women and men who will be attending the Freedom Concert. They have taken it upon themselves to learn more about the terrible human rights violations that the Chinese Government inflicts daily upon the citizens of Tibet. They are concerned about the deforestation of the Tibetan Plateau. They are outraged by the ongoing pattern of forced abortions and sterilization of Tibetan women. And they are mobilizing to stop the continuing genocide of the Tibetan people.

Among the actions being suggested is a boycott of Chinese goods in order to send a clear message to the government in Beijing that their actions are reprehensible. Household items marked "Made in China" are often manufactured in forced labor camps by political prisoners who have been jailed for doing nothing more than expressing their opinions or practicing their religious beliefs. The boycott is helping consumers learn about the interdependence of economics, politics, and their everyday actions. The sooner we understand this interdependence, the sooner we can ensure basic human and environmental rights throughout the world.

I comment the organizers of this concert, the artists who are performing and the activists who labor every day to advance the cause of human rights around the globe. They are not alone.

THE 50TH ANNIVERSARY OF THE SCHOOL LUNCH PROGRAM

HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mrs. THURMAN. Mr. Speaker, I am happy to recognize the 50th anniversary of the National School Lunch Program. In public schools across America, 25 million students receive nutritional meals because of the School Lunch Program. For many children, a school lunch is the only healthy meal they eat all day. School lunches improve children's overall health, thereby increasing their learning capacity and lengthening their attention spans. The School Lunch Program highlights the essential role the Government can play in protecting the health and well-being of our children. As a former teacher, I have firsthand knowledge of what a hot meal can mean to a hungry and distracted student.

It is also my great pleasure to express my gratitude to the dedicated educators, administrators, staff, and parents who have worked to ensure the success of the National School Lunch Program.

The longevity of the program is the result of the partnership between the Federal Government and local communities, working together to feed, educate, and care for our Nation's children.

Therefore, I am delighted to celebrate National School Lunch Week, and I look forward to continued support and funding for this program that is so vital to our children's current health and future growth.

PAUSE FOR THE PLEDGE

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. CARDIN. Mr. Speaker, every day, we begin the session of the House of Representatives—the people's House—by reciting the pledge of allegiance. The House has been following this practice for nearly 8 years, since September 1988, and it has become part of the rhythm of this institution.

There is a place, though, Mr. Speaker, where the pledge of allegiance and, indeed, the flag itself are even more at the center of attention than in this Chamber. I am speaking of Fort McHenry, in Baltimore, which stands as a monument honoring the history of the flag, and of our national anthem.

As you know, Mr. Speaker, tomorrow, June 14, is Flag Day and this week is National Flag Week. Each year, the National Flag Day Foundation, which I am proud to say say is located in Maryland's Third Congressional District, organizes and participates in a "pause for the pledge" at Fort McHenry, at exactly 7 in the evening on June 14.

The National Flag Day Foundation encourages all Americans to join in the 7 o'clock pause for the pledge. This grassroots concept of national unity started in Baltimore in 1980. It is a wonderful, patriotic program. This simple ceremony provides an opportunity for all Americans, whenever they are, to display simultaneously their love and respect for our flag and our country.

Fort McHenry, of course, is the point from which Francis Scott Key, during the War of 1812, watched "By the Dawn's Early Light" as the American Navy battled for the survival of the young country. Every year at the fort, thousands of Americans are thrilled to see "that star-spangled banner yet wave, o'er the land of the free, and the home of the brave." For any of my colleagues who have not had the opportunity to visit Fort McHenry, I strongly recommend it as a stirring experience.

Tomorow evening, at 7 p.m., the National Flag Day Foundation will again celebrate the pause for the pledge. Had we been in session and voting tomorrow, I had hoped to lead the House in the pledge in conjunction with the celebration. Now, since the House will not conduct legislative business tomorrow, I would take this opportunity to urge all my colleagues to make the pause for the pledge part of their Flag Day observation.

It is my pleasure at this point to include in the CONGRESSIONAL RECORD the simple, profound words that every American knows so well.

I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

A TRIBUTE TO EVA SILVER JOHNSON

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mrs. CLAYTON. Mr. Speaker, I rise today to honor and pay tribute to Eva Silver Johnson for her community service and civic leadership. On June 15, 1996, friends and family members will gather in Littleton, NC, to celebrate her 75 years of life.

Mrs. Johnson was born on June 5, 1921, in Hollister, NC, the oldest daughter of Mr. Ben Silver and Mrs. Minnie Burgess Silver. She attended Tabron School in Halifax County and Hawkins High School in Warren County. At the age of 24 she married the late Edward Leonard Johnson, Jr. She worked as a housewife raising four children, Mable, Alice, Edward, and Delores. Mrs. Johnson managed the Edward Ned Johnson, Sr. farm, in Warren County, NC. In 1967, Mrs. Johnson joined the Halifax County School System Food Service Division where she worked for 19 years retiring in 1986.

Today, Mrs. Johnson is the part-time assistant manager of the Littleton Community Senior Center providing social services to seniors in Halifax and Warren Counties. She is also a member of the board of directors of the Twin County Rural Health Association in Essex, NC, and a member of American Legion Post No. 425 Women's Auxiliary in Littleton, NC. Mrs. Johnson is a life member of Lee's Chapel Baptist Church, in Littleton, NC, where she has been president of the Missionary Circle for the last 30 years. She has seven grandchildren, one daughter-in-law, two sons-in-law, three sisters, and six brothers.

Mr. Speaker, I join in the celebration with the friends and family members of Mrs. Eva Silver Johnson as they celebrate her 75th birthday.

TRIBUTE TO JOSEPH B. ALSTON, SR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TOWNS. Mr. Speaker, I rise today to acknowledge the contribution of Joseph B. Alston, Sr. He is the president of the Brooklyn Branch of the NAACP. Joseph is a graduate of the Metropolitan School of Horology and the New York School of Gemology. He is also the founder and owner of the Alston's Jewelers, Plaques, Trophies, and Award Medals, located at 1393 Fulton Street, Brooklyn, NY.

Joseph is a member of Bridge Street AME Church and is a senior steward, in addition to being a member of the male chorus and president of the South Carolina Club. His other organizational memberships include the Bride Street Business Association and the economic development committee.

Mr. Alston's business and community involvement is an integral part of his life. He is a board member of the Medgar Evers College and participates on the community advisory board of the Bedford/Stuyvesant Community Mental Health Center, Inc. Among his other endeavors, Joseph Alston educates African-American youth about the merits of entrepreneurship and owning your own business. He is also active in promoting antidrug awareness. I am proud to introduce Joseph B. Alston, Sr., to my House colleagues.

TOBACCO SUBSIDIES

HON. RANDY TATE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TATE. Mr. Speaker, I would like to address the House today on the important matter of tobacco subsidies.

In the November 1994 elections, the American people voted for a Congress that would balance the budget, scrutinize every cent the Federal Government spends and examine every Federal program, including corporate welfare.

This Congress is serious about ridding the Tax Code of ridiculous corporate welfare breaks. We are working hard to lower spending and to put more money back into your pocket. Corporate welfare must end, my constituents demand nothing less.

Last year, during consideration of the fiscal year 1996 agriculture appropriations bill, I voted for a Durbin amendment to eliminate two major programs that benefit the tobacco industry—Federal crop insurance for tobacco farmers and tobacco-related extension services. Mr. DURBIN offered a similar amendment this year where the $25 million in savings derived from cuts in tobacco subsidies will be used to fund programs to ensure that every American family has safe water to drink and to improve telecommunications systems in rural areas. I support this amendment.

In an era of deficit reduction, when we are working hard to balance the budget and lower taxes for American families, the Government should not continue to subsidize a prosperous tobacco industry.

The time for cheating our children has ended. The time to balance the budget has arrived. America's future requires a new dialog and a new partnership with the American people. That is what I am dedicated to achieve, and that is why I have consistently voted to end egregious corporate welfare programs that take money away from hard-working Americans and give it to wealthy corporations.

Mr. Speaker, it is very difficult to justify a program that benefits the tobacco industry while hurting American families. For this reason, I have opposed tobacco subsidies in the past and will oppose tobacco subsidies in the future.

TRIBUTE TO JAMES A. STRAWDER, JR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TOWNS. Mr. Speaker, I rise to acknowledge an individual with a longstanding commitment to the Brooklyn community and has dedicated a great part of the last 15 years of his practice of architecture to the problems and tasks of rebuilding and revitalizing the urban community's housing and commercial fabric.

James A. Strawder, Jr. was raised and educated in Brooklyn, and has been an eyewitness to the physical deterioration of Brooklyn's unique communities and beautiful building stock. Once attractive and vibrant neighborhoods such as east New York and Brownsville have fallen prey to the ravages of social and economic neglect, as have so many of this Nation's urban communities. It's been the mission of his firm, working in concert with many other concerned professional and community organizations, to attempt to make a positive impact on restoring the housing and commercial reserves, and in doing so, giving back some of the riches given to him.

Mr. Strawder attended public school in Brooklyn, graduated from Brooklyn Technical High School and Columbia University's School of Architecture, where he received his bachelor of architecture degree. He is presently registered to practice in the States of New York, New Jersey, and Florida and is a certified member of the National Council of Architectural Registration Boards [NCARB]. I am proud to introduce James A. Strawder, Jr. to my House colleagues.

SALUTING LT. COL. RICHARD SEYMOUR (RET.)

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. GENE GREEN of Texas. Mr. Speaker, after joining my fellow Americans in remembering our Nation's veterans this past Memorial Day, I would like to take an opportunity to recognize the passing of one particular individual who served this Nation for over 20 years. On Thursday, May 30, retired Lt. Col. Richard Seymour lost a difficult battle with illness, but I rise today to call attention to life's victories.

Richard Seymour was born on August 20, 1950. He spent his childhood in Oklahoma, Florida, and Texas, graduating from Alamo Heights High School in San Antonio. He then attended Southwest Texas State University where he was enrolled in the Air Force ROTC program and received his degree in education. Upon graduation he was commissioned as 2d lieutenant in the U.S. Air Force. Richard Seymour's service to this Nation was impeccable. As an Air Force pilot, he logged over 6,000 flight hours including missions which transported this Nation's top military leaders as well as Members of Congress. Throughout his military service, Richard Seymour received many commendations, too many to list, but each a distinguished mark of honor on his journey to the rank of lieutenant colonel at which he retired. His proudest mission was assisting in the repatriation of foreign citizens in Kuwait at the outbreak of the Persian Gulf war.

Upon retirement, lieutenant colonel Seymour continued service to this Nation. He began a second career in the classroom, returning to San Antonio and focusing his energy on the education of tomorrow's leaders. We feel sorrow and loss that his time with our Nation's children was cut short.

Mr. Speaker, in light of knowing that Richard Seymour touched so many lives in as many ways, I ask that my colleagues join me in offering our most sincere respect and thanks to the service of Lt. Col. Richard Seymour and that when the House adjourns today it do so in his memory and honor.

TRIBUTE TO GEORGE KUANG-CHAO TUNG

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TOWNS. Mr. Speaker, I rise today to praise the work and service of Mr. George Kuang-Chao Tung, president of C–2 Printing & Photostats Corp. in Brooklyn.

Six years ago, Mr. Chao-Tung, without any advertising, witnessed his business prosper because of his gracious and friendly personality. His reliability has earned him a loyal clientele base, and critical corporate projects from companies such as Gas Energy Inc. and Chase Manhattan Bank. According to his customers, Mr. Chao Tung provides consistent and unparalleled services to the Brooklyn area.

In addition to his entrepreneurial success, Mr. Chao-Tung is a tireless contributor to his community.

Mr. Speaker, I congratulate Mr. Chao-Tung on receiving this impressive honor, and extend to him my best wishes for continued success in business and in his community.

INTRODUCTION OF JUNK GUNS LEGISLATION

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. REED. Mr. Speaker, kids deserve a chance to succeed. An environment free of crime—and the gun violence that claims the lives of thousands of our Nation's children every year—provides this opportunity.

Recent events are a painful reminder of the devastation that firearms cause for children in every part of our country. Last month, 4-year-old Marimal Colon was playing in front of her house in my home State of Rhode Island. As she prepared to accompany her siblings to a candy store, she was hit in the back by a stray bullet, fired in an exchange between two cars passing her home.

Since coming to Congress, I have worked hard to stop this violence by enacting tough new laws, like the Brady bill and the assault weapons ban, that keep guns out of the hands of criminals.

These laws are making an impact, but we must do more to stop the plague of gun violence. We must stop criminals from obtaining their weapons of choice: junk guns.

These firearms, also known as Saturday night specials, are cheap, small, easily concealable, made of cheap materials, and lack adequate safety devices.

Junk guns are not hunting weapons, but they are 3.4 times as likely to be used in crime as are other firearms. Indeed, the Bureau of Alcohol, Tobacco, and Firearms reports that 8 of the 10 firearms most frequently traced at crime scenes in 1995 were junk guns.

The Junk Gun Violence Protection Act that I am introducing today takes a stand against junk guns. This bill and Senator BOXER's companion legislation ban the junk guns that criminals prefer.

In the past, Congress has recognized the danger of junk guns, and taken bipartisan action to combat the abuse of these weapons. In 1968, Congress passed the Gun Control Act to prohibit the importation of junk guns. This measure unintentionally led to the creation of a vast domestic junk gun industry. In 1972, the Senate passed a bill to apply the import standards to domestically produced guns by a vote of 68 to 25.

The Reed-Boxer bill is modeled after this impressive example. The measure, which at last closes the deadly loophole that protects domestic junk guns, is an important step toward safe communities.

I look forward to working with Senator BOXER, our colleagues, and the millions of Americans committed to reducing the toll of gun violence to ensure that this critical goal becomes a reality.

TRIBUTE TO JUANITA E. FISHER

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TOWNS. Mr. Speaker, I rise to pay tribute to an outstanding community leader, Ms. Juanita E. Fisher, president of the Florentino Plaza Tenant Association. Since her tenure as president she has worked to improve the quality of life within the Florentino Plaza and surrounding community.

The tenants association under her leadership has been instrumental in caretaking and maintenance upgrade. In addition to grounds beautification and maintenance, she has created activities and developed programs designed to reach all people.

The myriad of duties she performs include organizing voter registration drives and being an active member of the East New York Council Presidents. In addition to advocacy work, Ms. Fisher is a tireless grandmother and enjoys spending quality time with all of her 14 grandchildren.

Mr. Speaker, I congratulate Ms. Fisher on receiving this impressive honor, and extend to her my best wishes for continued success in the Brooklyn community.

TRIBUTE TO MILTON J. STRONG

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TOWNS. Mr. Speaker, I am pleased to recognize Mr. Milton J. Strong for a career of service dedicated to the children of New York City. After attending Frederick Douglass Junior High School and DeWitt Clinton High School, he received a football scholarship to Virginia State College. He later transferred to New York University where he received his B.S. and M.S. degrees. He later obtained his professional diploma from Columbia University.

Over the course of 40 years, Mr. Strong has moved through the ranks to achieve his current position of principal. For the past 22 years he has served the children and residents of Community School District 19 as principal of George Gershwin Intermediate School. During his tenure he has graduated almost 10,000 students.

Married to Marjorie, his wife of 30 years, a high school reading teacher, they have two sons, Otto and Kirk. It is my pleasure to highlight the contributions of Milton J. Strong.

TRIBUTE TO WINCHESTER KEY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TOWNS. Mr. Speaker, Winchester Key has been a resident of the east New York community for over 20 years. He is a role model for young people in the community by serving on boards that work to provide positive opportunities for youth.

Mr. Key serves as the first vice president, and is the past president of Community Board 19. He is also the senior legislative assistant to Assistant Speaker Edward Griffith of the New York State Assembly. Winchester is the chairman of the Issues Committee of African-American Clergy and is also the coordinator for the East New York Brownsville Clergy which has created a revitalization program for east Brooklyn.

Winchester serves as chairman of the East New York Urban Youth Housing Corporation. Mr. Key served in the U.S. Army and presently serves as the lieutenant commander of the East New York Brooklyn Squadron No. 4 Civil Air Patrol Program, which teaches youngsters 13 to 21 discipline, aerospace, education, leadership and gives cadets an opportunity to learn how to fly aircraft. I am proud to introduce Winchester Key to my colleagues in the House of Representatives.

TRIBUTE TO ROBERT C. DORF

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TOWNS. Mr. Speaker, I rise to acknowledge Mr. Robert C. Dorf. He was born in Manhattan in 1943 and is a Jewish war baby who was raised along a north-south line stretching from New York to Miami. His cumulative experiences include graduating from the University of Florida, serving in the U.S. Army, serving as a counselor for the Methadone Maintenance Treatment Program, Harlem Hospital Division, and the Bronx District Attorney's Office where he served as an assistant district attorney.

Robert Dorf has lived in Brooklyn for 25 years. He and his wife Wendy have two children, Andrew and Jessica. For most of his time in Brooklyn he has been a practicing attorney, litigating criminal and civil cases in both Federal and State court. He is now employed as an attorney for the unified court system of the State of New York, assisting the Honorable James G. Starkey, supreme court, Kings County.

Robert is a prolific author on criminal justice, especially intellectual property, and he is an avid motorcyclist. It is my pleasure to highlight his personal and professional achievements.

IN HONOR OF ROLANDO FAJARDO

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1996

Mr. TOWNS. Mr. Speaker, I rise to take this opportunity to congratulate a man much distinguished for his humanitarian efforts and desire to help others in need, Mr. Rolando Fajardo. Rolando has been recently elected to the board of directors of the Metropolitan New York Chapter of AATSP [American Association of Teachers of Spanish and Portuguese]. In the past, he was awarded the Proud City Award of the New York City Council and has been an executive member of the board of directors of the Joseph P. Addabbo Family Health Center.

Since immigrating to the United States, Rolando has used his linguistic and teaching talents in order to teach students that they live in an international society. He has traveled extensively in the Caribbean, Africa, Asia, and Europe and has experienced much success in developing class projects in the New York City public school system.

Rolando is a very caring person, dedicated to those who are less fortunate. He is a fine example of what love thy neighbor is all about and Canarsie High School and the Brooklyn community are fortunate to know him.

SENATE—*Friday, June 14, 1996*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation, and Lord of our lives, we thank You for outward symbols of inner meaning that remind us of Your blessings. The sight of our flag stirs our patriotism and dedication. It reminds us of Your providential care through the years of our blessed history as a people, but it also reminds us of our role in the unfinished and unfolding drama of the American dream. But it also gives us a reminder of the privilege we share of living in this land.

Today, on Flag Day, we repledge our allegiance to the flag and recommit ourselves to the awesome responsibilities You have entrusted to us. May the flag that waves above this Capitol remind us that this is Your land and we are accountable to You.

Our flag also gives us the bracing affirmation of the unique role of this Senate in our democracy. We praise You for the men and women You have called to serve at this strategic time in history. May they experience fresh strength and vision. Renew the drumbeat of Your spirit calling them to march to the cadences of Your righteousness. We ask for Your blessing on President Clinton and Vice President GORE. God bless America. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

SCHEDULE

Mr. LOTT. Thank you, Mr. President. Today, there will be a period for morning business until the hour of 12 noon, with Senators permitted to speak for up to 5 minutes each. Several Senators have requested additional time to speak, and they are as follows: Senator COVERDELL, or his designee, 90 minutes; Senator BINGAMAN for 15 minutes; Senator MURKOWSKI for 15 minutes; Senator KEMPTHORNE for 10 minutes; Senator DASCHLE, or his designee, for 20 minutes.

At 12 noon today, the Senate will resume executive session and debate the nomination of Alan Greenspan to be Chairman of the Federal Reserve System. Under the consent agreement reached yesterday, the vote on the Greenspan nomination will occur on Thursday, June 20, at 2 p.m. No rollcall votes will occur during today's session, so there can be full discussion of this nomination. However, the Senate may be asked to consider any legislative matters that can be cleared for action.

As a reminder for all Senators, at 10 a.m. on Tuesday, June 18, the Senate will begin consideration of S. 1745, the Department of Defense authorization bill.

I yield the floor, Mr. President.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 5 minutes each, with the exception of the following Senators: Senator COVERDELL, or his designee, for 90 minutes; Senator BINGAMAN for 15 minutes; Senator MURKOWSKI for 15 minutes; Senator KEMPTHORNE for 10 minutes; and Senator DASCHLE, or his designee, for 20 minutes.

Mr. COVERDELL addressed the Chair.

The PRESIDENT pro tempore. The distinguished Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, as I understand it, the time this morning between 9:35 and 11 o'clock is assigned to me or my designee?

The PRESIDENT pro tempore. The Senator is correct.

HEALTH CARE REFORM

Mr. COVERDELL. Mr. President, this past Monday while I was on the Senate floor, I suggested that there should be a relevance between what public policyholders say in the pursuit of seeking higher office and what they do if they are fortunate enough to achieve that.

In particular, I was alluding to the promise that this administration made to middle America that it would significantly lower the tax burden on the American middle class, the vast majority of our American citizens, but, in fact, by August of the first year in office, they had totally reversed that promise and had, in fact, increased taxes at historical proportions, resulting in most American working families today having a higher tax burden, having less of their paychecks in their checking accounts than at any time in American history.

But the administration made another promise that it did try to keep, in all credit. They promised to revise the health care system in the United States. Indeed, when they came before the American people, their proposal was to totally federalize or take American medicine and have the American Government take it over.

So what that meant was that the Federal Government would increase to unprecedented proportions, that a new entitlement would be created that would be larger than any entitlement in American history, including Social Security, that 17 percent of the American economy would be taken over by the Government, and for the first time, Mr. President, the Government would control over half the American economy.

I can remember saying at the time, as a kid, I never believed that it would be possible for me to be in the U.S. Senate debating whether or not the Government should control over half the American economy. But, indeed, that is what we were doing just 2 years ago.

It was a very elaborate system that controlled every aspect of medicine. By the time the debate was over, Mr. President, the American people had defeated President Clinton's health care proposals. By the time the final cast was set, less than one-third of the American people supported the idea. Over two-thirds opposed it, because they saw it for what it was, a massive explosion in the growth of our Government, a massive incursion into the personal affairs of every American citizen and family and business and community, an enormous and explosive cost.

Mr. President, at the time we were debating this proposal, often those of us, such as myself, were asked, "Well, what would you do?" We talked about targeted reform. We talked about making benefits more portable so that they could move with the employee and we could put an end to this job lock where a person who developed a medical problem could not move from one job to another because they would not have been able to keep their insurance.

We talked about making the insurance marketplace more friendly. We talked about making it more possible for people to obtain insurance. We talked about making it a guaranteed issue, all of these targeted reforms that we thought would modestly change the marketplace and make it easier for uninsured people to gain insurance.

Mr. President, this Senate and the House have both fulfilled that promise. They have done exactly that. They have passed health reform that eliminates job lock. It allows an ambitious worker to leave a job and move to a better one without losing health coverage. It allows the self-employed to deduct on their taxes 80 percent of their health insurance premium. This is an egregious—an egregious—error in the workplace. If you work for a large company, your health premiums are deductible, they are tax deductible. If you work for yourself, they are not. This corrects it. It allows the small business with 50 or fewer employees or the self-employed to have tax-free medical savings accounts.

We have been joined by Senator GRAMM, the senior Senator from Texas, who wants to speak on this subject. But let me just say that the designers of massive Government control of the health system are blocking this reform proposal through parliamentary means. They are refusing to allow the conferees to be selected. It is because they do not want the product of medical savings accounts, which allows the worker or the citizen to create a savings account to help them manage health costs, to lower health costs, to give them more freedom in the health care system. They do not like that. So they have systematically blocked these reforms that the Nation overwhelmingly supports.

I find it a bit unusual that the last vestige of those who want to make the Government consume over half our economy, who want to run every aspect of our personal lives by controlling medicine and every doctor and every hospital, every cure that you may or may not want to use, just cannot abide the idea of allowing citizens this product to make choices on their own. I will come back to this subject in a bit. We have been joined by the senior Senator from Texas. I yield up to 10 minutes to the Senator from Texas.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. BOND). The Senator from Texas.

Mr. GRAMM. Mr. President, let me thank our dear colleague from Georgia. I want to say a few words on another subject, but let me address the subject at hand first. Let me say to our dear colleague from Georgia, I do not think he ought to be surprised.

I believe that the final battle for the rights of man, the final determination of whether freedom, both economic and political freedom, will survive and prosper on this planet is not going to be determined on the frozen tundra of Russia, it is not going to be determined by debate in the Kremlin; it is going to be determined right here on the floor of the United States Senate.

I try to make a distinction because I think Americans get confused about what freedom is. Freedom is not just the right to get up and criticize the Government. Freedom is not just the right to exercise political choices. Freedom is the right to exercise economic choices. Freedom is the right to buy the products you choose. Freedom is the right to spend your own money which you have earned by the sweat of your own brow. That is what we are talking about here today.

I think probably most people are totally confused about what this debate is. Our Democratic colleagues are hoping they are. Because what this debate is all about is freedom. There are some Members of the U.S. Senate who are for it and there are some Members of the U.S. Senate who, in its economic manifestation of the right of people to choose what kind of health insurance they want, are against it.

Senator KENNEDY and the Democrats are saying, in holding up the conference on a health care bill that passed the Senate 100 to 0—100 to 0—he is saying that he is opposed to it because if we go to conference with the House to work out our differences, medical savings accounts could end up in the bill.

What are medical savings accounts? What we are talking about here is simply the right of people to choose between buying a low-deductible health insurance policy, which for a family of four costs about $4,200 a year, where the insurance company starts paying almost immediately if somebody in your family gets sick. That is conventional health insurance. It has one big problem, and that is, once you are sick, you are spending somebody else's money. You have no incentive to be conscientious. Costs are exploding.

Just imagine if you went to the grocery store, and you had a grocery insurance policy. For everything you put in your basket, the grocery insurance policy paid 95 percent of it. You would eat differently, and so would your dog. But what would happen is, grocery insurance would explode in cost. That is exactly what has happened in health insurance.

What we are trying to do is to let people, especially young people who do not have much money, buy a new kind of health insurance policy that would have a higher deductible. You could buy a Blue Cross-Blue Shield policy, with a $3,000 deductible, for about $2,200 a year rather than the $4,200 a year you are paying for by buying the comprehensive low-deductible policy.

Why $2,000 less? Because a lot of that is, for all practical purposes, prepaid medicine. What we are proposing is that people be able to take that $2,000 they save and put it into a tax-free savings account and use it to pay deductibles. But the magic, almost magical power of it, is that if they do not use the money for medical purposes, they get to keep it. So unless they get very sick, 92 percent of American families would never spend beyond their medical savings account in a year. So unless they get very sick, they have an incentive to be cost conscious because they are spending their own money.

Here is the point. We are not trying to make people buy medical savings accounts. There is nothing in our proposal that makes anybody buy it. What we are trying to do is to let them do it. This is about freedom.

Senator KENNEDY and the Democrats claim, "Oh, this program only helps rich people." Have you ever noticed that everything Democrats are against supposedly helps rich people? They did not want to cut taxes on working families, a $500 tax credit per child, because they say that helps rich people. If they want to raise taxes, of course, they claim they are taxing only rich people.

In any case, do rich people care about this? What difference does it make to rich people whether they buy a low-deductible or high deductible policy? By definition, if you are rich, you have a lot of money. It cannot make possibly any difference.

But let me tell you who it makes a difference to. I have a son who just turned 23 years old. He is off my insurance policy. For the first time in his life, he is trying to decide how he is going to get health insurance and how he is going to buy it. He is as healthy as most 23-year-old males and females are. Why not allow him to buy a high-deductible policy and take the savings, put them into a medical savings account and build up a nest egg to go to graduate school, or to try to start a business, or to buy a home when he gets married?

When we debated this subject before, I had quotes from two so-called rich people who use medical savings accounts. One of them was a united mine worker, because the United Mine Workers Union has medical savings accounts, but they do not get fair tax treatment on them. They have to pay taxes on them. The other was a part-time bus driver. They were arguing they ought to be treated fairly, and I agree with them and not with the Senator from Massachusetts, who is objecting to letting us appoint conferees and bring this bill up.

The second argument is, well, look, this helps young people and healthy people. Who does not have health insurance? Basically, young healthy people are not buying health insurance because, A, they do not think they need it right now and, B, they cannot afford it. Why not have a policy available that may not be used by everybody, but that will be used by young people so that they can buy basic coverage. The Democrats' solution is to guarantee that they can buy insurance in the future once they get sick rather than now when they are young and healthy, but at the cost of charging everybody else higher rates.

We need medical savings accounts, and this is about freedom. The Democrats want the Clinton-type health care bill. That is what they want. And they know medical savings accounts move us toward private family decisions. They want Government decisions. That is what this debate is about, and if you believe in freedom, you are with us.

INTERNATIONAL DEPARTURE TAX

Mr. GRAMM. Now, I want to turn to another subject. The President has put out a new list of savings measures, and among the savings measures is an international departure tax increase—$2.3 billion of savings. Now, you might ask, what does a tax increase have to do with savings? The answer is, nothing. We have, in this administration, a new language where everyday words are changed into new words and they have nothing to do with each other. But this is basically a proposal to raise taxes on international travel by imposing a $10 per passenger tax on everybody buying a round-trip ticket in international travel, coming to the United States and going back, or leaving the United States and coming back. Now, if you have Americans traveling, some people assume they must be rich. So you want to tax them. So I am not going to get into that argument. I think it is absurd. We know that not everybody who travels internationally is rich.

Let me talk about the 42,983,000 foreigners who come to the United States. Well, you might say, why not tax them? They cannot vote here, so why not tax their money while we have them? What do they come here for? Well, they come here to invest, to create jobs, and to be tourists. In fact, as tourists, they spent $76.485 billion last year. Why, I ask, should we be trying to raise barriers against people who want to come to Atlanta, or who want to come to Houston or who want to go to San Antonio to see the Alamo? Why should we want to raise barriers to people who want to come and see where great Americans come from, like South Carolina, and who came to the Alamo to defend freedom—especially when they are spending $76.485 billion on the trip? To save my life, I do not understand that.

We did a little check in asking just one hotel manager that we happened to be having a conversation with, who works for Marriott Hotels in Houston, what percentage of the people staying in his hotels, on an average night, are foreign nationals. He estimated that 40 percent of the people staying in Marriott Hotels in Houston are foreign nationals. Now, why would we want to discourage all these people from coming to America to spend money? Well, it is interesting that by a fairly conservative estimate, in international tourism alone, this tax would cost us twice as much as the Government is claiming to collect. I know some people will make an argument that these people who would make this money from international tourism will squander it. They will spend it on their children, they might go to Disneyland, they might invest in some private business; and that the Government, collecting half as much money from this tax as these private citizens would earn, will spend it wisely—on the National Endowment for the Arts or the Legal Services Corporation—but not getting into those arguments, I am opposed to this departure tax increase.

I want people to come to America. I want people from all over the world to come here and see the Alamo and see the Capitol and get to know our country and understand, personally, its greatness, get to know Texans and Americans, and bring that $76 billion a year with them and spend it here.

This is a poorly designed tax that will cost us jobs. It is a bad idea. I just want to remind people that taking the whole travel industry in America, we have almost a million people employed—about 960,000 people—because of international travelers. In fact, hundreds of thousands of people are going to come, for example, to Atlanta to the Olympics. People are coming to many different places around our country. My view is, let them come, let them spend their money when they get here. But the idea of erecting barriers to them coming, to collect a tax, it seems to me, is foolhardy and should be rejected.

This is part of something bigger. The Securities and Exchange Commission now collects twice as much in their taxes on securities as it spends to run the SEC. None of this money the President calls savings through this new tax would go to support the Federal Aviation Administration—not one penny of it. It would go to fund Government programs in general. We have fees on the transportation of hazardous materials that began as a relatively low figure. It is now $300. It was initially applied to trucks, railroads, and barges hauling things like crude petroleum. It is now being applied in Texas to 10,000 independent oil producers, who do not even transport the crude oil themselves. The administration has proposed to raise it to as much as $5,000 a year and collect as much as $50 million out of my State just from independent oil producers. Why? Because these increased fees could be used as taxes to fund Government in general. They would not be used for the purposes they were set out for. Just like this gasoline tax we have been trying to repeal, which is not going to build roads, it is going to general revenue.

My view is—and I will conclude on this—when you collect taxes on gasoline, motor fuel, it ought to go to roads. When you collect taxes on airline tickets, it ought to go to the FAA to build airports, to support the infrastructure. What is happening in this administration is all these fees are being raised because they want to spend the money and they want to hide the tax. This departure tax increase on airline tickets is wrong. I wanted to come down today to say I am opposed to it, and I do not intend to see it become the law of the land.

I thank my colleague from Georgia. When all those millions of tourists coming through Atlanta and spend all that money, remember, I did not want to erect the barrier.

(Mr. INHOFE assumed the chair.)

Mr. COVERDELL. Mr. President, I see the Senator from Missouri appears to be requesting up to 5 minutes. I yield up to 5 minutes to the Senator from Missouri.

Mr. BOND. I thank my colleague from Georgia. I particularly commend my good friend from Texas for pointing out what we in the Midwest, as well as the Southwest, feel so strongly about, which is that when you raise fees on people who use highways, it is not pleasant. But when they go to highways, we can understand what they are being used for. If you raise fees on people who generate hazardous waste, if it goes to clean up hazardous waste, that is a reasonable argument. But when it goes to the general revenue fund, permits spending and overspending in many areas, it is a real problem.

FEDERAL RESERVE NOMINEES

Mr. BOND. Mr. President, the reason I rise today, I want to address a couple of related subjects, things that we are working on, and they have to do with some of the debates that have been going on about the nominees for the Federal Reserve.

I have the pleasure of having as one of my constituents a fellow Missourian, Dr. Laurence Meyer, who has been nominated to the Federal Reserve Board. When we get to the discussions of the Federal Reserve nominations next week, I want to make the case very strongly that Dr. Meyer has justly earned a reputation as a leading economist. He has played a key role in the development and expansion of the economics department of Washington University. He has been recognized repeatedly by faculty, students, by the public at large, and by his own colleagues as a leader in these fields. His is an excellent nomination. I also say that we are very fortunate that the President has proposed renomination and he has agreed to accept the current Chairman of the Federal Reserve Board, Chairman Alan Greenspan. During his 8-year tenure, economic performance through administrations, Republican and Democrat, has been outstanding because inflation has been kept under control.

Again, I want to address more of Chairman Greenspan's accomplishments later on. But I want to straighten out a couple of misconceptions that have been raised by others on this floor yesterday in their debates about the Federal Reserve. They seem to think that growth in this country is slow because of the Federal Reserve. Mr. President, the Federal Reserve job, as the chief monetary regulator, is to deal with monetary policy. Monetary policy can be a brake or an accelerator, but it is not the essential engine that drives the economy of this country. That is fiscal policy and the opportunity for this economy to grow. We have had a major hit to the engine of our economy. It is a hit that has happened over the years in terms of running up the deficit. This deficit has been out of control. We have raised $5 trillion worth of debt that sits on the backs of our children, our grandchildren, and future generations, and it serves as a great drag on the economy right now.

In addition, in 1990 and 1993, we put heavy burdens of taxes on the productive sector—taxes on savings and investment, taxes particularly that hit the small businesses that I have the pleasure of serving on the Small Business Committee.

Yesterday, you would have thought that taxes and deficits did not matter, that slow growth was the only burden that was the legacy of the Federal Reserve Board. Well, that is not true. The Federal Reserve has kept inflation under control. We need to deal with the deficit. Then we need to deal with taxes that discourage investment and savings.

That is why the third nominee for the Federal Reserve is important. Dr. Rivlin is currently the Director of the Office of Management and Budget. She has presented, on behalf of the President, a measure, the budget of the President of the United States, so that when the Congressional Budget Office scores it and applies a trigger the Congressional Budget Office said is necessary to get to a balance in 2002, they can claim that under the Congressional Budget Office scoring and applying the trigger that the budget will get to balance in 2002.

The problem is, as I have outlined on this floor before, I, in the role as chairman of the appropriations subcommittee, have asked the agencies that would be forced to make those cuts in future years how they plan to make them, and they have been advised by the Office of Management and Budget that they are not serious about it.

Mr. President, as I have pointed out, we have addressed letters to Dr. Rivlin, questions as to whether the administration is serious about balancing the budget. Do they have a second set of books that has cuts in a lot of other agencies? The Veterans' Administration has told us they are exempt; EPA, NASA, the agencies that I have spoken to have said the cuts are not going to fall on them. Where are they going to fall? Are we serious about the deficit?

We are waiting to hear whether the Office of Management and Budget honestly believes it can implement and will begin planning for the reductions in spending necessary to balance the budget.

That, in my view, will depend upon how I vote, at least for one, on the confirmation of the Budget Director to be a Member of the Federal Reserve Board.

I thank the Chair. I yield the floor.

Mr. COVERDELL. Mr. President, it is my understanding that the Presiding Officer has some business before the Senate. I am going to suggest the absence of a quorum so I might relieve the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. INHOFE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered.

Mr. INHOFE. Mr. President, I have a couple of comments to make about the comments that were made previously by the Senator from Texas. Before that I have a little bit of business to take care of of a different nature.

THE NATIONAL ENVIRONMENT EDUCATION ACT

Mr. INHOFE. Mr. President, yesterday I introduced legislation to reauthorize the National Environment Education Act. I am joined by most of the members of the Environment and Public Works Committee and will probably have all of those Members as cosponsors of this legislation in a very short time.

The reason I am doing this is that there has been a lot of criticism that we are getting that there is too much emanating from Washington on our environmental laws and environmental education. People have said we are brainwashing our children. I feel that the better way to do this is to have this money going to the local level so that the curriculum can be determined by the local level.

I can remember several scary stories about students coming home from school in the Northwest who happened to be sons or daughters of people working in the lumber industry saying that it is sinful to cut down any tree, and this type of thing. This is the type of thing that has to be stopped. I believe the only way we are going to be able to successfully do this is to reauthorize this legislation so that the safeguards are built in that anything that is used in the education of our young people has to be based on scientific facts and not just the normal scare type of things that we have been getting. So I believe we will be able to control this program.

This, incidentally, was introduced at the same time by Congressman KLUG in the House of Representatives.

Mr. President, yesterday I introduced legislation to reauthorize the National Environmental Education Act. I am joined by my colleagues Senators CHAFEE, LIEBERMAN, FAIRCLOTH, KEMPTHORNE, MOYNIHAN, and REID. And I am joined on the House side by my colleague, Congressman SCOTT KLUG of Wisconsin, who introduced an identical bill in the House yesterday.

This bill will reauthorize the educational efforts at the National Environmental Education and Training Foundation and the EPA's Office of Environmental Education. These programs support environmental education at the local level. They provide grant money and seed money to encourage local primary and secondary schools and universities to educate children on environmental issues.

With the importance of the environment and the continuing debate on how best to protect it, it is vital to educate our children so that they truly understand how the environment functions.

Over the last few years environmental education has been criticized for being one-sided and heavy-handed. People have accused environmental advocates of trying to brainwash children and of pushing an environmental agenda that is not supported by the facts or by science. They also accuse the Federal Government of setting one curriculum standard and forcing all schools to subscribe to their views. This is not how these two environmental education programs have worked, and I have taken specific steps to ensure that they never work this way. In fact, this legislation will prevent this from happening.

The programs that this act reauthorizes have targeted the majority of their grants at the local level, allowing the teachers in our community schools to design their environmental programs to teach our children, and this is where the decisions should be made. In addition, the grants have not been used for advocacy or to lobby the Government, as other grant programs have been accused of doing.

This legislation accomplishes two important functions. First, it cleans up the current law to make the programs run more efficiently. And second, it places two very important safeguards in the program to ensure its integrity in the future.

I have placed in this bill language to ensure that the EPA programs are balanced and scientifically sound. It is important that environmental education is presented in an unbiased and balanced manner. The personal values and prejudices of the educators should not be instilled in our children. Instead we must teach them to think for themselves after they have been presented with all of the facts and information. Environmental ideas must be grounded in sound science and not emotional bias. While these programs have not been guilty of this in the past, this is an important safeguard to protect the future of environmental education.

Second, I have included language which prohibits any of the funds to be used for lobbying efforts. While these programs have not used the grant process to lobby the Government, there are other programs which have been accused of this and this language will ensure that this program never becomes a vehicle for the executive branch to lobby Congress.

This bill also makes a number of housekeeping changes to the programs which are supported by both the EPA and the Education Foundation which will both streamline and programs and make them more efficient.

The grants that have been awarded under this program have gone to a number of local groups. In Oklahoma alone such organizations as the Stillwater 4-H Foundation; Roosevelt Elementary School in Norman, OK; Oklahoma State University; the Kaw Nation of Oklahoma; and the Osage County Oklahoma Conservation District have received grants for environmental education under these programs.

This is an important piece of legislation, and I hope both the Senate and the House can act quickly to reauthorize these programs.

MEDICAL SAVINGS ACCOUNTS

Mr. INHOFE. Mr. President, I think that the senior Senator from Texas articulated the MSA environment that we are in right now with the health bill in a very accurate way. But I believe that he overlooked one thing. I agree with him that we have a system that has a built-in disincentive to save or to get services, medical services and health care services, that would be less expensive. I am not any different than anyone else. I suggest that you are probably the same way, Mr. President. Once you pay your deductible and you are in the course of a year, you are going to go out and get any kind of health services that you need if it does not cost you anything. So you have something built into the system.

I cannot think of any other service or product in America where you would have a system built in that encourages you to pay more. I have heard some percentages of savings ranging between 40 and 60 percent if we could have MSA's.

But the one thing the Senator from Texas did not mention was that it also provides another benefit to those individuals because, if someone is between jobs or if someone gets fired from a job, this offers portability. It is a fund that can be drawn upon, or, if there is a catastrophic illness, this can be used for that. It is just beyond me. I have not been able to think of one logical argument that the Senator from Massachusetts, Senator KENNEDY, had against MSA's. I could see perhaps some doctors objecting to it because, obviously, people are going to be more cost conscious and are not going to be getting services they do not need. Ironically, though, I am proud of the medical community. I have yet to have one doctor tell me that he did not want to have MSA's. They are not opposing it even though they are the only group I could think of who possibly would lose some financial advantage by a system going in place.

So I am hoping that we will be able to get this. I cannot believe that our entire health program is being held hostage just because of the medical savings account, something that benefits everyone—all Americans, young, old, rich, poor—everyone equally.

TROOPS IN BOSNIA

Mr. INHOFE. Mr. President, I want to repeat something in perhaps a little bit of a different way that I mentioned yesterday because we talked about a lot of things on this floor that are very significant, such as our health delivery system and such as the deficit. But our Nation's defense perhaps is the most significant subject that we could have to talk about.

I was so dismayed and shocked yesterday when I read what the President was saying through Secretary of Defense William Perry that we now are going to leave our troops over in Bosnia for a period longer than the 12 months that they agreed to.

I am on the Intelligence Committee and the Senate Armed Services Committee. I can tell you that at the time this happened, I could not believe that we were sending troops into a warring area with an exit strategy that was geared to time, 12 months, as opposed to events. I do not know of any time in history that this has been the case.

So during the October 17 Senate Armed Services Committee meeting and several other meetings, and on the floor, we talked about the fact that we did not believe it was going to be a 12-month operation. I asked specifically Secretary Perry, as well as other people asking him in the same meeting—one was Senator ROBB from Virginia and one was Senator BINGAMAN from New Mexico—"Are you absolutely committed to bringing the troops home in 12 months?" The answer was always, "Yes, we are committed." It was hard for me to believe that could be possible.

So I went over to the northeast sector of Bosnia where we were planning at that time to send our troops. When I got there and went up to the northeast sector, finding out no other American had been up there, I found out from General Haukland, from Norway, who was in charge of the U.N. troops of that sector, that, in fact, it was laughable.

I said, "Are you aware that our troops are coming back in 12 months?" He said, "You mean in 12 years?" That is when he drew this analogy, when he said putting the troops in there is like putting your hand in water, and you leave it there for 12 months and take it out and nothing has changed; it is still there.

So we are making a longer term commitment than the President of the United States promised the American people. I can tell you right now, I stood right here on December 13 of last year when we had the resolution of disapproval that was authored by the junior Senator from Texas and myself, Senator HUTCHISON and myself. We lacked four votes of passing a resolution of disapproval. Mr. President, we would have had those four votes and many more if the American people had known, and if the Senators in this Chamber had known, that it was going to be a long-term proposition.

Right now it does look like it is open-ended. We could talk about the cost of it, we could talk about the mission, but the point is, they told us something that they knew was not true on December 13, at the time they passed the program to send American troops over into an area we have no vital security interest in.

I am not saying, "I told you so." I am just saying, it was so obvious at the time and everyone is on record and the President is on record and John Shalikashvili, Chairman of the Joint Chiefs of Staff, is on record and Secretary Perry is on record, all of them assuring it was going to be 12 months, and now we know it is not going to be 12 months.

As I said yesterday, we have to serve notice on the administration that when they try to extend that time, we in this Chamber will do everything we can to support our troops who are over there, but they are going to have a fight in keeping our troops over there for an undetermined period of time.

THE BUDGET

Mr. INHOFE. Mr. President, if I could have just a minute or so more, I want to mention the budget resolution that was passed yesterday. I did not like it. I did not say anything about it at the time. I have to say publicly, on the record, now, the only reason I did support it is I think that is the only way we could have anything at all for defense.

There is a very distinguished House Member from Oklahoma, Congressman WATTS. I think he feels the same way, that this is the only way we can do it. It is not a lean enough budget. It is not one that is as good as I would like. But, nonetheless, we went ahead and passed it.

I think that brings up the other point, and that is our discussion last week on the balanced budget amendment. I do not know how people can have such a change of heart. I think there are six Democrat U.S. Senators who openly supported the balanced budget amendment to the Constitution in 1994, and they voted for it. This is the resolution that they voted for in 1994, Senate Joint Resolution 41, and they turned right around and actively opposed the same exact language in a balanced budget amendment that failed to pass by a couple of votes last week. They tried to say it was different. They said this had the Nunn amendment that addressed judicial review.

I would like to read something into the RECORD, just to make sure no one tries to use that to make people think this is not the same resolution that they voted for 2 years ago and then voted against this last week. This is right out of the RECORD, Senator NUNN speaking. He said:

> Mr. President, as I noted last Thursday, adoption of the balanced budget amendment to me is very important, but I also noted that without a limitation on judicial review, a limitation which was accepted during our 1994 debate, when offered by Senator Danforth of Missouri, we could radically alter the balance of powers among the three branches of government that is fundamental to our democracy.

So those Senators that we actively debated with, those very honorable Senators from West Virginia and North Dakota and Kentucky—these are exactly the same thing. I think maybe it was a mistake that was made. A better way to approach this would be to come up and say, "We did make a mistake, I did not know it was the same thing," and perhaps we would have a chance, still, of passing a balanced budget amendment to the Constitution. Because until we do this, until it is in the Constitution so we do not have any choice, we are going to continue to play this game where we are going to put all of our cuts in the outyears and we are not going to be able to pass a balanced budget.

A balanced budget amendment is the only other way, and I hope those six Senators who voted for and supported a balanced budget amendment in 1994 would reconsider. With those votes, we would be able to pass one and send it to the States for three-fourths of the States to ratify. I have no doubt in my mind they would ratify it in a very short period of time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. COVERDELL. I commend the Senator from Oklahoma for bringing up the issue of Bosnia creep. I am not going to talk about it, but I am sure we are going to hear a lot about that in the near term. Not only is the time in which the troops are there being expanded, but the mission is being expanded as well.

If you remember, during all the testimony when that decision was being made, it was a very narrow mission. Now we are talking about chasing down war criminals, expanding the mission significantly, as well as the time.

I have to tell you that I never felt it possible that you could have a 12-month commitment, moving a division like that into an area. It sounded like you would spend the first 6 months getting there and the second 6 months leaving. So I am not surprised by this dilemma that we found ourselves in.

HEALTH CARE REFORM

Mr. COVERDELL. Mr. President, I want to go back, if we might, to this issue we are confronted with on health care reform. The situation we are in is this. There are three motions that must be approved in order to get the conferees selected, and they are all debatable and can be filibustered. The Senator from Massachusetts has suggested to us that the filibuster would be put into play.

So, in a sense, he is blocking the ability for a conference to come together and deal with legitimate health care reform.

It has not been mentioned here this morning, but it needs to be mentioned that the administration has a hand in this, too. The administration, for whatever reason—and the Senator from Oklahoma is just as baffled as I—does not like medical savings accounts.

We know that medical savings accounts will lead to an increase of those insured among the young. As the Senator from Texas said, young people sometimes feel immortal, and the cost of health insurance is very high, taxes are high, savings are down and people look for things they can do without. Young people feel, "Well, this is something I can do without."

So by putting a product such as the medical savings account into the marketplace, we know that what will happen is that many of these uninsured will take advantage of this opportunity, this unique product.

The other point I want to make about MSA's is for a large number of people who use them, they will increase their disposable income, because those premiums that are not utilized for health purposes are in the checking account of the person, not somewhere up here in the bowels of the Treasury or in an insurance company's coffers. It is in the family's checking account. So they have access and will have access to financial resources that they can use to pursue their own dreams.

Here we have a situation where the President and First Lady came forward with a massive takeover of medicine by the Government. It would have created the largest entitlement in world history, which I have always found puzzling, because it was right at the same time all of us, including the President, was being told that entitlements are out of control. We have had a report that Social Security, Medicare, Medicaid, Federal retirement, and the interest only on our debt will consume 100 percent of the U.S. Treasury within a decade. And their response to that was to create a new entitlement, the largest one.

America took a look at that—new entitlement, massive Government spending, new taxes, more intrusion by the Government, more dominance over our lives on very personal matters—and they said, "No, we don't want that." And it went down in flames.

Frankly, there is a lot of conjecture about what the 1994 elections were all about. I, frankly, think it was a referendum on that health takeover by the Government. I think that had as much to do with the change in the Congress. Americans said, "Now, look, we're not for a greater Federal Government. It is already too big."

Then we come to the 104th Congress, and in response to that, recognizing there are issues that need addressing in health care in our country, we put forward a new proposal.

We eliminated job lock to allow workers to move from one job to the other without losing their insurance. We have addressed the absolutely incredulous situation where an employee who works for a company has their insurance premiums deducted, but if they happen to work for themselves, they cannot. What kind of nonsense is that? So we corrected that.

We created these medical savings accounts so more people would have access to the marketplace of insurance, so that they could save money.

We allow tax deductions for long-term health care, and we fight fraud and abuse. It is a very, very sound proposal that accomplishes the fact of letting more people keep their insurance, more people get their insurance, and we create a friendly workplace for insurance.

There comes the third point. The principal advocates for Government health insurance do not want this to become law, they do not want medical savings accounts—the administration and the Senator from Massachusetts—something that 80 percent of the American public want, so they are going to filibuster it. They are going to block it. I guess they are hoping that maybe fortunes will change and they will have another opportunity to come back and foist that big-Government-health-run program on America again.

These elections do have consequences. I think this proposal that is hung up by the opposition of Senator KENNEDY and the White House is exactly what America is asking for. I think America will take note of blocking this opportunity.

I see, Mr. President, we have been joined by the Senator from Arizona. I believe he has asked for up to 20 minutes. So I yield 20 minutes to the Senator from Arizona.

Mr. KYL. Thank you, Mr. President. I thank the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

THE WASHINGTON TAX TRAP

Mr. KYL. Mr. President, a few weeks ago, I received a letter from Jerry Harbin of Phoenix, AZ, one of my constituents. Mr. Harbin works two jobs, his wife works another job, and they earn a modest income between them. The Harbins, who are in their mid-fifties contacted me because they are worried, worried that because so much of their earnings are eaten up by taxes, they have been unable to save for retirement. They are two, among many people, who I hear from every day telling me how difficult their lives are right now and how fearful they are about what the future has in store.

Why is it, Mr. President, that so many families, like the Harbins, are struggling just to keep their heads above water? Why is it that Americans seem to be working harder and working longer, and yet they have less to show for it? Why is it that more people have to take two jobs just to make ends meet?

The answer, I think, can be summarized in three words: The tax trap. The tax trap. It is really very simple to explain. The harder you work, the more taxes Washington makes you pay; the more taxes you have to pay, the longer and harder you have to work. Only Washington ends up with more. As Jerry Harbin put it, people are working themselves into early graves just to pay for Government programs that are not working.

Think about what the tax trap has done to society, to families, to working parents. As another one of my constituents, Mike Barry, of Scottsdale put it, and I quote from a letter:

> We have the greatest nation in the world and probably the highest standard of living, and yet because we don't have the willpower and discipline to make the tough decisions to get our "checkbook" in order, we are risking our future and the future of our children.

Mr. President, Americans were once the most optimistic people on Earth, but that seems to be changing. In the America my parents knew, if you worked hard and you played by the rules, you had enough money left over from your paycheck to put something away for the future and still have enough for the little extras in life, and that is what the American dream was all about. It was about making a decent life for ourselves and securing a prospect for a better life for our children.

Why is it, then, for the first time in our Nation's history that an entire generation seems to be losing confidence in the future? It was not that long ago that the largest investment most people ever thought about making was buying a home. If they worked hard and saved, they could buy a house, live the American dream.

But today that dream is out of reach for many families. Many people are now sending more to the tax collector than they spend on food, clothing, and shelter combined. Let me say that again. They are paying more in taxes than they spend on food, shelter, and clothing. There is nothing left over to save for a new home. Some people, like Margaret Bonghi of Phoenix, are really caught in the middle. They cannot afford to buy and they do not qualify for assistance of any kind, and yet they cannot afford to rent either. After taxes, there is nothing left over for her to save.

Here are the figures, Mr. President. In 1948, Federal taxes took about 3 percent of the average family's income. But today, almost half of what people earn goes to the Government in one form or another—half. The tax trap keeps families from buying their own homes. It hurts young people, like 18-year-old Jarrod Wilson in Phoenix, who is very much upset about how much of his earnings are taken by the Government and wasted. He is scared about how much of his paycheck he will be able to keep in years to come.

High taxes are a worry for working women who are trying to balance a career with family obligations. Children are put in day care because both parents have to work just to have enough left over after taxes to pay their bills.

For decades, now, Washington has assured people that it can solve every problem with new spending or some kind of new program. It raised taxes, promised more, but few problems were really solved. So it raised taxes again, and the Government grew even bigger. We now have a bureaucracy that includes 160 different job training programs; 240 different education programs; 300 economic development programs; and 500 urban aid programs. Have all of these programs really made Americans better off?

A recent audit of the Labor Department found that about $305,000 was spent for each participant placed in a training-related employment program in Puerto Rico for about 90 days. The beneficiaries of this program were hired to perform the menial tasks that they had wanted to escape from by participating in the training program in the first place. So the program not only failed to train people for better jobs, it wasted millions in tax dollars that hard-working families could have spent on real needs.

Can Washington really afford all of these programs? It can if it continues to raise people's taxes. President Clinton was not in office 100 days before he proposed the largest tax increase in the Nation's history, taking more of people's hard-earned incomes, again, to expand the size and the scope of the Federal Government.

By comparison, Republicans spent the first 100 days last year trying to cut spending and cut taxes only to have President Clinton veto our balanced budget and tax relief bill in the end.

Did you ever wonder why President Clinton and the Democrats in Congress have been asking people to sacrifice a little more so Washington could spend a little more? Why? Should we not demand that Government be more careful with people's money?

It should not surprise anyone that more and more families find it difficult to make ends meet, that more and more people are forced to live from paycheck to paycheck, and that too many Americans want to put something away for the future but cannot, that almost everyone feels the squeeze from rising prices and higher taxes. Keep in mind that the cost of the Clinton administration's policies to the typical family is $2,600 a year in higher taxes and lower earnings.

What then is so wrong about asking Government to live within its means so that people can earn more, keep more and do more for themselves and their families? What is wrong with fixing problems that are broken, dismantling programs that are unnecessary and giving the benefit back to working Americans in the form of lower taxes?

I know there are some in Washington who say we cannot afford a tax cut if we are serious about balancing the budget. They seem to view the economy as a zero-sum game. It is a line of reasoning that says no one can ever do better unless someone else does worse. If you cut one person's taxes, then they say you have to raise someone else's taxes. It is like trying to divide a pie into ever more slices, satisfying no one in the process.

Some of us think that we should try to make every American better off; that we want to grow the economy, in effect, to make a bigger pie so that all Americans can do better.

That is what happened during the years that Ronald Reagan was President, when income tax rates were cut 25 percent across the board for everybody. Real median family income grew every year but one, between 1982 and 1989, rising $4,564, or 12.6 percent. That is real median family income. It rose over $4,500.

Inflation virtually disappeared by 1986 which, of course, protected all Americans, but particularly senior citizens on fixed incomes. Because the economy was so much healthier, tax revenues to the Treasury increased between $60 billion and $80 billion a year. So actually lower tax rates resulted in higher tax revenues to the Government.

How can that be? It is the same thing that happens when the manager of a local department store schedules a sale and he cuts the price of the products that he sells. He does not do it to lose money, he does it to sell more goods. The store takes a smaller profit on each item, but the increased volume of sales more than makes up for the lower prices when the store counts its receipts at the end of the day.

The same thing happens in taxes. President Reagan cut taxes 25 percent across the board, something that helped to spawn the longest peacetime expansion of our economy in the history of the country. By the end of President Reagan's second term in office, real gross national product had risen by more than 4 percent. Nearly 19 million new jobs were created, over 85 percent of which were full-time jobs in occupations with average annual salaries of over $20,000 a year.

Interest rates fell, and as a result of the healthy and growing economy, revenues to the Treasury increased, as I said, between $60 and $80 billion every year.

That kind of growth was not unique to the Reagan years. It was typical of the economy's performance during other tax-cutting periods. For example, President John Kennedy proposed even bigger proportionate tax rate reductions than President Reagan's. Income tax rates were reduced in the 1960's from a range of 20 to 91 percent to a range of 14 to 70 percent. Revenues to the Treasury rose 66 percent by 1969.

Under Gov. Pete duPont's administration in Delaware in 1979, the top State income tax rate was cut from 19.8 percent to 7.1 percent. By 1993, State revenues had doubled, employment increased 36 percent, and welfare caseloads fell by 40 percent.

The high-tax policies of the 1990's have had just the opposite effect. Real median family income has declined $2,108, or 5.2 percent. Since the beginning of 1995, the economy has only grown at an annual rate of about 1.6 percent. More than a third of the new jobs that have been created have gone not to people just entering the workplace or just getting off welfare, but to people who had to take an extra job just to make ends meet. Interest rates, which had declined during most of 1995, are now rising again after President Clinton vetoed the balanced budget and the tax relief package that the Congress had sent him.

In fact, until Congress forced President Clinton to get serious about limiting Federal spending last year, deficits were forecast at $200 billion a year in the foreseeable future, despite record-high taxes. What that proves is that a sluggish economy and overspending, not a lack of revenue, are the real causes of the Nation's deficit problem.

Mr. President, some economists have proposed yet another round of income tax rate cuts to stimulate economic growth and to put more money back into people's pockets. Others have suggested that more limited relief, like a $500-per-child tax credit or a tax credit for educational expenses, would do more good. As Grover Norquist, who is head of Americans for Tax Reform, recently said, paraphrasing, I think, Mae West, "All tax cuts are good tax cuts, and even bad tax cuts are good tax cuts." In other words, just about anything we do to leave more money in people's pockets is a good thing.

But the benefit of an across-the-board tax cut, I think, is that it reaches out to all Americans. It treats everyone alike, and everyone therefore would benefit. It says to the American people that we trust them to spend their money in ways that is best for themselves and their families. It would allow people to keep more of every dollar earned from their extra effort in the workplace no matter what kind of work they do, or from their extra investment, no matter what kind of investment they may make.

The broad nature of such a tax cut applying to all forms of work and investment ensures that effort and capital are steered to the most productive activities in the economy, instead of other activities that the Government deems the most important, through targeted tax credits or deductions.

It also seems to me to provide the fairest kind of tax relief. Everyone would be treated the same. Tax rates would be cut 15 percent across the board, boosting take-home pay and relieving a major source of anxiety among people in middle and low incomes.

Notably, a 15-percent tax rate would take revenues as a share of gross domestic product back to where they were before President Clinton took office—to 19.2 percent from the current 20.4 percent—effectively repealing the Clinton tax increase.

Mr. President, I want to conclude by suggesting that an across-the-board tax cut is probably the best way to stimulate the economy, the best way to boost take-home pay, the best way to create new jobs and, in turn, the best way to provide more revenue to the Treasury in order to balance the budget.

I hope that Bob Dole and President Clinton will bring this debate to the American people during this upcoming campaign so that perhaps a consensus can develop among the American people during the next several months, so that when the new President takes office, the new Congress comes into office next January, we will feel some mandate to put the will of the people into action, to provide for an across-the-board tax cut that can benefit us all, allow us all to keep more of our income to spend as we think best for our family, but also, as a result of the increase in economic growth, to provide more revenues to the Treasury, to provide for the needs of the people through Government and provide for a balanced budget.

That is the benefit of an across-the-board marginal income tax cut. I hope that both candidates and those in public policy positions will seriously consider this proposal as perhaps the best single thing that we can do for the people that we represent, the people of America.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I commend the Senator from Arizona for his very fine remarks. I think he is right on target. You know, it is just beyond comprehension that an American family today would work from January 1 to July 3 for the Government.

I said to somebody the other day, and I say to the Senator from Arizona, that July Fourth has taken on a new meaning. The irony of it is that it is the first day that a working citizen, a laborer, can keep their paycheck. All the rest of them they gave away to the policy wonks and the government bureaucrats and policymakers, from their own local communities to the Federal Government, the Federal Government being the big bully on the block.

Imagine, Thomas Jefferson would be stunned that this situation is confronting labor, that over half their wages are consumed by the government. That means, in a sense, half their freedom has been——

Mr. KYL. Will the Senator yield?

Mr. COVERDELL. Yes.

Mr. KYL. The Senator said it just exactly right. Independence Day takes on a new meaning. We are finally independent. We can keep the money we raise and spend it on our own families instead of funding government programs.

Mr. COVERDELL. The Senator from Arizona is absolutely correct. The American people know this is out of balance. They know it. You can ask any segment, and they will say that they ought to work from January 1 to about March 1, about 25 percent. So it is double what the American people are paying, which is, of course, why the administration promised to lower it.

But the incredulous thing is, they did the exact reverse and gave us the highest tax increase in American history and therefore have created this enormous weight, this enormous economic burden on every working family, no matter their age or circumstance across our land.

I do commend the Senator from Arizona and notice we have been joined by the distinguished Senator from Tennessee. I yield up to 10 minutes to the Senator from Tennessee.

Mr. FRIST. Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, I come to the floor today to join my distinguished colleague from Georgia, and having just heard the remarks, which are right on target, from my colleague from Arizona, addressing this issue of taxation, where the country is going and what we can do about it.

Mr. President, America was once the most optimistic nation on the face of this planet, but that is not the case anymore. Today, thanks in large measure, I believe, to the incredible tax burden that is placed on the backs of the American people, Americans have lost not only faith in Government, but they have lost all hope in the future and that the future will be better in some way than the past.

You know, when my parents were growing up, America was a place where, if you worked hard and you played by the rules, you could earn enough to support your family and still have a little something left over to put away for the future, and maybe even have a little bit to buy those little extra special things in life. That was what the American dream was all about. But for most American families today, the American dream is becoming nothing but a nightmare.

When I was a child growing up, the largest single expense that family had was their home. It is no longer the case. That largest single expense is the tax bill. Today, Americans send more each year to the tax collector than they spend on food and on clothing and on shelter.

In 1950, it took just a fraction of our income to go towards our taxes. Today, almost half of everything they earn, the American family earns, goes to the Government in some form or the other—almost half of everything they earn. No matter what they do, they cannot get ahead. The harder they work, the more taxes Washington takes out of their pockets. The more taxes they have to pay, the harder they work. That is what we mean when we say we are caught in a tax trap. Washington ends up with more, but American families end up with less.

Mr. President, the American dream was also about generational improvement, about believing that our children would have more opportunities, more choices and a better life than their parents. And, indeed, in America, they should have. Why is it, then, that for the first time in our great country's history, an entire generation of Americans have lost hope and lost confidence in the future? Why? How is it that we have lost that vision, that belief in unending dreams and in limitless possibility? The answer is simple: Taxes.

Mr. President, for decades Washington has told America that everything is OK. But, at the same time, Washington has spent our children's inheritance and undermined their future. For decades, Government not only spent more than it took in, but spent that money unwisely. Just to pay for what? A growing Washington bureaucracy, a bureaucracy that has created and encouraged overlapping programs—over 160 different job training programs, over 240 education programs, over 300 economic development programs, over 500 urban aid programs.

How does Washington pay for all of these overlapping programs? By raising taxes through the roof. It should not surprise anyone that more and more American families find it harder and harder to make ends meet, that more and more American families are forced to live from one paycheck to the next paycheck, that too many Americans want to put something away for the future, but they simply cannot, that almost every single American feels squeezed by rising prices, higher taxes, and stagnant wages.

Yet, Mr. President, while in the first 100 days of the new Republican Congress we spent our time trying to cut taxes, to give tax relief to that American family, Mr. Clinton spent his first 100 days in office trying to take more of America's hard-earned dollars. Against unanimous Republican opposition, President Clinton imposed the largest tax increase in the history of this country—$265 billion, to be exact. Yet, he still expects Americans to save more and to give more, in spite of this tax increase. No wonder most Americans have lost hope. It is the Clinton crunch. It is stagnant wages and higher and higher taxes. That is what the American taxpayer feels.

I repeat, the Clinton crunch is hurting America every day. The Clinton crunch is hurting the American citizen every day. The price of Mr. Clinton's tax trap is high. It not only costs the typical American family $2,600 in higher taxes and lower earnings, but we also pay the price of less savings, less investment and a less certain future. That is why, as we travel around our various States from community to community, we hear that the American people are afraid. They are afraid that they are not going to be able to afford that interest on their children's college loan. They are afraid they are not going to be able to afford to buy that first home. Why? Because interest rates are too high. They are afraid they are not going to be able to pay off their own accumulating debt. They are afraid that they will have nothing saved by the time they retire.

Well, it is time to end the tax trap, and we can end the tax trap. It is time we gave the American people some well-deserved tax relief. It is time we return their power, that we return their influence, that we return their own earnings over to them and their futures. And it is time we, once again, encouraged economic growth, encouraged opportunity, encouraged wages, encouraged savings, and returned that hope and that optimism that is so characteristic of the American people.

Mr. President, Government and bureaucracies did not make America great. People made America great, people who worked hard, who saved for the future, who saved and invested for their children, who made the world a better place for that next generation, for their children, for their grandchildren. That is what made America great.

Our goal, the Republican goal, is to end the tax trap. Our goal is to help Americans not only earn more money but keep more of what they earn, so they can do more for themselves, do more for their families, do more for their communities, so they can save more for their children and their future, and so they can give more to that collection box on Sunday.

Yes, that is the legacy our parents and grandparents left to us. It is the legacy that all Americans inherited from our Founding Fathers. Let us not be the first generation who fails to pass that legacy on.

Mr. President, I thank the Chair and yield the floor.

Mr. COVERDELL. Mr. President, I appreciate the remarks of the Senator from Tennessee. He is on target, as usual.

HEALTH CARE REFORM

Mr. COVERDELL. Mr. President, let me just say that, again, I want to close by talking about the fact that this Congress, the 104th, the Senate and House, has done remarkable work in bringing to the country some relief in the insurance marketplace for health insurance.

We heard, in the last Congress, about the large number of people who are disadvantaged in the insurance marketplace and that they lose their insurance if they change jobs. The costs are too high. A lot of young people do not have insurance, or somebody who has had a medical problem has difficulty getting insurance. We oppose vehemently the idea of a new massive Government takeover to run every aspect of everybody's decisions—families and persons.

Well, the principal advocates for a Government takeover of health care are now telling us that it is simply unacceptable that they are going to use medical savings accounts, which is a new opportunity in the marketplace. The President and the Senator from Massachusetts have keyed in on that and said, no, that cannot be in the marketplace. They are so opposed to this concept that they are going to block everything, leave the uninsured uninsured, leave the person who cannot move from one job to another unable to do that, let the person sitting out here—I met one of them just last week—who cannot get insurance because of a preexisting condition. Too bad. Let the self-employed, who cannot deduct their cost for insurance—they cannot deduct it like somebody who works for a company—too bad, we do not like medical savings accounts, even though the vast number of Americans do. So we are going to block it all, we are going to filibuster this election of conferees to bring a reasonable health care solution to the country to the table. No, America, you cannot have it because the new leadership and Senator Dole on our side wants this new product called medical savings accounts. So if it cannot be their way, it will not be any way.

If you really want to get to the bottom line, I think that they would be just as fine to let it go, not let this come into place, so we can come back with a new match of Government proposal after the next election.

Mr. President, what do folks think about these medical savings accounts? Here is a quote: "Today I would like to appeal to President Clinton to please support the MSA issue. Nearly 3 years ago, we went to an MSA plan, and it has been very helpful to us."

Is this one of those rich people they talk about? No, it is Penny Blubaugh, secretary and part-time bus driver for the Danville, OH, local school district. She is asking the Senator from Massachusetts and the President to let this go through, saying that it has been helpful to her. She would like others to take advantage of it.

Here is another one: "An amendment to the health care package has been offered to add a medical savings account provision. The United Mine Workers have a similar provision in our current contract that is anticipated to produce a significant savings to our previous insurance." This is a quote from a letter to PAUL SIMON of Illinois from Dan Reitz, political director of United Mine Workers' State chapter in Illinois. That does not quite fit the picture of this so-called rich beneficiary.

"Mr. President, we believe MSA's will be a huge benefit to the American public. MSA's are not a partisan issue. Democrats supported MSA's in the 102d and 103d Congress, and we support them in this Congress because they are a good idea. That increases access, controls costs, and offers options." That is in a letter to President Clinton from Democrat Congressmen BOB TORRICELLI and ANDY JACOBS of New Jersey and Indiana.

Well, the list goes on and on, Mr. President. They have talked about—the Senator from Massachusetts and the White House—that it only benefits the wealthy and the healthy. But in truth, regarding the experience of 2,000 companies with MSA's, a recent study by the Rand Corp. shows that MSA's appeal to those of all income levels and would attract those of all health conditions, including the chronically ill. In fact, I was at a press conference and a press interview, and one of the persons there supporting this had fought off what might have been a terminal illness. So it is just inappropriate to characterize this as just serving the wealthy and the healthy.

Mr. President, I see the hour of time which I control has expired. I will just close by saying I hope that the White House will implore the Senator from Massachusetts to allow us to proceed with the health care reform that helps bring insurance to small businesses, to small farmers, people looking for some relief, people who are looking for a friendlier work environment in order to obtain health insurance. The Senator from Massachusetts has it all bottled up. The Senator from Massachusetts has it all bottled up, and that means millions of Americans are bottled up. It is time to bring this to an end and let these reforms became part of the American workplace.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I wish the Chair a good morning, and my colleague from Georgia. I enjoyed his reflection on health care.

ENVIRONMENTAL IMPROVEMENT TIMBER CONTRACT EXTENSION ACT OF 1996

Mr. MURKOWSKI. Mr. President, I am going to speak on another subject but it is equally important to my State, and that the introduction by myself along with Senator STEVENS and Congressman YOUNG of a piece of legislation known as the Environmental Improvement Timber Contract Extension Act of 1996. I introduced the bill late yesterday, and I did not have an opportunity to speak on it.

This particular piece of legislation would provide for timber contract extension. The bill would extend for 15 years the long-term timber sale contract on the Tongass National Forest between the Forest Service and the Ketchikan Pulp Corp. which is a subsidiary of Louisiana Pacific. This extension would provide Ketchikan Pulp with a stable timber supply over a sufficient length of time to amortize the cost of a new environmentally improved pulp mill. Improvements and energy efficiency equipment would be installed at a cost of somewhere between $150 million and $200 million.

It is interesting to reflect that when this mill was first built back in the mid-fifties the total cost of the mill was somewhere in the area of $55 million. In any event, Ketchikan Pulp Corp.'s situation is extremely unique because all of its timber comes from the national forest. In my State of Alaska there is no State forest of any consequence in southeastern Alaska, and the only private timber that is available is owned by the Native regional corporations.

We also have a unique difference in that we have in the Tongass people who live in the forest in the towns of Ketchikan, Juneau, Wrangell, Petersburg, Sitka, Haines, Skagway are all in the forest, and were in the forest before the forest was created. And the theory was when the Nation's largest national forest was created there would be sufficient timber set aside for the modest industry that was in existence. We have seen some changes in that policy.

So I am introducing this bill as a result of, first, the important role that Ketchikan Pulp plays in the social, economic, and environmental vitality of southeastern Alaska; two, the strong bipartisan support within our State for this action; three, the record from the two field hearings which I held last month in southeastern Alaska in Juneau and Ketchikan which overwhelmingly supports the introduction of this legislation; fourth, the realization that the performance of the Forest Service strongly indicates that without some congressional intervention the Ketchikan Pulp mill will not survive without an adequate supply of timber.

Let me elaborate on each of these factors because they are important.

Let me describe the nature of the southeast forest in the Tongass. Thirty percent of our timber is dead or dying. It is old growth, virgin timber. But as with any living thing there is a process of growing, maturing, and then the death of the trees begin. The theory of utilizing these trees which have reached their maturity and are in the process of dying is the forest process of evolution which is associated with timber development. So what we have is a product that is only suitable for wood fiber, and as a consequence there is a justification for the pulp mill. Without the pulp mill, the lumber mill would be less profitable and the pulp would have to be exported creating virtually no jobs in my State.

So let me share with you what the forest told us about the evolution and the importance of the contract with southeastern Alaska as of May 28 at the oversight hearing in Ketchikan:

> The long-term contracts in Alaska which required the construction and operation of manufacturing facilities such as sawmills and pulp mills facilitated the establishment of a timber industry in Southeast Alaska.
>
> Prior to the 1950's, economic conditions in Southeast Alaska were characterized as boom-bust. Federal government employment, mining and salmon processing were the economic mainstays. After World War II, mining was essentially gone, leaving a small local timber industry and commercial fishing in the natural resources sector. Both the timber and commercial fishing industries were subject to market swings from year to year and were seasonal in terms of employment. The United States favored the expansion of the timber industry through several long-term timber sales on the Tongass National Forest to stabilize employment in Southeast Alaska.
>
> Making the best use of the timber on the Tongass required having suitable markets for both high and low quality timber and species. The markets were largely export markets in the Pacific Rim and were somewhat limited by the need to use most of the timber for pulp. The Forest Service advocated the use of long-term sales to establish a pulp industry that would bring greater economic diversity to the region and more year-round employment. If successful, more service and trade establishments were expected to follow—creating greater tax bases, which would provide opportunities for improved services, such as schools, water, fire protection, and the like. For all of this to come together, however, the Forest Service had to guarantee a long-term, stable timber supply to attract outside capital investment.

I found this testimony compelling, Mr. President. The Forest Service witnesses recounted the decisions of their predecessors back at the time right after the war in the late 1940's. Farsighted people recognized the nature and the importance of the resource and planning for an environmentally and economically secure future. The Forest Service recognized that, as a sole owner of land and timber, it controlled the economic and environmental vitality of the region.

What is the situation today? Why has it changed? Today Ketchikan Pulp Corp.'s operations directly or indirectly provide about 25 percent of the total annual employment wages in Ketchikan. Ketchikan Pulp Corp.'s municipal real estate and sales tax generated about $13.6 million in revenues in 1992.

More broadly, the southeastern Alaska timber industry is the dominant contributor to real estate development in Ketchikan. More than 25 percent of all the households are timber dependent, and the typical timber employee can purchase more than 90 percent of the existing housing units. Ketchikan Pulp comprises more than 50 percent of the total borough's industrial assessed valuation.

I might add, Mr. President, that this is the only year-round manufacturing plant in our State of Alaska. So its importance cannot be understated.

We have tourism and fishing that are also important to the economy. But we need all of our basic industries—timber, fishing, and tourism—in that part of the State to maintain the healthy economy in the region. Quite simply, without some stability of timber supply, the economies of the region generally, and Ketchikan specifically, are in trouble.

Perhaps that is why the proposal to extend the KPC contract has received broad, bipartisan support from elected officials throughout the State. Earlier this year, the Alaska Senate voted 18 to 1 to support a resolution urging the Congress to extend the contract. The Alaska House voted 34 to 3 to support the same measure. These are extraordinary margins of support.

I will submit the resolution for the RECORD at this time, and ask it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION NO. 40 IN THE LEGISLATURE OF THE STATE OF ALASKA

Whereas, for the last 40 years, the timber industry operating on national forest land in Southeast Alaska has been the largest private employer in Southeast Alaska; and

Whereas the United States Forest Service strategy for creating permanent year-round employment through a timber industry in Southeast Alaska has been to offer long-term contracts to attract pulp mills to use, and add value to, low-grade and by-product materials from timber harvesting; these pulp mills serve as a market for pulp logs and chips from the sawmills in Southeast Alaska; and

Whereas pulp mills assure full utilization and protect forest health by using that significant portion of the Tongass National Forest that consists of dead, dying, and overmature timber; and

Whereas, since passage of the Tongass Timber Reform Act of 1990 (TTRA), a pulp mill and a major sawmill have closed, and more than 40 percent of the timber industry has been lost due, in part, to the failure of the United States Forest Service to make available the approximately 420,000,000 board feet per year needed to meet the jobs protection promises made by those who sought passage of the TTRA, all of which has created severe social and economic harm to the timber industry, its workers, and timber-dependent communities in Southeast Alaska; and

Whereas another of the reasons for the closure of the Sitka pulp mill was the adverse economic impacts of unilateral changes to its long-term contract made by the TTRA, those unilateral changes also adversely impact the economics of the Ketchikan Pulp Company (KPD) contract; and

Whereas KPC, which obtained a long-term contract to help create year-round jobs in Southeast Alaska, is the sole remaining pulp mill in Alaska, a major employer in Southeast Alaska, and the market for pulp logs and chips from all the other sawmills in Southeast Alaska; and

Whereas the loss of the KPC pulp mill would lead to the loss of the entire industry now operating on the Tongass National Forest with devastating social and economic effects on families and communities throughout Southeast Alaska; and

Whereas KPC pulp mill faces an uncertain future, not of its own making, as a result of the continuing log shortage created by the failure of the United States Forest Service to meet its volume and requirements under KPC's contract and the TTRA, as a result of the adverse economic impacts to its long-term contract caused by the unilateral TTRA changes, and as a result of the requirement that more than $155,000,000 in capital expenditures be made over the next few years to meet new and ever changing federal environmental standards and operating needs; and

Whereas, as a matter of economic common sense, KPC cannot make all the necessary expenditures without the federal government extending its contract for a sufficient period to amortize those expenditures, without an adequate supply of timber, and without modifying those portions of the unilateral TTRA contract changes that have adversely impacted the contract's economics; and

Whereas the legislature finds that an additional 15 years is a minimum reasonable period to extend the KPC's timber sale contract to allow such amortization and to provide opportunities for value-added alternatives that maximize the number of jobs and assures environmentally sound operations; and

Whereas the legislature finds that sufficient timber must be made available to maintain the KPC contract, to provide 100,000,000 board feet for the contracts to small business, and to reopen the Wrangell facility and a by-product facility in Stika; be it

Resolved, That the Alaska State Legislature respectfully urges the Alaska delegation in Congress and the Governor to take all steps necessary, this year, to extend the Ketchikan Pulp Company long-term contract for an additional 15 years and modify those portions of the contract which the TTRA unilaterally impacted, because such an extension and modification are critical to the environmental, social, and economic well-being of the Tongass National Forest timber workers, their families, and timber-dependent communities in Southeast Alaska and because such an extension is in the public interest of the State of Alaska; and be it further.

Resolved, That the Tongass National Forest should be managed for a healthy and diversified economy for the benefit of all users, including value-added forest products, commercial and sport fishing, seafood processing, tourism, subsistence, sport hunting, and local businesses that provide goods and services; and be it further.

Resolved, That the Alaska State Legislature also respectfully urges the Alaska Congressional Delegation, the Governor, and the United States Forest Service to take action this year to assure that sufficient timber be made available as part of any revision of the Tongass Land-Use Management Plan to maintain the Ketchikan Pulp Company contract, to provide 100,000 board feet for small business contracts, and to reopen the Wrangell facility and a by-product facility in Sitka.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Daniel R. Glickman, Secretary of the U.S. Department of Agriculture; the Honorable Bruce Babbitt, Secretary of the U.S. Department of the Interior; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; and to the honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Mr. MURKOWSKI. Further, the Governor joined in, offering his support for congressional action to extend the contract. In a May 23 letter to me, Gov. Tony Knowles informed me that the State of Alaska supports a KPC contract extension, contingent on KPC's agreement with the following five principles: to protect the environment, Alaska jobs, and other forest users; and to utilize the Tongass Land Management Planning [TLMP] process and value-added processing techniques. I am pleased to say that these conditions have been agreed to by KPC and are included in the compromise legislation I have introduced today. I will include the Governor's letter for the RECORD.

I ask unanimous consent that it be printed in the RECORD as well.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Washington, DC, May 23, 1996.

Hon. FRANK MURKOWSKI,
U.S. Senate, Washington, DC.

DEAR SENATOR MURKOWSKI: On behalf of Governor Tony Knowles, I hereby submit, for the hearing record, the attached letter from the Governor to Mr. Mark Suwyn, Chairman of Louisiana-Pacific Corporation, concerning a possible contract extension for the Ketchikan Pulp Company (KPC).

As the attached letter indicates, the State of Alaska supports a KPC contract extension, contingent on KPC's agreement with the following five principles: to protect with environment, Alaska jobs, and other forest users; and to utilize the Tongass land Management Planning (TLMP) process and value-added processing techniques. The State's support for a contract extension, however, leaves for the federal public process to resolve the issues of volume, contract duration, and pricing structure.

With respect to the TLMP process, which we understand you are also having hearings on, the State continues to provide information and comments to the United States Forest Service in an effort to develop a management plan for the Tongass that is based on sound science, prudent management, and meaningful public participation.

In addition to this letter for the record, the State plans to be represented at the hearings by Veronica Slajer, of the Department of Commerce and Economic Development, who will be in attendance to listen to the testimony of the witnesses. As we informed your staff earlier, Ms. Slajer will not be testifying at the hearings, but the State is interested in learning about what others think about these issues so that the State can incorporate these thoughts in the formulation of State policy.

Thank you for considering the State's views.

Sincerely,

JOHN W. KATZ,
Director of State/Federal Relations and Special Counsel to the Governor.

Mr. MURKOWSKI. After receiving these views from the legislature and the Governor, I scheduled two oversight hearings on May 28 and May 29 in Ketchikan and Juneau, respectively. What I heard at these hearings was overwhelming support for the legislature's resolution, the Governor's action, and the extension of the KPC contract. I heard from tourism interests, bankers, and fishermen who supported the contract extension. While not unanimous, the preponderance of testimony offered over the 2 days—and I might add there were demonstrators who marched in Ketchikan, as well as in Juneau. Most of them, I am pleased to say, wanted to extend the contract—a larger portion, of course, in Ketchikan. These people recognize that there is no alternative source of timber available.

Last, I am introducing this legislation today because I have finally lost confidence in the ability of the Forest Service to provide a stable and sustainable supply of timber for southeast Alaska. Over the past few years, the agency has fallen further and further behind in keeping a working timber sale pipeline. This problem has worsened despite the efforts of Senator STEVENS to provide the agency with additional funding for timber sale preparation. Consequently, more than half of the operating mills in southeast Alaska have closed their doors during the last few years during this administration's watch. KPC is the last remaining pulp mill in the State. We only have the one.

This situation is absolutely critical. The Tongass is our Nation's largest national forest. Yet the level of economic activity associated with the production of forest products is very small, and sinking. We have only one pulpmill and a few scattered sawmills left. Employment in the industry has fallen 40 percent since 1990. New Yorkers burn more wood in their fireplaces and stoves than we harvest in southeast Alaska each year. Yet we have the largest of all our national forests.

In its May 28 testimony, the Forest Service acknowledged that the contract with Ketchikan Pulp Co. [KPC] has played an important role in the development of Alaska's resources in southeast. Given this admission, one would think that the Forest Service would want to see the mill stay. One would expect the Forest Service to weigh in in favor of a contract extension. But not so.

In very disappointing testimony, the agency maintained that the terms of the existing contract provide that all obligations and requirements of the long-term contract must be satisfied on or before June 30, 2004. In response to questions about any future obligations past that date, the agency insisted that it has none—none. This testimony was offered even though the preamble to the contract discusses a commitment to a permanent economic base.

On the question of whether Congress should extend the contract, the Forest Service testified that a long-term commitment of resources through a timber contract could further affect the flexibility of management on the Tongass—I do not know what that means, but I have an idea—and, further, that we are committed to completing the revision of the Tongass land management plan before we begin any discussion of future long-term commitments to timber related industries in Southeast. Yet in response to questions, the agency witnesses could not tell me: First, whether such commitments could be made within the latitude provided by the range of alternatives in the draft TLMP; second, whether additional National Environmental Policy Act analysis would be required; or third, whether such commitments would actually be precluded by the selected alternative of the final plan. The testimony was extremely unsettling. It convinced me that either the Forest Service and/or the administration would like to see the KPC mill go away.

They have apparently no interest in seeing KPC invest $200 million to pioneer chlorine-free manufacturing technology that could benefit environmental control efforts nationwide. I think this is also tragic.

Mr. President, the simple facts are that without the contract extension KPC will be unable to amortize the required capital investments for environmental improvements, and it will go away. The company's new CEO also testified on May 28. He was refreshingly, if not reassuringly, frank. He said:

> In the very near future, we have to decide whether to continue the large investments required to make KPC viable or whether the losses currently being inflicted by the inappropriate implementation of the contract can be carried any longer. Now, we are going to make that decision relatively soon. This is not an issue for the year 2003. This is a 1996 issue and decision.
>
> We will make that decision, first of all, based on just to keep running today we must

have the Forest Service meet the intent of the long-term bilateral contract, including the volume and pricing provisions. And, then, secondly, to continue to invest at the rapid rate that we are right now, millions of dollars per quarter, this revised version of the long-term contract must be extended a minimum of 15 years at an offering level of 192 million board feet per year.

The people of KPC and the thousands of people who have worked with us have met its—their contractual obligations to develop the economy and provide permanent, year-round employment for Southeast Alaska. We want the government to meet its contractual obligation to provide a sufficient volume of economically viable timber in a timely fashion.

Some in southeast Alaska suggest that the region does not need the KPC pulpmill to have a successful and sustainable timber industry. What is needed, in their opinion, is to eliminate the monopoly contract and develop more small, value-added manufacturing facilities.

This is wishful thinking. The independent mill witnesses at our hearings indicated that the lack of a stable timber supply will preclude any additional investments in southeast Alaska. The manufacture of pulp is a higher value added process than any of the alternatives suggested by opponents of the pulpmill. The loss of the pulpmill will destabilize the industry and the infrastructure of the region, and have a chilling effect on future industry investments. Available capital will migrate to other regions.

Mr. President, I cannot stand idly by and watch the town of Ketchikan die. I will not. I have introduced and ask respectful consideration of, the Environmental Improvement Timber Contract Extension Act. A copy of the bill and a section-by-section analysis was included.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico, under a previous order, has a period of 15 minutes under his control.

The Chair recognizes the Senator from New Mexico.

USE THE DISASTER RESERVE OF GRAIN

Mr. BINGAMAN. Mr. President, I will try to talk for a few minutes here to alert my colleague and anybody watching about the importance of a Senate resolution which I submitted, along with Senators DASCHLE and DOMENICI and PRESSLER and LEAHY. That is Senate Resolution 259. It was agreed to by unanimous consent. I call on the Secretary of Agriculture to give that resolution very serious consideration.

The resolution simply states that it is the sense of the Senate that the Secretary of Agriculture should use the disaster reserve of grain, which is under his authority, to alleviate the distress of livestock producers. This should be done in the most efficient manner practicable, including cash payments from the sale of commodities that are in the disaster reserve.

The disaster reserve currently has about 44 million bushels of grain. The Secretary of Agriculture has two choices, essentially, as to how to proceed in compliance with the resolution. He can transport the grain from the Midwest, where it is currently stored, to the southwest, where that grain is needed.

Of course, this kind of an option would be time consuming; it would be inefficient. The other alternative, and that is what we urge in our resolution, is that he could sell the grain on the open market and use the proceeds from the sale as cash payments to livestock producers who are in the most distress. This action would provide significant relief to ranchers in New Mexico and in many other States.

Mr. President, the resolution I have referred to represents one of several efforts that we have made to provide immediate assistance to livestock producers. Those in the livestock industry cannot wait for the normal period that it takes to pass legislation in this Congress.

Many people have had to sell their cattle because they could not afford to feed those cattle. To bring a calf to market today, to get it up to the weight where you can bring it to market, a rancher is required to spend about $350 on grain. Under the present circumstances, he could be expected to sell that calf for $200 or less. That, of course, does not make sense. Many ranchers have had to sell their entire herds now, at this point, when the price of cattle is at a near all-time low.

A rancher from Quay County in my State on the east side of New Mexico reported that semis loaded with cattle have had to wait up to 18 hours to be unloaded at the slaughterhouse in Hereford, TX. The cattle that remain on the range are in poor health.

Twenty-two of the thirty-three New Mexico counties have been declared disaster drought areas. Farmers in these counties, in many cases, have had to plow their fields into large clods to keep the wind from blowing precious topsoil away.

Without question, the current hardships affect the entire community. In certain areas of New Mexico, banks are having to let ranchers and farmers pay only interest on their loans.

This drought has also started an early fire season with very devastating results in my State. As of May 5, fires had burned 162,000 acres of Federal land in the two States of Arizona and New Mexico. This figure is twice the area burned in the entire year of 1995. As a result, in our State, fireworks have been banned statewide.

Part of my State did receive rain in the last 2 days. However, as welcome as that rain is, it is clearly not enough. We have talked to various extension offices around New Mexico, and the indications are that the amount of rain received was very sparse and widely distributed. In Chaves County, the extension office indicated that they received one-tenth of an inch of rain in areas that are usually farmed, and even less than that in grazing areas.

The normal rainfall from January until the present time is about 2 inches. In Eddy County, in the southeast part of our State, they reported they had a few drops of rain a few days ago. Roosevelt County, on the east side of New Mexico, had one-half inch in the town of Portales, but less out in the county. Lincoln County indicated that there was some rain in Carrizozo, none out in the rest of the county.

Mr. President, let me show a chart which I think makes the case much better than a description by me could make. This is the Palmer drought index, which is the primary way in which people in the weather predicting business and weather analysis business determine the extent of the drought that is being experienced.

This is a map as of May 25 of this year. It is the most recent map. Though the map was made on June 4, it is valid for the period up through May 25.

This shows that the blue, or turquoise areas on the map are those which are considered moist, by normal standards.

The yellow areas—and you can see much of the Northeast is having a moist season so far this year—the yellow areas are normal.

The tan areas are moderate.

The reddish areas are severe drought.

And then the purple areas are listed as extreme drought.

You can see the very large area throughout the Southwest that is listed as experiencing extreme drought conditions under this map. Most of my State, most of Arizona, much of California, much of Nevada are listed in extreme drought conditions. Mr. President, this is not a modest problem; it is a very serious problem for the State.

We have seen some measures taken to deal with this hardship, but they are not enough. The President has announced some actions, but I believe we must pursue all avenues available. For this reason, I continue to encourage the Senate to take up and to pass a bill that I introduced on May 13, S. 1743, the Temporary Emergency Livestock Feed Assistance Act of 1996. We requested the Secretary of Agriculture to give us his comments on that bill, and I have a letter from him, which I ask unanimous consent be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BINGAMAN. Mr. President, let me read two or three sentences from that. The Secretary of Agriculture, in this letter dated the 12th of June, says:

> The Department of Agriculture supports the concept and intent of the proposed legislation as a means to provide some form of assistance to livestock producers who cannot receive assistance under either crop insurance or the Noninsured Crop Disaster Assistance Program, as the administration proposed in legislation submitted to Congress last year in formulating the 1996 farm bill.

He goes on to say:

> The extension proposed in S. 1743 could be operated through the current LFP policy and procedure with very limited changes. Therefore, if the legislation were enacted, it could be implemented in a very short timeframe.

Under the bill, Mr. President, the producers who have suffered at least a 40-percent loss of feed production would be able to apply for assistance through their local farm service agency. The livestock eligible would be cattle, sheep and goats.

The old program was funded through the Commodity Credit Corporation. This bill changes that funding mechanism. S. 1743 targets $18 million from the Cottonseed and Sunflower Seed Oil Export Assistance Program. If market conditions remain the same, we are informed that these funds will go unspent this year unless we use them for the purpose that we have designated in S. 1743.

Mr. President, we now have 16 cosponsors for this legislation. It is a very impressive bipartisan group of cosponsors: Senators DASCHLE, DOMENICI, BAUCUS, GRAMM, DORGAN, GRASSLEY, EXON, HATCH, HARKIN, INHOFE, JOHNSTON, KYL, FEINSTEIN, PRESSLER, HUTCHISON, and KASSEBAUM are all cosponsors of the legislation with me. I urge other Senators to join us in this legislation.

This bipartisan bill will give immediate relief to the livestock industry. I know there are some in this body who hesitate to resurrect a program that was eliminated in the recently enacted farm bill, but let me point out that S. 1743 addresses many of the reasons that the program was eliminated and corrects the problems.

Several provisions have been placed into the bill to guard against some of the abuses that had been pointed out in the program previously. For example, a rancher must have owned or leased the livestock covered in our proposed legislation for at least 180 days. If the rancher has not owned or leased the livestock for the required time, there are certain exceptions that the Secretary would have to approve. This will ensure that additional livestock are not purchased for the sole purpose of benefiting from this program.

Also there is language that allows the Secretary to determine the quantities of forage sufficient to maintain livestock based on the normal carrying capacity of the land. The language is intended to discourage anyone from overstocking the land above the carrying capacity and receiving assistance for that effort.

Further, S. 1743 would not revive the program indefinitely. This bill proposes to allow the program to exist only through 1996. That year, of course, is essentially half over. The practical effect of S. 1743 is that it would provide short-term assistance for the livestock industry until adequate rain does come.

S. 1743 differs significantly from the livestock feed program in regard to how it is funded. We have identified $18 million that will go unspent this fiscal year. The old program was funded through the Commodity Credit Corporation. We do not upset any of the funding mechanisms created in the newly enacted farm bill. Instead we spend money that otherwise would be returned to the Treasury.

As I have stated, Mr. President, the livestock industry in my State and in much of the Southwest needs immediate relief. Until the livestock industry receives some immediate assistance, I ask the Senate to continue moving ahead with Senate bill 1743. Given the choice of whether this $18 million is to be used for drought emergency or returned to the Treasury, I believe the choice is clear, given the crisis that we face.

Mr. President, as I indicated a week or so ago speaking on the floor on this same subject, we cannot legislate rain. But we can legislate some measure of relief during this time of crisis. We should do so. I urge my colleagues to join me in doing so. Mr. President, I yield the floor.

EXHIBIT 1

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, June 12, 1996.

Hon. JEFF BINGAMAN,
U.S. Senate, Senate Hart Building, Washington, DC.

DEAR JEFF: This is in response to your request for comments regarding S. 1743, a bill "To provide temporary emergency livestock feed assistance for certain producers, and for other purposes."

S. 1743, basically mirrors the Livestock Feed Program (LFP) that was suspended, for crop years 1996 through 2002, by the Federal Agriculture Improvement and Reform Act of 1996, signed on April 4, 1996, with two exceptions: (1) eligible livestock, which the proposed legislation limits to cattle, sheep, and goats; and (2) funding. Funds for the expired program originated in the Commodity Credit Corporation, whereas the proposed legislation specifies that the Secretary of Agriculture shall use not more than $18 million that otherwise would have been made available to carry out the cottonseed oil and sunflowerseed oil export assistance programs established under section 301(b) of the Disaster Assistance Act of 1988.

The Department of Agriculture (USDA) supports the concept and intent of the proposed legislation as a means to provide some form of assistance to livestock producers who cannot receive assistance under either crop insurance or the Noninsured Crop Disaster Assistance Program (NAP), as the Administration proposed in legislation submitted to Congress last year in formulating the 1996 Farm Bill. The extension proposed in S. 1743 could be operated through the current LFP policy and procedure with very limited changes. Therefore, if the legislation were enacted, it could be implemented in a very short timeframe.

The long-term Palmer Index, as of May 11, 1996, indicates that extreme drought currently is occurring in parts of Arizona, California, New Mexico, Nevada, Texas, and Utah. The Palmer Index also shows that severe drought is occurring in parts of Arizona, Colorado, Kansas, New Mexico, Oklahoma, Texas, and Utah.

USDA would support S. 1743 if it were modified so that benefits under the proposed legislation would be made available only to those producers who are not eligible to receive assistance under NAP or crop insurance. If careful consideration is not given to eligibility criteria, the $18 million funding provided for the legislation will be inadequate. NAP assistance on privately-owned land is available for seeded forage and for native forage. On Federal or State-owned lands, NAP assistance is available only for seeded forage. Vegetation occurring naturally without seeding is considered native forage. Seeded forage is defined as acreage which is mechanically seeded with grasses or other vegetation at regular intervals, at least every 7 years, in accordance with good farming practices.

Because LFP benefits may fluctuate frequently during the feeding period, it would be advisable to provide for a 30-day sign-up period in order to make an early determination of potential expenditures and to issue advance payments accordingly.

The requirements in section 6, of the proposed bill, Report on Use of Disaster Reserve for Livestock Assistance, are extraneous, and need not be included. the Administration is quickly developing a mechanism for distributing the Disaster Reserve stocks and will announce it very soon.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DAN GLICKMAN,
Secretary.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I understand that the leader has some 20 minutes of time?

The PRESIDING OFFICER. The Chair advises the Senator from Massachusetts that is correct.

Mr. KENNEDY. I yield myself 12 minutes of the leader's time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. I thank you.

MEDICAL SAVINGS ACCOUNTS

Mr. KENNEDY. Mr. President, the House and the Senate Republican compromise on medical savings accounts is a capitulation to House Republicans who are more interested in creating an issue and serving a special interest constituency than in passing a bill.

I listened with interest to speeches this morning that accused the Democrats of blocking health reform by not agreeing to the appointment of conferees. This kind of claim cannot pass the truth-in-advertising test. Let us look at the record. Medical savings accounts was defeated by the full Senate. The health insurance reform bill passed the Senate by 100 to 0 without medical savings accounts—100 to 0 without medical savings accounts.

When the majority leader attempted to appoint conferees, he proposed a stacked conference—a degree of tilting unprecedented in the last three conferences. His only goal was to assure the bill that came out of the conference included this bill-killer provision. The Democrats will not consent to this abuse of congressional procedures. And we will continue to fight to pass a bill the President can sign, a bill that will improve health insurance, not ruin it.

We are ready to talk to the Republicans anywhere, any time. We do not need a conference to work out this legislation, if the Republicans are willing to compromise. But we will not agree to a conference that has the sole goal of assuring the death of this bill by including in it an unacceptable provision rejected by the Senate.

Let us be clear about who is blocking health reform. Health reform passed the Senate 100 to 0. It was a clean, bipartisan bill. If it were passed by the House today it would be signed by the President tomorrow. The American people are tired of partisan bickering. They want us to pass the bill that passed the Senate with unanimous support. The American people deserve to have insurance reform enacted. The House Republicans should not be trying to kill it by insisting on an extreme partisan agenda.

Medical savings accounts have become the Trojan horse that could destroy health insurance reform. This untried and dangerous proposal does not belong in the consensus insurance reform bill. It has already been rejected by the Senate. A bill containing it cannot be enacted into law and signed by the President.

Democrats and the White House have offered a fair compromise which would provide for a controlled and limited test of the MSA concept to see if it should be expanded. But the House Republican leadership has said that it will be their way or no way. As Majority Leader ARMEY said yesterday, "I will not give up [on] medical savings accounts," and he dared the President to veto the bill. The latest Republican proposal clearly reflects this partisan strategy.

The Republican leadership pretends their proposal is a fair attempt to deal with concerns about medical savings accounts. But it is nothing of the kind.

Under their proposal, medical savings accounts could be sold to all small businesses and the self-employed immediately. This opens MSA's to a massive market, consisting of more than 40 million workers, one-third of the Nation's entire labor force. This is hardly a controlled, limited test.

Even more serious, experts agree that the small business sector of the health insurance market is the most vulnerable to the disruption that medical savings accounts would cause. The joint tax committee concluded that the sales of medical savings accounts would be concentrated in small and medium-sized firms.

The proposal would clearly go beyond the bounds of what is acceptable, even if it stopped there. But it does not. After 3 years in which medical savings accounts are sold in this vast market, the accounts would be expanded to everyone. Only if both the House and Senate voted to stop the expansion would it be prevented. Rather than evaluation by an impartial body, the evaluators would be chosen by the chairmen of the Finance and the Ways and Means Committees, both strong proponents of MSA's. This is not a test. It is a travesty.

There are other objectionable aspects of this compromise. It sets a deductible that is $5,000 per individual and $7,500 per family, far beyond the means of working families. Instead of capping the obligations to people who finally meet the deductible, it allows the insurance company to subject them to further unlimited costs that the insurer is not obligated to cover.

Do we understand that? We are talking about a $5,000 deductible. Then after an individual reaches that $5,000 deductible, additional deductibles or co-payments can be added on.

So, Mr. President, we have to ask ourselves, what working family is going to be able to afford that per year? What senior citizen? What group of Americans would be able to afford that? Only a very small number of Americans would be able to afford to pay those costs. And they would be the wealthiest individuals and obviously the healthiest, the ones that do not believe they would have any kind of health care needs over the course of a year.

Beyond these problems, there is no guarantee under the Republican proposal that the company cannot cancel your policy, or cannot establish a lifetime ceiling on benefits or a yearly limit. We had the debate here on the floor, on the Jeffords' amendment which would have prohibited lifetime limits. The debate over this issue was brought to everyone's attention earlier this year when one of our leading film actors, Christopher Reeve, had that tragic horseback riding accident. And he had one of the best insurance policies available. And then he reached the limit on benefits under his insurance policy. And that company said, "No more. We're not going to pay any more."

If this proposal were enacted and tax benefits were provided, there is nothing to prohibit insurance companies from establishing a very low ceiling on benefits. Nothing—no provision, no explanation. None of the proponents of MSA's has guaranteed that we will not have any kind of limit or that MSA's will take care of all the catastrophic needs. That has not been mentioned and has not been suggested, has not been justified. Not one Republican has stated that, "Well, if we provide this program, and we give the tax benefits, then insurance companies are not going to cancel your policy." Of course they are going to be able to cancel it. Of course they are going to be able to cancel it.

So, Mr. President, these are some of the points that need to be examined before we give additional kinds of tax benefits for the development and marketing of MSA's.

It is no accident that the leading proponents of medical savings accounts are insurance companies, like the Golden Rule Insurance Co., which has been one of the worst abusers of the current system. They give millions of dollars to political candidates to try to get this business opportunity into law.

The Golden Rule's record is, in particular, so shameful that Consumer Reports rank them near the bottom of all companies because of its inadequate coverage and frequent rate increases and readiness to cancel policies. The Golden Rule Insurance Co. is the primary proponent of this whole program of medical savings accounts. This is why Consumer Reports has been so critical of this company—because of the inadequate coverage, the frequent rate increases, and the cancellation of policies. Golden Rule was effectively run out of the State of Vermont because of poor performance. It was run right out because of misrepresentations.

When the Golden Rule Insurance Co. withdrew from Vermont because it was unwilling to compete on a level playing field created by the State's insurance reform, Blue Cross and Blue Shield took over their policies. They found that one in four policies included fine print laden with unfair provisions. Sometimes arms, backs, breasts, even skin were written out of coverage.

Newborns were excluded unless they were born healthy. It is an interesting fact that about 85 to 90 percent of all the medical complications to newborns happen in the first 10 days. Look at some of the fly-by-night insurance companies and they will say, "We provide comprehensive coverage for newborns except for the first 10 days."

How many expectant mothers, prior to the time they become pregnant and get up to speed in terms of this wonderful opportunity of giving birth, understand that 80 percent of childhood abnormality comes within that first 10 days? Very few. But the insurance company understands it. Golden Rule understood it. Remember, they are the primary sponsors of medical savings accounts.

The strongest opponents of the medical savings accounts are organizations representing working families, senior citizens, consumers, and the disabled, who have the most to lose if the current system of comprehensive insurance is destroyed. We know whose voices should be heard when Congress decides this issue—not the voices of the greedy special interests, but the voices of those who depend on adequate insurance to get the care they need at a price they can afford.

It is very interesting who is on which side during the course of this debate. On the one side of medical savings accounts is Golden Rule, the primary contributor to political candidates that support that concept. Golden Rule is also one of the worst abusers of the system that we are trying to address in the underlying bill, dealing with preexisting conditions and portability.

Who is on the other side? Working families, seniors, consumers, middle-income families. They have the most to lose with skyrocketing increases in their insurance premiums. As the medical savings accounts draw the healthiest and the wealthiest individuals out of the system, the premiums of working families are going to continue to increase.

The great danger of medical savings accounts is that they are likely to raise the health insurance premiums through the roof and make insurance unaffordable to large numbers of citizens. They will discourage preventive care and raise health care costs. They are a multibillion dollar tax giveaway to the wealthy at the expense of working families and the sick, and their costs could balloon the deficit by tens of billions of dollars.

The Joint Tax Committee estimated there would be 1 million individuals who would take advantage of medical savings accounts. It would cost the Treasury $3 billion over 10 years for 1 million people. The Republican proposal presented to us, allegedly as a compromise, would make 43 million Americans eligible for it. If it is $3 billion for 1 million people, it does not take a genius to figure out that we are risking adding tens of billions of dollars to the deficit with this untested and untried program.

The most troubling aspect of the medical savings accounts is the risk that they will destroy the insurance pool and price conventional insurance out of sight for millions of Americans.

Leading newspapers all over America have editorialized strongly against medical savings accounts. I will read some excerpts from their comments, and I ask unanimous consent to have printed in the RECORD the full text of editorials at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. On May 8, Robert Samuelson of the Washington Post wrote:

> MSAs are mostly an untested concept . . . If MSAs are as good as claimed, let them prevail as a stand-alone measure after a full debate . . . If Republicans let their ideological fantasies obstruct their useful legislation, they risk being attacked ruthlessly. And they will deserve it.

The point mentioned here, if MSA's are as good as they say they are, let us pass the Kassebaum-Kennedy bill today, and then we can debate MSA's and medical malpractice later. We can do that and have a good debate, and let the chips fall where they may. Why hold this bill hostage?

On June 6, 1996, a Los Angeles Times editorial states:

> Large, national consumer groups . . . have argued reasonably that the MSA provision being pushed primarily by House Republicans with the backing of the American Medical Association would encourage the wealthy, who could afford to pay high deductibles, to opt out of low-deductible or comprehensive plans, thus raising the costs for everyone else, and could tempt the presumably healthy to avoid wellness checkups that might save them money in the short term but could raise their medical costs down the line . . .

The New York Times on Thursday, May 30, 1996 says:

> Demonstration projects of an untested idea make sense.

The Dallas Morning News says:

> Medical savings accounts represent special-interest legislation activities at their worst. What this country needs is major reform that guarantees full health care coverage to everyone, not another junk insurance plan. Medical savings accounts are a bad idea.

That was the Dallas Morning News.

The Baltimore Sun, April 25, writes:

> Senator Dole would be well advised to drop this idea [of medical savings accounts] which is in the House bill, rather than make it a veto-bait amendment that would wreck prospects for any health care reform this year.

The Washington Post on June 3 writes:

> In fact, the effect [of medical savings accounts] would be to fracture the insurance market; the healthy, for whom the savings account would have greatest appeal, would no longer be in the pool to help pay the bills of the sick, whose costs would rise.

Mr. President, that is a sampling of editorials from around the country, North, South, East, West, all raising serious, serious problems with regard to an untested and untried idea.

Now, the first rule of medicine is: Do no harm. We could say, why not go ahead and take the bill that passed this body by 100 to 0, and pass it again rather than trying to add this poison pill—this idea that is risky, untested, and has the potential to be so costly in terms of the deficit and what it might do to the health insurance system. That is our position. It is a reasonable position. The American people are coming to understand that.

To those who genuinely believe medical savings accounts offer an improvement in the health care system, I say we should work together to devise a fair test of the concept that will not put millions of American families at risk. The American people's hopes for insurance reform should not be held hostage to a partisan special interest agenda.

Over time, we are very hopeful that given the importance of this legislation, we can still pass it in the remaining weeks of this Congress. As I have stated many times, this legislation, crafted by Senator KASSEBAUM, represented the common ground that came out of the debate in 1994 over a more comprehensive health program. It passed unanimously out of our committee. I think it was probably the only major piece of legislation that passed unanimously out of our committee and unanimously in the U.S. Senate.

The time is here for broad, broad support for health insurance reform that will help Americans across this country. Why risk it with an untested and untried idea? Why risk it? Why risk jeopardizing successful completion of this health insurance reform that will make such a difference to the 25 million Americans who have some disability and to the tens of millions of Americans who are moving and changing their jobs? This bill provides portability.

Why risk a concept that Democrats and Republicans alike are strongly committed to? That is what the issue is before the Senate. I am very hopeful that common sense and the needs of the American people will be put first and we will still be able to pass this very good bill that has been sponsored by our distinguished colleague, the Senator from Kansas, Senator KASSEBAUM.

EXHIBIT 1

[From the Washington Post, May 8, 1996]

DUBIOUS CRUSADE FOR MEDICAL SAVINGS ACCOUNTS

(By Robert J. Samuelson)

Just why some Republicans have chosen Medical Savings Accounts (MSAs) for their latest crusade is a mystery known only to them. Some issues assume symbolic meaning well beyond their practical significance—the minimum wage, for example. Its mainly liberal advocates wrongly portray it as an important way of reducing poverty. Medical savings accounts are a similar phenomenon. Their mainly conservative supporters see them as a bold way to control health costs and expand patient choice. All this is dubious.

Judgments must be hedged because, unlike the minimum wage—where there's ample experience—MSAs are mostly an untested concept. They would allow people to combine a catastrophic health insurance policy with an annual tax-exempt contribution (made either by employers or by individuals) into an MSA. People would use their MSAs for normal health expenses (checkups, colds, minor injuries) and rely on insurance for crises. This, the theory holds, would inspire cost consciousness. Americans would shop for doctors and hospitals with the lowest prices and best care.

On their face, MSAs are not a nutty idea. If we were starting a health insurance system, they might make sense. One basic problem of the present system is that comprehensive insurance made almost everyone indifferent to costs. Patients wanted the best care. Doctors and hospitals benefited financially by maximizing care. Arguably, the health cost spiral might have slowed if insurance had covered only expensive disasters.

But we aren't starting from scratch. Government policies have created a different system. Tax subsidies encouraged companies to provide workers comprehensive insurance. The subsidy is the exclusion of the employer's insurance contribution from taxes. Suppose a company buys $4,500 of insurance for each worker; the workers don't pay taxes on that $4,500. In 1995 these subsidies cost the Treasury $59 billion. And of course, there's Medicare and Medicaid for more than 65 million elderly and poor. As a result, most Americans have broad insurance and like it.

This is why tax-free MSAs, if offered, might not attract many takers. Congressional Republicans have twice tried to create MSAs; first for Medicare recipients in legislation vetoed by President Clinton; and now for the under-65 population in the House version of the Kassebaum-Kennedy bill, which would protect workers against insurance loss. The Congressional Budget Office projected that 2 percent of Medicare recipients would switch; for the under-65 population, the congressional Joint Committee on Taxation put usage at about one percent.

If accurate, these estimates mean that MSAs wouldn't do much to cut costs or expand choice. Moreover, the basic theory may be flawed. Buying health care is not like buying groceries. With their money at stake, people may not rush to the doctor at the first sniffle; and competitive pressures might trim prices for some routine services. But 70 percent of health spending stems from 10 percent of seriously sick Americans. These people have heart attacks, AIDS or complicated pregnancies. Catastrophic insurance would cover these costs; MSAs wouldn't matter.

The explosion of "managed care" has also undermined MSAs' potential. Competition has already come to the health care market in the form of massive groups of buyers and sellers—companies, local governments, health maintenance organizations—haggling over prices, coverage and quality. At least temporarily, this has dramatically slowed health spending. MSAs embody a different philosophy of cost control. Individuals wouldn't have much clout in today's medical market.

What's the fuss then? If MSAs wouldn't matter much, why not authorize them and be done with it? The main reason for caution is that all the predictions of modest usage could prove wrong—and if MSAs became hugely popular, they could radically change the health care system. Under today's insurance system, the premiums of younger and healthier workers subsidize the higher health spending of less healthy middle-aged and older workers. MSAs would, in theory, enable millions of younger workers to opt out of this invisible subsidy.

They could take the cheaper catastrophic coverage and keep the unused portion of their MSAs as tax-free saving to be withdrawn at age 59½. A mass defection of younger workers could have a devastating effect on the premiums of older workers. A study by the Urban Institute estimates that if 20 percent of workers switched to MSAs, premium costs for those sticking with comprehensive insurance would rise almost 60 percent. Just what would happen then is anyone's guess. Businesses might abandon comprehensive insurance or lower workers' salaries to pay for it.

Cross subsidies and managed care (which many MSA advocates dislike) are legitimate subjects of debate. But we should not unleash a health care upheaval simply as an afterthought. If MSAs are as good as claimed, let them prevail as a stand-alone measure after a full debate. Right now, they're simply hitchhiking on other health care legislation. (The same objection also applies to a rider on the Senate-passed Kassebaum-Kennedy bill: the requirement that mental health benefits be included with insurance. No one knows the consequences of this; it could be immensely expensive.)

The political puzzle is why so many Republicans are obsessed with MSAs. There's no public clamor for them. Portraying them as a truimph of individualism over government control is a rhetorical delusion. MSAs are simply another government health care subsidy in a system already swamped with them. Like other subsidies, MSAs would channel and constrict people's freedom. The funds in these accounts, for example, could not easily be used to buy "managed care" policies.

Yet again Republicans seem to be falling into a self-made trap. The White House cited MSAs as one reason for rejecting the congressional plan to curb Medicare spending. And now the president has threatened to veto the Kassebaum-Kennedy bill if it authorizes MSAs, even though the bill's main feature—protecting workers with "preexisting" health conditions against losing insurance—have wide support. If Republicans let their ideological fantasies obstruct useful legislation, they risk being attacked ruthlessly. And they will deserve it.

[From the Los Angeles Times, June 6, 1996]

U.S. DESERVES THIS HEALTH REFORM—CONGRESS SHOULD FIND A WAY TO SAVE KEY LEGISLATION

That the Kennedy-Kassebaum health Insurance Reform Bill passed 100 to 0 in the U.S. Senate on April 23 was no fluke. Both Republicans and Democrats knew it incorporated the best and most pragmatic elements of the ambitious Clinton health reforms that crashed in 1994, reforms that would limit exclusions still existing in more than half of all Americans' health insurance policies and that would make health coverage portable so workers would not lose their insurance if they changed or left their jobs.

The bill enjoys the support of both President Clinton, who applauded it in his State of the Union address in January, and Senate Majority Leader Bob Dole, who as recently as Tuesday said he would like a reasonable facsimile of it passed before he retires from office next week.

Nevertheless, many on Capitol Hill say the bill is doomed because of the failure of House and Senate members to nail down a workable compromise. Progress has been made in recent days on two key provisions, dubbed NEWAs and parity. House members have informally agreed to drop their insistence on exempting small insurance pools called NEWAs (multiple employer welfare arrangements) from state regulation. This is good news for consumers, because otherwise MEWAs would not have to comply with state mandates that require plans to offer such essential procedures as mammography screenings and newborn infant care.

The other compromise has been on so-called parity, the Senate bill's requirement that mental illnesses be covered as fully as physical health conditions. The new language instead simply calls for more study. Given the Senate bill's fuzzy definition of what constitutes "mental illness," there is certainly a need to look at studies before drafting further legislation.

The real stickler is medical savings accounts, or MSAs. These would allow Americans covered by high-dedcutible "catastrophic" insurance (a deductible of $1,500 for individuals, $3,000 for families) to make tax-free contributions to private accounts and either use that money to pay medical expenses or roll it over into IRAs or pension plans.

The basis idea behind the MSAs is sound: to encourage ordinary citizens to assume some of the responsibility for the country's spiraling health care costs (expected to reach $1 trillion by the end of this year). But large, national consumer groups like Citizen Action have argued reasonably that the MSA provision, being pushed primarily by House Republicans with the backing of the American Medical Assn., would encourage the wealthy, who could afford to pay high deductible, to opt out of low-deductible or comprehensive plans, thus raising the costs for everyone else, and could tempt the presumably healthy to avoid wellness checkups that might save them money in the short term but could raise their medical costs down the line.

The only politician on the Hill powerful enough to persuade the Republicans to accept a compromise on MSAs—such as Sen. Edward Kennedy's notion of testing them in key states—is Dole. The presumptive Republican presidential candidate has much to gain from marshaling his formidable negotiating skills, for he insisted on a workable compromise when it became clear that Clinton's health care bill was doomed. The presdient stands to gain as well, for in his State of the Union address he declared passage of a compromise health bill a top priority. Both have much to lose if they don't get behind this bill in the coming week, but given the bill's indispensable provisions, the sorest loser may be the average American.

[From the New York Times, May 30, 1996]

MR. DOLE'S HEALTH-CARE TASK

Bob Dole says he wants to pass health-care reform before he steps down as majority leader and leaves the Senate next month. The task will not be easy. Bills passed by the House and Senate would perform a valuable service by requiring insurers to offer coverage to workers who lost or quit their jobs, a requirement known as portability, though nothing in these modest bills guarantees that coverage would be affordable for individual workers. But Congress is hung up over three ideology-laden provisions added to one bill or the other. Mr. Dole has yet to resolve the wrangling.

The House bill would enshrine a favorite conservative remedy, the so-called medical savings accounts. The bill would provide a tax break for money deposited into these special accounts and the money would be used to pay routine medical bills. The owners of these accounts would cover their large medical bills by buying a high-deductible, or catastrophic, policy.

Proponents say the accounts will discourage wasteful care because individuals will be aware of each dollar they spend. But the accounts will probably do little to discourage waste because an overwhelming percentage of medical expenditures are accounted for by the 15 percent or so of the population that rack up huge bills and therefore are well beyond the deductible of their catastrophic policies. Even worse, medical savings accounts will siphon healthy patients out of the market for traditional coverage, leaving a concentrated pool of sick applicants who will be forced to pay sky-high rates for ordinary coverage.

Mr. Dole knows he cannot push the savings accounts, which conservatives love as a government-free solution to health reform, past a Presidential veto. Some in his party are willing to settle on a demonstration project. Demonstration projects of an untested idea make sense. But President Clinton ought to be wary. For a demonstration project to provide a valid test, it would need to last at least six years—enough time to watch how healthy people who own the accounts react when they become sick. Will they junk catastrophic coverage? will they save money after sick years balance out healthy years? Will they forgo preventive care, driving them to high-cost specialists? Shorter periods would not suffice because more than 85 percent of the population are healthy at any one time and would not need to dip far into their tax-subsidized deposits.

Another obstacle to compromise concerns purchasing pools, a sensible way for small employers to join to negotiate discounts with hospitals and physicians. The Senate would encourage such small-employer pools, but keep them under strict state regulation. The House bill would unwisely create loopholes through which small employers could escape government oversight, even state monitoring of solvency and grievance procedures.

The third obstacle is the Senate's well-meaning provision to require insurers to cover mental illness on a par with other conditions. Americans do need adequate coverage of mental illness. But the hastily adopted provision would create major economic problems that will probably doom the measure to defeat. The provision is likely to boost insurance costs by as much as 10 percent and drive employers to drop coverage of 400,000 workers.

The Senate is right that health-care policies should include adequate coverage of mental illness. But the proper way to achieve that goal is for Congress to appoint a commission to come up with a cost-effective package of federally defined basic health benefits. Piecemeal mandates, conceived in haste, are likely to produce unintended adverse consequences.

The only bill that has a realistic chance of passing Congress and getting past the White House is one that sticks close to the Senate bill but forgoes mental-health parity until another day. This is an obvious compromise for Mr. Dole to seize.

[From the Dallas Morning News]

No Cure-All, Medical Savings Accounts Present a Flawed Solution

(By Lisa McGiffert)

Two time-tested adages come to mind when I hear about medical savings accounts:

If it sounds too good to be true, it probably is.

The devil is in the details.

Empowering people to make their own health care choices and cutting wasteful spending are worthwhile goals. But medical savings accounts are a misguided attempt at health care reform.

Although the concept being proposed to lawmakers stands to enrich the coffers of some major insurance companies, it has the potential to limit access to health care for millions of Americans and to cost taxpayers billions of dollars.

Medical savings accounts will provide little help to the vast majority of families that are excluded from insurance because of preexisting conditions or modest means.

Nevertheless, the idea is being sold by insurance lobbyists as a market-based solution for controlling health care costs. It is attracting attention both among Texas lawmakers and in Congress.

In Texas, the state Senate Economic Development Committee is studying the potential benefits and liabilities of medical savings accounts. In Washington, Rep. Bill Archer, R-Houston, is authoring legislation on medical savings accounts.

In a typical medical savings account, a person purchases an individual catastrophic insurance policy (as opposed to a group policy) with a high deductible of, say, $3,000. To pay for health care expenses below that amount, the individual sets up a tax-free medical savings account. After the deductible is met, the catastrophic policy—which can have struck limitations on coverage—becomes effective.

Medical savings accounts also can be offered by employers, who fund the employee's account and pay for the catastrophic coverage. If you are fortunate enough not to incur medical expenses, you can roll over the year-end account balance, tax free, into the new year. Or you can pocket it, pay taxes on the money and use it for other purposes.

But medical savings accounts aren't the magic pills envisioned by their promoters. Quite the contrary, they run counter to good health insurance principles.

Good health policies should:

Be available and affordable. Medical savings accounts target mostly young, healthy subscribers leaving other health insurance plans with a pool of more expensive subscribers. Some individuals and small employers in those other plans could be forced to terminate their coverage due to the resulting cost increases.

Even people who choose medical savings accounts run the risk of higher costs. Individuals who gamble on being healthy and guess wrong could face higher health costs after their accounts are depleted and before the catastrophic coverage kicks in or if they need services that are excluded by the plan.

Offer full benefits with proper consumer protections. Medical savings accounts will be exempt from all mandated state benefits that guarantee protections to consumers, such as requiring policies to include newborns during their first 31 days of life and to cover complications of pregnancy just like any other illness.

Most medical savings account legislation hasn't specified what the policies should cover, opening the door to stripped-down, low-value plans. What's more, medical savings accounts will move more people from group policies into individual policies, leaving them with the least consumer-friendly of insurance products.

Be easy to administer. Most medical savings accounts allow administrative fees for managing the accounts, making them incrative for insurers and bankers but a poor deal for consumers. Under one proposal, consumers could be charged 10 percent of the amount in their medical savings accounts.

Offer a good value for the premium dollar. The sellers of catastrophe insurance plans are betting that medical savings accounts will deliver healthy profits. That is a good bet, considering that only about 12 percent of adults spend more than $5,000 per year on health care. Most medical savings account holders never will have the kind of "catastrophic illness" their high deductible insurance plan covers.

Medical savings accounts represent special-interest legislation at it worst. They have been subject of extraordinary lobbying efforts in state legislatures and Congress. That an idea as flawed as this has gone so far with lawmakers is a tribute to the power of money and influence. What this country needs is major reform that guarantees full health care coverage to everyone, not another junk insurance plan.

Medical savings accounts are a bad idea.

[From the Baltimore Sun, Apr. 25, 1996]

Another Chance for Health Care Reform

Not since Dorothy skipped up the yellow brick road has Kansas presented anyone quite as appealing as its junior senator, Nancy Landon Kassebaum. As she moves toward the close of a distinguished 18-year legislative career, Senator Kassebaum is cosponsor (along with Democrat Edward M. Kennedy) of a sensible first-step reform of the nation's health care system.

Senate passage of the Kassebaum-Kennedy measure by a rare 100–0 vote reflects strong popular backing. It would be unforgivable if this measure were encrusted in conference committee with amendments that would lead to its defeat or veto. Mrs. Kassebaum set the right course when she voted against additions she herself favors.

Americans should spurn complaints that her bill fails to achieve the grandiose transformation proposed by the administration in 1993. President Clinton now acknowledges he "set the Congress up for failure" by seeking to do too much too soon and by "dissing" Republican alternatives that would have gone much further than the Kassebaum-Kennedy measure.

Of more immediate concern, however, is whether Kansas' senior senator, presidential hopeful Bob Dole, will also overreach by not sticking with the Nancy Kassebaum approach. He's on the conference committee; she is not.

The Senate bill is neither incremental nor inconsequential. Some 25 million Americans are caught in "job lock"—fearful of quitting their jobs because they cannot take their health insurance with them or because they have an existing medical condition that could lead to the denial of a new policy. The pending legislation would guarantee the "portability" of such insurance coverage. It would also increase the tax deduction for health insurance costs incurred by some 17 million self-employed.

Against Mrs. Kassebaum's advice, the Senate tacked an amendment to her legislation that would require health insurance coverage of mental as well as physical ailments. This is a laudable concept—one that will someday materialize—but it has drawn fierce opposition from a cost-conscious business community.

Far more partisan is a Republican proposal to allow tax deductions for so-called medical savings accounts. Senator Dole was humiliated last week when five GOP senators combined with Senate Democrats to defeat his effort to add this to the Kassebaum-Kennedy bill. Senator Dole would be well advised to drop this idea, which is in the House bill, rather than make it a veto-bait amendment that would wreck prospects for any health care reform this year. He should, in short, skip along on Nancy Kassebaum's road to realism.

[From the Washington Post, June 3, 1996]

SENATOR DOLE'S FINAL BUSINESS

Bob Dole has only a few days left in the Senate. How will he spend them? He said last month that he hoped before stepping down to stage one more vote on a balanced budget amendment to the Constitution, even though it's pretty clear that the proposition would fail—as well it should. He has also said that he would like to see to enactment of the so-called Kassebaum-Kennedy health insurance bill, meant to help people keep their coverage when they fall ill or are between jobs.

The latter surely is the better use of his remaining time. The balanced budget amendment is show horse legislation—a deceptive, destructive proposal whose likely effect would be less to balance the budget than to weaken the structure of government by entrenching minority over majority role. The health insurance bill would allow Mr. Dole to leave the Senate having, fittingly, as his last act, accomplished something substantive instead. The bill is a modest step only. It mainly would help the already insured, and not so much with the crushing cost of insurance as by preserving their eligibility for it. But that's a useful thing to do. It's exactly the kind of constructive compromise with which Mr. Dole should want to seal his congressional career.

To make it into law, however, the bill needs to be kept clean. That means stripping out three provisions, two of which would be downright harmful and one of which would confer a benefit without sufficient examination of its costs.

The first is a House-passed proposal to subsidize so-called medical savings accounts. Instead of buying conventional health insurance, people would be allowed to accumulate cash tax-free to pay their routine medical bills. The notion is that the country would be better off if people were buying health care more carefully with what they regarded as their own money; the shift from insurance to savings accounts would, according to this view, help to hold down costs. But in fact the effect would be to fracture the insurance market; the healthy, for whom the savings accounts would have greatest appeal, would no longer be in the pool to help pay the bills of the sick, whose costs would rise. Mr. Dole supports the idea, a favorite of conservatives, but the president has rightly said he would veto a bill that contained it; it should be struck.

The second provision, also in the House bill, would allow insurance pools created to help small businesses and others cut their costs escape state regulation. The pools are a good idea, but not the escape from scrutiny. Among much else, they too should be kept from serving only the healthy and further fragmenting the insurance market. Finally, the Senate bill includes a requirement that insurance plans treat mental and physical illnesses essentially the same; they could no longer "discriminate" against the mentally ill by imposing tighter limits on the one than on the other, as most do now. Even health care economists who would like to confer the benefit warn that the effect would be to add to both the cost of insurance and the number of uninsured. The proposal is better intentioned than it is thought through.

Maybe Mr. Dole can't broker a clean bill like this in the time he has left, and perhaps he doesn't want to. But if he doesn't, it isn't clear who later will. The reputation he has always cherished is that, in the end, he gets things done. Here's a last one well worth doing.

Mr. KENNEDY. Mr. President, I withhold the remainder of our time.

DEMOCRACY IN CAMBODIA

Mr. THOMAS. Mr. President, I come to the floor today as the chairman of the Subcommittee on East Asian and Pacific Affairs to discuss what in my view is the continuing deterioration of the democratic process in Cambodia.

In October 1991, the signing of the Paris peace accords ended years of devastating civil war in Cambodia and started that country on the road to instituting a democratic civil society. Cambodia's leaders agreed to support a democratic resolution of the country's longstanding civil war, to protect and advance human and political rights and fundamental freedoms for its citizens, and to begin the difficult task of rebuilding the economy and civil institutions. The U.N. transitional authority in Cambodia [UNTAC], established to implement the accords, supervised the withdrawal of Vietnamese troops from Cambodia, repatriated over 350,000 refugees, and oversaw the first free national elections in 1993. The constitution adopted in September 1993 established a multiparty democracy, committed the Government to hold new elections by 1998, required that Cambodia recognize and respect human rights as defined in the U.N. Charter, the Universal Declaration of Human Rights, and other relevant international agreements and treaties.

The transformation was not without its costs. The United States and other donor countries and the United Nations spent an estimated $2.8 billion implementing the accords and subsequent elections. United States assistance to Cambodia alone since the mid-1980's has totaled more than $1 billion. Beginning in fiscal year 1994, the U.S. Agency for International Development [AID] planned on providing about $111 million over 3 years. The AID mission in Phnom Penh planned to spend $8 million to help the Government plan for national elections, and has programs in place to improve the functioning of the National Assembly and the legal system.

Yet despite all of this work by both the donor countries and the people of Cambodia, I am still concerned that Cambodia's nascent democracy is showing some signs of being under attack. First, the country faces some serious obstacles to holding national elections by 1998. As noted in a February 1996 GAO report on Cambodia, and I quote:

> Cambodia's constitution requires that the government hold national elections by 1998. However, the country currently lacks the electoral framework (laws, regulations, an independent commission) and resources (both human and financial) needed to hold elections. Although U.S. and other foreign officials estimate that creating such a framework will take considerable time and involve many difficult political decisions, little has been accomplished so far. In late 1995, the Cambodian government began drafting an electoral law. Discussion at a late October 1995 seminar, sponsored partly by the U.S. Agency for International Development (USAID), explored the relative advantages of different types of electoral systems. By December 1995, the government still had not completed a draft electoral law and was falling behind a proposed timetable for holding elections in mid-1998.

Event	Timing
Draft national election law	November 1995 (not met).
Interior Ministry reviews draft law	December 1995 (not met).
Co-Prime Ministers review draft law	January-February 1996.
Draft law submitted to the National Assembly.	Spring 1996.
Natinal Assembly enacts law	Summer 1996.
Implement new law (create an election committee, issue regulations, train workers, educate voters).	1997.
Hold national elections	May 1998.

Source: Pre-election technical assessment for Cambodia prepared by the International Foundation for Electoral Systems, August 1995.

> According to U.S. and other foreign officials, Cambodia lacks the human and financial resources needed to hold an election on the scale of the one held by the United Nations in 1993. The U.N. electoral assistance unit could help plan and organize the elections, but this would require a significant financial commitment from the international community. Although some international assistance may be provided, such as election monitors, some U.S. and other foreign officials doubt that the international community will support a costly, large-scale operation to help conduct the elections.
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> The Cambodian government currently appoints local officials but has proposed holding local elections in 1996 or 1997. Some U.S., other foreign government, and Cambodian officials support holding local elections because they would introduce democratic practices at the local level. Other such officials oppose holding local elections because they would divert limited financial and human resources from the task of holding national elections and/or because antidemocratic government officials could use local elections as evidence of democratic progress and then cancel national elections.

While preparations for the logistical framework to support the elections is lagging, there is also concern that even if the elections are held in 1998 it is doubtful that they would be free and fair. As the GAO report notes:

> The Interior Ministry is drafting the election law and may be responsible for organizing the elections. Ministry deliberations and work are not open to public oversight and participation, and the Ministry played a role in the violence and intimidation before the 1993 elections.
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> According to some U.S. and other foreign government officials, nongovernmental organizations (NGO), and others, the Cambodian government cannot ensure that parties could campaign without violent intimidation and that voters would feel free from retaliation. The United Nations Transitional Authority in Cambodia (UNTAC) was unable to control key government ministries before the 1993 elections, and the Cambodian People's Party (CPP) used some of them to sponsor violence against its political opponents. Some foreign officials and reports point out that CPP still controls the Interior Ministry and its internal security forces, plus the armed forces. Several NGOs report that fear of politically motivated violence is a key issue for members of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC) and the Buddhist Liberal Democratic Party (BLDP) but not for CPP members.
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> In commenting on a draft of this report, the Department of State noted that Prime Minister Ranariddh has proposed establishing an independent, neutral commission under the King to control the police and armed forces during the elections to prevent them from intervening in the elections. However, we question the effectiveness of such a commission in controlling the police and armed forces when UNTAC, with over 20,000 personnel, was unable to control them before the 1993 elections.

Recently, the friction between the two main political parties—FUNCINPEC and the CPP—has come to the forefront. As my colleagues know, in order to bring an end to the civil war these two parties entered into a power-sharing agreement whereby members of both parties occupy the most important political posts in the Government. Recently, the First Prime Minister Prince Ranariddh—the head of FUNCINPEC—complained that Second Prime Minister Hun Sen and members of his party were failing to abide by an earlier agreement that power should be shared at all levels of government. Ranariddh spoke of withdrawing his party from the Government, in response to which Hun Sen threatened to use military force to deter protests against the Government and any dissolution of the National Assembly. It seems clear that the term "political strength" in Cambodia will continue to refer to the number of guns a particular party has.

Besides the obvious disruptive effects this interparty friction is having within Cambodia, it is also complicating its external affairs. To illustrate, Cambodia's drive to join ASEAN is being held up because the other member nations consider a key criterion for being admitted to the regional grouping to be political stability—something of which the other countries presently consider Cambodia to be short.

The GAO report continues by noting that voters lack widely available resources of accurate information about the elections, particularly radio; and that political parties other than the CPP are weak and lack a unified leadership:

> UNTAC officials knew that providing Cambodian voters with accurate information was essential for free and fair elections. Consequently, guaranteeing fair access to the media—especially radio, because most Cambodians are illiterate and television stations have limited broadcast areas—for all political parties was an essential element of UNTAC's pre-election strategy. Several studies conclude that the 1993 elections probably could not have taken place or succeeded without the flow of information provided largely by "Radio UNTAC." Unfortunately, Cambodia currently lacks widely-available media sources of accurate information. Although more than 30 newspapers operate in Cambodia, they have limited nationwide distribution and the quality of their news reporting is unreliable. Also, the government tightly controls broadcast media licenses, limiting opposition parties' access to radio and television. For example, a BLDP official told us that the government had turned down the party's application for a radio station license. Moreover, as discussed later, the government has grown increasingly intolerant of dissenting opinions. USAID's strategy for promoting democracy in Cambodia recognizes the media's weaknesses; one of its objectives is to increase media access and professionalism. In commenting on a draft of this report, the Department of Defense said that, despite restricted access to the media, outspoken government critics still may be able to generate popular support and influence the elections.
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> With the possible exception of CPP, Cambodian political parties lack the leadership, organization, and financial resources to conduct effective national campaigns, according to U.S. and other foreign officials and reports and other documents we reviewed. Over a decade of single-party rule has given CPP the opportunity to build a solid party structure (largely indistinguishable from the government bureaucracy) at the provincial, district, communal, and village levels. Meanwhile, U.S. officials and NGOs indicate that FUNCINPEC and BLDP have weak party structures at these levels and are further weakened by political infighting. Given their weak party structure and disunity, several NGOs and others conclude that the parties will be unable to compete effectively in future elections.
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> USAID plans to provide training to strengthen the capabilities of all political parties to participate in the election. However, several observers suggested that CPP, with its generally better organization and structure, might benefit disproportionately from such training. Several U.S., other foreign government, and NGO officials questioned the wisdom of providing training to strengthen any of the existing parties because they are undemocratic and authoritarian. USAID officials said that they plan to fund training for grassroots civic organizations instead of established political parties. The National Democratic Institute suspended political party training in Cambodia in 1995 but plans to work with other NGOs to train election monitors and educate voters.

The major political parties are already beginning to gear up for the race. A recent report in the Cambodia Times noted that Second Prime Minister Hun Sen has made several tours of the countryside "presenting gifts of rice, foodstuffs and krama [Cambodian scarves presented as welcoming gifts] * * * the Cambodian People's Party [which Hun Sen heads] has also carried out many projects to build schools and irrigation canals and [has] dug numerous wells in the provinces." The FUNCINPEC Party led by Prince Ranariddh, in response to the surge in the CPP's popularity, has begun to make similar moves. At the end of last month, both parties complained that programs broadcast on Television Kampuchea slighted them in favor of their opponent. What worries me, Mr. President, is that without a strong framework in place, electioneering in Cambodia may devolve back into the situation which existed before 1991 where political strength depended on the number of guns a party had rather than the number of seats in the Assembly.

In addition, the report paints a pessimistic view of the development of the adherence to human rights:

> Cambodia has ratified and agreed to abide by all major international agreements guaranteeing human and political rights, for example, the International Covenant on Civil and Political Rights. Yet the current government has made limited progress since late 1993 in meeting the basic international human rights standards contained in these agreements. Indeed, some U.S., other foreign governments, and Cambodian officials and NGOs conclude that Cambodia's human rights situation worsened during 1995.
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> According to human rights NGOs, the United Nations Center for Human Rights (UNCHR) office in Phnom Penh, and USAID documents, Cambodian military and police forces continued to violate human rights frequently during the past 2 years. These sources reported numerous cases of extortion, beatings, robberies, and other violations by soldiers and police. USAID and Cambodian officials and others noted that this problem touches on the larger issue of desperately needed reforms of the Cambodian bureaucracy, including the provision of adequate pay for police, military, and other government officials to reduce or eliminate low-level corruption, which currently is endemic.
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> According to human rights NGOs, UNCHR, some U.S. and Cambodian officials, and USAID documents (1) few Cambodians had received due process or fair trials in the past 2 years; (2) prosecutors and judges lacked basic training and skills for properly investigating, preparing, presenting, and deciding cases; and (3) trained public defenders remained scarce. They also said that official corruption was widespread and growing, undermining the rule of law, and that the government had resisted some legislators' attempts to introduce anti-corruption legislation in the National Assembly.
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> Human rights NGOs and UNCHR told us that Cambodia's prisons remain overcrowded and still fall short of meeting basic international and humanitarian standards for the treatment of prisoners. In late 1994, NGOs reported that they found a secret government

> prison where prisoners were tortured and denied basic human needs. According to the Department of State, this prison was closed in 1994.

Finally, in the area of political rights, recent Government actions indicate increasing official intolerance for dissent from both inside and outside the Government. This intolerance has a predictable chilling effect on efforts to improve the Government's effectiveness and reduce corruption. For example, as I noted on the floor on June 22, one outspoken member of the National Assembly—Sam Rangsi, a frequent critic of the Central Government—was expelled after attacking Government corruption and several others have been threatened with expulsion if they speak out.

Prince Norodom Sirivut, a member of the royal family and political opponent of Hun Sen, was charged and convicted in absentia in February of plotting to kill the latter. The trial was seen by legal and human rights observers as evidence that Cambodia's judiciary is controlled by politics.

On May 2 of this year, the Government ordered all political parties except the four represented in the National Assembly. While aimed primarily at Sam Rangsi's Khmer Nation Party, a party formed after Sam was expelled from the FUNCINPEC because he disagreed with the party leadership, the order affects 16 parties that were legally registered for the 1993 election but won no seats in the Assembly. Recent attempts by the KNP to open offices in outlying districts were met with armed police forces which closed the offices down.

As I noted on September 5, the Government closed some newspapers and prosecuted several members of the press, enacted restrictions on press freedoms, and tightly controlled broadcast licenses. Several members of the press critical of the Government have been beaten or killed. Non Chan, editor of the Samleng Yuveakchon Khmer, was gunned down in broad daylight in Phnom Penh. Ek Mongkol was also shot and wounded in broad daylight. At the end of May, unidentified assailants assassinated opposition newspaper editor Thun Bunli. Thun was editor of the newspaper Oddamkeakte Khmer, a frequent critic of the CPP. Thun's funeral procession, consisting of members of Sam Rangsi's KNP, was broken up by hundreds of police armed with shock batons and assault rifles. The Government attempted to muzzle the press further by criticizing an existing journalists' association and pressuring members to join a competing association formed and controlled by the Government.

In addition, the co-Prime Ministers attempted to close the UNHCR office in Phnom Penh in response to its criticism of human rights abuses, but later backed down under international pressure. In May, the Interior Ministry also ordered provincial authorities to produce reports on the past and current activities of local and international aid agencies, religious organizations, and associations.

Mr. President, I appreciate that we cannot expect the development of a perfect democratic system in Cambodia overnight. I also do not want the Cambodian Government to feel that I am somehow denigrating the strides it has made. But the problems cropping up in Cambodia are not related to the more esoteric nuances of democracy, they are the basic building blocks: a free press, an independent judiciary, and the like. Statements by some members of the Government—most notably Hun Sen—that we have no business butting in or being concerned about their lack of progress overlook one important point: as one of the major financial donors responsible for the continuing operation of the country, we do indeed have a role to play. I agree with the State Department; if Cambodia continues its downward spiral, the United States and other donor nations should reconsider the amount and extent of our financial aid.

Mr. President, I also continue to be concerned about an issue that brought me to the floor on July 21 last year: the trading in Cambodian timber across the Thai-Cambodia border. Cambodia shares a lengthy and relatively uninhabited border with Thailand. The entire region consists primarily of heavily forested jungle; formerly, 76 percent of Cambodia's 176,520 square kilometers of land area was covered by forest. That amount, however, has declined dramatically over the last 15 years due to increased commercial harvesting of timber. The loss has been especially pronounced in western Cambodia, where a handful of foreign firms are responsible for a majority of the deforestation.

As I noted last year:

> These companies purchase concessions from the Cambodian government, and theoretically make payments to the government based on the amount of cubic meters of timber felled. The timber is then exported over the Thai border, either by boat or overland on dirt roads built expressly for that purpose by the companies, where they are collected at places called rest areas before being sent further on into Thailand. According to both Thai and Cambodian regulations, the logger/exporter must secure a certificate of origin from the Cambodian government, a permit from the Thai embassy in Cambodia, and permission from the Thai Interior Ministry to import the logs into Thailand.
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> There is one more party, however, that plays a major role in the logging: the Khmer Rouge. Led by the infamous Pol Pot, the KR controlled the government of Cambodia from 1975 to 1979. During that time, it was directly responsible for the genocide of more than one million Cambodians in the "Killing Fields." Since the 1991 UN peace agreement established a democratic government in Cambodia, the KR has been relegated to the role of a rebel guerilla force. Although the government has made some inroads in combatting the KR, including implementing a somewhat successful amnesty program, the KR remains a strong force in the western khet of Battambang, Pursat, Banteay Meanchey and Siem Reap. Despite the campaign being mounted against them, though, they still receive a steady flow of food, military supplies, and currency sufficient to pay their 10,000 to 20,000 man militia; and therein lies the connection to the timber trade and the Thai military.
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> Over the past several years, the press has consistently reported that the Thai military has been providing assistance and support to the Khmer Rouge. The links between the two are longstanding. Beginning in 1979, Thailand acted as a funnel for Chinese-supplied arms being transshipped to the KR—apparently in return for an end to Chinese support for rebel Thai communists in northern Thailand. Since then, the evidence suggests that the Thai have regularly supplied the KR with logistical support and materiel. In return for this support, Thai business interests and certain government sectors have benefitted from access to timber and gem resources within that part of Cambodia along the Thai border controlled by the KR. Their interest is sizeable; in 1993, the U.S. Embassy in Thailand estimated that Thai logging companies had some $40 million invested in timber concessions in KR-held areas.
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> It is from the sale of these resources that the KR acquires funds sufficient to continue its reign of terror in Cambodia. The process is actually quite simple. Foreign companies interested in harvesting timber in western Cambodia purchase official lumber concessions from the government in Phnom Penh. Having dealt with the de jure government, however, the companies must then deal with the de facto government in western Cambodia: the KR. The companies pay the KR for the right of safe passage into KR-held territory, to fell the timber, and to transport it out to Thailand safely. The present going rate of payment to the KR per cubic meter is between 875 and 1000 baht, or between $35 and $40. It is estimated that the weekly income [in 1995] to the KR from timber carried across just two of the many border points [was] around $270,000, with total monthly income to the KR estimated at between $10 and $20 million.
>
> Once felled and placed on the back of trucks, the logs are driven across the Thai border. That crossing, however, is not without its costs. The Thai military—the Marines, actually—controls a 4-mile wide strip along the Thai side of the border, and in order to negotiate it the logging trucks must pass through guarded checkpoints where, it appears, payments in the form of "tolls" or bribes are made to Thai concerns.
>
> The Thai have consistently, albeit often disingenuously, denied any ties to the KR or to the timber trade. Each round of denials, however, is soon followed by press reports and concrete evidence to the contrary. For example, in 1994 Thailand officially "closed" its border with Cambodia partly as a result of the murder of more than twenty Thai timber workers by the KR and partly as a result of international criticism. In a press statement made shortly thereafter, Maj. Gen. Niphon Parayanit, the Thai commander in the region, stated flatly that the border was closed, that the military had severed all links with the KR, and that "there [was] no large-scale cross-border trade going on." The official denials . . . continued . . . including one . . . by Prime Minister Chuan noted in

> the May 26 [1995] edition of the Bangkok Post.
>
> Despite these denials though, and despite a Cambodian ban on logging, credible eyewitness reports from members of the London-based group Global Witness fully confirm[ed], in my opinion, that the trucks are still rolling across the Thai border. If—as the Thai military alleges—it is not involved in the timber trade either directly or by turning a blind eye to the shipments, I can think of no other explanation than that the military personnel in the border zone are completely incompetent. One of the more heavily travelled timber roads in the border zone, one that according to my information is in daily use even as I speak, is within sight of one of the Thai Marine camps. Nor can the central Thai government claim ignorance; Global Witness [in 1995] brought to light a timber import permit signed by the Thai Interior Minister.

Mr. President, I stated that continuing Thai support for the KR—in this or any manner—concerned me greatly for several reasons. First and foremost, the financial support the trade afforded to the KR continued to allow it to survive thereby seriously endangering the growth and continued vitality of the nascent Cambodian democracy. That system, as I have noted today, is having enough trouble getting off the ground and running smoothly without having to deal with the KR insurgency. Second, Thailand's actions ran counter to its obligations under the 1991 peace accord and served to undermine it. Finally, the clandestine nature of the timber extraction has removed it from the control of the Cambodian Central Government. It was subsequently free to continue without regard to any regulations aimed at limiting the amount of timber taken, preventing serious ecological damage, ensuring sustained growth, or protecting the lives and livelihoods of the local populace.

Unfortunately, Mr. President, since my statement last year the situation has only gotten worse. Workers from Global Witness returned to Thailand in November and December 1995, and once again since then, have furnished my staff with completely credible evidence that the trade continues unabated. They have furnished me with photographs, documentary evidence, and the precise locations of several timber staging areas on the Thai side of the border. They have even acquired one of the passes issued by the KR to drivers of the logging trucks that drive in from Thailand. The Phnom Penh Post, as recently as April, has run a series of articles detailing the illicit timber trade. Instead of taking the time of the Senate by reciting the evidence in detail, I would direct my colleagues to two Global Witness reports: "Corruption, War and Forest Policy: The Unsustainable Exploitation of Cambodia's Forests" issued in February 1996; and "RGC Forest Policy and Practice: The Case for Positive Conditionality" issued in May of this year.

Mr. President, if a significant effort not made as promised by the Thai Government to fully investigate and then stem the cross-border trade and their dealings with the KR, then I would find myself placed in the position of calling on our Government to abide by that provision of Public Law No. 103–306 requiring that the President shall terminate assistance to any country or organization that he determines is assisting the KR either directly or indirectly through commercial interaction. I intend to send the Secretary of State a copy of my statement today, and ask him to respond in writing as to the administration's position on this issue.

NEW LEADERSHIP IS NEEDED AT THE UNITED NATIONS

Mr. PRESSLER. Mr. President, this fall, the United Nations will select its chief executive, the Secretary General. Under U.N. rules, the U.N. Security Council recommends a candidate who is subject to the approval of the entire General Assembly. As a member of the Security Council, the United States obviously has an important role in this process.

It is my understanding that the current Secretary General, Mr. Boutros Boutros-Ghali has indicated that he may seek reelection to another 5-year term. With all due respect to the Secretary General, I do not believe it is in our Nation's interest, nor the overall interests of the United Nations, that Mr. Boutros-Ghali be given a second term. Indeed, the United States should make clear early on that it will not support Mr. Boutros-Ghali this fall. For the sake of the future credibility of the United Nations, it is in our Nation's best interests for the United States to actively support a candidate for Secretary General who is committed to a major management overhaul of the United Nations. Mr. Boutros-Ghali is not.

I often speak of the need for U.N. reform, but I must confess most of my criticism has been of the Boutros-Ghali administration. Most would agree that U.S.-U.N. relations are at an all-time low. The American people's confidence in the United Nations has declined.

This is unfortunate. I support the United Nations. I served twice as a Senate delegate to the United Nations. I want to see the United Nations work. The fact is, it doesn't work. The problems with the United Nations are many, but the first and primary solution is sound management reform at the United Nations. I'm speaking of clear, concise, honest budgeting; systems to root out waste, fraud, and abuse; adequate protections for whistleblowers; and more streamlined, efficient operations.

Instituting these reforms will require a major change in U.N. philosophy. Since its founding, the United Nations has been run largely by career diplomats. Tough fiscal management is not their style. Diplomats train for the grand world of treaties and receiving lines, not the grubby world of balance sheets and bottom lines.

Mr. Boutros-Ghali reflects that basic philosophy. He has demonstrated antipathy at best, hostility at worst, toward reform proposals. One need only ask our former Attorney General, Richard Thornburgh, who served as the United Nations Undersecretary General for Administration and Management in 1992. Mr. Thornburgh took his mission seriously. He sought to institute major management reforms at the United Nations. He encountered no support from the Secretary General. When Mr. Thornburgh submitted a scathing report on U.N. mismanagement, the Secretary General refused to publish it and sought to have all known copies of it shredded.

Mr. Boutros-Ghali certainly has tried to take credit for a number of reform initiatives. For the first time, the U.N. has a so-called inspector general—the Office of Internal Oversight Services [OIOS]—which was established in 1994. He also may claim to have reduced unnecessary staff and produced the first no-growth budget in U.N. history. These are victories of mind, not of substance.

Let's give credit where credit is due. The mere existence of the OIOS office and the attempts to achieve budget and management reforms were due largely to a combination of the following: increased media scrutiny of U.N. waste and abuse, strong congressional pressure, and tough reform advocates within the U.S. mission and certain other member nations.

A close examination of the so-called reforms instituted at the United Nations show that the Secretary General is engaging more in a public relations embrace of reform, while keeping real reform at arm's length.

First, I urge my colleagues to look closely at the OIOS office—the so-called U.N. inspector general. It has no authority to rid waste, fraud, and abuse, which inspectors-general in Federal departments and agencies have. The fact is the OIOS office is weak in terms of authority, and lacks the resources and the support needed from the Secretariat to do its job effectively. It cannot investigate all areas of U.N. operations. Member states do not have full access to IG reports and investigations. The IG can make recommendations for reform, but it's up to the U.N. Secretary General to act on the recommendations.

Second, the Secretary General has stated that he has reduced the number of Under Secretaries General and Assistant Secretaries General. However, he has increased the numbers of and the budget for equivalent-level special envoys. Chances are he's playing musical chairs with his senior staff. He's changing the titles on the chairs, when he should be removing the chairs and the people sitting in them.

Third, the Secretary-General's claim to have cut U.N. staff by 10 percent, or nearly 1,000 positions, also is smoke and mirrors. About 750 of these slots currently are vacant and will go unfilled on a month-to-month basis. The Secretary General refuses to permanently eliminate these positions. The roughly 200 other positions to be cut are clerical positions that the U.N. already planned to eliminate when it passed its budget last year. What the Secretary General did not point out is that his budget adds 125 professional positions, which typically cost 40 percent more than the clerical positions to be eliminated.

Fourth, the United Nations much heralded 2-year, no-growth budget is not living up to its billing. The goal was to cap budget spending at $2.608 billion over 2 years. Any new expenses not anticipated or budgeted would require corresponding offsets in order to stay under the $2.608 cap. The Secretary General already is months behind in submitting a proposal of budget reductions needed to stay under the cap. Most important, the United Nations is not even halfway through its budget cycle and already the Secretary General has indicated that the United Nations may not be able to stay under the budget cap. In fact, the U.S. Representative for Reform and Management appeared before the United Nations Fifth Committee last month and stated the U.S. delegation's concern with the Secretary General's latest budget report: it "implies an inability to stay within the $2.608 billion budget level * * *"

Finally, I must take issue with statements made by the Secretary General that the United Nations current financial problems are due to the failure of the United States to make good on its U.N. payments. Unfortunately, the Secretary General is confusing the disease's symptoms with its causes. Yes, the United Nations is in a financial crisis. However, it's a crisis of the United Nations own making.

For more than a decade, beginning with the great work of the Senator from Kansas, NANCY KASSEBAUM, the U.S. Congress has made U.N. reform a high priority. U.N. leadership has fought this effort. That leaves Congress little choice but to use our leverage as the single largest U.N. contributor to achieve U.N. reform goals. It's a tough approach. It's not the one I would prefer using, but it is the only means currently available to us, and it has had some success.

I want to see the United States make good on our current U.N. debts. That can't happen without a clear, substantive reform agenda in place at the United Nations. It's worth the wait. Frankly, it's far better to hold a portion of our taxpayer dollars here in Washington until reforms are achieved, rather than send them down a black hole of waste, fraud and abuse. Yes, we in Congress have an obligation to support the U.N., but our first obligation is to the American taxpayer. Our taxpayers deserve to know that their money is being managed prudently and effectively by the U.N. leadership. That is not being done.

Mr. President, a fresh approach, a fresh perspective on U.N. leadership with an emphasis on responsible management practices is needed. Real reform at the United Nations will not occur without an overall fundamental change in the management philosophy at the United Nations. This fact was noted in the U.N. IG's first report, which noted that "while the need for * * *. structural reform is widely acknowledged, the energy to bring it about is in short supply."

What that means is the United Nations needs tough, well-trained administrators at all levels of management. That's particularly true in peacekeeping missions, where waste and abuse traditionally is high. I'm not suggesting more U.N. bureaucracy. The United Nations either should train those currently within the United Nations who have the skills and the desire to be tough administrators, or replace the less effective ones with people with the experience to do the job.

In short, what is required is a complete management overhaul at the United Nations. Like any organization, the tone and direction in management starts at the top. I hope the Clinton administration recognizes this. The United States needs to make clear that we seek a real, fundamental change in U.N. leadership. New leadership just may be the sparkplug the United Nations needs to restore its credibility in the eyes of Congress and the American people.

Again, I support the United Nations. If managed effectively, the United Nations can be a sound, cost-effective investment in the advancement of global economic development, human rights, and world peace. I hope the intense criticism of management practices in recent years will jar the United Nations members to realize that sound management is vital to the United Nations long-term credibility. Management reform cannot by itself ensure that the United Nations will be both credible and successful, but without it, it does not stand a chance. New leadership is needed.

TRIBUTE TO COL. WILLIAM B. LOPER, U.S. ARMY, ON THE OCCASION OF HIS RETIREMENT

Mr. THURMOND. Mr. President, today, June 14, is the 221st birthday of the U.S. Army, a military force that has distinguished itself repeatedly throughout the history of this great Nation. Victories in battles from our War for Independence to the Persian Gulf war were successful only because of the stellar soldiers that serve selflessly and bravely in the Army of the United States. I rise today to pay tribute to a man who is a fine soldier and a friend to many of us in this Chamber, Lt. Col. William B. Loper, as he prepares to bring his active duty career to an end.

Colonel Loper began his career more than 24 years ago when he pinned on the gold bars of a second lieutenant and the crossed muskets of the infantry. A product of Washington, DC's Georgetown University and the Reserve Officer Training Corps, Bill Loper was well educated, prepared, and trained for his ensuing career as an Army officer. His tours of duty included stints as an adjutant and Chief of Records for the 25th Infantry Division; as a personnel adviser in Pennsylvania; as the Secretary of the General Staff for the 19th Support Command, located in Korea; and ultimately, back to the District of Columbia where he was an assignments officer at the Army Personnel Center, and executive officer in the Army Legislative Liaison Office, where most of us have come to know him.

During his tenure in the Legislative Liaison Office, Colonel Loper has worked hard to represent the interests of the Army to Members of Congress, as well as tirelessly working to assist Senators, Representatives, and their staffs, in dealing with defense matters as well as constituent concerns and issues. I do not think any of my colleagues would disagree with my assessment of Colonel Roper, he is an individual who has always been prompt, responsive, and sensitive to the needs and requests of Members of Congress, and he has presented a positive and impressive image of the Army during the course of his duties here.

Mr. President, service and dedication to duty have been two hallmarks of Colonel Loper's career. He has served our Nation and the Army well during his years of service, and we are grateful for all his efforts and sacrifices in the defense of the United States. I am sure that everyone who has worked with Colonel Loper would want to join me in wishing him health, happiness, and success in the years to come.

TRIBUTE TO THE U.S. ARMY ON THE OCCASION OF ITS 221ST BIRTHDAY

Mr. THURMOND. Mr. President, the U.S. Army was born 221 years ago today on a village square in Cambridge, MA when a group of colonials mustered together to form an army under the authority of the Continental Congress. As this force went on to confront the Redcoats at Lexington, and to ultimately defeat the British in 1783, it is no exaggeration to say that the birth of the Continental Army resulted in the birth of our Nation. More than 2 centuries later, both the United States and its Army are recognized throughout the world as being unequaled, and I rise today to salute the Army on its birthday.

The history of our Nation and our Army are intertwined, and the battle streamers of that service stand not only as testament to the courage, fortitude, and abilities of those who served in the Army, but chronicle the evolution of the United States. The Army was present when the shot heard around the world was fired, and in Yorktown when the British surrendered, not only admitting defeat to the Americans, but validating that we were a free and separate nation. It was Lewis and Clark, two Army officers, who explored the unknown west before that region became territories and states. It was the Army that entered Mexico City, and our victory in the war with Mexico helped to expand our southwestern borders. At Bull Run, Antietam, Gettysburg, and dozens of other blood stained battlefields, it was the soldiers of one American army fighting the soldiers of another American army for the very future of this Nation. In Havana and the Philippines, the American Army fought Spanish imperialism, and at Verdun, Doughboys battled German imperialism. Army Air Corpsmen lost their lives on that Day of Infamy that began World War II, and dogfaced GI's battled the Nazis, the Fascists, and the Imperial Japanese in North Africa, Sicily, Normandy, Arnhem, and throughout the Pacific. In the early days of the cold war, American soldiers dug in on the southern tip of Korea, creating the Pusan perimeter and holding the line against the advancing North Koreans, and it was American soldiers who stormed the walls at Inchon to turn the tide of the Korean conflict in favor of the United Nations. In the Ia Drang Valley, and in countless firefights in nameless locations throughout the jungles, mountains, and rice paddies of Vietnam, American soldiers valiantly fought to help the fledgling nation of South Vietnam become a democracy; and in Grenada, Panama, and Kuwait, the American Army deposed tyrants and brought terror-filled regimes of dictators to an end.

In its 221 years of history, the U.S. Army has distinguished itself time and time again, and though many things have changed about the Army, the quality and dedication of its soldiers has remained unwavering. The men and women who wear the Army green are individuals who willingly bear many sacrifices so that their countrymen may remain safe, secure, and free. Too few of us ever take the time to think of the soldiers patrolling the demilitarized zone of the Korean Peninsula where there is always the chance that hostilities may break out; or of the soldiers stationed on the Sinai, where they help to ensure the peace between Egypt and Israel remains strong; or of the young paratrooper at Fort Bragg who is ready to deploy to anyplace in the world at a moment's notice. To these soldiers the phrase "Duty, Honor, Country" is more than a collection of mere words, it is the creed by which they live their lives, and we are indeed fortunate for their dedication and selflessness.

For more than 30 years, it was American soldiers who faced down the Soviets across the Iron Curtain, and when democracy and individual rights ultimately triumphed over communism and collective subjugation, it was thanks in large part to the vigilance of the thousands of soldiers who served on the front lines of the cold war. With the fall of the Communist bloc, the threats to the United States have changed, and the Army is redefining its mission. The Army must now be prepared to respond to regional crises, carry out humanitarian missions, and peacekeeping roles, as well as to be prepared to deal with terrorists and rogue nations. Rest assured, however, that with whatever task that the Army of the United States of America is charged, it will complete its assignment successfully, and it will remain the best trained and best equipped force in the world.

Mr. President, if the soldiers of the Continental Army could see their late 20th century brothers and sisters in arms, they would be amazed at the differences between the Minuteman and the soldier of Force XXI. Rifled muskets have given way to selective fire, magazine-fed weapons systems that allow soldiers to see in the dark and fire a multitude of munitions. The horse cavalry has been replaced by the Bradley fighting vehicle, a weapons platform that has the firepower of the divisions of old; and Army helicopters that comprise one of the largest air forces in the world, now transport and support with supplies and firepower the infantry. Combined, all these elements guarantee the success and superiority of the American Army and that wherever it goes, our soldiers will persevere over any foe. I am pleased to have this opportunity to celebrate the history of the U.S. Army, to thank those soldiers who have served in the past and who serve today, and to assure my colleagues that our Army will always stand ready to defend our citizens and our Nation from all who threaten us, just as they have for the past 220 years.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, June 13, 1996, the Federal debt stood at $5,139,481,774,943.05.

On a per capita basis, every man, woman, and child in America owes $19,389.23 as his or her share of that debt.

SOUTH DAKOTANS LEAD EFFORT TO GET TO THE BOTTOM OF LOW CATTLE PRICES

Mr. DASCHLE. Mr. President, the Advisory Committee on Agricultural Concentration has submitted its final report to Secretary of Agriculture Dan Glickman. The committee has been investigating the relationship between concentration in the livestock processing and packing industry and the record low prices in the cattle market. It did a tremendous job identifying the problems facing our Nation's livestock producers, and its recommendations have been widely praised within the agricultural community.

The success of the advisory committee was in no small measure attributable to its membership. The panel consisted of 21 individuals from across the country who represent a cross section of the livestock industry. It included farmers, ranchers, meat packers, processors, poultry growers, retailers, and economists.

While all committee members should be commended for their determination to get to the bottom of the livestock concentration issue, I want to single out for special mention the two members from South Dakota: Herman Schumacher and Tyrone Moos.

Herman Schumacher, who served as vice-chair of the advisory committee, lives in Herried, SD. He owns and operates the Herried Livestock Auction, is past president of the South Dakota Livestock Auction Markets Association, and is part owner of a cattle feedlot.

Without question, Herman is one of the most tenacious and persuasive advocates for cattle producers I have ever met. He understands American agriculture and never stops looking for ways to address problems facing farmers and ranchers. Herman's expertise and leadership were instrumental to the development of the committee's consensus findings and recommendations. In addition, he helped craft additional minority views that are more prescriptive than the consensus views in outlining responses to problems identified in the report.

Tyrone Moos is a grain and livestock producer from Philip, SD, who also serves as director of the Harvest States Cooperative. Tyrone's expertise in both grain and livestock issues were invaluable to the committee's deliberations.

One focus of the committee's review was the impact of concentration in the agricultural transportation industry. The century-old problem of insufficient access to rail cars contributes to the determination of the final price a producer receives for his or her commodities, and Tyrone's experience helped shape the committee's findings in this area. Additionally, Tyrone's influence was evident in the tone and substance of the final recommendations for both the consensus and minority views sections of the report.

When Agriculture Secretary Dan Glickman called to solicit Herman's and Tyrone's service on this important committee, it would have been easy for them to decline the invitation. The commitment and sacrifice asked of them was significant.

The Department of Agriculture did not offer compensation, not even for travel expenses. But it did ask for a significant commitment of time. Herman, Tyrone and their colleagues served countless hours on the panel's work—time that could have been spent looking after their own business interests or with their families.

The advisory committee's inquiry directed needed attention to the serious problem of stagnating cattle prices, provided insights on the nature of that problem and offered recommendations for what might be done about it. Farmers and ranchers in South Dakota and elsewhere should be thankful for that effort.

The work of the Advisory Committee on Agricultural Concentration is done. It is now up to our Nation's policymakers to evaluate the panel's findings and act on its recommendations. I look forward to taking the baton passed on by Herman Schumacher and Tyrone Moos, and I thank them for pointing the way to a solution to the problem of concentration in agriculture.

ISRAELI ELECTION ABOUT DEFINITION OF PEACE

Mr. MACK. Mr. President, the campaign for Israel's first directly elected Prime Minister not only brought a victory for Benjamin Netanyahu but a defeat for the mistaken idea that peace can only be defined from a liberal perspective.

While two well-qualified candidates with different ideologies each articulated their vision for the country, many in the American media—those who reported on the campaign and the experts journalists chose to interview—hid behind stereotypes and missed the real point of the election. At its very core, the campaign was not about whether there should be peace but how to define it.

The American media told us the issue was simply this: Shimon Peres, the liberal, wanted peace. Benjamin Netanyahu, the conservative, didn't. Implied in this ridiculous statement is the wrong assumption that only liberals understand peace.

In the days since the election, the American media aren't quite certain how to characterize Mr. Netanyahu. When Mr. Netanyahu recently expressed his desire for Israel to continue to seek peace with its Arab neighbors—a position he has advocated all along—a Washington Post story identified him as "kinder and gentler."

The media's failure to understand Benjamin Netanyahu and his conservative principles of real peace—real security underscores the differences in how liberals and conservatives view foreign policy.

The left believes peace is simply the absence of conflict. To achieve peace, the left will do whatever is necessary and in many cases give up whatever is necessary simply to maintain the peace.

Conservatives believe peace without freedom is false. Only through the guiding principle that freedom is the core of all human progress can a nation build a lasting peace. After all, what is peace without freedom? What is peace if it means living in constant fear? In Cuba and China today, there is peace, but certainly no freedom.

When any nation builds its foreign policy on a foundation of freedom, democracy, justice, and human rights, true peace and hope will inevitably prevail.

During the 1980's, the left and the media soundly criticized Ronald Reagan and Margaret Thatcher when their policies boldly stated that negotiations with the Soviet Union must be carried out from a position of strength and security . . . not appeasement.

History proved them right. Freedom won. The Berlin Wall—a symbol of tyranny and oppression—crumbled and communism was replaced by capitalism.

Even if many in the American media apparently believe in the ludicrous claim that appeasement leads to peace, Israeli Jews—a majority of whom voted for Netanyahu—correctly understand that protecting freedom is essential to preserving peace.

In his analysis of the election, A.M. Rosenthal of the New York Times said it best when he wrote: "the majority was not voting against peace—the very idea is idiocy—but for the hope that Mr. Netanyahu and a Likud-led coalition might create a peace they could trust while they slept, not just while they stood at arms."

In a region where Israel's neighbors have vowed its destruction, where thousands of missiles in other countries are pointed at Israel's cities, where well-financed terrorists threaten to murder and frighten Israel's citizens, appeasement through weakness will only invite more violence, more bloodshed and inevitably a loss of freedom and peace.

We all want peace for Israel—a shining jewel of democracy in a region where freedom is often unwelcome. Choosing the best road for achieving that peace is the task that awaits Benjamin Netanyahu. He understands—as well as the overwhelming majority of Israeli Jews who voted for him—that only when Israel is secure, can Israel truly be free and at peace.

NATIONAL ENDOWMENT FOR THE ARTS

Mr. PELL. Mr. President, at this time when the fiscal year 1997 appropriations level for the National Endowment for the Arts is being determined, I would like to illustrate the importance of the arts to the education of our children and to the growth of the local economy through two examples from my home State of Rhode Island.

The May 23 issue of Nature describes the Starting With the Arts [SWAP] Program for 96 first-graders in four Pawtucket, RI, classrroms. The program is based on the internationally recognized Kodaly curriculum that emphasizes musical and visual arts skills. After 7 months, the SWAP children scored better in math than their counterparts who had standard classes—and equally well in reading—even though their kindergarten scores indicated that they were behind. At the end of second grade, math comprehension and problem-solving skills were highest in students who received 2 years of the special program, next best in those who had 1 year, and worst in those who received the standard curriculum.

The findings of a nationwide survey on the attitudes of Americans toward the arts, conducted by Louis Harris and released this month, found that 9 in 10 Americans believed that when children get involved in the arts in school, they "become more creative and imaginative," "develop skills that make them feel more accomplished," and "learn to communicate well." Over 8 in 10 Americans also feel that exposure to the arts "helps young people develop discipline and perseverance" and helps them "to learn skills that can be useful in a job." The Pawtucket youngsters confirm these beliefs.

My second example stems from a 2-hour public forum organized as part of the 16th International Sculpture Conference in Providence last week. At this meeting, numerous civic, cultural, and business leaders came forward to show how the arts have served to stimulate the economic revival of downtown Providence. What is happening in Rhode Island is happening nationally. Nonprofit arts organizations create nearly $37 billion in economic activity in the United States every year, and support 1.3 million American jobs.

The arts are one of the best and the cheapest ways of improving the economy. The arts stimulate business development, spur urban renewal, attract new businesses, and improve the overall quality of life in our cities and towns. Roger Mandle at the Rhode Island School of Design has repeatedly demonstrated the importance of design to both the economy and greater ease in every day life. Existing and available cultural resources are frequently cited as one of the prime reasons businesses select to move to a community. The arts can literally turn a community or neighborhood around.

One of the best illustrations of the impact of the arts on the economy is tourism, and tourism is the fastest growing economic market in the United States today. In Providence, the Providence Performing Arts Center and Trinity Square Repertory Company have brought countless audiences to their theaters, with many people spending money on restaurants, shops, parking, and the like that would not do so otherwise without the presence of the arts. Recent discussions among the museums in the downtown area have led to the exciting concept of a Museum Mile connecting these cultural institutions through a collective effort in marketing, fundraising, parking, transportation. The result will attract visitors from all over the country to Providence. When the arts is good, more people are employed, and more taxable income generates more revenue for our State and local municipalities.

There are more artists per square mile living in Providence than in any other city in the United States, and this number is likely to increase with the passage of proposed State legislation that would provide State income and sales breaks to artists living or working in the central business district. One bill would exempt these artists from paying sales tax on plays, books, musical compositions, paintings and sculpture. A second bill would provide these artists with a personal tax exempt. The Rhode Island House Finance Committee has voted its approval. In praising the effort, Mayor Vincent A. Cianci, Jr. states: "These bills, while supporting our artists and arts, promote economic development and tourism and will create a more dynamic synergy among the Arts and Entertainment District, Capital Center and the Province Place mall."

Mr. President, I urge my colleagues to consider these examples from Rhode Island, to understand the far-reaching positive impact of the arts on both education and economy, and to join together in a bipartisan effort to appropriate $136 million for the National Endowment for the Arts as requested by administration. It is important that this agency is funded sufficiently to be able to continue its worthwhile and extremely effective endeavors to improve the quality of life for all Americans.

The recent Harris Poll referenced above shows that Federal support for the arts remains solid and strong. Surprisingly, Harris also found that a 61 percent majority of Americans—to 37 percent saying "no"—would be willing to be taxed $5 more in order to pay for Federal financial support for the arts. Fully 86 percent of all American adults are exposed to the arts in the course of a year. These people believe the arts to be important and would sorely missed them if they were not there.

SENATE PAGES—SPRING CLASS OF 1996

Mr. DASCHLE. Mr. President, today the Senate bids farewell to a group of young men and women who have served as U.S. Senate pages for the spring semester.

These young people have been witnesses to vigorous debates on a number of issues of national significance—truly spirited debates. Just this past week, they watched as Senate Dole gave his final speech as a U.S. Senator.

We in the Senate appreciate all that they did to serve the needs of this body—and those needs were many. The Senate pages serve a very valuable and important role in the day-to-day workings of the Senate, and we very much thank them for their work.

As these young people return to their respective communities, it is my hope that they will take with them a better understanding of how this Government works, and understand the necessity of working together to achieve a common goal. Perhaps someday, one or more of them will return as Members of the U.S. Senate.

To the pages, on behalf of myself, the majority leader and all Members of the Senate, we wish you well, good luck in the years ahead, and we say thank you.

I ask unanimous consent that a list of the names of the pages of the spring class of 1996 be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

U.S. SENATE PAGES—SPRING CLASS OF 1996

Tracy R. Clark, Vermont.
Christie M. Curtis, New Jersey.
Janelle D'Ambrosio, New York.
Ford P. Dvidson, Washington State.
Abigail David, Virginia.
Carl Kean, Arkansas.
Autumn Fredericks, Mississippi.
Elisabeth Hagadorn, Michigan.
Richard Hutchinson, South Dakota.
Thad Larson, South Dakota.
Brooke Lawyer, Mississippi.
J. Wesley McCleave, Alabama.
Evan Meyer, Indiana.
Elizabeth Reaves, Vermont.
Joshuah Roberts, Arkansas.
Dorothy Robinson, Delaware.
Heidi Sann, Massachusetts.
Devin Sullivan, Montana.
Alyssa Thornburg, Pennsylvania.
Jennifer Wilking, Wyoming.

LAKOTA FUND GROUND BREAKING

Mr. DASCHLE. Mr. President, I want to talk briefly about the tireless efforts being undertaken by a local nonprofit organization in South Dakota to improve the severe economic conditions on the Pine Ridge Indian Reservation.

Over the years, numerous national press articles have documented the Pine Ridge Indian Reservation as one of the most impoverished areas in the country. The arid nature of the land lends little to farming and ranching. Banks, department stores, paved roads, and even safe drinking water are not to be taken for granted. Even amidst the stark majesty of its landscape, the vibrant tourism industry of western South Dakota remains a whisper of promise. Quite simply, on the Pine Ridge Reservation, the basic economic infrastructure that we all take for granted, struggles to exist.

Ten years ago, a group of Pine Ridge residents, dedicated to improving their local economy, created a peer lending program called the Lakota Fund. After forming partnerships with private foundations and Federal agencies for seed money, this unique program began processing loans for economic enterprise on the reservation. It mandated enrollment in financial and business training courses and required groups of loan recipients to cosign for each others' loans. This unique lending approach, emphasizing trust over credit, created a strong sense of teamwork in the area that has enabled many budding entrepreneurs to realize their dreams.

Before participating in the program, one young woman was unable to fulfill her dream of buying a house for her family. However, after successfully starting her own business and repaying her loan to the Lakota Fund, she was able to purchase a home, thanks to the establishment of a good credit record.

There are many more individual success stories, but the true success of the Lakota Fund has transcended the accomplishments of any one individual. It has affected the entire community.

Over the years, the Lakota Fund has loaned nearly $1 million to over 250 small business men and women. Of these loans, less than 10 percent have failed.

When the Lakota Fund began 10 years ago, the town of Kyle had only one grocery store and one convenience store. Today, with the Lakota Fund's help, Kyle is home to a cafe, two video rental stores, a flower shop, a tire repair shop, and a multitude of other businesses. These ongoing success stories are testament to the vision of the Lakota Fund's creators and staff. They knew that as each new business would bring new jobs, so would each new job sustain and improve the hope for financial independence.

I have learned a great deal from the Lakota Fund's success. It has strengthened my belief that economies are built through partnerships. It has proven that Federal agencies such as the Economic Development Administration and the Small Business Administration can work together with community leaders to provide the financial support needed to make sound investments in local economies. And it has clearly demonstrated the important roles that exist for private foundations in supporting new business ventures.

But most importantly, these efforts are shining examples that successful change can begin at the local level, that good things can be done when people work together, and that dreams can be reached where hope is allowed to grow.

Mr. President, on June 20 of this year, the Lakota Fund will celebrate the ribbon cutting of their new foundation headquarters. This building, which was constructed through financial partnerships with the Economic Development Administration, Norwest Bank, and other notable private organizations, will house the offices of the Lakota Fund and will provide retail space for existing clients as well as training facilities for new loan applicants.

This day will also celebrate the opening of the Tribal Business Information Center, a joint Small Business Administration venture that will work with the Lakota Fund to assist in the further development of the local economy.

I would like to recognize the efforts of the Lakota Fund's staff for the hard work and commitment that was necessary to see these two projects through to fruition. In particular, I would like to personally honor the hard work and dedication of Elsie Meeks. As the former executive director of the Lakota Fund, Elsie has long been an impassioned voice for economic development in the Pine Ridge community. Her foresight and determination have made the Lakota Fund a national example of how trust among people can affect positive economic change.

Still, I would be remiss if I did not emphasize that much more work needs to be done. The success of the Lakota Fund and the creation of the Tribal Business Information Center are but two small steps on a much longer journey to sustained economic growth on the Pine Ridge Reservation.

Under the local guidance of organizations such as the Lakota Fund, I am confident we can continue to maximize our resources and forge stronger relationships between the public and private sector. And, with responsible leadership in Congress, we can reward the priorities of economic growth by emphasizing Federal programs that promote partnership and local control.

FISCAL YEAR 1997 GOP BUDGET RESOLUTION

Mr. KERREY. Mr. President, I rise today to briefly discuss my opposition to the fiscal year 1997 budget resolution.

In voting against the balance budget amendment last week, I stated that I did not believe Congress needed a mechanism in the Constitution to balance the budget and that I believed Congress had the will to reach a balanced budget on its own. If nothing else, I can say that at least my colleagues across the aisle proved me right on that point.

However, I voted against this budget proposal because I am in considerable disagreement with the way they propose we achieve budgetary balance.

Their budget resolution, passed yesterday on a party-line vote, calls for discretionary spending cuts to programs vital to our Nation's future—like education and research—while offering a tax cut that forces larger and deeper cuts to Medicare and Medicaid. But more important, Mr. President, this budget does nothing—nothing—to fundamentally reform our entitlement programs which continue to consume a bigger portion of the Federal budget each year. I also point out that this resolution raises the deficit for the first time since the Clinton administration took office.

Mr. President, I support the goal of a balanced budget and have fought, am fighting and will continue to fight to achieve it. Recently my colleagues and I—Senators SIMPSON, BROWN, NUNN, and ROBB—proposed a provision that would have reformed long-term entitlements. Mind you, we did not tinker around the edges, but instead took on some serious budgetary dilemmas without using gimmickry or short-term measures as a solution.

For our efforts we received 36 bipartisan votes—unprecedented support for this type of long-term entitlement reform. Our proposed changes to current laws would have caused taxpayers very little concern in the short-term as these changes would be phased in and have no effect on anyone over the age of 50 and would save the Nation billions of dollars in the long term. As well, the Senate recently voted on the centrist budget plan, which addressed a number of budgetary problems including long-term entitlement reform, and provided a balanced budget in seven years. This plan garnered 46 bipartisan votes—22 Democrats and 24 Republicans.

I only wish my colleagues on the other side of the aisle chose a similar path.

A balanced budget by 2002, which this resolution offers, is still of little solace because it ignores the most important fiscal challenge we face: the rapid growth in entitlement spending over the next 30 years.

I cannot stress enough the year on which we ought to be focused is not 2002, but 2008, when the baby boomer generation begins to reach eligibility age for retirement. This will place a severe strain on the Federal budget. Our biggest fiscal challenge is demographic, not political, and the budget before us does not address it.

Unfortunately, and conveniently, this demographic challenge is kept from our view by a budgeting process that discourages long-term planning. A six-year span is completely inadequate when the most difficult budget decisions we need to make deal with problems we will face 20, 25, and 30 years down the road, when the aging of our population propels entitlement spending out of control. The most important recommendation of the Bipartisan Commission on Entitlement and Tax Reform was that we begin to look at the impact of budgets over 30 years rather than just 5 or 7. The reason is that our country looks very different, and our current budgets look very different, viewed over that span.

We can see the trend even in the short term. Entitlement programs—which included Social Security, Medicare, Medicaid, and Federal retirement—will consume 66 percent of the budget this year. By 2002, it will be 73 percent. By 2005, the number is 78 percent. Those numbers are straight from CBO, and if we project further, Mr. President, we see that by 2021, mandatory spending and interest on the national debt will consume every dollar we collect in taxes. By 2013, we will be forced to begin dipping into the surplus in the Social Security Trust Fund to cover benefit payments, a practice that will go on for not more than 16 years before the trust fund goes into the red.

These trends have to do with the simple fact that our population is getting older while our work force gets smaller. My generation did not have as many children as our parents expected, and, as a consequence, the system under which each generation of workers supports the preceding generation of retirees simply will not hold up.

Indeed, Mr. President, long-term entitlement reform coupled with a reasonable reduction in spending would alone reduce interest rates and bring balance to the budget.

The result is a question of fairness between generations. Today there are roughly five workers paying taxes to support the benefits of each retiree. When my generation retires there will be fewer than three. Unless we take action now, the choice we force upon our children will be excruciating: Continue to fund benefits at current levels by radically raising taxes on the working population or slash benefits dramatically.

In 1981, Congress—backed by the Reagan administration—passed a tax-cut for the American people hailed as a boon to the national economy and a panacea for combating an overreaching Government. However, the tax cuts proposed and passed were coupled with unrivalled Government spending, which created the enormous deficits we now confront in this body daily. Nobody believed in 1981 or 1982—save a small few—that what was happening was the creation of large, grave deficits the likes of which this country had never seen, even after the then Majority Leader Howard Baker at the time called this budgetary strategy a "river boat gamble."

Mr. President, until Congress can agree on a budget that addresses the unsustainable growth of entitlement programs and avoids gimmickry and short-term fixes, anything else is simply a river boat gamble.

I will continue to oppose resolutions such as the one we voted on yesterday because I do not wish to commit our Nation's fiscal integrity and the hopes of future generations to a gamble, no more than I would try to balance my family's checkbook by heading to the slot machines with a pocket full of quarters. This Nation and our children deserve better.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KYL). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

NOMINATION OF ALAN GREENSPAN TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. REID. Mr. President, it is my understanding that the matter now before the Senate is the nomination of Alan Greenspan to the Federal Reserve.

The PRESIDING OFFICER. The Senator is correct. The clerk will report.

The bill clerk read as follows:

Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System for a term of four years.

The Senate resumed consideration of the nomination.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I like my colleagues, take my responsibility very seriously as to whether or not I support nominations made by the President. During the time that I have served in the Senate, most of that time has been under Republican Presidents. I always took the fact that they made the nomination something that I should, if I could, support. I felt that way for Republicans. I feel the same way for a Democratic President.

As a result, my decision today, while it may not be earthshaking in nature, has been quite difficult. It was after great deliberation that I concluded I can not support the nomination of Alan Greenspan. He has rendered great service to the country. But I think the time has come for new leadership. We need to look at what is taking place at the Fed not only regarding its monetary policy but also internal management. I think that we need to send a message to the American public that what is going on in the Federal Reserve Board is not good.

As a result of that, I have indicated I will not support the nomination of Alan Greenspan, a nomination that has been submitted to the Senate of the United States by a Democrat, Bill Clinton.

Mr. President, many suggest that if the Federal Government operated more like the private sector we would rid ourselves of waste and inefficiency. While that generalized statement is probably true—that we would get rid of a lot of waste and inefficiency, if we operated more like the private sector—that is not absolutely true. It has merit. I subscribe to that belief, and I think that we should keep that statement in mind when we consider the reappointment of Chairman Greenspan to the Fed.

For example, if the shareholders of a bank—and if the President of that bank operated as a multimillion dollar enterprise—suddenly found in that banking operation that there was a fund, a slush fund, a rainy day fund, as the Fed looks to it, without anyone's knowledge, would the shareholders vote for reappointment of that President? The answer is obviously no. They would want probably an opportunity for the President of that bank to explain himself. Yet, those who are insisting on a vote in the affirmative for Chairman Greenspan are asking us to accept what the Fed has done without any explanation. I personally cannot do that.

According to the General Accounting Office report that I requested, along with Senator DORGAN, the Federal Reserve Board is operating with a number of problems. But one is that the General Accounting Office found that there is a $3.7 billion fund. Some refer to it as a rainy day fund, and others have referred to as a slush fund.

The purpose of it, they say, is to make sure that if there are ever any losses that they are covered.

Well, for 79 years the Fed has been in existence. They have never had a loss. There has been no explanation why they have this fund maintained. It is fair to assume that, when it comes to deficit reduction, the chairman's rhetoric is inconsistent with his actions.

The Government was literally shut down last year for a billion dollars here, a billion dollars there. For $3.7 billion we would not have had a Government shutdown.

The report raises a number of legitimate questions about the fiscal management within the Federal Reserve System. Important questions should have been answered prior to now and certainly prior to voting for confirmation of this Chairman. This study was requested because no close examination of the Fed operations had ever been conducted. .

I offered legislation on a number of occasions calling for the audit of the Federal Reserve System. These requests for legislation were promptly thrown in file 13. They never went anyplace. The Fed is untouchable. Well, after this study I do not think they should be untouchable, because some of the questions that people asked have been answered in this report.

In fact, does the Federal Reserve System run its own shop with no oversight by anyone? The answer is yes. As I said, there has never been a close examination of the Fed's operations until this study was conducted. The General Accounting Office did a good job. The report is sizable in nature. This is a draft of the report. I understand that on Monday the 17th, they are going to submit their final report. This is done the way the General Accounting Office always does their work. They do a draft report and they show it to the people that requested the report and then they submit it to the body that is being investigated. It will be interesting to see how the Fed has responded to some of these questions. I think, interestingly enough, their responses do not answer all of the questions raised in the report.

Since they are a taxpayer-financed entity, I believe it was necessary to shed greater light on the Fed's operation and so I asked the General Accounting Office to do this. In today's constrained budget environment, Congress needs to be informed, and well informed, on all activities that affect Government's finances. Certainly the national banking system, the Federal Reserve System, is something we should have a better handle on. That, in part, is why we requested this study of the Fed.

Much of the study focuses on activities occurring under Mr. Greenspan's watch and the policies he oversaw. He has been there a long time. He cannot blame what has gone on on someone else. He is the chief administrative officer. He is the person we look to for guidance. He is the person, when we have a problem with our national banking system, we call in to Congress.

It is my understanding that the General Accounting Office stands by all of its findings in the preliminary report, and I am sure that is the case. Since this report was submitted there have been other interesting things to develop. One of the most interesting, is a recent round of stories in the Los Angeles Times. They have done some very good work on what is going on in part of the world of the Fed.

An executive at the San Francisco Fed confirms the fact that there are accounting practices at the bank in California that are in real question. For example, according not only to the LA Times, but the Wall Street Journal—which certainly we cannot say is a foe or of the Fed. According to the Wall Street Journal, the Los Angeles Federal Reserve Branch appears to have problems counting its money. This has been confirmed by an executive at the San Francisco Fed. This executive asserts that employees were "forcing balances that did not add up, so that reports sent to the Fed board would appear normal."

We are not talking here about how to do your weekly balancing of your checking account. We are talking of almost $200 million. Apparently this enormous management lapse that took place over a period of more than a year has not been questioned by anyone in authority at the Fed. It occurred in one of the most basic and critical functions that the Federal Reserve System has, and that is tracking the level of currency in circulation. The error was said at this point to be about $178 million. The Fed and the Chairman do not bear this loss, the taxpayers bear this loss.

The bottom line is we now have before us another story of Fed mismanagement, under the guidance and leadership of Alan Greenspan. It begs us to question why this body is willing to reward such poor oversight with, in effect, expeditious confirmation.

I have to say that I very much appreciate the initial action of the new majority leader. Senator LOTT has allowed 3 days to debate this. That is very good. My only question would be whether we should have done it before the final report of the General Accounting Office. But I commend and applaud the new majority leader for allowing ample time to talk about this issue. The fact we are talking about this, I think, will lead to a better understanding of how the Fed acts.

There have been good discussions these past 2 days by the junior Senator from Iowa, Senator HARKIN, and the junior Senator from North Dakota, Senator DORGAN, about fiscal policy. I am not going to dwell a lot today on fiscal policy. Senators HARKIN and DORGAN have done a good job on that. What I want to talk about, though, is where they spend 93 percent of their money.

You see, at the Fed, only about 7 percent of their money is spent on fiscal policy, setting policy. Ninety-three percent of it is running this national bank we have. I believe we as a Congress have the responsibility to look at that 93 percent and I believe appropriate that money for that 93 percent. It is often said that Greenspan puts the brakes on our economy. I think it might be time to put the brakes on his nomination, slow it down, review all the facts that are being brought to our attention, including the situation we have in the Los Angeles Fed.

There are some who say there is no need for an independent audit. An annual audit is fiscally sound policy.

Can you imagine a bank not having an annual audit? Can you imagine the central banking system of the United States of America not having an annual independent audit? We do not have one. I believe it would instill greater public confidence in our banking system and it would allow people to understand more what is going on.

Let us talk about increased cost. The Fed, while the rest of Government is cinching down and spending less, the Fed's operating costs have increased steadily and substantially. In 1988, just a few years ago, the cost of the Fed was $1.36 billion. In 1994, some 5 years later, it was $2 billion. And it has gone up every year since then. We do not have those final figures. Operating costs for the Federal Reserve have grown at more than twice the rate of inflation. Fed operating costs jumped 50 percent between 1988 and 1994. It increased at a rate greater, of course, than overall Federal discretionary spending, which we are trying to rein in. Overall Federal discretionary spending increased during this period of time at a very minuscule rate. But not the Fed, they jumped 50 percent. The greatest increases were bank supervision, personnel costs and data processing. The report makes it clear the Fed could do more to increase its own cost consciousness. They could do a better job of holding back the cost of Government.

What is interesting is what the Fed did while its own costs were rapidly outpacing inflation. The Fed was urging fiscal restraint for the rest of the country. I think it is interesting to talk about what happened in the pre-Greenspan years with economic growth, and what happened in the Greenspan years.

The green, the lower indicators on this graph, shows that the Greenspan years have not been good years. In spite of the tight controls we have had by the Fed, economic growth has not been good under Chairman Greenspan.

Salary costs. The GAO clearly has pointed out that the Fed's salary has been out of whack with the rest of society. The cost of salaries in 1994 alone amounted to over $1 billion dollars. This constituted about 79 percent of the Fed's personnel compensation cost. From 1988 to 1994, the Fed salaries increased by 44 percent—44 percent. Salaries of some of the Reserve Bank presidents are even greater than the Chairman's salary.

Mr. President, these salaries might attract more people to Government, but they certainly will not attract more people to good Government. Most taxpayers would find the fact that 120 top-level Fed officials earned more in 1994 than the Chairman did a bit excessive. It just does not make sense. Why should bank executives make more than the Chairman of the Federal Reserve Board?

From 1988 to 1994, the last numbers we have and what the General Accounting Office had to look at, the cost of Fed employee personnel benefits increased by 89 percent—89 percent. The General Accounting Office found the Fed's benefits were generous compared to those of Government agencies with similar responsibilities, and that is an understatement.

The GAO found the Fed provides additional benefits to some select officials. For example, bodyguards, home security systems, chauffeured home-to-office transportation.

Travel is really interesting. Although it constitutes a small portion of the Fed's operating expenses, these expenses have had the highest growth, 85 percent. Travel expenses increased significantly more, to say the least, than Federal Government travel expenses.

As the Presiding Officer knows, to try to get members of the administration or Government agencies to come to our States is very hard because they do not have travel money. Very important issues in a State where they need to come and take a look, a lot of the agencies have trouble doing it.

I asked the head of the Environmental Protection Agency to come to Las Vegas. I thought it was a very important meeting. She could not come, even though she badly wanted to, because of travel restrictions, her budget is so tight. Part of this, of course, is grossly exaggerated when you recognize the Fed's travel expenses went up almost 100 percent.

The Fed's travel expenses, when you limit it strictly to their traveling and nothing else, increased 66 percent. When Board members travel, Mr. President, they travel in style. No uniform style, but they travel in style. Some of the districts are allowed to be reimbursed on a per diem basis. Others are reimbursed on actual-cost basis. There is no rhyme nor reason. It is according to what they want to do.

So what I am saying is, they have, in fact, an unlimited expense account. I do not know where else in Government there is anything like that. I do not think anyplace.

Because the policies vary from bank to bank, these costs could easily be contained by a uniform, more taxpayer-friendly policy. The General Accounting Office points this out as well.

Also, we have a double standard, the General Accounting Office has found, and this clear double standard is practiced by the Federal Reserve System. At the Fed's encouragement, we have taken significant steps toward eliminating the deficit. In fact, I can remember Mr. Greenspan saying a year or so ago the most important thing we can do is reduce the deficit, and at times, these steps have been extremely painful, often requiring downsizing, budget cuts, and elimination of various programs, programs that some of us believed in and liked a lot. We had to cut and whack those so we could meet our budget reduction steps.

We have done a pretty good job. This will be the fourth year in a row where we have reduced the deficit. Four years in a row, the first time since the Civil War we have done that. We have not reduced it, perhaps, enough, but 4 years in a row where we had a reduced deficit. That is good.

While the rest of the Government underwent necessary belt tightening, the Fed enjoyed a smorgasbord of growth. What is a smorgasbord of growth? I do not know if that is a word people know anymore. It is something they had in Nevada to get people to come to the casinos. They would have this vast array of food that would cost not very much money. People could come and gorge themselves, if they wished, on different foods.

That is, in effect, what we have had with the Fed. They have had a smorgasbord of growth. They have had everything they wanted. They have gorged themselves. While the Federal Government's overall staffing level declined, the Fed's staffing level increased by some 4 percent.

The bulk of this growth occurred in largely the white-collar supervision and regulation area. The largest decrease in staffing occurred in the area of services to financial institutions, a blue-collar area where we need more help.

From 1988 to 1994, the Federal Reserve salary costs increased by 44 percent.

In the area of travel expenses, as I have already said, the Fed increased by 66 percent. Again, this could easily be remedied by bringing the Fed under the same travel rules as the rest of the Federal Government. It appears to be a classic case of, "Do as I say, don't do as I do."

It is important to look beyond the comparison of Federal Government. During this same period, while many commercial banks were downsizing, downsizing everything—their operations generally—the Fed's costs were steadily increasing. All over the country we have had banks, in order to be competitive on an international basis, consolidating. There have been cutbacks.

I know and the Presiding Officer knows that in my State and his State, there have been banking employees who have lost their jobs because of downsizing. Not with the Fed. I say not only commercial banks are downsizing, the Federal Government is downsizing. While all this has been going on, the Fed has been upsizing.

But prior to this study, we did not know that. I think it is clear from the GAO report that poor internal management and questionable spending practices are the order of the day at the Fed.

Personnel benefits vary, travel reimbursement varies, procurement and contracting practices are not always done on a competitive basis. Indeed, the report raises questions of favoritism and conflict of interest.

Again, the bigger issue is whether the taxpayers are getting the most cost-effective use of their money. I think the answer is clearly no.

Again, there were rapidly increasing expenditures between 1988 and 1994. Personnel compensation increased by some 54 percent. Equipment and software expenditures increased by 85 percent. Building expenditures increased by 34 percent. Again, travel expenses increased by 66 percent. There is very little incentive to keep these expenditures under control; in fact, in most places, none. The Fed is not subject to the same cost reduction pressures that are affecting both public agencies and private sector firms, and I believe they should be.

I repeat, Mr. President, I am not here today to belabor fiscal policy set by the Fed. Others have done that. I want to talk about the 93 percent of the money that they spend that has nothing to do with setting monetary policy. And that 93 percent we should have some control over. There should be appropriated moneys for the 93 percent. They should fund their operation and their expenses from current revenue.

They are not subject to the same cost reduction pressures that affect both public agencies and private-sector firms.

If there were ever an example of a Federal agency, an activity of the Federal Government—call this organization whatever it might be—that needed some sunlight, this is an organization that needs some sunlight.

The Fed is not funded through congressional appropriations, so we really have no idea how much they are spending, and on what. We only have large categories. Also, unlike private firms, the Fed does not have a profit incentive to lower costs and increase efficiency.

What about the $3.7 billion slush fund? The Fed is part Government agency, part private bank. Its primary mission is to support a stable economy, not to make a profit. However, the profits generated by the system are to be returned to the taxpayers. Over the years the Fed has pocketed away $3.7 billion in taxpayer money.

Mr. President, take for example—and I have come to this floor and criticized the budget that the majority has pushed forward on a number of issues. But the one area I have talked about a lot is what is happening to our National Park System. If we had $1 billion in our great national Treasury, we could take the gems that we have set up around the United States in the National Park System—we only have one in Nevada; but the State of Arizona has a number, the State of Utah has a significant number, Western States have a number of parks—we could replenish, refurbish those parks. We are closing certain parts of our park system to visitors because we cannot maintain them. We need more money. We could take part of this $3.7 billion and replenish our park systems, refurbish them, modernize them.

That is only one example, out of scores we could use, where this money could be used, rather than there in a so-called rainy-day fund that Mr. Greenspan and others have set up.

The Fed claims this quietly held fund is necessary to cover system losses. But as I have said before, in 79 years the Fed has never operated at a loss. It cannot because that is how they operate. The surplus increased 79 percent in the 1988–94 period. At the very least, the taxpayers have a right to have this returned to the Treasury.

We continually hear encouragement from the financial markets to reach a balanced budget agreement. And we should do that. If the budget negotiators had this money, we could certainly make $3.7 billion progress in that direction.

So I conclude, Mr. President, by saying that the Senate is endowed with this tremendous responsibility that we have in the nomination process.

If the reports we are now receiving concerned activities at a cabinet agency, that they had a $3.7 billion slush fund, that their travel expenses have increased 66 percent, that there were 120 people making more money than the President of the United States, and on and on, with the questions that I have raised today, we would be real upset at that cabinet officer.

We should be also upset with Chairman Greenspan because the reports we are receiving now concerning activities at the Fed show that there is tremendous mismanagement taking place. There needs to be more oversight.

What we are doing today is being asked to reappoint an individual who, in my opinion, is under a cloud. I believe that the burden is on the nominee to come forth, address these issues, address them squarely, and provide this body with a full and satisfactory response.

Again, I recognize the awesome responsibility we have. I understand the importance of this position. I know the nomination has been sent forward by the President of my own party. But in good conscience, I cannot vote to confirm Alan Greenspan. I think there are too many problems. I believe, Mr. President, that the Fed needs to be looked at with a microscope.

We did not look at them with anything. They are running amok. They have no guidance or supervision from the Congress. We should appropriate that 93 percent, the moneys they use every year to operate. There is no reason they cannot be as fiscally sound in management policy as they are asking the rest of the country to be. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

FLAG DAY

Mr. BYRD. Mr. President, it was 219 years ago today that the Continental Congress formally designated June 14 as Flag Day. So, today, we recognize this anniversary of Flag Day, going back to the time when, as I say, the Continental Congress formally designated the Stars and Stripes as the flag of our country. We honor the symbol of the Nation when we honor the flag.

In these days of new-fashioned values and new-fangled technology, we most often forget the old-fashioned patriotism that made this country great.

We are a vast nation and we glibly speak of our form of government as a democracy. It would be impossible for a government of a nation that is so sprawling as is the United States of America to be a democracy in the raw and purest sense. This is a republic, a republic. We pride ourselves on our democratic processes but we loosely, very loosely talk of ours as a democracy. It is a republic. And there is a difference.

We are a vast nation, becoming more and more diverse in population, language and custom with each passing year, and we would do well to remember often and salute one of our greatest unifying standards, the Stars and Stripes, the American flag.

I have not heard anyone speak of this as Flag Day on the floor today. There may have been someone who has addressed the subject already. I would be very pleased to find that to have been the case. I hope that everyone will display our flag throughout the weekend and remember all that flag means, remember all that it has meant to generations of Americans who have fought and bled and died so that the rest of us can enjoy freedom.

Freedom, unfortunately, cannot be entirely inherited by a nation or a people, any more than children can fully inherit knowledge and courage from their parents. Each generation must learn to understand and to rededicate itself to the pursuit of freedom. That is one reason why Flag Day is so important—why all of our national holidays should be emphasized. We must, most certainly, halt in our confident strides toward the future and take a long and serious look at the core of our beliefs. When we show to our neighbors and our friends that we believe in America—that we are active citizens and proud of the fact that we have been so blessed—we perpetuate our core principles and solidify our unity as a nation.

So, today I would hope that we would be a little old-fashioned, and rededicate ourselves to freedom and to the glorious red, white and blue that, no matter how sophisticated we all may think we have become, should always make our hearts pound and put that lump in our throats as that flag goes by.

No, we have become too new-fashioned, sophisticated, forgetting that when we came into this world we came emptyhanded and when we leave this world we will leave it emptyhanded.

Alexander conquered the then-known world, but he left it emptyhanded. There is the story that he was buried in a coffin with his hands hanging outside the coffin to demonstrate that one leaves the world, no matter how much of it he has conquered, how successful he has been, how prosperous he was blessed to become—when he leaves the world he leaves it emptyhanded.

So, with all of our thin veneer of sophistication, it might be well to pause and reflect upon the fact that when we leave this world we will leave it emptyhanded. And it is good, sometimes, for Senators to remember that when they leave this Chamber for the last time they will be remembered for about 10 days. I have been around here a long time. I have seen men and women come and go, great in their prime, they thought—and others thought—but soon forgotten.

So I like to do things the old-fashioned way and I like to remember the flag in the old-fashioned way. So let us, today, rededicate ourselves to an appreciation for and a respect for the Stars and Stripes.

When Americans look at their flag, if they stop and think, they see all that is dear to their hearts about America. They think of the heroes who shed their blood for our country. They think of Nathan Hale, who was executed as a spy in the year 1776, who regretted that he had only one life to give to his country.

They think of John Paul Jones; of James Lawrence, who said, "Don't give up the ship."

They think of Francis Marion the "Swamp Fox," Nathanael Greene, George Washington at Valley Forge.

They think of all those men and women down through the array of decades who gave everything, gave their lives, who sacrificed for our country. When they see that flag, oh, it is just a piece of cloth, a bunting, but it is far more. It represents the history of this Republic. It is older than the Republic itself: Flag Day, dating back, as I say, to the year 1777, 10 years before the Constitution was written, which established this Republic.

They think of all that is good and noble and great about this country when they see that flag. They should think of it. It should remind us of this country's glorious history, of the good deeds that America has performed, of how she has shared her wealth, her treasure, her blood that others might have freedom.

And wherever they may travel, whatever ocean or sea they may cross, the sight of that symbol—the red, the white, the blue—our flag, brings to the heart the thoughts of home.

That flag is the symbol of all of the dreams that we have had and that we may have about America. Let us remember it on this Flag Day—the symbol of America the Beautiful.

Henry Van Dyke said it best in his poem: "America for Me":

'Tis fine to see the Old World, and travel up and down,
Among the famous palaces and cities of renown,
To admire the crumbly castles and the statues of the kings,—
But now I think I've had enough of antiquated things.
So it's home again, and home again, America for me!
My heart is turning home again, and there I long to be
In the land of youth and freedom beyond the ocean bars,
Where the air is full of sunlight and the flag is full of stars.
Oh, London is a man's town, there's power in the air;
And Paris is a woman's town, with flowers in her hair;

And it's sweet to dream in Venice, and it's great to study Rome;
But when it comes to living, there is no place like home.
I like the German fir-woods, in green battalions drilled;
I like the gardens of Versailles with flashing fountains filled;
But, oh, to take your hand, my dear, and ramble for a day
In the friendly western woodland where Nature has her way!
I know that Europe's wonderful, yet something seems to lack!
The Past is too much with her, and the people looking back.
But the glory of the Present is to make the Future free,—
We love our land for what she is and what she is to be.
Oh, it's home again, and home again, America for me!
I want a ship that's westward bound to plough the rolling sea,
To the blessed land of Room Enough beyond the ocean bars,
Where the air is full of sunlight and the flag is full of stars.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The Senate continued with the consideration of the nomination.

Mr. HARKIN. Mr. President, let me begin by commending my good friend, the Senator from Nevada, Senator REID, for his diligence and hard work in examining the Federal Reserve's operations. Senator REID has worked with the GAO to look into the Federal Reserve's business practices.

Some startling examinations have been uncovered because of the efforts of Senator REID and Senator DORGAN. I must say the information that they have uncovered is startling. I urge my colleagues to carefully review all that the Senator from Nevada has said today, both regarding the nomination before us and the logic of considering future legislation that might go to these questions.

Massive management lapses appear to be going on—accounting errors, excessive costs of operation, a multibillion dollar slush fund and other oversights. There are many, many important questions that Senators REID and DORGAN have uncovered, with the GAO's help. They are to be commended for asking the GAO for this investigation.

As I said the other day, Mr. President, the Federal Reserve is not a separate branch of Government like the executive branch or the judiciary. But even so, we have the power of the purse strings. Even if the executive branch squanders money, and things like that, we look at it. We have hearings. We look into that and we take action.

We should also do that with the Federal Reserve. I will not stand here and say that all of the items uncovered by the GAO are something that requires us to take a certain action right now. But certainly they warrant further investigation. I hope that we will fulfill our obligations to follow through on those GAO reports. We will be having more to say about that next week, to look at the operations of the Federal Reserve and perhaps make some changes in the law on how the Federal Reserve operates.

Again, I repeat, the Federal Reserve System is a creature of Congress. It exists only because Congress enacted a law to erect a Federal Reserve System. Obviously, Congress has the right, the power, the duty and the obligation to change and alter that law to fit different times and circumstances or to make the Federal Reserve, I believe, more accountable to the American people.

So I just want to commend Senator REID for his diligent work in this area.

Mr. President, I rise on the second day of debate on the nomination of Alan Greenspan as Chairman of the Federal Reserve Board. As I have said many times, this is a critically important nomination that deserves the Senate's full consideration. The Federal Reserve Chairman is widely recognized to be the single most important economic decision maker in the country—let me repeat that—the single most important decision maker, in terms of our economy, more important than the President, more important than 535 Members of Congress.

It is the obligation and the duty of this body to thoroughly review and debate the record and policies of any nominee to this vital post.

We started this 3-day debate yesterday. At that time, I outlined my concerns about the record of Alan Greenspan, both as Chairman of the Council of Economic Advisers in the 1970's and as Chairman of the Federal Reserve from 1987 to the present time.

As I said yesterday, this is not about personalities. It is about policies. It is about laying the facts on the table and taking an objective view of the Greenspan record. This debate is not really about one man; it is about a much larger issue that touches the lives of every American family.

Yes, there are a lot of complicated economic terms and intricate statistics and charts that we have talked about and that we will talk about some more. But we should not get lost in the complexities.

Perhaps one of the reasons we do not debate more often than we do economic policy and Federal Reserve policies and nominations that come to the Board, and their views, is because economics is, as they say, the dismal science. Sometimes it is hard to cut through all of the data and charts and the statistics.

But, again, when you strip it all away, strip away the complexities, it boils down really to this. When you get to the heart of it, what we are really talking about is very simple, fundamental things. We are talking about real people, individuals and their families, trying to make a payment on their house, or trying to buy a house, trying to buy a new car, families trying to work with their bank to get the funds to put in next year's crop, if they are farmers, or maybe to get a loan to operate their small business for next year.

That is what this debate is about. It is about wages, about how much will our working people make in the next year? It is about families. That is why we are having this debate. That is why I insisted on this debate. This debate is about raising the living standards and real wages of hard-working Americans. That, I believe, stands as our primary economic challenge.

But the policy of the Federal Reserve under Chairman Greenspan has stood in the way. Under current law, the Federal Reserve is obligated to conduct a balanced monetary policy so as to reconcile reasonable price stability with full employment and strong, stable economic growth. But the Federal Reserve, led by Mr. Greenspan, job growth and the living standards of average Americans have been sacrificed in the blind pursuit of inflation control. The Greenspan Fed has raised interest rates, not when inflation was at the door, but when it did not even threaten. In 1994, in the midst of seven straight interest-rate increases, Chairman Greenspan himself acknowledged there was little evidence of rising inflation.

Mr. President, the decisions of a Fed Chairman affect every pocketbook and every family budget in America. The decisions of this Chairman have cost American families lost income, lost opportunities.

The essential fundamental question I believe boils down to this: Why will Alan Greenspan not give working families a raise? That is really what it boils down to. The Greenspan Fed has stifled economic growth and the incomes of average Americans. Interest rates have been kept artificially high and middle-class families and businesses have been forced to pay the price. It is time for the Federal Reserve to pursue a more balanced policy based on raising economic growth and increasing jobs, alongside continued vigilance against inflation.

America ought to have a forward-looking Fed Chairman who recognizes the importance of expanding opportunities for our economy and our people in today's global market. We need strong leadership, committed to higher growth and incomes, fuller employment, and lower, more stable interest rates to improve the quality of life for average Americans.

We have not gotten that with Mr. Greenspan. There is what I call a common thread in the thinking and the actions and the policies of Mr. Greenspan over the years. It did not start yesterday. It will not end tomorrow or next week. Ripe from his days as chairman of the Counsel of Economic Advisers up to today, Mr. Greenspan has consistently shown the same two tendencies: First, he often misjudges the signs of an oncoming recession; second, he does not act decisively enough to pull the economy out of the recession because of his fear of inflation. The bottom line is that Chairman Greenspan has a long history of focusing solely on inflation to such an extent that all focus on expanding our economy has been lost.

The mindset today is that 2 percent growth is acceptable, the economy cannot grow any faster, maybe 2.5 percent at the maximum, but we cannot have the 3 percent growth of the 1970's or the 4 percent growth of the 1960's. That is the mindset. I ask, why? What is wrong with America? Is productivity going up? Are people working harder than ever? We are getting new products on the markets, the information revolution has hit us all over this country. We have all kinds of new inventions and devices, labor saving devices, not to mention pharmaceuticals and drugs to help make our lives better. We have the information revolution, computers, even in education—all of this lending itself to a robust America, ready to go. That is the America I see out there, an America that wants to work, that wants to grow, that wants to give families a better deal, that wants to raise the wages of our working families, yes, that wants to reduce unemployment. That is the America that is out there.

If this harness is kept on by the strict monetary policies of the Federal Reserve, that inherent ability of America to grow will be stifled. Thus, I say that what is happening at the Fed is a disservice to all of America, to us in our generation and certainly to the next and future generations who require our economy to grow for their education, for their livelihood, and for their jobs in the next century and beyond.

Yesterday, I had an opportunity to explore in detail much of Mr. Greenspan's previous labor. I displayed a chart that showed Mr. Greenspan's record as Chairman as compared to others. It is dubious, at best. I went back to the Fed Chairman Mr. McCabe from 1948 to 1951, William McCheseny Martin, Mr. Burns, Mr. Miller, Mr. Volcker and now Mr. Greenspan. I pointed out our real growth in the country during their terms. You see 6.1 percent, 3.6 percent, 3.3 percent, 4.5 percent; and it is lower under Volcker, 2.5 percent, and under Greenspan, 2.2 percent. Looking at Mr. Volcker, he came in facing a 13.2 inflation rate before he started, and he cut it in half during his term. In bringing that down, we had a low growth rate, but still, it was 2.5 percent. Look at Mr. Greenspan, inflation before he came in was 4.1 percent, lower than almost at any time in any of these previous tenures. He has only reduced inflation to 3.2 percent—about 25 percent. Mr. Volcker cut it in half. Look at Mr. Greenspan's growth rate—2.2 percent.

Using a comparison analysis, Mr. Greenspan's stewardship at the Fed is lacking, compared to those who came before him. That 2.2 percent growth rate is abysmal when you look at the growth rates under previous Chairmen. If he had high inflation rate and then cut it in half, maybe you could accept low growth. But I find it difficult to accept this low of a growth rate with minimal reductions in inflation—4.1 percent to 3.2 percent. Look at how Greenspan compares to the past.

I said yesterday, people say, "Well, our economy has matured. We cannot grow like we did in the 1950's or 1960's or 1970's. We cannot grow at that rate anymore." The recent efforts of the Federal Reserve have reminded me of the invention of the wheel. The people who invented the wheel they probably said, "We have the wheel. We do not need anything else." I bet they were happy with the wheel, and they thought that was the best thing, and they thought they did not need anything else.

Those who say that America's economy has matured and we cannot grow at this rate I believe are saying the same thing. It reminds me of the person who once said, maybe the head of the Patent Office said, "Everything that can be invented has been invented. There will not be any new inventions." That was about 80 or 90 years ago. Well, our economy can grow a lot faster. That is why we are having this debate. We can bring more people into the labor force.

In addition, I also discussed yesterday Mr. Greenspan's misguided and ill-advised policy recommendations to President Ford that deepened our country's recession in the mid-1970's. The record shows Mr. Greenspan cost jobs and further weakened our economy. I also discussed Mr. Greenspan's forecasting record as a private economist in the early 1980's. As I pointed out yesterday, he was wrong on inflation. He was wrong on interest rates. He was wrong on bond issues. Then chairman of the Banking Committee, Senator Riegle, pointed out in Mr. Greenspan's 1987 confirmation hearings:

> You had an opportunity to be a forecaster with Greenspan and O'Neil. As you know, you put your forecast to a direct test in the private sector. The fact is that the firm only survived a few years.

And according to a Forbes article of April 20, 1987, in 1985, his full first full year of business, O'Neil and Greenspan turned in one of the least impressive records of all pension funds advisers.

In 1990, Mr. Greenspan was again way off in his economic forecasts, as I pointed that out yesterday. On October 2, 1990, at an Open Market Committee hearing meeting, Mr. Greenspan had this to say is from the minutes of that meeting.

> I still think we're in a situation in which there are forecasts of thunderstorms, and everyone is saying, "Well, the thunder has occurred and the lightning has occurred and it's raining," but nobody has stuck his hand out the window. And the point is, it isn't raining. The point is, as best I can judge, that the third quarter GNP figures in the green book are not phony. I think they are relatively hard numbers. They can get revised. They are put down more and more, but the economy has not yet slipped into a recession.

Now, that was in October 1990.

I want to note that the recession began in July 1990—a month before Iraq invaded Kuwait. Yet, in October, Mr. Greenspan was still saying it is not raining out. I want to note that Mr. Greenspan's forecast improved after that. On December 18, 1990, Mr. Greenspan said confidently, "At some point, we are going to come out of this." So between October 2 and December 18, Mr. Greenspan found out it really was raining, but it was much too late. He said, "At some point, we are going to come out of this." He was right. The recession officially ended in March 1991. So, Mr. President, that is the record. Those are the facts.

Today, I want to focus on a few more important aspects of the Greenspan record. I will zero in on the Greenspan rate increases of 1990 and 1994. First of all, I think I am going to refer to this now, and then I will come back to it later. Many times, I talk to people and say, "Do you know that, in 1 year, from February 1994 to February 1995, Mr. Greenspan had seven rate increases in the Federal funds rate? He raised those interest rates 100 percent." People look at me like I came from another planet. They say, "No, of course not, nobody raises interest rates 100 percent." I said, "Yes, he did."

Mr. President, here are the figures. In February 1994, the Federal funds rate was 3 percent; in February 1995, 6 percent. Well, that is 100 percent. It is a doubling any way you look at it. That was in 1 year, from February 1994 to February 1995. From February 1995 until today—we are talking about almost 16 months—what has happened? Interest rates have only come down three-quarters of a point, to 5.25. That is still way higher than they were in February 1994. This is what is causing the stagnation in America and what is causing wages to be stagnant. This is what is causing the slow growth in our economy.

I want to spend a little more time, also, discussing unemployment, something called the nonaccelerating inflationary rate of unemployment, or NAIRU. Perhaps this is one of the reasons nobody wants to debate economic policy. You get these kinds of terms—NAIRU.

Let us discuss NAIRU and see if we can strip away all the fancy talk and see what it is all about. Let us begin with the words of Robert Eisner, a former president of the American Economics Association, when he said, "Neither the fiscal stimulus of structural budget deficits, nor the monetary stimulus directed at reducing unemployment in the United States have yet caused permanently accelerating inflation, or much inflation at all."

I am going to repeat that. "Neither the fiscal stimulus of structural budget deficits, nor the monetary stimulus directed at reducing unemployment in the United States have yet caused permanently accelerating inflation, or much inflation at all. Most of the inflation of the postwar period has come from supply shocks—chiefly, the great run-up of petroleum prices in the 1970's and early 1980's."

Now, we talked about this nonaccelerating inflation rate of unemployment. That means that, well, if you bring unemployment down too far, then employers will have to bid up the wages. By bidding up the wages, that will cause price increases because they have to pay higher wages, and that causes a round of inflation. Many economists simply do not agree with that. That is what Mr. Eisner is saying. He is saying, nothing that monetary policy has done to reduce unemployment has permanently caused accelerating inflation. I believe Mr. Eisner is right. But that fear of inflation is the driving force of the Federal Reserve today, and, particularly, Mr. Greenspan.

He has become "Mr. Chairman Slow Growth," "Chairman Stagnant Wages," and "Chairman Unemployment Is Good for America." Mr. Greenspan has an economic philosophy that simply does not focus on the problems of average people. We are seeing an interesting pattern at the moment. The 30-year bond, and many other interest rates, have been rising for several weeks, and many bond market leaders have been wringing their hands about the possibility of rising inflation. But the economy, at this moment, does not give much indication of accelerating inflation.

Our economy can be much more vibrant without the threat of inflation. It can expand. Unlike Chairman Greenspan, I do not see that as a bad thing to be stopped. Our economy ought to expand and grow, and unemployment ought to come down and, yes, wages ought to go up.

Some people talk about a 4-percent growth for the quarter that we are in right now. Well, it initially came out that we had a 2.8 percent growth for the first quarter of this year. All the articles said that was incredible, booming growth, 2.8-percent. It was later revised to 2.3 percent. I do not think that is booming growth at all. I am told most economists see growth in the second half of the year at a far slower pace.

I am going to paint with the same brush both the administration and the Federal Reserve. I believe the administration is accepting too low a growth rate, a bit over 2 percent. I believe that has been fostered and bolstered by the Federal Reserve, which also sees growth at around 2 percent.

Here we are, Mr. President, 348,000 jobs were created last month when half a million started to look for work, showing that our work force can indeed grow. As you said, we are straining. It is out there. People want to work. Productivity is going up. We want to get out there and work. But despite this kind of good economic news—that is, that more people are looking for work and that our economy is going to grow a little bit—we continue to hear the drumbeat of gloom and doom from the Federal Reserve and from the barons of the bond market.

Now, again, I suppose that maybe Mr. Greenspan himself, and his supporters, would say he does not have a choice. If the Federal Reserve does not raise interest rates, then the bond market will see that the Federal Reserve lacks the will to fight inflation, they will dump bonds and flee the market, and long-term interest rates will skyrocket. That is what they say. A lot of bond traders repeat that refrain. But I point out that they repeat that refrain because of the actions taken by Mr. Greenspan over the last several years.

Mr. President, I believe that a balanced Federal Reserve policy would not see a long-term climb in bond rates—that is, if we had a balanced policy. If that was reiterated and distinctly spelled out, I do not think we would see a long-term climb in bond rates. You get the long-term climb in bond rates because, if there is good news in the economy, the bond traders rush in to dump the bonds because they believe that Mr. Greenspan is going to slap on higher interest rates right away. That is what they believe, so they react accordingly.

I know this may sound kind of confusing, but when you get right down to it, it is really, again, very simple. It has to do with whether or not we will have a balanced policy of growth and low unemployment, alongside a policy of fighting inflation.

Let me read an article in the February 5 New York Times by Lewis Uchitelli. He is talking about the Federal Reserve that voted to raise interest rates when they did it for the seventh time in a year back in 1995. In keeping interest rates high, he talked about how this speared inflation. He goes on to say,

> In this ritualistic dialog between the Fed and the bond market, which everyone pretends is not happening, the reason for the Fed's existence is sometimes overlooked. Aside from fighting inflation, the Fed's mission, specified by Congress, is to keep the economy growing and Americans employed. That goal can get lost in any dialog with the bond market, which puts slowing the economy to fight inflation ahead of putting the unemployed to work.

There you have it. You cannot say it any better than that. Yet, Congress has stipulated in law that the Federal Reserve is to also fight unemployment and to take that into account.

We have a bill in the Banking Committee that would take out of the law the provision that says the Fed should take into account unemployment in making its decisions and should only then look at inflation. Well, it is before committee, but I do not think it will get past the floor.

Mr. Greenspan has indicated support for that approach. He has indicated support for legislation that would take out of the law a requirement that the Fed look at unemployment in making its decisions. Well, again, I talk about his mindset and his philosophy—his economic philosophy. I do not believe anybody ought to be Chairman of the Federal Reserve who supports a policy of ignoring unemployment and only focusing on inflation in setting their policy.

I would like to read a short statement again from the business sector of our country, a statement by the National Association of Manufacturers. The first was on June 11, 1996. This is 5 days ago. This is from the National Association of Manufacturers:

> The decline in producer prices, after several months of rapid increases, confirms that inflation is not a threat. The spike in wholesale prices during the first 5 months of 1996 was caused mainly by the relative price of energy. Excluding the volatile food and energy components, the core rate of inflation was consistently lower.

> Some energy prices, such as gasoline, are now leveling off while others, such as heating oil, are declining. Energy prices should decline even more later in the year as Iraqi oil comes onto the market. This decline will put downward pressure on both the producer and consumer price indexes in coming months. For the year as a whole, producer prices should rise only about 2.8 percent.
>
> These favorable inflation numbers mean that the Federal Reserve has no reason to raise interest rates at their July meeting. The Federal Reserve should hold rates where they are and reserve the option of lowering later in the year.

Yet, we have heard all kinds of hints and comments made by members of the Federal Reserve that, indeed, rates will go up in July.

A group called the Business Council, a group of chief executives of 100 of the largest corporations in our Nation, did a recent survey which is reported in the May 18 New York Times. Nearly half of them stated that it was harder to raise prices in their industry than it was 6 months ago. Only 9 percent said it was easier. So over half of them said it was harder to raise prices.

Almost all of the respondents urged the Federal Reserve to stimulate the economy by lowering rates. The article quoted John Walsh, the CEO of the General Electric Co., as saying: "We do not see industrial prices or labor pressures driving inflation upward."

Mr. Greenspan did not see the terrible recession and skyrocketing unemployment in late 1974 as he advocated fiscal restraint as President Ford's chief economic adviser. Mr. Greenspan did not see the recession in 1990. And what did Mr. Greenspan see? He saw inflation in some tea leaves in 1994 when he doubled the interest rates from 3 percent to 6 percent in one year. From February 1994 to February 1995, he doubled the interest rates. Low inflation. He so indicated that himself.

Is this the balanced kind of approach that we want from a Chairman of the Federal Reserve? I say no. We need someone who has more of a balanced approach. We need someone who will give the economy a chance to grow, who will give Americans a chance to increase their incomes so as to have a better life.

If inflation starts to rise, then, yes, it is responsible to raise rates and do it in a timely and effective manner. But America does not need a low growth Chairman of the Fed who slams his foot on the economic brakes because of some mirage of inflation that may take place in the future.

Mr. President, I wanted to revisit the topic of Mr. Greenspan's actions concerning the 1990 recession. I spoke about that yesterday. I spoke about it earlier, when in October 1990, as the minutes now reveal, because—again, I want to point this out. By law, the minutes of the Federal Open Market Committee are kept sealed for 5 years. I hope we can revisit that at some time. I do not believe they should be sealed for 5 years—maybe a year, but certainly not 5 years. But now, in looking at the minutes of the 1990 meeting of the FOMC, we find in October Mr. Greenspan saying that—well, to paraphrase it: "We hear the thunder, we hear the lightning. People say there is thunder and lighting, but we stuck our hand out the window and it is not raining," in response to whether or not we are in a recession.

The fact is, the recession started in July 1990. This is October 1990. Mr. Greenspan says we are not in a recession. It was not until December 1990 that Mr. Greenspan finally admitted, 6 months later, that we were in a recession.

So we had the recession of 1990. Mr. Greenspan finally recognized it. His response, "Well, sometime we will come out of it." How does the recovery from that recession compare to the other recessions that we have had since the end of World War II? The Greenspan Fed was very late in moving to lower interest rates to create a more accommodating policy and lift us out of that recession, and that was harmful to the recovery.

This is a pretty busy chart. Again, maybe this is one of the reasons we do not engage in economic policy discussion around here more, because sometimes it does get confusing. But, again, it is really simple when you strip it away. What this chart shows is the percent decline in interest rates following the bottom of a recession. In other words, you get into a recession, you cut interest rates to stimulate the economy, and get out of the recession.

How fast do you cut the interest rates to get out of a recession? Here we see that, in the recessions of 1960, 1969, 1957, 1973, and 1981, we see dramatic drops in interest rates to get us out of those recessions. For example, in the 1957 recession interest rates declined by 50 percent in 5 months—5 months. Here is 1973. In 1960 there was a 50 percent decline in about 12 months; the same in 1981. In all these times we came out of a recession in a fairly short period of time. Why? Because the Fed Chairmen took action to stimulate the economy, get our people back to work, reduce unemployment, and get us out of the recession.

Let us look at the recession of 1990. That is this flat line over here. We do not get a 50 percent cut in interest rates until almost 34 months, almost 3 years after the depth of that recession. So, again, I have been comparing Mr. Greenspan's actions with those of other Fed Chairmen since World War II. I compared earlier GDP growth. Now I am comparing his actions recovering from a recession, compared to other times. It was too slow, too timid, too much of a struggle, to get out of that recession. It is too long a period of time. And what that means is that families are hurt, people are unemployed, and the economy starts building in a slower rate of growth than what we otherwise need. I believe that is also what is affecting us even yet today. So, you can see he was much too timid in reducing those interest rates.

Let me read an article by the Nobel laureate economist, Paul Samuelson, who is a professor at MIT. It appeared in the September 1993 issue of "Challenge" magazine. It is titled "Leaning Against What Inflationary Wind?"

> The U.S. economy is not on the verge of overheating at present. If and when the changes, it will be a good time to pump gently on the brakes. That time is not now.

Mr. Samuelson goes on to say:

> After a dozen years of structural budget deficits and low private sector saving by U.S. families and corporations, economic history and economic science concur in the diagnosis that monetary policy rather than fiscal policy should be the major macroeconomic weapon for assuring a healthy 1993-96 recovery and for restoring the share of capital formation in the American economy.

I will repeat that. What Mr. Samuelson is saying is that monetary policy has to be the engine, rather than fiscal policy. Why? Because we have these huge budget deficits. There is little we can do. And we have years of low savings rates. We do not have that pool to draw on. So it has to be monetary policy.

Mr. Samuelson goes on to say.

> The last five years will go down in the textbooks of economic history as a period of disappointing performances by central banks. America's central bank, the Federal Reserve, began the decade of the 1980s with a stellar report card. Under Chairman Paul Volcker, from 1979 to 1982, remarkable progress was made in wringing out of our economy the double-digit stagflation that had built up in the 1970s. Then in 1982 and 1983, as I shall describe for its peculiar relevance today, the Fed fires up the American locomotive in a prudent way, leading the United States and the global economies into a needed expansion.

What Mr. Samuelson is saying, basically, is that—he says—he talks about the Bundesbank.

> In particular, the revered Bundesbank has brought on unified Germany a serious recession that it never expected to occur. Outside of Germany, directly and indirectly, the bias of the Bundesbank toward preoccupation with inflation to the neglect of real growth and unemployment has led to a lasting slump for Common Market and other European countries. In the end, the dream of a Maastricht Treaty that would unify the European economy was dashed by Bundesbank intransigence. Unemployment rates in Spain, Italy, and Ireland soared. Waiting upon the German credit expansion that never came, Britain, Italy, and Spain were forced out of the European Monetary Union. Countries like France that accommodated the Bundesbank have been penalized by double-digit unemployment rates. Sweden, with its interest rate forced temporarily up to a 500 percent annual rate in order to have the

> Kroner look the Mark in the eye, is a spectacle no sage ever expected to see again in the modern world. . . .
>
> Where an Italy or a Spain face genuine international constraints, Japan's wounds have been self-inflicted and gratuitous. And in wounding herself, Japan has also wounded the U.S. bilateral imbalance with Japan, contributing significantly to the puny 0.7 of 1 percent annual rate of American real GDP growth in the 1993 first quarter. Where it not for involuntary piling up of inventory accumulation, our final real GDP would actually have been declining in 1993's first quarter.

I did not mean to get bogged down in that, but really what he is talking about is he is talking about what the Bundesbank did in Germany in terms of focusing only on inflation and ignoring what is happening with unemployment and growth. Then he goes on to say:

> Alas, the Federal Reserve has shared in this central bank saga of acting too little and too late against macroweakness on Main Street, U.S.A. It can be said, soberly and with statistical significance, that the defeat of George Bush in 1992 and the Republican disappointments in the Senate and the House are the direct result of Federal Reserve misdiagnosis of the seriousness of the 1990–92 state of U.S. demand.

Again, Main Street, USA, has not, in town meetings, given the Federal Reserve such a mandate to do what they have done. Nor has a committee of the two Houses, nor a majority vote in either of the Houses. This is Mr. Samuelson:

> I believe this to be important not as a matter of history or of general philosophy. It is important because the money market has every reason to believe—even without leaks to the press after Open Market Committee meetings—that this Federal Reserve (the only one we have) is only too prone to (1) engineer higher short-term interest rates, or (2) countenance such higher rates (a) at the first signs of a healthy real recovery—say, a 3.25 percent (annual) growth rate for two successive quarters, or (b) at the first signs of some acceleration of price-level indexes.

Mr. Samuelson, I think I said it correctly. Basically it is important, not as a matter of history or philosophy, it is important to America because the Federal Reserve is prone to, No. 1, engineer higher interest rates, or, No. 2, countenance such high interest rates at the first sign of a healthy recovery, if we go anywhere above—he said up to 3.25 percent, but it looks as if we go over 2.5 percent they are ready to slam on the brakes.

(Mr. MACK assumed the chair.)

Mr. HARKIN. Mr. President, the minority staff of the Joint Economic Committee prepared some charts that I think are illustrative of what has been wrong with Mr. Greenspan's leadership at the Federal Reserve.

The first chart simply shows the speed by which the Federal Reserve lowered rates. I already went over that chart. I am going to put that back up because it goes with these other charts.

Again, this first chart shows the speed at which the Federal Reserve reduces interest rates to get us out of recession. Going all the way back to 1957, the Fed acted very strongly to reduce interest rates. But in 1990, coming out of that recession, Chairman Greenspan did not act decisively and, thus, interest rates stayed abnormally high.

Here is another chart. Let's see how fast the economy recovered. This is sort of the flip side of that last chart. This shows the growth of payroll employment from the bottom of the recession compared to those previous years going back to World War II.

So here is the bottom of the recession; here is coming out of it. In the previous seven recessions, we see employment gaining rapidly. In fact, the average of the past seven, in the first 2 years after the depth of a recession, we have employment gains of over 7-percent growth.

What happened after the 1990 recession? Here is Mr. Greenspan: We had no growth, no growth for almost 13, 14 months; negative growth. And then, finally, we came out a little bit, and after 24 months, we had about 1 percent growth in employment coming out of that recession. Again, my point being that Mr. Greenspan, first, did not recognize we were in a recession; second, when it became apparent we were in a recession, he acts too timidly to bring us out of that recession.

On the other hand, if inflation is threatening, the brakes are slammed on at the first sign of a hint of inflation, not real inflation, but the threat of inflation. But when it is jobs and unemployment, well, we can linger for a while. The result is a very dismal record in getting employment back up after a recession. One year after a recession—1 year after a recession—basically no jobs at all.

The third chart that I have shows another related fact, change in the unemployment rate. In the other seven recessions, we see considerable improvement in lowering unemployment, the proportion of the work force without jobs. That, unfortunately, was not the case for the 1990 recession.

On average, for the seven recessions prior to 1990, the unemployment rate dropped about 20 percent off the rate at the end of each recession, and we see that here. There was a tremendous reduction in unemployment in the last seven previous recessions.

What happened after the 1990 recession? Instead of going down, we went the wrong direction. Unemployment actually went up. It came down a little bit and leveled off after a couple of years, but still not back at even the rate at which unemployment was at the height, or I should say the depth, of the recession.

So we were going the wrong way. We had very little recovery at all. Again, we need to have a balanced policy that says, "My gosh, if we are going to recover from a recession, we have to reduce unemployment." We did in all the previous seven, but not in the one in 1990. Again, my point being that Mr. Greenspan acted too timidly and not in the right direction to get that unemployment down.

So now I return to where I started today, and that is the 1994–95 period. We have a recession. Mr. Greenspan does not act decisively enough. We linger with high unemployment, we linger with low growth, no new jobs added, and then we come in to 1993, 1994, 1995.

It has been almost axiomatically accepted around here and in America that if we lower the budget deficit, interest rates will come down. That is almost like a mantra that we all enunciate all the time: "If we can reach a balanced budget, interest rates will come down and that will save the American people a lot of money." "Reduce that budget deficit and we'll get the interest rates down." Well, OK.

In 1993, the first year of the Clinton administration, bold action was taken to reduce the deficit. Now, you can argue about whether it was a tax increase and all that. We can get into that, and we can debate that, too. The fact is that the deficit started coming down. It started coming down—actually, I will even give President Bush credit—actually, the deficit started coming down in late 1992 and early 1993. Part of that had to do some with Bush and his policies; some of it had to do with the fact when Clinton came in, the President and the Congress started talking about a budget that would begin cutting the deficit. Based on that, we thought interest rates would come down.

The budget was passed that year and started to go into effect in October 1993. So in October 1993, the budget that we passed went into effect. The deficit started to accelerate down. In 2 years, the deficit was cut by over 40 percent in 2 years. It is now down—well, right now I can say compared to when Mr. Clinton came into office, the budget deficit is about 60 percent less. The budget deficit is coming down. You would think if the deficit is coming down, surely interest rates must come down, too. But after passing the budget of 1993, we kept our deficit coming down. Mr. Greenspan, in February of 1994, started raising interest rates seven times in one year, from 3 to 6 percent. As our deficit was coming down, Mr. Greenspan was raising our interest rates.

My point is that it is not axiomatic, it is not absolutely certain that if we reach a balanced budget we will have lower interest rates. We will have lower interest rates if, and only if, we have a Federal Reserve System, and a Chairman, that will respond to those actions and reduce those interest rates as the deficit comes down.

Obviously, there have to be other factors. When I say that even if we have a balanced budget and we have inflation that they should not raise interest rates—of course not, the Federal Reserve should respond to that. If we have inflation threatening, if inflation is there, yes, they have to put on the brakes.

I am just saying in this period of time, we had no inflation threatening, we had high rates of unemployment, underemployed people in America, low wage growth, wage stagnation, we had a reducing deficit and we had a Chairman of the Fed raising interest rates. Please, somebody explain that to me. It defies logic. It can only happen if the philosophy that Fed Chairman has is that if he sees a mirage in the distance of the threat of inflation, he must raise interest rates.

I believe that does our country a disservice because we have the capacity to grow in America. We have the capacity to grow. We have people who want to work. As I said, 348,000 jobs were created last month; but 500,000 people went out and looked for a job. People want to go to work. Businesses want to expand. Just read the article from the National Association of Manufacturers. Businesses want to expand. They want to grow. But the policies of the Federal Reserve System is keeping that from happening.

To truly understand the Fed's 1994 seven consecutive rate increases, we have go back to the summer of 1993. Mr. Greenspan announced that he was abandoning the M2 indicator. I am not going to get into that. That is why we get into all these arcane economic terms. But he said he was abandoning the M2 indicator in favor of "real interest rates." Despite the fact that this M2 indicator fell short of its midpoint targets in 6 consecutive years, giving indications of a possible recession, Mr. Greenspan instead feared that long-term rates were too low in comparison to short-term interest rates.

As Mr. Greenspan noted in his September 1, 1993, testimony, short-term rates were nearly zero, and long-term rates were much higher. According to Mr. Greenspan, "This configuration indicates to market participants that short-term real rates will have to rise as the headwinds diminish if substantial inflationary imbalances are to be avoided." That was his testimony before the House Subcommittee on Economic Growth and Credit Formation, September 1, 1993.

OK. So for 1993, the Fed predicted a GNP rise of 2.5 percent and 2.5 to 3.25 percent for 1994. Despite the low projected growth rates and the fact that 8 million people were unemployed and another 4 million were involuntarily employed part time, Mr. Greenspan feared inflationary pressures because of this discrepancy between short-term and long-term rates.

According to Prof. James Galbraith, this was the only justification for rate increases in 1994 and 1995. According to Mr. Galbraith, three points in Greenspan's February 22, 1994, Humphrey-Hawkins written testimony, made 3 weeks after Mr. Greenspan initiated the first of seven rate increases, clearly show that the Fed could not have raised rates on inflation-fighting policy grounds alone.

No. 1, Mr. Greenspan said, "On the inflation front, the deterioration evident in some indicators in the first half of 1993 proved transitory." No. 2, there was no clear evidence that expansion in 1993 was excessive and was going to carry over to 1994. This is Mr. Greenspan's testimony. No. 3, inflation had been falling, as Mr. Greenspan himself even noted.

I am going into this because it has been said that this increase by Mr. Greenspan in interest rates and keeping them high—it has only come down a quarter of a point since February 1995—is because of the threat of inflation. But in Mr. Greenspan's own words and in his written testimony, he basically says there was not inflation.

No. 1, Mr. Greenspan said, "On the inflation front, the deterioration evident in some indicators in the first half of 1993 proved transitory"—transitory, not long term.

But for the year as a whole, 1993, the Consumer Price Index rose 2.75 percent, the smallest increase since the big drop in oil prices, since 1986. Broader inflation measures covering purchases by businesses as well as consumers rose even less. Again, these were transitory, not permanent, developments.

The second point, there was no clear evidence that expansion in 1993 was excessive and was going to carry over to 1994.

Again, Mr. Greenspan's own testimony: "Nonetheless, markets appear to be concerned that a strengthening economy is sowing the seeds of an acceleration of prices later this year by rapidly eliminating the remaining slack in resource utilization." However, he went on to say, "But it is too early to judge the degree of the underlying economic strength in the early months of 1994."

Wait a minute. Mr. Greenspan, in his testimony, says, "* * * markets appear to be concerned that a strengthening economy is sowing the seeds of an acceleration of prices later this year." However, he says, "But it is too early to judge the degree of the underlying economic strength in the early months of 1994."

In February 1994, he starts raising interest rates, when he says "it is too early" to judge it. That is why I say, Mr. Greenspan raises interest rates, slams on the economic brakes, not when inflation is threatening, but when, in the distant horizon, he sees a mirage of possible inflation. That does a disservice to our country.

Many of the indicators at that time gave little evidence of rising inflation.

An editorial in the March 14, 1994 Business Week, made it clear that Mr. Greenspan had gone too far in his rate increases.

> Since Greenspan raised short-term interest rates by 25 basis points . . .

That was the first of seven increases—

> Long bonds rates have risen nearly twice as much, jumping to about 6.8%. Instead of soothing the savage beasts at the bond market, the Greenspan move appears to have induced a frenzy.
>
> What has gone wrong, and how can it be fixed? It's tempting to say—

This is the article from Business Week I am quoting here—

> It's tempting to say that Greenspan's preemptive strike against inflationary expectations was wrong from the start.
>
> Worse, Greenspan added to confusion in the markets by admitting that the conventional monetary measures were no longer reliable and that he was turning to more exotic measures, including that "arcane metal," gold.

What is going on here? Business Week says, "Not so," in terms of his preemptive strike against inflationary expectations, because they are saying there was not any inflation.

> What really spooked the markets was his subsequent confession that he believed monetary policy had been too loose, too long.

Monetary policy had been too loose for too long.

> The markets inferred that Greenspan's strike was only the first in a series of attacks against inflation. Market players around the world concluded that the Fed would push interest rates much higher in the months ahead.

Business Week was right on the mark, because in the weeks and months ahead, that is exactly what Mr. Greenspan did. This, again, is according to Business Week. This is not my judgment. Business Week, in their editorial said, what spooked the markets was not really a preemptive strike against inflation since there was little threat of inflation.

Let us go back to these charts.

Mr. Greenspan, according to Business Week, says that he thought that monetary policy had been too loose for too long.

This is 1993.

Here is the recession, as I pointed out, of 1990, which he did not see until we were 6 months into it. Then, as Fed Chairman, he has a responsibility to try to get us out of that recession by lowering interest rates.

As I pointed out, this is what happened in the previous seven recessions. In each of these instances, interest rates came down as much as 50 percent in 5 months, 50 percent in 12 months.

Mr. Greenspan did not reduce interest rates 50 percent until 30 months out—about 31 months out, to be correct about it. That takes us up to about 1993, I guess. Yet he says the monetary policy was "too loose for too long," and thus starts tightening up and raising interest rates.

"Business Week" was right, in March 1994. They expected him to keep raising it, and, quite frankly, he did.

"Worse," they go on, "Greenspan added to confusion in the markets by admitting that the conventional monetary measures were no longer reliable and that he was turning to more exotic measures," of the economy, "including that 'arcane metal,' gold."

Mr. President, last year in testimony before the Banking Committee in response to a question by Senator SARBANES, Mr. Greenspan admitted that, yes, he would be in favor of returning to the gold standard. Now, he admitted that he would probably be the only vote on the Federal Reserve to do that, but that was his philosophy.

Perhaps we ought to have debate about that. I wonder how many Senators here would like to have a vote on returning to the gold standard. How many votes do you think that would get here on the Senate floor? I do not know if we would get any. I do not know if anybody really feels we ought to return to the gold standard. Maybe that was OK in the past, but we live in a different world. This is a global economy. We have turned away from using the gold standard as a basis. I am just saying the Fed Chairman's philosophy is locked into that. He admitted it as recently as 1 year ago.

There was little justification for the rate increases. The economy quickly reacted in a predictably negative way. Instead of nipping inflation to help the markets, the seven rate increases threw the market into a tailspin. Perhaps one of the most telling indicators was that unemployment for years preceding 1994 was above the assumed NAIRU. Here we come again to the non accelerating inflation rate of unemployment that I talked about earlier, that the Fed seems to be looking at. Prior to 1994, this was above the widely-assumed limit of 6 percent. In 1991 unemployment was 6.7 percent, in 1992 it was 7.4 percent, and in 1993 unemployment was 6.8 percent. Yet somehow he says we have to raise interest rates.

The third and final point about why the 1994 rate increases were unnecessary was this: The threat of inflation had been falling. To say again, the threat had actually been falling. Again, here is Mr. Greenspan in his February, 1995 Humphrey-Hawkins testimony:

> Fiscal and monetary policy are important among those forces and have contributed to the decline in inflation expectations in recent years along with decreases in long-term interest rates. The actions taken last year to reduce the Federal budget deficit have been instrumental in this regard.

That was a very interesting statement by Mr. Greenspan last year.

There are two points that need to be made here. First, I do not necessarily disagree with him about discarding M2 as an indicator in favor of real interest rates. What we do have a concern about is M-2 showed that the money supply was shrinking and the economy might be slowing. Instead of focusing on other indicators that might show a slowing of the economy, Mr. Greenspan grasped on to real interest rates. The discrepancy between short and long-term rates was evident and could be clearly used as a justification for raising rates. That is what he said.

Second, it should be clarified and reinforced that Mr. Greenspan and the Fed labeled the rate increases as a preemptive strike and not a reaction to accelerating inflation that would have clearly justified an increase in interest rates.

Let me read the July 10, 1995, article from "U.S. News & World Report" by Mortimer Zuckerman. In his July 10, 1995, editorial, he says:

> Ouch! The squeeze is back. In May 101,000 jobs disappeared. The workweek for most Americans is falling while the number of people filing claims for unemployment is rising. Don't blame it on the business cycle: The current slump is the handiwork of the Federal Reserve Board, an institution that is signally failing the nation. The Fed raised short-term interest rates seven times in roughly a year, doubling their levels and whacking key rate-sensitive industries such as housing and autos. Boom, the robust expansion of '94 has turned into the stagnation of mid-'95.
>
> Why, you may ask, did the Fed do this? It surely was not responding to inflation. Unit labor costs, the basic fuel of inflation, grew by less than 1 percent last year (and actually fell by 2.3 percent in manufacturing). Inflation at the retail level has been running at 3 percent or less for three years, the best performance in three decades—and the experts, including Fed Chairman Alan Greenspan, believe even that is overstated by as much as a full percentage point because of statistical flaws.

Now, I'm reading from the U.S. News & World Report, July editorial, by Mortimer Zuckerman.

> No, what the Fed had in mind was an attack on inflationary expectations—the notion that, if left unchecked, the economic buoyancy of late 1993 would surge into '94 and lead to rapidly increasing prices rather than to rapidly increasing jobs.

The economic buoyancy, this is the economic buoyancy that Mr. Zuckerman is talking about, not an economic boom, but at least we are talking about getting better. Too slow, but by 1993, 3 years out from the recession, we were finally starting to get a little bit better.

Mr. Zuckerman goes on:

> Overlooked or simply ignored were several mitigating factors—that major corporations were still laying off tens of thousands of employees . . .

As I mentioned, the unemployment rate for 1993 was 7.4 percent. That was up from the year before. Again, another example of the Federal Reserve not fighting unemployment by failing to reducing interest rates after the last recession. Also overlooked was "that real wages for most Americans were declining, that a true world economy had radically altered the ways and means of production."

> Now, what was supposed to be a "soft landing" to slower growth is fast turning into something else. Real retail sales, the most important factor in our economy, dropped at an annual rate of 1.9 percent in the first two months of the second quarter. . . Consumer confidence plunged a dramatic 9 percentage points in the past month. . . .
>
> The latest Fed failure underlines its mismanagement of the monetary side of the economy over the past five years.

These are not my words. These are the words of Mr. Zuckerman, editor of "U.S. News & World Report."

> In the last decade of the 20th century, too little, too late, seems to be engraved in its institutional seal. In 1989, it sowed the seeds for the recession of 1990–91, then slowed the recovery by not easing up quickly enough.

Again, evidenced by that chart.

"Is the Fed flying blind?" Mr. Zuckerman asks.

> You have to wonder. Its view is that the sustainable level of economic growth is 2.5 percent. But the notion that any growth rate above this level would cause an increase in the rate of inflation through shortages of labor, materials and manufacturing capacity, is questionable. The Fed underestimates the actual rise in manufacturing capacity put in place and overestimates the dangers of wage inflation given the historic shift in the balance of bargaining power between management and labor, the large number of people working part time or on temporary jobs and the continued corporate restructuring. Beyond that, economic globalization has provided the United States with additional capacity and cheap labor to expand production without price increases.

Mr. Zuckerman says:

> We can have growth higher than 2.5 percent and an unemployment rate lower than 6 percent and still not have an inflationary surge. In the 1960's, after all, we had an unemployment rate of 4.8 percent with an average inflation of only 2.3 percent. The Fed should review its performance in the '60's and '80's. Five years into the expansion of the '60's, when growth seemed to stall, the Fed moved rapidly and cut interest rates by 2 full points, extending the expansion to a record nine years. The 1980's expansion turned into the second longest in postwar history, again because the Federal Reserve cut rates when it first spotted signs of economic weakness in 1984 and 1986.

That was under Chairman Volcker.

Mr. President, in sum, the rate increases in 1994 and 1995 can be interpreted as another example of Mr. Greenspan searching for excuses to raise rates as a justification to eliminate inflation.

Again, I am going to refer to this chart as often as I can. The American people ought to know this. In 1 year, February 1994 to February 1995, he doubled interest rates. Since February 1995, to this date—actually to June 1996—they have only come down 3 quarters of a point, with no inflation threatening.

The Associated Press story reported November 12, 1994:

> Economists representing interests from labor unions to big corporations accused the U.S. Central Bank on Friday of pursuing an ill-advised monetary policy by fighting a phantom inflation threat to appease bond traders on Wall Street. Lawrence Chimerine—I am sorry if I mispronounced the name—the chief economist at the Economic Strategy Institute, a business-backed think tank in Washington, DC, said that long-term interest rates have risen faster since February of 1994 when the Federal Reserve started its increases than at any other time in U.S. history.
>
> Any further ratcheting up of interest rates really runs the risk of overkill and a recession.

That was said on November 12, 1994. I believe there were two other rate increases after that period of time.

It should be noted that the Fed raised rates—I am sorry, it was 3 days after this story was written, and again in February 1995—two more times. In the aftermath of the rate increases, the Investors Business Daily had this to say about Mr. Greenspan's efforts. This is an editorial in Investors Business Daily, dated April 17, 1995:

> If former Defense Secretary, Robert McNamara, can own up to his horrendous errors on Vietnam, why can't Federal Reserve Chairman Alan Greenspan end his misguided campaign against inflation?
>
> The McNamara memoir published last week . . . is a stunning admission of failure. He confesses that his over-reliance on numbers and failure to understand the human consequences of his actions led to the tragedy we know today as Vietnam.
>
> McNamara was one of the postwar "whiz kids" who thought they'd elevated management to a science. The former President of Ford Motor Company, he thought his number-crunching expertise, statistics, and arcane mathematical formulae were all he needed to "manage" a war.
>
> Pride? Arrogance? Some failures can't be described with mere words. The bottom line on that Vietnam "strategy" is some 58,000 names on a black wall in Washington, DC, and continued tyranny in Southeast Asia.
>
> We were struck by McNamara's admission of error because his fascination with data is shared by Fed Chairman Greenspan—who is waging a long, costly and misguided war of his own. Like McNamara, Greenspan is arrogantly using his numbers expertise to fight the last war—the 1970's battle against inflation.
>
> And just as McNamara's antiseptic "body counts" seemed to blind him to both the failure and the human costs of his plan for winning the war, Greenspan seems to miss the costs to the real economy—jobs, incomes, goods and services—of his campaign against phantom inflation.
>
> We've heard all the arguments for continuing the battle: The U.S. is enjoying the best of all possible worlds, with rapid growth and low inflation. The Fed appears to have engineered a "soft landing"—

How many times we have heard that phrase?

> in which the economy drops gently onto a long, slow glidepath of steady, noninflationary expansion.
>
> We don't buy it.

I am still quoting from Investors Business Daily.

> As the last recession showed, a soft landing can very easily turn into a crash landing, or a victory into a rout.
>
> After seven interest rate hikes in a little over a year, the Fed is flirting with disaster. Businesses—as opposed to coupon-clippers—are plainly worried.
>
> Monetary policy in this country is controlled by bond traders who live in high-rises and are completely out of touch with reality.
>
> The words of a radical? Hardly. Jerry Jasinowski, the president of the National Association of Manufacturers, said that six months ago, before the last two rate hikes. Others in business echo his comments.
>
> The signs of a slowdown are now widespread. Retail sales are weak, auto sales are declining, durable goods orders have rolled over, new-home sales have tanked, money supply is headed south and the index of leading economic indicators is signaling sluggish growth at best.
>
> . . . As most economists know, it takes six months to two years for the full effects of a Fed tightening to be felt. The Fed's recent tightening binge—an unprecedented doubling of rates in just 13 months—probably won't finish hitting home until 1996.
>
> Meanwhile, inflation remains nowhere to be seen—despite the constant fears of bond market vigilantes who believe jobs, prosperity and hyperinflation are somehow linked.

That was Investors Business Daily, and that was in 1995. Similar to 1974, when the WIN—the whip inflation now—policy helped inflation along by raising taxes on oil, the interest rate increases in 1994 may have made it more difficult to actually fight inflation in the future because they raised the price of obtaining a car loan, home mortgage, or a student loan. The 1994 increase failed on all counts, including even Mr. Greenspan's. According to the University of Denver economist, Randall Wray, "The Fed's policy shift after February 1994 was a resounding failure by Mr. Greenspan's own criteria. Long-term rates immediately rose. The Fed's action led to a run out at the long end of the market, causing an estimated $1 trillion loss." Thus, long-term rates have been high because the market quite correctly feared other rate increases and not because of high expected inflation. Once these became reality, the bond market plummeted and stock prices experienced volatility because additional rate hikes were feared.

He went on to note that real economic growth for 1994 turned out to be less than the bottom of the Fed's predicted range. By the end of 1995, the economy was growing at a rate less than 1 percent. As data accumulated that the economy was slowing, the Fed reversed course and lowered short-term rates by one-quarter of 1 percent three times. Thus, we get down to 5.25 percent.

There is little evidence to suggest that small reductions would have any significant effect on the economy. However, the frequent interventions were sufficient to keep the markets guessing.

In late February of this year, Greenspan sent shock waves through the markets when he suggested that policy might tighten, but he was forced to immediately clarify his position by indicating that policy was likely to loosen. But there is more.

In a January 2, 1995, editorial in the Washington Post, Mr. Gerome Weinstein of Columbia University observed that six increases in interest rates in less than a year suggest that Mr. Greenspan has forgotten that the economy does not change course quickly or easily. An interest rate change can be expected to take about 18 months to work its way through the complexity of the economy before it has a lasting effect. Six increases in 11 months would suggest that Mr. Greenspan and the Fed are impatient.

Mr. President, why do I go through all of this? Why have I cited all of these economists—Mr. Zuckerman of U.S. News & World Report, Mr. Jasinowski of the National Association of Manufacturers, and a host of other writers? Why go into all of this? Because, as I have said many times, there is a common thread that ties Mr. Greenspan's actions together as we have seen again and again and again from his days as Chairman of the Council of Economic Advisers to the present.

Mr. Greenspan has consistently shown the same two tendencies. First, he misjudges the signs of an oncoming recession. Mr. Greenspan often comes to the correct economic conclusions, but way, way too late.

Chief economist David Jones stated that Greenspan is so preoccupied with arcane numbers, he tends to miss big trends. As a result, he often makes the right moves but at the wrong time. Timing is not his strong suit.

According to U.S. News & World Report editor Mortimer Zuckerman, Alan Greenspan and his board at the Federal Reserve make ladies who read tea leaves pretty hot. The Fed foresaw a dangerous boom in 1989, tightened interest rates, and got a long recession instead.

The second aspect of the common thread throughout Mr. Greenspan's adult life is that he does not act decisively enough to pull the economy out of recessions because of his inordinate fear of inflation.

Again, let us go back. Remember the 1974 whip inflation now plan, the WIN plan. As Chairman of the Council of Economic Advisers, Mr. Greenspan designed an economic plan that raised taxes, worked to limit consumption, and resulted in an unemployment rate of 9 percent. According to Mr. Zuckerman, the same held true in 1991. I quote:

> Having rushed to that wrong conclusion—

The dangerous boom of 1989.

> they dithered for so long in correcting it that we did not come out of the recession until 1991-1992. In 1994, when recovery was really starting to happen, they went back to their tea leaves and got in the ratchet reflection mode, again battling a phantom inflation, an inflation they admitted was not there. It was an expectation.

Editorial, August 7, 1995, U.S. News & World Report.

Again, what I talk about is the mirage on the horizon of possible inflation. In fact, Mr. Greenspan even seems to publicly ignore statistics that might indicate that he does not need to raise rates to fight inflation. For example, in his Humphrey-Hawkins testimony on February 27, 1995, Greenspan did not read the most optimistic portion of his prepared remarks. I want to comment on that.

There were prepared remarks that Mr. Greenspan had. But in his testimony of February 27, 1995, he kind of skipped over it. Here is what it said.

> These developments do not suggest that the financial tender needed to support the ongoing inflation process is in place.

An amazing statement by Mr. Greenspan, someone who has just raised interest rates—doubled over a year, seven rate hikes. In February 1995, at the end of the last rate hike, he says in his written testimony that:

> These developments do not suggest that the financial tender needed to support the ongoing inflation process is in place.

What is going on here, Mr. President? Mr. Greenspan, in his written testimony, says that it is not there, that the financial tender needed to support the ongoing inflation process is not there. We have high interest rates.

Again, I am referring to the crucial 1995 Humphrey-Hawkins testimony and Greenspan's rejection of the idea that the economy's potential for the sustained growth rate was much above the current level of about 2.5 percent.

Here again are Mr. Greenspan's own words.

> But while most analysts have increased their estimates of America's long-term productivity growth, it is still too soon to judge whether that improvement is a few tenths of a percentage point annually or even more, perhaps moving us closer to the more vibrant pace that characterized the early post-World War II period. It is fair to note, however, that the fact that labor and factory utilization rates have risen as much as they have in the past year or so does argue that the rate of increase in potential is appreciably below the 4 percent growth rate of 1994.

Again, that is his testimony before the Banking Committee of February 22, 1995.

So, Mr. President, a common thread is misjudging what is happening and then mishandling how to pull us out of the recession because of his absolute fear of inflation.

Mr. President, I think what we see here is a Fed Chairman whose economic philosophy—again, I say this with all due respect. I hold no personal animus at all toward Mr. Greenspan. People speak of him in highly glowing terms. I have had, as far as I know, only one meeting with him in my life in my office, when he was gracious enough to ask for a meeting. He came down to my office. Several of us met in our office with him, several Senators.

It was a fascinating discussion. We were just kind of getting into it when the bells rang and we had to go vote. But I believe our job as Senators is not to approve people, to put them into a position simply because they may be nice people or they have a lot of friends or they move in acceptable social circles.

Our job, I believe, especially in this important position, Chairman of the Federal Reserve Board, is to look at the record of the person who is nominated to fill that position. What has been that person's economic record? How accurate have they been in the past? What is their philosophy? And, especially, we must ask those questions if it is a person who has been Chairman of the Fed and seeks to be renewed in that position.

I think we, in this body, have been too prone to just rubberstamp those nominees who have come to us for positions on the Federal Reserve Board, and especially as Chairman.

I will admit, in all candor and frankness, that I voted for Mr. Greenspan, on one occasion, to be in the Fed. I will admit, in all candor, I did not look at the record all that much either. But this time, with what has happened in 1993, 1994, 1995, with the efforts of this administration to reduce the deficit and the efforts of this Congress, and I speak of both Republicans and Democrats, in biting the bullet—oh, we may have our differences on where to trim and what to cut, but I think basically Members of this Congress have worked hard to reduce the deficit. And I believe the administration has, too. More needs to be done.

The administration has acted courageously to reduce the size of the Federal Government. But if what we are rewarded with is the Chairman of the Fed keeping interest rates unduly high, keeping the economy from growing, then perhaps our work will be in vain.

We have the potential to grow in this country. Everyone that I know sees it out there. It does not take an economist to go out on Main Street, to go in our businesses, to talk to working families, to know that that pent-up energy is there, that ability is there.

You can use the figures, and they are there. They show this: Our manufacturing sector is ready to go; small business is ready to move; our average working families are ready for a wage increase, which they need and can use, and which need not be inflationary. The size of the labor force can grow substantially in the future. But, I am sorry to say, the Chairman of the Fed is not allowing that to happen.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I just have one more item I want to cover. It should not take me more than maybe 10 minutes, I hope, and then I will be finished with my statement for today. I know others wanted to know about that. I understand there are some problems. I want to be as accommodating as possible.

I want to cover, however, just briefly, for the record, the issue of NAIRU. I said earlier today I was going to get into that, and I want to talk about NAIRU, the nonaccelerating inflation rate of unemployment, and what it is and why it seems to have such a hold on us.

So what is NAIRU? Let me just read some comments, and I will get into NAIRU for a few minutes. Dana Mead, the chief executive of Tenneco and chairman of the National Association of Manufacturers, had it right when he said that "NAIRU is to economics what the Nehru jacket is to fashion—outdated."

Robert Eisner, professor emeritus at Northwest University, whom I quoted earlier today several times, argues that one can actually reduce inflation by keeping unemployment under its natural rate.

He developed this argument in an article entitled "Our NAIRU Limit." That was in the American Prospect magazine, spring of 1995. I thought I would quote a little of it to talk about NAIRU and what it is.

First of all, Mr. Eisner says, starting his article:

> We mustn't have it too good. Too much growth—too little unemployment—is a bad thing. These are not the idle thoughts of economic nail-biters; they are the economic policy of the United States. After real growth of

> domestic product hit 4.5 percent in the last quarter of 1994 and unemployment dipped to 5.4 percent in December—

Guess what?

> the Federal Reserve moved on February 1 to raise interest rates for the seventh time in less than a year. Why? To slow a too rapid rate of growth and stop or reverse the fall in unemployment. Why do that? To fight inflation.
>
> Ordinary people may wonder. . .
>
> Hard nosed economic analysts and business leaders are also raising questions. They point to technological advances and downsizing in U.S. industry and suggest that productivity and output potential may well be rising more rapidly than the 2.5 percent long-term growth rate that Greenspan and others think marks the outer limit for economic growth. Furthermore, as people lose old, high-paying jobs and look desperately even for lower-paying employment—

We know how true that is—

> there is slack in the labor force. Perhaps most important, increasing globalization and world competition may limit the ability of American firms to raise prices and workers to push for higher wages.
>
> These heretical observations have so far failed to dent the dominant dogma haunting economic policy. The central tenet of that dogma is a concept familiarly known among economists as the NAIRU—the "nonaccelerating-inflation-rate of unemployment." While unknown to the general public, the NAIRU has become one of the most powerful influences on economic policy this century. My recent work, however, shows that even on the basis of a conventional model used to estimate the NAIRU, there is no basis for the conclusion that low unemployment rates threaten permanently accelerating inflation. And, according to an alternative model more consistent with the data, inflation might actually be lower at lower unemployment levels than we are experiencing today.
>
> The basic proposition of the NAIRU is simple: Policymakers cannot use deficit spending or an increase in the money supply to reduce unemployment below some "equilibrium" rate, except at the cost of accelerating inflation.
>
> The concept of the NAIRU, derived from Milton Friedman's notion of a "natural rate of unemployment," rejects the assumed trade-off between unemployment and inflation described by the Phillips curve, named after A.W. Phillips, an innovative economist from New Zealand.

Thus, according to the NAIRU, fiscal or monetary policies aimed at reducing unemployment would leave us like a dog chasing its tail. If policy were aimed at keeping total spending sufficiently high to keep unemployment below its "natural rate," inflation would rise more and more rapidly.

In this view, the only way to reduce unemployment, except possibly in the short run, is to change conditions affecting the supply of labor—for example, by cutting the minimum wage, reducing or eliminating unemployment benefits, or upgrading the skill of workers.

On the contrary, he says, that we ought to be trying to reduce unemployment, not only by supply-side measures, but by ensuring that the economy is not starved for adequate aggregate demand or productivity for increasing public investment.

NAIRU—Non-Accelerating Inflationary Rate of Unemployment, which we are shackled by it.

Later in his study, Eisner goes on to replicate CBO's August 1994 economic and budget outlook and comes to a very important conclusion. And I quote:

> It takes still higher unemployment to break the back of inflation. But high enough unemployment does eventually turn inflation negative. . .
>
> The low-unemployment paths shown, however, offer quite a different picture. At 5.8 percent unemployment, contrary to Alan Greenspan's fears, there is no accelerating inflation. By the end of the century, inflation settles at about 4.4 percent. Strikingly, at lower unemployment rates, inflation is no higher. At 4.8 percent unemployment, the simulation shows inflation coming down to 3.6 percent. At 3.8 percent unemployment, inflation comes down to 2.9 percent. At 2.8 percent unemployment, inflation at the end of 1999 is down to 2.1 percent.

Eisner also argues the long-term rate of growth will increase with higher employment levels.

> Over a longer period we should be educating and investing in human capital. . . . We should be bringing millions of workers who are essentially out of the labor force into the labor force. We can make them productive and get them off welfare. There is a lot of production that can take place because of that.

So, again, a completely contrary concept of what Mr. Greenspan is saying. Mr. Eisner, and others, through models that they have developed and simulations, show an alternative analysis—that through lower rates of unemployment—higher rates of full employment, you might say—that inflation actually comes down. Again, I believe there is so much pent-up energy and ability in the American work force that we can grow faster.

But regardless of future predictions of the effect of unemployment on inflation, it is clear, I believe, that the NAIRU is overestimated.

The 1996 economic report of the President stated that:

> For over a year now the unemployment rate has fluctuated narrowly around 5.6 percent, yet the core rate of inflation has remained roughly stable rather than risen.

The economic report goes on to say:

> This recent evidence strongly argues that the sustainable rate of unemployment has fallen below 6 percent, perhaps to the range of 5.5 to 5.7 percent. The Administration's forecast falls on the conservative end of this range by projecting the unemployment rate of 5.7 percent over the near term.

This same paragraph also states:

> Wage inflation, as measured by the employment cost index, also remains stable.

It is entirely possible that the rate could be adjusted downward.

James Robinson, former CEO of American Express, echoes the words of Dana Mead.

> Like that Nehru jacket, the NAIRU concept is outdated. In fact I would say that NAIRU is a jacket itself—it's like a straitjacket on our economy.

This is what Mr. Robinson had to say:

> That frame of reference for growth, called maximum sustainable capacity by economists, was largely developed in the 1950's, 1960's, and 1970's. Today, the parameters of growth are substantially expanded. The deeper integration and breadth of competition that has come to the global economy on only the past decade have opened the way to more robust growth even among the developed Nations. The Fed has been cautious to a fault. It makes a tragic mistake by erring on the side of slow growth, denying Americans a more dynamic economy, diminishing living standards, and cutting off capital to emerging markets.

Prof. James Galbraith builds on this point when he argues:

> In fact NAIRUvians—

I like that word.

> NAIRUvians have never successfully predicted where the barrier would be hit.

That is a minimum level of unemployment.

> The estimated NAIRU tracks actual unemployment.

Professor Galbraith says they do not know where that barrier is, that minimum level of unemployment. He says:

> [Moreover] the estimated NAIRU tracks actual unemployment. When unemployment increases, conservative economists raise their NAIRU. When it decreases, they predict inflation, and if inflation doesn't occur, they cut their estimated NAIRU. There exists a long and not-very-reputable literature of such estimates.

For example, notable NAIRU supporter Paul Krugman:

> Places present estimates of the NAIRU from about 5 to about 6.3 percent, with most estimates clustered between 5.5 and 6 percent.

Mr. President, I understand that the Senator from Florida wanted to get some housekeeping items done. I will yield to him whatever time he may consume for that.

The PRESIDING OFFICER (Mr. KYL). The Senator from Florida.

Mr. MACK. Mr. President, I inquire of the Senator from Iowa how long he intends to go beyond this point. The reason I inquire is because I do not want to inconvenience the Chair as well.

Mr. HARKIN. In the interest of comity—I understand that we have problems after 3:45. I will cut my comments short. I just want to finish one thing on NAIRU. It is now 3:40. I know that we have a problem here. I want to be accommodating. So I will just wrap up my remarks very shortly. In like 60 seconds I will yield to the Senator.

Mr. MACK. I thank the Senator.

Mr. HARKIN. Mr. President, I wanted to discuss NAIRU because I think it is very important, because I think it is acting as a straitjacket. I think that Mr. Greenspan and the economists at the Fed are looking at NAIRU and abusing it. And in so doing, they are abusing what I believe to be the capacity of our economy to grow. I believe there is an equal body of evidence and data to suggest that we can reduce unemployment and at the same time reduce inflation.

I believe it is worth the relatively small risk to go ahead and get these interest rates down, stimulate the economy. Let us have some growth. Why is it that we have to accept growth of 2 to 2.5 percent? That is like saying, "America, a C-average is fine." I believe America can do a B-plus, and A. We can do it without inflation. That is why I want to talk about NAIRU.

I will continue next Thursday on the Greenspan nomination. I will use my time at that time to finish my comments on NAIRU. I thank the Chair and I thank the Senator from Florida. I yield the floor.

The PRESIDING OFFICER. The Chair appreciates the courtesies of the Senator from Iowa.

The Senator from Florida.

Mr. MACK. I thank you, Mr. President. I too want to thank the Senator from Iowa for his consideration.

APPOINTMENT OF CONFEREES—H.R. 2977

Mr. MACK. Mr. President, I understand that the Chair has been authorized to appoint conferees to H.R. 2977.

The PRESIDING OFFICER appointed Mr. STEVENS, Mr. COHEN, Mr. GRASSLEY, Mr. GLENN, and Mr. LEVIN conferees on the part of the Senate.

SINGLE AUDIT ACT AMENDMENTS OF 1996

Mr. MACK. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 401, S. 1579.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1579) to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act").

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the "Single Audit Act Amendments of 1996".

(b) PURPOSES.—The purposes of this Act are to—

(1) promote sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities;

(2) establish uniform requirements for audits of Federal awards administered by non-Federal entities;

(3) promote the efficient and effective use of audit resources;

(4) reduce burdens on State and local governments, Indian tribes, and nonprofit organizations; and

(5) ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as amended by this Act).

SEC. 2. AMENDMENT TO TITLE 31, UNITED STATES CODE.

Chapter 75 of title 31, United States Code, is amended to read as follows:

"CHAPTER 75—REQUIREMENTS FOR SINGLE AUDITS

"Sec.

"7501. Definitions.

"7502. Audit requirements; exemptions.

"7503. Relation to other audit requirements.

"7504. Federal agency responsibilities and relations with non-Federal entities.

"7505. Regulations.

"7506. Monitoring responsibilities of the Comptroller General.

"7507. Effective date.

"§ 7501. Definitions

"(a) As used in this chapter, the term—

"(1) 'Comptroller General' means the Comptroller General of the United States;

"(2) 'Director' means the Director of the Office of Management and Budget;

"(3) 'Federal agency' has the same meaning as the term 'agency' in section 551(1) of title 5;

"(4) 'Federal awards' means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities;

"(5) 'Federal financial assistance' means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, **[**donated surplus property,**]** food commodities, direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals in accordance with guidance issued by the Director;

"(6) 'Federal program' means all Federal awards to a non-Federal entity assigned a single number in the Catalog of Federal Domestic Assistance or encompassed in a group of numbers or other category as defined by the Director;

"(7) 'generally accepted government auditing standards' means the government auditing standards issued by the Comptroller General;

"(8) 'independent auditor' means—

"(A) an external State or local government auditor who meets the independence standards included in generally accepted government auditing standards; or

"(B) a public accountant who meets such independence standards;

"(9) 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

"(10) 'internal controls' means a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

"(A) Effectiveness and efficiency of operations.

"(B) Reliability of financial reporting.

"(C) Compliance with applicable laws and regulations;

"(11) 'local government' means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, any other instrumentality of local government and, in accordance with guidelines issued by the Director, a group of local governments;

"(12) 'major program' means a Federal program identified in accordance with risk-based criteria prescribed by the Director under this chapter, subject to the limitations described under subsection (b);

"(13) 'non-Federal entity' means a State, local government, or nonprofit organization;

"(14) 'nonprofit organization' means any corporation, trust, association, cooperative, or other organization that—

"(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

"(B) is not organized primarily for profit; and

"(C) uses net proceeds to maintain, improve, or expand the operations of the organization;

"(15) 'pass-through entity' means a non-Federal entity that provides Federal awards to a subrecipient to carry out a Federal program;

"(16) 'program-specific audit' means an audit of one Federal program;

"(17) 'recipient' means a non-Federal entity that receives awards directly from a Federal agency to carry out a Federal program;

"(18) 'single audit' means an audit, as described under section 7502(d), of a non-Federal entity that includes the entity's financial statements and Federal awards;

"(19) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian tribe; and

"(20) 'subrecipient' means a non-Federal entity that receives Federal awards through another non-Federal entity to carry out a Federal program, but does not include an individual who receives financial assistance through such awards.

"(b) In prescribing risk-based program selection criteria for major programs, the Director shall not require more programs to be identified as major for a particular non-Federal entity, except as prescribed under subsection (c) or as provided under subsection (d), than would be identified if the major programs were defined as any program for which total expenditures of Federal awards by the non-Federal entity during the applicable year exceed—

"(1) the larger of $30,000,000 or 0.15 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed $10,000,000,000;

"(2) the larger of $3,000,000, or 0.30 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed $100,000,000 but are less than or equal to $10,000,000,000; or

"(3) the larger of $300,000, or 3 percent of such total Federal expenditures for all programs, in the case of a non-Federal entity for which such total expenditures for all programs equal or exceed $300,000 but are less than or equal to $100,000,000.

"(c) When the total expenditures of a non-Federal entity's major programs are less than 50 percent of the non-Federal entity's total expenditures of all Federal awards (or such lower percentage as specified by the Director), the auditor shall select and test additional programs as major programs as necessary to achieve audit coverage of at least 50 percent of Federal expenditures by the non-Federal entity (or such lower percentage as specified by the Director), in accordance with guidance issued by the Director.

"(d) Loan or loan guarantee programs, as specified by the Director, shall not be subject to the application of subsection (b).

"§ 7502. Audit requirements; exemptions

"(a)(1)(A) Each non-Federal entity that expends a total amount of Federal awards equal to or in excess of $300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such non-Federal entity shall have either a single audit or a program-specific audit made for such fiscal year in accordance with the requirements of this chapter.

"(B) Each such non-Federal entity that expends Federal awards under more than one Federal program shall undergo a single audit in accordance with the requirements of subsections (b) through (i) of this section and guidance issued by the Director under section 7505.

"(C) Each such non-Federal entity that expends awards under only one Federal program and is not subject to laws, regulations, or Federal award agreements that require a financial statement audit of the non-Federal entity, may elect to have a program-specific audit conducted in accordance with applicable provisions of this section and guidance issued by the Director under section 7505.

"(2)(A) Each non-Federal entity that expends a total amount of Federal awards of less than $300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such entity, shall be exempt for such fiscal year from compliance with—

"(i) the audit requirements of this chapter; and

"(ii) any applicable requirements concerning financial audits contained in Federal statutes and regulations governing programs under which such Federal awards are provided to that non-Federal entity.

"(B) The provisions of subparagraph (A)(ii) of this paragraph shall not exempt a non-Federal entity from compliance with any provision of a Federal statute or regulation that requires such non-Federal entity to maintain records concerning Federal awards provided to such non-Federal entity or that permits a Federal agency, pass-through entity, or the Comptroller General access to such records.

"(3) Every 2 years, the Director shall review the amount for requiring audits prescribed under paragraph (1)(A) and may adjust such dollar amount consistent with the purposes of this chapter, provided the Director does not make such adjustments below $300,000.

"(b)(1) Except as provided in paragraphs (2) and (3), audits conducted pursuant to this chapter shall be conducted annually.

"(2) A State or local government that is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(3) Any nonprofit organization that had biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(c) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, performance audits shall not be required except as authorized by the Director.

"(d) Each single audit conducted pursuant to subsection (a) for any fiscal year shall—

"(1) cover the operations of the entire non-Federal entity; or

"(2) at the option of such non-Federal entity such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered Federal awards during such fiscal year provided that each such audit shall encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and organizational unit, which shall be considered to be a non-Federal entity.

"(e) The auditor shall—

"(1) determine whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles;

"(2) determine whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole;

"(3) with respect to internal controls pertaining to the compliance requirements for each major program—

"(A) obtain an understanding of such internal controls;

"(B) assess control risk; and

"(C) perform tests of controls unless the controls are deemed to be ineffective; and

"(4) determine whether the non-Federal entity has complied with the provisions of laws, regulations, and contracts or grants pertaining to Federal awards that have a direct and material effect on each major program.

"(f)(1) Each Federal agency which provides Federal awards to a recipient shall—

"(A) provide such recipient the program names (and any identifying numbers) from which such awards are derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter; and

"(B) review the audit of a recipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the recipient by the Federal agency.

"(2) Each pass-through entity shall—

"(A) provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter;

"(B) monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means;

"(C) review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity; and

"(D) require each of its subrecipients of Federal awards to permit, as a condition of receiving Federal awards, the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary for the pass-through entity to comply with this chapter.

"(g)(1) The auditor shall report on the results of any audit conducted pursuant to this section, in accordance with guidance issued by the Director.

"(2) When reporting on any single audit, the auditor shall include a summary of the auditor's results regarding the non-Federal entity's financial statements, internal controls, and compliance with laws and regulations.

"(h) The non-Federal entity shall transmit the reporting package, which shall include the non-Federal entity's financial statements, schedule of expenditures of Federal awards, corrective action plan defined under subsection (i), and auditor's reports developed pursuant to this section, to a Federal clearinghouse designated by the Director, and make it available for public inspection within the earlier of—

"(1) 30 days after receipt of the auditor's report; or

"(2)(A) for a transition period of at least 2 years after the effective date of the Single Audit Act Amendments of 1996, as established by the Director, 13 months after the end of the period audited; or

"(B) for fiscal years beginning after the period specified in subparagraph (A), 9 months after the end of the period audited, or within a longer timeframe authorized by the Federal agency, determined under criteria issued under section [7505] *7504*, when the 9-month timeframe would place an undue burden on the non-Federal entity.

"(i) If an audit conducted pursuant to this section discloses any audit findings, as defined by the Director, including material noncompliance with individual compliance requirements for a major program by, or reportable conditions in the internal controls of, the non-Federal entity with respect to the matters described in subsection (e), the non-Federal entity shall submit to Federal officials designated by the Director, a plan for corrective action to eliminate such audit findings or reportable conditions or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit resolution standard promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(c).

"(j) The Director may authorize pilot projects to test alternative methods of achieving the purposes of this chapter. Such pilot projects may begin only after consultation with the Chair and Ranking Minority Member of the Committee on Governmental Affairs of the Senate and the Chair and Ranking Minority Member of the Committee on Government Reform and Oversight of the House of Representatives.

"§ 7503. Relation to other audit requirements

"(a) An audit conducted in accordance with this chapter shall be in lieu of any financial audit of Federal awards which a non-Federal entity is required to undergo under any other Federal law or regulation. To the extent that such audit provides a Federal agency with the information it requires to carry out its responsibilities under Federal law or regulation, a Federal agency shall rely upon and use that information.

"(b) Notwithstanding subsection (a), a Federal agency may conduct or arrange for additional audits which are necessary to carry out its responsibilities under Federal law or regulation. The provisions of this chapter do not authorize any non-Federal entity (or subrecipient thereof) to constrain, in any manner, such agency from carrying out or arranging for such additional audits, except that the Federal agency shall plan such audits to not be duplicative of other audits of Federal awards.

"(c) The provisions of this chapter do not limit the authority of Federal agencies to conduct, or arrange for the conduct of, audits and evaluations of Federal awards, nor limit the authority of any Federal agency Inspector General or other Federal official.

"(d) Subsection (a) shall apply to a non-Federal entity which undergoes an audit in accordance with this chapter even though it is not required by section 7502(a) to have such an audit.

"(e) A Federal agency that provides Federal awards and conducts or arranges for audits of non-Federal entities receiving such awards that are in addition to the audits of non-Federal entities conducted pursuant to this chapter shall, consistent with other applicable law, arrange for funding the full cost of such additional audits. Any such additional audits shall be coordinated with the Federal agency determined under criteria issued under section 7504 to preclude duplication of the audits conducted pursuant to this chapter or other additional audits.

"(f) Upon request by a Federal agency or the Comptroller General, any independent auditor conducting an audit pursuant to this chapter shall make the auditor's working papers available to the Federal agency or the Comptroller General as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this chapter. Such access to auditor's working papers shall include the right to obtain copies.

"§ 7504. Federal agency responsibilities and relations with non-Federal entities

"(a) Each Federal agency shall, in accordance with guidance issued by the Director under section 7505, with regard to Federal awards provided by the agency—

"(1) monitor non-Federal entity use of Federal awards, and

"(2) assess the quality of audits conducted under this chapter for audits of entities for which the agency is the single Federal agency determined under subsection (b).

"(b) Each non-Federal entity shall have a single Federal agency, determined in accordance with criteria established by the Director, to provide the non-Federal entity with technical assistance and assist with implementation of this chapter.

"(c) The Director shall designate a Federal clearinghouse to—

"(1) receive copies of all reporting packages developed in accordance with this chapter;

"(2) identify recipients that expend $300,000 or more in Federal awards or such other amount specified by the Director under section 7502(a)(3) during the recipient's fiscal year but did not undergo an audit in accordance with this chapter; and

"(3) perform analyses to assist the Director in carrying out responsibilities under this chapter.

"§ 7505. Regulations

"(a) The Director, after consultation with the Comptroller General, and appropriate officials from Federal, State, and local governments and nonprofit organizations shall prescribe guidance to implement this chapter. Each Federal agency shall promulgate such amendments to its regulations as may be necessary to conform such regulations to the requirements of this chapter and of such guidance.

"(b)(1) The guidance prescribed pursuant to subsection (a) shall include criteria for determining the appropriate charges to Federal awards for the cost of audits. Such criteria shall prohibit a non-Federal entity from charging to any Federal awards—

"(A) the cost of any audit which is—

"(i) not conducted in accordance with this chapter; or

"(ii) conducted in accordance with this chapter when expenditures of Federal awards are less than amounts cited in section 7502(a)(1)(A) or specified by the Director under section 7502(a)(3), except that the Director may allow the cost of limited scope audits to monitor subrecipients in accordance with section 7502(f)(2)(B); and

"(B) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with this chapter.

"(2) The criteria prescribed pursuant to paragraph (1) shall not, in the absence of documentation demonstrating a higher actual cost, permit the percentage of the cost of audits performed pursuant to this chapter charged to Federal awards, to exceed the ratio of total Federal awards expended by such non-Federal entity during the applicable fiscal year or years, to such non-Federal entity's total expenditures during such fiscal year or years.

"(c) Such guidance shall include such provisions as may be necessary to ensure that small business concerns *and business concerns* owned and controlled by socially and economically disadvantaged individuals will have the opportunity to participate in the performance of contracts awarded to fulfill the audit requirements of this chapter.

"§ 7506. Monitoring responsibilities of the Comptroller General

"(a) The Comptroller General shall review provisions requiring financial audits of non-Federal entities that receive Federal awards that are contained in bills and resolutions reported by the committees of the Senate and the House of Representatives.

"(b) If the Comptroller General determines that a bill or resolution contains provisions that are inconsistent with the requirements of this chapter, the Comptroller General shall, at the earliest practicable date, notify in writing—

"(1) the committee that reported such bill or resolution; and

"(2)(A) the Committee on Governmental Affairs of the Senate (in the case of a bill or resolution reported by a committee of the Senate); or

"(B) the Committee on Government Reform and Oversight of the House of Representatives (in the case of a bill or resolution reported by a committee of the House of Representatives).

"§ 7507. Effective date

"This chapter shall apply to any non-Federal entity with respect to any of its fiscal years which begin after June 30, 1996.".

SEC. 3. TRANSITIONAL APPLICATION.

Subject to section 7507 of title 31, United States Code (as amended by section 2 of this Act) the provisions of chapter 75 of such title (before amendment by section 2 of this Act) shall continue to apply to any State or local government with respect to any of its fiscal years beginning before July 1, 1996.

Mr. STEVENS. Mr. President, the Single Audit Act Amendments of 1996 provide a useful updating of an important law enacted 12 years ago. The original Single Audit Act of 1984 created a procedure by which a State or local government receiving funds from several Federal assistance programs would be subject only to one, comprehensive audit. A 1994 GAO report on the intergovernmental experience under the act indicates that it has resulted in both improved accountability over Federal assistance and strengthened financial management in all covered entities. It has done this while reducing the Federal audit burden on State and local governments.

The GAO report, however, also indicated that the process can be improved.

And here I want to acknowledge the fine work of my colleague, Senator GLENN, in having first requested the GAO study, and then having worked with GAO to develop these amendments to the act. I am pleased to have joined with Senator GLENN in cosponsoring his bill. It further reduces the Federal audit burden on small governments, while improving audit coverage and effectiveness by allowing auditors to focus on testing the riskiest programs that a government operates.

At the hearing I held on S. 1579, there was strong support for this legislation from the State auditors organization. The auditor from my own State of Alaska has indicated his own support, and I know this will be a real benefit to the local governments there, too. I urge my colleagues to join us in moving this very useful legislation forward today.

Mr. GLENN. Mr. President, I rise to urge my colleagues to support S. 1579, the Single Audit Act Amendments of 1996. This legislation amends the Single Audit Act of 1984. It is a bipartisan good government bill that will both improve financial management of Federal funds and reduce paperwork burdens on State and local governments, universities and other nonprofit organizations that receive Federal assistance. I am happy that the chairman of the Government Affairs Committee, Senator STEVENS, joined with me in cosponsoring the bill, as did Senators LEVIN, COCHRAN, PRYOR, COHEN, LIEBERMAN, BROWN and GRASSLEY. The legislation was reported unanimously by the Government Affairs Committee. And we have an identical bill moving through the House of Representatives—H.R. 3184, introduced by Representative STEVE HORN.

Over the last several years we have made great strides in reforming the sloppy and wasteful state of Federal financial management. The Chief Financial Officers Act of 1990, which I strongly support, was a major accomplishment in this regard. Much more remains to be done, however, to achieve greater accountability for the hundreds of billions of dollars of Federal assistance that go to or through State and local governments and nonprofit organizations. Much more also remains to be done to reduce the auditing and reporting burdens of the Federal assistance management process. The Single Audit Act Amendments of 1996 goes a long way toward achieving these goals.

The Single Audit Act was enacted in 1984 to overcome serious gaps and duplications that existed in audit coverage over Federal funds provided to State and local governments, which now amount to about $250 billion a year. Some governments rarely saw an auditor interested in examining Federal funds, others were swamped by auditors, each looking at a separate grant award. The Single Audit Act remedied that problem by changing the audit focus from compliance with individual Federal grant requirements to a periodic single overall audit of the entity receiving Federal assistance. The act also set specific dollar thresholds to exempt recipients that receive relatively small amounts of Federal assistance from regular audit requirements. In passing the original legislation, Congress considered the benefits and costs and developed criteria that exposed the vast majority of Federal assistance to State and local governments to audit coverage. This structured approach of entity-wide audits simplified overlapping audit requirements and improved grantee-organization administrative controls.

The Single Audit Act also served an important purpose of prompting State and local governments to improve their general financial management practices. The act encouraged the governments to review and revise their financial management practices, including instituting annual financial statement audits, installing new accounting systems, and implementing monitoring systems. The improvements represented long-needed and long-lasting financial management reforms. Studies by the General Accounting Office [GAO] confirmed these accomplishments. The success of the act also prompted the Office of Management and Budget [OMB] in 1990 to apply single audit principles to educational institutions and other nonprofit organizations that receive or passthrough Federal funds—OMB Circular No. A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations," issued in March 1990, revised in April 1996.

During my tenure as chairman of the Governmental Affairs Committee, I requested that GAO study the implementation of the Single Audit Act and suggest any needed changes. The resulting report, "Single Audit: Refinements Can Improve Usefulness" (GAO/AIMD-94-133, June 1994), reviewed the successes of the act, but also pointed out specific modifications that could improve the act's usefulness. The legislation we bring to the Senate today is based on GAO's findings as well as studies by the President's Council on Integrity and Efficiency and National State Auditors Association. The bill was developed in cooperation with GAO and OMB. Moreover, OMB recently revised its Circular A-133 consistent with the purposes of this legislation. However, the circular continues to apply only to nonprofit organizations—State and local governments are not covered. With the passage of this legislation, OMB will be able to take the next step and consolidate its grant audit requirements in one circular. Finally, the bill also reflects comments received from State, local, and private sector accounting and audit professionals, as well as program managers. Altogether, the legislation will strengthen the act, while simultaneously reducing its burdens.

First, the legislation extends the act to cover nonprofit organizations that receive Federal assistance. Again, these organizations are currently subject to the single audit process under OMB Circular A-133. Broadening the act's coverage in this way ensures that all non-Federal grantee organizations will be covered uniformly by one single audit process.

Second, the bill reduces audit and related paperwork burdens by raising the single audit threshold from $100,000 to $300,000. This will exempt thousands of smaller State and local governments and nonprofit organizations that receive relatively small amounts of Federal assistance from Federal single audit requirements. It will still ensure, however, that the vast majority of Federal funds will be subject to audit testing. Needless to say, it will also reinforce the ability of Federal agencies to audit or investigate grantees when needed to safeguard Federal funds.

Third, the bill will improve audit effectiveness by establishing a risk-based approach for selecting programs to be tested during single audits for adequacy of internal controls and compliance with Federal program requirements, such as eligibility of participants and allowability of costs. The Single Audit Act has required audit testing solely on the basis of dollar criteria. Using a risk-based approach will ensure coverage of programs that present the highest risk to the Federal Government.

Fourth, the legislation improves the contents and timeliness of single audit reporting to make the reports more useful. Currently, auditors often include many different documents in a single audit report. These documents are designed to comply with auditing standards but leave users confused. A summary document, written in plain language, would greatly increase the usefulness of single audit reports. Report users would be able to quickly discern which entities are having problems administering Federal programs and consequently need additional oversight.

Shortening the reporting time frame will also make the single audit reports more useful. The current practice of filing reports 13 months after the end of the year that was audited significantly reduces their utility. An ideal period would be the Government Finance Officers Association's standard of 6 months for timely reporting by State and local governments. However, given the numerous audits that some State auditors have to perform, the legislation establishes a 9-month standard. Moreover, the legislation establishes a 2-year transition period for entities to comply with the faster reporting and gives flexibility for extensions as needed. The overall goal, still, is to shorten the reporting time frame to make the single audit reports more useful to assess the stewardship of organizations entrusted with Federal funds and to prompt any needed corrective actions.

Fifth, the legislation increases administrative flexibility. OMB is authorized to issue rules to implement the act and may revise certain audit requirements, as needed, without seeking amendments to the act. For example, OMB will be authorized to raise even higher the $300,000 threshold. Auditors also will have greater flexibility to target programs at risk.

In these and other ways, the Single Audit Act Amendments of 1996 will streamline the underlying Single Audit Act, update its requirements, reduce burdens, and provide for more flexibility. This legislation builds on the significant accomplishments of the 1984 act and I am confident that my colleagues will agree that this legislation should be broadly supported by the Senate.

In December 1995, the Senate Committee on Governmental Affairs held a hearing on the status of Federal financial management, including the Single Audit Act. Charles Bowsher, the Comptroller General, and Kurt Sjoberg, the California State Auditor who represented the National State Auditors Association, strongly supported the legislation and recommended that it be enacted. Edward DeSeve, Office of Management and Budget Controller, also applauded the legislative effort.

The support of the Comptroller General and the State auditors is especially important. The Comptroller General was instrumental in advising the Congress when the original Single Audit Act was enacted. He followed the subsequent implementation of the act and has made the recommendations for improving the act that was the basis for the current legislation. I give great weight to his recommendations for amending the Single Audit Act. State auditors, for their part, are key players in the single audit process. They conduct or arrange for thousands of single audits each year. So, their views are also critically important. Following the December hearing, the National State Auditors Association met to discuss the legislation and decided unanimously to support its enactment. The President's Council on Integrity and Efficiency Audit Committee also submitted a letter in support of the legislation. I ask that their letters of support be included in the RECORD.

On April 18, 1996, the Committee on Government Affairs marked up S. 1579 and voted unanimously to send the bill to the floor for a vote. Again, this bipartisanship also extends to the House of Representatives, where an identical bill (H.R. 3184) was introduced on March 28, 1996 by Representative HORN and four cosponsors. The House of Representatives Committee on Government Reform and Oversight voted the bill out of committee on April 25, 1996. With this bipartisan support, I am sure that this good Government legislation can soon become law.

In closing, let me just say that good Government legislation such as the Single Audit Act Amendments of 1996 is often overlooked and discounted. It is unimportant to many, boring to most. But it is just this sort of nuts and bolts legislation that is needed to improve the efficiency and effectiveness of our Government. The end result of enactment of S.. 1579 will be a Government more accountable to its people.

To reach this point, we have had the help of colleagues on each side of the aisle, as I have said. We have also had the assistance of, and need to thank, the Comptroller General, Charles Bowsher, and his staff—most especially, Jerry Skelly—we would not be here today without Jerry's tireless work. I'd also like to thank Kurt Sjoberg, the California State Auditor, Woody Jackson, OMB's Deputy Controller, John Mercer with Senator STEVENS, Anna Miller on Representative HORN'S staff, and David Plocher on my staff—all have contributed greatly to this legislation.

I urge my colleagues to support this legislation.

Mr. President, again, I ask unanimous consent that letters of endorsement of S. 1579 from the National State Auditors Association and the Audit Committee of the President's Council on Integrity and Efficiency, as well as a summary of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL STATE
AUDITORS ASSOCIATION,
Washington, DC, January 29, 1996.

Hon. JOHN GLENN,
Ranking Minority Member, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR GLENN: The National State Auditors Association has voted unanimously to support the proposed bill to amend the Single Audit Act of 1984. My state audit colleagues and I believe that the proposed legislation is an excellent measure that deserves to be passed into law as soon as possible.

The Single Audit Act amendments provide a unique opportunity to address the needs of federal, state and local government auditors and program managers. The original act is over 10 years old and the amendments address many of the changes that have occurred over the years in the auditing profession and in government financial management. The bill is the result of open and constructive dialog among the stakeholders. Over the last several months, we have worked closely with congressional staff as well as representatives of the General Accounting Office and the Office of Management and Budget. As currently drafted, the bill provides needed improvements to financial accountability over federal grant funds.

While there are several excellent provisions in the amended act, two are particularly noteworthy. First, the minimum threshold of receipts requiring an entity to have a single audit performed is raised in the bill to $300,000. Similarly, the thresholds for larger recipients are also adjusted. These modifications will relieve many state and local governments of unnecessary federal mandates and generate savings of audit costs. Second, the amendments allow federal and state governments to focus audit resources on "high-risk" grants where the potential for savings is the greatest. It makes good economic sense to concentrate audits where increased corrective action and recoveries are likely to result.

In summary, the National State Auditors Association is pleased to fully support the amendments to the Single Audit Act of 1984 and assist you in any way possible to facilitate its passage this year.

Sincerely,

ANTHONY VERDECCHIA,
President.

PRESIDENT'S COUNCIL ON
INTEGRITY AND EFFICIENCY,
Washington, DC, March 12, 1996.

Hon. JOHN GLENN,
Ranking Minority Member, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR GLENN: The Audit Committee of the President's Council on Integrity and Efficiency (PCIE) is pleased to extend its support for Senate Bill S. 1579, "Single Audit Act Amendments of 1996." We believe that the improvements to the Single Audit Act of 1984 contained in this bill will result in significantly more effective and efficient auditing of Federal program funds at State and local governments and non-profit organizations and we urge that it be passed as soon as possible.

The Single Audit Act of 1984 is over 11 years old. In 1993 the PCIE issued a report entitled, *Study on Improving the Single Audit Process*. In that report we concluded that while the Act was successful in achieving its objectives, changes were needed to further improve the auditing and financial management of Federal program funds. The report contained a number of specific recommendations for changes to the Single Audit Act of 1984, related Office of Management and Budget Circulars and other implementing guidance from the auditing profession. We are pleased to see that all of our recommendations that require legislative change have been addressed in the proposed amendments.

Of the many improvements contained in the bill, we believe the most far-reaching are the provisions for a "risk-based" approach to determining audit coverage. These provisions will allow auditors to concentrate their audits on the areas of highest risk, rather than auditing the same programs every year based solely on funding level, regardless of risk. We believe that these provisions, along with other provisions shortening the due dates for adults and providing additional flexibilities, will result in much more effective audit coverage and more useful audit reports for Federal and grantee program managers.

In summary, the PCIE Audit Committee fully supports the bill and recommends that it be passed as soon as possible.

Sincerely,

VALERIE LAU,
Chair, Audit Committee.

SINGLE AUDIT ACT AMENDMENTS OF 1996 (S. 1579)

This bill amends the Single Audit Act of 1984 (P.L. 98-502). The 1984 Act replaced multiple grant-by-grant audits with an annual entity-wide audit process for State and local governments that receive Federal assistance. The new bill would broaden the scope of the Act to cover universities and other nonprofit organizations, as well. It would also streamline the process. Thus, the bill would improve accountability for hundreds of billions of dollars of Federal assistance, while also reducing auditing and paperwork burdens on grant recipients.

The bill was developed following GAO review of implementation of the Single Audit Act ("Single Audit: Refinements Can Improve Usefulness," GAO/AIMD-94-133, June 21, 1994). Major stakeholders in the single audit process were consulted during the drafting process. Support for the bill was confirmed at a December 14, 1995, hearing of the Senate Committee on Government Affairs. The bill was introduced on February 27, 1996, by Senator Glenn, and co-sponsored by Senators Stevens, Levin, Cochran, Pryor, Cohen, Lieberman, Brown, and Grassley. The bill was reported out of the Committee on Governmental Affairs on April 18, 1996. An identical bill (H.R. 3184) was under consideration at the same time by the House of Representatives Committee on Governmental Reform and Oversight.

Ten years' experience under the 1984 Act has been proven that the single audit concept promotes accountability over Federal assistance and prompts financial management improvements. Study also showed, however, that the process can be strengthened. This bill would (1) improve audit coverage of Federal assistance, (2) reduce burdens on non-Federal entities, (3) improve audit effectiveness, (4) improve single audit reporting, and (5) increase administrative flexibility.

Improve Audit Coverage—The bill would improve audit coverage of Federal assistance by including in the single audit process all State and local governments and nonprofit organizations that receive Federal assistance. Currently, the Act only applies to State and local governments. Nonprofit organizations are subject administratively to single audits under OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Including nonprofit organizations under the Act would result in a common set of single audit requirements for Federal assistance.

Reduce Federal Burden—The bill would simultaneously reduce Federal burdens on thousands of State and local governments and nonprofits, and ensure audit coverage over the vast majority of Federal assistance provided to those organizations. It would do so by raising the dollar threshold for requiring a single audit from $100,000 to $300,000. While this would relieve many grantees of Federal single audit mandates, GAO estimated that a $300,000 threshold would cover, for example, 95% of direct Federal assistance to local governments. This is commensurate with the coverage provided at the $100,000 threshold when the Act was passed in 1984. Thus, exempting thousands of entities from single audits would reduce audit and paperwork burdens, but not significantly diminish the percentage of Federal assistance covered by single audits.

Improve Audit Effectiveness—The bill would improve audit effectiveness by directing audit resources to the areas of greatest risk. Now, auditors must perform audit testing on an entity's largest—but not necessarily the riskiest—programs. The bill would require auditors to assess the risk of the programs an entity operates and select the riskiest programs for testing. As the President of the National State Auditors Association said, "it makes good economic sense to concentrate audits where increased corrective action and recoveries are likely to result."

Improve Single Audit Reporting—The bill would greatly improve the usefulness of single audit reports by requiring auditors to provide a summary of audit results. The reports would also be due sooner—9 months after the year-end rather than the current 13 months. Interpretations of current rules lead auditors to include 7 or more separate reports in each single audit report. Such a large number of reports tends to confuse rather than inform users. A summary of the audit results would highlight important information and thus enable users to quickly discern the overall results of an audit. Federal managers surveyed by GAO overwhelmingly support the summary reporting and faster submission of reports.

Increase Administrative Flexibility—The bill would enable the single audit process to evolve with changing circumstances. For example, rather than lock specific dollar amount audit thresholds into law, OMB would have the authority to periodically revise the audit threshold above the new $300,000 threshold. OMB also could revise criteria for selecting programs for audit testing. By giving OMB such authority, specific requirements within the single audit process could be revised administratively to reflect changing circumstances that affect accountability for Federal financial assistance.

The Single Audit Act Amendments of 1996 (S. 1579) is "Good Government" legislation. Based on GAO studies and endorsed by the National State Auditors Association, the bill represents consensus reform legislation that will improve accountability over Federal funds and reduce burdens on State and local governments and nonprofit organizations.

Mr. LEVIN. Mr. President, as a cosponsor of the Single Audit Act amendments, I am pleased that the Senate is considering this legislation today. S. 1579 would improve accountability over Federal assistance provided to State and local governments.

The Single Audit Act of 1984 created a uniform requirement for Federal audits of individual State and local programs which received Federal assistance. It also provided a comprehensive, organizationwide approach to single audits. While the act has been a key factor in the improvement of government financial management practices, we have learned alot since the enactment of the act and the passage of time has revealed the need for changes.

This bill amends the 1984 act to further reduce unnecessary audit burdens on State and local governments and nonprofit organizations while ensuring accountability and oversight of the use of Federal funds.

The bill would place State and local governments, colleges and universities, and other nonprofit grantees under the same single audit process. This would allow the Office of Management and Budget to develop uniform guidelines and auditing requirements.

Second, the bill increases the dollar threshold that triggers the requirement for a single audit, from $100,000 to $300,000. This change would reduce audit costs while only minimally reducing audit coverage of Federal program expenditures. We would be able to still achieve the goal of 95 percent audit coverage, which was originally included in the 1984 act.

Third, the bill establishes a risk-based approach to determine which Federal programs should be audited to allow the Federal, State, and local auditors the discretion of focusing audit resources where the potential for return is the greatest.

Fourth, the bill improved the contents and timeliness of single audit reports by requiring a summary of audit findings and results and by reducing the report due-date from 13 to 9 months to improve the timeliness of report submission. A report prepared closer to the end of the reporting period together with the shorter reporting requirement to submit a summary of audit findings and results will increase the utility of the audit to senior management and Federal program officials.

Finally, the bill authorizes the Director of the Office of Management and Budget to expand and revise audit requirements to ensure continued effectiveness of the audit process. This change would allow the Office of Management and Budget to adjust auditing thresholds for future inflation, and also allow auditors to assess program and management performance.

Mr. President, I would like to thank Senator GLENN for his leadership on this issue and my colleagues for their support and cooperation in getting this bill to the floor. I would also like to thank the National State Auditors Association, the President's Council on Integrity and Efficiency, and the General Accounting Office for conducting the independent survey to assess the 1984 act and to determine how it could be improved. Their study results were instrumental in developing this legislation.

Mr. MACK. Mr. President, I ask unanimous consent that the committee amendments be agreed to, the bill, as amended, be deemed read three times, passed, the motion to reconsider be laid upon the table, and that any statements relating thereto appear at an appropriate place in the RECORD as if read.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The bill (S. 1579), as amended, was deemed read the third time and passed, as follows:

S. 1579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the "Single Audit Act Amendments of 1996".

(b) PURPOSES.—The purposes of this Act are to—

(1) promote sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities;

(2) establish uniform requirements for audits of Federal awards administered by non-Federal entities;

(3) promote the efficient and effective use of audit resources;

(4) reduce burdens on State and local governments, Indian tribes, and nonprofit organizations; and

(5) ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as amended by this Act).

SEC. 2. AMENDMENT TO TITLE 31, UNITED STATES CODE.

Chapter 75 of title 31, United States Code, is amended to read as follows:

"CHAPTER 75—REQUIREMENTS FOR SINGLE AUDITS

"Sec.
"7501. Definitions.
"7502. Audit requirements; exemptions.
"7503. Relation to other audit requirements.
"7504. Federal agency responsibilities and relations with non-Federal entities.
"7505. Regulations.
"7506. Monitoring responsibilities of the Comptroller General.
"7507. Effective date.

"§ 7501. Definitions

"(a) As used in this chapter, the term—

"(1) 'Comptroller General' means the Comptroller General of the United States;

"(2) 'Director' means the Director of the Office of Management and Budget;

"(3) 'Federal agency' has the same meaning as the term 'agency' in section 551(1) of title 5;

"(4) 'Federal awards' means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities;

"(5) 'Federal financial assistance' means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals in accordance with guidance issued by the Director;

"(6) 'Federal program' means all Federal awards to a non-Federal entity assigned a single number in the Catalog of Federal Domestic Assistance or encompassed in a group of numbers or other category as defined by the Director;

"(7) 'generally accepted government auditing standards' means the government auditing standards issued by the Comptroller General;

"(8) 'independent auditor' means—

"(A) an external State or local government auditor who meets the independence standards included in generally accepted government auditing standards; or

"(B) a public accountant who meets such independence standards;

"(9) 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

"(10) 'internal controls' means a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

"(A) Effectiveness and efficiency of operations.

"(B) Reliability of financial reporting.

"(C) Compliance with applicable laws and regulations;

"(11) 'local government' means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, any other instrumentality of local government and, in accordance with guidelines issued by the Director, a group of local governments;

"(12) 'major program' means a Federal program identified in accordance with risk-based criteria prescribed by the Director under this chapter, subject to the limitations described under subsection (b);

"(13) 'non-Federal entity' means a State, local government, or nonprofit organization;

"(14) 'nonprofit organization' means any corporation, trust, association, cooperative, or other organization that—

"(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

"(B) is not organized primarily for profit; and

"(C) uses net proceeds to maintain, improve, or expand the operations of the organization;

"(15) 'pass-through entity' means a non-Federal entity that provides Federal awards to a subrecipient to carry out a Federal program;

"(16) 'program-specific audit' means an audit of one Federal program;

"(17) 'recipient' means a non-Federal entity that receives awards directly from a Federal agency to carry out a Federal program;

"(18) 'single audit' means an audit, as described under section 7502(d), of a non-Federal entity that includes the entity's financial statements and Federal awards;

"(19) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian tribe; and

"(20) 'subrecipient' means a non-Federal entity that receives Federal awards through another non-Federal entity to carry out a Federal program, but does not include an individual who receives financial assistance through such awards.

"(b) In prescribing risk-based program selection criteria for major programs, the Director shall not require more programs to be identified as major for a particular non-Federal entity, except as prescribed under subsection (c) or as provided under subsection (d), than would be identified if the major programs were defined as any program for which total expenditures of Federal awards by the non-Federal entity during the applicable year exceed—

"(1) the larger of $30,000,000 or 0.15 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed $10,000,000,000;

"(2) the larger of $3,000,000, or 0.30 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed $100,000,000 but are less than or equal to $10,000,000,000; or

"(3) the larger of $300,000, or 3 percent of such total Federal expenditures for all programs, in the case of a non-Federal entity for which such total expenditures for all programs equal or exceed $300,000 but are less than or equal to $100,000,000.

"(c) When the total expenditures of a non-Federal entity's major programs are less than 50 percent of the non-Federal entity's total expenditures of all Federal awards (or such lower percentage as specified by the Director), the auditor shall select and test additional programs as major programs as necessary to achieve audit coverage of at least 50 percent of Federal expenditures by the non-Federal entity (or such lower percentage as specified by the Director), in accordance with guidance issued by the Director.

"(d) Loan or loan guarantee programs, as specified by the Director, shall not be subject to the application of subsection (b).

"§ 7502. Audit requirements; exemptions

"(a)(1)(A) Each non-Federal entity that expends a total amount of Federal awards equal to or in excess of $300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such non-Federal entity shall have either a single audit or a program-specific audit made for such fiscal year in accordance with the requirements of this chapter.

"(B) Each such non-Federal entity that expends Federal awards under more than one Federal program shall undergo a single audit in accordance with the requirements of subsections (b) through (i) of this section and guidance issued by the Director under section 7505.

"(C) Each such non-Federal entity that expends awards under only one Federal program and is not subject to laws, regulations, or Federal award agreements that require a financial statement audit of the non-Federal entity, may elect to have a program-specific audit conducted in accordance with applicable provisions of this section and guidance issued by the Director under section 7505.

"(2)(A) Each non-Federal entity that expends a total amount of Federal awards of less than $300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such entity, shall be exempt for such fiscal year from compliance with—

"(i) the audit requirements of this chapter; and

"(ii) any applicable requirements concerning financial audits contained in Federal statutes and regulations governing programs under which such Federal awards are provided to that non-Federal entity.

"(B) The provisions of subparagraph (A)(ii) of this paragraph shall not exempt a non-Federal entity from compliance with any provision of a Federal statute or regulation that requires such non-Federal entity to maintain records concerning Federal awards provided to such non-Federal entity or that permits a Federal agency, pass-through entity, or the Comptroller General access to such records.

"(3) Every 2 years, the Director shall review the amount for requiring audits prescribed under paragraph (1)(A) and may adjust such dollar amount consistent with the purposes of this chapter, provided the Director does not make such adjustments below $300,000.

"(b)(1) Except as provided in paragraphs (2) and (3), audits conducted pursuant to this chapter shall be conducted annually.

"(2) A State or local government that is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(3) Any nonprofit organization that had biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(c) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, performance audits shall not be required except as authorized by the Director.

"(d) Each single audit conducted pursuant to subsection (a) for any fiscal year shall—

"(1) cover the operations of the entire non-Federal entity; or

"(2) at the option of such non-Federal entity such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered Federal awards during such fiscal year provided that each such audit shall encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and organizational unit, which shall be considered to be a non-Federal entity.

"(e) The auditor shall—

"(1) determine whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles;

"(2) determine whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole;

"(3) with respect to internal controls pertaining to the compliance requirements for each major program—

"(A) obtain an understanding of such internal controls;

"(B) assess control risk; and

"(C) perform tests of controls unless the controls are deemed to be ineffective; and

"(4) determine whether the non-Federal entity has complied with the provisions of laws, regulations, and contracts or grants pertaining to Federal awards that have a direct and material effect on each major program.

"(f)(1) Each Federal agency which provides Federal awards to a recipient shall—

"(A) provide such recipient the program names (and any identifying numbers) from which such awards are derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter; and

"(B) review the audit of a recipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the recipient by the Federal agency.

"(2) Each pass-through entity shall—

"(A) provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter;

"(B) monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means;

"(C) review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity; and

"(D) require each of its subrecipients of Federal awards to permit, as a condition of receiving Federal awards, the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary for the pass-through entity to comply with this chapter.

"(g)(1) The auditor shall report on the results of any audit conducted pursuant to this section, in accordance with guidance issued by the Director.

"(2) When reporting on any single audit, the auditor shall include a summary of the auditor's results regarding the non-Federal entity's financial statements, internal controls, and compliance with laws and regulations.

"(h) The non-Federal entity shall transmit the reporting package, which shall include the non-Federal entity's financial statements, schedule of expenditures of Federal awards, corrective action plan defined under subsection (i), and auditor's reports developed pursuant to this section, to a Federal clearinghouse designated by the Director, and make it available for public inspection within the earlier of—

"(1) 30 days after receipt of the auditor's report; or

"(2)(A) for a transition period of at least 2 years after the effective date of the Single Audit Act Amendments of 1996, as established by the Director, 13 months after the end of the period audited; or

"(B) for fiscal years beginning after the period specified in subparagraph (A), 9 months after the end of the period audited, or within a longer timeframe authorized by the Federal agency, determined under criteria issued under section 7504, when the 9-month timeframe would place an undue burden on the non-Federal entity.

"(i) If an audit conducted pursuant to this section discloses any audit findings, as defined by the Director, including material noncompliance with individual compliance requirements for a major program by, or reportable conditions in the internal controls of, the non-Federal entity with respect to the matters described in subsection (e), the non-Federal entity shall submit to Federal officials designated by the Director, a plan for corrective action to eliminate such audit findings or reportable conditions or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit resolution standard promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(c).

"(j) The Director may authorize pilot projects to test alternative methods of achieving the purposes of this chapter. Such pilot projects may begin only after consultation with the Chair and Ranking Minority Member of the Committee on Governmental Affairs of the Senate and the Chair and Ranking Minority Member of the Committee on Government Reform and Oversight of the House of Representatives.

"§ 7503. Relation to other audit requirements

"(a) An audit conducted in accordance with this chapter shall be in lieu of any financial audit of Federal awards which a non-Federal entity is required to undergo under any other Federal law or regulation. To the extent that such audit provides a Federal agency with the information it requires to carry out its responsibilities under Federal law or regulation, a Federal agency shall rely upon and use that information.

"(b) Notwithstanding subsection (a), a Federal agency may conduct or arrange for additional audits which are necessary to carry out its responsibilities under Federal law or regulation. The provisions of this chapter do not authorize any non-Federal entity (or subrecipient thereof) to constrain, in any manner, such agency from carrying out or arranging for such additional audits, except that the Federal agency shall plan such audits to not be duplicative of other audits of Federal awards.

"(c) The provisions of this chapter do not limit the authority of Federal agencies to conduct, or arrange for the conduct of, audits and evaluations of Federal awards, nor limit the authority of any Federal agency Inspector General or other Federal official.

"(d) Subsection (a) shall apply to a non-Federal entity which undergoes an audit in accordance with this chapter even though it is not required by section 7502(a) to have such an audit.

"(e) A Federal agency that provides Federal awards and conducts or arranges for audits of non-Federal entities receiving such awards that are in addition to the audits of non-Federal entities conducted pursuant to this chapter shall, consistent with other applicable law, arrange for funding the full cost of such additional audits. Any such additional audits shall be coordinated with the Federal agency determined under criteria issued under section 7504 to preclude duplication of the audits conducted pursuant to this chapter or other additional audits.

"(f) Upon request by a Federal agency or the Comptroller General, any independent auditor conducting an audit pursuant to this chapter shall make the auditor's working papers available to the Federal agency or the Comptroller General as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this chapter. Such access to auditor's working papers shall include the right to obtain copies.

"§ 7504. Federal agency responsibilities and relations with non-Federal entities

"(a) Each Federal agency shall, in accordance with guidance issued by the Director under section 7505, with regard to Federal awards provided by the agency—

"(1) monitor non-Federal entity use of Federal awards, and

"(2) assess the quality of audits conducted under this chapter for audits of entities for which the agency is the single Federal agency determined under subsection (b).

"(b) Each non-Federal entity shall have a single Federal agency, determined in accordance with criteria established by the Director, to provide the non-Federal entity with technical assistance and assist with implementation of this chapter.

"(c) The Director shall designate a Federal clearinghouse to—

"(1) receive copies of all reporting packages developed in accordance with this chapter;

"(2) identify recipients that expend $300,000 or more in Federal awards or such other amount specified by the Director under section 7502(a)(3) during the recipient's fiscal year but did not undergo an audit in accordance with this chapter; and

"(3) perform analyses to assist the Director in carrying out responsibilities under this chapter.

"§ 7505. Regulations

"(a) The Director, after consultation with the Comptroller General, and appropriate officials from Federal, State, and local governments and nonprofit organizations shall prescribe guidance to implement this chapter. Each Federal agency shall promulgate such amendments to its regulations as may be necessary to conform such regulations to the requirements of this chapter and of such guidance.

"(b)(1) The guidance prescribed pursuant to subsection (a) shall include criteria for determining the appropriate charges to Federal awards for the cost of audits. Such criteria shall prohibit a non-Federal entity from charging to any Federal awards—

"(A) the cost of any audit which is—

"(i) not conducted in accordance with this chapter; or

"(ii) conducted in accordance with this chapter when expenditures of Federal awards are less than amounts cited in section 7502(a)(1)(A) or specified by the Director under section 7502(a)(3), except that the Director may allow the cost of limited scope audits to monitor subrecipients in accordance with section 7502(f)(2)(B); and

"(B) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with this chapter.

"(2) The criteria prescribed pursuant to paragraph (1) shall not, in the absence of documentation demonstrating a higher actual cost, permit the percentage of the cost of audits performed pursuant to this chapter charged to Federal awards, to exceed the ratio of total Federal awards expended by such non-Federal entity during the applicable fiscal year or years, to such non-Federal entity's total expenditures during such fiscal year or years.

"(c) Such guidance shall include such provisions as may be necessary to ensure that small business concerns and business concerns owned and controlled by socially and economically disadvantaged individuals will have the opportunity to participate in the performance of contracts awarded to fulfill the audit requirements of this chapter.

"§ 7506. Monitoring responsibilities of the Comptroller General

"(a) The Comptroller General shall review provisions requiring financial audits of non-Federal entities that receive Federal awards that are contained in bills and resolutions reported by the committees of the Senate and the House of Representatives.

"(b) If the Comptroller General determines that a bill or resolution contains provisions that are inconsistent with the requirements of this chapter, the Comptroller General shall, at the earliest practicable date, notify in writing—

"(1) the committee that reported such bill or resolution; and

"(2)(A) the Committee on Governmental Affairs of the Senate (in the case of a bill or resolution reported by a committee of the Senate); or

"(B) the Committee on Government Reform and Oversight of the House of Representatives (in the case of a bill or resolution reported by a committee of the House of Representatives).

"§ 7507. Effective date

"This chapter shall apply to any non-Federal entity with respect to any of its fiscal years which begin after June 30, 1996.".

SEC. 3. TRANSITIONAL APPLICATION.

Subject to section 7507 of title 31, United States Code (as amended by section 2 of this Act) the provisions of chapter 75 of such title (before amendment by section 2 of this Act) shall continue to apply to any State or local government with respect to any of its fiscal years beginning before July 1, 1996.

ANTICOUNTERFEITING CONSUMER PROTECTION ACT OF 1995

Mr. MACK. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House to accompany S. 1136.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1136) entitled "An Act to control and prevent commercial counterfeiting, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anticounterfeiting Consumer Protection Act of 1996".

SEC. 2. FINDINGS.

The counterfeiting of trademarked and copyrighted merchandise—

(1) has been connected with organized crime;

(2) deprives legitimate trademark and copyright owners of substantial revenues and consumer goodwill;

(3) poses health and safety threats to United States consumers;

(4) eliminates United States jobs; and

(5) is a multibillion-dollar drain on the United States economy.

SEC. 3. COUNTERFEITING AS RACKETEERING.

Section 1961(1)(B) of title 18, United States Code, is amended by inserting ", section 2318 (relating to trafficking in counterfeit labels for phonorecords, computer programs or computer program documentation or packaging and copies of motion pictures or other audiovisual works), section 2319 (relating to criminal infringement of a copyright), section 2319A (relating to unauthorized fixation of and trafficking in sound recordings and music videos of live musical performances), section 2320 (relating to trafficking in goods or services bearing counterfeit marks)" after "sections 2314 and 2315 (relating to interstate transportation of stolen property)".

SEC. 4. APPLICATION TO COMPUTER PROGRAMS, COMPUTER PROGRAM DOCUMENTATION, OR PACKAGING.

(a) IN GENERAL.—Section 2318 of title 18, United States Code, is amended—

(1) in subsection (a), by striking "a motion picture or other audiovisual work," and inserting "a computer program or documentation or packaging for a computer program, or a copy of a motion picture or other audiovisual work, and whoever, in any of the circumstances described in subsection (c) of this section, knowingly traffics in counterfeit documentation or packaging for a computer program,";

(2) in subsection (b)(3) by inserting "'computer program'," after "'motion picture',"; and

(3) in subsection (c)—

(A) by striking "or" at the end of paragraph (2);

(B) in paragraph (3)—

(i) by inserting "a copy of a copyrighted computer program or copyrighted documentation or packaging for a computer program," after "enclose,"; and

(ii) by striking the period at the end and inserting "; or"; and

(C) by adding after paragraph (3) the following:

"(4) the counterfeited documentation or packaging for a computer program is copyrighted.".

(b) CONFORMING AMENDMENTS.—(1) The section caption for section 2318 of title 18, United States Code, is amended to read as follows:

"§2318. Trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, and copies of motion pictures or other audio visual works, and trafficking in counterfeit computer program documentation or packaging".

(2) The item relating to section 2318 in the table of sections for chapter 113 of such title is amended to read as follows:

"2318. Trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, and copies of motion pictures or other audio visual works, and trafficking in counterfeit computer program documentation or packaging.".

SEC. 5. TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES.

Section 2320 of title 18, United States Code, is amended by adding at the end the following:

"(e) Beginning with the first year after the date of enactment of this subsection, the Attorney General shall include in the report of the Attorney General to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, an accounting, on a district by district basis, of the following with respect to all actions taken by the Department of Justice that involve trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, copies of motion pictures or other audiovisual works (as defined in section 2318 of title 18), criminal infringement of copyrights (as defined in section 2319 of title 18), unauthorized fixation of and trafficking in sound recordings and music videos of live musical performances (as defined in section 2319A of title 18), or trafficking in goods or services bearing counterfeit marks (as defined in section 2320 of title 18):

"(1) The number of open investigations.

"(2) The number of cases referred by the United States Customs Service.

"(3) The number of cases referred by other agencies or sources.

"(4) The number and outcome, including settlements, sentences, recoveries, and penalties, of all prosecutions brought under sections 2318, 2319, 2319A, and 2320 of title 18.".

SEC. 6. SEIZURE OF COUNTERFEIT GOODS.

Section 34(d)(9) of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1116(d)(9)), is amended by striking the first sentence and inserting the following: "The court shall order that service of a copy of the order under this subsection shall be made by a Federal law enforcement officer (such as a United States marshal or an officer or agent of the United States Customs Service, Secret Service, Federal Bureau of Investigation, or Post Office) or may be made by a State or local law enforcement officer, who, upon making service, shall carry out the seizure under the order.".

SEC. 7. RECOVERY FOR VIOLATION OF RIGHTS.

Section 35 of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1117), is amended by adding at the end the following new subsection:

"(c) In a case involving the use of a counterfeit mark (as defined in section 34(d) (15 U.S.C. 1116(d)) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages for any such use in connection with the sale, offering for sale, or distribution of goods or services in the amount of—

"(1) not less than $500 or more than $100,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

"(2) if the court finds that the use of the counterfeit mark was willful, not more than $1,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.".

SEC. 8. DISPOSITION OF EXCLUDED ARTICLES.

Section 603(c) of title 17, United States Code, is amended in the second sentence by striking "as the case may be;" and all that follows through the end and inserting "as the case may be.".

SEC. 9. DISPOSITION OF MERCHANDISE BEARING AMERICAN TRADEMARK.

Section 526(e) of the Tariff Act of 1930 (19 U.S.C. 1526(e)) is amended—

(1) in the second sentence, by inserting "destroy the merchandise. Alternatively, if the merchandise is not unsafe or a hazard to health, and the Secretary has the consent of the trademark owner, the Secretary may" after "shall, after forfeiture,";

(2) by inserting "or" at the end of paragraph (2);

(3) by striking ", or" at the end of paragraph (3) and inserting a period; and

(4) by striking paragraph (4).

SEC. 10. CIVIL PENALTIES.

Section 526 of the Tariff Act of 1930 (19 U.S.C. 1526) is amended by adding at the end the following new subsection:

"(f) CIVIL PENALTIES.—(1) Any person who directs, assists financially or otherwise, or aids and abets the importation of merchandise for sale or public distribution that is seized under subsection (e) shall be subject to a civil fine.

"(2) For the first such seizure, the fine shall be not more than the value that the merchandise would have had if it were genuine, according to the manufacturer's suggested retail price, determined under regulations promulgated by the Secretary.

"(3) For the second seizure and thereafter, the fine shall be not more than twice the value that the merchandise would have had if it were genuine, as determined under regulations promulgated by the Secretary.

"(4) The imposition of a fine under this subsection shall be within the discretion of the Customs Service, and shall be in addition to any other civil or criminal penalty or other remedy authorized by law.".

SEC. 11. PUBLIC DISCLOSURE OF AIRCRAFT MANIFESTS.

Section 431(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1431(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by inserting "vessel or aircraft" before "manifest";

(2) by amending subparagraph (D) to read as follows:

"(D) The name of the vessel, aircraft, or carrier.";

(3) by amending subparagraph (E) to read as follows:

"(E) The seaport or airport of loading.";

(4) by amending subparagraph (F) to read as follows:

"(F) The seaport or airport of discharge."; and

(5) by adding after subparagraph (G) the following new subparagraph:

"(H) The trademarks appearing on the goods or packages.".

SEC. 12. CUSTOMS ENTRY DOCUMENTATION.

Section 484(d) of the Tariff Act of 1930 (19 U.S.C. 1484(d)) is amended—

(1) by striking "Entries" and inserting "(1) Entries"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary, in prescribing regulations governing the content of entry documentation, shall require that entry documentation contain such information as may be necessary to determine whether the imported merchandise bears an infringing trademark in violation of section 42 of the Act of July 5, 1946 (commonly referred to as the 'Trademark Act of 1946'; 15 U.S.C. 1124), or any other applicable law, including a trademark appearing on the goods or packaging.".

SEC. 13. UNLAWFUL USE OF VESSELS, VEHICLES, AND AIRCRAFT IN AID OF COMMERCIAL COUNTERFEITING.

Section 80302(a) of title 49, United States Code, is amended—

(1) by striking "or" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(6)(A) a counterfeit label for a phonorecord, copy of a computer program or computer program documentation or packaging, or copy of a motion picture or other audiovisual work (as defined in section 2318 of title 18);

"(B) a phonorecord or copy in violation of section 2319 of title 18;

"(C) a fixation of a sound recording or music video of a live musical performance in violation of section 2319A of title 18; or

"(D) any good bearing a counterfeit mark (as defined in section 2320 of title 18).".

SEC. 14. REGULATIONS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe such regulations or amendments to existing regulations that may be necessary to carry out the amendments made by sections 9, 10, 11, 12, and 13 of this Act.

Mr. MACK. Mr. President, I ask unanimous consent that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Foreign Relations.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:23 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2754. An act to approve and implement the OECD Shipbuilding Trade Agreement.

H.R. 3610. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 187. Concurrent resolution expressing the sense of Congress with respect to recent church burnings.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 2754. An act to approve and implement the OECD Shipbuilding Trade Agreement; to the Committee on Finance.

H.R. 3610. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes; to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–595. A concurrent resolution adopted by the Legislature of the State of Arizona to the Committee on Environment and Public Works.

"SENATE CONCURRENT MEMORIAL 1002

"Whereas, it is essential that new federal highway reauthorization legislation be enacted before the expiration of the federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) to allow states to make transportation programming decisions based on solid estimates of federal highway trust funding; and

"Whereas, the current equity program ensures, at a minimum, a ninety per cent return to all states; and

"Whereas, a fundamental premise of ISTEA is that each state's authorized highway spending levels be fully funded; and

"Whereas, the Congress of the United States violated the premise of fully funded authorization levels by establishing obligation authority limits on states to artificially reduce the federal deficit; and

"Whereas, ISTEA was designed to give states greater flexibility in determining the distribution of federal highway monies for their transportation systems, but in practice, the federal program contains numerous funding "set-aside" mandates such as highway safety programs and enhancement programs that have considerably reduced the amount of actual monies available for significant surface transportation needs; and

"Whereas, ISTEA and annual federal appropriation bills have historically funded numerous demonstration projects that significantly reduced federal highway funds that this state and other states would have received under established highway funding formulas; and

"Whereas, a 1995 Federal Highway Administration report indicated that in federal fiscal years 1994–1995, congressional funding of transportation demonstration projects totaled over $2.7 billion, thereby reducing this state's share of federal highway funds by more than $29 million.

"Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the Congress of the United States begin the process of establishing a new surface transportation act during the 1996 congressional session so that this vital legislation can be enacted before the expiration of ISTEA.

"2. That the President and Congress of the United States make the highway trust fund and the user fees accruing to it a permanent fund to ensure that reliable funding sources are available to the states for constructing, rehabilitating and otherwise improving the highways and bridges that are so essential to the vigor of the States of Arizona and the national economy.

"3. That the President and Congress of the United States protect the highway trust fund from legislative proposals that divert highway user revenues to programs entirely unrelated to the transportation purposes for which this fund was established.

"4. That the Congress of the United States remove the federal highway trust fund from the federal unified budget, release sequestered transportation fund and remove forever the specter of using dedicated highway funds for budget reducing measures, thus making these funds available for the purpose for which they were collected and intended, the nation's highway infrastructure.

"5. That the Congress of the United States not impose obligation authority limits in the future so that each state's highway authorization levels will be fully funded.

"6. That the Congress of the United States ceases to fund so-called demonstration projects and that all highway trust fund revenues be distributed to the states through an equitable and fair highway funding formula.

"7. That the Congress of the United States eliminate mandatory "set-aside" programs in the next surface transportation act, thereby giving states more monies for actual highway construction and maintenance projects.

"8. That the Congress of the United States ensure that all states receive at least a ninety-five percent return on payments made to the Federal Highway Trust Fund.

"9. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States and to each member of the Arizona Congressional Delegation."

POM–596. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Environment and Public Works.

"HOUSE JOINT MEMORIAL NO. 6

"Whereas, during the settlement of what is now the state of Idaho and the years immediately following, grizzly bear and human interaction occurred to the extent that it became necessary to reduce the populations of grizzly bear in the interests of personal safety and the protection of private property; and

"Whereas, the natural result of these efforts, over time, has been the establishment of a de facto and maximum acceptable ratio of such bears to humans in areas where their populations remain; and

"Whereas, the reintroduction of grizzly bears to Idaho will disrupt this bear-to-human ratio to the detriment of humans resulting in injury, death, and loss of personal freedoms to the citizens of Idaho; and

"Whereas, our neighboring state of Montana has experienced unnecessary loss of human life, unacceptable land use restrictions and legal denial of the right to protect private property, which current reintroduction proposals for Idaho also threaten and echo; and

"Whereas, the United States Fish and Wildlife Service has elected to abdicate previously existing grizzly management agreements with one or more state game management agencies under pressure from special interest groups; and

"Whereas, the forced reintroduction of grizzly bears into areas of this state without citizen support represents unwarranted intrusion into the rights of our citizens; and

"Whereas, the Governor of the state of Idaho is vested with the supreme executive power within this state; Now, therefore, be it

"*Resolved by the members of the Second Regular Session of the Fifty-third Idaho Legislature, the House of Representatives and the Senate concurring therein*, That we urgently request the Congress of the United States to take immediate action to protect Idaho citizens from undue injury and loss of life, as well as unacceptable land use restrictions, that will occur under a federal grizzly bear reintroduction program. We specifically request that all funding and authorization for a forced grizzly bear reintroduction program be completely withdrawn from all federal agencies involved, be it further

"*Resolved*, That we urgently request the Governor of the state of Idaho to take any and all actions necessary to stop the reintroduction of grizzly bears into the state of Idaho by any federal agency or nongovernmental group; and be it further

"*Resolved*, That we encourage the Governor to make use of the Constitutional Defense Fund, in accordance with existing statutes, to defend the rights of this state and its citizens against any action or challenge regarding grizzly bear reintroduction by the federal government; and be it further

"*Resolved*, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the state of Idaho in the Congress of the United States and the Governor of the state of Idaho.

POM–597. A concurrent resolution adopted by the Legislature of the State of Iowa to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION NO. 105

"Whereas, barges operating on United States inland waterways are the dominant carriers of United States grains to export port facilities; and

"Whereas, the barge share of grain movement to export ports increased from 43 percent in 1974 to 54 percent in 1991 and the majority of this barge grain traffic is on the Mississippi River system; and

"Whereas, the Upper Mississippi River is the dominant originator of grain barge traffic for export; and

"Whereas, 95 percent of the world's population live outside the United States; and

"Whereas, economies and populations continue to grow worldwide and these agricultural export markets are essential to the economic future of the upper Midwest including Iowa; and

"Whereas, barriers to increased international trade continue to decline making export markets even more likely to grow; and

"Whereas, international markets are very competitive and opportunities can be gained or lost based on very small differences in price; and

"Whereas, the United States Army Corps of Engineers projects Upper Mississippi River barge traffic to double between 1987 and 2020; and

"Whereas, increased barge traffic will continue to place a burden on the river transportation system which is more than 50 years old; and

"Whereas, the original design specifications for the locks and dams have been surpassed by modern barge technology resulting in delays because tows must be broken down to move through the locks; and

"Whereas, delays now costing $35 million per year are projected to rise as high as $200 million per year; and

"Whereas, shipping products by rail or truck would significantly increase costs and consumption of fuel and the emission of pollutants into the atmosphere; and

"Whereas, a consistent, economical, and reliable inland waterway system is critical to our economy; and

"Whereas, the national economic and public benefit of the Upper Mississippi River System is more than $1 billion per year and the maintenance costs are only $130 million; now therefore, be it

"*Resolved by the Senate, the House of Representatives concurring*, That the maintenance of the Upper Mississippi River system is essential to the economic well-being of Iowa and the Midwest; and be it further

"*Resolved*, That the Congress should continue full funding for the Upper Mississippi River—Illinois Waterway Navigation Feasibility Study; provide adequate funding for major rehabilitation efforts on the Upper Mississippi River; clearly recognize that transportation activities on the river must continue; and expedite the current study process being undertaken by the United States Army Corps of Engineers regarding the system's use through the year 2050; and be it further

"*Resolved*, That copies of this Resolution be sent to the President of the United States; the Chief of Engineers, United States Army Corps of Engineers, North Central Division; the United States Secretary of Transportation; the Speaker of the United States House of Representatives; and the members of Iowa's congressional delegation.

POM-598. A concurrent resolution adopted by the Legislature of the State of Michigan to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION NO. 265

"Whereas, an excellent highway network is vitally important to Michigan's economic well-being. All of the components of the State's economy are closely tied to the quality of the roadways used in transporting goods, services, and people throughout Michigan; and

"Whereas, Michigan's ability to maintain our transportation infrastructure is seriously impaired by the current policies of the federal government with regard to the federal gas tax each individual and business pays with every gallon of gasoline purchased. This unfair system costs the state hundreds of millions of dollars each year. The result is an increasing problem with the conditions of our roads and bridges; and

"Whereas, the largest element of the overall gas tax is the federal gas tax, which represents 18.4 cents of each dollar of gasoline sold. Of all of the states required to forward taxes to the federal government each year, Michigan ranks among the lowest in the ratio of gas tax revenues being returned to the citizens who paid the tax. In 1993, for example, $733.7 million was paid to the Federal Highway Trust Fund, and only $520.1 million was returned, a loss of $213.6 million, a loss that sets Michigan at a distinct disadvantage when making road improvements. Considering the inequitable manner in which this money is reallocated to the states of the union, it is clear that Michigan is bearing an oppressive burden through this taxation, a development of the tax structure that must be changed; and

"Whereas, adding to Michigan's tremendous burden, during the years 1990–1995, our state contributed $1.168 billion to federal deficit reduction, dollars that were initially collected to improve transportation routes in Michigan. This amount comprises approximately 20 percent of the total amount levied on Michigan citizens for the years 1990–1995. In addition, by 1999 Michigan's total contributions to deficit reduction are expected to total $2.099 billion, an amount that would certainly enable us to better maintain our roads and highways; and

"Whereas, clearly, Michigan is at a great disadvantage with states that receive far higher returns on their gas tax dollars marked for road improvements. In effect, we are subsidizing transportation maintenance and projects elsewhere when improvements are so desperately needed in our own state; and

"Whereas, with the new approaches to budgetary matters in Washington and a renewed willingness to examine the true costs of all spending policies, the time is right to remedy this unjust situation; now, therefore, be it

"*Resolved by the Senate (the House of Representatives concurring)*, That we urgently and respectfully request the Congress of the United States to return to Michigan all of the revenue from the federal gas tax collected in Michigan; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Michigan congressional delegation with the Request that each member review this issue and offer a formal response to this body, the Michigan State Senate.

POM-599. A resolution adopted by the Legislature of the State of New Hampshire to the Committee on Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION NO. 27

"Whereas, certain aspects of the Safe Drinking Water Act require municipalities to make costly changes to municipal water supply systems; and

"Whereas, the municipalities pass these costs on to the ratepayers through water bills; and

"Whereas, certain requirements under the current Safe Drinking Water Act affect water quality and result in higher costs to citizens and businesses; now, therefore, be it

"*Resolved by the House of Representatives, the Senate concurring*, That the general court of New Hampshire hereby urges the United States Congress to pass S.1316, reauthorizing only certain aspects of the Safe Drinking Water Act which will attempt to make it less costly for municipalities to implement, while preserving water quality; and That copies of this resolution, signed by the president of the senate and the speaker of the house, be forwarded by the house clerk to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the New Hampshire Congressional delegation."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

John W. Hechinger, Sr., of the District of Columbia, to be a Member of the National Security Education Board for a term of four years.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MOYNIHAN:

S. 1879. A bill to amend the Internal Revenue Code of 1986 to provide for 501(c)(3) bonds a tax treatment similar to governmental bonds, and for other purposes; to the Committee on Finance.

S. 1880. A bill to amend the Internal Revenue Code of 1986 to correct the treatment of tax-exempt financing of professional sports facilities; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOYNIHAN:

S. 1879. A bill to amend the Internal Revenue Code of 1986 to provide for 501(c)(3) bonds a tax treatment similar to governmental bonds, and for other purposes; to the Committee on Finance.

THE SECTION 501(C)(3) NON-PROFIT ORGANIZATIONS TAX-EXEMPT BOND REFOM ACT OF 1996

By Mr. MOYNIHAN:

S. 1880. A bill to amend the Internal Revenue Code of 1986 to correct the treatment of tax-exempt financing of professional sports facilities; to the Committee on Finance.

THE STOP TAX-EXEMPT ARENA DEBT ISSUANCE ACT

Mr. MOYNIHAN. Mr. President, I rise today to introduce two tax bills. The first, the section 501(c)(3) Nonprofit Organizations Tax-Exempt Bond Reform Act of 1996, has been introduced several times previously by this Senator, with several of my distinguished colleagues as cosponsors. It would undo what ought never have been done: the classification of bonds of private nonprofit higher education institutions and other nonprofit organizations as those of a private activity. I reintroduce this legislation today because of its critical importance, and because we have found a particularly appropriate offset: The Stop Tax-Exempt Arena Debt Issuance Act, which I introduce today for the first time.

The Stop Tax-Exempt Arena Debt Issuance Act would close a gaping loophole. Recently, a spate of tax-exempt bonds have been issued to finance professional sports facilities, even though Congress acted to proscribe this practice in 1986. The bill would eliminate this tax-subsidized financing of professional sports facilities.

Taken together, these two bills correct a serious misallocation of our limited resources under present law: a tax subsidy that inures largely to the benefit of wealthy sports franchise owners would be replaced with increased funding for educational and research facilities at private colleges and universities.

Let me briefly describe the two measures:

THE SECTION 501(C)(3) NONPROFIT ORGANIZATIONS TAX-EXEMPT BOND REFORM ACT OF 1996

The first bill would remove the "private activity" label from the tax-exempt bonds of private, nonprofit higher education institutions and other organizations, and thereby eliminate the arbitrary $150 million cap on the amount of tax-exempt bonds that such an institution may have outstanding.

The Tax Reform Act of 1986 imposed the "private activity" label on bonds issued on behalf of nonprofit institutions, collectively known as section 501(c)(3) organizations, obscuring the longstanding recognition in the Internal Revenue Code of the public purposes served by these private institutions. Prior to that time, the tax law historically had treated private nonprofit colleges and universities essentially the same as governmental entities. Governmental units and section 501(c)(3) organizations were both classified as "exempt persons," and were afforded the benefits of tax-exempt bonds on the same basis. This was an explicit recognition in the Tax Code of the public purposes served by private nonprofit institutions of higher learning.

The 1986 act's elimination of the "exempt person" category and the classification of section 501(c)(3) organizations' bonds as "private activity" bonds was a serious error. It has relegated private higher education institutions to a diminished, restricted status. Most significant among the restrictions imposed in the 1986 act was the $150 million limitation on the amount of bonds that any nonprofit institution—other than a hospital—may have outstanding. We were successful in 1986 in keeping other "private activity" bond strictures from being imposed on nonprofits—the minimum tax and statewide volume caps, for example.

Now we must rectify our error, remove the "private activity" label, and restore equal access to tax-exempt financing. If we do not act soon, the vitality of our private institutions in higher education and research will be at risk. A distinguishing feature of American society is the singular degree to which we maintain an independent sector—"private universit[ies] in the public service," to paraphrase the motto of New York University. This is no longer so in most of the democratic world; it never was so in the rest. It is a treasure and a phenomenon that has clearly produced excellence—indeed, the envy of the world. We must insure the strength of the independent sector by restoring parity of treatment for tax-exempt finance. Otherwise, in 20 years, we will look up and find we have lost a unique feature of American democracy of inestimable value.

The sciences are now capital intensive undertakings. The need for capital for university research facilities is acute and critical. In 1990, the National Science Foundation estimated that for every $1 spent for maintenance of university research facilities, an additional $4.25 was deferred. As for new construction, the Foundation reports that for every $1 spent, another $3.11 in needed new construction was deferred in 1990.

The practical effect of the $150 million cap is to deny tax-exempt financing to large, private, research-oriented educational institutions most in need of capital to carry out their research mission. This will have a predictable, inevitable impact over a generation: the distribution of major research among the leading institutions in this country will profoundly change. If I may use an example from California: with this kind of differential in capital costs, we could look up one day and find Stanford to be still an institution of the greatest quality as an undergraduate teaching facility—with a fine law school and excellent liberal arts degree program—but with all the big science projects at Berkeley, the State institution.

This is not hyperbole. Already, 31-private colleges and universities are at or near the $150 million cap, and foreclosed from using tax-exempt debt. A few years ago, as the $150 million cap was beginning to take effect, 19 of the universities that ranked in the top 50 in research undertaking were private institutions. Now, only 14 of those 19 private institutions remain in the top 50, and all but 1 are foreclosed from tax-exempt financing as a result of the $150 million per institution limit.

This legislation will restore the status of private nonprofit institutions of higher learning, making their access to tax-exempt financing equal to that of their public counterparts. The legislation also reestablishes recognition in the Tax Code of the essential public purposes served by private nonprofit institutions.

Mr. President, the capital needs of private universities merit the very serious attention of this body. The cost of these changes is modest, given their importance. The staff of the Joint Committee on Taxation has estimated the revenue loss previously at $308 million over 5 years. The Senate has twice passed legislation to reverse the $150 million bond cap mistake—in the Family Tax Fairness, Economic Growth, and Health Care Access Act of 1992 (H.R. 4210) and the Revenue Act of 1992 (H.R. 11)—only to have both bills vetoed by President Bush. We should correct this error before it is too late. If we do not, we will soon not recognize the higher education sector.

THE STOP TAX-EXEMPT ARENA DEBT ISSUANCE ACT—A BILL TO CORRECT THE TREATMENT OF TAX-EXEMPT FINANCING OF PROFESSIONAL SPORTS FACILITIES

Mr. President, the second bill is an especially appropriate offset for the first bill and is an important piece of legislation in its own right.

This legislation will close a big loophole, a loophole that ultimately injures State and local governments and other issuers of tax exempt bonds, that provides an unintended Federal subsidy (in fact, contravenes congressional intent), and that contributes to the enrichment of persons who need no Federal assistance whatsoever.

I refer to the large number of professional sports facilities subsidized in recent years through the issuance of tax-exempt bonds. It seems that nearly every day, another professional sports franchise owner demands a new stadium, one subsidized by Federal, State and local taxpayers.

Why do owners want new stadiums? Our existing stock of stadiums is not functionally obsolete. Many stadiums are new, and our older ones generally can and will continue to serve, and serve well, for the exhibition of professional sports for years to come. In fact many older, historic stadiums are beloved by fans. The reason for new stadiums is economics—the team owners' bottom line. The owner can generate more revenues with a new stadium replete with luxury skyboxes and other amenities.

Building new professional sports facilities is fine by me. Let the new stadiums be built. But, please, do not ask the American taxpayer to pay for them.

Prior to 1984, professional sports stadiums could be completely financed with tax-exempt, "private activity" bonds (or industrial development bonds as they were formerly known). In the Deficit Reduction Act of 1984, Congress stipulated that tax-exempt bond proceeds could not be used to finance the construction of luxury skyboxes. And in the Tax Reform Act of 1986, we fundamentally restructured the tax-exempt bond provisions of the Internal Revenue Code. As part of that effort, we repealed the "private activity" bond category for stadium bonds, intending to eliminate tax-exempt financing of professional sports facilities altogether.

Unfortunately, Congress did not address the issue of whether stadium bonds could be issued as governmental bonds because that possibility was too remote to have occurred to us. And in our silence, a loophole was born. Innovative bond counsel have devised aggressive schemes to finance stadiums with tax-exempt, governmental purpose bonds. So this legislation is corrective. It will put an end to a practice we thought we had stopped in 1986.

The history of the changes made by the 1986 act reveals why the use of tax-exempt financing for professional sports facilities is a loophole that should be closed. In May 1985, President Reagan issued a report recommending that tax-exempt bonds be limited to traditional governmental purposes. In December 1985, the House largely adopted the Reagan administration's recommendations for tax-exempt bond reform. The Senate was of course not inclined to go as far as the House. The 1986 act, as it emerged from conference, reflected a compromise between the House and Senate. We allowed States and local governments to continue to issue tax-exempt bonds for traditional governmental purposes, such as schools, roads, bridges. At the same time, we limited the issuance of tax-exempt bonds for private activities to a short list of projects with significant public benefits, even though carried out with private ownership. And we subjected private activity bonds to other significant limitations, chief among them being a unified, statewide volume limitation.

Why did Congress make these changes? Why did the Reagan administration propose curtailing the use of tax-exempt bonds? We were all concerned with the large and increasing volume of tax-exempt bonds, including an increasing percentage of industrial development bonds that were being issued at that time to subsidize private business activities.

The increasing proliferation of tax-exempt bonds led to a number of problems. First, it drove up interest costs. Larger interest costs drove up the cost of financing roads, bridges, and other items traditionally financed with tax-exempt bonds, and meant that State and local governments had to increase taxes or reduce services in order to pay for these improvements—or forego improvements.

Second, the proliferation of tax-exempt bonds led to mounting revenue losses to the U.S. Treasury. The Congressional Research Service recently reported that from 1980 to 1985, the annual amount of foregone tax revenue from tax exempt bonds had risen 236 percent to $18.2 billion.

Third, the use of taxpayer-subsidized financing for a rapidly growing number of private business activities resulted in an inefficient allocation of capital. Investment decisions were being made on the basis of which projects qualified for tax-exempt financing, rather than on the economic viability of the underlying project.

Fourth, taxpayers were able to shield a growing amount of their investment income from income tax by purchasing tax-exempt bonds. We had become very concerned with a number of tax sheltering activities during the 1980's and the undermining effect such activities had on our tax system.

So in 1986, we fundamentally restructured the tax exempt bond rules. And one of the things we did was prohibit the issuance of tax-exempt bonds to finance sports stadiums. Or so we thought.

Once again, under a loophole in the law, professional sports team owners are financing newer and more luxurious stadiums with tax-exempt stadium bonds. Cities are promising new stadiums, with dozens of luxury skyboxes, to entice professional sports teams to relocate. Should the taxpayers in the team's current home town be forced to pay for the team's new stadium in a new city? The answer is unmistakably no.

Mr. President, this is extraordinary. Particularly when compared to the limitations we place on private activity bonds, and these stadium bonds assuredly are private activity bonds in fact if not in name. Most States cannot issue more than $150 million of private activity bonds per year. However, no limit is imposed on the amount of bond financing that can be used to finance a professional sports facility. Where is the private activity bond prohibition against building luxury skyboxes with tax-exempt bond proceeds? Where is the private activity bond provision that subjects the interest on stadium bonds to the alternative minimum tax? Where are all of the other limitations on private activity bonds that we have judged are necessary? They apparently do not apply to these new stadium bonds.

And the situation is also unfair when compared to the restrictions we impose on the ability of our private, nonprofit educational institutions to issue tax-exempt debt. New York University can only issue $150 million in tax-exempt debt to finance its facilities in Manhattan. Stanford, Boston College, University of Miami, Northwestern University, Emory, Georgetown, University of Pennsylvania—these are a few of the institutions that can no longer issue tax-exempt debt to finance their laboratories, classrooms, and other facilities that are essential to our private institutions of higher education.

The Congressional Research Service issued a critical report late last month on the new stadium bonds, and concluded that the federal tax subsidy inherent in tax-exempt bond financing is not justified:

> Proponents argue that these stadium's economic benefits justify the subsidies. Economic analysis suggests this is not the case. One study found that a new stadium had no discernible impact on economic development in 27 of 30 metropolitan areas, and had a negative impact in the other three areas. The reason for this can be illustrated with the Baltimore football stadium proposal. Economic benefits were overstated by 236%, primarily because the reduced spending on other activities that enables people to attend stadium events was not netted against stadium spending. And no account was taken of losses incurred by foregoing more productive investments. The state's $177 million stadium investment is estimated to create 1,394 jobs at a cost of $127,000 per job. The cost per job generated by the state's Sunny Day Fund economic development program is estimated to be $6,250. The economic case against federal subsidy of stadiums is stronger. Almost all stadium spending is spending that would have been made on other activities within the United States, which means benefits to the Nation as a whole are near zero.

The report continues by citing several problems caused by the change in treatment of tax-exempt bonds for stadiums made by the Tax Reform Act of 1986:

> It continues stadium financing as an open-ended matching grant for which the magnitude of the federal subsidy in any given year is determined without the input of federal officials and federal taxpayers; it virtually requires state-local governments to offer more favorable lease terms to its professional tenants; and it requires state-local governments to finance their subsidy with general revenue sources rather than benefit-type payments such as stadium-related user charges and rents.

Finally, what makes the new spate of stadium bonds all the more egregious is the price that we paid to end this practice in the first place. The realities of the legislative process in 1986 required that we provide extraordinarily generous transition relief to those persons planning to build such facilities at that time. We wrote special rules that allowed the tax-exempt financing of "virtually every stadium in the planning or gleam-in-the-eye stages," as described in the aforementioned Congressional Research Service report. First, we allowed all proposed sports stadiums with binding commitments to issue tax-exempt bonds, as they had planned. In addition, additional transitional relief was provided to allow the issuance of up to $2.7 billion in tax-exempt bonds for the construction and repair of 25 specifically described sports facilities that were too preliminary in their development to satisfy the transition rules.

Mr. President, the legislation I am introducing will do what we intended to do, and thought we did, in 1986. This legislation makes clear that professional sports facilities may not be financed with tax-exempt bonds.

There are a few technical issues on which I would like to solicit comments. First, the proposed effective date would be today. Perhaps it should be made effective on October 22, 1986, the day President Reagan signed the Tax Reform Act of 1986 into law and we prohibited the issuance of stadium bonds in the first place. After all, this bill is, in a sense, a "technical correction." Nevertheless, I would like to consider the need for equitable relief for stadiums already in the planning stages.

Second, a number of sports facilities that are not built for a professional sports franchise will be used for the occasional charitable or isolated sporting event. Thus, charitable or de minimis use exceptions to this legislation may be appropriate.

Mr. President, these two bills, taken together, would correct a serious misallocation of our limited resources. Should we subsidize professional sports franchises and underwrite bidding wars among cities seeking (or fighting to keep) professional sports franchises, or should we act to prevent a significant decline in the ability of our nonprofit, private research universities to attract capital for classrooms and research facilities? To my mind, this is not a difficult choice.

Mr. President, I ask unanimous consent that the two bills be printed in the RECORD, along with explanatory statements.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Section 501(c)(3) Nonprofit Organizations Tax-Exempt Bond Reform Act of 1996".

SEC. 2. TAX TREATMENT OF 501(c)(3) BONDS SIMILAR TO GOVERNMENTAL BONDS.

(a) IN GENERAL.—Subsection (a) of section 150 of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended by striking paragraphs (2) and (4), by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) EXEMPT PERSON.—

"(A) IN GENERAL.—The term 'exempt person' means—

"(i) a governmental unit, or

"(ii) a 501(c)(3) organization, but only with respect to its activities which do not constitute unrelated trades or businesses as determined by applying section 513(a).

"(B) GOVERNMENTAL UNIT NOT TO INCLUDE FEDERAL GOVERNMENT.—The term 'governmental unit' does not include the United States or any agency or instrumentality thereof.

"(C) 501(c)(3) ORGANIZATION.—The term '501(c)(3) organization' means any organization described in section 501(c)(3) and exempt from tax under section 501(a)."

(b) REPEAL OF QUALIFIED 501(c)(3) BOND DESIGNATION.—Section 145 of the Internal Revenue Code of 1986 (relating to qualified 501(c)(3) bonds) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 141(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking "government use" in subparagraph (A)(ii)(I) and subparagraph (B)(ii) and inserting "exempt person use",

(B) by striking "a government use" in subparagraph (B) and inserting "an exempt person use",

(C) by striking "related business use" in subparagraph (A)(ii)(II) and subparagraph (B) and inserting "related private business use",

(D) by striking "RELATED BUSINESS USE" in the heading of subparagraph (B) and inserting "RELATED PRIVATE BUSINESS USE", and

(E) by striking "GOVERNMENT USE" in the heading thereof and inserting "EXEMPT PERSON USE".

(2) Subparagraph (A) of section 141(b)(6) of such Code is amended by striking "a governmental unit" and inserting "an exempt person".

(3) Paragraph (7) of section 141(b) of such Code is amended—

(A) by striking "government use" and inserting "exempt person use", and

(B) by striking "GOVERNMENT USE" in the heading thereof and inserting "EXEMPT PERSON USE".

(4) Section 141(b) of such Code is amended by striking paragraph (9).

(5) Paragraph (1) of section 141(c) of such Code is amended by striking "governmental units" and inserting "exempt persons".

(6) Section 141 of such Code is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) CERTAIN ISSUES USED TO PROVIDE RESIDENTIAL RENTAL HOUSING FOR FAMILY UNITS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of this title, the term 'private activity bond' includes any bond issued as part of an issue if any portion of the net proceeds of the issue are to be used (directly or indirectly) by an exempt person described in section 150(a)(2)(A)(ii) to provide residential rental property for family units. This paragraph shall not apply if the bond would not be a private activity bond if the section 501(c)(3) organization were not an exempt person.

"(2) EXCEPTION FOR BONDS USED TO PROVIDE QUALIFIED RESIDENTIAL RENTAL PROJECTS.—Paragraph (1) shall not apply to any bond issued as part of an issue if the portion of such issue which is to be used as described in paragraph (1) is to be used to provide—

"(A) a residential rental property for family units if the first use of such property is pursuant to such issue,

"(B) qualified residential rental projects (as defined in section 142(d)), or

"(C) property which is to be substantially rehabilitated in a rehabilitation beginning within the 2-year period ending 1 year after the date of the acquisition of such property.

"(3) SUBSTANTIAL REHABILITATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), rules similar to the rules of section 47(c)(1)(C) shall apply in determining for purposes of paragraph (2)(C) whether property is substantially rehabilitated.

"(B) EXCEPTION.—For purposes of subparagraph (A), clause (ii) of section 47(c)(1)(C) shall not apply, but the Secretary may extend the 24-month period in section 47(c)(1)(C)(i) where appropriate due to circumstances not within the control of the owner.

"(4) CERTAIN PROPERTY TREATED AS NEW PROPERTY.—Solely for purposes of determining under paragraph (2)(A) whether the 1st use of property is pursuant to tax-exempt financing—

"(A) IN GENERAL.—If—

"(i) the 1st use of property is pursuant to taxable financing,

"(ii) there was a reasonable expectation (at the time such taxable financing was provided) that such financing would be replaced by tax-exempt financing, and

"(iii) the taxable financing is in fact so replaced within a reasonable period after the taxable financing was provided,

then the 1st use of such property shall be treated as being pursuant to the tax-exempt financing.

"(B) SPECIAL RULE WHERE NO OPERATING STATE OR LOCAL PROGRAM FOR TAX-EXEMPT FINANCING.—If, at the time of the 1st use of property, there was no operating State or local program for tax-exempt financing of the property, the 1st use of the property shall be treated as pursuant to the 1st tax-exempt financing of the property.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) TAX-EXEMPT FINANCING.—The term 'tax-exempt financing' means financing provided by tax-exempt bonds.

"(ii) TAXABLE FINANCING.—The term 'taxable financing' means financing which is not tax-exempt financing."

(7) Section 141(f) of such Code, as redesignated by paragraph (6), is amended—

(A) by adding "or" at the end of subparagraph (E),

(B) by striking ", or" at the end of subparagraph (F), and inserting in lieu thereof a period, and

(C) by striking subparagraph (G).

(8) The last sentence of section 144(b)(1) of such Code is amended by striking "(determined" and all that follows to the period.

(9) Clause (ii) of section 144(c)(2)(C) of such Code is amended by striking "a governmental unit" and inserting "an exempt person".

(10) Section 146(g) of such Code is amended—

(A) by striking paragraph (2), and

(B) by redesignating the remaining paragraphs after paragraph (1) as paragraphs (2) and (3), respectively.

(11) The heading of section 146(k)(3) of such Code is amended by striking "GOVERNMENTAL" and inserting "EXEMPT PERSON".

(12) The heading of section 146(m) of such Code is amended by striking "GOVERNMENT" and inserting "EXEMPT PERSON".

(13) Subsection (h) of section 147 of such Code is amended to read as follows:

"(h) CERTAIN RULES NOT TO APPLY TO MORTGAGE REVENUE BONDS AND QUALIFIED STUDENT LOAN BONDS.—Subsections (a), (b), (c), and (d) shall not apply to any qualified mortgage bond, qualified veterans' mortgage bond, or qualified student loan bond."

(14) Section 147 of such Code is amended by striking paragraph (4) of subsection (b) and redesignating paragraph (5) of such subsection as paragraph (4).

(15) Subparagraph (F) of section 148(d)(3) of such Code is amended—

(A) by striking "or which is a qualified 501(c)(3) bond", and

(B) by striking "GOVERNMENTAL USE BONDS AND QUALIFIED 501(C)(3)" in the heading thereof and inserting "EXEMPT PERSON".

(16) Subclause (II) of section 148(f)(4)(B)(ii) of such Code is amended by striking "(other than a qualified 501(c)(3) bond)".

(17) Clause (iv) of section 148(f)(4)(C) of such Code is amended—

(A) by striking "a governmental unit or a 501(c)(3) organization" each place it appears and inserting "an exempt person",

(B) by striking "qualified 501(c)(3) bonds,", and

(C) by striking the comma after "private activity bonds" the first place it appears.

(18) Subparagraph (A) of section 148(f)(7) of such Code is amended by striking "(other than a qualified 501(c)(3) bond)".

(19) Paragraph (2) of section 149(d) of such Code is amended—

(A) by striking "(other than a qualified 501(c)(3) bond)", and

(B) by striking "CERTAIN PRIVATE" in the heading thereof and inserting "PRIVATE".

(20) Section 149(e)(2) of such Code is amended—

(A) by striking "which is not a private activity bond" in the second sentence and inserting "which is a bond issued for an exempt person described in section 150(a)(2)(A)(i)", and

(B) by adding at the end the following new sentence: "Subparagraph (D) shall not apply to any bond which is not a private activity bond but which would be such a bond if the 501(c)(3) organization using the proceeds thereof were not an exempt person."

(21) The heading of subsection (b) of section 150 of such Code is amended by striking "TAX-EXEMPT PRIVATE ACTIVITY BONDS" and inserting "CERTAIN TAX-EXEMPT BONDS".

(22) Paragraph (3) of section 150(b) of such Code is amended—

(A) by inserting "owned by a 501(c)(3) organization" after "any facility" in subparagraph (A),

(B) by striking "any private activity bond which, when issued, purported to be a tax-exempt qualified 501(c)(3) bond" in subparagraph (A) and inserting "any bond which, when issued, purported to be a tax-exempt bond, and which would be a private activity bond if the 501(c)(3) organization using the proceeds thereof were not an exempt person", and

(C) by striking the heading thereof and inserting "BONDS FOR EXEMPT PERSONS OTHER THAN GOVERNMENTAL UNITS.—".

(23) Paragraph (5) of section 150(b) of such Code is amended—

(A) by striking "private activity" in subparagraph (A),

(B) by inserting "and which would be a private activity bond if the 501(c)(3) organization using the proceeds thereof were not an exempt person" after "tax-exempt bond" in subparagraph (A),

(C) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) such facility is required to be owned by an exempt person, and", and

(D) by striking "GOVERNMENTAL UNITS OR 501(C)(3) ORGANIZATIONS" in the heading thereof and inserting "EXEMPT PERSONS".

(24) Section 150 of such Code is amended by adding at the end the following new subsection:

"(f) CERTAIN RULES TO APPLY TO BONDS FOR EXEMPT PERSONS OTHER THAN GOVERNMENTAL UNITS.—

"(1) IN GENERAL.—Nothing in section 103(a) or any other provision of law shall be construed to provide an exemption from Federal income tax for interest on any bond which would be a private activity bond if the 501(c)(3) organization using the proceeds thereof were not an exempt person unless such bond satisfies the requirements of subsections (b) and (f) of section 147.

"(2) SPECIAL RULE FOR POOLED FINANCING OF 501(C)(3) ORGANIZATION.—

"(A) IN GENERAL.—At the election of the issuer, a bond described in paragraph (1) shall be treated as meeting the requirements of section 147(b) if such bond meets the requirements of subparagraph (B).

"(B) REQUIREMENTS.—A bond meets the requirements of this subparagraph if—

"(i) 95 percent or more of the net proceeds of the issue of which such bond is a part are to be used to make or finance loans to 2 or more 501(c)(3) organizations or governmental units for acquisition of property to be used by such organizations,

"(ii) each loan described in clause (i) satisfies the requirements of section 147(b) (determined by treating each loan as a separate issue),

"(iii) before such bond is issued, a demand survey was conducted which shows a demand for financing greater than an amount equal to 120 percent of the lendable proceeds of such issue, and

"(iv) 95 percent or more of the net proceeds of such issue are to be loaned to 501(c)(3) organizations or governmental units within 1 year of issuance and, to the extent there are any unspent proceeds after such 1-year period, bonds issued as part of such issue are to be redeemed as soon as possible thereafter (and in no event later than 18 months after issuance).

A bond shall not meet the requirements of this subparagraph if the maturity date of any bond issued as part of such issue is more than 30 years after the date on which the bond was issued (or, in the case of a refunding or series of refundings, the date on which the original bond was issued)."

(25) Section 1302 of the Tax Reform Act of 1986 is repealed.

(26) Subparagraph (C) of section 57(a)(5) of such Code is amended by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(27) Paragraph (3) of section 103(b) of such Code is amended by inserting "and section 150(f)" after "section 149".

(28) Paragraph (3) of section 265(b) of such Code is amended—

(A) by striking clause (ii) of subparagraph (B) and inserting the following:

"(ii) CERTAIN BONDS NOT TREATED AS PRIVATE ACTIVITY BONDS.—For purposes of clause (i)(II), there shall not be treated as a private activity bond any obligation issued to refund (or which is part of a series of obligations issued to refund) an obligation issued before August 8, 1986, which was not an industrial development bond (as defined in section 103(b)(2) as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) or a private loan bond (as defined in section 103(o)(2)(A), as so in effect, but without regard to any exemption from such definition other than section 103(o)(2)(A))."; and

(B) by striking "(other than a qualified 501(c)(3) bond, as defined in section 145)" in subparagraph (C)(ii)(I).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to bonds (including refunding bonds) issued and capital expenditures made on or after the date of the enactment of this Act.

(2) EXCEPTION.—The amendments made by this section shall not apply to bonds issued before January 1, 1997, for purposes of applying section 148(f)(4)(D) of the Internal Revenue Code of 1986.

SECTION 501(c)(3) NONPROFIT ORGANIZATION TAX-EXEMPT BOND REFORM ACT OF 1996

PRESENT LAW

Interest on State and local governmental bonds generally is excluded from income if the bonds are issued to finance direct activities of these governments (sec. 103). Interest on bonds issued by these governments to finance activities of other persons, e.g., private activity bonds, is taxable unless a specific exception is included in the Code. One such exception is for private activity bonds issued to finance activities of private, charitable organizations described in Code section 501(c)(3) ("section 501(c)(3) organizations") when the activities do not constitute an unrelated trade or business (sec. 141(e)(1)(G)).

Classification of section 501(c)(3) organization bonds as private activity bonds

Before enactment of the Tax Reform Act of 1986, States and local governments and section 501(c)(3) organizations were defined as "exempt persons," under the Code bond provisions. As exempt persons, section 501(c)(3) organizations were not treated as "private" persons, and their bonds were not "industrial development bonds" or "private loan bonds" (the predecessor categories to current private activity bonds). Under present law, a bond is a private activity bond if its proceeds are used in a manner violating either (a) a private business test or (b) a private loan test. The private business test is a conjunctive two-pronged test. First, the test limits private business use of governmental bonds to no more than 10 percent of the proceeds.[1] Second, no more than 10 percent of the debt service on the bonds may be secured by or derived from private business users of the proceeds. The private loan test limits to the lesser of 5 percent or $5 million the amount of governmental bond proceeds that may be used to finance loans to persons other than governmental units.

Special restrictions on tax-exemption for section 501(c)(3) organization bonds

Present law treats section 501(c)(3) organizations as private persons; thus, bonds for their use may only be issued as private activity "qualified 501(c)(3) bonds," subject to the restrictions of Code section 145. The most significant of these restrictions limits the amount of outstanding bonds from which a section 501(c)(3) organization may benefit to $150 million. In applying this "$150 million limit," all section 501(c)(3) organizations under common management or control are treated as a single organization. The limit does not apply to bonds for hospital facilities, defined to include only acute care, primarily inpatient, organizations. A second restriction limits to no more than five percent the amount of the net proceeds of a bond issue that may be used to finance any activities (including all costs of issuing the bonds) other than the exempt purposes of the section 501(c)(3) organization.

Legislation enacted in 1988 imposed low-income tenant occupancy restrictions on existing residential rental property that is acquired by section 501(c)(3) organizations in tax-exempt-bond-financed transactions. These restrictions require that a minimum number of the housing units comprising the property be continuously occupied by tenants having family incomes of 50 percent (60 percent in certain cases) of area median income for periods of up to 15 years. These same low-income tenant occupancy requirements apply to for-profit developers receiving tax-exempt private activity bond financing.

Other restrictions

Several restrictions are imposed on private activity bonds generally that do not apply to bonds used to finance State and local government activities. Many of these restrictions also apply to qualified 501(c)(3) bonds. No more than two percent of the proceeds of a bond issue may be used to finance the costs of issuing the bonds, and these monies are not counted in determining whether the bonds satisfy the requirement that at least 95 percent of the net proceeds of each bond issue be used for the exempt activities qualifying the bonds for tax-exemption.

The weighted average maturity of a bond issue may not exceed 120 percent of the average economic life of the property financed with the proceeds. A public hearing must be held and an elected public official must approve the bonds before they are issued (or the bonds must be approved by voter referendum).

If property financed with private activity bonds is converted to a use not qualifying for tax-exempt financing, certain loan interest penalties are imposed.

Both governmental and private activity bonds are subject to numerous other Code restrictions, including the following:

1. The amount of arbitrage profits that may be earned on tax-exempt bonds is strictly limited, and most such profits must be rebated to the Federal Government;

2. Banks may not deduct interest they pay to the extent of their investments in most tax-exempt bonds; and

3. Interest on private activity bonds, other than qualified 501(c)(3) bonds, is a preference item in calculating the alternative minimum tax.

REASONS FOR CHANGE

A distinguishing feature of American society is the singular degree to which the United States maintains a private, non-profit sector of private higher education, health care, and other charitable institutions in the public service. It is important to assist these private institutions in their advancement of the public good. The restrictions of present law place these section 501(c)(3) organizations at a financial disadvantage relative to substantially identical governmental institutions, and are particularly inappropriate. For example, private, non-profit research universities are subject to the $150 million limitation on outstanding bonds, whereas State-sponsored universities competing for the same research projects do not operate under a comparable restriction. A public hospital generally has unlimited access to tax-exempt bond financing, while a private, non-profit hospital is subject to a $150 million limitation on outstanding bonds to the extent the bonds finance health care facilities that do not qualify under the present-law definition of hospital. These and other restrictions inhibit the ability of America's private, non-profit institutions to modernize their health care facilities and to build state-of-the-art research facilities for the advancement of science, medicine, and other educational endeavors.

Inhibiting the access of private, non-profit research institutions to sources of capital financing, in relation to their public counterparts, distorts the distribution of major research among the leading institutions, and over time will lead to the decline of research undertakings by private, non-profit universities. The tax-exempt bond rules should reduce these distortions by treating more equally State and local governments and those private organizations which are engaged in similar actions advancing the public good.

EXPLANATION OF PROVISION

The bill amends the tax-exempt bond provisions of the Code to conform generally the treatment of bonds for section 501(c)(3) organizations to that provided for bonds issued to finance direct State or local government activities, including construction of public hospitals and university facilities. Certain restrictions, described below, that have been imposed on qualified 501(c)(3) bonds (but not on governmental bonds) since 1986, and that address specialized policy concerns, are retained.

Repeal of private activity bond classification for bonds for section 501(c)(3) organizations

The concept of an "exempt person" that existed under the Code bond provisions before 1986, is reenacted. An exempt person is defined as (a) a State or local governmental unit or (b) a section 501(c)(3) organization, when carrying out its exempt activities under Code section 501(a). Thus, bonds for section 501(c)(3) organizations are generally no longer classified as private activity bonds. Financing for unrelated business activities of such organizations continue to be treated as a private activity for which tax-exempt financing is not authorized.

As exempt persons, section 501(c)(3) organizations are subject to the same limits as States and local governments on using their bond proceeds to finance private business activities or to make private loans. Thus, generally no more than 10 percent of the bond proceeds[2] can be used in a business use of a person other than an exempt person if the Code private payment test is satisfied, and no more than 5 percent ($5 million if less) can be used to make loans to such "non-exempt" persons.

Repeal of most additional special restrictions on section 501(c)(3) organization bonds

Present Code section 145, which establishes additional restrictions on qualified 501(c)(3) bonds, is repealed, along with the restriction on bond-financed costs of issuance for section 501(c)(3) organization bonds (sec. 147(h)). This eliminates the $150 million limit on non-hospital bonds for section 501(c)(3) organizations.

Retention of certain specialized requirements for section 501(c)(3) organization bonds

The bill retains certain specialized restrictions on bonds for section 501(c)(3) organizations. First, the bill retains the requirement that existing residential rental property acquired by a section 501(c)(3) organization in a tax-exempt-bond-financed transaction satisfy the same low-income tenant requirements as similar housing financing for for-profit developers. Second, the bill retains the present-law maturity limitations applicable to bonds for section 501(c)(3) organizations, and the public approval requirements applicable generally to private activity bonds. Third, the bill continues to apply the penalties on changes in use of tax-exempt-bond-financed section 501(c)(3) organization property to a use not qualified for such financing.

Finally, the bill makes no amendments, other than technical conforming amendments, to the tax-exempt arbitrage restrictions, the alternative minimum tax tax-exempt bond preference, or the provisions generally disallowing interest paid by banks on monies used to acquire or carry tax-exempt bonds.

EFFECTIVE DATE

The provision is generally effective with respect to bonds issued and to capital expenditures made after the date of enactment. The provision does not apply to bonds issued prior to January 1, 1997 for the purposes of applying the rebate requirements under Section 148(f)(4)(D).

S. 1880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Stop Tax-Exempt Arena Debt Issuance Act".

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[1] No more than 5 percent of bond proceeds may be used in a private business use that is unrelated to the governmental purpose of the bond issue. The 10-percent debt service test, described below, likewise is reduced to 5 percent in the case of such "disproportionate" private business use.

[2] This limit would be reduced to 5 percent in the case of disproportionate private use as under the present-law governmental bond disproportionate private use limit.

SEC. 2. TREATMENT OF TAX-EXEMPT FINANCING OF PROFESSIONAL SPORTS FACILITIES.

(a) IN GENERAL.—Section 141 of the Internal Revenue Code of 1986 (defining private activity bond and qualified bond) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) CERTAIN ISSUES USED FOR PROFESSIONAL SPORTS FACILITIES TREATED AS PRIVATE ACTIVITY BONDS.—

"(1) IN GENERAL.—For purposes of this title, the term 'private activity bond' includes any bond issued as part of an issue if the amount of the proceeds of the issue which are to be used (directly or indirectly) to provide professional sports facilities exceeds the lesser of—

"(A) 5 percent of such proceeds, or

"(B) $5,000,000.

"(2) BOND NOT TREATED AS A QUALIFIED BOND.—For purposes of this title, any bond described in paragraph (1) shall not be a qualified bond.

"(3) PROFESSIONAL SPORTS FACILITIES.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'professional sports facilities' means real property or related improvements used for professional sports exhibitions, games, or training, regardless if the admission of the public or press is allowed or paid.

"(B) USE FOR PROFESSIONAL SPORTS.—Any use of facilities which generates a direct or indirect monetary benefit (other than reimbursement for out-of-pocket expenses) for a person who uses such facilities for professional sports exhibitions, games, or training shall be treated as a use described in subparagraph (A).

"(4) ANTI-ABUSE REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including such regulations as may be appropriate to prevent avoidance of such purposes through related persons, use of related facilities or multiuse complexes, or otherwise."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued on or after June 14, 1996.

THE STOP TAX-EXEMPT ARENA DEBT ISSUANCE ACT

PRESENT LAW

Interest on State and local governmental bonds generally is excluded from income if the bonds are issued to finance direct activities of these governments (sec. 103). Interest on bonds issued by these governments to finance activities of other persons, e.g., private activity bonds, is taxable unless the bonds satisfy certain requirements. Private activity bonds must be within certain statewide volume limitations, must not violate the arbitrage and other applicable restrictions, and must finance activities within one of the categories specified in the Code. The Tax Reform Act of 1986 repealed the private activity bond category for sports facilities; therefore no private activity bonds may be issued for this purpose.

Bonds issued by State and local governments are considered to be government use bonds, unless the bonds are classified as private activity bonds. Bonds are deemed to be private activity bonds if both the (i) private business use test and (ii) private security or payment test are met. The private business use test is met if more than 10 percent of the bond proceeds, including facilities financed with the bond proceeds, is used in a non-governmental trade or business. The private security or payment test is met if more than 10 percent of the bond repayments is secured by privately used property, or is derived from the payments of private business users. Additionally, bonds are deemed to be private activity bonds if more than 5 percent of the bond proceeds or $5 million are used to finance loans to persons other than governmental units.

REASONS FOR CHANGE

The use of tax-exempt financing for professional sports facilities provides an indirect and inefficient federal tax subsidy. Congress intended to eliminate this subsidy for professional sports facilities in the Tax Reform Act of 1986, by repealing the private activity bond category for sports facilities. The use of government bonds to finance the identical underlying private business use is an unintended and improper use of a federal subsidy, and an abuse of the government bond rules. In addition, the use of tax-exempt bonds to finance professional sports facilities is particularly inappropriate where the facilities to be built are used to entice professional sports franchises to relocate.

EXPLANATION OF PROVISION

The bill would provide that bonds issued to finance professional sports facilities are private activity bonds, and that such bonds are not qualified bonds. Therefore, professional sports facilities will not qualify for tax-exempt bond financing.

A professional sports facility is defined to include real property and related improvements which are used for professional sports exhibitions, games, or training, whether or not admission of the public or press is allowed or paid. In addition, a facility that is used for purpose other than professional sports will nevertheless be treated as being used for professional sports if the facility generates a direct or indirect monetary benefit (other than reimbursement for out-of-pocket expenses) for a person who uses the facility for professional sports. These benefits are intended to include an interest in revenues from parking fees, food and beverage sales, advertising and sports facility naming rights, television rights, ticket sales, private suites and club seats, and concessions.

The Secretary of the Treasury is authorized to issue anti-abuse regulations to prevent transactions intended to improperly divert the indirect Federal subsidy for traditional governmental uses inherent in tax-exempt bonds for the benefit of professional sports facilities or professional sports teams. It is intended that no tax-exempt bond proceeds may finance a ball park used for professional sports exhibitions, even if the ball park is made a part of a larger multi-use complex used 365 days a year for other purposes. In addition, it is intended that reciprocal usage of sports facilities by professional sports franchises that divide their usage among several facilities in order to avoid the 5 percent use test be aggregated for purposes of this provision.

No inference is intended regarding the rules under present law regarding the issuance or holding of, or interest paid or accrued on, any bonds issued prior to the effective date of this bill to finance sports facilities.

EFFECTIVE DATE

The provision is effective with respect to bonds issued on or after June 14, 1996.

ADDITIONAL COSPONSORS

S. 1460

At the request of Mrs. BOXER, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1460, a bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

S. 1627

At the request of Mr. JOHNSTON, the names of the Senator from Louisiana [Mr. BREAUX], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 1627, a bill to designate the visitor center at Jean Lafitte National Historical Park in New Orleans, Louisiana as the "Laura C. Hudson Visitor Center."

S. 1632

At the request of Mr. LAUTENBERG, the names of the Senator from Hawaii [Mr. AKAKA], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 1632, a bill to prohibit persons convicted of a crime involving domestic violence from owning or possessing firearms, and for other purposes.

S. 1714

At the request of Mr. BURNS, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 1714, a bill to amend title 49, United States Code, to ensure the ability of utility providers to establish, improve, operate and maintain utility structures, facilities, and equipment for the benefit, safety, and well-being of consumers, by removing limitations on maximum driving and on-duty time pertaining to utility vehicle operators and drivers, and for other purposes.

S. 1844

At the request of Mr. MURKOWSKI, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1844, a bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water based recreation and for other purposes.

S. 1854

At the request of Mr. HATCH, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1854, a bill to amend Federal criminal law with respect to the prosecution of violent and repeat juvenile offenders and controlled substances, and for other purposes.

S. 1857

At the request of Mr. SMITH, his name was added as a cosponsor of S.

1857, a bill to establish a bipartisan commission on campaign practices and provide that its recommendations be given expedited consideration.

SENATE RESOLUTION 263

At the request of Ms. MOSELEY-BRAUN, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Delaware [Mr. BIDEN], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Resolution 263, A resolution relating to church burning.

NOTICE OF HEARING

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on Wednesday, June 19, 1996, at 9:30 a.m. in SR–328A to mark up the committee's budget reconciliation instructions.

AUTHORITY FOR COMMITTEE TO MEET

SUBCOMMITTEE ON WESTERN HEMISPHERE AND PEACE CORPS AFFAIRS

Mr. MACK. Mr. President, I ask unanimous consent that the Subcommittee on Western Hemisphere and Peace Corps Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, June 14, 1996, at 1 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PRESIDENT CLINTON'S DECISION ON LANDMINE USE

• Mr. JEFFORDS, Mr. President, earlier this week, President Clinton missed an excellent opportunity to exert U.S. leadership in the worldwide movement to ban landmines. As an original cosponsor of S. 1276, the Landmine Moratorium Extension Act, and having long supported measures to prevent the proliferation of landmines, I regret that the President did not take a stronger stance on banning the use of landmines, but instead equivocated, and again put off the ultimate U.S. goal of eliminating landmines. These weapons effect mainly innocent civilians, and in the case of so-called dumb mines, remain dangerous and threaten civilian populations indefinitely, often long after hostilities in an area have stopped. Such weapons make agriculture dangers, and hence hinder economic reconstruction and development.

For the United States to play the role the President professes to seek, that of leading the world to negotiating an end to the use of landmines, the United States needs to match its rhetoric with actions. It is my hope that the U.S. Government will soon take action to do just that, and move quickly and concretely to rid the world of the scourge of landmines.•

ORDERS FOR TUESDAY, JUNE 18, 1996

Mr. MACK. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 a.m. on Tuesday, June 18, and, further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then begin consideration of S. 1745, the Department of Defense authorization bill as under the previous consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MACK. For the information of all Senators, the Senate will begin consideration of the DOD authorization bill on Tuesday. Senators may give opening statements on the bill beginning at 10 a.m.; however, no amendments will be in order prior to 2:15 on Tuesday. Also, the Senate will recess from the hour of 12:30 until 2:15 p.m. for the weekly policy conferences to meet. As a reminder, the Senate will resume debate on the Greenspan nomination on Thursday, June 20, with a vote to occur on the nomination at 2 p.m. on that day.

ADJOURNMENT UNTIL 10 A.M. TUESDAY, JUNE 18, 1996

Mr. MACK. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 3:42 p.m., adjourned until Tuesday, June 18, 1996, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 14, 1996:

DEPARTMENT OF STATE

A. VERNON WEAVER, OF ARKANSAS, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN UNION, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

HOUSE OF REPRESENTATIVES—*Monday, June 17, 1996*

The House met at 2 p.m. and was called to order by the Speaker pro tempore [Mr. GOSS].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 17, 1996.

I hereby designate the Honorable PORTER J. GOSS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

When the beauty of each day proclaims Your wonderful creation, O God, we offer our thanks and praise. When the troubles of our time press in from every side, we ask for Your strength and mercy. And when we are alert to Your goodness and when we acknowledge that life is a marvelous gift of extraordinary harmony, we are at one with You, our Creator and Redeemer. May Your lively Spirit of peace and forgiveness be with us this day and every day, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Mississippi [Mr. MONTGOMERY] come forward and lead the House in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

HOUR OF MEETING ON TOMORROW

Mr. SCHIFF. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. tomorrow for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

IN HONOR OF MANDEVILLE MAYOR PAUL SPITZFADEN

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, today I wish to honor an exemplary public servant in my district, my good friend, Paul Spitzfaden, in recognition of 12 years of meritorious service as a visionary and remarkable successful mayor of the great town of Mandeville, LA.

Paul retires at the end of this month. Paul served his country for years, even before entering politics, beginning with active duty during both World War II and the Korean war. His many service awards include two campaign battle stars in Korea, where he served on the staff of the adjutant general. After 21 years with the Department of the Army, he served another 16 years with NASA and 3 years in a high position with the Census Bureau. Together with his lifetime partner, his wonderful wife Lucille, Mayor Spitzfaden served his community in Mandeville in leadership positions supporting economic development, youth sports, and the revitalization of Lake Pontchartrain, and as chairman of the congregation of his church.

As mayor, he led adoption of a new home rule charter, oversaw the town's sesquicentennial, began recycling programs, and worked on hurricane protection. Throughout it all, he oversaw tremendous economic and population growth while making sure that Mandeville retained its charm and quaintness.

More important than all of that is the indelible mark he continues to make on our minds as a man of true integrity, character, and kindness, a true gentleman who never speaks ill of a soul, and one whose friendship is of the highest quality and value.

Again, on the occasion of his retirement, I salute my friend, Mayor Paul Spitzfaden, and wish him well.

NO APPEASEMENT OF CHINA ON INTELLECTUAL PROPERTY RIGHTS ISSUES

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, once again the U.S. trade negotiators have taken a page out of history. For the second time in 16 months, we have threatened sanctions to stop the outright piracy of more than $2.3 billion a year in intellectual property rights, software, and CDs from the United States of America. Remember, this is the most unfair trading nation on Earth, with the most protectionist trade policies, as identified by even the World Bank.

They are going to run a $41 billion trade surplus with the United States this year. That means we are going to export 800,000 jobs to China because we do not have the guts to stand up to their unfair trade practices. But even worse is the piracy, outright theft and piracy, violating all international standards, $2.3 billion. Where are our negotiators? They finally got tough. They threatened trade sanctions. We were going to retaliate. They negotiated past the deadline. Then, in an all too familiar pattern, they entered into nothing but another meaningless face-saving agreement where the Chinese will continue their piracy and we will continue occasionally to bellow and huff and puff. They took a page out of history, but unfortunately, the page was from Neville Chamberlain at Munich: appeasement. Appeasement will not work.

CONGRATULATING SUCCESS OF 51ST WOMEN'S OPEN CHAMPIONSHIP

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUNDERBURK. Mr. Speaker, on Sunday, June 2, the 51st U.S. Women's Open Championship was concluded at Pine Needles Lodge and Golf Course in Southern Pines, NC. Annika Sorenstam repeated as champion with a record score of 272, 8 under par, on a golf course considered to be one of the toughest ever on which a U.S. Golf Association event was held. An outstanding job was done by Peggy Kirk Bell, her family, and Pine Needles, and we are justly proud of them.

Mr. Speaker, not only was the 51st Women's Open the most successful in history, but the event raised hundreds of thousands of dollars for the research and detection of breast cancer. I would like to congratulate Peggy Kirk Bell

□This symbol represents the time of day during the House proceedings, e.g., □1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

and her family, the U.S. Golf Association, and all those in the 2d District of North Carolina who watched or contributed to the success of the 51st Women's Open. I hope to see the same level of support when Pine Needles hosts the 56th U.S. Women's Open in the year 2001.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

INNOVATIVE FINANCING FOR OUR NATION'S BORDER INFRASTRUCTURE NEEDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, I rise today to join Senator BARBARA BOXER in introducing legislation to improve our transportation infrastructure along the United States border with Mexico.

The border area has become a popular campaign stop for those who publicly attack decades of Federal neglect along the border, but who propose few solutions to the problem. Senator BOXER and I have a solution.

This bill would provide critical Federal funding for border improvements without affecting Federal highway assistance to our border States. It will keep our border cities and States from having to absorb the costs of building the roads, bridges, railroads, and highways needed to implement Federal trade policy.

The $500 million border infrastructure fund which would be established by our legislation would pay for construction and improvements to the area infrastructure. Our bill would also authorize a Federal loan program to reopen what we in San Diego call the jobs train—the San Diego & Arizona Eastern Railroad. With direct rail connections to the east, the Port of San Diego can become the center of commercial activity and we can transform the economy of this entire region.

American investment in roads, highways, airports, seaports, and railroads have been responsible for creating the most advanced and efficient economy in the history of the world. Business leaders and elected officials remain united in the belief that improving our transportation infrastructure is the key to growing our economy.

When Congress approved NAFTA, we all knew that ensuring its success would require that all parties provide the necessary infrastructure to facilitate the flow of trade. We believed that inherent in the passage of this agreement was a commitment to build, repair, and maintain the physical infrastructure needed to implement the agreement; like State Route 905 and the jobs train in San Diego. Although this has not been the case, and the physical needs of the trade treaty still have not been addressed, this bill will make sure that the Federal Government meets this commitment.

As a result of the passage of NAFTA, our country is now taking in increased custom duties, merchandise fees, and revenues from other commerce-related activities. Our proposal would direct that those funds, collected as a result of our increased trade, be reinvested into the roads, bridges, railways, harbors, and airports that support that trade.

My own district has two unfunded NAFTA mandates that our local communities alone cannot address: completion of State Route 905 and revitalization of the San Diego & Arizona Eastern rail line, the jobs train.

State Route 905 serves as the only link connecting the Nation's second busiest southern commercial border crossing to the National Interstate Highway System. This road, however, is currently a four-lane city street. It was not intended to carry the additional border traffic that will soon be coming. And it was never intended to be a tool to implement international trade policy. I know this is also the case in numerous other border crossing communities.

The jobs train rehabilitation would revitalize San Diego's rail link to the eastbound rail lines. Repairing and improving this now abandoned railroad would provide direct access to eastern markets for trade arriving through the Port of San Diego and the United States-Mexico border crossing.

Our cities and States undergo a constant struggle to build and maintain their own infrastructure. They do not have sufficient funds to singlehandedly complete projects which support Federal trade policy. Not funding these projects is the worst kind of unfunded mandate. The Federal Government must meet its responsibility.

I encourage my colleagues to join me in this effort to provide this vital infrastructure to help our Nation take full advantage of the new global market.

TRAVELGATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico [Mr. SCHIFF] is recognized for 5 minutes.

Mr. SCHIFF. Mr. Speaker, I want to take a few minutes to talk about the matter that has been before the Congress and before the public for some time now, that began with the involvement of the White House Travel Office in 1993, and has been known in the media as Travelgate, and has now, through the continuing investigations by the House, brought up the issue of FBI files being sent to the administration in an inappropriate manner.

What I want to make the point of is that it has often been accused that everything that happens in Washington is for political purposes. It would be very naive to suggest that in a Presidential year, particularly, there is not politics on the minds of both sides of both major parties. That is certainly the case.

I want to make the point, since I am vice chairman of the Committee on Government Reform and Oversight which has been handling the greater part of the Travel Office matter and will be handling the FBI files matter this week, that this is not a political venture. In fact, quite the contrary. Our chairman, the gentleman from Pennsylvania [Mr. CLINGER] has consistently tried to put this matter to rest. He has actually tried to close this investigation, but he has been unable to do so because at each juncture new information, questionable information, has come to our attention that has had to be pursued.

I would like to go back to the beginning of this situation. In 1993, the incoming Clinton administration wanted to replace certain employees of the White House who worked at the Travel Office. The Travel Office primarily makes travel arrangements for members of the media to travel with the President of the United States, a very important responsibility to the White House and to the public. These employees have been with the White House, on the whole, for a number of years, but they are not protected by Government civil service or other protections of their job. The administration had every legal right to change them if the administration wanted to do so.

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The administration, however, did not want to say we want to fire these people to put in our own political choices to handle these jobs, because they thought that would look bad. Instead they did something worse. Instead they trumped up a lot of charges against the individuals who worked at the Travel Office and besmirched the reputation of these people who had been devoted public servants under Presidents of both parties for a number of years.

When the smoke finally cleared and when the one criminal charge brought against one of those individuals was resolved by an acquittal, a finding of not guilty, the White House apologized for the handling of that matter. That should have ended it. The White House made a mistake, the White House admitted it made a mistake and apologized and that should have concluded matters. At least that is what our chairman, Chairman CLINGER, expected. But we did have a hearing to determine whether the investigations, the administrative investigations, into that matter were complete.

What did we learn at that first set of hearings? We learned that the White House had withheld documents from the investigators from various agencies who were investigating what happened at the Travel Office. That was not the end of it. When we learned that, we subpoenaed documents from the White House and we received a number of documents including a memorandum which was acknowledged by the then White House administrator that contradicted the explanation that was given by the White House of how that mistake occurred. The White House had said a mistake was made but it was made by a certain level in the White House management and the people who made the mistake were suitably reprimanded. The problem is the memorandum authored by the person who was in charge of White House activities suggested very strongly that he was ordered by people higher than himself to take that action and he did not do it on his own.

So we have two contradictions right there: First we have a withholding of documents from people who are charged administratively to review what happened in the Travel Office. Then we have, when documents are produced, a contradiction from what the White House said happened to what apparently really happened.

We now have a new development. After we got the documents that contradicted the White House's earlier position, we subpoenaed additional documents. The White House resisted turning those documents over to Congress on the grounds of executive privilege. Executive privilege is most often raised for reasons of national security and that level. I believe there is such a thing as executive privilege. But after the Congress pushed the issue, after our committee voted contempt of Congress citations against individuals involved, numerous other documents have arrived, and that is where we learned that the White House had in its possession numerous FBI files on former Republican officeholders in the White House, including ordinary staff people who did not necessarily hold high positions. These kinds of records did not belong in the White House in the first place and once the White House knew they were there, they should have been sent back immediately, when they were not. Nobody knew about any of this until our committee found this information.

We will hold hearings this week, Mr. Speaker, and I hope these hearings will finally be the end of this matter, but do not count it.

TAXES ON TRAVEL AND TOURISM SHOULD NOT BE INCREASED

The SPEAKER pro tempore (Mr. GOSS). Under a previous order of the House, the gentleman from Wisconsin [Mr. ROTH] is recognized for 5 minutes.

Mr. ROTH. Mr. Speaker, my message today is do not increase taxes on travel and tourism. Travel and tourism is now the second largest industry in America. It employs more people than any other industry in America, and is quickly becoming the largest industry in America and also the largest industry worldwide.

Several weeks ago President Clinton unveiled a new tax plan. This tax plan was a tax credit to be made available to students, college students for a 2-year period. That seems like a good idea. But who does the President want to pick up this tab?

The President has singled out the people who are already paying a stiff and heavy tax. The President has again targeted travel and tourism, people who are so busy at home working, they do not have time to come to Congress to watch all the tax bills that Congress is considering; basically middle-class people who are working hard to pay their taxes, raise their families.

These are the people that are being targeted again. An estimated 50 million people will be targeted under this new tax. Even if the idea is just an election-year ploy, a tax increase on travelers is the wrong step for us to take at this time.

First, travel and tourism brings in huge revenues into every single congressional district in America.

This new tax would also penalize American companies who are seeking new opportunities. Even if these businesses fail to find new customers, they still have to pay the tax.

Finally, a small segment of the population is being singled out to pay an additional tax.

Why would the President want to target travel and tourism? In economic terms, the industry already makes a huge contribution. Travel and tourism is the second largest industry, employing some 14 million American workers.

In 1995, 45 million international visitors came to the United States and they spent $78 billion here. One of the reasons we had an over 18 percent drop, 18.6, to be exact, in our trade deficit in the month of April was because of foreign visitors. When people come here to the United States and buy products, it is the same as if we take those products, send them overseas and sell them overseas. Tourism is our leading export and it creates a $20 billion trade surplus.

The industry is also responsible for some $58 billion in taxes. It does not even include the user fees charged directly to travelers. Because of this industry, every American household pays some $652 less in taxes. Let me repeat that. Because of the travel and tourism industry, the average American household last year paid $652 less in taxes than they would have had to pay had it not been for the travel and tourism industry. Clearly travel and tourism is already paying its fair share.

If we do not suffocate the industry with new tax burdens, its future will be even brighter. By 2006 employment in the industry will increase some 50 percent. That means that in the next decade, in the next 10 years, the people that we have employed in travel and tourism, 14 million, will again be half as many, will be to 21 million people if we do not suffocate this industry.

Over the next 10 years, travel and tourism is expected to generate almost $230 billion in new tax revenues. That is more than a 31 percent increase in tax revenues over the next 10 years.

Mr. Speaker, the President want us to make a choice, but basically we should not have to choose between education and the tourism industry. Both can prosper. But helping travel and tourism will create jobs and increase tax revenue. That means more money for education. Or we can treat travel and tourism like a cash cow and try to extract every cent that the Congress can out of this industry. That price will be high.

Last October President Clinton presided over the White House Conference on Travel and Tourism here in Washington, DC. He made a very fine speech. At the conference the President praised the industry and its achievements. He pledged to work with the industry to increase tourism in the United States.

To put on an additional tax, this is not the kind of help that the travel and tourism industry was looking for. This is not the kind of help that the people who run our restaurants, who run our various shops throughout the country, this is not the kind of help they were looking for.

Travel and tourism is under attack again. Instead of delivering the help, the President has promised to send in the IRS. Mr. Speaker, it is the wrong approach to take.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Member (at the request of Mr. MONTGOMERY) to revise and extend his remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

(The following Members (at the request of Mr. SCHIFF) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 5 minutes each day, on June 18 and 19.

Mr. HASTERT, for 5 minutes each day, on June 18, 19, and 20.

Mr. SCHIFF, for 5 minutes each day, today and on June 18.

Mr. ROTH, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. SCHIFF, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. HAMILTON.

Mr. LIPINSKI.

Ms. RIVERS.

Mr. FILNER.

(The following Members (at the request of Mr. SCHIFF) and to include extraneous matter:)

Mr. CAMP in two instances.

Mr. PAXON.

Mr. TALENT.

Mr. SHUSTER.

ADJOURNMENT

Mr. ROTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 18, 1996, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3612. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Mediterranean Fruit Fly; Removal of quarantined Areas [APHIS Docket No. 91-155-19] received June 14, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3613. A letter from the Comptroller General, the General Accounting Office, transmitting a review of the President's sixth special impoundment message for fiscal year 1996, pursuant to 2 U.S.C. 685 (H.Doc. No. 104-233); to the Committee on Appropriations and ordered to be printed.

3614. A letter from the Directors of Congressional Budget Office and Office of Management and Budget, transmitting a joint report on the technical assumptions to be used in preparing estimates of National Defense Function (050) outlays for fiscal year 1997, pursuant to Pubic Law 101-189, section 5(a) (103 Stat. 1364); to the Committee on National Security.

3615. A letter from the General Counsel, Department of Housing and Urgan Development, transmitting the Department's final rule—Amendments to Regulation X, the Real Estate Settlement Procedures Act: Withdrawal of Employer-Employee and Computer Loan Origination Systems (CLOs) Exemptions (Office of the Assistant Secretary for Housing—Federal Housing Commissioner) [Docket No. FR-3638-F-06] (RIN: 2502-AG26) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3616. A letter from the Director, Office of Management and Budget, transmitting OMB's estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2002 resulting from passage of H.R. 3136 and H.R. 1266, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1388-582); to the Committee on the Budget.

3617. A letter from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting the Department's final rule—Personal Protection Equipment in Shipyards—Correction Notice (Occupational Safety and Health Administration) [Docket No. S-045] (RIN: 1218-AA74) (AB06) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3618. A letter from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting the Department's final rule—Personal Protective Equipment in Shipyards (Occupational Safety and Health Administration) [Docket No. S-045] (RIN: 1218-AA74) (AB06) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3619. A letter from the John F. Kennedy Center for the Performing Arts, transmitting the 1995 annual report of operations for the John F. Kennedy Center for the Performing Arts and the National Symphony Orchestra, pursuant to 20 U.S.C. 761(c); to the Committee on Economic and Educational Opportunities.

3620. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Regulation of International Accounting Rates [CC Docket No. 90-337, Phase II] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3621. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Subsidiary Accounting Requirements Concerning Video Dialtone Costs and Revenues for Local Exchange Carriers Offering Video Dialtone Services [AAD No. 95-59] (FCC No. 96-240) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3622. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Tillamook, Oregon) [MM Docket No. 95-153] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3623. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Wellsville, New York) [MM Docket No. 95-162] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3624. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Garberville and Hydesville, California) [MM Docket No. 94-61] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3625. A letter from the Secretary, Federal Trade Commission, transmitting the Commission's final rule—Disclosures Regarding Energy Consumption and Water Use of Certain Home Appliances and Other Products Required Under the Energy Policy and Conservation Act ("Appliance Labeling Rule") (16 CFR Part 305) received June 14, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3626. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Revocation of Obsolete Regulations (21 CFR Parts 200, 250, and 310) [Docket No. 95N-0310] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3627. A letter from the Executive Director, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting the Authority's report entitled "Final Report on the District of Columbia FY 1997 Budget and Financial Plan," adopted by the District of Columbia Financial Responsibility and Management Assistance Authority on June 13, 1996, pursuant to Public Law 104-8, section 202(c)(6) (109 Stat. 113); to the Committee on Government Reform and Oversight.

3628. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Double-Sided Copying (RIN: 9000-AG41) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3629. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; National Industrial Security Program Operating Manual (RIN: 9000-AG95) received June 7, 1996, pursuant to 5 U.S.C. 801(A)(1)(A); to the Committee on Government Reform and Oversight.

3630. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Justification and Approval Thresholds (RIN: 9000-AH00) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3631. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Implementation of Memorandum of Understanding Between the United States of America and the European Community (RIN: 9000-AF39) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3632. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Postponement of Bid Openings or Closing Dates (RIN: 9000-AF48) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3633. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Armed Services Pricing Manual (RIN: 9000-AG97) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3634. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Predetermined Indirect Cost Rates (RIN: 9000-AG92) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3635. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Small Business Size Standards (FAR Case 94-600) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3636. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Master Subcontracting Plans (RIN: 9000-AG07) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3637. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Small Business Competitiveness Demonstration Program (RIN: 9000-AG10) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3638. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Use of Convict Labor (RIN: 9000-AG02) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3639. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Ozone Executive Order (RIN: 9000-AG42) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3640. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Uruguay Round (1996 Code) (RIN: 9000-AG80) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3641. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Implementation of the North American Free Trade Agreement Implementation Act (RIN: 9000-AF60) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3642. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Caribbean Basin Countries (RIN: 9000-AG96) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3643. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Fluctuating Exchange Rates (RIN: 9000-AF83) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3644. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Irrevocable Letters of Credit and Alternatives to Miller Act Bonds (RIN: 9000-AG99) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3645. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Part 31 Agency Supplements (RIN: 9000-AG93) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3646. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Records Retention (RIN: 9000-AF99) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3647. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Legislative Lobbying Costs (RIN: 9000-AF98) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3648. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Travel Costs (RIN: 9000-AG00) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3649. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Prompt Payment Overseas (RIN: 9000-AF41) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3650. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Alternate Dispute Resolution and Federal Courts Administration Act (RIN: 9000-AE96/9000-AF35) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3651. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Defense Production Act Amendments (RIN: 9000-AG11) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3652. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Child Care Services (RIN: 9000-AF31) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3653. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Quick-Closeout Procedures (RIN: 9000-AG57) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3654. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Quality Assurance Actions—Electronic Screening (RIN: 9000-Ag06) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3655. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Quality Assurance Nonconformances (RIN: 9000-AF80) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3656. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Solicitation Provisions—Contract Clauses (RIN: 9000-AG98) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3657. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Contract Award—Sealed Bidding—Construction (RIN 9000-AE41) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3658. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Small Business Innovation Research Rights in Data (RIN 9000-AF54) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3659. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Inspection Clauses—Fixed Price (RIN 9000-AG94) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3660. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Termination for Convenience (RIN 9000-AF55) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3661. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, and the semiannual management report on the status of audit followup for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3662. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Reclassification of Saltwater Crocodile Population in Australia from Endangered to Threatened with Special Rule for Saltwater and Nile Crocodile (Fish and Wildlife Service) (RIN: 1018–AC30) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3663. A letter from the Under Secretary for Oceans and Atmosphere, Department of Commerce, transmitting the annual report on the Coastal Zone Management Fund for the National Oceanic and Atmospheric Administration for fiscal year 1995, pursuant to Public Law 101–508, section 6209 (104 Stat. 1388–309); to the Committee on Resources.

3664. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Pacific Halibut Fisheries; 1996 Halibut Landing Report No. 3 [Docket No. 960111003–6068–03; I.D. 060796A] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3665. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Implementation of the Equal Access to Justice Act: Payment of Attorneys Fees (RIN: 2105–AC52) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3666. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revised Filing Procedures for OST Docket (RIN: 2105–AC26) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation.

3667. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Interlocking Relationships Between An Air Carrier and A Person Controlling Another Air Carrier (RIN: 2105–AC54) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3668. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Policies Relating to Accounts and Reports (RIN: 2105–AC43) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3669. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Aviation Economic Regulations: Updates and Corrections (RIN: 2105–AC53) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3670. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Reorganization of Coast Guard Areas, Districts, and Marine Inspection and Captain of the Port Zones (U.S. Coast Guard) [CGD96–025] (RIN: 2115–AF32) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3671. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Nacote Creek, NJ (U.S. Coast Guard) [CGD05–95–065] (RIN: 2115–AE47) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3672. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Direct Final Rule Procedures; Petitions for Rulemaking (Research and Special Programs Administration) (RIN: 2137–AC75) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3673. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Railroad Accident Reporting (Federal Railroad Administration) [FRA Docket No. RAR–4, Notice No. 13] (RIN: 2130–AA58) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3674. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Subdivision of Restricted Area R–2103, Fort Rucker, AL—Docket No. 95–ASO–18 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0061) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3675. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Topeka, KS; Kingmans, KS; Hutchinson, KS; and Wahoo, NE—Docket No. 96–ACE–3 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0074) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3676. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Standards; Aircraft Engines New One-Engine-Inoperative (OEI) Ratings, Definitions and Type Certification Standards (Federal Aviation Administration) (RIN: 2120–AD21) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3677. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Cessna Aircraft Company Engine Oil Filter Adapter Assemblies Installed on Aircraft (Federal Aviation Administration) [Docket No. 93–CE–54–AD; Amendment 39–9665; AD 96–12–22] (RIN: 2120–AA64) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3678. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Advanced Simulation Plan Revisions (Federal Aviation Administration) [Docket No. 28072; Amendment 121–258] (RIN: 2120–AF29) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3679. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Training and Qualification Requirements for Check Airmen and Flight Instructors (Federal Aviation Administration) [Docket No. 28471; Amendment No. 121–257, 135–64] (RIN: 2120–AF08) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3680. A letter from the Chairman, Surface Transportation Board, transmitting the Board's final rule—Class Exemption for the Construction of Connecting Track under 49 U.S.C. 10901 (Ex Parte No. 392 (Sub-No. 2)) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3681. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Inventions by Employees of the Department of Veterans Affairs (38 CFR Part 1) (RIN: 2900–AI03) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3682. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Debt Instruments with Original Issue Discount; Contingent Payments; Anti-Abuse Rule (RIN: 1545–AQ86; 1545–AS35) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3683. A letter from the Secretary of Transportation, transmitting the Department's report entitled "Maritime Terrorism: A Report to Congress," for calendar year 1995, pursuant to 46 U.S.C. app. 1802; jointly, to the Committees on Transportation and Infrastructure and International Relations.

3684. A letter from the Secretary of Health and Human Services, transmitting the Department's interim report on the status of the Social Health Maintenance Organization [Social HMO] Demonstrations; jointly, to the Committees on Ways and Means and Commerce.

3685. A letter from the Secretaries of State and Commerce, transmitting the Secretaries joint report to Congress entitled "Annual Reports on Improving Export Mechanisms and on Military Assistance," pursuant to Public Law 104–106, section 1324(a) (110) Stat. 480); jointly, to the Committees on International Relations, Ways and Means, and National Security.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of June 14, 1996]

Mr. ARCHER: Committee on Ways and Means. H.R. 3107. A bill to impose sanctions on persons exporting certain goods or technology that would enhance Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources, and for other purposes; with amendments (Rept. 104–523, Pt. 2); to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on National Security discharged from further consideration. H.R. 1663 referred to the Committee of the Whole House on the State of the Union.

[Submitted June 17, 1996]

Mr. HYDE: Committee on the Judiciary. H.R. 3525. A bill to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property; with an amendment (Rept. 104–621). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 3005. A bill to amend the Federal securities laws in order to promote efficiency and capital formation in the financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation; with an amendment (Rept. 104–622). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 3431. A bill to amend the Armored Car Industry Reciprocity Act of 1993 to clarify certain requirements and to improve the flow of interstate commerce (Rept. 104–623). Referred to the Committee of the Whole House on the State of the Union.

Mr. LIVINGSTON: Committee on Appropriations. Report on the subdivision of budget totals for fiscal year 1997 (Rept. 104–624). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HANSEN:

H.R. 3660. A bill to make amendments to the Reclamation Wastewater and Groundwater Study and Facilities Act, and for other purposes; to the Committee on Resources.

By Mr. NEY:

H.R. 3661. A bill to provide that a manufactured home may be protected during a flood event without affecting eligibility of a community for participation in the national flood insurance program; to the Committee on Banking and Financial Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 324: Mr. STARK, Ms. LOFGREN, and Mr. KLUG.

H.R. 788: Mr. PACKARD.

H.R. 1281: Mr. LANTOS.

H.R. 1573: Mr. HOBSON, Mr. CREMEANS, Mr. CHABOT, Mr. CUNNINGHAM, Mr. GILLMOR, Mr. TATE, and Mr. MCINTOSH.

H.R. 2338: Mr. WATT of North Carolina.

H.R. 2834: Ms. DELAURO.

H.R. 2943: Mrs. LINCOLN.

H.R. 3100: Mr. HOEKSTRA.

H.R. 3173: Mr. BONIOR.

H.R. 3280: Ms. DELAURO.

H.R. 3328: Mr. KENNEDY of Massachusetts.

H.R. 3525: Mr. ROEMER, Mr. BARRETT of Nebraska, Mr. TALENT, Mr. UPTON, Mr. BISHOP, Mr. EVANS, Mr. PETERSON of Minnesota, Mr. CONDIT, Mr. CRAMER, Mr. ENGEL, Mr. PICKETT, Mr. DINGELL, Mr. TORRICELLI, Mr. STENHOLM, and Mr. PAYNE of New Jersey.

PETITIONS, ETC.

Under clause 1 of rule XXII,

72. The SPEAKER presented a petition of Samuel Freeman of Syosset, NY, relative to private/public bills to extend the life of U.S.P. 4,231,061, Instant Color Slide Recorder of CRT Image, for a period of Seven (7) years beyond its present expiration date, April 9, 1999 (20 years beyond date of filing legalized by the GATT Treaty); which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

TRIBUTE TO UNIVERSITY OF MICHIGAN PRESIDENT JAMES J. DUDERSTADT

HON. LYNN N. RIVERS
HON. JOHN D. DINGELL
HON. JOHN CONYERS, JR.
HON. DAVID E. BONIOR
HON. DALE E. KILDEE
HON. SANDER M. LEVIN
HON. FRED UPTON
HON. DAVE CAMP
HON. BARBARA-ROSE COLLINS
HON. JAMES A. BARCIA
HON. PETER HOEKSTRA
HON. JOE KNOLLENBERG
HON. NICK SMITH
HON. BART STUPAK
HON. VERNON J. EHLERS
HON. DICK CHRYSLER

OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, June 17, 1996

Ms. RIVERS. Mr. Speaker, I rise today on behalf of all my colleagues in the Michigan delegation to deliver our tribute to James J. Duderstadt, president of the University of Michigan, who is stepping down from his post after 8 years of outstanding and accomplished leadership.

Dr. Duderstadt has had a long and illustrious career with the University of Michigan. As both an educator and an administrator, he has worked tirelessly to make it one of the jewels in Michigan's excellent State university system, as well as a top research facility benefiting the entire Nation. Dr. Duderstadt has positioned the university to excel in the 21st century by strengthening its academic programs, garnering strong private and Federal support, rebuilding facilities on the university's several campuses, enhancing its role in higher education, and diversifying its student body and faculty.

Dr. Duderstadt first joined the University of Michigan in 1969 as an assistant professor of nuclear engineering. He was promoted to associate professor in 1972 and to professor in 1976. His teaching and research in science, mathematics, and engineering has included work on such projects as nuclear fission reactors, laser-driven thermonuclear fusion, and the development of supercomputers.

From 1981 to 1986, Dr. Duderstadt served as dean of the College of Engineering, transforming it into one of the Nation's finest. He was named provost and vice president for academic affairs in 1986 and president of the university 2 years later.

During his tenure as president, the national ranking of U-M programs has been the highest ever. Ranked as the Nation's leading research university, U-M attracted $406 million in public and private support for research in 1994–95 alone. It is the first public university in U.S. history to receive Wall Street's high Aa1 credit rating, and its endowment has increased fivefold, to more than $1.6 billion. U-M is also completing a massive program to rebuild, renovate, and update all of its campus buildings.

Dr. Duderstadt has not only expanded and improved the university's departments, infrastructure, research, and funding; he must also be commended for promoting diversity and equality in higher education. His strategies have made U-M an accomplished multicultural community, increasing opportunities for minorities, women, international students, and faculty in every walk of life.

Dr. Duderstadt's achievements in research, teaching, and educational leadership have earned him the President's National Medal of Technology, the E.O. Lawrence Award for excellence in nuclear research, the Arthur Holly Compton Prize for outstanding teaching, the National Engineer of the Year Award for professional service, and the Equity Award from the Parity Committee and the Michigan Department of Education for his commitment to diversity and equality in higher education.

He has also been elected to the American Academy of Arts and Sciences, the National Academy of Engineering, Phi Beta Kappa, and Tau Beta Pi. In 1984, he received a Presidential appointment to the first of two 6-year terms on the National Science Board, which he chaired from 1991 to 1994.

All of us from the Michigan delegation of Representatives applaud Dr. Duderstadt's extensive achievements and thank him for his service and commitment to higher education. Thousands of students, scholars, educators, and researchers—both in Michigan and the world beyond—have benefitted from his contributions and will continue to benefit from them well into the 21st century.

"TO CARE FOR HIM WHO SHALL HAVE BORNE THE BATTLE . . ."

HON. BOB FILNER

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 17, 1996

Mr. FILNER. Mr. Speaker, today is a time to convey the respect and gratitude of the San Diego veterans community and the employees of the Department of Veterans' Affairs for the efforts and accomplishments of Patrick Nappi, Director of the Department of Veterans' Affairs Regional Office in San Diego.

During the past 5 years, veterans in San Diego, Riverside, and Imperial Counties have experienced in Mr. Nappi a friend and advocate, who was working for them at the San Diego Regional Office. Mr. Nappi established close working relationships with the State and county and with local and national veterans service organizations. These relationships have been based on a genuine mutual respect and a concern for the needs of veterans and their dependents.

Mr. Nappi also worked closely with local military bases to establish a program of support and training for service personnel preparing for discharge or release from active duty. These transition assistance programs have provided timely information on VA benefits and programs to thousands of veterans.

Working under the guidance of Mr. Nappi, the San Diego Department of Veterans' Affairs Regional Office has endeavored to put into action the philosophy of former Administrator of Veterans' Affairs, Omar Bradley, when he said: "We are dealing with veterans, not procedures; with their problems, not ours." This philosophy has led to new and more efficient lines of communication between the Department of Veterans' Affairs and our veterans and their advocates.

Mr. Nappi's commitment to community relations is a particular strength. Among his most successful cooperative efforts was the work with the Navy League and the Serviceman's YMCA. In partnership with the United Veterans Council of San Diego and the Vietnam Veterans of San Diego, the VA was also involved with Project Stand Down, which has met the needs of hundreds of homeless veterans. Mr. Nappi was actively involved in job placement services with the California Employment Development Department, opening an outbased EDD office in the San Diego VA Regional Office to place veterans in jobs and to assist others in filing for benefits.

Mr. Nappi has led by example, taking a personal interest in veterans. He has demonstrated the sincerity of his concern by becoming involved in individual cases brought to his attention. His efforts deserve our respect, not because every person got the decision they wanted, but because when he promised a timely resolution of the claim, he remained personally involved until a final decision was made and communicated to the veteran.

Recognizing his talents and commitments, the Veterans Benefits Administration has selected Mr. Nappi to become the Area Director over 13 VA regional offices in the North Central United States. Mr. Nappi leaves us a legacy of innovative and valuable initiatives and accomplishments that have increased the level and quality of service provided to southern California's veterans.

He strives to keep our promise to our veterans, so eloquently stated by President Abraham Lincoln in 1865: "To care for him who shall have borne the battle, and his widows, and his orphans." We will miss him very much, but we congratulate him and wish him well in his new position.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

HUMANITARIAN ASSISTANCE FOR LEBANON

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues an exchange of letters I and 16 of our colleagues in the House had with the Agency for International Development [AID] regarding the emergency needs of assistance in Lebanon in the aftermath of the fighting between Hezbollah and Israel in April.

Lebanon remains an important country for the United States and it is in our national interest to help its people as they struggle to preserve and strengthen the country's independence, territorial integrity, and freedom.

The continued fighting in southern Lebanon has brought untold suffering on Lebanese civilians often caught in the crossfire. While helping to provide immediate humanitarian assistance, there is a real need to work immediately for a Lebanese-Israeli peace agreement which produces a durable cessation of fighting, allows for a total Israeli withdrawal from Lebanon, holds the Lebanese Army responsible for security along the country's southern border, and implements a plan for the disarming of Hezbollah and other groups in Lebanon not already disarmed.

The congressional letter of April 18 and the AID reply of June 7 follows:

CONGRESS OF THE UNITED STATES,
Washington, DC, April 18, 1996.

Hon. BRIAN ATWOOD,
Director, Agency for International Development, Washington, DC.

DEAR MR. DIRECTOR: The purpose of this letter is to request emergency assistance for the civilian refugees in Lebanon. After 16 years of civil war, we were hopeful that Lebanon was on the road to regaining the peace and stability that made it a hallmark in the Middle East. However, due to the most recent violence in the region, several thousand civilian men, women, and children have been forced to flee their homes and have suffered great tragedy. Although any loss of life is tragic, whether it be Jewish or Arab, this situation is particularly troublesome to us as we believe the Lebanese government is unable to respond fully to this overwhelming demand upon its infrastructure and public services. Any assistance the United States could provide would be a tangible demonstration of our commitment to peace in this region.

The specific needs which we ask you to address are, in our opinion, humanitarian and easily justifiable. We have been informed that there is an immediate need for food and water supplies, water purification gear, sanitation provisions, housing materials, medicines and medical equipment. Any assistance your Department can provide will be quickly and fully employed to relieve this tragic suffering.

We are ready to work with you. Thank you very much for your consideration of this request, and we look forward to your response.

Sincerely,

John D. Dingell, Ray LaHood, Lee H. Hamilton, Nick J. Rahall, II, Joe Knollenberg, Pat Danner, Martin Hoke, David E. Bonior, Victor Frazer, Marcy Kaptur, John Baldacci, John Conyers, Tony P. Hall, Howard Berman, Dana Eshoo, Ronald V. Dellums, Jim Moran.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, DC, June 7, 1996.

Hon. LEE H. HAMILTON,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN HAMILTON: Thank you for your letter of April 18, 1996, regarding the need for humanitarian assistance to civilian refugees in Lebanon. Mr. Atwood is traveling overseas and ask me to respond.

The U.S. Agency for International Development (USAID) and the Department of State are actively responding to the humanitarian needs of thousands of civilians who were displaced by the conflict in April. On April 19, the U.S. Ambassador to Lebanon, Richard Jones, issued a disaster declaration in response to a series of international appeals for assistance launched by the Government of Lebanon. USAID released $25,000 for immediate provision to local non-governmental organizations implementing emergency relief activities. These organizations provided immediate support and lodging, mobilized ambulance fleets, mobile clinics, and first aid centers to assist the sick and wounded. Internally displaced persons also received kitchen utensils, water purification tablets, infant powdered milk, blankets, hygiene materials, and medicine.

Also, on April 19, the State Department's Bureau for Population, Refugees, and Migration authorized $1 million to respond to the International Committee of the Red Cross' (ICRC) $3 million emergency appeal for Lebanon. In addition, the State Department's Bureau of Political-Military Affairs recently provided excess military medical supplies and equipment weighing more than 29,000 pounds and valued at $223,962 to the victims of the conflict. The cost of transporting this assistance was $105,600.

Moreover, we have received reports from the field that the ICRC emergency appeal and the United Nations' $8.6 million Flash Appeal for Internally Displaced Persons as a result of the emergency in Lebanon have been fully met. Total contributions towards these appeals, which currently amount to nearly $12 million, have successfully supported first-aid activities and the provision of medical and relief supplies, including much-needed water supplies, water purification tablets and jerry cans, kitchen utensils, and personal hygiene materials, as well as the distribution of food to displaced populations.

Finally, as an initial response, the U.N. World Food Program (WFP) has donated $707,000 for distribution of locally purchased food commodities, such as rice, pulses, and vegetable oil, to 100,000 beneficiaries for a 30-day period starting on May 1. WFP has already provided the Lebanese government with 80 metric tons of canned fish for distribution among the displaced population.

Thank you for sharing your concerns on this matter with us and for your kind offer to assist us in expediting this assistance. If I can be further assistance, please let me know.

Sincerely,

JILL BUCKLEY,
Assistant Administrator, Bureau for Legislative and Public Affairs.

TRIBUTE TO LUTHER GRIFFIN JONES, JR.

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Mr. ORTIZ. Mr. Speaker, I rise today to pay tribute to a great American and a legendary leader in south Texas. Luther Griffin Jones, Jr. served as Corpus Christi mayor from 1979 to 1989, and upon leaving office, was named "Mayor Emeritus" by the city council. Tomorrow is Mayor Jones' 80th birthday, and true to form, he will combine his birthday with an event to support our Sister City Committee which promotes economic and cultural exchanges in south Texas.

His accomplishments are widely known and he is widely loved. Mayor Jones continues to live an extraordinary life. He came to our community via the U.S. Army. He became the commander of the Corpus Christi Army Depot in 1967, a position he held until he retired in 1971, after 29 years of service to his country. Also in 1971, he was named the cowinner of the first Secretary of the Army Award for Achievement in Equal Employment Opportunity.

After serving as vice president of the Corpus Christi Mercantile National Bank, he began four terms of service as the mayor of Corpus Christi. During his highly successful four terms, he advocated the building of two desperately needed local facilities, a new central library and a new city hall. The Texas State Aquarium in Corpus Christi, which has become a major south Texas tourist attraction, was also built during Mayor Jones' tenure. The aquarium has become a major element of our local economy.

In the mid-1980's, Mayor Jones worked with me in our community's effort to obtain Naval Station Ingleside [NSI], home to the U.S. Naval Mine Warfare Center of Excellence. That community effort was pivotal to the eventual decision by the Navy to locate the base in the Coastal Bend. Corpus Christi wanted the base in south Texas so much that we helped pay for it. The associated bond issue was difficult and Mayor Jones' support and advocacy were critical to its success.

Mayor Emeritus Jones has been dedicated to furthering education during his lifetime. From 1987 to 1989, he served as President of 4UCC, an organization committed to obtaining a 4-year university for the city. He has been an inspirational friend to young people in Corpus Christi, and has an elementary school named in his honor.

He has generously given of his time to causes that add to the economic viability of the Coastal Bend. He led a mayor's task force in 1993, Citizens for Affordable Water, to persuade voters of the need for raising the sales tax to buy water. In 1990, he cochaired the community investment task force to promote economic development. One year later, Governor Richards appointed him to chair the Texas Turnpike Authority, which he did at his own expense.

His life has been the example of his personal commitment to public service, and Corpus Christi has seen endless political courage in a man willing to tackle the difficult task. I ask my colleagues to join me today in paying tribute to Mayor Emeritus Luther Jones, a renowned patriot and leader.

TRIBUTE TO THE OAK LAWN ELKS LODGE NO. 2254 ON THE OCCASION OF THEIR 28TH FLAG DAY CEREMONY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to the Oak Lawn Elks Lodge No. 2254 on the occasion of their annual Flag Day ceremony. The celebration, on June 9, 1996, marked the 28th year of this event. The extraordinary patriotism that was exhibited at this ceremony is truly an example of the best that America has to offer.

For 28 years, the Oak Lawn Elks have honored the importance of the American flag to the history and future of the United States. In my speech at this ceremony, I spoke about the American flag and its history of inspiring hope and faith in this country as well as abroad. In her eloquent patriotic address, the Honorable Maureen Murphy, State representative, spoke about the importance of voter participation and registration. Her call for action and words of wisdom were truly awe inspiring and symbolic of great nationalism. the Oak Lawn Elks embody that true American spirit. I was especially moved to see the eight original American flags in addition to flags representing the armed services.

I would like to pay special tribute to James Fealey, chairman of the Flag Day ceremony, in addition to the officers for 1996–1997, William J. Spratt, exalted ruler; Robert Richter, leading knight; George Kerr, loyal knight; Tony Kasper, lecturing knight; Jerome Lullo, treasurer; Donald Nowak, tiler; Norman A. Gates, esquire; Jack Snow, chaplain; Dave Sonne, inner guard; Cornelius J. Houtsma, presiding justice; William P. Holm, John Prisco, James Fernatt, Kevin G. Kennedy and William Skinner, the board of trustees.

Mr. Speaker, I congratulate the Oak Lawn Elks for continuing their tradition of patriotism and wish them the very best in the years to come. I am proud and honored to represent the Oak Lawn Elks in Congress. Their energetic salute to the flag is an event I took forward to each year.

A TRIBUTE TO DONNA LYNCH

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to give tribute to an outstanding individual on her being nominated grand marshall for the Fourth of July celebration in Rosebush, MI.

Donna Burch was 1 of 15 children born to a farming family in Rosebush, MI. Both her and her future husband, Terry, attended Mt. Pleasant High School and shortly after graduation, in 1955, they were married. Today they are the proud parents of eight children, and Donna is best known as the home cooking inspiration of the White Wagon Restaurant and Motel.

Donna is more than just a proud mother and successful restaurateur, she is also a humanitarian and public servant. She is always ready to help organize fundraisers for good causes or to provide food and comfort for a family in need. To know Donna Lynch is a wonderful experience. Being quick with a hug, this busy, hard-working woman is a pure pleasure to be with. Easy to laugh and enjoy a good joke; yet tough enough to get the job done.

It is work such as Donna's, both for her family and for the community, that inspires us all to achieve the best we can, and to promote these qualities in others. Mr. Speaker, I know you will join my colleagues and me in honoring the work of Mrs. Donna Lynch and the legacy of service and commitment she has left for us all.

THE AMERICAN VITICULTURE AND ENOLOGY RESEARCH NETWORK

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Ms. FURSE. Mr. Speaker, a very important conference took place last week in Washington, DC. Its purpose was to create the foundation of the American Viticulture and Enology Research Network [AVERN].

AVERN is a new private-State-Federal partnership composed of wine industry leaders and researchers that could be a model for all of agriculture. I was proud to lead the effort to encourage the U.S. Department of Agriculture to participate in this network, which should lead to an efficient allocation of resources that will well serve our producers and the taxpayers.

This week, the leaders of AVERN have put in place the network to coordinate the solicitation of problems and needs from the industry nationwide. This network will further define those problems and identify potential solutions. It will prioritize the needs on a national basis and then set up the mechanisms to search for funding to solve these problems on a national level.

Another initiative integral to the wine industry is the Pacific Northwest Small Fruits Research Center. I have worked to ensure Federal funding for it, because I believe this is the kind of investment the Federal Government should be making. It is important to note that this center is also financially supported by the grape and wine growers and those who produce other berries including strawberries, blackberries, boysenberries, and cranberries.

Federal investment in research is extremely cost effective. Both AVERN and the Small Fruits Research Center are outstanding programs and I commend everyone involved with them.

TRIBUTE TO BOB SWEET, CITIZEN OF THE YEAR

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Mr. SHUSTER. Mr. Speaker, I rise today to pay tribute to an entrepreneur and community leader who has made a career out of giving back to the community in which he lives. The man I am speaking of is my good friend and constituent Bob Sweet of Alum Bank, PA. Today is a special day for Bob and his family as he is being recognized as the Bedford Rotary Club's Citizen of the Year.

After graduating from Pasadena High School, Bob went on to earn a bachelor of science degree in 1959 from the University of the Pacific in California. Upon graduation from college, Bob started what has proved to be an extremely impressive and lucrative career in business. His first job was as a sales representative for Dow Chemical Co. After 3 successful years with Dow, Bob moved onward and upward accepting a position with Westinghouse in 1962. He worked for Westinghouse for a 10-year stint in which he continued to make his way up through the ranks of the corporation.

Bob found himself at a turning point in his life when in 1972 Westinghouse transferred him to Bedford, PA. In December of that year he made the momentous decision to take his years of experience in corporate America and boldly go out into the private sector to start his own company which he called Creative Pultrusions Inc. Creative Pultrusions was born with one order from General Motors. General Motors asked the company to develop an intricate prototype pultrusion system and gave them a strict deadline in which they were required to meet. Through the leadership and drive of Bob Sweet, Creative Pultrusions fulfilled the order and got the ball rolling on what today is a multimillion dollar company which employs more than 250 people in Bedford County. Creative Pultrusions has also continued to expand over the years and just recently opened a sales office in Northants, England and a distribution center in the Netherlands.

Bob Sweet's impact on Bedford County does not stop simply at his contributions through his business life. He has been a proven community leader as well, with a long list of groups which he has devoted a great deal of his personal time toward. To name a few, these groups include the Chestnut Hill School Board, the Memorial Hospital of Bedford County Board of Directors, the Bedford United Way, and this Bedford Rotary Club.

Whether serving his customers, his colleagues, or the residents of Bedford County, Bob Sweet has built a reputation as man of his word who is always there for his friends and neighbors. Bob's wife Margie has been his partner and helper and the rock upon which his family and successes have been built. I will close on a personal note in thanking Bob for the many years of friendship and guidance which he has given both myself and my family and by congratulating him on this very special evening.

TRIBUTE TO CHARLES W. HYATT

HON. BILL PAXON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Mr. PAXON. Mr. Speaker, on the 1st of June, western New York and the city of Buffalo lost one of our most respected business and community leaders, Charles W. Hyatt.

Charles Hyatt's story is an American story. Charles was a Bronze Star decorated veteran of the U.S. Army. Charles Hyatt served during World War II in the U.S. Army Signal Corps with Gen. George Patton's troops in 1944.

Charles Hyatt began his start in business as a sales representative for an art supply store in Buffalo, NY. He worked hard, learned the business, and in 1959 founded his own company, the Hyatt Graphic Supply Co. For the past 36 years, Hyatt's has provided arts and graphics supplies for teachers, painters, and artists throughout the city of Buffalo, Rochester, and western New York.

Charles Hyatt earned a national reputation as a business leader. He was named the 1988 Man of the Year for the National Art Material Association and was inducted into the association's Hall of Fame. Charles also was an active leader in his community, working closely throughout his lifetime with western New York service and charitable organizations.

Over his lifetime, Charles Hyatt left a number of legacies: his service to his country, his reputation as a business and community leader—second to none in our community—and his greatest legacy of all, his family. Charles Hyatt is survived by his family, his wife, his sons and daughter, and eight granddaughters.

Mr. Speaker, on behalf of all of western New York, I would like to express our sorrow and condolences on the passing of a true American success story, Charles Hyatt.

TRIBUTE TO FORT ZUMWALT MIDDLE SCHOOL CHOIRS

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Mr. TALENT. Mr. Speaker, I rise today to pay tribute to the Fort Zumwalt North Middle School seventh and eighth grade concert choirs from O'Fallon, MO.

Over the past 2 years, under the skilled guidance of their director, Mr. Gregory S. LeSan, the North Middle School choirs have been honored with numerous trophies and plaques in national-level competitions. These include, competitions at Six Flags Over Mid-America where both the seventh and eighth grade choirs received top honors, and the Worlds of Fun competition, where once again, both choirs took home first prize. In addition, they have also performed in several invitationals such as, the 1996 Music Educators National Convention in Kansas City, where they represented the entire State of Missouri.

However, perhaps their greatest accomplishment thus far, came with their invitation to compete July 9 through 14, 1996, in the Llangollen International Musical Eisteddfod in Llangollen, Wales. This is the first time in the 50-year history of this world-renowned competition that a public middle school from the United States of America has ever been accepted to sing in this audition-selected international event. This is a rare opportunity to represent their community, the State of Missouri, and the United States of America in a competition that represents over 50 countries.

Mr. Speaker, these young people are to be commended for their continued hard work and dedication to excellence, which has brought not only their school nationwide recognition, but is also a source of great pride to the residents of O'Fallon, MO. It is with great pride that I congratulate these students and recognize the contributions they have made while at Fort Zumwalt North Middle School.

A TRIBUTE TO TERRY LYNCH

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1996

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to give tribute to an outstanding individual on his being nominated grand marshall for the Fourth of July celebration in Rosebush, MI.

Born in Rosebush in 1931, Terry has dedicated his life to serving the people of mid-Michigan and the country. Terry served in the U.S. Army and later became a charter member and commander of the Rosebush American Legion Post. He spent 38 years working for Dow Chemical, retiring in 1988. In addition, he served for 26 years on the village council presently as its chairman, and he is the treasurer of the Mount Pleasant School Board.

But Terry's dedication to his neighbors continues beyond public service. He was the 1970 recipient of the Carlton F. Seaman award for being the outstanding service officer of the 10th district. Terry has also coached Colt League baseball and has been a fundraiser for Little League.

It is work such as Terry's that inspires us all to achieve the best we can, and to promote these qualities in others. Mr. Speaker, I know you will join my colleagues and I in honoring the work of Mr. Terry Lynch and the legacy of service and commitment he has left for us all.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, June 18, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 19

9:00 a.m.

Select on Intelligence

To hold hearings to review claims against the United States by former Vietnamese operatives.

SD-106

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H.Con.Res. 178, establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002.

SR-332

Banking, Housing, and Urban Affairs

Business meeting, to mark up S. 1815, to provide for improved regulation of the securities markets, eliminate excess securities fees, and reduce the costs of investing.

SD-538

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to examine issues relating to salmon recovery research.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Rules and Administration

To continue hearings on public access to government information in the 21st century, focusing on the Government Printing Office depository library program.

SR-301

Indian Affairs

Business meeting, to mark up Title III (Child Custody Proceedings Affected by the Indian Child Welfare Act of 1978) of H.R. 3286, Adoption Promotion and Stability Act.

SR-485

10:00 a.m.

Finance

To resume hearings to examine proposals to reform the welfare and Medicaid system, focusing on S. 1795, Personal Responsibility and Work Opportunity Act.

SD-215

Judiciary

Business meeting, to consider pending calendar business.

SD-226

10:30 a.m.

Appropriations

Defense Subcommittee

Business meeting, to mark up H.R. 3610, making appropriations for the Department of Defense for the fiscal year ending September 30, 1997.

SD–192

2:00 p.m.

Select on Intelligence

Closed business meeting, to consider pending intelligence matters.

SH–219

JUNE 20

9:30 a.m.

Commerce, Science, and Transportation

To resume hearings on broadcast spectrum issues.

SR–253

Energy and Natural Resources

Parks, Historic Preservation and Recreation Subcommittee

To hold hearings on S. 1424, to redesignate the Black Canyon of the Gunnison National Monument as a national park to establish the Gunnison Gorge National Conservation area, to establish the Curecanti National Recreation Area, and to establish the Black Canyon of the Gunnison National Park Complex.

SD–366

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings with the Committee on Indian Affairs on the Native American housing assistance provisions of H.R. 2406, United States Housing Act.

SD–538

Foreign Relations

To hold hearings on the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, with annexes (Treaty Doc. 104-24), and a proposed International Natural Rubber Agreement.

SD–419

Governmental Affairs

To resume hearings to examine the status of the modernization of the Internal Revenue Service tax information systems, focusing on certain technical problems.

SD–342

Judiciary

To hold hearings to examine White House access to FBI background summaries.

SH–216

Indian Affairs

To hold hearings with the Committee on Banking, Housing, and Urban Affairs on the Native American housing assistance provisions of H.R. 2406, United States Housing Act.

SD–538

10:30 a.m.

Appropriations

Business meeting, to consider 602(b) subcommittee allocations of budget outlays and new budget authority allocated to the committee in H.Con.Res. 178, establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002, and to mark up proposed legislation making appropriations for the Department of Defense, foreign assistance, and military construction for the fiscal year ending September 30, 1997.

SD–192

2:00 p.m.

Foreign Relations

To hold hearings on the nominations of John F. Hicks, Sr., of North Carolina, to be Ambassador to the State of Eritrea, Alan R. McKee, of Maryland, to be Ambassador to the Kingdom of Swaziland, Tibor P. Nagy, Jr., of Texas, to be Ambassador to the Republic of Guinea, and Arlene Render, of Virginia, to be Ambassador to the Republic of Zambia.

SD–419

2:30 p.m.

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Treasury Department.

SD–192

JUNE 21

10:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Sergeant At Arms, and the Government Printing Office.

S–128, Capitol

JUNE 24

10:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Secretary of the Senate.

S–128, Capitol

JUNE 25

9:30 a.m.

Commerce, Science, and Transportation

To hold closed hearings on broadcast spectrum issues.

S–407, Capitol

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings to examine the security status of national computer information systems and networks.

SD–342

10:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Library of Congress.

S–128, Capitol

Veterans' Affairs

Business meeting, to mark up S. 1791, to increase, effective as of December 1, 1996, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, and other pending legislation.

SR–418

JUNE 26

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1726, to promote electronic commerce by facilitating the use of strong encryption.

SR–253

Energy and Natural Resources

To hold hearings on S. 1804, to make technical and other changes to the laws dealing with the territories and freely associated States of the United States, on a proposed amendment relating to Bikini and Enewetak medical care, and to hold oversight hearings on the law enforcement initiative in the Commonwealth of the Northern Mariana Islands.

SD–366

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings to examine the security status of national computer information systems and networks.

SD–342

Rules and Administration

To hold hearings on proposed legislation authorizing funds for the Federal Election Commission, and on campaign finance reform proposals.

SR–301

Indian Affairs

To hold hearings on proposals to reform the Indian Child Welfare Act.

SR–485

JULY 11

2:00 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on S. 1738, to provide for improved access to and use of the Boundary Water Canoe Area Wilderness.

SD–366

JULY 16

2:00 p.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1997 for the Department of Education.

SD–138

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion. 334 Cannon Building

CANCELLATIONS

JUNE 18

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1035, to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests.

SD–430

POSTPONEMENTS

JUNE 18

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

SD–226

JUNE 19

10:00 a.m.

Judiciary

To hold hearings on S. 1740, to define and protect the institution of marriage.

SD–226

HOUSE OF REPRESENTATIVES—*Tuesday, June 18, 1996*

The House met at 12:30 p.m. and was called to order by the Speaker.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 2977) "An Act to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEVENS, Mr. COHEN, Mr. GRASSLEY, Mr. GLENN, and Mr. LEVIN, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to the bill of the Senate of the following title:

S. 1136. An act to control and prevent commercial counterfeiting, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1488. An act to convert certain excepted service positions in the United States Fire Administration to competitive service positions, and for other purposes; and

S. 1579. An act to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act").

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes.

HEALTH INSURANCE

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of May 12, 1995, the gentleman from Georgia [Mr. GINGRICH] is recognized during morning business for 1 minute.

Mr. GINGRICH. Mr. Speaker, I just wanted to report to my colleagues that we have a real opportunity in the next day or so to reach an agreement with the Clinton administration on guaranteed portability of health care, of health insurance with no preconditions. We are working very diligently in exactly the way we believe the House wants us to, to make sure that every working American who is in the insurance system will have a guarantee that if they change jobs, they can automatically get insurance without any preconditions for the rest of their life, so it will eliminate the major concern of working Americans.

In addition, Mr. Speaker, we have a program which will extend a lower cost health care option, health insurance option, to the self-employed and small businesses. Most of the people who do not have health insurance, who are working, are either self-employed or work in small businesses. So if we can find a solution to a lower cost health insurance option, we give more Americans the ability to buy health insurance at lower cost. So we have both greater access and greater affordability. We give greater affordability through medical savings accounts, which lower the after-tax cost of buying insurance, and we get greater access by providing portability without any preconditions.

I hope we are on the verge of a real breakthrough to get this agreed to. We have already gone to conference. The Senate Republicans are prepared to go to conference immediately, if we can simply get an agreement, and we are working very diligently to get this agreement. I wanted to report on that to my colleagues.

THE RATIONALE FOR VOTING FOR DENIAL OF MFN TRADE STATUS FOR CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, on June 3 President Clinton requested a special waiver to grant most-favored-nation trade status for China. Since the Tiananmen Square massacre in 1989, I have worked with my colleagues to provide alternatives to denial of most-favored-nation status, including conditional renewal or targeting revocation. However, this year I will be voting to deny MFN to China and to deny the President's special request, because of the increased violations of our bilateral trade agreements, because of the increased repression in China and Tibet, and because of China's proliferation of weapons, chemical, nuclear, and advanced missile technology, to unsafeguarded countries including Pakistan and Iran.

Mr. Speaker, while I know there is not a large enough vote in the Congress to override a Presidential veto, and the President would veto a motion to deny MFN, I do believe that a vote to support the status quo in United States-China relations is difficult to defend for several reasons.

In the area of trade, China does not play by the rules. Despite the fact that over one-third of China's exports come into the United States and are sold in the United States markets, Chinese high-tariff and nontariff barriers limit access to the Chinese market for United States goods and services and hold our exports to only 2 percent of our exports into China—a third of China's exports allowed into the United States, only 2 percent of ours allowed into China.

On a strictly trade-by-trade basis, China does not reciprocate the trade benefits we grant to them under MFN status. The result is a $34 billion United States trade deficit with China in 1995. As we can see from this chart, only 10 years ago we were reasonably in balance with a $10 million trade deficit with China, and over the past 10 years the trade deficit has increased to just about $34 billion.

Mr. Speaker, supporters of MFN will say that U.S. exports have tripled in the course of that time. They have, but Chinese exports to the United States have increased elevenfold, therefore resulting in this very extreme imbalance.

The deficit is expected to exceed $41 billion in 1996, and does not include the economic loss of Chinese piracy of our intellectual property, which costs the United States economy over $2.5 billion each year. It does not include the loss to our economy on Chinese insistence on offsets, production and technology transfer, which hurt American workers and rob our economic future, and it does not include money gained by China in the illegal smuggling of AK-47s and other weapons into the United States by the Chinese military.

Members will hear that trade with China is important for United States jobs. When President Clinton made his statement accompanying his request to renew MFN, he claimed new exports to China supported 170,000 American jobs. These jobs are very important. However, they must be seen in the larger context. Other trade relationships of comparable size, of, say, a $56 billion trade relationship, produce many,

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

many more jobs because our trade relationship is more in balance. More of our exports are allowed into other countries' markets.

Other trade relationships of comparable size to the China-United States trade relationship support at least twice as many jobs. For example, the United States-United Kingdom trade relationship totaling $2 billion less than the United States-China relationship supports 432,000 jobs. The trade is less but the number of jobs is well over 2 times. The United States-South Korea relationship is $8 billion less than the United States-China trade relationship. It supports 381,000 jobs, well over double the Chinese trade relationship. Why? Because of lack of market access for United States products into the Chinese marketplace.

We must also be concerned about the harm to our economy of the technology transfer and production transfer which is accompanying United States investment in China and United States sales to China. The Chinese Government demands that companies wishing to obtain access to the Chinese market not only build factories there, so that the products are made in China, not in the United States, but that they also transfer state-of-the-art technology to do so. The Government then takes that technology, misappropriates it, the companies have little choice, because they want to access the market. We are helping the Chinese Government build our own competitors, using our state-of-the-art technology. Time does not permit me to go further, but more will come.

ENVIRONMENTAL ESTROGENS AND THEIR LINKS TO BREAST CANCER

The SPEAKER pro tempore (Mr. WELLER). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, sadly, I am not surprised by an article in last Friday's Washington Post regarding yet another environmental health risk. The article discusses a new scientific study showing major health risk posed by chemicals commonly found in our environment. Despite even the best of intentions, a number of unnerving health trends are being linked with increased human contamination by chemical hormones.

The chemicals responsible for causing endocrine system dysfunctions have been used in common pesticides and industrial chemicals for decades. Known as environmental estrogens, these chemicals can actually mimic the hormone estrogen that naturally occurs in the human body. These synthetic hormones have the capacity to severely alter one's endocrine system, leading to an increased risk of major health problems, including breast cancer.

Breast cancer is expected to strike over 180,000 American women in 1996, and the lifetime risk for the disease has increased from a 1 in 20 chance in the 1950's to a 1 in 8 chance today. Breast cancer is the leading cause of death of women between the ages of 35 and 52, and 70 percent of newly diagnosed cases have no family history of this deadly cancer.

Environmental estrogens are largely responsible for these alarming figures. A recent study by the Mount Sinai School of Medicine showed that women with high exposures to DDT had four times the breast cancer risk of women with low exposures.

No matter how careful we are in watching what we eat and drink, exposure to chemical hormones is unavoidable in today's world. They occur in the herbicides we apply to our lawns, shoe polishes, paints, paper products we use every day, and in pesticides on the food we eat.

While we still have much to learn about toxic chemicals, what we do know thus far is cause for major concern and serious action. As a member of the Subcommittee on Health and the Environment, I am proud to have supported the passage of the Safe Drinking Water Act amendments in the Commerce Committee markup last week. This important legislation includes many reform proposals which address the most serious risks presented by contaminants in drinking water. The proposed amendments to the Safe Drinking Water Act will provide for an estrogenic substances screening program. Under this program, substances will be measured to determine if they produce effects in humans similar to those produced by naturally occurring estrogens.

In 1971, Congress passed the National Cancer Act, increasing resources for cancer research and broadening the mandate of the National Cancer Institute, a subsidiary of the National Institutes of Health. The infusion of funds following this act led to the genetic revolution in cancer and biomedicine in general. Continued funding for the NIH represents an investment in research as well as in investment to improve the Nation's health.

To protect the rights of those with identifiable disease characteristics like breast cancer in their genetic makeup, I have introduced H.R. 2690, the Genetic Privacy Act. This legislation will ensure that the new discoveries made in genetic testing research are not misused. For example, in the past 2 years, BRCA 1 and BRCA 2 were identified as major breast cancer genes. Together they account for perhaps 90 percent of familial breast cancer.

While this finding indeed benefits women, enabling them to take necessary preventive measures, negative consequences are also very likely. My bill establishes guidelines concerning disclosure and use of genetic information with regard to insurability, employability, and confidentiality.

Reducing the burden of cancer can be measured in terms of fewer deaths, fewer new cases, increased length of survival, and increased quality of life of cancer survivors. While improvements in cancer treatment have been made, overall cancer incidence continues to rise, emphasizing the formidable task ahead. The goal of a reduced cancer burden can only be achieved by the successful translation of discoveries to the benefit of all people who are at risk and who have been diagnosed with cancer.

Last weekend marked the seventh annual national race for the cure. The race was named "Doing It For Martha" in honor of Martha Maloney, a longtime staffer of Senator WENDELL FORD. The race will serve as a reminder to everyone of the impending threat of breast cancer. I was proud to have my staff participating as a team in the 1996 race for the cure.

Cervantes once said, "The beginning of health is to know the disease." To succeed in the fight against cancer requires that we have the vision to recognize new opportunities and the flexibility and energy to capture such opportunities for progress. Our responsibility is to all people, for cancer threatens all of our lives.

Mr. Speaker, I firmly believe that a cooperative effort by Congress, the scientific community, and regulators will yield new findings and beneficial results not only for the environmental health of this country, but for the health of current and future generations.

□ 1245

GOP SLASHES MEDICARE AND MEDICAID WHILE INCREASING DEFICIT

The SPEAKER pro tempore (Mr. WELLER). Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Mr. Speaker, last week the Republicans passed their budget plan which actually increases the deficit starting next year. Projections show that the 1996 deficit will be approximately $130 billion, but under the GOP plan it will increase to $153 billion in 1997. The GOP deficit is also higher in 1998 than this year's deficit.

I ask why. The reason is because the GOP are intent on their large tax breaks for the wealthy, part of which are paid for through excessive Medicare cuts.

In 1992 the deficit was $290 billion and in 1993 it was $255 billion. Under Democratic leadership the deficit has actually dropped 4 years in a row to the projected $130 billion of this year.

What is the reason for the Republican deficit increase? Misplaced priorities, tax breaks for their wealthy friends, and a slush fund for future unnecessary tax breaks. While the Republicans claim to be deficit hawks and the saviors of Medicare, the facts indicate that they are intent on pushing this country further into debt and making large and unnecessary cuts in Medicare.

This Republican deficit-increasing budget also makes extreme cuts of $72 billion over 6 years to the Medicaid Program and allows States to cut an additional $178 billion, for a grand total of $250 billion in Medicaid cuts. We are talking about major cuts in Medicaid as well as Medicare.

Many people look at the Medicaid Program as primarily for the poor, and, of course, it does assist poor people, but it also pays about 50 percent of all nursing home care for senior citizens. Without Medicaid, many middle-class adult children of nursing home parents will have to pay for their parents' expensive care, while at the same time trying to send their own children through college.

Last Thursday, Mr. Speaker, the Committee on Commerce, of which I am a member, voted on the Medicaid Repeal Act, which I vigorously fought. The Medicaid Repeal Act will eliminate all current guarantees of health care coverage and eliminate current guarantees of nursing home benefits to the elderly. This is the Medicaid Repeal Act that the Republican leadership is putting forward.

I offered an amendment to this act that would return these guarantees in this terrible legislation, but it was rejected by every Republican. Other Democrats offered similar amendments to continue health care coverage for the disabled, for children, for pregnant women, but again all those amendments were defeated by the Republicans.

On top of all this, the GOP Medicaid Repeal Act will sharply reduce payments to hospitals for care. Compounded with the extreme Gingrich-Dole Medicare cuts to hospitals, many will be forced to close their doors, especially hospitals that receive a majority of their income from Medicare and Medicaid.

Many hospitals in my home State of New Jersey are in this situation. They are highly Medicare and Medicaid dependent. I am very concerned about their being able to survive these steep cuts that have been proposed by the Republicans in Medicare and Medicaid.

Again, the Republican plans will reduce access to health care services. At a time when Congress should be seeking ways to decrease the number of uninsured and underinsured, the Republican leadership's answers will make these problems worse.

I thought it was interesting to see Speaker GINGRICH take the floor this morning and talk about how he is trying to increase portability and also increase health insurance for those with preexisting health conditions through the Kennedy-Kassebaum legislation. But that reality is that the Speaker and the rest of the Republican leadership have been insisting on including medical savings accounts in this Kennedy-Kassebaum health care reform.

What that will mean is that the healthy and the wealthy will opt out of the traditional health insurance programs and the cost for everyone else for health insurance will go up. So again, even though the Republican leadership talks about how they are trying to expand health care options, in fact what they are doing is making those options fewer because more and more people will not be able to afford health insurance.

Mr. Speaker, I just wanted to say in conclusion that in the past Democrats were able to decrease the deficit and preserve Medicare and Medicaid. The Republicans have misplaced priorities and values. The Democrats have a proven track record of reducing the deficit and ensuring that senior citizens have adequate health care. I remain committed to fighting these Republicans efforts that would raise the deficit while at the same time slashing Medicare and Medicaid.

HEALTH INSURANCE REFORM HELD HOSTAGE

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. WELLER] is recognized during morning business for 5 minutes.

Mr. WELLER. Mr. Speaker, I represent probably the most diverse district in the State of Illinois. I represent part of the city of Chicago, the south suburbs in Cook and Will Counties, industrial communities like Rockdale and Bradley and La Salle/Peru, farm towns and a lot of cornfields.

Because my district is so very diverse, I am always looking for commonality, common concerns that the working people of my diverse district have.

I find that a major concern of working families, of course, is finding ways to make health care work better for working families and reforming health care. Of course my predecessor talked about Medicare.

Frankly I want to make it very clear that we Republicans are committed to saving Medicare from Bankruptcy. The trustees just a few weeks ago say if we do nothing, Medicare goes bankrupt in 5½ years. In fact, the Republican budget increases funding for Medicare by $724 billion, a 62 percent funding increase for Medicare. We are committed to saving Medicare.

We are also committed to raising take-home pay for working families, increasing the opportunity for working Americans, and also helping small business and their employees. As that common concern which resonates in my district, and, that is, making health care better by improving access and by improving health care, of course, that is a concern I have got.

I know it is a priority in this Congress to reform health care. Over the last 16 months I have held town meetings and talked with a lot of my neighbors about what we can do to make health care better. When you listen and you learn the concerns of the people that I represent, frankly you learn, No. 1, that there are 40 million Americans today that do not have health care insurance. When you listen to those 40 million Americans you learn something that frankly is a surprise for many people, and, that is, that 85 percent of those without health care coverage are self-employed, they are small-business people, they are employees of these small businesses, and they are families.

The chief reason they are unable to obtain health insurance is because they cannot find affordable rates of health insurance. We are committed to making health care more affordable because we recognize that that will improve access for working Americans to our health care system.

This Republican House and the Republican Senate have responded and passed health care reform that makes health care more affordable by making it easier for small employers to band together and pool their employees so they get more affordable group rates on insurance; increasing the self-employed tax deduction, and, thanks to Bob Dole, we increased it to 80 percent; making health care insurance more portable so you can take it between jobs; and no one can be denied coverage because of preexisting conditions. We also provide for medical savings accounts, an innovation that is working across this country. We want to improve access by making health care more affordable to Americans.

I think it is important today to note that it was 57 days ago that the U.S. Senate passed the health insurance reform legislation by a vote of 100 to 0. Every Member, Democrat and Republican, voted for that health care reform bill.

Both the House and Senate have passed health care reform, so what is the holdup? I think it is important today to point out that today is day 57 of health care reform being held hostage in the United States Senate.

Health care reform is being held hostage by a small, narrow, extreme, left-wing minority of one who stands in the way of health care reform. Working families, small businesspeople, entrepreneurs, flower shops, local grocery stores, the people on Main Street——

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Will the gentleman suspend for one moment. It is not in order to cast reflections on the Senate or its Members, individually or collectively. The gentleman may resume.

Mr. WELLER. Working families, the self-employed, flower shops on Main Street, the backbone of our society, the little guys and gals are being punished because one Member is filibustering legislation to provide health care reform and make health care affordable.

This particular Senator is using medical savings accounts as his excuse for blocking affordable health care reform. The reason this Senator is filibustering health care reform is because he wants a Government takeover of our health care system.

Medical savings accounts are an idea which was discussed while I was in the State legislature.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Will the gentleman suspend. It is not in order to cast any reflection on the Senate or its Members and I ask the gentleman to refrain from doing so.

The gentleman may proceed in order.

Mr. WELLER. Medical savings accounts are an issue I dealt with as an Illinois State legislator. While I was in the Illinois General Assembly, we were successful in passing medical savings accounts. Since 1993, Illinois residents in the Land of Lincoln have been able to reap the cost-saving benefits of MSAs.

In fact, there are 18 States today that are leading the effort to provide for medical savings accounts. In fact, there are hundreds of thousands of employees of small businesses and corporations that have the opportunity to have medical savings accounts. Medical savings accounts work because they provide choice for working Americans, choice amongst their health care providers, choice amongst their physicians. They lower costs by rewarding cost-conscious consumers, and they also provide for portability between jobs.

Unfortunately one legislator stands in the way with his filibuster, and unfortunately that interest is blocking health care reform.

There is strong bipartisan support for health care reform in the House and Senate. It passed the Senate by 100 votes to nothing, it overwhelmingly passed the House, and if it is allowed to be voted on, it will pass.

Ladies and gentleman, I ask the President to call on this one legislator in the other body to drop his effort to hold health care reform hostage.

Let us bring the bill up for a vote. Let us send it to the President with this bipartisan effort to make health care more affordable and become law.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members again to not cast reflections on the Senate or its Members individually or collectively, or to urge particular Senate action.

SENATE WHITEWATER COMMITTEE MINORITY FILES REPORT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I hope what I am going to do today is going to be within the rules of the House, because I rise today to urge the American people to please read the minority report coming out of the Senate today. It is terribly important. It is the minority report being filed by the ranking member, Senator SARBANES, the summary of conclusions from the Whitewater Committee.

I think this is a very, very critical report. It was not leaked to the press, as the majority report was. As a consequence, many people are dealing without this factual base. We are into spin, if you can imagine such a thing in this town. Everybody is into spin control.

Let us talk a little bit about what is going on. First of all, this has been the longest running congressional investigation of any sitting President. If we look at the facts on Watergate, if we look at the facts on Iran Contra, this one has gone much longer than that.

I am very proud that the minority report was not leaked because in this highly charged political atmosphere I was hoping this could be an objective attempt, since it has gone on so long. If we do not count the meetings done by the Senate Banking Committee that were held in 1994, let us just push those entirely out to the side, this Senate Whitewater Committee in 1995 and 1996 met for more than 300 hours in open sessions, took 10,729 pages of hearing testimony in 51 hearings and 8 public meetings. It also had 159 witnesses and took more than 35,000 pages of deposed testimony from 245 persons. Hundreds of thousands of pages of documents have been provided to the committee by different agencies, departments, and individuals.

If we look at all of this and then we look at the over $32 million that has been spent on this, I think it is terribly important to say, what did we get out of this? What did we get out of this? We ought to be looking at the facts.

This was a very broad spread committee. It went on longer than anything. The facts ought to be what we are looking at. The bottom line should be, did President Clinton misuse the powers of his presidency? The other question was, did he use his official position in Arkansas to financially enrich himself?

If we read this committee report by the minority, they clearly conclude after sifting through all of this paper and all of this oral testimony that the answer to those questions is "no." And they are really rather surprised by the fact that, I guess the disappointment at finding the answer was "no," they had to go out and look for someone else to drop a net over, and so it really appears that they went after Mrs. Clinton with all the venom they could possibly go after. It is like they have this incredible sinister spotlight that they want to shine on her and make her the most evil soul that ever walked the planet.

□ 1300

Mr. Speaker, this is not the person I know, and I think it is very interesting to look at the perspective that they have put on it. If you cannot recall precisely what you did 10 years ago, then they want to spin it that you are lying, you are disingenuous, you are part of a conspiracy, and so forth and so on. But basically what we should be doing, I believe by our charter under the Constitution, is we should be looking at elected officials and what elected officials did or did not do in the role of their public trusteeship. That is the issue.

Mr. Speaker, I think it has probably been very discouraging to many people who put a lot of time in, because I think, if anybody looks at the President we have, everybody knows he loves politics. And anyone who is in politics knows that politics keeps you busy 24 hours a day. There are never enough hours in the day to do all the things that you should do if you really want to be good at your profession. If anything, this President is probably guilty of ignoring his own personal financial background. He enjoys much too much being with people, talking to people, listening to people, doing things with people, participating in events, thinking about policy issues to get involved with those details of how he pays his own bills.

So I hope that everybody looks at this minority report and we get the facts out. We have paid a lot of money for this. Let us not do spin. Let us do facts. Let us try and look at this thing objectively and not politically.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. STEARNS). According to Jefferson's

Rules of the House, on page 176, even when Members characterize a report from the Senate—this is on page 176: Except as permitted in clause 1 of rule XIV, it is out of order to characterize the position of the Senate, or of Senators designated by name or position, on legislative issues.

FILEGATE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. MICA] is recognized during morning business for 5 minutes.

Mr. MICA. Mr. Speaker, Shakespeare said, "Something is rotten in Denmark."

Mr. Speaker, I say something is rotten in the White House. I am talking today about the case of Filegate, which has raised so many eyebrows, which has raised so many concerns. Each day a new revelation comes out on this matter. Each day I continue to be shocked and the American people become more concerned about what they learned. First we heard that the FBI had turned over or the White House had obtained 330 names to peruse. We understand the list went from "A" to "G." Then we heard the number raised to 341 names. Recently we heard the FBI state that requests were made for more than 400 files. I learned today that one file was returned on June 10. I learned also today that 71 files were turned over on June 17. What is shocking is I learned today, too, that the White House still has 17 of these files.

Mr. Speaker, the more we learn about this situation, the more I become concerned. Mr. Freeh, the Director of the FBI, said that the FBI was victimized. I think the FBI was victimized. I think the Congress was victimized. Even the Washington Post, one of the administration's most ardent supporters, now feel in their editorials yesterday and today that they were victimized.

Mr. Speaker, this all came about because the committee on which I served, Government Reform and Oversight, requested files. We requested files for almost 2 years, and what did we get? We got stonewalled. It got so bad that we had to issue this contempt report to John Quinn, counsel to the President, requesting this information after our preliminary investigation saw the misuse and abuse of the FBI and the IRS in the Travelgate fiasco. That is how this came about.

The more questions that we see being raised, the more questions we have. We do not know how many files were obtained. We do not know how many files were copied. We do not know how the files were used. We do not know whose civil rights or privacy rights were abused. Filegate came to light because of our investigation.

Most disturbing to me as a member of the committee that was investigating this, Government Reform and Oversight, is that the FBI files of three of our subcommittee staff directors were obtained by the White House. To me, this is a clear and direct violation of the firewall which has always existed between the legislative branch, the executive branch, and the chief Federal law enforcement agency of our Nation.

The Committee on Government Reform and Oversight is charged with investigations and audits of the executive branch of Government. Our committee has been stonewalled in repeated requests for documents relating to travelgate during the past 2 years. Only after we took this drastic step of threatening to issue a contempt citation of Congress did we receive one-third of the documents requested. It was through these documents that we discovered the unbelievable tale of the misuse of FBI files in the manner we have heard described, the manner we see here.

Mr. Speaker, in light of what has been revealed, I believe it is incumbent upon this Congress to move forward immediately and issue this contempt citation to Mr. Quinn and the others. It is not sufficient for the White House and Mr. Quinn to suspend Mr. Livingstone. It is now absolutely critical that the Congress obtain all of the 2,000 missing documents, the documents that have been withheld from this Congress, withheld from our subcommittee, and that we conduct a thorough and complete investigation and review of this matter and this entire sorry chapter in this administration.

Mr. ROHRABACHER. Will the gentleman yield for a question?

Mr. MICA. Yes, I would be glad to.

Mr. ROHRABACHER. Mr. Speaker, does the gentleman believe that it is possible that the White House received all of these files from the FBI and that perhaps they were just trying to look into one or two people in those files that they really wanted to get, and that the rest of those files were just a cover against, a vendetta against individuals that they do not want to admit who they are?

Mr. MICA. Mr. Speaker, I do not know. We do not have the 2,000 documents we requested, and I call on the Congress to issue the contempt citation.

CHURCH ARSON

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from South Carolina [Mr. SPRATT] is recognized during morning business for 5 minutes.

Mr. SPRATT. Mr. Speaker, in the last 18 months, 40 churches have been burned to the ground, 5 of them in my State. And despite mounting concern, eight churches have burned in the last 2 weeks, four within the last 2 days.

It is time, past time, for Congress to say, "In America, we don't burn churches, synagogues, or mosques, or let anyone who does, escape with impunity."

Today, we have such a chance, because today, we take up a bill called the Church Arson Prevention Act.

We all know that this law will not bring these heinous crimes to a sudden halt. But this law will put the authority of Federal Government, the BATF and the FBI, into the investigation, prosecution, and punishment of every church that's burned.

This bill attempts to justify its purpose under the Interstate Commerce Clause, which I think is unnecessary. I think that under the 1st and 14th amendment, Congress not only has the power but the duty to prohibit any restraint on the free exercise of religion, and we not only have the power but a special duty to see that crimes of hate, aimed at African-Americans because of their race, are prosecuted and punished. And that is critically true when the hatred is visited on churches, the vital beating heart of African-American communities.

I feel certain that the Church Arson Prevention Act will pass this House overwhelmingly. But that is not enough. It must be backed by the unstinting authority of the Federal Government until every miscreant who would commit such a crime knows that he will be pursued relentlessly, prosecuted swiftly, and punished severely.

OUR NATURAL RESOURCES

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. GOSS] is recognized during morning business for 5 minutes.

Mr. GOSS. Mr. Speaker, I want to talk about some good news today. Over the last 20 years, we in this country have made measurable good progress in protecting our natural resources. Our air and our water are cleaner than they were in the 1970's, and we have reversed the decline of several of the endangered species. This is a good record. It is an admirable record. We all know there are still many areas where Federal attention is required today, but we also know that you cannot write thousands and thousands of pages of Federal regulations without some problems developing along the way. It is just common sense to take a look at current regulations and decide what works and what does not and look for ways to make a cleaner, safer, healthier environment for everyone and at the same time, of course, excise those unworkable and unfair regulations we have come to identify.

This 104th Congress has been perceived by some as being antiregulation. Perhaps the truth is that the 104th has opposed overregulation. I think to his very great credit, the Speaker has taken the lead and formed a task force on the environment. I am pleased with the Speaker's determination to pass responsible environmental legislation. I am, frankly, personally happy to be part of his effort. Although it is often lost in the rhetoric surrounding today's environmental debates, the Republican Party has a long tradition of conservation from Teddy Roosevelt, who created the first national wildlife refuge, to Richard Nixon, who created the Environmental Protection Agency. Many people have forgotten that.

Unfortunately, what often passes for debate on environmental issues in Congress and around the country is little more than a shouting match full of symbolism but actually lacking any real substance; sort of litmus test wars, as it were. If we are to make any real progress in resolving some of the difficulties associated with environmental protection, we need to set politics aside and have a reasoned discussion on the real issues. The Speaker's environmental task force has successfully identified several principles for such a debate in my view, principles that I think make good sense, we will all agree.

The first of these is that environmental decisions should be consensus based, made in consultation with the people whose homes, businesses, communities are directly affected. Bringing the opposing interests to the table early in the process provides us the opportunity to find a solution before the two sides become deadlocked in a meaningless fight. Environmental disputes routinely focus on health, public safety, and environmental protection against the question of jobs, economy, and private property rights. Obviously all of those things are important. If we get the parties talking to each other early, I believe we can make substantial progress in removing some of the conflict we see today.

Mr. Speaker, the second principle is greater. It is greater in a way that it involves State and local, our sister branches of government in the lower tiers. Having served as a mayor and a county commissioner before coming to Congress a few years ago, I know that the lower tiers mean the front lines where the people are, where what matters in our daily lives goes on. I know the importance of giving States and localities a real role in setting and enforcing environmental standards in their communities. The perspectives of local and State officials who are the people who make everyday land use decision, who deal with problems every day are invaluable in crafting environmental policies that actually work on the ground.

The time has come to end sort of the one-size-fits-all directives from Washington that really fail to recognize the obvious often overlooked fact that different communities have different needs. Alaska is different than Florida.

The last principle I will mention is providing positive incentives to encourage responsible stewardship of our natural resources. Whether we provide rewards such as tax credits, grant flexibility, and complying with regulations or offer marketing incentives, we should move away from the idea that environmental legislation always creates winners and losers. The simple fact is that we can achieve a balance that allows all sides to come away with something positive. All America and all Americans benefit when we do that.

I will end on what I hope is a high note and that is this. These principles are not just talk but are geared toward providing results, results that will help Florida, for instance, restore our Everglades, restore our beaches. Under the Interior appropriations bill, which just happens to be coming to the floor this week, Congress in fact is going to be taking responsible steps in both of these critical areas.

I believe in the end all parties to the environmental debate agree on the importance of safeguarding our natural resources. Hopefully we will see reasonable people from all sides embrace the principles we have laid out and help us in a bipartisan way achieve our goals.

□ 1315

AMERICAN PATENT PROTECTION BEING JEOPARDIZED

The SPEAKER pro tempore (Mr. STEARNS). Under a previous order of the House, the gentleman from California [Mr. ROHRABACHER] is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, I rise to warn my colleagues that powerful interest groups are involved in one of the most insidious attacks on the well-being of the American people that I have seen in my 8 years in Congress. It is an insidious attack because a decade from now, if these powerful interests succeed, America will have lost its competitive edge, the standard of living of our people will be in decline, and they will never know what hit them.

What is happening is an attack on America's ability to remain the number one technological power in the world. America has had the strongest patent system in the world. Our citizens have enjoyed patent protection that other citizens in other countries have not enjoyed. Thus, our inventors and investors in new innovation have given us technology that has provided the American people with a standard of living far beyond those overseas, and has permitted our people, even though they receive more money for their work, to outcompete people who receive less pay overseas.

The American people have enjoyed the technological lead that has given us the light bulb, the telegraph, the telephone, the reaper, the steamboat, and, yes, the airplane.

Today our standard of living is tied to technology and in the future will be tied even more to technology, but today we see our patent system, which has done so much for our people, under attack and targeted by powerful foreign interests and multinational corporations.

These powerful interests have already eliminated the guaranteed patent term of 17 years, which was the right of Americans for 130 years, and it was eliminated in an underhanded fashion by slipping it into the GATT implementation legislation, even though that change was not mandated by GATT itself.

Now for the knockout punch. We will soon have a bill come to the floor which will end patent protection in America as we know it. The bill, H.R. 3460, which I have labeled the Steal American Technologies Act, is really named the Moorhead-Schroeder Patent Act. This piece of legislation will demand, mandate, that every American inventor, when he applies for a patent, after 18 months, whether or not that patent has been issued or not, it will be published for the world to see. Every single detail of new American technology will be available to the world to steal. Every pirate in the world and the Asian market will be producing our technology before our patents are even issued.

It also eliminates the Patent Office itself, something that has been part of our Government since the Constitution, and replaces it with a corporatized Patent Office, meaning a semi-Government, semiprivate corporation, like the Post Office, which has very little of the congressional oversight that the current Patent Office has.

By the way, that same move strips patent examiners. These men and women who have dedicated their lives to making the judicial decisions as to who owns what technology, they will be stripped of their civil service protection, inviting corruption: First, publication of every last secret we have to the pirates of the world; second, stripping our patent examiners, our line of defense, against corruption, of their civil service protection.

Finally, this bill will offer rights to foreign corporations, as well as huge American multinational corporations, to challenge existing patents. Our technology even today will be under attack when the people from all over the world will be able to come in with huge finances and force our people to defend the patents that have already been granted them.

America's corporate giants, strangely enough, have signed on to this technological rip-off. First, they would like to rip off the little guy themselves without having pay royalties, and many of these giant corporations in our country have interlocking directorates and investors from all over the world. They have signed on to destroying the American patent system as we have known it for the last 130 years.

This is truly a battle between the little guy and the big guy. H.R. 3460, the Steal American Technologies Act, is being pushed through the system by big business. Small business, the investors, the NIFB, colleges and universities that get monies from royalties from their own inventive processes, they are behind the Rohrabacher substitute for H.R. 3460.

This will be a battle that determines America's future, but the American people will have trouble understanding it. Let us hope they call their Congressman to let them know they will be watching and America's interests should be protected.

MSA'S PROVIDE FREE MARKET SOLUTION TO HEALTH CARE PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. SALMON] is recognized for 2 minutes.

Mr. SALMON. Mr. Speaker, since the start of the Clinton administration, our President has taken American workers for a rollercoaster ride when it comes to fundamental health care reform. Two years ago we faced the scary plan called Clinton Health Care, which basically was a system of socialized medicine. Clinton Care completely rejected the idea that free market reforms, not big government, centralized control, might be the way to bring health care costs into line, and it would have forced people into managed care.

Americans were confronted with this ridiculously complex plan that would have even further increased our citizens' dependence on the Federal Government and ultimately left our children with debt even worse than today's already unacceptable high levels.

Today in Congress we have a plan, a good plan, for health care reform. It does not call on the Federal Government to take over anything. Instead, we propose to fix our problems in a manner that befits our free market economy by empowering Americans to have more, not less, control over their health care. Our plan will let Americans take their health care insurance with them when they change jobs, limit exclusions for preexisting conditions, and, perhaps most importantly, give Americans the option to choose medical savings accounts, MSA's. Our plan believes in giving people, not bureaucrats, the power to make personal health care choices, but this plan is held hostage, day 57.

MSA's, which is a component of our health care reform plan, provide free market solutions to our health care problems. Because of the fundamental good sense MSA's make, we have more and more Democrat converts to this economically sound reform option.

While I would prefer to give the MSA option to all Americans, I recognize slow progress is better than no progress. Such is the nature of compromise. All in all, however, we in Congress have a solid reform plan, and I am proud of the spirit of bipartisanship that many have brought to this cause.

However, one more Democrat still has not joined us in this compromise, and that is President Clinton. His refusal to take it up has brought this reform to a halt. I call on the President in the spirit of bipartisan, working together for Americans on crucial, crucial health care reform, for all Americans, to stop this hostage taking of the health care reform plan, come on board, and do what is right for America.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 2 p.m.

Accordingly (at 1 o'clock and 23 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WELLER) at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May Your Spirit, O God, be with us all the day long and remain with us in our hopes and in our sorrows, in our dreams and in our defeats. Cause us never to forget Your heavenly vision and let us never walk away from the gifts of Your good grace. We know, gracious God, that Your Spirit is over all the world and given to every person and is present in our lives this day and every day, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. CHABOT] come forward and lead the House in the Pledge of Allegiance.

Mr. CHABOT led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

REPORT ON H.R. 3662, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Mr. REGULA, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104–625) on the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of ordered are reserved on the bill.

HOW LONG WILL PRESIDENT CLINTON AND SENATOR KENNEDY STAND IN THE WAY?

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, Republicans have a health care bill that ensures affordability, accessibility and ensures that preexisting conditions will not deny an individual health care coverage any longer. It makes health care more affordable to small businesses and to the self-employed and allows them to set up medical savings accounts. It allows tax deductions for long-term health care needs, and it fights fraud and abuse with tough new provisions.

Mr. Speaker there are only two people standing between the American people and more affordable and available health care, and that is President Bill Clinton and Senator TED KENNEDY, and, Mr. Speaker, how long will they stand in the way and deny the American people these much needed reforms?

VETERANS DESERVE MORE THAN HOLLOW PROMISES

(Mr. FILNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FILNER. Mr. Speaker, our Nation's veterans are getting a raw deal. Last week the Republican budget conference approved a veterans budget $573 million below that recommended by President Clinton. Now the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations has recommended that the funding level recommended by President Clinton for veterans' employment services provided for disabled veterans outreach program specialists and local veterans employment representatives be cut by almost $12 million. As a result, 28,000 fewer veterans; that is, 28,000 fewer veterans, will be placed in jobs than proposed in the President's budget.

Additionally, the Republicans have recommended that the transition assistance program be terminated October 1. This successful program has trained hundreds of thousands of men and women leaving our Armed Forces to find, and to find quickly, good permanent civilian jobs.

Mr. Speaker, the Republicans are anxious to spend billions of dollars on a dubious son of star wars program but are unwilling to provide the $2 million necessary to help veterans earn a living in their civilian communities. Let us hope the Committee on Appropriations restores this money. Veterans deserve more than hollow promises.

NO MFN FOR CHINA

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUNDERBURK. Mr. Speaker, dollar signs, business for some United States companies, trade and engagements; these seem to be the primary arguments for renewing MFN for Communist China.

Mr. Speaker, I remember in my youth reading "The Odyssey," the story about the great Greek hero Odysseus and his trip home after the long Trojan War. In one of his adventures he guided his ship through the singing of the Sirens. He had to do this without meeting the same fate which lured all mariners and their ships to the rocky coast and disaster.

The modern-day lure of the songs of the Sirens is the China market. Like Odysseus of old, only President Reagan, unlike recent American Presidents, was able to resist this. He built the United States up from its self-imposed position of strategic weakness.

Let us do what is good for the American national interests and resist the modern sirens. Do not grant MFN for China, at least until Communist China starts to act more like a civilized nation in its treatment of its citizens.

CANCEL MFN FOR CHINA

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, another last minute trade deal. The White House said China has voluntarily agreed to stop breaking international trade and copyright law.

Right.

Mr. Speaker, what does China have to do before the White House wakes up? Nuke Taiwan? Rape the Statute of Liberty?

I think the facts are now clear and evident. While China is kicking our assets all the way from Beijing to the east lawn, the White House keeps making another deal. I do not know if we elected Monte Hall or what here. In America the people govern.

Mr. Speaker, Congress should cancel most-favored-nation trade status pork for China. I yield back the balance of all jobs and money.

WE NEED TO KNOW WHY

(Mr. CHABOT asked and was given permission to address the House for 1 minute.)

Mr. CHABOT. Mr. Speaker, the White House has now released statements from some of the political operatives involved in pawing through the confidential FBI background files of hundreds of political opponents. Those declarations are more important for what they do not say than for what they do.

Craig Livingstone, the ex-bouncer and political hatchet man who is now being paid not to work, released his carefully lawyered statement saying that if he was asked to obtain FBI background files, and if he did obtain the files, and if he was asked to disseminate to other people the personal information that he learned from those files, and if he did give out that personal information to other people, well, then he did not do so for any purpose he thought was, quote, improper.

The statement of course does not say what he defines as improper.

The American people deserve to know exactly what happened and why. They deserve to know what the President means when he says that he takes full responsibility for this outrage, and we need to know why the President is treating Mr. Livingstone so very gentle.

REPUBLICANS REVERSE DEMOCRATIC DEFICIT REDUCTION

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, here we go again. The same group that shut down the Government last winter has given us a budget that is way out of balance. The Gingrich Republican budget cuts Medicare, cuts Medicaid, increases by $12 billion the military budget, more than the Pentagon asked for, and increases taxes on people making $15,000 to $30,000 a year, at the same time swelling the budget deficit, all to give tax breaks to the richest people in this country.

Three years ago the budget deficit was $290 billion. This year we have got it down to $130 billion. We have cut it in half. Unfortunately, the Gingrich budget increases the budget deficit to $153 billion next year and a comparable amount the following year instead of bringing the budget deficit down. At the same time it cuts Medicare by $162 billion, it cuts Medicaid $72 billion, again all to give a tax break to the wealthiest people in this country.

Mr. Speaker, it simply does not make sense.

SUPPORT THE WORKER RIGHT TO KNOW ACT

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, is it fair that any union member should automatically have money deducted from his or her paycheck to pay for political candidates or causes with which he or she disagrees? It is fair that a union member should have to battle his or her union in order to object to the union's spending of dues for political purposes? And, if he or she does object, is it fair that a union member be subjected to harassment from the union, or worse, the threat of losing his or her job? I certainly don't think so, and I would hope and expect that our colleagues on both sides of the aisle would feel the same way.

Mr. Speaker, the Worker Rights to Know Act will help instill some basic fairness to the process by which unions spend the hard earned money of their members. I urge my colleagues to support its passage.

ANOTHER REASON FOR DENYING MFN TO CHINA

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, as we go through the annual ritual of extending most-favored-nation trading status for China, yet another reason for denying MFN has come to light: China has become the major contributor to weapons proliferation and instability in Asia, with Pakistan being one of the major recipients of Chinese nuclear technology and delivery systems.

As was reported in the media last week, there is strong evidence from our own intelligence agencies that Pakistan has deployed nuclear-capable Chinese M-11 missiles, obtained through a secretive transfers that both countries have tried to cover up. Yet, incredibly, despite the overwhelming evidence, the administration seems unwilling to impose the tough economics that both nations clearly deserve.

Earlier this year, we failed to punish China or Pakistan for the transfer of 5,000 ring magnets, devices used for the production of weapons-grade enriched uranium. We also went ahead with the transfer of $368 million in United States conventional weapons to Pakistan.

Mr. Speaker, it's time to get tough with China, Pakistan, and other nations contributing to the spread of nuclear weapons. Denying MFN to China is an effective way to show that we're serious about nonproliferation.

OBSTRUCTIONIST LIBERALS HOLDING UP THE HEALTH COVERAGE AVAILABILITY AND AFFORDABILITY ACT

(Mr. LEWIS of Kentucky asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Kentucky. Mr. Speaker, last week, the House and Senate reached an agreement on a package of commonsense health care reforms. The Health Coverage Availability and Affordability Act of 1996 ensures portability, it fights waste, fraud, and abuse, it cuts redtape and creates a medical savings account program to help the self-employed and employees of smaller businesses.

Mr. Speaker, this is a win-win situation for the American people. We emphasize people over bureaucracy, choice over centralization.

But, unfortunately, a small group of liberals in the other body have held up this commonsense legislation for 57 days. These liberals are holding out for the centralized Clinton Care that was rejected by Congress and the American people 2 years ago.

Mr. Speaker, we should break this logjam. Obstructionist liberals should end their campaign to take over the Nation's health care system.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all members it is not in order to cast reflections on the Senate or its Members, individually or collectively.

CONSTRUCTIVE ENGAGEMENT OR APPEASEMENT

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Mr. Speaker, we are told that the United States of America is engaged in a policy of constructive engagement with the gerontocracy that runs China. We have just completed our second annual negotiations to allow the Chinese to continue to pirate over $2 billion a year in intellectual property rights from American companies. There is no change; they are still producing those disks today.

Yes, there was a little show of closing down a few, but that will not last. We are going to run a $41 billion deficit with China, the most unfair trading nation on Earth, the most protectionist society on Earth. That means, according to our own Commerce Department's numbers we are going to lose 800,000 jobs to the unfair trade practices of the People's Republic of China.

At some point the policy of constructive engagement starts to look an awful lot like appeasement, and we all know how effective the policy of appeasement was in dealing with Hitler's Third Reich.

ENDING HEALTH CARE REFORM GRIDLOCK

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, the American people have two major concerns about their health care insurance. One is can they afford it; and, second, will they be able to take it with them when they have to move from one job to another?

First, the good news. A bipartisan majority in the House and the Senate supports passage of the Health Coverage Availability and Affordability Act, which addresses both of these problems. Now the bad news. One Member from the other side of the aisle in the other body is standing in the way because of his opposition to providing more Americans the option of choosing a medical savings account, or MSA, for their health insurance.

Dozens of companies and thousands of employees around the country have MSAs. They love MSA's for three reasons. MSA's give employees control over how their health care dollars are spent and make them careful but satisfied shoppers.

□ 1415

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

Mrs. SCHROEDER. Mr. Speaker, I thought the Chair had said that we could not impugn motives to Members of the other body.

The SPEAKER pro tempore (Mr. WELLER). The gentlewoman is correct. The Chair was attempting to ask the gentleman to suspend.

The Chair would ask that Members refrain from disparaging remarks about Members of the other body.

Mr. BARTLETT of Maryland. Mr. Speaker, I mentioned no specific Member of the other body.

Mr. Speaker, dozens of companies and thousands of employees around the country have MSA's. They love MSA's for three reasons: MSA's give employees control over how their health care dollars are spent and make them careful but satisfied shoppers. They provide them freedom from worry by eliminating out-of-pocket costs for those with chronic or catastrophic illnesses. MSA's save money for employees and for the companies. Americans want this kind of health care coverage. We should move to make it possible for them.

THE REPUBLICAN BUDGET DOES NOT REFLECT THE PRIORITIES OF MIDDLE AMERICA

(Mr. MINGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINGE. Mr. Speaker, despite the heated rhetoric surrounding the budget debate, the Republican budget passed last week. It will tragically increase the deficit from $130 billion to $153 billion. Just when most of us who are deeply committed to deficit reduction thought that we had the opportunity to address the budget in a forthright manner, we have been duped. If we have learned anything about the tragic budget debate of last year, we have learned that if it is going to succeed, the design and the details of the budget must reflect the priorities of modern Americans.

Middle America wants to see the deficit decreased. Middle America does not want to see education and health care programs cut while defense spending increases. Middle Americans are willing to share in the sacrifice necessary to balance the budget. Yes, most support tax cuts. So do I. However, we should not borrow money temporarily to pay for a tax cut if we are sacrificing the future of our children and grandchildren. We must be willing to set our priorities straight and make the tough choices necessary to balance the budget.

END THE APATHY AND THE POLICY OF APPEASEMENT TOWARD CHINA

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, in 1980, China was first granted MFN status. Since then, very little has changed. In fact, it would be easy to argue that the situation has worsened. In the last 5 years, China has accumulated a $117 billion trade surplus with the United States, most of which is being used by the Chinese Government to build a war machine—a United States financed and outfitted Communist army.

Also troubling is the continued theft of American intellectual property rights. Even the Clinton administration has called the Chinese "the most egregious violator of agreements intended to combat the piracy of American products.

Our apathy and appeasement have actually worsened our position as a trade partner and as a steward of democracy in one of the world's most volatile regions.

The House will soon vote to end China's privilege. We will soon have the opportunity to send a message to the world that America will not support a rogue nation. We cannot continue to ignore the truth' we must be proactive in changing China's policies.

THE 1996 CHICAGO BULLS MADE AMERICA PROUD

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, let me join the chorus of Chicagoans, Illinoisans, and fans everywhere in saluting our world champion Chicago Bulls. The Seattle Supersonics were a worthy team, but 1996 was the year of the Bulls: a regular season record of 72 victories, a playoff record of 15 wins and 3 losses.

Why were they so successful? The greatest coach in the NBA, Phil Jackson, the man who proved that Zen can win; the greatest player in the history of the sport, Michael Jordan, whose athletic ability is only surpassed by his class; and a great team, with players from Australia, Canada, Croatia, and Mars. The 1996 Chicago Bulls made America proud: four championships in 6 years, and more to come.

COMMENDING THE FEDERAL BUREAU OF INVESTIGATION FOR A JOB WELL DONE

(Mr. OXLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I rise to commend the Federal Bureau of Investigation and the Department of Justice for the peaceful resolution reached last Thursday in the armed standoff involving the so-called Montana Freemen who are charged with threatening public officials and other crimes.

The potential for violence was high throughout this confrontation. The fact that the suspects surrendered without a shot being fired speaks well of FBI negotiations and the reforms instituted at DOJ for dealing with such crisis situations.

I particularly note FBI Director Louis Freeh's personal oversight of the case and his determination to see the lessons of past standoffs institutionalized at the Bureau. Federal law enforcement is the target of a great deal of second-guessing when tragedies occur. They deserve recognition for their professionalism when a tense situation is resolved peacefully.

Mr. Speaker, not every warrant can be executed without incident. That goes with the turf. All the more reason to commend the FBI for a job well done.

IT IS NOT TOO LATE TO REVERSE THE ACTIONS OF LAST WEEK'S BUDGET VOTE AND STILL CONTINUE TO ATTACK THE DEFICIT

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, it is not too late to reverse the actions of last week's budget vote and still continue to attack the deficit. I am very, very concerned that after 4 years of continuously declining deficit, we now see again in the chart that instead of continuing the trend to balance, we are going to borrow an additional $99 billion over the next 2 years in order to give ourselves a tax cut with borrowed money. That does not make sense.

Also when we look at the budget last week, and now we hear the discussions going on about whether we are going to combine welfare and Medicaid with a tax cut, we find we are postponing the difficult choices. The difficult cuts are going to be postponed until 2000, 2001, and 2002.

Mr. Speaker, please, let us reverse that. Let us get the House back in the same direction we were going in 4 consecutive years of the deficit coming down. Let us not give up now. Let us continue now with some good bipartisan support for deficit reduction and not increasing our Nation's debt.

URGING SUPPORT FOR COMMONSENSE HEALTH CARE REFORM

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, the time for health care reform is at hand. Congress, for the first time, will deliver health care reform that will attack waste and fraud, make health care more affordable and make health care insurance more available for the American people.

The President has a simple choice. He can do what the American people want, and sign this very important reform package. Or he can work to derail this reform bill and please the left wing of his party.

According to press accounts, liberals in the Democrat caucus are deathly afraid of medical savings accounts, because it gives more power to families to make their own health care decisions.

These liberals want the Government to call the shots. They want Washington bureaucrats to decide what kind of health care families can or can't have.

Mr. Speaker, the American people want health care portability. They want to make health care insurance both available and affordable. And they want to get rid of the waste and fraud that every senior citizen knows is in the health care delivery system. And they want it now.

I urge my colleagues to support this commonsense reform.

VOTING "NO" ON MOST-FAVORED-NATION STATUS FOR CHINA

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, at the beginning of June the President asked for a special waiver in order to grant most-favored-nation status to China. The House will soon be taking up this vote. In the past, since the Tiananmen Square massacre, I have worked with our colleagues to try to shape a compromise measure. The actions on the part of the Chinese Government in terms of violation of trade proliferation and human rights have been so extreme that this year I am forced to vote no on MFN for China.

In terms of trade, the Chinese want favorable trade treatment for their products coming into the United States while having huge barriers to United States products going to China, to the tune of one-third of their exports coming to the United States and only 2 percent of United States exports being allowed into China.

In terms of proliferation, the Chinese are proliferating chemical, nuclear, and missile technologies to unsafe guarded countries like Iran and Pakistan, and all this money they earn from their missile sales and trade consolidates their power to allow them to continue to repress their people. Some will say that economic reform will lead to political reform. This has not been the case, even according to the Clinton administration's own country report.

REJECT MOST-FAVORED-NATION TRADING STATUS FOR CHINA'S DICTATORSHIP

(Mr. ROHRBACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRBACHER. Mr. Speaker, we will be discussing most-favored-nation status for China. Of course, Communist China is one of the worst violators, if not the worst violator, of human rights in the world. If not one of the worst, it is the worst in terms of stealing American technology and intellectual property rights. It is the worst violator of our agreements to stop nuclear proliferation.

It is, of course, one of the most belligerent countries in the world toward its own neighbors. It is one of the worst protectionists. They have a totally unfair trading relationship with us, putting our people out of work, making tens of billions of dollars on that trading relationship. What do they do with those tens of billions of dollars? They are building up their military, plus they are bolstering their ability to copy our technology.

What more does it take before this administration and the powers that be in this country realize that we should not be treating Communist China, this horrible violator of human rights, as we do other democratic nations? If we believe in free trade, let us have free trade between free people, instead of bolstering dictatorships all over the world with these favorable trade agreements at the expense of the American people. No most-favored-nation status for this dictatorship.

NO SPECIAL TRADING PRIVILEGES TO THE BUTCHERS OF BEIJING

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, today the House Committee on Ways and Means will vote to renew Chinese most-favored-nation status, which means our country will again grant China the same privileges in our market as we do to democratic states like England.

As the committee casts its vote, may I remind my esteemed colleagues of the Golden Rule: Free trade can only occur among free people. By any measure, China is not a nation of free people. Let me read from Amnesty International's report on China, and I quote: "Torture remains endemic, causing many deaths each year. The death penalty is used extensively and arbitrarily to instill fear. More people are executed every year in China than in all other countries combined." The list goes on and on: Forced abortions, repression of ethnic and religious groups, thousands of democracy activists jailed every year.

Given China's lack of basic human freedoms, it should come as no surprise that China does not have a free market. China remains one of the most closed markets in the world. Why should we be giving special privileges to the butchers of Beijing?

THREE RESPONSES

(Mr. WHITE asked and was given permission to address the House for 1 minute.)

Mr. WHITE. Mr. Speaker, I have sat in the Chamber today, and I have to respond to three things I have heard from the other side.

No. 1, on the budget, it is very interesting to hear people who have controlled the House for 40 years talk about how the Republican budget somehow is not serious about controlling the budget and getting the deficit under control. It is the only budget that is going to do that, and I think most of us know that.

No. 2, on health care, we have a good plan that we have agreed to. It gets costs under control for the first time. It is a plan that people should support.

No. 3, one of the most outrageous things I have heard on the House floor for a long time has to do with the Chicago Bulls. Sure, they played a good game. Sure, they are a good team. The fact is the Bulls were lucky. The Sonics will be back next year, and the Bulls had better be thankful there were not a few more games left this year, because they would have been in big trouble this year.

NO ONE OUT OF THE POOL

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, it is summertime. When most Americans hear "Everybody in the pool," they think it is a great cry to join in the fun. But we have been hearing pleas for health care reform from the other side of the aisle, and they are absolutely right. We desperately need many of the provisions in that health care reform. What they forget to tell us is that the basic premise of a good insurance program is everybody stays in the pool, because we can only keep premiums down if everybody stays in the pool.

The other side forgets to tell us that they are only going to give us those reforms if they are allowed to drop a ladder in the pool. The name of that ladder is MSA. Meet MSA. Think MSA. It means ladder. It means if you are rich, you can get out of the pool. If you are healthy, you get out of the pool. Who do we leave in the pool? We are going to have a whole lot of reforms that are needed, but we are going to have premiums so high we will not be able to get there.

I think it is very important to have both sides of this issue, and "Everybody in the pool" better have a real meaning on this one.

□ 1430

REPUBLICANS INCREASE BUDGET DEFICIT

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, last week the Republican leadership twisted enough arms to pass their 1997 budget. And the result—broken arms and broken promises.

Two summers ago the Republicans unveiled their Contract With America amid much fanfare. The Republicans promised to—and I quote—"work to enact additional budget savings, beyond the budget cuts specifically included in the contract, to ensure that the Federal budget deficit will be less than it would have been without the enactment of these bills." Well—a lot has happened since then.

The budget passed by the Republicans last week—by their own admission—increases the deficit for the first time in 3 years. The Republicans have come to Washington and done exactly what they promised they would not do—increase the deficit.

I guess we now know for sure that the promises the Republican Party made to the American people aren't worth the paper they are written on.

SUPPORT CHURCH ARSON PREVENTION ACT OF 1996

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute.)

Mrs. KENNELLY. Mr. Speaker, I rise today in support of the Church Arson Prevention Act of 1996. Our country has been experiencing a wave of church burnings, which so far has claimed the homes of 34 African-American congregations.

In the midst of the anger and sadness we feel at these events, it has been heartening to see thousands of Americans joining together to express their moral outrage. We understand that these churches are the hearts and souls of their communities. Striking at them is an assault on the very values that unite us as Americans.

But important as it is to speak out against these attacks, our voices alone may not be enough. We need something more. We need to put some teeth in the law. Today, with passage of this legislation, we take that step.

Let the commitment of this Congress be clear: We believe that those responsible for this epidemic of hate must be held responsible for their acts. passing this legislation will make that easier to accomplish, and I urge my colleagues to support this bill.

AN AMAZING TRICK

(Mr. SABO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SABO. Mr. Speaker, this place always amazes me. Because of President Clinton's program, we had declining deficits for 4 years. Now we have the new Republican plan which amazingly increases the deficit in the next 2 fiscal years. But what is even more surprising is they not only manage to increase the deficit for the next 2 years but at the same time they manage to make devastating cuts in health programs for the vulnerable in our country, particularly for our seniors. There literally would be thousands of seniors, generally poor elderly women, who would see huge increases in their Medicare premiums and many other millions of Americans who would be subject to changes in Medicaid that would leave their health care in question.

Mr. Speaker, this is really an amazing trick. Two years of rising deficits and at the same time program cuts that devastate millions of Americans.

BEIJING'S RADIOACTIVE RACKETEERING

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. China is an atomic Al Capone with a radioactive racketeering rap sheet a mile long.

Each passing day brings new details about Beijing's illegal nuclear proliferation activities. China sold ring magnets to Pakistan that are important in the production of material for nuclear weapons. China sold cruise missiles to Iran which can be used to deliver nuclear weapons. China sold nuclear-capable M-11 missiles to Pakistan that now may be assembled and ready to go. Just last week, media reports indicated that the missiles were probably ready to be fitted with nuclear warheads.

Beijing's response to American inquiries about its illegal transfers can be summed up by 3 words: Obfuscate and proliferate.

China's rulers have provided plenty of well-timed nods, winks, private toasts, clarifications, and assurances. But they continue to sell sophisticated nuclear weapon-related equipment to the world's troublemakers.

If China wants to be the international Kmart for nuclear weapons, then the United States needs to tell them that they have to shop other places in this would if they want American goods.

NEW JERSEY'S NEW GENETIC ANTIDISCRIMINATION LEGISLATION

(Ms. SLAUGHTER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I was pleased to read today that the New Jersey Legislature approved legislation to prohibit health insurance companies from discriminating against consumers based on their genetic information.

This bill was passed unanimously, showing the broad, bipartisan consensus on the need for the legislation.

On the Federal level, I have introduced comprehensive legislation to ban discrimination in health insurance.

No one, Mr. Speaker, should be punished for simply having the genes they inherited.

We are already hearing terrible stories about people denied coverage for genetic disorders because of preexisting conditions.

Our understanding of genetics and the role they play in disease are progressing at breakneck speed, especially through programs like the Human Genome Project.

We have identified genes associated with breast cancer, cystic fibrosis, Alzheimer's, and, most recently, skin cancer.

Our lives must keep pace to protect consumers from the abuse of personal information and that protection should be nationwide.

Therefore, I urge my colleagues to support H.R. 2847, cosponsored in the Senate by Senator SNOWE of Maine.

TOLL INCREASES IN CHURCH BURNINGS

(Mr. THOMPSON asked and was given permission to address the House for 1 minute.)

Mr. THOMPSON. Mr. Speaker, for 109 years the Mount Pleasant Missionary Baptist Church has served the people of the small rural town of Kossuth, MS. Today all that remains of that church and the Central Grove Baptist Church, another small black church barely 5 miles away, is ashes.

The members of these two churches awoke this morning to find their names added to the long toll of over 100 heartbroken congregations since 1991. Though they rise from their beds surrounded by ruins, the people of these two churches did not awake to defeat, but determination.

You see Mr. Speaker, these two Mississippi churches were built years ago with old bricks and wood by the sons and daughters of slaves. The structures may be burned, but their foundations were laid in the spirit of hope, and neither hatred nor evil has the power to destroy them forever. It is the spirit of these congregations that will rise, steeped in faith, to take up hammers and mortar to rebuild our churches.

Those of you who come in the dark shadows, beware.

TIME TO PASS HEALTH REFORM

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, now that the leadership in the Senate has changed, we are beginning to see some real movement on the Kennedy-Kassebaum health care reform bill.

Unlike Bob Dole, the current majority leader in the Senate understands the urgency to bring this bill to a vote and is working toward an agreement.

For months and even years, Americans have been asking for portability in health insurance and coverage for preexisting conditions. But House Republicans have demanded the inclusion of full-fledged medical savings accounts, the so-called MSA's, malpractice reform and the taking away of State regulation over multiple employer welfare plans, or the MEWA's. That inclusion of issues will kill the bill.

Americans want the ability to take their insurance coverage with them when they change jobs and they want to be covered for preexisting conditions. The Kassebaum-Kennedy bill makes this possible. It is time to stop playing games with the American people and pass reasonable health care reform now.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WELLER). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

SECURITIES AMENDMENTS OF 1996

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3005) to amend the Federal securities laws in order to promote efficiency and capital formation in the financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation, as amended.

The Clerk read as follows:

H.R. 3005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Securities Amendments of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CAPITAL MARKETS DEREGULATION AND LIBERALIZATION

Sec. 101. Short title.
Sec. 102. Creation of national securities markets.
Sec. 103. Margin requirements.
Sec. 104. Prospectus delivery.
Sec. 105. Exemptive authority.
Sec. 106. Promotion of efficiency, competition, and capital formation.
Sec. 107. Privatization of EDGAR.
Sec. 108. Coordination of Examining Authorities.
Sec. 109. Foreign press conferences.
Sec. 110. Report on Trust Indenture Act of 1939.

TITLE II—INVESTMENT COMPANY ACT AMENDMENTS

Sec. 201. Short title.
Sec. 202. Funds of funds.
Sec. 203. Registration of securities.
Sec. 204. Investment company advertising prospectus.
Sec. 205. Variable insurance contracts.
Sec. 206. Reports to the Commission and shareholders.
Sec. 207. Books, records and inspections.
Sec. 208. Investment company names.
Sec. 209. Exceptions from definition of investment company.

TITLE III—SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION

Sec. 301. Short title.
Sec. 302. Purposes.
Sec. 303. Authorization of appropriations.
Sec. 304. Registration fees.
Sec. 305. Transaction fees.
Sec. 306. Time for payment.
Sec. 307. Sense of the Congress concerning fees.

TITLE I—CAPITAL MARKETS DEREGULATION AND LIBERALIZATION

SEC. 101. SHORT TITLE.

This title may be cited as the "Capital Markets Deregulation and Liberalization Act of 1996".

SEC. 102. CREATION OF NATIONAL SECURITIES MARKETS.

(a) SECURITIES ACT OF 1933.—

(1) AMENDMENT.—Section 18 of the Securities Act of 1933 (15 U.S.C. 77r) is amended to read as follows:

"SEC. 18. EXEMPTION FROM STATE REGULATION OF SECURITIES OFFERINGS.

"(a) SCOPE OF EXEMPTION.—Except as otherwise provided in this section, no law, rule, regulation, or order, or other administrative action of any State or Territory of the United States, or the District of Columbia, or any political subdivision thereof—

"(1) requiring, or with respect to, registration or qualification of securities, or registration or qualification of securities transactions, shall directly or indirectly apply to a security that—

"(A) is a covered security; or

"(B) will be a covered security upon completion of the transaction;

"(2) shall directly or indirectly prohibit, limit, or impose conditions upon the use of—

"(A) with respect to a covered security described in subsection (b)(1) or (c)(1)—

"(i) any offering document that is prepared by the issuer; or

"(ii) any offering document that is not prepared by the issuer if such offering document is required to be and is filed with the Commission or any national securities organization registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3);

"(B) with respect to a covered security described in paragraph (2), (3), or (4) of subsection (b), any offering document; or

"(C) any proxy statement, report to shareholders, or other disclosure document relating to a covered security or the issuer thereof that is required to be and is filed with the Commission or any national securities organization registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3); or

"(3) shall directly or indirectly prohibit, limit, or impose conditions, based on the merits of such offering or issuer, upon the offer or sale of any security described in paragraph (1).

"(b) COVERED SECURITIES.—For purposes of this section, the following are covered securities:

"(1) EXCLUSIVE FEDERAL REGISTRATION OF NATIONALLY TRADED SECURITIES.—A security is a covered security if such security is—

"(A) listed, or authorized for listing, on the New York Stock Exchange or the American Stock Exchange, or included or qualified for inclusion in the National Market System of the National Association of Securities Dealers Automated Quotation System (or any successor to such entities);

"(B) listed, or authorized for listing, on a national securities exchange (or tier or segment thereof) that has listing standards that the Commission determines by rule (on its own initiative or on the basis of a petition) are substantially similar to the listing standards applicable to securities described in subparagraph (A); or

"(C) is a security of the same issuer that is equal in seniority or senior to a security described in subparagraph (A) or (B).

"(2) EXCLUSIVE FEDERAL REGISTRATION OF INVESTMENT COMPANIES.—A security is a covered security if such security is a security issued by an investment company that is registered under the Investment Company Act of 1940 (15 U.S.C. 80a et seq.).

"(3) SALES TO QUALIFIED PURCHASERS.—A security is a covered security with respect to the offer or sale of the security to qualified purchasers, as defined by the Commission by rule. In prescribing such rule, the Commission may define qualified purchaser differently with respect to different categories of securities, consistent with the public interest and the protection of investors.

"(4) EXEMPTION IN CONNECTION WITH CERTAIN EXEMPT OFFERINGS.—A security is a covered security if—

"(A) the offer or sale of such security is exempt from registration under this title pursuant to section 4(1) or 4(3), and—

"(i) the issuer of such security files reports with the Commission pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)); or

"(ii) the issuer is exempt from filing such reports;

"(B) such security is exempt from registration under this title pursuant to section 4(4);

"(C) the offer or sale of such security is exempt from registration under this title pursuant to section 3(a), other than the offer or sale of a security that is exempt from such registration pursuant to paragraph (4) or (11) of such section, except that a municipal security that is exempt from such registration pursuant to paragraph (2) of such section is not a covered security with respect to the offer or sale of such security in the State in which the issuer of such security is located; or

"(D) the offer or sale of such security is exempt from registration under this title pursuant to Commission rule or regulation under section 4(2) of this title.

"(c) CONDITIONALLY COVERED SECURITIES.—

"(1) FEDERALLY REGISTERED OFFERINGS.—Subject to the limitations contained in paragraphs (2) and (3), a security is a covered security if—

"(A) the issuer of such security has (or will have upon conclusion of the transaction) total assets exceeding $10,000,000;

"(B) such security is the subject of a registration statement that is filed with the Commission pursuant to this title; and

"(C) the issuer files with such registration statement audited financial statements for each of the two most recent fiscal years of its operations ending before the filing of the registration statement.

"(2) LIMITATIONS FOR CERTAIN OFFERINGS.—Notwithstanding paragraph (1), a security is not a covered security if such security is—

"(A) a security of an issuer which is a blank check company (as defined in section 7(b) of this title), a partnership, a limited liability company, or a direct participation investment program;

"(B) a penny stock (as such term is defined in section 3(a)(51) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(51)); or

"(C) a security issued in an offering relating to a rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h) of such Act (15 U.S.C. 78n(h)(4), (5)).

"(3) LIMITATIONS BASED ON MISCONDUCT.—Notwithstanding paragraph (1), a security is not a covered security—

"(A) with respect to any State, if the issuer, or a principal officer or principal shareholder thereof—

"(i) is subject to a statutory disqualification, as defined in subparagraph (A), (B), (C), or (D) of section 3(a)(39) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(39));

"(ii) has been convicted within 5 years prior to the offering of any felony under Federal or State law in connection with the offer, purchase, or sale of any security, or any felony under Federal or State law involving fraud or deceit; or

"(iii) is currently named in and subject to any order, judgment, or decree of any court of competent jurisdiction acting pursuant to Federal or State law temporarily or permanently restraining or enjoining such issuer, officer, or shareholder from engaging in or continuing any conduct or practice in connection with a security; or

"(B) with respect to a particular State, if the issuer, or a principal officer or principal shareholder thereof—

"(i) has filed a registration statement which is the subject of a currently effective stop order entered pursuant to that State's securities laws within 5 years prior to the offering;

"(ii) is currently named in and subject to any administrative enforcement order or judgment of that State's securities commission (or any agency or office performing like functions) entered within 5 years prior to the offering, or is currently named in and subject to any other administrative enforcement order or judgment of that State entered within 5 years prior to the offering that finds fraud or deceit; or

"(iii) is currently named in and subject to any administrative enforcement order or judgment of that State which prohibits or denies registration, or revokes the use of any exemption from registration, in connection with the offer, purchase, or sale of securities.

"(4) EXCEPTIONS TO LIMITATIONS.—

"(A) DEBT SECURITY EXEMPTION.—The limitations in paragraph (2)(A) shall not apply with respect to the debt securities of any issuer that is a partnership or limited liability company, provided that (i) the issuer is either a registered dealer or an affiliate of such a dealer, (ii) the issuer has, both before and after the offering, capital or equity (each computed in accordance with United States generally accepted accounting principles) of not less than $75,000,000, and (iii) if the issuer is not a registered dealer, such issuer does not use the proceeds of the offering primarily to fund the nonfinancial business of the issuer or any of its affiliates that are not registered dealers.

"(B) MISCONDUCT EXEMPTIONS.—The limitations in paragraph (3)(A) shall not apply if the Commission has exempted the subject person from the application of such paragraph by rule or order, and the limitations in paragraph (3)(B) shall not apply if the securities commission (or any agency or office performing like functions) of the affected State has exempted the subject person from the application of such paragraph by rule or order.

"(C) REASONABLE STEPS.—The provisions of paragraph (3) shall not apply if the issuer has taken reasonable steps to ascertain whether any principal officer or principal shareholder is subject to such paragraph, and such steps do not reveal a person who is subject to such paragraph. An issuer shall be considered to have taken reasonable steps if such issuer or its agent has conducted a search of any centralized data bases that the Commission may designate by rule, and has received an affidavit under oath by each such principal officer or principal shareholder stating that such officer or shareholder is not subject to the provisions of paragraph (3).

"(D) EFFECT OF LIMITATIONS ON REMEDIES.—Notwithstanding paragraph (3), an issuer shall not be subject to a right of rescission under State securities laws solely as a result of the operation of such paragraph.

"(5) NO EFFECT UNDER SUBSECTION (B).—No limitation under this subsection shall affect the treatment of a security that qualifies as a covered security under subsection (b).

"(d) PRESERVATION OF AUTHORITY.—

"(1) FRAUD AUTHORITY.—Consistent with this section, the securities commission (or any agency or office performing like functions) of any State or Territory of the United States, or the District of Columbia, shall retain jurisdiction under the laws of such State, Territory, or District to investigate and bring enforcement actions with respect to fraud or deceit in connection with securities or securities transactions.

"(2) PRESERVATION OF FILING REQUIREMENTS.—

"(A) NOTICE FILINGS PERMITTED.—Nothing contained in this section shall prohibit the securities commission (or any agency or office performing like functions) of any State or Territory of the United States, or the District of Columbia, from requiring the filing of any documents filed with the Commission pursuant to this title solely for notice purposes, together with any required fee.

"(B) PRESERVATION OF FEES.—Until otherwise provided by State law enacted after the date of enactment of the Securities Amendments of 1996, filing or registration fees with respect to securities or securities transactions may continue to be collected in amounts determined pursuant to State law as in effect on the day before such date.

"(C) FEES NOT PERMITTED ON LISTED SECURITIES.—Notwithstanding subparagraphs (A) and (B), no filing or fee may be required with respect to any security that is a covered security pursuant to subsection (b)(1) of this section, or will be such a covered security upon completion of the transaction, or is a security of the same issuer that is equal in seniority or senior to a security that is a covered security pursuant to such subsection.

"(3) ENFORCEMENT OF REQUIREMENTS.—Nothing in this section shall prohibit the securities commission (or any agency or office performing like functions) of any State or Territory of the United States, or the District of Columbia, from suspending the offer or sale of securities within such State, Territory, or District as a result of the failure to submit any filing or fee required under law and permitted under this section.

"(e) DEFINITIONS.—For purposes of this section:

"(1) PRINCIPAL OFFICER.—The term 'principal officer' means a director, chief executive officer, or chief financial officer of an issuer, or any other officer performing like functions.

"(2) PRINCIPAL SHAREHOLDER.—The term 'principal shareholder' means any person who is directly or indirectly the beneficial owner of more than 20 percent of any class of equity security of an issuer. When two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of an issuer, such syndicate or group shall be deemed a 'person' for purposes of this paragraph. In determining, for purposes of this paragraph, any percentage of a class of any security, such class shall be deemed to consist of the amount of the outstanding securities of such class, exclusive of any securities of such class held by or for the account of the issuer or a subsidiary of the issuer.

"(3) OFFERING DOCUMENT.—The term 'offering document' has the meaning given the term 'prospectus' by section 2(10), but without regard to the provisions of clauses (a) and (b) of such section, except that, with respect to a security described in subsection (b)(2) of this section, such term also includes a communication that is not deemed to offer such a security pursuant to a rule of the Commission.

"(4) PREPARED BY THE ISSUER.—Within 6 months after the date of enactment of the Securities Amendments of 1996, the Commission shall, by rule, define the term 'prepared by the issuer' for purposes of this section.".

(2) STUDY OF UNIFORMITY.—The Securities Exchange Commission shall conduct a study after consultation with States, issuers, brokers, and dealers on the extent to which uniformity of State regulatory requirements for securities or securities transactions has been achieved for securities that are not covered securities (within the meaning of section 18 of the Securities Act of 1933 as amended by paragraph (1) of this subsection). Such study shall specifically focus on the impact of such uniformity or lack thereof on the cost of capital, innovation and technological development in securities markets, and duplicative regulation with respect to securities issuers (including small business), brokers, and dealers and the effect on investor protection. The Commission shall submit to the Congress a report on the results of such study within one year after the date of enactment of this Act.

(b) BROKER/DEALER REGULATION.—

(1) AMENDMENT.—Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following new subsection:

"(h) LIMITATIONS ON STATE LAW.—

"(1) CAPITAL, MARGIN, BOOKS AND RECORDS, BONDING, AND REPORTS.—No law, rule, regulation, or order, or other administrative action of any State or political subdivision thereof shall establish capital, custody, margin, financial responsibility, making and keeping records, bonding, or financial or operational reporting requirements for brokers, dealers, municipal securities dealers, government securities brokers, or government securities dealers that differ from, or are in addition to, the requirements in those areas established under this title. The Commission shall consult periodically the securities commissions (or any agency or office performing like functions) of the States concerning the adequacy of such requirements as established under this title.

"(2) EXEMPTION TO PERMIT SERVICE TO CUSTOMERS.—No law, rule, regulation, or order, or other administrative action of any State or political subdivision thereof shall require an associated person to register with such State prior to effecting a transaction described in paragraph (3) for a customer in such State if—

"(A) such transaction is effected on behalf of a customer that, for 30 days prior to the day of the transaction, maintains an account with the broker or dealer;

"(B) such associated person is not ineligible to register with such State for any reason other than such a transaction;

"(C) such associated person is registered with a registered securities association and at least one State; and

"(D) the broker or dealer with which such person is associated is registered with such State.

"(3) DESCRIBED TRANSACTIONS.—A transaction is described in this paragraph if—

"(A) such transaction is effected by an associated person (i) to which the customer was assigned for 14 days prior to the day of the transaction, and (ii) who is registered with a State in which the customer was a resident or was present for at least 30 consecutive days during the one-year period prior to the transaction; except that, if the customer is present in another State for 30 or more consecutive days or has permanently changed his or her residence to another State, such transaction is not described in this subparagraph unless the associated person files with such State an application for registration within 10 calendar days of the later of the date of the transaction or the date of the discovery of the presence of the customer in the State for 30 or more consecutive days or the change in the customer's residence;

"(B) the transaction is effected within the period beginning on the date on which such associated person files with the State in which the transaction is effected an application for registration and ending on the earlier of (i) 60 days after the date the application is filed, or (ii) the time at which such State notifies the associated person that it has denied the application for registration or has stayed the pendency of the application for cause; or

"(C) the transaction is one of 10 or fewer transactions in a calendar year (excluding any transactions described in subparagraph (A) or (B)) which the associated person effects in the States in which the associated person is not registered.

"(4) ALTERNATE ASSOCIATED PERSONS.—For purposes of paragraph (3)(A)(ii), each of up to 3 associated persons who are designated to effect transactions during the absence or unavailability of the principal associated person for a customer may be treated as an associated person to which such customer is assigned for purposes of such paragraph.".

(2) STUDY.—Within 6 months after the date of enactment of this Act, the Commission, after consultation with registered securities associations, national securities exchanges, and States, shall conduct a study of—

(A) the impact of disparate State licensing requirements on associated persons of registered brokers or dealers; and

(B) methods for States to attain uniform licensing requirements for such persons.

(3) REPORT.—Within one year after the date of enactment of this Act, the Commission shall submit to the Congress a report on the study conducted under paragraph (2). Such report shall include recommendations concerning appropriate methods described in paragraph (2)(B), including any necessary legislative changes to implement such recommendations.

(4) TECHNICAL AMENDMENT.—Section 28(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(a)) is amended by striking "Nothing" and inserting "Except as otherwise specifically provided elsewhere in this title, nothing".

SEC. 103. MARGIN REQUIREMENTS.

(a) MARGIN REQUIREMENTS.—

(1) EXTENSIONS OF CREDIT BY BROKER-DEALERS.—Section 7(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78g(c)) is amended to read as follows:

"(c) UNLAWFUL CREDIT EXTENSION TO CUSTOMERS.—

"(1) PROHIBITION.—It shall be unlawful for any member of a national securities exchange or any broker or dealer, directly or indirectly, to extend or maintain credit or arrange for the extension or maintenance of credit to or for any customer—

"(A) on any security (other than an exempted security), in contravention of the rules and regulations which the Board of Governors of the Federal Reserve System shall prescribe under subsections (a) and (b) of this section;

"(B) without collateral or on any collateral other than securities, except in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe—

"(i) to permit under specified conditions and for a limited period any such member, broker, or dealer to maintain a credit initially extended in conformity with the rules and regulations of the Board of governors of the Federal Reserve System; and

"(ii) to permit the extension or maintenance of credit in cases where the extension or maintenance of credit is not for the purpose of purchasing or carrying securities or of evading or circumventing the provisions of subparagraph (A) of this paragraph.

"(2) EXCEPTION.—This subsection and the rules and regulations thereunder shall not apply to any credit extended, maintained, or arranged by a member of a national securities exchange or a broker or dealer to or for a member of a national securities exchange or a registered broker or dealer—

"(A) a substantial portion of whose business consists of transactions with persons other than brokers or dealers; or

"(B) to finance its activities as a market maker or an underwriter;

except that the Board of Governors of the Federal Reserve System may impose such rules and regulations, in whole or in part, on any credit otherwise exempted by this paragraph if it determines that such action is necessary or appropriate in the public interest or for the protection of investors.".

(2) EXTENSIONS OF CREDIT BY OTHER LENDERS.—Section 7(d) of the Securities Exchange Act of 1934 (78 U.S.C. 78g(d)) is amended to read as follows:

"(d) UNLAWFUL CREDIT EXTENSION IN VIOLATION OF RULES AND REGULATIONS; EXCEPTION TO APPLICATION OF RULES, ETC.—

"(1) PROHIBITION.—It shall be unlawful for any person not subject to subsection (c) of this section to extend or maintain credit or to arrange for the extension or maintenance of credit for the purpose of purchasing or carrying any security, in contravention of such rules and regulations as the Board of Governors of the Federal Reserve System shall prescribe to prevent the excessive use of credit for the purchasing or carrying of or trading in securities in circumvention of the other provisions of this section. Such rules and regulations may impose upon all loans made for the purpose of purchasing or carrying securities limitations similar to those imposed upon members, brokers, or dealers by subsection (c) of this section and the rules and regulations thereunder.

"(2) EXCEPTIONS.—This subsection and the rules and regulations thereunder shall not apply to any credit extended, maintained, or arranged—

"(A) by a person not in the ordinary course of business;

"(B) on an exempted security;

"(C) to or for a member of a national securities exchange or a registered broker or dealer—

"(i) a substantial portion of whose business consists of transactions with persons other than brokers or dealers; or

"(ii) to finance its activities as a market maker or an underwriter;

"(D) by a bank on a security other than an equity security; or

"(E) as the Board of Governors of the Federal Reserve System shall, by such rules, regulations, or orders as it may deem necessary or appropriate in the public interest or for the protection of investors, exempt, either unconditionally or upon specified terms and conditions or for stated periods, from the operation of this subsection and the rules and regulations thereunder;

except that the Board of Governors of the Federal Reserve System may impose such rules and regulations, in whole or in part, on any credit otherwise exempted by subparagraph (C) of this paragraph if it determines that such action is necessary or appropriate in the public interest or for the protection of investors.".

(b) BORROWING BY MEMBERS, BROKERS, AND DEALERS.—Section 8 of the Securities Exchange Act of 1934 (15 U.S.C. 78h) is amended—

(1) by striking subsection (a), and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 104. PROSPECTUS DELIVERY.

(a) REPORT ON ELECTRONIC DELIVERY.—Within six months after the date of enactment of this Act, the Commission shall report to Congress on the steps the Commission has taken, or anticipates taking, to facilitate the electronic delivery of prospectuses to institutional and other investors.

(b) REPORT ON ADVISORY COMMITTEE RECOMMENDATIONS.—Within one year after the date of enactment of this Act, the Commission shall report to Congress on the Commission's views on the recommendations of the Advisory Committee on Capital Formation, including any actions taken to implement the recommendations of the Advisory Committee.

SEC. 105. EXEMPTIVE AUTHORITY.

(a) GENERAL EXEMPTIVE AUTHORITY UNDER THE SECURITIES ACT OF 1933.—Title I of the Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended by adding at the end the following new section:

"SEC. 28. GENERAL EXEMPTIVE AUTHORITY.

"The Commission, by rules and regulations, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.".

(b) GENERAL EXEMPTIVE AUTHORITY UNDER THE SECURITIES EXCHANGE ACT OF 1934.—Title I of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding at the end the following new section:

"SEC. 36. GENERAL EXEMPTIVE AUTHORITY.

"(a) AUTHORITY.—Except as provided in subsection (b) but notwithstanding any other provision of this title, the Commission, by rule, regulation, or order, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors. The Commission shall by rules and regulations determine the procedures under which an exemptive order under this section shall be granted and may, in its sole discretion, decline to entertain any application for an order of exemption under this section.

"(b) LIMITATION.—The Commission shall not exercise authority under this section to exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from section 15C of this title or the rules or regulations thereunder, or (for purposes of such section 15C or such rules or regulations) from the definitions in paragraphs (42) through (45) of section 3(a) of this title.".

SEC. 106. PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.

(a) SECURITIES ACT OF 1933.—Section 2 of the Securities Act of 1933 (15 U.S.C. 77b) is amended—

(1) by inserting "(a) DEFINITIONS.—" after "SEC. 2."; and

(2) by adding at the end the following new subsection:

"(b) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.".

(b) SECURITIES EXCHANGE ACT of 1934.—Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended by adding at the end the following new subsection:

"(f) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking, or in the review of a rule of a self-regulatory organization, and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.".

(c) INVESTMENT COMPANY ACT of 1940.—Section 2 of the Investment Company Act of 1940 (15 U.S.C. 80a-2) is amended by adding at the end the following new subsection:

"(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is consistent with the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.".

SEC. 107. PRIVATIZATION OF EDGAR.

(a) EXAMINATION.—The Securities and Exchange Commission shall examine proposals for the privatization of the EDGAR system. Such examination shall promote competition in the automation and rapid collection and dissemination of information required to be disclosed. Such examination shall include proposals that maintain free public access to data filings in the EDGAR system.

(b) REVIEW AND REPORT.—Within 180 days after the date of enactment of this Act, the Commission shall submit to the Congress a report on the examination under subsection (a). Such report shall include such recommendations for such legislative action as may be necessary to implement the proposal that the Commission determines most effectively achieves the objectives described in subsection (a).

SEC. 108. COORDINATION OF EXAMINING AUTHORITIES.

(a) AMENDMENTS.—Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended by adding at the end the following new subsection:

"(i) COORDINATION OF EXAMINING AUTHORITIES.—

"(1) ELIMINATION OF DUPLICATION.—The Commission and the examining authorities, through cooperation and coordination of examination and oversight as required by this subsection, shall eliminate any unnecessary and burdensome duplication in the examination process.

"(2) PLANNING CONFERENCES.—

"(A) The Commission and the examining authorities shall meet at least annually for a national general planning conference to discuss coordination of examination schedules and priorities and other areas of interest relevant to examination coordination and cooperation.

"(B) Within each geographic region designated by the Commission, the Commission and the relevant examining authorities shall meet at least annually for a regional planning conference to discuss examination schedules and priorities and other areas of related interest, and to encourage information-sharing and to avoid unnecessary duplication of examinations.

"(3) COORDINATION TRACKING SYSTEM FOR BROKER-DEALER EXAMINATIONS.—

"(A) The Commission and the examining authorities shall prepare, on a periodic basis in a uniform computerized format, information on registered broker and dealer examinations and shall submit such information to the Commission.

"(B) The Commission shall maintain a computerized database of consolidated examination information to be used for examination planning and scheduling and for monitoring coordination of registered broker and dealer examinations under this section.

"(4) COORDINATION OF EXAMINATIONS.—

"(A) The examining authorities shall share among themselves such information, including reports of examinations, customer complaint information, and other non-public regulatory information, as appropriate to foster a coordinated approach to regulatory oversight of registered brokers and dealers subject to examination by more than one examining authority.

"(B) To the extent practicable, the examining authorities shall assure that each registered broker and dealer subject to examination by more than one examining authority that requests a coordinated examination shall have all requested aspects of the examination conducted simultaneously and without duplication of the areas covered. The examining authorities shall also prepare an advance schedule of all such coordinated examinations.

"(5) PROHIBITED NON-COORDINATED EXAMINATIONS.—Any examining authority that does not participate in a coordinated examination pursuant to paragraph (4) of this subsection shall not conduct a routine examination other than a coordinated examination of that broker or dealer within 9 months of the conclusion of a scheduled coordinated examination.

"(6) EXAMINATIONS FOR CAUSE.—At any time, any examining authority may conduct an examination for cause of any broker or dealer subject to its jurisdiction.

"(7) BROKER-DEALER EXAMINATION EVALUATION PANEL.—The Commission shall establish an examination evaluation panel composed of representatives of registered brokers and dealers that are members of more than one self-regulatory organization that conducts routine examinations. Prior to each national general planning conference required by paragraph (2)(A) of this subsection, the Commission shall convene the examination evaluation panel to review consolidated and statistical information on the coordination of examinations and information on examinations that are not coordinated, including the findings of Commission examiners on the effectiveness of the examining authorities in achieving coordinated examinations. The Commission shall present any findings and recommendations of the examination evaluation panel to the next meeting of the national general planning conference, and shall report back to the examination evaluation panel on the actions taken by the examining authorities regarding those findings and recommendations. The examination evaluation panel shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

"(8) REPORT TO CONGRESS.—Within one year after the date of enactment of this Act, the Commission shall report to the Congress on the progress it and the examining authorities have made in reducing duplication and improving coordination in registered broker and dealer examinations, and on the activities of the examination evaluation panel. Such report shall also indicate whether the Commission has identified additional redundancies that have failed to be addressed in the coordination of examining authorities, or any recommendations of the examination evaluation panel established under paragraph (7) of this subsection that have not been addressed by the examining authorities or the Commission.".

(b) DEFINITION.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78e) is amended by adding at the end the following paragraph:

"(54) The term 'examining authority' means any self-regulatory organization registered with the Commission under this title (other than registered clearing agencies) with the authority to examine, inspect, and otherwise oversee the activities of a registered broker or dealer.".

SEC. 109. FOREIGN PRESS CONFERENCES.

No later than one year after the date of enactment of this Act, the Commission shall adopt rules under the Securities Act of 1933 concerning the status under the registration provisions of the Securities Act of 1933 of foreign press conferences and foreign press releases by persons engaged in the offer and sale of securities.

SEC. 110. REPORT ON TRUST INDENTURE ACT OF 1939.

Within 6 months after the date of enactment of this Act, the Securities and Exchange Commission shall submit to the Congress a report on the benefits of, the continuing need for, and, if necessary, options for the modification or elimination of, the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.).

TITLE II—INVESTMENT COMPANY ACT AMENDMENTS

SEC. 201. SHORT TITLE.

This title may be cited as the "Investment Company Act Amendments of 1996".

SEC. 202. FUNDS OF FUNDS.

Section 12(d)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-12(d)(1)) is amended—

(1) in subparagraph (E)(iii)—

(A) by striking "in the event such investment company is not a registered investment company,"; and

(B) by inserting "in the event such investment company is not a registered investment company" after "(bb)";

(2) by redesignating existing subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively;

(3) by inserting after subparagraph (F) the following new subparagraph:

"(G) The provisions of this paragraph (1) shall not apply to securities of a registered open-end company (the 'acquired company') purchased or otherwise acquired by a registered open-end company (the 'acquiring company') if—

"(i) the acquired company and the acquiring company are part of the same group of investment companies;

"(ii) the securities of the acquired company, securities of other registered open-end companies that are part of the same group of investment companies, Government securities, and short-term paper are the only investments held by the acquiring company;

"(iii)(I) the acquiring company does not pay and is not assessed any charges or fees for distribution-related activities with respect to securities of the acquired company unless the acquiring company does not charge a sales load or other fees or charges for distribution-related activities; or

"(II) any sales loads and other distribution-related fees charged with respect to securities of the acquiring company, when aggregated with any sales load and distribution-related fees paid by the acquiring company with respect to securities of the acquired company, are not excessive under rules adopted pursuant to either section 22(b) or section 22(c) of this title by a securities association registered under section 15A of the Securities Exchange Act of 1934 or the Commission;

"(iv) the acquired company shall have a fundamental policy that prohibits it from acquiring any securities of registered open-end companies in reliance on this subparagraph or subparagraph (F) of this subsection; and

"(v) such acquisition is not in contravention of such rules and regulations as the Commission may from time to time prescribe with respect to acquisitions in accordance with this subparagraph as necessary and appropriate for the protection of investors.

For purposes of this subparagraph, a 'group of investment companies' shall mean any two or more registered investment companies that hold themselves out to investors as related companies for purposes of investment and investor services."; and

(4) adding at the end the following new subparagraph:

"(J) The Commission, by rules and regulations upon its own motion or by order upon application, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from any provisions of this subsection, if and to the extent such exemption is consistent with the public interest and the protection of investors.".

SEC. 203. REGISTRATION OF SECURITIES.

(a) AMENDMENTS TO REGISTRATION STATEMENTS.—Section 24(e) of the Investment Company Act of 1940 (15 U.S.C. 80a-24(e)) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraph (3) as subsection (e); and

(3) in subsection (e) (as so redesignated) by striking "pursuant to this subsection or otherwise".

(b) REGISTRATION OF INDEFINITE AMOUNT OF SECURITIES.—Section 24(f) of the Investment Company Act of 1940 (15 U.S.C. 80a–24(f)) is amended to read as follows:

"(f) REGISTRATION OF INDEFINITE AMOUNT OF SECURITIES.—

"(1) INDEFINITE REGISTRATION OF SECURITIES.—Upon the effectiveness of its registration statement under the Securities Act of 1933, a face-amount certificate company, open-end management company, or unit investment trust shall be deemed to have registered an indefinite amount of securities.

"(2) PAYMENT OF REGISTRATION FEES.—Within 90 days after the end of the company's fiscal year, the company shall pay a registration fee to the Commission, calculated in the manner specified in section 6(b) of the Securities Act of 1933, based on the aggregate sales price for which its securities (including, for this purpose, all securities issued pursuant to a dividend reinvestment plan) were sold pursuant to a registration of an indefinite amount of securities under this subsection during the company's previous fiscal year reduced by—

"(A) the aggregate redemption or repurchase price of the securities of the company during that year, and

"(B) the aggregate redemption or repurchase price of the securities of the company during any prior fiscal year ending not more than 1 year before the date of enactment of the Investment Company Act Amendments of 1996 that were not used previously by the company to reduce fees payable under this section.

"(3) INTEREST DUE ON LATE PAYMENT.—A company paying the fee or any portion thereof more than 90 days after the end of the company's fiscal year shall pay to the Commission interest on unpaid amounts, compounded daily, at the underpayment rate established by the Secretary of the Treasury pursuant to section 3717(a) of title 31, United States Code. The payment of interest pursuant to the requirement of this paragraph shall not preclude the Commission from bringing an action to enforce the requirements of paragraph (2) of this subsection.

"(4) RULEMAKING AUTHORITY.—The Commission may adopt rules and regulations to implement the provisions of this subsection.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective 6 months after the date of enactment of this Act or on such earlier date as the Commission may specify by rule.

SEC. 204. INVESTMENT COMPANY ADVERTISING PROSPECTUS.

Section 24 of the Investment Company Act of 1940 (15 U.S.C. 80a–24) is amended by adding at the end the following new subsection:

"(g) In addition to the prospectuses permitted or required in section 10 of the Securities Act of 1933, the Commission shall permit, by rules or regulations deemed necessary or appropriate in the public interest or for the protection of investors, the use of a prospectus for the purposes of section 5(b)(1) of such Act with respect to securities issued by a registered investment company. Such a prospectus, which may include information the substance of which is not included in the prospectus specified in section 10(a) of the Securities Act of 1933, shall be deemed to be permitted by section 10(b) of such Act.".

SEC. 205. VARIABLE INSURANCE CONTRACTS.

(a) UNIT INVESTMENT TRUST TREATMENT.—Section 26 of the Investment Company Act of 1940 (15 U.S.C. 80a–26) is amended by adding at the end the following new subsection:

"(e)(1) Subsection (a) shall not apply to any registered separate account funding variable insurance contracts, or to the sponsoring insurance company and principal underwriter of such account.

"(2) It shall be unlawful for any registered separate account funding variable insurance contracts, or for the sponsoring insurance company of such account, to sell any such contract, unless—

"(A) the fees and charges deducted under the contract in the aggregate are reasonable in relation to the services rendered, the expenses expected to be incurred, and the risks assumed by the insurance company, and the insurance company so represents in the registration statement for the contract; and

"(B) the insurance company (i) complies with all other applicable provisions of this section as if it were a trustee or custodian of the registered separate account; (ii) files with the insurance regulatory authority of a State an annual statement of its financial condition, which most recent statement indicates that it has a combined capital and surplus, if a stock company, or an unassigned surplus, if a mutual company, of not less than $1,000,000, or such other amount as the Commission may from time to time prescribe by rule as necessary or appropriate in the public interest or for the protection of investors; and (iii) together with its registered separate accounts, is supervised and examined periodically by the insurance authority of such State.

"(3) The Commission may adopt such rules and regulations under paragraph (2)(A) as it determines are necessary or appropriate in the public interest or for the protection of investors. For the purposes of such paragraph, the fees and charges deducted under the contract shall include all fees and charges imposed for any purpose and in any manner.".

(b) PERIODIC PAYMENT PLAN TREATMENT.—Section 27 of such Act (15 U.S.C. 80a–27) is amended by adding at the end the following new subsection:

"(i)(1) This section shall not apply to any registered separate account funding variable insurance contracts, or to the sponsoring insurance company and principal underwriter of such account, except as provided in paragraph (2).

"(2) It shall be unlawful for any registered separate account funding variable insurance contracts, or for the sponsoring insurance company of such account, to sell any such contract unless (A) such contract is a redeemable security, and (B) the insurance company complies with section 26(e) and any rules or regulations adopted by the Commission thereunder.".

SEC. 206. REPORTS TO THE COMMISSION AND SHAREHOLDERS.

Section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a–29) is amended—

(1) by striking paragraph (1) of subsection (b) and inserting the following:

"(1) such information, documents, and reports (other than financial statements), as the Commission may require to keep reasonably current the information and documents contained in the registration statement of such company filed under this title; and";

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (g), and (h), respectively;

(3) by inserting after subsection (b) the following new subsection:

"(c) In exercising its authority under subsection (b)(1) to require the filing of information, documents, and reports on a basis more frequently than semi-annually, the Commission shall take such steps as it deems necessary or appropriate, consistent with the public interest and the protection of investors, to avoid unnecessary reporting by, and minimize the compliance burdens on, registered investment companies and their affiliated persons. Such steps shall include considering and requesting public comment on—

"(1) feasible alternatives that minimize the reporting burdens on registered investment companies; and

"(2) the utility of such information, documents, and reports to the Commission in relation to the costs to registered investment companies and their affiliated persons of providing such information, documents, and reports.";

(4) by inserting after subsection (e) (as redesignated by paragraph (2) of this section) the following new subsection:

"(f) The Commission may by rule require that semi-annual reports containing the information set forth in subsection (e) include such other information as the Commission deems necessary or appropriate in the public interest or for the protection of investors. In exercising its authority under this subsection, the Commission shall take such steps as it deems necessary or appropriate, consistent with the public interest and the protection of investors, to avoid unnecessary reporting by, and minimize the compliance burdens on, registered investment companies and their affiliated persons. Such steps shall include considering and requesting public comment on—

"(1) feasible alternatives that minimize the reporting burdens on registered investment companies; and

"(2) the utility of such information to shareholders in relation to the costs to registered investment companies and their affiliated persons of providing such information to shareholders."; and

(5) in subsection (g) (as so redesignated) by striking "subsections (a) and (d)" and inserting "subsections (a) and (e)".

SEC. 207. BOOKS, RECORDS AND INSPECTIONS.

Section 31 of the Investment Company Act of 1940 (15 U.S.C. 80a–30) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) Every registered investment company, and every underwriter, broker, dealer, or investment adviser that is a majority-owned subsidiary of such a company, shall maintain and preserve such records (as defined in section 3(a)(37) of the Securities Exchange Act of 1934) for such period or periods as the Commission, by rules and regulations, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Every investment adviser not a majority-owned subsidiary of, and every depositor of any registered investment company, and every principal underwriter for any registered investment company other than a closed-end company, shall maintain and preserve for such period or periods as the Commission shall prescribe by rules and regulations, such records as are necessary or appropriate to record such person's transactions with such registered company. In exercising its authority under this subsection, the Commission shall take such steps as it deems necessary or appropriate, consistent with the public interest and for the protection of investors, to avoid unnecessary recordkeeping by, and minimize the compliance burden on, persons required to maintain records under this subsection (hereinafter in this section referred to as 'subject persons'). Such steps shall include considering, and requesting public comment on—

"(1) feasible alternatives that minimize the recordkeeping burdens on subject persons;

"(2) the necessity of such records in view of the public benefits derived from the independent scrutiny of such records through Commission examination;

"(3) the costs associated with maintaining the information that would be required to be reflected in such records; and

"(4) the effects that a proposed recordkeeping requirement would have on internal compliance policies and procedures.

"(b) All records required to be maintained and preserved in accordance with subsection (a) of this section shall be subject at any time and from time to time to such reasonable periodic, special, and other examinations by the Commission, or any member or representative thereof, as the Commission may prescribe. For purposes of such examinations, any subject person shall make available to the Commission or its representatives any copies or extracts from such records as may be prepared without undue effort, expense, or delay as the Commission or its representatives may reasonably request. The Commission shall exercise its authority under this subsection with due regard for the benefits of internal compliance policies and procedures and the effective implementation and operation thereof.";

(2) by redesignating existing subsections (c) and (d) as subsections (e) and (f), respectively; and

(3) by inserting after subsection (b) the following new subsections:

"(c) Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any internal compliance or audit records, or information contained therein, provided to the Commission under this section. Nothing in this subsection shall authorize the Commission to withhold information from Congress or prevent the Commission from complying with a request for information from any other Federal department or agency requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States or the Commission. For purposes of section 552 of title 5, United States Code, this section shall be considered a statute described in subsection (b)(3)(B) of such section 552.

"(d) For purposes of this section—

"(1) 'internal compliance policies and procedures' means policies and procedures designed by subject persons to promote compliance with the Federal securities laws; and

"(2) 'internal compliance and audit record' means any record prepared by a subject person in accordance with internal compliance policies and procedures.".

SEC. 208. INVESTMENT COMPANY NAMES.

Section 35(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–34(d)) is amended to read as follows:

"(d) It shall be unlawful for any registered investment company to adopt as a part of the name or title of such company, or of any securities of which it is the issuer, any word or words that the Commission finds are materially deceptive or misleading. The Commission is authorized, by rule, regulation, or order, to define such names or titles as are materially deceptive or misleading.".

SEC. 209. EXCEPTIONS FROM DEFINITION OF INVESTMENT COMPANY.

(a) AMENDMENTS.—Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended—

(1) in paragraph (1), by inserting after the first sentence the following new sentence: "Such issuer nonetheless is deemed to be an investment company for purposes of the limitations set forth in section 12(d)(1)(A)(i) and (B)(i) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end company to any such issuer.";

(2) in subparagraph (A) of paragraph (1)—

(A) by inserting after "issuer," the first place it appears the following: "and is or, but for the exception in this paragraph or paragraph (7), would be an investment company,"; and

(B) by striking all that follows "(other than short-term paper)" and inserting a period;

(3) in paragraph (2)—

(A) by striking "and acting as broker," and inserting "acting as broker, and acting as market intermediary,"; and

(B) by adding at the end of such paragraph the following new sentences: "For the purposes of this paragraph, the term 'market intermediary' means any person that regularly holds itself out as being willing contemporaneously to engage in, and is regularly engaged in the business of entering into, transactions on both sides of the market for a financial contract or one or more such financial contracts. For purposes of the preceding sentence, the term 'financial contract' means any arrangement that (A) takes the form of an individually negotiated contract, agreement, or option to buy, sell, lend, swap, or repurchase, or other similar individually negotiated transaction commonly entered into by participants in the financial markets; (B) is in respect of securities, commodities, currencies, interest or other rates, other measures of value, or any other financial or economic interest similar in purpose or function to any of the foregoing; and (C) is entered into in response to a request from a counterparty for a quotation or is otherwise entered into and structured to accommodate the objectives of the counterparty to such arrangement."; and

(4) by striking paragraph (7) and inserting the following:

"(7)(A) Any issuer (i) whose outstanding securities are owned exclusively by persons who, at the time of acquisition of such securities, are qualified purchasers, and (ii) who is not making and does not presently propose to make a public offering of such securities. Securities that are owned by persons who received the securities from a qualified purchaser as a gift or bequest, or where the transfer was caused by legal separation, divorce, death, or other involuntary event, shall be deemed to be owned by a qualified purchaser, subject to such rules, regulations, and orders as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(B) Notwithstanding subparagraph (A), an issuer is within the exception provided by this paragraph if—

"(i) in addition to qualified purchasers, its outstanding securities are beneficially owned by not more than 100 persons who are not qualified purchasers if (I) such persons acquired such securities on or before December 31, 1995, and (II) at the time such securities were acquired by such persons, the issuer was excepted by paragraph (1) of this subsection; and

"(ii) prior to availing itself of the exception provided by this paragraph—

"(I) such issuer has disclosed to such persons that future investors will be limited to qualified purchasers, and that ownership in such issuer is no longer limited to not more than 100 persons, and

"(II) concurrently with or after such disclosure, such issuer has provided such persons with a reasonable opportunity to redeem any part or all of their interests in the issuer for their proportionate share of the issuer's current net assets, or the cash equivalent thereof.

"(C) An issuer that is excepted under this paragraph shall nonetheless be deemed to be an investment company for purposes of the limitations set forth in section 12(d)(1)(A)(i) and (B)(i) governing the purchase or other acquisition by such issuer of any security issued by any registered investment company and the sale of any security issued by any registered open-end company to any such issuer.

"(D) For purposes of determining compliance with this paragraph and paragraph (1) of this subsection, an issuer that is otherwise excepted under this paragraph and an issuer that is otherwise excepted under paragraph (1) shall not be treated by the Commission as being a single issuer for purposes of determining whether the outstanding securities of the issuer excepted under paragraph (1) are beneficially owned by not more than 100 persons or whether the outstanding securities of the issuer excepted under this paragraph are owned by persons that are not qualified purchasers. Nothing in this provision shall be deemed to establish that a person is a bona fide qualified purchaser for purposes of this paragraph or a bona fide beneficial owner for purposes of paragraph (1) of this subsection.".

(b) DEFINITION OF QUALIFIED PURCHASER.—Section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)) is amended by inserting after paragraph (50) the following new paragraph:

"(51) 'Qualified purchaser' means—

"(A) any natural person who owns at least $10,000,000 in securities of issuers that are not controlled by such person, except that securities of such a controlled issuer may be counted toward such amount if such issuer is, or but for the exception in paragraph (1) or (7) of section 3(c) would be, an investment company;

"(B) any trust not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in subparagraph (A) or (C); or

"(C) any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $100,000,000 in securities of issuers that are not affiliated persons (as defined in paragraph (3)(C) of this subsection) of such person, except that securities of such an affiliated person issuer may be counted toward such amount if such issuer is, or but for the exception in paragraph (1) or (7) of section 3(c) would be, an investment company.

The Commission may adopt such rules and regulations governing the persons and trusts specified in subparagraphs (A), (B), and (C) of this paragraph as it determines are necessary or appropriate in the public interest and for the protection of investors.".

(c) CONFORMING AMENDMENT.—The last sentence of section 3(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(a)) is amended—

(1) by inserting "(i)" after "of the owner"; and

(2) by inserting before the period the following: ", and (ii) which are not relying on the exception from the definition of investment company in subsection (c)(1) or (c)(7) of this section".

(d) RULEMAKING REQUIRED.—

(1) IMPLEMENTATION OF SECTION 3(C)(1)(B).—Within one year after the date of enactment of this Act, the Commission shall prescribe rules to implement the requirements of section 3(c)(1)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(1)(B)).

(2) EMPLOYEE EXCEPTION.—Within one year after the date of enactment of this Act, the Commission shall prescribe rules pursuant to its authority under section 6 of the Investment Company Act of 1940 (15 U.S.C. 80a-6) to permit the ownership by knowledgeable employees of an issuer or an affiliated person of the issuer of the securities of that issuer or affiliated person without loss of the issuer's exception under section 3(c)(1) or 3(c)(7) of such Act from treatment as an investment company under such Act.

TITLE III—SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION

SEC. 301. SHORT TITLE.

This title may be cited as the "Securities and Exchange Commission Authorization Act of 1996".

SEC. 302. PURPOSES.

The purposes of this title are—

(1) to authorize appropriations for the Securities and Exchange Commission for fiscal year 1997; and

(2) to reduce over time the rates of fees charged under the Federal securities laws.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

Section 35 of the Securities Exchange Act of 1934 is amended to read as follows:

"SEC. 35. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission $317,000,000 for fiscal year 1997.".

SEC. 304. REGISTRATION FEES.

Section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) is amended to read as follows:

"(b) REGISTRATION FEE.—

"(1) RECOVERY OF COST OF SERVICES.—The Commission shall, in accordance with this subsection, collect registration fees that are designed to recover the costs to the government of the securities registration process, and costs related to such process, including enforcement activities, policy and rulemaking activities, administration, legal services, and international regulatory activities.

"(2) FEE PAYMENT REQUIRED.—At the time of filing a registration statement, the applicant shall pay to the Commission a fee that shall be equal to the sum of the amounts (if any) determined under the rates established by paragraphs (3) and (4). The Commission shall publish in the Federal Register notices of the fee rates applicable under this section for each fiscal year. In no case shall the fee required by this subsection be less than $200, except that during fiscal year 2002 or any succeeding fiscal year such minimum fee shall be $182.

"(3) GENERAL REVENUE FEES.—The rate determined under this paragraph is a rate equal to $200 for each $1,000,000 of the maximum aggregate price at which such securities are proposed to be offered, except that during fiscal year 2002 and any succeeding fiscal year such rate is equal to $182 for each $1,000,000 of the maximum aggregate price at which such securities are proposed to be offered. Fees collected during any fiscal year pursuant to this paragraph shall be deposited and credited as general revenues of the Treasury.

"(4) OFFSETTING COLLECTION FEES.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the rate determined under this paragraph is a rate equal to the following amount for each $1,000,000 of the maximum aggregate price at which such securities are proposed to be offered:

"(i) $103 during fiscal year 1997;

"(ii) $70 during fiscal year 1998;

"(iii) $38 during fiscal year 1999;

"(iv) $17 during fiscal year 2000; and

"(v) $0 during fiscal year 2001 or any succeeding fiscal year.

"(B) LIMITATION; DEPOSIT.—Except as provided in subparagraph (C), no amounts shall be collected pursuant to this paragraph (4) for any fiscal year except to the extent provided in advance in appropriations acts. Fees collected during any fiscal year pursuant to this paragraph shall be deposited and credited as offsetting collections in accordance with appropriations Acts.

"(C) LAPSE OF APPROPRIATIONS.—If on the first day of a fiscal year a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this paragraph at the rate in effect during the preceding fiscal year, until such a regular appropriation is enacted.".

SEC. 305. TRANSACTION FEES.

(a) AMENDMENT.—Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"SEC. 31. TRANSACTION FEES.

"(a) RECOVERY OF COST OF SERVICES.—The Commission shall, in accordance with this subsection, collect transaction fees that are designed to recover the costs to the Government of the supervision and regulation of securities markets and securities professionals, and costs related to such supervision and regulation, including enforcement activities, policy and rulemaking activities, administration, legal services, and international regulatory activities.

"(b) EXCHANGE-TRADED SECURITIES.—Every national securities exchange shall pay to the Commission a fee at a rate equal to $33 for each $1,000,000 of the aggregate dollar amount of sales of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange, except that for fiscal year 2002 or any succeeding fiscal year such rate shall be equal to $25 for each $1,000,000 of such aggregate dollar amount of sales. Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.

"(c) OFF-EXCHANGE-TRADES OF EXCHANGE REGISTERED SECURITIES.—Every national securities association shall pay to the Commission a fee at a rate equal $33 for each $1,000,000 of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange of securities registered on such an exchange (other than bonds, debentures, and other evidences of indebtedness), except that for fiscal year 2002 or any succeeding fiscal year such rate shall be equal to $25 for each $1,000,000 of such aggregate dollar amount of sales. Fees collected pursuant to this subsection shall be deposited and collected as general revenue of the Treasury.

"(d) OFF-EXCHANGE-TRADES OF LAST-SALE-REPORTED SECURITIES.—

"(1) COVERED TRANSACTIONS.—Every national securities association shall pay to the Commission a fee at a rate equal to the dollar amount determined under paragraph (2) for each $1,000,000 of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange of securities (other than bonds, debentures, and other evidences of indebtedness) subject to prompt last sale reporting pursuant to the rules of the Commission or a registered national securities association, excluding any sales for which a fee is paid under subsection (c).

"(2) FEE RATES.—Except as provided in paragraph (4), the dollar amount determined under this paragraph is—

"(A) $12 for fiscal year 1997;

"(B) $14 for fiscal year 1998;

"(C) $17 for fiscal year 1999;

"(D) $18 for fiscal year 2000;

"(E) $20 for fiscal year 2001; and

"(F) $25 for fiscal year 2002 or for any succeeding fiscal year.

"(3) LIMITATION; DEPOSIT OF FEES.—Except as provided in paragraph (4), no amounts shall be collected pursuant to this subsection (d) for any fiscal year beginning before October 1, 2001, except to the extent provided in advance in appropriations Acts. Fees collected during any such fiscal year pursuant to this subsection shall be deposited and credited as offsetting collections to the account providing appropriations to the Commission, except that any amounts in excess of the following amounts (and any amount collected for fiscal years beginning on or after October 1, 2001) shall be deposited and credited as general revenues of the Treasury:

"(A) $20,000,000 for fiscal year 1997;

"(B) $26,000,000 for fiscal year 1998;

"(C) $32,000,000 for fiscal year 1999;

"(D) $32,000,000 for fiscal year 2000;

"(E) $32,000,000 for fiscal year 2001; and

"(F) $0 for fiscal year 2002 and any succeeding fiscal year.

"(4) LAPSE OF APPROPRIATIONS.—If on the first day of a fiscal year a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this subsection at the rate in effect during the preceding fiscal year, until such a regular appropriation is enacted.

"(e) DATES FOR PAYMENT OF FEES.—The fees required by subsections (b), (c), and (d) of this section shall be paid—

"(1) on or before March 15, with respect to transactions and sales occurring during the period beginning on the preceding September 1 and ending at the close of the preceding December 31; and

"(2) on or before September 30, with respect to transactions and sales occurring during the period beginning on the preceding January 1 and ending at the close of the preceding August 31.

"(f) EXEMPTIONS.—The Commission, by rule, may exempt any sale of securities or any class of sales of securities from any fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, the equal regulation of markets and brokers and dealers, and the development of a national market system.

"(g) PUBLICATION.—The Commission shall publish in the Federal Register notices of the fee rates applicable under this section for each fiscal year.".

(b) EFFECTIVE DATES; TRANSITION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply with respect to transactions in securities that occur on or after January 1, 1997.

(2) OFF-EXCHANGE TRADES OF LAST SALE REPORTED TRANSACTIONS.—The amendment

made by subsection (a) shall apply with respect to transactions described in section 31(d)(1) of the Securities Exchange Act of 1934 (as amended by subsection (a) of this section) that occur on or after September 1, 1996.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect the obligation of national securities exchanges and registered brokers and dealers under section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) as in effect prior to the amendment made by subsection (a) to make the payments required by such section on March 15, 1997.

SEC. 306. TIME FOR PAYMENT.

Section 4(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(e)) is amended by inserting before the period at the end thereof the following: "and the Commission may also specify the time that such fee shall be determined and paid relative to the filing of any statement or document with the Commission".

SEC. 307. SENSE OF THE CONGRESS CONCERNING FEES.

It is the sense of the Congress that—

(1) the fees authorized by the amendments made by this Act are in lieu of, and not in addition to, any fees that the Securities and Exchange Commission is authorized to impose or collect pursuant to section 9701 of title 31, United States Code; and

(2) in order to maintain the competitiveness of United States securities markets relative to foreign markets, no fee should be assessed on transactions involving portfolios of equity securities taking place at times of day characterized by low volume and during non-traditional trading hours.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Massachusetts [Mr. MARKEY] each will control 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today, the House will consider H.R. 3005, the securities amendments of 1996. This is good bipartisan legislation. It is designed to help small business find the money it needs to create new jobs, and increase the returns to pension funds, mutual funds and other savings vehicles in which our citizens are saving for their retirement and for the education of their children. I am pleased that this bill has bipartisan support, and has been endorsed by SEC Chairman Arthur Levitt. The bill being considered is an amended version of that which was reported from the Commerce Committee. I will insert an explanation of these changes which I have prepared in the RECORD immediately following my statement.

This bill accomplishes significant changes in the securities laws. Chief among these is the elimination of State regulation of large securities offerings and of mutual funds that we have found duplicates the extensive system of SEC regulation. It is high time that we move to facilitate national capital markets by having a unitary Federal system of regulation of offerings. We believe that this system will reduce regulatory burdens on companies seeking to raise capital, and will not imperil the fine record of investor protection built up by the SEC

The bill codifies the existing exemption from State regulation for companies that are listed on a national securities exchange. Both the debt and equity offerings of these companies will be exempt from State regulation. The legislation provides that other regional exchanges that develop listing standards comparable to those of the national exchanges can also be certified by the SEC and gain the advantages of this exemption.

The legislation provides that offers and sales of securities to qualified purchasers will be exempt from State regulation. We believe that institutional investors are capable of assessing offerings without the need of a second layer of regulation. This will help to increase the rate of return to these institutional investors who are the savings vehicles for people's retirement and for their children's education.

The legislation provides relief from a second tier of regulation to the brokerage industry in a number of areas. The bill preempts State authority over capital, margin, books and records of brokerage firms. The bill also provides a uniform exception from State registration for brokers whose customers go on vacation or are temporarily out of State.

The legislation also ends anti-competitive barriers on broker dealer borrowing. The Government has given a legal monopoly to commercial banks to lend money to brokers. That legal monopoly harms competition and raises costs to our country's brokers. Eliminating this barrier will, in the words of Federal Reserve Chairman Alan Greenspan, increase the safety and soundness of the financial system. In April, the Board of Governors of the Federal Reserve adopted changes to regulation T, eliminating a substantial number of the rules regulating broker dealer lending, including elimination of margin requirements on high quality debt securities and arranged transactions. We applaud the action of Chairman Greenspan and the board which will have the effect of making our brokerage firms more competitive without sacrificing safety and soundness.

This legislation requires that the SEC, when making a public interest determination in a rulemaking consider efficiency, competition, and capital formation. This will require the SEC to consider the costs of its rules, which we think is very important in light of the enhanced congressional role mandated for SEC rules and for rules of self regulatory organizations under the Small Business Regulatory Enforcement Act of 1996. The legislative history of the Small Business Act makes clear that SRO rules are considered major rules for purposes of the act. I endorse that interpretation, and expect to work cooperatively with the SEC when it is considering SRO rules.

I would like to commend Chairman FIELDS for his work in crafting the beginnings of a bipartisan agreement on securities reform in the Subcommittee on Telecommunications and Finance. I would like to thank the ranking member of the subcommittee, ED MARKEY, for his fine contributions to the bill. I would like to thank especially the ranking member of the committee, my friend, JOHN DINGELL, for his cooperation and assistance in crafting further changes to the bill.

I urge members to join with us in supporting this legislation.

□ 1445

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise and speak in support of H.R. 3005, The Securities Amendments of 1996. Let me begin by congratulating the distinguished gentleman from Virginia [Mr. BLILEY], the chairman of the Committee on Commerce, and his counterpart, the distinguished gentleman from Michigan [Mr. DINGELL], the senior Member of the House and the ranking Democrat on the committee. Both directed that we put partisanship aside so that we could work on the three critically important public policy issues that underlie the legislation: the promotion of capital formation, the advancement of efficient markets, and the maintenance of the highest possible standards of investor protection.

Their guidance helped us overcome numerous obstacles, any one of which could easily have upset the delicate compromises that brought us to the House floor today. Even though virtually everyone agrees that the policy objectives of titles I and II of The Securities Amendments of 1996 are extraordinarily important, until March of this year few thought it possible that we could overcome the deep differences as to how we could in fact achieve them. But because of the truly remarkable leadership of the distinguished gentleman from the State of Texas, Chairman JACK FIELDS, my good friend and colleague of the subcommittee, we were able to develop a consensus approach to these issues that ultimately allowed us to bring this bill to the floor.

Indeed, Chairman FIELDS has been the singular driving force in the U.S. Congress behind the idea of comprehensively modernizing our system of securities regulation. His desire to promote capital formation and efficient securities markets is unsurpassed, but it should also be evident that he is committed to making sure that Federal and State securities laws continue to protect American investors from fraud and abuse. Indeed, he recognizes that the unparalleled success of our markets is grounded in the fact that the United States maintains the strongest and most profound commitment to investor protection of any country on Earth. Chairman FIELDS' thoroughgoing commitment to achieving this careful balanced played a crucial role in helping us to develop the historic package of reforms that we will be voting on today. His 2 years as chairman of the subcommittee passing historic telecommunications and now securities legislation will have him being looked back at as the one Republican who understood how to work in a bipartisan fashion during this 2-year period, this brief 2-year period that the Republicans controlled the House of Representatives.

So I want to congratulate the gentleman so much for the incredible job which he has done during his tenure as the chairman of this subcommittee. It is indeed remarkable and historic in fact, which is not an overstatement. Comprehensive financial modernization, as some of our colleagues are painfully aware, can be tauntingly elusive as a goal. Yet in the last 3 months, Chairman FIELDS has given us all a case study about how to get there.

When we step back from the details and examine the Bliley amendment from the broad perspective, two historic qualities stand out. The first is how far we have come in a relatively short time. Six months ago we were on the eve of a huge ideological battle confronted with proposals that in our judgment would have caused considerable damage to markets, to companies, and to investors. Included among them were proposals to preempt virtually every aspect of independent State securities regulation, to repeal suitability requirements that protect institutional investors and deter deceitful conduct, to repeal the Williams Act, which could have encouraged a whole new round of hostile takeovers, to eliminate virtually all margin requirements, which could have fueled all sorts of undesirable speculation in the stock markets at the worst possible time when the markets were already at record highs.

There were several other issues as well. In every one of these areas, we have worked diligently to make extraordinary improvements to the original proposals. The results are contained in title I. Collectively they represent a balance and a sensible, rather than a rigid and ideological approach to modernization. More important, title I is historic because it includes a truly unprecedented legislative effort to modernize and to carefully reallocate important aspects of Federal and State securities laws.

Without in any way compromising our longstanding commitment to maintaining the highest possible standard of investor protection, as anyone involved in its drafting knows, modernizing State securities laws is an extraordinarily sensitive and complex subject. An editorial in this morning's Boston Globe, a copy of which is attached to the statement I will submit for the RECORD, captured this delicacy. While it acknowledges that, quote,

> There is a broad agreement among the industry and regulators that some loosening is in order, but Congress must take care as it balances the sometimes conflicting interests of free markets and the reality of those who would exploit them.

I have always agreed with that view personally and as a result have given a tremendous amount of thought to this particular section of the legislation, especially careful consideration of this section was necessary in part because the States have historically filled such a profound and irreplaceable role in protecting small investors from fraud and abuse. Two years ago, I was deeply honored to receive an investor protection award from the Association of State Securities Administrators, the first non-NASAA North American Securities Administrator member to ever receive the award.

I said at that time the States are the ones who work the front lines and serve as the Nation's early warning system for financial fraud. You are the ones who witness most closely the terrible consequences of these frauds, not just the frustration and the anger of having been robbed, but the heartache and the tragedy of dreams that have been stolen, dreams about sending a child to college or about planning for retirement years. Over the years, your extraordinary and unwavering commitment to promoting the interests of small investors has made NASA a powerful and respected and necessary presence on Capitol Hill.

The Bliley amendment and the committee report that accompanies explicitly provide that the States continue to have available to them the full arsenal of powers needed to investigate and to enforce laws against fraud and to continue their ability to protect the small investor of this country. Similarly, the committee report also makes clear that nothing in this legislation alters or affects in any way any State statutory or common laws against fraud or deceit, including private actions brought pursuant to such laws.

Such a provision was essential to prevent this legislation from getting caught up in the disputes that surround that issue. In several other ways, title I to the Bliley amendment largely strikes the proper balance between promoting efficiency and growth while ensuring integrity and fairness.

The second historic quality about the Bliley amendment is that it includes the first significant proposal to affect the regulation of the mutual fund industry in more than a generation. I am proud to have joined with Chairman FIELDS and Chairman BLILEY, Mr. DINGELL, and others as an original cosponsor of these proposals, and I am delighted that Members of the Senate Committee on Banking, Housing, and Urban Affairs have also taken a very strong interest in them. Most important, this part of the legislation recognizes the fundamentally national character of the fund industry by assigning exclusive responsibility for the routine review of mutual fund offering documents and related sales material to the SEC and the NASD.

Title II of the Bliley amendment also encourages further innovation in this industry by allowing for the first time documents known as advertising prospectuses, and for modestly liberalizing the rules for fund of funds. At the same time, however, the Bliley amendment also recognizes the extraordinary and rapidly growing importance of mutual fund investments to the financial health of average Americans by continuing to permit States to investigate sales practice abuses and other types of fraudulent or deceitful activity.

In addition, the bill recognizes the critical challenge facing the Securities and Exchange Commission, which must maintain its successful record of overseeing the fund industry at a time when mutual funds are growing exponentially and the industry is becoming more diverse and complex. Thus, the Bliley amendment gives the Securities and Exchange Commission the authority to obtain information it must have if it is to determine accurately whether funds are in compliance with the investor protection provisions of the Federal law. This provision has been carefully negotiated with the Securities and Exchange Commission and the fund industry, and it is an essential part of the balance of the bill which we have put together today which ensures that the information is there which guarantees investor protection.

Mr. Speaker, I cannot again praise the gentleman from Virginia [Mr. BLILEY] and the gentleman from Michigan [Mr. DINGELL] enough for their leadership and to single out the gentleman from Texas [Mr. FIELDS] here near the end of his final year in Congress for his special work in putting together this legislation today.

Mr. Speaker, I would like to close by thanking those who worked tirelessly to bridge the gap that divided Democrats and Republicans on these important issues.

Before concluding, I also believe a brief comment is due about the fact that title III has been included as part of the Bliley amendment. I understand that this legislation has already passed the House, and is being included with this bill today in order to facilitate a conference on the subject. and I am well aware of the unnecessary funding fights that have hampered and demoralized the SEC in recent years. But I believe the administration has raised important concerns about the implications of the authorization bill that we need to explore, I am committed to working with the administration to see if we can somehow reconcile the important competing policy considerations that relate to this issue.

As a practical matter, this bill could not have reached the floor today without the tremendous commitment of time and energy on the part of our staff: Linda Dallas Rich and David Cavicke, for the Republicans; Consuela Washington, Jeff Duncan, and Timothy Forde, for the Democrats; and Steve Cope, our exceptionally talented and exceedingly patient legislative counsel. Senior staff of the SEC, under the direction and with the encouragement of Chairman Arthur Levitt, also provided us with critically important assistance at key times over the last few months. All are to be commended for an extraordinary job.

Finally, I doubt that we would have reached this consensus without the good faith participation of the States. As proposals and ideas have been floated back and forth about how to change State laws and regulations, the States have always responded stoically—with good humor as well as with good faith. Neil Sullivan and Dee Harris have provided remarkable leadership throughout this difficult process. I have never been as proud of this group as I am today.

While there are not many legislative days left in this session of Congress, I still think that we have a good chance of seeing much of what we vote on here today enacted into law within a few months. That remarkable prospect would not have been possible without the leadership of Chairman BLILEY, Chairman FIELDS, Ranking Democrat DINGELL, and the steadfast support of our colleagues on both sides of the aisle. I look forward to working with them to secure the bill's passage through the Senate and its signature by the President.

Mr. Speaker, include for the RECORD the following article.

[From the Boston Globe, June 18, 1996]

INSECURITY REGULATION

The Massachusetts congressional delegation will do well to listen to the concerns of Secretary of State William Galvin as it contemplates legislation loosening regulation of securities dealers.

Although there is broad agreement among the industry and regulators that some loosening is in order—the National American Securities Administrators Association (NASAA) hopes that a suitable bill can be drafted during the current session of Congress—Galvin wants a more thorough review that would likely push action into the next session.

Among the issues Galvin and his NASAA colleagues agree are troubling would be relaxing rules for unlicensed broker employees or sales agents who may use high-powered selling tactics to entice the unwary into unwise investments. Many such sales practices are engaged in by smaller brokerage firms, involving small corporations with fewer shares, which create markets that can be volatile and even treacherous. These companies do not attract the institutional interest that is important with larger stocks in establishing more financially credible pricing.

The US Securities and Exchange Commission has historically relied on states to supplement its enforcement activities against shady sales practices by concentrating on these smaller brokerages. The states' task is complicated enough already by the tendency of victims to be embarrassed at having been taken in. Galvin is worried that Congress will prevent states from taking up even those cases where victims do protest.

Those worries deserve the attention of the industry, whose preponderantly ethical members are injured by the misdeeds of a few slick dealers. Congress must take care as it balances the sometimes conflicting interests of free markets and the reality of those who would exploit them.

Mr. Speaker, I reserve the balance of my time.

Mr. Bliley. Mr. Speaker, I yield as much time as he may consume to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee who put so much work into this bill.

Mr. FIELDS of Texas. Mr. Speaker, first of all, I would be remiss if I did not point out that the gentleman from Virginia [Mr. BLILEY] is once again bringing a very complex piece of legislation to the floor that is meaningful in reform and it is bipartisan in nature.

For me personally, this is an exciting day, exciting because we have been able to negotiate in a very complex issue area with bipartisan cooperation, and we dramatically reform and modernize the regulation of this country's capital markets. I would be less than candid if I did not say that part of my excitement is in the fact that we were able to forge and pass this legislation when everyone said that it could not be done, and we were told earlier that our telecommunications reform legislation was too complex and too contentious to pass.

With each of these difficult subject matter areas, the gentleman from Massachusetts [Mr. MARKEY], my good friend and ranking minority member of our subcommittee, and I were able to find commonality rather than partisanship, were able to exercise our personal friendship in representing our Members and our constituencies rather than looking for political points to score.

Mr. Speaker, I appreciate all the nice things that the gentleman said about me just a moment ago, but I want to say "ditto" so that the gentleman does not get one up in terms of being overly nice with his compliments. I also want to say that we shared the beliefs of investor protection. We believed that there should be a reliable, secure, and transparent market.

□ 1500

We differed on a few points, and agreed to disagree and consider these points of difference at some other time. If we had wanted to find the differences and tear this legislation apart, we could have done so.

It has been surprising to me that many in our capital markets have yet to appreciate or understand what this legislation actually accomplishes. I think this stems from the fact that the markets are not accustomed to Congress being proactive instead of just reacting to a market crisis or scandal. To many, it has not sunk in yet that this legislation dramatically reforms the 1933, 1934, and 1940 laws relative to the securities and mutual fund industries.

So just as we reformed the 1934 Communications Act and brought the communications industry into the 21st century, so too are we reforming the securities and mutual fund industries into the 21st century in an era of modern regulation without compromising one aspect of investor protection.

When I introduced the capital markets bill back in July of last year, I said you have to begin the dialog someplace. I said that that initial bill was a work in progress. And to the credit of my subcommittee members who originally cosponsored the legislation last July, who, along with me, endured some criticism, they never wavered in their belief that our capital markets needed to be reformed and modernized, and we never lost our resolve to come to this day, and we were encouraged to see some of the things that happened once the debate was begun just with the introduction of the bill.

Chairman Levitt gave a speech in Vancouver which I think will go down as one of the most significant events in the modernization of our capital markets regulatory regime, when he suggested that there were problems in duplicative regulation at the State and Federal level. Then the SEC began to recommend eliminating unnecessary and redundant regulations. Margin reform was acted upon by the Federal Reserve. A memorandum of understanding was entered into by the SEC, the exchanges, and the National Association of Securities Dealers to streamline the examination of broker dealers. Many say that these reforms would not have happened or would have come about much slower if the dialog had not been initiated.

So today we bring to the House a very complex piece of dramatic reform legislation, in a complex subject matter area, but, again, with broad bipartisan support and effort.

In the most simplistic of terms, this legislation does the following: Investment company securities sold in the secondary market and many securities exempt from Federal registration will be subject to a single national regulatory system. In addition, securities sold by the cream of the small cap companies, companies with assets of at least $10 million and 2 years of operations, will be subject only to Federal regulation.

This bill recognizes that we have entered the information age and requires the SEC to report to Congress on the steps taken to facilitate the electronic delivery of prospectuses.

We give a general grant of exemptive authority to the SEC under both the 1933 and 1934 acts to eliminate rules and regulations that no longer serve a legitimate purpose.

We require the SEC when promulgating a rule or granting an exemption to consider efficiency, promotion of capital formation, and competition as criteria in addition to investor protection. We require the SEC to examine proposals for the privatization of EDGAR.

I want to stop just a moment and give special credit to the gentleman from New York, DAN FRISA, who not only worked tirelessly on this provision, but authored the definitive document on EDGAR and the SEC's information management system.

In title II we permit all mutual fund companies to create a fund of funds. We permit mutual funds to advertise more information than is permitted under current law. We also preempt the State from duplicative State regulations, recognizing that this is a national marketplace and our companies are competing in a global way.

Mr. Speaker, this brief and cursory explanation does not do justice to the historic reform that this legislation represents. This House should be proud of what we are accomplishing today. The House should be proud of the gentleman from Virginia, Chairman BLILEY, for moving this bill forward in the way that he did. It should be proud of the ranking minority member from Michigan [Mr. DINGELL] who has always been willing to work in a positive and bipartisan manner with all of the Members of our committee.

But, again, Mr. Speaker, I would be remiss if I did not give special credit and focus on my good friend, the gentleman from Massachusetts, ED MARKEY, who came to my office 2 nights before we were to mark up the capital markets bill in the subcommittee, and we sat together for 2 hours as we negotiated the bill. It was in those 2 hours as we negotiated the bill. It was in those 2 hours, without staff, that through our friendship, we found commonality, to serve the interests of our constituents and the people who will be affected by this reform, the investors of this country, and the capital markets community.

I would be further remiss if I did not acknowledge the hard work and personal engagement of Chairman Arthur Levitt. Without his personal efforts we would not be poised to pass this historic legislation. I believe Chairman Levitt will go down as one of the greatest, if not the greatest, SEC chairman that has ever served our country in that capacity.

Finally, I must give credit to a staff who took what Mr. MARKEY and I initially agreed upon, put it in legislative language for the subcommittee, further refined it at the full committee, and then brought us to this point today. Special thanks to David Cavicke, Linda Rich, Brian McCullough, and on the minority staff Jeff Duncan, Tim Ford, and Consuela Washington. And, of course, a special thanks to Christy Strawman on my personal staff, and a special thanks to the greatest draftsman in the House, Steve Cope.

Mr. MARKEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL], the ranking Democrat on the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I rise in support of the legislation and urge its passage by the House.

The bill has come a long way since title I was originally proposed last July as H.R. 2131. It was controversial legislation then which would have, amongst other things, repealed the Trust Indenture Act and key protections under the Williams Act and Federal margin provisions, negated antifraud protections and suitability obligations on broker dealers to institutional investors, and decimated securities regulation and enforcement at the State level. That bill, thank heaven, is not this bill.

With that, I wish to commend my good friend, the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee, and the gentleman from Massachusetts [Mr. MARKEY], for their outstanding efforts in reforming that legislation into something we could rejoice in and pass today. I want to again commend Mr. FIELDS, the chairman of the subcommittee, and the gentleman from Virginia, Mr. BLILEY, the chairman of the Committee on Commerce, for working with Members on this side of the aisle, the Securities and Exchange Commission, State securities regulators, and the securities industry to write the balanced legislation that we consider today.

I will express my personal thanks to the gentleman from Massachusetts [Mr. MARKEY] for his important leadership on and contributions to this bill.

Others will be describing the floor amendment in great detail. There are a few points I would like to make. In his November 30, 1995, testimony before our committee, a great and decent man and an outstanding regulator, Chairman Levitt, stated that: "State securities regulators play an essential role in the regulation of the U.S. securities industry. State regulators are often the first line of defense against developing problems. They are the 'local cops' on the beat who can quickly detect and respond to violations of law."

I strongly agree with those sentiments. Nothing that we do in this legislation should undercut the authority and ability of States to detect and take action against securities fraud and sales practice abuses. I will continue to work on this issue in conference with the Senate.

While I support the bill's grant of exemptive authority to the SEC under the Securities Act of 1933 and the Securities Exchange Act of 1934, I want it clearly understood that this bill does not grant the SEC the authority to grant exemptions from the antifraud provisions of either act. In determining the public interest, Congress has expressed the public interest through the express provisions of law that it has enacted. The SEC may not administratively repeal these provisions by use of the new exemptive authority.

I support responsible efforts to reform and modernize the securities laws consistent with the maintenance of investor protections and the transparency, integrity, and fairness of the U.S. securities markets. Our capital markets run on investor confidence, and that confidence will disappear, and the liquidity and efficiency of our markets will be seriously impaired, if investors believe that we are turning the hen-house sentry posts over to the foxes or abolishing half the sentry posts at a time of increases poaching. For example, yesterday's Wall Street Journal [Investigators Tie Brokers To Bribes, Monday, June 17, 1996, at C1] reported that dozens of stockbrokers around the country are suspected of taking hidden payments from promoters to sell stocks to their customers. The March 1996 report of the SEC–SRO–State Joint Regulatory Sales Practice Sweep found that: one-fifth of the examinations resulted in enforcement referrals and an additional one-fourth of the examinations resulted in the issuance of letters of caution of deficiency letters; almost one-half of the branches that engage in some type of cold calling evidence cold-calling violations or deficiencies; supervisors in many of the branches examined conduct inadequate or no routine review of registered representatives' customer service transactions to detect sales practice abuses; and many of the branches examined utilized only minimum hiring procedures and some of these are willing to employ registered reps with a history of disciplinary actions or customer complaints.

SEC resources are also an important part of this enforcement equation. Title III of the floor amendment includes the text of the SEC reauthorization bill that passed the House unanimously in march of this year. As I understand it, the inclusion of this title is intended to facilitate good faith negotiations between the House, Senate, and OMB to resolve longstanding questions about SEC fees. Although the administration supports other provisions of H.R. 3005, it has expressed serious concerns with reauthorization provisions that would reduce or eliminate the use of increased securities registration and transaction fees for general-fund purposes. I intend to continue to work with the administration to address their concerns with this provision, and hope my colleagues on the Majority side will join in the effort to get a cooperative resolution of this issue.

Also I wanted to just observe that this House is going to seriously miss my friend from Texas, Mr. FIELDS, when he goes. He has been a distinguished Member of this body, a fine chairman of this subcommittee, a valuable friend of mine, a responsible and decent Member of this body, and I am pleased that he is not yet leaving us. I do want the Record to show the high regard in which I hold the fine gentleman from Texas.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. OXLEY], the vice chairman of the subcommittee.

Mr. OXLEY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, never in our wildest dreams could we imagine we would be on the floor today on a suspension calendar to pass H.R. 3005, the securities amendments of 1996. I want to pay tribute to the gentleman from Texas, Chairman FIELDS, for his great leadership, as well as the chairman of the full committee, the gentleman from Virginia, Mr. BLILEY, along with our good friend, the gentleman from Massachusetts, ED MARKEY, the ranking member of the subcommittee, and the ranking member, the gentleman from Michigan, Mr. DINGELL, for their hard work, and also to Chairman Levitt for providing the kind of leadership at the SEC that we have come to expect from that fine gentleman. This bill is a product of the work that all of the aforementioned gentlemen put in on this very important bill.

Times are changing and the way Americans invest are changing. The laws regarding securities and mutual fund policies must change as well. According to the Fed, in 1980 the average American household had one-third of its liquid assets in securities. By 1995 it had two-thirds of its liquid assets in securities.

For once, Congress is taking positive action in the area of securities law and not reacting to a crisis or to a scandal. The bill is designated to promote capital formation, efficiency and competition, without compromising the integrity of our confidence in the financial marketplace. The bill repeals or amends sections of the Securities Act of 1933, the SEC Act of 1934, and the Investment Company Act of 1940. The bill creates a national system of securities regulation, eliminating duplication in State and Federal regulation for exchange listed securities, securities offerings to qualified investors, and mutual funds. This will lower the administrative and regulatory costs to investors across the country and increase returns to mutual funds and other savings vehicles.

On the issue of institutional suitability, let me say during our hearings we heard from three former SEC commissioners, the Public Securities Administration, the PSA, and others in the private sector on the need for reform. We plan to pursue that issue in the next Congress.

□ 1515

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Washington, Mr. RICK WHITE, a valued member of the committee.

Mr. WHITE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, 2 years ago, I was a business lawyer, now I am a humble freshman Member of Congress. I would have to say that it has been a great privilege to serve on this subcommittee and this committee, where we have actually gotten some important things done during this Congress.

It has been my privilege to serve with the gentleman from Virginia, Chairman BLILEY, the gentleman from Texas, JACK FIELDS, the subcommittee chairman, and with the ranking members, the gentleman from Michigan, JOHN DINGELL, and the gentleman from Massachusetts, EDWARD MARKEY, especially on this bill, where we were able to work together and do something that really needed to be done.

Mr. Speaker, the fact is, as we heard so many times during the hearings on this bill, the United States right now has the best capital markets in the world. But I remember my days when I was a lawyer, it was only 2 years ago, and I dabbled in securities law at that time. And in my office, right down the hall were the real securities lawyers in my firm, and I well remember the days when those securities lawyers and the people working for them would be tearing out their hair and rending their garments because of all the regulations and hoops they had to jump through in order to get a securities offering done.

The fact is, Mr. Speaker, the price of liberty is eternal vigilance, and that maxim applies in the securities market just like in every place else. The great thing about this bill is that it modernizes our securities laws and puts them in line for what we are going to need in the 21st century.

One of the main problems we have had, and one of the things that I notices when I was a lawyer, is that when we want to issue a big securities offering, not only do we have to get approval from Washington, DC, we have to get approval from 52 States and other offices in order to get that securities offering approved. That was one of the reasons that the lawyers down the hall from me would tear out their hair whenever they had to go through this process.

Our bill fixes that. For large offerings, there is one market from now on. It streamlines it, makes it make a lot more sense. Our bill also tries to bring us into the 21st century is providing information to investors. Right now, the law says we have to provide investors with a big thick book every time we are to issue a securities offering. But in the future, if the SEC allows us to do that, we will be able to do it by the Internet or fax or some other electronic means. That is getting us ready for the 21st century.

The fact is, Mr. Speaker, our job is not over. We have some more work we need to be beyond this bill to bring our securities in line with the 21st century, but it is a good step in the right direction, I am proud to be a part of it, and I urge all my colleagues to vote for this bill.

Mr. MARKEY. Mr. Speaker, I yield myself the balance of my time in which to close the debate.

Mr. Speaker, what I would like to do is thank those who helped to bridge the gaps between the Democrats and Republicans in making this legislation possible; because, as a practical matter, this bill could not have become law, reached the floor today, without a tremendous amount of dedication and hard work on the part of many people. But a small number deserve to be especially singled out, and I begin with Linda Dallas Rich and David Cavicke and Kristy Strahman, who served the majority extremely well over this past year and a half in bringing this bill to this place.

On the Democratic side, without the historic work of Consulea Washington and Jeff Duncan and Tim Forde, who dedicated personally this last year and a half to this particular piece of legislation, we could not have been here.

And to Steve Cope, our exceptionally talented and exceedingly patient legislative counsel, the senior staff of the Securities and Exchange Commission, under the direction of our very distinguished chairman, Arthur Levitt, who provided us with critically important assistance at key times over the last few months, all are to be commended for an extraordinary job.

Finally, I doubt we would have reached the consensus without the good faith participation of the States. As proposals and ideas have been floated back and forth about how to change State laws and regulations, the States have always responded stoically, with good humor as well as with good faith. Neil Sullivan and Dee Harris have provided remarkable leadership throughout this difficult process. I have never been as proud of that group as I am here today.

While there are not many legislative days left in this session of Congress, I still think that we have a good chance of seeing much of what we vote on there today enacted into law within the next couple of months. That remarkable prospect would not have been possible without the leadership of the gentleman from Virginia, Chairman BLILEY, and of the ranking minority leader, the gentleman from Michigan, JOHN DINGELL, of the Committee on Commerce. Their historic roles in securities legislation in very well known and appreciated.

And especially, as has been noted several times before, to my good friend, the gentleman from Texas, JACK FIELDS, of this subcommittee, who has worked long and hard to bring this historic piece of legislation here to the floor.

Mr. FIELDS of Texas. Mr. Speaker, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Texas.

Mr. FIELDS of Texas. Mr. Speaker, I appreciate all of the gentleman's kind remarks. I think it is refreshing for the public and the country at large to see both sides of the aisle working in an extremely complex issue area, working together and finding commonality.

Mr. Speaker, I want to say on behalf of the gentleman that he made this process a dialog, creating that opportunity for us to discuss and find where we could agree, and helped bring us to this important day today. Certainly I think it is historic, and I just want to compliment the gentleman.

Mr. MARKEY. Mr. Speaker, reclaiming my time, I thank the gentleman, and I look forward to its passage in the Senate and to the President's signature on this bill as well, which is the only appropriate ending to this.

Mr. BLILEY. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. WELLER). The gentleman from Virginia [Mr. BLILEY] has 3 minutes remaining.

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds.

Mr. MORAN. Mr. Speaker, will the gentleman yield?

Mr. BLILEY. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Speaker, I hate to get in the middle of this exchange of roses, but our State Corporation Commission in Virginia, that I am sure the chairman is very much aware of, has some concerns in that we essentially wipe out of a lot of the State laws. I can understand why we do, but they are very much afraid that they will not have the time to go through their legislative and rulemaking process because they now require regulation fees and the filing of notice of mutual fund shares. And they are afraid as well that without doing so, they will not have sufficient enforcement authority under their current State law. Can the chairman assure us that it will be worked out?

Mr. BLILEY. Mr. Speaker, reclaiming my time, they have all of that enforcement authority and they retain their fees.

Mr. MORAN. They retain their fees and enforcement authority.

Mr. BLILEY. That is correct.

Mr. MORAN. Mr. Speaker, I thank the gentleman for putting that on the record.

Mr. BLILEY. Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. LAZIO] for the purpose of a colloquy.

Mr. LAZIO of New York. Mr. Speaker, I thank the gentleman for yielding me this time.

As the chairman knows, there are about 20 Members of Congress, including the gentleman from New York, Congressman DAN FRISA, who have expressed deep concerns about preferencing on securities exchanges. Preferencing enables broker-dealers to take the other side of their own customer orders, to the exclusion of competing market interest. It is a de facto form of collusion. Perferencing was not permitted on securities exchanges until 1991, when the Cincinnati Stock Exchange began a preferencing pilot program.

I want to address this to the gentleman from Texas, if I can, and ask him if in the course of deliberation, as the bill moves forward in the conference process, if he would work with me and the others who are interested in this subject to ensure that this issue is addressed?

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. FIELDS] for a brief comment.

Mr. FIELDS of Texas. Mr. Speaker, I want to respond to the gentleman that it is my intent to work with all Members of the House and develop the best possible piece of legislation that can be developed.

Mr. BLILEY. Mr. Speaker, how much time remains?

The SPEAKER pro tempore. The gentleman from Virginia [Mr. BLILEY] has 2 minutes remaining.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin, Mr. TOBY ROTH, a member of the Committee on Banking and Financial Services.

Mr. ROTH. Mr. Speaker, I thank my friend, the chairman, for yielding me this time and I congratulate him and the other members of this committee who have done such a fine job on this bill.

I have listened attentively to the debate here this afternoon. This is a good bill and I hope everyone votes for it. I did have a question about the States and how they will be impacted and we heard that in the debate here before. This bill will eliminate any duplications between State and Federal regulations governing mutual funds and other security activities.

Mr. Speaker, serving on the Committee on Banking and Financial Services, I have had a great deal of interest in legislation like this. The measure before us is not perfect, but it is going because it has been scaled down a long way from the controversial changes that it first had, but this is a good piece of legislation.

Even though this legislation preempts some State powers over securities, the bill would preserve a significant role for the State regulators. For example, the State would no longer have jurisdiction over mutual funds, and the bill would scale back State regulation securities offerings, substituting Securities and Exchange Commission for a dual State-Federal system in place. But, on the other hand, this is a good bill, it is a well balanced bill, and I hope we all vote for it.

Mr. BLILEY. Mr. Speaker, I yield 1 minute, the balance of my time, to the gentleman from New York [Mr. FRISA], a member of the committee.

Mr. FRISA. Mr. Speaker, I thank the chairman for yielding me this time, and I would like to take this opportunity in joining with my colleagues from both sides of the aisle in acknowledging the tremendous leadership that the gentleman from Virginia, Chairman BLILEY, of the Committee on Commerce, has exhibited in this case to bring both sides together in a very complex issue, which, most importantly, will benefit the investors, all of them, the individual families who invest as well as the large pools of money that invest; because, really, Mr. Speaker, those investors are the few that drive the engine of the American economy by investing in the stock market their hard-earned money so that corporations will have the funds to invest in capital and in jobs. I think it represents yet another victory for the people and for the Committee on Commerce in crafting this bipartisan legislation.

I think it is also important, Mr. Speaker, to acknowledge that the chairman of the Securities and Exchange Commission, Arthur Levitt, has worked with us as well in order to craft this agreement. And I think, finally, the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee, who I have been pleased to work with, and the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the subcommittee, have provided leadership as well.

Mr. Speaker, I say to the gentleman from Virginia [Mr. BLILEY] and to all the others, this entire House can be proud of this legislation. I urge its adoption.

Mr. HASTERT. Mr. Speaker, I am glad to see consensus has been reached to move ahead with bipartisan legislation that will equip America's capital markets to compete in the global marketplace. The changes in this bill will ultimately make it easier for business people and investors all over this Nation to reach the American Dream.

We all know that communications technologies have made the world a smaller place. People and businesses looking for capital, or those looking to invest, are now able to shop around the world. They look for those markets that provide the highest degree of integrity, transparency, and liquidity, but do not require unnecessary or burdensome red tape.

H.R. 3005 makes commonsense changes to a system that today, makes the cost of capital generation unnecessarily high and overburdens the Securities and Exchange Commission. The most fundamental change provides efficiency by dividing financial instruments into those that are national in scope and those that are not. This allows the SEC to focus its resources as the sole regulator of larger, national offerings, while the States will carry out the crucial role of regulating smaller offerings. This change enables regulators to concentrate on those instruments they are best suited to oversee. At the same time, eliminating duplicative registration requirements will reduce the cost of raising capital. Thus, more companies will be able to create jobs, pay out higher dividends, and further expand their business.

These are the tangible effects of the bill we are addressing today. Thus, this bill moves entrepreneurs and investors one step closer to fulfilling the American Dream. Congress can and should continue to enact legislation that provides hope to the citizens of this Nation.

Mrs. COLLINS of Illinois. Mr. Speaker, during three hearings held on securities amendments, the Commerce Committee heard support for sensible, targeted efforts to reform Federal securities laws to promote greater efficiency and capital formation in U.S. financial markets. We also heard from a number of witnesses, including Securities and Exchange Commission Chairman Arthur Levitt, who urged us to proceed carefully and cautiously, keeping in mind the fact that investor confidence and consumer protection must not in any way be compromised in this undertaking. I agree fully. I was extremely pleased that a bipartisan agreement was reached that heeded Chairman Levitt's sage device.

As we all know, U.S. capital markets are the strongest financial markets in the world. Today, nearly one-third of all families in the Nation have a portion of their savings invested in stocks, bonds, and mutual funds in order to ensure a better future for themselves and their loved ones. These investors have trust in their investments because our regulatory system has proven beneficial in protecting individuals from fraud and abuse perpetuated by unscrupulous brokers and dealers. We will be preserving and strengthening this trust with the legislation we consider before us today.

This legislation will maintain the authority of State securities regulators to police wrongdoing. In addition, the legislation in its current form ensures that the SEC mandate to protect American investors and the public interest as well as the long-term stability of our major markets remains intact. This is a most important point. While there is room to fine tune the regulatory functions of the SEC, reforms must never be structured in such a way that they undermine consumer confidence.

This bill, H.R. 2005, does not seek to greatly limit inspections of brokerage firms who have violated SEC rules or relieve firms of liability for recommending unsuitably risky investments to institutional clients. The bill also modifies previous language that would have eliminated the requirement in current law that investors be sent a prospectus and informed of the risks they face before they buy newly offered securities by requiring the SEC to move forward with its study of this issue.

Mr. Speaker, there is undoubtedly a need to monitor mutual fund regulation to fully account for the constantly evolving size, complexity, and investment opportunities of our Nation's financial markets. While mutual funds have grown by more than 20 percent annually throughout the 1980's and into the 1990's, Congress has not addressed the issue of fund regulation since 1970. This bill updates our securities laws.

I urge my colleagues to support H.R. 3005.

Mr. ACKERMAN. Mr. Speaker, on May 9, 1996, 18 of my colleagues and I wrote to the SEC to express our strong concern about the SEC's order giving permanent approval to a preferencing program on the Cincinnati Stock Exchange, the CSE. Among the important issues raised in the letter was the adequacy of the CSE's surveillance system.

Preferencing enables a broker-dealer to take the other side of its own customer order, to the exclusion of the other competing market interest. Because preferencing presents a broker-dealer with a conflict between its duty to its customer as a broker and its financial self-interest as a dealer, an effective surveillance system is especially important. Among the unanswered questions about the CSE preferencing program is whether the CSE's surveillance system can ensure that dealers taking the other side of their customers' orders fulfill their fiduciary obligations to achieve the best price for their customers. Given the SEC's traditional emphasis on investor protection, it is surprising that the order approving the CSE preferencing program does not address this issue.

Mr. Speaker, today we take up H.R. 3005, the securities amendments of 1996. This legislation does not address the issue of preferencing but I understand that similar legislation in the other body may contain a provision directing the SEC to undertake detailed study of preferencing on exchange markets. Such a study would likely provide answers to some of the unanswered questions about preferencing on the CSE, such as the adequacy of the CSE's surveillance system. Unless such a study concludes that there are tangible benefits to investors and to the capital formation process from this questionable practice, I would support efforts to move swiftly to ban preferencing on exchanges.

Mr. ENGEL. Mr. Speaker, on May 9, 1996, 19 of my colleagues wrote to the SEC regarding the agency's approval of a preferencing program on the Cincinnati Stock Exchange [CSE]. I share the concerns expressed in that letter. Among other things, the letter expressed concern that the Commission did not adequately examine how preferencing affects the quality of trade prices received by small retail investors.

Preferencing enables a broker to direct its customer orders to buy or sell stock to itself, acting as dealer. On the CSE, in those stocks where preferencing dealers trade exclusively, 95 percent of the transactions are executed by dealers simply matching or pairing their own orders with those of their customers. The overwhelming majority of trades executed on the CSE are for small retail orders. Indeed, 70 percent of CSE trades are for 500 shares or less, and 97 percent are for less than 2,000 shares. Very few institutional traders have their trades preferenced on the CSE.

The SEC order granting approval to the CSE preferencing program left many important questions unanswered. Among these questions is why only small retail orders are executed under the CSE's preferencing rules, and whether these orders are receiving the same opportunity for price improvement as they would on the primary market.

Mr. Speaker, today we take up H.R. 3005, the Securities Amendments of 1996. This legislation does not address the issue of preferencing but I understand that similar legislation in the other body may contain a provision directing the SEC to undertake a detailed study of preferencing on exchange markets. Such a study would provide more information about how preferencing affects small retail investors. Unless such a study concludes that there are tangible benefits to investors, including small investors, and to the capital formation process from this practice, I would support efforts to move swiftly to ban preferencing on exchanges.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and pass the bill, H.R. 3005, as amended.

The question was taken.

Mr. BLILEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3005 the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

ANTI-CAR THEFT IMPROVEMENTS ACT OF 1996

Mr. McCOLLUM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2803) to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2803

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anti-Car Theft Improvements Act of 1996".

SEC. 2. SYSTEM NAME AND IMPLEMENTATION DATE.

(a) SYSTEM DATE.—Section 30502(a)(1) of title 49, United States Code, is amended by striking "January 31, 1996" and inserting "December 31, 1997".

(b) SECTION 30503.—Section 30503(d) of title 49, United States Code, is amended by striking "January 1, 1997" and inserting "October 1, 1998".

(c) SYSTEM NAME.—Chapter 305 of title 49, United States Code, is amended by striking "National Automobile Title Information System" each place it occurs in the chapter heading, the table of sections for chapter 305, the section heading for section 30502, and in the texts of sections 30502 and 30503 and inserting "National Motor Vehicle Title Information System".

SEC. 3. DELEGATION OF AUTHORITY.

(a) SECRETARY OF TRANSPORTATION.—Sections 30501, 30502, 30503, 30504, and 30505 of title 49, United States Code, are each amended by striking each reference to "Secretary of Transportation" or "Secretary" and inserting "Attorney General".

(b) ATTORNEY GENERAL.—Section 30502 of title 49, United States Code, is amended by striking each reference to "Attorney General" and inserting "Secretary of Transportation".

SEC. 4. TITLE INFORMATION SYSTEM.

Section 30502 of title 49, United States Code, is amended by adding at the end the following:

"(f) IMMUNITY.—Any person performing any activity under this section or section 30503 or 30504 in good faith and with the reasonable belief that such activity was in accordance with this section or section 30503 or 30504, as the case may be, shall be immune from any civil action respecting such activity which is seeking money damages or equitable relief in any court of the United States or a State.".

SEC. 5. STOLEN VEHICLE INFORMATION SYSTEM.

Section 33109 of title 49, United States Code is amended by adding at the end the following:

"(d) IMMUNITY.—Any person performing any activity under this section or section 33110 or 33111 in good faith and with the reasonable belief that such activity was in accordance with such section shall be immune from any civil action respecting such activity which is seeking money damages or equitable relief in any court of the United States or a State.".

SEC. 6. GRANTS TO STATES.

(a) AMENDMENT.—sECTION 30503(C)(2) OF TITLE 49, United States Code, is amended to read as follows:

"(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator.".

(b) AUTHORIZATION.—The are authorized to be appropriated such sums as may be necessary to carry out sections 30503 and 33109 of title 49, United States Code.

(c) INFORMATION SYSTEM.—The information system established under section 30502 of title 49, United States Code, shall be effective as provided in the rules promulgated by the Attorney General.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. McCOLLUM] and the gentleman from North Carolina [Mr. WATT] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. McCOLLUM].

GENERAL LEAVE

Mr. McCOLLUM. Mr. speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

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Mr. McCOLLUM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2803, the Anti-Car Theft Improvements Act of 1995, amends the anti-car theft provisions established by Congress in 1992 to increase the utility of motor vehicle title information to State and Federal law enforcement officials.

Mr. Speaker, States issue almost 140,000 new titles every year for stolen vehicles because there is no automated way to verify the validity of records from other States. Moreover, the costs imposed on society by carjackings and auto thefts remain unacceptably high. Car theft has risen 28 percent over the last 10 years at a cost of at least $8 billion annually. The auto theft industry is booming nationwide for the simple reason that stealing cars is a lucrative, easy, relatively low-risk proposition. In addition, over the last few years, car theft has taken a violent turn for the worst, involving more than just property crime. Brazen predators on our streets steal cars at gun point, carjacking at a rate of approximately one every 20 seconds.

To help States fight back, Congress passed the Anti-Car Theft Act of 1992 which required the Department of Transportation to establish by January 31, 1996, an electronic information system that would allow a State motor vehicle titling authority to check instantly whether a vehicle had been stolen before it issues a new title for that vehicle. The bill also authorized a Federal grant program to help States modify computer software for this purpose. Once established, the title information system would enable State motor vehicle departments, law enforcement officials, prospective auto purchasers, and insurance carriers to check the validity of purported ownership documents, thereby preventing thieves from using ostensibly valid titles for stolen cars.

Well, the January 1996 deadline has come and gone and the Department of Transportation has not established such a system nor has it designated another entity to do so, despite authority granted in the Anti-Car Theft Act of 1992. It is becoming clear that unless Congress acts, it is unlikely that an automated titling system will be established. It is for this reason that I, along with the gentleman from New York [Mr. SCHUMER], have introduced H.R. 2803, the Anti-Car Theft Improvements Act of 1995. The bill transfers authority for implementing the titling system to the Department of Justice and, importantly, establishes a new, realistic time table.

By way of background, the 1992 bill gave responsibility for implementing the Anti-Car Theft Act to both the Department of Justice and the Department of Transportation. The Justice Department has made significant progress in establishing an electronic information system that indicates when certain auto parts came from a vehicle reported stolen. It has become apparent, however, that this parts information system cannot be fully effective by itself and prompt action should be taken to establish the other major element, the titling information system. H.R. 2803 would give authority to the Department of Justice to establish both the parts and titling system designated in the 1992 Act.

Mr. Speaker, let me take just a minute to briefly describe what the bill does: H.R. 2803 would extend the implementation date established in the Auto Theft Act of 1992 from January 1996 to a more reasonable date in 1997. The bill will also give authority to the Department of Justice to implement the title information system. As I mentioned earlier, both the stolen parts system and the title information system would be operated under the auspices of the Department of Justice.

In addition to redelegating responsibilities for the program, H.R. 2803 would also grant limited immunity from civil action to entities operating the information systems. This particular provision will protect from potential liability those who serve the public by providing the titling information to appropriate parties.

And, finally, Mr. Speaker, H.R. 2803 authorizes appropriations as necessary for the previously established grant program to enable States to make the necessary software changes in order for them to begin participating in the titling information system. The measure eliminates the requirement from the 1992 act that States cover 75 percent of the costs of the implementation and also does away with the $300,000 cap on grants available to each State. I would like to emphasize that while the Federal Government will be assisting States in setting up their systems in the first year, the program will become completely self-sufficient in future years, since it will be fully supported by user fees. Other automated systems established by Congress, such as the National Driver Register and the Commercial Drivers License Information System have been successfully supported by user fees.

Now, the bill in the form which is being considered today contains a few modifications from the Committee's reported version. These modifications are a result of cooperation with the Commerce Committee and are largely technical and clarifying changes. In addition, this amended version of H.R. 2803 extends the system implementation deadline by 3 more months, from an October 1997 deadline in the original bill, to a December 1997 deadline, and includes authorizing language for the stolen parts system that had been included in the 1992 bill but was erroneously removed during the recodification of title 49, United States Code. And on behalf of Mr. HYDE, the Judiciary Committee chairman, and myself, we would like to thank Mr. BLILEY, chairman of the Commerce Committee, for his support and cooperation.

Mr. Speaker, this is a very important bill that will strengthen an effective crime fighting tool for State and Federal law enforcement across the country. I urge my colleagues to support this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. WATT of North Carolina. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of the bill.

This is a simple bipartisan bill that is intended to make the Federal Anticar Theft Program work better. It has the support of the National Association of Motor Vehicle Administrators, the Clinton administration, the automobile industry, and the auto insurance industry.

In 1992, Congress passed the Anti-car Theft Act in response to spiraling auto theft in America. Among other things, that law set up two national registers of information—one dealing with stolen parts, and another dealing with car titles.

The stolen parts register was assigned to the Department of Justice, and the national titling register to the Department of Transportation. This bill deals with the national titling register.

The national titling register will be an important tool to stop a practice known as "washing" the titles of stolen cars. Right now, car thieves can steal a car in one State, then take it to another State and by using criminal paper-shuffling, get a new washed title for the stolen car.

As surprising as it may seem, there is presently no central place against which a State can check the bona fides of a title from another State before it issues a new one. Most checking of titles now is done after the fact, by mail, using paper records, and is not very effective.

The central title register is therefore a crucial step toward stopping interstate movement of stolen cars.

Unfortunately, experience has shown since 1992 that the Department of Transportation is not the best place for establishing such a register.

The register is primarily a law enforcement tool, better suited to the Department of Justice, in addition, the Department of Justice already has access to data systems that can be adapted to include titling information.

Recognizing that reality, all parties concerned have agreed that responsibility for this national title register should be shifted from the Department of Transportation to the Department of Justice.

This bill does that. I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. MCCOLLUM. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise today in support of H.R. 2803, the Anti-Car Theft Improvements Act of 1996. When the Congress enacted the Anti-Car Theft Act of 1992, the Commerce Committee and Judiciary Committee worked as partners to craft legislation which addressed the continuing problem of car theft from a number of angles. One provision set up an information system to track information about vehicle titles and stolen parts. Unfortunately, for a variety of reasons, implementation of this information system has been delayed thus far.

H.R. 2803 addresses a number of issues which have been identified as possible bottlenecks in implementing this information system. A lack of resources at the Department of Transportation, combined with some ambiguities in the original act, led to a situation where a tool which had obvious value to law enforcement officials in the States and Federal Government could not be set up.

H.R. 2803 paves the way for full implementation of the information system. The Department of Transportation has already begun a pilot program, which will serve as the model for nationwide implementation. It provides a specific authorization for appropriations, and transfers authority for overseeing the project from the Department of Transportation to the Department of Justice. With these changes, I believe that we can finally realize the potential provided by this kind of information system.

As I mentioned earlier, the Commerce Committee and Judiciary Committee have a long record of working together on these issues, stretching back to the early 1980's and before. Because the Judiciary Committee addressed a number of our substantive concerns in the legislation before us, the Commerce Committee has waived its right to a sequential referral of H.R. 2803 in order to expedite its consideration.

Mr. Speaker, I would like to especially thank the chairman of the subcommittee, the gentleman from Florida [Mr. MCCOLLUM], for his leadership on this legislation in providing the kind of help for our committee as well as the full House in enacting this legislation.

I would like to confirm with the gentleman from Florida that he would support the Committee on Commerce's request for an appropriate number of conferees should this bill become the subject of a House-Senate conference.

Mr. MCCOLLUM. Mr. Speaker, will the gentleman yield?

Mr. OXLEY. I yield to the gentleman from Florida.

Mr. MCCOLLUM. Mr. Speaker, as the gentleman knows, that decision would be primarily between our two chairmen, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Illinois [Mr. HYDE]. But certainly I have no objection to that.

Mr. OXLEY. Mr. Speaker, I appreciate that. Reclaiming my time, I want to thank the gentleman from Florida for his commitment and hard work on this legislation. The Committee on Commerce has no objection to the legislation. As a matter of fact, we support it strongly. I urge my colleagues on both sides of the aisle to support it.

Mr. WATT of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MCCOLLUM. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WELLER). The question is on the motion offered by the gentleman from Florida [Mr. MCCOLLUM] that the House suspend the rules and pass the bill, H.R. 2803, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CHURCH ARSON PREVENTION ACT OF 1996

Mr. HYDE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3525) to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property, as amended.

The Clerk read as follows:

H.R. 3525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Church Arson Prevention Act of 1996".

SEC. 2. DAMAGE TO RELIGIOUS PROPERTY.

(a) IN GENERAL.—Section 247 of title 18, United States Code, is amended—

(1) so that subsection (b) reads as follows:

"(b) The circumstances referred to in subsection (a) are that the offense is in or affects interstate or foreign commerce.";

(2) in subsection (a), by striking "subsection (c)" and inserting "subsection (d)";

(3) in subsection (c), by inserting "or (c)" after "subsection (a)";

(4) by redesignating subsections (c), (d), and (e), as subsections (d), (e), and (f), respectively;

(5) by inserting after subsection (b) the following:

"(c) Whoever intentionally defaces, damages, or destroys any religious real property because of the race, color, or ethnic characteristics of any individual associated with that religious property, or attempts to do so, shall be punished as provided in subsection (d).''; and

(6) in subsection (f) as so redesignated by this section, by inserting ''real'' before ''property'' each place it appears.

(b) COMPENSATION OF VICTIMS.—

(1) REQUIREMENT OF INCLUSION IN LIST OF CRIMES ELIGIBLE FOR COMPENSATION.—Section 1403(d)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)(3)) is amended by inserting ''crimes, whose victims suffer death or personal injury, that are described in section 247 of title 18, United States Code,'' after ''includes''.

(2) PRIORITY IN CRIME VICTIM ASSISTANCE.—Section 1404(a)(2)(A) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)(2)(A)) is amended by inserting ''victims who suffer death or personal injury resulting from crimes described in section 247 of title 18, United States Code, and'' before ''victims of''.

The SPEAKER pro tempore (Mr. NETHERCUTT). Pursuant to the rule, the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] each will control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Today we consider the Church Arson Prevention Act of 1996, H.R. 3525, legislation reflecting a bipartisan congressional response to the rash of church burnings that have occurred in recent months.

On May 21, the House Judiciary Committee conducted a hearing focusing on this problem. The committee, at that time, heard first hand from Federal and State law enforcement officials regarding the status of their various investigations. In addition, we heard some very compelling and emotional testimony from two black ministers representing affected African-American congregations.

During that hearing, the Department of Justice indicated that the principal statute used to prosecute church arson contains some significant defects that need to be remedied. Specifically, section 247 of title 18, damage to religious property, imposes an interstate commerce requirement that goes well beyond constitutional requirements. The current law says that the defendant must either travel in interstate commerce, or use a facility or instrumentality of interstate commerce and that the defendant must do so ''in interstate commerce.'' Thus, for example, it's not enough to use a telephone to help commit the crime—the call must go out of State. Another example would be a circumstance where the defendant uses public transportation to facilitate the crime—it would not be enough if that bus or train traveled interstate, the defendant must have used it in interstate commerce.

This highly restrictive and duplicative language has greatly limited the effectiveness of this law. The Justice Department has indicated that in the majority of these cases, the Government is unable to establish the commerce clause predicates required. Consequently, this statute is simply not punishing or deterring the very kind of misconduct it was originally intended to address.

Just 2 days after our hearing I introduced H.R. 3525, and was pleased to be joined in this effort by the ranking member of the Judiciary Committee, JOHN CONYERS. There are now 94 cosponsors of our bill. Today, under suspension of the rules, we will consider a manager's amendment to the bill as reported by the Judiciary Committee. That amendment contains additional provisions intended to assist in compensating the victims of these abhorrent acts.

Specifically, this legislation would broaden the jurisdictional authority of the Federal Government to seek criminal penalties in cases of damage to religious real property based upon whether or not the offense is in or affects interstate or foreign commerce.

This formulation replaces the interstate commerce requirement of current law, thereby simplifying and enhancing the ability of the Attorney General to successfully prosecure cases under Federal law.

The interstate commerce requirement is intended to avoid the problem identified in *United States* v. *Lopez*, 115 S. Ct. 1624 (1995), in which the Supreme Court struck down as unconstitutional legislation which would have regulated the possession of firearms in a school zone. In that case, the Court found that the conduct to be regulated did not have a substantial effect on interstate commerce, and was therefore not within the Federal Government's reach under the interstate commerce clause of the Constitution. H.R. 3525, by contrast, specifically limits its reach to conduct which can be shown to be in or to affect interstate commerce. Thus, if in prosecuting a particular case, the Government is unable to establish this interstate commerce connection to the act, section 247 will not apply to the offense.

The formulation of the interstate commerce nexus in H.R. 3525 is virtually identical to that found in section 844(i) of title 18, the Federal arson statute, which is limited to cover buildings ''used in interstate commerce or in any activity affecting interstate commerce.'' That statute, which was enacted in 1970, has been used to prosecute church arsons, thereby confirming our view that church arsons could be found to be in interstate commerce. *See, e.g., United States* v. *Norton*, 700 F.2d 1072 (6th Cir.), *cert. denied*, 461 U.S. 910 (1983); *United States* v. *Swapp*, 719 F. Supp. 1015 (D. Utah 1989), *aff'd* 934 F.2d 326 (10th Cir. 1991). In fact, the Supreme Court, in reviewing the legislative history associated with section 844(i), cited an amendment to the provision which was intended to expand coverage from just business property to ''a private dwelling, or a church or other property not used in business.'' *Russell* v. *United States*, 471 U.S. 858, 860–862 n.7 (1985). We are making the interstate commerce requirement of section 247 consistent with that of section 844(i) so as to ensure that the Federal Government has equal authority to prosecute damage to religious real property caused by something other than arson. Further, section 247 will permit prosecution of those who would intentionally obstruct any person in the enjoyment of his or her free exercise of religious beliefs.

Second, the manager's amendment eliminates the requirement of current law that the damage involved must be of a value of more than $10,000. When introduced, our bill would have reduced that amount to $5,000. In Committee, substitute language was adopted that eliminated the dollar threshold in its entirety. I offered this amendment because I have become convinced that a minimum dollar amount is not necessary to justify Federal involvement in these types of cases. That is, they are clearly hate crimes and implicitly interfere with the first amendment rights or civil rights of the victims. Spray painted swastikas on synagogues or gunshots fired through church windows may not reflect large dollar losses, but they are nevertheless assaults on religious freedom.

The manager's amendment also amends section 247 by creating a new subsection (c) which makes it unlawful to damage religious real property because of the racial or ethnic character of persons associated with that property. Current law requires that the damage be caused only because of the religious character of the property. Section 247, as amended by H.R. 3525, will firmly reach any attack of a church that is tied to the racial or ethnic characteristics of the members of the church or house of worship.

Because power to enact this subsection is found in the 13th amendment to the Constitution rather than the commerce clause, a showing that the offense is in or affects interstate commerce is not an element of a subsection (c) crime. Section 1 of the 13th amendment prohibits slavery or involuntary servitude. Section 2 of the amendment states, ''Congress shall have power to enforce this article by appropriate legislation.'' It is pursuant to this authority to enforce the 13th amendment, that Congress may make it a crime for persons to deface, damage, or destroy houses of worship because of the race, color or ethnic origin of persons using the house of worship.

The leading Supreme Court case on Congress's authority to reach private conduct under the 13th amendment is *Jones* v. *Alfred H. Mayer Co.*, 392 U.S. 409 (1968). In Jones, Congress reviewed 42 U.S.C. 1982, which provides that, "All citizens of the United States shall have the same right, in every State and Territory, as in enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property."

The Court in Jones held that 42 U.S.C. 1982 barred private discrimination in the sale or rental of private property, and that Congress had authority under section 2 of the 13th amendment to reach private acts of racial discrimination. "[T]he fact that section 1982 operates upon the unofficial acts of private individuals, whether or not sanctioned by state law, presents no constitutional problem." 392 U.S. at 438. The Court stated that section 2 of the 13th amendment gave Congress "power to pass all laws necessary and proper for abolishing all badges and incidents of slavery in the United States." *Id.* at 439. The Court concluded in Jones that "badges and incidents of slavery" included racial restraints upon the holding of property, and therefore legislation that prohibited discrimination in the right to hold and use property clearly was encompassed within Congress's power to enforce the 13th amendment. *Id.* at 441. Subsequently, the Supreme court stated, "[S]urely there has never been any doubt of the power of Congress to impose liability on private persons under Section 2 of [the Thirteenth] Amendment." *Griffen* v. *Breckenridge*, 403 U.S. 88, 105 (1971).

While 42 U.S.C. 1983 was enacted in 1866, Congress has used its authority to enforce the 13th amendment more recently. The 13th amendment was one authorization on which Congress relied when it enacted the fair housing provisions of the Civil Rights Act of 1968 (Public Law 90–284, approved April 11, 1968). *See* discussion in *United States* v. *Hunter*, 459 F.2d 205, 214 (4th Cir.), *cert. denied*, 409 U.S. 934 (1972); *Williams* v. *Matthews Co.*, 499 F.2d 819 (8th Cir.), *cert. denied*, 419 U.S. 1021 (1974). Like 42 U.S.C. 1982, some provisions of the Fair Housing Act prohibit discriminatory private conduct, and Congress in fact enacted both civil and criminal provisions addressing private discrimination. *See* 42 U.S.C. 3631 making it a crime for anyone, "whether or not acting under color of law," to injure, interfere with, or intimidate anyone because of race, color, national origin, or religion in seeking to secure, or helping others to secure housing.

Accordingly, based on Jones versus Mayer, Congress may make it a violation of Federal criminal law to destroy or attempt to destroy a church because it is owned or used by African-Americans. Racially motivated destruction of a church would be no less a badge or incident of slavery than denial of housing based on race. Many of the victims of church arsons have been quoted recently as stating that the fires appeared to them to resurrect the days in which racial discrimination and intimidation was rampant. This legislation easily falls within the kind of private action Congress may reach pursuant to its authority to enforce the 13th amendment to prohibit private conduct that discriminates on the basis of race.

While this legislation might be targeted primarily at the recent increase in fires at churches owned by African-Americans, its reach is broad enough to include arsons or acts of violence motivated by bias directed at any racial or ethnic minority group, and at synagogue desecrations as well. In *Saint Francis College* v. *Al-Khazraji*, 481 U.S. 604 (1987), the Supreme Court stated that an individual of Arab descent could file a claim under 42 U.S.C. 1981, in which Congress guaranteed to all persons the same right to enter contracts "as is enjoyed by white citizens." Section 1981, like 42 U.S.C. 1982, was enacted pursuant to Congress's authority to implement the 13th amendment. The court in Saint Francis College held that, when sections 1981 and 1982 were enacted in the mid–1800's, the persons who did not qualify as white citizens under the Congress's understanding of that term at the time included ethnic minorities. In *Shaare Tefila Congregation* v. *Cobb*, 481 U.S. 615 (1987), decided with Saint Francis College versus Al-Khazraji, the Supreme Court held, under the same analysis, that Jews were encompassed within the protections of 42 U.S.C. 1982.

These two cases establish that, in passing legislation to protect churches and houses of worship under its 13th amendment authority, Congress may reach attacks not only on churches owned by African-Americans, but churches owned or used by other minority groups, and synagogues as well. Congress's exercise of its authority to eliminate the badges and incidents of slavery easily supports legislation to make it a crime to deface, damage or destroy a house of worship because of the race, color, or ethnic origin of the person or persons who own or use the building.

Finally, the manager's amendment extends eligibility under the Victims of Crime Act to persons who have been killed or suffered personal injury as a result of a crime described in new section 247.

The arson of a place of worship is repulsive to us as a society. When a fire is motivated by racial hatred it is even more reprehensible. In my view there is no crime that should be more vigilantly investigated and the perpetrators more vigorously prosecuted than crimes of this type. We are dealing with depraved actions resulting from twisted and bigoted minds. It is important that this Congress move forward on this legislation to ensure that Federal law enforcement has the necessary tools to punish and deter these shameful, vile acts.

□ 1545

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, as an American citizen, a Virginian, and a Member of Congress, I want to condemn in the strongest possible terms the epidemic of arson against churches that has taken hold across the southern States and elsewhere in our land. I am absolutely appalled that, after all this land has done to heal old wounds and guarantee fairness and justice to all Americans, there are some who still succumb to hate.

The deliberate burning of churches in our land for that has been occurring over the past 18 months is an outrage. It must stop. Those who perpetrate those acts of violence must be brought to justice.

This is one of those rare occasions when nothing short of the full resources of the Federal Government must be brought to bear. No single State government is strong enough to deal with crimes and possibly criminals that do not respect State borders. Penalties should be stiff and uniform. As I read reports of the latest of these incidents, I had the feeling that we have been down this terrible road before. Memory carried me back to headlines I remember reading in the decades in which I was growing up.

In 1958, a synagogue was bombed in Atlanta. President Eisenhower took to the airwaves and expressed his horror at the atrocity and contempt for those who committed it. The Nation recommitted itself to respect for all Americans and for freedom of religion. In 1962, a church was bombed in Birmingham. Four young girls were killed. The conscience of the Nation was aroused in anger and disgust.

President Kennedy spoke for us all when he said, "If these cruel and tragic events can only awaken that city and State—if they can only awaken this entire Nation—to a realization of the folly of racial injustice and hatred and violence then it is not too late for all concerned to unite in steps toward peaceful progress." The Nation responded to his call. Action was taken then. Action must be taken now. This form of terrorism—like all the other forms that have become all too commonplace—must stop.

I commend President Clinton for his show of solidarity with those who have lost and are rebuilding their churches.

I salute Representative HENRY HYDE for assembling a bipartisan coalition in Congress behind legislation that would make the willful destruction of American houses of worship a Federal crime. I am proud to cosponsor his bill and support the managers amendment.

Efforts like these are bringing out the best of America. And it will be the best of America that will bring these vicious cowards to justice. I said as I began, that I had the feeling that we had been down this road before. And we have. But this time there is a major difference.

This time, not just a handful of concerned local citizens, but entire communities have condemned these vicious acts and are working to bring their perpetrators to justice. This time, elected State and local officials are actively lending their support to those who have to suffer the effects of this violence. This time, they are working to solve crimes and bring about justice. This time, people of all faiths in every part of this Nation have offered their assistance to those who endured these tragedies and are working to achieve reconciliation among Americans of all faiths, races, and creeds.

I especially want to single out the Christian Coalition for its offer of a $25,000 reward for information leading to arrests and the neighborhood watches it has organized, the National Council of Churches for launching an appeal for funds for rebuilding, and the Southern Baptist Convention for its offers of assistance. Other organizations and denominations have also been stepping forward in great numbers. This time, the people of America stand as united as never before in their resolve to rid this kind of hatred in our land. They are bound and determined to succeed. And they will.

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we come here today because the Nation is in crisis, and the symptoms of that crisis have been reflected in these church burnings in mostly African American churches. It is to the credit of the Federal Government that we have reacted in a serious and, I think, swift manner, and I want to say that this legislation is the work product of all of us on the committee and that we have held hearings in the Committee on the Judiciary on May 21 in which we had a wide range of witnesses, both in the church and out of the church, in government and out of government, plus the law enforcement agency heads who were dealing with this matter.

Mr. Speaker, what we found out, that is to me one of the most single important matters to come out of this tragedy, is the fact that these burnings are not condoned by anyone, no one in the Congress, no one in the Senate. Our law enforcement agencies, both Federal and State, are united in trying to put an end to this scourge.

Mr. Speaker, I have been in the South on two occasions in which I saw this at the grassroots level, in which law enforcement officers were working very effectively.

In addition, I think we should lift up the name of the Assistant Attorney General for Civil Rights Deval Patrick for the excellent leadership that he has given and is giving as we move through this nightmare in American history.

Yesterday three more African-American churches were torched. It is pathological. It is the consequence of a lot of things we might have done otherwise. But on this one point we are all united.

The Assistant Secretary for Enforcement in the Treasury, Jim Johnson, has been before the committee and has told us what they are doing. John McGaw, the Director of the Alcohol, Tobacco and Firearms unit, has given us his report of what is going on. The Director of the Federal Bureau of Investigation, Louis Freeh, through his representatives, have worked completely. We have more than 200 investigators on the ground working full-time on this matter as we speak.

It is a difficult crime for all the obvious reasons, but we are united. We are working closely with State and local law enforcement officers as well. And so we are here today as a combined unit in agreement that the church arson law on the Federal books has to be made effective to be operable.

Our chairman, the gentleman from Illinois [Mr. HYDE], has explained in perfect detail precisely what we have done to facilitate the implementation of this Federal statute which has lain fallow, actually, up until now. So I am very pleased about what is going on and the resources that are being committed to continue the law enforcement side of this.

I must say that at that hearing on May 21 the president of the Southern Christian Leadership Conference, Dr. Joseph Lowery, urged us to do what we have done, move swifter, move faster, move more effectively. I think that he will agree that we have listened to his comments and are following them with as much speed as the bureaucracy can work.

Then I want to lift up the name of Rev. Jesse Lewis Jackson who has done a marvelous job of trying—well, he has done two things. The first thing he has done is to speak sensibly and in a teacher way about the problem, and the second thing he has done is try to do this healing that has been referred to by the President.

Now, how do we heal a nation that is coming out of a history of racism? It is not just done by words or sermons or speeches from on high. But, as my colleagues know, I believe that we have struck a nerve in the American body politic that has led us all to say enough of this kind of foolishness.

The conservative Members of the Congress came to the members of the Congressional Black Caucus to join together even before we had the hearings to urge, and they met with the law enforcement officials of the Federal Government and urged with us that they move as swiftly as they can, no holds barred, get whoever is at the bottom of this, if it is individuals, whatever, let us deal with it in a way that reflects the understanding and common sense and leadership that should be expected of the Federal Government.

Mr. Speaker, I want to say as one Member of this body that this Government has made me proud. This membership in Congress has made me proud because this is the most sensitive thing in the American body politic right now. When in God's name are these few people out there going to turn away from this kind of pathological conduct?

But we are doing all we can on this side. Oh, yes, there is more to be done. These kinds of problems are not healed by a bill, but it is my privilege, as the ranking member of this committee, to commend to all of the Members and the staffs, Alan Coffey and the other members, Julian Epstein Melanie Sloan, and Diana Schacht and all of those that have been working with us for a job well done.

Mr. Speaker, I reserve the balance of my time.

□ 1600

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from North Carolina [Mr. HEINEMAN].

Mr. HEINEMAN. Mr. Speaker, today, Congress has its opportunity to speak out against the ignorant and cowardly actions of the antireligious bigots who participated in burning the churches of both black and white Americans. Unfortunately, as a former law enforcement officer, I have witnessed firsthand the horror of both the burning and desecration of sacred houses of worship. Nothing can be more devastating to people than to see the very foundation of their existence go up in flames. Black Americans have always centered their hope and aspirations around God and their respective churches. I have seen this myself. The destruction of these institutions tears the very fabric of our society and dashes hope for the future. Likewise, the desecration of synagogues is a grim reminder of the Holocaust and is a painful reminder of the tragedies of the past.

We, as a nation and as a Congress, must now allow this to continue. This bill is a proper response to these cowardly acts. This bipartisan legislation will truly make a difference. It will enable the Federal Government to more easily prosecute those who commit these heinous crimes and impose stiff and appropriate criminal sanctions.

Americans have always stood for God and country. Americans have always supported each other in times of need.

Today is one of those times. Let us all stand together in this matter and put an end to this madness. If we fail to adequately deal with these tragedies, then we, as representatives of all the people, are not doing our sworn duty. I thank the chairman of the committee, the gentleman from Illinois [Mr. HYDE], and my colleague, the gentleman from Michigan [Mr. CONYERS], for sponsoring this legislation, and I urge my colleagues to give their full support to this bill.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WATT] in whose State there have been church arsons.

Mr. WATT of North Carolina. Mr. Speaker, I want to commend the chairman of the committee, the gentleman from Illinois [Mr. HYDE], and the ranking member, the gentleman from Michigan [Mr. CONYERS], for proposing this legislation, and encourage my colleagues to vote unanimously in support of it.

There are two important reasons for this legislation, the first of which is a practical reason. When I appeared on the scene at Matthews Merkland, and the investigation was proceeding of that church burning in Charlotte, NC, we had representatives of the Federal Alcohol, Tobacco, and Firearms division, we had representatives of the State Bureau of Investigation, we had representatives of the local law enforcement officials, and representatives of the local fire department.

But for the fact that that church had been completely destroyed, there is some question about whether the Federal authorities could have been there at all. If the amount of damages had been minimal, there would have been some question about whether they could have even gone to investigate the fire, despite the terrible nature of it and everybody's suspicion that it could have been racially motivated. So this legislation, on a practical level, will get us beyond that. It was a wonderful sight to see all of the law enforcement authorities there in a spirit of cooperation, trying to bring their resources to bear on this tragedy, and in that particular situation it led to a very quick arrest.

The second important reason is a symbolic reason. That is that we need to make a statement of our outrage about these church burnings. This legislation will enable us to make that statement to the American people that this kind of conduct is totally outside the bounds, is unacceptable in a democratic society. I encourage my colleagues to support this legislation.

Mr. HYDE. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Illinois [Mr. FLANAGAN].

Mr. FLANAGAN. Mr. Speaker, I rise in strong support of H.R. 3525, the Church Arson Prevention Act. In a country that was founded on the principle of religious freedom, crimes against religious property are particularly repugnant. The recent wave of church burnings that has occurred, predominantly against black churches in the South, is reprehensible.

This legislation greatly enhances the ability of Federal law enforcement authorities to prosecute crimes against religious property. Presently, there must be at least 10,000 dollars' worth of property damage before a crime against religious property can be federally prosecuted. This bill eliminates that minimum requirement. Even a penny's worth of damage would now be enough for Federal prosecution. This is as it should be.

Also, victims of church burnings or other types of religious property destruction will now be able to receive compensation from the violent crimes trust fund that was established by the 1994 Violent Crime Control and Law Enforcement Act. Surely, you are a crime victim when your sacred placed of worship is burned to ashes. Compensation is but one small thing we can do to help alleviate the pain for those who have seen their houses of veneration destroyed.

This legislation takes many other actions that will make it easier for Federal investigators to track down those who are maliciously destroying our houses of worship. We must ensure that those who have committed these heinous crimes do not escape punishment. This legislation will help bring those responsible to justice. I urge my colleagues to give the Church Arson Prevention Act their full support.

Mr. CONYERS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE], a sterling member of the Committee on the Judiciary, in whose State there have been church burnings.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member for his kindness in yielding to me, and particularly for his leadership and, as well, the chairman of the Committee on the Judiciary, the gentleman from Illinois [Mr. HYDE], for the expeditious manner in which we move toward hearings and then now have come to the House floor to speak on behalf of the American people.

There is nothing more tragic than burning houses of worship, no matter what color, what religion. I am grateful that this Congress will say to America, enough is enough, for since 1995 we have had now more than 40 of these burnings, most recently those in my home State of Greenville, TX.

Let me also applaud the NAACP and the group of ministers with which I had the opportunity to join just yesterday in Houston, who likewise met with FBI agents and other Federal officials to assess and be able to indicate their consternation with these tragedies that are occurring.

Mr. Speaker, I believe this legislation is right-headed and right-footed, for it says to the perpetrators, we are going to get you. There is nothing wrong with that, when those who violate the law come to justice, and that we untangle the hands of prosecutors so they can do their job and ensure that those who would worship under the first amendment in the Constitution would not be blighted.

But let me say something for all of us to hear. It is important to recognize that with this legislation we cannot rebuild churches and men's hearts. We must recognize that we must take away from the anger of this Congress on affirmative action and resegregating us with respect to busing questions; and realize, America, that we must bring this country together. We must stop the ugly talk and recognize that we are all of one human family.

I enjoy America when we stand together. I would hope that all of the church families that I have already heard from will likewise understand that this is not just another whining on behalf of African-Americans in this Nation, but this is in fact an opportunity that we understand, that we stand under one flag, and yes, one belief; that is, in a higher authority that believes in love and sharing and the respect of human dignity.

It is time for all denominations to rise up with us to stand against these atrocities, and yes, this Congress cannot stop with this legislation, we must ensure that we heal this Nation with the kind of legislation that says that we stand against church burnings but we stand for America as one family, supported, for all.

So I thank those who have proposed this legislation, and Mr. Speaker, I would hope that my colleagues will support wholeheartedly H.R. 3525.

Mr. Speaker, I rise in strong support of one of the most important pieces of legislation before this House in recent memory. There are few issues that we can debate that are more significant than issues of racial equality and freedom of religion. This bill will aid prosecutors in bringing an end to the many church burnings that have occurred across the country in the past year and a half. We simply cannot return to the reign of terror that existed in the 1960's. We simply cannot risk innocent citizens being harmed like the horrible incident at a Birmingham church in 1963.

Since 1995 alone, there have been more than 40 incidents of the burning and desecration of African-American churches including two in my home State of Texas. In fact, two churches were burned in Mississippi last night. As evidenced by these numbers, there is no doubt that many of these fires have been and continue to be racially motivated. Before loss of life occurs we must end this siege on the Constitution.

The legislation before us today aids law enforcement officials by making it easier to prosecute those who would commit such heinous acts. It amends existing law by providing that anyone using weapons, explosives, or fire damaging property on the basis of its racial or ethnic consideration regardless of the dollar amount of the loss will be prosecuted to the full extent of the law—10 years in prison.

As this plague continues to rapidly grow, it is time for this House to act and help our Nation's enforcement personnel end this reign of terror against our citizens based on race and religion. I urge my colleagues to strongly support this bill and send it to the Senate so that the President can sign this bill as soon as possible. Our swift movement on this bill may help save more communities from suffering these devastating losses.

Finally, I would like to thank Howard Jefferson of the NAACP, President J.J. Roberson of the Baptist Ministers Alliance, Minister Robert Mohammed of the Nation of Islam, Bishop Guillary of the Houston/Galveston Catholic Diocese, and Rev. Ed Young of Second Baptist Church, local and Federal law enforcement authorities, and many other clergy and community leaders for their leadership on this issue in our great city of Houston, TX. Their message was that we will not tolerate these hateful acts. I was proud to stand with them in their effort of unity.

Mr. HYDE. Mr. Speaker, I am pleased to yield 30 seconds to the gentleman from Florida [Mr. CANADY], the distinguished chairman of the Subcommittee on the Constitution of the Committee on the Judiciary.

Mr. CANADY of Florida. I thank the gentleman for yielding time to me, Mr. Speaker.

Mr. Speaker, I rise today in support of the Church Arson Prevention Act. Recently Americans have watched in horror as houses of worship have gone into flames, igniting new fears and suspicions and fomenting fires of hatred in our Nation. This tragedy, which has hit primarily African-American churches, calls for immediate action. The Church Arson Prevention Act will help by enabling Federal prosecutors to bring the perpetrators of these crimes to justice.

I want to commend the gentleman from Illinois [Mr. HYDE] for his swift action on this issue, as well as the gentleman from Michigan [Mr. CONYERS] for his work on this important issue. I urge my colleagues to vote yes on this important bill.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania, Mr. THOMAS FOGLIETTA, one of the distinguished Members who have worked on civil rights matters across the years.

Mr. FOGLIETTA. Mr. Speaker, I join my colleagues to express my horror at the recent string of church fires across the South. More importantly, we join together to do something about it. There have been more than 37 suspicious fires in black and multiracial churches in small towns across America in the last 18 months, 7 in the last 2 weeks, including 2 in the last 2 days in Mississippi.

For the past year we have debated about the role of government. Government is brave men and women putting out fires in communities, it is police officers and the Justice Department fighting to stop crime. The effort we announce today is a good example of how government, the private sector, and people can join together to accomplish a common goal. Government works. Government works when people like President Clinton step up to the bully pulpit and turn this issue into a national challenge, and teaches us that we have to return to the value that made our country so strong, that we have to fight the fire of hate that drove people to commit these outrages.

Government works when my colleagues and I come together to create the energy of firefighters to help people prevent church arsons. As one minister put it, someone who is trying to do us harm in one sense really has done us a lot of good. These fires have drawn people together, both black and white. These acts of hatred have been transformed into gestures of love.

I ask my colleagues to support the proposed amendment by the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS], H.R. 3525, so together we can find these criminals and put an end to this madness. Together we can and must write an end to this horrible chapter in our Nation's history.

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Georgia [Mr. BARR].

Mr. BARR of Georgia. Mr. Speaker, I thank the distinguished chairman of the Committee on the Judiciary, on which I am proud to serve, for yielding time on this important piece of legislation.

Mr. Speaker, I would like to commend the chairman of the Committee on the Judiciary for looking at this matter in the light it ought to be, to take a very learned, very dispassionate, but passionate look at whether our Federal laws are indeed sufficient to address the problem presented to the American people by the rash of church burnings, white and black alike, across our country, particularly in my part of the country, the southern United States.

Rather than seek out photo ops, rather than talk about this in partisan terms, rather than try and score headline victories over other folks, the gentleman from Illinois, Chairman HYDE, has done it the old-fashioned way, professionally and according to the laws of our land.

I would like, though, also, Mr. Speaker, to caution all of us as we look at this piece of legislation, or really perhaps as we look at other pieces of legislation, because none of us, including myself, dispute the need for this legislation, but to keep in mind that the commerce clause of our Constitution is not infinitely elastic, and we need to look at these pieces of legislation to ensure that there is a proper and firm foundation in the appropriate provisions of our Constitution for the laws that we seek to enact.

While the commerce clause is very broad indeed, it is not, as I have said, infinitely elastic, and we have to be careful, because when it breaks, it will snap fairly hard. We do need to keep that in mind, because we do not want to pass important legislation such as that before us today and find a problem later on, which I do not believe we have with this piece of legislation, Mr. Speaker; but again, I would caution all of us here to be very mindful of the limitations of the various clauses of our Constitution, including particularly in this case, since we are amending the applicability and the reach of this legislation by way of the commerce clause, to be very mindful of those principles of Federalism which all of us certainly on the Committee on the Judiciary, on our side of the aisle, adhere to and support very strongly.

Again, in closing, Mr. Speaker, I appreciate the opportunity to speak today and commend the chairman of the Committee on the Judiciary, and I urge support for this important piece of legislation.

Mr. CONYERS. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas, Mr. KEN BENTSEN.

Mr. BENTSEN. Mr. Speaker, I rise in very strong support of H.R. 3525, the Church Arson Prevention Act of 1996, in hope that it will end these acts of cowardice against churches in my home State of Texas and across the South. It is unfortunate that in the late 20th century hate crimes still exist in our society.

Mr. Speaker, H.R. 3525 sends a strong message that these actions will not be tolerated by the Nation, and that our will is stronger than the hatred from which they are born. This legislation brings to bear the full authority and resources of the Federal Government in stopping the arson and bringing the perpetrators to justice. The Federal Government will be a full partner with State and local authorities in this effort. These criminals must be brought to justice and their message must be exposed for what it is: ignornance and hatred—the most un-American of values. One of the founding principles of our Nation is the freedom to worship as we choose, and any attempt to deny someone that right must be stopped.

If anything positive can be gained from these acts, it is that people of good conscience, of all races and creeds, have come together to help the affected congregations and to prevent the further spread of these acts. It's unfortunate that it took something of this magnitude for us to come together, but I want to applaud these efforts. Organizations like the National Trust for Historic Preservations and the Anti-Defamation League have come forward and offered their assistance, along with many others.

Finally, Mr. Speaker, I want to commend the gentleman from Michigan [Mr. CONYERS] and the gentleman from Illinois [Mr. HYDE] for their leadership on this issue. Today we send a strong message that while we in Congress can disagree on many things, we stand united against hatred and ignorance.

□ 1615

Mr. HYDE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York [Mr. WALSH], the chairman of the District of Columbia Appropriation Subcommittee.

Mr. WALSH. Mr. Speaker, I thank the distinguished gentlemen from Illinois and from Michigan for bringing this important piece of legislation to the floor.

Mr. Speaker, I rise in strong support of this bill. I rise today to condemn the arson fires in African-American churches. The good people of central New York whom I represent know that when you see a wrong committed, you must speak out. On their behalf, I want to protest the violence, express our disgust with the hatred, and offer our hand in peace.

As we publicly stand with black Americans we hope to show people of violence one thing—that it is they who are in the minority. It is they who will be overcome. It is we, the majority, the peacemakers, black and white, who will inherit the Earth.

Hatred that spawns violence is not natural or normal. It is foreign to us at birth. We see that the children do not hate. They do not segregate themselves. They do not act violently toward others of a different skin color—unless they are taught. We can learn from the children. In fact, we must if we are to survive as a great civilization.

Today, as the fire investigation continues, I want to say to my friends in this Chamber who are African-American, and to my friends back home, please continue to have faith that most Americans do not hate.

With you, we are the majority in the greatest country on Earth. No purveyors of hate or prejudice will take that from us.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I thank the gentleman from Michigan and the gentleman from Illinois for bringing this legislation forward.

Mr. Speaker, I rise in strong support of the Church Arson Prevention Act and urge its immediate adoption. Just last night, two more southern churches were burned to the ground—these tragic losses add to the mounting list of over 30 suspicious fires at black and multiracial churches in communities across the South in the past 18 months.

Yesterday, I stood with religious and community leaders in New Haven, CT, to condemn these tragic fires that have destroyed sacred sites—built on faith, hope, and love—and to stand in solidarity with the victims of these heinous crimes.

This vital measure makes it a Federal crime to deface or destroy religious property and makes it easier to prosecute church arsons. Most importantly, the passage of this bill will give comfort to the victims of the fires—it will speed the healing process and assist with rebuilding of the churches and the communities that have been scarred by these violent and hateful acts.

Mr. HYDE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. MCINTOSH].

Mr. MCINTOSH. Mr. Speaker, I rise in support of H.R. 3525, and I want to commend Chairman HYDE and his committee for their good work on this bill. It in some measure allows us to renew that great dream of Martin Luther King's that blacks and whites can once again walk together in this country blessed by God in a land of freedom.

In the court case United States versus Lopez, Justices Kennedy and O'Connor opined that the political branches of government must fulfill grave constitutional obligation to delineate the democratic liberty and federalism and distinguish where the power to enact laws comes from.

In light of that admonition, I must express my sincere doubt regarding the claimed commerce clause justification for this act. I do not believe that a mere change of wording will allow us to preserve the act from constitutional challenge. However, I will vote today to support this bill because it is a very good bill and a necessary bill and because I believe it is one of the rare instances when it is within our express authority under section 5 of the 14th amendment to enact such legislation. It is very clear that this arson which is addressed by this bill dramatically interferes with the religious liberties protected by the first amendment that the States have failed to adequately protect for minorities.

With this nexus, I want to commend the committee for bringing this bill to floor today and urge all of my colleagues to vote for it so that we can send a message to all Americans that this Congress will not stand for these heinous acts of church burnings throughout the South or in any other part of our land.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Maryland [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Speaker, I thank the gentleman from Michigan and Mr. HYDE for their leadership in bringing this important piece of legislation to the floor in such a timely manner.

Mr. Speaker, the burning and defamation of places of worship across the South have shaken and angered me to the core. These are atrocities that will not go unpunished. This legislation gives prosecutors the tools to punish the cowardly perpetrators of these heinous crimes.

The church for African-Americans is more than a place of worship. It is a symbol of hope and the bedrock of our community. Like the generations of family and friends before us, we find comfort, hope, and faith in our churches.

Mr. Speaker, it is 1996 and still racism exists. But the Members in this Chambers have chosen to fight these injustices. These gutless acts will not have their intended effect. They will not dissuade us from fighting bigotry and intolerance.

I am pleased to support this legislation, which will facilitate Federal prosecution of arson cases and I urge its swift passage.

Mr. HYDE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. STOCKMAN].

Mr. STOCKMAN. Mr. Speaker, I thank the chairman for bringing this bill forward.

I would like to take just one quick moment here to try and put a human face on this. I do not know if you can see this, Mr. Speaker, but in Saturday's paper it discusses how the pastor of a church in Galveston, TX, had his church burned down and to this day has not rebuilt his church and to this day they have not found the perpetrators. This was in our district which, quite frankly, has been a very peaceful, harmonious district, and I would like to point out for the record and like to submit this for the RECORD that this is something that we need to put a human face on. These are people who have lost their church and we do not know why or what is going on in this Nation that has turned its people against churches but, Mr. Speaker, I want to thank the gentleman for offering this bill and I stand fully behind it.

Mr. Speaker, I wish to thank the chairman for bringing this bill forward and I rise in strong support of H.R. 3525—the Church Arson Prevention Act.

It is time we put a human face on the epidemic of church burning. I do not know if you can see this, Mr. Speaker, but last Saturday, the Galveston Daily News ran a story about the destruction of the Island Baptist Church. This little church burned down nearly 2 years ago. The perpetrators of this horrible act have not been found and the church pastor, James Booth, has not yet been able to rebuild his church. I want to submit the story of Pastor Booth, as it appears in the Galveston Daily News, for the RECORD.

Again, it is time we put a human face on the epidemic of church burning. Pastor James Booth is a real person, and members of his congregation are real people. The burning must stop. He and other religious leaders have suffered enough. This bill is necessary to make easier the Federal prosecution of church burners. It is extremely important that the Justice Department pursue church burners diligently.

The destruction of churches isn't a black catastrophe, it isn't a white catastrophe, it's a religious catastrophe. These are crimes against people of faith and those who worship. We must do what we can to stop these heinous crimes.

I implore my colleagues to support this bill. The citizens of Galveston and Pastor Booth are entitled to justice. All victims of church burners are entitled to justice. This bill should be passed by Congress and signed into law immediately. I want to thank the gentleman for offering this bill and I stand fully behind it.

BURNED CHURCH WINS CONGRESSMAN'S SUPPORT

(By Chad Eric Watt and Wes Swift)

GALVESTON.—U.S. Rep. Steve Stockman has asked his colleagues to remember a Galveston church torched by arsonists in 1994.

The Island Baptist Church, which was at 9 Mile and Ostermayer roads, burned Dec. 22, 1994.

The predominantly white Southern Baptist congregation is rebuilding at 8 Mile and Stewart roads.

"Pastor (James) Booth has not yet been able to rebuild his little church on Galveston Island," Stockman said Thursday night on the floor of the House of Representatives.

"He did not receive much attention from the media because when his church burned down, it was not then fashionable to talk about burning churches."

Stockman and other members of Congress expressed concern in a March 1 letter to the U.S. Attorney General.

"We brought this to Janet Reno several months ago," said Cory Birenbaum, a spokesman for Stockman.

In the letter, the congressmen asked Reno to direct the Justice Department to help local authorities catch those setting the fires.

"The burning of churches has become a fashionable crime, with news reports possibly contributing to imitative acts of violence," the letter states.

Governors of Southern states have been invited to the White House next week to discuss strategy for coping with a rash of suspicious fires at predominantly black churches.

By early next week, the Bureau of Alcohol, Tobacco and Firearms hopes to have details of fires at 33 black churches and 23 non-black churches since Jan. 1.

Civil rights groups tracking church burnings in the South said they have found few examples of white churches being attacked.

"If white church fires were on the increase, with racism as a reason, we'd be on it in a heartbeat," said Angie Lowry of the Montgomery, Ala.-based Southern Poverty Law Center, which studies racial issues.

"I'm not seeing it here in Alabama, and we're not seeing it anywhere else."

Booth said the church burnings reflect a sickness that crosses ethnic boundaries.

"My feeling is not that these burnings are racially motivated—as it was by anger in general," he said "It's not a race issue. It's the attitude of people in general. It's a very poor condition."

Booth's wife, Ruth Ann, said she was alerted to the mention of their church by a stranger in Modesto, Calif., who saw Stockman make his statements on cable television.

"We had had troubles with vandalism there," Mrs. Booth said.

No one has been arrested in connection with the fire.

Ruth Ann Booth said fire investigators traced the source of the fire to a closet near the church's front entrance. Empty beer cans were found near the entrance.

James Booth said he understands the pain other congregations are going through.

"It's a lot of emotional stress," he said. "To see something that means so much to you like a church go up in flames . . . it's very painful."

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON], who has worked on this matter with a great deal of commitment.

Mrs. CLAYTON. Mr. Speaker, I rise in support of H.R. 3525, the Church Arson Prevention Act of 1996.

This bill would amend title 18, the criminal title of the U.S. Code by facilitating prosecution and increasing penalties against those who would do violence to houses of worships.

We have all been concerned over the disturbing trend of African-American church burnings, two a month over the past 18 months, and three more this past weekend.

This bill will address that alarming trend.

But, there have also been other acts of violence directed at houses of worship, such as vandalism, desecrations, and even drive-by-shootings.

This bill will address that alarming trend as well.

The bill makes clear that it is a Federal crime to deface or destroy religious property for racial, ethnic, or religious reasons.

More importantly, the bill removes the current requirement that the offense cause at least $10,000 in damage—a threshold that has made it very difficult to prosecute such cases in the past.

And, the bill makes victims of religious property defacing or destruction eligible for compensation under the Victims of Crime Act.

This provision is important as many churches seek to rebuild following the rash of destruction, particularly the church burnings.

I am exploring other ways in which the Federal Government can make communities whole when faced with these crimes, especially ways we can help in the rebuilding of churches.

Two more suspicious church fires occurred over the weekend, including another fire in my State of North Carolina.

While I am proud of bipartisan efforts that have been undertaken by the House, we must continue those efforts.

Congress must be eternally vigilant in speaking out now against these intolerable acts.

Those who perpetrate these misdeeds must know that our will to stop them is stronger than their will to continue.

I urge my colleagues to support this bill.

Mr. CONYERS. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. I thank the gentleman for yielding time, and I thank the chairman and the ranking member for their alacrity in moving this bill forward.

Mr. Speaker, as a student member of the Student Nonviolent Coordinating Committee in the South during the civil rights movement I remember no time when there was a rash of church burnings. We have enough polarization in this society. We do not need the ultimate polarization, the burning of places of worship. You have restored confidence in the rule of law for many Americans. You have said through this bill that we are still committed to eliminating racism, and I thank you.

Mr. CONYERS. Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I went to the Second Baptist Church in Long Branch, my hometown, last Sunday to talk to a very concerned crowd about why this legislation is so important.

It is time to relentlessly investigate and swiftly prosecute perpetrators of these crimes. We must have a public outcry condemning these mindless church burnings, and it must be bipartisan and multiracial. Those people who gain politically and financially from fueling hatred in our society today should recognize the effects of their words.

I say to those who perpetrate these heinous crimes that the days of the night riders are over. The days when African-Americans had to take cover by nightfall in hopes of seeing another day are over. This country will not go back to a time when hatred and intimidation through terrorism was the law of the land.

Mr. HYDE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS of South Carolina. I thank the chairman for yielding time.

Mr. Speaker, I rise in strong support of this bill and congratulate the chairman and the ranking member for moving this bill to the floor so quickly.

I think it is important to note two things. First, is the importance of this bill, that it will give us the opportunity as a Federal matter to get at these people who would desecrate houses of worship and really seek to destroy a great deal of the social fabric of our communities. So I think it is important to get this bill accomplished and get it passed so that we can get at a successful prosecution of these folks.

The second thing I think is important to point out is that there is a message of reconciliation and hope in this.

It is a message that Terrence Mackey, the pastor of the Greelyville church that President Clinton visited last week, is so good at putting forth, and that is that in the face of this hateful act, people like Pastor Mackey are presenting a message of forgiveness and hope.

That, I think, will get at the deeper problem, because we know that this legislation will be a significant help to Federal prosecutors but we know that underneath this, there is a deeper problem and it is a problem in the heart of humankind. That problem, I think, can only be overcome by people like Pastor Mackey preaching that message of forgiveness and hope. That is the hope of reconciliation. I hope his voice is one that is heard loudest as we go through this process of dealing with the rebuilding and hopefully of the successful prosecution, as well, because of this bill, of the people who would perpetrate these hateful acts.

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Mr. CONYERS. Mr. Speaker, I yield 30 seconds to the gentleman from Louisiana [Mr. FIELDS] in whose State there have been arsons.

Mr. FIELDS of Louisiana. Mr. Speaker, I thank the gentleman from Michigan for yielding me the time, and I want to thank the gentlemen for his leadership. I also want to thank the gentleman from Illinois on the other side of the aisle [Mr. HYDE] for this very important matter and also for bringing to it the floor.

Mr. Speaker, the burning of churches in this country is unacceptable and will not be tolerated in any shape, form or fashion. This legislation will give Federal prosecutors the tools they need to prosecute those perpetrators of the crime to the fullest extent of the law.

Mr. Speaker, I come from a State that has witnessed over five burnings in the past 4 months, four in one night alone. I want to thank the gentleman from Michigan and thank the gentleman from Illinois for bringing this very important piece of legislation to the floor and would like to say in no uncertain terms that this Congress will not tolerate individuals burning churches.

Mr. HYDE. Mr. Speaker, I yield 30 seconds to the gentleman from Michigan [Mr. CONYERS], and I ask unanimous consent that he be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CONYERS. Mr. Speaker, I thank the gentleman from Illinois [Mr. HYDE] for his generosity, and I yield 30 seconds to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding me the time.

I thank the chairman of the committee, Mr. HYDE, for yielding and both of my colleagues for bringing this matter to the floor and rise in strong support of this legislation. I join those of our colleagues and so many across the Nation who have voiced their strong, strong objection to those who would take actions of violence against our houses of worship in this country and hope that this legislation will be some small beginning in mending these horrible actions against the churches in the South and elsewhere.

I thank the gentleman for bringing this legislation to the floor.

Mr. CONYERS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would just like to conclude the time that has been afforded us on this side by reminding all of our colleagues that the President of the United States has involved himself in this matter in a very important way.

First of all, he urged that there be some legislation that could deal with this subject matter. Then he used his weekly radio address to direct to the Nation the deepness of the injury that these kinds of attacks on churches commit. Then he went to the South himself, and tomorrow he will be meeting with Governors of the several States. I think the President of the United States has handled this at the Federal level remarkably well.

Mr. HYDE. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Oklahoma [Mr. WATTS].

Mr. WATTS of Oklahoma. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, in the last week, churches have burned in North Carolina, Texas, Oklahoma, and Georgia. Fires are destroying our houses of worship like an unchecked scourge. With each fire, we have all felt the loss because any church that is burned in our church, for every house of worship is a symbol of our faith in God and our right to worship according to the dictates of our own conscience.

As evil as these church burnings are, we must avoid becoming consumed by our anger. For as Dr. Martin Luther King, Jr., taught us, darkness cannot drive out darkness, only light can do that. Hate cannot drive out hate, only love can do that.

To begin to heal, to drive away the darkness, we must bring back the light, the light of love, the light of hope. First we must apprehend those who are responsible for the fires and prosecute them to the full extent of the law. This bill will help to do that.

Second and more importantly, we must come together to rebuild our churches and communities. Our actions must show the world that we will not sit idly by when the unity and religious freedom of our nation are attacked.

Mr. Speaker, I commend the gentleman from Illinois, Chairman HYDE, and the gentleman from Michigan, Mr. CONYERS, for producing H.R. 3525. I call on the House to pass this bill unanimously to send the strongest possible message that this Congress will do all within its power to stop the fires and help the healing again.

Mr. HYDE. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I am very pleased that we have had an interesting and good and full debate on this important issue. Burning a church is about as rotten, reprehensible an act as anybody can do, and I hope this law helps in the identification and severe punishment of the perpetrators.

Mr. Speaker, I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I rise today to express my deep concern about the alarming rash of fires that have destroyed or badly damaged at least 34 black churches across the South. There is a lot of speculation about who may be behind these arson attacks and whether racism is involved. I am confident that the perpetrators of these crimes will be caught and brought to justice. Their punishment should be severe.

Strong legislation is moving through Congress to give U.S. attorneys clear jurisdiction to prosecute church arson suspects. I will support this bill when it comes to the House floor. There should be no misunderstanding that these attacks are of national concern.

These crimes show a blatant disrespect not only for the people who worship at these churches, but also for their faith itself. Churches are sanctuaries of faith. They are houses of God and they should be respected. How would you feel if someone burned down your church? I know how I would feel. I would be hurt and outraged. I would want something done about it.

It is a sad commentary on our society when any place of worship is vandalized or destroyed. This goes for the burning of churches as well as the spraying of Nazi graffiti on synagogues.

The very principles upon which our Nation was founded are at stake here. The Pilgrims who braved rough seas and harsh winters to find a new life in America came here to find a place to worship freely. They came to escape religious persecution.

That's why our U.S. Constitution guarantees the right to freedom of religion in the first amendment. Most of us would interpret that right to mean that we can worship without fear.

When crimes are committed against places of worship—even in the dead of night—it creates an atmosphere of distrust and fear. God-loving, law-abiding citizens don't wish that on anyone, regardless of their religion or their race.

I am glad to see the Congress and the administration stepping forward to address this issue. And, I want to commend NationsBank Corp. for pledging to pay $500,000 for information leading to the arrest and conviction of those responsible. This sends a strong message that the corporate community in the South is equally concerned about these crimes.

I am also glad to see that the National Trust for Historic Preservation has added southern black churches to its list of "most endangered" historic places. The support offered by the trust will go a long way toward helping affected communities to heal.

I pray that this rash of attacks on Southern churches will end now and that a sense of safety and sanctity will be restored to these places of worship.

Mr. HOYER. Mr. Speaker, I rise today in strong support of H.R. 3525, the Church Arson Prevention Act. I want to commend Mr. HYDE and Mr. CONYERS for proposing this bill which was introduced in response to the tragic church fires which have destroyed over 30 black churches throughout the South over the last 18 months. Enough is enough. The time has come to step up our efforts, and we must take more action to assist Federal, State, and local authorities in preventing and investigating these fires.

I want to add my voice in expressing strong displeasure with those who seek to evoke fear and promote hatred by engaging in these acts of cowardice. This type of behavior tears at the very fabric which holds this Nation together. It is important that we do what is necessary to put an end to these unacceptable actions. As a Nation which prides itself in furthering liberty, equality, and justice for all, conduct of this nature cannot and will not be tolerated.

There is no institution more sacred than a house of worship. I am appalled and outraged that any person would desecrate an institution which fosters religious freedom, a right guaranteed under the Constitution of the United States. The church serves as the foundation of good, hope, and prosperity in many communities. It also serves as a place of solace for those seeking refuge from the cruelties and harshness of the world. Moreover, it is a place where people can put aside their differences and come together. I will never understand how one can seek to destroy the positive spirit which the church symbolizes.

I am deeply saddened by the events which have taken place over the last year and a half. They are an ugly reminder of our not so distant past and send the wrong message to impressionable minds. Over the past 30 years, we have worked hard to build many bridges across the racial divide. To a large degree, we have been quite successful. However, we still have a long way to go in our pursuit to understand one another and ensure equality for every American. As the most civilized nation in the world, it is incumbent on us to continue to move forward. We cannot let the uncivilized actions of a few keep us from achieving the worthwhile goal of racial and ethnic harmony.

The legislation before us today, in coordination with the efforts of Federal law enforcement agencies, can assist in bringing to justice those individuals responsible for the fires. Through their efforts, some progress has already been made. One of the principle Federal agencies working on these incidents has been the Bureau of Alcohol, Tobacco and Firearms. BATF has responded to these incidences by using additional resources and manpower. Their efforts have resulted in the resolution of some of these arson cases, some by arrest and others by designation as accidental. There still are a number of ongoing investigations and the fires continue to occur. Therefore, we must provide additional tools to BATF and other Federal law enforcement agencies so that they can more readily investigate and prosecute these heinous crimes.

I urge my colleagues to stand with Congressman HYDE and CONYERS in supporting this legislation. Passage of this legislation today will allow Congress to join in the healing process which has begun for those churches which are now rebuilding. It will also send a message from Congress that we do not condone or tolerate this type of activity in our Nation.

Mr. LANTOS. Mr. Speaker, I rise today in strong support of the bipartisan legislation introduced by our colleagues, Judiciary Chairman HENRY HYDE and ranking member JOHN CONYERS, and to encourage the House to pass it unanimously. There is no more cowardly and offensive act than burning a community's place of worship. It is all the more unconscionable when it is done out of bigotry and hatred. This legislation will help the Bureau of Alcohol, Tobacco and Firearms ensure that justice will be swift and complete. Congress must make a strong proactive move to stop these burnings, bring the arsonists to justice, and help these communities rebuild.

I extend my utmost sympathy to the ministers and their congregations all over the country who have lost their places of worship. I also call upon the victims of these terrible crimes to be strong and to direct your anger not toward revenge, but toward reconstruction and healing. As the only survivor of the Holocaust elected to Congress, I am all too familiar with the injustices of random, unprovoked acts of violence. We must use this opportunity to bare these extreme racists for who they are—unscrupulous criminals who deserve to be put in jail for a long time. It is imperative that we send a loud, clear, and firm message to the perpetrators of these sick crimes that Americans will not tolerate bigotry or hate crimes.

It will take a concerted effort of every American from every region of the country to send the message that we must not slip back into a dark past when minorities lived in fear of intolerant racists. Mr. Speaker, let us lend our resources and wholehearted commitment to the Federal, State, and local authorities who are investigating this damaging epidemic. I urge my colleagues to unanimously support this legislation.

Mr. BEREUTER. Mr. Speaker, this Member is pleased to be a cosponsor of H.R. 3525, the Church Arson Prevention Act, and would urge his colleagues to support this bill.

This measure is necessary because of the recent rash of church burnings which has occurred across the Nation. Over 30 black churches have been the victims of arson this year alone, and Federal help has been asked in catching those responsible. In fact, there have been over half a dozen church fires this week. This must stop. The Church Arson Prevention Act will give Federal prosecutors specific jurisdiction to prosecute those who damage religious property. It will also eliminate any monetary damage requirement for Federal prosecution. This legislation will give prosecutors a great opportunity to fight these terrible crimes, as the arson-investigating resources of the Bureau of Alcohol, Tobacco and Firearms can be called into play. The victims of these fires will be eligible under this bill to receive compensation from the crime victims trust fund.

Mr. Speaker, it is this Member's hope that this legislation will quickly become law in order to help combat this rash of hatred and to punish those responsible for these crimes.

Mr. CASTLE. Mr. Speaker, considering that our country was founded on certain principles, among them the freedom of religious expression, it is utterly appalling that places of worship—homes to hundreds and hundreds of congregations—have apparently been targeted to bear the brunt of racial hatred and religious bigotry in this country.

While I am absolutely outraged at the series of church fires that have brought us to this point, I am pleased that the Congress has worked swiftly and in a bipartisan manner to ensure that the church arson law is improved and strengthen. This is an issue that knows no color, race, or religion. It affects each and every one of us Americans; as a country.

The passage of this bill will not heal the wounds created by the tragic burning of churches, nor help ease the pain felt by those who have seen their place of worship destroyed by the senseless and bigoted act of another. But this measure will help punish the instigators of these fires by making it easier to prosecute those responsible for these egregious acts. And in light of recent events, this could not be more timely nor more crucial.

Mr. FRANKS of Connecticut. Mr. Speaker, as I had done on June 13, 1996, I rise once again to voice my support of H.R. 3525, the Church Arson Prevention Act of 1996 which has been offered by Congressman HYDE and Congressman CONYERS and of which I am a proud cosponsor.

Mr. Speaker, I and many of my colleagues have been alarmed by the rash of intentionally set church fires. Sadly, it has reached the point that it has become a daily occurrence. Seemingly, each day, we read in the papers or see on the morning news that our Nation will be supporting more burned-out churches upon its landscape—grotesque charred shells which remind us that there are those who would still practice racism and bigotry and prevent their fellow Americans from pursuing a terror-free life of happiness, freedom and religious liberty.

As I have stated before, H.R. 3525 will make important and necessary changes to our laws which are presently on the books so that we can investigate, arrest, and convict more of those who terrorize with fire or vandalism.

The bill would broaden the scope of present statute which makes it a crime to damage religious property or to obstruct a person in the free exercise of religious beliefs by applying criminal penalties if the offense is in, or affects interstate commerce. As I had mentioned before, both Congressman HYDE and Congressman CONYERS have written H.R. 3525 so it will provide the necessary amendment to our Federal statutes to grant Federal jurisdiction, and thus will augment the Attorney General's ability to prosecute arson cases of this nature.

I am happy to report that this bill will eliminate the current dollar value of destruction which may occur before these crimes of desecration may be prosecuted. At the present time, our laws state that the loss from the destruction of property must be more than $10,000. Originally as written, H.R. 3525 would reduce that threshold to $5,000, but Messrs. HYDE and CONYERS have properly seen fit to eliminate the threshold altogether. By eliminating the threshold, it will be easier for the Federal Government to prosecute more of these arson cases.

Mr. Speaker, I once again congratulate Messrs. HYDE and CONYERS on their work on this important bill. I also congratulate the other 91 sponsors of this measure. Now is time for this House to let the people of America know that it will not tolerate the actions of bigots and racists. We must pass H.R. 3525 to deliver that message.

Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of H.R. 3525, the Church Arson Prevention Act of 1996.

On Monday night two churches were burned in Mississippi that bring sadness to me that this has happened in our State.

This bill will give law enforcement officers the tools to bring to justice those who are responsible for these burnings. Also the bill will bring better cooperation between local, State and Federal law enforcement agencies to solve these terrible crimes.

I am sure the people in Mississippi will pull together to rebuild these churches of God.

I support this legislation. I hope the Senate and the President will act quickly on this bill.

Mr. FAZIO of California. I rise today to offer my strong support for the bipartisan legislation before us. The Church Arson Prevention Act will make it easier to bring prosecutions and will stiffen penalties against those who target houses of worship.

Over the last 18 months, 33 predominantly black churches have been burned down throughout the South. This outbreak of violence and racism recalls a time in our Nation's history when such acts were used to intimidate civil rights activists. We must not tolerate a rekindling of these flames of bigotry and hatred in our country as we approach the new century.

These church fires, and the smoldering scourge of racism that we still confront in our society, have reminded us that there is much work to be done to achieve the goals of Dr. King and the millions of others who aspire to live in the colorblind society that he dreamed would become a reality.

This legislation is a step in that direction, but we must do much more. As a nation, we must stand together in opposition to those who advocate violence and racism. With one voice, we must be firm and unequivocal in our denunciation of such acts.

As Abraham Lincoln said in 1858, "a house divided against itself cannot stand." These prophetic words remain true in our day.

Mr. CLAY. Mr. Speaker, I rise in support of the Church Arson Prevention Act (HR 3525). Sacred places of worship are under attack across America. Over the past 18 months, 35 black churches have been burned. This number rivals the number of churches that were the targets of vicious racial hatred four decades ago, in the years leading up to the passage of the 1964 Civil Rights Act. Mr. Speaker, we must not permit the forces of evil to turn back the hands of time. Church burnings will never destroy the spirit of those who have faith. Those who perpetrate these morbid crimes telecast themselves as the enemies of all who quest social justice. As legislators committed to racial equality we must condemn the violence and resist efforts to promote the despicable concept of white supremacy.

The burning of black churches dramatizes the racist polarization which plagues our society. Congress must act with singular resolve to denounce these reprehensible acts of vandalism and the stupidity and hatred that spawn such unthinkable crimes. Government must employ all necessary resources to investigate these outrageous offenses and prosecute those responsible for such malicious acts of violence.

Mr. Speaker, I urge my colleagues to support H.R. 3525 which makes it a Federal crime to deface or destroy religious property. It will facilitate Federal authorities in prosecuting those guilty of the terrorist tactics involved in church burnings.

Ms. McCARTHY. Mr. Speaker, I want to express my condolences to all of the families and congregations which have been victims of church burnings throughout our Nation, and urge my colleagues to support H.R. 3525, the Church Arson Prevention Act.

Many religious groups and individuals in my community have provided support for those who have been displaced by the church burnings. The Reverend Mac Charles Jones, pastor of St. Stephen Baptist Church in Kansas City, is one who is advocating nationally for African American congregations coping with this extraordinary misfortune. In his role as associate general secretary for racial justice of the National Council of Churches, Rev. Jones met with President Clinton last week urging Federal support in investigating the church burnings. Rev. Jones and other area ministers are seeking donations locally to assist the investigators and the victims. I salute everyone for demonstrating compassion and generosity during this difficult time, and encourage the broadest participation possible in rebuilding these spiritual structures.

I am honored today to have the opportunity to do my part by supporting a bill to prevent these horrific acts of violence in the future. H.R. 3525 eliminates certain barriers to Federal prosecution of individuals suspected of church burning. For example, the current requirement that the offense cause at least $10,000 in damages before Federal action can be taken will be eliminated. Those who would deface or destroy religious property in the name of hate will be subject to Federal criminal charges.

Healing the spiritual wounds caused by the destruction of one's place of worship will not come easily or quickly, but finding the individuals who are responsible and bringing them to justice is essential. I believe very strongly that local communities and the Federal Government must work together to see that these grave injustices are rectified. The Church Arson Prevention Act will aid communities and law enforcement in this effort, and will help deter future acts of terrorism on our churches and synagogues, which serve as the center of every community.

The Jewish Community Relations Bureau, one of the many organizations in my community which has come to the aid of the victims of church burnings, has a saying:

> If injustice is occurring to one person, it's the same as if it's happening to me.

I urge my colleagues to act in the spirit of this sincere expression by voting for H.R. 3525.

Mr. POSHARD. Mr. Speaker, I rise in strong support of the Church Arson Prevention Act of 1996, and thank chairman HYDE and Ranking Member CONYERS for their swift action in bringing this bill to the floor.

Like millions of other Americans, I grew up attending a little country church. It was there along the banks of the Little Wabash River in White County, IL, that I learned the scripture lessons and the basic values which have guided my life and which are still today the foundation for who I am. That is not an unusual experience whatsoever, for Americans are a religious people and we live in a religious nation. We are a nation of religious tolerance, respecting differing denominations and religions as we all seek the solace and comfort of our faith.

The church, as important as it was spiritually, was also important in a very physical, structural way, and it served as a gathering place in our little community.

The church arsons which have scarred our physical, spiritual, and emotional connections to those churches are repugnant to all of us. We want the people who have suffered from these reprehensible acts to know that our thoughts and prayers are with them. And we want those who are responsible for these actions to know they will be held responsible.

Ms. MILLENDER-McDONALD. Mr. Speaker, I rise in support of the Church Arson Prevention Act of 1996.

I come to the House of Representatives having grown up as the child of an active Baptist minister in Alabama with fear that my family would be the target of church bombings that were all too common during the 1950's. The burning of a church is nothing less than a cowardly act of terrorism upon the community that hosts the church.

We are seeing church burnings in the African-American communities every day and we must put a stop to it. We do everything in our power to stop terrorism abroad, we must do nothing less to prevent this terror in these United States.

The cowards who set these fires must be caught, brought to justice and punished severely. I hope that we will work together to help all Americans build a better nation and a better world.

I urge each of my colleagues to vote in support of the Church Arson Prevention Act of 1996.

Mr. PAYNE of New Jersey. Mr. Speaker, as chairman of the Congressional Black Caucus and as a cosponsor of the Church Arson Prevention Act, I rise in strong support of this measure. It is imperative that we take immediate action to strengthen the ability of Federal law enforcement officials to respond to the alarming increase in church burnings in the South and other parts of the Nation. These incidents of hate call to mind ugly images of cross burnings and Klan rallies by false patriots determined to divide this Nation.

Communities are now living in fear that their sacred houses of worship will be reduced to ashes overnight in the wake of this destructive spree. We need to send a clear signal to the perpetrators of these hate crimes that every law enforcement resource available will be used to bring them to justice. Not only does this bill clarify that Federal officials can become involved in investigations of church fires affecting interstate commerce; it also removes the current requirement that $10,000 in damage must occur before Federal intervention.

Mr. Speaker, we know that a church is more than just the brick and mortar which make up the building. It is a place of hope and spiritual renewal, a center where communities gather in celebration of one of our most precious freedoms, the freedom of religion. Many congregations also run important services out of their church buildings, such as food pantries to feed the needy, activities for young people, and programs for seniors. The loss of a church is devastating; it goes far beyond the material loss and inflicts enormous emotional pain.

Mr. Speaker, I urge my colleagues to support this bill and stop the epidemic of hate and violence which has no place in this Nation.

Mr. TORRICELLI. Mr. Speaker, our Nation is witnessing a frightening and despicable increase in violent attacks on places of worship. Indeed, since 1991, more than 152 houses of worship have been destroyed by arson or vandalism. And within the last 18 months, nearly 50 African-American churches and 10 predominantly white churches have been desecrated. Just last night in Mississippi, two more churches were victims of arson.

These attacks simply must be stopped. While arson is undeniably one of the most egregious crimes against society, it is even more heinous when committed against a sacred place of worship. Every American and every community must act against these crimes. And congress can take the first step by passing H.R. 3525, the Church Arson Prevention Act.

Religion has been a central part of our Nation's culture and society. The burning or desecration of a place of worship not only destroys a vital and important physical structure and moral symbol, but it sends a message of hate and division within the community where the attack occurs. Congress must ensure that those responsible for such hideous acts be punished to the fullest extent of the law.

This is not a partisan issue; it is an issue of justice. H.R. 3525 addresses this problem by enhancing the Federal Government's ability to prosecute convicted arsonists and by removing the minimal damage requirement.

I urge my colleagues to vote in favor of H.R. 3525. We must send a clear and strong message that this dangerous and immoral behavior will not be tolerated anywhere in America.

Mr. STOKES. Mr. Speaker, I rise in strong support of H.R. 3525, the Church Arson Prevention Act. If this great Nation is to live up to its pledge of liberty and justice for all, then we must come together to end the repugnant wave or racially motivated arsons perpetrated against African-American churches.

After hearing today of yet two more burnings of predominantly African-American churches, the latest of more than 34 since January 1995, I commend my colleagues Chairman HENRY HYDE and JOHN CONYERS for proposing this crucial legislation. H.R. 3525 is an unequivocal representation of the Congress' condemnation of these acts of violence. This bill also provides for reasonable steps to fight these kinds of crimes. This legislation sensibly amends the United States Code to facilitate the use of Federal law to prosecute persons who attack religious property based on the race, color, or ethnic characteristics of persons associated with that property. In addition, this bill allows victims to obtain financial assistance under the victims of crime fund for any injuries caused by an attack on religious property.

Mr. Speaker, I denounce the recent epidemic of arson against African-American churches across this Nation. In addition to supporting H.R. 3525, I am committed to insisting that law enforcement authorities do everything within their power to apprehend the persons responsible for such acts of unadulterated hatred. This bipartisan legislation being considered by the House of Representatives will certainly assist our efforts to prevent these immoral crimes.

It is my hope that from the ashes of African-American churches Americans will come together to put an end to racial intolerance. I urge my colleagues to support this important legislation.

Mr. RANGEL. Mr. Speaker, I rise to express my outrage and that of good Americans across this great country at the wave of suspicious fires that have swept at least 30 churches in the South in recent months. Churches and synagogues are the cornerstones of our communities, providing the moral and spiritual cultivation that our society so desperately needs. I ask all my colleagues in the House to voice their condemnation of these deplorable acts. Vandalizing places of worship is not a partisan issue.

I also call on all the moral leaders of our Nation and those of every religious background to stand against these acts of terror. Every synagogue, mosque and church is vulnerable to the same acts of terrorism committed against our black churches and it is crucial that leaders of every religious denomination speak out against the vandalism of our nation's houses of worship.

It is a shame that the history of violence and intimidation towards black people in this country is repeating itself. Will we allow hate groups such as the Klu Klux Klan, the Aryan Nation, skinheads, and other white supremacist organizations to rise again? Will we allow the historic achievements of our courageous freedom fighters who sought to create a nation of fairness and racial harmony to be further defamed?

In our society, arson of a church attended predominately by African-Americans carries a unique and menacing threat to individuals in our Nation who remain physically vulnerable to acts of violence and intimidation because of their race. Such threats are intolerable and individuals responsible for such acts must be aggressively pursued and apprehended.

As churches burn from flames of hate and intolerance, there are those in our society who would dismantle civil rights legislation and affirmative action that have provided assistance to groups in our Nation who have been discriminated against due to their race, sex, or religious beliefs.

We as a nation must not allow the practice of scapegoating others because they are of a different race or nationality or poor to continue. Our Nation was built on diversity and we must refute any beliefs that condone or support an atmosphere of blame and intolerance against those in our society who are defenseless, particularly our sick, poor, and aged. Just as the churches, synagogues, and mosques shelter our weak and defenseless, we as Americans have an obligation to protect those houses of worship from vicious attacks.

I commend President Clinton and Attorney General Janet Reno on their quick responses to investigate these criminal acts of terrorism and I hope those who make such threats will be prosecuted and will serve sentences commensurate with the cowardly and despicable nature of their actions.

Mr. REED. Mr. Speaker, as a cosponsor of H.R. 3525, the Church Arson Prevention Act, I am pleased that the House is considering this important legislation.

The legislation before us is straightforward. It will help law enforcement officials capture those responsible for these heinous crimes.

Unfortunately, the motivation of those committing these acts is also straightforward—hate, ignorance and disrespect.

More than 30 fires have occurred at churches throughout the South, leaving in their wake a fear that the demons of the past have risen again. This time they are not content to spew their slogans of hatred. Instead, their hate is at such a fever pitch that these brutes attack one of the most powerful symbols of community and love—places of worship.

In the 1960's our Nation witnessed a dramatic struggle for racial equality. Efforts to give African-Americans equal opportunity were often met with violent protest, and America lost a number of brilliant young leaders to racial hatred and bigotry, including religious men like the Reverend Martin Luther King.

In the end, the American ideal of equality won, and hate lost.

Now, those who would tear our Nation apart have returned.

We must collectively respond to this hatred. We cannot tolerate these deplorable acts against African-Americans and our places of worship. Indeed, the combination of this racial and religious intolerance is immoral and must be countered at every turn.

Mr. Speaker, I am pleased the House will pass this legislation to fight these despicable acts, and the Senate should follow suit.

In addition, I would urge the President and Assistant Attorney General Patrick to continue their efforts to bring the perpetrators of these hateful acts to justice—America's citizens of all races and religions deserve no less.

Ms. PELOSI. Mr. Speaker, I rise in strong support of this important legislation. These hate crimes against places of worship are simply intolerable and we in Congress must take quick and decisive action against these horrible acts of terrorism.

While we are saddened by these tragedies we can take heart on the words of one of the ministers who said they have burned the building, but they haven't destroyed the church.

I commend the chairman of the Judiciary Committee, Mr. HYDE, its ranking member, Mr. CONYERS, and all of my colleagues who are working together so effectively to see that this legislation is speedily passed in the hopes that the hatred that is rearing its ugly head will be stamped out.

Yesterday, two more churches burned to the ground. Institutions of worship represent America's faith. Congress must give the Department of Justice the tools necessary to investigate, apprehend and prosecute those who destroy or desecrate religious property. Our religious liberty is at stake and people's lives are in danger.

I join with my colleagues to act now to put out these fires of hatred and ignorance and to help with the healing of those in the communities affected.

Mr. HOKE. Mr. Speaker, I rise in strong support of H.R. 3525, the Church Arson Prevention Act of 1996. As a member of the Judiciary Committee I heard testimony from law enforcement officials that they do have the tools they need to effectively fight these abhorrent acts. Those resources are provided in this legislation.

As other Members have recounted, there have been over 100 church fires across the United States since October 1991. Most of these fires have occurred at predominantly African-American churches located in the Southeast. The most recent string of attacks—including two additional fires just last night—should serve as a wakeup call to every American who is dedicated to protecting our religious heritage, our commitment to free expression, and our unyielding determination to preserve law and order.

Through this legislation, we are sending a message: Racism will not be tolerated and race-based crimes will not go unpunished. The destruction of a house of worship is repulsive and those who commit such contemptible acts will be pursued and prosecuted.

Let us also send this unmistakable message to the twisted, hateful perpetrators of these heinous acts: The basic decency, tolerance, and compassion of the American people will flower in the ashes of these charred sanctuaries. And while we can never forget that there may be an ugly capacity to hate in all of us, as individuals and as collective members of society we must never tolerate those who give in to such tendencies. In many cases these beliefs and practices are embedded deep in the soul and no act of Congress will root them out. Therefore, every American must be vigilant to stamp out racism and hatred wherever it surfaces. Together we can ensure that in America, the principles of justice, equality, and brotherhood thrive in the warm glow of freedom.

Mr. DEUTSCH. Mr. Speaker, I rise today to voice my outrage over the arsons that have destroyed over 110 churches across the country. These vile and cowardly acts threaten our constitutional right to worship freely and safely. H.R. 3525 is a good first step in preventing these heinous attacks on religious freedom. In my opinion, however, it is just a first step and there is far more this body can and should do.

Mr. Speaker, the deliberate burning of churches, synagogues, and mosques constitutes a national emergency, and stopping the fires should be our top priority. Every means available to us should be put to use, including the use of the National Guard. We need to make available increased funding and resources for our law enforcement agencies so that they may be better able to prevent and solve these acts of hatred. It is essential that we create a national clearinghouse to monitor, compile, and scrutinize information relating to these fires. Furthermore greater support and funding for watchdog groups needs to be made available.

We need to encourage the establishment of a national dialog on the impact and prevention of these depraved acts. It is only through increased cooperation and strict enforcement will be able to prevent future attacks on our sacred places of worship.

I encourage my fellow Members of Congress to stand together with the American people and tell those who are perpetrating these crimes that we will not be victims of their hate and cowardice.

Mr. MARTINI. Mr. Speaker, I rise today to commend my House colleagues for the unanimous support shown for H.R. 3525, the Church Arson Prevention Act of 1996. We have sent a clear and unmistakable message that this Congress stands united against hatred.

Since October 1991, we have witnessed more than 100 different acts of probable arson specifically targeting churches. Over half of the churches burned have been predominantly African-American congregations.

Mr. Speaker, it is one thing to stand up and vigorously denounce these racist and antireligious hate crimes; however, it is far more important to actually do something about them. We need the ability to combat this problem and that is why H.R. 3525 is more than a simple denouncement. It will give the Federal Government the ability to prosecute and punish those who burn or desecrate religious property. Furthermore, it will also bring aid to the victims of these crimes, who are often underinsured or completely uninsured.

Clearly, no one is insulated from the flames of hatred. Even in my home State of New Jersey, a church was recently burned. I am proud to say that a leader in the African-American community in New Jersey is working very hard to combat the burning and desecration of places of worship. Minister and New Jersey Assemblyman Alfred E. Steele, a constituent of mine from Paterson, NJ, has introduced a bill on the State level to stiffen penalties for arson at churches, synagogues, and mosques.

Mr. Speaker, although these crimes have been primarily directed against African-American congregations, I must hasten to point out that they are an assault on those who believe in the freedom and tolerance of the United States. As Assemblyman Steele has said, "If they attack one, they have attacked all of us." With the Church Arson Prevention Act, we can now fight back. We have clearly and decisively acted to end this most vicious and destructive form of intimidation.

Mr. HYDE. Mr. Speaker, on June 18, 1996, the House of Representatives passed H.R. 3525 by a rollcall vote of 422 to 0. Shortly thereafter, on June 26, 1996, the Senate approved an amended version of H.R. 3525, the provisions of which were arrived at through bipartisan negotiations between the House and Senate sponsors. The House later approved H.R. 3525, as amended by the Senate, and the President signed the bill into law on July 3, 1996.

Due to the celerity with which this legislation was adopted, and the fact that no House-Senate conference was required, there is no legislative history explaining the provisions of H.R. 3525 which were added after consideration of the measure by the House Judiciary Committee. The provisions of the bill as reported by the committee are explained in House Report 104–621. For this reason, I am inserting in the RECORD the following "Statement of Floor Managers Regarding H.R. 3525," which shall serve as additional legislative history for the bill. Senators FAIRCLOTH and KENNEDY will be inserting identical language in the Senate portion of the RECORD.

JOINT STATEMENT OF FLOOR MANAGERS REGARDING H.R. 3525, THE CHURCH ARSON PREVENTION ACT OF 1996

(By Congressmen Hyde and Conyers, and Senators Faircloth and Kennedy)

I. INTRODUCTION

Recently, the entire nation has watched in horror and disbelief as an epidemic of church arsons has gripped the nation. The wave of arsons, many in the South, and a large number directed at African American churches, is simply intolerable, and has provoked a strong outcry from Americans of all races and religious backgrounds.

Congress has responded swiftly and in a bipartisan fashion to this troubling spate of arsons. On May 21, 1996, the House Judiciary Committee held an oversight hearing focusing on the problem of church fires in the Southeast. Two days later, on May 23, Chairman Hyde and Ranking Member Conyers introduced H.R. 3525, the Church Arson Prevention Act of 1996. H.R. 3525 was passed by the House of Representatives on June 18, 1996, by a vote of 422–0. On June 19, 1996, the Senate introduced a companion bill, S. 1890.

In the interests of responding swiftly to this pressing national problem, the Congressman Henry Hyde and Congressman John Conyers, the original authors of the bill in the House of Representatives, and Senator Lauch Faircloth and Senator Edward Kennedy, the original authors of the bill in the Senate, with the cooperation and assistance of the Chairman and Ranking Member of the Senate Judiciary Committee, have crafted a bipartisan bill that combines portions of H.R. 3525, as passed on June 18, 1996 by the House of Representatives, and S. 1890, as introduced in the Senate on June 19, 1996. On June 26, 1996, an amendment in the form of substitute to H.R. 3525 was introduced in the Senate, and passed by a 98–0 vote. This substitute embodies the agreement that was reached between House and the Senate, on a bipartisan basis. The House of Representatives, by unanimous consent, took up and passed H.R. 3525 as amended on June 27, 1996.

This Joint Statement of Floor Managers is in lieu of a Conference report and outlines the legislative history of H.R. 3525.

II. SUMMARY OF THE LEGISLATION

The purpose of the legislation is to address the growing national problem of destruction and desecration of places of religious worship. The legislation contains five different components.

1. Amendment of Criminal Statute Relating to Church Arson

Section three of the bill amends section 247 of Title 18, United States Code, to eliminate unnecessary and onerous jurisdictional obstacles, and conform the penalties and statute of limitation with those under the general federal arson statute, Title 18, United

States Code, Section 844(i). Section two contains the Congressional findings that establish Congress' authority to amend section 247.

2. Authorization for Loan Guarantees

Section four gives authority to the Department of Housing and Urban Development to use up to $5,000,000 from an existing fund to extend loan guarantees to financial institutions who make loans to organizations defined in Title 26, Section 501(c)(3), United States Code, that have been damaged as a result of acts of arson or terrorism, as certified by procedures to be established by the Secretary of Housing and Urban Development.

3. Assistance for Victims Who Sustain Injury

Section five amends Section 1403(d)(3) of the Victim of Crime Act to provide that individuals who suffer death or personal injury in connection with a violation described in Title 18, United States Code, Section 247, are eligible to apply for financial assistance under the Victims of Crime Act.

4. Authorization of Funds for the Department of the Treasury and the Department of Justice

Section six authorizes funds to the Department of Justice, including the Community Relations Service, and the Department of the Treasury to hire additional personnel to investigate, prevent and respond to possible violations of title 18, United States Code, Sections 247 and 844(i). This provision is not intended to alter, expand or restrict the respective jurisdictions or authority of the Department of the Treasury and the Federal Bureau of Investigation relating to the investigation of suspicious fires at places of religious worship.

5. Reauthorization of the Hate Crimes Statistics Act

Section seven reauthorizes the Hate Crimes Statistics Act through 2002.

6. Sense of the Congress

Section eight embodies the sense of the Congress commending those individuals and entities that have responded to the church arson crisis with enormous generosity. The Congress encourages the private sector to continue these efforts, so that the rebuilding process will occur with maximum possible participation from the private sector.

III. AMENDMENT TO TITLE 18, UNITED STATES CODE, SECTION 247

Section 3 of H.R. 3525, as passed by the Senate and the House, amends section 247 in a number of ways.

I. Expansion of Federal Jurisdiction to Prosecute Acts of Destruction or Desecration of Places of Religious Worship

The bill replaces subsection (b) with a new interstate commerce requirement, which broadens the scope of the statute by applying criminal penalties if the "offense is in or affects interstate or foreign commerce." H.R. 3525 also adds a new subsection (c), which provides that: "whoever intentionally defaces, damages or destroys any religious real property because of the race, color, or ethnic characteristics of any individual associated with that religious property, or attempts to do so," is guilty of a crime. Section two of H.R. 3525 contains the Congressional findings which establish Congress' authority to amend section 247.

The new interstate commerce language in subsection (b) is similar to that in the general federal arson statute, Title 18, United States Code, Section 844(i), which affords the Attorney General broad jurisdiction to prosecute conduct which falls within the interstate commerce clause of the Constitution.

Under this new formulation of the interstate commerce requirement, the Committee intends that the interstate commerce requirement is satisfied, for example, where in committing, planning, or preparing to commit the offense, the defendant either travels in interstate or foreign commerce, or uses the mail or any facility or instrumentality of interstate commerce. The interstate commerce requirement would also be satisfied if the real property that is damaged or destroyed is used in activity that is in or affects interstate commerce. Many of the places of worship that have been destroyed serve multiple purposes in addition to their sectarian purpose. For example, a number of places of worship provide day care services, or a variety of other social services.

These are but a few of the many factual circumstances that would come within the scope of H.R. 3525's interstate commerce requirement, and it is the intent of the Congress to exercise the fullest reach of the federal commerce power.

The floor managers are aware of the Supreme Court's ruling in *United States* v. *Lopez*, 115 S.Ct. 1624 (1995), in which the Court struck down as unconstitutional legislation which would have regulated the possession of firearms in a school zone. In Lopez, the Court found that the conduct to be regulated did not have a substantial effect upon interstate commerce, and therefore was not within the federal government's reach under the interstate commerce clause of the Constitution.

Subsection (b), unlike the provision at issue in Lopez, requires the prosecution to prove an interstate commerce nexus in order to establish a criminal violation. Moreover, H.R. 3525 as a whole, unlike the Act at issue in Lopez, does not involve Congressional intrusion upon "an area of traditional state concern." 115 S.Ct. at 1640 (Kennedy, J. concurring). The federal government has a longstanding interest in ensuring that all Americans can worship freely without fear of violent reprisal. This federal interest is particularly compelling in light of the fact that a large percentage of the arsons have been directed at African-American places of worship.

Congress also has the authority to add new subsection (c) to section 247 under the Thirteenth Amendment to the Constitution, an authority that did not exist in the context of the Gun Free School Zones Act. Section 1 of the Thirteenth Amendment prohibits slavery or involuntary servitude. Section 2 of the Amendment states that "Congress shall have the power to enforce this article by appropriate legislation." In interpreting the Amendment, the Supreme Court has held that Congress may reach private conduct, because it has the "power to pass all laws necessary and proper for abolishing all badges and incidents of slavery in the United States." *Jones* v. *Alfred H. Mayer Co.*, 392 U.S. 409, 439 (1968). See also *Griffin* v. *Breckinridge*, 403 U.S. 88 (1971). The racially motivated destruction of a house of worship is a "badge or incident of slavery" that Congress has the authority to punish in this amendment to section 247.

Section two of H.R. 3525 sets out the Congressional findings that establish Congressional authority under the commerce clause and the Thirteenth Amendment to amend section 247.

In replacing subsection (b) of section 247, H.R. 3525 also eliminates the current requirement of subsection (b)(2) that, in the case of an offense under subsection (a)(1), the loss resulting from the defacement, damage, or destruction be more than $10,000. This will allow for the prosecution of cases involving less affluent congregations where the church building itself is not of great monetary value. It will also enhance federal prosecution of cases of desecration, defacement or partial destruction of a place of religious worship. Incidents such as spray painting swastikas on synagogues, or firing gunshots through church windows, are serious hate crimes that are intended to intimidate a community and interfere with the freedom of religious expression. For this reason, the fact that the monetary damage caused by these heinous acts may be de minimis should not prevent their prosecution as assaults on religious freedom under this section.

H.R. 3525 also amends section 247 by adding a new subsection (c), which criminalizes the intentional destruction or desecration of religious real property "because of the race, color or ethnic characteristics of any individual associated with that property." This provision will extend coverage of the statute to conduct which is motivated by racial or ethnic animus. Thus, for example, in the event that the religious real property of a church is damaged or destroyed by someone because of his or her hatred of its African American congregation, section 247 as amended by H.R. 3525 would permit prosecution of the perpetrator.

H.R. 3525 also amends the definition of "religious real property" to include "fixtures or religious objects contained within a place of religious worship." There have been cases involving desecration of torahs inside a synagogue, or desecration of portions of a tabernacle within a place of religious worship. These despicable acts strike at the heart of congregation, and this amendment will ensure that such acts can be prosecuted under section 247.

2. Amendment of Penalty Provisions

H.R. 3525 amends the penalty provisions of section 247 in cases involving the destruction or attempted destruction of a place of worship through the use of fire or an explosive. The purpose of this amendment is to conform the penalty provisions of section 247 with the penalty provisions of the general federal arson statute, Title 18, United States Code, Section 844(i). Under current law, if a person burns down a place of religious worship (with no injury resulting), and is prosecuted under section 247, the maximum possible penalty is ten years. However, if a person burns down an apartment building, and is prosecuted under the federal arson statute, the maximum possible penalty is 20 years. H.R. 3525 amends section 247 to conform the penalty provisions with the penalty provisions of section 844(i). H.R. 3525 also contains a provision expanding the statute of limitations for prosecutions under section 247 from five to seven years. Under current law, the statute of limitations under section 844(i) is seven years, while the statute of limitations under section 247 is five years. This amendment corrects this anomaly.

IV. SEVERABILITY

It is not necessary for Congress to include a specific severability clause in order to express Congressional intent that if any provision of the Act is held invalid, the remaining provisions are unaffected. S. 1890, as introduced on June 16, 1996 contained a severability clause, while the original version of H.R. 3525 which was introduced in the House did not. While the final version of H.R. 3525, as passed by the Senate and the House of Representatives, does not contain a severability clause, it is the intent of Congress that if any provision of the Act is held invalid, the remaining provisions are unaffected.

The SPEAKER pro tempore (Mr. NETHERCUTT). The question is on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and pass the bill, H.R. 3525, as amended.

The question was taken.

Mr. HYDE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule 1 and the Chair's prior announcement, further proceedings on this motion will be postponed.

WILLIAM H. NATCHER BRIDGE

Mr. PETRI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3572) to designate the bridge on U.S. Route 231 which crosses the Ohio River between Maceo, KY, and Rockport, IN, as the "William H. Natcher Bridge."

The Clerk read as follows:

H.R. 3572

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The bridge on United States Route 231 which crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana, shall be known and designated as the "William H. Natcher Bridge".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the bridge referred to in section 1 shall be deemed to be a reference to the "William H. Natcher Bridge".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin [Mr. PETRI] and the gentleman from West Virginia [Mr. RAHALL] each will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3572, which would name a bridge on U.S. 231 over the Ohio River near Owensboro, KY, in honor of our late and former colleague, William Natcher, is identical to legislation which was passed unanimously by this House on September 22, 1994. Unfortunately, the Senate never acted on this legislation during the previous Congress.

A compilation of tributes to Chairman Natcher has recently been published and in the near future will be distributed throughout the State of Kentucky by members of the Kentucky delegation. We are considering this bill today in conjunction with those activities.

Representative Natcher was born in Bowling Green, KY, in 1909 and was educated at Western Kentucky State College and the Ohio State University law school. His life was dedicated to public service—serving in the U.S. Navy during World War II and holdings a series of local and State offices before being elected to Congress in 1953. He moved up the ranks of the Appropriations Committee, eventually assuming the chairmanship of the full committee in 1993.

I am proud to have had the privilege of serving in the House with Congressman Natcher. Although well-known for having cast 18,401 consecutive votes during his 40 years here, Congressman Natcher's accomplishments are much more than that voting record. He put a very high value on public service and set a very high standard for himself. Bill Natcher was always an inspiration to me and, I know, to many other Members as well.

He was a gentleman, a stateman, and a man of unquestioned integrity who served this House and his constituents in Kentucky from 1954 until his death in 1994, with quiet, unfailing dedication. The naming of this bridge for Bill Natcher is a fitting and lasting memorial to our friend and former colleague.

I urge passage of H.R. 3572.

Mr. Speaker, I reserve the balance of my time.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply would like to add that many of us in this body would agree that Mr. Natcher's distinguished service to this Nation, and to the people of the Second Congressional District of Kentucky, merits in the very least some type of official recognition.

The pending legislation reflects the wishes of the Kentucky Delegation to in some small way provide this recognition.

This bill would designate a bridge on U.S. Route 231, which crosses the Ohio River in the vicinity of Owensboro, KY, as the "William H. Natcher Bridge."

It passed the House last Congress, but failed to make it into law.

I would, as such, urge a unanimous vote in approving this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. LEWIS], Mr. Natcher's successor in this body.

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today in support of H.R. 3572, which will officially designate the bridge spanning Maceo, KY, and Rockport, IN, as the "William H. Natcher Bridge."

Though folks on either side of the Ohio River back home know this project as the Natcher bridge, we have not yet named it at the Federal level.

Two years ago, this body passed a similar bill, but the other body kept it bottled up in committee. So, today is our chance to get this taken care of.

Many of you know that I represent the Second District of Kentucky, which Mr. Natcher served so honorably for 41 years. And over the past 2 years, I've heard many stories about Mr. Natcher; from Members of Congress to barbers to elevator operators. And they all seem to have one thing in common: an incredible level of respect and admiration—on both sides of the aisle.

Congressman Natcher was a gentleman in every sense of the word.

We all know about his incredible voting streak: When he finally was unable to make it to the Hill, he had not missed a rollcall vote in more than 40 years—or 18,401 consecutive votes.

Cal Ripken could learn something from the gentleman from Bowling Green, KY. And so can we all.

My office was recently sent a number of copies of a memorial tribute to Congressman Natcher. It consists of speeches made in this Chamber when he became seriously ill, and after he passed on, as well as various articles about his career.

It is an inspiring work.

I'm honored to be able to send copies of this book to Mr. Natcher's family, and to the schools and public libraries of the Second District.

There, Mr. Natcher's legacy of hard work, fairness, and bipartisanship can continue to touch the lives of young people.

Let us pass this final, simple tribute to Congressman Natcher, and ensure that the Natcher Bridge, which will be built primarily with Federal dollars, is known by its proper name here in Washington, DC, and across the country.

I thank two colleagues of Mr. Natcher—Chairman PETRI and Chairman SHUSTER—for their quick work on bringing this legislation to the floor.

Mr. PETRI. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING of Kentucky. Mr. Speaker, to become an effective leader—a real leader—you need three ingredients:

Belief—You gotta believe in something.

Involvement—you can't lead unless you get down in the trenches yourself to make things happen.

Commitment—you have to stay in for the long haul—you have to overcome challenges and that takes time.

Belief, involvement, and commitment. That is what makes a leader. And Bill Natcher had all three.

For 40 years, Bill Natcher served in the House of Representatives. For 40 years, he never missed a day of work. For 40 years, he never missed a single vote—18,401 votes. That's commitment.

Nine Presidents came and went. He served under seven different Speakers of the House. But Bill Natcher was there day in day out, quietly going about the business of doing the people's business.

He didn't showboat. He didn't make a lot of speeches. He didn't schmooze with the press. He just quietly went about the business of public service. Because he believed in it.

And he was never shy about sharing his beliefs. I guess I heard his spiel a thousand times in the 7 years I was in Washington with him. He repeated it virtually every time he spoke before a group of Kentuckians visiting Washington. It wasn't a complex philosophy.

He would simply say, and I quote, "If you educate your children and if you provide for the health of your people, you will continue to live in the strongest Nation in the world."

That's it. That was the principle that motivated Bill Natcher for 40 years.

He believed—he got involved—and he demonstrated unbelievable commitment.

Because of that commitment, he did more than set voting and attendance records that will stand forever. He also made a very big difference in the health, education, and welfare of a whole nation.

That is leadership. That was Bill Natcher.

Bill Natcher deserves this honor—I rise in support of the resolution.

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Mr. PETRI. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Speaker, I rise in support of this resolution and commend my colleague, the gentleman from Kentucky [Mr. LEWIS], the sponsor of the bill, and the Representative of the Second Congressional District, a job which Mr. Natcher held, of course, for many years. I also commend the chairman, the gentleman from Wisconsin, Mr. PETRI, and the ranking member, Mr. RAHALL, for bringing this bill to the floor.

Bill Natcher was a patriot, pure and simple; a statesman, in every sense of the word, and a dear, dear friend to many in this institution; in fact, I would say all. He also served as an example of what every Member of this body aspires to be. He was of the highest character and the most impeccable integrity, with the moral courage and compass to follow his beliefs, to follow his tremendous sense of right and wrong. He was a longtime member, of course, of the Committee on Appropriations, its distinguished chairman beginning in December 1992. Before that, he served tirelessly for 18 years as chairman of the Subcommittee on Labor, Health and Human Services, and Education, and his accomplishments there have served this Nation in ways beyond our ability to fully appreciate.

There are many tributes that have been bestowed upon our State's former dean, and many more to come, I hope, but this tribute is especially fitting. Bill Natcher labored for years to build this bridge. When finished, the Natcher Bridge will be a daily reminder to his many beloved constituents of the tremendous service he gave to his district, his State, and the people of this Nation.

Again, I want to congratulate the gentleman from Kentucky [Mr. LEWIS] for sponsoring this memorial to one of our greatest statesmen in the House and the Congress, and I urge its adoption.

Mr. RAHALL. Mr. Speaker, I yield 3 minutes to the distinguished, very capable gentleman who is the Representative of the Third District of Kentucky, Mr. WARD.

Mr. WARD. Mr. Speaker, I thank the gentleman very much for yielding me time.

Mr. Speaker, I rise in support of this resolution and am very proud to be able to do so. I am disappointed that I was not able to get to know Bill Natcher. I had the opportunity on literally just a couple of occasions to introduce myself to him and to meet him. My service in this Congress began after his passing. But I do know very, very well of his reputation, because each of us who was involved in government and politics in Kentucky knew very well of Chairman Natcher.

We knew of him as an example to aspire to, not just his voting record, but obviously that reflected his commitment and his sense of duty, but more than that, to the way he conducted himself in office.

Chairman Natcher was a fellow who had no press secretary. Chairman Natcher was a fellow who regularly turned back some of his office budget to the Treasury. Chairman Natcher, in short, was a fellow who represented his district in a time-honored fashion that maybe is no longer to be seen and will never again be seen.

Chairman Natcher prided himself on campaigning out of his sedan. He drove around the Second Congressional District of Kentucky from courthouse to courthouse, from crossroads to crossroads, and made sure that the people of his district knew who he was and what he was about, and that he in turn knew who they were and what they were about.

I am delighted to have the opportunity to support this resolution, and look forward to driving across the William Natcher Bridge.

Mr. PETRI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I thank the distinguished gentleman for yielding me this time.

Mr. Speaker, I am pleased to rise in support of this resolution naming a bridge on behalf of our former leader, Chairman Natcher, who was a model for so many of us in the Congress. His dedication, his leadership, his devotion to public responsibilities, served as a reminder to all of us how much more we can and should be doing as we represent the people of our own districts.

I think this memorial is a befitting memorial in naming the bridge after Mr. Natcher, because he was like a sturdy bridge for all of us, between our constituents and the Congress and the Federal Government. I am pleased to rise in support of the resolution.

Mr. PETRI. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois, Mr. HENRY HYDE, the distinguished chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Speaker, I just cannot let this opportunity pass without paying homage to one of the really great people I have been privileged to meet in a rather long life. Bill Natcher was as close to a perfect legislator as I have ever encountered, a man of impeccable rectitude. He was as straight as he stood, which was with ramrod severity. He was honorable, he was straightforward. You knew where he stood on any issue and every issue. But, most importantly, his contributions, which were many, most importantly they were not that he ran the Committee on Appropriations with an iron hand, but with compassion and a generous hand. He never turned anybody away who needed help, any cause. He was a liberal in the best sense of the term as anybody I have ever met, and yet he kept a very tight ship.

But I think his most important and lasting contribution was his defense of the unborn. It was not very popular for him, but he was pro-life, and there are literally millions of children alive today because Bill Natcher would not budge on the issue of Federal funding for abortion. He was a great man, he is a great man, and one bridge is hardly enough, but at least it is a start.

God bless you, Bill Natcher.

Mr. OBERSTAR. Mr. Speaker, it is with a great deal of pride that I support the consideration of H.R. 3572. This legislation, which is the same bill the House passed last Congress but the Senate failed to act on, acknowledges the contribution of one of our dear friends and colleagues, William H. Natcher of the State of Kentucky, by designating the bridge on U.S. Route 231 crossing the Ohio River between Maceo, KY and Rockport, IN, as the "William H. Natcher Bridge". It is only fitting and proper that a major infrastructure project serve as a long and lasting monument in honor of Bill Natcher. He worked closely with the then-Committee on Public Works and Transportation to provide funding for the construction of this project.

For over 40 years, Bill Natcher worked tirelessly to serve his constituents and the Nation. His public service record is exemplary with having never missed a day of work and with having cast 18,401 consecutive rollcall votes until advised by his physicians to remain at the Bethesda Naval Hospital to receive medical treatment.

Mr. Speaker, more importantly, the character of the gentleman is what set him apart from many of his colleagues. He was a courteous, dignified, and considerate human being whom we all loved and respected. Throughout Bill Natcher's tenure in the House, he enjoyed tremendous respect. He exhibited true leadership virtues during his service as chairman of the Subcommittee on Labor, Health and Human Services, and Education and as chairman of the Committee on Appropriations. Under his tenure, all 13 appropriations bills were enacted on time, without the need for a continuing resolution.

In the 103d Congress, this committee worked closely with the gentlemen from Kentucky and was extremely proud of his willingness to work together to support legislation that maintained the integrity of the legislative process.

Mr. Speaker, it was an honor and privilege to have served for over 19 years in the House with my friend and colleague, Bill Natcher. I am pleased to support this legislation as a testament to the tremendous work he did for the State of Kentucky, its Second District, and the Nation, and I urge approval of the bill.

Mr. RAHALL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PETRI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. NETHERCUTT). The question is on the motion offered by the gentleman from Wisconsin [Mr. PETRI] that the House suspend the rules and pass the bill, H.R. 3572.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PETRI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3572.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SINGLE AUDIT ACT AMENDMENTS OF 1996

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1579) to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act").

The Clerk read as follows:

S. 1579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the "Single Audit Act Amendments of 1996".

(b) PURPOSES.—The purposes of this Act are to—

(1) promote sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities;

(2) establish uniform requirements for audits of Federal awards administered by non-Federal entities;

(3) promote the efficient and effective use of audit resources;

(4) reduce burdens on State and local governments, Indian tribes, and nonprofit organizations; and

(5) ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as amended by this Act).

SEC. 2. AMENDMENT TO TITLE 31, UNITED STATES CODE.

Chapter 75 of title 31, United States Code, is amended to read as follows:

"CHAPTER 75—REQUIREMENTS FOR SINGLE AUDITS

"Sec.
"7501. Definitions.
"7502. Audit requirements; exemptions.
"7503. Relation to other audit requirements.
"7504. Federal agency responsibilities and relations with non-Federal entities.
"7505. Regulations.
"7506. Monitoring responsibilities of the Comptroller General.
"7507. Effective date.

"§ 7501. Definitions

"(a) As used in this chapter, the term—

"(1) 'Comptroller General' means the Comptroller General of the United States;

"(2) 'Director' means the Director of the Office of Management and Budget;

"(3) 'Federal agency' has the same meaning as the term 'agency' in section 551(1) of title 5;

"(4) 'Federal awards' means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities;

"(5) 'Federal financial assistance' means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals in accordance with guidance issued by the Director;

"(6) 'Federal program' means all Federal awards to a non-Federal entity assigned a single number in the Catalog of Federal Domestic Assistance or encompassed in a group of numbers or other category as defined by the Director;

"(7) 'generally accepted government auditing standards' means the government auditing standards issued by the Comptroller General;

"(8) 'independent auditor' means—

"(A) an external State or local government auditor who meets the independence standards included in generally accepted government auditing standards; or

"(B) a public accountant who meets such independence standards;

"(9) 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

"(10) 'internal controls' means a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

"(A) Effectiveness and efficiency of operations.

"(B) Reliability of financial reporting.

"(C) Compliance with applicable laws and regulations;

"(11) 'local government' means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, any other instrumentality of local government and, in accordance with guidelines issued by the Director, a group of local governments;

"(12) 'major program' means a Federal program identified in accordance with risk-based criteria prescribed by the Director under this chapter, subject to the limitations described under subsection (b);

"(13) 'non-Federal entity' means a State, local government, or nonprofit organization;

"(14) 'nonprofit organization' means any corporation, trust, association, cooperative, or other organization that—

"(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

"(B) is not organized primarily for profit; and

"(C) uses net proceeds to maintain, improve, or expand the operations of the organization;

"(15) 'pass-through entity' means a non-Federal entity that provides Federal awards to a subrecipient to carry out a Federal program;

"(16) 'program-specific audit' means an audit of one Federal program;

"(17) 'recipient' means a non-Federal entity that receives awards directly from a Federal agency to carry out a Federal program;

"(18) 'single audit' means an audit, as described under section 7502(d), of a non-Federal entity that includes the entity's financial statements and Federal awards;

"(19) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian tribe; and

"(20) 'subrecipient' means a non-Federal entity that receives Federal awards through another non-Federal entity to carry out a Federal program, but does not include an individual who receives financial assistance through such awards.

"(b) In prescribing risk-based program selection criteria for major programs, the Director shall not require more programs to be identified as major for a particular non-Federal entity, except as prescribed under subsection (c) or as provided under subsection (d), than would be identified if the major programs were defined as any program for which total expenditures of Federal awards by the non-Federal entity during the applicable year exceed—

"(1) the larger of $30,000,000 or 0.15 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed $10,000,000,000;

"(2) the larger of $3,000,000, or 0.30 percent of the non-Federal entity's total Federal expenditures, in the case of a non-Federal entity for which such total expenditures for all programs exceed $100,000,000 but are less than or equal to $10,000,000,000; or

"(3) the larger of $300,000, or 3 percent of such total Federal expenditures for all programs, in the case of a non-Federal entity for which such total expenditures for all programs equal or exceed $300,000 but are less than or equal to $100,000,000.

"(c) When the total expenditures of a non-Federal entity's major programs are less than 50 percent of the non-Federal entity's total expenditures of all Federal awards (or such lower percentage as specified by the Director), the auditor shall select and test additional programs as major programs as necessary to achieve audit coverage of at least 50 percent of Federal expenditures by the non-Federal entity (or such lower percentage as specified by the Director), in accordance with guidance issued by the Director.

"(d) Loan or loan guarantee programs, as specified by the Director, shall not be subject to the application of subsection (b).

"§ 7502. Audit requirements; exemptions

"(a)(1)(A) Each non-Federal entity that expends a total amount of Federal awards equal to or in excess of $300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such non-Federal entity shall have either a single audit or a program-specific audit made for such fiscal year in accordance with the requirements of this chapter.

"(B) Each such non-Federal entity that expends Federal awards under more than one Federal program shall undergo a single audit in accordance with the requirements of subsections (b) through (i) of this section and guidance issued by the Director under section 7505.

"(C) Each such non-Federal entity that expends awards under only one Federal program and is not subject to laws, regulations, or Federal award agreements that require a financial statement audit of the non-Federal entity, may elect to have a program-specific audit conducted in accordance with applicable provisions of this section and guidance issued by the Director under section 7505.

"(2)(A) Each non-Federal entity that expends a total amount of Federal awards of less than $300,000 or such other amount specified by the Director under subsection (a)(3) in any fiscal year of such entity, shall be exempt for such fiscal year from compliance with—

"(i) the audit requirements of this chapter; and

"(ii) any applicable requirements concerning financial audits contained in Federal statutes and regulations governing programs under which such Federal awards are provided to that non-Federal entity.

"(B) The provisions of subparagraph (A)(ii) of this paragraph shall not exempt a non-Federal entity from compliance with any provision of a Federal statute or regulation that requires such non-Federal entity to maintain records concerning Federal awards provided to such non-Federal entity or that permits a Federal agency, pass-through entity, or the Comptroller General access to such records.

"(3) Every 2 years, the Director shall review the amount for requiring audits prescribed under paragraph (1)(A) and may adjust such dollar amount consistent with the purposes of this chapter, provided the Director does not make such adjustments below $300,000.

"(b)(1) Except as provided in paragraphs (2) and (3), audits conducted pursuant to this chapter shall be conducted annually.

"(2) A State or local government that is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(3) Any nonprofit organization that had biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995, is permitted to undergo its audits pursuant to this chapter biennially. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(c) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, performance audits shall not be required except as authorized by the Director.

"(d) Each single audit conducted pursuant to subsection (a) for any fiscal year shall—

"(1) cover the operations of the entire non-Federal entity; or

"(2) at the option of such non-Federal entity such audit shall include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered Federal awards during such fiscal year provided that each such audit shall encompass the financial statements and schedule of expenditures of Federal awards for each such department, agency, and organizational unit, which shall be considered to be a non-Federal entity.

"(e) The auditor shall—

"(1) determine whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles;

"(2) determine whether the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole;

"(3) with respect to internal controls pertaining to the compliance requirements for each major program—

"(A) obtain an understanding of such internal controls;

"(B) assess control risk; and

"(C) perform tests of controls unless the controls are deemed to be ineffective; and

"(4) determine whether the non-Federal entity has complied with the provisions of laws, regulations, and contracts or grants pertaining to Federal awards that have a direct and material effect on each major program.

"(f)(1) Each Federal agency which provides Federal awards to a recipient shall—

"(A) provide such recipient the program names (and any identifying numbers) from which such awards are derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter; and

"(B) review the audit of a recipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the recipient by the Federal agency.

"(2) Each pass-through entity shall—

"(A) provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter;

"(B) monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means;

"(C) review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity; and

"(D) require each of its subrecipients of Federal awards to permit, as a condition of receiving Federal awards, the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary for the pass-through entity to comply with this chapter.

"(g)(1) The auditor shall report on the results of any audit conducted pursuant to this section, in accordance with guidance issued by the Director.

"(2) When reporting on any single audit, the auditor shall include a summary of the auditor's results regarding the non-Federal entity's financial statements, internal controls, and compliance with laws and regulations.

"(h) The non-Federal entity shall transmit the reporting package, which shall include the non-Federal entity's financial statements, schedule of expenditures of Federal awards, corrective action plan defined under subsection (i), and auditor's reports developed pursuant to this section, to a Federal clearinghouse designated by the Director, and make it available for public inspection within the earlier of—

"(1) 30 days after receipt of the auditor's report; or

"(2)(A) for a transition period of at least 2 years after the effective date of the Single Audit Act Amendments of 1996, as established by the Director, 13 months after the end of the period audited; or

"(B) for fiscal years beginning after the period specified in subparagraph (A), 9 months after the end of the period audited, or within a longer timeframe authorized by the Federal agency, determined under criteria issued under section 7504, when the 9-month timeframe would place an undue burden on the non-Federal entity.

"(i) If an audit conducted pursuant to this section discloses any audit findings, as defined by the Director, including material noncompliance with individual compliance requirements for a major program by, or reportable conditions in the internal controls of, the non-Federal entity with respect to the matters described in subsection (e), the non-Federal entity shall submit to Federal officials designated by the Director, a plan for corrective action to eliminate such audit findings or reportable conditions or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit resolution standard promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(c).

"(j) The Director may authorize pilot projects to test alternative methods of achieving the purposes of this chapter. Such pilot projects may begin only after consultation with the Chair and Ranking Minority Member of the Committee on Governmental Affairs of the Senate and the Chair and Ranking Minority Member of the Committee on Government Reform and Oversight of the House of Representatives.

"§ 7503. Relation to other audit requirements

"(a) An audit conducted in accordance with this chapter shall be in lieu of any financial audit of Federal awards which a non-Federal entity is required to undergo under any other Federal law or regulation. To the extent that such audit provides a Federal agency with the information it requires to carry out its responsibilities under Federal law or regulation, a Federal agency shall rely upon and use that information.

"(b) Notwithstanding subsection (a), a Federal agency may conduct or arrange for additional audits which are necessary to carry out its responsibilities under Federal law or regulation. The provisions of this chapter do not authorize any non-Federal entity (or subrecipient thereof) to constrain, in any manner, such agency from carrying out or arranging for such additional audits, except that the Federal agency shall plan such audits to not be duplicative of other audits of Federal awards.

"(c) The provisions of this chapter do not limit the authority of Federal agencies to conduct, or arrange for the conduct of, audits and evaluations of Federal awards, nor limit the authority of any Federal agency Inspector General or other Federal official.

"(d) Subsection (a) shall apply to a non-Federal entity which undergoes an audit in accordance with this chapter even though it is not required by section 7502(a) to have such an audit.

"(e) A Federal agency that provides Federal awards and conducts or arranges for audits of non-Federal entities receiving such awards that are in addition to the audits of non-Federal entities conducted pursuant to this chapter shall, consistent with other applicable law, arrange for funding the full cost of such additional audits. Any such additional audits shall be coordinated with the Federal agency determined under criteria issued under section 7504 to preclude duplication of the audits conducted pursuant to this chapter or other additional audits.

"(f) Upon request by a Federal agency or the Comptroller General, any independent auditor conducting an audit pursuant to this chapter shall make the auditor's working papers available to the Federal agency or the Comptroller General as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this chapter. Such access to auditor's working papers shall include the right to obtain copies.

"§ 7504. Federal agency responsibilities and relations with non-Federal entities

"(a) Each Federal agency shall, in accordance with guidance issued by the Director under section 7505, with regard to Federal awards provided by the agency—

"(1) monitor non-Federal entity use of Federal awards, and

"(2) assess the quality of audits conducted under this chapter for audits of entities for which the agency is the single Federal agency determined under subsection (b).

"(b) Each non-Federal entity shall have a single Federal agency, determined in accordance with criteria established by the Director, to provide the non-Federal entity with technical assistance and assist with implementation of this chapter.

"(c) The Director shall designate a Federal clearinghouse to—

"(1) receive copies of all reporting packages developed in accordance with this chapter;

"(2) identify recipients that expend $300,000 or more in Federal awards or such other amount specified by the Director under section 7502(a)(3) during the recipient's fiscal year but did not undergo an audit in accordance with this chapter; and

"(3) perform analyses to assist the Director in carrying out responsibilities under this chapter.

"§ 7505. Regulations

"(a) The Director, after consultation with the Comptroller General, and appropriate officials from Federal, State, and local governments and nonprofit organizations shall prescribe guidance to implement this chapter. Each Federal agency shall promulgate such amendments to its regulations as may be necessary to conform such regulations to the requirements of this chapter and of such guidance.

"(b)(1) The guidance prescribed pursuant to subsection (a) shall include criteria for determining the appropriate charges to Federal awards for the cost of audits. Such criteria shall prohibit a non-Federal entity from charging to any Federal awards—

"(A) the cost of any audit which is—

"(i) not conducted in accordance with this chapter; or

"(ii) conducted in accordance with this chapter when expenditures of Federal awards are less than amounts cited in section 7502(a)(1)(A) or specified by the Director under section 7502(a)(3), except that the Director may allow the cost of limited scope audits to monitor subrecipients in accordance with section 7502(f)(2)(B); and

"(B) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with this chapter.

"(2) The criteria prescribed pursuant to paragraph (1) shall not, in the absence of documentation demonstrating a higher actual cost, permit the percentage of the cost of audits performed pursuant to this chapter charged to Federal awards, to exceed the ratio of total Federal awards expended by such non-Federal entity during the applicable fiscal year or years, to such non-Federal entity's total expenditures during such fiscal year or years.

"(c) Such guidance shall include such provisions as may be necessary to ensure that small business concerns and business concerns owned and controlled by socially and economically disadvantaged individuals will have the opportunity to participate in the performance of contracts awarded to fulfill the audit requirements of this chapter.

"§ 7506. Monitoring responsibilities of the Comptroller General

"(a) The Comptroller General shall review provisions requiring financial audits of non-Federal entities that receive Federal awards that are contained in bills and resolutions reported by the committees of the Senate and the House of Representatives.

"(b) If the Comptroller General determines that a bill or resolution contains provisions that are inconsistent with the requirements of this chapter, the Comptroller General shall, at the earliest practicable date, notify in writing—

"(1) the committee that reported such bill or resolution; and

"(2)(A) the Committee on Governmental Affairs of the Senate (in the case of a bill or resolution reported by a committee of the Senate); or

"(B) the Committee on Government Reform and Oversight of the House of Representatives (in the case of a bill or resolution reported by a committee of the House of Representatives).

"§ 7507. Effective date

"This chapter shall apply to any non-Federal entity with respect to any of its fiscal years which begin after June 30, 1996.".

SEC. 3. TRANSITIONAL APPLICATION.

Subject to section 7507 of title 31, United States Code (as amended by section 2 of this Act) the provisions of chapter 75 of such title (before amendment by section 2 of this Act) shall continue to apply to any State or local government with respect to any of its fiscal years beginning before July 1, 1996.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. HORN] and the gentlewoman from New York [Mrs. MALONEY] each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation is identical to H.R. 3184, legislation I introduced, the purpose of which is to improve the financial management of funds provided to grantees by the Federal Government. The bill would reduce paperwork burdens on States, local governments, universities, and other nonprofit organizations that receive Federal assistance.

I am very pleased that the chairman of the Committee on Government Reform and Oversight, Representative WILLIAM CLINGER, joins me in supporting the bill, as does Representative TOM DAVIS of Virginia, Representative CAROLYN MALONEY of New York, Representative COLLIN PETERSON of Minnesota, and Representative SCOTTY BAESLER of Kentucky.

This good government measure was developed on a bipartisan basis. It will strengthen accountability by recipients for the Federal assistance they receive, while providing flexibility to Federal agencies to place oversight resources where they are most effective.

S. 1579 amends the Single Audit Act of 1984. The 1984 act replaced multiple grant-by-grant audits of Federal Assistance programs with an annual entity-wide process for State and local governments that receive Federal financial assistance.

During the early 1990's groups affected by the Single Audit Act of 1984, such as the National State auditors Association and the President's Council on Integrity and Efficiency, began a comprehensive review of the efficacy of the act and from that effort developed suggestions on how it could be improved. The bill incorporates many of their ideas for improvement and has been endorsed by those groups.

The bill provides significant changes to the 1984 act. Those changes improve its usefulness.

The measure allows Federal program managers more flexibility in achieving the legislation's purpose, and reduces the audit burden on both the managers and the recipients of funding freeing up time and resources for programs. It improves the reporting process by asking for reports on programs within a shorter time frame, with the addition of user-friendly summaries.

The legislation improves audit coverage by placing both State and local governments and nonprofit organizations under the same single audit process, and under the same rules. In accordance with current law, not-for-profits are not covered by the 1984 act, but instead by circular A–133 which is guidance created by the Office of Management and Budget. This change helps Federal auditors as well as recipients of Federal aid since there will be a single set of rules to follow affording less potential for confusion and error.

The bill reduces the burden of a fiscal audit on recipients. The threshold for requiring a single audit is raised from $100,000 annually to $300,000 annually. An organization receiving less than $100,000 would not be required to have an audit; however it would remain subject to monitoring and is required to report on the use of the funds. By raising the threshold for requiring an audit the bill reduces both the audit and paperwork burden, thereby allowing more funds for use by the program.

It is important to note that this change will still allow for 95 percent of Federal funds provided to recipients to be audited ensuring accountability of the use of Federal funds. This is the same percentage targeted for coverage by the 1984 act.

It is imperative that the Federal Government better account for the expenditure of the tax dollars of the American people. The Single Audit Act helps to accomplish this objective. It does so while eliminating unnecessary audits and requiring that all Federal agencies granting money to an organization use the single audit. As a former university president, I know that Government paperwork requirements cost staff time and financial resources that could be better used to provide services and jobs. Common sense must be applied to Government requirements. This bill does just that.

The Single Audit Act of 1984 replaced a disparate approach to audits of individual State and local recipients of Federal funds. Prior to its passage a system of multiple grant-by-grant audits existed. This created a scenario where an organization receiving Federal funds from more than one Federal source could find itself spending vast amounts of time and resources providing identical information to different Federal auditors simply because the funding came from different government agencies. Often the agencies would schedule audits at the same time resulting in a situation where several Federal auditors competed for the same records. Making matters worse, there also existed a variety of overlapping, inconsistent, and, too often, duplicative Federal agency requirements for audits of individual programs. The Single Audit Act replaced that with a unified approach which my legislation continues.

As I noted, the benefits of the bill include:

The broadening of the scope of the Single Audit Act to include nonprofit organizations, along with State and local governments that receive Federal assistance. State and local governments currently follows the guidance in OMB circular A–128; nonprofits follow the guidance in OMB circular A–133. This change will allow the Office of Management and Budget to develop one consolidated body of audit requirements for recipients of Federal assistance.

The Federal burden on many of those entities now required to have single audits will be reduced by the proposal, while retaining the same level of audit coverage that the 1984 act provided. This occurs by raising the Federal dollar threshold for requiring a single audit from $100,000 to $300,000. This will benefit small entities which will not longer be burdened by the existing OMB circular A–133 regulations.

In addition the bill will allow for a risk-based approach to audit testing. This will encourage the refocusing of audit resources to places where there is the greatest risk of waste, fraud or abuse. Based on guidance developed by the Office of Management and Budget, auditors will be able to exercise good professional judgment in selecting programs for testing rather than automatically auditing the same programs year after year.

Over the last few years we have made great strides in reforming Federal financial management. Much remains to be done. The Single Audit Act of 1984 started the process with States and local governments and devised great improvements in financial management by those governments. The Chief Financial Officers Act of 1990 continued the process and extended the concept of financial accountability to the executive branch. The Single Audit Act Amendments of 1996 continues the process further by allowing experimentation with performance auditing—the process of looking at the effectiveness of a program achievement of its goal—and allowing for the use of judgment, focusing on a risk-based approach to auditing rather than just mechanically following rules. S. 1579 builds on the accomplishments of the 1984 act, and will lead to additional improvement for both Federal agencies and recipients of Federal assistance. It is a good government, commonsense initiative. I urge support of this motion.

□ 1700

Mr. Speaker, I reserve the balance of my time.

Mrs. MALONEY. Mr. Speaker, I yield myself such time as I may consume.

As the ranking Democrat of the Subcommittee on Government Management, Information and Technology, I am proud to be the ranking Democratic sponsor of H.R. 3184, the companion bill to S. 1579, the Single Audit Act Amendments of 1996. I would like to thank the gentleman from California [Mr. HORN], for the bipartisan spirit with which he has approached and worked on this legislation and for his leadership on this legislation.

This legislation builds on the Single Audit Act of 1984, which replaced the inefficient, cumbersome, multiple grant-by-grant audits of Federal assistance programs with an annual entity-wide audit, greatly simplifying and improving the system.

H.R. 3184's major reforms would enhance audit coverage; reduce administrative burdens; increase effectiveness by establishing a risk-based approach for selecting programs for audit, as opposed to auditing every single program; thereby focusing resources where they are most needed; improve reporting and simplify reporting; and increase administrative flexibility.

Today, more than ever, with 20 percent of the Federal budget being passed through to the State and local governments, it is important that we have a good accounting of these funds.

In 1960 the Federal Government gave 7 percent of its funds to State and local governments, $7 billion out of $100 billion budget. In 1981, when Congress began discussing the single audit concept, the Federal budget had grown fivefold, but transfers to State and local governments had grown to $95 billion, nearly a 14-fold increase. Today, nearly 20 percent of the Federal budget of $1.5 trillion goes to State and local governments.

The Single Audit Act was designed to create a system of accountability for those dollars. Over the last 12 years it has served us well.

The Single Audit Act of 1984 addressed a serious problem of accountability. It replaced a system of multiple grant-by-grant audits with a single entitywide audit of all Federal funds.

Prior to the act, there were many overlapping, inconsistent and duplicative Federal requirements. The act eliminated this duplication and provided a set of uniform auditing requirements. At the same time, it improved accountability for billions of dollars and reduced the paperwork burden on State and local governments.

The Single Audit Act Amendments of 1996 updates the law and makes needed and necessary changes.

The threshold of $100,000 for auditing State and local governments was carefully selected in 1984 to cover 95 percent of all transfers. Because of inflation, that threshold now covers 99 percent of all transfers. This bill raises that threshold to $300,000, returning coverage to the 95 percent level.

To increase the administrative flexibility, this bill also gives the director of the Office of Management and Budget the authority to adjust the threshold for future inflation. Currently, institutions of higher education and other nonprofit organizations of higher education and other nonprofit organizations receiving Federal funds are audited under executive authority. These amendments will codify the audit requirements for those entities. It is important to note that this bill also makes the results of these audits more useful to the officials responsible for overseeing Federal funds.

The bill calls for more timely reports, reducing the time from 13 months to 9, and reports that emphasize the auditor's conclusions, the quality of internal controls, and the continuing interest of the Federal Government.

This bill has been negotiated over the last year to address the concerns of a number of interested parties. The success of those negotiations is reflected in the wide support that the bill enjoys. In addition to bipartisan sponsorship in the House and Senate, the bill is endorsed by the National State Auditors Association and the administration.

Mr. Speaker, I thank the chairman, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. HORN. Mr. Speaker, I thank my distinguished colleague from New York for her help and cooperation, and I likewise appreciate the help and cooperation of the gentleman from Minnesota [Mr. PETERSON], who, as an accountant, made a great contribution to the shaping of this bill.

Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. DAVIS], one of the most active colleagues on our subcommittee and the full committee.

Mr. DAVIS. Mr. Speaker, I rise today in support of S. 1579, the Single Audit Act Amendments of 1996. S. 1579 is an important piece of legislation that will significantly reduce the Federal burden on State and local governments by amending the Single Audit Act of 1984. As the former head of government in Fairfax County, VA, I am keenly aware of the success of the Single Audit Act and the worthiness of these followup amendments.

The 1984 act replaced multiple grant-by-grant audits of Federal assistance programs with an annual entitywide audit process for State and local governments receiving Federal assistance.

S. 1579 will provide needed changes to the 1984 act by reducing unnecessary audit burdens on recipients of Federal assistance while at the same time ensuring that accountability for the use of Federal funds is maintained. The amendments also provide administrative flexibility to adjust statutory requirements and allow for a more efficient and cost-effective audit approach.

Several studies have been conducted that illustrate the influence of the 1984 act on the financial management practices of State and local governments receiving Federal assistance. All State and local participants of the studies have agreed that the single audit process has improved the approach to auditing Federal assistance, but that further improvements are desirable.

This bill will meet these desired changes by significantly reducing the Federal burden on State and local governments by raising the single audit threshold from $100,000 to $300,000 and eliminating the $25,000 threshold for program audits. These changes will reduce audit and paperwork burdens, while preserving audit coverage of the bulk of Federal assistance. Why spend $30,000 auditing a $25,000 grant?

The General Accounting Office has estimated that the $300,000 threshold would cover 95 percent of direct Federal assistance to local governments, which is commensurate with the coverage provided at the $100,000 threshold when the act was passed in 1984. In effect, the exempting of thousands of entities from single audits would reduce audit and paperwork burdens, but would not significantly diminish the percentage of Federal assistance covered by single audits.

Those entities that would fall below the $300,000 threshold would be exempt from federally mandated audit coverage but would still have to comply with the Federal requirements to maintain records or permit access to records. The elimination of the $25,000 threshold, which requires entities to have a program audit of each Federal program they administer, would further simplify the act by having only one single audit threshold.

This bill, Mr. Speaker, is a commonsense package of amendments that will serve to further enhance the effectiveness of the Single Audit Act by reducing the Federal burden on State and local governments. Therefore, I thank the gentleman from California [Mr. HORN], the gentleman from Pennsylvania [Mr. CLINGER], and the gentlewoman from New York [Mrs. MALONEY] for their leadership on this issue, and I urge support of the bill.

Mrs. MALONEY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS], the distinguished ranking member of the Committee on Government Reform and Oversight.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of this bill, and commend Ranking Minority Member MALONEY and Chairman HORN for their hard efforts on behalf of this legislation.

The Single Audit Act of 1984 addressed a serious problem of accountability. It is more important today than ever.

The interaction between the Federal Government and State and local governments is far more complex than it was 35 years ago. In 1960, out of a total Federal budget of about $100 billion, the Federal Government gave $7 billion to State and local governments. In 1981, when Congress began discussing the single audit concept, the Federal budget had grown five-fold, but transfers to State and local governments had grown to $95 billion—nearly a 14-fold increase.

Today, nearly 20 percent of the Federal budget of $1.5 trillion, or 20 percent of the taxes collected by the IRS, goes to State and local governments. The Single Audit Act was designed to create a system of accountability for those dollars. Over the last 12 years it has served us well.

The experience of the last 12 years has also shown a number of places where the legislation can be improved. The Single Audit Act Amendments of 1996 incorporates those changes.

The threshold of $100,000 for auditing State and local governments was carefully selected in 1984 to cover 95 percent of all transfers. Because of inflation, that threshold now covers 99 percent of all transfers. This bill raises the threshold to $300,000, and returns coverage to the 95 percent level. This bill also give the Director of the Office of Management and Budget the authority to adjust the threshold for future inflation.

Among other changes to the Single Audit Act, this bill makes the results of these audits more useful to the administration officials responsible for overseeing these funds, by requiring more timely reports—reducing the time from 13 months to 9—and requiring that reports emphasize the auditors conclusions, the quality of internal controls, and the continuing interests of the Federal Government.

This bill has been negotiated over the last year to address the concerns of a number of interested parties. The success of those negotiations is reflected in the wide support this bill enjoys. In addition to bipartisan sponsorship in the House and Senate, the bill is endorsed by the National State Auditors Association, and the administration.

Mr. Speaker, I again commend the ranking member and the chairman of the subcommittee for this fine piece of work, and urge all of my colleagues to support this good piece of legislation.

Mrs. MALONEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HORN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. NETHERCUTT). The question is on the motion offered by the gentleman from California [Mr. HORN] that the House suspend the rules and pass the Senate bill, S. 1579.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

□ 1715

IRAN AND LIBYA SANCTIONS ACT OF 1996

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3107) to impose sanctions on persons exporting certain goods or technology that would enhance Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Iran and Libya Sanctions Act of 1996".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of acts of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which the United States shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction and acts of international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

(3) The Government of Iran uses its diplomatic facilities and quasi-governmental institutions outside of Iran to promote acts of international terrorism and assist its nuclear, chemical, biological, and missile weapons programs.

(4) The failure of the Government of Libya to comply with Resolutions 731, 748, and 883 of the Security Council of the United Nations, its support of international terrorism, and its efforts to acquire weapons of mass destruction constitute a threat to international peace and security that endangers the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

SEC. 3. DECLARATION OF POLICY.

(a) POLICY WITH RESPECT TO IRAN.—The Congress declares that it is the policy of the United States to deny Iran the ability to support acts of international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the development of Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources of Iran.

(b) POLICY WITH RESPECT TO LIBYA.—The Congress further declares that it is the policy of the United States to seek full compliance by Libya with its obligations under Resolutions 731, 748, and 883 of the Security Council of the United Nations, including ending all support for acts of international terrorism and efforts to develop or acquire weapons of mass destruction.

SEC. 4. MULTILATERAL REGIME.

(a) MULTILATERAL NEGOTIATIONS.—In order to further the objectives of section 3, the Congress urges the President to commence immediately diplomatic efforts, both in appropriate international fora such as the United Nations, and bilaterally with allies of the United States, to establish a multilateral sanctions regime against Iran, including provisions limiting the development of petroleum resources, that will inhibit Iran's efforts to carry out activities described in section 2.

(b) REPORTS TO CONGRESS.—The President shall report to the appropriate congressional committees, not later than 1 year after the date of the enactment of this Act, and periodically thereafter, on the extent that diplomatic efforts described in subsection (a) have been successful. Each report shall include—

(1) the countries that have agreed to undertake measures to further the objectives of section 3 with respect to Iran, and a description of those measures; and

(2) the countries that have not agreed to measures described in paragraph (1), and, with respect to those countries, other measures (in addition to that provided in subsection (d)) the President recommends that the United States take to further the objectives of section 3 with respect to Iran.

(c) WAIVER.—The President may waive the application of section 5(a) with respect to nationals of a country if—

(1) that country has agreed to undertake substantial measures, including economic sanctions, that will inhibit Iran's efforts to carry out activities described in section 2 and information required by subsection (b)(1) has been included in a report submitted under subsection (b); and

(2) the President, at least 30 days before the waiver takes effect, notifies the appropriate congressional committees of his intention to exercise the waiver.

(d) ENHANCED SANCTION.—

(1) SANCTION.—With respect to nationals of countries except those with respect to which the President has exercised the waiver authority of subsection (c), at any time after the first report is required to be submitted under subsection (b), section 5(a) shall be applied by substituting "$20,000,000" for "$40,000,000" each place it appears, and by substituting "$5,000,000" for "$10,000,000".

(2) REPORT TO CONGRESS.—The President shall report to the appropriate congressional committees any country with respect to which paragraph (1) applies.

(e) INTERIM REPORT ON MULTILATERAL SANCTIONS; MONITORING.—The President, not later than 90 days after the date of the enactment of this Act, shall report to the appropriate congressional committees on—

(1) whether the member states of the European Union, the Republic of Korea, Australia, Israel, or Japan have legislative or administrative standards providing for the imposition of trade sanctions on persons or their affiliates doing business or having investments in Iran or Libya;

(2) the extent and duration of each instance of the application of such sanctions; and

(3) the disposition of any decision with respect to such sanctions by the World Trade Organization or its predecessor organization.

SEC. 5. IMPOSITION OF SANCTIONS.

(a) SANCTIONS WITH RESPECT TO IRAN.—Except as provided in subsection (f), the President shall impose 2 or more of the sanctions described in paragraphs (1) through (6) of section 6 if the President determines that a person has, with actual knowledge, on or after the date of the enactment of this Act, made an investment of $40,000,000 or more (or any combination of investments of at least $10,000,000 each, which in the aggregate equals or exceeds $40,000,000 in any 12-month period), that directly and significantly contributed to the enhancement of Iran's ability to develop petroleum resources of Iran.

(b) SANCTIONS WITH RESPECT TO LIBYA.—

(1) TRIGGER OF MANDATORY SANCTIONS.—Except as provided in subsection (f), the President shall impose 2 or more of the sanctions described in paragraphs (1) through (6) of section 6 if the President determines that a person has, with actual knowledge, on or after the date of the enactment of this Act, exported, transferred, or otherwise provided to Libya any goods, services, technology, or other items the provision of which is prohibited under paragraph 4(b) or 5 of Resolution 748 of the Security Council of the United Nations, adopted March 31, 1992, or under paragraph 5 or 6 of Resolution 883 of the Security Council of the United Nations, adopted November 11, 1993, if the provision of such items significantly and materially—

(A) contributed to Libya's ability to acquire chemical, biological, or nuclear weapons or destabilizing numbers and types of advanced conventional weapons or enhanced Libya's military or paramilitary capabilities;

(B) contributed to Libya's ability to develop its petroleum resources; or

(C) contributed to Libya's ability to maintain its aviation capabilities.

(2) TRIGGER OF DISCRETIONARY SANCTIONS.—Except as provided in subsection (f), the President may impose 1 or more of the sanctions described in paragraphs (1) through (6) of section 6 if the President determines that a person has, with actual knowledge, on or after the date of the enactment of this Act, made an investment of $40,000,000 or more (or any combination of investments of at least $10,000,000 each, which in the aggregate equals or exceeds $40,000,000 in any 12-month period), that directly and significantly contributed to the enhancement of Libya's ability to develop its petroleum resources.

(c) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsections (a) and (b) shall be imposed on—

(1) any person the President determines has carried out the activities described in subsection (a) or (b); and

(2) any person the President determines—

(A) is a successor entity to the person referred to in paragraph (1);

(B) is a parent or subsidiary of the person referred to in paragraph (1) if that parent or subsidiary, with actual knowledge, engaged in the activities referred to in paragraph (1); or

(C) is an affiliate of the person referred to in paragraph (1) if that affiliate, with actual knowledge, engaged in the activities referred to in paragraph (1) and if that affiliate is controlled in fact by the person referred to in paragraph (1).

For purposes of this Act, any person or entity described in this subsection shall be referred to as a "sanctioned person".

(d) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons and entities on whom sanctions have been imposed under this Act. The removal of persons or entities from, and the addition of persons and entities to, the list, shall also be so published.

(e) PUBLICATION OF PROJECTS.—The President shall cause to be published in the Federal Register a list of all significant projects which have been publicly tendered in the oil and gas sector in Iran.

(f) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under subsection (a) or (b)—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(B) if the President determines in writing that the person to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(C) if the President determines in writing that such articles or services are essential to the national security under defense co-production agreements;

(2) in the case of procurement, to eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b)(1) of that Act (19 U.S.C. 2511(b)(1));

(3) to products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed;

(4) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(6) to information and technology essential to United States products or production; or

(7) to medicines, medical supplies, or other humanitarian items.

SEC. 6. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a sanctioned person under section 5 are as follows:

(1) EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.—The President may direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) EXPORT SANCTION.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(i) the Export Administration Act of 1979;

(ii) the Arms Export Control Act;

(iii) the Atomic Energy Act of 1954; or

(iv) any other statute that requires the prior review and approval of the United States Government as a condition for the export or re-export of goods or services.

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making loans or providing credits to any sanctioned person totaling more than $10,000,000 in any 12-month period unless such person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(4) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against a sanctioned person that is a financial institution:

(A) PROHIBITION ON DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) PROHIBITION ON SERVICE AS A REPOSITORY OF GOVERNMENT FUNDS.—Such financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.

The imposition of either sanction under subparagraph (A) or (B) shall be treated as 1 sanction for purposes of section 5, and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of section 5.

(5) PROCUREMENT SANCTION.—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from a sanctioned person.

(6) ADDITIONAL SANCTIONS.—The President may impose sanctions, as appropriate, to restrict imports with respect to a sanctioned person, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 and following).

SEC. 7. ADVISORY OPINIONS.

The Secretary of State may, upon the request of any person, issue an advisory opinion to that person as to whether a proposed activity by that person would subject that person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, will not be made subject to such sanctions on account of such activity.

SEC. 8. TERMINATION OF SANCTIONS.

(a) IRAN.—The requirement under section 5(a) to impose sanctions shall no longer have force or effect with respect to Iran if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; and

(C) ballistic missiles and ballistic missile launch technology; and

(2) has been removed from the list of countries the governments of which have been determined, for purposes of section 6(j) of the Export Administration Act of 1979, to have repeatedly provided support for acts of international terrorism.

(b) LIBYA.—The requirement under section 5(b) to impose sanctions shall no longer have force or effect with respect to Libya if the President determines and certifies to the appropriate congressional committees that Libya has fulfilled the requirements of United Nations Security Council Resolution 731, adopted January 21, 1992, United Nations Security Council Resolution 748, adopted March 31, 1992, and United Nations Security Council Resolution 883, adopted November 11, 1993.

SEC. 9. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.

(a) DELAY OF SANCTIONS.—

(1) CONSULTATIONS.—If the President makes a determination described in section 5(a) or 5(b) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions under this Act.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue consultations under paragraph (1) with the government concerned, the President may delay imposition of sanctions under this Act for up to 90 days. Following such consultations, the President shall immediately impose sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President under section 5(a) or 5(b) concerning such person.

(3) ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the person concerned is in the process of taking the actions described in paragraph (2).

(4) REPORT TO CONGRESS.—Not later than 90 days after making a determination under section 5(a) or 5(b), the President shall submit to the appropriate congressional committees a report on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).

(b) DURATION OF SANCTIONS.—A sanction imposed under section 5 shall remain in effect—

(1) for a period of not less than 2 years from the date on which it is imposed; or

(2) until such time as the President determines and certifies to the Congress that the person whose activities were the basis for imposing the sanction is no longer engaging in such activities and that the President has received reliable assurances that such person will not knowingly engage in such activities in the future, except that such sanction shall remain in effect for a period of at least 1 year.

(c) PRESIDENTIAL WAIVER.—

(1) AUTHORITY.—The President may waive the requirement in section 5 to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is important to the national interest of the United States to exercise such waiver authority.

(2) CONTENTS OF REPORT.—Any report under paragraph (1) shall provide a specific and detailed rationale for the determination under paragraph (1), including—

(A) a description of the conduct that resulted in the determination under section 5(a) or (b), as the case may be;

(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction over the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination under section 5(a) or (b), as the case may be;

(C) an estimate as to the significance—

(i) of the provision of the items described in section 5(a) to Iran's ability to develop its petroleum resources, or

(ii) of the provision of the items described in section 5(b)(1) to the abilities of Libya described in subparagraph (A), (B), or (C) of section 5(b)(1), or of the investment described in section 5(b)(2) on Libya's ability to develop its petroleum resources, as the case may be; and

(D) a statement as to the response of the United States in the event that the person concerned engages in other activities that would be subject to section 5(a) or (b).

(3) EFFECT OF REPORT ON WAIVER.—If the President makes a report under paragraph (1) with respect to a waiver of sanctions on a person described in section 5(c), sanctions need not be imposed under section 5(a) or (b) on that person during the 30-day period referred to in paragraph (1).

SEC. 10. REPORTS REQUIRED.

(a) REPORT ON CERTAIN INTERNATIONAL INITIATIVES.—Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter, the President shall transmit a report to the appropriate congressional committees describing—

(1) the efforts of the President to mount a multilateral campaign to persuade all countries to pressure Iran to cease its nuclear, chemical, biological, and missile weapons programs and its support of acts of international terrorism;

(2) the efforts of the President to persuade other governments to ask Iran to reduce the presence of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran and to withdraw any such diplomats or representatives who participated in the takeover of the United States embassy in Tehran on November 4, 1979, or the subsequent holding of United States hostages for 444 days;

(3) the extent to which the International Atomic Energy Agency has established regular inspections of all nuclear facilities in Iran, including those presently under construction; and

(4) Iran's use of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran to promote acts of international terrorism or to develop or sustain Iran's nuclear, chemical, biological, and missile weapons programs.

(b) OTHER REPORTS.—The President shall ensure the continued transmittal to the Congress of reports describing—

(1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act of 1978 and section 1607 of the National Defense Authorization Act for Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual report on international terrorism.

SEC. 11. DETERMINATIONS NOT REVIEWABLE.

A determination to impose sanctions under this Act shall not be reviewable in any court.

SEC. 12. EXCLUSION OF CERTAIN ACTIVITIES.

Nothing in this Act shall apply to any activities subject to the reporting requirements of title V of the National Security Act of 1947.

SEC. 13. EFFECTIVE DATE; SUNSET.

(a) EFFECTIVE DATE.—This Act shall take effect on the date of the enactment of this Act.

(b) SUNSET.—This Act shall cease to be effective on the date that is 5 years after the date of the enactment of this Act.

SEC. 14. DEFINITIONS.

As used in this Act:

(1) ACT OF INTERNATIONAL TERRORISM.—The term "act of international terrorism" means an act—

(A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

(B) which appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by assassination or kidnapping.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Foreign Relations of the Senate and the Committee on Ways and Means, the Committee on Banking and Financial Services, and the Committee on International Relations of the House of Representatives.

(3) COMPONENT PART.—The term "component part" has the meaning given that term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) DEVELOP AND DEVELOPMENT.—To "develop", or the "development" of, petroleum resources means the exploration for, or the extraction, refining, or transportation by pipeline of, petroleum resources.

(5) FINANCIAL INSTITUTION.—The term "financial institution" includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter; and

(E) any other company that provides financial services.

(6) FINISHED PRODUCT.—The term "finished product" has the meaning given that term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).

(7) FOREIGN PERSON.—The term "foreign person" means—

(A) an individual who is not a United States person or an alien lawfully admitted for permanent residence into the United States; or

(B) a corporation, partnership, or other nongovernmental entity which is not a United States person.

(8) GOODS AND TECHNOLOGY.—The terms "goods" and "technology" have the meanings given those terms in section 16 of the Export Administration Act of 1979 (50 U.S.C. app. 2415).

(9) INVESTMENT.—The term "investment" means any of the following activities if such activity is undertaken pursuant to an agreement, or pursuant to the exercise of rights under such an agreement, that is entered into with the Government of Iran or a nongovenmental entity in Iran, or with the Government of Libya or a nongovernmental entity in Libya, on or after the date of the enactment of this Act:

(A) The entry into a contract that includes responsibility for the development of petroleum resources located in Iran or Libya (as the case may be), or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract.

(B) The purchase of a share of ownership, including an equity interest, in that development.

(C) The entry into a contract providing for the participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

The term "investment" does not include the entry into, performance, or financing of a contract to sell or purchase goods, services, or technology.

(10) IRAN.—The term "Iran" includes any agency or instrumentality of Iran.

(11) IRANIAN DIPLOMATS AND REPRESENTATIVES OF OTHER GOVERNMENT AND MILITARY OR QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—The term "Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran" includes employees, representatives, or affiliates of Iran's—

(A) Foreign Ministry;

(B) Ministry of Intelligence and Security;

(C) Revolutionary Guard Corps;

(D) Crusade for Reconstruction;

(E) Qods (Jerusalem) Forces;

(F) Interior Ministry;

(G) Foundation for the Oppressed and Disabled;

(H) Prophet's Foundation;

(I) June 5th Foundation;

(J) Martyr's Foundation;

(K) Islamic Propagation Organization; and

(L) Ministry of Islamic Guidance.

(12) LIBYA.—The term "Libya" includes any agency or instrumentality of Libya.

(13) NUCLEAR EXPLOSIVE DEVICE.—The term "nuclear explosive device" means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material (as defined in section 11aa. of the Atomic Energy Act of 1954) that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(14) PERSON.—The term "person" means—

(A) a natural person;

(B) a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(C) any successor to any entity described in subparagraph (B).

(15) PETROLEUM RESOURCES.—The term "petroleum resources" includes petroleum and natural gas resources.

(16) UNITED STATES OR STATE.—The term "United States" or "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(17) UNITED STATES PERSON.—The term "United States person" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; and

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons described in subparagraph (A) own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity.

The SPEAKER pro tempore (Mr. STEARNS). Pursuant to the rule, the gentleman from New York [Mr. GILMAN] and the gentleman from Indiana [Mr. HAMILTON] each will control 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

Mr. Speaker, I rise in support of H.R. 3107, the Iran and Libya Sanctions Act of 1996 which mandates sanctions on persons making investments that would enhance the ability of Iran to explore for, extract, refine, or transport by pipeline petroleum resources.

It would also establish a mandatory sanctions regime on foreign persons who violate United Nations Security Council Resolutions 748 and 883 by selling weapons, aviation equipment, and oil equipment to Libya, a country responsible for the cowardly and unforgivable attack on Pan Am flight 103 in December 1988.

I take great pleasure in bringing before the House a bill that would put our country on the front lines of our fight to combat state-supported terrorism and that will help to induce our allies in Europe and Asia to join us in a multilateral sanctions regime against Iran.

This multilateral sanctions regime will allow the President to waive the application of sanctions against the nationals of a country that has put in place its own sanctions regime against Iran, but it will also require him to impose an enhanced sanction—in the form of a reduction in the trigger level for investment in Iran from $40 to $20 million—against the nationals of all other countries.

In short, the bill requires foreign companies to choose between investing in our market and those of Iran and Libya. In the process, it gives the President the policy tools he needs to begin fulfilling his pledges to increase diplomatic and economic pressure on the Iranian and Libyan Governments.

As approved by the Ways and Means Committee in close consultation with the House International Relations Committee, this bill imposes a sanction regime on companies helping to develop the oil and gas industries in Iran and Libya. Its enactment can sharply diminish the future revenues from oil and gas production of these rogue regimes and will put a halt to their campaigns of state-sponsored terrorism and their efforts to develop weapons of mass destruction.

Iran looms as the principal long-term threat to United States interests in the Persian Gulf and the Middle East. It continues its terrorist and subversive activities against its neighbors in the Gulf states and around the world, as far away as Argentina. Over the past year, Iran has actively supported efforts to destabilize Bahrain, promoting the Gulf Cooperation Council to issue a public statement admonishing Iran to put a halt to its subversive policies in the region.

Its leaders openly advocate the destruction of the state of Israel and its support for terrorist groups in Lebanon have led to renewed rounds of violence in that country and have set back the prospects for a peace accord in the Middle East.

Iran, like Iraq, has launched a clandestine program to build nuclear weapons and missile systems capable of delivering weapons of mass destruction payloads to targets up to 1,000 kilometers from its borders, thereby threatening key allies in the region including Jordan, Israel, and Turkey.

In his testimony before the House International Relations Committee on November 9, 1995, Peter Tarnoff, Under Secretary of State for political Affairs, noted that any foreign investment to help increase offshore oil and gas production would inevitably lead to increase financial support by Iran for its weapons of mass destruction and terrorist activities.

An April 1996 report on proliferation issued by the Office of the Secretary of Defense came to the same conclusion in regard to Libya. It noted it particular, that and I quote:

> Libya probably dedicates several hundred million dollars annually to acquire nuclear, biological and chemical weapons and missiles made possible by its substantial income from oil and gas exports.

In the most recent State Department report on global terrorism, it was noted that the end of 1995 marked the 4th year of Libya's refusal to comply with the demands of U.N. Security Council Resolution 731. This measure was adopted following the indictments on November 1991 of two Libyan intelligence agents for the bombing in 1988 of Pan Am flight 103 which killed 189 Americans.

This resolution endorsed the demands of the United States, the United Kingdom, and France that Libya turn over the two suspects for trial in the United States or the United Kingdom, pay compensation to the victims and fully cooperate in the investigations into the bombings of Pan Am 103 and UTA flight 772.

U.N. Security Council Resolution 748 was adopted in April 1992 as a result of Libya's refusal to comply with UNSCR 731.

Resolution 748 imposed sanctions that embargoed Libya's civil aviation and military procurement efforts and required all states to reduce Libya's diplomatic presence.

Yet another resolution adopted in November 1993, UNSCR 883, imposed additional sanctions on Libya, including a freeze on limited assets and an oil technology ban. To date, none of these efforts have produced these two indicted officials for trial either in the U.S. or the U.K.

I have consistently argued for and urged the administration to increase the pressure to comply with all existing U.N. resolutions and should adopt policies that can begin to implement some of the campaign promises that Governor Bill Clinton made in September 1992 to the family of one of the Pan Am 103 victims to broaden oil sanctions on Libya.

Adoption of the provisions in this bill in regard to Libya will put teeth in these U.N. sanctions and give the President the authority he needs to begin imposing sanctions on companies making new investments in the oil and gas sector in this terrorist country.

By imposing a total embargo on Iran in March of last year, the administration took an important step in our efforts to isolate Iran. Together with the Junior Senator from New York, Mr. D'AMATO, I have been pressing the administration to take additional steps to reduce Iran's funding sources for its worldwide subversive activities and for its programs supporting weapons of mass destruction.

If we want our deeds to match our words in this effort, enactment of this bill is the next and necessary step to contain the terrorist activities of both Iran and Libya. By asking foreign companies to make a simple choice between the American market and those of Iran and Libya, this bill will help the administration deliver an unmistakable message to our European and Asian allies that the era of critical bilateral dialog is over and the time for multilateral action has now begun.

The bipartisan bill before us today requires the President to impose sanctions on companies making investments of $40 million or more that would enhance the ability of Iran to develop its petroleum resources.

If he made such a determination, the President would have to pick two or more sanctions from a list of six sanctions including: A denial of Eximbank assistance; a denial of specific licenses for the export of controlled technology; a suspension of imports under the provisions of the International Emergency Economic Powers Act; a prohibition on a sanctioned financial institution from serving as a primary dealer in U.S. Government debt instruments; a prohibition on any U.S. financial institution from making any loan to a sanctioned person over $10 million a year; and a ban on any U.S. Government procurement of any goods or services from a sanctioned person.

The legislation allows the President to delay imposition of sanctions for 90 days to pursue consultations with the government of the sanctioned person to end the sanctionable activities. An additional 90 day delay is permitted if he determines that he is making progress toward this goal.

The President may also waive any of these sanctions if he determines that doing so is in the national interest.

This bill also includes a 5-year sunset provision.

Adoption of a companion Iran and Libya sanctions bill in the Senate on December 22, 1995, has already had a deterrent effect on potential investors and oil field suppliers to Iran and Libya. The enactment of this measure today will ensure that we can maintain this deterrent on further investments in these rogue regimes.

Mr. Speaker, I would like to pay tribute to the many members on the International Relations Committee and the Ways and Means Committee who worked long and hard to make the legislation possible. Subcommittee Chairman DAN BURTON, Representative PETER KING, the respective ranking members of the Asia and Pacific Subcommittee and the International Economic Policy and Trade Subcommittee, Representatives HOWARD BERMAN and SAM GEJDENSON, as well as Chairman BILL ARCHER and Trade Subcommittee Chairman PHIL CRANE.

I urge the adoption of H.R. 3107.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I want to begin by commending the Members I think are most responsible for producing this compromise bill. The gentleman from New York, Chairman GILMAN, the gentleman from Texas, Chairman ARCHER, and the gentleman from Iowa, Chairman LEACH, all deserve credit for their willingness to look for creative solutions to their differences.

I also want to say a word of appreciation to the gentleman from Connecticut [Mr. GEJDENSON] and the gentleman from California [Mr. BERMAN] and the other original cosponsors of the bill because of their willingness to advance the bill and to support the agreement that has been reached today.

Finally, may I say that the administration, which supports this bill, also deserves credit, I think, for helping Members understand the implications of the bill for U.S. diplomacy and U.S. economic interests.

There is very little disagreement between the United States and its allies about the challenges posed by the two countries that are the focus of this bill. Iran poses a serious threat to several shared security interests. It is a confirmed sponsor of terrorism. It is trying to develop weapons of mass destruction. It seeks to undermine the Middle East peace process. It is pursuing a military buildup that could enable it to threaten shipping traffic in the Persian Gulf. Libya continues to harbor terrorists responsible for the death of more than 300 Americans and others on Pan Am flight 103, and it is also developing weapons of mass destruction and threatening the security of its neighbors.

The premise of this bill, which I believe to be a correct one, is that the best way to curb Iran and Libya's dangerous conduct is to limit the oil and gas export earnings that help pay for it. This has been a principal goal of U.S. policy for several years. In our effort to squeeze the economies of Iran and Libya, the United States has cut off all of its trade with both countries. But the impact of unilateral sanctions is limited, so we also have urged Iran's and Libya's main trading partners to restrict or sever their economic ties.

Despite our efforts and despite the egregious conduct of Iran and Libya, many of our friends have maintained their ties with both countries. So the dilemma here for United States policy is to find ways to increase the economic isolation of Iran and Libya without, in the process, causing undue harm to our own economy or to our relations with our allies.

H.R. 3107 makes a very good start in responding to that policy dilemma. The ultimate goal of this bill is not to punish foreign firms but to persuade other governments to adopt measures that squeeze the economies of Iran and Libya.

We do not know whether we are going to achieve that goal for some time, but this bill does give to the President of the United States the tools to enable him to have the flexibility in implementing U.S. sanctions. For that and other reasons, I strongly urge the approval of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON], distinguished chairman of our Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman, the chairman of the Committee on International Relations, for yielding time to me.

I rise in very strong support of this measure which would tighten economic sanctions against two deadly enemies of the United States, the dictatorial Governments of Iran and Libya. I commend the distinguished chairman of the Committee on International Relations for his outstanding work in bringing this bill to the floor. This measure uses our best weapon against these regimes and other countries which support them, the power of the American purse. With 260 million American people and the highest standard of living on Earth, the United States represents a market that is just too lucrative for other countries to ignore when they want to trade with us.

That is why this bill makes so much sense, Mr. Speaker.

It would impose a range of economic sanctions against other countries that irresponsibly abet the terrorist activities of Iran and Libya by investing their oil sectors or supplying them with oil-related goods or technologies.

When these countries face the prospect of losing part of our vast American market, they will think twice about their investments in these two outlaw nations, and that is what they are.

Mr. Speaker, the terrorist threat is real. It is growing. Stiff measures like this are called for. We all know that Libya, under Colonel Qadhafi, and Iran, under fundamentalist dictatorship, are two of the world's major sponsors of terrorism. Their capabilities to conduct acts of terror are increasing at an alarming rate.

Let us take a look at Iran. As we speak, Iran is in a furious drive to acquire weapons of mass destruction aided and abetted by Communist China, which by the way is another nation we ought to be imposing sanctions on instead of giving them carte blanche favored-nation treatment. We will deal with that a little bit later this month.

In the past few months alone, we have seen reports that Communist China has been supplying Iran with cruise missiles, chemical weapons technology and plutonium processing technology. Couple this with nuclear reactor technology supplied by another great country, Russia, and we can clearly see what Iran is up to and what kind of threat we face.

Mr. Speaker, it is time to act now before it is too late. That is why Chairman GILMAN and Chairman ARCHER deserve our highest praise for working so hard to bring this bill to the floor. Come over here and let us pass it. It is important.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Connecticut [Mr. GEJDENSON] who is an original sponsor of the bill.

Mr. GEJDENSON. Mr. Speaker, Iranian profits are used to murder innocent civilians on the streets of Tel Aviv and Jerusalem and those who trade with Iran, like those who traded with the Nazis, irrespective of their murderous act, aid and abet them.

The debate we have here today is what action we can take following support of the chairman and the ranking member of the Committee on International Relations and the President of the United States in trying to isolate Iran and reduce its ability to assist the murder of innocent civilians.

Unfortunately, most of our democratic allies in Europe and Japan are not being helpful. They will pay a price as surely as the nations who ignored terrorism in the early 1960's and 1970's soon found that it existed not just isolated in Israel and the Middle East but across the globe.

There is a clear and direct link between Iran's ability to profit from its oil sales and assistance to terrorist Hezbollah and other causes. When Secretary of State Christoper was in Syria, it was reported that Iranian planes with arms landed there to aid Hezbollah attacks on the Israelis and the peace process.

Today it is Iranian rockets, grenades and bombs. But what happens if Iran, months or years from now, when they have the ability to deliver nuclear or chemical weapons. Today Iran threatens women and children and men on buses. An Iran which uses its profits to develop nuclear and chemical weapons will be an Iran that threatens the globe.

Corporate profits must be put aside here as the President has led us and in the so-called civilized world.

We must deny companies who profit from exports to Iran the opportunity to access our markets. We have begun that process with this legislation. I am writing to the banks and economic entities in the G–7 countries warning them that we will monitor their activity. And if they fail to join us, we will take further actions.

If the Baader Meinhof gang had territory, would the German Government have traded with them when they blew up innocent German civilians? I think not. The Iranians may have territory and a government, but they should not be allowed to continue to profit and murder innocent children.

Some of my European and Japanese friends have been offended that I point out their complicity. Well, if this offends them, it does not worry me in the least. It offends me to see the arms and legs and bodies of children and adults strewn on the streets of Israel.

Mr. Speaker, I include for the RECORD the following letter:

ONE HUNDRED FOURTH CONGRESS,
CONGRESS OF THE UNITED STATES,
COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES,
Washington, DC, June 18, 1996.

Mr. JOCHEN SANIO,
Vice President, Federal Banking Supervisory Office, Gardschutzenweg 71–101, D–12203 Berlin, Germany.

DEAR MR. SANIO: As you may be aware, many of my colleagues and I are concerned about the flow of foreign money into Iran's petroleum sector. The U.S. State Department has found that Iran's financial capability to build weapons of mass destruction and to support international terrorism depends on Iran's ability to explore for, extract, refine, or transport by pipeline its petroleum resources.

In legislation now proceeding through Congress, the President will be required to impose sanctions on foreign companies that invest in Iran's oil sector. To some extent, the legislation will stop short of imposing sanctions on foreign entities that finance such investments. However, financing of these projects remains a major concern.

I know that your government shares our concern over the threat posed by an Iran armed with nuclear weapons. I would hope that your government would therefore take action to preclude the financing of petroleum development by the financial institutions in your country. The U.S. Congress will be carefully monitoring foreign funding of Iran's oil development. Should foreign banks choose to ignore the threat posed by Iran, I have no doubt that the U.S. Congress will revisit this issue and pass legislation that would impose sanctions on foreign institutions that finance petroleum development in Iran.

I look forward to working with you on this issue of mutual concern.

Sincerely,

SAM GEJDENSON,
Ranking Member, Subcommittee on International Economic Policy and Trade.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Wisconsin [Mr. ROTH], chairman of our Subcommittee on International Economic Policy and Trade.

Mr. ROTH. Mr. Speaker, I thank the gentleman, my chairman, for yielding time to me.

Mr. SPEAKER, first let me commend the gentleman from New York [Mr. GILMAN] and the gentleman from Texas [Mr. ARCHER] for their work on this issue.

No one can question their commitment to fighting terrorism.

Moreover, there is no doubt that Iran and Libya are rogue states.

The leaders of these regimes have violated every standard of acceptable behavior.

I share the goal of turning Iran and Libya away from terrorism, away from making weapons of mass destruction and away from brutality against their own people.

But I believe this legislation is a step backward not forward.

In my judgment, this bill will not work, for three reasons.

First, economic sanctions simply do not work in today's world when the United States acts alone.

Sanctions did not work against Vietnam. They have not worked against Cuba. And they have not worked against China. Iran has 65 million people and a $300 billion economy.

Libya has 5 million people and a $33 billion economy.

Neither country can be isolated, geographically or economically. In both countries, exports are growing. From 1988 to 1994, Iran's exports grew nearly 50 percent, to $19 billion. Libya's exports grew nearly 10 percent, to $8 billion.

The reality is, none of Iran's or Libya's major trading partners will go along with our sanctions. Not Germany, not France, not Italy, not Spain, not Japan.

Without their cooperation, how will our sanctions ever work?

This brings me to the second flaw in this bill.

This legislation would impose a secondary boycott on our closest allies. The sponsors argue that the bill will force Europe to choose between trading with us and trading with Iran and Libya. This will never work.

The only effect of this bill has been to unify the European Union—all 15 members—against our policy toward Iran and Libya.

If this becomes law, we should expect blocking statutes to prevent European companies from complying. Aside from Europe, the Muslim countries of the Middle East, South Asia, and the Caucasus will not comply.

Look what is happening with Iran. Pakistan now has an economic alliance with Iran.

Kazakhstan and Armenia have started a new joint venture with Iran to develop a huge oil field and build a pipeline.

We have invested a lot to cultivate good relations with these former Soviet Republics.

Are we going to impose sanctions and throw away all our work over the past 5 years? And if we do sanction these countries, how will they respond?

This legislation is not isolating Iran or Libya—it is isolating ourselves. No one should be surprised. After all, the Arab League boycott of Israel has been a total failure.

We and the Europeans all prevented our companies from complying. The same thing will happen with this legislation.

Finally, this bill is a mistake because it provides the leaders of Iran and Libya with a convenient excuse for their own failures. Both regimes have inflicted great suffering on their people.

The elites siphon off more and more money to prop up their regimes.

But as the discontent rises among the Libyan and Iranian people, Gaddhafi and the Ayatollahs will just point to the United States and say: "See what the Americans are doing to you."

Mr. Speaker, our goal should be to change Iran's and Libya's behavior.

But whatever we do, it has to be effective. We need our allies with us, not against us.

There was a time when the United States could sound the alarm and Europe would rally to our side. That day is over.

Economic sanctions do not work when they are unilateral. If we enact this bill, we will take a step backwards.

Iran and Libya will still be rouge regimes. And we will have jeopardized our relations with the very countries whose support we need to eventually reach the goal of turning Iran and Libya away from terrorism. This bill will pass—but what will be the result?

□ 1730

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. BERMAN], also an original cosponsor of the bill.

Mr. BERMAN. Mr. Speaker, I thank the ranking member of the committee for yielding this time.

Mr. Speaker, I would like to focus my comments in addressing the remarks just made by my friend, the gentleman from Wisconsin. First of all, given his comments, I am quite pleased that he was willing to support this bill when it moved through the Committee on International Relations, and I appreciate that support.

Second, Mr. Speaker, the bill does not affect exports to Iran. The bill affects and imposes sanctions on companies which invest in Iran, which meet the threshold of investment in Iran, and just in Iran's energy sector. It is a targeted bill focused on trying to squeeze the source of financing for a totally accepted, universally acknowledged practice that the Iranians have of exporting terrorism and financing terrorism throughout the Middle East and in other areas, as well to meet their own purposes. It seeks to squeeze the financing by blocking the investments in Iran's energy sector so they are hampered in what everybody acknowledges is their concerted effort to develop weapons of mass destruction.

Iran is seeking a nuclear reactor. They claim they are for peaceful purposes. This is the most oil-rich country in the world. The notion that they need a peaceful nuclear energy program for energy sources is absurd on its face. No one but the most innocent and unsophisticated observer can assume there is any other purpose in their particular program.

I want to comment on the European reaction, particularly the German and Japanese reaction. They say our way is better, our way is constructive dialog. They have been engaged in this constructive dialog for years and years and years, with nothing to show for it. The Iranian and Libyan effort to develop weapons of mass destruction continues. The support for terrorism continues. I suggest that these arguments about finding moderate, geopolitical considerations, are all smokescreens for commercial interests which are governing that particular policy.

What happened to a western alliance of free would countries that was committed in the course of the cold war to dealing with totalitarian actions, imperialism, aggressive conduct, and seeking to reduce and avoid the threat of nuclear war? Has it been so blown apart that countries that share our values and claim to share our values turn their back, pursue policies that are just smokescreens for commercial interests, and watch this happen?

This bill that the gentleman from New York [Mr. GILMAN] and the gentleman from Connecticut [Mr. GEJDENSON] are sponsoring, and I am a cosponsor of, and has been supported in our committee, is one crucial step to make our sanctions meaningful. They are a message to countries that we are allied with normally, that they have to think twice about what has come from constructive dialog.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Ohio [Mr. BOEHNER], the chairman of our House Republican Conference.

Mr. BOEHNER. Mr. Speaker, I rise today in strong support of the Iran Oil Sanctions Act of 1996. This legislation is the result of much hard work and compromise between the Committee on International Relations and the Committee on Ways and Means. I really want to commend my colleagues for bringing forward this very important piece of legislation.

The bill is necessary to erode Iran's and Libya's ability to finance international terrorism in chemical, biological, and nuclear weapons development programs. By targeting these countries' primary moneymaking industries, this legislation strikes at the heart of Iran's and Libya's efforts to undermine the Middle East peach process and to terrorize its peaceful neighbors.

This bill sends a clear message to these countries that the United States will not tolerate the flouting of international law and international norms of behavior. At the same time, it shows strong leadership to our allies and serves as an example to be followed.

I urge my colleagues to support this very important bill.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I thank the distinguished ranking member of the Committee on International Relations for yielding me this time and for the work that he has done in this area.

Mr. Speaker, I rise today to urge all my colleagues to support the Iran-Libya Sanctions Act. This is a tough bill. It is a bill that I think has been made smarter and tougher as a result of the negotiations that took place between the three committees that had jurisdiction on the bill: the Committee on International Relations, the Committee on Banking and Financial Affairs, and the Committee on Ways and Means. I am particularly pleased that we were able to strengthen the bill in a very important area. That is for a multinational approach to dealing with this issue.

Mr. Speaker, we offer a carrot-stick approach to our allies to assume responsibility as to the terrorist activities that Iran and Libya are engaged in, to enter into an international effort to isolate these countries. Make no mistake about it, the investments that go into Iranian infrastructure for oil finance the money that are being used for terrorist activities. The President, the Secretary of State, the director of the CIA, have all identified Iran as the world's leading sponsor of international terrorism. This bill is directly aimed at dealing with that fact, it is indisputable, to dry up the dollars supporting international terrorist activities. That is in the security interests of the United States.

The families of the victims of PanAmerican 103 keep us focused on the continued treachery of Libya. We must continue to strengthen the enforcement of sanctions against Libya as approved by the United Nations. All this bill does is to make it clear that we are going to isolate those two countries. It preserves the leadership of the United States in making it clear to countries that harbor terrorists that we will not allow them to participate in the international marketplace and to secure international investments. That is what this stands for.

We, before, provided the leadership to the world in the actions that we did in the former Soviet Union. This is a bill that is worthy of the entire support of this membership and I urge Members to vote for it.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Speaker, I thank the gentleman for yielding time to me, and I thank the gentleman from New York and the gentleman from Texas [Mr. ARCHER] for bringing this important bill before us today.

Mr. Speaker, I am a cosponsor of the Iran and Libya Oil Sanctions Act. I strongly urge Congress to pass it, and the President to sign it into law swiftly. Terrorism has emerged in the wake of the cold war as the leading threat to democracy and world security. Innocent men, women, and children have been brutally murdered by vicious acts of violence of those who prefer destruction to peace. In many cases, this terrorism has been sponsored not by private fringe groups but by national governments. I strongly believe the United States should be as bold in isolating and weakening these governments as they are in the support that they lend to the destruction of innocents.

We have the opportunity to address this international pathology in the Iran and Libya Oil Sanctions Act, which is aimed at two of the world's leading sponsors of terrorism. The State Department considers Iran the No. 1 state sponsor of international terrorism, and reports that its terrorist activities are increasing. It is the major financier of some of the most sinister terrorism groups in the world, including Hamas and the Islamic Jihad.

Libya is constructing the world's largest chemical weapons complex. That rogue nation harbors terrorists and refuses, to this day, to hand over those suspected of instigating the terrorism bombing of Pan American Flight 103 over Lockerbie, Scotland, which took 270 innocent lives, including 189 Americans. My home State of New Jersey suffered more lost lives, 37, than any other single State in that deliberate act of horror.

Mr. Speaker, what Iran and Libya have sponsored is murder. We should never accept the idea of aiding and abetting, directly or indirectly, any nation that knowingly and willfully sponsors terrorism and threatens world peace.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding time to me, and I commend him and the gentleman from New York [Mr. GILMAN], as well as the leadership of the Committee on Ways and Means and everyone else who had anything to do with bringing this to the floor. I think it is a very important piece of legislation.

Mr. Speaker, we must have zero tolerance for terrorism. I think this bill sends a very strong message that we are serious about that. I support the bill, as I said, and I am particularly pleased about the requirement in the bill called Presidential reports. It says:

> The bill requires the President to report periodically to Congress on efforts to persuade other countries to pressure Iran to cease weapons of mass destruction programs, support of international terrorism, and on attempts to urge Iran's

and it goes on for some other consideration about diplomats.

It also only grants the President a waiver if the President certifies to Congress that Iran has ceased its efforts to develop and acquire a nuclear explosive device, chemical or biological weapons, or ballistic missiles or missile technology, and has been removed from the countries determined under the Export Administration Act of having supported international terrorism.

I call this to the attention of our colleagues, Mr. Speaker, because it seems to me this is a very important step to take. This requirement on the President is an important one. At the same time, though, as we are putting out these requirements, indeed even the same day, the Committee on Ways and Means is moving on China MFN. These two issues are not connected, except in one way: China is one of the leading suppliers of technology for nuclear, chemical, and missile weaponry, weapons of mass destruction.

So if our purpose in this legislation is to reduce terrorism, if our purpose in this legislation is to say that the President may only waive this bill when Iran stops developing nuclear and chemical, biological, and the list goes on, ballistic and other explosive devices, then why do we not get to the source and take action against those countries, China being leading among them, that are supplying Iran with that technology? The sanctions should be at the source as well as with Iran, who deserves them.

□ 1745

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mr. GEJDENSON], the senior member of our Committee on International Relations.

Mr. GEJDENSON. Mr. Speaker, I would like to engage the chairman in a colloquy, if I may. I have several technical questions about H.R. 3107, as amended.

First, section 5(e) of the bill as amended states, "The President shall cause to be published in the Federal Register a list of all significant projects which have been publicly tendered in the oil and gas sector in Iran." Will this be a comprehensive list for purposes of the sanctions provisions of the bill?

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from New York.

Mr. GILMAN. No, Mr. Speaker the list may not necessarily be comprehensive. In such a case, the investor could be subject to sanctions under the bill notwithstanding that the project did not appear on the list published in the Federal Register.

Mr. GEJDENSON. Second, if section 5(f)(3) of the bill as amended exempts from the bill's requirement to impose sanctions "products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed," does this provision mean the sanctions cannot be imposed under section 5(a) or 5(b) on a person for actions taken by that person prior to the publication of that person's name in the Federal Register?

Mr. GILMAN. No, that would be an illogical construction of the provisions. Section 5(f)(3) is essentially a contract sanctity provision.

Mr. GEJDENSON. Third, I was hoping the chairman could explain how section 5(d) of the bill as amended is intended to apply. Am I correct that under section 5(d), if a parent company engages in investment activities that cause the subsidiary to be subject to sanctions, the parent itself will be subject to sanctions?

Mr. GILMAN. That is correct.

Mr. GEJDENSON. Am I also correct that if the parent company supervises and guarantees the subsidiary's investment activities, the parent will be subject to sanctions?

Mr. GILMAN. That is correct.

Mr. GEJDENSON. Am I further correct that if the parent company has an equity share or profit-sharing relationship to the investment, the parent company also will be subject to sanctions?

Mr. GILMAN. That is correct.

Mr. GEJDENSON. Finally, I would like to draw the gentleman's attention to the concern I expressed in my statement about the prospect that foreign banks may finance oil development in Iran. I would ask the gentleman, does he share my concern?

Mr. GILMAN. I certainly do. The financing of oil development in Iran poses virtually the same threat as investments in those same projects.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Speaker, this is a bill that unfortunately we might look back in 5 to 10 years and say this is one of the most important pieces of legislation that this Congress will pass in this session of Congress. It really is dealing with a threat that is out there, not just to the United States but to the entire world, a threat dealing with issues of Iran's terrorism in terms of their activism, in terms of the islands off Iran in the Strait of Hormuz, including their issues in terms of missiles, in terms of diesel submarines.

We have the ability by this legislation to weaken their potential to do that. That is exactly what we are trying to do. It is very narrowly, specifically drawn in terms of attacking them where it could hurt the most in terms of their ability to increase their production of oil and to gain revenues to do that.

Iran stands out as really a rogue nation today, committed to force terrorism throughout the entire planet, not just in our hemisphere. I urge support of the amendment.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Speaker, I seek to have a colloquy with the chairman.

I have several technical questions about provisions in the amendment in the nature of a substitute to H.R. 3107.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I will be pleased to respond to the questions of the distinguished ranking minority member of our Subcommittee on Asia and the Pacific.

Mr. BERMAN. First, I note in section 6 of the amendment in the nature of a substitute there are six possible sanctions that could be imposed pursuant to section 5. Is it the case that the President must, under section 5(a) for example, select two of the sanctions listed in section 6 to apply to a sanctioned person, but after selecting them the President may decide not to actually apply them to the sanctioned person?

Mr. GILMAN. No, that is not the intent of section 6. The sanctions identified in section 6 are intended to be mandatory when selected pursuant to either section 5(a) or 5(b)(1).

Mr. BERMAN. I thank the chairman.

Second, it is suggested that the President may have flexibility under sections 5 and 6 to impose sanctions on a person that, because of the nature of that person's business, are meaningless to that person as a practical matter. Would such action by the President be consistent with the intent of sections 5 and 6?

Mr. GILMAN. No, the imposition of meaningless sanctions would be inconsistent with our intent.

Mr. BERMAN. Finally, I note that the definition of "investment" set forth in section 14(9) states, "The term 'investment' does not include the entry into, performance, or financing of a contract to sell or purchase goods, services, or technology." What is the purpose of this exception?

Mr. GILMAN. This language in the definition of "investment" is intended to underscore that, particularly with respect to Iran, the amendment in the nature of a substitute does not contain a trade trigger for the imposition of sanctions.

Mr. BERMAN. I thank the chairman.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. I thank the gentleman for yielding time.

Mr. Speaker, I too, want to congratulate the gentleman from New York [Mr. GILMAN], the gentleman from Indiana [Mr. HAMILTON] and the work of our committee in bringing this sanctions legislation before the House today. But I would be less than honest if I did not also express some profound disappointment.

If this legislation today had come before the House in an amendable fashion, I would have been offering an amendment to provide that the sanctions against Iran would remain in place not simply until it ceases terrorism against the world but until it respects the rights of its own people. In enacting sanctions against Iraq, Vietnam and Cuba, this body respected the rights of the people in those countries and insisted upon strong sanctions until the war against them, their political rights, their freedom and their safety was respected. Somehow with regard to the Iranian people, despite the deaths of the Baha'is, Christians, Jews, a Moslem majority, we take no such action. Because this bill comes before us on the suspension calendar, that amendment is not possible and indeed it is on the suspension calendar so such amendments are not possible.

It will be difficult to explain to Iranian-Americans and indeed one day to the people of Iran when they ask, "You took sanctions to defend yourselves, why did you not take them to respect us?"

Second, Mr. Speaker, I also express profound disappointment because this is not the same legislation that left the Committee on International Relations. We had sanctions against Libya but they were mandatory. Until Colonel Qadhafi handed over to international justice those who were responsible for Pan Am 103, there were going to be sanctions, no ands, ifs, or buts. But between the cup and the lip, they became optional. A sigh of relief in Tripoli, and, frankly, Mr. Speaker, a difficult explanation in my State to the 37 families who thought we were going to have mandatory sanctions and now are left at home wondering why.

Mr. Speaker, I have participated in many proud and principled moments on this floor when this Congress has taken strong positions. I am glad today that we, if we alone in the world, stand up to Iran and Libya in their injustice. But frankly we could have done more, for Iranians locked in the prison of their own country who want someone to stand up not only to international terrorism but domestic abuse as well, and to those poor families left wondering why there is an option in standing up to Qadhafi.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, the Iran Oil Sanctions Act strikes at the heart of international terrorism.

For too long, terrorists have menaced innocent people around the world with their cowardly attacks. Sadly, we have seen the tragic effects of these attacks many times this year. Hamas bombings claimed nearly 60 lives in Israel while recent rocket launches by Hezbollah threatened the lives of those in northern Israel.

Talking reason will not get us very far with fanatics who are willing to kill men, women, and children whose only fault was to be in a marketplace, on a bus, or on an airplane at the wrong time. We need to cut the supply line that allows terrorist groups to continue their disgraceful campaigns. We need to cut the flow of funds to these criminals.

Iran and Libya stand out as major sponsors of terrorism around the world. This bill strikes at these backers of devastation and will limit their ability to underwrite acts of terror as they have done for far too long.

I urge my colleagues to take this stand against those who bankroll cruel terrorist violence.

Mr. HAMILTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in the most recent State Department report on international terrorism, Iran was again deemed the most dangerous state sponsor of terrorism.

On May 21, in a speech before a symposium of a prominent Middle East think tank, the Washington Institute for Near East Policy, our Secretary of State, Mr. Christopher, said Iran was guiding, as well as funding and training, radical groups opposed to the Arab-Israeli peace process.

Earlier this month, Bahrain presented hard evidence that Iran was involved in attempts to destabilize that country, an important U.S. ally in the gulf. Several of those captured by Bahraini authorities admitted to have been trained in Iran and by Iranian agents in Lebanon.

We have learned just last week that Iran is using its virtual takeover of the Abu Musa island in the Persian Gulf to improve port facilities on that island and Iran could use that expanded port facility to handle the fast patrol boats it has recently received from China.

We are calling on other nations now to curtail any efforts to refinance Iran's mounting bilateral debts and to end their supply of arms and technology to Iran and to Libya. We strongly urge Russia to stop work on its contract to finish Iran's nuclear reactor in Iran.

Enactment of this bill is a vital element in the administration's policy of containment of Iran and of Libya and I urge its immediate adoption.

Mr. FAZIO of California. Mr. Speaker, I rise in strong support of the legislation before us today. The Iran Oil Sanctions Act of 1996 will impose sanctions on persons exporting certain goods or technology that would enhance the ability of Iran or Libya to explore for, extract, or refine their petroleum resources.

This bill will help to deter these rogue states from supporting international terrorism or acquiring weapons of mass destruction which would lead to greater regional instability.

I believe that this bill is a critically important element in our policy of cutting off the sources of funding to the Iranian and Libyan regimes who are responsible for much of the state-sponsored terrorism which continues to plague the region.

Since the 1979 seizure of the American Embassy in Tehran, economic sanctions have formed a key part of our Nation's policy toward Iran. Various actions taken by our Government have disqualified Iran from receiving United States foreign aid, sales of items on the United States munitions lists, Eximbank credits, and United States support for foreign loans. In addition, strict licensing requirements are needed for any United States exports of controlled goods or technology.

This legislation adds to these restrictions by exploiting Iran's economic vulnerabilities, particularly its shortages in hard currency. By pressuring the Iran Government in this fashion, we will force it to change its behavior.

Iran threatens our national interests. It openly sponsors groups bent on regional and global acts of terror and it is actively pursuing weapons of mass destruction. As Under Secretary of State Peter Tarnoff said before the House International Relations Committee last fall, "a straight line links Iran's oil income and its ability to sponsor terrorism * * *."

This bill serves that link. I urge all of my colleagues to support H.R. 3107.

Mr. ARCHER. Mr. Speaker, as many of my colleagues know, I was not a proponent of H.R. 3107 as introduced. I want to thank Mr. GILMAN, Mr. LEACH, Mr. CLINGER, and the respective committees involved for their efforts to work out the agreed substitute amendment, which was approved by the Committee on Ways and Means on June 13. These changes, which are incorporated in the bill before us today, make it possible for me to support the Iran and Libya Sanctions Act of 1996.

While we can differ on approach, Americans are united in their perception that Iran is using economic benefits, gained through foreign investment in its oilfields, to support expanded terrorist attacks and the accumulation of weapons of mass destruction.

Likewise, Libya refuses to relinquish the two individuals accused of bombing the Pan Am 103 flight over Scotland to face criminal charges, and fails to respect norms governing weapons of mass destruction. Americans remain fundamentally dismayed that, as our firms pull back from investment and trade with these countries, our trading partners and allies are not restrained in their pursuit of lost United States contracts.

The bill reported from the Ways and Means Committee reaffirms my goal that our trading partners join with the United States in a multilaterally agreed regime to stem Iran's ability to export international terrorism to the rest of the world. Too many innocent individuals have suffered at the hands of Iran's Government for business as usual to persist. In this bill, we make clear that our allies cannot continue to look the other way.

However, this legislation puts a priority on supporting the achievement of a multilateral agreement to isolate Iran economically.

In order to keep the focus on achieving change in Iran, the substitute contains provisions providing discretion for the President. Thus, we ensure that he is in the best position to be persuasive with our trading partners, and to respond to violations judiciously. Where the President determines a country has taken substantial measures to join with us to contain the threat of Iran to international peace and security, section 4 of the bill permits a waiver of the application of sanctions.

While the investment trigger for Iran remains mandatory in the new bill, the substitute increases the number of choices available to the President on the menu of sanctions he has to choose from.

In this and all other cases the President has authority to waive sanctions if their application would hurt the national interest. The waiver authority is intended to be broad enough to accommodate instances when invoking sanctions would be violative to international trade obligations.

I want to emphasize that the bill as reported from the Committee on Ways and Means treats the cases of Iran and Libya differently, because of their unique economic histories and geopolitical circumstances. While a mandatory trade trigger is viewed by the Committee on Ways and Means as unworkable for Iran, and therefore not included in the substitute, such a mechanism has been included as a tool for Libya. The difference is that a multilateral regime is already in place for Libya.

Subsection 5(c) also provides the President with the discretion to impose sanctions in connection with new, large investments in Libya's petroleum sector, if he believes it would advance U.S. interests to do so.

I hope our allies can appreciate the deep and urgent commitment in Congress for increasing pressure on Iran and Libya to end their lawless behavior. While the approach of H.R. 3107 carries with it the risk of exposing U.S. exporters and investors to possible retaliation, this threat has been minimized in the substitute. With the addition of solid contract sanctity language, and strict limitations on vicarious liability for companies with parents or subsidiaries located abroad, the bill should not engender the same serious criticism.

Finally, the 5-year sunset provision in the bill ensures that this type of legislation does not remain on the books indefinitely. The committee report indicates that because this is such a difficult policy area, it will be important for Congress to revisit these issues in 5 years in order to evaluate the behavior of Iran and Libya, and whether this bill has been effective.

To summarize, Mr. Speaker, my greatest fear has been that world attention would shift to United States violations of trade agreements and away from the targets of our condemnation—Iran and Libya. I strongly urge the President to implement H.R. 3107 in a manner that respects our international trade obligations. To the nations of Europe, Japan, Australia, and others I renew a pledge to work together to establish a multilateral solution that isolates these two outlaw nations.

Let's join forces and accomplish the job. Working together involves each country taking substantial measures that achieve results—mere words will no longer suffice.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise today to express my concern with the precedent that could be set by provisions of H.R. 3107, legislation originating in the International Relations Committee, and referred to the Ways and Means Committee on which I serve.

No one argues that the goal of bringing the Pan Am 103 bombers to justice, nor with containing international terrorism and the proliferation of weapons of mass destruction. We must find ways to increase United States and international pressure on these rogue nations and the threat they pose to U.S. interests. However, I do have concerns with H.R. 3107's provisions that may rely on unilateral actions rather than multilateral cooperation.

The concept of a secondary boycott was opposed by the United States when the Arab League used it against Israel in the 1970's and 1980's, and remains contrary to the principles endorsed by this very body when it approved NAFTA and GATT. Indeed, U.S. law, most recently enacted in the Export Administration Act, has long prohibited any U.S. person from "complying with or supporting" a foreign boycott against another country.

The use of trade sanctions to accomplish trade law compliance is vital and appropriate but the use of trade sanctions as a foreign policy tool to coerce other sovereign nations to do our bidding breaches America's commitment to preserving independence from international control. It is fundamental to U.S. participation in trade agreements that other governments should not be permitted to dictate business relationships among U.S. firms and citizens, as H.R. 3107 could do for our trading partners.

Mr. Speaker, as the world's greatest exporter, the United States benefits tremendously from free and open trade with our allies. Given our past commitment to an international trading regimen, the United States should not expose United States exporters and investors to possible retaliation through abrogation of international rules, or exacerbate the dispute with our allies over policies toward Iran and Libya. If it becomes possible for countries to dictate each other's policy under threat of trade sanctions, U.S. participation in these important organizations could be threatened.

Put at risk by unilateral U.S. action are the benefits to the U.S. economy created by strong protection of intellectual property rights, the guarantee of competitive bidding opportunities under the Government Procurement Code and dramatic tariff reductions for U.S. exports—all of which were improved and expanded by NAFTA and GATT.

Instead, I would urge that we work to avoid the painful consequences of trade retaliation and continue pressing for additional multilateral action and enforcement of existing agreements. As in the case with the extraterritorial Helms-Burton law which penalizes firms outside the jurisdiction of the United States for trading with Cuba, foreign governments will not permit their firms to comply with such legislation. As we seek to contain and punish terrorists and those states that sponsor them, we do not want to drive a costly wedge between the United States and its allies whose support we are seeking.

While I will be supporting H.R. 3107, I am doing so because it provides the administration adequate discretion in executing the provisions of this bill. Moreover, in doing so, it is my hope that the administration will effectively implement multilateral sanctions against Iran and Libya.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. STEARNS). The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and pass the bill, H.R. 3107, as amended.

The question was taken.

Mr. GILMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule I, the Chair redesignates the time for resumption of further proceedings on the motions to suspend the rules and pass H.R. 3005 and H.R. 3107 as Wednesday, June 19, 1996.

☐ 1800

CHURCH ARSON PREVENTION ACT OF 1996

The SPEAKER pro tempore (Mr. STEARNS). The pending business is the question of suspending the rules and passing the bill, H.R. 3525, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and pass the bill, H.R. 3525, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—ayes 422, noes 0, not voting 12, as follows:

[Roll No. 248]

YEAS—422

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—12

Collins (MI)
Ehrlich
Emerson
Flake
Ford
Gallegly
Lincoln
McDade
Myers
Peterson (FL)
Ramstad
Waters

☐ 1820

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. WATERS. Mr. Speaker, I was absent during votes on Tuesday, June 18, 1996, as I was attending my grandson's high school graduation ceremony. Had I been present I would have voted "yes" on H.R. 3525, the Church Arson Prevention Act.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILL, 1997

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Tuesday, June 18, 1996, to file a privileged report on a bill making appropriations for the Department of Veterans Affairs and Housing and Urban Development for the fiscal year ending September 30, 1997, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XXI, all points of order are reserved on the bill.

PERMISSION TO FILE AND PRINT SUPPLEMENTAL REPORT ON HOUSE REPORT 104–193 ON H.R. 1858 DEPOSITORY INSTITUTIONS PAPERWORK REDUCTION ACT

Mr. LEACH. Mr. Speaker, by direction of the Committee on Banking and Financial Services and pursuant to clause 2 of rule XIII, I ask unanimous consent to file a supplemental report to House Report 104–193, which accompanies H.R. 1858, and that such supplemental report be printed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3662, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Ms. PRYCE, from the Committee on Rules, submitted a privileged report (Rept. No. 104–627) on the Resolution (H. Res. 455) providing for consideration of the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 182

Mr. ROHRABACHER. Mr. Speaker, I ask unanimous consent to remove the name of the gentleman from California [Mr. FAZIO] from the list of cosponsors of House Joint Resolution 182.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1972

Mr. CHRISTENSEN. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Pennsylvania [Mr. McDADE] be removed as a cosponsor of H.R. 1972.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 94

Mr. CHRISTENSEN. Mr. Speaker, I ask that my name be removed as a cosponsor of H.R. 94.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

HOUSTON JOURNALISM LOSES ONE OF ITS FINEST

(Mr. FIELDS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FIELDS of Texas. Mr. Speaker, it is with a great deal of sadness that I wish to bring to the attention of my colleagues the untimely passing last evening of Stephen Gauvain, a constituent of mine who, for the past 14 years, has kept Houstonians informed of important events in our local community and around the globe.

Steve, a journalist with KTRK–TV in Houston, was killed in a tragic traffic accident just minutes after giving a live television report from Huntsville, where he was covering a high-profile murder case.

Steve's passing is, of course, a tremendous loss for his family—his wife, Jan, and his three sons: Stephen, Jr.; Taggart; and Dustin. To them, to Steve's extended family, and to his coworkers at KTRK–TV, Houston's ABC affiliate, I extend my deepest and most sincere sympathy.

Steve's untimely death was a loss for everyone in the Houston metropolitan area who had come to depend on his journalistic skill and his dedication to getting the story. Since 1984, Steve had served as KTRK–TV's space reporter. It was a high compliment to Steve that he was selected to cover space for the No. 1 television station in Houston—home of the Johnson Space Center and a city known widely as Space City.

As channel 13's space reporter, Steve covered more than 60 space shuttle missions, including the last, ill-fated flight of the Challenger. Following that disaster, Steve also kept Houstonians informed of the investigation into the cause of the accident, and he prepared an extraordinary series of reports on NASA's slow and painful program to recover from the Challenger disaster.

In 1988, Steve won the Aviation/Space Writers Association's award for the best locally produced television series for his reports on NASA's road to recovery. That same series also won Steve a second-place award for investigative reporting from the Houston Press Club.

Steve's interest in aviation and space exploration was well known. Throughout his distinguished career, Steve covered numerous aviation stories and flew with the U.S. Air Force Thunderbirds last year. In addition, Steve was a quarter-finalist in NASA's "Journalist in Space" program.

Mr. Speaker, I know that you join with me in extending our deep sympathy to Jan Gauvain and her three sons, to Steve's extended family, to Steve's coworkers at KTRK–TV, and to Steve's journalistic colleagues in Houston. His passing is a loss to all of us who knew him, who worked with him, and who appreciated his dedication and professionalism. We will miss him.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. FIELDS of Texas. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am very much pleased to join the gentleman from Texas to honor Steve Gauvain and to acknowledge as well my great respect for his journalistic ability, but also his commitment to the Houston community. We recognize that when Steve Gauvain did a story, it was out of Compassion, knowledge, a sense of respect for the individuals that he queried, and, of course, a love for our community.

It is with great sadness that I join my colleague from Texas, and applaud him for coming to the floor, and to add my sympathies to Stephen's wife and children and, of course, his Channel 13 family. I hope that all of us will give to them our prayers and remember him for his service to our community.

Mr. FIELDS of Texas. Mr. Speaker, I know the gentlewoman would agree with me because she has been interviewed many times by Stephen, how professional he was, how well prepared. The gentlewoman mentioned the word "compassion." Certainly that fit him perfectly. I thought he was one of the finest reporters whom I ever had the pleasure to work with.

Ms. JACKSON-LEE of Texas. If the gentleman will yield further, I certainly agree. I thank the gentleman. Let me also say he had a love for NASA and the Johnson Space Center, and I appreciate all of his leadership on that issue. I thank the gentleman for his leadership on the floor.

□ 1830

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

MORE OFTEN THAN NOT, SPECIAL INTERESTS, NOT PUBLIC INTERESTS, DRIVE THE LEGISLATIVE AGENDA IN WASHINGTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MEEHAN] is recognized for 5 minutes.

Mr. MEEHAN. Mr. Speaker, when I came to the Congress 3 years ago, I brought a list of priorities: Balancing the budget, cleaning up the environment, and promoting economic development and small business opportunities. But after working on Capitol Hill for just a few months, I learned that more often than not, special interests, not public interests, drive the legislative agenda in Washington. That is why so much of the changes voters demanded, like cutting Government waste and curbing rising health care costs are so difficult to achieve.

Under our grossly deficient campaign finance system, well-heeled lobbyists and PACs have greater influence over Washington's business than the folks back home. A perfect example is the 2-year debate about how to balance the budget. Congress could have passed a credible plan to balance the budget last year in the absence of special interests. Year after year, programs that have long outlived their usefulness are preserved in the budget. Everything from tax loopholes for energy and marketing subsidies are taboo when it comes to cutting Government spending, while education, employment and training programs for the working poor are on the chopping block.

Even if we do get a balanced budget this year, Mr. Speaker, odds are that that balanced budget will contain costly tax breaks that benefit special interests and disproportionate cuts to the lower and middle class. Congress comes up against the special interest money barrier every time we try to take on the tobacco industry as well. Public decisions and public policies are often abstract, but this one could not be clearer.

Every day 3,000 young people are enticed into forming a deadly habit before they are old enough to truly make impartial decisions about their health. Yet even when the issue is clear-cut, Congress has been unable to pass legislation or even try to eliminate or regulate teenagers' access to tobacco products.

Last year, Common Cause released a report that illustrated the enormous amount of money the tobacco industry pours into political campaigns to stop antitobacco legislation from passing. According to the report, tobacco giants like Philip Morris, R.J. Reynolds, U.S. Tobacco and the Tobacco Institute have donated millions of dollars to Members of Congress over the past 10 years. Without question, this report documents the way money in the form of campaign contributions influence decisions that are made in Washington.

During the last Congress, I joined with a group of like-minded freshman Democrats to pass campaign finance and lobby reform legislation. It is no secret now that our efforts failed largely due to the efforts of special interests. Both bills failed to pass, and many of my dedicated freshman colleagues lost in their bids for reelection as a result. I learned then that passing real congressional reform means forging new alliances across party and ideological lines to fight the embraced establishment and the entrenched establishment in Washington. That is how we passed lobby reform and the gift ban legislation last year, and that is the only way Congress can reform its corrupting campaign finance system.

This week the Senate will start debating the first bipartisan bicameral campaign finance reform in over a decade. S. 1219, the McCain-Feingold regulation, has the support of a coalition of 30 grass-roots organizations and editorial board from all across America. Last year LINDA SMITH, CHRIS SHAYS, and I introduced the House version of this campaign finance reform bill. H.R. 2566, the Bipartisan Clean Congress Act, was the result of months and months of negotiations between groups of Democrats and Republicans. Both bills are a remarkable example of what can happen when Members put aside their partisan differences and sit down to the same table to try to make Congress more accountable.

H.R. 2566 eliminates PACs, caps lobbyist donations, requires 60 percent of campaign contributions to originate in a candidate's home State. It eliminates loopholes and large political party contributions and sets voluntary spending limits, offering candidates discounted broadcast time and large mailings if they sign a pledge not to spend any more than $600,000.

If enacted, the Bipartisan Clean Congress Act will halt special interest influence in Washington and really clear the way for the truly representative democracy which our forefathers envisioned 200 years ago.

Now, it is difficult to change a system that is so favorable to incumbents, given the fact incumbents have access to PAC and lobbyist contributions. They help us win reelection in the Congress over 90 percent of the time. Incumbents receive 70 percent of their PAC contributions in each cycle. Seventy percent of all PAC contributions go to incumbents. Compare that with less than 12 percent for challengers; less than 12 percent.

Mr. Speaker, the time for campaign finance reform is now. We have to act in this Congress while we have a President willing to sign this bill. Let us give President Clinton this bipartisan bill and pass it into law.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2618

Ms. SLAUGHTER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2618.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

VACATION OF SPECIAL ORDER AND GRANTING OF SPECIAL ORDER

Mr. FARR of California. Mr. Speaker, I ask unanimous consent to claim the time of the gentlewoman from Ohio.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TRIBUTE TO ADAM DARLING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FARR] is recognized for 5 minutes.

Mr. FARR of California. Mr. Speaker, tonight I rise on the third anniversary of the day on which I took the oath of office 3 years ago in this Chamber to replace then-Congressman Leon Panetta, who had gone to work in the White House as head of OMB.

Standing in the well before me, I thanked the California State legislature, which I had left the night before, for the good work they were doing in guiding the State of California. At the same time I paid tribute to my mother, who had died of cancer while I was in the Peace Corps; and to my sister, who was killed while visiting me in the Peace Corps.

In the gallery at the time was my father, Fred Farr, and my sister, Francesca Farr. Also in the gallery from my district was Rev. Darrell Darling and his son Adam Darling, who grew up in Santa Cruz, part of the district I now represent.

Tonight, on the third anniversary, I want to pay tribute to that beautiful young man, Adam Darling, who lost his life in the plane crash with Secretary Ron Brown in Bosnia.

Adam Darling died doing precisely what he wanted: serving his country while working to make the world a better place. He was an eternal optimist. Adam had once offered to ride his bike across this country from his home State of California to Washington, DC for then-Governor Bill Clinton because he felt that he could make a difference in the 1992 presidential race just by riding a bicycle across the Nation. After the election he ended up in Washington working for the Commerce Department.

When I arrived to be sworn into Congress, Adam was there to meet me. He brought his father, Rev. Darrell Darling, with him from Santa Cruz all the way here to Washington, DC. According to his father, Adam Darling was a leader among his peers, his friends, his family and in his work. His leadership grew from a keen and uncluttered mind, a character free of shame, given or received, and thoroughly generous in spirit.

He was very realistic about both public policy and public service and the limitations and temptations of both. Adam's realism never was cynical. "When you decide to make a difference where there is risk, you cannot calculate the cost or be guaranteed delivery from pain or loss. Bosnia is a land of grief and turmoil and none of us are immune from it." Those were the words of his father upon learning of his son's death.

Adam was working for the Commerce Department when I arrived. He served on the staff of the press office for several months before becoming a personal assistant to the Deputy Secretary for 2 years. Adam was also instrumental in bringing state-of-the-art science to the central coast and to the country. Just 1 year ago he helped organize the first-ever link between the classrooms across America and marine biologists working in the Monterey Bay.

Ron Brown had asked Adam to handle press relations and advance planning for the economic development mission in Bosnia. According to Adam's family, Adam saw it as an opportunity to make a significant contribution to the peace effort where it was severely needed.

Rather than working hard to gain personal attention, Adam worked hard for the sheer pleasure of doing well and the satisfaction of knowing he had helped make someone else's life a little more livable.

Adam saw life as an opportunity to serve the world, telling his family at the age of 5 that he would be President of the United States someday; a young boy made his commitment to bettering the country at any cost. During the few years that he was afforded, Adam worked with the dedication and commitment of a President and accomplished more for the good of humankind during his lifetime than many even attempt in 100 years.

The loss of Adam Darling and 34 others in Bosnia will be sorely felt by all and will remain in our hearts as a memorial to all who pay the highest cost possible in order to keep the world by serving their country. I want to thank the Darlings for being here on this day of my anniversary of being sworn into Congress, and I want to pay tribute to Adam Darling who was here to greet me when I first arrived, and wish that he was still here today.

Mr. Speaker, thank you for allowing me this time to pay tribute to this great young American.

WHITEWATER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I was kind of distressed today when I turned on the television set and saw the report that came out from the Senate Banking Committee on Whitewater. I was not upset about the report; I was upset about how it was presented by the media and that it was pooh-poohed as though it was nothing significant.

The fact of the matter is it is very, very significant and there were some very real possibilities of violations of law and obstruction of justice. For instance, Hillary Rodham Clinton, the President's wife, said she did not know anything about or have copies of the billing records from the Rose Law Firm that dealt with Castle Grande in the Whitewater episode.

☐ 1845

Yet 2 years after they were subpoenaed by the independent counsel, 2 years after they were requested by the Congress of the United States, they were found in her living quarters in the library right next to her bedroom. Not only that, her fingerprints and the fingerprints of Vince Foster were all over the documents. For her to say that she did not know that those documents were there, did not have any idea or recollect where they were and they were next to her bedroom for 2 years and many believe were taken out of Vince Foster's office right after his death is just hard to believe.

The billing records contradict her previous sworn statements that she did very little work on the Castle Grande real estate project which helped bring about the downfall of Madison Guaranty Savings and Loan and the conviction of Jim Guy Tucker of Arkansas. The records document that Mrs. Clinton had 14 meetings or discussions concerning Castle Grande and drafted an important legal document. She said she had nothing to do with it. That is just one thing.

Second, during the last week of May, the House was scheduled to vote to hold White House counsel Jack Quinn in contempt of Congress for refusing to turn over thousands of pages of documents concerning another matter called Travelgate. At the last moment he turned over 1,000 pages of documents. However, the White House has refused to turn over 2,000 pages of documents that are more sensitive and have to do with this scandal. The White House is claiming executive privilege so it can keep these documents secret; they must contain some very damaging information.

These documents include 600 pages relating to Vince Foster, whose body was mysteriously found over at Fort Marcy Park. They include a 54-page analysis of custody and disclosure of Foster's travel office file, a 22-page chronological analysis of the handling of Foster's documents, and 33 pages of handwritten notes that were in his briefcase that nobody even knew about until just now. His briefcase was empty when they found it, and they started talking about it. They found two little pieces of paper that was allegedly a suicide note, but nobody has ever mentioned these 33 pages of documents that they are trying to keep the Congress from seeing.

Then we have now the confidential FBI files. The White House asked for and received files on 408 people, Republicans, and they were sought without justification. The Secret Service has said there was no way that they could have accidentally provided the White House with this out-of-date list. Usually, almost always, when the White House asks for evidence or an FBI background check on somebody, it is prospective, to find out if there is anything wrong with that person before they hire them and bring them into the Government. These were people who had already been investigated and they went back and got 408 files of Republicans, and we believe it was because they wanted to find some dirt on them that they could use in later political campaigns for political purposes.

The files of two of the Travel Office employees, Billy Dale and Barnaby Brasseux, were requested with the explanation that they were seeking access to the White House. This was several months after they had been fired from the White House. Apparently the White House was not content with launching an unjustified FBI investigation of these two men. They apparently decided to dig up a little dirt on them themselves.

The FBI Director appointed by Bill Clinton, Louis Freeh had this to say about the incident in his report to the public. This is an appointee by the President himself. He called the White House actions "egregious violations of privacy."

He went on to say, "The prior system of providing files to the White House relied on good faith and honor. Unfortunately, the FBI and I were victimized."

That is really a criticism, a severe criticism, of the White House and their policies.

Once again, Craig Livingstone is at the center of a White House dirty tricks operation. He will be called before our committee to testify before too long. As you will recall, earlier in 1993, he was seen by a Secret Service agent leaving the White House counsel's suite with a box of documents from the deceased assistant to the President, Vince Foster. However, it does not stop there.

Craig Livingstone is 37 years old. He is a midlevel White House aide. He would not be gathering these political intelligence reports from the FBI without authorization from somebody up above. We need to find out who that was and whether there was obstruction of justice or a violation of the law.

HEALTH CARE LEGISLATION

The SPEAKER pro tempore (Mr. STEARNS). Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I support the health care reform legislation that is known as the Kennedy-Kassebaum bill because it would make it easier for workers who lose or change jobs to buy health insurance coverage, and it would limit the length of time that insurers could refuse to cover a preexisting medical problem.

Essentially what this legislation does in its original form is to simply make it easier for people to get health insurance because we know that fewer and fewer people, fewer and fewer Americans today have health insurance as compared to, say, 5 or 10 years ago. But I should point out, Mr. Speaker, that this legislation was originally crafted to keep premiums affordable because it would not impact the insurance risk pool by encouraging healthy individuals to drop coverage.

It had bipartisan support in both the Senate and the House of Representatives in its original form, and the President indicated that he would support it or sign the bill in his State of the Union Address. However, from the very beginning the Republican leadership in the House insisted on messing up this very simple legislation with controversial poison pill amendments.

I mention this today because this morning during special orders the Speaker, Speaker GINGRICH, got up and talked about how good this legislation was. But He refused or he did not mention, I should say, one of the provisions that he and others in the Republican leadership insist on including. That is the poison pill of the medical savings accounts, or MSAs, which will favor the healthy and the wealthy and will be just another tax shelter for the rich. I say this because Americans who do not choose to join the MSAs because of the high risks involved will see their health insurance premiums actually increase, and the MSAs among other extraneous provisions that have been placed in the Kennedy-Kassebaum bill here in the House will guarantee the failure of any health insurance reform in the Congress.

I just wanted to read, if I could, a section from the Washington Post editorial on April 9, 1996, where they explained in some detail why MSAs would essentially drive up insurance costs and ultimately cause fewer people to have insurance, just the opposite of what the Kennedy-Kassebaum bill is intended to do. It says in this editorial that the goal of the underlying bill is to strengthen the health insurance system by making it easier for people who can afford it to remain insured between jobs.

Mainly it would help the part of the population that already has insurance rather than one-seventh that largely for reasons of cost does not. But the likely effect of medical savings accounts would be to push in the opposite direction, weaken the insurance system and in the end add to the number of uninsured.

If the medical savings proposal becomes law, those who chose would buy so-called catastrophic insurance policies that kick in only after the first $3,000 or so of annual expenses.

The savings accounts would also likely split the insurance market. They represent a gamble. People who would most likely take the gamble would be the healthier and better off. To some degree, they would be choosing to withdraw from the broader insurance pool to fend for themselves. Left in the pool would be the more vulnerable, who would likely see their insurance costs go up; the increase would make insurance even harder to maintain than now.

In a sense this is the very opposite of the insurance principle. It is being pushed by companies that want to sell catastrophic coverage, plus people drawn to the individual responsibility that the idea entails, but for the population as a whole, it would do more harm than good. The President has rightly suggested that he would be disposed to veto a bill that included these accounts.

Well, the bottom line, Mr. Speaker, is that the Republican health plan with these MSAs would raise premiums for average Americans and make insurance less affordable. Hence fewer people would be able to get insurance under this bill. It is nothing more than a payback to the Golden Rule Insurance Co. Golden Rule has made big contributions to the Republicans and will reap big profits if the MSA proposal becomes law. Of the $1.2 million contribution that has been given to the Republicans by the Golden Rule president, J. Patrick Rooney and his family, even more has been given to other GOP candidates and causes. What causes.

What I am trying to say, Mr. Speaker, is essentially that Speaker GINGRICH got on the floor this morning and talked about what he is trying to do for health care reform. He neglects to mention that essentially he is trying to sabotage health insurance reform with the MSA provisions. This GOP provision provides no help for working families and just provides handouts for special interests. Essentially what we are seeing here is the Republican leadership jeopardizing health insurance reform by providing for rich man's insurance.

REFORM OF POLITICAL PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 5 minutes.

Mrs. SMITH of Washington. Mr. Speaker, I stand here tonight recalling my first trip to Washington, DC, as someone who had just been written in for Congress. I did not run for Congress. I was written in. Within 3 weeks I found myself standing on the steps looking out at Washington, DC, thinking, oh God, why am I here? And I know that any citizen would have felt the same way; it was a Cinderella story. I did not have to spend all the time most people do. But as I listened to that speech, many speeches, I realized that we were making great promises to the American people.

Those promises were for a new way if the American people would give the Republicans control of Congress for the first time in 42 years. If we were elected, we Republicans, we would be different. Just trust us. I found out that most of my colleagues, who were new especially, were running against the corruption.

They said that things have happened over the years that we do not agree with.

Many of the quotes that we heard that day were resounding. I heard a man that I have learned to trust, learned to admire, one of the leaders of our party say, as I cheered, because I agreed with him, if you will give us control, we will wrestle or wrest control back for the people and take it out of the hands of special interests. I and my colleagues stood and cheered. We looked out. We promised America.

Today I call on my colleagues to keep our word. The theme was promises made, promises kept. You would not know what we meant except that we said we would clean it up. I believed those promises, and I say today the American people need to hold us to those promises.

I arrived to Washington, DC, to training, but the first night I arrived to dozens of the first and second and third night fundraisers. I said, well, this is interesting, did not think much about it, but found out that each Member of Congress was to give four to eight. I have got the written instructions still on my desk, that we were to focus on the people that came before our committees. They brought in people to train us. If you went to the right fundraiser training, they taught us how we could get people to help us, to dial for dollars, is that it is called. And that is in writing, and to focus on those that came before us so they would understand how important it was that they came to our fundraiser. And we could get leadership people to put their name on our fundraiser.

I looked at that and I thought, how does this fit in with cleaning up Congress? Then I found out the Democrats do it, too. And not only that, that the challengers had come with some of the new freshmen and they were doing it, too, all on the same night.

There are master schedules, you see, because there is only so much around here. They have built buildings. As you look out, some of the buildings are just fundraising buildings. They have floors where you dial for dollars, where there are funds, other floors where you have receptions and the Members set themselves up on the schedule.

I looked at that and I realized that clearly that would take a little bit of time. But the biggest thing I realized is I could not go back home and tell the American people I did it. Each Member is allotted a time, four to eight scheduled events, on the calendar. You make sure there are not too many because there are only so many places to have them. We make sure that we have votes that day so we are sure to be here so there are enough Members to come to the fundraisers. You see, the lobbyists come there to lobby us because we are in session most every night, and they have access to a lot of Members.

Then you go to someone's fundraiser, so they go to your fundraiser. The lobbyists come, and on the bill they send them is $500 to $1,000. They do not have to come. But if you were called by a Congressman or Congresswoman and you happened to need to go before their committee and you did not bring the $500 or $1,000, would you not think maybe your opponent would be there? It is not even subtle pressure anymore, folks. It is the pressure that I would have thought that we would take off.

I am called the Democrats who played games with this and the Republicans who tend to be looking like they might be playing games with this to a vote on a bipartisan bill. There are two of them. There is a Senate one, 1219, and a House one. Stop playing games. Vote, do not just talk.

□ 1900

NBA CHAMPION CHICAGO BULLS

The SPEAKER pro tempore (Mr. STEARNS). Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to pay tribute to the Chicago Bulls who on Sunday night at the United Center in the Seventh Congressional District captured their fourth NBA championship in an 87 to 75 victory over the Seattle Supersonics. Many called it mission impossible. But the Bulls have won their fourth NBA championship in an amazing display of team play.

It has been a historical season for the Bulls, who finished the regular season with a 72–10 record, 87–13 record for the season, and a 15–3 record for the playoffs. The Bulls had an average margin of victory of 12.3 points, a feat only a few teams in any sport have had in any one season.

Chicago, the Seventh Congressional District and Chicago fans through the Nation are fat with pride. Some are saying that the, "NBA Champion Chicago Bulls have established a new level of play, and it's something all teams will have to chase."

I would also like to congratulate Phil Jackson and his coaching team comprised of Tex Winter, Jim Rodgers, Jim Cleamons, and John Paxson.

Mr. Speaker, I would also like to pay tribute to one of the greatest basketball players of all times, Michael Jordon, who finished off this great season with a 96 triple crown of MVP award in the league finals. His great leadership, and unparalleled performance have garnered him the title of one of the greatest ballplayers of all time. Dennis Rodman has also distinguished himself capturing his fifth rebounding title. And of course Scottie Pippen, and the entire club for an outstanding display of teamwork.

Mr. Speaker, I ask you and my colleagues to join me in congratulating one of the greatest teams in the annals of basketball, and of course one of the greatest players ever, Michael Jordon. In the more than 100 game that they played, the Bulls always delivered a championship performance.

And finally, I would like to congratulate and thank the greatest fans in the world for their undying support of the Chicago Bulls.

The SPEAKER pro tempore. The Chair certainly appreciates the gentlewoman from Illinois for holding up the shirt for display in her speech.

SUPPORT THE ELIMINATION OF NEA'S FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES. Mr. Speaker, here we go again. Just as this Congress is set to debate the funding of the National Endowment for the Arts, NEA Chairwoman, Jane Alexander, has again shown us that both she and the taxpayer funded NEA, must go.

Last Sunday, at the New York Lesbian and Gay Video and Film Festival, director Cheryl Dunye premiered her film, "Watermelon Woman," funded by the tax dollars of hardworking Americans.

In the words of the director herself, this pornographic film depicts black "lesbians experiencing their sexual desire for each other." This film was produced from a $31,000 grant from the NEA.

I believe that in the opinion of most Americans, Watermelon Woman has absolutely no serious artistic, or political value.

NEA Chairwoman Alexander and the National Endowment for the Arts are attempting to pull the wool over the eyes of taxpaying Americans by marketing this sexually explicit film as black history.

As Edmund Peterson, chairman of Project 21 and a leading black conservative put it, in Friday's Washington Times, "There is no demand in the black community for this movie; this is a classic example, of the Clinton administration, being in bed with the gay-lesbian movement, and funding a project through tax dollars, that can't get funded any other way."

Mr. Speaker, this is not the first time that Miss Alexander and the NEA have demonstrated a desire to divert our tax dollars to controversial works that demean the religious beliefs and moral values of mainstream Americans. One should not forget the March 1994 performance of Ron Athey, at the Minneapolis Walker Art Center.

This NEA-funded performance featured Mr. Athey carving a design into the back of an assistant, mopping up the blood with paper towels, and then sending the paper towels on a line, out over the shocked audience.

Miss Alexander defended the performance, stating in the Washington Post, "not all art is for everybody."

Many in Congress denounced this performance as an obscenity. Miss Alexander and the NEA responded by awarding more of our hard-earned tax dollars to the Walker Art Center.

Miss Alexander and the NEA have repeatedly thumbed their noses at Congress and the American public.

I call on President Clinton to find the moral courage within himself to protect the children of America from these obscenities, and to demand the immediate resignation of Jane Alexander. Mr. President, you cannot have it both ways.

Middle America does not share the NEA's values. The American taxpayer and the working families of the Third District of North Carolina do not want their money spent on so-called works of art, like a crucifix in urine, or photographs, which exploit our children.

This week, the House is scheduled to debate funding for the National Endowment for the Arts.

It is time the Government got out of the business of funding this so-called art.

I urge each of my colleagues to support the elimination of the NEA's Federal funding. The taxpayer cannot afford it and our children do not deserve it.

INCLUSION OF REPUBLICAN MSA PROPOSAL THWARTS EFFORTS TO MAKE HEALTH INSURANCE ACCESSIBLE AND AFFORDABLE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, I am a very strong supporter of health care reform and of the Kennedy-Kassebaum bipartisan legislation to afford us a first step in dealing with some very important issues that face working families today on the issue of health care. There is a serious problem that we do have today that working families face, two particularly.

First, is the whole issue of health insurance portability, that when you leave one job and go to another, what happens to your health care? People find themselves in that position today more and more without the opportunity of having the kind of health care coverage they need in switching jobs that is good for them or for their families.

The second issue that is very critical and important is the limits on coverage for individuals who have a preexisting condition where insurance companies will deny the opportunity for health insurance to somebody who has a preexisting condition.

Mr. Speaker, I have a preexisting condition; I am a cancer survivor. Ten years ago I was diagnosed with ovarian cancer. Fortunately, today I am cancer free. But there is not a small business or some business who wants to put me in their insurance pool because it drives those premiums sky high. Or if I go out and get insurance on my own, it is 12 or $14,000 a year to cover people who are cancer survivors.

These are serious health care problems. They face approximately 21 million Americans in this Nation. Too many families, working families, in my district, the Third District in Connecticut, pay their bills, they work hard, they play by the rules, and they do live in fear of losing their health insurance if they change their jobs. Too many of them cannot even get health care coverage because of this preexisting medical condition. This is not only bad health care policy, it is wrong.

We have an opportunity with the Kennedy-Kassebaum bill, a bipartisan bill that addresses both of these issues.

As I said, this is a first step. It is not all that we want to accomplish in health care reform, but it is a way in which we can modestly reform the health insurance industry to meet the needs of working families.

Sadly, under the banner of reform with this bipartisan bill, the congressional majority and the Speaker of the House today took the floor to talk about an opportunity for health care reform, but under this banner of reform what we have seen the congressional majority and the Speaker of the House do is to twist this opportunity, and in fact what would result would hurt consumers, and it would, in fact, increase the number of insured, the reason being the introduction of something called a medical savings account.

Medical savings accounts are expensive, they are destructive, and they are bad health care policy. They encourage the healthiest and the wealthiest individuals to opt out of the insurance pool. They allow individuals to create private accounts to pay for their medical expenses, and in exchange individuals get a bare bones catastrophic insurance plan with extremely high deductibles. It is shortsighted. What it does by people opting out, the healthiest and the wealthiest opting out of the traditional insurance pool, you leave the most frail, the sickest people in that pool, thereby driving the premiums up.

Mr. Speaker, I will tell you in order for the insurance companies to take care of these more sickly people, that cost goes up, and I am going to quote you a group, The American Academy of Actuaries, not a liberal group. These are the green eye shade people who look very carefully at the cost of insurance. Their estimate is that the process of skimming, getting the healthy out of this system, would result in a possible 61 percent increase in health care premiums for those who remain in traditional plans. If rates rise, people will no longer be able to afford insurance, and you thereby increase the number of uninsured in this country, certainly not what we want to try to do.

Let me mention another group to my colleagues, the Consumers Union. These are folks who produce Consumer Reports; you know when you go to look at buying a car, an appliance, and you take their word for what is happening, you do a comparison look. This is what they said on Wednesday June 12: No health care reform this year is better than a bill with the Republican MSA proposal attached. The inclusion, and I quote, of the Republican MSA proposal in the Kassebaum-Kennedy bill makes the legislation worse than a wash for consumers. It takes us backward in our efforts to make health insurance accessible and affordable.

MSA's are a time bomb. They turn the very principle of insurance on its head. Instead of pooling resources to take care of people when they get sick, MSA's funnel money away from doctors' bills and into accounts that will help healthy people accumulate wealth.

Please, understand that we have an opportunity to do something good for working families and health care, not through what the Speaker of the House wants to do with medical savings accounts.

WHO REALLY SPEAKS FOR THE CHILDREN?

The SPEAKER pro tempore (Mr. Fox of Pennsylvania). Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, when talking about children, there is one significant difference between Democrats and Republicans. Democrats believe it takes Washington programs and Washington spending and Washington bureaucrats to raise a child.

Republicans disagree. After 30 years of excessive taxation, after 30 years of a failed welfare system, after 30 years of a rapidly failing public education system, after 30 years of a deteriorating justice system, Republicans have a different answer—in just three words—two responsible parents. That's what it takes to raise a child successfully today—two responsible parents.

We should not be asking the question "what should government do for children." Instead, our question should be "What must we do to get parents to do more." What children need is not more Government spending but a mother and a father who care about them. Americans have correctly lost patience with Washington, but they have not lost their compassion for the children and their commitment to the common good.

When talking about children, Republicans begin with three principles:

First, that the moral health of a nation is no less important than its economic or military strength. That fact is, you cannot have a healthy moral environment to raise children in America when 12-year-olds are having babies, 15-year-olds are killing each other, 17-year-olds are dying of AIDS and 18-year-olds are graduating with diplomas they cannot read. If we are to restore the moral health of America, this behavior has got to stop,

Second, it is the results, not the rhetoric, that counts. Anyone can sound compassionate, but the truly compassionate are those that go out and find ways to make the lives of our children more happy and healthy, and

Third, we must be willing to face ourselves in the mirror and be honest with the American people about the failure of the Washington welfare system to help those who need it most. It is our responsibility as elected officials to acknowledge that Washington got it wrong, so that next time we can get it right.

We have created a welfare trap in this country that literally enslaves generations of Americans on Government assistance. Our welfare system has deprived hope, diminished opportunity, and destroyed the lives of our precious children.

Just look at our inner cities. You'll meet a generation fed on food stamps but starved of nurturing and hope. You'll see second graders who don't know their ABC's; fourth graders who cannot add or subtract.

Yet every year Washington spends more money on more programs to help more people—expanding the welfare trap from one community to another, from one family to another, from one child to another from one generation to another.

The Washington bureaucracy is well intentioned, but what the Democrats don't understand is that raising more taxes to hire more bureaucrats to expand a welfare system that doesn't work now will only make matters worse later.

And welfare isn't the only problem facing children. Among industrialized nations at the start of this decade, we had the most murders the worst schools the most abortions the highest infant mortality the most illegitimacy the most one-parent families the most children in jail and the most children on goverment aid. We were first only in the number of lawyers and lawsuits.

A Washington-based social policy does not help children. It destroys them. It does not keep families together. It tears them apart. Instead of turning urban areas of America into shining cities on a hill, it has made them into war zones where no one dares go out at night and often in the day as well. Instead of turning schools into bastions of knowledge and learning it has served as an employment agency for bureaucrats.

Washington politicians drag children to Washington to hear a couple of speeches by Washington politicians and Washington lobbyists. I want parents to take their children to school on weekdays and to religious services on Sundays.

Washington politicians talk the talk. We need to do the work.

And that work begins with welfare. Let me state this clearly so there is no confusion. We have spent over $5 trillion on welfare related programs, and yet we have more poverty, more crime, more drug addiction, more broken families, and more immoral behavior. The Washington welfare system is broken. The Washington welfare system does not work. The Washington welfare system needs to be shut down. We need to start over. Period.

Right now, there are alternatives to the Washington welfare bureaucracy that are less expensive and work better than the current system. Let me just mention two.

Why does Habitat for Humanity work so much better than HUD? Because Habitat for Humanity first requires recipients to learn the responsibility of home ownership, then requires them to build a home for someone else, and only then do they build their own home. What does HUD require? Absolutely nothing. Do you see the difference? The private charity requires something of the individual. The Washington bureaucracy requires only something from the taxpayer.

Why does Earning for Learning work so much better than the Washington Department of Education? Earning for Learning pays young children in inner cities to read books. The more books they read, the more money they make. They gain knowledge and learn about positive incentives. Who does the Washington Department of Education educate? Absolutely no one. Do you see the difference? The Private charity produces results. The Washington bureaucracy produces rules, regulations and not much else.

The current Washington-based welfare system demands no responsibility, no work ethic, no learning, no commitment, and in the end, no pride. What we need is locally based solutions that involve local citizens working with local children on a face-to-face, person-to-person basis.

Spending more on the current Washington welfare system will not help children. It's time we take away the blindfold and accept reality. We have to rebuild parents, families, and communities, but you cannot do it from high-rise office buildings in Washington. It has to be done at home, in school and on Sunday.

Changing the welfare system will help children. Encouraging families to stay together will help children. Putting welfare recipients back to work will help children. Restoring the work ethic will help children. Improving the quality of local education will help children. Encouraging spirituality will help children.

But even that is not enough. It's time we tackle the problem of American culture. We have grown to accept prostitution on our streets, crime in our neighborhoods, and garbage on television and in movies. This complacency has to stop.

And so the question for America is whether we move into the future, or remain in the past. Do we demand more from parents, or do we leave it to Washington to solve all our ills? Do we return control of education to the local community, or do we run education from a Federal department in Washington? Do we change the welfare system and restore hope and optimism to the next generation, or do we continue to accept the welfare world of dependency, illegitimacy and despair?

And most importantly, do we make a real commitment to improve the lives of children across the country, or do we use children as political pawns in the upcoming election?

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MFN AND HUMAN RIGHTS IN CHINA

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, today the Subcommittee on International Operations and Human Rights of the Committee on International Relations, under the leadership of the chairman, the gentleman from New Jersey, CHRISTOPHER SMITH, held a hearing on most-favored-nation status for China and human rights in China. The purpose of the hearing was to take a measure of whatever progress might have occurred in China since our last review of most-favored-nation status.

Today, many distinguished witnesses testified to who will give you documentation on the worsening state of human rights in China and Tibet. I commend them for their ongoing efforts to shine the public light on a terrible situation, for their continuing fight to assist those who promote freedom and basic human rights. Their expertise and in some cases their willingness to expose themselves, their friends, and families to danger in order to document the continuing egregious violations of human rights in China and Tibet is inspiring and I look forward to their presentations.

It is important to note for the record that according to the State Department's own Annual Reports on Human Rights Practices for 1995, as well as Amnesty International, Human Rights Watch, the International Campaign for Tibet and other reputable independent human rights organizations, repression in China and Tibet continues. The State Department's own report documents the failure of constructive engagement to improve human rights in China, and notes that,

> The experience of China in the past few years demonstrates that while economic growth, trade, and social mobility create an improved standard of living, they cannot by themselves bring about greater respect for human rights in the absence of a willingness by political authorities to abide by the fundamental international norms.

It is clear that as the Beijing regime consolidates its power by increasing its foreign reserves through trade and the sale of weapons, China's authoritarian rulers are tightening their grip on freedom of speech, religion, press, and thought in China and Tibet.

Today we hear comparatively little about those fighting for freedom in China not because they are all busy making money, but because they have been exiled, imprisoned, or otherwise silenced by China's Communist leaders. According to the State Department's report, "by year's end almost all public dissent against the central authorities was silenced." We cannot allow this to continue. If they are not allowed to speak out for themselves, we must speak out on their behalf. We cannot forget the indomitable spirits of Wei Jingsheng, Bao Tong, Chen Ziming, Tong Yi, and the hundreds of thousands of others, known and unknown, who suffer under China's repressive regime.

Our great country is ignoring the plight of China's pro-democracy activists. In the process, we are not only undermining freedom in China, but we are also losing our ability to speak out for freedom and human rights throughout the world.

There is some reason for hope. I would like to bring to the attention of my colleagues here today an event held in San Francisco over the past weekend. Over 20 rock groups and other musical artists participated in a 2 day Tibetan Freedom concert to bring attention to the plight of the people of Tibet. Organized by the Milarepa Fund and the Beastie Boys, this concert was attended by over 100,000 young people who can take the message about Tibet to communities across this Nation. The energy and enthusiasm of the concert participants was inspiring and demonstrates that the fight for basic human rights is being taken up by the younger generation. The participants in the concert, like the pro-democracy activists in China, are the future. Our cause will utlimately prevail, but we must keep up the fight.

The past few months have seen China act to intimidate the people of Taiwan in their democratic elections, diminish democratic freedoms in Hong Kong, crack down on freedom of religion by Christians in China and Buddhists in Tibet, and smuggle AK-47s into the United States via its state-run companies.

The MFN vote provides us with the only opportunity to demonstrate our concern about United States-China relations and our determination to make trade fairer, the political climate freer and the world safer. I urge our colleagues not to turn their backs on these important principles.

WE MUST REBUILD AMERICA, AND PUT AMERICA FIRST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. WAMP] is recognized for 5 minutes.

Mr. WAMP. Mr. Speaker, I am probably a minority within this body, not just because I am a freshman, but because I did not come to Washington with wealth or money, to speak of. I had a good job. I have a nice home. I have a loving wife and two small children. I have a lot to be grateful for. But I came here not to represent Wall Street, but to work real hard for Main Street. I came here to look after the underdog, the little guy, the working folks in this country that right now I think are having a hard time.

I am not talking about people on minimum wage. That is 3 percent of the work force. That is people at a starting level, just coming into the work force. I am talking specifically about the other 97 percent of the work force that are making more than minimum wage. They are also having a very difficult time today.

The gentlewoman from Washington talked about the special interest groups, Mr. Speaker, the PAC money, the influence these lobbyists actually have in Washington now. I am one of the very few Members of this body who do not take any of their money. I listen to the folks back in Polk County and Meigs County and small counties in east Tennessee. They are the ones that sent me here. They are the ones I take my campaign contributions from. They are the ones I listen to.

I listen to small business people real close to the ground, and I think they are having a difficult time. They are overtaxed, they are overlitigated, they are overregulated. I think of small business people like my father, who in the 1950's paid less than 10 percent of every dollar he made to the Government, total: Federal Government, State government, local government combined, less than 10 cents of every dollar. Today that obligation in this country is about half of every dollar a man or woman makes goes to the Government. It is climbing to where, when my children are my age, it is going to be more than 80 cents of every dollar. How much can we pay as a free nation and a free people in taxes?

We are overlitigated: too many lawsuits in America. We need lawyers in America, but we do not need this many lawsuits. We do not need so many lawsuits. We need tort reform, clean up the legal system, make it quicker and cleaner if you have a dispute. Frankly, we have too many lawyers in this body. We have 148 lawyers in Congress. No wonder the laws that are passed here help lawyers make money. We have too many lawyers in Congress.

We are overregulated. Frankly, a lot of our businesses are moving overseas because our regulations are extreme. Because of the new Congress, EPA and OSHA are making some reforms and going in the right direction. There has been a lot of screaming and yelling since we got here, this new Congress, but the fact is those agencies that have been screaming and yelling are actually making the reforms that we have advocated.

But the average person is losing ground. Economic insecurity I think is setting in. I think of single parents, single moms who are getting up in the morning and getting their kids ready, sending them off to day care, sending them off to school and going to work, humping it, working hard, trying to make ends meet, just to keep their head above water, not to get ahead, just to get by. I think of parents like myself with small children who are having a tough go of it, people in their thirties who are accumulating debt that frankly they do not know how they are going to pay. I think of people in their forties and fifties with strained family budgets right now, having a difficult time getting by.

Our senior citizens are worried right now that politicians are not going to do the right thing to preserve and protect Medicare. They are worried up here that they are not going to keep it intact, and we are trying to do that, and I think they are beginning to see through the smoke and mirrors of the people who are opposing the necessary changes to Medicare.

I look around the world, Mr. Speaker, and I see nationalism growing in other countries. We see Israel. In elections there, nationalism wins. We look at the Soviet Union, nationalism is on the rise. What about our country? Where is our nationalism? Where is our sense of country, our patriotism today? Mr. Speaker, I am for free trade, but by George, we need fair trade, not just free trade. We are losing our manufacturing base in the United States of America, and we are not willing to stop and say that we need to renegotiate NAFTA. We need to stop. It is not working. It is costing us farming jobs, it is costing us manufacturing jobs in appliance manufacturing. Our textile industry is moving overseas.

The gentlewoman talks about China. Most-favored-nation status should not be given to China. They are actually taking our intellectual property. They are pirating our goods. We have got to look at our country and look after what is best for America. I come from the Teddy Roosevelt-Abraham Lincoln school of Republicanism, where we have to preserve American jobs first. If this country is going to be the world leader that it has to be as the only superpower in the entire world, we have to rebuild America and put America first.

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HOUSE URGED TO ISSUE CONTEMPT CITATIONS CONCERNING TRAVELGATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MICA] is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I come before the House today to again call on the Speaker and House leadership to bring forward the contempt citation against Mr. Quinn, legal counsel to the President, and other White House officials who have been involved in keeping documents relating to "Filegate" from the Congress and also from the Special Counsel.

I serve on the committee charged with the jurisdiction of investigations and oversight. It is the House Committee on Government Reform and Oversight. We have been investigating this matter now for over 2 years. We have requested files for over 2 years. The pattern of evasiveness, the pattern of deceit by the White House in keeping these records both again from the Congress, the Special Counsel, and our committee is abhorrent.

Let me just cite from our report, the contempt proceedings that were offered to the House, some of the facts relating to this matter. This all deals with Travelgate which our subcommittee was investigating.

Weeks after the firings of 7 long-time White House Travel Office employees, President William J. Clinton staved off a congressional inquiry into the growing controversy by committing to House Judiciary Committee Chairman Jack Brooks on July 13, 1993, and this is what the President said: "You can be assured that the Attorney General will have the administration's full cooperation in investigating those matters which the Department wishes to review."

No mention then of executive privilege from the President on withholding documents from the investigators. In fact this is quite unprecedented. Even in Irangate, President Reagan offered all materials to congressional investigators. This is almost unprecedented, and again an issue that does not deal with foreign policy or national policy but is an investigation of the conduct within the White House, that this information is kept from us.

This is what the President said in January 1996, this year. He stated, "We've told everybody we're in the cooperation business. That's what we want to do. We want to get this over with."

Yet we still have not, as of this day, gotten one-third of the documents relating to this matter. Let me read really the essence of what this is about, and let me quote from notes from a White House aide that we obtained just recently this year, dated May 27, 1993. This is the date of the document.

White House Management Review author Todd Stern wrote this. This is not the Republicans, this is a White House operative. He said: "Problem is that if we do any kind of report and fail to address those questions, the press jumps on you wanting to know answers; while if you give answers that aren't fully honest, e.g., nothing re: HRC"—Hillary Rodham Clinton, he uses the initials—"you risk hugely compounding the problem by getting caught in half-truths. You run the risk of turning this into a cover-up."

Now, I did not say this. Our committee did not say this. No Republican said this. This is a White House aide.

We see why they have kept these documents from us. The fact is that two-thirds of the documents we sought, were sought by a bipartisan subpoena, have been withheld from the Congress by the White House.

The fact is, we now know why the White House has stonewalled the Congress. The fact is, the White House in this case misused the IRS and the FBI, the chief law enforcement agency of this Nation, in an incredible abuse of power. The fact is, and this will come out, the civil rights, the privacy rights, the Hatch Act, all of these laws I believe we will find have been violated. These are the rights and the privacy of past and present Federal employees. One of the most egregious violations is that they obtained the files of three of our staff directors of our Investigations, and Oversight Committee, the one on which I serve.

The fact is that more than 2,000 pages of documents are still being kept from the Congress, from the media, from the Special Counsel relating to this matter.

I call on the Speaker, I call on Chairman CLINGER, I call on the House leadership to bring forward to the floor of the House of Representatives this contempt citation. We must vote on it, and we must find Mr. Quinn and officials at the White House in contempt of Congress for their actions in this matter.

FIXING MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. HOKE], is recognized for 5 minutes.

Mr. HOKE. Mr. Speaker, the Medicare trustees have just issued their annual report and the news in that report is not good. Medicare is now losing money for the first time ever. We are actually taking in less than we are spending. It is going to be completely broke by 2001, according to the trustees, unless prompt, effective, and decisive action is taken to control costs.

I think it is important, Mr. Speaker, to understand that the trustees are not a partisan group. They include three members of the Clinton Cabinet. Last year those trustees projected that Medicare would not run out of money until 2002. This year they are saying that under the middle scenario, because the way that they do their projections, they have to come up with three different scenarios, best case, worst case, and middle case. They are saying that under the middle scenario, it is going to run out of money in 2001 and that under the worst scenario it could be 1999 when the trust fund runs out of money.

So as bad as the news is, what the American people need to know is that regardless of who wins in November, Medicare's financial crisis is going to be solved, because letting Medicare go bankrupt is simply not an option. It is not an option for the responsible legislators of this Congress and it is not an option that exists for the President or anybody who is elected to be President.

Both Congress and the White House have offered plans that limit the rate of growth in Medicare spending by strikingly similar amounts. The White House would increase spending 7.2 percent annually. Congress would increase spending 7.0 percent annually. To put this in perspective, bear in mind that right now the annual growth rate in private sector health care spending is less than 3 percent annually.

What I have just said will no doubt, Mr. Speaker, come as a great surprise to those who already have suffered from overexposure to the semihysterical, patently, false, and politically motivated mantra of cuts, cuts, cuts. President Clinton himself put it well when he said, "When you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare."

While the sides are essentially in agreement with respect to how much to restrict the rate of growth in Medicare, or how much to let it grow—7.0 percent, 7.2 percent—in fact there are very significant differences as to how to do that.

The President and those who believe that Washington knows best are committed to a top-down, bureaucratic solution that would increase the Government's role in the health care of our seniors. It is essentially identical to the plan that Mrs. Clinton was the chief architect of in 1994 and which we defeated in this House in 1994. That is, a plan that depends almost exclusively on forcing senior citizens into managed care. That is the President's notion of the way to get control of the Medicare crisis. But the far better solution is to modernize Medicare and give seniors the same kinds of options, including medical savings accounts, that are now available in some of the very best private sector plans while preserving their right to stay with traditional Medicare if that is what they choose.

In addition, we must mount the first ever attack on waste and fraud and the waste and fraud that has helped bring Medicare to the very brink of bankruptcy. I remember when Bob Reischauer was still the director of CBO, he testified before the Budget Committee that I serve on. He stated very clearly that somewhere between 15 and 20 percent of the money that is spent on Medicare goes down the drain in waste and fraud. Think about that—20 percent of $180 billion is $36 billion hard-earned taxpayer dollars thrown away.

Unfortunately, some folks, including politicians, Washington special-interest groups, even the President himself, have indulged their partisan ambitions by intentionally trying to scare seniors into believing that Congress might like their Medicare benefits away from them. Helping to spread that poison are the big labor bosses in Washington who have spent literally millions of dollars confiscated from their own rank-and-file membership on advertisements pursuing that same big lie. Yet when you cut through all the political grandstanding, one thing becomes crystal clear. The longer a Medicare solution is put off, the harder and more unplatatable the choices become. We need all sides working together now, not as Republicans and as Democrats but as Americans, to solve this problem.

So the next time that you hear someone attack Congress for killing Medicare, ask them to show you their plan to save it. The chances are they will not have one. That is because they are thinking more about the next election than they are about the next generation.

HEALTH CARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Arizona [Mr. SALMON] is recognized for 60 minutes as the designee of the majority leader.

Mr. SALMON. Mr. Speaker, tonight I would like to talk about a very crucial issue that I think probably most of us campaigned on the last election cycle, the issue of health care and the health care dilemma in our country.

Most estimate that there are probably about 40 million to 50 million Americans out there that have a lack of health insurance to take care of the needs of their family. As the father of 4 children, my heart goes out to those people, because frankly when your child is sick, there is nothing in the world that you would not do, nothing that you would not give up on the planet to pursue an effective remedy for that child's health malady. Or if a parent were sick or a wife or a husband, you would give up everything that you had to pursue the most state-of-the-art medical technologies available to try to rescue that individual.

I have some friends back home in Arizona that have a child with cystic fibrosis. Let me just tell a little about their story. They are both self-employed, have had health insurance for years and then they had a child with a serious health malady, cystic fibrosis. I think as most know, cystic fibrosis is a disorder that can be very, very debilitating, requires a lot of medical care, a lot of money to be expended, a lot of time, love, and patience, and most people with cystic fibrosis do not live past their teenage years. If you have a child with cystic fibrosis that lives on into their twenties, you count yourself lucky to have had that time available to spend with them.

My own child, Jacob, when he was a young boy, had several health problems and there was a fear that he might have cystic fibrosis. They did a little medical test on him and they determined that he did not have it, but I remember in the 3 days that we were waiting for that diagnosis to come about after they had done the testing, I remember the agony that we went through, the fear that we went through as parents wondering whether or not our child had this debilitating illness. But, then, this is not about my problem, it is back to my friends in Arizona and their child. Because after their child was diagnosed with cystic fibrosis, their insurance rates skyrocketed. In fact, they went up about 5 or 6 times. The premiums went up exorbitantly. They could not afford it anymore. And so they had to drop their insurance.

The answer in today's society under our current administrative policies and State governments and Federal Government, at least in the State of Arizona, is they have to spend down all of their assets to qualify for Medicaid so that that child could get the kind of care that she needed to preserve her frail young life.

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That is not right. We ought to be addressing the issue of preexisting conditions. We ought to be addressing the issue of portability. These things are not just campaign slogans, they are not rhetoric. They are real-life situations with people, with situations that would tug at your heart strings. Most of us that have children and recognize again that you would do anything for a child that was in harm's way, such as this child is, you would do anything, you would give up everything. There is no price too great to pay.

But why should they have to? Should we not hear, as representatives of our Nation's Government, the people that sent us back here to carve solutions? Should we not address the problem? Well, about 57 days ago, the House passed a measure, a health care reform bill that would do just that. It addressed the issue of preexisting conditions. For those people that are not self-employed, like my friends, but they work for a larger employer, they are not necessarily canceled from their insurance but they are job locked. They cannot ever change or go into a different job because they know that if they have to get another job that the likelihood that the insurance company from the new employer will pick them up is slim to none.

So for years and years and years, people have been locked into these jobs because they have no alternative if they want that kind of care for their little one, or for their mom and dad, or for their spouse, or whatever the case may be. But we passed a measure that would deal with that 57 days ago, but it is still stuck because the President has an aversion to one of the components in the bill that he says he cannot support.

So, thus, it has been held hostage for 56, 57 days, and the clock keeps ticking while these Americans keep waiting for health care reform. They keep waiting for us to cross partisan boundaries and be Americans first and do what is right by the American people, and it languishes because the President cannot support a particular component which I will get to later.

Mr. Speaker, up to 25 million Americans would benefit from preexisting conditions reform, which eliminates the preexisting conditions exclusions for people with prior health coverage. That helps America's roughly 4 million job-locked workers by freeing them to job hunt since companies will be required by law to accept persons who had prior health insurance coverage, a very, very substantial reform. Instead of making these changes happen, this President holds the reform package hostage.

This bill, this medical reform bill, also establishes a fraud and abuse hotline and, obviously, I think most of us know why we need that. There are those in the health care industry that would profit off of human misery and suffering. I think that probably the numbers of those people are probably relatively small, but just like any aspect of our society, lawyers, doctors, politicians, teachers, you name it, you will find fraud and abuse in virtually every aspect of our society. That is not to say all people are rotten. That is to say that fraud and abuse are two bad by-products of our society and things that we need to keep a lid on.

Most of us see the problems when we go to the hospital. We see the $10 aspirin and we see the wooden throat stick that they use that we are charged $15 for, and we know that there is a major problem where we have been in for surgery and we know that possibly we have been charged for things that never happened to us or services that were never rendered. So there needs to be a fraud hotline and the laws need to be tightened up, and this bill does that, but it languishes. We cannot get by the filibuster rule in the Senate because the President holds it hostage because there are things in it that he says that he cannot stomach.

Mr. Speaker, it increases access and it increases affordability. Our plan fights the discrimination that has been applied to small business for years. Why is it that a large company that employs thousands or maybe even tens of thousands of people, why is it that they can get full tax deductibility as a legitimate business expense for health care coverage that they provide to their employees, but yet a small employer that employs 50 or fewer or 100 or fewer, why is it that they do not enjoy the same kind of tax favorability that the large, big corporations do? Is it not known that in this country 80 percent to maybe 85 percent of all of the people that are employed in this country work in small business? Then we scratch our heads and we wonder aloud, I wonder why it is that these small businesses are not providing health care?

Well, when you have a discriminatory tax policy which favors the big corporations that yield the tremendous profits but yet you won't give the same kind of a tax break to small businesses, you understand part and parcel the dilemma and the problem that we are now faced with in the health care arena. Yet our bill addresses that problem. Right now they only enjoy a 30 percent deduction, and that, again, only happened after the Republicans took Congress a year and a half ago.

We are proposing to take it up to 80 percent. We would like to take it to 100, but the President has a problem with that, too. He does not want the people in small business to enjoy the same kind of tax favorability on their health care deductions as the large business people get, and yet it languishes because the President holds it hostage.

Seniors and the terminally ill, two Contract With America provisions, are provided in our plan. The first allows tax deductions for long-term health care needs, such as nursing homes and home care; home care, something that has not been provided ever by this body. The second allows terminally ill patients and their families to receive tax-free accelerated death benefits from their insurance companies. These provisions will provide greater financial security to families struggling with terminal and catastrophic illnesses, but yet that is also included in our health care reform plan. It is still languishing, day 57. It is held hostage by the President.

On cutting red tape, now, how many people out there think that we do not need to cut red tape when it comes to the health care bureaucracy? I think most people that have ever dealt with any kind of health care provider understand that probably 40 percent of a doctor or hospital's time is spent pushing paper, satisfying regulations of a State and Federal bureaucracy, as well as a big insurance company bureaucracy, and yet our plan has a measure that would cut through this red tape. In fact, it is one of the biggest measures, and this is the one that we want to talk about tonight, the thing that the

President is so adamantly opposed to, and that is the concept of medical savings accounts.

He would tell you that this is just another way that we are rewarding our rich friends. Well, let me talk to you about this commonsense solution, and you decide for yourselves if this is something that would help people or it would hurt people. The concept is easy. It is like an IRA fund where people can set aside or your employer can set aside for you pre-tax dollars with no taxation whatsoever, and it would be in your own account for you to spend on your medical needs. Now, coupled with that, the employer, or if the individual purchases the medical savings account or establishes a medical savings account for themselves, would then also purchase a higher deductible policy. Let us say they have in their medical savings account $2,000, so then they would purchase a policy with a deductible of $2,000.

Now, the actuaries will tell you and common sense will also tell you that the higher the deductible, the lower the premium coverage. So for pennies on the dollar, you can get a policy that covers your needs but has a higher deductible. Then you pay cash out of your medical savings account when you go to see whatever provider you want to see, whether that is a DO, or a chiropractor, or a naturopath or your own allopathic physician, your gynecologist, your OB/GYN, your orthopedic doctor, whatever health care provider you choose for yourself to meet your needs, and not have some bureaucrat dictate to you what your needs are and how your needs should be resolved or addressed, you decide. It puts ultimate freedom in the hands of the patient, and it puts it back to the free market solution that has worked so well for other aspects of our economy.

Let me tell you some of the reasons that medical savings account will work. When you are spending your own money, you are a little bit more cost conscious and probably a little bit better at detecting fraud and abuse than some of these big bureaucracies are. When you spend your own cash, you are going to be very frugal and you are going to be very cost conscious and you are going to shop around and get the best deal you can.

Mr. Speaker, let me illustrate from my life. When our last child was born, Matthew, the cost paid for his delivery by my insurance company to the hospital and the doctor was $3,500. Two months later, my sister-in-law had a baby, but she did not have insurance, so she paid cash, $1,500; $2,000 difference by paying cash. The same thing will happen for all individuals out there, we who are able to shop around and get the best deal they possibly can.

Also, when you do not have to worry about going through this big monstrous bureaucracy, be it an insurance bureaucracy or be it a Federal, local or State bureaucracy, you do not have all the paperwork to go through. So obviously you are going to get a better price, and the cost will come down. It puts ultimate freedom in the patient's hand. It cuts costs.

At the end of the year, the other wonderful thing is that what you do you spend is yours. It does not revert to some insurance company's profits bottom line, and it does not go back to some wasteful bureaucracy in Washington, DC. It is your money to do with as you need to do. If you spent it on something other than health coverage, it will be taxed at the normal rate. But if you decide to roll it over the next year to grow the value of your medical savings account, then there is no taxation whatsoever. And a relatively healthy person of my age that started a medical savings account, kept rolling it over and did not have any serious health concerns to pay out of the medical savings account would be able to have a real healthy nest egg by the time they retire to deal with their own long-term care.

Mr. Speaker, this is a wonderful plan. I cannot understand why the President would hold it hostage. He says that it is a benefit to the rich people. Well, common sense would tell you again that, if you gave a medical savings account to some individual, they would be able to make just as smart decisions as a rich person could if they did not have money.

Common sense would also tell you that, when a person gets first-dollar coverage right out of their medical savings account provided to them by their employer in lieu of the traditional kind of health care coverage or forcing people into managed care, and giving them the ultimate freedom, that these individuals can make good decisions for themselves.

The real answer for why I think some of the liberal people hate medical savings accounts is that they fundamentally believe that people, that the American people are too stupid to take care of their own health care needs, and they have more faith in bureaucrats and bureaucratic systems than they do a father or a mother taking care of the health care needs of their child, or a spouse taking care of the health care needs of his or her spouse.

Well, we Republicans in Congress have a different idea. We agree with our Founding Fathers that the free market system indeed works. It works in the sale of cars. It works in the sale of food. It works in the sale of commodities. It also works in health care. It keeps everybody honest. It gets back to the idea that people are in charge, not bureaucrats. People are in charge of their health care destiny, and they can best determine what their needs are.

Let me read just real quickly a couple of letters that were written that show the real hypocrisy in this debate. One is dated September 8, 1992, and it says: dear colleague, and it was sent to all the colleagues in the Senate at the time:

> The United States is faced with a crisis in health care on two fronts: access and cost control. So far most of the proposals before Congress attempt to deal with access but do not adequately address the more important factor, cost control. We have introduced legislation that will begin to get medical spending under control by giving individual consumers a larger stake in spending decisions.

I do not need to keep reading the letter. I think you get the gist of it. But later on it says, in order to protect employees and their families from catastrophic health care expenses above the amount in medical care savings accounts, an employer could be required to purchase a high deductible catastrophic insurance policy, exactly the plan we are offering. In fact this is probably one of the most ringing endorsements for the concept of medical savings accounts coupled with the catastrophic care policy as I have ever seen or heard of.

Do you know who signed this ringing endorsement of medical savings account? Senators TOM DASCHLE, of all people, and JOHN BREAUX, two of the voices now that are echoing the President's concerns that this is only again tax breaks for the rich or medical care for the rich. Back then in 1992, when they were in control and when they were trying to approach it from a bipartisan instead of an extremely partisan approach, they said that medical savings accounts was an idea whose time had come and one of the best ways to control costs and provide ultimate freedom to people to make the health care decisions for their lives. But, oh, what a difference a day makes. Just a few years later right in the heat of a campaign for the Presidency, now they are taking the President's side and they are opposing medical savings accounts.

Mr. Speaker, could it be that they do not want the Republican Congress to get credit for such a wonderful idea and so they want to stall it for that reason? Or could it be that some of the managed care institutions who have lobbied them so hard because they fear that they will substantially lose market share when we do not force people into managed care have lobbied them so hard and heavy that they are afraid of losing those friends who have helped them get into office?

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One last letter I would like to read to you and then I am going to yield the balance of my time to the distinguished majority whip in the House of Representatives. Just so you know that this is not a Republican approach, this is an idea whose time has come.

By the way, there are about 25,000 companies out there who are offering medical savings accounts to their employees with phenomenal success. In fact, almost every one of them, to the company, have realized a decrease in their health care costs, happier and healthier employees controlling their own health care destiny and not having it mandated to them from either assurance bureaucracy or a Federal or State bureaucracy.

Who else has realized this? There are some, I think, very, very reasonable folks on the other side who have recognized this is the way it goes. This is a letter to President Clinton.

> Dear President Clinton: As original cosponsors of medical savings account legislation in the House of Representatives, we urge your review of and your public support for this wonderfully innovative idea.
>
> The recent vote on the House Republican plan should not be used to judge the Democratic Party's position on medical savings accounts. As you know, medical savings accounts have been a major plank in Congressman TORRICELLI's health care platform in his Senate race.
>
> We cannot think of a more Democratic idea than MSA's. In fact, it was originally our idea. We want Democrats to get credit for it. In the Senate, Democrats JOHN BREAUX, TOM DASCHLE, SAM NUNN, and DAVID BOREN initiated the idea, an idea they are now saying is such a rotten terrible idea.
>
> DICK GEPHARDT included MSA's in the House Democratic Leadership bill in 1994, just 2 short years ago. It was a great idea to DICK GEPHARDT.
>
> There were 28 House Democrats who cosponsored our initial MSA legislation. There are currently three Democratic U.S. Senate candidates who have supported MSA legislation.
>
> You also should know that the current contract of the United Mine Workers provides its members with MSA's. We do not believe the UMW qualifies as healthier and wealthier than the general population—a charge leveled by uninformed MSA opponents.

I could go on. Again, they are extolling the virtues of medical savings accounts. It is an idea whose time has come. Let us stop holding health care, innovative, life saving health care reform, hostage, because we owe some special interest a favor or because we do not want Republicans to get credit for a wonderful idea whose time has come. Let us do the right thing by the American people.

President Clinton, I urge you, with every fiber of my being, to sign this into law, to stop holding this legislation hostage. If you really feel our pain, as I know you say you do, then realize that there are millions of people out there who would benefit dramatically. My friends back in Arizona who have the child with cystic fibrosis, they are counting on you, President Clinton, to not only talk the talk, but to begin to walk the walk.

REPUBLICAN ACCOMPLISHMENTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. DELAY] is recognized for 38 minutes as a designee of the majority leader.

Mr. DELAY. Mr. Speaker, I thank the gentleman from Arizona [Mr. SALMON] for his wonderful words, trying to straighten out exactly what is going on in this Congress, and particularly as it pertains to all the political rhetoric that gets thrown around out here.

People's memories seem to be rather short when it comes to remembering, one, that six Senators, six Democrat Senators on the Senate side campaigned on the notion that they wanted a balanced budget amendment to the Constitution, and yet they are the very ones who stopped us from being able to pass that amendment to the Constitution and send it to the States.

The gentleman from Arizona [Mr. SALMON] was very eloquent in pointing out the fact that leaders of both the House and the Senate supported medical savings accounts when they controlled the House, but when it came time to actually vote for them and work for them and actually put them into place, they were nowhere to be found and in fact worked very hard against it.

The same thing happened last week. Last week the House Democrat leadership issued a report regarding the efforts of the Republican Congress to bring change to the Federal Government. Now, not surprising, the Democrats had very few kind words to say about the Republican Congress. Coming from the guardians of gridlock, the masters of disaster, the stalwarts of the status quo, their words of disapproval should be seen by the American people as affirmation of all of our efforts over the last 16 months.

To the Democrat leadership, any change that makes the Government work better, that brings power back to the people, that cuts wasteful Washington spending, is mean and extreme. But my colleagues, who is the extremist? The one who fights to change Washington, or the one who battles that change? Let us go through 10 legislative issues, just 10 issues, that the Congress considered this last year to find out who really is extreme.

First, a balanced budget. Now, do you support a balanced budget amendment to the Constitution? Should the Congress actually balance the Nation's books like families are forced to balance their own books?

Eighty-three percent of the American people support a balanced budget amendment to the Constitution. The Democrat Congress, the 103d Congress, failed to pass a balanced budget and rejected a balanced budget amendment to the Constitution. But in the Republican Congress, the House passed a balanced budget amendment to the Constitution. It also passed a budget which balanced in 7 years, without raising taxes, the first balanced budget in a generation.

Second, taxes. Do you think the American people should be taxed more, like many Democrats think, or do you feel that cutting taxes is the right thing to do, both fiscally and morally, like many Republicans believe? Do you get tired of giving more and more of your money to Washington, or do you think that you need to give more of your fair share?

Two out of every three Americans think they pay too much in taxes. The Democrat Congress, I might point out on this chart, the Democrat Congress increased taxes by $241 billion, the largest tax increase in history. But the Republican Congress cut taxes by $223 billion, tax cuts that would have given families needed relief and would have spurred economic growth.

Sadly, the President vetoed these tax cuts. Just look: These are the facts. Under Clinton's tax increases, they imposed in 1994 $115 billion on the so-called rich. To them the rich is anyone that makes over $90,000.

Gasoline tax, they put a gasoline tax on the so-called rich, $4.3 cents a gallon, that amounted to $31 billion. They raised the Medicare payroll tax by $29 billion. They raised the Social Security benefit tax. They taxed senior citizens in this country by $25 billion. They put a tax on corporate and business by $32 billion. They did expand the EITC that saved $2 billion, and then raised another $11 billion, for a total of $240 billion.

Now, that did the Republican Congress do, that was vetoed by the President? We cut taxes on 30 percent health insurance deduction by $5 billion. We raised the earnings limit test. The earnings limit is where when senior citizens make over $11,520, then they are penalized by higher taxes. We raised that limit to $30,000, and we hope next year to repeal it altogether. That saved senior citizens $6 billion.

We had a $500 per child tax credit, that was $150 billion, vetoed by the President. We had a medical savings account that saved $2 billion, vetoed by the President. We had a capital gains tax cut. Now, this is the so-called tax cut for the rich. But you tell a small farmer that just sold their farm, or you tell your parents who are trying to sell their house in order to take care of themselves in their retirement years, they have to pay huge capital gains taxes. We cut it by $35 billion. Vetoed by the President.

We expanded the use of investment retirement accounts by $12 billion, vetoed by the President. We even gave estate tax relief, that is inheritance tax relief, so you could pass on what you worked for all your life to your children, we cut it by $12 billion, vetoed by the President. This comes to a total tax cut package of $223 billion.

The third issue is wasteful Washington spending. Do you think we need more wasteful Washington spending programs? Or do you think that Washington should spend less of your hard-earned money?

Do you support questionable Washington spending on pork-barrel projects inserted by Washington insiders? Well, 71 percent of the American people support reducing funding for all Government agencies.

The Democrat Congress, I might say, on Government spending and under the line-item veto, the Democrat Congress passed spending bills that increased spending by $8 billion. It also tried to pass a pork-laden spending package, which they mistakenly named an economic stimulus package, a package that paid for efficient atlases or building swimming pools, to the tune of $3.2 billion. Have you ever heard of midnight basketball? That was in their stimulus package. they also gave the IRS $148 million more to get involved in your personal life. They even gave $800,000 to whitewater canoeing teams.

The Republican Congress though, the Republican Congress cut $43 billion in real wasteful Washington spending. The Republican Congress also passed a line-item veto to get rid of these pork-barrel spending projects, which the President did sign into law. We give him credit for that.

The next President of the United States, starting in January of next year, will be able to use for the first time in the history of the United States, the line-item veto.

The fourth issue is Congressional reform. Are you concerned that the Congress is out of touch, that special interests and lobbyists have too much power over what happens in Washington, that Members of Congress should live under the same laws as everyone else?

Ninety-two percent of the American people are concerned that special interests and lobbyists have too much power over what happens in Congress.

The Democrat Congress failed to pass any, any, Congressional reform. They failed to pass a law that required Congress to live under the laws it passes on everyone else. It also failed to pass any reform regarding ethics or lobbyist influence.

The Republican Congress succeeded in passing all kinds of reforms. It passed a Congressional compliance law, making it certain that Members of Congress live under the laws it passes on everyone else. I guarantee you, Members of Congress' eyes are growing bigger and bigger when they have the notion of an OSHA inspector coming in and inspecting their offices, they get an EOC complaint filed against them, or many other ways. Right now we have labor unions on the Hill trying to organize our employees. It has a lot of Members thinking about living in the real world, and it has changed their thinking about what this body does in imposing regulations on the rest of the country.

We also ban the gifts that Members can accept from lobbyists and require greater disclosure of lobbyist activities. We cut our committee staff by one-third. We eliminated ghost voting. Now, in committee, in order for a Member's vote to count he has got to be sitting in that chair and raise his hand and vote. No more ghost voting.

We have gone on and on with all kinds of reforms and opening this House up and giving it back to the people. These are real reforms desired by the American people.

The fifth legislative issue, welfare reform. Now, do you support a complete overhaul of the welfare system? Should we create a system where able-bodied Americans must work? That ends the cycle of dependency and despair? That limits the time people can spend collecting welfare without working?

Well, 71 percent of the American people support a mandatory 2-year cutoff for welfare without work. The Democrat Congress under welfare reform produced nothing, nothing, to end welfare as we know it. Not one proposal in the 103d Democrat Congress even passed out of the full committee. And this is when they controlled both houses and they had the President of the United States at the other end of Pennsylvania Avenue, who promised the American people in 1992 that he would end welfare as we know it.

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Not one proposal got out of a full committee. But the Republican Congress produced far-reaching welfare reform that placed time limits, work requirements, and other incentives that give poor people a hand up, not a handout.

The President vetoed this plan twice. Now, we are going to send it to him again. Maybe he will wake up and honor his promises and will not veto it, because we are going to send him another welfare reform package.

The sixth legislative issue: Health care reform. Now, do you think we need government-run health care, where your family's health care decisions are made by bureaucrats based in Washington? Or should we have commonsense health care reform that allows families to make their own health care decisions, allows people who change jobs to take their health care with them, and weeds out waste, fraud, and abuse from the health care system?

The gentleman from Arizona, who spoke right before me, laid this out perfectly and eloquently. By the time the Democrat Congress gave up on the Clinton health care plan, a majority of Americans thought it would hurt health care quality and drive up health care costs. The Democrat Congress tried but failed to pass out of either House the President's huge government-run health care proposal.

The Republican Congress has passed a health care reform which will guarantee portability with no preexisting conditions. It creates medical savings accounts, it cuts down on frivolous lawsuits, and cuts out waste, fraud, and abuse in the health care system. We expect this measure to get to the President's desk in the next few days and we hope the President will sign it.

Part of the health care debate includes saving Medicare. Do you think that Congress should take responsible steps to rescue Medicare for the next generation, or do you prefer that the Congress put off until later any commonsense changes to the Medicare system, despite the overwhelming evidence that the system is going broke faster than previously anticipated? Should Congress pass Medicare reforms that will weed out waste, fraud, and abuse, as the Republicans want; or should it increase payroll taxes on working Americans to keep the current system in place, as the Democrats prefer?

The Medicare trustees, which include members of the President's own Cabinet, have concluded that Medicare is going broke faster than previously anticipated.

The Democrat Congress failed to enact any of these reforms of the Medicare system that will save it for the next generation, but the Republican Congress, this Congress, passed Medicare reforms which will maintain a growth rate of 7.2 percent in the program. A growth rate.

Now, a lot of Americans around the country are watching these commercials, millions of dollars spent buying commercials that claim that we cut Medicare, that we have slashed Medicare, that we are going to throw seniors out on the street. But in our plan we allow Medicare to grow faster than health care in the private sector, at the same time we are trying to weed out the waste and fraud and promoting greater choices in health care for seniors, which raises the quality of care for senior citizens.

The seventh legislative issue: Legal reform. Do you support commonsense legal reforms? Do you think trial lawyers make too much money filing frivolous lawsuits in this country? Do you think trial lawyers have too much influence on the White House? Two-thirds of southern California voters are afraid that either they or a loved one will someday be a victim of lawsuit abuse.

The Democrat Congress failed to even try to enact any significant reforms of our legal system, but the Republican Congress enacted, over the President's veto, securities litigation reform which will make it more difficult for trial lawyers to file frivolous lawsuits, and we also passed a product liability reform. Unfortunately, the President vetoed that, and we are working right now to try to get the votes to overturn his veto.

The eighth legislative issue: Immigration reform. Now, do you support giving illegal immigrants welfare benefits available to American citizens; or do you think that we need to make some commonsense changes to make it more difficult for illegal immigrants to get welfare? Do you believe that illegal immigration is becoming one of the biggest problems in America today; or do you think that it is all blown out of proportion by the media? Well, 83 percent of the American people favor a lower level of immigration.

Now, the Democrat Congress failed to pass any significant reform of immigration policies when they controlled the Congress and the White House. The Republican Congress has passed significant immigration reform that would make it more difficult for illegal immigrants to get welfare, while making it more difficult for illegal immigrants to enter the country.

And, finally, the legislation that is so important to all of us, and that is crime. Do you think anticrime initiatives should fund more social welfare programs; or should it make the death penalty more effective? Seventy-nine percent of the American people support the death penalty for murderers.

The Democrat Congress, in fighting crime, passed a crime bill, signed by the President, which would increase spending on prevention programs for things like midnight basketball.

The Republican Congress passed a crime bill, a real crime bill. It was signed by the President, and we got to give him credit for that, which would reform the death penalty procedure to end all these endless appeals, a process that has frustrated the American people, all these endless appeals by death row inmates.

Of course, there are other issues that are not reflected on this chart, issues such as regulatory reform, an issue very close to my heart as a former small businessowner. But do you think we need more Washington power, more crazy Washington regulations, more Washington mandates? Eighty-two percent of the American people believe that the Government is intruding more and more on their personal rights and freedom.

The Democrat Congress expanded on the regulatory state of earlier Congresses, putting more and more regulations on small- and medium-sized firms, costing jobs. The Republican Congress worked to clean up the regulatory environment, bringing commonsense, sound science, and cost-benefit analysis to regulations that come from the executive branch, to make regulations work better, to make regulations work more efficiently, to make regulations actually do some good.

Mr. Speaker, this Republican Congress can best be described as remarkable. We are doing the people's business the way that they want it done. Democrats have taken to calling the Republicans extremists. I say that defending the status quo is extreme. Defending the disastrous Democrat Congress is extreme. Defending a broken welfare system is extreme. Defending wasteful Washington spending is extreme. Defending the largest tax increase in the history of this country is extreme.

Make no mistake about it, when the Democrats ran the Congress, they did an extremely bad job. So, I urge my colleagues to remember this very simple point. Extremism in the defense of status quo is no virtue. And, sadly, that is all the liberal left has to offer these days.

WHAT APPROACH SHOULD WE TAKE TO THE TEACHING OF CURRENT EVENTS AND AMERICAN HISTORY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, today we passed the Church Arson Prevention Act, and I think practically every Member present voted for that act. It is to the credit of this Congress that this is a bipartisan effort to deal with a heinous set of crimes and to let the message go forth from the leadership of this Nation that we will not tolerate such acts.

There is a disease out there that every now and then manifests itself, and the leadership of the Government has the duty and obligation to let it be known that we will not encourage it, we will not condone it, and we will do everything possible to make certain that those who are guilty are punished.

I want to talk a little bit about the burning of black churches in the south, but I want to talk about four other things that also relate to it, although it is not obvious how closely related they are on the surface.

I want to talk about the recent controversy surrounding the standardization of a national curriculum for history, especially for American history.

I also want to talk about the controversy surrounding the invitation to Supreme Court Justice Clarence Thomas to speak at a Prince George's County school and what happened as a result of that controversy.

I want to talk about a man named Kenneth Johnson, who objected to Justice Thomas speaking there. Mr. Johnson is a school board member, and he felt that there was some problems there, and I think Mr. Johnson's allegations and his concerns deserve to be looked at more closely.

I also want to talk about the recent Supreme Court decision on the Voting Rights Act.

And, finally, I want to talk about the extremist budget cuts of the Republican majority, and I want to insist that all of these things are related and show how they are related.

I think the overall theme of what I am trying to say relates to a bigger issue of what approach should we take to the teaching of current events and of American history. What approach should we take to the teaching of current events and American history?

What was the controversy in Prince George's County all about? Why did Kenneth Johnson object as a school board member to Justice Clarence Thomas speaking at the school in a ceremony where people would not have a chance to question Justice Thomas; in a situation where children would be left with the impression that Justice Thomas was being offered as a role model and that they should pattern their lives after him?

Prince George's County is predominantly a county made up, the schools are predominantly African-American children. The school where Justice Thomas was speaking was composed primarily of African-American children. Kenneth Johnson, the school board member, was saying that African-American children should not be led to believe that Justice Thomas was a role model; that that would be really a slap in the face, considering the kinds of rulings that Justice Thomas has made, the kind of record Justice Thomas made before he became a Supreme Court justice, and the controversy which presently surrounds Justice Thomas and the decisions that he is making.

What does this have to do with church burnings and what does it have to do with Supreme Court decisions? Well, Supreme Court decisions relating to the Voting Rights Act are probably Justice Thomas's most controversial decisions.

The Voting Rights Act is an act which probably makes more sense than any other effort ever undertaken to remedy the situation caused by 232 years of American slavery. Two hundred thirty-two years of American slavery was a most criminal enterprise. Probably nowhere in the history of the world have we had a situation like those 232 years of American slavery.

We are very critical of Germany in that the current practices of Germany seek to minimize what happened in the Nazi era; that Germans do not rush to discuss what happened in the Nazi era. They do not rush to discuss the holocaust and what happened to 6 million Jews. They do not rush to discuss what happened to people with disabilities and what they did to gypsies and other people they labeled as political undesirables. They do not rush to talk about that and they do not rush to teach about that.

They have been criticized, and yet American slavery is far more ancient than the recent history of the Nazi era.

The Third Reich took place in the 1930's and 1940's.

□ 2030

Hitler was defeated in 1945. But the Civil War ended in 1865, and the Civil War was a war to end slavery. A lot of people call it different things. One of the problems they are trying to teach history nowadays is the fact that people do not want to face up to the fact that the Civil War was a war to end slavery.

The Civil War ended a cruel and inhuman set of circumstances. It ended 235 years of forced labor. It ended 235 years of the destruction of human beings. All of that is part of what we wrestle with when we try to set a new curriculum for the teaching of history. We had a lot of controversy in trying to establish a new curriculum for the teaching of history, especially American history. I sit on the Committee on Economic and Education Opportunities. I know that for some time now that the effort has been going forward to develop standardized curricula in various areas that were almost standardized so that you could compare the teaching from one State to another and then we could have a curriculum where we have a body of knowledge and we can expect all Americans to know.

Immediately there was agreement on a curriculum, a national standardized curriculum for the teaching of science. Math also, there was no great controversy over the teaching the math. I even think the arts came up with a curriculum that was pretty much accepted across the country, although it was not part of the official process. But when it came to the teaching of history, a great deal of controversy has resulted.

One of the reasons is that history has to deal with what is right and what is wrong. History has to deal with treading on people's holy ground in terms of what it is that they certify as being legitimate actions taken by their ancestors. So American history with its controversial problems with the Native Americans and what happened to them, American history with its very controversial problems related to 235 years of slavery presents us with a problem.

The problem manifests itself immediately in a current event related to how shall you handle current events as related to decisions of the Supreme Court. How should you handle current events as related to a controversial Supreme Court Justice who is making decisions which directly impact in a negative way on African American people. How should you handle the invitation to that Supreme Court Justice to come to speak to an African American school when he has made several decisions since he arrived on the court which directly move African American people in this country backwards from the forward progress that was being made over the last 10 years. How shall you handle a betrayal of Justice Thomas.

What does it have to do with burning black churches? There is an atmosphere that has been established in the last 5 or 6 years, it has been growing, escalating, an atmosphere of hate, an atmosphere of racism, coming in many different forms and directions. Some of that racism has come directly from the Supreme Court. Nobody has stepped forward to point a finger at the Supreme Court and said that this is a racist majority, that these decisions are racist. It is difficult to say that, when a black man is sitting there, when Clarence Thomas is sitting there, it is difficult to call it the way it is, that these decisions are racist with respect to affirmative action, setasides, school integration, and with respect to the Voting Rights Act.

Nobody has challenged the fact that the Voting Rights Act decisions and the other decisions related to segregation and discrimination remedies, remedies that are being attempted to take care of, to compensate for years of discrimination and years of segregation. Nobody has challenged the court's reasoning and the fact that the court seems to be hell bent on ignoring the intent of the law. The court has repeatedly used the 14th amendment as the justification for its decisions that nothing which is race based, nothing which takes race into consideration is acceptable or constitutional because the 14th amendment is an amendment which calls for equal protection under the law. Everybody should be treated equal. So the court has distorted that equal protection intent of the 14th amendment to mean that we should have a color-blind America, and the 14th amendment's purpose is to establish a color-blind America.

I think any sophomore who studies American history, certainly any law school student can look at the 14th amendment in the Constitution and clearly state that the 14th amendment, the 14th amendment was all about correcting the injustices caused by slavery. The clear intent of the law, the time in which it was established, makes it certain that it was there to deal with slavery. So because you have Justice Thomas there, the Supreme Court's logic, the Supreme Court's obvious refusal to interpret the Constitution in the context of what the framers intended, what the Congress intended at the time that it initiated the 14th amendment, what the States intended at the time they ratified the 14th amendment, the refusal to recognize that is a blatant omission that has to have a racist motivation.

They are hell bent on destroying affirmative action programs, setaside programs, and they really want to strike down the entire Voting Rights Act. Recent decisions related to Texas, related to North Carolina are moving in that direction. Pretty soon you will have the Supreme Court probably saying the whole Voting Rights Act must go because it militates against a color-blind America, where race should not ever have been considered. The 14th amendment is used as the rationale for that, and the 14th amendment certainly does not do that. The 14th amendment is established, was created and conceived, executed within the context of trying to remedy the past wrongs of slavery.

Mr. Speaker, there was a 13th amendment which freed the slaves. There was a 14th amendment which gave them, the salves, equal rights. There was a 15th amendment which gave the slaves the right to vote. If you want to look at the Constitution, you will see that the 14th amendment says much more than is usually quoted when the Supreme Court talks about equal protection. The 14th amendment really goes into other problems related to slavery. The 14th amendment talks about certain kinds of property arrangements and criticizes, and makes it clear that it is concerned with other aspects of correcting injustices done by slavery.

So I want to come back to the Constitution and the 13th, 14th, and 15th amendments. I also want to take a look at another reference to race within the Constitution, which came earlier. Article I of the Constitution refers to three-fifths of all of the persons, which everybody knows meant slaves, and that is still in our Constitution. Our Constitution is not without reference to slavery. Our Constitution clearly shows that we have a problem, America has a problem that should be remedied. Part of the remedy was undertaken in the 13th, 14th, and 15th amendments to the Constitution after a terrible Civil War has been fought over the issue of slavery.

The burnings of the black churches in the South relate to the fact that we still have this unfinished business that nobody wants to take care of. So from time to time we do things, we get into an era of 4 or 5 years where we are going backwards on race relations. We are saying and doing things at high levels of government that encourage the people at lower levels who have problems out on the fringes of society who believe in violence, who have deep-seated hatreds and prejudices that they cannot control. They get out of hand because they hear a message coming from the top that we want to roll back the clock and deal with these people in a different manner. It happened in Hitler Germany. It happens from time to time in this society.

Mr. Speaker, the best remedy for it of course is what happened today. That all the leadership, Republican, Democrats, the Speaker, the Democratic minority leader, everybody moved in immediately to try to send another message about the violence that is occurring.

Immediately we want to make certain that they understand that we are not in favor of those kinds of actions. On the other hand, we are undertaking from day-to-day activities which send a different message. When you have extreme budget cuts and those budget cuts fall primarily on the poorest people in our society and 60 to 70 percent of the poorest people in our society happen to be the descendants of slaves, they happen to be African Americans, I mean 60 to 70 percent of the descendants of slaves happen to be poor. African Americans are in that category, living in large cities. The hostility toward large cities is clearly manifest by the kind of legislation that has been promulgated by the Congress over the past 10 years, hostility toward the cities where we are taking away resources, destroying programs that help the populations in the city, the urban population from transportation programs to programs for housing, you name it.

Clearly everything that benefits people in the cities has been dealt with in a very negative way over the last 10 years. So these kinds of policies economic policies, budget policies, coupled with attacks on affirmative action, attacks on the Voting Rights Act, attacks on set-asides, when you couple them all together, it sends a message that we really do not want to deal with atoning for the terrible sins of slavery. We do not want to deal with trying to compensate for 235 years of forced labor, brutality, murder, rape. We do not want to deal with that.

I do not want to be misunderstood that I do not appreciate and am not grateful for the action taken today. I certainly think we acted in the most noble way in dealing with the burning of black churches in a forceful piece of legislation today. I agree wholeheartedly with the statement made by Democratic leader GEPHARDT last week when he called upon the Speaker to take immediate action to vote on a resolution condemning the burning of African American churches throughout the South.

Mr. GEPHARDT stated that we are here today, quoting from his statement of last Wednesday, June 12, we are here today for a very simple reason. There is no criminal act, no criminal act more cowardly, more outrageous, more offensive than the burning of places of worship. When these acts are motivated by racial hatred, the offense is even greater. We believe that the U.S. Congress has an obligation to condemn the recent rash of church fires and then to impose tougher laws to crack down on the people who perpetuate these crimes.

We are asking Speaker GINGRICH to schedule an immediate vote on a resolution condemning the burnings of African American churches throughout the South. The American people should know that their Representatives are united against such baseless acts and are willing to do everything in their power to prevent and punish them. The next step is passing the Church Arson Prevention Act of 1996, to make it much easier to prosecute and punish those who burn, desecrate or damage religious property. We believe this can be done on a bipartisan basis. When these kinds of crimes occur, it is not just the churchgoers who suffer; it is our conscience as a Nation. The right to worship in freedom and safety regardless of race, religious faith or ethnic origin is the very foundation of our country. We pledge to do everything in our power to protect that right for all Americans at all times.

I include Mr. GEPHARDT's full statement for the RECORD:

STATEMENT BY HOUSE DEMOCRATIC LEADER RICHARD A. GEPHARDT URGING HOUSE RESOLUTION CONDEMNING CHURCH-BURNING

"We're here today for a very simple reason: there is no criminal act more cowardly, more outrageous, more offensive than the burning of places of worship. When these acts are motivated by racial hated, the offense is even greater.

"We believe the United States Congress has an obligation to condemn the recent rash of church fires, and then to impose tougher laws to crack down on the people who perpetrate these crimes.

"We're asking Speaker Gingrich to schedule an immediate vote on a resolution condemning the burning of African-American churches throughout the South. The American people should know that their representatives are united against such baseless acts, and are willing to do everything in their power to prevent and punish them.

"The next step is passing the Church Arson Prevention Act of 1996—to make it much easier to prosecute and punish those who burn, desecrate, or damage religious property. We believe this can be done on a bipartisan basis.

"When these kinds of crimes occur, it is not just the church-goers who suffer—it is our conscience as a nation. The right to worship in freedom and safety—regardless of race, religious faith, or ethnic origin—is the very foundation of our country. We pledge to do everything in our power to protect that right for all Americans, at all times."

I think that we did it today. We passed that piece of legislation, the Church Arson Prevention Act. It may be interesting to note a few facts about the church burnings. More than 30 black churches in eight States from Louisiana to Virginia have been burned in the past 18 months. That is a very important fact. It has been escalating in the last 2 months, but now more than 30 black churches in eight southern States have been burned.

The largest percentage of those burnings have taken place in South Carolina. South Carolina, I will mention later, is a special State in terms of the kind of discussion that I am putting forth about American history and the need to confront the issue of slavery and what the impact of slavery has been on our Nation and what the consequences of slavery have been on the African-American population. The State of South Carolina still flies the Confederate flag above its capitol. It has something to answer. It has some important questions to answer. What does it do to have the flag, the Confederate flag flying over the capitol, which is the capitol of South Carolina for all the people of South Carolina, including the descendants of slaves?

Another fact that we ought to consider is that almost all those arrested so far, there have been churches burned and there have been no people arrested. They have not caught any suspects or perpetrators, but those who have been arrested have been young white men. They have been typically members of hate groups, including the Ku Klux Klan, the Aryan nation and the skinheads.

□ 2045

These are facts that are very important. There are people out there on the fringes of society who have these deep seated hatreds, prejudices, and who believe in violence, and they are acting out at this time, and I say the reason that they are acting out is something that we should look at very closely. We should not just be content to pass an act today which is going to deal with what is happening right now which will contain them. That is important, to send them a message we are not going to tolerate, they do not have any sympathy in high places. We also ought to look behind the causes and understand what is going on in order to prevent a spread, an escalation, of these kinds of activities out there with respect to the acting out of race hatreds and prejudices.

Another factor is that experts say that a volatile mix of polarizing social and economic events, pitting citizens against government and white against black, has exploded in a kind of domestic terrorism that has left these churches burning across the South polarizing social and economic events and political events. The fact that South Carolina has had a great debate over the removal of a Confederate flag, the fact that there are economic tensions in that part of the country as well as most of the country because of the fact that jobs are leaving and there are fears of losing jobs and all kinds of economic fears of this generation about what is going to happen to their children; those are all parts of these events that end up pitting citizens against citizens and citizens against government, and added to that is a message being sent that in particular there is an evil related to the Voting Rights Act, there is an evil related to the set-aside programs to affirmative action. The messages are being sent that these things are part of a problem and certain people are being encouraged to focus on black churches as being the citadels of the movement or the institution which holds together black communities. When you strike at black churches, you are striking at the heart of the black community.

One other factor that ought to be pointed out is that since early 1995 the ATF has probed 25 suspicious fires at mostly white churches. In addition to predominantly black churches or all black churches, there have been 25 suspicious fires of mostly white churches.

Now the word "mostly" is the one you look at closely. A mostly white church means that it is a white church that has black members also. It means that it is a white church that was predominantly white or almost all white before that has admitted black parishioners or black members to the congregation. Nothing is hated more in the South by the racists and by the people who are capable of this kind of activity than integration. So a mostly white church is a church that has admitted black members. That is definitely going to be a target; they are in the same category as the black churches as far as being targets of hatred. So it is the same phenomena.

I think that if you are going to get to the heart of what is happening and not have it continue to escalate, you have to go back and take a look at the history of the South, the history of this Nation and what is going on with respect to race relations. One of the irritants that keeps occurring with respect to race relations in this country is favorable of the perception that favorable treatment of African-Americans, favorable treatment of the descendants of slaves, is wrong. This upsets people and angers them a great deal. It is wrong to have affirmative action, it is wrong to have set-asides, the rewarding of contracts, it is wrong to have a Voting Rights Act which, in my opinion, is a very conservative political remedy for a very clear problem that was identified for decades.

The Voting Rights Act was fashioned as a result of trying to deal with the fact that for more than a hundred years people of African-American descent, descendants of slaves, were not allowed to vote in the south. All kinds of tricks were used. We have to wage all kinds of legal battles in the courts, we have to have sit-ins and marches and demonstrations, and on and on it went for a long time before the simple matter of allowing a black person to go to a poll and vote could be accomplished, and the Voting Rights Act was an attempt to remedy the fact that as a result of that denial to vote, a right to vote, you had circumstances that generated a situation where there was no adequate representation by blacks in government at any level. At city levels and State levels and at the Federal level you had grossly inadequate representation as a result of all of these injustices related to voting rights that have been perpetrated for more than a hundred years. The Voting Rights Act was to correct that.

So the Voting Rights Act is part of the remedies that are necessary to deal with what has happened in American history with respect to slavery.

When we teach history to children in schools like the one that Clarence Thomas visited, the school that had an awards night and invited Justice Thomas; when you teach history to those children, how do you deal with the fact that most of the history books do not discuss this 235 years of slavery and the implications of having a population enslaved for 235 years? Most of the history books do not talk about slave labor and the fact that slaves had to work for nothing. Most of the history books do not talk about the fact that for 235 years the slaves were prevented from acquiring assets.

They were prevented from acquiring property. For 235 years one generation had nothing to pass on to another generation. Most of the history books do not talk about that. Most of the history books do not want to deal with the economic consequences of 235 years of slavery.

A youngster who is black in a school with whites, whites who have a history of having had assets, property handed down from one generation to another, most people in America who have assets, overwhelming majority of people who have assets, have property in the form of homes or real estate that was handed down from one generation to another or was sponsored and financed by the older generation. Couples have parents who either give or loan them the money for the mortgage. They have situations where furniture and property, stocks and bonds, various assets are passed down from one generation to another. If you have 235 years where you have nothing, where you are not allowed to own anything, you do not have any property, you are forced to work for nothing, then you start 235 years behind, and every black youngster in a school ought to know that your self-esteem and your sense of self-worth should not be impacted, should not be affected without taking that into consideration. You cannot compare yourself with your peers who have the benefits of all of this hand-down from one generation to another, who had the benefit of what goes along with assets and property and wealth.

There is a correlation which is clear, and nobody questions it, between assets, wealth, and education. The people who have more income get better education. There are recent studies that confirm the relationship between income and achievement regardless of race. A lot of statements have been made about the fact that middle class black youngsters do not achieve in the same way that middle class white youngsters achieve. Well, when you study middle class and you define it more closely in terms of real income, and when you make the comparisons by income and you compare the income on the basis of what was the income on a steady basis throughout the life of a child, was it there when they were young and most formative? Did they lose the income as they got older? There is a study which has been done which has been very useful in this respect, and they give the big lie to the theory that income does not impact on all groups regardless of race, religion or color, including African American children. They are as susceptible to the impact of income. When they have the income in black families, they behave in just the same way as children in white families.

There is a study that recently was concluded by Greg Duncan at Northwestern University National Institute of Childhood Health and Human Development which talked about, which is entitled, Family and Child Well-being Research Network, and it is part of the effort of family and child well-being research network, and their conclusions are that when you compare the income and you study it closely and you see that in the most formative years of life children have a certain income, those white children and black children who have the same income in the formative years of life, early years of schooling, they preform in much the same way regardless of race as they grow older. When you have youngsters who lose, who do not have the income that supports a certain level of family life at the early ages, and they later acquire it when they get into high school, then you do have a problem. The change is quite significant. Those whose families had inadequate income when they were in early education situations and later acquired it when they went to high school, they do not perform as well. The income is the variable. It is the same among whites who do not have the right income level that supports the right kind of nurturing environment at early ages. The same problem results in white families and with the white children as it does with the African American children.

Studies like these are sort of widely introduced into the academic stream, and there is not much said about it. There was a book put out called the Bell Curve, which was greatly celebrated, and the Bell Curve was out to demonstrate what scientists have generally disproven over the years, that there is definitely a correlation between IQ and achievement and race, and that black people, people of African decent, are inferior with respect to achievement and with respect to IQ. These studies will show you differently and show you that there is a factor of income and a factor of nurturing that goes with income and a factor of educational level that goes with income that has a great impact on how children achieve and on their IQ.

So, if you have a situation where for 232 years nothing was passed down, for 232 years there was no property, income was at a measly level, then the recent prosperity of African Americans in the middle class is not enough because they do not come from a tradition that was handed down that was nurtured where there was books, where there was wisdom passed all around the table by people who were already educated. There is a whole culture that comes with income at a certain level, and the culture was not there to nurture educational achievement and to nurture IQ.

So the youngster, the child, who is African American in a public school needs to know that there is a whole history back there you have no control over. There is a whole history where you were deprived of the opportunity to pass on assets and property, and for that reason, for that reason, it is not a great shame for the society to develop programs which are going to seek to compensate for those 232 years and the tradition that they failed to hand down for those 232 years and the property that they fail to hand down. Affirmative action compensatory education programs become vital if you are going to try to remedy the evils of 232 years.

Justice Clarence Thomas says no. All of a sudden, although he is the beneficiary of compensatory programs, all of a sudden they are programs that might make people too reliant or too dependent. He has benefited in many ways, but now he joins with a group of racists on the Supreme Court to interpret the 14th amendment to mean that you cannot take race into consideration in trying to foster programs which are seeking to remedy and to compensate for and to counteract 232 years of slavery, and 100 years after that, by the way, of very intensive pressure.

There is an article that appeared in the Washington Post this past Sunday by Lynn Cooper, and that article talked about slavery that existed long after the Civil War, after the Emancipation Proclamation and after the 13th, 14th, and 15th amendments, slavery that was permitted by governments in the South, slavery that never was sufficiently challenged by the National Government, the Federal Government. He talks in great detail. It is a long article this past Sunday, June 16, in the Washington Post Sunday Style section by Lynn Cooper. It gives concrete examples of what happened as the share cropper system and the peon system and various other systems developed, which endured for almost 100 years after the Emancipation Proclamation.

□ 2100

So all of these things become a part of what history should teach, and if it fails to teach, it denies a basic ingredient to the public discourse and the public dialogue which one day might get it all straight and be able to deal in a more intelligent way and a more sympathetic way and a way which is more in the national interest and than we are presently doing.

If you do not look at history and acknowledge the truths of history, you are going to make decisions which are going to be distorted and continue to warp the public discourse and the public decision-making process. We are in that period now. We are right now in a period where the Voting Rights Act is about to be struck down, and yet that is probably the one piece of legislation which is most crucial to the correction of the 235 years of criminal slavery and the aftermath of that slavery.

The Voting Rights Act does put, not only in the Congress but in the State legislatures and in the local councils and local governments, put in place people who represent the descendents of slaves and who will be able to take action on an ongoing basis to have a point of view which is going to help correct some of the numerous problems that still exist in our society as a result of those 235 years of slavery.

The church burnings are there because at the top the Supreme Court is saying, blacks, you have been too arrogant. Blacks, you have demanded too much. Blacks, you do not deserve special treatment. Blacks, you are taking away from other people. The Supreme Court sends down that message.

The Congress of the United States says, blacks, you do not deserve to have programs which provide aid to poor people. A large percentage of your people are poor, but that is a crime that you have committed, being poor. Being poor has nothing to do with 235 years of slavery. Being poor has nothing to do with schools that for a long time were not equal. They were separate but not equal, schools that right now are still in horrible shape in our urban centers, where most black youngsters go to school All this has nothing to do with your condition. All this has nothing to do with the crime rate. All this has nothing to do with the high rate of blacks on welfare. Let us dismiss all of this. Let us not accept it as being there. It is not real.

In South Africa they have a truth commission. The truth commission has been appointed, not to get revenge, and not even to punish many people who are still living who committed gross and obvious crimes during the period when apartheid existed. They just want to tell the truth. They want to get it out. Nobody is going to be punished in many instances, but just tell the truth as to what is happening with the police and oppression, what is happening when people were put off their land by trickery and by various devices that were developed by the government. Tell the truth, no vengeance.

I said before on a couple of occasions here, especially in connection with Haiti, that reconciliation is more important than justice. Reconciliation sometimes is the only thing possible. You cannot get justice. In Haiti, they do not even have the resources to build jails and prisons for all the people who murdered people over a 3-year period after President Aristide was kicked out of Haiti. Five thousand people were killed, 5,000 people brutally murdered. Other people were tortured. All kinds of things happened.

But if they put their meager resources to work building prisons, trying to set up a court system, and paying attention only to getting justice, they would have nothing left over to build an economic system, to develop jobs and do other kinds of things that have to be done. They have to give up. There will be no justice. Reconciliation is what President Aristide is forced to preach.

It probably makes a lot of sense. The deep philosophy of Christianity, that vengeance belongs to God and turning the other cheek, a lot of things that have been ridiculed about the Christian religion, makes a lot of sense in the context where if you are in a situation where you do not have the capacity to get justice, then certainly life must go on and reconciliation becomes the only possibility.

I think Abraham Lincoln when he said malice towards none understood that very clearly; that to seek justice would have led to more chaos, guerrilla warfare, all kinds of confusion, but the malice towards none, and the fact that the Congress in the next 10 years proceeded to absolve all of the people who rebelled against the central government from any crimes, to give back property that had been threatened, all kinds of things were done to smooth it all out, going to an extreme. The malice towards none led to wiping out, taking a position of amnesia, that there was no crime committed. There were no crimes, there are no victims.

The 40 acres and a mule was promised by the Freedmens Bureau. The Freedmens Bureau was a social program, the very first social program the Federal Government ever financed. It probably had the shortest life, also. It endured for about 10 years a little less than 10 years. But the Freedmens Bureau was attached to the Union Army, and they at one point started experiments where slaves were given 40 acres and a mule in order to farm the land that had been owned by the Confederates, people who supported the Confederacy. That was an extensive measure that probably went to the extreme.

President Johnson wiped all that out with a decree, and Congress later on gave back all the lands. They went from one extreme of taking everything away from the southern plantation owners to giving everything back to them and making no provision for the slaves who had labored for 235 years for no compensation. So we went from one extreme to another, and then we went into a period of amnesia, wiping it all out and acting as if it does not exist, so much so that when the Confederate flag is flown now, people do not understand why the victims, the slaves or the descendants of slaves, should be upset in South Carolina.

Why should they care about the Confederate flag being flown? After all, brave men died. We do not want to trample on memories and deeds of the brave men who died under that flag, but we do not think you are acknowledging history properly if you insist those brave men's flag must fly over the State Capitol and be the flag that has to be honored by the victims who, in large numbers their descendants still exist.

In fact, South Carolina, the State where you have the most church burnings, also happens to be the State that had the largest slave population. There is a book called Slavery and Social Death by Orlando Patterson which breaks out the populations for slaves in this country during certain periods when they were counting, and it talks about the fact that each State had a certain percentage of the population that was a slave percentage.

There were times in America where certain States had more slaves than other States, and South Carolina probably was in the worst shape. South Carolina is the State which has the most church burnings. South Carolina is the State which has a Confederate flag flying. There has been a lot of controversy about it. The oppressive previous government of South Carolina before the Civil War, everybody has amnesia about that, does not want to acknowledge that. They were heroes, the flag must be flown.

In 1708, 57 percent of the population of South Carolina were slaves, according to the records that were offered in this very thorough book called "Slavery and Social Death" by Orlando Patterson, published in 1982 by Harvard University Press. If you would like to get it, it is in the Library of Congress, and I am sure it is in other libraries.

South Carolina in 1708 had 57 percent of its population that were slaves. In 1720, 64 percent of the population of South Carolina was slaves. In 1830, they still had 54 percent of the population who were slaves. In 1860, 57 percent of the population were slaves. These are official counts that the States themselves used, because each State benefited by properly counting its slaves, or sometimes maybe overcounting them, but they were willing to offer these figures, and they were verified to some extent by national census takers. In 1860, 5 years before the end of the Civil War, 57 percent of the people of South Carolina were slaves. More slaves existed there than other people.

This is significant because if we look at the other Southern States we find similar patterns where large percentages, and at one point Virginia had as much as 45 percent of the population who were slaves. Mississippi had 55 percent in 1810, and Louisiana had 51 percent in 1830; you know, populations of slaves greater than the other people, and yet all of these victims and their descendants are sort of not to be regarded in the present situation which exists where we want to ignore and forget about the existence of slavery.

What am I trying to say? It is kind of complicated, but what I am trying to say is that all these various items that I have talked about here relate. The burning of the black churches is a symptom of a disease that runs in the blood of America. Every now and then that disease breaks forth, and the boils and the canker sores show themselves. They will get worse if you do not take action.

We took action today to start reversing that, but the disease has to be dealt with. We are not dealing with the disease when we have Supreme Court decisions which strike down the Voting Rights Act. We are not dealing with the disease when we attack affirmative action. We are not dealing with the disease when we go after set-asides for Federal contracts. We are not dealing with the disease when we have extremist budget cuts which cut programs that benefit the descendants of slaves who live in big cities on a regular basis. The hostility shown by the Congress and its policies are aimed at that population.

We are not dealing with the disease in the blood of America. We are not dealing with the disease when we fail to teach history that at least tells the truth and states the facts so you would have a chance of getting at the truth. We are not dealing with the disease when we allow black children to accept a Supreme Court Justice like Clarence Thomas as a role model without challenging that. It was challenged, and that is part of what I want to talk about, because it all relates.

When Justice Thomas was invited to speak to an awards ceremony at a school in Prince Georges County by a teacher, a school board member, once he heard about it, it happened to be a school in the district that he represented, once he heard about it, he challenged it. He said, given the fact that this is a predominantly black district, these are children who are black, they ought to know more about Clarence Thomas and the kinds of decisions that he is making, and we ought to have a way to communicate that if he is going to come to the school. An awards ceremony where he comes and makes a presentation and nobody has a chance to talk about him or he talk and answer any questions, so forth, that is not the appropriate arena for having a controversial figure like Clarence Thomas come and interact with black children.

I think this was a most appropriate challenge by Kenneth Johnson of the Prince Georges County Board of Education. I think Mr. Johnson was right in questioning. I do not think this was a matter of questioning free speech prerogatives of Mr. Thomas or the people who wanted to hear Mr. Thomas who were adults.

However, we always apply free speech differently when we are dealing with children. We do not allow free speech to predominate on our airways or in any arena, books. Nowhere do we say that free speech should be the order of the day when we are dealing with children. We make exceptions for children. If children should not see pornographic films, if children should not read pornographic passages in books, if children ought to be protected from pornography, if one of these days we are going to get around to properly protecting children from violence on the screen and violence in books and so forth, children are in a different category.

We do not protect adults. It is pretty clear. The Supreme Court says you do not have a right to apply those same standards to adults but you do have a right for children. So children should be protected against political fraud. They should be protected against the situation where they are asked to accept someone as a role model when that person is taking actions which directly are detrimental to them and their parents and to future generations.

How do you handle that? I think Mr. Thomas should clearly have been allowed to come to speak once he had been invited, but I think that the school board and the people responsible should have taken the responsibility of setting up an alternative forum of supporting Mr. Johnson and having it known exactly what Mr. Johnson was concerned about.

There is the bigger issue of how is Mr. Thomas going to be handled in the curriculum in the future. He can be handled in one way in the curriculum, and standardized curriculum across the whole country. You can handle it straight factually: He is a conservative, he is a man who turned his back on affirmative action that helped him, he is a man who is very hostile to policies and programs that promote opportunities for his own people, opportunities that are designed to correct the past injustices of slavery and discrimination and oppression. You could say factually that is the case.

But there should be an addendum to that curriculum in areas where black children are being taught. There should be clearly an opportunity to have a greater discussion of what that means. There should be a clear way to discuss the fact that large percentages of the black population have branded Justice Clarence Thomas as a traitor to his own people.

What does it mean to be a traitor? Benedict Arnold was a traitor. Everybody accepts that. Benedict Arnold was a traitor. I do not think that necessarily the British schoolchildren of that time would call Benedict Arnold a traitor. Benedict Arnold may be called a hero in England in the service of the king. Benedict Arnold might have been given some great justification for his actions. The king and the people who supported keeping the American colonies as part of the British Empire might have argued that Benedict Arnold was a champion of law and order, that the colonists had no right to rebel against the lawful government of England.

They could argue that, and make a case for it, and make him a hero in the schools for the children of the British back in England. clearly he was a traitor here, because we had already taken another course. Right and wrong had been defined by the Declaration of Independence.

□ 2115

Thomas Jefferson talked about certain inalienable rights. He talked about self-evident truths. He did not deal with the fine points of English law. If he had continued to try to negotiate with the King and negotiate with the British, we would still probably be a colony of England. But he called upon higher powers and declared that there are some self-evident truths, that there are some inalienable rights. There is a right and a wrong.

This Nation said when Abraham Lincoln was mourned and lifted up as one of the greatest Presidents of the United States, there is a right and a wrong. Abraham Lincoln who presided over the war against slavery, he represents the right. The whole civilized world looks to Abraham Lincoln as a person who was right in a controversy that some people want to still argue about. It was right to end slavery in America. It was right to go to war and have the bloodiest battle ever fought by Americans, fought on the soil of America, to get rid of that slavery.

America would be in a very different position if two nations existed, one slave and one free, at the time Hitler came to power. We might have had on our very continent allies for the kind of philosophy that Hitler was advocating.

All kinds of things could have happened if the rightness of Lincoln's position had not been enforced by a challenge to the Confederacy.

There is a right and a wrong internationally. Lincoln is a great hero. The Prime Minister of Czechoslovakia, the first Prime Minister after Communist rule was overthrown, visited the White House and Mrs. Bush, upon the occasion that the Congressional Black Caucus was visiting the White House, she explained that when he came into the room where Lincoln had stayed and where the Emancipation Proclamation was signed, he looked at the Emancipation Proclamation and he broke down in tears.

Here is a man from Czechoslovakia, a man who had been under Communist rules, had been in prison, his great idol was Abraham Lincoln, and the Emancipation Proclamation, which was a Presidential Executive order that set the slaves free, brought him to tears immediately.

So internationally, in the court of international morality and justice, Abraham Lincoln was right and the other folks were wrong. Slavery was wrong. We have made that decision. Our textbooks are to reflect it that way. We are to recognize that that is the national norm.

If slavery was wrong, then remedies to correct the aftermath of slavery, remedies to correct the residue of the criminal actions of slavery, they have to have some kind of validity. The Voting Rights Act has to have validity. The Constitution has to have interpretation and must not be distorted by a racist Supreme Court that refuses to recognize that race in the Constitution is mentioned.

We are mentioned several times, starting with article 1, where they talk about three-fifths of all other persons, they are clearly referring to slaves. Everybody knows the intent of the Constitution. Nobody has challenged the fact that three-fifths of all other persons means three-fifths, that each slave, male, should be counted as three-fifths of a person when you are counting the population of America. And they correct that when they get to the 13th and 14th amendment where they set free the slaves in the 13th amendment.

The 13th amendment states: Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction. That is the 13th amendment.

The 14th amendment, which is the subject of controversy, the 14th amendment which is being used by Sandra Day O'Connor and her colleagues on the Court as justification for calling for a colorblind America, the 14th amendment has section 1, section 2, section 3, section 4, and section 5, and I want to submit for the RECORD, just to have people reminded, the whole 14th amendment.

Mr. Speaker, I submit for the RECORD the whole 14th amendment.

AMENDMENT XIV[1]

Section 1. All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Section 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

Section 3. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

Section 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

Section 5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

Section 1 states:

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Who are they talking about particularly, specifically? The 13th amendment that came before freed the slaves, but the 14th amendment is talking specifically about slaves, or people who were just freed from slavery, and the

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[1] The Fourteenth Amendment was ratified July 9, 1868.

14th amendment is there primarily to deal with the descendants of slaves.

To argue that it is there to promote a colorblind America is to distort the Constitution, to throw out any concern about what the Congress meant when they wrote this, what the States meant when they drafted it. We never do that on any other laws. We are always looking for the intent of the Framers, what the law says. All that is important. Why all of a sudden is it not important that the 14th amendment was drafted, written, ratified in response to correcting the ills of slavery, establishing the fact that these people who have just been set free shall also have equal right, equal protection under the law, these people are the people who were slaves and their descendants.

Section 2, this is in the same 14th amendment. If you want to challenge my contention that the 14th amendment is about slavery and correcting the ills of slavery, take a look in section 2, section 3 and section 4. Take a look at what they say. They are talking about situations which are related to correcting the upheaval, the situation that resulted as a result of rebellion against the United States.

In Section 2, I will not read it all, they state: "But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being 21 years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number" except in rebellion, participation in rebellion.

When the 14th amendment was written, they still had rebellion of the Confederacy on their mind. Section 2 makes it clear that they had that in their mind.

I will read all of section 3:

> No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof.

They were concerned about the carryover and what was left over from the situation of the Civil War which was fought to end slavery.

> Section 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

The 14th amendment was not concerned and preoccupied with colorblind America. It was preoccupied with slavery, the Civil War, the aftermath of the Civil War, with dealing with people who had rebelled against the Federal Government. I offer this in the hope that somebody would go back and reread it, and especially the Supreme Court Justices who dwell on one section and refuse to accept the 14th amendment in its total context. It is distorted and twisted.

Kenneth Johnson did a great service when he pointed out that Justice Thomas is a part of this process of distorting the 14th amendment in what results in a racist series of decisions by the Court to roll back the clock and end various constructive kinds of things that have gone forth as a result of interpreting the 14th amendment in the proper way and understanding that the 14th amendment was the chance to deal with the problem of slavery in the proper context.

Mr. Speaker, I was going to also give an example of how a recent book by Daniel Gohagen called "Hitler's Willing Executioners" confirms the kind of situation I am talking about where if you fail to deal with underlying prejudices and hostilities in a society, it will blossom forth in a diseased way and sometimes it will get out of control. Certainly, if the central government and leaders of government condone it and encourage it, it gets out of control.

I would like to end my remarks by saying, by taking actions against the church burnings in a forceful way today, we have shown that the leaders of this central government will take firm action against such activities and elementary and rudimentary efforts have been taken to stamp out this disease. We need to go further and try to get to the root causes.

PROTECTING AMERICA'S PATENTS

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. ROHRABACHER] is recognized for 60 minutes.

Mr. ROHRABACHER. Mr. Speaker, I agree that we voted today to get to the root causes and to condemn the hatred that resulted in the warped mind that resulted in the burning of black churches in America, or synagogues or any other kind of churches, that this is not something we can tolerate in America.

But let us say the root causes of that type of bigotry are found in the same type of actions that try to limit people's right to speak because they disagree with you. They feel you have a right to prevent someone from speaking, whether at a high school graduation or a college graduation. Discourtesy is one step away from tyranny, and I have seen that throughout my life.

Clarence Thomas is a man of extraordinary courage, honor, and intelligence. He has stood up against a liberal political machine that he knew would try to destroy him personally rather than debate his ideas. It is tragic that this mean-spirited attack continues on Justice Thomas. He deserves the respect of America and at the very least he deserves to be treated courteously. Unfortunately, many liberals do not know what the meaning of courtesy is.

With that, let me say that one thing about America is that we have diverse values. This is something we rejoice in. We are a land of diversity. People cannot say it enough. This is a blessed land. Yes, it has faults, many faults. We will work together as Americans who love freedom to try to fix those faults.

That is the way it has been since our founding. We had a lot of faults back then. While I am grateful to our Founding Fathers and our founding mothers, I do not idealize them as being perfect. But in those days 200 years ago, they did have a dream and they did give us something to work with, and we have built a great Nation. They began that great Nation and expect us to try to perfect it.

Our Nation was founded not by Puritans alone—Puritans played a role in it—but also by malcontents, nonconformists, individualists, pathfinders, free thinkers, explorers, developers, people who were fiercely independent and lovers of freedom. Yes, there were also slaves that were brought here against their will, and we tried to correct that which was a major blot on America's soul.

They were an optimistic lot, those Americans of 100 and 200 years ago, firmly believing that with liberty and technology, ours would be a shining city on a hill, a beacon of hope for all mankind, where our problems and our faults would be corrected but where the common man, even then, through hard work and responsible behavior could raise a family in decency, and all would have an opportunity to improve themselves and build a Nation as they did.

This may sound like hyperbole but it is not hyperbole. Yes, we had faults, let us admit it. But the fact is we also had dreams. Those who founded our country were dreamers. They could see fields that would feed a hungry world and factories that would raise the standard of living of working people, and in times of great peril would become an arsenal for democracy to which freedom-loving people of the world could turn for salvation.

They knew America would succeed. The fundamentals were here. Freedom, guaranteed rights for all people. Yes, in the beginning it was not all people. Today we have not totally reached that dream but that is what we are trying to do. Here was also this richness of diversity that would make America unique among the nations.

☐ 2130

Our new country would not be held together by a common culture or common race or common religion. No, it would be a love of liberty that would unite us and a commitment to the principles of liberty and justice that would hold us together. One thing else gave them an unbridled positive view toward the future. They believed that technology would lift the standard of all human beings with the production of new wealth.

America would not be about dividing wealth, it would be about building, planting, engineering, and creating new wealth. After all, we were the most undeveloped country of the world at that time. Thomas Jefferson's home in Monticello is filled with his personal inventions, inventions of little technologies that he know would help lift some of the burden right there on his own farm and, if emulated, lift the burden elsewhere throughout the country.

Ben Franklin was not just the grand old man of the American revolution. He was an internationally acclaimed technologist, having invented the potbellied stove, bifocals and having experimented with electricity. I do not even know if children these days, when they read their history books, know about Benjamin Franklin and his technological endeavors. They might not even know about Ben Franklin, for all I know.

Well, it is no coincidence that our Founding Fathers wrote into our Constitution a mandate for the establishment of a national Patent Office where any person could register an invention and would have a guaranteed property right to ownership of that innovation for a specific number of years. This was to ensure that inventors and investors would have an incentive to create the means to solve problems and to uplift the standard of living of our people. The guaranteed patent term works. America had the strongest patent laws in the world and our people reaped an unimaginable reward.

It was no mistake that it was here that Robert Fulton created the steamboat. How many people know that the steam engine was created long before Robert Fulton? In fact, in ancient Greece, there was a steam engine, but they did not believe the common person should have burdens lifted off of his shoulder, and in fact a steam engine had been put on a boat crossing the Rhine River much earlier but the boatmen gathered round and the boatman's guild forced that steam engine off the boat. But here Robert Fulton was able to put that steam engine on a boat and able to patent that concept and to create a piece of equipment that would change the world and uplift the standard of living of mankind.

What about Eli Whitney's cotton gin, which created enough clothing for people to wear and brought down the price of clothing, or Cyrus McCormick's reaper, or Thomas Edison's electric light bulb, or Sam Morse's telegraph, or Alexander Graham Bell's telephone, things that changed the world forever. Where were they created? Where were they invented? Right her in the United States.

In the late 1880's, it was seriously suggested, in fact, because our people had been so creative and created so much that the Patent Office be shut down because, "Everything that can be invented has been invented." At that very moment, two working men, brothers who owned a modest bicycle repair shop, were working on a machine that would lift mankind into the heavens.

Mr. Speaker, the Wright brothers demonstrated the indomitable spirit, what was hailed as exemplary, as the best of our country. Yet these two people were basically on their own. They had some investors. They were not men of education or wealth. They were ordinary working people who changed the lives of every person on this planet.

So why has it been America? Why was it that those two individuals were able to succeed? Certainly not our race because we have many different races and ethnic backgrounds. It certainly was not our religion. We have many religions. It is not our great universities. The Wright brothers never went to college, although I will have to admit our educational institutions certainly have helped this. The genius, the unparalleled inventiveness of our people can be found in the fact that our laws have protected inventors.

We have had the most stringent and all-encompassing patent laws and patent protection of any country of the world. Our laws have fostered private investment in innovation. The mainspring of America's progress can be found, above all else, in the guaranteed patent term and the honest enforcement of our laws, so that inventors knew their rights would he recognized and protected, investors knew they would be permitted to reap a reward for risking their money they invested in unproven technology.

One of the lesser known inventors in America, a man who had tremendous impact on the living of our people, was a man named Jan Matzeliger. He came from the humblest of beginnings and for years he was eating corn mush and just barely surviving. Because he was an American of Color, a black American, he suffered unforgivable discrimination, turned away even from churches where he sought to worship God. As he labored in a shoe company, strenuously stretching, cutting and stitching, he visualized a machine that would revolutionize production. With little education, he wrote and traced his idea for a complicated piece of equipment.

Living in poverty, he found a couple of old cigar boxes and strings to simulate a working model, and although he had no status, no credentials and certainly no collateral, he caught the ear and the eye of two investors who bankrolled his venture for a hefty share of the profit. On March 20, 1883, a patent was issued by the U.S. Patent Office.

Within a few years, Matzeliger's "lasting machine" is what it is called, "lasting machine" was standard equipment for shoe manufacturing. The price of shoes began to drop as the average worker, instead of putting out one or two pairs an hours, could put out 50 pairs an hour. The price of shoes was cut by 50 percent. Untold millions of people benefited from Matzeliger's invention. For Matzeliger and his investors, they had the guaranteed patent term of 17 years in which to reap the rewards of an innovation that had uplifted ordinary people. Matzeliger lived a fruitful life and a full life. When he died, he left a considerable sum of money to the churches of his community. But it was stipulated in his will that none of the money should go to any church that turned him away because of the color of his skin.

America should have respected all the rights of all of its citizens, but even in that great time of discrimination, the rights of technological ownership, through the patent law, was so ingrained in our people that the patent rights of black Americans and people of color were protected. This commitment served our Nation well.

Now, I am not saying that all of the patent rights and all the property rights of black Americans were protected because they obviously were not. But obviously they were protected to the point where this black American was able to benefit greatly from his invention. America went on and basically the history of our country can be seen in the development of these new technologies. We went from a desolate frontier to a powerhouse of freedom and opportunity. There were those who see the fundamental changes in America, and they are trying to affect what we do in America and they believe in America. But sometimes people who are trying to affect the course of our history are not so up front about their goals for our country.

One of the things Bill Clinton did after becoming President, one of the first things he did was to send Bruce Lehman, his appointee, to head America's Patent Office to Japan. Now, is that not funny? Right after getting elected, he appoints someone to head the Patent Office and immediately sends him to Japan. There, Bruce Lehman, the new head of our Patent Office, concluded a hushed agreement to harmonize America's patent law to that of Japan's.

Now, we got almost nothing in exchange for the changes, for exchange for our changes. We got almost nothing in exchange in the sense that the Japanese law did not change almost anything. In fact, there were just a few anemic restrictions that were placed on Japanese corporate interferences and that is about it. But we, on the other hand, changed and agreed to totally harmonize our patent law with that of Japan. Now that may sound really strange to the American people. It may sound really strange to our colleagues that someone goes overseas and makes an agreement to change the basic law of our land, which has been in place since the founding of our Constitution, and make it mirror that of a foreign country.

We did that in exchange for some little anemic change in the Japanese law. By the way, that promise may be very similar to Japan's promises to open their markets. Decades ago, Japan promised us they would open their markets, and basically they promised and they promised and they promised. Yet decades later, we still are having trouble getting our goods into the Japanese market. Perhaps this even weak little thing that they gave us in exchange for totally changing our patent law, maybe they will treat that the same way as nothing more than scribbling on a piece of paper. In the meantime, Bruce Lehman and multinational corporations, are doing their God-awful best to change our patent law, our fundamental patent law. They made the agreement with the Japanese to do it.

Mr. Speaker, now they are coming here with legislation to the Congress to fulfill their promises to change or law and make it like the Japanese law. Well, they tried to do it as quickly as possible and as quietly as possible. Step No. 1 was eliminating that guaranteed patent term of 17 years. This has been a right of Americans for American inventors and American investors for 134 years; before that, it was a guaranteed patent term of 14 years. But it was always a guaranteed patent term. No matter how long it took you to get your patent issued, once you had applied, if it took them 10 years to get it issued, you would still have 17 years of guaranteed protection.

Well, trying to keep this downgrading of American patent rights quiet while, instead of coming to Congress originally with the very first attack on the patent system, and that is the legislation of changing our patent laws, a provision was snuck into the implementing legislation for the General Agreement on Trade and Tariff. Now that may sound odd as well. But you see, if you put something in that implementing legislation for the GATT Agreement, Congress was only able to vote up or down on this one omnibus bill. No amendments were allowed. Thus, a Member of Congress would be forced to vote against the entire world trading system in order to vote against changing our patent law.

Many Members of Congress had no idea that they put this into there because this was total, the tactic was a total betrayal because we were told that the only things that would be put into the GATT implementation legislation was that which was required by GATT itself. It was a betrayal on our citizens. The Members of Congress should understand that that indicates some foul play is going on. GATT again did not require the eliminating of the guaranteed patent term, so it should never have been put in there in the first place.

Well, I created a stir when I found out that in the GATT implementation legislation was this unnecessary or unrequired provision, something that would dramatically change our laws, and so that was 1½ years ago. I was promised that there would be a chance to correct this part of the implementing legislation, that eventually on the floor we would get our chance to change this.

Well, changes in the patent term of course are not easy to understand. Those people who are trying to fundamentally change how our Government has acted and what or fundamental laws are on the patent term know that this is a difficult issue for people to understand. They are relying on that ignorance, on that inability of Americans to focus on the intricacies of these kind of laws in order to do us in and to bring down America as the No. 1 leading economic power in the world.

Traditionally, when an American inventor or investor has filed for a patent, no matter how long it took, remember this was the traditional law, the Patent Office could take as long as they wanted, and many of the major patents take 5, 10, even 15 years. But once it was issued, there was a guaranteed patent term of 17 years to reap the benefits of new technology. Foreigners or anybody else would use that technology who have to pay royalties to those people who invented the new technologies. Again, it was their right to a guaranteed patent term of 17 years, and up until 1½ years ago, when that provision was snuck into GATT and the first move to harmonize our system with Japan's was put in place. During the time before, and this is before this change, when the patent was issued, everyone was secure in knowing they would have that 17 years of full benefit.

This system not only encouraged inventors but it encouraged investors. Thus private dollars by the billions have been allocated in our society for developing new technologies. Matzeliger's two investors knew that, no matter how long it took him to get that patent, that, once he got it, they all would benefit from this invention because they would have a guaranteed patent term of 17 years. We did not rely on Government bureaucracy. We relied on private investors. We did not rely on taxes by the Federal Government. We relief on innovation through the private sector because we gave people an incentive to invest by guaranteeing a patent term.

☐ 2145

We relied on freedom and the profit motive. Well, the new system, which is nothing more than the Japanese system superimposed on us, is much different, though again it is very hard to understand the significance of these changes and these differences.

Under the new code, and that is under the code that was put in under this GATT implementation legislation, the day that an inventor fights for a patent, that day 20 years later he has no more rights, he or she has no more rights to that patent and to that technology. Twenty years later, and the time is up.

If it takes 10 years, and, by the way, this is the system now in place that replaced the old system, if it takes 10 years for a patent to be issued because the bureaucracy is slow or outsiders are trying to slow down the process, in the past the investor still had the guaranteed patent term of 17 years, even if it took 10 years to issue. Under this new system, after 10 years one-half of the investor's patent term has been eaten up. He or she only has 10 years left. In other words, the clock is ticking against the inventor, against the innovator, and not against the bureaucracy.

Now, anyone who has studied the process knows that it is not unusual for breakthrough technologies, that is the innovations that change the world, these are the innovations that we as Americans always invented, that the innovations that produce the tens of billions of dollars of new wealth often take from 5, 10, and even 15 years for a patent to issue.

For example, the laser took 21 years before the patent was granted. That means under the new system, the inventor of the laser would have received no benefit, zero benefit, from his invention, and the investors in that project would have reaped no benefits. The microprocessor took 17 years. The microprocessor took 17 years. Under the old system, once it was issued that man had 17 years of patent term left. Under the new system, he would have 3 years left.

Polypropylene, the plastic they make in which they use to store milk and other containers, took 33 years before the inventor received the patent. He would have had absolutely no patent protection, and in fact would have probably died a dissolute person knowing that his invention had been stolen from him.

Now, what does this all mean when the clock is ticking against the inventor? It means the bureaucracy and special interests, not only domestic interests, but foreign interests as well, have leverage on the inventor. During negotiations, which are part of the patent process when someone is looking to get a patent granted, he has to go through these negotiations, the inventor, if the clock is ticking against him, he can be ground down, because he will or she is vulnerable. If a patent can be delayed and the time shortened, what does that mean? Well, it means all those royalties that were once going into the bank account, if you can shorten the time period that the person actually holds that patent, because now you elongated the process and he only has that 20 years, and it is ticking against him, all those royalties that were going into the bank account of American inventors, because they have that 17 guaranteed years, now they do not have it. All that money that used to be flowing into their bank accounts is now rerouted into the account of huge foreign and domestic and multinational corporations.

To claim stolen royalties, of course, someone is eventually issued a patent. An individual must pay lawyers and legal specialists to go to court. Get the picture? The little American inventor going to Samsung or going to Mitsubishi or going to Sony and trying to beat them in court, especially in a Japanese court? The little guy in our country gets ground down. The Wright Brothers, had that law been in place, would be smashed by the Mitsubishis of the world.

Now, get that. The Wright Brothers, the equivalent of a Wright brother today, beaten down by Mitsubishi, and we end up in the years ahead with the Japanese building all of the major airplanes flown all around the world, and Japanese aircraft workers living at a higher standard of living, and our aerospace engineers living in poverty.

This system which our Patent Commissioner Bruce Lehman wants to emulate, he wants American law to be like the Japanese, has ill-served the Japanese people. It might have helped some of these big corporations and those people who run the corporations, but little, if any, innovation is born in Japan. Few, if any, inventions are started there. The Japanese are rightfully known as copiers and improvers, not inventors nor innovators. Their laws, which Bruce Lehman wants America to emulate, have permitted powerful business conglomerates to run rough-shod over their people. They have beaten down anyone who raises his or her head.

As far as technological development, in Japan an inventor who applies for a significant patent is immediately confronted with hostile interferences with the process. Pressures, official and unofficial, are applied to beat down the applicant so that by the time the patent is issued it is a hollow shell. The rewards are limited.

However, the rewards are great for some people in Japan. Yeah, the big guys, the giant corporations envelop the innovation and pay little, if anything, in royalties for the benefit they receive, or should we say steal. It is the difference between a society based on individual freedom versus collectivist egalitarianism. During the patent debate that we have been having here over the last year, Bruce Lehman, the head of the American Patent Office, constantly claimed the purpose of a strong patent law is to facilitate the dissemination of information to the society as a whole. That is the ultimate in antifreedom, collectivist freedom, and has nothing to do with what our Founding Fathers had in mind.

In our country, the rights of the individual are paramount. These patent laws were meant to protect individuals' property rights over the rights of necessarily some huge interest group claiming to speak for the benefit of society as a whole.

We basically believe the individual has the right to own his or her prompt and especially if it is his or her own creation. That is what our Founding Fathers did when they put the Patent Office into our Constitution. Our respect for the property rights of the small farmer and the individual businessman is based on an understanding that by protecting the rights of the little guy, especially the property rights, all of us are going to benefit in the long run.

We believe it is through individual endeavors and personal responsibility that someone prospers, and when a population of individuals acts in that way, the society prospers. Lehman's approach treats individuals as secondary and in a collectivist whole, who if they insist on their rights for themselves, must and will be crushed.

Of course those trying to challenge our system will never admit this. Those trying to change the fundamental patent law will never believe that is what is really guiding them and that is their philosophical premise.

A change is coming, not as part of a major debate, basically a major debate in our whole democratic process. That is not the way the change in our society and patent rights for future technology is happening. Instead, it is happening by subterfuge, sneaking provisions into treaty legislation or an omnibus bill so that the evil that is taking place will be hard to understand and the actual changes will be obscured by all the rest of the things in the bill.

When one can force the advocates who are trying to press these patent changes, when we force them to engage, they claim that their goal is not to destroy America's traditional patent system. That is not what we are trying to do, they say, no. Instead, they are trying to solve a new problem that has been plaguing American business, and that is this problem that basically is enriching inventors. They say these inventors are being enriched, and these inventors are the ones manipulating and gaming the patent system so that by the time that a 17-year patent term is actually granted to someone, that they have actually more time to collect on the other side of their patent.

What they throw up as an excuse for changing the fundamentals and eliminating the right of Americans to a 17-year guaranteed patent term is something we call the submarine patent. Well, that is what they say. You people are gaming the system.

Certainly, that is true. A few, a very few self-serving inventors have been able to elongate the process in which their patent application is being considered, thus putting off the issuing date, which means that the 17 years of patent protection which they are guaranteed end a little bit later rather than a little bit sooner. Of course, they are not getting the protection up front as well during that time period.

Some inventors enjoy royalty benefits then in the outer years, and if they had not gamed the system they would not be receiving the same benefits in the outer years of their 17-year guaranteed patent time, because their patent would have expired.

Well, making things worse, according to the other side, if the system is gamed for a number of years, let us say somebody is able to game the system for 10 years to prevent their patent from being issued. Other companies may come up with the same idea and those companies must now, because the other person has already applied for their patent, those other companies must pay royalties to the submarine patenter when he comes to the surface and gets his patent. Because a patent application is secret until the patent is issued, the other companies did not even know they were going to have to pay royalties for using this innovation.

Thus, it is a ripoff and unfair. That is the argument on the other side.

Submarine patents, however, may or may not be the problem. Whatever. That some people game the process, well, that could be true, but that is no excuse for eliminating the guaranteed patent term of the American people. That is like saying if someone abuses the right of freedom of speech, that we can come in and destroy people's right for freedom of speech. Or someone abuses a religious freedom, we just eliminate the religious freedom guaranteed our people.

Let us remember this: The vast majority of all patent applicants, and I am talking about more than 99 percent, are doing everything in their power that they can possibly do to get their patent issued as soon as possible. They beg, they plead, please, issue the patent, because they will not receive any benefits until it is issued.

By the way, those people who are gaming the system to elongate the process, some new invention might come along that makes their invention obsolete and they are taking that chance. That is why almost all inventors, nearly all inventors, do everything they can to get the patent issued right away. As you know, this new innovation could leave them behind, whether they are submariners or people trying to get through the process and the bureaucracy is not issuing the patent.

A few submarine patents do represent a minuscule part of the system and have been a problem. So this problem can be dealt with by reforming the process, not by eliminating the guaranteed rights of all Americans.

My bill, in fact, H.R. 359, which will be on the floor as a substitute to the Steal American Technologies Act, H.R. 3460, includes a provision to publish any application of an inventor who uses a continuance to intentionally delay the process. Over and over again, in the year and a half that I pushed on this issue, I have offered to put into law anything that would curb submarine patenting, which some people claim is a big problem and I am saying it is a minuscule problem, but I will do anything, put it in my bill, just so long as the change does not eliminate the guaranteed patent term.

Let us have it flagged. If someone is delaying it, let us try to change it by getting administrative change. Let us make sure that if someone is delaying the process, it goes to a special board to make sure they cannot delay it.

But the other side would have no compromise. They would not agree to any changes, except eliminate the guaranteed patent term. Why? Because that is what is in the Japanese law. In order to harmonize Japanese law, that is what we had to do.

So, what was their motive if they were not going to change the law? It might have been they wanted to harmonize our law with Japan, and submarine patent, well, maybe that was just something used as an excuse or perhaps they were really upset about it. But whatever it is, let us say this: That if someone tells you that they are concerned about your health and you are complaining to a doctor, you have trusted yourself to someone to make a medical decision for you, and have a hangnail on your foot, if that doctor insists on cutting your leg off in order to correct that problem with your hangnail, you better get a new doctor.

☐ 2200

And that is what they are proposing here. We have a submarine patent problem that affects a minuscule number of people, so we are going to destroy the patent rights of all of the American people to a guaranteed patent right.

Well, that makes no sense. And if a doctor tried to tell me, well, no, I am really concerned; I am concerned about your health, and that is why we are going to cut the leg off. And when I say, well, do you not want to clip my toenail off rather than cut my whole leg off? No, no, we will cut the leg off, then you will not have any more hangnails. You should say wait a minute. Maybe you better think twice about that person's motives when he is trying to sell that kind of logic.

Let me note that this change we are talking about which they implemented in the GATT implementation legislation was the first crucial step in harmonizing our patent laws to those of Japan, and that is what I assume is the real goal of this legislation of H.R. 3460, which will be coming, and the real purpose of these people's activities.

Let us note this push for the harmonization with Japanese law started long before anyone ever heard of the term submarine patent. This has been going on for 10 years now, and yet no one ever heard of submarine patents all those years ago. Those words were not even part of the patent lexicon when the attempt was made to dismantle America's patent system and harmonize it with Japan so long ago.

During the debate over patent law, Mr. LEHMAN has used the bogeyman of the submarine patents; yet when we have checked his figures, we found many of the so-called submarine patents he has spotlighted are not issued and published. Why? Yes, there are some patents that have not been published and not been issued for a long time. Do you know why? Almost all of them, not almost all but a huge portion of them are defense-related technologies.

Yes, the figures Mr. LEHMAN has given trying to say these are submarine patents, a lot have been not issued because they deal with sensitive defense technologies we did not want the world to know about. But, again, if it is a problem in terms of having people game the system and delaying the application, we can handle it with basically administrative reforms, rather than totally obliterating the system and eliminating the guaranteed patent term.

My bill, H.R. 359, would reinstate the guaranteed patent term of 17 years and facilitate any action against the manipulation of the system. Then, by mandating the publication of applications of people who are intentionally delaying the system, we could prevent them from delaying the system and having a submarine patent.

I am offering this as a substitute for H.R. 3460, which is a patent bill designed basically to complete the destruction of our current patent protection system. And basically this whole maneuver to destroy our patent system and replace it with the Japanese started, step one, with the GATT implementation legislation.

H.R. 3460 is step two, and better than anything else it demonstrates what is really going on. This one is easy to understand. It is understandable to the point that it unmasks the goals of the very powerful international as well as domestic forces that are at work trying to change our patent system.

H.R. 3460, which I call the Steal American Technologies Act, is officially called the Moorhead-Schroeder Patent Act, is a package that obscures the mind-boggling provisions that it claims by lumping it together with other things, but not enough to obscure the real facts.

One of the provisions introduced in this bill was introduced last year under a bill that was entitled the Patent Application Publications Act. Now this bill is part of 3460, the Patent Application Publication Act, that was really a title people could understand. Basically, it is early publication of patent applications. People can understand what those words mean. The title is too self-explanatory, so that is why basically they changed it to the Moorhead-Schroeder Patent Act.

The provisions of this bill, now get into this, because everybody can understand what is going on when they hear this, this bill mandates that after 18 months every American patent application, that is every application of our innovators and our creators, when they apply, all this was always kept secret until the patent was issued in the past. Well, now it is mandated that every one of those applications, whether or not a patent has been issued, will be published for the world to see.

Every thief, every brigand, every pirate, every multinational corporation, every Asian copycat will be handed the details of every application to our patent office. Our newest and most creative ideas will be outlined for them, even before the patent is issued to the American inventor. It is an invitation for every thief in the world to steal American technology. Lines will form at copy machines and fax machines to get this information out to America's worst enemies and our fiercest competitors.

H.R. 3460 is entitled, as I say, the Moorhead-Schroeder Patent Act. Again, the provisions that we are talking about, it is almost mind-boggling that someone could, without shame, promote this on the floor of the House.

The authors of this bill suggest that we should not worry about if domestic, foreign, and multilateral corporations steal the new ideas. The patent applicant, once he gets the patent issued, which may be 5 or 10 years down the road, they can sue the new applicant, can sue the pirates once he has been issued that patent. The price tag on a simple infringement suit begins at one quarter of a million dollars.

Boy, that makes you feel good, does it not? The average American is now going to be up against Sony, Mitsubishi, Honda, you name it, every company in Japan, and you might even have to go to court in Japan or China or Thailand, or anywhere else, in order to fight them. And you have to pay your legal bills and they have got the profit from your technology already to use as the basis to beat you in court.

As this bill was being passed through the subcommittee, this bill already passed the subcommittee and the committee, I was in my office talking to the president of a medium-sized solar energy company in Ohio. And when I asked what would happen if this provision became law, he clenched his fist and angrily predicted that his Asian competitors would be manufacturing his new technologies before his patent was issued; that they would then use the profit from selling his new technology to defeat any court challenge and destroy his company in the process.

His overseas competitors would have the further advantage, get into this, of never having to pay for the research and development of that new product in the first place. The Americans flip the bill, they use it, they develop the technology, profit from it, and they beat us in court with money that we have had to pay to develop the technology in the first place.

This is a nightmare and it faces every American small and medium-sized company. Anyone who cannot afford a stable of expensive lawyers is at the mercy of the worst thieves in the world. Of course, the big guys and the huge corporations are backing this change in our law because they want to globalize the world trading system, even if it means diminishing the rights of the American people.

Those big guys, they have the contacts overseas to make sure their products are not being stolen, and of course they have the money to spend on lawyers to deter such thievery. But for the little guys, it is open season.

Of course, we must do this. You have to remember, now, the reason we are doing this is to prevent the evil submarines, these evil submarine patenters who might elongate their patent by a couple of years. We have to make everybody in this country, we have to make them vulnerable to the worst thieves in the world because there are a few people who might want to elongate their patent protection for a few years by gaming the system in a submarine patent.

Yes, I am sure that is really what it is all about. This provision is another part of harmonizing our patent law with Japan, and that is what this is really all about. It is not about submarines. That is baloney.

Another provision of H.R. 3460 is, hold on to your hats because here is another provision, it is the abolition of the U.S. patent office. It is in our constitution and it has played a vital role in protecting the American people and the rights of the American people for all of these years. Yet now, H.R. 3460, the Steal American Technologies Act, will separate it from the Government, limiting congressional oversight.

Now it is part of our Government, so Congress has a right to investigate. It will limit congressional oversight. H.R. 3460, the Moorhead-Schroeder Act, will make the patent office into a Government corporation, sort of like the post office.

Now, I am in favor of privatization of services that our Government need not provide. Corporatization of a core function of Government, however, is a terrible idea. Something that the Government should do? Should we privatize all the judges in our country? Basically, we are trying to corporatize and take out of the Government's sphere the job of protecting the intellectual property rights of our people. This has been a core function of our Government since 1784.

Along with corporatization, by the way, what comes with that? That is the stripping of our patent examiners. They do not have any oversight by Congress, or very little, and then they will strip these patent examiners of their civil service protection. This opens up all of these people to outside pressures and influences.

These are the individuals, these patent examiners, who work really hard. They are trying to make determinations, basically quasi-legal decisions, to determine who owns what. Well, taking away their civil service protection is like stripping the robes off a judge. It opens the door to corruption of the entire process. And if the patent office is corporatized, the head of the patent office, guess who it is, Bruce Lehman, Mr. Harmonizer of our laws with Japan, can make the changes that he and the board of directors want to make, with very limited congressional scrutiny, of course.

In the coming era, when technology and creativity will be more important than ever to determine America's future, we are, through H.R. 3460, decoupling the protection of patent rights from our Government, cutting it off from congressional oversight and leaving our people in the hands of an autonomous board of unelected officials. Who will be on that board? Unelected officials representing Lord knows what special interests will be represented on that board. Foreign and domestic special interests. These people will be making determinations as to who owns America's technology; basically determining our well-being in the future, which depends on America's leadership in technology.

The Steal American Technologies Act, H.R. 3460, which will be coming to a vote here in Congress next week, must be defeated. And my substitute, the Rohrabacher substitute, should take its place, which is basically the Patent Restoration Act. That is the choice our Members of Congress will have, H.R. 3460, the Moorhead-Schroeder Patent Bill or the Rohrabacher substitute.

One might ask why has a bill as obviously detrimental to America's interest gone so far as it has? First and foremost our big businesses have been bought off, or they have bought off, excuse me, on the idea of globalizing the world economy and harmonizing our patent rights as part of that deal of creating this new global economy, basically, even if our foreign competitors renege later.

We are going to make sure we make these deals now to create the global economy, even if our competitors renege on the deals they are making right now. So we are going to change the law now, the patent law and other things, to create the global marketplace, and that is going to be a sign of good faith so that these foreigners that are making deals with us for our global economy will not go back on their word.

Huge foreign and domestic and multinational corporations have been visiting individual Members and lobbying hard, spending loads of money, buying their influence peddlers around town. And sometimes those influence peddlers look just like former Members of Congress, interestingly enough. And that is a big factor of why this thing is sliding through Congress.

Second, the Members of Congress hear from the biggest companies in their district, and it makes a difference if the biggest company in your district comes to you. You do not say, well, you do not represent the interest of the people as a whole; you do not even represent the interest of our employees. They do not say that. They listen to what that big boss in that company has to say.

These big company executives with the dreams of a global market dancing through their corporate heads basically have no, absolutely no commitment to the rights and the well-being of the American people because they are secondary to this great dream. If somebody has a dream to renew the world, watch out, brother. Whether it is a Communist or anybody else, if they are going to redo and make this world into a nirvana, watch out.

In this case they are going to create a new global marketplace, and in the process, what is going to happen? If in order to accomplish this they have to cut deals to bring down the rights and standard of living of the American people, so he is equal to other people's rights, well, they are willing to do it. We cannot allow that to happen.

Finally, there is another factor. Two Members of Congress pushing H.R. 3460, the Steal American Technologies Act, these two Members are retiring from Congress. Mr. MOORHEAD and Mrs. SCHROEDER are asking Members to support their bill because it is their swan song. CARLOS MOORHEAD has worked long and hard here and he is a good man. Mrs. SCHROEDER has worked long and hard, and I am sure many people agree with her basic philosophy. Well, they are asking others to basically, well, even if you do not agree with us, vote for it because it is our swan song. Do it as a favor to us, as a tribute to our many years of service.

□ 2215

That is true. They want people to vote in that way to do them a favor, voting for legislation that will determine America's economic competitiveness and the standard of living of our people for decades to come.

After the subcommittee markup of this bill, most of the Members I spoke to did not even know that H.R. 3460 mandates the publication of all patents issued or not, whether those patents have been issued or not after 18 months. They did not know that the bill obliterates the patent office and corporatizes it, stripping away any Civil Service protection from the patent examiners and limiting congressional oversight.

The people on the committees did not even know this. I talked to them and they were oblivious to it. They knew they were giving CARLOS MOORHEAD and PAT SCHROEDER their swan song, the last big piece of legislation that they wanted. We cannot permit this unsavory tactic to succeed, as much as we all admire in our respective parties CARLOS MOORHEAD and PAT SCHROEDER, and we do admire them, they have worked long and hard here for the things they believe in, the votes on this issue are as vital to America's futures as anything I can—I have never seen anything that is more important than this coming through this body.

We cannot vote on something so important to America's future as a part of a tribute to someone in their last year of office. If they want a swan song, give them a commemorative coin, but do not destroy America's technological advantage. The swan song argument is nothing less than no argument at all. They have not been arguing at all. They have been using the pressure of huge corporations who have no loyalty to the well-being of the American people and no loyalty to the values that we talk about overseas.

This battle will determine, this battle that we are in will determine if America remains the number one technological power in the world, and these huge corporations are in talking to every Member of Congress. The only argument that the authors of this are giving is, please pay us a tribute. They are going to, one way or the other, Members are getting hammered on this. This is the ultimate, when we really look at it, the ultimate little guy versus big guy fight. Standing for the Rohrabacher substitute and a strong American patent system is a coalition that includes the NFIB, small business organizations and every inventors association in the country is supporting the Rohrabacher substitute.

Over 50 top research universities and colleges nationwide who rely on patent income to bolster their research programs are supporting my substitute, including Harvard, MIT, the University of Florida, LSU, Columbia, Northwestern, the University of Wisconsin. Also strongly supporting the Rohrabacher substitute for H.R. 3460 is Patent Office union, these men and women who struggle and work so hard to try to be diligent in their work who are going to find their entire civil service protection stripped from them.

On the other side is just about every big business organization you can imagine. With interlocking directorates and foreign ownership, no one can be sure how much foreign and multinational influence is being exerted on this issue. But it is considerable.

Who will win? It is up to the people. Members of Congress need to be personally contacted. H.R. 3460, the Moorhead-Schroeder Patent Act, which I call the Steal American Technologies Act, must be defeated and the Rohrabacher substitute put in its place. This vote could well come to the floor early next week.

Anyone who needs more information, by the way, interestingly enough, if someone wants to read the bill in fact for themselves, they can. It is available on the Internet. The terrible details are there for the American people to see. If someone has got a home computer, they can get it on the Internet and take the time, if they want to take the time, to go and do this and to download the information and see it for themselves.

They actually, they can actually go to their Internet computer and get the copies of the bills and try to decide for themselves. It is available at WWW dot House dot gov and then slash Rohrabacher. That is R-o-h-r-a-b-a-c-h-e-r. Here is the Internet information again: www dot house dot gov slash Rohrabacher.

So this decision that we are about to make in this body will determine the well-being of our people, the standard of living of every American. It will determine the competitiveness of the United States of America and it will determine our future.

Is the United States going to be a shining city on the hill, a shining city of innovation and progress, sparkling there, or a backwater subservient to the dictates of a global elite? A land of free, prosperous people looking to the future, or a Nation looking back and wondering why and how we lost our edge in the world?

Together we can make democracy work. H.R. 3460, the Steal American Technologies Act, can be defeated and our rights to the best technology in the world and to make sure America is the technological leader in the world can be restored by the Rohrabacher substitute. It is now time for people to become part of the democratic process. Those people who are trying insidiously to change the law in a way that would, 10 years down the road, be a sneak attack on the well-being of our people, they are basically confident that they are going to win because they think this issue, the patent issue, that people are going to yawn or they will not be able to understand it or will not be able to understand just what is going on here. They are thinking this is going to slide through Congress because they have got these big corporate heads calling on Members of Congress.

Unless we take the power in our own hands and participate in the system, which is what our Founding Fathers wanted us to do, I believe that Thomas Jefferson today would be so proud that internet is being used to give people the actual wording of the bills that are being considered here on the floor of the House of Representatives. Thomas Jefferson, Benjamin Franklin, they would say, that is exactly the kind of society we had in mind because we knew America would not be perfect. The Founding Fathers knew there would be special interests working in our country, but they knew and they trusted in the free people of this country to get involved.

Let us make sure we do get involved. Let us make sure that Ben Franklin and Thomas Jefferson, who are looking down on us today, will know that we have picked up the torch because we are, after all, the children of Thomas Jefferson. We will not give up our rights, and we will fight for this democratic process.

I would invite all of my colleagues to join me in this effort to ensure that the American people's right to a decent standard of living, to freedom beyond anywhere else in the world, that that right, those rights are protected.

COMMEMORATING THE 150TH ANNIVERSARY OF THE FIRST OFFICIALLY RECORDED BASEBALL GAME, HOBOKEN, NJ, JUNE 19, 1846

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under a previous order of the House, the gentleman from

New Jersey [Mr. MENENDEZ] is recognized for 60 minutes.

Mr. MENENDEZ. Mr. Speaker, for the purposes of the Chair as well as the staff here, I do not intend to take the hour. That is the good news. It should take only about 15 minutes, but they are important minutes.

Mr. Speaker, I rise not to speak about the weighty matters of state that we often get up here and speak about but a little bit about history. Tomorrow, Mr. Speaker, in Hoboken, NJ, which is in my congressional district, the city of Hoboken and its mayor, Anthony Russo, will celebrate the 150th anniversary of the first officially recorded game of baseball. Yes, I am talking about baseball, the national pastime.

On June 19, 1846, the first officially recorded baseball game was played on the Elysian Fields in Hoboken, NJ. Yes, Cooperstown, NY, has the National Baseball Hall of Fame, but history clearly makes Hoboken the birthplace of modern baseball. Through the courtesy of the National Baseball Hall of Fame and Museum and Frank Borsky of the Hoboken Development Agency, who compiled much of this information in 1976, I would like to highlight this memorable occasion by reading from various accounts of this immortal game.

The game pitted the New York Nine against the Knickerbockers. The Knickerbockers were the most renowned club of that time. The crowded urban conditions in Manhattan forced the clubs to take the ferry across the Hudson to play in Hoboken, then a well-to-do resort.

The scene was described by Seymour Church. He said: "A walk of about a mile and a half from the ferry up the Jersey shore of the Hudson River, along a road that skirted the river bank on one side and was hugged by trees and thickets on the other, brought one suddenly to an opening in the 'forest primeval.' This open spot was a level grass covered plain, some 200 yards across, and as deep—surrounded on three sides by the typical eastern undergrowth and woods, and on the east by the Hudson. It was a perfect greensward for almost the year around."

The umpire was an American civil engineer named Alexander Cartwright, who many historians say invented baseball contrary to the proponents of Abner Doubleday and for good reason. Under Cartwright's direction, the baseball diamond was laid out. Cartwright's ordering of the game has not appreciably changed in the past 150 years. Prior to this game, there was a casual placement of bases, but not on the Cartwright's plans. Players were stationed at each base with only three outfielders, instead of the random hordes which had previously manned the baselines and the outfield. There were 9 men instead of 11 on a side. Cartwright recognized that most hits were between second and third base, so he placed the player in a new position called a shortstop. Teams batted in regular order with three outs in order to exchange sides batting. This is in contrast with cricket in which a side continues at bat until the entire team was out. Finally outs were made by throwing to bases instead of trying to hit the player with the ball.

Here are some of the rules that governed the first game in Hoboken:

In section 1 of these rules that were written out, it said the bases shall go from home to second 42 paces, from first to third, 42 paces equidistant.

The ball must be pitched, underhand, and not thrown, freehand, for the bat.

A ball knocked outside the range of first or third is foul.

Three balls being struck at and missed and the last one caught in a hand is out; and if not caught, is considered fair. And the striker is bound to run.

A player running the bases shall be out if the ball is in the hands of an adversary and the runner touched by it before he makes his base, it being understood, however, that in no instance, is the ball to be thrown at him.

These are just some of the rules, but what is interesting is that Cartwright laid out the game as we know it today, and he did so in Hoboken, NJ.

The pitcher stood 45 feet from the batter. The catcher stood back far enough to take the ball on a bounce. The umpire stood between the plate and the catcher but to the right and out of the way of the ball. The ball itself was 10 inches in circumference, weighing 6 ounces and had a rubber center.

In September 1845, a group of Cartwright's social acquaintances established a club called the Knickerbockers, the first organized baseball club. The challenge was issued to the New York Nine. At stake was a banquet at McCarty's Hotel near the Elysian Fields of Hoboken. Overconfident, the Knickerbockers did not practice and the team's best player, Cartwright himself, volunteered to umpire. As a matter of fact, baseball's first fine for "cussing" was levied by Cartwright for 6 cents against a New York Nine player named Davis.

Despite crafting the rules, the Knickerbockers could not match the Nine pitcher with cricket experience who whipped pitches past the Knick batters.

Although it was a perfect day, the Knickerbockers took a drubbing. While beating the New York Nine in their fashion with their uniforms of blue pantaloons and white flannel shirts, mohair caps, and patent leather belts, the Knickerbockers failed to win the game, losing by a score of 23 to 1.

The final result of that game came in the box score, which was subsequently published and is in the New York Public Library.

One hundred years later, the city of Hoboken celebrated the centennial with a bronze marker erected by the New Jersey Commission on Historic Sites.

□ 2230

It reads:

> On June 19, 1846, the first match game of baseball was played here on the Elysian Fields between the Knickerbockers and the New Yorks. It is generally conceded that until this time the game was not seriously regarded.

That is the quote on the marker.

That game is seriously regarded today. The people of Hoboken are still proud that America's national pastime was played there, and the people of Hoboken still love the game and will cherish this anniversary, the 150th anniversary, by parades and award dinners that will be held tomorrow evening.

Now, Mr. Speaker, why do I come to the floor of the House to talk about an issue like this? This is more than just hometown pride. This is about a stake in history and about a game that is as American as apple pie, a game that brings families together whether at the stadium, around the TV set, or on the Little League field. It is about dreams, realized; some, broken. It is about a sense of community as cities from coast to coast cheer on their hometown boys. It is about tradition, a great American tradition, for no matter where in the world baseball is played, we know that it was made here in the United States.

I am proud to proclaim Hoboken, NJ, a city with a great tradition. A great city in the 13th Congressional District is the birthplace of baseball.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. WATERS (at the request of Mr. GEPHARDT), for today, on account of personal business.

Mrs. LINCOLN (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of medical reasons.

Mr. RAMSTAD (at the request of Mr. ARMEY), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any Special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. MEEHAN, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. FARR, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

(The following Members (at the request of Mr. MICA) to revise and extend their remarks and include extraneous material:)

Mrs. SMITH of Washington, for 5 minutes each day, on today and June 19.

Mr. JONES, for 5 minutes, today.

Mr. GUTKNECHT, for 5 minutes, today.

Mr. WAMP, for 5 minutes, today.

Mrs. KELLY, for 5 minutes, today.

Mr. FIELDS of Texas, for 5 minutes, today.

Mr. MICA, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes each day, on today and June 19.

Mr. WELDON of Florida, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HOKE, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. PELOSI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mr. SERRANO.
Mr. MANTON.
Mr. DELLUMS.
Mr. SCHUMER.
Mr. WAXMAN.
Mrs. SCHROEDER.
Mr. BROWN of California.
Ms. HARMAN.
Mr. CLEMENT.
Ms. EDDIE BERNICE JOHNSON of Texas.
Mr. REED.
Mr. BARRETT of Nebraska.
Mr. KLECZKA.
Mr. BENTSEN.
Mrs. MEEK of Florida.
Mr. GORDON.
Mr. MARKEY.
Mr. UNDERWOOD.
Mr. ACKERMAN.
Ms. WATERS.

(The following Members (at the request of Mr. MICA) and to include extraneous material:)

Mr. SMITH of New Jersey in two instances.
Mr. CRANE.
Mr. BILIRAKIS.
Mrs. KELLY.
Mr. CANADY of Florida.
Mr. SMITH of Michigan.
Mr. GILMAN.
Mr. CLINGER.

(The following Members (at the request of Mr. MENENDEZ) and to include extraneous matter:)

Mr. SHAW in two instances.
Mr. FRAZER.
Mr. KLUG.
Ms. MCCARTHY.
Mr. PASTOR.
Mr. MENENDEZ in two instances.
Mr. DEUTSCH.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1488. An act to convert certain excepted service positions in the United States Fire Administration to competitive service positions, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADJOURNMENT

Mr. MENENDEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 19, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3686. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Viruses, Serums, and Toxins and Analogous Products; Master Labels [Docket No. 93-167-2] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3687. A communication from the President of the United States, transmitting his request for a fiscal year 1996 supplemental appropriation to increase the ability of the Department of the Treasury's Bureau of Alcohol, Tobacco and Firearms to investigate and solve acts of arson against African-American churches, pursuant to 31 U.S.C. 1107 (H. Doc. No. 104–234); to the Committee on Appropriations and ordered to be printed.

3688. A letter from the Secretary of the Navy, transmitting the Secretary's determination and findings: Authority to award a contract to privatize the Naval Air Warfare Center, Aircraft Division, Indianapolis, based on public interest exception to requirement for full and open competition, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on National Security.

3689. A letter from the Secretary of the Navy, transmitting the Secretary's determination and findings: Authority to award a contract for overhaul, remanufacture, repair and life cycle maintenance support of Navy MK15 Phalanx, MK49 Rolling Airframe Missile Launcher, MK23 Target Acquisition System, based on public interest exception to requirement for full and open competition, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on National Security.

3690. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—Bilingual Education: Graduate Fellowship Program (RIN: 1885–AA21) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3691. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—William D. Ford Federal Direct Loan Program (RIN: 1840–AC19) received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3692. A letter from the Secretary of Education, transmitting final regulations—William D. Ford Federal Direct Loan Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Economic and Educational Opportunities.

3693. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; Child Restraint Systems (National Highway Traffic Safety Administration) [Docket No. 74–09; Notices 46] (RIN: 2127–AF02) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3694. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 96–32: Suspending restrictions on United States relations with the Palestine Liberation Organization, pursuant to Public Law 104–107, section 604(b)(1) (110 Stat. 756); to the Committee on International Relations.

3695. A letter from the Director, Resource Management and Planning Staff, Trade Development, International Trade Administration, transmitting the Administration's final rule—Market Development Cooperator Program [Docket No. 950207043–6128–02] (RIN: 0625–ZA03) received June 14, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3696. A letter from the Deputy Director, Office of Public/Private Initiatives, International Trade Administration, transmitting the Administration's final rule—International Buyer Program (Formerly know as the Foreign Buyer Program); Support for Domestic Trade Shows [Docket No. 960611170–6170–01] (RIN: 0625–XX07) received June 14, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3697. A letter from the Executive Director, Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting the Committee's final rule—Additions to the Procurement List—received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3698. A letter from the Secretary, Smithsonian Institution, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3699. A letter from the Commissioner, Social Security Administration, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3700. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Addition of Great Bay National Wildlife Refuge to the List of Open Areas for Hunting in New Hampshire (Fish and Wildlife Service) (RIN: 1018–AD44) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3701. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Addition of Ohio River Islands National Wildlife Refuge to the List of Open Areas for Sport Fishing in West Virginia, Pennsylvania, and Kentucky (Fish and Wildlife Service) (RIN: 1018–AD43) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3702. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Bering Sea and Aleutian Islands Area; Trawl Rock Sole/Flathead Sole/"Other Flatfish" Fishery Category [Docket No. 960129019–6019–01; I.D. 060696E] received June 14, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3703. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Gulf of Alaska; Pollock in Statistical Area 630 [Docket No. 960129018–6018–01; I.D. 052896D] received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3704. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the Service's final rule—Fisheries of the Exclusive Economic Zone Off Alaska [Docket No. 960531152–6152–01; I.D. 042996B] received June 13, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3705. A letter from the Assistant General Counsel, U.S. Information Agency, transmitting the Agency's final rule—Exchange Visitor Program (22 CFR Part 514) received June 7, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3706. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Atlantic Intracoastal Waterway, Sunset Beach, NC (U.S. Coast Guard) [CGD05–95–048] (RIN: 2115–AE47) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3707. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulatory Review: Gas Pipeline Safety Standards Final Regulatory Evaluation (Research and Special Programs Administration) [Docket PS–124; Final Rule] (RIN: 2137–AC25) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3708. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Oil Spill Prevention and Response Plans (Research and Special Programs Administration) [Docket Nos. HM–214 and PC–1; Amendment No. 130–2] (RIN: 2137–AC31) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3709. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Course Measurement for Graduate Courses (RIN: 2900–AH39) received June 11, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3710. A letter from the Assistant Secretary for Employment and Training, Department of Labor, transmitting the Department's final rule—Unemployment Insurance Program Letter 23–96—received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3711. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Revision of Section 482 Cost Sharing Regulations (RIN: 1545–AU20) received May 9, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3712. A letter from the Chief of Staff, Social Security Administration, transmitting the Administration's final rule—Payment For Vocational Rehabilitation Services Furnished Individuals During Certain Months of Nonpayment of Supplemental Security Income Benefits (20 CFR Parts 404 and 406) [Regulation Nos. 4 and 16] (RIN 0960–AD39) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEACH: Committee on Banking and Financial Services. Supplemental report on H.R. 1858. A bill to reduce paperwork and additional regulatory burdens for depository institutions (Rept. 104–193, Pt. 2).

Mr. REGULA: Committee on Appropriations. H.R. 3662. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–625). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 3572. A bill to designate the bridge on U.S. Route 231 which crosses the Ohio River between Maceo, KY, and Rockport, IN, as the "William H. Natcher Bridge" (Rept. 104–626). Referred to the House Calendar.

Ms. PRYCE: Committee on Rules. House Resolution 455. Resolution providing for consideration of the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–627). Referred to the House Calendar.

Mr. LEWIS of California: Committee on Appropriations. H.R. 3666. A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–628). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. REGULA:

H.R. 3662. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes.

By Mr. DAVIS (for himself, Ms. NORTON, Mr. MCHUGH, Mr. GUTKNECHT, Mr. LATOURETTE, Mr. FLANAGAN, Mr. TOWNS, Miss COLLINS of Michigan, Mr. HOYER, Mrs. MORELLA, Mr. MORAN, and Mr. WYNN):

H.R. 3663. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to permit the Council of the District of Columbia to authorize the issuance of revenue bonds with respect to water and sewer facilities, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. DAVIS:

H.R. 3664. A bill to make miscellaneous and technical corrections to improve the operations of the government of the District of Columbia; to the Committee on Government Reform and Oversight.

By Mr. ROBERTS (for himself, Mr. DE LA GARZA, Mr. EMERSON, Mr. ROSE, Mr. COMBEST, Mr. STENHOLM, Mr. BOEHNER, Mr. JOHNSON of South Dakota, Mr. BAKER of Louisiana, Mr. HILLIARD, Mr. CALVERT, Mr. POMEROY, Mr. COOLEY, Mr. BISHOP, Mr. LAHOOD, Mr. BALDACCI, and Mr. WISE):

H.R. 3665. A bill to transfer to the Secretary of Agriculture the authority to conduct the census of agriculture; to the Committee on Government Reform and Oversight, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEWIS of California:

H.R. 3666. A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes.

By Mr. CRANE:

H.R. 3667. A bill to amend the Internal Revenue Code of 1986 to exclude tips from gross income; to the Committee on Ways and Means.

By Mr. DORNAN:

H.R. 3668. A bill to require the Secretary of Defense to provide back pay to the Vietnamese commandos who were employed by the United States during the Vietnam conflict to conduct covert operations in North Vietnam so as to compensate the commandos for the years in which they were imprisoned and persecuted in Vietnam; to the Committee on National Security.

By Mr. FILNER:

H.R. 3669. A bill to establish sources of funding for certain transportation infrastructure projects in the vicinity of the border between the United States and Mexico that are necessary to accommodate increased traffic resulting from the implementation of the North American Free-Trade Agreement, including construction of new Federal border crossing facilities, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. SCHAEFER:

H.R. 3670. A bill to extend certain programs under the Energy Policy and Conservation Act through fiscal year 1998, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TAUZIN:

H.R. 3671. A bill to provide for the recognition of the United Houma Nation and to provide for the settlement of land claims of the United Houma Nation; to the Committee on Resources.

By Mr. WAXMAN:

H.R. 3672. A bill to amend the Federal Food, Drug, and Cosmetic Act to repeal the provisions for the certification of drugs containing insulin and antibiotics; to the Committee on Commerce.

By Mr. GILMAN (for himself, Mr. BEREUTER, Mr. FALEOMAVAEGA, and Mr. BERMAN):

H. Con. Res. 189. Concurrent resolution expressing the sense of the Congress regarding the importance of U.S. membership in regional South Pacific organizations; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII:

226. The SPEAKER presented a memorial of the Senate of the State of Oklahoma, relative to Senate Concurrent Resolution No. 57 relating to atomic veterans; requesting recognition of such veterans; requesting the Oklahoma congressional delegation to propose or support certain benefits and medals for such veterans; and directing distribution; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 351: Mr. BILBRAY and Mr. MCKEON.

H.R. 550: Mr. FRELINGHUYSEN.

H.R. 797: Mr. FRAZER and Ms. LOFGREN.

H.R. 820: Mr. MARTINEZ, Mr. STUPAK, Mr. MATSUI, Mr. WOLF, Mr. VISCLOSKY, Mr. DIXON, Mr. PORTMAN, Mr. JOHSNON of South Dakota, Mr. BUNNING of Kentucky, and Mr. CRAPO.

H.R. 938: Mr. WICKER.

H.R. 972: Ms. DELAURO.

H.R. 1000: Mr. COYNE.

H.R. 1023: Mr. BARRETT of Nebraska.

H.R. 1462: Mr. STOKES, Mr. CHRISTENSEN, Mr. MEEHAN, Mr. PETERSON of Minnesota, Mr. COLEMAN, Mr. SCHUMER, Ms. DUNN of Washington, Mr. CLYBURN, and Mr. CALVERT.

H.R. 1512: Mr. BARR.

H.R. 1859: Ms. JACKSON-LEE.

H.R. 1998: Mr. LAUGHLIN, Mr. ZELIFF, Mr. CRAPO, and Ms. MCKINNEY.

H.R. 2026: Mr. SCHUMER, Mr. SHAW, Mr. HOBSON, Mr. BISHOP, and Mr. BUNNING of Kentucky.

H.R. 2200: Mr. BEVILL and Mr. SAWYER.

H.R. 2209: Mr. RADANOVICH, Mr. WALSH, and Mrs. MORELLA.

H.R. 2246: Mr. GORDON and Mr. WELDON of Pennsylvania.

H.R. 2270: Mr. NEUMANN.

H.R. 2333: Mr. MCDERMOTT.

H.R. 2421: Mr. NEAL of Massachusetts, Mr. RAMSTAD, and Mr. FRISA.

H.R. 2579: Mrs. MEEK of Florida, Mr. SISISKY, Mr. VOLKMER, Mr. WISE, Mr. MARTINI, and Mr. MOLLOHAN.

H.R. 2587: Mrs. FOWLER and Mr. KOLBE.

H.R. 2654: Mr. TORRICELLI.

H.R. 2796: Mr. HINCHEY.

H.R. 2892: Mr. FARR, Mr. HASTINGS of Washington, Mr. FRANK of Massachusetts, and Mr. LANTOS.

H.R. 2900: Mr. CALLAHAN, Mr. SPENCE, Mr. RIGGS, Ms. DANNER, Mr. METCALF, Mr. HILLEARY, Mr. FOLEY, Mr. WHITFIELD, and Mr. DOOLITTLE.

H.R. 2951: Mr. UPTON.

H.R. 2976: Mr. FLANAGAN, Ms. KAPTUR, and Mr. REED.

H.R. 3002: Mr. CRAPO.

H.R. 3012: Mr. ENSIGN, Mr. JONES, Mr. ACKERMAN, Mr. DEAL of Georgia, Mr. DUNCAN, Mr. JACOBS, and Mr. HEFNER.

H.R. 3030: Mr. NADLER.

H.R. 3089: Mr. ACKERMAN.

H.R. 3119: Ms. DELAURO.

H.R. 3211: Mr. ZIMMER, Mr. LINDER, Mr. ROBERTS, Mr. GANSKE, Mr. MCCOLLUM, Mr. STEARNS, Mr. GILCHREST, Mr. SHADEGG, Mr. TAYLOR of North Carolina, and Mr. SAM JOHNSON.

H.R. 3245: Mr. MOAKLEY and Mr. GREEN of Texas.

H.R. 3258: Mr. RADANOVICH.

H.R. 3294: Mr. THOMPSON and Mr. CUMMINGS.

H.R. 3341: Mr. STEARNS, Mr. CALVERT, Mr. GALLEGLY, Mr. OXLEY, Mr. GREEN of Texas, Mr. BAKER of Louisiana, Mr. GREENWOOD, Mr. MANTON, Mr. ACKERMAN, and Mr. TATE.

H.R. 3396: Mr. ALLARD, Mr. LAHOOD, Ms. DANNER, Mr. FIELDS of Texas, and Mr. KNOLLENBERG.

H.R. 3449: Mr. HAYWORTH and Mr. CHAPMAN.

H.R. 3455: Ms. WOOLSEY and Mr. ACKERMAN.

H.R. 3460: Mr. HEINEMAN, Mr. GEKAS, Mr. FROST, and Mr. DREIER.

H.R. 3520: Mr. LIPINSKI and Mr. DEFAZIO.

H.R. 3580: Mr. MCCOLLUM, Mr. WELDON of Florida, Mr. GILCHREST, Mr. QUILLEN, Mr. MCKEON, Mr. SOUDER, Mr. DORNAN, Mr. SAM JOHNSON, Mr. BARTON of Texas, Mr. COBURN, Mr. CHAMBLISS, Mr. EHRLICH, and Mr. MILLER of Florida.

H.R. 3596: Mr. FOX.

H.R. 3604: Mr. NORWOOD.

H.R. 3606: Mr. MATSUI, Mr. BERMAN, Mr. HINCHEY, Ms. RIVERS, and Ms. NORTON.

H.R. 3619: Mr. LEWIS of Georgia.

H.R. 3643: Mr. WELLER, Mr. WATTS of Oklahoma, Mr. BILIRAKIS, Mr. SMITH of New Jersey, Ms. BROWN of Florida, Mr. FLANAGAN, Mr. STEARNS, Mr. DEAL of Georgia, and Mr. QUINN.

H.R. 3645: Mr. TOWNS

H.J. Res. 174: Mr. SHADEGG.

H.J. Res. 182: Mr. SPRATT, Mr. HALL of Ohio, Mr. DELLUMS, and Mr. ENGEL.

H. Con. Res. 50: Mr. DURBIN, and Mr. LEVIN.

H. Con. Res. 173: Mr. MASCARA, Mr. BREWSTER, Mr. GORDON, Mr. CUNNINGHAM, Mr. LIPINSKI, Mr. HINCHEY, Ms. DANNER, Ms. NORTON, Mr. ACKERMAN, Mr. VOLKMER, Mr. EVANS, Mrs. KENNELLY, and Mr. GREEN of Texas.

H. Con. Res. 183: Mr. HOYER, Mr. FAZIO of California, Mr. OBEY, Mr. DE LA GARZA, Mr. BROWN of Ohio, Mr. LAFALCE, Mr. COLEMAN, Mr. TEJEDA, Mr. SOUDER, Ms. BROWN of Florida, Mr. KILDEE, Mr. COYNE, Mr. FOX, Mr. TOWNS, Mr. BEILENSON, Mr. QUINN, Mr. DIXON, Mr. MCDERMOTT, Mr. BALLENGER, Ms. LOFGREN, Mr. SPRATT, Mr. CARDIN, Mr. STENHOLM, Mr. STUPAK, Mr. POSHARD, Mr. TORRES, Mrs. JOHNSON of Connecticut, Ms. MCCARTHY, Mr. POMEROY, Mr. NEAL of Massachusetts, Mr. SISISKY, Mr. SCHUMER, Mr. DOOLEY, Mr. VOLKMER, Mr. GORDON, Mr. DICKEY, Mr. CHAMBLISS, Mr. BAKER of California, Mr. SKEEN, Mr. WATTS of Oklahoma, Mr. MINGE, Mr. KENNEDY of Rhode Island, Mr. GUTIERREZ, Mr. CONYERS, Mr. UNDERWOOD, and Mr. GREEN of Texas.

H. Res. 30: Mr. LEWIS of Kentucky.

H. Res. 123: Mr. PORTER.

H. Res. 423: Mr. MINGE, Mr. HAYWORTH, Mr. LEACH, Mr. ZIMMER, and Mr. GOSS.

H. Res. 439: Mrs. ROUKEMA and Ms. DELAURO.

H. Res. 454: Mr. DEFAZIO, Mrs. CLAYTON, and Mr. FRANK of Massachusetts.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 94: Mr. CHRISTENSEN.

H.R. 1972: Mr. MCDADE.

H.R. 2618: Ms. SLAUGHTER.

H.J. Res. 182: Mr. FAZIO of California.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3662

OFFERED BY: MR. CONDIT

AMENDMENT NO. 1: At the end of the bill (before the short title), add the following new section:

SEC. . None of the funds made available by this Act may be expended for disposition under section 4(b)(3) of the Endangered Species Act of 1973 (16 U.S.C. 1533(b)(3)) of any petition that is received by the Secretary (as that term is used in that section) after the date of the date of the enactment of this Act.

H.R. 3662

OFFERED BY: MR. DEFAZIO

AMENDMENT NO. 2: In section 319 (relating to timber), strike the first, second, and third sentences.

H.R. 3662

OFFERED BY: MR. DICKS

AMENDMENT NO. 3: In Title I, General Provisions of the bill, strike all of Section 116, dealing with Critical Habitat designation.

H.R. 3662

OFFERED BY: MR. FALEOMAVAEGA

AMENDMENT NO. 4: Strike section 317.

H.R. 3662

OFFERED BY: MR. FALEOMAVAEGA

AMENDMENT NO. 5: Strike section 318.

H.R. 3662

OFFERED BY: MR. FALEOMAVAEGA

AMENDMENT NO. 6: Insert after section 320 the following new section:

SEC. 321. None of the funds appropriated or otherwise made available by this Act may be used to permit or facilitate the planning, construction, or operation of a third telescope on Mt. Graham in the Coronado National Forest unless it is made known that the planning, construction, or operation of that telescope first complies with all applicable laws, notwithstanding section 335 of Public Law 104–134.

H.R. 3662

OFFERED BY: MR. FARR

AMENDMENT NO. 7: In the item relating to the DEPARTMENT OF THE INTERIOR—Bureau of Land Management—Land Acquisition, insert "(increased by $4,750,000)" after the dollar amount.

In the item relating to the DEPARTMENT OF THE INTERRIOR—United States Fish and Wildlife Service—Land Acquisition, insert "(increased by $37,300,000)" after the dollar amount.

In the item relating to the DEPARTMENT OF THE INTERIOR—National Park Service—Land Acquisition and State Assistance—

(1) insert "(increased by $57,790,000)" after the first dollar amount; and

(2) insert "(increased by $2,240,000)" after the second dollar amount.

In the item relating to RELATED AGENCIES—Department of Agriculture—Forest Service—Land Acquisition, insert "(increased by $35,310,000)" after the dollar amount.

In the item relating to DEPARTMENT OF ENGERGY—Fossil Energy Research Development, insert "(reduced by $135,150,000)" after the dollar amount.

H.R. 3662

Offered By: Mr. Fox of Pennsylvania

Amendment No. 8: In the item relating to "DEPARTMENT OF ENGERGY—Fossil Energy Research and Development", after the dollar amount, insert the following: "(reduced by $20,636,000)".

In the item relating to "DEPARTMENT OF ENERGY—Energy Conservation—

(1) after the first dollar amount, insert the following: "(increased by $20,636,000)'"

(2) after the second dollar amount, insert the following: "(increased by $20,636,000)";

(3) after the third dollar amount, insert the following: "(increased by $14,196,000)"; and

(4) after the fourth dollar amount, insert the following: "(increased by $6,440,000)".

H.R. 3662

Offered By: Mr. Fox of Pennsylvania

Amendment No. 9: In the item relating to "DEPARTMENT OF ENERGY—Energy Conservation"—

(1) after the second dollar amount, insert the following: "(increased by $18,204,000)";

(2) after the third dollar amount, insert the following: "(increased by $11,764,000)"; and

(3) after the fourth dollar amount, insert the following: "(increased by $6,440,000)".

H.R. 3662

Offered By: Ms. Furse

Amendment No. 10: At the end of the bill, insert after the last section (preceding the short title) the following new section:

Sec. . (a) Repeal of Emergency Salvage Timber Sale Program of Public Law 104-19.—Hereafter, section 2001 of Public Law 104-19 (109 Stat. 240) is repealed.

(b) Implementation.—Notwithstanding any outstanding judicial order or administrative proceeding interpreting section 2001 of Public Law 104-19 (109 Stat. 240), the Secretary of Agriculture and the Secretary of the Interior shall suspend, effective on the date of the enactment of this Act, each and every activity that is being undertaken in whole or in part under the authority provided in such section unless the Secretary concerned determines that the activity would have been undertaken even in the absence of such section. All such suspended activities shall be subject to all applicable environmental and natural resource laws. The Secretary concerned may not resume an activity suspended under this subsection unless and until the Secretary concerned determines that the activity (as originally commenced or as modified after the date of the enactment of this Act) complies with all environmental and natural resource laws applicable to the activity.

(c) Secretary Concerned Defined.—In this section, the term "Secretary concerned" means—

(1) the Secretary of Agriculture, with respect to activities involving lands within the National Forest System; and

(2) the Secretary of the Interior, with respect to activities involving Federal lands under the jurisdiction of the Bureau of Land Management.

H.R. 3662

Offered By: Ms. Furse

Amendment No. 11: At the end of the bill, insert after the last section (preceding the short title) the following new section:

Sec. . None of the funds appropriated or otherwise made available in this Act (including funds appropriated or otherwise made available for salaries and expenses of employees of the Department of Agriculture or the Department of the Interior) may be used to prepare, advertise, offer, or award any contract under any provision of the emergency salvage timber sale program established under section 2001 of Public Law 104-19 (109 Stat. 240; 16 U.S.C. 1611 note).

H.R. 3662

Offered By: Mr. Goss

Amendment No. 12: In the item relating to "National Park Service—Land Acquisition and State Assistance", after the first dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "Forest Service—Reconstruction and Construction", after the first dollar amount, insert the following: "(reduced by $15,000,000)".

H.R. 3662

Offered By: Mr. Goss

Amendment No. 13: In the item relating to "National Park Service—Land Acquisition and State Assistance", after the first dollar amount, insert the following: "(increased by $19,100,000)".

In the item relating to "Forest Service—Reconstruction and Construction", after the first dollar amount, insert the following: "(reduced by $19,100,000)".

H.R. 3662

Offered By: Mr. Goss

Amendment No. 14: In the item relating to "National Park Service—Land Acquisition and State Assistance", insert before the period at the end the following:

: *Provided further*, That, of the funds made available in this paragraph, $15,000,000 shall be for acquisition of Everglades restoration areas

H.R. 3662

Offered By: Mr. Gutknecht

Amendment No. 15: At the end of the bill before the short title, insert the following new section:

Sec. . Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3662

Offered By: Mr. Hoekstra

Amendment No. 16: In the item relating to "National Endowment for the Arts—Grants and Administration", after the dollar amount, insert the following: "(reduced by $31,500)".

H.R. 3662

Offered By: Mr. Istook

Amendment No. 17: At the end of the bill, insert after the last section (preceding the short title) the following new section:

Sec. . None of the funds made available in this Act may be used by the Bureau of Indian Affairs to transfer any land into trust under section 5 of the Indian Reorganization Act (25 U.S.C. 465), or any other Federal statute that does not explicitly denominate and identify a specific tribe or specific property, except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) a binding agreement is in place between the tribe that will have jurisdiction over the land to the taken into trust and the appropriate State and local officials; and

(2) such agreement provides, for so long as the land is held in trust, for the collection and payment, by any retail establishment located on the land to be taken into trust, of State and local sales and excise taxes, including any special tax on motor fuel, tobacco, or alcohol, on any retail item sold to any nonmember of the tribe for which the land is held in trust, or an agreed upon payment in lieu of such taxes.

H.R. 3662

Offered By: Mr. Kennedy of Massachusetts

Amendment No. 18: In the item relating to "Forest Service—Reconstruction and Construction"—

(1) after the first dollar amount, insert the following: "(reduced by $12,000,000)"; and

(2) after the second dollar amount, insert the following: "(reduced by $30,000,000)".

H.R. 3662

Offered By: Mr. Klug

Amendment No. 19: At the end of the bill, insert after the last section (preceding the short title) the following new section:

Sec. . (a) Repeal of Program to Award and Release Unawarded Timber Sale Contracts.—Hereafter, subsection (k) of section 2001 of Public Law 104-19 (109 Stat. 240 is repealed.

(b) Existing Timber Sale Contracts.—

(1) Suspension.—Notwithstanding any outstanding judicial order or administrative proceeding interpreting subsection (k) of section 2001 of Public Law 104-19 (109 Stat. 240), as in existence prior to the date of the enactment of this Act, the Secretary of Agriculture and the Secretary of the Interior shall immediately suspend each timber sale or activity that is being undertaken in whole or in part under the authority provided in such subsection.

(2) Termination.—Upon suspension of each timber sale or activity under paragraph (1), the Secretary concerned shall exercise any provision of the original contract that authorizes termination and payment of specified damages.

H.R. 3662

Offered By: Mr. Kolbe

Amendment No. 20: In Title I of the bill, strike all of Section 117 dealing with the prohibition of the Bureau of Indian Affairs (BIA) from transferring any land into trust under section 5 of the Indian Reorganization Act or any other federal statute.

H.R. 3662

Offerd By: Mr. Miller of California

Amendment No. 21: In the item relating to the DEPARTMENT OF THE INTERIOR—National Park Service—National Recreation and Preservation, insert "(increased by $10,000,000)" after the dollar amount.

In the item relating to DEPARTMENT OF ENGERY—Fossil Energy Research and Development, insert "(reduced by $10,000,000)" after the dollar amount.

H.R. 3662

Offered By: Mr. Miller of California

Amendment No. 22: At the end of the bill, insert after the last section (preceding the short title) the following new section:

"None of the funds appropriated or otherwise made available by this Act may be used for the purposes of implementing Tongass National Forest timber contract A10fs–1042 between the United States and Ketchikan Pulp Company."

H.R. 3662

Offered By: Mr. Parker

Amendment No. 23: In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION"—

(1) after the second dollar amount, insert the following: "(increased by $18,204,000)"; and

(2) after the third dollar amount, insert the following: "(increased by $11,764,000)"; and

(3) after the fourth dollar amount, insert the following: "(increased by $6,440,000)".

H.R. 3662

Offered By: Mr. Richardson

Amendment No. 24: On page 10 under the item "United States Fish and Wildlife Service", under the item "resource management", after the second dollar amount insert "(increased by $5,000,000)".

On page 58 under the item "Department of Energy", under the item "fossil energy research and development", after the first dollar amount insert "(reduced by $7,000,000)".

H.R. 3662

Offered By: Mr. Richardson

Amendment No. 25: On page 15 under the item "National Park Service", under the item "operation of the national park system", after the 3d dollar amount insert "(increased by $43,165,000)".

On page 58 under the item "DEPARTMENT OF ENERGY", under the item "fossil energy research and development", after the 1st dollar amount insert "(reduced by $85,000,000)".

H.R. 3662

Offered By: Mr. Sanders

Amendment No. 26: In the item relating to "National Park Service—operations", after the dollar amount, insert the following: "(increased by $340,000)".

In the item relating to "National Park Service—operations", insert before the period the following:

: *Provided further*, That, of the funds provided in this paragraph, $340,000 shall be for the Marsh Billings Park, in Vermont

In the item relating to "DEPARTMENT OF ENERGY—naval petroleum and oil shale reserves", after the dollar amount, insert the following: "(reduced by $340,000)".

H.R. 3662

Offered By: Mr. Sanders

Amendment No. 27: In the item relating to "Bureau of Land Management—payments in lieu of taxes", after the first dollar amount, insert the following: "(increased by $10,000,000)".

In the item relating to "DEPARTMENT OF ENERGY—fossil energy research and development, after the dollar amount, insert the following: "(reduced by $25,000,000)".

H.R. 3662

Offered By: Mr. Sanders

Amendment No. 28: In the item relating to "DEPARTMENT OF ENERGY—naval petroleum and oil shale reserves", after the dollar amount, insert the following: "(reduced by $11,764,000)".

In the item relating to "DEPARTMENT OF ENERGY—energy conservation", after each of the first, second, and third dollar amounts, insert the following: "(increased by $11,764,000)".

H.R. 3662

Offered By: Mr. Shadegg

Amendment No. 29: In the item relating to "OTHER RELATED AGENCIES—National Foundation on the Arts and the Humanities—National Endowment for the Humanities—grants and administration", strike "$92,994,000" and insert "$80,000,000".

H.R. 3662

Offered By: Mr. Shadegg

Amendment No. 30: In the items under the heading "OTHER RELATED AGENCIES—National Foundation on the Arts and the Humanities", strike all the items relating to "National Endowment for the Humanities".

H.R. 3662

Offered By: Mr. Skaggs

Amendment No. 31: In Title I of the bill, under the heading of "Minerals Management Service, Royalty and Offshore Minerals Management", strike "$186,555,000" and in lieu thereof insert "$182,555,000"; in Title II, under the heading "Department of Energy, Fossil Energy Research and Development", strike "$358,754,000" and in lieu thereof insert "$354,754,000"; and under the heading "Energy Conservation", strike "$499,680,000" and in lieu thereof insert "$507,680,000".

H.R. 3662

Offered By: Mr. Stupak

Amendment No. 32: At the end of the bill (preceding the short title) add the following new section:

Sec. . None of the amounts made available by this Act may be used for design, planning, implementation, engineering, construction, or any other activity in connection with a scenic shoreline drive in Pictured Rocks National Lakeshore.

H.R. 3662

Offered By: Mr. Vento

Amendment No. 33: In the item relating to the DEPARTMENT OF THE INTERIOR—National Park Service—Operation of the National Park System, insert "(increased by $23,480,000)" after the third dollar amount.

In the item relating to RELATED AGENCIES—Department of Agriculture—Forest Service—Reconstruction and Construction, insert "(reduced by $28,050,000)" after the first dollar amount.

H.R. 3662

Offered By: Mr. Walker

Amendment No. 34: In the item relating to "National Park Service—operation of the national park system", after the third dollar amount, insert the following: "(increased by $62,000,000)".

In the item relating to "Bureau of Indian Affairs—operation of Indian programs"—

(1) after the first dollar amount insert the following: "(increased by $27,534,000)"; and

(2) after the fourth dollar amount, insert the following: "(increased by $27,534,000)"; and

In the item relating to "DEPARTMENT OF ENERGY—fossil energy research and development", after the dollar amount, insert the following: "(reduced by $137,804,000)"

H.R. 3666

Offered By: Mr. Orton

Amendment No. 1: At the end of the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—administrative provisions", insert the following new section:

Sec. 207. Sections 401 and 402 of the bill, H.R. 1708, 104th Congress, as introduced in the House of Representatives on May 24, 1995, are hereby enacted into law.

H.R. 3666

Offered By: Mr. Orton

Amendment No. 2: At the end of the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—administrative provisions", insert the following new section:

Sec. 207. Authority To Use Amounts Borrowed From Family Members for Downpayments on FHA-Insured Loans.—(a) In General.—Section 203(b)(9) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended by inserting before the period at the end the following: ": *Provided further*, That for purposes of this paragraph, the Secretary shall consider as cash or its equivalent any amounts borrowed from a family member (as such term is defined in section 201), subject only to the requirements that, in any case in which the repayment of such borrowed amounts is secured by a lien against the property, such lien shall be subordinate to the mortgage and the sum of the principal obligation of the mortgage and the obligation secured by such lien may not exceed 100 percent of the appraised value of the property plus any initial service charges, appraisal, inspection, and other fees in connection with the mortgage".

(b) Definition of Family Member.—Section 201 of the National Housing Act (12 U.S.C. 1707) is amended by adding at the end the following new subsections:

"(e) The term 'family member' means, with respect to a mortgagor under such section, a child, parent, or grandparent of the mortgagor (or the mortgagor's spouse). In determining whether any of the relationships referred to in the preceding sentence exist, a legally adopted son or daughter of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), and a foster child of an individual, shall be treated as a child of such individual by blood.

"(f) The term 'child' means, with respect to a mortgagor under such section, a son, stepson, daughter, or stepdaughter of such mortgagor.".

H.R. 3666

Offered By: Mr. Sanders

Amendment No. 3: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Management and Administration—Salaries and expenses", after the first dollar amount, insert the following: "(reduced by $1,411,000)".

In the item relating to "INDEPENDENT AGENCIES—Court of Veterans Appeals—Salaries and expenses", after the dollar amount, insert the following: "(increased by $1,411,000)".

SENATE—*Tuesday, June 18, 1996*

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND.]

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer.

Gracious Father, help us not to lose our sense of humor. Free us to laugh at ourselves when we do the wrong thing at the right time or the right thing at an inappropriate time. Sometimes we say things that make us cringe when we review the day. When we take ourselves too seriously we tighten up and become tense. Little issues become so crucial we miss the big issues confronting us. We worry about what others think of us.

Relieve us of our assumed importance and help us realize they seldom do think of us. Forgive us for all the good energy we waste on checking our own popularity pulse. Make us so secure in Your love that we can lighten up, and then, listen up to what You want us to be and do about what really matters. Make us carefree, but never careless. In the name of Jesus who taught us that by worrying we could not add one cubit to our stature, but by seeking first Your kingdom all things that are truly important would be ours as well. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

THE SENATE CHAPLAIN

Mr. LOTT. Thank you, Mr. President. Again, I want to express our appreciation for the wonderful words of our Chaplain, as he offers the blessing in this institution and helps us maintain our balance as we do our jobs.

SCHEDULE

Mr. LOTT. Mr. President, today, we will immediately begin considering S. 1745, the Department of Defense authorization bill. Under the terms of the consent agreement reached last week, Senators may debate the bill this morning. However, no amendments will be in order prior to 2:15 p.m. today.

I hope the Senate can make substantial progress on the DOD bill today and this evening. I expect to complete action on that bill this week. All Senators can, therefore, expect rollcall votes throughout the day.

The Senate will recess between the hours of 12:30 and 2:15 for the weekly policy conferences to meet. As a reminder to all Senators, at 9:30 on Thursday, the Senate will resume consideration of the nomination of Alan Greenspan to be Chairman of the Federal Reserve Board. Under a consent order, a vote will occur at 2 p.m. Thursday on the Greenspan nomination, and that will be followed by votes on the other nominees to the Federal Reserve Board.

I also hope that this week the Senate may act on legislation regarding the church burnings, Mr. President. We are very close to a bipartisan resolution on this matter. We need to express the outrage of the Senate, and we need to make sure that our law enforcement officials have whatever tools they need to investigate these despicable acts and take appropriate action to find the guilty parties and help bring an end to these activities across our country.

NATIONAL DEFENSE AUTHORIZATION ACT

Mr. LOTT. Mr. President, I want to say, before I yield the floor, that I am very pleased that we are ready to go now with the Department of Defense authorization bill. The committee has been ready to go for about 3 weeks. There have been some problems that are being ironed out with other committees. I know that in the years I have been on the Armed Services Committee this has been the most cooperative atmosphere we have had in the committee.

I think we have a good bill. I know there are going to be some very serious amendments offered and debated. We will have plenty of opportunity to express our concerns and to change the bill in ways that Members feel strongly about.

I commend, again, the chairman of the committee, Senator THURMOND from South Carolina, for the leadership he has shown on this bill. He said that we were not going to wait way into the summer and get tangled up into the appropriations process. We are going to have the authorization bill ready. He did that. The bill was ready by the Memorial Day recess. I appreciate him and have enjoyed so much working with him. I know he is raring to go, so, Mr. Chairman, it is yours.

I yield the floor.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The PRESIDING OFFICER (Mr. BROWN). Under the previous order, the Senate will proceed, for debate only, to the consideration of S. 1745, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1745

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1997".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
Sec. 108. Defense health program.
Sec. 109. Defense Nuclear Agency.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement of Javelin missile system.
Sec. 112. Army assistance for Chemical Demilitarization Citizens' Advisory Commissions.

Subtitle C—Navy Programs

Sec. 121. EA-6B aircraft reactive jammer program.
Sec. 122. Penguin missile program.
Sec. 123. Nuclear attack submarine programs.
Sec. 124. Arleigh Burke class destroyer program.

Subtitle D—Air Force Programs

Sec. 131. Multiyear contracting authority for the C-17 aircraft program.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION
Subtitle A—Authorization of Appropriations
Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic research and exploratory development.
Sec. 203. Defense Nuclear Agency.
Subtitle B—Program Requirements, Restrictions, and Limitations
Sec. 211. Space launch modernization.
Sec. 212. Department of Defense Space Architect.
Sec. 213. Space-based infrared system program.
Sec. 214. Research for advanced submarine technology.
Sec. 215. Clementine 2 micro-satellite development program.
Sec. 216. Tactical unmanned aerial vehicle program.
Sec. 217. Defense airborne reconnaissance program.
Sec. 218. Cost analysis of F–22 aircraft program.
Sec. 219. F–22 aircraft program reports.
Sec. 220. Nonlethal weapons and technologies programs.
Sec. 221. Counterproliferation support program.
Sec. 222. Federally funded research and development centers and university-affiliated research centers.
Subtitle C—Ballistic Missile Defense
Sec. 231. United States compliance policy regarding development, testing, and deployment of theater missile defense systems.
Sec. 232. Prohibition on use of funds to implement an international agreement concerning theater missile defense systems.
Sec. 233. Conversion of ABM treaty to multilateral treaty.
Sec. 234. Funding for upper tier theater missile defense systems.
Sec. 235. Elimination of requirements for certain items to be included in the annual report on the ballistic missile defense program.
Sec. 236. ABM treaty defined.
Subtitle D—Other Matters
Sec. 241. Live-fire survivability testing of F–22 aircraft.
Sec. 242. Live-fire survivability testing of V–22 aircraft.
Subtitle E—National Oceanographic Partnership
Sec. 251. Short title.
Sec. 252. National Oceanographic Partnership Program.
TITLE III—OPERATION AND MAINTENANCE
Subtitle A—Authorization of Appropriations
Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Defense Nuclear Agency.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.
Sec. 305. Civil Air Patrol.
Sec. 306. SR–71 contingency reconnaissance force.
Subtitle B—Program Requirements, Restrictions, and Limitations
Sec. 311. Funding for second and third maritime prepositioning ships out of National Defense Sealift Fund.
Sec. 312. National Defense Sealift Fund.
Sec. 313. Nonlethal weapons capabilities.
Sec. 314. Restriction on Coast Guard funding.
Subtitle C—Depot-Level Activities
Sec. 321. Department of Defense performance of core logistics functions.
Sec. 322. Increase in percentage limitation on contractor performance of depot-level maintenance and repair workloads.
Sec. 323. Report on depot-level maintenance and repair.
Sec. 324. Depot-level maintenance and repair workload defined.
Sec. 325. Strategic plan relating to depot-level maintenance and repair.
Sec. 326. Annual report on competitive procedures.
Sec. 327. Annual risk assessments regarding private performance of depot-level maintenance work.
Sec. 328. Extension of authority for naval shipyards and aviation depots to engage in defense-related production and services.
Sec. 329. Limitation on use of funds for F–18 aircraft depot maintenance.
Sec. 330. Depot maintenance and repair at facilities closed by BRAC.
Subtitle D—Environmental Provisions
Sec. 341. Establishment of separate environmental restoration transfer accounts for each military department.
Sec. 342. Defense contractors covered by requirement for reports on contractor reimbursement costs for response actions.
Sec. 343. Repeal of redundant notification and consultation requirements regarding remedial investigations and feasibility studies at certain installations to be closed under the base closure laws.
Sec. 344. Payment of certain stipulated civil penalties.
Sec. 345. Authority to withhold listing of Federal facilities on National Priorities List.
Sec. 346. Authority to transfer contaminated Federal property before completion of required remedial actions.
Sec. 347. Clarification of meaning of uncontaminated property for purposes of transfer by the United States.
Sec. 348. Shipboard solid waste control.
Sec. 349. Cooperative agreements for the management of cultural resources on military installations.
Sec. 350. Report on withdrawal of public lands at El Centro Naval Air Facility, California.
Sec. 351. Use of hunting and fishing permit fees collected at closed military reservations.
Subtitle E—Other Matters
Sec. 361. Firefighting and security-guard functions at facilities leased by the Government.
Sec. 362. Authorized use of recruiting funds.
Sec. 363. Noncompetitive procurement of brand-name commercial items for resale in commissary stores.
Sec. 364. Administration of midshipmen's store and other Naval Academy support activities as nonappropriated fund instrumentalities.
Sec. 365. Assistance to committees involved in inauguration of the President.
Sec. 366. Department of Defense support for sporting events.
Sec. 367. Renovation of building for Defense Finance and Accounting Service Center, Fort Benjamin Harrison, Indiana.
TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS
Subtitle A—Active Forces
Sec. 401. End strengths for active forces.
Sec. 402. Temporary flexibility relating to permanent end strength levels.
Sec. 403. Authorized strengths for commissioned officers in grades O–4, O–5, and O–6.
Sec. 404. Extension of requirement for recommendations regarding appointments to joint 4-star officer positions.
Sec. 405. Increase in authorized number of general officers on active duty in the Marine Corps.
Subtitle B—Reserve Forces
Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Subtitle C—Authorization of Appropriations
Sec. 421. Authorization of appropriations for military personnel.
TITLE V—MILITARY PERSONNEL POLICY
Subtitle A—Officer Personnel Policy
Sec. 501. Extension of authority for temporary promotions for certain Navy lieutenants with critical skills.
Sec. 502. Exception to baccalaureate degree requirement for appointment in the Naval Reserve in grades above O–2.
Sec. 503. Time for award of degrees by unaccredited educational institutions for graduates to be considered educationally qualified for appointment as Reserve officers in grade O–3.
Sec. 504. Chief Warrant Officer promotions.
Sec. 505. Frequency of periodic report on promotion rates of officers currently or formerly serving in joint duty assignments.
Subtitle B—Matters Relating to Reserve Components
Sec. 511. Clarification of definition of active status.
Sec. 512. Amendments to Reserve Officer Personnel Management Act provisions.
Sec. 513. Repeal of requirement for physical examinations of members of National Guard called into Federal service.
Sec. 514. Authority for a Reserve on active duty to waive retirement sanctuary.
Sec. 515. Retirement of Reserves disabled by injury or disease incurred or aggravated during overnight stay between inactive duty training periods.
Sec. 516. Reserve credit for participation in the Health Professions Scholarship and Financial Assistance Program.
Sec. 517. Report on Guard and Reserve force structure.
Subtitle C—Officer Education Programs
Sec. 521. Increased age limit on appointment as a cadet or midshipman in the Senior Reserve Officers' Training Corps and the service academies.

Sec. 522. Demonstration project for instruction and support of Army ROTC units by members of the Army Reserve and National Guard.

Subtitle D—Other Matters

Sec. 531. Retirement at grade to which selected for promotion when a physical disability is found at any physical examination.
Sec. 532. Limitations on recall of retired members to active duty.
Sec. 533. Disability coverage for officers granted excess leave for educational purposes.
Sec. 534. Uniform policy regarding retention of members who are permanently nonworldwide assignable.
Sec. 535. Authority to extend period for enlistment in regular component under the delayed entry program.
Sec. 536. Career service reenlistments for members with at least 10 years of service.
Sec. 537. Revisions to missing persons authorities.
Sec. 538. Inapplicability of Soldiers' and Sailors' Civil Relief Act of 1940 to the period of limitations for filing claims for corrections of military records.
Sec. 539. Medal of Honor for certain African-American soldiers who served in World War II.

Subtitle E—Commissioned Corps of the Public Health Service

Sec. 561. Applicability to Public Health Service of prohibition on crediting cadet or midshipmen service at the service academies.
Sec. 562. Exception to grade limitations for Public Health Service officers assigned to the Department of Defense.

Subtitle F—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

Sec. 571. Authority to expand law enforcement placement program to include firefighters.
Sec. 572. Troops-to-teachers program improvements.

Subtitle G—Armed Forces Retirement Home

Sec. 581. References to Armed Forces Retirement Home Act of 1991.
Sec. 582. Acceptance of uncompensated services.
Sec. 583. Disposal of real property.
Sec. 584. Matters concerning personnel.
Sec. 585. Fees for residents.
Sec. 586. Authorization of appropriations.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Military pay raise for fiscal year 1997.
Sec. 602. Rate of cadet and midshipman pay.
Sec. 603. Pay of senior noncommissioned officers while hospitalized.
Sec. 604. Basic allowance for quarters for members assigned to sea duty.
Sec. 605. Uniform applicability of discretion to deny an election not to occupy Government quarters.
Sec. 606. Family separation allowance for members separated by military orders from spouses who are members.
Sec. 607. Waiver of time limitations for claim for pay and allowances.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses for reserve forces.
Sec. 612. Extension of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authority relating to payment of other bonuses and special pays.
Sec. 614. Increased special pay for dental officers of the Armed Forces.
Sec. 615. Retention special pay for Public Health Service optometrists.
Sec. 616. Special pay for nonphysician health care providers in the Public Health Service.
Sec. 617. Foreign language proficiency pay for Public Health Service and National Oceanic and Atmospheric Administration officers.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Round trip travel allowances for shipping motor vehicles at Government expense.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Army as follows:

(1) For aircraft, $1,508,515,000.

(2) For missiles, $1,160,829,000.

(3) For weapons and tracked combat vehicles, $1,460,115,000.

(4) For ammunition, $1,156,728,000.

(5) For other procurement, $3,298,940,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Navy as follows:

(1) For aircraft, $6,911,352,000.

(2) For weapons, including missiles and torpedoes, $1,513,263,000.

(3) For shipbuilding and conversion, $6,567,330,000.

(4) For other procurement, $3,005,040,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Marine Corps in the amount of $816,107,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Air Force as follows:

(1) For aircraft, $7,003,528,000.

(2) For missiles, $2,847,177,000.

(3) For other procurement, $5,880,519,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1997 for Defense-wide procurement in the amount of $1,908,012,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $224,000,000.

(2) For the Air National Guard, $305,800,000.

(3) For the Army Reserve, $90,000,000.

(4) For the Naval Reserve, $40,000,000.

(5) For the Air Force Reserve, $40,000,000.

(6) For the Marine Corps Reserve, $60,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1997 for procurement for the Inspector General of the Department of Defense in the amount of $2,000,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1997 the amount of $802,847,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 108. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $269,470,000.

SEC. 109. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 104, $7,900,000 shall be available for the Defense Nuclear Agency.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT OF JAVELIN MISSILE SYSTEM.

The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into multiyear procurement contracts for the procurement of the Javelin missile system.

SEC. 112. ARMY ASSISTANCE FOR CHEMICAL DEMILITARIZATION CITIZENS' ADVISORY COMMISSIONS.

Subsections (b) and (f) of section 172 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2341; 50 U.S.C. 1521 note) are each amended by striking out "Assistant Secretary of the Army (Installations, Logistics and Environment)" and inserting in lieu thereof "Assistant Secretary of the Army (Research, Development and Acquisition)".

Subtitle C—Navy Programs

SEC. 121. EA-6B AIRCRAFT REACTIVE JAMMER PROGRAM.

(a) LIMITATION.—None of the funds appropriated pursuant to section 102(a)(1) for modifications or upgrades of EA–6B aircraft may be obligated, other than for a reactive jammer program for such aircraft, until 30 days after the date on which the Secretary of the Navy submits to the congressional defense committees in writing—

(1) a certification that some or all of such funds have been obligated for a reactive jammer program for EA–6B aircraft; and

(2) a report that sets forth a detailed, well-defined program for—

(A) developing a reactive jamming capability for EA–6B aircraft; and

(B) upgrading the EA–6B aircraft of the Navy to incorporate the reactive jamming capability.

(b) CONTINGENT TRANSFER OF FUNDS TO AIR FORCE.—(1) If the Secretary of the Navy has not submitted the certification and report described in subsection (a) to the congressional defense committees before June 1, 1997, then, on that date, the Secretary of Defense shall transfer to Air Force, out of appropriations available to the Navy for fiscal year 1997 for procurement of aircraft, the amount equal to the amount appropriated to the Navy for fiscal year 1997 for modifications and upgrades of EA–6B aircraft.

(2) Funds transferred to the Air Force pursuant to paragraph (1) shall be available for maintaining and upgrading the jamming capability of EF–111 aircraft.

SEC. 122. PENGUIN MISSILE PROGRAM.

(a) MULTIYEAR PROCUREMENT AUTHORITY.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into multiyear procurement contracts for the procurement of not more than 106 Penguin missile systems.

(b) LIMITATION ON TOTAL COST.—The total amount obligated or expended for procurement of Penguin missile systems under contracts under subsection (a) may not exceed $84,800,000.

SEC. 123. NUCLEAR ATTACK SUBMARINE PROGRAMS.

(a) AMOUNTS AUTHORIZED.—(1) Of the amount authorized to be appropriated by section 102(a)(3)—

(A) $804,100,000 shall be available for construction of the third vessel (designated SSN–23) in the Seawolf attack submarine class;

(B) $296,200,000 shall be available for long-lead and advance construction and procurement of components for construction of a submarine (previously designated by the Navy as the New Attack Submarine) beginning in fiscal year 1998 to be built by Electric Boat Division; and

(C) $701,000,000 shall be available for long-lead and advance construction and procurement of components for construction of a second submarine (previously designated by the Navy as the New Attack Submarine) beginning in fiscal year 1999 to be built by Newport News Shipbuilding.

(2) Funds authorized to be appropriated by section 201(2) for the design of the submarine previously designated by the Navy as the New Attack Submarine shall be available for obligation and expenditure under contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the "Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB) and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine", dated April 5, 1996, relating to design data transfer, design improvements, integrated process teams, updated design base, and other research and development initiatives related to the design of such submarine.

(b) CONTRACTS AUTHORIZED.—(1) The Secretary of the Navy is authorized, using funds available pursuant to subparagraphs (B) and (C) of subsection (a)(1), to enter into contracts with Electric Boat Division and Newport News Shipbuilding, and suppliers of components, during fiscal year 1997 for—

(A) the procurement of long-lead components for the submarines referred to in such subparagraphs; and

(B) advance construction of such components and other components for such submarines.

(2) The Secretary of the Navy may enter into a contract or contracts under this section with the shipbuilder of the submarine referred to in subsection (a)(1)(B) only if the Secretary enters into a contract or contracts under this section with the shipbuilder of the submarine referred to in subsection (a)(1)(C).

(c) COMPETITION AND LIMITATIONS ON OBLIGATIONS.—(1)(A) Of the amounts made available pursuant to subsection (a)(1), not more than $100,000,000 may be obligated or expended until the Secretary of Defense certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that procurement of nuclear attack submarines described in subparagraph (B) will be provided for under one or more contracts that are entered into after a competition between Electric Boat Division and Newport News Shipbuilding in which the Secretary of the Navy solicits competitive proposals and awards the contract or contracts on the basis of price.

(B) The submarines referred to in subparagraph (A) are nuclear attack submarines that are to be constructed beginning—

(i) after fiscal year 1999; or

(ii) if four submarines are to be procured as provided for in the plan required under section 131(c) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 209), after fiscal year 2001.

(2) Of the amounts made available pursuant to subsection (a)(1), not more than $100,000,000 may be obligated or expended until the Under Secretary of Defense for Acquisition and Technology submits to the committees referred to in paragraph (1) a written report that describes in detail—

(A) the oversight activities undertaken by the Under Secretary up to the date of the report pursuant to section 131(b)(2)(C) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 207), and the plans for the future development and improvement of the nuclear attack submarine program of the Navy;

(B) the implementation of, and activities conducted under, the program required to be established by the Director of the Defense Advanced Research Projects Agency by section 131(i) of such Act (110 Stat. 210) for the development and demonstration of advanced submarine technologies and a rapid prototype acquisition strategy for both land-based and at-sea subsystem and system demonstrations of such technologies; and

(C) all research, development, test, and evaluation programs, projects, or activities within the Department of Defense which, in the opinion of the Under Secretary, are designed to contribute to the development and demonstration of advanced submarine technologies leading to a more capable, more affordable nuclear attack submarine, together with a specific identification of ongoing involvement, and plans for future involvement, in any such program, project, or activity by Electric Boat Division, Newport News Shipbuilding, or both.

(d) REFERENCES TO SHIPBUILDERS.—For purposes of this section—

(1) the shipbuilder referred to as "Electric Boat Division" is the Electric Boat Division of the General Dynamics Corporation; and

(2) the shipbuilder referred to as "Newport News Shipbuilding" is the Newport News Shipbuilding and Drydock Company.

SEC. 124. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FUNDING.—(1) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1996 under subsection (b)(1) of section 135 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 211) for construction for the third of the three Arleigh Burke class destroyers covered by that subsection. Such funds are in addition to amounts made available for such contracts by the second sentence of subsection (a) of that section.

(2) Subject to paragraph (3), funds authorized to be appropriated by section 102(a)(3) may be made available for contracts entered into in fiscal year 1997 under subsection (b)(2) of such section 135 for construction (including advance procurement) for the Arleigh Burke class destroyers covered by such subsection (b)(2).

(3) The aggregate amount of funds available under paragraphs (1) and (2) for contracts referred to in such paragraphs may not exceed $3,483,030,000.

(4) Within the amount authorized to be appropriated by section 102(a)(3), $750,000,000 is authorized to be appropriated for advance procurement for construction for the Arleigh Burke class destroyers authorized by subsection (b).

(b) AUTHORITY FOR PROCUREMENT OF TWELVE VESSELS.—The Secretary of the Navy is authorized to construct 12 Arleigh Burke class destroyers in accordance with subsections (c) and (d).

(c) CONTRACTS.—(1) The Secretary is authorized, in fiscal year 1998, to enter into contracts for the construction of three Arleigh Burke class destroyers covered by subsection (b), subject to the availability of appropriations for such destroyers.

(2) The Secretary is authorized, in fiscal year 1999, to enter into contracts for the construction of three Arleigh Burke class destroyers covered by subsection (b), subject to the availability of appropriations for such destroyers. The destroyers covered by this paragraph are in addition to the destroyers covered by paragraph (1).

(3) The Secretary is authorized, in fiscal year 2000, to enter into contracts for the construction of three Arleigh Burke class destroyers covered by subsection (b), subject to the availability of appropriations for such destroyers. The destroyers covered by this paragraph are in addition to the destroyers covered by paragraphs (1) and (2).

(4) The Secretary is authorized, in fiscal year 2001, to enter into contracts for the construction of three Arleigh Burke class destroyers covered by subsection (b), subject to the availability of appropriations for such destroyers. The destroyers covered by this paragraph are in addition to the destroyers covered by paragraphs (1), (2), and (3).

(d) USE OF AVAILABLE FUNDS.—(1) Subject to paragraph (2), the Secretary may take appropriate actions to use for full funding of a contract entered into in accordance with subsection (c)—

(A) any funds that, having been appropriated for shipbuilding and conversion programs of the Navy other than Arleigh Burke class destroyer programs pursuant to the authorization in section 102(a)(3), become excess to the needs of the Navy for such programs by reason of cost savings achieved for such programs;

(B) any unobligated funds that are available to the Secretary for shipbuilding and conversion for any fiscal year before fiscal year 1997; and

(C) any funds that are appropriated after the date of the enactment of the Department of Defense Appropriations Act, 1997, to complete the full funding of the contract.

(2) The Secretary may not, in the exercise of authority provided in subparagraph (A) or (B) of paragraph (1), obligate funds for a contract entered into in accordance with subsection (c) until 30 days after the date on which the Secretary submits to the congressional defense committees in writing a notification of the intent to obligate the funds. The notification shall set forth the source or sources of the funds and the amount of the funds from each such source that is to be so obligated.

Subtitle D—Air Force Programs

SEC. 131. MULTIYEAR CONTRACTING AUTHORITY FOR THE C-17 AIRCRAFT PROGRAM.

(a) MULTIYEAR CONTRACTS AUTHORIZED.—The Secretary of the Air Force may, pursuant to section 2306b of title 10, United States Code (except as provided in subsection (b)(1)), enter into one or more multiyear contracts for the procurement of not more than a total of 80 C-17 aircraft.

(b) CONTRACT PERIOD.—(1) Notwithstanding section 2306b(k) of title 10, United States Code, the period covered by a contract entered into on a multiyear basis under the authority of subsection (a) may exceed five years, but may not exceed seven years.

(2) Paragraph (1) shall not be construed as prohibiting the Secretary of the Air Force from entering into a multiyear contract for a period of less than seven years. In determining to do so, the Secretary shall consider whether—

(A) sufficient funding is provided for in the future-years defense program for procurement, within the shorter period, of the total number of aircraft to be procured (within the number set forth in subsection (a)); and

(B) the contractor is capable of delivering that total number of aircraft within the shorter period.

(c) OPTION TO CONVERT TO ONE-YEAR PROCUREMENTS.—Each multiyear contract for the procurement of C-17 aircraft authorized by subsection (a) shall include a clause that permits the Secretary of the Air Force—

(1) to terminate the contract as of September 30, 1998, without a modification in the price of each aircraft and without incurring any obligation to pay the contractor termination costs; and

(2) to then enter into follow-on one-year contracts with the contractor for the procurement of C-17 aircraft (within the total number of aircraft authorized under subsection (a)) at a negotiated price that is not to exceed the price that is negotiated before September 30, 1998, for the annual production contract for the C-17 aircraft in lot VIII and subsequent lots.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,958,140,000.

(2) For the Navy, $9,041,534,000.

(3) For the Air Force, $14,788,356,000.

(4) For Defense-wide activities, $9,662,542,000, of which—

(A) $252,038,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $21,968,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1997.—Of the amounts authorized to be appropriated by section 201, $4,005,787,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research and exploratory development" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 201, $221,330,000 shall be available for the Defense Nuclear Agency.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. SPACE LAUNCH MODERNIZATION.

(a) FUNDING.—Funds appropriated pursuant to the authorization of appropriations in section 201(3) are authorized to be made available for space launch modernization for purposes and in amounts as follows:

(1) For the Evolved Expendable Launch Vehicle program, $44,457,000.

(2) For a competitive reusable launch vehicle technology program, $25,000,000.

(b) LIMITATIONS.—(1) Of the funds made available for the reusable launch vehicle technology program pursuant to subsection (a)(2), the total amount obligated for such purpose may not exceed the total amount allocated in the fiscal year 1997 current operating plan of the National Aeronautics and Space Administration for the Reusable Space Launch program of the National Aeronautics and Space Administration.

(2) None of the funds made available for the Evolved Expendable Launch Vehicle program pursuant to subsection (a)(1) may be obligated until the Secretary of Defense certifies to Congress that the Secretary has made available for obligation the funds, if any, that are made available for the reusable launch vehicle technology program pursuant to subsection (a)(2).

SEC. 212. DEPARTMENT OF DEFENSE SPACE ARCHITECT.

(a) REQUIRED PROGRAM ELEMENT.—The Secretary of Defense shall include the kinetic energy tactical anti-satellite program of the Department of Defense as an element of the space control architecture being developed by the Department of Defense Space Architect.

(b) LIMITATION ON USE OF FUNDS.—None of the funds authorized to be appropriated pursuant to this Act, or otherwise made available to the Department of Defense for fiscal year 1997, may be obligated or expended for the Department of Defense Space Architect until the Secretary of Defense certifies to Congress that—

(1) the Secretary is complying with the requirement in subsection (a);

(2) funds appropriated for the kinetic energy tactical anti-satellite program for fiscal year 1996 have been obligated in accordance with section 218 of Public Law 104-106 and the Joint Explanatory Statement of the Committee of Conference accompanying S. 1124 (House Report 104-450 (104th Congress, second session)); and

(3) the Secretary has made available for obligation the funds appropriated for the kinetic energy tactical anti-satellite program for fiscal year 1997 in accordance with this Act.

SEC. 213. SPACE-BASED INFRARED SYSTEM PROGRAM.

(a) FUNDING.—Funds appropriated pursuant to the authorization of appropriations in section 201(3) are authorized to be made available for the Space-Based Infrared System program for purposes and in amounts as follows:

(1) For Space Segment High, $192,390,000.

(2) For Space Segment Low (the Space and Missile Tracking System), $247,221,000.

(3) For Cobra Brass, $6,930,000.

(b) CONDITIONAL TRANSFER OF MANAGEMENT OVERSIGHT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall transfer the management oversight responsibilities for the Space and Missile Tracking System from the Secretary of the Air Force to the Director of the Ballistic Missile Defense Organization.

(c) Certification.—If, within the 30-day period described in subsection (b), the Secretary of Defense submits to Congress a certification that the Secretary has established a program baseline for the Space-Based Infrared System that satisfies the requirements of section 216(a) of Public Law 104–106 (110 Stat. 220), then subsection (b) of this section shall cease to be effective on the date on which the Secretary submits the certification.

SEC. 214. RESEARCH FOR ADVANCED SUBMARINE TECHNOLOGY.

Section 132 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 210) is repealed.

SEC. 215. CLEMENTINE 2 MICRO-SATELLITE DEVELOPMENT PROGRAM.

(a) Amount for Program.—Of the amount authorized to be appropriated under section 201(3), $50,000,000 shall be available for the Clementine 2 micro-satellite near-Earth asteroid interception mission.

(b) Limitation.—None of the funds authorized to be appropriated pursuant to this Act for the global positioning system (GPS) Block II F Satellite system may be obligated until the Secretary of Defense certifies to Congress that—

(1) funds appropriated for fiscal year 1996 for the Clementine 2 Micro-Satellite development program have been obligated in accordance with Public Law 104–106 and the Joint Explanatory Statement of the Committee of Conference accompanying S. 1124 (House Report 104–450 (104th Congress, second session)); and

(2) the Secretary has made available for obligation the funds appropriated for fiscal year 1997 for the Clementine 2 micro-satellite development program in accordance with this section.

SEC. 216. TACTICAL UNMANNED AERIAL VEHICLE PROGRAM.

No official of the Department of Defense may enter into a contract for the procurement of (including advance procurement for) a higher number of Dark Star (tier III) low observable, high altitude endurance unmanned aerial vehicles than is necessary to complete procurement of a total of three such vehicles until flight testing has been completed.

SEC. 217. DEFENSE AIRBORNE RECONNAISSANCE PROGRAM.

(a) Report Required.—The Secretary of Defense shall submit to Congress a report comparing the Predator unmanned aerial vehicle program with the Dark Star (tier III) low observable, high altitude endurance unmanned aerial vehicle program. The report shall contain the following:

(1) A comparison of the capabilities of the Predator unmanned aerial vehicle with the capabilities of the Dark Star unmanned aerial vehicle.

(2) A comparison of the costs of the Predator program with the costs of the Dark Star program.

(3) A recommendation on which program should be funded in the event that funds are authorized to be appropriated, and are appropriated, for only one of the two programs in the future.

(b) Limitation on Use of Funds Pending Submission of Report.—Funds appropriated pursuant to section 104 may not be obligated for any contract to be entered into after the date of the enactment of this Act for the procurement of Predator unmanned aerial vehicles until the date that is 60 days after the date on which the Secretary of Defense submits the report required by subsection (a).

SEC. 218. COST ANALYSIS OF F–22 AIRCRAFT PROGRAM.

(a) Review of Program.—The Secretary of Defense shall direct the Cost Analysis Improvement Group in the Office of the Secretary of Defense to review the F–22 aircraft program, analyze and estimate the production costs of the program, and submit to the Secretary a report on the results of the review.

(b) Report.—Not later than March 30, 1997, the Secretary shall transmit to the congressional defense committees the report prepared under paragraph (1), together with the Secretary's views on the matters covered by the report.

(c) Limitation on Use of Funds Pending Submission of Report.—Not more than 92 percent of the funds appropriated for the F–22 aircraft program pursuant to the authorization of appropriations in section 103(1) may be expended until the Secretary of Defense submits the report required by subsection (b).

SEC. 219. F–22 AIRCRAFT PROGRAM REPORTS.

(a) Annual Report.—(1) At the same time as the President submits the budget for a fiscal year to Congress pursuant to section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to Congress a report on event-based decision-making for the F–22 aircraft program for that fiscal year. The Secretary shall submit the report for fiscal year 1997 not later than October 1, 1996.

(2) The report for a fiscal year shall include the following:

(A) A discussion of each decision (known as an "event-based decision") that is expected to be made during that fiscal year regarding whether the F–22 program is to proceed into a new phase or into a new administrative subdivision of a phase.

(B) The criteria (known as "exit criteria") to be applied, for purposes of making the event-based decision, in determining whether the F–22 aircraft program has demonstrated the specific progress necessary for proceeding into the new phase or administrative subdivision of a phase.

(b) Report on Event-Based Decisions.—Not later than 30 days after an event-based decision has been made for the F–22 aircraft program, the Secretary of Defense shall submit to Congress a report on the decision. The report shall include the following:

(1) A discussion of the commitments made, and the commitments to be made, under the program as a result of the decision.

(2) The exit criteria applied for purposes of the decision.

(3) How, in terms of the exit criteria, the program demonstrated the specific progress justifying the decision.

SEC. 220. NONLETHAL WEAPONS AND TECHNOLOGIES PROGRAMS.

(a) Funding.—Of the amount authorized to be appropriated under section 201(2), $15,000,000 shall be available for joint service research, development, test, and evaluation of nonlethal weapons and nonlethal technologies under the program element established pursuant to subsection (b).

(b) New Program Element Required.—The Secretary of Defense shall establish a new program element for the funds authorized to be appropriated under subsection (a). The funds within that program element shall be administered by the executive agent designated for joint service research, development, test, and evaluation of nonlethal weapons and nonlethal technologies.

(c) Limitation Pending Release of Funds.—(1) None of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for foreign comparative testing (program element 605130D) may be obligated until the funds authorized to be appropriated in section 219(d) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 223) are released for obligation by the executive agent referred to in subsection (b).

(2) Not more than 50 percent of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for NATO research and development (program element 603790D) may be obligated until the funds authorized to be appropriated in subsection (a) are released for obligation by the executive agent referred to in subsection (b).

SEC. 221. COUNTERPROLIFERATION SUPPORT PROGRAM.

(a) Funding.—Of the funds authorized to be appropriated to the Department of Defense under section 201(4), $176,200,000 shall be available for the Counterproliferation Support Program, of which $75,000,000 shall be available for a tactical antisatellite technologies program.

(b) Additional Authority To Transfer Authorizations.—(1) In addition to the transfer authority provided in section 1001, upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1997 to counterproliferation programs, projects, and activities identified as areas for progress by the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations transferred under the authority of this subsection may not exceed $50,000,000.

(3) The authority provided by this subsection to transfer authorizations—

(A) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(B) may not be used to provide authority for an item that has been denied authorization by Congress.

(4) A transfer made from one account to another under the authority of this subsection shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(5) The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this subsection.

(c) Limitation on Use of Funds for Technical Studies and Analyses Pending Release of Funds.—(1) None of the funds authorized to be appropriated to the Department of Defense for fiscal year 1997 for program element 605104D, relating to technical studies and analyses, may be obligated or expended until the funds referred to in paragraph (2) have been released to the program manager of the tactical anti-satellite technology program for implementation of that program.

(2) The funds for release referred to in paragraph (1) are as follows:

(A) Funds authorized to be appropriated by section 218(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 222) that are available for the program referred to in paragraph (1).

(B) Funds authorized to be appropriated to the Department for fiscal year 1997 by this Act for the Counterproliferation Support Program that are to be made available for that program.

SEC. 222. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS AND UNIVERSITY-AFFILIATED RESEARCH CENTERS.

(a) CENTERS COVERED.—Funds authorized to be appropriated for the Department of Defense for fiscal year 1997 under section 201 may be obligated to procure work from a federally funded research and development center (in this section referred to as an "FFRDC") or a university-affiliated research center (in this section referred to as a "UARC") only in the case of a center named in the report required by subsection (b) and, in the case of such a center, only in an amount not in excess of the amount of the proposed funding level set forth for that center in such report.

(b) REPORT ON ALLOCATIONS FOR CENTERS.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing—

(A) the name of each FFRDC and UARC from which work is proposed to be procured for the Department of Defense for fiscal year 1997; and

(B) for each such center, the proposed funding level and the estimated personnel level for fiscal year 1997.

(2) The total of the proposed funding levels set forth in the report for all FFRDCs and UARCs may not exceed the amount set forth in subsection (d).

(c) LIMITATION PENDING SUBMISSION OF REPORT.—Not more than 15 percent of the funds authorized to be appropriated for the Department of Defense for fiscal year 1997 for FFRDCs and UARCs under section 201 may be obligated to procure work from an FFRDC or UARC until the Secretary of Defense submits the report required by subsection (b).

(d) FUNDING.—Of the amounts authorized to be appropriated by section 201, not more than a total of $1,668,850,000 may be obligated to procure services from the FFRDCs and UARCs named in the report required by subsection (b).

(e) AUTHORITY TO WAIVE FUNDING LIMITATION.—The Secretary of Defense may waive the limitation regarding the maximum funding amount that applies under subsection (a) to an FFRDC or UARC. Whenever the Secretary proposes to make such a waiver, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives notice of the proposed waiver and the reasons for the waiver. The waiver may then be made only after the end of the 60-day period that begins on the date on which the notice is submitted to those committees, unless the Secretary determines that it is essential to the national security that funds be obligated for work at that center in excess of that limitation before the end of such period and notifies those committees of that determination and the reasons for the determination.

Subtitle C—Ballistic Missile Defense

SEC. 231. UNITED STATES COMPLIANCE POLICY REGARDING DEVELOPMENT, TESTING, AND DEPLOYMENT OF THEATER MISSILE DEFENSE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Pursuant to article VI(a) of the ABM Treaty, the United States is bound by the following obligations:

(A) Not to give missiles, launchers, or radars (other than antiballistic missile interceptor missiles, launchers, or radars) capabilities to counter strategic ballistic missiles or elements of strategic ballistic missiles in the flight trajectory.

(B) Not to test missiles, launchers, or radars (other than antiballistic missile interceptor missiles, launchers, or radars) in an antiballistic missile mode.

(2) It is a sovereign right and obligation of the parties to the ABM Treaty, on a unilateral basis, to establish compliance standards to implement the obligations specified in article VI(a) of the ABM Treaty.

(3) From October 3, 1972 (the date on which the ABM Treaty entered into force) to the present, the United States has maintained unilateral compliance standards with regard to the obligations specified in Article VI(a) of the ABM Treaty, and those standards have changed over time to accommodate evolving technical, political, and strategic circumstances.

(4) Pursuant to article XIII of the ABM Treaty, the parties established the Standing Consultative Commission in which to "consider questions concerning compliance with the obligations assumed and related situations which may be considered".

(b) COMPLIANCE POLICY.—It is the policy of the United States that unless a missile defense system, system upgrade, or system component (including one that exploits data from space-based or other external sensors) is flight tested in an ABM-qualifying flight test (as defined in subsection (c)), that system, system upgrade, or system component has not, for purposes of the ABM Treaty, been tested in an ABM mode nor been given capabilities to counter strategic ballistic missiles and, therefore, is not subject to any application, limitation, or obligation under the ABM Treaty.

(c) ABM-QUALIFYING FLIGHT TEST DEFINED.—For purposes of this section, an ABM-qualifying flight test is a flight test against a ballistic missile which, in that flight test, exceeds—

(1) a range of 3,500 kilometers; or

(2) a velocity of 5 kilometers per second.

SEC. 232. PROHIBITION ON USE OF FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

(a) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1997 may not be obligated or expended to implement any agreement, or any understanding with respect to interpretation of the ABM Treaty, between the United States and any of the independent states of the former Soviet Union entered into after January 1, 1995, that—

(1) would establish a demarcation between theater missile defense systems and anti-ballistic missile defense systems for purposes of the ABM Treaty; or

(2) would restrict the performance, operations, or deployment of United States theater missile defense systems.

(b) EXCEPTIONS.—Subsection (a) does not apply—

(1) to the extent otherwise provided in a law that is enacted after the date of the enactment of this Act; or

(2) to expenditures to implement any agreement or understanding described in subsection (a) that is entered into in the exercise of the treaty-making power under the Constitution.

SEC. 233. CONVERSION OF ABM TREATY TO MULTILATERAL TREATY.

(a) FISCAL YEAR 1997.—During fiscal year 1997, the United States shall not be bound by any international agreement entered into by the President that would substantively modify the ABM Treaty, including any agreement that would add one or more countries as signatories to the treaty or would otherwise convert the treaty from a bilateral treaty to a multilateral treaty, unless the agreement is entered pursuant to the treaty making power of the President under the Constitution.

(b) RELATIONSHIP TO OTHER LAW.—This section shall not be construed as superseding section 232 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2701) for any fiscal year other than fiscal year 1997, including any fiscal year after fiscal year 1997.

SEC. 234. FUNDING FOR UPPER TIER THEATER MISSILE DEFENSE SYSTEMS.

(a) FUNDING.—Funds authorized to be appropriated under section 201(4) shall be available for purposes and in amounts as follows:

(1) For the Theater High Altitude Area Defense (THAAD) System, $621,798,000.

(2) For the Navy Upper Tier (Theater Wide) system, $304,171,000.

(b) LIMITATION.—None of the funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may be obligated or expended by the Office of the Under Secretary of Defense for Acquisition and Technology for official representation activities, or related activities, until the Secretary of Defense certifies to Congress that—

(1) the Secretary has made available for obligation the funds provided under subsection (a) for the purposes specified in that subsection and in the amounts appropriated pursuant to that subsection; and

(2) the Secretary has included the Navy Upper Tier theater missile defense system in the theater missile defense core program.

SEC. 235. ELIMINATION OF REQUIREMENTS FOR CERTAIN ITEMS TO BE INCLUDED IN THE ANNUAL REPORT ON THE BALLISTIC MISSILE DEFENSE PROGRAM.

Section 224(b) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 2431 note), is amended—

(1) by striking out paragraphs (3), (4), (7), (9), and (10); and

(2) by redesignating paragraphs (5), (6), and (8), as paragraphs (3), (4), and (5), respectively.

SEC. 236. ABM TREATY DEFINED.

In this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed in Moscow on May 26, 1972, with related protocol, signed in Moscow on July 3, 1974.

Subtitle D—Other Matters

SEC. 241. LIVE-FIRE SURVIVABILITY TESTING OF F-22 AIRCRAFT.

(a) AUTHORITY FOR RETROACTIVE WAIVER.—The Secretary of Defense may, in accordance with section 2366(c) of title 10, United States Code, waive for the F-22 aircraft program the survivability tests required by that section, notwithstanding that such program has entered full-scale engineering development.

(b) REPORTING REQUIREMENT.—(1) If the Secretary of Defense submits in accordance with section 2366(c)(1) of title 10, United States Code, a certification that live-fire testing of the F-22 aircraft would be unreasonably expensive and impractical, the Secretary of Defense shall require that F-22 aircraft components and subsystems be made available for any alternative live-fire test program.

(2) The components and subsystem required by the Secretary to be made available

for such a program shall be components that—

(A) could affect the survivability of the F–22 aircraft; and

(B) are sufficiently large and realistic that meaningful conclusions about the survivability of F–22 aircraft can be drawn from the test results.

(c) FUNDING.—Funds available for the F–22 aircraft program may be used for carrying out any alternative live-fire testing program for F–22 aircraft.

SEC. 242. LIVE-FIRE SURVIVABILITY TESTING OF V–22 AIRCRAFT.

(a) AUTHORITY FOR RETROACTIVE WAIVER.—The Secretary of Defense may, in accordance with section 2366(c) of title 10, United States Code, waive for the V–22 aircraft program the survivability tests required by that section, notwithstanding that such program has entered engineering and manufacturing development.

(b) ALTERNATIVE SURVIVABILITY TEST REQUIREMENTS.—If the Secretary of Defense submits in accordance with section 2366(c)(1) of title 10, United States Code, a certification that live-fire testing of the V–22 aircraft would be unreasonably expensive and impractical, the Secretary of Defense shall require that a sufficient number of components critical to the survivability of the V–22 aircraft be tested in an alternative live-fire test program involving realistic threat environments that meaningful conclusions about the survivability of V–22 aircraft can be drawn from the test results.

(c) FUNDING.—Funds available for the V–22 aircraft program may be used for carrying out any alternative live-fire testing program for V–22 aircraft.

Subtitle E—National Oceanographic Partnership

SEC. 251. SHORT TITLE.

This subtitle may be cited as the “National Oceanographic Partnership Act”.

SEC. 252. NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM.

(a) PROGRAM REQUIRED.—(1) Subtitle C of title 10, United States Code, is amended by inserting after chapter 663 the following new chapter:

“CHAPTER 665—NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM

“Sec.
“7901. National Oceanographic Partnership Program.
“7902. National Ocean Research Leadership Council.
“7903. Partnership program projects.

“§ 7901. National Oceanographic Partnership Program

“(a) ESTABLISHMENT.—The Secretary of the Navy shall establish a program to be known as the ‘National Oceanographic Partnership Program’.

“(b) PURPOSES.—The purposes of the program are as follows:

“(1) To promote the national goals of assuring national security, advancing economic development, protecting quality of life, and strengthening science education and communication through improved knowledge of the ocean.

“(2) To coordinate and strengthen oceanographic efforts in support of those goals by—

“(A) identifying and carrying out partnerships among Federal agencies, institutions of higher education, industry, and other members of the oceanographic scientific community in the areas of data, resources, education, and communication; and

“(B) reporting annually to Congress on the program.

“§ 7902. National Ocean Research Leadership Council

“(a) COUNCIL.—There is a National Ocean Research Leadership Council (hereinafter in this chapter referred to as the ‘Council’).

“(b) MEMBERSHIP.—The Council is composed of the following members:

“(1) The Secretary of the Navy who shall be the chairman of the Council.

“(2) The Administrator of the National Oceanic and Atmospheric Administration, who shall be the vice chairman of the Council.

“(3) The Director of the National Science Foundation.

“(4) The Administrator of the National Aeronautics and Space Administration.

“(5) The Commandant of the Coast Guard.

“(6) With their consent, the President of the National Academy of Sciences, the President of the National Academy of Engineering, and the President of the Institute of Medicine.

“(7) Up to five members appointed by the Chairman from among individuals who will represent the views of ocean industries, institutions of higher education, and State governments.

“(c) TERM OF OFFICE.—The term of office of a member of the Council appointed under paragraph (7) of subsection (b) shall be two years, except that any person appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

“(d) ANNUAL REPORT.—Not later than March 1 of each year, the Council shall submit to Congress a report on the National Oceanographic Partnership Program. The report shall contain the following:

“(1) A description of activities of the program carried out during the fiscal year before the fiscal year in which the report is prepared. The description also shall include a list of the members of the Ocean esearch Partnership Coordinating Group (established pursuant to subsection (e)), the Ocean Research Advisory Panel (established pursuant to subsection (f)), and any working groups in existence during the fiscal year covered.

“(2) A general outline of the activities planned for the program during the fiscal year in which the report is prepared.

“(3) A summary of projects continued from the fiscal year before the fiscal year in which the report is prepared and projects expected to be started during the fiscal year in which the report is prepared and during the following fiscal year.

“(4) A description of the involvement of the program with Federal interagency coordinating entities.

“(5) The amounts requested, in the budget submitted to Congress pursuant to section 1105(a) of title 31 for the fiscal year following the fiscal year in which the report is prepared, for the programs, projects, and activities of the program and the estimated expenditures under such programs, projects, and activities during such following fiscal year.

“(e) OCEAN RESEARCH PARTNERSHIP COORDINATING GROUP.—(1) The Council shall establish an Ocean Research Partnership Coordinating Group consisting of not more than 10 members appointed by the Council from among officers and employees of the Government, persons employed in the maritime industry, educators at institutions of higher education, and officers and employees of State governments.

“(2) The Council shall designate a member of the Coordinating Group to serve as Chairman of the group.

“(3) The Council shall assign to the Coordinating Group responsibilities that the Council considers appropriate. The Coordinating Group shall be subject to the authority, direction, and control of the Council in the performance the assigned responsibilities.

“(f) OCEAN RESEARCH ADVISORY PANEL.—(1) The Council shall establish an Ocean Research Advisory Panel consisting of members appointed by the Council from among persons eminent in the fields of oceanography, ocean sciences, or marine policy (or related fields) who are representative of the interests of governments, institutions of higher education, and industry in the matters covered by the purposes of the National Oceanographic Partnership Program (as set forth in section 7901(b) of this title).

“(2) The Council shall assign to the Advisory Panel responsibilities that the Council consider appropriate. The Coordinating Group shall be subject the authority, direction, and control of the Council to in the performance of the assigned responsibilities.

“§ 7903. Partnership program projects

“(a) SELECTION OF PARTNERSHIP PROJECTS.—The National Ocean Research Leadership Council shall select the partnership projects that are to be considered eligible for support under the National Oceanographic Partnership Program. A project partnership may be established by any instrument that the Council considers appropriate, including a memorandum of understanding, a cooperative research and development agreement, and any similar instrument.

“(b) CONTRACT AND GRANT AUTHORITY.—(1) The Council may authorize one or more of the departments and agencies of the Federal Government represented on the Council to enter into contracts or to make grants for the support of partnership projects selected under subsection (a).

“(2) Funds appropriated or otherwise made available for the National Oceanographic Partnership Program may be used for contracts entered into or grants awarded under authority provided pursuant to paragraph (1).”.

(2) The table of chapters at the beginning of subtitle C of title 10, United States Code, and at the beginning of part IV of such subtitle, are each amended by inserting after the item relating to chapter 663 the following:

“665. National Oceanographic Partnership Program .... 7901”.

(b) INITIAL APPOINTMENTS OF COUNCIL MEMBERS.—The Chairman of the National Ocean Research Leadership Council established under section 7902 of title 10, United States Code, as added by subsection (a)(1), shall make the appointments required by subsection (b)(7) of such section not later than December 1, 1996.

(c) FIRST ANNUAL REPORT OF NATIONAL OCEAN RESEARCH LEADERSHIP COUNCIL.—The first annual report required by section 7902(d) of title 10, United States Code, as added by subsection (a)(1), shall be submitted to Congress not later than March 1, 1997. The first report shall include, in addition to the information required by such section, information about the terms of office, procedures, and responsibilities of the Ocean Research Advisory Panel established by the Council.

(d) FUNDING.—Of the funds authorized to be appropriated by section 201(2), $13,000,000 shall be available for the National Oceanographic Partnership Program.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $18,147,623,000.

(2) For the Navy, $20,298,339,000.

(3) For the Marine Corps, $2,279,477,000.

(4) For the Air Force, $17,953,039,000.

(5) For Defense-wide activities, $9,863,942,000.

(6) For the Army Reserve, $1,094,436,000.

(7) For the Naval Reserve, $851,027,000.

(8) For the Marine Corps Reserve, $110,367,000.

(9) For the Air Force Reserve, $1,493,553,000.

(10) For the Army National Guard, $2,218,477,000.

(11) For the Air National Guard, $2,692,473,000.

(12) For the Defense Inspector General, $136,501,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,797,000.

(14) For Environmental Restoration, Army, $356,916,000.

(15) For Environmental Restoration, Navy, $302,900,000.

(16) For Environmental Restoration, Air Force, $414,700,000.

(17) For Environmental Restoration, Defense-wide, $258,500,000.

(18) For Drug Interdiction and Counter-drug Activities, Defense-wide, $793,824,000.

(19) For Medical Programs, Defense, $9,375,988,000.

(20) For Cooperative Threat Reduction programs, $327,900,000.

(21) For Overseas Humanitarian, Disaster, and Civic Aid programs, $49,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Business Operations Fund, $947,900,000.

(2) For the National Defense Sealift Fund, $1,268,002,000.

SEC. 303. DEFENSE NUCLEAR AGENCY.

Of the amounts authorized to be appropriated for the Department of Defense under section 301(5), $88,083,000 shall be available for the Defense Nuclear Agency.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1997 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 305. CIVIL AIR PATROL.

(a) FUNDING.—Of the amounts authorized to be appropriated pursuant to this Act, $14,526,000 may be made available to the Civil Air Patrol Corporation.

(b) AMOUNT FOR SEARCH AND RESCUE OPERATIONS.—Of the amount made available pursuant to subsection (a), not more than 75 percent of such amount may be available for costs other than the costs of search and rescue missions.

SEC. 306. SR-71 CONTINGENCY RECONNAISSANCE FORCE.

Of the funds authorized to be appropriated by section 301(4), $30,000,000 is authorized to be made available for the SR-71 contingency reconnaissance force.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. FUNDING FOR SECOND AND THIRD MARITIME PREPOSITIONING SHIPS OUT OF NATIONAL DEFENSE SEALIFT FUND.

(a) NATIONAL DEFENSE SEALIFT FUND.—To the extent provided in appropriations Acts, funds in the National Defense Sealift Fund may be obligated and expended for the purchase and conversion, or construction, of a total of three ships for the purpose of enhancing Marine Corps prepositioning ship squadrons.

(b) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 302(2), $240,000,000 is authorized to be appropriated for the purpose stated in subsection (a).

SEC. 312. NATIONAL DEFENSE SEALIFT FUND.

Section 2218 of title 10, United States Code, is amended—

(1) in subsection (c)(1)(E), by striking out ", but only for vessels built in United States shipyards";

(2) in subsection (f)—

(A) in paragraph (1)—

(i) by striking out "five" and inserting in lieu thereof "ten"; and

(ii) by striking out "(c)(1)" and inserting in lieu thereof "(c)(1)(A)"; and

(B) in paragraph (2), by striking out "(c)(1)" and inserting in lieu thereof "(c)(1)(A)"; and

(3) in subsection (j), by striking out "(c)(1) (A), (B), (C), and (D)" and inserting in lieu thereof "(c)(1) (A), (B), (C), (D), and (E)".

SEC. 313. NONLETHAL WEAPONS CAPABILITIES.

Of the amount authorized to be appropriated under section 301, $5,000,000 shall be available for the immediate procurement of nonlethal weapons capabilities to meet existing deficiencies in inventories of such capabilities, of which—

(1) $2,000,000 shall be available for the Army; and

(2) $3,000,000 shall be available for the Marine Corps.

SEC. 314. RESTRICTION ON COAST GUARD FUNDING.

No funds are authorized by this Act to be appropriated to the Department of Defense for the Coast Guard within budget subfunction 054.

Subtitle C—Depot-Level Activities

SEC. 321. DEPARTMENT OF DEFENSE PERFORMANCE OF CORE LOGISTICS FUNCTIONS.

Section 2464(a) of title 10, United States Code is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The Secretary of Defense shall maintain within the Department of Defense those logistics activities and capabilities that are necessary to provide the logistics capability described in paragraph (1). The logistics activities and capabilities maintained under this paragraph shall include all personnel, equipment, and facilities that are necessary to maintain and repair the weapon systems and other military equipment identified under paragraph (3).

"(3) The Secretary of Defense, in consultation with the Joint Chiefs of Staff, shall identify the weapon systems and other military equipment that it is necessary to maintain and repair within the Department of Defense in order to maintain within the department the capability described in paragraph (1).

"(4) The Secretary shall require that the core logistics functions identified pursuant to paragraph (3) be performed in Government-owned, Government-operated facilities of the Department of Defense by Department of Defense personnel using Department of Defense equipment.".

SEC. 322. INCREASE IN PERCENTAGE LIMITATION ON CONTRACTOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.

(a) FIFTY PERCENT LIMITATION.—Section 2466(a) of title 10, United States Code, is amended by striking out "40 percent" in the first sentence and inserting in lieu thereof "50 percent".

(b) INCREASE DELAYED PENDING RECEIPT OF STRATEGIC PLAN FOR THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR.—(1) Notwithstanding the first sentence of section 2466(a) of title 10, United States Code (as amended by subsection (a)), until the strategic plan for the performance of depot-level maintenance and repair is submitted under section 325, not more than 40 percent of the funds made available in a fiscal year to a military department or a Defense Agency for depot-level maintenance and repair workload may be used to contract for the performance by non-Federal Government personnel of such workload for the military department or the Defense Agency.

(2) In paragraph (1), the term "depot-level maintenance and repair workload" has the meaning given such term in section 2466(f) of title 10, United States Code.

SEC. 323. REPORT ON DEPOT-LEVEL MAINTENANCE AND REPAIR.

Subsection (e) of section 2466 of title 10, United States Code, is amended to read as follows:

"(e) REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each military department and Defense Agency—

"(A) the percentage of the funds referred to in subsection (a) that were used during the preceding fiscal year for performance of depot-level maintenance and repair workloads by Federal Government personnel; and

"(B) the percentage of the funds referred to in subsection (a) that were used during the preceding fiscal year to contract for the performance of depot-level maintenance and repair workloads by non-Federal Government personnel.

"(2) Not later than 90 days after the date on which the Secretary submits the annual report under paragraph (1), the Comptroller General shall submit to the Committees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives the Comptroller's views on whether the Department of Defense has complied with the requirements of subsection (a) for the fiscal year covered by the report.''.

SEC. 324. DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOAD DEFINED.

Section 2466 of title 10, United States Code, is amended by adding at the end the following:

"(f) DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOAD DEFINED.—In this section, the term 'depot-level maintenance and repair workload'—

"(1) means material maintenance requiring major overhaul or complete rebuilding of parts, assemblies, or subassemblies, and testing and reclamation of equipment as necessary, including all aspects of software maintenance;

"(2) includes those portions of interim contractor support, contractor logistics support, or any similar contractor support for the performance of services described in paragraph (1); and

"(3) does not include ship modernization and other repair activities that—

"(A) are funded out of appropriations available to the Department of Defense for procurement; and

"(B) were not considered to be depot-level maintenance and repair workload activities under regulations of the Department of Defense in effect on February 10, 1996.''.

SEC. 325. STRATEGIC PLAN RELATING TO DEPOT-LEVEL MAINTENANCE AND REPAIR.

(a) STRATEGIC PLAN REQUIRED.—(1) As soon as possible after the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a strategic plan for the performance of depot-level maintenance and repair.

(2) The strategic plan shall cover the performance of depot-level maintenance and repair for the Department of Defense in fiscal years 1998 through 2007. The plan shall provide for maintaining the capability described in section 2464 of title 10, United States Code.

(b) ADDITIONAL MATTERS COVERED.—The Secretary of Defense shall include in the strategic plan submitted under subsection (a) a detailed discussion of the following matters:

(1) For each military department, as determined after consultation with the Secretary of that military department and the Chairman of the Joint Chiefs of Staff, the depot-level maintenance and repair activities and workloads that are necessary to perform within the Department of Defense in order to maintain the core logistics capability required by section 2464 of title 10, United States Code.

(2) For each military department, as determined after consultation with the Secretary of that military department and the Chairman of the Joint Chiefs of Staff, the depot-level maintenance and repair activities and workloads that the Secretary of Defense plans to perform within the Department of Defense in order to satisfy the requirements of section 2466 of title 10, United States Code.

(3) For the activities identified pursuant to paragraphs (1) and (2), a discussion of which specific existing weapon systems or other existing equipment, and which specific planned weapon systems or other planned equipment, are weapon systems or equipment for which it is necessary to maintain a core depot-level maintenance and repair capability within the Department of Defense.

(4) The core capabilities, including sufficient skilled personnel, equipment, and facilities, that—

(A) are of sufficient size—

(i) to ensure a ready and controlled source of the technical competencies, and the maintenance and repair capabilities, that are necessary to meet the requirements of the national military strategy and other requirements for responding to mobilizations and military contingencies; and

(ii) to provide for rapid augmentation in time of emergency; and

(B) are assigned a sufficient workload to ensure cost efficiency and technical proficiency in peacetime.

(5) The environmental liability issues associated with any projected privatization of the performance of depot-level maintenance and repair, together with detailed projections of the cost to the United States of satisfying environmental liabilities associated with such privatized performance.

(6) Any significant issues and risks concerning exchange of technical data on depot-level maintenance and repair between the Federal Government and the private sector.

(7) Any deficiencies in Department of Defense financial systems that hinder effective evaluation of competitions (whether among private-sector sources or among depot-level activities owned and operated by the Department of Defense and private-sector sources), and merit-based selections (among depot-level activities owned and operated by the Department of Defense), for a depot-level maintenance and repair workload, together with plans to correct such deficiencies.

(9) The type of facility (whether a private sector facility or a Government owned and operated facility) in which depot-level maintenance and repair of any new weapon systems that will reach full scale development is to be performed.

(10) The workloads necessary to maintain Government owned and operated depots at 50 percent, 70 percent, and 85 percent of operating capacity.

(11) A plan for improving the productivity of the Government owned and operated depot maintenance and repair facilities, together with management plans for changing administrative and missions processes to achieve productivity gains, a discussion of any barriers to achieving desired productivity gains at the depots, and any necessary changes in civilian personnel policies that are necessary to improve productivity.

(12) The criteria used to make decisions on whether to convert to contractor performance of depot-level maintenance and repair, the officials responsible for making the decision to convert, and any depot-level maintenance and repair workloads that are proposed to be converted to contractor performance before the end of fiscal year 2001.

(13) A detailed analysis of savings proposed to be achieved by contracting for the performance of depot-level maintenance and repair workload by private sector sources, together with the report on the review of the analysis (and the assumptions underlying the analysis) provided for under subsection (c).

(c) INDEPENDENT REVIEW OF SAVINGS ANALYSIS.—The Secretary shall provide for a public accounting firm (independent of Department of Defense influence) to review the analysis referred to in subsection (b)(13) and the assumptions underlying the analysis for submission to the committees referred to in subsection (a) and to the Comptroller General.

(d) REVIEW BY COMPTROLLER GENERAL.—(1) At the same time that the Secretary of Defense transmits the strategic plan under subsection (a), the Secretary shall transmit a copy of the plan (including the report of the public accounting firm provided for under subsection (c)) to the Comptroller General of the United States and make available to the Comptroller General all information used by the Department of Defense in preparing the plan and analysis.

(2) Not later than 60 days after the date on which the Secretary submits the strategic plan required by subsection (a), the Comptroller General shall transmit to Congress a report containing a detailed analysis of the strategic plan.

(e) ADDITIONAL REPORTING REQUIREMENT FOR COMPTROLLER GENERAL.—Not later than February 1, 1997, the Comptroller General shall submit to the committees referred to in subsection (a) a report on the effectiveness of the oversight by the Department of Defense of the management of existing contracts with private sector sources of depot-level maintenance and repair of weapon systems, the adequacy of Department of Defense financial and information systems to support effective decisions to contract for private sector performance of depot-level maintenance and repair workloads that are being or have been performed by Government personnel, the status of reengineering efforts at depots owned and operated by the United States, and any overall management weaknesses within the Department of Defense that would hinder effective use of contracting for the performance of depot-level maintenance and repair.

SEC. 326. ANNUAL REPORT ON COMPETITIVE PROCEDURES.

(a) ANNUAL REPORT.—Section 2469 of title 10, United States Code, is amended by adding at the end the following:

"(d) ANNUAL REPORT.—Not later than March 31 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the competitive procedures used during the preceding fiscal year for competitions referred to in subsection (a).''.

(b) FIRST REPORT.—The first report under subsection (d) of section 2469 of title 10, United States Code (as added by subsection (a)), shall be submitted not later than March 31, 1997.

SEC. 327. ANNUAL RISK ASSESSMENTS REGARDING PRIVATE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE WORK.

(a) REPORTS.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following:

"§ 2473. Reports on privatization of depot-level maintenance work

"(a) ANNUAL RISK ASSESSMENTS.—(1) Not later than January 1 of each year, the Joint Chiefs of Staff shall submit to the Secretary of Defense a report on the privatization of the performance of the various depot-level maintenance workloads of the Department of Defense.

"(2) The report shall include with respect to each depot-level maintenance workload the following:

"(A) An assessment of the risk to the readiness, sustainability, and technology of the Armed Forces in a full range of anticipated scenarios for peacetime and for wartime of—

"(i) using public entities to perform the workload;

"(ii) using private entities to perform the workload; and

"(iii) using a combination of public entities and private entities to perform the workload.

"(B) The recommendation of the Joint Chiefs as to whether public entities, private entities, or a combination of public entities and private entities could perform the workload without jeopardizing military readiness.

"(3) Not later than 30 days after receiving the report under paragraph (2)(B), the Secretary shall transmit the report to Congress. If the Secretary does not concur in the recommendation made by the Joint Chiefs pursuant to paragraph (2)(B), the Secretary shall include in the report under this paragraph—

"(A) the recommendation of the Secretary; and

"(B) a justification for the differences between the recommendation of the Joint Chiefs and the recommendation of the Secretary.

"(b) ANNUAL REPORT ON PROPOSED PRIVATIZATION.—(1) Not later than February 28 of each year, the Joint Chiefs of Staff shall submit to the Secretary of Defense a report on each depot-level maintenance workload of the Department of Defense that the Joint Chiefs believe could be converted to performance by private entities during the next fiscal year without jeopardizing military readiness.

"(2) Not later than 30 days after receiving a report under paragraph (1), the Secretary shall transmit the report to Congress. If the Secretary does not concur in the proposal of the Joint Chiefs in the report, the Secretary shall include in the report under this paragraph—

"(A) each depot-level maintenance workload of the Department that the Secretary proposes to be performed by private entities during the fiscal year concerned; and

"(B) a justification for the differences between the proposal of the Joint Chiefs and the proposal of the Secretary.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"2473. Reports on privatization of depot-level maintenance work.".

SEC. 328. EXTENSION OF AUTHORITY FOR NAVAL SHIPYARDS AND AVIATION DEPOTS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

(a) EXTENSION OF AUTHORITY.—Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510) is amended by striking out "expires on September 30, 1995" and inserting in lieu thereof "may not be exercised after September 30, 1997".

(b) REVIVAL OF EXPIRED AUTHORITY.—The authority provided in section 1425 of the National Defense Authorization Act for Fiscal Year 1991 may be exercised after September 30, 1995, subject to the limitation in subsection (e) of such section as amended by subsection (a) of this section.

SEC. 329. LIMITATION ON USE OF FUNDS FOR F-18 AIRCRAFT DEPOT MAINTENANCE.

Of the amounts authorized to be appropriated by section 301(2), not more than $5,000,000 may be used for the performance of depot maintenance on F-18 aircraft until 30 days after the date on which the Secretary of Defense submits to the congressional defense committees a report on aviation depot maintenance. The report shall contain the following:

(1) The results of a competition which the Secretary shall conduct between all Department of Defense aviation depots for selection for the performance of depot maintenance on F-18 aircraft.

(2) An analysis of the total cost of transferring the F-18 aircraft depot maintenance workload to an aviation depot not performing such workload as of the date of the enactment of this Act.

SEC. 330. DEPOT MAINTENANCE AND REPAIR AT FACILITIES CLOSED BY BRAC.

The Secretary may not contract for the performance by a private sector source of any of the depot maintenance workload performed as of the date of the enactment of this Act at Sacramento Air Logistics Center or the San Antonio Air Logistics Center until the Secretary—

(1) publishes criteria for the evaluation of bids and proposals to perform such workload;

(2) conducts a competition for the workload between public and private entities;

(3) pursuant to the competition, determines in accordance with the criteria published under paragraph (1) that an offer submitted by a private sector source to perform the workload is the best value for the United States; and

(4) submits to Congress the following—

(A) a detailed comparison of the cost of the performance of the workload by civilian employees of the Department of Defense with the cost of the performance of the workload by that source; and

(B) an analysis which demonstrates that the performance of the workload by that source will provide the best value for the United States over the life of the contract.

Subtitle D—Environmental Provisions

SEC. 341. ESTABLISHMENT OF SEPARATE ENVIRONMENTAL RESTORATION TRANSFER ACCOUNTS FOR EACH MILITARY DEPARTMENT.

(a) ESTABLISHMENT.—(1) Section 2703 of title 10, United States Code, is amended to read as follows:

"§ 2703. Environmental restoration transfer accounts

"(a) ESTABLISHMENT OF TRANSFER ACCOUNTS.—

"(1) ESTABLISHMENT.—There are hereby established in the Department of Defense the following accounts:

"(A) An account to be known as the 'Defense Environmental Restoration Account'.

"(B) An account to be known as the 'Army Environmental Restoration Account'.

"(C) An account to be known as the 'Navy Environmental Restoration Account'.

"(D) An account to be known as the 'Air Force Environmental Restoration Account'.

"(2) TREATMENT OF APPROPRIATIONS.—All sums appropriated to the Department of Defense to carry out functions of the Secretary of Defense or of the Secretaries of the military departments relating to environmental restoration under this chapter or under any other provision of law shall be appropriated to the transfer account concerned.

"(3) REQUIREMENT OF AUTHORIZATION OF APPROPRIATIONS.—No funds may be appropriated to a transfer account unless such sums have been specifically authorized by law.

"(4) AVAILABILITY OF FUNDS IN TRANSFER ACCOUNTS.—Amounts appropriated to a transfer account shall remain available until transferred under subsection (b).

"(b) AUTHORITY TO TRANSFER TO OTHER ACCOUNTS.—Amounts in a transfer account shall be available for transfer by the Secretary of Defense (in the case of the Defense Environmental Restoration Account) or by the Secretary of a military department (in the case of the environmental restoration account of that military department) to any appropriation account or fund of the Department of Defense (including an account or fund of a military department) for obligation from the account or fund to which transferred.

"(c) OBLIGATION OF TRANSFERRED AMOUNTS.—Funds transferred under subsection (b) may only be obligated or expended from the account or fund to which transferred in order to carry out the environmental restoration functions of the Secretary of Defense and the Secretaries of the military departments under this chapter and under any other provision of law.

"(d) BUDGET REPORTS.—In proposing the budget for any fiscal year pursuant to section 1105 of title 31, the President shall set forth separately the amounts requested for environmental restoration programs of the Department of Defense and of each of the military departments under this chapter and under any other Act.

"(e) AMOUNTS RECOVERED.—The following amounts shall be credited to the appropriate environmental restoration account:

"(1) Amounts recovered under CERCLA for response actions.

"(2) Any other amounts recovered from a contractor, insurer, surety, or other person to reimburse the Department of Defense or a military department for any expenditure for environmental response activities.

"(f) PAYMENTS OF FINES AND PENALTIES.—None of the funds appropriated to the Defense Environmental Restoration Account for fiscal years 1995 through 1999, or to any environmental restoration account of a military department for fiscal years 1997 through 1999, may be used for the payment of a fine or penalty (including any supplemental environmental project carried out as part of such penalty) imposed against the Department of Defense or a military department unless the act or omission for which the fine or penalty is imposed arises out of an activity funded by the environmental restoration account concerned and the payment of the fine or penalty has been specifically authorized by law.".

(2) The table of sections at the beginning of chapter 160 of title 10, United States Code, is amended by striking out the item relating to section 2703 and inserting in lieu thereof the following new item:

"2703. Environmental restoration transfer accounts.".

(b) REFERENCES.—Any reference to the Defense Environmental Restoration Account in any Federal law, Executive Order, regulation, delegation of authority, or document of or pertaining to the Department of Defense shall be deemed to refer to the appropriate environmental restoration account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(c) CONFORMING AMENDMENT.—Section 2705(g)(1) of title 10, United States Code, is amended by striking out "the Defense Environmental Restoration Account" and inserting in lieu thereof "the environmental restoration account concerned".

(d) TREATMENT OF UNOBLIGATED BALANCES.—Any unobligated balances that remain in the Defense Environmental Restoration Account under section 2703(a) of title 10, United States Code, as of the effective date specified in subsection (e) shall be transferred on such date to the Defense Environmental Restoration Account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) October 1, 1996; or

(2) the date of the enactment of this Act.

SEC. 342. DEFENSE CONTRACTORS COVERED BY REQUIREMENT FOR REPORTS ON CONTRACTOR REIMBURSEMENT COSTS FOR RESPONSE ACTIONS.

Section 2706(d)(1)(A) of title 10, United States Code, is amended by striking out "100" and inserting in lieu thereof "20".

SEC. 343. REPEAL OF REDUNDANT NOTIFICATION AND CONSULTATION REQUIREMENTS REGARDING REMEDIAL INVESTIGATIONS AND FEASIBILITY STUDIES AT CERTAIN INSTALLATIONS TO BE CLOSED UNDER THE BASE CLOSURE LAWS.

Section 334 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1340; 10 U.S.C. 2687 note) is repealed.

SEC. 344. PAYMENT OF CERTAIN STIPULATED CIVIL PENALTIES.

(a) AUTHORITY.—The Secretary of Defense may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) stipulated civil penalties assessed under CERCLA in amounts, and using funds, as follows:

(1) Using funds authorized to be appropriated to the Army Environmental Restoration Account established under section 2703(a)(1)(B) of title 10, United States Code, as amended by section 341 of this Act, $34,000 assessed against Fort Riley, Kansas, under CERCLA.

(2) Using funds authorized to be appropriated to the Navy Environmental Restoration Account established under section 2703(a)(1)(C) of that title, as so amended, $30,000 assessed against the Naval Education and Training Center, Newport, Rhode Island, under CERCLA.

(3) Using funds authorized to be appropriated to the Air Force Environmental Restoration Account established under section 2703(a)(1)(D) of that title, as so amended—

(A) $550,000 assessed against the Massachusetts Military Reservation, Massachusetts, under CERCLA, of which $500,000 shall be for the supplemental environmental project for a groundwater modeling project that constitutes a part of the negotiated settlement of a penalty against the reservation; and

(B) $10,000 assessed against F.E. Warren Air Force Base, Wyoming, under CERCLA.

(4) Using funds authorized to be appropriated to the Department of Defense Base Closure Account 1990 by section 2406(a)(13) of this Act, $50,000 assessed against Loring Air Force Base, Maine, under CERCLA.

(b) CERCLA DEFINED.—In this section, the term "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

SEC. 345. AUTHORITY TO WITHHOLD LISTING OF FEDERAL FACILITIES ON NATIONAL PRIORITIES LIST.

Section 120(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(d)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by striking "Not later than 18 months after the enactment of the Superfund Amendments and Reauthorization Act of 1986, the Administrator" and inserting the following:

"(1) IN GENERAL.—The Administrator"; and

(3) by striking "Such criteria" and all that follows through the end of the subsection and inserting the following:

"(2) APPLICATION OF CRITERIA.—

"(A) IN GENERAL.—Subject to subparagraph (B), the criteria referred to in paragraph (1) shall be applied in the same manner as the criteria are applied to facilities that are owned or operated by persons other than the United States.

"(B) RESPONSE UNDER OTHER LAW.—That the head of the department, agency, or instrumentality that owns or operates a facility has arranged with the Administrator or appropriate State authorities to respond appropriately, under authority of a law other than this Act, to a release or threatened release of a hazardous substance shall be an appropriate factor to be taken into consideration for the purposes of section 105(a)(8)(A).

"(3) COMPLETION.—Evaluation and listing under this subsection shall be completed in accordance with a reasonable schedule established by the Administrator.".

SEC. 346. AUTHORITY TO TRANSFER CONTAMINATED FEDERAL PROPERTY BEFORE COMPLETION OF REQUIRED REMEDIAL ACTIONS.

Section 120(h)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended—

(1) by redesignating subparagraph (A) as clause (i) and clauses (i), (ii), and (iii) of that subparagraph as subclauses (I), (II), and (III), respectively;

(2) by striking "After the last day" and inserting the following:

"(A) IN GENERAL.—After the last day";

(3) by redesignating subparagraph (B) as clause (ii) and clauses (i) and (ii) of that subparagraph as subclauses (I) and (II), respectively;

(4) by redesignating subparagraph (C) as clause (iii);

(5) by striking "For purposes of subparagraph (B)(i)" and inserting the following:

"(B) COMPLETION OF CONSTRUCTION.—For purposes of subparagraph (A)(ii)(I)"; and

(6) by adding at the end the following:

"(C) DEFERRAL.—The Administrator (in the case of real property at a Federal facility that is listed on the National Priorities List) or the Governor of the State in which the facility is located (in the case of real property at a Federal facility not listed on the National Priorities List) may defer the requirement of subparagraph (A)(ii) with respect to the property if the Administrator or the Governor, as the case may be, determines that—

"(i) the property is suitable for transfer; and

"(ii) the contract of sale or other agreement governing the transfer between the United States and the transferee of the property contains assurances that all appropriate remedial action will be taken with respect to any releases or threatened releases at or from the property that occurred or existed prior to the transfer.".

SEC. 347. CLARIFICATION OF MEANING OF UNCONTAMINATED PROPERTY FOR PURPOSES OF TRANSFER BY THE UNITED STATES.

Section 120(h)(4)(A) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(4)(A)) is amended in the first sentence by striking "stored for one year or more, known to have been released," and inserting "known to have been released".

SEC. 348. SHIPBOARD SOLID WASTE CONTROL.

(a) IN GENERAL.—Section 3(c) of the Act to Prevent Pollution from Ships (33 U.S.C. 1902(c)) is amended—

(1) in paragraph (1), by striking "Not later than" and inserting "Except as provided in paragraphs (2) and (3), not later than"; and

(2) by striking paragraphs (2), (3), and (4) and inserting the following:

"(2)(A) Subject to subparagraph (B), any ship described in subparagraph (C) may discharge, without regard to the special area requirements of Regulation 5 of Annex V to the Convention, the following non-plastic, non-floating garbage:

"(i) A slurry of seawater, paper, cardboard, or food waste that is capable of passing through a screen with openings no larger than 12 millimeters in diameter.

"(ii) Metal and glass that have been shredded and bagged so as to ensure negative buoyancy.

"(B)(i) Garbage described subparagraph (A)(i) may not be discharged within 3 nautical miles of land.

"(ii) Garbage described in subparagraph (A)(ii) may not be discharged within 12 nautical miles of land.

"(C) This paragraph applies to any ship that is owned or operated by the Department of the Navy that, as determined by the Secretary of the Navy—

"(i) has unique military design, construction, manning, or operating requirements; and

"(ii) cannot fully comply with the special area requirements of Regulation 5 of Annex V to the Convention because compliance is not technologically feasible or would impair the operations or operational capability of the ship.

"(3)(A) Not later than December 31, 2000, the Secretary of the Navy shall prescribe and publish in the Federal Register standards to ensure that each ship described in subparagraph (B) is, to the maximum extent practicable without impairing the operations or operational capabilities of the ship, operated in a manner that is consistent with the special area requirements of Regulation 5 of Annex V to the Convention.

"(B) Subparagraph (A) applies to surface ships that are owned or operated by the Department of the Navy that the Secretary plans to decommission during the period beginning on January 1, 2001, and ending on December 31, 2005.

"(C) At the same time that the Secretary publishes standards under subparagraph (A), the Secretary shall publish in the Federal Register a list of the ships covered by subparagraph (B).".

(b) SENSE OF CONGRESS.—

(1) COMPLIANCE WITH ANNEX V.—It is the sense of Congress that it should be an objective of the Navy to achieve full compliance with Annex V to the Convention as part of the Navy's development of ships that are environmentally sound.

(2) DEFINITION.—In this subsection, the terms "Convention" and "ship" have the meanings provided in section 2(a) of the Act to Prevent Pollution from Ships (33 U.S.C. 1901(a)).

SEC. 349. COOPERATIVE AGREEMENTS FOR THE MANAGEMENT OF CULTURAL RESOURCES ON MILITARY INSTALLATIONS.

(a) AUTHORITY TO ENTER INTO AGREEMENTS.—Chapter 159 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2694. Cooperative agreements for management of cultural resources on military installations

"(a) AUTHORITY TO ENTER INTO AGREEMENTS.—The Secretary of Defense and the Secretaries of the military departments may enter into cooperative agreements with States, local governments, and appropriate public and private entities in order to provide for the preservation, management, maintenance, and rehabilitation of cultural resources on military installations.

"(b) Inapplicability of Certain Federal Financial Management Laws.—A cooperative agreement under subsection (a) shall not be treated as a cooperative agreement for purposes of chapter 63 of title 31.

"(c) Limitation on Authority To Carry Out Agreements.—The authority of the Secretary of Defense or the Secretary of a military department to carry out an agreement entered into under subsection (a) shall be subject to the availability of funds for that purpose.

"(d) Definition.—For purposes of this section, the term 'cultural resource' means any of the following:

"(1) A building, structure, site, district, or object eligible for or included in the National Register of Historic Places maintained under section 101(a) of the National Historic Preservation Act (16 U.S.C. 470a(a)).

"(2) A cultural item as that term is defined in section 2(3) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(3)).

"(3) An archaeological resource as that term is defined in section 3(1) of the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470bb(1)).

"(4) An archaeological artifact collection and associated records covered by section 79 of title 36, Code of Federal Regulations.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2694. Cooperative agreements for management of cultural resources on military installations.".

SEC. 350. REPORT ON WITHDRAWAL OF PUBLIC LANDS AT EL CENTRO NAVAL AIR FACILITY, CALIFORNIA.

(a) Report.—Not later than March 15, 1997, the Secretary of Defense, acting through the Deputy Under Secretary of Defense for Environmental Security, shall submit to the congressional defense committees a report that assesses the effects of the proposed withdrawal of public lands at El Centro Naval Air Facility, California, on the operational and training requirements of the Department of Defense at that facility.

(b) Report Elements.—The report under subsection (a) shall—

(1) describe in detail the operational and training requirements of the Department of Defense at El Centro Naval Air Facility;

(2) assess the effects of the proposed withdrawal on such operational and training requirements;

(3) describe the relationship, if any, of the proposed withdrawal to the withdrawal of other public lands under the California Desert Protection Act of 1994 (Public Law 103–433);

(4) assess the additional responsibilities, if any, of the Navy for land management at the facility as a result of the proposed withdrawal; and

(5) assess the costs, if any, to the Navy resulting from the proposed withdrawal.

SEC. 351. USE OF HUNTING AND FISHING PERMIT FEES COLLECTED AT CLOSED MILITARY RESERVATIONS.

Subparagraph (B) of section 101(b)(4) of the Act of September 15, 1960 (commonly known as the "Sikes Act"; 16 U.S.C. 670a(b)(4)), is amended to read as follows:

"(B) the fees collected under this paragraph—

"(i) shall be expended at the military reservation with respect to which collected; or

"(ii) if collected with respect to a military reservation that is closed, shall be available for expenditure at any other military reservation for purposes of the protection, conservation, and management of fish and wildlife at such reservation.".

Subtitle E—Other Matters

SEC. 361. FIREFIGHTING AND SECURITY-GUARD FUNCTIONS AT FACILITIES LEASED BY THE GOVERNMENT.

Section 2465(b) of title 10, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following:

"(4) to a contract to be carried out at a private facility at which a Federal Government activity is located pursuant to a lease of the facility to the Government.".

SEC. 362. AUTHORIZED USE OF RECRUITING FUNDS.

(a) Authority.—Chapter 31 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 520c. Authorized use of recruiting funds

"(a) Meals and Refreshments.—Under regulations prescribed by the Secretary concerned, funds appropriated to the Department of Defense for recruitment of military personnel may be expended for small meals and refreshments that are provided in the performance of personnel recruiting functions of the armed forces to—

"(1) persons who have enlisted under the Delayed Entry Program authorized by section 513 of this title;

"(2) persons who are objects of armed forces recruiting efforts;

"(3) influential persons in communities when assisting the military departments in recruiting efforts;

"(4) members of the armed forces and Federal Government employees when attending recruiting events in accordance with a requirement to do so; and

"(5) other persons when contributing to recruiting efforts by attending recruiting events.

"(b) Annual Report.—Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report on the extent to which the authority under subsection (a) was exercised during the fiscal year ending in the preceding year.

"(c) Termination of Authority.—(1) The authority in subsection (a) may not be exercised after September 30, 2001.

"(2) No report is required under subsection (b) after 2002.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"520c. Authorized use of recruiting funds.".

SEC. 363. NONCOMPETITIVE PROCUREMENT OF BRAND-NAME COMMERCIAL ITEMS FOR RESALE IN COMMISSARY STORES.

(a) Clarification of Exception to Competitive Procurement.—Section 2486 of title 10, United States Code, is amended by adding at the end the following:

"(e) The Secretary of Defense may not, under the exception provided in section 2304(c)(5) of this title, use procedures other than competitive procedures for the procurement of a brand-name commercial item for resale in commissary stores unless the commercial item is regularly sold outside of commissary stores under the same brand name as the commercial item will be sold in commissary stores.".

(b) Effect on Existing Contracts.—The amendment made by subsection (a) shall not affect the terms, conditions, or duration of any contract entered into by the Secretary of Defense before the date of the enactment of this Act for the procurement of commercial items for resale in commissary stores.

SEC. 364. ADMINISTRATION OF MIDSHIPMEN'S STORE AND OTHER NAVAL ACADEMY SUPPORT ACTIVITIES AS NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) In General.—(1) Chapter 603 of title 10, United States Code, is amended by striking out sections 6970 and 6971 and inserting in lieu thereof the following new section:

"§ 6970. Midshipmen's store and Naval Academy shops, laundry, and dairy: nonappropriated fund accounts

"(a) In General.—Under regulations prescribed by the Secretary of the Navy, the Superintendent of the Naval Academy shall administer a nonappropriated fund account for each of the Academy activities referred to in subsection (b).

"(b) Activities.—Subsection (a) applies to the following Academy activities:

"(1) The midshipmen's store.

"(2) The barber shop.

"(3) The cobbler shop.

"(4) The tailor shop.

"(5) The dairy.

"(6) The laundry.

"(c) Crediting of Revenue.—The Superintendent shall credit to each account administered with respect to an activity under subsection (a) all revenue received from the activity.".

(2) The table of sections at the beginning of such chapter is amended by striking out the items relating to sections 6970 and 6971 and inserting in lieu thereof the following new item:

"6970. Midshipmen's store and Naval Academy shops, laundry, and dairy: nonappropriated fund accounts.".

(b) Employment Status of Employees of Activities.—Section 2105 of title 5, United States Code, is amended by striking out subsection (b).

SEC. 365. ASSISTANCE TO COMMITTEES INVOLVED IN INAUGURATION OF THE PRESIDENT.

(a) In General.—Section 2543 of title 10, United States Code, is amended to read to read as follows:

"§ 2543. Equipment and services: Presidential inaugural committees

"(a) Assistance Authorized.—The Secretary of Defense may provide the assistance referred to in subsection (b) to the following committees:

"(1) An Inaugural Committee established under the first section of the Presidential Inaugural Ceremonies Act (36 U.S.C. 721).

"(2) A joint committee of the Senate and House of Representatives appointed under section 9 of that Act (36 U.S.C. 729).

"(b) Assistance.—The following assistance may be provided under subsection (a):

"(1) Planning and carrying out activities relating to security and safety.

"(2) Planning and carrying out ceremonial activities.

"(3) Loan of property.

"(4) Any other assistance that the Secretary considers appropriate.

"(c) Reimbursement.—(1) An inaugural committee referred to in subsection (a)(1) shall reimburse the Secretary for any costs incurred in connection with the provision to the committee of assistance referred to in subsection (b)(4).

"(2) Costs reimbursed under paragraph (1) shall be credited to the appropriations from which the costs were paid. The amount credited to an appropriation shall be proportionate to the amount of the costs charged to that appropriation.

"(d) LOANED PROPERTY.—(1) Property loaned for a presidential inauguration under subsection (b)(3) shall be returned within nine days after the date of the ceremony inaugurating the President.

"(2) An inaugural committee referred to in subsection (a)(1) shall give good and sufficient bond for the return in good order and condition of property loaned to the committee under subsection (b)(3).

"(3) An inaugural committee referred to in subsection (a)(1) shall—

"(A) indemnify the United States for any loss of, or damage to, property loaned to the committee under subsection (b)(3); and

"(B) defray any expense incurred for the delivery, return, rehabilitation, replacement, or operation of the property.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 152 of such title is amended by striking out the item relating to section 2543 and inserting in lieu thereof the following:

"2543. Equipment and services: Presidential inaugural committees.".

SEC. 366. DEPARTMENT OF DEFENSE SUPPORT FOR SPORTING EVENTS.

(a) LOCAL SUPPORT.—The Secretary of Defense may authorize the commander of a military installation or other facility of the Department of Defense or the commander of a specified or unified combatant command to provide assistance for the World Cup Soccer Games, the Goodwill Games, the Olympics, and any other major civilian sporting event in support of essential security and safety at such event, but only in accordance with an agreement entered into by the Secretary and one or more organizations sponsoring the event and only to the extent that the essential security and safety needs cannot reasonably be met by a source other than the Department of Defense.

(b) AGREEMENT.—(1) An agreement entered into with an organization under this section shall provide for the Department of Defense to be reimbursed for amounts expended by the Department of Defense in providing support for the event, except that the agreement—

(A) may not require reimbursement to be made by an organization before the sporting event covered by the agreement is complete and all of the costs under the organization's other contractual obligations relating to the event have been paid; and

(B) shall include a clause providing that the amount of the reimbursement shall be the lesser of—

(i) the amount, if any, of the organization's surplus funds remaining after payment of all of the costs referred to in subparagraph (A); or

(ii) the amount expended by the Department in providing support for the event.

(2) The Secretary of Defense may include in the agreement such additional terms and conditions as the Secretary considers appropriate in the interests of the Federal Government.

(3) Paragraph (1) does not apply to support for civilian sporting events known as of the date of the enactment of this Act as "Special Olympics" or "Paralympics".

(c) INAPPLICABILITY TO EVENTS ALREADY FUNDED.—This section does not apply with respect to a sporting event for which funds have been appropriated before the date of the enactment of this Act.

(d) SURPLUS FUNDS DEFINED.—For the purposes of this section, the term "surplus funds", with respect to an organization sponsoring a sporting event, means the amount equal to the excess of—

(1) the total amount of the funds received by the organization for the event other than revenues derived from any tax, over

(2) the total amount expended by the organization for payment of all of the costs under the organization's contractual obligations (other than an agreement entered into with the Secretary of Defense under this section) that relate to the event.

SEC. 367. RENOVATION OF BUILDING FOR DEFENSE FINANCE AND ACCOUNTING SERVICE CENTER, FORT BENJAMIN HARRISON, INDIANA.

(a) TRANSFER AUTHORITY.—Subject to subsection (b), the Secretary of Defense may transfer funds available to the Department of Defense for the Defense Finance and Accounting Service for a fiscal year for operation and maintenance to the Administrator of General Services for paying the costs of planning, design, and renovation of Building One, Fort Benjamin Harrison, Indiana, for use as a Defense Finance and Accounting Service Center.

(b) AUTHORITY SUBJECT TO AUTHORIZATIONS AND APPROPRIATIONS.—To the extent provided in appropriations Acts—

(1) of funds appropriated for fiscal year 1997, $9,000,000 may be transferred pursuant to subsection (a); and

(2) of funds appropriated for fiscal years 1998, 1999, 2000, and 2001, funds may be transferred pursuant to subsection (a) in such amounts as are authorized to be transferred in an Act enacted after the date of the enactment of this Act.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1997, as follows:

(1) The Army, 495,000, of which not more than 80,300 may be commissioned officers.

(2) The Navy, 407,318, of which not more than 56,165 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 381,222, of which not more than 74,445 may be commissioned officers.

SEC. 402. TEMPORARY FLEXIBILITY RELATING TO PERMANENT END STRENGTH LEVELS.

Section 691(d) of title 10, United States Code, is amended by striking out "not more than 0.5 percent" and inserting in lieu thereof "not more than 5 percent".

SEC. 403. AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN GRADES O–4, O–5, AND O–6.

(a) ARMY, AIR FORCE, AND MARINE CORPS.—The table in section 523(a)(1) of title 10, United States Code, is amended to read as follows:

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army:			
20,000	6,848	5,253	1,613
25,000	7,539	5,642	1,796
30,000	8,231	6,030	1,980
35,000	8,922	6,419	2,163
40,000	9,614	6,807	2,347
45,000	10,305	7,196	2,530
50,000	10,997	7,584	2,713
55,000	11,688	7,973	2,897
60,000	12,380	8,361	3,080
65,000	13,071	8,750	3,264
70,000	13,763	9,138	3,447
75,000	14,454	9,527	3,631
80,000	15,146	9,915	3,814
85,000	15,837	10,304	3,997
90,000	16,529	10,692	4,181
95,000	17,220	11,081	4,364
100,000	17,912	11,469	4,548
110,000	19,295	12,246	4,915
120,000	20,678	13,023	5,281
130,000	22,061	13,800	5,648
170,000	27,593	16,908	7,116
Air Force:			
35,000	9,216	7,090	2,125
40,000	10,025	7,478	2,306
45,000	10,835	7,866	2,487
50,000	11,645	8,253	2,668
55,000	12,454	8,641	2,849
60,000	13,264	9,029	3,030
65,000	14,073	9,417	3,211
70,000	14,883	9,805	3,392
75,000	15,693	10,193	3,573
80,000	16,502	10,582	3,754
85,000	17,312	10,971	3,935
90,000	18,121	11,360	4,115
95,000	18,931	11,749	4,296
100,000	19,741	12,138	4,477
105,000	20,550	12,527	4,658
110,000	21,360	12,915	4,838
115,000	22,169	13,304	5,019
120,000	22,979	13,692	5,200
125,000	23,789	14,081	5,381
Marine Corps:			
10,000	2,525	1,480	571
12,500	2,900	1,600	592
15,000	3,275	1,720	613
17,500	3,650	1,840	633
20,000	4,025	1,960	654
22,500	4,400	2,080	675
25,000	4,775	2,200	695".

(b) NAVY.—The table in section 523(a)(2) of title 10, United States Code, is amended to read as follows:

"Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in grade of:		
	Lieutenant Commander	Commander	Captain
Navy:			
30,000	7,331	5,018	2,116
33,000	7,799	5,239	2,223
36,000	8,267	5,460	2,330
39,000	8,735	5,681	2,437
42,000	9,203	5,902	2,544
45,000	9,671	6,123	2,651
48,000	10,139	6,343	2,758
51,000	10,606	6,561	2,864
54,000	11,074	6,782	2,971
57,000	11,541	7,002	3,078
60,000	12,009	7,222	3,185
63,000	12,476	7,441	3,292
66,000	12,944	7,661	3,398
70,000	13,567	7,954	3,541
90,000	16,683	9,419	4,254".

(c) REPEAL OF TEMPORARY AUTHORITY FOR VARIATIONS IN END STRENGTHS.—The following provisions of law are repealed:

(1) Section 402 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1639; 10 U.S.C. 523 note).

(2) Section 402 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2743; 10 U.S.C. 523 note).

(3) Section 402 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 286; 10 U.S.C. 523 note).

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on September 1, 1997.

SEC. 404. EXTENSION OF REQUIREMENT FOR RECOMMENDATIONS REGARDING APPOINTMENTS TO JOINT 4-STAR OFFICER POSITIONS.

Section 604(c) of title 10, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 2000".

SEC. 405. INCREASE IN AUTHORIZED NUMBER OF GENERAL OFFICERS ON ACTIVE DUTY IN THE MARINE CORPS.

Section 526(a)(4) of title 10, United States Code, is amended by striking out "68" and inserting in lieu thereof "80".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1997, as follows:

(1) The Army National Guard of the United States, 366,758.

(2) The Army Reserve, 214,925.

(3) The Naval Reserve, 96,304.

(4) The Marine Corps Reserve, 42,000.

(5) The Air National Guard of the United States, 108,594.

(6) The Air Force Reserve, 73,281.

(7) The Coast Guard Reserve, 8,000.

(b) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) by not more than 2 percent.

(c) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component for a fiscal year shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1997, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 22,798.

(2) The Army Reserve, 11,475.

(3) The Naval Reserve, 16,603.

(4) The Marine Corps Reserve, 2,559.

(5) The Air National Guard of the United States, 10,378.

(6) The Air Force Reserve, 655.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1997 a total of $69,878,430,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1997.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. EXTENSION OF AUTHORITY FOR TEMPORARY PROMOTIONS FOR CERTAIN NAVY LIEUTENANTS WITH CRITICAL SKILLS.

Section 5721(g) of title 10, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

SEC. 502. EXCEPTION TO BACCALAUREATE DEGREE REQUIREMENT FOR APPOINTMENT IN THE NAVAL RESERVE IN GRADES ABOVE O–2.

Section 12205(b)(3) of title 10, United States Code, is amended by inserting "or the Seaman to Admiral program" after "(NAVCAD) program".

SEC. 503. TIME FOR AWARD OF DEGREES BY UNACCREDITED EDUCATIONAL INSTITUTIONS FOR GRADUATES TO BE CONSIDERED EDUCATIONALLY QUALIFIED FOR APPOINTMENT AS RESERVE OFFICERS IN GRADE O–3.

Section 12205(c)(2)(C) of title 10, United States Code, is amended by striking out "three years" and inserting in lieu thereof "eight years".

SEC. 504. CHIEF WARRANT OFFICER PROMOTIONS.

(a) REDUCTION OF MINIMUM TIME IN GRADE REQUIRED FOR CONSIDERATION FOR PROMOTION.—Section 574(e) of title 10, United States Code, is amended by striking out "three years of service" and inserting in lieu thereof "two years of service".

(b) BELOW-ZONE SELECTION.—Section 575(b)(1) of such title is amended by inserting "chief warrant officer, W–3," in the first sentence after "to consider warrant officers for selection for promotion to the grade of".

SEC. 505. FREQUENCY OF PERIODIC REPORT ON PROMOTION RATES OF OFFICERS CURRENTLY OR FORMERLY SERVING IN JOINT DUTY ASSIGNMENTS.

Section 662(b) of title 10, United States Code, is amended by striking out "not less often than every six months" in the parenthetical in the first sentence and inserting in lieu thereof "not less often than every twelve months".

Subtitle B—Matters Relating to Reserve Components

SEC. 511. CLARIFICATION OF DEFINITION OF ACTIVE STATUS.

Section 101(d)(4) of title 10, United States Code, is amended by striking out "a reserve commissioned officer, other than a commissioned warrant officer," and inserting in lieu thereof the following: "a member of a reserve component".

SEC. 512. AMENDMENTS TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT PROVISIONS.

(a) SERVICE REQUIREMENT FOR RETIREMENT IN HIGHEST GRADE HELD.—Section 1370(d) of title 10, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4);

(2) in paragraph (2)(A), by striking out "(A)";

(3) by redesignating paragraph (2)(B) as paragraph (3); and

(4) in paragraph (3), as so redesignated—

(A) by designating the first sentence as subparagraph (A);

(B) by designating the second sentence as subparagraph (B) and realigning such subparagraph, as so redesignated, flush to the left margin;

(C) in subparagraph (B), as so redesignated, by striking out "the preceding sentence" and inserting in lieu thereof "subparagraph (A)"; and

(D) by adding at the end the following:

"(C) If a person covered by subparagraph (A) has completed at least six months of satisfactory service in grade, the person was serving in that grade while serving in a position of adjutant general required under section 314 of title 32 or while serving in a position of assistant adjutant general subordinate to such a position of adjutant general, and the person has failed to complete three years of service in that grade solely because the person's appointment to such position has been terminated or vacated as described in section 324(b) of such title, then such person may be credited with satisfactory service in that grade, notwithstanding the failure to complete three years of service in that grade.

"(D) To the extent authorized by the Secretary of the military department concerned, a person who, after having been recommended for promotion in a report of a promotion board but before being promoted to the recommended grade, served in a position for which that grade is the minimum authorized grade may be credited for purposes of subparagraph (A) as having served in that grade for the period for which the person served in that position while in the next lower grade. The period credited may not include any period before the date on which the Senate provides advice and consent for the appointment of that person in the recommended grade.

"(E) To the extent authorized by the Secretary of the military department concerned, a person who, after having been extended temporary Federal recognition as a reserve officer of the Army National Guard in a particular grade under section 308 of title 32 or temporary Federal recognition as a reserve officer of the Air National Guard in a particular grade under such section, served in a position for which that grade is the minimum authorized grade may be credited for purposes of subparagraph (A) as having served in that grade for the period for which the person served in that position while extended the temporary Federal recognition, but only if the person was subsequently extended permanent Federal recognition as a reserve officer in that grade and also served in that position after being extended the permanent Federal recognition.".

(b) EXCEPTION TO REQUIREMENT FOR RETENTION OF RESERVE OFFICERS UNTIL COMPLETION OF REQUIRED SERVICE.—Section 12645(b)(2) of such title is amended by inserting "or a reserve active-status list" after "active-duty list".

(c) TECHNICAL CORRECTION.—Section 14314(b)(2)(B) of such title is amended by striking out "of the Air Force".

SEC. 513. REPEAL OF REQUIREMENT FOR PHYSICAL EXAMINATIONS OF MEMBERS OF NATIONAL GUARD CALLED INTO FEDERAL SERVICE.

(a) REPEAL.—Section 12408 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1209 is amended by striking out the item relating to section 12408.

SEC. 514. AUTHORITY FOR A RESERVE ON ACTIVE DUTY TO WAIVE RETIREMENT SANCTUARY.

Section 12686 of title 10, United States Code, is amended—

(1) by inserting "(a) LIMITATION.—" before "Under regulations"; and

(2) by adding at the end the following new subsection:

"(b) WAIVER.—(1) The Secretary concerned may authorize a member described in paragraph (2) to waive the applicability of the limitation under subsection (a) to the member for the period of active duty described in that paragraph. A member shall exercise any such waiver option, if at all, before the period of active duty begins.

"(2) The authority provided in paragraph (1) applies to a member of a reserve component who is on active duty (other than for training) pursuant to an order to active duty under section 12301 of this title that specifies a period of less than 180 days.".

SEC. 515. RETIREMENT OF RESERVES DISABLED BY INJURY OR DISEASE INCURRED OR AGGRAVATED DURING OVERNIGHT STAY BETWEEN INACTIVE DUTY TRAINING PERIODS.

Paragraph (2) of section 1204 of title 10, United States Code, is amended to read as follows:

"(2) the disability is a result of—

"(A) performing active duty or inactive-duty training;

"(B) traveling directly to or from the place at which such duty is performed; or

"(C) an injury, illness, or disease incurred or aggravated while remaining overnight, between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive duty training, if the site is outside reasonable commuting distance of the member's residence;".

SEC. 516. RESERVE CREDIT FOR PARTICIPATION IN THE HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) CREDIT AUTHORIZED.—Section 2126 of title 10, United States Code, is amended—

(1) by striking out "Service performed" and inserting in lieu thereof "(a) SERVICE NOT CREDITABLE.—Except as provided in subsection (b), service performed"; and

(2) by adding at the end the following:

"(b) EXCEPTION.—(1) The Secretary concerned may authorize service performed by a member of the program in pursuit of a course of study under this subchapter to be counted in accordance with this subsection if the member—

"(A) completes the course of study;

"(B) completes the active duty obligation imposed under section 2123(a) of this title; and

"(C) possesses a specialty designated by the Secretary concerned as critically needed in wartime.

"(2) Service credited under paragraph (1) counts only for the following purposes:

"(A) Award of retirement points for computation of years of service under section 12732 of this title and for computation of retired pay under section 12733 of this title.

"(B) Computation of years of service creditable under section 205 of title 37.

"(3) For purposes of paragraph (2)(A), a member may be credited in accordance with paragraph (1) with not more than 50 points for each year of participation in a course of study that the member satisfactorily completes as a member of the program.

"(4) Service may not be counted under paragraph (1) for more than four years of participation in a course of study as a member of the program.

"(5) A member who is dropped from the program under section 2123(c) of this title may not receive any credit under paragraph (1) for participation in a course of study as a member of the program. Any credit awarded for participation in the program before the member is dropped shall be rescinded.

"(6) A member is not entitled to any retroactive award of, or increase in, pay or allowances under title 37 by reason of an award of service credit under paragraph (1).".

(b) AWARD OF RETIREMENT POINTS.—(1) Section 12732(a)(2) of such title is amended—

(A) by inserting after clause (C) the following:

"(D) Points credited for the year under section 2126(b) of this title."; and

(B) in the matter following clause (D), as inserted by paragraph (1), by striking out "and (C)" and inserting in lieu thereof "(C), and (D)".

(2) Section 12733(3) of such title is amended by striking out "or (C)" and inserting in lieu thereof "(C), or (D)".

SEC. 517. REPORT ON GUARD AND RESERVE FORCE STRUCTURE.

(a) REPORT.—Not later than March 1, 1997, the Secretary of Defense shall submit to Congress a report on the current force structure and the projected force structure of the National Guard and the other reserve components.

(b) REPORT ELEMENTS.—The report required by subsection (a) shall address the following:

(1) The role of specific guard and reserve units in the current force structure of the guard and reserves.

(2) The projected role of specific guard units and reserve units in a major regional contingency.

(3) Whether or not the current force structure of the guard and reserves is excess to the combat readiness requirements of the Armed Forces and, if so, to what extent.

(4) The effect of decisions relating to the force structure of the guard and reserves on combat readiness within the tiered structure of combat readiness applied to the Armed Forces.

Subtitle C—Officer Education Programs

SEC. 521. INCREASED AGE LIMIT ON APPOINTMENT AS A CADET OR MIDSHIPMAN IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS AND THE SERVICE ACADEMIES.

(a) SENIOR RESERVE OFFICERS' TRAINING CORPS.—Section 2107(a) of title 10, United States Code, is amended by striking out "25 years of age" and inserting in lieu thereof "27 years of age".

(b) UNITED STATES MILITARY ACADEMY.—Section 4346(a) of title 10, United States Code, is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

(c) UNITED STATES NAVAL ACADEMY.—Section 6958(a)(1) of title 10, United States Code, is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

(d) UNITED STATES AIR FORCE ACADEMY.—Section 9346(a) of title 10, United States Code, is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

SEC. 522. DEMONSTRATION PROJECT FOR INSTRUCTION AND SUPPORT OF ARMY ROTC UNITS BY MEMBERS OF THE ARMY RESERVE AND NATIONAL GUARD.

(a) IN GENERAL.—The Secretary of the Army shall carry out a demonstration project in order to assess the feasibility and advisability of providing instruction and similar support to units of the Reserve Officers Training Corps of the Army through members of the Army Reserve (including members of the Individual Ready Reserve) and members of the Army National Guard.

(b) PROJECT REQUIREMENTS.—(1) The Secretary shall carry out the demonstration project at least one institution.

(2) In order to enhance the value of the project, the Secretary may take actions to ensure that members of the Army Reserve and the Army National Guard provide instruction and support under the project in a variety of innovative ways.

(c) INAPPLICABILITY OF LIMITATION ON RESERVES IN SUPPORT OF ROTC.—The assignment of a member of the Army Reserve or the Army National Guard to provide instruction or support under the demonstration project shall not be treated as an assignment of the member to duty with a unit of a Reserve Officer Training Corps program for purposes of section 12321 of title 10, United States Code.

(d) REPORTS.—Not later than February 1 in each of 1998, 1999, 2000, and 2001, the Secretary shall submit to Congress a report assessing the activities under the project during the preceding year. The report submitted in 2000 shall include the Secretary's recommendation as to the advisability of continuing or expanding the authority for the project.

(e) TERMINATION.—The authority of the Secretary to carry out the demonstration project shall expire four years after the date of the enactment of this Act.

Subtitle D—Other Matters

SEC. 531. RETIREMENT AT GRADE TO WHICH SELECTED FOR PROMOTION WHEN A PHYSICAL DISABILITY IS FOUND AT ANY PHYSICAL EXAMINATION.

Section 1372(3) of title 10, United States Code, is amended by striking out "his physical examination for promotion" and inserting in lieu thereof "a physical examination".

SEC. 532. LIMITATIONS ON RECALL OF RETIRED MEMBERS TO ACTIVE DUTY.

(a) NUMBER ON ACTIVE DUTY CONCURRENTLY.—Subsection (c) of section 688 of title 10, United States Code, is amended—

(1) by striking out "(c) Except in time of war, or of national emergency declared by Congress or the President after November 30, 1980, not" and inserting in lieu thereof "(c)(1) Not"; and

(2) by adding at the end the following:

"(2) Not more than 25 officers of any one armed force may be serving on active duty concurrently pursuant to orders to active duty issued under this section.".

(b) OFFICERS RETIRED ON SELECTIVE EARLY RETIREMENT BASIS.—Such section is amended by adding at the end the following:

"(e) The following officers may not be ordered to active duty under this section:

"(1) An officer who retired under section 638 of this title.

"(2) An officer who—

"(A) after having been notified that the officer was to be considered for early retirement under section 638 of this title by a board convened under section 611(b) of this title and before being considered by that board, requested retirement under section 3911, 6323, or 8911 of this title; and

"(B) was retired pursuant to that request.".

(c) LIMITATION OF PERIOD OF RECALL SERVICE.—Such section, as amended by subsection (b), is further amended by adding at the end the following:

"(f)(1) A member ordered to active duty under subsection (a) may not serve on active duty pursuant to orders under such subsection for more than 12 months within the 24 months following the first day of the active duty to which ordered under this section.

"(2) Paragraph (1) does not apply to the following:

"(A) A chaplain who is assigned to duty as a chaplain for the period of active duty to which ordered.

"(B) A health care professional (as characterized by the Secretary concerned) who is assigned to duty as a health care professional for the period of the active duty to which ordered.

"(C) Any officer assigned to duty with the American Battle Monuments Commission for the period of active duty to which ordered.".

(d) WAIVER FOR PERIODS OF WAR OR NATIONAL EMERGENCY.—Such section, as amended by subsection (c), is further amended by adding at the end the following:

"(g)(1) Subsection (c)(1) does not apply in time of war or of national emergency declared by Congress or the President after November 30, 1980.

"(2) Subsections (c)(2), (e), and (f) do not apply in time of war or of national emergency declared by Congress or the President.".

SEC. 533. DISABILITY COVERAGE FOR OFFICERS GRANTED EXCESS LEAVE FOR EDUCATIONAL PURPOSES.

(a) ELIGIBILITY FOR RETIREMENT.—Section 1201 of title 10, United States Code, is amended—

(1) by inserting "(a) RETIREMENT.—" before "Upon a determination";

(2) by striking out "a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days," and inserting in lieu thereof "a member described in subsection (b)";

(3) by inserting after "incurred while entitled to basic pay" the following: "or incurred while absent as described in section 502(b) of title 37 to participate in an educational program (even though not entitled to basic pay by operation of such section)"; and

(4) by adding at the end the following:

"(b) ELIGIBLE MEMBERS.—This section applies to the following members:

"(1) A member of a regular component of the armed forces entitled to basic pay.

"(2) Any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days.

"(3) A member of a regular component of the armed forces who is on active duty but is absent as described in section 502(b) of title 37 to participate in an educational program.".

(b) ELIGIBILITY FOR PLACEMENT ON TEMPORARY DISABILITY RETIREMENT LIST.—Section 1202 of title 10, United States Code, is amended—

(1) by inserting "(a) TEMPORARY RETIREMENT.—" before "Upon a determination"; and

(2) by striking out "a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days," and inserting in lieu thereof "a member described in section 1201(b) of this title".

(c) ELIGIBILITY FOR SEPARATION.—Section 1203 of title 10, United States Code, is amended—

(1) by inserting "(a) SEPARATION.—" before "Upon a determination";

(2) by striking out "a member of a regular component of the armed forces entitled to basic pay, or any other member of the armed forces entitled to basic pay who has been called or ordered to active duty (other than for training under section 10148(a) of this title) for a period of more than 30 days," and inserting in lieu thereof "a member described in section 1201(b) of this title"; and

(3) by inserting after "incurred while entitled to basic pay" the following: "or incurred while absent as described in section 502(b) of title 37 to participate in an educational program (even though not entitled to basic pay by operation of such section)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to physical disabilities incurred on or after such date.

SEC. 534. UNIFORM POLICY REGARDING RETENTION OF MEMBERS WHO ARE PERMANENTLY NONWORLDWIDE ASSIGNABLE.

(a) POLICY REQUIRED.—Chapter 59 of title 10, United States Code, is amended by inserting after section 1176 the following:

"§ 1177. Uniform policy regarding retention of members who are permanently nonworldwide assignable

"The Secretary of Defense shall prescribe regulations setting forth uniform policies and procedures regarding retention of members of the Army, Navy, Air Force, and Marine Corps who are permanently nonworldwide assignable for medical reasons.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1176 the following:

"1177. Uniform policy regarding retention of members who are permanently nonworldwide assignable.".

SEC. 535. AUTHORITY TO EXTEND PERIOD FOR ENLISTMENT IN REGULAR COMPONENT UNDER THE DELAYED ENTRY PROGRAM.

(a) AUTHORITY.—Section 513(b) of title 10, United States Code, is amended by inserting after the first sentence the following: "The Secretary concerned may extend the 365-day period for a person for up to 180 additional days if the Secretary determines that it is in the best interests of the armed force under the Secretary's jurisdiction to do so.".

(b) TECHNICAL AMENDMENTS.—Section 513(b) of such title, as amended by subsection (a), is further amended—

(1) by inserting "(1)" after "(b)";

(2) by designating the third sentence as paragraph (2) and realigning such paragraph, as so designated, flush to the left margin; and

(3) in paragraph (2), as so designated, by striking out "the preceding sentence" and inserting in lieu thereof "paragraph (1)".

SEC. 536. CAREER SERVICE REENLISTMENTS FOR MEMBERS WITH AT LEAST 10 YEARS OF SERVICE.

Subsection (d) of section 505 of title 10, United States Code, is amended to read as follows:

"(d)(1) The Secretary concerned may accept a reenlistment in the Regular Army, Regular Navy, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be, for a period determined under this subsection.

"(2) In the case of a member who has less than 10 years of service in the armed forces as of the day before the first day of the period for which reenlisted, the period for which the member reenlists shall be at least two years but not more than six years.

"(3) In the case of a member who has at least 10 years of service in the armed forces as of the day before the first day of the period for which reenlisted, the Secretary concerned may accept a reenlistment for either—

"(A) a specified period of at least two years but not more than six years; or

"(B) an unspecified period.

"(4) No enlisted member is entitled to be reenlisted for a period that would expire before the end of the member's current enlistment.".

SEC. 537. REVISIONS TO MISSING PERSONS AUTHORITIES.

(a) REPEAL OF APPLICABILITY OF AUTHORITIES TO DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES.—(1) Section 1501 of title 10, United States Code, is amended—

(A) by striking out subsection (c) and inserting in lieu thereof the following new subsection (c):

"(c) COVERED PERSONS.—Section 1502 of this title applies in the case of any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for."; and

(B) by striking out subsection (f).

(2) Section 1503(c) of such title is amended—

(A) in paragraph (1), by striking out "one individual described in paragraph (2)" and inserting in lieu thereof "one military officer";

(B) by striking out paragraph (2); and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(3) Section 1504(d) of such title is amended—

(A) by striking out the text of paragraph (1) and inserting in lieu thereof the following new text: "A board under this section shall be composed of at least three members who are officers having the grade of major or lieutenant commander or above."; and

(B) in paragraph (4), by striking out "section 1503(c)(4)" and inserting in lieu thereof "section 1503(c)(3)".

(4) Paragraph (1) of section 1513 of such title is amended to read as follows:

"(1) The term 'missing person' means a member of the armed forces on active duty who is in a missing status.".

(b) REPORT ON PRELIMINARY ASSESSMENT OF STATUS.—(1) Section 1502 of title 10, United States Code, is amended—

(A) in subsection (a)(2)—

(i) by striking out "48 hours" and inserting in lieu thereof "10 days"; and

(ii) by striking out "theater component commander with jurisdiction over the missing person" and inserting in lieu thereof "Secretary concerned";

(B) by striking out subsection (b);

(C) by redesignating subsection (c) as subsection (b); and

(D) in subsection (b), as so redesignated, by striking out the second sentence.

(2) Section 1503(a) of such title is amended by striking out "section 1502(b)" and inserting in lieu thereof "section 1502(a)".

(3) Section 1513 of such title is amended by striking out paragraph (8).

(c) REPEAL OF REQUIREMENTS FOR COUNSELS FOR MISSING PERSONS.—(1) Section 1503 of title 10, United States Code, is amended—

(A) by striking out subsection (f); and

(B) by redesignating subsections (g) through (k) as subsections (f) through (j), respectively.

(2) Section 1504 of such title is amended—

(A) by striking out subsection (f); and

(B) by redesignating subsections (g) through (m) as subsections (f) through (l), respectively.

(3) Such section 1503 is further amended—

(A) in subsection (g)(3), as redesignated by paragraph (1)(B) of this subsection, by striking out "subsection (j)" and inserting in lieu thereof "subsection (i)";

(B) in subsection (h)(1), as so redesignated, by striking out "subsection (h)" and inserting in lieu thereof "subsection (g)";

(C) in subsection (i), as so redesignated—

(i) by striking out "subsection (i)" in the matter preceding paragraph (1) and inserting in lieu thereof "subsection (h)"; and

(ii) in paragraph (1)(B), by striking out "subsection (h)" and inserting in lieu thereof "subsection (g)"; and

(D) in subsection (j), as so redesignated, by striking out "subsection (i)" and inserting in lieu thereof "subsection (h)".

(4) Such section 1504 of such title is amended—

(A) in subsection (a), by striking out "section 1503(i)" and inserting in lieu thereof "section 1503(h)";

(B) in subsection (e)(1), by striking out "section 1503(h)" and inserting in lieu thereof "section 1503(g)";

(C) in subsection (f), as redesignated by paragraph (2)(B) of this subsection, by striking out "subsection (i)" each place it appears in paragraphs (4)(D) and (5)(B) and inserting in lieu thereof "subsection (h)";

(D) in subsection (g)(3)(A), as so redesignated, by striking out "and the counsel for the missing person appointed under subsection (f)";

(E) in subsection (j), as so redesignated—

(i) in paragraph (1)—

(I) by striking out "subsection (j)" in the matter preceding subparagraph (A) and inserting in lieu thereof "subsection (i)";

(II) by inserting "and" at the end of subparagraph (A);

(III) by striking out subparagraph (B); and

(IV) by redesignating subparagraph (C) as subparagraph (B) and in that subparagraph, as so redesignated, by striking out "subsection (g)(5)" and inserting in lieu thereof "subsection (f)(5)"; and

(ii) in paragraph (2), by striking out "subparagraph (C)" and inserting in lieu thereof "subparagraph (B)";

(F) in subsection (k), as redesignated by paragraph (2)(B) of this subsection, by striking out "subsection (k)" in the matter preceding paragraph (1) and inserting in lieu thereof "subsection (j)"; and

(G) in subsection (l), as so redesignated, by striking out "subsection (k)" and inserting in lieu thereof "subsection (l)".

(5) Section 1505(c) of such title is amended—

(A) in paragraph (2), by striking out "(A) the designated missing person's counsel for that person, and (B)"; and

(B) in paragraph (3), by striking out ", with the advice" and all that follows through "paragraph (2),".

(6) Section 1509(a) of such title is amended by striking out "section 1504(g)" and inserting in lieu thereof "section 1504(f)".

(d) FREQUENCY OF SUBSEQUENT REVIEWS.—Subsection (b) of section 1505 of title 10, United States Code, is amended to read as follows:

"(b) FREQUENCY OF SUBSEQUENT REVIEWS.—The Secretary concerned shall conduct inquiries into the whereabouts and status of a person under subsection (a) upon receipt of information that may result in a change of status of the person. The Secretary concerned shall appoint a board to conduct such inquiries.".

(e) REPEAL OF STATUTORY PENALTIES FOR WRONGFUL WITHHOLDING OF INFORMATION.—Section 1506 of title 10, United States Code, is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(f) INFORMATION TO ACCOMPANY RECOMMENDATION OF STATUS OF DEATH.—Section 1507(b) of title 10, United States Code, is amended by striking out paragraphs (3) and (4).

(g) REPEAL OF RIGHT OF JUDICIAL REVIEW.—Section 1508 of title 10, United States Code, is repealed.

(h) SCOPE OF PREENACTMENT REVIEW.—(1) Section 1509 of title 10, United States Code, is amended—

(A) in subsection (b)—

(i) by striking out paragraph (1); and

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(B) by striking out subsection (c);

(C) by redesignating subsection (d) as subsection (c); and

(D) in subsection (c), as so redesignated—

(i) by striking out paragraph (1); and

(ii) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(2) The section heading of such section is amended by striking out "**, special interest cases**".

(i) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 76 of title 10, United States Code, is amended—

(1) in the item relating to section 1509, by striking out ", special interest cases"; and

(2) by striking out the item relating to section 1509.

SEC. 538. INAPPLICABILITY OF SOLDIERS' AND SAILORS' CIVIL RELIEF ACT OF 1940 TO THE PERIOD OF LIMITATIONS FOR FILING CLAIMS FOR CORRECTIONS OF MILITARY RECORDS.

(a) EXTENSION OF PERIOD.—Section 1552(b) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) Notwithstanding the provisions of section 205 of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 525), and any other provision of law, the three-year period for filing a request for correction of records is not extended by reason of military service. However, in determining under paragraph (1) whether it is in the interest of justice to excuse a failure timely to file a request for correction, the board shall consider the claimant's military service and its effect on the claimant's ability to file a claim.".

(b) EFFECTIVE DATE.—Paragraph (2) of section 1552(b) of such title, as added by subsection (a), shall take effect three years after the date of the enactment of this Act.

SEC. 539. MEDAL OF HONOR FOR CERTAIN AFRICAN-AMERICAN SOLDIERS WHO SERVED IN WORLD WAR II.

(a) INAPPLICABILITY OF TIME LIMITATIONS.—Notwithstanding the time limitations in section 3744(b) of title 10, United States Code, or any other time limitation, the President may award the Medal of Honor to each person identified in subsection (b), each such person having distinguished himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving in the United States Army during World War II.

(b) APPLICABILITY.—The authority in this section applies with respect to the following persons:

(1) Vernon J. Baker, who served as a first lieutenant in the 370th Infantry Regiment, 92nd Infantry Division.

(2) Edward A. Carter, who served as a staff sergeant in the 56th Armored Infantry Battalion, 12th Armored Division.

(3) John R. Fox, who served as a first lieutenant in the 366th Infantry Regiment, 92nd Infantry Division.

(4) Willy F. James, Jr., who served as a private first class in the 413th Infantry Regiment, 104th Infantry Division.

(5) Ruben Rivers, who served as a staff sergeant in the 761st Tank Battalion.

(6) Charles L. Thomas, who served as a first lieutenant in the 614th Tank Destroyer Battalion.

(7) George Watson, who served as a private in the 29th Quartermaster Regiment.

(c) POSTHUMOUS AWARD.—The Medal of Honor may be awarded under this section posthumously, as provided in section 3752 of title 10, United States Code.

(d) PRIOR AWARD.—The Medal of Honor may be awarded under this section for service for which a Distinguished-Service Cross, or other award, has been awarded.

Subtitle E—Commissioned Corps of the Public Health Service

SEC. 561. APPLICABILITY TO PUBLIC HEALTH SERVICE OF PROHIBITION ON CREDITING CADET OR MIDSHIPMEN SERVICE AT THE SERVICE ACADEMIES.

Section 971(b) of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end the following: "or an officer in the Commissioned Corps of the Public Health Service"; and

(2) in subsection (b)—

(A) by striking out "and" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new paragraph:

"(4) no officer in the Commissioned Corps of the Public Health Service may be credited with service as a midshipman at the United States Naval Academy or as a cadet at the United States Military Academy, United States Air Force Academy, or United States Coast Guard Academy.".

SEC. 562. EXCEPTION TO GRADE LIMITATIONS FOR PUBLIC HEALTH SERVICE OFFICERS ASSIGNED TO THE DEPARTMENT OF DEFENSE.

Section 206 of the Public Health Service Act (42 U.S.C. 207 et seq.) is amended by adding at the end thereof the following new subsection:

"(f) EXCEPTION TO GRADE LIMITATIONS FOR OFFICERS ASSIGNED TO DEPARTMENT OF DEFENSE.—In computing the maximum number of commissioned officers of the Public Health Service authorized by law to hold a grade which corresponds to the grade of captain, major, lieutenant colonel, or colonel, there may be excluded from such computation officers who hold such a grade while the officers are assigned to duty in the Department of Defense.".

Subtitle F—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

SEC. 571. AUTHORITY TO EXPAND LAW ENFORCEMENT PLACEMENT PROGRAM TO INCLUDE FIREFIGHTERS.

Section 1152(g) of title 10, United States Code, is amended—

(1) by striking out "(g) CONDITIONAL EXPANSION OF PLACEMENT TO INCLUDE FIREFIGHTERS.—(1) Subject to paragraph (2), the" and inserting in lieu thereof "(g) AUTHORITY TO EXPAND PLACEMENT TO INCLUDE FIREFIGHTERS.—The"; and

(2) in paragraph (2), by striking out the first sentence.

SEC. 572. TROOPS-TO-TEACHERS PROGRAM IMPROVEMENTS.

(a) SEPARATED MEMBERS OF THE ARMED FORCES.—(1) Subsection (a) of section 1151 of title 10, United States Code, is amended by striking out "may establish" and inserting in lieu thereof "shall establish".

(2) Such section is further amended—

(A) in subsection (f)(2), by striking out "five school years" in subparagraphs (A) and (B) and inserting in lieu thereof "two school years"; and

(B) in subsection (h)(3)(A), by striking out "five consecutive school years" and inserting in lieu thereof "two consecutive school years".

(3) Subsection (g)(2) of such section is amended—

(A) by striking out the comma after "section 1174a of this title" and inserting in lieu thereof "or"; and

(B) by striking out ", or retires pursuant to the authority provided in section 4403 of the National Defense Authorization Act for fiscal year 1993 (Public Law 102-484; 10 U.S.C. 1293 note)".

(4) Subsection (h)(3)(B) of such section is amended—

(A) in clause (i), by striking out "$25,000" and inserting in lieu thereof "$17,000";

(B) in clause (ii)—

(i) by striking out "40 percent" and inserting in lieu thereof "25 percent"; and

(ii) by striking out "$10,000" and inserting in lieu thereof "$8,000"; and

(C) by striking out clauses (iii), (iv), and (v).

(b) SAVINGS PROVISION.—The amendments made by this section do not effect obligations under agreements entered into in accordance with section 1151 of title 10, United States Code, before the date of the enactment of this Act.

Subtitle G—Armed Forces Retirement Home

SEC. 581. REFERENCES TO ARMED FORCES RETIREMENT HOME ACT OF 1991.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Armed Forces Retirement Home Act of 1991 (title XV of Public Law 101-510; 24 U.S.C. 401 et seq.).

SEC. 582. ACCEPTANCE OF UNCOMPENSATED SERVICES.

(a) AUTHORITY.—Part A is amended by adding at the end the following:

"SEC. 1522. AUTHORITY TO ACCEPT CERTAIN UNCOMPENSATED SERVICES.

"(a) AUTHORITY TO ACCEPT SERVICES.—Subject to subsection (b) and notwithstanding section 1342 of title 31, United States Code, the Chairman of the Retirement Home Board or the Director of each establishment of the Retirement Home may accept from any person voluntary personal services or gratuitous services unless the acceptance of the voluntary services is disapproved by the Retirement Home Board.

"(b) REQUIREMENTS AND LIMITATIONS.—(1) The Chairman of the Retirement Home Board or the Director of the establishment accepting the services shall notify the person of the scope of the services accepted.

"(2) The Chairman or Director shall—

"(A) supervise the person providing the services to the same extent as that official would supervise a compensated employee providing similar services; and

"(B) ensure that the person is licensed, privileged, has appropriate credentials, or is otherwise qualified under applicable laws or regulations to provide such services.

"(3) A person providing services accepted under subsection (a) may not—

"(A) serve in a policymaking position of the Retirement Home; or

"(B) be compensated for the services by the Retirement Home.

"(c) AUTHORITY TO RECRUIT AND TRAIN PERSONS PROVIDING SERVICES.—The Chairman of the Retirement Home Board or the Director of an establishment of the Retirement Home may recruit and train persons to provide services authorized to be accepted under subsection (a).

"(d) STATUS OF PERSONS PROVIDING SERVICES.—(1) Subject to paragraph (3), while providing services accepted under subsection (a) or receiving training under subsection (c), a person shall be considered to be an employee of the Federal Government only for purposes of the following provisions of law:

"(A) Subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work-related injuries).

"(B) Chapter 171 of title 28, United States Code (relating to claims for damages or loss).

"(2) A person providing services accepted under subsection (a) shall be considered to be an employee of the Federal Government under paragraph (1) only with respect to services that are within the scope of the services accepted.

"(3) For purposes of determining the compensation for work-related injuries payable under chapter 81 of title 5, United States Code (pursuant to this subsection) to a person providing services accepted under subsection (a), the monthly pay of the person for such services shall be deemed to be the amount determined by multiplying—

"(A) the average monthly number of hours that the person provided the services, by

"(B) the minimum wage determined in accordance with section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)).

"(e) REIMBURSEMENT OF INCIDENTAL EXPENSES.—The Chairman of the Retirement Board or the Director of the establishment accepting services under subsection (a) may provide for reimbursement of a person for incidental expenses incurred by the person in providing the services accepted under subsection (a). The Chairman or Director shall determine which expenses qualify for reimbursement under this subsection.".

(b) FEDERAL STATUS OF RESIDENTS PAID FOR PART-TIME OR INTERMITTENT SERVICES.—Paragraph (2) of section 1521(b) (24 U.S.C. 421(b)) is amended to read as follows:

"(2) being an employee of the United States for any purpose other than—

"(A) subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work-related injuries); and

"(B) chapter 171 of title 28, United States Code (relating to claims for damages or loss).".

SEC. 583. DISPOSAL OF REAL PROPERTY.

(a) DISPOSAL AUTHORIZED.—Notwithstanding title II the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.), title VIII of such Act (40 U.S.C. 531 et seq.), section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), or any other provision of law relating to the management and disposal of real property by the United States, but subject to subsection (d), the Retirement Home Board may, by sale or otherwise, convey all right, title, and interest of the United States in a parcel of real property, including improvements thereof, consisting of approximately 49 acres located in Washington, District of Columbia, east of North Capitol Street, and recorded as District Parcel 121/19.

(b) MANNER, TERMS, AND CONDITIONS OF DISPOSAL.—The Retirement Home may determine—

(1) the manner for the disposal of the real property under subsection (a); and

(2) the terms and conditions for the conveyance of that property, including any terms and conditions that the Board considers necessary to protect the interests of the United States.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Board. The cost of the survey shall be borne by the party or parties to which the property is to be conveyed.

(d) CONGRESSIONAL NOTIFICATION.—(1) Before disposing of real property under subsection (a), the Board shall notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of the proposed disposal. The Board may not dispose of the real property until the later of—

(A) the date that is 60 days after the date on which the notification is received by the committees; or

(B) the date of the next day following the expiration of the first period of 30 days of continuous session of Congress that follows the date on which the notification is received by the committees.

(2) For the purposes of paragraph (1)—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

SEC. 584. MATTERS CONCERNING PERSONNEL.

(a) TERMS OF APPOINTMENT TO GOVERNING BOARDS.—Section 1515(e) (24 U.S.C. 415(e)) is amended—

(1) in paragraph (1), by striking out "subsection (f)" and inserting in lieu thereof "paragraph (2)";

(2) by redesignating paragraph (2) as paragraph (4); and

(3) by adding after paragraph (1) the following new paragraphs:

"(2)(A) In the case of a member of a board who is appointed or designated under subsection (b) or (c) on the basis of a particular status described in a paragraph under that subsection, the appointment or designation of that member terminates on the date on which the member ceases to hold that status. The preceding sentence applies only to members of the Armed Forces on active duty and employees of the United States.

"(B) Paragraph (1) does not apply with respect to an appointment or designation of a member of a board for a term of less than five years that is made in accordance with subsection (f).

"(3) A member of the Retirement Home Board and a member of a Local Board may be reappointed for one consecutive term by the Chairman of that board.".

(b) DUAL COMPENSATION.—(1) Section 1517 (24 U.S.C. 417) is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following new subsection (f):

"(f) DUAL COMPENSATION.—(1) The Retirement Home Board may waive the application of section 5532 of title 5, United States Code, to the Director of an establishment of the Retirement Home or any employee of the Retirement Home (to the extent that such section would otherwise apply to the Director or employee by reason of the employment as Director or employee). The Chairman of the Board shall notify the Secretary of the Treasury of any waiver exercised under the preceding sentence and the effective date of the waiver.

"(2) If the application of section 5532 of title 5, United States Code, to a Director or employee is waived under paragraph (1), the rate of pay payable out of the Retirement Home Trust Fund for the Director or employee shall be the amount equal to the excess, if any, of the periodic rate of pay fixed for the position of the Director or employee over the amount by which the retired or retainer pay payable to the Director or employee would have been reduced (computed on the basis of that periodic rate of pay for that position) if section 5532 of title 5, United States Code, had not been waived.

"(3)(A) In the case of a Director or employee paid at a rate of pay that is reduced under paragraph (2), the amounts deducted and withheld from pay for purposes of chapter 81, subchapter III of chapter 83, chapter 84, chapter 87, or chapter 89 of title 5, United States Code, all agency contributions required under such provisions of law, the maximum amount of contributions that may be made to the Thrift Saving Fund under subchapter III of chapter 84 of title 5, United States Code, the rate of disability compensation payable under subchapter I of chapter 81 of such title, the levels of life insurance coverage provided under chapter 87 of such title, and the amounts of annuities under subchapter III of chapter 83 of such title and subchapter II of chapter 84 of such title shall be computed as if the Director or employee were paid the full rate of pay fixed for the position of the Director or employee for the period for which the Director was paid at the reduced rate of pay under that paragraph.

"(B) If the amount payable to a Director or employee under paragraph (2) is less than the total amount required to be deducted and withheld from the pay of the Director or employee under a provision of law referred to in subparagraph (A), the amount of the deficiency shall be paid by the Director or employee. The participation or benefits available to a Director or employee who fails to pay a deficiency promptly shall be restricted in accordance with regulations which the Director of the Office of Personnel Management shall prescribe.

"(4) In this section, the term 'retired or retainer pay' has the meaning given such term in section 5531 of title 5, United States Code.".

(2) Section 1516(f) (24 U.S.C. 416(f)) is amended—

(A) by inserting "(1)" after "(f) ANNUAL REPORT.—"; and

(B) by adding at the end the following:

"(2) In addition to other matters covered by the annual report for a fiscal year, the annual report shall identify each Director or employee, if any, whose pay was reduced for any period during that fiscal year pursuant to an exercise of the waiver authority under section 1517(f), and shall include a discussion that demonstrates that the unreduced rate of pay established for the position of that Director or employee is comparable to the prevailing rates of pay provided for personnel in the retirement home industry who perform functions similar to those performed by the Director or employee.".

(3) Subsection (f) of section 1517 (as added by paragraph (1)(B)) and subsection (f)(2) of section 1516 (as added by paragraph (2)(B)) shall apply with respect to pay periods beginning on or after January 1, 1997.

SEC. 585. FEES FOR RESIDENTS.

(a) ONE-YEAR DELAY IN IMPLEMENTATION OF NEW FEE STRUCTURE.—(1) Subsection (d)(2) of section 371 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2735; 24 U.S.C. 414 note) is amended by striking out "October 1, 1997" and inserting in lieu thereof "October 1, 1998".

(2) Subsection (b)(2)(B) of such section is amended by striking out "1998", "1999", and "2000" in paragraphs (1) and (2) of the subsection (d) that is set forth in such subsection (b)(2)(B) as an amendment to section 1514 of the Armed Forces Retirement Home Act of 1991 and inserting in lieu thereof "1999", "2000", and "2001", respectively.

(b) REPORT ON FUNDING THE ARMED FORCES RETIREMENT HOME.—(1) Not later than March 3, 1997, the Secretary of Defense shall submit to Congress a report on meeting the funding needs of the Armed Forces Retirement Home in a manner that is fair and equitable to the residents and to the members of the Armed Forces who provide required monthly contributions for the home.

(2) The report shall include the following:

(A) The increment between levels of income of a resident of the Armed Forces Retirement Home that is appropriate for applying the next higher monthly fee to a resident under a monthly fee structure for the residents of the home.

(B) The categories of income and disability payments that should generally be considered as monthly income for the purpose of determining the fee applicable to a resident and the conditions under which each such category should be considered as monthly income for such purpose.

(C) The degree of flexibility that should be provided the Armed Forces Retirement Home Board for the setting of fees for residents.

(D) A discussion of whether the Armed Forces Retirement Home Board has and should have authority to vary the fee charged a resident under exceptional circumstances, together with any recommended legislation regarding such an authority.

(E) A discussion of how to ensure fairness and equitable treatment of residents and of warrant officers and enlisted members of the Armed Forces in meeting the funding needs of the Armed Forces Retirement Home.

(F) The advisability of exercising existing authority to increase the amount deducted from the pay of warrant officers and enlisted personnel for the Armed Forces Retirement Home under section 1007(i) of title 37, United States Code.

(G) Options for ways to meet the funding needs of the Armed Forces Retirement Home without increasing the amount deducted from pay under section 1007(i) of title 37, United States Code.

(H) Any other matters that the Secretary of Defense, after the consultation required by paragraph (3), considers appropriate regarding funding of the Armed Forces Retirement Home.

(3) The Secretary shall consult the Armed Forces Retirement Home Board and the secretaries of the military departments in preparing the report under this subsection.

SEC. 586. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated for fiscal year 1997 from the Armed Forces Retirement Home Trust Fund the sum of $57,345,000 for the operation of the Armed Forces Retirement Home.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1997.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1997 shall not be made.

(b) INCREASE IN BASIC PAY AND BAS.—Effective January 1, 1997, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 3.0 percent.

(c) INCREASE IN BAQ.—Effective January 1, 1997, the rates of basic allowance for quarters of members of the uniformed services are increased by 4.0 percent.

SEC. 602. RATE OF CADET AND MIDSHIPMAN PAY.

Section 203(c) of title 37, United States Code, is amended—

(1) by striking out paragraph (2); and

(2) in paragraph (1), by striking out "(1)".

SEC. 603. PAY OF SENIOR NONCOMMISSIONED OFFICERS WHILE HOSPITALIZED.

(a) IN GENERAL.—Section 210 of title 37, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection (b):

"(b) A senior enlisted member of an armed force shall continue to be entitled to the rate of basic pay authorized for the senior enlisted member of that armed force while the member is hospitalized, beginning on the day of the hospitalization and ending on the day the member is discharged from the hospital, but not for more than 180 days.".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 210. Pay of the senior noncommissioned officer of an armed force during terminal leave and while hospitalized".

(2) The item relating to such section in the table of sections at the beginning of chapter 3 of title 10, United States Code, is amended to read as follows:

"210. Pay of the senior noncommissioned officer of an armed force during terminal leave and while hospitalized.".

SEC. 604. BASIC ALLOWANCE FOR QUARTERS FOR MEMBERS ASSIGNED TO SEA DUTY.

(a) ENTITLEMENT OF SINGLE MEMBERS ABOVE GRADE E–5.—Section 403(c)(2) of title 37, United States Code, is amended by striking out the second sentence.

(b) ENTITLEMENT OF CERTAIN SINGLE MEMBERS IN GRADE E–5.—Section 403(c)(2) of such title, as amended by subsection (a), is further amended by adding at the end the following: "However, the Secretary concerned may authorize payment of the basic allowance for quarters to members of a uniformed service without dependents who are in pay grade E–5, are on sea duty, and are not provided Government quarters ashore.".

(c) ENTITLEMENT WHEN BOTH SPOUSES IN GRADES BELOW GRADE E–6 ARE ASSIGNED TO SEA DUTY.—Section 403(c)(2) of such title, as amended by subsections (a) and (b), is further amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end the following: "Notwithstanding section 421 of this title, two members of the uniformed services in pay grades below E–6 who are married to each other, have no dependent other than the spouse, and are simultaneously assigned to sea duty on ships are jointly entitled to one basic allowance for quarters at the rate provided for members with dependents in the highest pay grade in which either spouse is serving.".

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on October 1, 1996.

SEC. 605. UNIFORM APPLICABILITY OF DISCRETION TO DENY AN ELECTION NOT TO OCCUPY GOVERNMENT QUARTERS.

Section 403(b)(3) of title 37, United States Code, is amended by striking out "A member" and inserting in lieu thereof "Subject to the provisions of subsection (j), a member".

SEC. 606. FAMILY SEPARATION ALLOWANCE FOR MEMBERS SEPARATED BY MILITARY ORDERS FROM SPOUSES WHO ARE MEMBERS.

Section 427(b) of title 37, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out "or" at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; or"; and

(C) by adding at the end the following:

"(D) the member is married to a member of a uniformed service, the member has no dependent other than the spouse, the two members are separated by reason of the execution of military orders, and the two members were residing together immediately before being separated by reason of execution of military orders."; and

(2) by adding at the end the following:

"(5) Section 421 of this title does not apply to bar an entitlement to an allowance under paragraph (1)(D). However, not more than one monthly allowance may be paid with respect to a married couple under paragraph (1)(D) for any month.".

SEC. 607. WAIVER OF TIME LIMITATIONS FOR CLAIM FOR PAY AND ALLOWANCES.

Section 3702 of title 31, United States Code, is amended by adding at the end the following:

"(e)(1) Upon the request of the Secretary concerned (as defined in section 101 of title 37), the Comptroller General may waive the time limitations set forth in subsection (b) or (c) in the case of a claim for pay or allowances provided under title 37 and, subject to paragraph (2), settle the claim.

"(2) Payment of a claim settled under paragraph (1) shall be subject to the availability of appropriations for payment of that particular claim.

"(3) This subsection does not apply to a claim in excess of $25,000.".

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Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.—Section 302g(f) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998,".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(d) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(e) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(f) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out "October 1, 1997" and inserting in lieu thereof "October 1, 1998".

(g) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out "October 1, 1997" and inserting in lieu thereof "October 1, 1998".

SEC. 614. INCREASED SPECIAL PAY FOR DENTAL OFFICERS OF THE ARMED FORCES.

(a) INCREASED RATES.—Section 302b(a) of title 37, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking out "$1,200" and inserting in lieu thereof "$3,000";

(B) in subparagraph (B), by striking out "$2,000" and inserting in lieu thereof "$7,000"; and

(C) in subparagraph (C), by striking out "$4,000" and inserting in lieu thereof "$7,000";

(2) in paragraph (4), by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D), respectively, and by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

"(A) $4,000 per year, if the officer has less than three years of creditable service."; and

(3) in paragraph (5)—

(A) in subparagraph (A)—

(i) by striking out "$2,000" and inserting in lieu thereof "$2,500"; and

(ii) by striking out "12 years" and inserting in lieu thereof "10 years";

(B) in subparagraph (B)—

(i) by striking out "$3,000" and inserting in lieu thereof "$3,500"; and

(ii) by striking out "12 but less than 14 years" and inserting in lieu thereof "10 but less than 12 years"; and

(C) in subparagraph (C), by striking out "14 or more years" and inserting in lieu thereof "12 or more years".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1996.

SEC. 615. RETENTION SPECIAL PAY FOR PUBLIC HEALTH SERVICE OPTOMETRISTS.

Section 302a(b) of title 37, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking out "an armed force" in the matter preceding subparagraph (A) and inserting in lieu thereof "a uniformed service"; and

(B) by striking out "of the military department" in subparagraph (C); and

(2) in paragraph (4), by striking out "of the military department".

SEC. 616. SPECIAL PAY FOR NONPHYSICIAN HEALTH CARE PROVIDERS IN THE PUBLIC HEALTH SERVICE.

Section 302c(d) of title 37, United States Code, is amended—

(1) in the matter preceding paragraph (1), by striking out "Secretary of Defense" and inserting in lieu thereof "Secretary concerned"; and

(2) in paragraph (1)—

(A) by striking out "or" the third place it appears; and

(B) by inserting before the period at the end the following: ", or an officer in the Regular or Reserve Corps of the Public Health Service".

SEC. 617. FOREIGN LANGUAGE PROFICIENCY PAY FOR PUBLIC HEALTH SERVICE AND NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OFFICERS.

(a) ELIGIBILITY.—Section 316 of title 37, United States Code, is amended in subsection (a)—

(1) in the matter preceding paragraph (1), by striking out "armed forces" and inserting in lieu thereof "uniformed services";

(2) in paragraph (2)—

(A) by striking out "Secretary of Defense" and inserting in lieu thereof "Secretary concerned"; and

(B) by inserting "or public health" after "national defense"; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking out "military" and inserting in lieu thereof "uniformed services";

(B) in subparagraph (C), by striking out "military"; and

(C) in subparagraph (D)—

(i) by striking out "Department of Defense" and inserting in lieu thereof "uniformed service"; and

(ii) by striking out "Secretary of Defense" and inserting in lieu thereof "Secretary concerned".

(b) ADMINISTRATION.—Subsection (d) of such section is amended—

(1) by striking out "his jurisdiction and" and inserting in lieu thereof "the Secretary's jurisdiction,"; and

(2) by inserting before the period at the end ", by the Secretary of Health and Human Services for the Commissioned Corps of the Public Health Service, and by the Secretary of Commerce for the National Oceanic and Atmospheric Administration".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1996, and apply with respect to months beginning on or after such date.

Subtitle C—Travel and Transportation Allowances

SEC. 621. ROUND TRIP TRAVEL ALLOWANCES FOR SHIPPING MOTOR VEHICLES AT GOVERNMENT EXPENSE.

(a) IN GENERAL.—Section 406(b)(1)(B) of title 37, United States Code, is amended as follows—

(1) in clause (i)(I), by inserting ", including return travel to the old duty station," after "nearest the old duty station"; and

(2) in clause (ii), by inserting ", including travel from the new duty station to the port of debarkation to pick up the vehicle" after "to the new duty station".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on April 1, 1997.

SEC. 622. OPTION TO STORE INSTEAD OF TRANSPORT A PRIVATELY OWNED VEHICLE AT THE EXPENSE OF THE UNITED STATES.

(a) IN GENERAL.—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (g);

(2) by transferring subsection (g), as so redesignated, to the end of such section; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) When a member is ordered to make a change of permanent station to a foreign country and the member is authorized under subsection (a) to have a vehicle transported under that subsection, the Secretary may authorize the member to store the vehicle (instead of having it transported) if restrictions imposed by the foreign country or the United States preclude entry of the vehicle into that country or require extensive modification of the vehicle as a condition for entry of the vehicle into the country. The cost of the storage of the vehicle, and costs associated with the delivery of the vehicle for storage and removal of the vehicle for delivery from storage shall be paid by the United States. Costs paid under this subsection may not exceed reasonable amounts, as determined under regulations prescribed by the Secretary of Defense (and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy).".

(b) UNACCOMPANIED TOURS.—Subsection (h)(1)(B) of section 406 of title 37, United States Code, is amended to read as follows:

"(B) in the case of a member described in paragraph (2)(A), authorize the transportation of one motor vehicle that is owned by the member (or a dependent of a member) and is for his dependent's personal use to that location by means of transportation authorized under section 2634 of title 10, or authorize storage of such motor vehicle if the storage of the motor vehicle is otherwise authorized under that section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1996.

SEC. 623. DEFERRAL OF TRAVEL WITH TRAVEL AND TRANSPORTATION ALLOWANCES IN CONNECTION WITH LEAVE BETWEEN CONSECUTIVE OVERSEAS TOURS.

(a) AUTHORITY FOR ADDITIONAL DEFERRAL OF TRAVEL.—Section 411b(a)(2) of title 37, United States Code, is amended by adding at the end the following: "A member may defer the travel for one additional year if, due to participation in a contingency operation, the member is unable to commence the travel within the one-year period provided for under the preceding sentence.".

(b) EFFECTIVE DATE.—The amendment made by subsection shall (a) take effect as of November 1, 1995, and shall apply with respect to members of the uniformed services who, on or after that date, participate in critical operational missions, as determined under the third sentence of section 411b(a)(2) of title 37, United States Code (as added by subsection (a)).

SEC. 624. FUNDING FOR TRANSPORTATION OF HOUSEHOLD EFFECTS OF PUBLIC HEALTH SERVICE OFFICERS.

Section 406(j)(1) of title 37, United States Code, is amended in the first sentence—

(1) by inserting ", and appropriations available to the Department of Health and Human Services for providing transportation of household effects of members of the Commissioned Corps of the Public Health Service under subsection (b)," after "members of the armed forces under subsection (b)"; and

(2) by striking out "of the military department".

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

SEC. 631. EFFECTIVE DATE FOR MILITARY RETIREE COST-OF-LIVING ADJUSTMENT FOR FISCAL YEAR 1998.

(a) REPEAL OF ADJUSTMENT OF EFFECTIVE DATE FOR FISCAL YEAR 1998.—Section 1401a(b)(2)(B) of title 10, United States Code, is amended—

(1) by striking out "(B) SPECIAL RULES" and all that follows through "In the case of" in clause (i) and inserting in lieu thereof "(B) SPECIAL RULE FOR FISCAL YEAR 1996.—In the case of"; and

(2) by striking out clause (ii).

(b) REPEAL OF CONTINGENT ALTERNATIVE DATE FOR FISCAL YEAR 1998.—Section 631 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 364) is amended by striking out subsection (b).

SEC. 632. ALLOTMENT OF RETIRED OR RETAINER PAY.

(a) AUTHORITY.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 71 the following new chapter:

"CHAPTER 72—MISCELLANEOUS RETIRED AND RETAINER PAY AUTHORITIES

"Sec.

"1421. Allotments.

"§ 1421. Allotments

"(a) AUTHORITY.—Subject to such conditions and restrictions as may be provided in regulations prescribed under subsection (b), a member or former member of the armed forces entitled to retired or retainer pay may transfer or assign the member or former member's retired or retainer pay account when due and payable.

"(b) REGULATIONS.—The Secretaries of the military departments and the Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy) shall prescribe uniform regulations for the administration of subsection (a).".

(2) The tables of chapters at the beginning of subtitle A of such title and the beginning of part II of such subtitle are amended by inserting after the item relating to chapter 71 the following:

"72. Miscellaneous retired and retainer pay authorities .... 1421".

(b) IMPLEMENTATION.—(1) Notwithstanding section 1421 of title 10, United States Code (as added by subsection (a)), a person entitled to retired or retainer pay may not initiate a transfer or assignment of retired or retainer pay under such section until regulations prescribed under subsection (b) of such section take effect.

(2) The Secretaries of the military departments and the Secretary of Transportation shall prescribe regulations under subsection (b) of such section that ensure that, beginning not later than October 1, 1997, a person may make up to six transfers or assignments of the person's retired or retainer pay account when due and payable for payment of any financial obligations.

SEC. 633. COST-OF-LIVING INCREASES IN SBP CONTRIBUTIONS TO BE EFFECTIVE CONCURRENTLY WITH PAYMENT OF RELATED RETIRED PAY COST-OF-LIVING INCREASES.

(a) SURVIVOR BENEFIT PLAN.—Section 1452(h) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(h)"; and

(2) by adding at the end the following new subsection:

"(2)(A) Notwithstanding paragraph (1), when the initial payment of an increase in retired pay under section 1401a of this title (or any other provision of law) to a person is later than the effective date of that increase by reason of the application of subsection (b)(2)(B) of such section (or section 631(b) of Public Law 104–106 (110 Stat. 364)), then the amount of the reduction in the person's retired pay shall be effective on the date of that initial payment of the increase in retired pay rather than the effective date of the increase in retired pay.

"(B) Subparagraph (A) may not be construed as delaying, for purposes of determining the amount of a monthly annuity under section 1451 of this title, the effective date of an increase in a base amount under subsection (h) of such section from the effective date of an increase in retired pay under section 1401a of this title to the date on which the initial payment of that increase in retired pay is made in accordance with subsection (b)(2)(B) of such section 1401a.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to retired pay payable for months beginning on or after the date of the enactment of this Act.

SEC. 634. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) SURVIVOR ANNUITY.—(1) The Secretary concerned shall pay an annuity to the qualified surviving spouse of each member of the uniformed services who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1, 1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of this section is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92–425 (10 U.S.C. 1448 note).

(b) AMOUNT OF ANNUITY.—(1) An annuity under this section shall be paid at the rate of $165 per month, as adjusted from time to time under paragraph (3).

(2) An annuity paid to a surviving spouse under this section shall be reduced by the amount of any dependency and indemnity compensation (DIC) to which the surviving spouse is entitled under section 1311(a) of title 38, United States Code.

(3) Whenever after the date of the enactment of this Act retired or retainer pay is increased under section 1401a(b)(2) of title 10, United States Code, each annuity that is payable under this section shall be increased at the same time and by the same total percent. The amount of the increase shall be based on the amount of the monthly annuity payable before any reduction under this section.

(c) APPLICATION REQUIRED.—No benefit shall be paid to any person under this section unless an application for such benefit is filed with the Secretary concerned by or on behalf of such person.

(d) DEFINITIONS.—For purposes of this section:

(1) The terms "uniformed services" and "Secretary concerned" have the meanings given such terms in section 101 of title 37, United States Code.

(2) The term "surviving spouse" has the meaning given the terms "widow" and "widower" in paragraphs (3) and (4) of section 1447 of title 10, United States Code.

(e) PROSPECTIVE APPLICABILITY.—(1) Annuities under this section shall be paid for months beginning after the month in which this Act is enacted.

(2) No benefit shall accrue to any person by reason of the enactment of this section for any period before the first month referred to in paragraph (1).

SEC. 635. ADJUSTED ANNUAL INCOME LIMITATION APPLICABLE TO ELIGIBILITY FOR INCOME SUPPLEMENT FOR CERTAIN WIDOWS OF MEMBERS OF THE UNIFORMED SERVICES.

Section 4 of Public Law 92–425 (10 U.S.C. 1448 note) is amended by striking out "$2,340" in subsection (a)(3) and in the first sentence of subsection (b) and inserting in lieu thereof "$5,448".

Subtitle E—Other Matters

SEC. 641. REIMBURSEMENT FOR ADOPTION EXPENSES INCURRED IN ADOPTIONS THROUGH PRIVATE PLACEMENTS.

(a) DEPARTMENT OF DEFENSE.—Section 1052(g)(1) of title 10, United States Code, is amended by striking out "adoption or by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption" and inserting in lieu thereof "adoption, by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption, or by any other source if the adoption is supervised by a court under State or local law".

(b) COAST GUARD.—Section 514(g)(1) of title 14, United States Code, is amended by striking out "adoption or by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption" and inserting in lieu thereof "adoption, by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption, or by any other source if the adoption is supervised by a court under State or local law".

SEC. 642. WAIVER OF RECOUPMENT OF AMOUNTS WITHHELD FOR TAX PURPOSES FROM CERTAIN SEPARATION PAY RECEIVED BY INVOLUNTARILY SEPARATED MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—Section 1174(h) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting "(less the amount of Federal income tax withheld from such pay)" before the period at the end; and

(2) in paragraph (2), by inserting "(less the amount of Federal income tax withheld from such pay)" before the period at the end of the first sentence.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1996, and shall apply to payments of separation pay, severance pay, or readjustment pay that are made after October 1, 1996.

TITLE VII—HEALTH CARE PROVISIONS

SEC. 701. IMPLEMENTATION OF REQUIREMENT FOR SELECTED RESERVE DENTAL INSURANCE PLAN.

(a) IMPLEMENTATION BY CONTRACT.—Section 1076b(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a) AUTHORITY TO ESTABLISH PLAN.—";

(2) by designating the third sentence as paragraph (3); and

(3) by inserting after paragraph (1), as designated by paragraph (1) of this subsection, the following:

"(2) The Secretary shall provide benefits under the plan through one or more contracts awarded after full and open competition.".

(b) SCHEDULE FOR IMPLEMENTATION.—Section 705(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 373; 10 U.S.C. 1076b note) is amended—

(1) by striking out "Beginning not later than October 1, 1996" in the first sentence and inserting in lieu thereof "During fiscal year 1997";

(2) by striking out "fiscal year 1996" both places it appears and inserting in lieu thereof "fiscal years 1996 and 1997"; and

(3) in the second sentence, by striking out "by that date" and inserting in lieu thereof "during fiscal year 1997".

SEC. 702. DENTAL INSURANCE PLAN FOR MILITARY RETIREES AND CERTAIN DEPENDENTS.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076b the following new section:

"§ 1076c. Military retirees' dental insurance plan

"(a) REQUIREMENT.—(1) The Secretary of Defense shall establish a dental insurance plan for—

"(A) members and former members of the armed forces who are entitled to retired or retainer pay;

"(B) members of the Retired Reserve who, except for not having attained 60 years of age, would be entitled to retired pay; and

"(C) eligible dependents of members and former members covered by the enrollment of such members or former members in the plan.

"(2) The dental insurance plan shall provide for voluntary enrollment of participants and shall authorize a member or former member to enroll for self only or for self and eligible dependents.

"(3) The plan shall be administered under regulations prescribed by the Secretary of Defense, in consultation with the Secretary of Transportation.

"(b) PREMIUMS.—(1) Subject to paragraph (2), a member or former member enrolled in the dental insurance plan shall pay the premiums charged for the insurance coverage. The amount of the premiums payable by a member or former member entitled to retired or retainer pay shall be deducted and withheld from the retired or retainer pay and shall be disbursed to pay the premiums. The regulations prescribed under subsection (a)(3) shall specify the procedures for payment of the premiums by other enrolled members and former members.

"(2) The Secretary of Defense may provide for premium-sharing between the Department of Defense and the members and former members enrolled in the plan.

"(c) BENEFITS AVAILABLE UNDER PLAN.—The dental insurance plan established under subsection (a) shall provide benefits for basic dental care and treatment, including diagnostic services, preventative services, basic restorative services (including endodontics), surgical services, and emergency services.

"(d) COVERAGE.—(1) The Secretary shall prescribe a minimum required period for enrollment by a member or former member in the dental insurance plan established under subsection (a).

"(2) The Secretary shall terminate the enrollment in the plan of any member or former member, and any dependents covered by the enrollment, upon the occurrence of one of the following events:

"(A) Termination of the member or former member's entitlement to retired pay or retainer pay.

"(B) Termination of the member or former member's status as a member of the Retired Reserve.

"(e) CONTINUATION OF DEPENDENTS' ENROLLMENT UPON DEATH OF ENROLLEE.—Coverage of a dependent under an enrollment of a member or former member who dies during the period of enrollment shall continue until the end of that period, except that the coverage may be terminated on any earlier date when the premiums paid are no longer sufficient to cover continuation of the enrollment. The Secretary shall prescribe in regulations the parties responsible for paying the remaining premiums due on the enrollment and the manner for collection of the premiums.

"(f) ELIGIBLE DEPENDENT DEFINED.—In this section, the term 'eligible dependent' means a dependent described in subparagraph (A), (D), or (I) of section 1072(2) of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076b the following new item:

"1076c. Military retirees' dental insurance plan.".

(b) IMPLEMENTATION.—Beginning not later than October 1, 1997, the Secretary of Defense shall offer members and former members of the Armed Forces referred to in subsection (a)(1) of section 1076c of title 10, United States Code (as added by subsection (a)(1) of this section), the opportunity to enroll in the dental insurance plan required under such section and to receive the benefits under the plan immediately upon enrollment.

SEC. 703. UNIFORM COMPOSITE HEALTH CARE SYSTEM SOFTWARE.

(a) REQUIREMENT FOR USE OF UNIFORM SOFTWARE.—The Secretary of Defense, in consultation with the other administering Secretaries, shall take such action as is necessary promptly—

(1) to provide a uniform software package for use by providers of health care under the TRICARE program and by military treatment facilities for the computerized processing of information; and

(2) to require such providers to use the uniform software package in connection with providing health care under the TRICARE program or otherwise under chapter 55 of title 10, United States Code.

(b) CONTENT OF UNIFORM SOFTWARE PACKAGE.—The uniform software package required to be used under subsection (a) shall, at a minimum, provide for processing of the following information:

(1) TRICARE program enrollment.

(2) Determinations of eligibility for health care.

(3) Provider network information.

(4) Eligibility of beneficiaries to receive health benefits from other sources.

(5) Appointment scheduling.

(c) MODIFICATION OF CONTRACTS.—Notwithstanding any other provision of law, the Secretary may modify any existing contract with a health care provider under the TRICARE program as necessary to require the health care provider to use the uniform software package required under subsection (a).

(d) DEFINITIONS.—In this section:

(1) The term "administering Secretaries" has the meaning given such term in section 1072(3) of title 10, United States Code.

(2) The term "military treatment facility"—

(A) means a facility of the uniformed services in which health care is provided under chapter 55 of title 10, United States Codes; and

(B) includes a facility deemed to be a facility of the uniformed services by virtue of section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).

(3) The term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

SEC. 704. CLARIFICATION OF APPLICABILITY OF CHAMPUS PAYMENT RULES TO PRIVATE CHAMPUS PROVIDERS FOR CARE PROVIDED TO ENROLLEES IN HEALTH CARE PLANS OF UNIFORMED SERVICES TREATMENT FACILITIES.

Section 1074(d)(1) of title 10, United States Code, is amended—

(1) by striking out "may require" and inserting in lieu thereof "shall require";

(2) by striking out "member of the uniformed services" and inserting in lieu thereof "covered beneficiary"; and

(3) by striking out "when the health care" and all that follows through "facility".

SEC. 705. ENHANCEMENT OF THIRD-PARTY COLLECTION AND SECONDARY PAYER AUTHORITIES UNDER CHAMPUS.

(a) RETENTION AND USE BY TREATMENT FACILITIES OF AMOUNTS COLLECTED.—Subsection (g)(1) of section 1095 of title 10, United States Code, is amended by inserting "or through" after "provided at".

(b) EXPANSION OF DEFINITION OF THIRD PARTY PAYER.—Subsection (h) of such section is amended—

(1) in the first sentence of paragraph (1), by inserting "and a workers' compensation program or plan" before the period; and

(2) in paragraph (2)—

(A) by striking out "organization and" and inserting in lieu thereof a "organization,"; and

(B) by inserting ", and a personal injury protection plan or medical payments benefit plan for personal injuries resulting from the operation of a motor vehicle" before the period.

(c) APPLICABILITY OF SECONDARY PAYER REQUIREMENT.—Section 1079(j)(1) of such title is amended by inserting ", including any plan offered by a third party payer (as defined in section 1095(h)(1) of this title)," after "or health plan".

SEC. 706. CODIFICATION OF AUTHORITY TO CREDIT CHAMPUS COLLECTIONS TO PROGRAM ACCOUNTS.

(a) CREDITS TO CHAMPUS ACCOUNTS.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1079 the following:

"§ 1079a. Crediting of CHAMPUS collections to program accounts

"All refunds and other amounts collected by or for the United States in the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be credited to the appropriation available for that program for the fiscal year in which collected.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1079 the following new item:

"1079a. Crediting of CHAMPUS collections to program accounts.".

SEC. 707. COMPTROLLER GENERAL REVIEW OF HEALTH CARE ACTIVITIES OF THE DEPARTMENT OF DEFENSE RELATING TO PERSIAN GULF ILLNESSES.

(a) MEDICAL RESEARCH AND CLINICAL CARE PROGRAMS.—The Comptroller General shall analyze the effectiveness of the medical research programs and clinical care programs of the Department of Defense that relate to illnesses that might have been contracted by members of the Armed Forces as a result of service in the Southwest Asia theater of operations during the Persian Gulf War.

(b) EXPERIMENTAL DRUGS.—The Comptroller General shall analyze the scope and effectiveness of the policies of the Department of Defense with respect to the investigational use of drugs, the experimental use of drugs, and the use of drugs not approved by the Food and Drug Administration to treat illnesses referred to in subsection (a).

(c) ADMINISTRATION OF MEDICAL RECORDS.—The Comptroller General shall analyze the administration of medical records by the military departments in order to assess the extent to which such records accurately reflect the pre-deployment medical assessments, immunization records, informed consent releases, complaints during routine sick call, emergency room visits, visits with unit medics during deployment, and other relevant medical information relating to the members and former members referred to in subsection (a) with respect to the illnesses referred to in that subsection.

(d) REPORTS.—The Comptroller General shall submit to Congress a separate report on each of the analyses required under subsections (a), (b), and (c). The Comptroller General shall submit the reports not later than March 1, 1997.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

SEC. 801. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1997 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 802. EXTENSION OF PILOT MENTOR-PROTEGE PROGRAM.

Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended—

(1) in paragraph (1), by striking out "1995" and inserting in lieu thereof "1998"; and

(2) in paragraph (2), by striking out "1996" and inserting in lieu thereof "1999".

SEC. 803. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

(a) AUTHORIZED OFFICIALS.—(1) Subsection (a) of section 845 of the National Defense Authorization Act for Fiscal Year 1994 (107 Stat. 1547; 10 U.S.C. 2371 note) is amended by inserting ", the Secretary of a military department, or any other official designated by the Secretary of Defense" after "Agency".

(2) Subsection (b)(2) of such section is amended to read as follows:

"(2) To the maximum extent practicable, competitive procedures shall be used when entering into agreements to carry out projects under subsection (a).".

(b) EXTENSION OF AUTHORITY.—Subsection (c) of such section is amended by striking out "terminate" and all that follows and inserting in lieu thereof "terminate at the end of September 30, 2001.".

SEC. 804. REVISIONS TO THE PROGRAM FOR THE ASSESSMENT OF THE NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE.

(a) NATIONAL DEFENSE PROGRAM FOR ANALYSIS OF THE TECHNOLOGY AND INDUSTRIAL BASE.—Section 2503 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out "(1) The Secretary of Defense, in consultation with the National Defense Technology and Industrial Base Council" in paragraph (1) and inserting in lieu thereof "The Secretary of Defense, in consultation with the Secretary of Commerce"; and

(B) by striking out paragraphs (2), (3), and (4); and

(2) in subsection (c)(3)(A)—

(A) by striking out "the National Defense Technology and Industrial Base Council in" and inserting in lieu thereof "the Secretary of Defense for"; and

(B) by striking out "and the periodic plans required by section 2506 of this title".

(b) PERIODIC DEFENSE CAPABILITY ASSESSMENTS.—(1) Section 2505 of title 10, United States Code, is amended to read as follows:

"§ 2505. National technology and industrial base: periodic defense capability assessments

"(a) PERIODIC ASSESSMENT.—Each fiscal year, the Secretary of Defense shall prepare selected assessments of the capability of the national technology and industrial base to attain the national security objectives set forth in section 2501(a) of this title.

"(b) ASSESSMENT PROCESS.—The Secretary of Defense shall ensure that technology and industrial capability assessments—

"(1) describe sectors or capabilities, their underlying infrastructure and processes;

"(2) analyze present and projected financial performance of industries supporting the sectors or capabilities in the assessment; and

"(3) identify technological and industrial capabilities and processes for which there is potential for the national industrial and technology base not to be able to support the achievement of national security objectives.

"(c) FOREIGN DEPENDENCY CONSIDERATIONS.—In the preparation of the periodic assessments, the Secretary shall include considerations of foreign dependency.

"(d) INTEGRATED PROCESS.—The Secretary of Defense shall ensure that consideration of the technology and industrial base assessments is integrated into the overall budget, acquisition, and logistics support decision processes of the Department of Defense.".

(2) Section 2502(b) of title 10, United States Code, is amended—

(A) by striking out "the following responsibilities:" and all that follows through "effective cooperation" and inserting in lieu thereof "the responsibility to ensure effective cooperation"; and

(B) by striking out paragraph (2); and

(3) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and adjusting the margin of such paragraphs two ems to the left.

(c) REPEAL OF REQUIREMENT FOR PERIODIC DEFENSE CAPABILITY PLAN.—Section 2506 of title 10, United States Code, is repealed.

(d) DEPARTMENT OF DEFENSE TECHNOLOGY AND INDUSTRIAL BASE POLICY GUIDANCE.—Subchapter II of chapter 148 of title 10, United States Code, is amended by inserting after section 2505 the following new section 2506:

"§ 2506. Department of Defense technology and industrial base policy guidance

"(a) DEPARTMENTAL GUIDANCE.—The Secretary of Defense shall prescribe departmental guidance for the attainment of each of the national security objectives set forth in section 2501(a) of this title. Such guidance shall provide for technological and industrial capability considerations to be integrated into the budget allocation, weapons acquisition, and logistics support decision processes.

"(b) REPORT TO CONGRESS.—The Secretary of Defense shall report on the implementation of the departmental guidance in the annual report to Congress submitted pursuant to section 2508 of this title.".

(e) ANNUAL REPORT TO CONGRESS.—Such subchapter is amended by inserting after section 2507 the following new section:

"§ 2508. Annual report to Congress

"The Secretary of Defense shall transmit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives by March 1 of each year a report which shall include the following information:

"(1) A description of the departmental guidance prepared pursuant to section 2506 of this title.

"(2) A description of the methods and analyses being undertaken by the Department of Defense alone or in cooperation with other Federal agencies, to identify and address concerns regarding technological and industrial capabilities of the national technology and industrial base.

"(3) A description of the assessments prepared pursuant to section 2505 of this title and other analyses used in developing the budget submission of the Department of Defense for the next fiscal year.

"(4) Identification of each program designed to sustain specific essential technological and industrial capabilities and processes of the national technology and industrial base.".

(f) REPEAL OF REQUIREMENT TO COORDINATE THE ENCOURAGEMENT OF TECHNOLOGY TRANSFER WITH THE COUNCIL.—Subsection 2514(c) of title 10, United States Code, is amended by striking out paragraph (5).

(g) CLERICAL AMENDMENTS.—The table of sections at the beginning of subchapter II of chapter 148 of title 10, United States Code, is amended—

(1) by striking out the item relating to section 2506 and inserting in lieu thereof the following:

"2506. Department of Defense technology and industrial base policy guidance.";

and

(2) by adding at the end the following:

"2508. Annual report to Congress.".

(h) REPEAL OF SUPERSEDED AND EXECUTED LAW.—Sections 4218, 4219, and 4220 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 2505 note and 2506 note) are repealed.

SEC. 805. PROCUREMENTS TO BE MADE FROM SMALL ARMS INDUSTRIAL BASE FIRMS.

(a) REQUIREMENT.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following:

"§ 2473. Procurements from the small arms industrial base

"(a) AUTHORITY TO DESIGNATE EXCLUSIVE SOURCES.—To the extent that the Secretary of Defense determines necessary to preserve the part of the national technology and industrial base that supplies property and services described in subsection (b), the Secretary may require that the procurements of such items for the Department of Defense be made only from the firms listed in the plan entitled 'Preservation of Critical Elements of the Small Arms Industrial Base', dated January 8, 1994, that was prepared by an independent assessment panel of the Army Science Board.

"(b) COVERED ITEMS.—The authority provided in subsection (a) applies to the following property and services:

"(1) Repair parts for small arms.

"(2) Modifications of parts to improve small arms used by the armed forces.

"(3) Overhaul of unserviceable small arms of the armed forces.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"2473. Procurements from the small arms industrial base.".

SEC. 806. EXCEPTION TO PROHIBITION ON PROCUREMENT OF FOREIGN GOODS.

Section 2534(d)(3) of title 10, United States Code, is amended by inserting "or would impede the reciprocal procurement of defense items under a memorandum of understanding providing for reciprocal procurement of defense items that is entered into under section 2531 of this title," after "a foreign country,".

SEC. 807. TREATMENT OF DEPARTMENT OF DEFENSE CABLE TELEVISION FRANCHISE AGREEMENTS.

(a) TREATMENT AS CONTRACT FOR TELECOMMUNICATIONS SERVICES.—Subject to subsection (b), a cable television franchise agreement for the Department of Defense shall be considered a contract for telecommunications services for purposes of part 49 of the Federal Acquisition Regulation.

(b) LIMITATION.—The treatment of a cable television franchise agreement as a contract for telecommunications services shall be subject to such terms, conditions, limitations, restrictions, and requirements relating to the power of the executive branch to treat such an agreement as such a contract as are identified in the advisory opinion required under section 823 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 399).

(c) APPLICABILITY.—This section applies to cable television franchise agreements for the Department of Defense only if the United States Court of Federal Claims states in an advisory opinion referred to in subsection (b) that it is within the power of the executive branch to treat cable television franchise agreements for the construction, installation, or capital improvement of cable television systems at military installations of the Department of Defense as contracts under part 49 of the Federal Acquisition Regulation without violating title VI of the Communications Act of 1934 (47 U.S.C. 521 et seq.).

SEC. 808. REMEDIES FOR REPRISALS AGAINST CONTRACTOR EMPLOYEE WHISTLEBLOWERS.

Section 2409(c)(1) of title 10, United States Code, is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) Order the contractor either—

"(i) to reinstate the person to the position that the person held before the reprisal, together with the compensation (including back pay), employment benefits, and other terms and conditions of employment that would apply to the person in that position if the reprisal had not been taken; or

"(ii) without reinstating the person, to pay the person an amount equal to the compensation (including back pay) that, if the reprisal had not been taken, would have been paid the person in that position up to the date on which the head of the agency determines that the person has been subjected to a reprisal prohibited under subsection (a).".

SEC. 809. IMPLEMENTATION OF INFORMATION TECHNOLOGY MANAGEMENT REFORM.

(a) REPORT.—(1) The Secretary of Defense shall include in the report submitted in 1997 under section 381 of Public Law 103–337 (108 Stat. 2739) a discussion of the following matters relating to information resources management by the Federal Government:

(A) The progress made in implementing the Information Technology Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat. 679; 40 U.S.C. 1401 et seq.) and the amendments made by that Act.

(B) The progress made in implementing the strategy for the development or modernization of automated information systems for the Department of Defense, as required by section 366 of Public Law 104–106 (110 Stat 275; 10 U.S.C. 113 note).

(C) Plans of the Department of Defense for establishing an integrated framework for management of information resources within the department.

(2) The discussion of matters under paragraph (1) shall specifically include a discussion of the following:

(A) The status of the implementation of a set of strategic, outcome-oriented performance measures.

(B) The specific actions being taken to link the proposed performance measures to the planning, programming, and budgeting system of the Department of Defense and to the life-cycle management processes of the department.

(C) The results of pilot program testing of proposed performance measures.

(D) The additional training necessary for the implementation of performance-based information management.

(E) Plans for integrating management improvement programs of the Department of Defense.

(F) The department-wide actions that are necessary to comply with the requirements of the following provisions of law:

(i) The amendments made by the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285).

(ii) The Information Management Reform Act of 1996 (division E of Public Law 104–106; 110 Stat 679; 40 U.S.C. 1401 et seq.) and the amendments made by that Act.

(iii) Title V of the Federal Acquisition Management Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3349) and the amendments made by that title.

(iv) The Chief Financial Officers Act of 1990 (Public Law 101–576; 104 Stat. 2838) and the amendments made by that Act.

(G) A strategic information resources plan for the Department of Defense that is based on the strategy of the Secretary of Defense for support of the department's overall strategic goals by the core and supporting processes of the department.

(b) YEAR 2000 SOFTWARE CONVERSION.—(1) The Secretary of Defense shall ensure that all information technology acquired by the Department of Defense pursuant to contracts entered into after September 30, 1996, have the capabilities that comply with time and date standards established by the National Institute of Standards and Technology or, if there is no such standard, generally accepted industry standards for providing fault-free processing of date and date-related data in 2000.

(2) The Secretary, acting through the chief information officers within the department (as designated pursuant to section 3506 of title 44, United States Code), shall assess all information technology within the Department of Defense to determine the extent to which such technology have the capabilities to operate effectively with technology that meet the standards referred to in paragraph (1).

(3) Not later than January 1, 1997, the Secretary shall submit to Congress a detailed plan for eliminating any deficiencies identified pursuant to paragraph (2). The plan shall include—

(A) a prioritized list of all affected programs;

(B) a description of how the deficiencies could affect the national security of the United States; and

(C) an estimate of the resources that are necessary to eliminate the deficiencies.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—General Matters

SEC. 901. REPEAL OF REORGANIZATION OF OFFICE OF SECRETARY OF DEFENSE.

Sections 901 and 903 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 399 and 401) are repealed.

SEC. 902. CODIFICATION OF REQUIREMENTS RELATING TO CONTINUED OPERATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CODIFICATION OF EXISTING LAW.—(1) Chapter 104 of title 10, United States Code, is amended by inserting after section 2112 the following:

"§ 2112a. Continued operation of University

"(a) CLOSURE PROHIBITED.—The University may not be closed.

"(b) PERSONNEL STRENGTH.—During the five-year period beginning on October 1, 1996, the personnel staffing levels for the University may not be reduced below the personnel staffing levels for the University on October 1, 1993.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2112 the following:

"2112a. Continued operation of University.".

(b) REPEAL OF SUPERSEDED LAW.—(1) Section 922 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 282; 10 U.S.C. 2112 note) is amended by striking out subsection (a).

(2) Section 1071 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 445; 10 U.S.C. 2112 note) is amended by striking out subsection (b).

SEC. 903. CODIFICATION OF REQUIREMENT FOR UNITED STATES ARMY RESERVE COMMAND.

(a) REQUIREMENT FOR ARMY RESERVE COMMAND.—(1) Chapter 307 of title 10, United States Code, is amended by inserting after section 3074 the following:

"§ 3074a. United States Army Reserve Command

"(a) COMMAND.—The United States Army Reserve Command is a separate command of the Army commanded by the Chief of Army Reserve.

"(b) CHAIN OF COMMAND.—Except as otherwise prescribed by the Secretary of Defense, the Secretary of the Army shall prescribe the chain of command for the United States Army Reserve Command.

"(c) ASSIGNMENT OF FORCES.—The Secretary of the Army—

"(1) shall assign to the United States Army Reserve Command all forces of the Army Reserve in the continental United States other than forces assigned to the unified combatant command for special operations forces established pursuant to section 167 of this title; and

"(2) except as otherwise directed by the Secretary of Defense in the case of forces assigned to carry out functions of the Secretary of the Army specified in section 3013 of this title, shall assign all such forces of the Army Reserve to the commander of the United States Atlantic Command.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3074 the following:

"3074a. United States Army Reserve Command.".

(b) REPEAL OF SUPERSEDED LAW.—Section 903 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1620; 10 U.S.C. 3074 note) is repealed.

SEC. 904. TRANSFER OF AUTHORITY TO CONTROL TRANSPORTATION SYSTEMS IN TIME OF WAR.

(a) AUTHORITY OF SECRETARY OF DEFENSE.—Section 4742 of title 10, United States Code, is amended by striking out "Secretary of the Army" and inserting in lieu thereof "Secretary of Defense".

(b) TRANSFER OF SECTION.—Such section, as amended by subsection (a), is transferred to the end of chapter 157 of such title and is redesignated as section 2644.

(c) CONFORMING AMENDMENT.—Section 9742 of such title is repealed.

(d) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 157 of such title is amended by inserting after the item relating to section 2643 the following new item:

"2644. Control of transportation systems in time of war.".

(2) The table of sections at the beginning of chapter 447 of such title is amended by striking out the item relating to section 4742.

(3) The table of sections at the beginning of chapter 947 of such title is amended by striking out the item relating to section 9742.

[SEC. 905. EXECUTIVE OVERSIGHT OF DEFENSE HUMAN INTELLIGENCE PERSONNEL.

[Section 193 of title 10, United States Code, is amended—

[(1) by redesignating subsection (f) as subsection (g); and

[(2) by inserting after subsection (e) the following new subsection (f):

["(f) HUMAN INTELLIGENCE PERSONNEL.—(1) Notwithstanding any other provision of law, subject to the authority, direction, and control of the President, the Secretary of Defense shall perform the responsibility within the executive branch for oversight of the clandestine activities of Department of Defense human intelligence personnel. The Secretary may delegate authority to carry out such responsibility only to the Deputy Secretary of Defense.".

[SEC. 906. COORDINATION OF DEFENSE INTELLIGENCE PROGRAMS AND ACTIVITIES.

[(a) DIRECTOR OF MILITARY INTELLIGENCE AND DEFENSE INTELLIGENCE BOARD.—Subchapter II of chapter 8 of title 10, United States Code, is amended by adding at the end the following:

["§ 203. Director of Military Intelligence; Defense Intelligence Board

["(a) DESIGNATION OF DIRECTOR.—The Director of the Defense Intelligence Agency is the Director of Military Intelligence. The Director performs the duties of the position under the authority, direction, and control of the Secretary of Defense and reports directly to the Secretary.

["(b) DUTIES.—In addition to any other duties that are assigned to the Director by the Secretary of Defense, the Director—

["(1) manages the General Defense Intelligence Program; and

["(2) is Chairman of the Military Intelligence Board.

["(c) MILITARY INTELLIGENCE BOARD.—(1) There is a Military Intelligence Board within the Department of Defense.

["(2) The Military Intelligence Board consists of the Director of Military Intelligence, the Director of the National Security Agency, the Director of the National Imagery and Mapping Agency, the Director of the Defense Information Systems Agency, the senior intelligence officer of each armed force (as designated by the Secretary of the military department having jurisdiction over that armed force or, in the case of the Coast Guard, the Commandant of the Coast Guard), the Deputy Director of the Defense Intelligence Agency, the Director for Joint Staff Intelligence, and any other persons designated as members of the board by the Secretary of Defense.

["(3) The Military Intelligence Board shall be the principal forum for coordination of the intelligence programs and activities of the Department of Defense.".

[(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following:

["203. Director of Military Intelligence; Military Intelligence Board.".**]**

SEC. [907.] *905.* REDESIGNATION OF OFFICE OF NAVAL RECORDS AND HISTORY FUND AND CORRECTION OF RELATED REFERENCES.

(a) NAME OF FUND.—Subsection (a) of section 7222 of title 10, United States Code, is amended by striking out "'Office of Naval Records and History Fund'" in the second sentence and inserting in lieu thereof "'Naval Historical Center Fund'".

(b) CORRECTION OF REFERENCE TO ADMINISTERING OFFICE.—Subsection (a) of such section, as amended by subsection (a), is further amended by striking out "Office of Naval Records and History" in the first sentence and inserting in lieu thereof "Naval Historical Center".

(c) CONFORMING REFERENCE.—Subsection (c) of such section is amended by striking out "Office of Naval Records and History Fund" in the second sentence and inserting in lieu thereof "Naval Historical Center Fund".

(d) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 7222. Naval Historical Center Fund".

(2) The item relating to such section in the table of sections at the beginning of chapter 631 of title 10, United States Code, is amended to read as follows:

"7222. Naval Historical Center Fund.".

SEC. 906. ROLE OF DIRECTOR OF CENTRAL INTELLIGENCE IN APPOINTMENT AND EVALUATION OF CERTAIN INTELLIGENCE OFFICIALS.

(a) IN GENERAL.—Section 201 of title 10, United States Code, is amended to read as follows:

"§201. Certain intelligence officials: consultation and concurrence regarding appointments; evaluation of performance

"(a) CONSULTATION REGARDING APPOINTMENT.—Before submitting a recommendation to the President regarding the appointment of an individual to the position of Director of the Defense Intelligence Agency, the Secretary of Defense shall consult with the Director of Central Intelligence regarding the recommendation.

"(b) CONCURRENCE IN APPOINTMENT.—Before submitting a recommendation to the President regarding the appointment of an individual to a position referred to in paragraph (2), the Secretary of Defense shall seek the concurrence of the Director of Central Intelligence in the recommendation. If the Director does not concur in the recommendation, the Secretary may make the recommendation to the President without the Director's concurrence, but shall include in the recommendation a statement that the Director does not concur in the recommendation.

"(2) Paragraph (1) applies to the following positions:

"(A) The Director of the National Security Agency.

"(B) The Director of the National Reconnaissance Office.

"(c) PERFORMANCE EVALUATIONS.—(1) The Director of Central Intelligence shall provide annually to the Secretary of Defense an evaluation of the performance of the individuals holding the positions referred to in paragraph (2) in fulfilling their respective responsibilities with regard to the National Foreign Intelligence Program.

"(2) The positions referred to in paragraph (1) are the following:

"(A) The Director of the National Security Agency.

"(B) The Director of the National Reconnaissance Office.

"(C) The Director of the National Imagery and Mapping Agency.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 8 of such title is amended by striking out the item relating to section 201 and inserting in lieu thereof the following new item:

"201. Certain intelligence officials: consultation and concurrence regarding appointments; evaluation of performance.".

Subtitle B—National Imagery and Mapping Agency

SEC. 911. SHORT TITLE.

This subtitle may be cited as the "National Imagery and Mapping Agency Act of 1996".

SEC. 912. FINDINGS.

Congress makes the following findings:

(1) There is a need within the Department of Defense and the Intelligence Community of the United States to provide a single agency focus for the growing number and diverse types of customers for imagery and geospatial information resources within the Government, to ensure visibility and accountability for those resources, and to harness, leverage, and focus rapid technological developments to serve the imagery, imagery intelligence, and geospatial information customers.

(2) There is a need for a single Government agency to solicit and advocate the needs of that growing and diverse pool of customers.

(3) A single combat support agency dedicated to imagery, imagery intelligence, and geospatial information could act as a focal point for support of all imagery intelligence and geospatial information customers, including customers in the Department of Defense, the Intelligence Community, and related agencies outside of the Department of Defense.

(4) Such an agency would best serve the needs of the imagery, imagery intelligence, and geospatial information customers if it were organized—

(A) to carry out its mission responsibilities under the authority, direction, and control of the Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff; and

(B) to carry out its responsibilities to national intelligence customers in accordance with policies and priorities established by the Director of Central Intelligence.

PART I—ESTABLISHMENT

SEC. 921. ESTABLISHMENT, MISSIONS, AND AUTHORITY.

(a) ESTABLISHMENT IN TITLE 10, UNITED STATES CODE.—Part I of subtitle A of title 10, United States Code, is amended—

(1) by redesignating chapter 22 as chapter 23; and

(2) by inserting after chapter 21 the following new chapter 22:

"CHAPTER 22—NATIONAL IMAGERY AND MAPPING AGENCY

"Subchapter	Sec.
"I. Establishment, Missions, and Authority	441
"II. Maps, Charts, and Geodetic Products	451
"III. Personnel Management	461
"IV. Definitions	471

"SUBCHAPTER I—ESTABLISHMENT, MISSIONS, AND AUTHORITY

"Sec.
"441. Establishment.
"442. Missions.
"443. Imagery intelligence and geospatial information support for foreign countries
"444. Support from Central Intelligence Agency.
["445. Limitation on oversight by Inspector General of the Central Intelligence Agency.**]**
"**[446.]** *445.* Protection of agency identifications and organizational information.

"§ 441. Establishment

["(a) ESTABLISHMENT.—The National Imagery and Mapping Agency is a combat support agency of the Department of Defense.

["(b) DIRECTOR.—(1) The Director of the National Imagery and Mapping Agency is the head of the agency. The President shall appoint the Director, by and with the advice and consent of the Senate, from among the officers of the regular components of the armed forces.

["(2) The position of Director is a position of importance and responsibility for purposes of section 601 of this title and carries the grade of lieutenant general or, in the case of an officer of the Navy, vice admiral.**]**

"(a) ESTABLISHMENT.—The National Imagery and Mapping Agency is an agency of the Department of Defense.

"(b) DIRECTOR.—(1) The Director of the National Imagery and Mapping Agency is the head of the agency. The President shall appoint the Director.

"(2)(A) Upon a vacancy in the position of Director, the Secretary of Defense shall recommend to the President an individual for appointment to the position.

"(B) The Secretary shall seek the concurrence of the Director of Central Intelligence in recommending an individual for appointment under subparagraph (A). If the Director does not concur in the recommendation, the Secretary may make the recommendation to the President without the Director's concurrence, but shall include in the recommendation a statement that the Director does not concur in the recommendation.

"(3) If an officer of the armed forces is appointed to the position of Director under this subsection, the officer shall hold the grade of lieutenant general or, in the case of an officer of the Navy, vice admiral, while serving in the position. An officer while serving in the position is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general or rear admiral, as the case may be, under paragraph (1) or (2) of section 525(b) of this title, as applicable.

"(c) COLLECTION TASKING AUTHORITY.—The Director of Central Intelligence shall have authority to approve collection requirements, determine collection priorities, and resolve conflicts in collection priorities levied on national imagery collection assets, except as otherwise agreed by the Director and the Secretary of Defense pursuant to the direction of the President.

"§ 442. Missions

"(a) DEPARTMENT OF DEFENSE MISSIONS.—The National Imagery and Mapping Agency shall—

"(1) provide timely, relevant, and accurate imagery, imagery intelligence, and geospatial information in support of the national security objectives of the United States;

"(2) improve means of navigating vessels of the Navy and the merchant marine by providing, under the authority of the Secretary of Defense, accurate and inexpensive nautical charts, sailing directions, books on navigation, and manuals of instructions for the use of all vessels of the United States and of navigators generally; and

"(3) prepare and distribute maps, charts, books, and geodetic products as authorized under subchapter II of this chapter.

["(b) NATIONAL MISSION.—(1) The National Imagery and Mapping Agency shall also support the imagery requirements of the Department of State and other departments and agencies of the United States outside the Department of Defense.

["(2)(A) The Director of Central Intelligence shall establish requirements and priorities to govern the collection of national intelligence by the National Imagery and Mapping Agency under paragraph (1).

["(B) The Director of Central Intelligence shall develop and implement such policies and programs as the Secretary of Defense and the Director jointly determine necessary to review and correct deficiencies identified in the capabilities of the National Imagery and Mapping Agency to accomplish assigned national missions. The Director shall consult with the Secretary of Defense on the development and implementation of such policies and programs. The Secretary of Defense shall obtain the advice of the Chairman of the Joint Chiefs of Staff regarding the matters on which the Director and the Secretary are to consult under the preceding sentence.

["(C) The President may direct the Secretary of Defense to exercise authority of the Director of Central Intelligence under subparagraphs (A) and (B) during a war, military crisis, or military operation.]

"(b) NATIONAL MISSION.—The National Imagery and Mapping Agency shall also have national missions as specified in section 120(a) of the National Security Act of 1947.

"(c) LIFE CYCLE SUPPORT.—The National Imagery and Mapping Agency may, in furtherance of a mission of the agency, design, develop, deploy, operate, and maintain systems related to the processing and dissemination of imagery intelligence and geospatial information that may be transferred to, accepted or used by, or used on behalf of—

"(1) the armed forces, including any combatant command, component of a combatant command, joint task force, or tactical unit; or

"(2) to any other department or agency of the United States.

"§ 443. Imagery intelligence and geospatial information support for foreign countries

"(a) APPROPRIATED FUNDS.—The Director of the National Imagery and Mapping Agency may use appropriated funds available to the National Imagery and Mapping Agency to provide foreign countries with imagery intelligence and geospatial information support.

"(b) FUNDS OTHER THAN APPROPRIATED FUNDS.—(1) Subject to paragraphs (2), (3), and (4), the Director is also authorized to use funds other than appropriated funds to provide foreign countries with imagery intelligence and geospatial information support.

"(2) Funds other than appropriated funds may not be expended, in whole or in part, by or for the benefit of the National Imagery and Mapping Agency for a purpose for which Congress had previously denied funds.

"(3) Proceeds from the sale of imagery intelligence or geospatial information items may be used only to purchase replacement items similar to the items that are sold.

"(4) Funds other than appropriated funds may not be expended to acquire items or services for the principal benefit of the United States.

"(5) The authority to use funds other than appropriated funds under this section may be exercised notwithstanding provisions of law relating to the expenditure of funds of the United States.

"(c) ACCOMMODATION PROCUREMENTS.—The authority under this section may be exercised to conduct accommodation procurements on behalf of foreign countries.

"(d) COORDINATION WITH DIRECTOR OF CENTRAL INTELLIGENCE.—The Director shall coordinate with the Director of Central Intelligence any action under this section that involves imagery intelligence or intelligence products or involves providing support to an intelligence or security service of a foreign country.

"§ 444. Support from Central Intelligence Agency

"(a) SUPPORT AUTHORIZED.—The Director of Central Intelligence may provide support in accordance with this section to the Director of the National Imagery and Mapping Agency. The Director of the National Imagery and Mapping Agency may accept support provided under this section.

"(b) ADMINISTRATIVE AND CONTRACT SERVICES.—(1) In furtherance of the national intelligence effort, the Director of Central Intelligence may provide administrative and contract services to the National Imagery and Mapping Agency as if that agency were an organizational element of the Central Intelligence Agency.

"(2) Services provided under paragraph (1) may include the services of security police. For purposes of section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403o), an installation of the National Imagery and Mapping Agency provided security police services under this section shall be considered an installation of the Central Intelligence Agency.

"(3) Support provided under this subsection shall be provided under terms and conditions agreed upon by the Secretary of Defense and the Director of Central Intelligence.

"(c) DETAIL OF PERSONNEL.—The Director of Central Intelligence may detail Central Intelligence Agency personnel indefinitely to the National Imagery and Mapping Agency without regard to any limitation on the duration of interagency details of Federal Government personnel.

"(d) REIMBURSABLE OR NONREIMBURSABLE SUPPORT.—Support under this section may be provided and accepted on either a reimbursable basis or a nonreimbursable basis.

"(e) AUTHORITY TO TRANSFER FUNDS.—(1) The Director of the National Imagery and Mapping Agency may transfer funds available for the agency to the Director of Central Intelligence for the Central Intelligence Agency.

"(2) The Director of Central Intelligence—

"(A) may accept funds transferred under paragraph (1); and

"(B) shall expend such funds, in accordance with the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), to provide administrative and contract services or detail personnel to the National Imagery and Mapping Agency under this section.

["§ 445. Limitation on oversight by Inspector General of the Central Intelligence Agency

["The Inspector General of the Central Intelligence Agency may not conduct any inspection, investigation, or audit of the National Imagery and Mapping Agency without the written consent of the Inspector General of the Department of Defense. In conducting an inspection, investigation, or audit of the National Imagery and Mapping Agency, the Inspector General of the Central Intelligence Agency shall be subject to the authority, direction, and control of the Secretary of Defense to the same extent as is the Inspector General of the Department of Defense under section 8 of the Inspector General Act of 1978 (5 U.S.C. App.).

["§ 446. Protection of agency identifications and organizational information]

"§445. Protection of agency identifications and organizational information

"(a) UNAUTHORIZED USE OF AGENCY NAME, INITIALS, OR SEAL.—(1) Except with the written permission of the Secretary of Defense, no person may knowingly use, in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Secretary of Defense, any of the following:

"(A) The words 'National Imagery and Mapping Agency', the initials 'NIMA', or the seal of the National Imagery and Mapping Agency.

"(B) The words 'Defense Mapping Agency', the initials 'DMA', or the seal of the Defense Mapping Agency.

"(C) Any colorable imitation of such words, initials, or seals.

"(2) Whenever it appears to the Attorney General that any person is engaged or about to engage in an act or practice which constitutes or will constitute conduct prohibited by paragraph (1), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to a hearing and determination of such action and may, at any time before such final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.

"(b) PROTECTION OF ORGANIZATIONAL INFORMATION.—Notwithstanding any other provision of law, the Director of the National Imagery and Mapping Agency is not required to disclose the organization of the agency, any function of the agency, any information with respect to the activities of the agency, or the names, titles, salaries, or number of the persons employed by the agency. This subsection does not apply to disclosures of information to Congress.

"SUBCHAPTER II—MAPS, CHARTS, AND GEODETIC PRODUCTS

"Sec.

"451. Maps, charts, and books.

"452. Pilot charts.

"453. Prices of maps, charts, and navigational publications.

"454. Exchange of mapping, charting, and geodetic data with foreign countries and international organizations.

"455. Maps, charts, and geodetic data: public availability; exceptions.

"456. Civil actions barred.

"SUBCHAPTER III—PERSONNEL MANAGEMENT

"Sec.

"461. Civilian personnel management generally.

"462. National Imagery and Mapping Senior Executive Service.

"463. Management rights.

"§461. Civilian personnel management generally

"(a) GENERAL PERSONNEL AUTHORITY.—The Secretary of Defense may, without regard to the provisions of any other law relating to the appointment, number, classification, or compensation of Federal employees—

"(1) establish such excepted service positions for employees in the National Imagery and Mapping Agency as the Secretary considers necessary to carry out the functions of those agencies, including positions designated under subsection (f) as National Imagery and Mapping Senior Level positions;

"(2) appoint individuals to those positions; and

"(3) fix the compensation for service in those positions.

"(b) AUTHORITY TO FIX RATES OF BASIC PAY AND OTHER ALLOWANCES AND BENEFITS.—(1) The Secretary of Defense shall, subject to subsection (c), fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay provided in subpart D of part III of title 5 for positions subject to that title which have corresponding levels of duties and responsibilities. Except as otherwise provided by law, an employee of the National Imagery and Mapping Agency may not be paid basic pay at a rate in excess of the maximum rate payable under section 5376 of title 5.

"(2) The Secretary of Defense may provide employees in positions of the National Imagery and Mapping Agency compensation (in addition to basic pay under paragraph (1)) and benefits, incentives, and allowances consistent with, and not in excess of the levels authorized for, comparable positions authorized by title 5.

"(c) PREVAILING RATES SYSTEMS.—The Secretary of Defense may, consistent with section 5341 of title 5, adopt such provisions of that title as provide for prevailing rate systems of basic pay and may apply those provisions to positions in or under which the National Imagery and Mapping Agency may employ individuals described in section 5342(a)(2)(A) of such title.

"(d) ALLOWANCES BASED ON LIVING COSTS AND ENVIRONMENT FOR EMPLOYEES STATIONED OUTSIDE CONTINENTAL UNITED STATES OR IN ALASKA.—(1) In addition to the basic compensation payable under subsection (b), employees of the National Imagery and Mapping Agency described in paragraph (3) may be paid an allowance, in accordance with regulations prescribed by the Secretary of Defense, at a rate not in excess of the allowance authorized to be paid under section 5941(a) of title 5 for employees whose rates of basic pay are fixed by statute.

"(2) Such allowance shall be based on—

"(A) living costs substantially higher than in the District of Columbia;

"(B) conditions of environment which—

"(i) differ substantially from conditions of environment in the continental United States; and

"(ii) warrant an allowance as a recruitment incentive; or

"(C) both of those factors.

"(3) This subsection applies to employees who—

"(A) are citizens or nationals of the United States; and

"(B) are stationed outside the continental United States or in Alaska.

"(e) TERMINATION OF EMPLOYEES.—(1) Notwithstanding any other provision of law, the Secretary of Defense may terminate the employment of any employee of the National Imagery and Mapping Agency if the Secretary—

"(A) considers such action to be in the interests of the United States; and

"(B) determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such employee cannot be invoked in a manner consistent with the national security.

"(2) A decision by the Secretary of Defense to terminate the employment of an employee under this subsection is final and may not be appealed or reviewed outside the Department of Defense.

"(3) The Secretary of Defense shall promptly notify the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate whenever the Secretary terminates the employment of any employee under the authority of this subsection.

"(4) Any termination of employment under this subsection shall not affect the right of the employee involved to seek or accept employment with any other department or agency of the United States if that employee is declared eligible for such employment by the Director of the Office of Personnel Management.

"(5) The authority of the Secretary of Defense under this subsection may be delegated only to the Deputy Secretary of Defense and the Director of the National Imagery and Mapping Agency. An action to terminate employment of an employee by any such officer may be appealed to the Secretary of Defense.

"(f) NATIONAL IMAGERY AND MAPPING SENIOR LEVEL POSITIONS.—(1) In carrying out subsection (a)(1), the Secretary may designate positions described in paragraph (3) as National Imagery and Mapping Senior Level positions.

"(2) Positions designated under this subsection shall be treated as equivalent for purposes of compensation to the senior level positions to which section 5376 of title 5 is applicable.

"(3) Positions that may be designated as National Imagery and Mapping Senior Level positions are positions in the National Imagery and Mapping Agency that (A) are classified above the GS–15 level, (B) emphasize function expertise and advisory activity, but (C) do not have the organizational or program management functions necessary for inclusion in the National Imagery and Mapping Senior Executive Service.

"(4) Positions referred to in paragraph (3) include National Imagery and Mapping Senior Technical positions and National Imagery and Mapping Senior Professional positions. For purposes of this subsection National Imagery and Mapping Senior Technical positions are positions covered by paragraph (3) if—

"(A) the positions involve—

"(i) research and development;

"(ii) test and evaluation;

"(iii) substantive analysis, liaison, or advisory activity focusing on engineering, physical sciences, computer science, mathematics, biology, chemistry, medicine, or other closely related scientific and technical fields; or

"(iv) intelligence disciplines including production, collection, and operations in close association with any of the activities described in clauses (i), (ii), and (iii) or related activities; or

"(B) the positions emphasize staff, liaison, analytical, advisory, or other activity focusing on intelligence, law, finance and accounting, program and budget, human resources management, training, information services, logistics, security, and other appropriate fields.

"(g) 'EMPLOYEE' DEFINED AS INCLUDING OFFICERS.—In this section, the term 'employee', with respect to the National Imagery and Mapping Agency, includes any civilian officer of that agency.

"§462. National Imagery and Mapping Senior Executive Service

"(a) ESTABLISHMENT.—The Secretary of Defense may establish a National Imagery and Mapping Senior Executive Service for senior civilian personnel within the National Imagery and Mapping Agency.

"(b) REQUIREMENTS FOR THE SERVICE.—In establishing a National Imagery and Mapping Senior Executive Service the Secretary shall—

"(1) meet the requirements set forth for the Senior Executive Service in section 3131 of title 5;

"(2) ensure that the National Imagery and Mapping Senior Executive Service positions satisfy requirements that are consistent with the provisions of section 3132(a)(2) of title 5;

"(3) prescribe rates of pay for the National Imagery and Mapping Senior Executive Service that are not in excess of the maximum rate of basic pay, nor less than the minimum rate of basic pay, established for the Senior Executive Service under section 5382 of title 5;

"(4) provide for adjusting the rates of pay at the same time and to the same extent as rates of basic pay for the Senior Executive Service are adjusted;

"(5) provide a performance appraisal system for the National Imagery and Mapping Senior Executive Service that conforms to the provisions of subchapter II of chapter 43 of title 5;

"(6) provide for removal consistent with section 3592 of title 5, and removal or suspension consistent with subsections (a), (b), and (c) of section 7543 of title 5 (except that any hearing or appeal to which a member of the National Imagery and Mapping Senior Executive Service is entitled shall be held or decided pursuant to procedures established by the Secretary of Defense);

"(7) permit the payment of performance awards to members of the National Imagery and Mapping Senior Executive Service consistent with the provisions applicable to performance awards under section 5384 of title 5;

"(8) provide that members of the National Imagery and Mapping Senior Executive Service may be granted sabbatical leaves consistent with the provisions of section 3396(c) of title 5; and

"(9) provide for the recertification of members of the National Imagery and Mapping Senior Executive Service consistent with the provisions of section 3393a of title 5.

"(c) AUTHORITY.—Except as otherwise provided in subsection (b), the Secretary of Defense may—

"(1) make applicable to the National Imagery and Mapping Senior Executive Service any of the provisions of title 5 that are applicable to applicants for or members of the Senior Executive Service; and

"(2) appoint, promote, and assign individuals to positions established within the National Imagery and Mapping Senior Executive Service without regard to the provisions of title 5 governing appointments and other personnel actions in the competitive service.

"(d) AWARD OF RANK.—The President, based on the recommendations of the Secretary of Defense, may award ranks to individuals who occupy positions in the National Imagery and Mapping Senior Executive Service in a manner consistent with the provisions of section 4507 of title 5.

"(e) DETAILS AND ASSIGNMENTS.—Notwithstanding any other provisions of this section, the Secretary of Defense may detail or assign any member of the National Imagery and Mapping Senior Executive Service to serve in a position outside the National Imagery and Mapping Agency in which the member's expertise and experience may be of benefit to the National Imagery and Mapping Agency or another Government agency. Any such member shall not by reason of such detail or assignment lose any entitlement or status associated with membership in the National Imagery and Mapping Senior Executive Service.

"§463. Management rights

"(a) SCOPE.—If there is no obligation under the provisions of chapter 71 of title 5 for the head of an agency of the United States to consult or negotiate with a labor organization on a particular matter by reason of that matter being covered by a provision of law or a Governmentwide regulation, the Director of the National Imagery and Mapping Agency is not obligated to consult or negotiate with a labor organization on that matter even if that provision of law or regulation is inapplicable to the National Imagery and Mapping Agency.

"(b) BARGAINING UNITS.—The National Imagery and Mapping Agency shall accord exclusive recognition to a labor organization under section 7111 of title 5 only for a bargaining unit that was recognized as appropriate for the Defense Mapping Agency on the day before the date on which employees and positions of the Defense Mapping Agency in that bargaining unit became employees and positions of the National Imagery and Mapping Agency under the National Imagery and Mapping Agency Act of 1996 (subtitle B of title IX of the National Defense Authorization Act for Fiscal Year 1997).

"(c) TERMINATION OF BARGAINING UNIT COVERAGE OF POSITION MODIFIED TO AFFECT NATIONAL SECURITY DIRECTLY.—(1) If the Director of the National Imagery and Mapping Agency determines that the responsibilities of a position within a collective bargaining unit should be modified to include intelligence, counterintelligence, investigative, or security duties not previously assigned to that position and that the performance of the newly assigned duties directly affects the national security of the United States, then, upon such a modification of the responsibilities of that position, the position shall cease to be covered by the collective bargaining unit and the employee in that position shall cease to be entitled to representation by a labor organization accorded exclusive recognition for that collective bargaining unit.

"(2) A determination described in paragraph (1) that is made by the Director of the National Imagery and Mapping Agency may not be reviewed by the Federal Labor Relations Authority or any court of the United States.

"SUBCHAPTER IV—DEFINITIONS

"Sec.

"471. Definitions.

"§471. Definitions

"In this chapter:

"(1) The term 'function' means any duty, obligation, responsibility, privilege, activity, or program.

"(2)(A) The term 'imagery' means, except as provided in subparagraph (B), a likeness or presentation of any natural or manmade feature or related object or activity and the positional data acquired at the same time the likeness or representation was acquired, including—

"(i) products produced by space-based national intelligence reconnaissance systems; and

"(ii) likenesses or presentations produced by satellites, airborne platforms, unmanned aerial vehicles, or other similar means.

"(B) The term does not include handheld or clandestine photography taken by or on behalf of human intelligence collection organizations.

"(3) The term 'imagery intelligence' means the technical, geographic, and intelligence information derived through the interpretation or analysis of imagery and collateral materials.

"(4) The term 'geospatial information' means information that identifies the geographic location and characteristics of natural or constructed features and boundaries on the earth and includes—

"(A) statistical data and information derived from, among other things, remote sensing, mapping, and surveying technologies;

"(B) mapping, charting, and geodetic data; and

"(C) geodetic products, as defined in section 455(c) of this title.".

(b) TRANSFER OF CHAPTER 167 PROVISIONS.—Sections 2792, 2793, 2794, 2795, 2796, and 2798 of title 10, United States Code, are transferred to subchapter II of chapter 22 of such title, as added by subsection (a), are inserted in that sequence in such subchapter following the table of sections, and are redesignated in accordance with the following table:

Section transferred	Section as redesignated
2792	451
2793	452
2794	453
2795	454
2796	455
2798	456.

[(c) CONSULTATION ON APPOINTMENT OF DIRECTOR.—Section 201 of title 10, United States Code, is amended by striking out "or Director of the National Security Agency" and inserting in lieu thereof ", Director of the National Security Agency, or Director of the National Imagery and Mapping Agency".]

[(d)] *(c)* OVERSIGHT OF AGENCY AS A COMBAT SUPPORT AGENCY.—Section 193 of title 10, United States Code, is amended—

(1) in subsection (d)—

(A) by striking out the caption and inserting in lieu thereof "REVIEW OF NATIONAL SECURITY AGENCY AND NATIONAL IMAGERY AND MAPPING AGENCY.—";

(B) in paragraph (1)—

(i) by inserting "and the National Imagery and Mapping Agency" after "the National Security Agency"; and

(ii) by striking out "the Agency" and inserting in lieu thereof "that the agencies"; and

(C) in paragraph (2), by inserting "and the National Imagery and Mapping Agency" after "the National Security Agency";

(2) in subsection (e)—

(A) by striking out "DIA AND NSA" in the caption and inserting in lieu thereof the following: "DIA, NSA, AND NIMA.—"; and

(B) by striking out "and the National Security Agency" and inserting in lieu thereof ", the National Security Agency, and the National Imagery and Mapping Agency"; and

(3) in subsection (f), by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) The National Imagery and Mapping Agency.".

[(e)] *(d)* SPECIAL PRINTING AUTHORITY FOR AGENCY.—(1) Section 207(a)(2)(B) of the Legislative Branch Appropriations Act, 1993 (Public Law 102–392; 44 U.S.C. 501 note) is amended by inserting "National Imagery and Mapping Agency," after "Defense Intelligence Agency,".

(2) Section 1336 of title 44, United States Code, is amended—

(A) by striking out "Secretary of the Navy" and inserting in lieu thereof "Director of the National Imagery and Mapping Agency"; and

(B) by striking out "United States Naval Oceanographic Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

SEC. 922. TRANSFERS.

(a) DEPARTMENT OF DEFENSE.—The missions and functions of the following elements of the Department of Defense are transferred to the National Imagery and Mapping Agency:

(A) The Defense Mapping Agency.

(B) The Central Imagery Office.

(C) Other elements of the Department of Defense as provided in the classified annex to this Act.

(b) CENTRAL INTELLIGENCE AGENCY.—The missions and functions of the following elements of the Central Intelligence Agency are transferred to the National Imagery and Mapping Agency:

(A) The National Photographic Interpretation Center.

(B) Other elements of the Central Intelligence Agency as provided in the classified annex to this Act.

(c) PERSONNEL AND ASSETS.—(1) Subject to paragraphs (2) and (3), the personnel, assets, unobligated balances of appropriations and authorizations of appropriations, and, to the extent jointly determined appropriate by the Secretary of Defense and Director of Central Intelligence, obligated balances of appropriations and authorizations of appropriations employed, used, held, arising from, or available in connection with the missions and functions transferred under subsection (a) or (b) are transferred to the National Imagery and Mapping Agency. A transfer may not be made under the preceding sentence for any program or function for which funds are not appropriated to the National Imagery and Mapping Agency for fiscal year 1997. Transfers of appropriations from the Central Intelligence Agency under this paragraph shall be made in accordance with section 1531 of title 31, United States Code.

(2) Not earlier than two years after the effective date of this subtitle, the Secretary of Defense and the Director of Central Intelligence shall determine which, if any, positions and personnel of the Central Intelligence Agency are to be transferred to the National Imagery and Mapping Agency. The positions to be transferred, and the employees serving in such positions, shall be transferred to the National Imagery and Mapping Agency under terms and conditions prescribed by the Secretary of Defense and the Director of Central Intelligence.

(3) If the National Photographic Interpretation Center of the Central Intelligence Agency or any imagery-related activity of

the Central Intelligence Agency authorized to be performed by the National Imagery and Mapping Agency is not completely transferred to the National Imagery and Mapping Agency, the Secretary of Defense and the Director of Central Intelligence shall—

(A) jointly determine which, if any, contracts, leases, property, and records employed, used, held, arising from, available to, or otherwise relating to such Center or activity is to be transferred to the National Imagery and Intelligence Agency; and

(B) provide by written agreement for the transfer of such items.

SEC. 923. COMPATIBILITY WITH AUTHORITY UNDER THE NATIONAL SECURITY ACT OF 1947.

(a) AGENCY FUNCTIONS.—Section 105(b) of the National Security Act of 1947 (50 U.S.C. 403–5(b)) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) through the National Imagery and Mapping Agency (except as otherwise directed by the President or the National Security Council), with appropriate representation from the intelligence community, the continued operation of an effective unified organization within the Department of Defense—

"(A) for carrying out tasking of imagery collection;

"(B) for the coordination of imagery processing and exploitation activities;

"(C) for ensuring the dissemination of imagery in a timely manner to authorized recipients; and

"(D) notwithstanding any other provision of law, for—

"(i) prescribing technical architecture and standards related to imagery intelligence and geospatial information and ensuring compliance with such architecture and standards; and

"(ii) developing and fielding systems of common concern related o imagery intelligence and geospatial information;".

[(b) APPOINTMENT OF DIRECTOR.—Section 106 of such Act (50 U.S.C. 403–6) is amended—

[(1) by striking out subsection (b); and

[(2) in subsection (a)—

[(A) by inserting "the National Imagery and Mapping Agency," after "the National Reconnaissance Office,"; and

[(B) by striking out "(a) CONSULTATION WITH REGARD TO CERTAIN APPOINTMENTS.—".]

(b) NATIONAL MISSION.—Title I of such Act (50 U.S.C. 402 et seq.) is amended by adding at the end the following:

"NATIONAL MISSION OF NATIONAL IMAGERY AND MAPPING AGENCY

"SEC. 120. (a) IN GENERAL.—In addition to the Department of Defense missions set forth in section 442 of title 10, United States Code, the National Imagery and Mapping Agency shall also support the imagery requirements of the Department of State and other departments and agencies of the United States outside the Department of Defense.

"(b) REQUIREMENTS AND PRIORITIES.—The Director of Central Intelligence shall establish requirements and priorities governing the collection of national intelligence by the National Imagery and Mapping Agency under subsection (a).

"(c) CORRECTION OF DEFICIENCIES.—The Director of Central Intelligence shall develop and implement such programs and policies as the Director and the Secretary jointly determine necessary to review and correct deficiencies identified in the capabilities of the National Imagery and Mapping Agency to accomplish assigned national missions. The Director shall consult with the Secretary of Defense on the development and implementation of such programs and policies. The Secretary shall obtain the advice of the Chairman of the Joint Chiefs of Staff regarding the matters on which the Director and the Secretary are to consult under the preceding sentence.".

(c) TASKING OF IMAGERY ASSETS.—Title I of such Act is further amended by adding at the end the following:

"COLLECTION TASKING AUTHORITY

"SEC. 121. The Director of Central Intelligence shall have authority to approve collection requirements, determine collection priorities, and resolve conflicts in collection priorities levied on national imagery collection assets, except as otherwise agreed by the Director and the Secretary of Defense pursuant to the direction of the President.".

(d) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after section 109 the following new items:

"Sec. 120. National mission of National Imagery and Mapping Agency.
"Sec. 121. Collection tasking authority.".

SEC. 924. OTHER PERSONNEL MANAGEMENT AUTHORITIES.

(a) COMPARABLE TREATMENT WITH OTHER INTELLIGENCE SENIOR EXECUTIVE SERVICES.—Title 5, United States Code, is amended as follows:

(1) In section 2108(3), by inserting "the National Imagery and Mapping Senior Executive Service," after "the Senior Cryptologic Executive Service," in the matter following subparagraph (F)(iii).

(2) In section 6304(f)(1), by—

(A) by striking out "or" at the end of subparagraph (D);

(B) by striking out the period at the end of in subparagraph (E) and inserting in lieu thereof "; or"; and

(C) by adding at the end the following:

"(F) the National Imagery and Mapping Senior Executive Service."; and

(3) In sections 8336(h)(2) and 8414(a)(2), by striking out "or the Senior Cryptologic Executive Service" and inserting in lieu thereof ", the Senior Cryptologic Executive Service, or the National Imagery and Mapping Senior Executive Service".

(b) CENTRAL IMAGERY OFFICE PERSONNEL MANAGEMENT AUTHORITIES.—

(1) NONDUPLICATION OF COVERAGE BY DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE.—Section 1601 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out "and the Central Imagery Office";

(B) in subsection (d), by striking out "or the Central Imagery Office in which the member's expertise and experience may be of benefit to the Defense Intelligence Agency, the Central Imagery Office," in the first sentence and inserting in lieu thereof "in which the member's expertise and experience may be of benefit to the Defense Intelligence Agency"; and

(C) in subsection (e), by striking out "and the Central Imagery Office" in the first sentence.

(2) MERIT PAY.—Section 1602 of such title is amended by striking out "and Central Imagery Office".

(3) MISCELLANEOUS AUTHORITIES.—Subsection 1604 of such title is amended—

(A) in subsection (a)(1)—

(i) by striking out "and the Central Imagery Office"; and

(ii) by striking out "and Office";

(B) in subsection (b)—

(i) in paragraph (1), by striking out "or the Central Imagery Office" in the second sentence; and

(ii) in paragraph (2), by striking out "and the Central Imagery Office";

(C) in subsection (c), by striking out "or the Central Imagery Office";

(D) in subsection (d)(1), by striking out "and the Central Imagery Office";

(E) in subsection (e)—

(i) in paragraph (1), by striking out "or the Central Imagery Office"; and

(ii) in paragraph (5) by striking out ", the Director of the Defense Intelligence Agency (with respect to employees of the Defense Intelligence Agency), and the Director of the Central Imagery Office (with respect to employees of the Central Imagery Office)" and inserting in lieu thereof "and the Director of the Defense Intelligence Agency (with respect to employees of the Defense Intelligence Agency)";

(F) in subsection (f)(3), by striking out "and Central Imagery Office"; and

(G) in subsection (g)—

(i) by striking out "or the Central Imagery Office"; and

(ii) by striking out "or Office".

(c) APPLICABILITY OF FEDERAL LABOR-MANAGEMENT RELATIONS SYSTEM.—Section 7103(a)(3) of title 5, United States Code is amended—

(1) by inserting "or" at the end of subparagraph (F);

(2) by striking out "; or" at the end of subparagraph (G) and inserting in lieu thereof a period; and

(3) by striking out subparagraph (H).

(d) APPLICABILITY OF AUTHORITY AND PROCEDURES FOR IMPOSING CERTAIN ADVERSE ACTIONS.—Section 7511(b)(8) of title 5, United States Code, is amended by striking out "Central Imagery Office".

SEC. 925. CREDITABLE CIVILIAN SERVICE FOR CAREER CONDITIONAL EMPLOYEES OF THE DEFENSE MAPPING AGENCY.

In the case of an employee of the National Imagery and Mapping Agency who, on the day before the effective date of this subtitle, was an employee of the Defense Mapping Agency in a career-conditional status, the continuous service of that employee as an employee of the National Imagery and Mapping Agency on and after such date shall be considered creditable service for the purpose of any determination of the career status of the employee.

SEC. 926. SAVING PROVISIONS.

(a) CONTINUING EFFECT ON LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, international agreements, grants, contracts, leases, certificates, licenses, registrations, privileges, and other administrative actions—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in connection with any of the functions which are transferred under this subtitle or any function that the National Imagery and Mapping Agency is authorized to perform by law, and

(2) which are in effect at the time this title takes effect, or were final before the effective date of this subtitle and are to become effective on or after the effective date of this subtitle,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary of Defense, the Director of the National Imagery and Mapping Agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS NOT AFFECTED.—This subtitle and the amendments made by this subtitle shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before an element of the Department of Defense or Central Intelligence Agency at the time this subtitle takes effect, with respect to function of that element transferred by section 922, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subtitle had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this section shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subtitle had not been enacted.

(c) SEVERABILITY.—If any provision of this subtitle (or any amendment made by this subtitle), or the application of such provision (or amendment) to any person or circumstance is held unconstitutional, the remainder of this subtitle (or of the amendments made by this subtitle) shall not be affected by that holding.

SEC. 927. DEFINITIONS.

In this part, the terms "function", "imagery", "imagery intelligence", and "geospatial information" have the meanings given those terms in section 461 of title 10, United States Code, as added by section 921.

SEC. 928. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for the National Imagery and Mapping Agency for fiscal year 1997 in amounts and for purposes, and subject to the terms, conditions, limitations, restrictions, and requirements, that are set forth in the Classified Annex to this Act.

PART II—CONFORMING AMENDMENTS AND EFFECTIVE DATES

SEC. 931. REDESIGNATION AND REPEALS.

(a) REDESIGNATION.—Chapter 23 of title 10, United States Code (as redesignated by section 921(a)(1)) is amended by redesignating the section in that chapter as section 481.

(b) REPEAL OF SUPERSEDED LAW.—Chapter 167 of such title, as amended by section 921(b), is repealed.

SEC. 932. REFERENCES.

(a) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended as follows:

(1) CENTRAL IMAGERY OFFICE.—In sections 2302(a)(2)(C)(ii), 3132(a)(1)(B), 4301(1) (in clause (ii)), 4701(a)(1)(B), 5102(a)(1) (in clause (xi)), 5342(a)(1)(L), 6339(a)(1)(E), and 7323(b)(2)(B)(i)(XIII), by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(2) DIRECTOR, CENTRAL IMAGERY OFFICE.—In section 6339(a)(2)(E), by striking out "Central Imagery Office, the Director of the Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency, the Director of the National Imagery and Mapping Agency".

(b) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) CENTRAL IMAGERY OFFICE.—In section 1599(f)(4), by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(2) DEFENSE MAPPING AGENCY.—In sections 451(1), 452, 453, 454, and 455 (in subsections (a) and (b)(1)(C)), and 456, as redesignated by section 921(b), by striking out "Defense Mapping Agency" each place it appears and inserting in lieu thereof "National Imagery and Mapping Agency".

(c) OTHER LAWS.—

(1) NATIONAL SECURITY ACT OF 1947.—Section 3(4)(E) of the National Security Act of 1947 (50 U.S.C. 401a(4)(E) is amended by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(2) ETHICS IN GOVERNMENT ACT OF 1978.—Section 105(a) of the Ethics in Government Act of 1978 (Public Law 95-521; 5 U.S.C. App. 4) is amended by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(3) EMPLOYEE POLYGRAPH PROTECTION ACT.—Section 7(b)(2)(A)(i) of the Employee Polygraph Protection Act of 1988 (Public Law 100-347; 29 U.S.C. 2006(b)(2)(A)(i)) is amended by striking out "Central Imagery Office" and inserting in lieu thereof "National Imagery and Mapping Agency".

(d) CROSS REFERENCE.—Section 82 of title 14, United States Code, is amended by striking out "chapter 167" and inserting in lieu thereof "subchapter II of chapter 22".

SEC. 933. HEADINGS AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—

(1) HEADING.—The heading of chapter 83 of title 10, United States Code, is amended to read as follows:

"CHAPTER 83—DEFENSE INTELLIGENCE AGENCY CIVILIAN PERSONNEL".

(2) CLERICAL AMENDMENTS.—(A) The table of chapters at the beginning of subtitle A of title 10, United States Code, is amended—

(i) by striking out the item relating to chapter 22 and inserting in lieu thereof the following:

"22. National Imagery and Mapping Agency 441
"23. Miscellaneous Studies and Reports .... 471";

(ii) by striking out the item relating to chapter 83 and inserting in lieu thereof the following:

"83. Defense Intelligence Agency Civilian Personnel .... 1601";
and

(iii) by striking out the item relating to chapter 167.

(B) The table of chapters at the beginning of part I of such subtitle is amended by striking out the item relating to chapter 22 and inserting in lieu thereof the following:

"22. National Imagery and Mapping Agency 441
"23. Miscellaneous Studies and Reports .... 471";

(C) The item relating to chapter 83 in the table of chapters at the beginning of part II of such subtitle is amended to read as follows:

"83. Defense Intelligence Agency Civilian Personnel .... 1601".

(D) The table of chapters at the beginning of part IV of such subtitle is amended by striking out the item relating to chapter 167.

(E) The item in the table of sections at the beginning of chapter 23 of title 10, United States Code (as redesignated by section 921), is amended to read as follows:

"481. Racial and ethnic issues; biennial survey; biennial report.".

(b) TITLE 44, UNITED STATES CODE.—

(1) SECTION HEADING.—The heading of section 1336 of title 44, United States Code, is amended to read as follows:

"§ 1336. National Imagery and Mapping Agency: special publications".

(2) CLERICAL AMENDMENT.—The item relating to such section in the tables of sections at the beginning of chapter 13 of such title is amended to read as follows:

"1336. National Imagery and Mapping Agency: special publications.".

[(c) NATIONAL SECURITY ACT OF 1947.—(1) The heading of section 106 of the National Security Act of 1947 (50 U.S.C. 403-6) is amended to read as follows:

["CONSULTATION WITH REGARD TO CERTAIN APPOINTMENTS".

[(2) The item relating to such section in the table of contents in the first section of such Act is amended to read as follows:

[Sec. 106. Consultation with regard to certain appointments.".]

SEC. 934. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on the later of October 1, 1996, or the date of the enactment of an Act appropriating funds for fiscal year 1997 for the National Imagery and Mapping Agency.

(b) EXCEPTION.—Section 928 shall take effect on the date of the enactment of this Act.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1997 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORITY FOR OBLIGATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1996 DEFENSE APPROPRIATIONS.

(a) AUTHORITY.—The amounts described in subsection (b) may be obligated and expended for programs, projects, and activities of the Department of Defense in accordance with fiscal year 1996 defense appropriations.

(b) COVERED AMOUNTS.—The amounts referred to in subsection (a) are the amounts provided for programs, projects, and activities of the Department of Defense in fiscal year 1996 defense appropriations that are in excess of the amounts provided for such programs, projects, and activities in fiscal year 1996 defense authorizations.

(c) DEFINITIONS.—For the purposes of this section:

(1) FISCAL YEAR 1996 DEFENSE APPROPRIATIONS.—The term "fiscal year 1996 defense appropriations" means amounts appropriated or otherwise made available to the Department of Defense for fiscal year 1996 in the Department of Defense Appropriations Act, 1996 (Public Law 104-61).

(2) FISCAL YEAR 1996 DEFENSE AUTHORIZATIONS.—The term "fiscal year 1996 defense authorizations" means amounts authorized to be appropriated for the Department of Defense for fiscal year 1996 in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106).

SEC. 1003. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1996.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1996 in the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134).

SEC. 1004. USE OF FUNDS TRANSFERRED TO THE COAST GUARD.

(a) LIMITATION.—Funds appropriated to the Department of Defense for fiscal year 1997 that are transferred to the Coast Guard may be used only for the performance of national security functions of the Coast Guard in support of the Department of Defense.

(b) CERTIFICATION REQUIRED.—Funds described in subsection (a) may not be transferred to the Coast Guard until the Secretary of Defense and the Secretary of Transportation jointly certify to Congress that the funds so transferred will be used only as described in subsection (a).

(c) GAO AUDIT.—The Comptroller General of the United States shall—

(1) audit, from time to time, the use of funds transferred to the Coast Guard from appropriations for the Department of Defense for fiscal year 1997 in order to verify that the funds are being used in accordance with the limitation in subsection (a); and

(2) notify the congressional defense committees of any use of such funds that, in the judgment of the Comptroller General, is a significant violation of such limitation.

SEC. 1005. USE OF MILITARY-TO-MILITARY CONTACTS FUNDS FOR PROFESSIONAL MILITARY EDUCATION AND TRAINING.

Section 168(c) of title 10, United States Code, is amended by adding at the end the following:

"(9) Military education and training for military and civilian personnel of foreign countries (including transportation expenses, expenses for translation services, and administrative expenses to the extent that the expenses are related to the providing of such education and training to such personnel).".

SEC. 1006. PAYMENT OF CERTAIN EXPENSES RELATING TO HUMANITARIAN AND CIVIC ASSISTANCE.

Section 401(c) of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) Expenses covered by paragraph (1) include the following expenses incurred in the providing of assistance described in subsection (e)(5):

"(A) Travel, transportation, and subsistence expenses of Department of Defense personnel providing the assistance.

"(B) The cost of any equipment, services, or supplies acquired for the purpose of providing the assistance.".

[SEC. 1007. PROHIBITION ON EXPENDITURE OF DEPARTMENT OF DEFENSE FUNDS BY OFFICIALS OUTSIDE THE DEPARTMENT.

[(a) PROHIBITION.—Section 2215 of title 10, United States Code, is amended to read as follows:

[“§ 2215. Prohibition on expenditure of Department of Defense intelligence funds by officials outside the department

[“(a) IN GENERAL.—Funds appropriated for the Department of Defense for intelligence activities of that department may not be obligated or expended by an officer or employee of the United States who is not an officer or employee of the Department of Defense.

[“(b) DELEGATION OF AUTHORITY PROHIBITED.—An officer or employee of the Department of Defense may not delegate to an officer or employee of the United States who is not an officer or employee of the Department of Defense any authority to obligate or expend funds described in subsection (a).".

[(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 131 is amended to read as follows:

[“2215. Prohibition on expenditure of Department of Defense intelligence funds by officials outside the department.".]

SEC. [1008.] *1007.* PROHIBITION ON USE OF FUNDS FOR OFFICE OF NAVAL INTELLIGENCE REPRESENTATION OR RELATED ACTIVITIES.

None of the funds authorized to be appropriated by this Act or otherwise made available for the Navy for fiscal year 1997 may be obligated or expended by the Office of Naval Intelligence for official representation activities or related activities.

SEC. [1009.] *1008.* REIMBURSEMENT OF DEPARTMENT OF DEFENSE FOR COSTS OF DISASTER ASSISTANCE PROVIDED OUTSIDE THE UNITED STATES.

Section 404 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) REIMBURSEMENT POLICY.—It is the sense of Congress that, whenever the President directs the Secretary of Defense to provide disaster assistance outside the United States under subsection (a)—

"(1) the President should direct the Administrator of the Agency for International Development to reimburse the Department of Defense for the cost to the Department of Defense of the assistance provided; and

"(2) a reimbursement by the Administrator should be paid out of funds available under chapter 9 of part I of the Foreign Assistance Act of 1961 for international disaster assistance for the fiscal year in which the cost is incurred.".

SEC. [1010.] *1009.* FISHER HOUSE TRUST FUND FOR THE NAVY.

(a) AUTHORITY.—Section 2221 of title 10, United States Code, is amended—

(1) in subsection (a), by adding at the end the following:

"(3) The Fisher House Trust Fund, Department of the Navy.";

(2) in subsection (c)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph (3):

"(3) Amounts in the Fisher House Trust Fund, Department of the Navy, that are attributable to earnings or gains realized from investments shall be available for the operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Navy."; and

(3) in subsection (d)(1), by striking out "or the Air Force" and inserting in lieu thereof ", the Air Force, or the Navy".

(b) CORPUS OF TRUST FUNDS.—The Secretary of the Navy shall transfer to the Fisher House Trust Fund, Department of the Navy, established by section 2221(a)(3) of title 10, United States Code (as added by subsection (a)(1)), all amounts in the accounts for Navy installations and other facilities that, as of the date of the enactment of this Act, are available for operation and maintenance of Fisher houses, as defined in section 2221(d) of such title.

(c) CONFORMING AMENDMENTS.—Section 1321 of title 31, United States Code, is amended—

(1) in subsection (a), by adding at the end the following:

"(94) Fisher House Trust Fund, Department of the Navy."; and

(2) in subsection (b)(2), by adding at the end the following:

"(D) Fisher House Trust Fund, Department of the Navy.".

SEC. [1011.] *1010.* DESIGNATION AND LIABILITY OF DISBURSING AND CERTIFYING OFFICIALS FOR THE COAST GUARD.

(a) DISBURSING OFFICIALS.—(1) Section 3321(c) of title 31, United States Code, is amended by adding at the end the following:

"(3) The Department of Transportation (with respect to public money available for expenditure by the Coast Guard when it is not operating as a service in the Navy).".

(2)(A) Chapter 17 of title 14, United States Code, is amended by adding at the end the following:

"§ 673. Designation, powers, and accountability of deputy disbursing officials

"(a)(1) Subject to paragraph (3), a disbursing official of the Coast Guard may designate a deputy disbursing official—

"(A) to make payments as the agent of the disbursing official;

"(B) to sign checks drawn on disbursing accounts of the Secretary of the Treasury; and

"(C) to carry out other duties required under law.

"(2) The penalties for misconduct that apply to a disbursing official apply to a deputy disbursing official designated under this subsection.

"(3) A disbursing official may make a designation under paragraph (1) only with the approval of the Secretary of Transportation (when the Coast Guard is not operating as a service in the Navy).

"(b)(1) If a disbursing official of the Coast Guard dies, becomes disabled, or is separated from office, a deputy disbursing official may continue the accounts and payments in the name of the former disbursing official until the last day of the second month after the month in which the death, disability, or separation occurs. The accounts and payments shall be allowed, audited, and settled as provided by law. The Secretary of the Treasury shall honor checks signed in the name of the former disbursing official in the same way as if the former disbursing official had continued in office.

"(2) The deputy disbursing official, and not the former disbursing official or the estate of the former disbursing official, is liable for the actions of the deputy disbursing official under this subsection.

"(c)(1) Except as provided in paragraph (2), this section does not apply to the Coast Guard when section 2773 of title 10 applies to the Coast Guard by reason of the operation of the Coast Guard as a service in the Navy.

"(2) A designation of a deputy disbursing official under subsection (a) that is made while the Coast Guard is not operating as a service in the Navy continues in effect for purposes of section 2773 of title 10 while the Coast Guard operates as a service in the Navy unless and until the designation is terminated by the disbursing official who made the designation or an official authorized to approve such a designation under subsection (a)(3) of such section.".

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"673. Designation, powers, and accountability of deputy disbursing officials.".

(b) DESIGNATION OF MEMBERS OF THE ARMED FORCES TO HAVE AUTHORITY TO CERTIFY VOUCHERS.—Section 3325(b) of title 31, United States Code, is amended by striking out "members of the armed forces under the jurisdiction of the Secretary of Defense may certify vouchers when authorized, in writing, by the Secretary to do so" and inserting in lieu thereof "members of the armed forces may certify vouchers when authorized, in writing, by the Secretary of Defense or, in the case of the Coast Guard when it is not operating as a service in the Navy, by the Secretary of Transportation".

(c) CONFORMING AMENDMENTS.—(1) Section 1007(a) of title 37, United States Code, is amended by inserting after "Secretary of Defense" the following: "(or the Secretary of Transportation, in the case of an officer of the Coast Guard when the Coast Guard is not operating as a service in the Navy)".

(2) Section 3527(b)(1) of title 31, United States Code, is amended—

(A) in subparagraph (A)(i), by inserting after "Department of Defense" the following: "(or the Secretary of Transportation, in the case of a disbursing official of the Coast Guard when the Coast Guard is not operating as a service in the Navy)"; and

(B) in subparagraph (B), by inserting after "or the Secretary of the appropriate military department" the following: "(or the Secretary of Transportation, in the case of a disbursing official of the Coast Guard when the Coast Guard is not operating as a service in the Navy)".

SEC. [1012.] *1011.* AUTHORITY TO SUSPEND OR TERMINATE COLLECTION ACTIONS AGAINST DECEASED MEMBERS OF THE COAST GUARD.

Section 3711(g) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out "or Marine Corps" and inserting in lieu thereof "Marine Corps, or Coast Guard";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph (2):

"(2) The Secretary of Transportation may suspend or terminate an action by the Secretary under subsection (a) to collect a claim against the estate of a person who died while serving on active duty as a member of the Coast Guard if the Secretary determines that, under the circumstances applicable with respect to the deceased person, it is appropriate to do so.".

SEC. [1013.] *1012.* CHECK CASHING AND EXCHANGE TRANSACTIONS WITH CREDIT UNIONS OUTSIDE THE UNITED STATES.

Section 3342(b) of title 31, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(7) a Federal credit union (as defined in section 101(1) of the Federal Credit Union Act (12 U.S.C. 1752(1)) that is operating at Department of Defense invitation in a foreign country where contractor-operated military banking facilities are not available.".

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. AUTHORITY TO TRANSFER NAVAL VESSELS.

(a) EGYPT.—The Secretary of the Navy may transfer to the Government of Egypt the "OLIVER HAZARD PERRY" frigate GALLERY. Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761; relating to the foreign military sales program).

(b) MEXICO.—The Secretary of the Navy may transfer to the Government of Mexico the "KNOX" class frigates STEIN (FF 1065) and MARVIN SHIELDS (FF 1066). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(c) NEW ZEALAND.—The Secretary of the Navy may transfer to the Government of New Zealand the "STALWART" class ocean surveillance ship TENACIOUS. Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(d) PORTUGAL.—The Secretary of the Navy may transfer to the Government of Portugal the "STALWART" class ocean surveillance ship AUDACIOUS. Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j; relating to transfers of excess defense articles).

(e) TAIWAN.—The Secretary of the Navy may transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the following:

(1) The "KNOX" class frigates AYLWIN (FF 1081), PHARRIS (FF 1094), and VALDEZ (FF 1096). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(2) The "NEWPORT" class tank landing ship NEWPORT (LST 1179). Such transfer shall be on a lease basis under section 61 of the Arms Export Control Act (22 U.S.C. 2796).

(f) THAILAND.—The Secretary of the Navy may transfer to the Government of Thailand the "KNOX" class frigate OUELLET (FF 1077). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(g) COSTS OF TRANSFER.—Any expense of the United States in connection with a transfer authorized by this section shall be charged to the recipient.

(h) REPAIR AND REFURBISHMENT OF VESSELS.—The Secretary of the Navy shall require, to the maximum extent possible, as a condition of a transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(i) EXPIRATION OF AUTHORITY.—Any authority for transfer granted by this section shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 1022. TRANSFER OF CERTAIN OBSOLETE TUGBOATS OF THE NAVY.

(a) REQUIREMENT TO TRANSFER VESSELS.—The Secretary of the Navy shall transfer the six obsolete tugboats of the Navy specified in subsection (b) to the Northeast Wisconsin Railroad Transportation Commission, an instrumentality of the State of Wisconsin. Such transfers shall be made without reimbursement to the United States.

(b) VESSELS COVERED.—The requirement in subsection (a) applies to the six decommissioned Cherokee class tugboats, listed as of the date of the enactment of this Act as being surplus to the Navy, that are designated as ATF–105, ATF–110, ATF–149, ATF–158, ATF–159, and ATF–160.

(c) CONDITION RELATING TO ENVIRONMENTAL COMPLIANCE.—The Secretary shall require as a condition of the transfer of a vessel under subsection (a) that use of the vessel by the Commission not commence until the terms of any necessary environmental compliance letter or agreement with respect to that vessel have been complied with.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions (including a requirement that the transfer be at no cost to the Government) in connection with the transfers required by subsection (a) as the Secretary considers appropriate.

SEC. 1023. REPEAL OF REQUIREMENT FOR CONTINUOUS APPLICABILITY OF CONTRACTS FOR PHASED MAINTENANCE OF AE CLASS SHIPS.

Section 1016 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 425) is repealed.

SEC. 1024. CONTRACT OPTIONS FOR LMSR VESSELS.

(a) FINDINGS.—Congress reaffirms the findings set forth in section 1013(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 422), and makes the following modifications and supplemental findings:

(1) Since the findings set forth in section 1013(a) of such Act were originally formulated, the Secretary of the Navy has exercised options for the acquisition of two of the six additional large, medium-speed, roll-on/roll-off (LMSR) vessels that may be acquired by exercise of options provided for under contracts covering the acquisition of a total of 17 LMSR vessels.

(2) Therefore, under those contracts, the Secretary has placed orders for the acquisition of 13 LMSR vessels and has remaining options for the acquisition of four more LMSR vessels, all of which would be new construction vessels.

(3) The remaining options allow the Secretary to place orders for one vessel to be constructed at each of two shipyards for award before December 31, 1996, and December 31, 1997, respectively.

(b) SENSE OF CONGRESS.—Congress also reaffirms its declaration of the sense of Congress, as set forth in section 1013(b) of Public Law 104–106, that the Secretary of the Navy should plan for, and budget to provide for, the acquisition as soon as possible of a total of 19 large, medium-speed, roll-on/roll-off (LMSR) vessels (the number determined to be required in the report entitled "Mobility Requirements Study Bottom-Up Review Update", submitted by the Secretary of Defense to Congress in April 1995), rather than only

17 such vessels (which is the number of vessels under contract as of April 1996).

(c) Additional New Construction Contract Option.—The Secretary of the Navy should negotiate with each of the two shipyards holding new construction contracts referred to in subsection (a)(1) (Department of the Navy contracts numbered N00024–93–C–2203 and N00024–93–C–2205) for an option under each such contract for construction of one additional such LMSR vessel, with such option to be available to the Secretary for exercise not earlier than fiscal year 1998, subject to the availability of funds authorized and appropriated for such purpose. Nothing in this subsection shall be construed to preclude the Secretary of the Navy from competing the award of the two options between the two shipyards holding new construction contracts referred to in subsection (a)(1).

(d) Report.—The Secretary of the Navy shall submit to the congressional defense committees, by March 31, 1997, a report stating the intentions of the Secretary regarding the acquisition of options for the construction of two additional LMSR vessels as described in subsection (c).

(e) Repeal of Superseded Provision.—Section 1013 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat 422) is amended by striking out subsection (c).

Subtitle C—Counter-Drug Activities

SEC. 1031. AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES OF MEXICO.

(a) Authority To Provide Additional Support.—The Secretary of Defense may, during fiscal year 1997, provide the Government of Mexico the support described in subsection (b) for the counter-drug activities of the Government of Mexico. Such support shall be in addition to support provided the Government of Mexico under any other provision of law.

(b) Types of Support.—The Secretary may provide the following support under subsection (a):

(1) The transfer of spare parts and non-lethal equipment and materiel, including radios, night vision goggles, global positioning systems, uniforms, command, control, communications, and intelligence (C^3I) integration equipment, detection equipment, and monitoring equipment.

(2) The maintenance and repair of equipment of the Government of Mexico that is used for counter-narcotics activities.

(c) Applicability of Other Support Authorities.—Except as otherwise provided in this section, the provisions of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) shall apply to the provision of support under this section.

(d) Funding.—Of the amounts authorized to be appropriated for fiscal year 1997 for the Department of Defense for drug interdiction and counter-drug activities, not more than $10,000,000 shall be available in that fiscal year for the provision of support under this section.

SEC. 1032. LIMITATION ON DEFENSE FUNDING OF THE NATIONAL DRUG INTELLIGENCE CENTER.

(a) Limitation on Use of Funds.—Except as provided in subsection (b), funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may not be obligated or expended for the National Drug Intelligence Center, Johnstown, Pennsylvania.

(b) Exception.—If the Attorney General operates the National Drug Intelligence Center using funds available for the Department of Justice, the Secretary of Defense may continue to provide Department of Defense intelligence personnel to support intelligence activities at the Center. The number of such personnel providing support to the Center after the date of the enactment of this Act may not exceed the number of the Department of Defense intelligence personnel who are supporting intelligence activities at the Center on the day before such date.

SEC. 1033. INVESTIGATION OF THE NATIONAL DRUG INTELLIGENCE CENTER.

(a) Investigation Required.—The Inspector General of the Department of Defense, the Inspector General of the Department of Justice, the Inspector General of the Central Intelligence Agency, and the Comptroller General of the United States shall—

(1) jointly investigate the operations of the National Drug Intelligence Center, Johnstown, Pennsylvania; and

(2) not later than March 31, 1997, jointly submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report on the results of the investigation.

(b) Content of Report.—The joint report shall contain a determination regarding whether there is a significant likelihood that the funding of the operation of the National Drug Intelligence Center, a domestic law enforcement program, through an appropriation under the control of the Director of Central Intelligence will result in a violation of the National Security Act of 1947 or Executive Order 12333.

Subtitle D—Matters Relating to Foreign Countries

SEC. 1041. AGREEMENTS FOR EXCHANGE OF DEFENSE PERSONNEL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES.

(a) Exchange Authority.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2350l. Exchange of defense personnel between the United States and foreign countries

"(a) International Exchange Agreements Authorized.—The Secretary of Defense is authorized to enter into agreements with the governments of allies of the United States and other friendly foreign countries for the exchange of military and civilian personnel of the Department of Defense and military and civilian personnel of the defense ministries of such foreign governments.

"(b) Assignment of Personnel.—(1) Pursuant to an agreement entered into under subsection (a), personnel of the defense ministry of a foreign government may be assigned to positions in the Department of Defense, and personnel of the Department of Defense may be assigned to positions in the defense ministry of that foreign government. Positions to which exchanged personnel are assigned may include positions of instructors.

"(2) An agreement for the exchange of personnel engaged in research and development activities may provide for assignment of Department of Defense personnel to positions in private industry that support the defense ministry of the host foreign government.

"(3) A specific position and the individual to be assigned to that position shall be acceptable to both governments.

"(c) Reciprocity of Personnel Qualifications Required.—Each government shall be required under an agreement authorized by subsection (a) to provide personnel having qualifications, training, and skills that are essentially equal to those of the personnel provided by the other government.

"(d) Payment of Personnel Costs.—(1) Each government shall pay the salary, per diem, cost of living, travel, cost of language or other training, and other costs for its own personnel in accordance with the laws and regulations of such government that pertain to such matters.

"(2) The requirement in paragraph (1) does not apply to the following costs:

"(A) Cost of temporary duty directed by the host government.

"(B) Costs of training programs conducted to familiarize, orient, or certify exchanged personnel regarding unique aspects of the exchanged personnel's assignments.

"(C) Costs incident to the use of host government facilities in the performance of assigned duties.

"(e) Prohibited Conditions.—No personnel exchanged pursuant to an agreement under this section may take or be required to take an oath of allegiance to the host country or to hold an official capacity in the government of such country.

"(f) Relationship to Other Authority.—Nothing in this section limits any authority of the secretaries of the military departments to enter into an agreement with the government of a foreign country to provide for exchange of members of the armed forces and military personnel of the foreign country except that subsections (c) and (d) shall apply in the exercise of that authority. The Secretary of Defense may prescribe regulations for the application of such subsections in the exercise of such authority.".

(b) Clerical Amendment.—The table of sections at the beginning of subchapter II of such chapter is amended by adding at the end the following new item:

"2350l. Exchange of defense personnel between the United States and foreign countries.".

SEC. 1042. AUTHORITY FOR RECIPROCAL EXCHANGE OF PERSONNEL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES FOR FLIGHT TRAINING.

Section 544 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347c) is amended—

(1) by inserting ", and for attendance of foreign military personnel at flight training schools or programs (including test pilot schools) in the United States," after "(other than service academies)"; and

(2) by striking out "and comparable institutions" and inserting in lieu thereof " or flight training schools or programs, as the case may be, and comparable institutions, schools, or programs".

SEC. 1043. EXTENSION OF COUNTERPROLIFERATION AUTHORITIES.

Section 1505 of the Weapons of Mass Destruction Control Act of 1992 (title XV of Public Law 104–484; 22 U.S.C. 5859a) is amended—

(1) in subsection (d)(3)—

(A) by striking out "fiscal year 1995, or" and inserting in lieu thereof "fiscal year 1995,"; and

(B) by inserting before the period at the end the following: ", $15,000,000 for fiscal year 1997, or $15,000,000 for fiscal year 1998"; and

(2) in subsection (f), by striking out "fiscal year 1996" and inserting in lieu thereof "fiscal year 1998".

Subtitle E—Miscellaneous Reporting Requirements

SEC. 1051. ANNUAL REPORT ON EMERGING OPERATIONAL CONCEPTS.

(a) REPORT REQUIRED.—Not later than March 1 of each year, the Chairman of the Joint Chiefs of Staff shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on emerging operational concepts. The report shall contain a description, for the year preceding the year in which submitted, of the following:

(1) The process undertaken in each of the Army, Navy, Air Force, and Marine Corps to define and develop doctrine, operational concepts, organizational concepts, and acquisition strategies based on—

(A) the potential of emerging technologies for significantly improving the operational effectiveness of that armed force;

(B) changes in the international order that may necessitate changes in the operational capabilities of that armed force;

(C) emerging capabilities of potential adversary states; and

(D) changes in defense budget projections that put existing acquisition programs of the service at risk.

(2) The manner in which the process undertaken in each of the Army, Navy, Air Force, and Marine Corps is harmonized with a joint vision and with the similar processes of the other armed forces to ensure that there is a sufficient consideration of the development of joint doctrine, operational concepts, and acquisition strategies.

(3) The manner in which the process undertaken by each of the Army, Navy, Air Force, and Marine Corps is coordinated through the Joint Requirements Oversight Council or another entity to ensure that the results of the process are considered in the planning, programming, and budgeting process of the Department of Defense.

(4) Proposals under consideration by the Joint Requirements Oversight Council or other entity within the Department of Defense to modify the roles and missions of any of the Army, Navy, Air Force, and Marine Corps as a result of the processes described in paragraph (1).

(b) FIRST REPORT.—The first report under this section shall be submitted not later than March 1, 1997.

(c) TERMINATION OF REQUIREMENT AFTER FOURTH REPORT.—Notwithstanding subsection (a), no report is required under this section after 2000.

SEC. 1052. ANNUAL JOINT WARFIGHTING SCIENCE AND TECHNOLOGY PLAN.

(a) ANNUAL PLAN REQUIRED.—On March 1 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan for ensuring that the science and technology program of the Department of Defense supports the development of the future joint warfighting capabilities identified as priority requirements for the Armed Forces.

(b) FIRST PLAN.—The first plan shall be submitted not later than March 1, 1997.

SEC. 1053. REPORT ON MILITARY READINESS REQUIREMENTS OF THE ARMED FORCES.

(a) REQUIREMENT.—Not later than January 31, 1997, the Chairman of the Joint Chiefs of Staff shall submit to the congressional defense committees a report on the military readiness requirements of the active and reserve components of the Armed Forces (including combat units, combat support units, and combat service support units) prepared by the officers referred to in subsection (b). The report shall assess such requirements under a tiered readiness and response system that categorizes a given unit according to the likelihood that it will be required to respond to a military conflict and the time in which it will be required to respond.

(b) OFFICERS.—The report required by subsection (a) shall be prepared jointly by the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, the Commandant of the Marine Corps, and the Commander of the Special Operations Command.

(c) ASSESSMENT SCENARIO.—The report shall assess readiness requirements in a scenario based on the following assumptions:

(1) The conflict is in a generic theater of operations located anywhere in the world and does not exceed the notional limits for a major regional contingency.

(2) The forces available for deployment include the forces described in the Bottom Up Review force structure, including all planned force enhancements.

(3) Assistance is not available from allies.

(d) ASSESSMENT ELEMENTS.—The report shall identify by unit type, and assess the readiness requirements of, all active and reserve component units. Each such unit shall be categorized within one of the following classifications:

(1) Forward-deployed and crisis response forces, or "Tier I" forces, that possess limited internal sustainment capability and do not require immediate access to regional air bases or ports or overflight rights, including the following:

(A) Force units that are routinely deployed forward at sea or on land outside the United States.

(B) Combat-ready crises response forces that are capable of mobilizing and deploying within 10 days after receipt of orders.

(C) Forces that are supported by prepositioning equipment afloat or are capable of being inserted into a theater upon the capture of a port or airfield by forcible entry forces.

(2) Combat-ready follow-on forces, or "Tier II" forces, that can be mobilized and deployed to a theater within approximately 60 days after receipt of orders.

(3) Combat-ready conflict resolution forces, or "Tier III" forces, that can be mobilized and deployed to a theater within approximately 180 days after receipt of orders.

(4) All other active and reserve component force units which are not categorized within a classification described in paragraph (1), (2), or (3).

(e) FORM OF REPORT.—The report under this section shall be submitted in unclassified form but may contain a classified annex.

Subtitle F—Other Matters

SEC. 1061. UNIFORM CODE OF MILITARY JUSTICE AMENDMENTS.

(a) TECHNICAL AMENDMENT REGARDING FORFEITURES DURING CONFINEMENT ADJUDGED BY A COURT-MARTIAL.—(1) Section 858b(a)(1) of title 10, United States Code (article 58b(a)(1) of the Uniform Code of Military Justice), is amended—

(A) in the first sentence, by inserting "(if adjudged by a general court-martial)" after "all pay and"; and

(B) in the third sentence, by striking out "two-thirds of all pay and allowances" and inserting in lieu thereof "two-thirds of all pay".

(2) The amendments made by paragraph (1) shall take effect as of April 1, 1996, and shall apply to any case in which a sentence is adjudged by a court-martial on or after that date.

(b) EXCEPTED SERVICE APPOINTMENTS TO CERTAIN NONATTORNEY POSITIONS OF THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES..—(1) Subsection (c) of section 943 of title 10, United States Code (article 143(c) of the Uniform Code of Military Justice) is amended in paragraph (1), by inserting after the first sentence the following: "A position of employment under the Court that is provided primarily for the service of one judge of the court, reports directly to the judge, and is a position of a confidential character is excepted from the competitive service.".

(2) The caption for such subsection is amended by striking out "ATTORNEY" in the subsection caption and inserting in lieu thereof "CERTAIN".

SEC. 1062. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) FUNDING LIMITATION.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1997 for retiring or dismantling, or for preparing to retire or dismantle, any of the following strategic nuclear delivery systems:

(1) B-52H bomber aircraft.

(2) Trident ballistic missile submarines.

(3) Minuteman III intercontinental ballistic missiles.

(4) Peacekeeper intercontinental ballistic missiles.

(b) WAIVER AUTHORITY.—If the START II Treaty enters into force during fiscal year 1997, the Secretary of Defense may waive the application of the limitation under paragraphs (2), (3), and (4) of subsection (a) to Trident ballistic missile submarines, Minuteman III intercontinental ballistic missiles, and Peacekeeper intercontinental ballistic missiles, respectively, to the extent that the Secretary determines necessary in order to implement the treaty.

(c) START II TREATY DEFINED.—In this section, the term "START II Treaty" means the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms, signed at Moscow on January 3, 1993, including the following protocols and memorandum of understanding, all such documents being integral parts of and collectively referred to as the "START II Treaty" (contained in Treaty Document 103–1):

(1) The Protocol on Procedures Governing Elimination of Heavy ICBMs and on Procedures Governing Conversion of Silo Launchers of Heavy ICBMs Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Elimination and Conversion Protocol").

(2) The Protocol on Exhibitions and Inspections of Heavy Bombers Relating to the Treaty Between the United States and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Exhibitions and Inspections Protocol").

(3) The Memorandum of Understanding on Warhead Attribution and Heavy Bomber Data Relating to the Treaty Between the United States of America and the Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (also known as the "Memorandum on Attribution").

SEC. 1063. CORRECTION OF REFERENCES TO DEPARTMENT OF DEFENSE ORGANIZATIONS.

(a) NORTH AMERICAN AEROSPACE DEFENSE COMMAND.—Section 162 of title 10, United States Code, is amended in paragraphs (1), (2), and (3) of subsection (a) by striking out "North American Air Defense Command" and inserting in lieu thereof "North American Aerospace Defense Command".

(b) DEFENSE DISTRIBUTION CENTER, ANNISTON.—The Corporation for the Promotion of Rifle Practice and Firearms Safety Act (title XVI of Public Law 104-106; 110 Stat. 515; 36 U.S.C. 5501 et seq.) is amended by striking out "Anniston Army Depot" each place it appears in the following provisions and inserting in lieu thereof "Defense Distribution Depot, Anniston":

(1) Section 1615(a)(3) (36 U.S.C. 5505(a)(3)).

(2) Section 1616(b) (36 U.S.C. 5506(b)).

(3) Section 1619(a)(1) (36 U.S.C. 5509(a)(1)).

SEC. 1064. AUTHORITY OF CERTAIN MEMBERS OF THE ARMED FORCES TO PERFORM NOTARIAL OR CONSULAR ACTS.

Section 1044a(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "on active duty or performing inactive-duty for training" and inserting in lieu thereof "of the armed forces, including members of reserve components who are judge advocates (whether or not in a duty status)";

(2) in paragraph (3), by striking out "adjutants on active duty or performing inactive-duty training" and inserting in lieu thereof "adjutants, including members of reserve components acting as such an adjutant (whether or not in a duty status)"; and

(3) in paragraph (4), by striking out "persons on active duty or performing inactive-duty training" and inserting in lieu thereof "members of the armed forces, including members of reserve components (whether or not in a duty status),".

SEC. 1065. TRAINING OF MEMBERS OF THE UNIFORMED SERVICES AT NON-GOVERNMENT FACILITIES.

(a) USE OF NON-GOVERNMENT FACILITIES.—Section 4105 of title 5, United States Code, is amended—

(1) by inserting "and members of a uniformed service under the jurisdiction of the head of the agency" after "employees of the agency"; and

(2) by adding at the end the following: "For the purposes of this section, the term 'agency' includes a military department.".

(b) EXPENSES OF TRAINING.—Section 4109 of such title is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking out "under regulations prescribed under section 4118(a)(8) of this title and";

(B) in paragraph (1), by inserting after "an employee of the agency" the following: ", or the pay of a member of a uniformed service within the agency, who is"; and

(C) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by inserting "or member of a uniformed service" after "reimburse the employee";

(ii) in subparagraph (A), by striking out "commissioned officers of the National Oceanic and Atmospheric Administration" and inserting in lieu thereof "a member of a uniformed service"; and

(iii) in subparagraph (B), by striking out "commissioned officers of the National Oceanic and Atmospheric Administration" and inserting in lieu thereof "a member of a uniformed service"; and

(2) by adding at the end the following:

"(d) In the exercise of authority under subsection (a) with respect to an employee of an agency, the head of the agency shall comply with regulations prescribed under section 4118(a)(8) of this title.

"(e) For the purposes of this section, the term 'agency' includes a military department.".

SEC. 1066. THIRD-PARTY LIABILITY TO UNITED STATES FOR TORTIOUS INFLICTION OF INJURY OR DISEASE ON MEMBERS OF THE UNIFORMED SERVICES.

(a) RECOVERY OF PAY AND ALLOWANCES.—Section 1 of Public Law 87-693 (42 U.S.C. 2651) is amended—

(1) in the first sentence of subsection (a)—

(A) by inserting "or pay for" after "required by law to furnish"; and

(B) by striking out "or to be furnished" each place that phrase appears and inserting in lieu thereof ", to be furnished, paid for, or to be paid for";

(2) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively;

(3) by inserting after subsection (a), the following new subsections:

"(b) If a member of the uniformed services is injured, or contracts a disease, under circumstances creating a tort liability upon a third person (other than or in addition to the United States and except employers of seamen referred to in subsection (a)) for damages for such injury or disease and the member is unable to perform the member's regular military duties as a result of the injury or disease, the United States shall have a right (independent of the rights of the member) to recover from the third person or an insurer of the third person, or both, the amount equal to the total amount of the pay that accrues and is to accrue to the member for the period for which the member is unable to perform such duties as a result of the injury or disease and is not assigned to perform other military duties.

"(c)(1) If, pursuant to the laws of a State that are applicable in a case of a member of the uniformed services who is injured or contracts a disease as a result of tortious conduct of a third person, there is in effect for such a case (as a substitute or alternative for compensation for damages through tort liability) a system of compensation or reimbursement for expenses of hospital, medical, surgical, or dental care and treatment or for lost pay pursuant to a policy of insurance, contract, medical or hospital service agreement, or similar arrangement, the United States shall be deemed to be a third-party beneficiary of such a policy, contract, agreement, or arrangement.

"(2) For the purposes of paragraph (1)—

"(A) the expenses incurred or to be incurred by the United States for care and treatment for an injured or diseased member as described in subsection (a) shall be deemed to have been incurred by the member;

"(B) the cost to the United States of the pay of the member as described in subsection (b) shall be deemed to have been pay lost by the member as a result of the injury or disease; and

"(C) the United States shall be subrogated to any right or claim that the injured or diseased member or the member's guardian, personal representative, estate, dependents, or survivors have under a policy, contract, agreement, or arrangement referred to in paragraph (1) to the extent of the reasonable value of the care and treatment and the total amount of the pay deemed lost under subparagraph (B).";

(4) in subsection (d), as redesignated by paragraph (2), by inserting "or paid for" after "treatment is furnished"; and

(5) by adding at the end the following:

"(f)(1) Any amounts recovered under this section for medical care and related services furnished by a military medical treatment facility or similar military activity shall be credited to the appropriation or appropriations supporting the operation of that facility or activity, as determined under regulations prescribed by the Secretary of Defense.

"(2) Any amounts recovered under this section for the cost to the United States of pay of an injured or diseased member of the uniformed services shall be credited to the appropriation that supports the operation of the command, activity, or other unit to which the member was assigned at the time of the injury or illness, as determined under regulations prescribed by the Secretary concerned.

"(g) For the purposes of this section:

"(A) The term 'uniformed services' has the meaning given such term in section 1072(1) of title 10, United States Code.

"(B) The term 'tortious conduct' includes any tortious omission.

"(C) The term 'pay', with respect to a member of the uniformed services, means basic pay, special pay, and incentive pay that the member is authorized to receive under title 37, United States Code, or any other law providing pay for service in the uniformed services.

"(D) The term 'Secretary concerned' means—

"(i) the Secretary of Defense, with respect to the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard (when it is operating as a service in the Navy);

"(ii) the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy;

"(iii) the Secretary of Health and Human Services, with respect to the Commissioned Corps of the Public Health Service; and

"(iv) the Secretary of Commerce, with respect to the Commissioned Corps of the National Oceanic and Atmospheric Administration.".

(b) CONFORMING AMENDMENTS.—Section 1 of Public Law 87-693 (42 U.S.C. 2651) is amended—

(1) in the first sentence of subsection (a)—

(A) by inserting "(independent of the rights of the injured or diseased person)" after "a right to recover"; and

(B) by inserting ", or that person's insurer," after "from said third person";

(2) in subsection (d), as redesignated by subsection (a)(2)—

(A) by striking out "such right," and inserting in lieu thereof "a right under subsections (a), (b), and (c)"; and

(B) by inserting ", or the insurance carrier or other entity responsible for the payment or reimbursement of medical expenses or lost pay," after "the third person who is liable for the injury or disease" each place that it appears.

(c) APPLICABILITY.—The authority to collect pursuant to the amendments made by this section shall apply to expenses described in the first section of Public Law 87-693 (as amended by this section) that are incurred, or are to be incurred, by the United States on or after the date of the enactment of this Act, whether the event from which the claim arises occurred before, on, or after that date.

SEC. 1067. DISPLAY OF STATE FLAGS AT INSTALLATIONS AND FACILITIES OF THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Except as provided in subsection (b) and notwithstanding any other provision of law, no funds appropriated or otherwise made available to the Department of Defense may be used to adopt or enforce any rule or other prohibition that discriminates against the display of the official flag of a particular State, territory, or possession of the United States at an official ceremony at any installation or other facility of the Department of Defense at which the official flags of the other States, territories, or possessions of the United States are being displayed.

(b) POSITION AND MANNER OF DISPLAY.—The display of an official flag referred to in subsection (a) at an installation or other facility of the Department shall be governed by the provisions of section 3 of the Joint Resolution of June 22, 1942 (56 Stat. 378, chapter 435; 36 U.S.C. 175), and any modification of such provisions under section 8 of that Joint Resolution (36 U.S.C. 178).

SEC. 1068. GEORGE C. MARSHALL EUROPEAN CENTER FOR STRATEGIC SECURITY STUDIES.

(a) AUTHORITY TO ACCEPT FUNDS, MATERIALS, AND SERVICES.—(1) The Secretary of Defense may, on behalf of the George C. Marshall European Center for Strategic Security Studies, accept gifts or donations of funds, materials (including research materials), property, and services (including lecture services and faculty services) from foreign governments, foundations and other charitable organizations in foreign countries, and individuals in foreign countries in order to defray the costs of the operation of the Center.

(2) Funds received by the Secretary under paragraph (1) shall be credited to appropriations available for the Department of Defense for the George C. Marshall European Center for Strategic Security Studies. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Center for the same purposes and same period as the appropriations with which merged.

(b) PARTICIPATION OF FOREIGN NATIONS OTHERWISE PROHIBITED.—(1) The Secretary may permit representatives of a foreign government to participate in a program of the George C. Marshall European Center for Strategic Security Studies, notwithstanding any other provision of law that would otherwise prevent representatives of that foreign government from participating in the program. Before doing so, the Secretary shall determine, in consultation with the Secretary of State, that the participation of representatives of that foreign government in the program is in the national interest of the United States.

(2) Not later than January 31 of each year, the Secretary of Defense shall, with the assistance of the Director of the Center, submit to Congress a report setting forth the foreign governments permitted to participate in programs of the Center during the preceding year under the authority provided in paragraph (1).

(c) WAIVER OF CERTAIN REQUIREMENTS FOR BOARD OF VISITORS.—(1) The Secretary may waive the application of any financial disclosure requirement imposed by law to a foreign member of the Board of Visitors of the Center if that requirement would otherwise apply to the member solely by reason of the service as a member of the Board. The authority under the preceding sentence applies only in the case of a foreign member who serves on the Board without compensation.

(2) Notwithstanding any other provision of law, a member of the Board of Visitors may not be required to register as an agent of a foreign government solely by reason of service as a member of the Board.

SEC. 1069. AUTHORITY TO AWARD TO CIVILIAN PARTICIPANTS IN THE DEFENSE OF PEARL HARBOR THE CONGRESSIONAL MEDAL PREVIOUSLY AUTHORIZED ONLY FOR MILITARY PARTICIPANTS IN THE DEFENSE OF PEARL HARBOR.

(a) AUTHORITY.—The Speaker of the House of Representatives and the President pro tempore of the Senate are authorized jointly to present, on behalf of Congress, a bronze medal provided for under section 1492 of the National Defense Authorization Act for Fiscal Year 1991 (104 Stat. 1721) to any person who meets the eligibility requirements set forth in subsection (d) of that section other than the requirement for membership in the Armed Forces, as certified under subsection (e) of that section or under subsection (b) of this section.

(b) CERTIFICATION.—The Secretary of Defense shall, not later than 12 months after the date of the enactment of this Act, certify to the Speaker of the House of Representatives and the President pro tempore of the Senate the names of persons who are eligible for award of the medal under this Act and have not previously been certified under section 1492(e) of the National Defense Authorization Act for Fiscal Year 1991.

(c) APPLICATIONS.—Subsections (d)(2) and (f) of section 1492 of the National Defense Authorization Act for Fiscal Year 1991 shall apply in the administration of this Act.

(d) ADDITIONAL STRIKING AUTHORITY.—The Secretary of the Treasury shall strike such additional medals as may be necessary for presentation under the authority of subsection (a).

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sum as may be necessary to carry out this section.

(f) RETROACTIVE EFFECTIVE DATE.—The authority under subsection (a) shall be effective as of November 5, 1990.

SEC. 1070. MICHAEL O'CALLAGHAN FEDERAL HOSPITAL, LAS VEGAS, NEVADA.

(a) FINDINGS.—Congress makes the following findings:

(1) Michael O'Callaghan, former Governor of the State of Nevada, served in three branches of the Armed Forces of the United States, namely, the Army, the Air Force, and the Marine Corps.

(2) At 16 years of age, Michael O'Callaghan enlisted in the United States Marine Corps to serve during the end of World War II.

(3) During the Korean conflict, Michael O'Callaghan served successively in the Air Force and the Army and, during such service, suffered wounds in combat that necessitated the amputation of his left leg.

(4) Michael O'Callaghan was awarded the Silver Star, the Bronze Star with Valor Device, and the Purple Heart for his military service.

(5) In 1963, Michael O'Callaghan became the first director of the Health and Welfare Department of the State of Nevada.

(6) In 1970, Michael O'Callaghan became Governor of the State of Nevada and served in that position through 1978, making him one of only five two-term governors in the history of the State of Nevada.

(7) In 1982, Michael O'Callaghan received the Air Force Exceptional Service Award.

(8) It is appropriate to name the Nellis Federal Hospital, Las Vegas, Nevada, a hospital operated jointly by the Department of Defense, through Nellis Air Force Base, and the Department of Veterans Affairs, through the Las Vegas Veterans Affairs Outpatient Clinic, after Michael O'Callaghan, a man who (A) has served his country with honor in three branches of the Armed Forces, (B) as a disabled veteran knows personally the tragic sacrifices that are so often made in the service of his country in the Armed Forces, and (C) has spent his entire career working to improve the lives of all Nevadans.

(b) DESIGNATION OF MICHAEL O'CALLAGHAN FEDERAL HOSPITAL.—The Nellis Federal Hospital, a Federal building located at 4700 North Las Vegas Boulevard, Las Vegas, Nevada, is designated as the "Michael O'Callaghan Federal Hospital".

(c) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in subsection (b) shall be deemed to be a reference to the "Michael O'Callaghan Federal Hospital".

SEC. 1071. NAMING OF BUILDING AT THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

It is the sense of the Senate that the Secretary of Defense should name Building A at the Uniformed Services University of the Health Sciences as the "David Packard Building".

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Subtitle A—Personnel Management, Pay, and Allowances

SEC. 1101. SCOPE OF REQUIREMENT FOR CONVERSION OF MILITARY POSITIONS TO CIVILIAN POSITIONS.

Section 1032(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 429; 10 U.S.C. 129a note) is amended—

(1) by striking out the text of paragraph (1) and inserting in lieu thereof the following: "By September 30, 1996, the Secretary of Defense shall convert at least 3,000 military positions to civilian positions.";

(2) by striking out paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

SEC. 1102. RETENTION OF CIVILIAN EMPLOYEE POSITIONS AT MILITARY TRAINING BASES TRANSFERRED TO NATIONAL GUARD.

(a) MILITARY TRAINING INSTALLATIONS AFFECTED.—This section applies with respect to each military training installation that—

(1) was approved for closure in 1995 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note);

(2) is scheduled for transfer during fiscal year 1997 to National Guard operation and control; and

(3) will continue to be used, after such transfer, to provide training support to active and reserve components of the Armed Forces.

(b) RETENTION OF EMPLOYEE POSITIONS.—In the case of a military training installation described in subsection (a), the Secretary of Defense may retain civilian employee positions of the Department of Defense at the installation after transfer to the National Guard of a State in order to facilitate active and reserve component training at the installation. The Secretary, in consultation with the Adjutant General of the National Guard of that State, shall determine the extent to which positions at that installation are to be retained as positions in the Department of Defense.

(c) MAXIMUM NUMBER OF POSITIONS RETAINED.—The maximum number of civilian employee positions retained at an installation under this section shall not exceed 20 percent of the Federal civilian workforce employed at the installation as of September 8, 1995.

(d) Removal of Position.—The decision to retain civilian employee positions at an installation under this section shall cease to apply to a position so retained on the date on which the Secretary certifies to Congress that it is no longer necessary to retain the position in order to ensure that effective support is provided at the installation for active and reserve component training.

SEC. 1103. CLARIFICATION OF LIMITATION ON FURNISHING CLOTHING OR PAYING A UNIFORM ALLOWANCE TO ENLISTED NATIONAL GUARD TECHNICIANS.

Section 418(c) of title 37, United States Code, is amended by striking out "for which a uniform allowance is paid under section 415 or 416 of this title" and inserting in lieu thereof "for which clothing is furnished or a uniform allowance is paid under this section".

SEC. 1104. TRAVEL EXPENSES AND HEALTH CARE FOR CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE ABROAD.

(a) In General.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1599b. Employees abroad: travel expenses; health care

"(a) In General.—The Secretary of Defense may provide civilian employees, and members of their families, abroad with benefits that are comparable to certain benefits that are provided by the Secretary of State to members of the Foreign Service and their families abroad as described in subsections (b) and (c). The Secretary may designate the employees and members of families who are eligible to receive the benefits.

"(b) Travel and Related Expenses.—The Secretary of Defense may pay travel expenses and related expenses for purposes and in amounts that are comparable to the purposes for which, and the amounts in which, travel and related expenses are paid by the Secretary of State under section 901 of the Foreign Service Act of 1980 (22 U.S.C. 4081).

"(c) Health Care Program.—The Secretary of Defense may establish a health care program that is comparable to the health care program established by the Secretary of State under section 904 of that Act (22 U.S.C. 4084).

"(d) Assistance.—The Secretary of Defense may enter into agreements with the heads of other departments and agencies of the Federal Government in order to facilitate the payment of expenses authorized by subsection (b) and to carry out a health care program authorized by subsection (c).

"(e) Abroad Defined.—In this section, the term 'abroad' means outside—

"(1) the United States; and

"(2) the territories and possessions of the United States.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1599a the following new item:

"1599b. Employees abroad: travel expenses; health care.".

SEC. 1105. TRAVEL, TRANSPORTATION, AND RELOCATION ALLOWANCES FOR CERTAIN FORMER NONAPPROPRIATED FUND EMPLOYEES.

(a) In General.—(1) Subchapter II of chapter 57 of title 5, United States Code, is amended by adding at the end the following new section:

"§ 5736. Travel, transportation, and relocation expenses of certain nonappropriated fund employees

"An employee of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard described in section 2105(c) of this title who moves, without a break in service of more than 3 days, to a position in the Department of Defense or the Coast Guard, respectively, may be authorized travel, transportation, and relocation expenses and allowances under the same conditions and to the same extent authorized by this subchapter for transferred employees.".

(2) The table of sections at the beginning of chapter 57 of such title is amended by inserting after the item relating to section 5735 the following new item:

"5736. Travel, transportation, and relocation expenses of certain nonappropriated fund employees.".

(b) Applicability.—Section 5736 of title 5, United States Code (as added by subsection (a)(1)), shall apply to moves between positions as described in such section that are effective on or after October 1, 1996.

SEC. 1106. EMPLOYMENT AND SALARY PRACTICES APPLICABLE TO DEPARTMENT OF DEFENSE OVERSEAS TEACHERS.

(a) Expansion of Scope of Educators Covered.—Section 2 of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 901) is amended—

(1) in subparagraph (A) of paragraph (1), by inserting ", or are performed by an individual who carried out certain teaching activities identified in regulations prescribed by the Secretary of Defense" after "Defense,"; and

(2) by striking out subparagraph (C) of paragraph (2) and inserting in lieu thereof the following:

"(C) who is employed in a teaching position described in paragraph (1).".

(b) Transfer of Responsibility for Employment and Salary Practices.—Section 5 of such Act (20 U.S.C. 903) is amended—

(1) in subsection (a)—

(A) by striking out "secretary of each military department in the Department of Defense" and inserting in lieu thereof "Secretary of Defense"; and

(B) by striking out "his military department" and inserting in lieu thereof "the Department of Defense";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking out "secretary of each military department—" and inserting in lieu thereof "Secretary of Defense—"; and

(B) in paragraph (1), by striking out "his military department," and inserting in lieu thereof "the Department of Defense";

(3) in subsection (c)—

(A) by striking out "Secretary of each military department" and inserting in lieu thereof "Secretary of Defense"; and

(B) by striking out "his military department" and inserting in lieu thereof "the Department of Defense"; and

(4) in subsection (d), by striking out "Secretary of each military department" and inserting in lieu thereof "Secretary of Defense".

SEC. 1107. EMPLOYMENT AND COMPENSATION OF CIVILIAN FACULTY MEMBERS AT CERTAIN DEPARTMENT OF DEFENSE SCHOOLS.

(a) Faculties.—Section 1595(c) of title 10, United States Code, is amended by inserting after paragraph (3) the following new paragraph (4):

"(4) The English Language Center of the Defense Language Institute.

"(5) The Asia-Pacific Center for Security Studies.".

(b) Certain Administrators.—Such section 1595 is amended by adding at the end the following:

"(f) Application to Director and Deputy Director at Asia-Pacific Center for Security Studies.—In the case of the Asia-Pacific Center for Security Studies, this section also applies with respect to the Director and the Deputy Director.".

SEC. 1108. REIMBURSEMENT OF DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT SCHOOL BOARD MEMBERS FOR CERTAIN EXPENSES.

Section 2164(d) of title 10, United States Code, is amended by adding at the end the following:

"(7) The Secretary may provide for reimbursement of a school board member for expenses incurred by the member for travel, transportation, program fees, and activity fees that the Secretary determines are reasonable and necessary for the performance of school board duties by the member.".

SEC. 1109. EXTENSION OF AUTHORITY FOR CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE TO PARTICIPATE VOLUNTARILY IN REDUCTIONS IN FORCE.

Section 3502(f)(5) of title 5, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 2001".

SEC. 1110. COMPENSATORY TIME OFF FOR OVERTIME WORK PERFORMED BY WAGE-BOARD EMPLOYEES.

Section 5543 of title 5, United States Code, is amended by adding at the end the following:

"(c) The head of an agency may, on request of an employee, grant the employee compensatory time off from the employee's scheduled tour of duty instead of payment under section 5544 of this title or section 7 of the Fair Labor Standards Act of 1938 for an equal amount of time spent in irregular or occasional overtime work.".

SEC. 1111. LIQUIDATION OF RESTORED ANNUAL LEAVE THAT REMAINS UNUSED UPON TRANSFER OF EMPLOYEE FROM INSTALLATION BEING CLOSED OR REALIGNED.

(a) Lump-Sum Payment Required.—Section 5551 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) Annual leave that is restored to an employee of the Department of Defense under section 6304(d) of this title by reason of the operation of paragraph (3) of such section and remains unused upon the transfer of the employee to a position described in paragraph (2) shall be liquidated by payment of a lump-sum for such leave to the employee upon the transfer.

"(2) A position referred to in paragraph (1) is a position in a department or agency of the Federal Government outside the Department of Defense or a Department of Defense position that is not located at a Department of Defense installation being closed or realigned as described in section 6304(d)(3) of this title.".

(b) Applicability.—Subsection (c) of section 5551 of title 5, United States Code (as added by subsection (a)), shall apply with respect to transfers described in such subsection (c) that take effect on or after the date of the enactment of this Act.

SEC. 1112. WAIVER OF REQUIREMENT FOR REPAYMENT OF VOLUNTARY SEPARATION INCENTIVE PAY BY FORMER DEPARTMENT OF DEFENSE EMPLOYEES REEMPLOYED BY THE GOVERNMENT WITHOUT PAY.

Section 5597(g) of title 5, United States Code, is amended by adding at the end the following new paragraph:

"(5) If the employment is without compensation, the appointing official may waive the repayment.".

SEC. 1113. FEDERAL HOLIDAY OBSERVANCE RULES FOR DEPARTMENT OF DEFENSE EMPLOYEES.

(a) HOLIDAYS OCCURRING ON NONWORKDAYS.—Section 6103(b) of title 5, United States Code, is amended by inserting after paragraph (2) the following new paragraph:

"(3) In the case of a full-time employee of the Department of Defense, the following rules apply:

"(A) When a legal public holiday occurs on a Sunday that is not a regular weekly workday for an employee, the employee's next workday is the legal public holiday for the employee.

"(B) When a legal public holiday occurs on a regular weekly nonworkday that is administratively scheduled for an employee instead of Sunday, the employee's next workday is the legal public holiday for the employee.

"(C) When a legal public holiday occurs on an employee's regular weekly nonworkday immediately following a regular weekly nonworkday that is administratively scheduled for the employee instead of Sunday, the employee's next workday is the legal public holiday for the employee.

"(D) When a legal public holiday occurs on an employee's regular weekly nonworkday that is not a nonworkday referred to in subparagraph (A), (B), or (C), the employee's preceding workday is the legal public holiday for the employee.

"(E) The Secretary concerned (as defined in section 101(a) of title 10) may schedule a legal public holiday for an employee to be on a different day than the one that would otherwise apply for the employee under subparagraph (A), (B), (C), or (D).

"(F) If a legal public holiday for an employee would be different under paragraph (1) or (2) than the day determined under this paragraph, the legal public holiday for the employee shall be the day that is determined under this paragraph.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 6103(b) of such title, as amended by subsection (a), is further amended—

(1) in paragraph (1), by striking out "legal public holiday for—" and all that follows through the period and inserting in lieu thereof "legal public holiday for employees whose basic workweek is Monday through Friday."; and

(2) in the matter following paragraph (3), by striking out "This subsection, except subparagraph (B) of paragraph (1)," and inserting in lieu thereof "Paragraphs (1) and (2)".

SEC. 1114. REVISION OF CERTAIN TRAVEL MANAGEMENT AUTHORITIES.

(a) REPEAL OF REQUIREMENTS RELATING TO FIRE-SAFE ACCOMMODATIONS.—(1) Section 5707 of title 5, United States Code, is amended by striking out subsection (d).

(2) Subsection (b) of section 5 of the Hotel and Motel Fire Safety Act of 1990 (Public Law 101–391; 104 Stat. 751; 5 U.S.C. 5707 note) is repealed.

(b) USE OF FUNDS FOR LONG-DISTANCE CHARGES.—Subsection (b) of section 1348 of title 31, United States Code, is amended to read as follows:

"(b) Appropriations of an agency are available to pay charges assessed by commercial telecommunications carriers for long-distance telephone services provided to individuals travelling on official business of the agency if charges for such services are included in a travel expense report and approved by the official of the agency responsible for approving travel expense reports.".

(c) REPEAL OF PROHIBITION ON PAYMENT OF LODGING EXPENSES OF DEPARTMENT OF DEFENSE EMPLOYEES AND OTHER CIVILIANS WHEN ADEQUATE GOVERNMENT QUARTERS ARE AVAILABLE.—(1) Section 1589 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to such section.

Subtitle B—Defense Economic Adjustment, Diversification, Conversion, and Stabilization

SEC. 1121. PILOT PROGRAMS FOR DEFENSE EMPLOYEES CONVERTED TO CONTRACTOR EMPLOYEES DUE TO PRIVATIZATION AT CLOSED MILITARY INSTALLATIONS.

(a) PILOT PROGRAMS AUTHORIZED.—(1) The Secretary of Defense, after consultation with the Secretary of the Navy, the Secretary of the Air Force, and the Director of the Office of Personnel Management, may establish a pilot program under which Federal retirement benefits are provided in accordance with this section to persons who convert from Federal employment in the Department of the Navy or the Department of the Air Force to employment by a Department of Defense contractor in connection with the privatization of the performance of functions at selected military installations being closed under the base closure and realignment process.

(2) The Secretary of Defense shall select the installations to be covered by a pilot program under this section.

(b) ELIGIBLE TRANSFERRED EMPLOYEES.—(1) A person is a transferred employee eligible for benefits under this section if the person is a former employee of the Department of Defense (other than a temporary employee) who—

(A) while employed by the Department of Defense in a function recommended to be privatized as part of the closure and realignment of military installations pursuant to section 2903(e) of the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and while covered under the Civil Service Retirement System, separated from Federal service after being notified that the employee would be separated in a reduction-in-force resulting from conversion from performance of a function by Department of Defense employees at that military installation to performance of that function by a defense contractor at that installation or in the vicinity of that installation;

(B) is employed by the defense contractor within 60 days following such separation to perform substantially the same function performed before the separation;

(C) remains employed by the defense contractor (or a successor defense contractor) or subcontractor of the defense contractor (or successor defense contractor) until attaining early deferred retirement age (unless the employment is sooner involuntarily terminated for reasons other than performance or conduct of the employee);

(D) at the time separated from Federal service, was not eligible for an immediate annuity under the Civil Service Retirement System; and

(E) does not withdraw retirement contributions under section 8342 of title 5, United States Code.

(2) A person who, under paragraph (1), would otherwise be eligible for an early deferred annuity under this section shall not be eligible for such benefits if the person received separation pay or severance pay due to a separation described in subparagraph (A) of that paragraph unless the person repays the full amount of such pay with interest (computed at a rate determined appropriate by the Director of the Office of Personnel Management) to the Department of Defense before attaining early deferred retirement age.

(c) RETIREMENT BENEFITS OF TRANSFERRED EMPLOYEES.—In the case of a transferred employee covered by a pilot program under this section, payment of a deferred annuity for which the transferred employee is eligible under section 8338(a) of title 5, United States Code, shall commence on the first day of the first month that begins after the date on which the transferred employee attains early deferred retirement age, notwithstanding the age requirement under that section.

(d) COMPUTATION OF AVERAGE PAY.—(1)(A) This paragraph applies to a transferred employee who was employed in a position classified under the General Schedule immediately before the employee's covered separation from Federal service.

(B) Subject to subparagraph (C), for purposes of computing the deferred annuity for a transferred employee referred to in subparagraph (A), the average pay of the transferred employee, computed under section 8331(4) of title 5, United States Code, as of the date of the employee's covered separation from Federal service, shall be adjusted at the same time and by the same percentage that rates of basic pay are increased under section 5303 of such title during the period beginning on that date and ending on the date on which the transferred employee attains early deferred retirement age.

(C) The average pay of a transferred employee, as adjusted under subparagraph (B), may not exceed the amount to which an annuity of the transferred employee could be increased under section 8340 of title 5, United States Code, in accordance with the limitation in subsection (g)(1) of such section (relating to maximum pay, final pay, or average pay).

(2)(A) This paragraph applies to a transferred employee who was a prevailing rate employee (as defined under section 5342(2) of title 5, United States Code) immediately before the employee's covered separation from Federal service.

(B) For purposes of computing the deferred annuity for a transferred employee referred to in subparagraph (A), the average pay of the transferred employee, computed under section 8331(4) of title 5, United States Code, as of the date of the employee's covered separation from Federal service, shall be adjusted at the same time and by the same percentage that pay rates for positions that are in the same area as, and are comparable to, the last position the transferred employee held as a prevailing rate employee, are increased under section 5343(a) of such title during the period beginning on that date and ending on the date on which the transferred employee attains early deferred retirement age.

(e) PAYMENT OF UNFUNDED LIABILITY.—(1) The military department concerned shall be liable for that portion of any estimated increase in the unfunded liability of the Civil Service Retirement and Disability Fund established under section 8348 of title 5, United States Code, which is attributable to any benefits payable from such Fund to a transferred employee, and any survivor of a transferred employee, when the increase results from—

(A) an increase in the average pay of the transferred employee under subsection (d) upon which such benefits are computed; and

(B) the commencement of an early deferred annuity in accordance with this section before the attainment of 62 years of age by the transferred employee.

(2) The estimated increase in the unfunded liability for each department referred to in paragraph (1), shall be determined by the Director of the Office of Personnel Management. In making the determination, the Director shall consider any savings to the Fund as a result of the program established under this section. The Secretary of the military department concerned shall pay the amount so determined to the Director in 10 equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System, with the first payment thereof due at the end of the fiscal year in which an increase in average pay under subsection (d) becomes effective.

(f) Contractor Service Not Creditable.—Service performed by a transferred employee for a defense contractor after the employee's covered separation from Federal service is not creditable service for purposes of subchapter III of chapter 83 of title 5, United States Code.

(g) Receipt of Benefits While Employed by a Defense Contractor.—A transferred employee may commence receipt of an early deferred annuity in accordance with this section while continuing to work for a defense contractor.

(h) Lump-Sum Credit Payment.—If a transferred employee dies before attaining early deferred retirement age, such employee shall be treated as a former employee who dies not retired for purposes of payment of the lump-sum credit under section 8342(d) of title 5, United States Code.

(i) Continued Federal Health Benefits Coverage.—Notwithstanding section 5905a(e)(1)(A) of title 5, United States Code, the continued coverage of a transferred employee for health benefits under chapter 89 of such title by reason of the application of section 8905a of such title to such employee shall terminate 90 days after the date of the employee's covered separation from Federal employment. For the purposes of the preceding sentence, a person who, except for subsection (b)(2), would be a transferred employee shall be considered a transferred employee.

(j) Report by GAO.—The Comptroller General of the United States shall conduct a study of each pilot program, if any, established under this section and submit a report on the pilot program to Congress not later than two years after the date on which the program is established. The report shall contain the following:

(1) A review and evaluation of the program, including—

(A) an evaluation of the success of the privatization outcomes of the program;

(B) a comparison and evaluation of such privatization outcomes with the privatization outcomes with respect to facilities at other military installations closed or realigned under the base closure laws;

(C) an evaluation of the impact of the program on the Federal workforce and whether the program results in the maintenance of a skilled workforce for defense contractors at an acceptable cost to the military department concerned; and

(D) an assessment of the extent to which the pilot program is a cost-effective means of facilitating privatization of the performance of Federal activities.

(2) Recommendations relating to the expansion of the program to other installations and employees.

(3) Any other recommendation relating to the program.

(k) Implementing Regulations.—Not later than 30 days after the Secretary of Defense notifies the Director of the Office of Personnel Management of a decision to establish a pilot program under this section, the Director shall prescribe regulations to carry out the provisions of this section with respect to that pilot program. Before prescribing the regulations, the Director shall consult with the Secretary.

(l) Definitions.—In this section:

(1) The term "transferred employee" means a person who, pursuant to subsection (b), is eligible for benefits under this section.

(2) The term "covered separation from Federal service" means a separation from Federal service as described under subsection (b)(1)(A).

(3) The term "Civil Service Retirement System" means the retirement system under subchapter III of chapter 83 of title 5, United States Code.

(4) The term "defense contractor" means any entity that—

(A) contracts with the Department of Defense to perform a function previously performed by Department of Defense employees;

(B) performs that function at the same installation at which such function was previously performed by Department of Defense employees or in the vicinity of that installation; and

(C) is the employer of one or more transferred employees.

(5) The term "early deferred retirement age" means the first age at which a transferred employee would have been eligible for immediate retirement under subsection (a) or (b) of section 8336 of title 5, United States Code, if such transferred employee had remained an employee within the meaning of section 8331(1) of such title continuously until attaining such age.

(6) The term "severance pay" means severance pay payable under section 5595 of title 5, United States Code.

(7) The term "separation pay" means separation pay payable under section 5597 of title 5, United States Code.

(m) Effective Date.—This section shall take effect on August 1, 1996, and shall apply to covered separations from Federal service on or after that date.

SEC. 1122. TROOPS-TO-TEACHERS PROGRAM IMPROVEMENTS APPLIED TO CIVILIAN PERSONNEL.

(a) Separated Civilian Employees of the Department of Defense.—(1) Subsection (a) of section 1598 of title 10, United States Code, is amended by striking out "may establish" and inserting in lieu thereof "shall establish".

(2) Subsection (d)(2) of such section is amended by striking out "five school years" in subparagraphs (A) and (B) and inserting in lieu thereof "two school years".

(b) Displaced Department of Defense Contractor Employees.—Section 2410j(f)(2) of such title is amended by striking out "five school years" in subparagraphs (A) and (B) and inserting in lieu thereof "two school years".

(c) Savings Provision.—The amendments made by this section do not effect obligations under agreements entered into in accordance with section 1598 or 2410j of title 10, United States Code, before the date of the enactment of this Act.

TITLE XII—FEDERAL CHARTER FOR THE FLEET RESERVE ASSOCIATION

SEC. 1201. RECOGNITION AND GRANT OF FEDERAL CHARTER.

The Fleet Reserve Association, a nonprofit corporation organized under the laws of the State of Delaware, is recognized as such and granted a Federal charter.

SEC. 1202. POWERS.

The Fleet Reserve Association (in this title referred to as the "association") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State in which it is incorporated and subject to the laws of such State.

SEC. 1203. PURPOSES.

The purposes of the association are those provided in its bylaws and articles of incorporation and shall include the following:

(1) Upholding and defending the Constitution of the United States.

(2) Aiding and maintaining an adequate naval defense for the United States.

(3) Assisting the recruitment of the best personnel available for the United States Navy, United States Marine Corps, and United States Coast Guard.

(4) Providing for the welfare of the personnel who serve in the United States Navy, United States Marine Corps, and United States Coast Guard.

(5) Continuing to serve loyally the United States Navy, United States Marine Corps, and United States Coast Guard.

(6) Preserving the spirit of shipmanship by providing assistance to shipmates and their families.

(7) Instilling love of the United States and the flag and promoting soundness of mind and body in the youth of the United States.

SEC. 1204. SERVICE OF PROCESS.

With respect to service of process, the association shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 1205. MEMBERSHIP.

Except as provided in section 1208(g), eligibility for membership in the association and the rights and privileges of members shall be as provided in the bylaws and articles of incorporation of the association.

SEC. 1206. BOARD OF DIRECTORS.

Except as provided in section 1208(g), the composition of the board of directors of the association and the responsibilities of the board shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the State in which it is incorporated.

SEC. 1207. OFFICERS.

Except as provided in section 1208(g), the positions of officers of the association and the election of members to such officers shall be as provided in the bylaws and articles of incorporation of the association and in conformity with the laws of the State in which it is incorporated.

SEC. 1208. RESTRICTIONS.

(a) Income and Compensation.—No part of the income or assets of the association may inure to the benefit of any member, officer, or director of the association or be distributed to any such individual during the life of this charter. Nothing in this subsection may be construed to prevent the payment of reasonable compensation to the officers and employees of the association or reimbursement for actual and necessary expenses in amounts approved by the board of directors.

(b) Loans.—The association may not make any loan to any member, officer, director, or employee of the association.

(c) Issuance of Stock and Payment of Dividends.—The association may not issue any shares of stock or declare or pay any dividend.

(d) Federal Approval.—The association may not claim the approval of the Congress or the authorization of the Federal Government for any of its activities by virtue of this title.

(e) CORPORATE STATUS.—The association shall maintain its status as a corporation organized and incorporated under the laws of the State of Delaware.

(f) CORPORATE FUNCTION.—The association shall function as an educational, patriotic, civic, historical, and research organization under the laws of the State in which it is incorporated.

(g) NONDISCRIMINATION.—In establishing the conditions of membership in the association and in determining the requirements for serving on the board of directors or as an officer of the association, the association may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin.

SEC. 1209. LIABILITY.

The association shall be liable for the acts of its officers, directors, employees, and agents whenever such individuals act within the scope of their authority.

SEC. 1210. MAINTENANCE AND INSPECTION OF BOOKS AND RECORDS.

(a) BOOKS AND RECORDS OF ACCOUNT.—The association shall keep correct and complete books and records of account and minutes of any proceeding of the association involving any of its members, the board of directors, or any committee having authority under the board of directors.

(b) NAMES AND ADDRESSES OF MEMBERS.—The association shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the association.

(c) RIGHT TO INSPECT BOOKS AND RECORDS.—All books and records of the association may be inspected by any member having the right to vote in any proceeding of the association, or by any agent or attorney of such member, for any proper purpose at any reasonable time.

(d) APPLICATION OF STATE LAW.—This section may not be construed to contravene any applicable State law.

SEC. 1211. AUDIT OF FINANCIAL TRANSACTIONS.

The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end the following:

"(77) Fleet Reserve Association.".

SEC. 1212. ANNUAL REPORT.

The association shall annually submit to Congress a report concerning the activities of the association during the preceding fiscal year. The annual report shall be submitted on the same date as the report of the audit required by reason of the amendment made in section 1211. The annual report shall not be printed as a public document.

SEC. 1213. RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER.

The right to alter, amend, or repeal this title is expressly reserved to Congress.

SEC. 1214. TAX-EXEMPT STATUS.

The association shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986.

SEC. 1215. TERMINATION.

The charter granted in this title shall expire if the association fails to comply with any of the provisions of this title.

SEC. 1216. DEFINITION.

For purposes of this title, the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, the Republic of the Marshall Islands, the Federated States Of Micronesia, the Republic of Palau, and any other territory or possession of the United States.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 1997".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Total
Alabama	Fort Rucker	$3,250,000
California	Camp Roberts	$5,500,000
	Naval Weapons Station, Concord	$27,000,000
Colorado	Fort Carson	$13,000,000
District of Columbia	Fort McNair	$6,900,000
Georgia	Fort Benning	$53,400,000
	Fort McPherson	$3,500,000
	Fort Stewart	$6,000,000
Hawaii	Schofield Barracks	$16,500,000
Kansas	Fort Riley	$29,350,000
Kentucky	Fort Campbell	$61,000,000
	Fort Knox	$13,000,000
Louisiana	Fort Polk	$4,800,000
New York	Fort Drum	$6,500,000
Texas	Fort Hood	$40,900,000
	Fort Sam Houston	$3,100,000
Virginia	Fort Eustis	$3,550,000
Washington	Fort Lewis	$54,600,000
CONUS Classified	Classified Locations	$4,600,000
	Total:	$356,450,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Total
Germany	Spinellii Barracks, Mannheim	$8,100,000
	Taylor Barracks, Mannheim	$9,300,000
Italy	Camp Ederle	$3,100,000
Korea	Camp Casey	$16,000,000
	Camp Red Cloud	$14,000,000
Overseas Classified	Classified Locations	$64,000,000
Worldwide	Host Nation Support	$20,000,000
	Total:	$134,500,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation	Purpose	Total
Hawaii	Schofield Barracks	54 Units	$10,000,000
North Carolina	Fort Bragg	88 Units	$9,800,000
Texas	Fort Hood	140 Units	$18,500,000
		Total:	$38,300,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $4,083,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in sections 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $109,750,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $1,894,297,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $356,450,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $134,500,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $7,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $31,748,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $152,133,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,212,466,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Navy Detachment, Camp Navajo	$3,920,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	$4,020,000
	Marine Corps Air Station, Camp Pendleton	$6,240,000
	Marine Corps Base, Camp Pendleton	$51,630,000
	Marine Corps Recruit Depot, San Diego	$8,150,000
	Naval Air Station, North Island	$76,872,000
	Naval Facility, San Clemente Island	$17,000,000
	Naval Station, San Diego	$7,050,000
	Naval Command Control & Ocean Surveillance Center, San Diego	$1,960,000
Connecticut	Naval Submarine Base, New London	$13,830,000
District of Columbia	Naval District, Commandant, Washington	$19,300,000
Florida	Naval Air Station, Key West	$2,250,000
Hawaii	Naval Station, Pearl Harbor	$19,600,000
	Naval Submarine Base, Pearl Harbor	$35,890,000
Idaho	Naval Surface Warfare Center, Bayview	$7,150,000
Illinois	Naval Training Center, Great Lakes	$22,900,000
Maryland	Naval Air Warfare Center, Patuxent River	$1,270,000
	United States Naval Academy	$10,480,000
Mississippi	Naval Station, Pascagoula	$4,990,000
	Stennis Space Center	$7,960,000
Nevada	Naval Air Station, Fallon	$14,800,000
North Carolina	Marine Corps Air Station, Cherry Point	$1,630,000
	Marine Corps Air Station, New River	$17,040,000
	Marine Corps Base, Camp LeJeune	$20,750,000
South Carolina	Marine Corps Recruit Depot, Parris Island	$2,550,000
Texas	Naval Station, Ingleside	$16,850,000
	Naval Air Station, Kingsville	$1,810,000
Virginia	Armed Forces Staff College, Norfolk	$12,900,000
	Marine Corps Combat Development Command, Quantico	$14,570,000
	Naval Station, Norfolk	$47,920,000
	Naval Surface Warfare Center, Dahlgren	$8,030,000
Washington	Naval Station, Everett	$25,740,000
	Total:	$507,052,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Administrative Support Unit, Bahrain	$5,980,000
Greece	Naval Support Activity, Souda Bay	$7,050,000
Italy	Naval Air Station, Sigonella	$15,700,000
	Naval Support Activity, Naples	$8,620,000
Puerto Rico	Naval Station, Roosevelt Roads	$23,600,000
United Kingdom	Joint Maritime Communications Center, St. Mawgan	$4,700,000
	Total:	$65,650,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation	Purpose	Amount
Arizona	Marine Corps Air Station, Yuma	Community Center	$709,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	Community Center	$1,982,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	Housing Office	$956,000
	Marine Corps Base, Camp Pendleton	128 Units	$19,483,000
	Naval Air Station, Lemoore	276 Units	$39,837,000
	Navy Public Works Center, San Diego	366 Units	$48,719,000
Hawaii	Marine Corps Air Station, Kaneohe Bay	54 Units	$11,676,000
	Navy Public Works Center, Pearl Harbor	264 Units	$52,586,000
Maryland	Naval Air Warfare Center, Patuxent River	Community Center	$1,233,000
North Carolina	Marine Corps Base, Camp LeJeune	Community Center	$845,000
Virginia	AEGIS Combat Systems Center, Wallops Island	20 Units	$2,975,000
	Naval Security Group Activity, Northwest	Community Center	$741,000
Washington	Naval Station, Everett	100 Units	$15,015,000
	Naval Submarine Base, Bangor	Housing Office	$934,000
		Total:	$197,691,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $23,142,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $189,383,000.

SEC. 2204. DEFENSE ACCESS ROADS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2205(a)(5), the Secretary of the Navy may make advances to the Secretary of Transportation for the construction of defense access roads under section 210 of title 23, United States Code, at various locations in the amount of $300,000.

SEC. 2205. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,040,093,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $507,052,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $65,650,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,115,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $47,519,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $300,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $410,216,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $1,014,241,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $12,000,000, which represents the combination of project savings resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$7,875,000
Alaska	Eielson Air Force Base	$3,900,000
	Elmendorf Air Force Base	$21,530,000
	King Salmon Air Force Base	$5,700,000
Arizona	Davis–Monthan Air Force Base	$9,920,000
Arkansas	Little Rock Air Force Base	$18,105,000
California	Beale Air Force Base	$14,425,000
	Edwards Air Force Base	$20,080,000
	Travis Air Force Base	$14,980,000
	Vandenberg Air Force Base	$3,290,000
Colorado	Buckley Air National Guard Base	$17,960,000
	Falcon Air Force Station	$2,095,000
	Peterson Air Force Base	$20,720,000
	United States Air Force Academy	$12,165,000
Delaware	Dover Air Force Base	$19,980,000
Florida	Eglin Air Force Base	$4,590,000
	Eglin Auxiliary Field 9	$6,825,000
	Patrick Air Force Base	$10,495,000
	Tyndall Air Force Base	$3,600,000
Georgia	Moody Air Force Base	$3,350,000
	Robins Air Force Base	$25,045,000
Idaho	Mountain Home Air Force Base	$15,945,000
Kansas	McConnell Air Force Base	$25,830,000
Louisiana	Barksdale Air Force Base	$4,890,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Maryland	Andrews Air Force Base	$8,140,000
Mississippi	Keesler Air Force Base	$14,465,000
Montana	Malmstrom Air Force Base	$6,300,000
Nevada	Indian Springs Air Force Auxiliary Air Field	$4,690,000
	Nellis Air Force Base	$14,700,000
New Jersey	McGuire Air Force Base	$8,080,000
New Mexico	Cannon Air Force Base	$7,100,000
	Kirtland Air Force Base	$16,300,000
North Carolina	Pope Air Force Base	$5,915,000
	Seymour Johnson Air Force Base	$11,280,000
North Dakota	Grand Forks Air Force Base	$12,470,000
	Minot Air Force Base	$3,940,000
Ohio	Wright–Patterson Air Force Base	$7,400,000
Oklahoma	Tinker Air Force Base	$9,880,000
South Carolina	Charleston Air Force Base	$43,110,000
	Shaw Air Force Base	$14,465,000
South Dakota	Ellsworth Air Force Base	$4,150,000
Tennessee	Arnold Engineering Development Center	$6,781,000
Texas	Dyess Air Force Base	$5,895,000
	Kelly Air Force Base	$3,250,000
	Lackland Air Force Base	$9,413,000
	Sheppard Air Force Base	$9,400,000
Utah	Hill Air Force Base	$3,690,000
Virginia	Langley Air Force Base	$8,005,000
Washington	Fairchild Air Force Base	$18,155,000
	McChord Air Force Base	$57,065,000
	Total:	$607,334,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Force Base	$5,370,000
	Spangdahlem Air Base	$1,890,000
Italy	Aviano Air Base	$10,066,000
Korea	Osan Air Base	$9,780,000
Turkey	Incirlik Air Base	$7,160,000
United Kingdom	Croughton Royal Air Force Base	$1,740,000
	Lakenheath Royal Air Force Base	$17,525,000
	Mildenhall Royal Air Force Base	$6,195,000
Overseas Classified	Classified Locations	$18,395,000
	Total:	$78,115,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation	Purpose	Amount
Alaska	Eielson Air Force Base	72 units	$21,127,000
		Fire Station	$2,950,000
California	Beale Air Force Base	56 units	$8,893,000
	Travis Air Force Base	70 units	$8,631,000
	Vandenberg Air Force Base	112 units	$20,891,000
District of Columbia	Bolling Air Force Base	40 units	$5,000,000
Florida	Eglin Auxiliary Field 9	1 unit	$249,000
	MacDill Air Force Base	56 units	$8,822,000
	Patrick Air Force Base	Housing Maintenance Facility.	$853,000
		Housing Support & Storage Facility.	$756,000
		Housing Office	$821,000
Louisiana	Barksdale Air Force Base	80 units	$9,570,000
Massachusetts	Hanscom Air Force Base	32 units	$5,100,000
Missouri	Whiteman Air Force Base	68 units	$9,600,000
Montana	Malmstrom Air Force Base	20 units	$5,242,000
New Mexico	Kirtland Air Force Base	87 units	$11,850,000
North Dakota	Grand Forks Air Force Base	66 units	$7,784,000
	Minot Air Force Base	46 units	$8,740,000
Texas	Lackland Air Force Base	50 units	$6,500,000
		Housing Office	$450,000
		Housing Maintenance Facility.	$350,000
Washington	McChord Air Force Base	40 units	$5,659,000
United Kingdom	Lakenheath Royal Air Force Base	Family Housing, Phase I	$8,300,000
		Total:	$158,138,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $12,350,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $94,550,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,844,786,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $607,334,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $78,115,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,328,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $53,497,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $265,038,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $829,474,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Agents and Munitions Destruction.		
	Pueblo Army Depot, Colorado	$179,000,000
Defense Finance & Accounting Service.		
	Norton Air Force Base, California	$13,800,000
	Naval Training Center, Orlando, Florida	$2,600,000
	Rock Island Arsenal, Illinois	$14,400,000
	Loring Air Force Base, Maine	$6,900,000
	Offutt Air Force Base, Nebraska	$7,000,000
	Griffiss Air Force Base, New York	$10,200,000
	Gentile Air Force Station, Ohio	$11,400,000
	Charleston, South Carolina	$6,200,000
Defense Intelligence Agency.		
	Bolling Air Force Base, District of Columbia	$6,790,000
	National Ground Intelligence Center, Charlottesville, Virginia	$2,400,000
Defense Logistics Agency.		
	Elmendorf Air Force Base, Alaska	$18,000,000
	Defense Distribution, San Diego, California	$15,700,000
	Naval Air Facility, El Centro, California	$5,700,000
	Travis Air Force Base, California	$15,200,000
	McConnell Air Force Base, Kansas	$2,200,000
	Barksdale Air Force Base, Louisiana	$4,300,000
	Andrews Air Force Base, Maryland	$12,100,000
	Naval Air Station, Fallon, Nevada	$2,100,000
	Defense Construction Supply Center, Columbus, Ohio	$600,000
	Altus Air Force Base, Oklahoma	$3,200,000
	Shaw Air Force Base, South Carolina	$2,900,000
	Naval Air Station, Oceana, Virginia	$1,500,000
Defense Medical Facility Office.		
	Maxwell Air Force Base, Alabama	$25,000,000
	Marine Corps Base, Camp Pendleton, California	$3,300,000
	Naval Air Station, Lemoore, California	$38,000,000
	Naval Air Station, Key West, Florida	$15,200,000
	Andrews Air Force Base, Maryland	$15,500,000
	Fort Bragg, North Carolina	$11,400,000
	Charleston Air Force Base, South Carolina	$1,300,000
	Fort Bliss, Texas	$6,600,000
	Fort Hood, Texas	$1,950,000
	Naval Air Station, Norfolk, Virginia	$1,250,000
National Security Agency.		
	Fort Meade, Maryland	$25,200,000
Special Operations Command.		
	Naval Amphibious Base, Coronado, California	$7,700,000
	Naval Station, Ford Island, Pearl Harbor, Hawaii	$12,800,000
	Fort Campbell, Kentucky	$4,200,000
	Fort Bragg, North Carolina	$14,000,000
	Total:	$527,590,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Logistics Agency.		
	Naval Air Station, Sigonella, Italy	$6,100,000
	Moron Air Base, Spain	$12,958,000
Defense Medical Facility Office.		
	Administrative Support Unit, Bahrain, Bahrain	$4,600,000
	Total:	$23,658,000

SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.

Using amounts appropriated pursuant to the authorization of appropriation in section 2406(a)(15)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $500,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2406(a)(15)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $3,871,000.

SEC. 2404. MILITARY HOUSING IMPROVEMENT PROGRAM.

(a) Availability of Funds for Credit to Family Housing Improvement Fund.—The amount authorized to be appropriated pursuant to section 2406(a)(15)(C) shall be available for crediting to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code.

(b) Availability of Funds for Credit to Unaccompanied Housing Improvement Fund.—The amount authorized to be appropriated pursuant to section 2406(a)(14) shall be available for crediting to the Department of Defense Military Unaccompanied Housing Improvement Fund established by section 2883(a)(2) of title 10, United States Code.

(c) Use of Funds.—The Secretary of Defense may use funds credited to the Department of Defense Family Housing Improvement Fund under subsection (a) to carry out any activities authorized by subchapter IV of chapter 169 of such title with respect to military family housing and may use funds credited to the Department of Defense Military Unaccompanied Housing Improvement Fund under subsection (b) to carry out any activities authorized by that subchapter with respect to military unaccompanied housing.

SEC. 2405. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2406(a)(12), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2406. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $3,421,366,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $364,487,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $23,658,000.

(3) For military construction projects at Naval Hospital, Portsmouth, Virginia, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $24,000,000.

(4) For military construction projects at Walter Reed Army Institute of Research, Maryland, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $92,000,000.

(5) For military construction projects at Fort Bragg, North Carolina, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (106 Stat. 2599), $89,000,000.

(6) For military construction projects at Pine Bluff Arsenal, Arkansas, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of the Public Law 103–337; 108 Stat. 3040), $46,000,000.

(7) For military construction projects at Umatilla Army Depot, Oregon, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (108 Stat. 3040), $64,000,000.

(8) For military construction projects at Defense Finance and Accounting Service, Columbus, Ohio, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 535), $20,822,000.

(9) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $9,500,000.

(10) For unspecified minor construction projects under section 2805 of title 10, United States Code, $21,874,000.

(11) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $14,239,000.

(12) For energy conservation projects under section 2865 of title 10, United States Code, $47,765,000.

(13) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $2,507,476,000.

(14) For credit to the Department of Defense Military Unaccompanied Housing Improvement Fund as authorized by section 2404(b) of this Act, $5,000,000.

(15) For military family housing functions:

(A) For improvement and planning of military family housing and facilities, $4,371,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $30,963,000, of which not more than $25,637,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund as authorized by section 2404(a) of this Act, $20,000,000.

(D) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $36,181,000, to remain available until expended.

(b) Limitation on Total Cost of Construction Projects.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $161,503,000 (the balance of the amount authorized under section 2401(a) of this Act for the construction of a chemical demilitarization facility at Pueblo Army Depot, Colorado); and

(3) $1,600,000 (the balance of the amount authorized under section 2401(a) of this Act for the construction of a replacement facility for the medical and dental clinic, Key West Naval Air Station, Florida).

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1996, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Security Investment program as authorized by section 2501, in the amount of $197,000,000.

SEC. 2503. REDESIGNATION OF NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE PROGRAM.

(a) Redesignation.—Subsection (b) of section 2806 of title 10, United States Code, is amended by striking out "North Atlantic Treaty Organization Infrastructure program" and inserting in lieu thereof "North Atlantic Treaty Organization Security Investment program".

(b) References.—Any reference to the North Atlantic Treaty Organization Infrastructure program in any Federal law, Executive order, regulation, delegation of authority, or document of or pertaining to the Department of Defense shall be deemed to refer to the North Atlantic Treaty Organization Security Investment program.

(c) Clerical Amendments.—(1) The section heading of such section is amended to read as follows:

"§2806. Contributions for North Atlantic Treaty Organizations Security Investment".

(2) The table of sections at the beginning of subchapter I of chapter 169 of title 10, United States Code, is amended by striking out the item relating to section 2806 and inserting in lieu thereof the following:

"2806. Contributions for North Atlantic Treaty Organizations Security Investment.".

(d) Conforming Amendments.—(1) Section 2861(b)(3) of title 10, United States Code, is amended by striking out "North Atlantic Treaty Organization Infrastructure program" and inserting in lieu thereof "North Atlantic Treaty Organization Security Investment program".

(2) Section 21(h)(1)(B) of the Arms Export Control Act (22 U.S.C. 2761(h)(1)(B)) is amended by striking out "North Atlantic Treaty Organization Infrastructure Program" and inserting in lieu thereof "North Atlantic Treaty Organization Security Investment program".

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1996, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $79,628,000; and

(B) for the Army Reserve, $59,174,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $32,743,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $208,484,000; and

(B) for the Air Force Reserve, $54,770,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 1999; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2000.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1999; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2000 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1994 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1880), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2102, 2201, 2301, or 2601 of that Act, shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1994 Project Authorizations

State	Installation or location	Project	Amount
New Jersey	Picatinny Arsenal	Advance Warhead Development Facility.	$4,400,000
North Carolina	Fort Bragg	Land Acquisition	$15,000,000
Wisconsin	Fort McCoy	Family Housing Construction (16 units).	$2,950,000

Navy: Extension of 1994 Project Authorizations

State or Location	Installation or location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Facility	$7,930,000
Connecticut	New London Naval Submarine Base	Hazardous Waste Transfer Facility.	$1,450,000
New Jersey	Earle Naval Weapons Station	Explosives Holding Yard	$1,290,000
Virginia	Oceana Naval Air Station	Jet Engine Test Cell Replacement.	$5,300,000
Various Locations	Various Locations	Land Acquisition Inside the United States.	$540,000
Various Locations	Various Locations	Land Acquisition Outside the United States.	$800,000

Air Force: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	Eielson Air Force Base	Upgrade Water Treatment Plant.	$3,750,000
	Elmendorf Air Force Base	Corrosion Control Facility	$5,975,000
California	Beale Air Force Base	Educational Center	$3,150,000
Florida	Tyndall Air Force Base	Base Supply Logistics Center.	$2,600,000
Mississippi	Keesler Air Force Base	Upgrade Student Dormitory	$4,500,000
North Carolina	Pope Air Force Base	Add To and Alter Dormitories.	$4,300,000
Virginia	Langley Air Force Base	Fire Station	$3,850,000

Army National Guard: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Birmingham	Aviation Support Facility	$4,907,000
Arizona	Marana	Organization Maintenance Shop.	$553,000
	Marana	Dormitory/Dining Facility	$2,919,000
California	Fresno	Organization Maintenance Shop Modification.	$905,000
	Van Nuys	Armory Addition	$6,518,000
New Mexico	White Sands Missile Range	Organization Maintenance Shop.	$2,940,000
	White Sands Missile Range	Tactical Site	$1,995,000
	White Sands Missile Range	Mobilization and Training Equipment Site.	$3,570,000
Pennsylvania	Indiantown Gap	State Military Building	$9,200,000
	Johnstown	Armory Addition/Flight Facility.	$5,004,000
	Johnstown	Armory	$3,000,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2301, or 2601 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 541), shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorization

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility.	$15,000,000

Air Force: Extension of 1993 Project Authorization

Country	Installation or location	Project	Amount
Portugal	Lajes Field	Water Wells	$950,000

Army National Guard: Extension of 1993 Project Authorizations

State	Installation or location	Project	Amount
Alabama	Tuscaloosa	Armory	$2,273,000
	Union Springs	Armory	$813,000

SEC. 2704. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102-190; 105 Stat. 1535), authorizations for the projects set forth in the table in subsection (b), as provided in section 2101 of that Act and extended by section 2702(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3047) and section 2703(a) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104-106; 110 Stat. 543), shall remain in effect until October 1, 1997, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1998, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility.	$3,600,000
	Umatilla Army Depot	Ammunition Demilitarization Utilities.	$7,500,000

SEC. 2705. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1996; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN CERTAIN THRESHOLDS FOR UNSPECIFIED MINOR CONSTRUCTION PROJECTS.

(a) O&M FUNDING FOR PROJECTS.—Section 2805(c)(1)(B) of title 10, United States Code, is amended by striking out "$300,000" and inserting in lieu thereof "$500,000".

(b) O&M FUNDING FOR RESERVE COMPONENT FACILITIES.—Subsection (b) of section 18233a of such title is amended by striking out "$300,000" and inserting in lieu thereof "$500,000".

(c) NOTIFICATION FOR EXPENDITURES AND CONTRIBUTIONS FOR RESERVE COMPONENT FACILITIES.—Subsection (a)(1) of such section 18233a is amended by striking out "$400,000" and inserting in lieu thereof "$1,500,000".

SEC. 2802. CLARIFICATION OF AUTHORITY TO IMPROVE MILITARY FAMILY HOUSING.

(a) EXCLUSION OF MINOR MAINTENANCE AND REPAIR.—Subsection (a)(2) of section 2825 of title 10, United States Code, is amended by inserting "(other than day-to-day maintenance or repair work)" after "work".

(b) APPLICABILITY OF LIMITATION ON FUNDS FOR IMPROVEMENTS.—Subsection (b)(2) of such section is amended—

(1) by striking out "the cost of repairs" and all that follows through "in connection with" and inserting in lieu thereof "of the unit or units concerned the cost of maintenance or repairs undertaken in connection with the improvement of the unit or units and any cost (other than the cost of activities undertaken beyond a distance of five feet from the unit or units) in connection with"; and

(2) by inserting ", drives," after "roads".

SEC. 2803. AUTHORITY TO GRANT EASEMENTS FOR RIGHTS-OF-WAY.

(a) EASEMENTS FOR ELECTRIC POLES AND LINES AND FOR COMMUNICATIONS LINES AND FACILITIES.—Section 2668(a) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (9);

(2) by redesignating paragraph (10) as paragraph (13); and

(3) by inserting after paragraph (9) the following new paragraphs:

"(10) poles and lines for the transmission or distribution of electric power;

"(11) poles and lines for the transmission or distribution of communications signals (including telephone and telegraph signals);

"(12) structures and facilities for the transmission, reception, and relay of such signals; and".

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in paragraph (3), by striking out ", telephone lines, and telegraph lines,"; and

(2) in paragraph (13), as redesignated by subsection (a)(2), by striking out "or by the Act of March 4, 1911 (43 U.S.C. 961)".

Subtitle B—Defense Base Closure and Realignment

SEC. 2811. RESTORATION OF AUTHORITY UNDER 1988 BASE CLOSURE LAW TO TRANSFER PROPERTY AND FACILITIES TO OTHER ENTITIES IN THE DEPARTMENT OF DEFENSE.

(a) RESTORATION OF AUTHORITY.—Section 204(b)(2) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(2) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) The Secretary may transfer real property or facilities located at a military installation to be closed or realigned under this title, with or without reimbursement, to a military department or other entity (including a nonappropriated fund instrumentality) within the Department of Defense or the Coast Guard.".

(b) RATIFICATION OF TRANSFERS.—Any transfer by the Secretary of Defense of real property or facilities at a military installation closed or realigned under title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) to a military department or other entity of the Department of Defense or the Coast Guard during the period beginning on November 30, 1993, and ending on the date of the enactment of this Act is hereby ratified.

SEC. 2812. DISPOSITION OF PROCEEDS FROM DISPOSAL OF COMMISSARY STORES AND NONAPPROPRIATED FUND INSTRUMENTALITIES AT INSTALLATIONS BEING CLOSED OR REALIGNED.

(a) 1988 LAW.—(1) Section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is amended—

(A) in clause (i), by striking out "shall be deposited" and all that follows through the end of the clause and inserting in lieu thereof "shall be deposited as follows:

"(I) In the case of proceeds of the transfer or other disposal of property acquired, constructed, or improved with commissary store funds, in the account in the Treasury known as the Surcharge Collection, Sales of Commissary Stores, Defense, account.

"(II) In the case of proceeds of the transfer or other disposal of property acquired, constructed, or improved with nonappropriated funds, in a nonappropriated fund account of the Department of Defense designated by the Secretary.";

(B) by redesignating clause (iii) as clause (iv); and

(C) by inserting after clause (ii) the following new clause (iii):

"(iii)(I) The Secretary may use amounts deposited under clause (i)(I) in the account referred to in that clause for the purpose of acquiring, constructing, and improving commissary stores.

"(II) The Secretary may use amounts deposited under clause (i)(II) in a nonappropriated fund account pursuant to that clause for the purpose of acquiring, constructing, and improving nonappropriated fund instrumentalities.".

(2) Section 206(a)(7) of that Act is amended by striking out "Proceeds received" and inserting in lieu thereof "Except as provided in section 204(b)(7)(C), proceeds received".

(b) 1990 LAW.—Section 2906(d) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in paragraph (1), by striking out "shall be deposited" and all that follows through the end and inserting in lieu thereof "shall be deposited as follows:

"(A) In the case of proceeds of the transfer or other disposal of property acquired, constructed, or improved with commissary store funds, in the account in the Treasury known as the Surcharge Collections, Sales of Commissary Stores, Defense, account.

"(B) In the case of proceeds of the transfer or other disposal of property acquired, constructed, or improved with nonappropriated funds, in a nonappropriated fund account of the Department of Defense designated by the Secretary."; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following new paragraph (3):

"(3)(A) The Secretary may use amounts deposited under paragraph (1)(A) in the account referred to in that paragraph for the purpose of acquiring, constructing, and improving commissary stores.

"(B) The Secretary may use amounts deposited under paragraph (1)(B) in a nonappropriated fund account pursuant to that paragraph for the purpose of acquiring, constructing, and improving nonappropriated fund instrumentalities.".

SEC. 2813. AGREEMENTS FOR SERVICES AT INSTALLATIONS AFTER CLOSURE.

(a) 1988 LAW.—Section 204(b)(8)(A) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended by inserting ", or at facilities not yet transferred or otherwise disposed of in the case of installations closed under this title," after "under this title".

(b) 1990 LAW.—Section 2905(b)(8)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by inserting ", or at facilities not yet transferred or otherwise disposed of in the case of installations closed under this part," after "under this part".

Subtitle C—Land Conveyances

SEC. 2821. TRANSFER OF LANDS, ARLINGTON NATIONAL CEMETERY, ARLINGTON, VIRGINIA.

(a) REQUIREMENT FOR SECRETARY OF THE INTERIOR TO TRANSFER CERTAIN SECTION 29 LANDS.—(1) The Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over the following lands located in section 29 of the National Park System at Arlington National Cemetery, Virginia:

(A) The lands known as the Arlington National Cemetery Interment Zone.

(B) All lands in the Robert E. Lee Memorial Preservation Zone, other than those lands in the Preservation Zone that the Secretary of the Interior determines must be retained because of the historical significance of such lands or for the maintenance of nearby lands or facilities.

(2) The transfer of lands under paragraph (1) shall be carried out in accordance with the Interagency Agreement Between the Department of the Interior, the National Park Service, and the Department of the Army, Dated February 22, 1995.

(3) The exact acreage and legal descriptions of the lands to be transferred under paragraph (1) shall be determined by surveys satisfactory to the Secretary of the Interior and the Secretary of the Army.

(b) REQUIREMENT FOR ADDITIONAL TRANSFERS.—(1) The Secretary of the Interior shall transfer to the Secretary of the Army administrative jurisdiction over a parcel of land, including any improvements thereon, consisting of approximately 2.43 acres, located in the Memorial Drive entrance area to Arlington National Cemetery.

(2)(A) The Secretary of the Army shall transfer to the Secretary of the Interior administrative jurisdiction over a parcel of land, including any improvements thereon, consisting of approximately 0.17 acres, located at Arlington National Cemetery, and known as the Old Administrative Building site. The site is part of the original reservation of Arlington National Cemetery.

(B) In connection with the transfer under subparagraph (A), the Secretary of the Army shall grant to the Secretary of the Interior a perpetual right of ingress and egress to the parcel transferred under that subparagraph.

(3) The exact acreage and legal descriptions of the lands to be transferred pursuant to this subsection shall be determined by surveys satisfactory to the Secretary of the Interior and the Secretary of the Army. The costs of such surveys shall be borne by the Secretary of the Army.

SEC. 2822. LAND TRANSFER, POTOMAC ANNEX, DISTRICT OF COLUMBIA.

(a) TRANSFER REQUIRED.—Subject to subsection (b), the Secretary of the Navy shall transfer, without consideration other than the reimbursement provided for in subsection (d), to the United States Institute of Peace (in this section referred to as the "Institute") administrative jurisdiction over a parcel of real property, including any improvements thereon, consisting of approximately 3 acres, at the northwest corner of Twenty-third Street and Constitution Avenue, Northwest, District of Columbia, the site of the Potomac Annex.

(b) CONDITION.—The Secretary may not make the transfer specified in subsection (a) unless the Institute agrees to provide the Navy a number of parking spaces at or in the vicinity of the headquarters to be constructed on the parcel transferred equal to the number of parking spaces available to the Navy on the parcel as of the date of the transfer.

(c) REQUIREMENT RELATING TO TRANSFER.—The transfer specified in subsection (a) may not occur until the Institute obtains all permits, approvals, and site plan reviews required by law with respect to the construction on the parcel of a headquarters for operations of the Institute.

(d) COSTS.—The Institute shall reimburse the Secretary for the costs incurred by the Secretary in carrying out the transfer specified in subsection (a).

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be transferred under subsection (a) shall be determined by a survey that is satisfactory to the Secretary. The cost of the survey shall be borne by the Institute.

SEC. 2823. LAND CONVEYANCE, ARMY RESERVE CENTER, MONTPELIER, VERMONT.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Army may convey, without consideration, to the City of Montpelier, Vermont (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4.3 acres and located on Route 2 in Montpelier, Vermont, the site of the Army Reserve Center, Montpelier, Vermont.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION.—The conveyance authorized under subsection (a) shall be subject to the condition that the City agree to lease to the Civil Air Patrol, at no rental charge to the Civil Air Patrol, the portion of the real property and improvements located on the parcel to be conveyed that the Civil Air Patrol leases from the Secretary as of the date of the enactment of this Act.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2824. LAND CONVEYANCE, FORMER NAVAL RESERVE FACILITY, LEWES, DELAWARE.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Navy may convey, without consideration, to the State of Delaware (in this section referred to as the "State"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 16.8 acres at the site of the former Naval Reserve Facility, Lewes, Delaware.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the State use the real property conveyed under that subsection in perpetuity solely for public park or recreational purposes.

(d) REVERSION.—If the Secretary of the Interior determines at any time that the real property conveyed pursuant to this section is not being used for a purpose specified in subsection (b), all right, title, and interest in and to such real property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry thereon.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed pursuant to this section shall be determined by a survey satisfactory to the Secretary of the Navy. The cost of such survey shall be borne by the State.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, RADAR BOMB SCORING SITE, BELLE FOURCHE, SOUTH DAKOTA.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (b), the Secretary of the Air Force may convey, without consideration, to the Belle Fourche School District, Belle Fourche, South Dakota (in this section referred to as the "District"), all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, consisting of approximately 37 acres located in Belle Fourche, South Dakota, which has served as the location of a support complex and housing facilities for Detachment 21 of the 554th Range Squadron, an Air Force radar bomb scoring site. The conveyance may not include any portion of the radar bomb scoring site located in the State of Wyoming.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the District—

(1) use the property and facilities conveyed under that subsection for education, economic development, or housing purposes; or

(2) enter into an agreement with an appropriate public or private entity to sell or lease the property and facilities to such entity for such purposes.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the District.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. CONVEYANCE OF PRIMATE RESEARCH COMPLEX, HOLLOMAN AIR FORCE BASE, NEW MEXICO.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any provision of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), or any regulations prescribed thereunder, the Secretary of the Air Force may convey all right, title, and interest of the United States in and to the primate research complex at Holloman Air Force Base, New Mexico. The conveyance shall include the colony of chimpanzees owned by the Air Force that are housed at or managed from the primate research complex. The conveyance may not include the real property on which the primate research complex is located.

(b) COMPETITIVE PROCEDURES REQUIRED.—The Secretary shall use competitive procedures in selecting the person or entity to which to make the conveyance authorized by subsection (a).

(c) STANDARDS TO BE USED IN SOLICITATION OF BIDS.—The Secretary shall develop standards for the care and use of the primate research complex, and of chimpanzees, to be used in soliciting bids for the conveyance authorized by subsection (a). The Secretary shall develop such standards in consultation with the Secretary of Agriculture and the Director of the National Institutes of Health.

(d) CONDITIONS OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be subject to the followings conditions:

(1) That the recipient of the primate research complex—

(A) utilize any chimpanzees included in the conveyance only for scientific research or medical research purposes; or

(B) retire and provide adequate care for such chimpanzees.

(2) That the recipient of the primate research complex assume from the Secretary any leases at the primate research complex that are in effect at the time of the conveyance.

(e) DESCRIPTION OF COMPLEX.—The exact legal description of the primate research complex to be conveyed under subsection (a) shall be determined by a survey or other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the recipient of the primate research complex.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. DEMONSTRATION PROJECT FOR INSTALLATION AND OPERATION OF ELECTRIC POWER DISTRIBUTION SYSTEM AT YOUNGSTOWN AIR RESERVE STATION, OHIO.

(a) AUTHORITY.—The Secretary of the Air Force may carry out a demonstration project to assess the feasibility and advisability of permitting private entities to install, operate, and maintain electric power distribution systems at military installations. The Secretary shall carry out the demonstration project through an agreement under subsection (b).

(b) AGREEMENT.—(1) In order to carry out the demonstration project, the Secretary shall enter into an agreement with an electric utility or other company in the Youngstown, Ohio, area under which the utility or company, as the case may be, installs, operates, and maintains (in a manner satisfactory to the Secretary and the utility or company) an electric power distribution system at Youngstown Air Reserve Station, Ohio.

(2) The Secretary may not enter into an agreement under this subsection until—

(A) the Secretary submits to the congressional defense committees a report on the agreement to be entered into, including the costs to be incurred by the United States under the agreement; and

(B) a period of 21 days has elapsed from the date of the receipt of the report by the committees.

(c) LICENSES AND EASEMENTS.—In order to facilitate the installation, operation, and maintenance of the electric power distribution system under the agreement under subsection (b), the Secretary may grant the utility or company with which the Secretary enters into the agreement such licenses, easements, and rights-of-way as the Secretary and the utility or company, as the case may be, jointly determine necessary for such purposes.

(d) OWNERSHIP OF SYSTEM.—The agreement between the Secretary and the utility or company under subsection (b) may provide that the utility or company, as the case may be, shall own the electric power distribution system installed under the agreement.

(e) RATES.—The rates charged by the utility or company for providing and distributing electric power at Youngstown Air Reserve Station through the electric power distribution system installed under the agreement under subsection (b) may not include the costs, including the amortization of any costs, incurred by the utility or company, as the case may be, in installing the system.

(f) REPORTS.—Not later than February 1, 1997, and February 1 of each year following a year in which the Secretary carries out the demonstration project under this section, the Secretary shall submit to the congressional defense committees a report on the project. The report shall include the Secretary's current assessment of the project and the recommendations, if any, of the Secretary of extending the authority with respect to the project to other facilities and installations of the Department of Defense.

(g) FUNDING.—In order to pay the costs of the United States under the agreement under subsection (b), the Secretary may use funds authorized to be appropriated by section 2601(3)(B) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 540) for the purpose of rebuilding the electric power distribution system at the Youngstown Air Reserve Station that were appropriated for that purpose by the Military Construction Appropriations Act, 1996 (Public Law 104–32; 109 Stat. 283) and that remain available for obligation for that purpose as of the date of the enactment of this Act.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in the agreement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,636,767,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,200,907,000, to be allocated as follows:

(A) For operation and maintenance, $1,112,570,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $88,337,000, to be allocated as follows:

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $19,250,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $15,100,000.

Project 96–D–104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $14,100,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $17,100,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $15,000,000.

Project 94–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $7,787,000.

(2) For inertial fusion, $366,460,000, to be allocated as follows:

(A) For operation and maintenance, $234,560,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto):

Project 96–D–111, national ignition facility, location to be determined, $131,900,000.

(3) For technology transfer and education, $69,400,000.

(b) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $1,988,831,000, to be allocated as follows:

(1) For operation and maintenance, $1,894,470,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $94,361,000, to be allocated as follows:

Project 97–D–121, consolidated pit packaging system, Pantex Plant, Amarillo, Texas, $870,000.

Project 97–D–122, nuclear materials storage facility renovation, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,000,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $1,400,000.

Project 97–D–124, steam plant waste water treatment facility upgrade, Y–12 plant, Oak Ridge, Tennessee, $600,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $100,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y–12 plant, Oak Ridge, Tennessee, $7,000,000.

Project 96–D–125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $3,825,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 plant, Oak Ridge, Tennessee, $10,900,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 plant, Oak Ridge, Tennessee, $4,900,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,200,000.

Project 94–D–127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,200,000.

Project 93–D–122, life safety upgrades, Y–12 plant, Oak Ridge, Tennessee, $7,200,000.

Project 93–D–123, non-nuclear reconfiguration, complex-21, various locations, $14,487,000.

Project 88–D–122, facilities capability assurance program, various locations, $21,940,000.

Project 88–D–123, security enhancement, Pantex Plant, Amarillo, Texas, $9,739,000.

(c) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for program direction in carrying out weapons activities necessary for national security programs in the amount of $323,404,000.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) ENVIRONMENTAL RESTORATION.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for environmental restoration in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,777,194,000.

(b) WASTE MANAGEMENT.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,601,653,000, to be allocated as follows:

(1) For operation and maintenance, $1,513,326,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $88,327,000, to be allocated as follows:

Project 97–D–402, tank restoration and safe operations, Richland, Washington, $7,584,000.

Project 96–D–408, waste management upgrades, various locations, $11,246,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, Carlsbad, New Mexico, $752,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Phase III, Y–12 Plant, Oak Ridge, Tennessee, $200,000.

Project 94–D–404, Melton Valley storage tank capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $6,345,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $12,600,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $8,100,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, South Carolina, $20,000,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River Site, Aiken, South Carolina, $11,500,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $10,000,000.

(c) TECHNOLOGY DEVELOPMENT.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $328,771,000.

(d) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $994,821,000, to be allocated as follows:

(1) For operation and maintenance, $909,664,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $85,157,000, to be allocated as follows:

Project 97–D–450, actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $7,900,000.

Project 97–D–451, B–plant safety class ventilation upgrades, Richland, Washington, $1,500,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $60,672,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $10,440,000.

Project 95–D–456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,645,000.

(e) POLICY AND MANAGEMENT.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 policy and management activities (including development and direction of policy, training and education, and management) in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $26,155,000.

(f) SITE OPERATIONS.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for site operations in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $363,469,000, to be allocated as follows:

(1) For operation and maintenance, $331,054,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $32,415,000, to be allocated as follows:

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $6,790,000.

Project 96–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $2,500,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,541,000.

Project 96–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 95–E–600, hazardous materials management and emergency response training center, Richland, Washington, $7,900,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River, South Carolina, $4,137,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $547,000.

(g) ENVIRONMENTAL SCIENCE AND RISK POLICY.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for environmental science and risk policy activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $52,136,000.

(h) ENVIRONMENTAL MANAGEMENT PRIVATIZATION.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for environmental management privatization activities in carrying out environmental restoration and waste management necessary for national security programs in the amount of $185,000,000.

(i) PROGRAM DIRECTION.—Subject to subsection (j), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $436,511,000.

(j) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (i) reduced by the sum of—

(1) $150,400,000, for use of prior year balances; and

(2) $8,000,000, for Savannah River Pension Refund.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1997 for other defense activities in carrying out programs necessary for national security in the amount of $1,560,700,000, to be allocated as follows:

(1) For verification and control technology, $456,348,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $204,919,000.

(B) For arms control, $216,244,000.

(C) For intelligence, $35,185,000.

(2) For nuclear safeguards and security, $47,208,000.

(3) For security investigations, $22,000,000.

(4) For environment, safety, and health, defense, $53,094,000.

(5) For program direction, environment, safety, and health, defense, $10,706,000.

(6) For worker and community transition assistance, $62,659,000.

(7) For program direction, worker and community transition assistance, $4,341,000.

(8) For fissile materials $93,796,000, to be allocated as follows:

(A) For control and disposition, $73,163,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto):

Project 97–D–140, consolidated special nuclear materials storage plant, location to be determined, $17,000,000.

(C) For program direction, $3,633,000.

(9) For emergency management, $16,794,000.

(10) For program direction, nonproliferation and national security, $90,622,000.

(11) For naval reactors development, $681,932,000, to be allocated as follows:

(A) For operation and infrastructure, $649,330,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $13,700,000, to be allocated as follows:

Project 97–D–201, advanced test reactor secondary coolant system upgrades Idaho National Engineering Laboratory, Idaho, $400,000.

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $4,800,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $500,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $8,000,000.

(C) For program direction, $18,902,000.

(12) For international nuclear safety, $15,200,000.

(13) For nuclear security, $6,000,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $200,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than five percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project. The Secretary shall submit to Congress a report on each conceptual design completed under this paragraph.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit

to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) Authority for Construction Design.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) Authority.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) Limitation.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) Specific Authority.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. TRITIUM PRODUCTION.

(a) Acceleration of Tritium Production.—(1) The Secretary of Energy shall, during fiscal year 1997, make a final decision on the technologies to be utilized, and the accelerated schedule to be adopted, for tritium production in order to meet the requirements of the Nuclear Weapons Stockpile Memorandum relating to tritium production, including the new tritium production date of 2005 specified in the Nuclear Weapons Stockpile Memorandum.

(2) In making the final decision, the Secretary shall take into account the following:

(A) The requirements for tritium production specified in the Nuclear Weapons Stockpile Memorandum, including, in particular, the requirements for the "upload hedge" component of the nuclear weapons stockpile.

(B) The ongoing activities of the Department relating to the evaluation and demonstration of technologies under the accelerator reactor program and the commercial light water reactor program.

(b) Report.—(1) Not later than April 15, 1997, the Secretary shall submit to the Congress a report that sets forth the final decision of the Secretary under subsection (a)(1). The report shall set forth in detail—

(A) the technologies decided on under that subsection; and

(B) the accelerated schedule for the production of tritium decided on under that subsection.

(2) If the Secretary determines that it is not possible to make the final decision by the date specified in paragraph (1), the Secretary shall submit to Congress on that date a report that explains in detail why the final decision cannot be made by that date.

(c) New Tritium Production Facility.—The Secretary shall commence planning and design activities and infrastructure development for a new tritium production facility.

(d) In-Reactor Tests.—The Secretary may perform in-reactor tests of tritium target rods as part of the activities carried out under the commercial light water reactor program.

(e) Funding.—Of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101—

(1) not more than $45,000,000 shall be available for research, development, and technology demonstration activities and other activities relating to the production of tritium in accelerators; and

(2) not more than $15,000,000 shall be available for the commercial light water reactor project, including activities relating to target development, extraction capability, and reactor acquisition or initial tritium operations.

SEC. 3132. MODERNIZATION AND CONSOLIDATION OF TRITIUM RECYCLING FACILITIES.

(a) In General.—The Secretary of Energy shall carry out activities to modernize and consolidate the facilities for recycling tritium for weapons at the Savannah River Site, South Carolina, so as to ensure that such facilities have a capacity to recycle tritium from weapons that is adequate to meet the requirements for tritium for weapons specified in the Nuclear Weapons Stockpile Memorandum.

(b) Funding.—Of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101, not more than $6,000,000 shall be available for activities under subsection (a).

SEC. 3133. MODIFICATION OF REQUIREMENTS FOR MANUFACTURING INFRASTRUCTURE FOR REFABRICATION AND CERTIFICATION OF NUCLEAR WEAPONS STOCKPILE.

(a) General Program Requirements.—Subsection (a) of section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620; 42 U.S.C. 2121 note) is amended—

(1) by inserting "(1)" before "The Secretary of Energy";

(2) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively; and

(3) by adding at the end the following:

"(2) The purpose of the program carried out under paragraph (1) shall also be to develop manufacturing capabilities and capacities necessary to meet the requirements specified in the annual Nuclear Weapons Stockpile Review.".

(b) Required Capabilities.—Subsection (b)(3) of such section is amended to read as follows:

"(3) The capabilities of the Savannah River Site relating to tritium recycling and fissile materials components processing and fabrication.".

(c) Plan and Report.—Not later than March 1, 1997, the Secretary of Energy shall submit to Congress a report containing a plan for carrying out the program established under section 3137(a) of the National Defense Authorization Act for Fiscal Year 1996, as amended by this section. The report shall set forth the obligations that the Secretary has incurred, and proposes to incur, during fiscal year 1997 in carrying out the program.

(d) Funding.—Of the funds authorized to be appropriated pursuant to section 3101(b), $5,000,000 shall be available for carrying out the program established under section 3137(a) of the National Defense Authorization Act for Fiscal Year 1996, as so amended.

SEC. 3134. LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.

(a) Limitation.—No funds appropriated or otherwise made available to the Department of Energy for fiscal year 1997 under section 3101 may be obligated or expended for activities under the Department of Energy Laboratory Directed Research and Development Program, or under any Department of Energy technology transfer program or cooperative research and development agreement, unless such activities support the national security mission of the Department of Energy.

(b) Annual Report.—(1) The Secretary of Energy shall annually submit to the congressional defense committees a report on the funds expended during the preceding fiscal year on activities under the Department of Energy Laboratory Directed Research and Development Program. The purpose of the report is to permit an assessment of the extent to which such activities support the national security mission of the Department of Energy.

(2) Each report shall be prepared by the officials responsible for Federal oversight of the funds expended on activities under the program.

(3) Each report shall set forth the criteria utilized by the officials preparing the report in determining whether or not the activities reviewed by such officials support the national security mission of the Department.

SEC. 3135. ACCELERATED SCHEDULE FOR ISOLATING HIGH-LEVEL NUCLEAR WASTE AT THE DEFENSE WASTE PROCESSING FACILITY, SAVANNAH RIVER SITE.

The Secretary of Energy shall accelerate the schedule for the isolation of high-level nuclear waste in glass canisters at the Defense Waste Processing Facility at the Savannah River Site if the Secretary determines that the acceleration of such schedule—

(1) will achieve long-term cost savings to the Federal Government; and

(2) could accelerate the removal and isolation of high-level nuclear waste from long-term storage tanks at the site.

SEC. 3136. PROCESSING OF HIGH-LEVEL NUCLEAR WASTE AND SPENT NUCLEAR FUEL RODS.

(a) IN GENERAL.—In order to provide for an effective response to requirements for managing spent nuclear fuel that is sent to Department of Energy consolidation sites pursuant to the Department of Energy Programmatic Spent Nuclear Fuel Management and Idaho National Engineering Laboratory Environmental Restoration and Waste Management Programs Final Environmental Impact Statement, dated April 1995, there shall be available to the Secretary of Energy, from amounts authorized to be appropriated pursuant to section 3102, the following amounts for the purposes stated:

(1) Not more than $43,000,000 for the development and implementation of a program for the processing, reprocessing, separation, reduction, isolation, and interim storage of high-level nuclear waste associated with Department of Energy aluminum clad spent fuel rods and foreign spent fuel rods in the H-canyon facility and F-canyon facility.

(2) Not more than $15,000,000 for the development and implementation of a program for the treatment, preparation, and conditioning of high-level nuclear waste associated with Department of Energy stainless steel spent nuclear fuel rods (including naval spent nuclear fuel) for interim storage and final disposition.

(b) UPDATE OF IMPLEMENTATION PLAN.—Not later than April 30, 1997, the Secretary shall submit to Congress a plan which updates the five-year plan required by section 3142(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 622). The updated plan shall include—

(1) the matters required by paragraphs (1) through (4) of such section, current as of the date of the updated plan; and

(2) the assessment of the Secretary of the progress made in implementing the program covered by the plans.

SEC. 3137. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) FUNDING.—Subject to subsection (b), of the funds authorized to be appropriated pursuant to section 3101(b), $5,000,000 may be used for conducting the fellowship program for the development of skills critical to the ongoing mission of the Department of Energy nuclear weapons complex required by section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 621; 42 U.S.C. 2121 note).

(b) NOTICE AND WAIT.—The Secretary of Energy may not obligate or expend funds under subsection (a) for the fellowship program referred to in that subsection until—

(1) the Secretary submits to Congress a report setting forth—

(A) the steps the Department has taken to implement the fellowship program;

(B) the amount the Secretary proposes to obligate; and

(C) the purposes for which such amount will be obligated; and

(2) a period of 21 days elapses from the date of the receipt of the report by Congress.

Subtitle D—Other Matters

SEC. 3151. REQUIREMENT FOR ANNUAL FIVE-YEAR BUDGET FOR THE NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

(a) REQUIREMENT.—The Secretary of Energy shall prepare each year a budget for the national security programs of the Department of Energy for the five-year period beginning in the year the budget is prepared. Each budget shall contain the estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of the national security programs during the five-year period covered by the budget and shall be at a level of detail comparable to that contained in the budget submitted by the President to Congress under section 1105 of title 31, United States Code.

(b) SUBMITTAL.—The Secretary shall submit each year to the congressional defense committees the budget required under subsection (a) in that year at the same time as the President submits to Congress the budget for the coming fiscal year pursuant to such section 1105.

SEC. 3152. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1997.

(a) IN GENERAL.—The weapons activities budget of the Department of Energy for any fiscal year after fiscal year 1997 shall—

(1) set forth with respect to each of the activities under the budget (including stockpile stewardship, stockpile management, and program direction) the funding requested to carry out each project or activity that is necessary to meet the requirements of the Nuclear Weapons Stockpile Memorandum; and

(2) identify specific infrastructure requirements arising from the Nuclear Posture Review, the Nuclear Weapons Stockpile Memorandum, and the programmatic and technical requirements associated with the review and memorandum.

(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for any fiscal year after fiscal year 1997 that is submitted by the President pursuant to section 1105 of title 31, United States Code, the following:

(1) A long-term program plan, and a near-term program plan, for the certification and stewardship of the nuclear weapons stockpile.

(2) An assessment of the effects of the plans referred to in paragraph (1) on each nuclear weapons laboratory and each nuclear weapons production plant.

(c) DEFINITIONS.—In this section:

(1) The term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

(2) The term "nuclear weapons laboratory" means the following:

(A) Lawrence Livermore National Laboratory, California.

(B) Los Alamos National Laboratory, New Mexico.

(C) Sandia National Laboratories.

(3) The term "nuclear weapons production plant" means the following:

(A) The Pantex Plant.

(B) The Savannah River Site.

(C) The Kansas City Plant, Missouri.

(D) The Y–12 Plant, Oak Ridge, Tennessee.

SEC. 3153. REPEAL OF REQUIREMENT RELATING TO ACCOUNTING PROCEDURES FOR DEPARTMENT OF ENERGY FUNDS.

Section 3151 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3089) is repealed.

SEC. 3154. PLANS FOR ACTIVITIES TO PROCESS NUCLEAR MATERIALS AND CLEAN UP NUCLEAR WASTE AT THE SAVANNAH RIVER SITE.

(a) NEAR-TERM PLAN FOR PROCESSING SPENT FUEL RODS.—(1) Not later than March 15, 1997, the Secretary of Energy shall submit to Congress a plan for a near-term program to process the spent nuclear fuel rods described in paragraph (2) in the H-canyon facility and the F-canyon facility at the Savannah River Site. The plan shall include cost projections and resource requirements for the program and identify program milestones for the program.

(2) The spent nuclear fuel rods to be processed under the program referred to in paragraph (1) are the following:

(A) Spent nuclear fuel rods produced at the Savannah River Site.

(B) Spent nuclear fuel rods being sent to the site from other Department of Energy facilities for processing, interim storage, and other treatment.

(C) Foreign nuclear spent fuel rods being sent to the site for processing, interim storage, and other treatment.

(b) MULTI-YEAR PLAN FOR CLEAN-UP AT SITE.—The Secretary shall develop and implement a multi-year plan for the clean-up of nuclear waste at the Savannah River Site that results, or has resulted, from the following:

(1) Nuclear weapons activities carried out at the site.

(2) The processing of Department of Energy domestic and foreign spent nuclear fuel rods at the site.

(c) REQUIREMENT FOR CONTINUING OPERATIONS.—The Secretary shall continue operations and maintain a high state of readiness at the H-canyon facility and the F-canyon facility at the Savannah River Site, and shall provide technical staff necessary to operate and so maintain such facilities, pending the development and implementation of the plan referred to in subsection (b).

SEC. 3155. UPDATE OF REPORT ON NUCLEAR TEST READINESS POSTURES.

Not later than February 15, 1997, the Secretary of Energy shall submit to Congress a report which updates the report submitted by the Secretary under section 3152 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 623). The updated report shall include the matters specified under such section, current as of the date of the updated report.

SEC. 3156. REPORTS ON CRITICAL DIFFICULTIES AT NUCLEAR WEAPONS LABORATORIES AND NUCLEAR WEAPONS PRODUCTION PLANTS.

(a) REPORTS BY HEADS OF LABORATORIES AND PLANTS.—In the event of a difficulty at a nuclear weapons laboratory or a nuclear weapons production plant that has a significant bearing on confidence in the safety or reliability of a nuclear weapon or nuclear weapon type, the head of the laboratory or plant, as the case may be, shall submit to the Assistant Secretary of Energy for Defense Programs a report on the difficulty. The head of the laboratory or plant shall submit the report as soon as practicable after discovery of the difficulty.

(b) TRANSMITTAL BY ASSISTANT SECRETARY.—As soon as practicable after receipt of a report under subsection (a), the Assistant Secretary shall transmit the report (together with the comments of the Assistant Secretary) to the congressional defense committees and to the Secretary of Energy and the Secretary of Defense.

(c) REPORTS BY NUCLEAR WEAPONS COUNCIL.—Section 179 of title 10, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection (e):

"(e) In addition to the responsibilities set forth in subsection (d), the Council shall also submit to Congress a report on any analysis conducted by the Council with respect to difficulties at nuclear weapons laboratories or nuclear weapons production plants that have significant bearing on confidence in the safety or reliability of nuclear weapons or nuclear weapon types.".

(d) DEFINITIONS.—In this section:

(1) The term "nuclear weapons laboratory" means the following:

(A) Lawrence Livermore National Laboratory, California.

(B) Los Alamos National Laboratory, New Mexico.

(C) Sandia National Laboratories.

(2) The term "nuclear weapons production plant" means the following:

(A) The Pantex Plant.

(B) The Savannah River Site.

(C) The Kansas City Plant, Missouri.

(D) The Y-12 Plant, Oak Ridge, Tennessee.

SEC. 3157. EXTENSION OF APPLICABILITY OF NOTICE-AND-WAIT REQUIREMENT REGARDING PROPOSED COOPERATION AGREEMENTS.

Section 3155(b) of the National Defense Authorization Act for Fiscal Year 1995 (42 U.S.C. 2153 note) is amended by striking out "October 1, 1996" and inserting in lieu thereof "December 31, 1997".

SEC. 3158. REDESIGNATION OF DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT PROGRAM AS DEFENSE NUCLEAR WASTE MANAGEMENT PROGRAM.

(a) REDESIGNATION OF PROGRAM.—(1) The program of the Department of Energy known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, shall be known as the Defense Nuclear Waste Management Program of the Department of Energy.

(2) Any reference to the program of the Department of Energy known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, in any Federal law, Executive order, regulation, delegation of authority, or document of or pertaining to the Department of Energy or the Department of Defense shall be deemed to refer to the Defense Nuclear Waste Management Program of the Department of Energy.

(b) REDESIGNATION OF ASSISTANT SECRETARY OF ENERGY.—(1) The Assistant Secretary of Energy appointed under section 203(a) of the Department of Energy Organization Act (42 U.S.C. 7133(a)) who is responsible for the program of the Department of Energy known as the Defense Environmental Restoration and Waste Management Program, and also known as the Environmental Management Program, shall be known as the Assistant Secretary of Energy for Defense Nuclear Waste Management.

(2) Any reference to the Assistant Secretary of Energy described in paragraph (1) in any Federal law, Executive order, regulation, delegation of authority, or document of or pertaining to the Department of Energy or the Department of Defense shall be deemed to refer to the Assistant Secretary of Energy for Defense Nuclear Waste Management.

(c) REDESIGNATION OF ACCOUNT.—(1) Subsection (a) of section 3134 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1575; 42 U.S.C. 7274f) is amended by striking out "Defense Environmental Restoration and Waste Management Account" and inserting in lieu thereof "Defense Nuclear Waste Management Account".

(2) The section heading of such section is amended to read as follows:

"SEC. 3134. DEFENSE NUCLEAR WASTE MANAGEMENT ACCOUNT.".

(d) REPORT ON REDESIGNATION.—Not later than January 31, 1997, the Secretary of Energy shall submit to congressional defense committees a report on the redesignations to be made under this section. The report shall estimate the costs, if any, to the Department of Energy of the redesignations to be made under this section and describe any potential problems for the Department arising from such redesignations.

(e) EFFECTIVE DATE.—This section and the amendments made by subsection (c) shall take effect on October 1, 1997.

SEC. 3159. COMMISSION ON MAINTAINING UNITED STATES NUCLEAR WEAPONS EXPERTISE.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "Commission on Maintaining United States Nuclear Weapons Expertise" (in this section referred to as the "Commission").

(b) ORGANIZATIONAL MATTERS.—(1)(A) The Commission shall be composed of nine members appointed from among individuals in the public and private sectors who have significant experience in matters relating to nuclear weapons as follows:

(i) Two shall be appointed by the Majority Leader of the Senate (in consultation with the Minority Leader of the Senate).

(ii) One shall be appointed by the Minority Leader of the Senate (in consultation with the Majority Leader of the Senate).

(iii) Two shall be appointed by the Speaker of the House of Representatives (in consultation with the Minority Leader of the House of Representatives).

(iv) One shall be appointed by the Minority Leader of the House of Representatives (in consultation with the Speaker of the House of Representatives).

(v) Three shall be appointed by the Secretary of Energy.

(B) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(C) The chairman of the Commission shall be designated from among the members of the Commission appointed under subparagraph (A) by the Majority Leader of the Senate, in consultation with the Minority Leader of the Senate.

(2) The members of the Commission shall establish procedures for the activities of the Commission, including procedures for calling meetings, requirements for quorums, and the manner of taking votes.

(c) DUTIES.—(1) The Commission shall develop a plan for recruiting and retaining within the Department of Energy nuclear weapons complex such scientific, engineering, and technical personnel as the Commission determines appropriate in order to permit the Department to maintain over the long term a safe and reliable nuclear weapons stockpile without engaging in underground testing.

(2) In developing the plan, the Commission shall—

(A) identify actions that the Secretary may undertake to attract qualified scientific, engineering, and technical personnel to the nuclear weapons complex of the Department; and

(B) review and recommend improvements to the on-going efforts of the Department to attract such personnel to the nuclear weapons complex.

(d) REPORT.—Not later than March 15, 1998, the Commission shall submit to the Secretary and to Congress a report containing the plan developed under subsection (c). The report may include recommendations for legislation and administrative action.

(e) COMMISSION PERSONNEL MATTERS.—(1) Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(3) The Commission may, without regard to the civil service laws and regulations, appoint and terminate such personnel as may be necessary to enable the Commission to perform its duties. The Commission may fix the compensation of the personnel of the Commission without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(4) Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(f) TERMINATION.—The Commission shall terminate 30 days after the date on which the Commission submits its report under subsection (d).

(g) APPLICABILITY OF FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Commission.

(h) FUNDING.—Of the amounts authorized to be appropriated pursuant to section 3101, not more than $1,000,000 shall be available for the activities of the Commission under this section. Funds made available to the Commission under this section shall remain available until expended.

SEC. 3160. SENSE OF SENATE REGARDING RELIABILITY AND SAFETY OF REMAINING NUCLEAR FORCES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The United States is committed to proceeding with a robust science-based stockpile stewardship program with respect to production of nuclear weapons, and to maintaining nuclear weapons production capabilities and capacities, that are adequate—

(A) to ensure the safety, reliability, and performance of the United States nuclear arsenal; and

(B) to meet such changing national security requirements as may result from international developments or technical problems with nuclear warheads.

(2) The United States is committed to reestablishing and maintaining production of nuclear weapons at levels that are sufficient—

(A) to satisfy requirements for the safety, reliability, and performance of United States nuclear weapons; and

(B) to demonstrate and sustain production capabilities and capacities.

(3) The United States is committed to maintaining the nuclear weapons laboratories and protecting core nuclear weapons competencies.

(4) The United States is committed to ensuring the rapid access to a new production source of tritium within the next decade, as it currently has no meaningful capability to produce tritium, a component that is essential to the performance of modern nuclear weapons.

(5) The United States reserves the right, consistent with United States law, to resume underground nuclear testing to maintain confidence in the United States' stockpile of nuclear weapons if warhead design flaws or aging of nuclear weapons result in problems that a robust stockpile stewardship program cannot solve.

(6) The United States is committed to funding the Nevada Test Site at a level that maintains the ability of the United States to resume underground nuclear testing within one year after a national decision to do so is made.

(7) The United States reserves the right to invoke the supreme national interest of the United States and withdraw from any future arms control agreement to limit underground nuclear testing.

(b) SENSE OF THE SENATE REGARDING PRESIDENTIAL CONSULTATION WITH CONGRESS.—It is the sense of the Senate that the President should consult closely with Congress regarding United States policy and practices to ensure confidence in the safety and reliability of the nuclear stockpile of the United States.

(c) SENSE OF THE SENATE REGARDING NOTIFICATION AND CONSULTATION.—It is the sense of the Senate that, upon a determination by the President that a problem with the safety or reliability of the nuclear stockpile has occurred and that the problem cannot be corrected within the stockpile stewardship program, the President shall—

(1) immediately notify Congress of the problem; and

(2) submit to Congress in a timely manner a plan for corrective action with respect to the problem, including—

(A) a technical description of the activities required under the plan; and

(B) if underground testing of nuclear weapons would assist in such corrective action, an assessment of advisability of withdrawing from any treaty that prohibits underground testing of nuclear weapons.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1997, $17,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATIONS AUTHORIZED.—During fiscal year 1997, the National Defense Stockpile Manager may obligate up to $60,000,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. DISPOSAL OF CERTAIN MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL REQUIRED.—The President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in amounts equal to—

(1) $338,000,000 during the five-fiscal year period ending on September 30, 2001; and

(2) $649,000,000 during the seven-fiscal year period ending on September 30, 2003.

(b) LIMITATION ON DISPOSAL QUANTITY.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Aluminum	62,881 short tons
Cobalt	30,000,000 pounds contained
Columbium Ferro	930,911 pounds contained
Germanium Metal	40,000 kilograms
Indium	35,000 troy ounces
Palladium	15,000 troy ounces
Platinum	10,000 troy ounces
Rubber, Natural	125,138 long tons
Tantalum, Carbide Powder	6,000 pounds contained
Tantalum, Minerals	750,000 pounds contained
Tantalum, Oxide	40,000 pounds contained

(c) DEPOSIT OF RECEIPTS.—(1) Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) and except as provided in paragraph (2), funds received as a result of the disposal of materials under subsection (a) shall be deposited into the general fund of the Treasury.

(2) Funds received as a result of such disposal in excess of the amount of receipts specified in subsection (a)(2) shall be deposited in the National Defense Stockpile Transaction Fund established by section 9(a) of that Act.

(d) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(e) DEFINITION.—The term "National Defense Stockpile" means the National Defense Stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Energy $149,500,000 for fiscal year 1997 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves (as defined in section 7420(2) of such title). Funds appropriated pursuant to such authorization shall remain available until expended.

TITLE XXXV—PANAMA CANAL COMMISSION

SEC. 3501. SHORT TITLE.

This title may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1997".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, to be derived from the Panama Canal Commission Revolving Fund, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, improvement, and administration of the Panama Canal for fiscal year 1997.

(b) LIMITATIONS.—For fiscal year 1997, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $73,000 for reception and representation expenses, of which—

(1) not more than $18,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $10,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $45,000 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any provision of law relating to purchase of vehicles by agencies of the Federal Government, funds available to the Panama Canal Commission shall be available for the purchase of, and for transportation to the Republic of Panama of, passenger motor vehicles, including large, heavy-duty vehicles.

SEC. 3504. EXPENDITURES IN ACCORDANCE WITH OTHER LAWS.

Expenditures authorized under this title may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina [Mr. THURMOND] is recognized.

Mr. THURMOND. Mr. President, today, the Senate begins consideration of S. 1745, the national defense authorization bill for fiscal year 1997. In crafting this important legislation, the Committee on Armed Services placed the national security interests of the United States and the strength of our Armed Forces above other considerations. The national defense authorization bill for fiscal year 1997 reflects the committee's bipartisan approach to these overarching priorities, and provides a clear basis and direction for U.S. national security policies and programs into the 21st century.

Mr. President, I would like to thank the distinguished ranking member of the Committee on Armed Services, Senator NUNN, for his outstanding leadership and cooperation in the formulation of this bill. It has been a singular privilege and honor for me to work with Senator NUNN over many years on the Armed Services Committee. I very much regret that this will be his last defense authorization bill, and hope that this bill will serve as a clear legacy to Senator NUNN's enduring contributions to the U.S. Armed Forces and this Nation's security.

I would also like to recognize the distinguished contributions to national security of Senator COHEN and Senator EXON. This bill is also the last defense authorization bill for these two outstanding Senators, and I would like to thank them for their dedication to and support of our Armed Forces.

Mr. President, the following priorities were our roadmap in formulating this authorization bill:

Ensuring national security and the status of the United States as the world's preeminent military power; protecting the readiness of our Armed Forces; enhancing the quality of life of military personnel and their families; ensuring U.S. military superiority by continuing to fund a more robust, progressive modernization program to provide required capabilities for the future; accelerating the development and deployment of missile defense systems; and preserving the shipbuilding and submarine industrial base.

I am satisfied that this bill does a good job in fulfilling these priorities. Let me mention some of its highlights:

The bill gives our service personnel a well-deserved 3-percent pay raise and 4-percent raise in quarters allowance, effective January 1, 1997.

It authorizes the award of the Congressional Medal of Honor to seven African-Americans who served during World War II.

The bill contains provisions to enhance our ability to protect our military forces from ballistic missile attacks.

It adds essential funding for the modernization of our Armed Forces, including: $40 million for the Marine Corps to develop revolutionary operational concepts and technologies through a warfighting laboratory known as Sea Dragon; a funding program for the Army's Force 21 initiatives to expedite the acquisition and evaluation of new equipment and associated technology for the future force; and $997 million for advance procurement and construction of the next two nuclear attack submarines.

The bill also adds $1.2 billion to increase the readiness funding for otherwise unfunded priorities of the service chiefs, and it adds $150 million in funding for the Department of Defense's activities to combat the flow of illegal drugs into the United States.

Mr. President, I wish I could say that the national defense authorization bill for fiscal year 1997 is a major step in the road to recovery for our Armed Forces. It is not. However, this bill does a much better job than the President's budget request in funding our Armed Forces. By offsetting the President's requested decreases in certain key programs, this bill enhances our national security, while still authorizing $7.4 billion less in real defense spending than last year's bill.

The main shortcoming in the President's budget request is its wholly inadequate funding for procurement. Our service chiefs, whose primary responsibility is to ensure that our forces are prepared and equipped to defeat any adversary, have repeatedly warned about increasing risks due to the low level of procurement. Our combatant commanders, who rely on adequately prepared and equipped forces to conduct military operations, have said the same. Further, General Shalikashvili, who as Chairman of the Joint Chiefs is specifically directed to serve "as the spokesman for the combatant commanders, especially on the operational requirements of their commands," has this to say about procurement: "We must commit ourselves to a sufficient procurement goal, a goal I judge to be approximately $60 billion annually." Yet, despite the advice of his principal military adviser, the President requested only $39 billion for procurement. The Committee on Armed Services added $7.7 billion to this requested amount for procurement. To do any less would be to ignore the very advice we have charged our military leaders to provide.

As for the administration's repeated promises to compensate by increasing procurement in future years, the testimony of Admiral Owens, then-Chairman of the Joint Requirements Oversight Council, is revealing:

> [The administration said that in 1994] procurement would be at 64 billion. Of course, what really happened was that it went to 48 billion . . . and in 1995, [the administration] said [procurement] was going to 55 billion. But, in fact, what really happened was 46 billion. [The administration] promised [again] it would go up. [But] in 1996, we're . . . down to 39 billion and [the administration is] promising . . . it will go up.

As the saying goes, You don't learn much from the second kick of a mule. Or maybe I should say "donkey." This administration's record is so bad, the Congress simply has no reason to believe that if we lower defense spending, the President will make up for it in future years.

Mr. President, some of my colleagues may feel that this is a time when we can afford to cut defense spending. In fact, history teaches us the opposite. We have always enjoyed a period of relative calm before the winds of war. With the lethal technologies, emergence of fanatical movements, and proliferation of weapons of mass destruction that exist today, we do not have the luxury of investing in our military after the fact. We must remain ready and fully capable, both to deter and defeat. Although we cannot—and should not—commit to every conflict where we might have an interest, we must be able to dominate those where we clearly do have vital national security interests. Imagine what this world would be like without United States involvement and leadership in World Wars I and II, the Korean war, and the Persian Gulf war. Without a strong military, our identity as Americans would be a shadow of what it is today.

Then, there are those who think that our military capabilities should depend solely on the threat. Their familiar refrain is: Where is the threat? What threat? That is exactly the point. What they see now is the result of a commitment to a strong defense in the past. When they do see a threat, it will be because of a lack of commitment to adequately fund our military today. As General Reimer, Army Chief of Staff, aptly says, "History shows that those who wish to threaten us will do so at our weakest point * * *. They will seek to exploit a perceived lack of U.S. commitment."

Mr. President, our Armed Forces continue to suffer from a decline in size and spending levels. Fiscal year 1997 will witness the 12th straight decrease in defense funding, which has declined 41 percent since 1985. Some of my colleagues may not know what happened the last time our defense budget was this low. Let me tell them. Repeated budget cuts in the late 1940's, and their deleterious effects on our Armed Forces, served as a virtual invitation for aggression in Korea. By the time we saw this threat, it was too late. As described by former Army Chief of Staff, Gen. Creighton Abrams:

> We paid dearly for unpreparedness during those early days in Korea with our most precious currency—the lives of our young men. The monuments we raise to their heroism and sacrifice are really monuments we owe to ourselves for our blindness to reality, for our indifference to real threats to our security, and . . . for our wishful thinking about how war would not come.

In Korea, we suffered nearly 50,000 American dead and had to settle for an embarrassing stalemate. Indeed, that war has yet to officially end, and we are still living with its consequences.

Some saw Korea as a military embarrassment. But it was, in fact, a political embarrassment. Our lack of military readiness was a result of our lack of political commitment. I fear we may be laying the seeds for another Korea. Are we willing to suffer another such war?

Mr. President, this bill is a sound bill. It provides a foundation to build on to prepare our Nation's Armed Forces to meet the challenges of the 21st century. I urge my colleagues to join the members of the Committee on Armed Services, who voted this bill out of committee 20 to 0, and pass this bill with a strong bipartisan vote. Of special note, the committee vote reflects a consensus that the issue of national missile defense policy should be dealt with only in connection with S. 1635, the Defend America Act. Accordingly, I strongly urge my colleagues to refrain from offering amendments relating to national missile defense policy to the defense authorization bill. If Members on either side of the aisle wish to debate national missile defense policy, I suggest we proceed to consideration of S. 1635 as soon as possible following passage of the defense authorization bill.

Mr. President, I would like to remind my colleagues that any amendments to the defense authorization bill that would increase authorizations for defense spending should be accompanied by offsetting reductions. Finally, Mr. President, because the Armed Services Committee marked up this bill before the approval of this year's budget resolution, we marked to the defense allocation for fiscal year 1997 contained in last year's budget resolution. I want to assure the Senate that the amount authorized for defense will conform to the funding level designated in this year's budget resolution when we complete the conference on this bill.

I thank the Chair, and yield the floor.

PRIVILEGE OF THE FLOOR

Mr. REID. Mr. President, I ask unanimous consent that Jerry Reed, a congressional fellow in my office, have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, Senator NUNN is expected to be here momentarily to make his opening statement. I expect that other Members will follow thereafter. We want to get as many statements completed during these initial hours as possible.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The senior Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed as if in morning business for the purpose of introducing a bill and making a statement thereon that will not exceed 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. I thank the Chair. I thank the managers of the pending measure.

(The remarks of Mr. BYRD pertaining to the introduction of S. 1881 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BYRD. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Georgia has the floor.

Mr. NUNN. Mr. President, as we begin debate on the National Defense Authorization Act for fiscal year 1997, I first express my deep appreciation to Senator THURMOND, the chairman of the committee, for the bipartisan process under his leadership that was followed in marking up this legislation.

I also thank Senator THURMOND for the very gracious remarks he made about me. This is my last Defense authorization bill that I will be helping to manage on the floor, and I deeply appreciate his remarks but, most of all, his friendship and his leadership and his stalwart support of national security for the entire time I have been in the U.S. Senate and really for many years before.

I express my appreciation to Les Brownlee, the majority staff director, and the other members of the majority staff, for their hard work and cooperation during markup.

Of course, I add my deep appreciation, on a continuing basis, to Arnold Punaro, minority staff director, as well as all members of the minority staff working with Mr. Punaro.

The Armed Services Committee has a long tradition of members working across the aisle in the interest of national defense, and that was fully reflected in the process that was used to develop the bill now before us. So, Mr. President, I say to Senator THURMOND, I am very grateful to him and to his staff.

We have had and will continue to have issues on which there are sharp differences of opinion between Senators on that side of the aisle and this side of the aisle, and between Senators on both sides of the aisle among themselves. It is not simply a breakdown of Democrats versus Republicans. There are a lot of individual views on defense, and that is how it should be on a defense bill, as important as it is, as much money is involved and as much is at stake, which is, indeed, the stake of our national security and our freedom.

Those differences, however, should not obscure the fact there is a broad consensus in favor of the key features of this bill. Mr. President, there is strong support for provisions in the bill that enhance the quality of life for our men and women in uniform and their families, including a 3-percent pay raise, a 4-percent increase in basic allowance quarters, revised allowances for single personnel and for couples in which both spouses are members of the Armed Forces, and increased funding for military construction pertaining to family housing, unaccompanied personnel housing, dining facilities and, most important, child development centers.

The bill also continues many of the committee's key initiatives over the last decade, including modernization of weapons systems and support for programs essential to the readiness of our military forces.

Mr. President, there will certainly be a lot of controversy about the funding level in this bill, and I am sure we will have amendments to try to reduce the funding level of the bill. Let me state, I believe the overall funding level of $267.4 billion represents a prudent increase by the committee to the administration's budget request. It is slightly higher than the $265.6 billion that is contained in the conference report on the budget resolution because that budget resolution contains later information related to inflation. These differences will not require any major readjustment of the committee's priority, but we will need to reduce either on the floor or in conference this bill from $267.4 to $265.6 billion, which is our guideline given to us by the budget resolution passed by both the House and the Senate.

I hope that my colleagues on both sides of the funding question will recognize that even with this plus-up of the Clinton administration's budget, this bill still represents a real decrease in spending from last year. So I am sure, as usual, all the reports and headlines will read that this is a vast increase in defense. That is not accurate. This is not an increase in defense. This $265.6 billion in the budget resolution, compared to last year, is a reduction in real dollar terms from last year's funding level, but it is an increase over the President's recommended level by about $11 billion.

Mr. President, some of the provisions of the bill are likely to be the subject of vigorous debate. Although we have avoided, thus far, many of the provisions that make the House-passed bill unacceptable to the administration, there are a number of issues that remain troublesome.

I think it is important for everyone to bear in mind it is clear the House bill and a number of its provisions are unacceptable to the administration, and I hope we can avoid that here. It is clear that we do have some issues that already are unacceptable in this bill to the administration. For example, the language relating to the demarcation line between theater and national missile defense, which is in our bill, is not at this time acceptable to the administration, and the language concerning multilateralization, or adding new parties to the ABM Treaty. Both of these provisions, it is my hope, can be worked in a way that will avoid a veto by the President of this bill, but that remains a very serious challenge.

We will also consider a number of amendments that are likely to draw broad bipartisan support, in terms of enhancing our national security. As I noted in my remarks on the floor on May 30, I have been working very diligently with Senator LUGAR and Senator DOMENICI, and others, to address our Nation's lack of preparedness to cope with threats from the full range of weapons of mass destruction, including biological and chemical weapons.

We will have an amendment on this bill by Senator LUGAR, Senator DOMENICI, and myself that will strengthen the ability of the Department of Defense and the Department of Energy to assist local fire departments and police departments, local law enforcement, in terms of helping prepare them and equip them to deal with a possible chemical or biological attack by terrorists.

Mr. President, the nuclear component of that, the so-called NEST capability, already exists in the Department of Energy. We do not have anything comparable on the chemical or biological side. It is my judgment, after having numerous hearings on this subject, after having considerable in-depth hearings and a long preliminary investigation of the Aum Shinrikyo and the religious cult attack in Tokyo over a year ago that killed 12 people but injured 5,000. If that attack had been better prepared in terms of delivery system for the sarin gas, there would literally have been tens of thousands of people killed. That was a religious cult that existed and had over $1 billion in assets, although more members are in Russia than Japan. They had tested sarin gas in Australia and even embarked on preliminary stages of trying to develop biological weapons. They had a very serious chemical stockpile and had already, previous to the Tokyo attack, carried out other smaller chemical attacks in Tokyo.

Not many of us would have predicted Japan would have been the first place that would have happened, but it is predictable that effort is going to be made in the United States, by either foreign or domestic terrorists.

We had the World Trade Center attack. We have seen the devastation of that explosion. What many people do not realize, and what the judge noted in his findings, is that attack on the World Trade Center also included a chemical weapon that was consumed by the flames and, therefore, did not activate and did not cause damage. The damage was done by the conventional-type weapons.

So we have already, according to the judge, had a chemical attempt in this country. So it is almost predictable, with very little doubt, that we are going to have chemical and biological efforts made against soft targets in this country, including our cities, including our population centers, over the next 5 to 10 years.

We can either begin to get in front of it and deal with it in advance, try to prevent it from happening, or we can wait until it happens and then have everybody say, "Why didn't we do something about it?"

Mr. President, we are going to try to do something about it on this bill. We are going to have an amendment that would have the Department of Defense and the Department of Energy, in a very carefully prescribed way—we are not getting DOD and DOE involved in enforcing the law at a domestic level. We are not talking about that. We are talking about having them help prepare, in terms of training, in terms of equipment, our local police, and fire officials around this country to deal with what almost all experts on terrorism believe is an inevitable kind of threat we face to our own country.

We have seen the work of domestic terrorists in Oklahoma City and the terrible, terrible destruction that was caused in terms of human suffering in Oklahoma City and to the Murrah Building there. We have seen the attack in Tokyo. We have seen the World Trade Center attack. Fortunately, the chemical part of that attack did not activate. There was enough destruction without it, but it would have been truly of a worse magnitude had the chemical component really done its job.

Mr. President, we have also seen in Russia the Chechen or some group representing the Chechen rebels put a radiological weapon in a very prominent place near Moscow, a radiological weapon being using the radiation from nuclear materials without causing an explosion but causing huge destruction. That was not an effort to actually use the weapon but a warning that it could be done.

So we are in a different kind of world now. We have moved from an era of very high risk of nuclear war to an era of much lower risk of nuclear war. But we have moved from an era of high stability because of that very risk of nuclear war and because the two superpowers knew that, if their clients got into a war or if there was some event that came that got out of control, the whole escalation could take place and we could have a nuclear war.

Because of that, we had high stability, high risk but high stability, during the cold war. We moved to much lower risk in terms of a nuclear war. We can all be very thankful for that because of the change in climate, because of the arms control agreements, because of the substantial number of nuclear weapons in the Soviet Union. All of that greatly reduces the risk of nuclear war.

But the decline of the Soviet Empire has also ushered in a new era of lower stability, meaning that there are countries all over the world that are having ethnic, religious conflict. We no longer have the two superpowers who are basically policing the world so that we do not have conflict between two superpowers.

We are in another era. We are in an era of organized crime not only in Russia but in many other places. We are in an era where we have had the first empire in history disintegrate but still containing 30,000 or so nuclear weapons, over 40,000 tons of chemical weapons, and no one even knows how much in the way of biological weapons, and also scientists all over the former Soviet Union, not just in Russia, who know how to make these weapons of mass destruction, who know how to make ballistic missiles, but in many cases do not know how they are going to feed their families, and rogue nations all over the world trying to develop these kinds of capabilities, as we have seen in the past in Iraq and other places.

The combination of organized crime, terrorism, empire disintegration, tons of material and know-how in terms of weapons of mass destruction, all of that combined means that we are in a different era. What we have to make sure of, in terms of our overall debate in both the ballistic missile defense area, as well as this Nunn-Lugar-Domenici No. 2 effort, as we can call it, we have to make sure that we are not so obsessed with the past that we cannot think of the future.

The future kind of threats we are going to face are going to be different.

We are going to have to be more agile, as David Abshire, president of the Center for Strategic and International Studies, said in a recent article he wrote. We are going to have to be more agile, more flexible. We are going to have to understand the threats that face us in the future. And we are going to have to understand that the Department of Defense mission is still to protect the national security of this country. Included in that mission, I think at this stage, is a very critical need to help our police officials and our fire officials be able to deal with the kind of threat that they may face in the future.

Mr. President, I will have more to say on this subject. I know that Senator LUGAR and Senator DOMENICI will have more to say. But I did want to let people on both sides of the aisle know that sometime in the next few days while we are considering this bill there will be that kind of an amendment.

Mr. President, it will be aimed primarily on the domestic side. It will be very carefully framed so that there will be no doubt that we are not getting DOD and DOE involved in the actual enforcement of the law. That is not the effort here. It is to equip and train and prepare our law enforcement officials to deal with these kinds of threats. There will be a part 2 of this that will deal with a growing need to beef up our Customs Service to make sure that they can do their part and do it well in preventing those kinds of materials from ever getting into this country, and also to help them be more effective in preparing the customs services of other nations, particularly the former Soviet Union, in preventing materials from getting out of those countries—a growing threat.

So, Mr. President, there really are three parts of this overall Nunn-Lugar effort. Part one is already underway and has been for about 4 or 5 years. That is, in my mind, still the most crucial need because the window is open for cooperation with these former Soviet states, including but not limited to Russia. We are helping to do that. The last missile was just taken out of the Ukraine. The last nuclear warhead was taken out of the Ukraine the other day. So this is a remarkable success.

Two years ago it appeared we were going to have four new nuclear states coming out of the one old one, the Soviet Union. It appeared we were going to have a nuclear component, very strong nuclear component, not only in Russia, but in the Ukraine, also in Kazakhstan and also in Belarus. I know all nuclear warheads have been taken out of Kazakhstan, all nuclear warheads have been taken out of Ukraine, and the last weapons, I am told, will be taken out of Belarus this year. The missiles will be destroyed. The Nunn-Lugar program has helped facilitate that. Secretary of Defense Perry told us this morning at the armed services breakfast, without that program we could not have done what has been done. There is a long way to go. There is a lot left to do.

The most prominent feature of this program has been stopping these weapons at the source, preventing them from leaking all over the world. It is going to cost us hundreds of billions of dollars—if we have nuclear materials and chemical and biological materials and missile technology know-how disbursed all over the world, it is going to cost us hundreds and hundreds of billions of dollars to defend against it. Even then it will be extremely difficult to defend against.

The first priority is to stop it at the source, to help these countries—not only Russia, but Ukraine and Kazakhstan and Belarus and others—get control of their own borders, to help them understand the priority of controlling nuclear materials and chemical materials and biological materials and know-how; second, to make sure that they have strong and effective border control and, where they want our help, to help them in that regard; third, to beef up our borders here in this country, to beef up our border protection; and, fourth, to be able to deal with this kind of catastrophe if it ever occurs. First to deter it, prevent it domestically, but to be able to deal with it, not only with police departments and fire departments, but also with health departments.

In the Aum Shinrikyo attack in Tokyo, the Japanese police were certainly not prepared. There is no doubt about that. But the health officials, under the circumstances, did a pretty good job. There is strong indication that the Japanese were better prepared to deal with the health aspects of this kind of chemical attack than we are in this country. In fact, one of the key agencies in HHS to deal with this, one of the few agencies, very, very thinly staffed, has had almost all of its funding cut in the House. I hope that can be corrected because I am sure that the people who made those cuts did not realize the context in which that agency would have to work. So we are going to be talking about all those issues.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that the following named 14 minority staff members on the Committee on Armed Services and two congressional fellows be granted the privilege of the floor during the consideration of and votes relating to S. 1745, the National Defense Authorization Act for fiscal year 1997.

Minority staff members: Christine E. Cowart, Richard D. DeBobes, Andrew S. Effron, Andrew B. Fulford, Daniel B. Ginsberg, Mickie Jan Gordon, Creighton Greene, Patrick T. Henry, William E. Hoehn, Jr., Jennifer A. Lambert, Michael J. McCord, Frank Norton, Jr., Arnold L. Punaro, Julie K. Rief, James R. Thompson III. Congressional fellows: Maurice B. Hutchison and DeNeige V. Watson.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, summing up my remarks, I pledge to Senator THURMOND my cooperation on this bill. The chairman has an awesome responsibility to be here on the floor, to help manage the bill and to make judgment on amendments. My role will be to help him and assist him where he calls on me and where I can be of help.

I hope that people who have important amendments will come to the floor and begin that process in the next few hours. I know that the majority leader is under a great deal of pressure with a lot of other bills. I have never known us to be able to pass this bill in less than 3 or 4 days. It is my hope that we can do that in this context. That will depend on the cooperation of all of the Members.

I yield the floor.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Georgia, Senator NUNN, for his kind remarks. It will be a pleasure working with him on this bill. He is a former chairman of this committee. He is now the ranking member and does a very fine job for defense, and we are very proud of him.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that CRAIG Williams, a fellow on the staff of Senator MCCAIN, be granted the privilege of the floor during the discussion of S. 1745.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield Senator INHOFE 15 minutes. Is that sufficient?

Mr. INHOFE. Yes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. First of all, Mr. President, I thank the distinguished Senator, the chairman of the committee, Senator THURMOND, for all of his hard work. I really believe that our committee has spent a lot of time, has had a lot of bipartisan cooperation in coming up with a product, which I think is still inadequate but is still the very best that we could come up with at this time.

I think it is very unfortunate that most American people do not realize what a crisis our country is in in terms of our defense. I was very proud the other day before Senator THURMOND's committee when the four Chiefs of the four services came in and made the statement that we are $20 billion underfunded in our procurement accounts. I think this is something that we have to listen to because this is unprecedented. At least I do not recall any time in history when the Chiefs themselves have come in and said that the President's budget is underfunding procurement by $20 billion. They said that we need to get it up there in order to have the very minimum requirements the American people expect to defend our country.

The administration's request is almost $20 billion less, in real terms, than we are spending this year, and there are several of us who are trying to do something about this by adding back an amount of money.

So I guess what I am trying to say is that the authorization that we are dealing with in this bill is still, in my opinion, inadequate. Yet, I think it is the best that we can do at this time. Our budget has actually decreased for 12 consecutive years.

There is a lot of talk about what to do about the deficit. All of the liberals will point toward defense and say, "We need to cut defense spending," when we have done nothing but cut defense spending for the last 12 consecutive years. Back during the Kennedy administration, 60 percent of our budget went to defending America and 17 percent to human services. Now, 17 percent of our budget goes to defending America and 60 percent goes to human services. It just shows the change that has taken place in the attitude of the function of Government.

We talked about the balanced budget amendment not long ago, and the fact that we need to do something to bring it into balance. So they always point toward national defense, when we have already taken cuts there.

It is kind of interesting that there is a study documented —and it has not been refuted on the floor of the Senate, and I brought this up several times—that shows that if we were to put growth caps on Government—one was a 2-percent cap, and one was a 2.5-percent cap—we could actually balance the budget without cutting one Federal program. I can assure you that I would be delighted to have that kind of treatment in our defense budget because it has deteriorated and consistently gone down over the years. Since World War II, there have only been 4 years that have been lower than we are right now—1947, 1948, 1949, and 1950. This is the lowest budget since 1950.

So it gets down to the question, is there a reason for this? Is it because the threat is not as great out there as it was in previous years? I suggest that that is a matter of interpretation. You will get a lot of difference of opinion on this floor. To me, it is incontrovertible.

I have some articles I will submit for the RECORD. I am going to paraphrase these. The first one—this is just in the last few days—was in the Washington Times. The last paragraph of this is:

> In a report released ahead of publication today, Stern—

That is the German magazine.

> Said the plant was similar to one in Tarhunah, Libya. The United States says that complex is a chemical weapons factory. Libya says it is an irrigation plant.

Then we have what appears to be a new relationship between Syria and Iraq. This was an article in the Washington Times on June 5.

The third article I will submit is "U.S. Investigates Ukraine-Libya Alliance." This is kind of a scary thing that is going on right now. All of these are recent.

The fourth article is, "Report Cites China-Pakistan Missile Links."

> A new, draft U.S. Government report states that all intelligence agencies believe with "high confidence" that Pakistan has obtained medium-range ballistic missiles made by China, and says for the first time that Pakistan probably has finished developing nuclear warheads for these missiles, U.S. officials said yesterday.

Of course, we have been talking, time and time again, about the threat that is out there that is different than it has been before. I understand that we are not going to be really addressing the national missile defense problem that we have. We tried to do that with the Defend America Act.

We have a President in the White House who vetoed last year's authorization bill because his veto message was that he did not want to spend more money on national missile defense.

Time and time again, we have Members of this body stand up and talk about, well, we cannot spend another $50, $60, $70, or $80 billion more on star wars. Star wars is just a term to try to make it appear as if there is not any real threat out there. I suggested that back in 1983. We recognized that, in the medium term, we were going to have to defend America against ICBM's, a missile attack with weapons of mass destruction.

Now, everything has gone in accordance with the schedule that was articulated at that time by President Reagan. So that here we are today with a system that was to be in place by the year 2000, and we have an investment of approximately $50 billion in a national missile defense system.

Yet, we stopped it dead in its tracks in spite of the fact that the Russians have missiles, that China has missiles, and the Taepo Dong II missile from North Korea is one that will be able to reach the United States by somewhere around between the year of 1999 and 2002.

So the threat is very real. It is out there. And we have people that are of the caliber of Saddam Hussein who made the statement back at the time of the Persian Gulf war. He said, "If we had waited to invade Kuwait for 5 more years we would be able to have the missile capability of reaching the United States." Would he do it? Sure he would. Anyone who would kill his own grandchildren would do something like that. Look at what is happening in Libya. Qadhafi is developing weapons of mass destruction, and they have a new alliance with the Ukraine. We have very real problems that are out there.

The Senator from Georgia, Senator NUNN, mentioned the crisis, the disaster, the bombing of the Murrah Federal Office Building in Oklahoma City and all the tragedy that was linked to that. It is something—that unless you are there to see not just the loss of lives of 168 innocent people but the brutality that was with it; the fact that all that happened with one bomb that is the equivalent of 1 ton of TNT. The smallest nuclear warhead known is 1 kiloton—1,000 times that power; that explosive power. So just imagine. No one is immune from that type of threat.

We saw just recently China and how overt they are getting right now in the Taiwan Straits with their missile testing that is taking place. Then the statement that was made by a high ranking Chinese official—it has been verified that he did say it. He said, "We are not concerned with the United States coming in and defending Taipei because they would rather defend Los Angeles." At a very minimum it is an indirect threat. Are we being held hostage? I think we are.

We see the new developments in Syrian-controlled Lebanon and throughout the Middle East; that when Jim Woolsey 2 years ago—it has been 2 years now since. He certainly would not be considered a Republican. He was a CIA Director under two Democratic Presidents including President Clinton—said 2 years ago that we know of between 20 and 25 nations that have or are developing in the final stages weapons of mass destruction, either biological, chemical, or nuclear, and working on the missile means of delivering it. That was 2 years ago. He has come out since then and expanded that up to 30 nations.

So we are not talking about the days when we had two superpowers. Of course, we are looking at elections taking place right now in Russia. We do not know how they are going to come out. But we see a change in attitude in the former Soviet Union. We saw what happened in the newest elections last December when the Communists took over 153 seats to Yeltsin's 54 and Zhirinovsky roughly 53 or 54 seats. So we are seeing a change there.

But let us assume that there was tranquillity and there was no problem between the United States and the former Soviet Union, as we talked about, during the cold war. The threat was there. I have always contended that the threat during the cold war was not as great as the threat is now because at least we could identify who enemy was at that time. We had the Soviet Union and we had the United States. We had at that time a treaty, an ABM Treaty, and said that we were going to agree to downgrade our nuclear capability. That was called mutually assured destruction. "You shoot at us. We shoot back at you. Everyone dies, and everybody is happy." That is no longer the case. I did not agree with the policy. That was not a Democratic policy. It came under Nixon and Kissinger. That did not make any sense. But there were those who did believe it was worthwhile. I talked to Kissinger about it. He said, "It's nuts to make a virtue out of our vulnerability." That is what we have done. So here we are out there adhering to a policy through START II, which in my interpretation puts us back with the ABM Treaty where we are downgrading our nuclear capability with one other nation while the rest of the 25 or so rogue nations are increasing their nuclear capability.

So I think that we do not address that in this. We should be addressing that in this authorization bill. But I know what would happen if we did. We would not get it passed and the President would veto it because he said that he would.

So I say, Mr. President, that this bill does not go far enough. We have real serious problems today. During the Persian Gulf war we had 26 divisions. We are going to be down to 15 divisions with this. I think that it is a very serious threat. We are right now No. 9, as I understand it, in ground forces, having been passed by Pakistan.

So America is not at the strength level that America should be. While I say that, I am supporting this bill because it is the only dog in the fight. We need to have an authorization bill. I support this.

Since the beginning of our country's history, national security has been the most solemn obligation our Government holds with its citizens. In order to honor this obligation, top priority must be given to the forces that guarantee our national security. These forces do not ask much of us for their service. But they do need a certain amount of support from their Government in order to carry out their duties and protect the security of the United States as well as maintain our status as the world's preeminent military power.

However, in order to allow our military to honor their sworn duty, we have to provide them with the means to do many things. We must give them the authority to retain ample manpower in the form of adequate end strengths. Our military must have the means to recruit high-quality personnel to carry us into the 21st century. In addition, in order to keep our high-quality personnel, and protect their quality of life which is so important in maintaining morale, we must provide them with equitable pay and benefits—including a 3-percent pay raise to protect against inflation—and appropriate levels of funding for the construction and maintenance of troop billets and military family housing.

We must keep the battle sword sharp by providing enough resources to maintain readiness and continue modernization efforts to provide the capabilities needed for future wars. Our military must also be given the means to field the type and quantity of weapons systems and equipment needed to fight and win battles decisively, with minimal risk to our troops, just as they did in the gulf war.

Another important lesson learned in the gulf war was that we need to be able to protect our troops from ballistic missiles, missiles that are capable of delivering weapons of mass destruction. Whether it is nuclear, chemical, or biological, we must protect our forces while they are in the field and we must protect their families at home. The way we do this is through the development and deployment of missile defense systems: land and sea-based theater missile defense systems, which can protect United States and allied forces against cruise and ballistic missiles while deployed in the field; and a national missile defense system to defend American families at home. We will have a ballistic missile defense, it will either be before—or after—we first need it.

I have spoken about what we must provide for our military, now I would like to point out what we can take away. To begin with, we can eliminate defense spending that does not contribute directly to the national security of the United States; such as policing of the Olympic Games. More importantly, we should stand back and evaluate U.S. involvement in nontraditional military operations, and its impact on combat readiness, budgeting, and our national interests. Bosnia, Somalia, and Haiti; these and other police actions continue to drain defense funds and put a strain on personnel who are already being stretched beyond their breaking point—the breaking point that our military as a whole is rapidly approaching. Bosnia alone is going to cost American taxpayers $3 billion in defense dollars.

Some people never seem to see a breaking point, however. They say we are spending enough on defense. Some say that we are spending far more money on defense than other countries.

Well—of course we spend more money on defense than other countries. In fact, in 1996 the United States will spend three times as much on defense as any other country on Earth, and more than all its prospective enemies and neutral nations combined.

There are two problems with this comparison, however: it assumes that all countries are equal, and it suggests that the comparison between how much the United States spends versus other nations is a legitimate measure of which side will prevail in a conflict. But because of geography, all things aren't equal. We are separated from our potential enemies by two great oceans. And rather than fighting wars in our own backyard, Americans prefer to fight "over there." Because we prefer to fight abroad, it will naturally cost us much more than it costs our enemies to field the same force, since we have to transport, sustain and operate our fighting force in a place where his already is. Each of these activities—moving, sustaining and fighting far away—increases the cost of our military without significantly changing the friendly-to-enemy force ratio. This cost is raised further if we want to field a force that is not just equivalent to our enemy's, but one that can defeat his force, again, with minimal casualties as in the gulf war. The question, therefore, is not whether we will be paying more for our armed forces than our enemy does, but rather how much more we must pay. Is the right number three times as much, as with Russia, or more?

More than 2,000 years ago, Sun Tzu said you should have five times the strength of an enemy to assure success. Well, there have been some changes in warfare since Sun Tzu's time. We now have tanks, and planes, and submarines, so the ratio has changed a little. And we can stand here and argue till we are blue in the face over what the proper force level is; two times, three times, five times as much as the other guy. But the cost of our unique geography makes any comparison between what we pay and what our enemies pay irrelevant. The point is: if you want to fight, "over there," and win, decisively, with minimal losses, then you can expect to pay many times what the enemy pays for his military.

Now, the people who complain that we spend three times as much on defense as any other country on Earth are smart people. They know that we must cross our oceans to fight. They know that what we consider defense spending may not be what our enemies consider defense spending: First, there is the high cost of our high-quality volunteer military: recruiting, paying, providing medical care and retirement. Many people do not realize it, but two-thirds of our defense budget is spent on paying people. Then there is the cost of supporting our worldwide surveillance network, our nuclear deterrent and so on. They know these costs are unique to the United States but they choose to ignore it in their arguments. Why? Because it supports their view of proper levels of defense spending.

We can disagree on what it takes to field a given capability, but let us drop these invalid comparisons and let us deal with the facts. And with the facts in hand, let us spend no more than necessary to get the job done, and let us spend enough to fight, "over there," and win, decisively, with minimal losses.

In this regard, I have to say I was disappointed by the administration's budget request for 1997 defense spending. The administration's fiscal year

1997 budget request was $18.6 billion less in real terms than the level enacted for fiscal year 1996. Now, let me put that another way; in real terms, since the end of WWII, there have only been 5 years that the United States has spent less than the Clinton administration is recommending for fiscal year 1997. Only in fiscal year 1947, fiscal year 1948, fiscal year 1949, fiscal year 1950, those years immediately following WWII, and fiscal year 1955 immediately after the Korean War, has defense spending been so low that it is less than the President's recommendation for this year. Not even during the hollow force years of the 70's have we spent so little on defense. Clearly, it is time that we address these shortcomings.

As we prepare to vote on the fiscal year 1997 defense bill, it should come as no surprise, that I am truly concerned about the effects that decreasing levels of defense spending have had upon our Armed Forces. If the general public fully understood the severity of defense cuts under the Clinton administration, I believe that they would also be very concerned. In my State of Oklahoma, I have heard this message already. We can see the cuts all around us and it is time to put these reckless defense cuts to an end. History has demonstrated that superpower status cannot be sustained cheaply, nor can it be sustained by budget requests which do not provide for adequate funding of our forces. I am committed to maintaining America's superpower status. However, I am skeptical about the administration's commitment to this goal.

Right now our military—the finest fighting force on this Earth—is being torn in two directions. Our spending on defense is decreasing, while at the same time, the demands on our personnel are increasing. We are stretching the rubber band tighter and tighter, and if defense funding levels do not increase, I fear the rubber band will break and this dangerous combination may result in an exodus of high quality, trained-personnel and, ultimately, a military crises.

It is our duty, as Senators of the United States, to do our part in providing for our national security. In doing our part, we must vote for a defense bill which gives our military the means to do their part. Our forces do not ask much of us for their service, but they do need a certain amount of support from their Government in order to carry out their duties and protect the security of the United States of America.

I feel it is time we take a more responsible approach to defending this Nation, and I therefore urge my colleagues to support the fiscal year 1997 DOD authorization and its modest increase over the administration request.

Mr. President, I ask unanimous consent that four articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 5, 1996]

U.S. INFORMS BONN OF SYRIAN TOXIC-GAS UNIT

BONN.—Syria is building a poison gas factory in the western city of Aleppo that could constitute a major threat to Israel's national security, a German magazine reported yesterday.

The weekly Stern said U.S. intelligence officials had passed on satellite photographs of the plant to their German counter-parts, who were checking if any Germans were involved.

In a report released ahead of publication today, Stern said the plant was similar to one in Tarhunah, Libya. The United States says that complex is a chemical weapons factory; Libya says it is an irrigation plant.

[From the Washington Times, June 5, 1996]

IRAQI OPPOSITION TELLS OF TALKS IN DAMASCUS

LONDON.—A prominent Iraqi businessman with close ties to the regime of his president, Saddam Hussein, is in Damascus to discuss future cooperation between Syria and Iraq, an Iraqi opposition group reported yesterday.

Sattam Kaoud, who heads the Jordanian Iman company and oversees other companies owned by Saddam's son Uday, arrived in Damascus June 1 and is staying at the Meridien Hotel there, according to the Iraqi Broadcasting Corp. (IBC), run by the umbrella Iraqi National Congress.

Mr. Kaoud's trip was arranged by a man named Mishaan Jibouri, who is also in Damascus, the IBC said. It did not provide details on Mr. Jibouri's identity, but other Iraqi opposition sources say he attended an Iraqi opposition conference in Syria this year.

Mr. Jibouri and Mr. Kaoud have discussed the possibility of reopening the Iraqi-Syrian border, the IBC said. Iraq, which has been under international sanctions since its 1990 invasion of Kuwait, reached agreement last month with the United States to resume limited oil sales to buy humanitarian supplies.

[From the Washington Times, June 13, 1996]

U.S. INVESTIGATES UKRAINE-LIBYA ALLIANCE

The State Department is investigating reports that Ukraine and Libya are working on a strategic alliance that could involve the transfer of weapons technology to the pro-terrorist regime in Libya, a department spokesman said.

"We're looking into it. We take it seriously," spokesman Nicholas Burns said in response to a report of the Ukrainian-Libya cooperation in Monday's editions of The Washington Times.

Mr. Burns said the Clinton administration believes Ukraine will honor existing U.S. sanctions against Libya, but it will continue to watch the Libyan government to ensure it is not acquiring weapons technology.

[From the Washington Post]

REPORT CITES CHINA-PAKISTAN MISSILE LINKS

(By R. Jeffrey Smith)

A new, draft U.S. government report states that all intelligence agencies believe with "high confidence" that Pakistan has obtained medium-range ballistic missiles made by China, and says for the first time that Pakistan probably has finished developing nuclear warheads for these missiles, U.S. officials said yesterday.

The classified report's unanimous reaffirmation of a long-standing intelligence conclusion that complete Chinese M-11 missiles are in Pakistan puts additional pressure on the Clinton administration to consider imposing tough economic sanctions against both nations, as required under a U.S. law aimed at punishing the global spread of such missiles, the officials said.

In the past, U.S. policymakers have repeatedly said that while components of the M-11 missiles may be in Pakistan, Washington lacks concrete evidence that the complete missiles are there. As a result, these policymakers have said, Washington need not invoke the law and cut off U.S. government contracts with China, halt licenses for U.S. exports to China or ban Chinese imports worth up to several billion dollars.

But with the imminent completion of the new report, which updates a U.S. intelligence assessment on the issue that was prepared in 1994, policymakers may have a tougher time fending off calls by many proliferation experts, intelligence analysts and certain lawmakers to acknowledge publicly that the M-11 missiles are in Pakistan.

Details of the draft report are emerging at a sensitive moment in U.S.-Chinese relations, as administration officials are conducting final negotiations with Beijing regarding possible sanctions against China for copying U.S. commercial goods. The administration is also defending a decision by President Clinton to renew the most-favored-nation trading status that allows Chinese goods to be imported with low U.S. tariffs.

The refusal of top policymakers to accept the intelligence community's judgment regarding the presence of the M-11 missiles, as well as its recent decision not to impose sanctions against China for selling nuclear weapons-related equipment to Pakistan, has rankled certain U.S. officials who favor a much tougher policy toward China. This dissatisfaction has helped fuel a series of leaks about Chinese wrongdoing over the years.

The first U.S. intelligence report regarding the M-11s was leaked in 1992. Last July, the Washington Post quoted Intelligence officials as saying that more than 30 of the missiles were stored in crates at Pakistan's Sargodha Air Force Base west of Lahore.

Several U.S. officials said yesterday that is where the entire intelligence community believes the missiles remain. But they added that a sharp dispute has broken out within the community over whether the missiles should nonetheless be described in the new report as "operational," a term that would raise policy alarms in Washington and upset the Indian government.

Yesterday's Washington Times reported the existence of the new draft report and first described the dispute about its contents.

Representatives of the CIA and the Defense Intelligence Agency, in particular, have argued that because a unit of the Pakistani army has been assigned to operate the missiles and has been trained by Chinese experts, the missiles can probably be withdrawn from their crates and deployed in the field within a matter of days.

The State Department's Bureau of Intelligence and Research (INR), alone among U.S. intelligence agencies, has argued to the contrary that not enough information is known about Pakistani training practices to reach this judgment. The missiles cannot be considered operational until they have actually been withdrawn from the crates and been used in such training—and act that has not yet occurred, the bureaus has argued.

"There is nothing new on this issue [of missile operations]," said one policymaker. That means "it is kind of a semantic question," rather than an act reflecting a shift in Pakistani military strategy or security policy.

A similar dispute has broken out over the draft report's new conclusion that "it is probable" Pakistani weapons engineers have completed the arduous task of creating nuclear warheads compact enough to fit atop the missiles.

Several officials said this conclusion is derived from an estimate of how long Pakistan has been trying to complete this task and certain information about the sophistication of its weapons designs. But INR analysts have argued to the contrary that the effort cannot be considered successful until the warhead has been flight-tested—an act that again has not yet occurred.

Officials said the final wording of the report is to be decided by CIA Director John M. Deutch, after further drafting by the Weapons and Space Systems Intelligence Committee, a little-known panel that includes representatives of all U.S. intelligence agencies as well as officials from Australia, Canada and Britain. Australia and Canada have sided with INR in concluding the M-11s are not yet "operational" and that Pakistan might not yet have completed the requisite nuclear warheads.

Mr. INHOFE. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Oklahoma for his fine statement. He is a valuable member of the Armed Services Committee. We appreciate his coming here and making a good statement.

I now yield to the able Senator from Indiana, Senator COATS, another valuable member of the Armed Services Committee.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I thank our chairman and my friend, the Senator from South Carolina, for his kind statements and for allowing me this time.

PRIVILEGE OF THE FLOOR

First of all, Mr. President, I would like to ask unanimous consent that a member of my staff, Maj. Sharon Dunbar, be allowed permission to be on the floor during the debate on the defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Mr. President, I have a somewhat lengthy statement which I will try to abbreviate. There are essential points which I would like to make as we are debating the 1997 national defense bill.

The President's proposed defense budget of $254 billion is, in my opinion, the epitome of a mindset that has been prevalent throughout the Congress and this administration that the military can do more with less. Not only does this budget figure as has been proposed to us constitute the 12th consecutive year of decline for defense spending but it flies squarely in the face of his many pledges and commitments to ensure a strong national defense, and at the same time in the face of this declining figure of 12 straight years our military is being asked to do more and more, to be prepared to do more, and actually is committed to more conflicts and more deployments around the world than it has in a long, long time.

In his 1994 State of the Union Address the President said:

> From the day I took the oath of office, I pledged that our Nation would maintain the best equipped, best trained, and best prepared military on Earth.

This year's defense budget is a disavowal of that pledge—that falls far short of meeting many of the needs of our Armed Forces. But the President's rhetoric in this instance, as in many other instances and many other issues, simply does not match the record. The President has praised our men and women in uniform for their courage and skill, and yet each budget that he sends up refuses to back up that praise and that commitment with adequate resources to allow them to do their job.

Let me just give a couple of examples. In the area of procurement, in order to ensure future military readiness and superiority against threats from outside by tyrants, terrorists, rogue nations, and others, our military needs to, on a regular basis, recapitalize existing equipment and buy new systems.

There is amazing change taking place today in technology and what is available to us. We saw vivid pictures of that during Desert Storm—a revolution in terms of the way warfare is fought to engage in that size conflict with that number of troops, and to come away with as few casualties as we have. It was extraordinary. Never in the history of warfare has this happened. It is due to those changes in technology which allow us to have a significant advantage over our adversaries. It is due to the extensive training of troops to utilize that new technology, to outstanding leadership, and the availability of a synergy of training, quality personnel, quality leadership, and modern technology in new weapons.

Yet, in spite of warnings by senior military officials that procurement is in a crisis, in the defense budget the President seeks to fund procurement at its lowest level since the Korean war—$21 billion less than what senior military leaders have testified as required by the year 1998. We are significantly under the procurement budget that is necessary to maintain pace with recapitalization of existing equipment.

The war-fighting commanders, military service chiefs, and Chairman of the Joint Chiefs of Staff have all testified to their deep concerns about the President's budget. These senior military leaders universally have identified readiness, quality of life, and modernization as desperately requiring attention and increased funding. The Senate Armed Services Committee has weighed their testimony carefully. It authorized an additional $12.9 billion over the President's budget based upon the military's own needs and requirements. Even with this addition, the 1997 committee bill will still be $5.6 billion below the inflation-adjusted spending levels of last year's defense bill.

So Members and colleagues need to understand that even though we are adding this to the President's request, we are still below what is necessary to maintain a level of funding over last year's bill.

So we are now entering the 12th consecutive year of defense decline. The defense bill before us does not provide our troops with what is required for the defense of our Nation, what is required to sustain military superiority in a rapidly changing global environment. Rhetoric matters little if our troops lack the resources they need to execute the mission or enjoy an acceptable quality of life during military service. The bill that we are bringing forward authorizes our Armed Forces to modernize their equipment, to replace aging trucks, ships, and aircraft, and encourages our military to develop new operational capabilities based on emerging technologies and to better prepare themselves for a military technological revolution that may well be ushered in in the next century, a revolution that may profoundly change the character of future conflicts.

Finally, the bill that the Armed Services Committee is bringing forward will improve the quality of life of our military personnel by addressing compensation, work and living conditions. Addressing these issues will enable the troops to focus on their mission rather than worry about the welfare of themselves or of their families.

So, Mr. President, what I am stating here is that had we followed the President's requested budget, we would not have begun to address the concerns that were laid out before us as members of the committee and members of the armed services leadership came and testified.

With this $12.9 billion plus up, in addition, even though we fall short of maintaining parity with spending last year inflation adjusted, we do address some of the critical areas that need to be addressed, primarily improving our readiness, improving quality of life for our troops and their families and beginning the process of modernizing to keep pace with the technological changes that are before us.

As chairman of the Personnel Subcommittee, I have had the opportunity to visit our troops, listen to them testify before our committee and meet with them at many military installations around the country and the world. With a 30 percent less force structure, I found that our military is overextended in meeting many of the new demands of the post-cold-war world. By demanding more of those who remain in the military after a nearly 40 percent decrease in personnel levels and spending levels but by not training or equipping them to conduct these additional missions, we are eroding the state of military readiness and the quality of life of our military members.

Let me give some examples. What is called personnel tempo, that is, the amount of time our military members spend away from their home base, has increased considerably since the end of the cold war. Today, four times as many Air Force personnel are deployed as there were in 1989. People think we are in this peace period, post-cold-war period, where most of our troops are staying home and not having commitments for deployment or heavy training. That is simply not the case. Air Force personnel are deployed at four times the rate they were in 1989. General Reimer, the Army Chief of Staff, indicated that requirements for the Army forces have risen 300 percent during that time. Today, more than 41,000 U.S. soldiers are currently deployed on nearly 170 missions in 60 countries. General Sheehan, the Commander in Chief of the U.S. Atlantic Command, has testified that he has forces deployed in 18 separate operations worldwide, 70 ships, 400 aircraft, and 37,000 personnel. At this pace, maintenance, morale, and readiness rapidly erode if they do not have the resources capable of meeting these demands.

General Reimer has testified:

> Excessive time away from home is often cited by quality professionals as the reason for their decision to leave the military. It is common to find soldiers that have been away from home for 140, 160 or 190 days in the past year. The Army's future depends upon our ability to retain the best soldiers to be tomorrow's leaders.

The quality of our Armed Forces, their training, their professionalism, and their commitment, is what distinguishes the American military from all the others. Today we have an excellent, dedicated force, but in order to attract and retain the quality of personnel for which our military is known, we must pay attention to their needs and concerns.

Quality of life is a factor of readiness that we cannot ignore. It involves not just where our military families live but how they live. We must not forget that training programs and the quality-of-life initiatives are major investments in the future of our Armed Forces. If we fail to address these issues today, our Armed Forces will suffer the consequences tomorrow.

The defense bill before us addresses the quality-of-life issues that matter the most to our military personnel and their families. Included in this legislation are provisions to provide equitable pay and benefits and to restore funding for troops, barracks, and military family housing. The committee added $122 million to the fund for family housing requirements. This need was pointed out clearly by General Krulak, Commandant of the Marine Corps, who expressed his concern about conditions of housing. General Krulak testified:

> We are not where we ought to be. I went with my godchild to his barracks and was appalled at what he was living in. Appalled is probably a mild word for it. We are building some barracks, we are building some homes, but it is not to the level that I as Commandant or you as a public servant would be very pleased about. It is simply a matter of available money.

Mr. President, I have visited barracks and family housing units at bases across this country and in different parts of the world. I wish I could take every Member of the Senate to these bases and show them personally what we are providing for our troops in terms of living arrangements. They would be appalled to see the conditions that we are asking our service members and their families to live in. Today, over 60 percent of all military housing is deemed substandard by military standards, and those military standards are far lower than the standards we find in civilian occupations outside of the military—soldiers with rotting shower stalls and running toilets, half of which do not work, with drywall with holes punched through, with leaky, rusted pipes and units with asbestos in the ceilings and in the walls. It is just extraordinary to see the disrepair that our troops are required to live with and raise their families in.

I commend the Secretary of Defense for understanding this problem and taking initiatives to address this problem. He has established both an internal task force and an external task force to address this housing problem, but housing year after year after year has been deferred and delayed in terms of rebuilding new housing and maintaining existing housing because we have had scarce resources and have had to divert those resources into the essential needs of readiness and training and pay for our personnel, and yet we have ignored the very facilities in which they live. Members would feel it a disgrace if they visited these facilities. Members here would not think of raising their families under the conditions that our soldiers and sailors and marines and airmen are required to raise their families in. Soldiers today are pooling their own funds and going down to Home Depot to buy materials to bring back to their barracks to fix their shower stalls, to fix leaky windows, to fix rotting ceilings, to repair the facilities that they live in, with their own money on their own time.

Our units are being organized by their commanders to do self-work projects in order just to obtain minimal living standards. It is a disgrace. So, for those who come to this floor and say the military has money flowing out of its pockets and is wasting taxpayers' dollars on defense needs, I would like them to join me on a short trip to a number of facilities so they can see what kind of quality of life our troops have, what conditions they are asked to live in.

We take great pride in providing our troops with the best training, the best leadership, and the best weapons. Yet, when it comes to quality of life, whether it comes to the time they spend with their family or take the weekend off, they return to a substandard quality of life that this Nation ought to be ashamed of.

One of the ways in which the committee is attempting to close this gap between military housing costs and housing allowances, to span that gap, is we have recommended a 4-percent increase in the basic housing allowance. We also have authorized single E–5's to receive basic allowance for quarters, one of the Navy's highest quality-of-life priorities.

In addition, we provided a 3-percent pay raise for our troops, both needed and well deserved, which is, again, less than the Congressional Budget Office's 3.2 inflation estimate, but it is close. So it is hardly unreasonable to ask for a 3-percent increase in pay.

Additionally, General Shelton, who is commander in chief of Special Operations Command, testified before our committee about his inability to pay Army special operation forces special duty assignment pay. He simply did not have the funds. So we authorized the funding to give them that pay that other special operations forces receive. These are just a few of the personnel initiatives that we have taken to attempt to address some serious personnel problems.

With regard to modernization issues—procurement, research, development, test and evaluation, military construction, housing—the administration concedes that the budget is "* * * contingent on the realization of savings expected to accrue from infrastructure reductions, especially base closings, and the successful implementation of acquisition reform initiatives."

Let me just comment briefly on that. I have some very fundamental concerns about the administration's approach to funding future needs based on assumptions that may not pan out. Many of these funding modernizations are critical to the future of our forces, yet we are depending on freeing up funds based on assumptions about inflation which will defy all past records of what inflation levels will be in the future. Any miscalculation is going to impact greatly the resources necessary for updating many of our programs.

Second, planning for weapons modernization is not the same as funding weapons modernization. Mortgaging of modernization to fund near-term readiness over recent years has already created massive bow waves in weapons requirements. The tactical air fleet is reaching its half-life. Army and Marine utility helicopters have already exceeded their half-life, and combat vehicles and trucks will reach their full life cycle by the end of the future year's defense plan. We have military personnel today who are flying aircraft and driving trucks that are older than they are.

So linking future modernization funding to illusory savings from acquisition reform, base closure and inflation is unacceptable. Even if these savings materialize, modernization at best will be funded at $60 billion 4 years later than what is required. If these savings do not materialize, and I suspect they will not, modernization of our Armed Forces will be pushed further into the 21st century.

Finally, let me just state that the assumptions behind the administration's defense budget are based upon its Bottom-Up Review strategy calling on our military to fight and win two nearly simultaneous major regional contingencies. It is not realistic to expect our military to fight two major regional conflicts with a $10 billion nominal decline in the defense budget. Until the Department of Defense conducts another strategic review, our military must continue to organize, train, and equip to execute this strategy.

Many of us share concerns that the outdated Bottom-Up Review may be detracting from prudent defense investments. Misinvestments will adversely impact our war fighters, but it will also affect taxpayers. Because of these concerns, I am supporting, along with Senator LIEBERMAN, an amendment calling for the Defense Department to undertake a comprehensive innovative study of alternative force structures in 1997, and urge Members to participate in this debate and listen to the reasons why we need to do this.

Last year, during the debate on the defense authorization bill, we heard from a number of Members who were offering amendments to cut funding for the Defense Department who were questioning the increases that we were seeking in the funding for the defense of our Nation. We heard them say over and over and over, "Well, the Pentagon did not ask for this money, the Pentagon did not seek these funds. So, therefore, everything that is being requested on this floor that exceeds what the Pentagon sent over in its budget request has to be pork-barrel spending, it has to be unnecessary spending, wasteful spending, spending that is not needed."

I want to make sure my colleagues know that when this excuse is brought up this year in the context of discussion about this bill, or spending priorities, that this statement that "the Pentagon did not ask for it, and therefore it is not needed," is an excuse that just simply will not wash. It does not square with the testimony received by the Senate Armed Services Committee. It only squares with what the President's budget department decided they would spend for defense. It does not come anywhere close to what the military has testified on the record that they need in order to accomplish the tasks and the missions that have been required of them by this administration.

So that excuse, that this is above the Defense Department's own request, is a phony excuse. It does not reflect in any way the testimony we received from senior military leaders. It reflects what those senior leaders were told to say and the constraints that were placed on them by the administration. So let us make sure we understand what the difference is between defense needs and their stated needs, and what the administration has told them their needs are and their top-line spending is.

In a December 1994 Rose Garden speech, President Clinton affirmed that "We ask much of our military and owe much to them in return." What is a fair return to our troops for dedicating themselves to service for our Nation—for risking their lives to defend America's interests around the world? Our troops do not ask for much. In fact, their requests are actually quite reasonable—modernized weapon systems to defend America's interests, to give them a superior edge over those they fight against, training programs to improve their warfighting capabilities, a decent standard of living, and decent quarters in which to live. Attending to these basic needs is indeed a small investment for the services our Armed Forces provide to the Nation each day. Attending to these needs is a small return on the price we may ultimately ask our Armed Forces to pay in defense of our Nation.

We must not squander the opportunity to plan our military's future during a time of peace. Nor should we be lulled into a false sense of security that in the 21st century—indeed in the years preceding it—our Armed Forces will not again be called upon to defend America. I respect the argument that our Nation must grapple with many, often conflicting, priorities. Clearly, the Government has an obligation to get its financial house in order and balance the budget. However, we must avoid the temptation to act as if cutting defense spending has no consequences. History is replete with examples of the consequences of ignoring military preparedness.

In speaking of our Nation's failure to address these very same issues after World War II, Gen. Creighton Abrams said:

> We paid dearly for unpreparedness during those early days in Korea with our most precious currency—the lives of our young men. The monuments we raise to their heroism and sacrifices are really surrogates for the monuments we owe ourselves for our blindness to reality, for our indifference to real threats to our security, and our determination to deal in intentions and perceptions, for our unsubstantiated wishful thinking about how war would not come.

In his annual report to the President and Congress, Defense Secretary Perry wrote:

> The world has changed dramatically over the past few years, but one thing remains constant: a strong military force, made up of the finest American men and women, is the Nation's best insurance policy.

I urge my colleagues to ponder the haunting words of General Abrams, and the deliberate words of Secretary Perry. As tempting as it may be in an era of scarce resources and competing priorities, we must not allow indifference to serve as the basis for today's defense spending. A strong, well-prepared military has been, and will continue to be, our Nation's only insurance. A strong national defense does not come cheaply. We should not delude ourselves into thinking otherwise.

Mr. President, I will say to those who think defense needs to do more of its share in helping to reduce our spending, had every other item of Government done half the share that defense has provided of reduced spending over the past 12 years, we would more than have a balanced budget. If other agencies of Government had taken the same steps, or half the steps, taken by the Department of Defense, we would not be arguing over the need for a constitutional amendment to balance the budget or how we get to a balanced budget.

The truth of the matter is that over the past 12 years, defense spending has declined nearly 40 percent, and it continues to go down, now the 12th consecutive year. Name me one other program of Government that has begun to match the record of reduced spending as the Department of Defense—40 percent less troops, 40 percent less spending for equipment, troops deployed all over the world, stretched to the limit, in many cases, in terms of their operations tempo and their personnel tempo, troops living in substandard housing.

What Member of this Congress can take any sense of satisfaction in knowing that 60 percent or more of the men and women and families who have committed to defend this Nation live in absolutely substandard housing arrangements? It is a disgrace, and it is simply something that we absolutely have to correct.

So, as we go forward in the debate on the defense bill, I hope my colleagues will remember defense has contributed more than its share in reducing our spending and trying to get in line with a balanced budget. No other agencies of Government can begin to compare with that. And in the end, one of the most essential, if not the most essential, functions for Federal Government is to provide for the common defense and the national security of this country. I can think of no higher spending priority. We need to understand that. We need to understand that this administration is not committed to that priority, despite their rhetoric.

Let's hope that the debate will lead us to a satisfactory result, so we can at least tell our troops that we have done the best we can—we have not provided them everything they need, but we have at least taken steps in the right direction to recognize that they provide security and defense for more than 250 million people of this country and deserve adequate support in doing that.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I commend the able Senator from Indiana for the valuable contributions he has made to this debate.

I now yield to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I thank the Senator from South Carolina. I will start today by expressing my respect for the Senator from South Carolina. I think he has brought a bill to the floor that includes many features that are very important. He and Senator NUNN are two Senators for whom I have the highest regard. I appreciate very much the work he does on behalf of this country in the area of defense.

I regret I am going to offer an amendment he likely will not support, but that does not diminish in any way my respect for his work and effort, nor does it diminish in any way the respect I have for the others on the defense authorization committee.

I intend to offer an amendment later today to reduce by $300 million the amount of money that was added to the National Missile Defense Program or, I call it, star wars, because it has a space-based, multisite component. But I intend to offer that, hopefully today, and give the Senate an opportunity to reduce by $300 million this Defense authorization bill.

Mr. President, I ask unanimous consent to be able to show my colleagues the following piece of metal. It is an item that comes from a hinge to a door on a missile silo. The silo was silo No. 110 in Pervomaysk, Ukraine. It held an SS–19 missile that was targeted against the United States of America. That missile likely would have held, I believe, five or six warheads buried in the ground in the Ukraine. Missile No. 110 and SS–19. This piece of metal was taken from that destroyed missile silo.

That missile does not exist anymore. Where this was part of a component to hold an SS–19 targeted against the United States, there now exists not a silo, not a missile, not a warhead, but a piece of level ground planted not with a missile but with sunflowers. Sunflowers have replaced an SS–19 that was targeted against the United States of America.

How did that happen? How does it happen that I hold a piece of metal from a silo that housed a nuclear weapon targeted against our country? This has come from halfway around the world and from more than that distance, philosophically, in terms of what we have understood how we can make progress in arms reductions if we do the right thing.

Senator NUNN and Senator LUGAR proposed legislation that is now law that provides funding for the destruction of missiles under the arms reduction treaties we have with Russia and the old Soviet Union. Today, as I speak, there are missiles armed with nuclear warheads that used to be pointed at this country that are being chopped up and crushed and taken out of silos and destroyed.

Surely, everyone would agree the best way to destroy a missile that is aimed at the United States is to destroy it before it leaves its silo. Hundreds of these missiles have been destroyed before they have left the silo under the Nunn-Lugar provisions, which have substantially reduced the nuclear threat and which, under the arms reduction treaties, have resulted in fewer missiles and fewer nuclear weapons threatening our country.

In this Defense authorization bill, we are going to have a debate about whether to build a new National Missile Defense Program. Some call it Defend America. Some call it star wars. Some call it NMD. Whatever it is, the Congressional Research Service says it is from between a $30 billion to $60 billion new program to build a new set of missiles in our country to create some kind of an astrodome across America so that other potential enemy missiles are unable to penetrate.

This defense authorization bill adds $300 million to the $508 million that was requested by the administration and the Pentagon on research and development on a national missile defense system. Let me be clear, I do not oppose research on a National Missile Defense Program. I do not oppose research. I do oppose going beyond research, adding hundreds of millions of dollars, demanding we deploy, as quickly as is possible, almost immediately, a national missile defense system.

To do that will destroy the arms control agreements we now have. To destroy the arms control agreements makes no sense at all. Those are the agreements by which we are seeing the missiles in the Ukraine—the Ukraine, incidentally, is nuclear free. There are no more missiles, no more nuclear warheads in the Ukraine. There used to be thousands.

To do what is being proposed, to undercut and destroy the foundation of the arms control agreements, means that we may no longer have the Nunn-Lugar program with the opportunity to have our former adversaries destroying missiles and destroying warheads that previously were once aimed at this country.

Should we have a national missile defense program? I do not know. Should we decide immediately that we want to add extra money—$300 million in this case, but a down payment at least on a program that is going to cost $60 billion—to demand early deployment of a multisite, spaced-based component of a national missile defense system? Should we do that now? Of course not. We should not spend money we do not have on something we do not need.

We will have a longer debate on this. I am happy to engage in a debate with my colleagues. I will do so respectfully. I very much respect their views. We, however, have spent a lot of time wringing our hands, gnashing our teeth, mopping our brow about the Federal budget deficit. We should do that because it is a serious problem.

But I find it fascinating that those who have bleated the loudest or brayed the loudest about the Federal deficit are at the first opportunity coming to the floor of the Senate saying, "By the way, I am concerned about the Federal deficit, but I very much want to see us embark on a new $60 billion national missile defense program."

My amendment will be very simple. My amendment will be to say, let us preserve the $508 million the administration in the Defense Department asked for in research and development funds for a missile defense program. We may need one sometime. We may need to deploy it sometime after the turn of the century. I do not know. But I do not subscribe to those who believe we ought to deploy it on an expedited basis, who demand we need to build it now, we need to buy before we fly, we need to overstate a threat in order to justify a new program.

So, again, with the greatest respect for those who disagree, I will offer an amendment to cut the $300 million from the defense authorization bill so that we are back at the $508 million on the national missile defense program that the Defense Department had requested in its budget. In the scheme of the Federal budget, $300 million may not be the largest amount of money, but it is a significant amount of money. I hope my colleagues, when we have the larger debate about this subject, will agree.

Let me finish where I began. This piece of metal is symbolic of what we do if we do the right things together. Arms control agreements work. This used to be housed in the silo that held a missile with nuclear warheads aimed at America. The missile and silo do not now exist. There are sunflowers planted on that ground in the Ukraine. Where missile 110 used to exist, an SS-19 with a nuclear warhead, we now have a patch of sunflowers.

That is the way to destroy an adversary's missile, in the ground before it is fired. Arms control agreements have worked. I cannot compliment Senator LUGAR and Senator NUNN enough for the leadership they have shown in these areas. I say, let us be very, very, very careful, as we move forward on any missile defense program, that we do not undercut arms control agreements that have achieved significant and real results in reducing the nuclear threat.

Mr. President, I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I thank the distinguished Senator for his comments. I look forward to a spirited debate on this subject.

Mr. President, Senator WARNER is a valuable member of the Armed Services Committee. He has been on the committee a long time and done a fine job. I now yield such time as he may require.

Mr. WARNER. Mr. President, I thank my distinguished chairman.

PRIVILEGE OF THE FLOOR

Mr. WARNER. Mr. President, first, I ask unanimous consent that Comdr. Mike Matthes, U.S. Navy, a fellow assigned to my office, be granted floor privileges during the consideration of S. 1745.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I will begin by again recognizing the fine leadership provided by Chairman STROM THURMOND of South Carolina, and Senator SAM NUNN of Georgia, our ranking member. This year, as in many years past, the defense authorization bill is truly a bipartisan product. I have often thought that in areas of defense and foreign policy partisanship stops at the water's edge, a concept envisioned by one of our former colleagues many years ago. I think it is a concept that is as true today as it was then.

Despite some differences, we were able to work together to unanimously report out the bill which is before the Senate at this time. Less than 3 months after receiving the administration's budget request, the Armed Services Committee had conducted a thorough set of hearings and completed its markup of the defense authorization bill. This record-setting pace is a tribute to the committee chairman, Senator THURMOND, and the ranking member, and the fine professional staff under the direction of Col. Les Brownlee, U.S. Army, and Gen. Arnold Punaro, U.S. Marine Corps.

Mr. President, the bill before the Senate goes a long way towards ensuring that our Armed Forces will remain capable of meeting the many challenges that lie ahead. To achieve this goal, the committee added $12.9 billion to the Clinton administration's budget request and concentrated the additional funding in the vital modernization accounts.

President Clinton's request of $254.4 billion represented an $18.6 billion real decline in defense spending from the fiscal year 1996 appropriated level. Over the past decade, Mr. President—I want to repeat that—over the past 10 years, the amount the United States has spent on defense has declined by 36 percent in real terms. Of course, that reflects adjustments for inflation. Even with the funding added by the Armed Services Committee, this year will mark the 12th straight year of declining defense budgets. To all of the critics, I simply say what we have done is not increase defense spending; we have merely slowed the rate of decline. That was the purpose of adding back these funds to the President's budget.

I was particularly concerned with the inadequate funding of the procurement accounts contained in the President's budget. Despite last year's promises that a modernization ramp up would begin in 1997, procurement funding continued a dramatic decline. We are already at a 40-year low, Mr. President. Not since the start of the Korean war have we spent so little on purchasing new weapons for the men and women of the Armed Forces today and, also, Mr. President, future generations.

May I give a few examples.

Ten years ago, fiscal year 1986, the United States of America purchased 840 new tanks. This year no new tanks are requested.

Ten years ago, in 1986, the United States purchased almost 400 new tactical aircraft. This year only 34 new tactical aircraft were requested.

Ten years ago, Mr. President, we purchased 40 new ships for the U.S. Navy. This year only 6 new ships were requested.

Enough, I think, is enough, Mr. President.

U.S. troops are currently deployed in 10 separate military operations overseas. Despite the end of the cold war, we are calling on men and women of the Armed Forces at an ever increasing rate. It is our responsibility to provide our troops with adequate resources so they can effectively and safely perform their missions. We must not ever send them into harm's way with equipment that is less than the best, particularly if it is outdated.

As Army Chief of Staff Reimer told the Armed Services Committee in March of this year, and I quote that distinguished soldier:

> In the event of a conflict, a lack of modern equipment will cost the lives of brave soldiers.

I was impressed with the candor shown by the military leaders, particularly those of the Joint Chiefs, who testified before the Armed Services Committee this year during the course of the budget hearings. I told all of the service chiefs—I said I did—all members of the committee joined in advising these chiefs that their challenge is to ensure that their successors 10 years hence will have the forces and the equipment they will need to protect our Nation's interests.

It was clear from their testimony that the budget submitted by President Clinton was not adequate to meet this challenge. In fact, prior to the administration's budget submission, the Joint Chiefs, to the man, unanimously recommended a procurement budget of $60 billion as soon as possible. Unfortunately, that advice was not followed, and the administration proposed a procurement budget of only $38.9 billion.

During the committee's markup, the Armed Services Committee made progress in addressing this shortfall by adding almost $8 billion to the procurement accounts. The AirLand Forces Subcommittee, which I am privileged to chair, added over $4 billion for additional tactical aircraft, upgrades to existing aircraft, precision guided munitions, tank upgrades, new attack and scout helicopters, new radios, jeeps, night vision devices, and other critical equipment. These addition will not correct all of the modernization shortfalls, but they are a step in the right direction.

I want to highlight one item contained in this bill that is very important to me, and has been for many, many years, beginning with my service as Under Secretary of the Navy in the year 1969, through my service as secretary in 1972 on into 1974, which is the U.S. Navy submarine program. Today, Russia, in my judgment, is putting a disproportionately large amount of their defense spending toward their military assets beneath the seas of the world. It is incumbent upon the United States of America, in every respect, to not only maintain the force we have today, but to modernize that force in the face of a determined effort by Russia to try and take command of the submarine tactical ability that they have and to meet us head on. That concerns me.

That brings me to the subject of the New Attack Submarine Program. Last year, our committee fought long and hard to reach an agreement with the administration to provide for competition in the procurement of this new class of submarines. The administration had originally proposed a sole source award of this work to Electric Boat in Connecticut—effectively prohibiting competition and cutting Newport News Shipping & Dry Dock, which is located in my State, out of future submarine construction. Newport News has been in the new construction submarine programs since World War II. There is no question about its competence and its cost effectiveness to compete for the new class of submarines.

We struck, in our committee—with the cooperation of the distinguished Senator from Connecticut, a valued member of our committee, and my colleague, Senator ROBB, joining me in this effort—a compromise as part of the 1996 defense authorization bill, which provided for construction of the first 4 new attack submarines at two—not one—shipyards—namely, that in Groton, CT and that in Newport News, VA—with a competition for the fifth and remaining boats in the class.

Unfortunately, the administration failed to request adequate funding to execute the 1996 submarine program, largely initiated in the Senate. But then once in conference, very valuable contributions were made by my colleague, Congressman BATEMAN, and others, on the House committee. The final bill, of course, was shaped for 1996, which laid out a clear course for competition between these two yards. Competition, Mr. President, has proven, through the decades of procurement, to provide for the American taxpayer the greatest degree of savings. It was imperative that this competition be put in this very large program, envisioned to exceed perhaps over $50 billion in the next 20 years or so.

The bill before the Senate today corrects this problem by providing both funding and directive language to ensure that the shipbuilding compromise and the competitive process mandated in the 1996 defense authorization bill is adhered to by the administration.

Mr. President, before the Senate is a fine bill. I am proud to join my colleagues on the committee—and I think everyone in the U.S. Senate—in acknowledging that our military is second to none worldwide. We need no less than to carry out the very heavy responsibilities of this Nation in terms of its world role of leadership—not world role of policeman, but world role of leadership—if we are to remain the world's most powerful Nation in terms of leadership on security matters. We must be willing to provide adequate funding today for our troops and tomorrow in the form of procurement for modern weapons. This bill accomplishes that goal.

Mr. President, I salute, once again, the distinguished chairman of the committee, Mr. THURMOND of South Carolina, and the distinguished ranking member, Mr. NUNN of Georgia.

Mr. President, I yield the floor.

(Mr. ASHCROFT assumed the chair.)

Mr. THURMOND. I wish to commend the able Senator from Virginia for the fine contribution he has made to this debate.

Mr. WARNER. I thank my colleague.

Mr. THURMOND. Mr. President, I yield to the able Senator from Texas, a valuable member of the Armed Services Committee, such time as she may require.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. I, too, want to thank the Senator from South Carolina for the leadership he has given to the committee and his strong and enduring, never-flagging support for the military of our country.

Mr. President, the post-cold-war era has brought about tremendous changes in our security environment. The absence of great power confrontation is the peace dividend we have received as a result of our military investments in the 1980's. While the end of the cold war changed the strategic environment, serious threats remain. For just as soon as we paused in our celebration over the fall of the Berlin Wall, Saddam Hussein dashed all illusions that this new era meant an end to the requirement for a strong military capability.

Shaping our military forces to meet existing and future challenges requires strong leadership, strong leadership by the Congress and the President together, to make sure that we have a military that will keep the freedom that we so enjoy.

As we reduce our military forces to the lowest level since just prior to the outbreak of World War II, we must remain mindful that the threats we face are global in nature and that the training requirements of a smaller military must be even more rigorous to retain readiness.

Mr. President, I am very concerned that continuing cuts in defense spending will leave us with a military force structure that lacks the manpower and materiel to defend the United States and our vital interests. This would be disastrous, not only for the United States, but certainly for our allies and for peace and stability in the world. We need to keep in mind that our national security assumptions are based on the capability of our drastically downsized military forces to fight and win two major regional conflicts. We do not know from where the threats will come in the future. But the magnitude of the challenge we have set forth for our military force is discernible from recent history.

In addition to forces currently deployed in Haiti, northern Iraq, the Sinai, and now in Bosnia, we could also conceivably find ourselves facing the threat of all-out North Korean aggression, or renewed aggression by Saddam Hussein. Both represent very real threats to our national security interests, and both demonstrate the increased risk we face when we dissipate our military strength through involvement in operations such as Bosnia and Haiti, which do not represent clear national security interests.

Mr. President, none of us wants to think of this scenario, but it is not inconceivable. In depending on our slimmed-down forces to meet these very real and terrible threats, we must have an expectation that our men and women in uniform can meet that threat if we provide the support that they need.

The success in Operation Desert Storm demonstrated the unequaled capabilities of our military. Even after the post-cold-war drawdown our Army, Navy, Air Force, and Marines remained the best trained, the best led and the most formidable fighting forces in the world. But that superb quality could be at risk. If we do not make the correct strategic decisions today we will reap the sad rewards 5 to 10 years from now. Our responsibility in this Congress is to minimize the risk. I am personally committed to that goal. Before we send soldiers into harm's way, whether it be a Desert Storm, or a Somalia, or a Haiti, or a Bosnia, it is our responsibility here in Congress to ensure that our military personnel are provided the equipment and training they deserve.

While the President is the Commander in Chief, under our Constitution our Founding Fathers established a primary role for Congress. Our Founding Fathers decided that the Congress would have the sole ability to declare war, the power to make regulations of the land and naval forces, the power to call forth the militia, to raise and support the Army and the Navy, the power to provide for organizing, arming and disciplining the military. When Congress deliberates and considers executive branch judgments on military policy, we are fulfilling our constitutional responsibility.

I continue to have strong reservations about whether or not we are providing enough to enhance our military capability. While the major provisions of this bill go a long way toward addressing some of the serious defense shortfalls, I believe serious weaknesses remain which have not been adequately addressed.

As we try to achieve an elusive peace dividend we do so at the expense of our military capability. We have cut too far too fast and too deep. Based on the threats we face today we still need a strong military capability.

How do you define sufficient capability, and what does having this capability mean for our men and women in battle? To soldiers, sailors, airmen, or marines in harm's way sufficient military capability means they have what it takes to win decisively. It means they take fewer casualties. It means they survive the battles and come home to their loved ones.

General Eisenhower once noted that, "If asked to capture a village defended by a battalion, I would send a division and I would take the village without casualties." That is what having sufficient military capability means—accomplishing the mission with as few casualties as possible. This has always been the hallmark of U.S. military operations. We have as Americans preferred to expend firepower and resources—not personnel.

As a member of the Armed Services Committee I have often gone on record with my concerns over the speed of the current drawdown and the implications for our national security. The current force structure simply does not meet our national security requirements.

By further stretching our resources to participate in Bosnia operations I am afraid that we could soon be faced with the painful reality of just how much this drawdown has affected our military. President Bush, Secretary Cheney and General Powell proposed what they termed the "base force." President Clinton's current force is referred to as the "Bottom-Up Review force." It is significantly smaller than the Bush plan. The stated goal of both forces is to be able to prevail in two major regional conflicts, and it is referred to as the "two MRC requirement." The main difference between the two is that under the base force we would be capable of winning under the base force. We would be capable of winning two simultaneous major regional conflicts. But under the Bottom-Up Review force we could prevail in winning two near simultaneous major regional conflicts. The difference between those two terms, Mr. President, is as vast as an ocean.

First, what does "near simultaneous" mean? Is it a week? Is it 6 months? Will we have 9 months to build up from a nonmilitary or security deployment of our troops? Under the base force it was assumed that some forces would be engaged in operations other than war, or peacekeeping such as we have in Bosnia. These forces would not be in the calculation for winning two major regional conflicts because the combat skills of any military unit degrade when they are not training for their primary mission. Rather than send troops into a combat situation for which they might be woefully unprepared they were excluded from the two MRC calculations.

So what we are saying is under the base force that was put forward by President Bush these operations other than war would not count toward our goal of winning two major regional conflicts simultaneously. But the Bottom-Up Review force under President Clinton removes that cushion. General Shalikashvili said in testimony before the Senate Armed Services Committee that if one major regional conflict arises, forces performing operations other than war will have to be withdrawn in order to go to a second major regional conflict.

Mr. President, that is a vast difference from what the base force that President Bush envisioned would be capable of doing. That takes away the ability to have simultaneous conflicts that we would win, and says nearly simultaneous because we would have to rush out and retrain troops that were in an operation other than war because they are not trained and ready for combat when they are performing humanitarian or peacekeeping missions.

We have a large force in Bosnia today. We have sent an entire Army division plus support troops to Bosnia totaling 20,000 personnel with 5,000 at least in Croatia and Macedonia and with thousands more supporting this operation from Hungary, Italy, Germany, the Mediterranean and the United States. This deployment is said to last for a year, and during that time we are not able to have our troops in training for their combat missions. The Bosnian deployment will cost us billions of dollars in unprogrammed contingency defense expenditures in addition to the billions that we know it will cost up front. The military services could have to deplete vital training accounts to pay for these unplanned operations.

As a member of the Armed Services Committee I am alarmed by the cuts that I see being contemplated in our Armed Forces. In my view, many of the reductions which have occurred in the past 5 years have seriously undermined the capability to support a national defense strategy in which we must be prepared to fight and prevail in two major regional conflicts simultaneously. In fact, I feel very strongly, Mr. President, that in rapidly reducing our Armed Forces from 2.1 to 1.4 million we have already reduced their size to a level that is inadequate to meet our needs, and we can reduce no further.

When General Sullivan, the former Chief of Staff of the Army, assumed his position his watchword as the drawdown began was no more Task Force Smiths. He was referring, of course, to the task force commanded by Lt. Col. Bradley Smith which was rushed into battle in Korea in July 1950 to counter the North Korean attack. This courageous American force was sent into battle outgunned, ill-equipped, and ill-prepared, and was quickly and easily overrun by the Soviet-equipped North Korean force. At the time Americans were shocked to learn that the same military which defeated the Japanese and the German armies 5 years before had so quickly become a hollow force.

Last summer, our Nation dedicated a memorial to those who fought in the Korean war. That honor was long overdue. My husband served in the Navy during this time. He and I went to see the Korean monument. And I am going to tell you that visiting the monument to our veterans of the Korean war is one of the most poignant and beautiful experiences that I believe I have ever had.

It is a real tribute to those valiant warriors. Now as we consider the 1997 defense authorization bill, we should reflect not only on those who died in Korea but on the lesson that we should have learned from that war. One of the finest books written about that Korean war is "This Kind of War: a Study in Unpreparedness," by T.R. Fehrenbach, a fellow Texan and close friend of mine. As an infantry commander, he experienced the conflict from a unique vantage point, and his book, first published in 1962, remains in print today. I commend this book to my colleagues because what Mr. Fehrenbach is saying is we must always have a trained and ready field force, that whatever we try to do from the air is not going to win a war and we are not going to protect our freedom throughout civilization if we do not have the ability to go into the field, and place soldiers on the ground, well equipped and well trained.

Mr. President, what we are talking about today is making sure we have it all—that we have the technology, that we have the airlift and the sealift that will allow us to take that very last step, which is placing our troops on the ground. We are talking about having the training and arming our troops who must capture hold that ground while at the same time that we are making sure we have all of the strategic and technological advances which would keep them from having to go in the first place. But if we must send our forces, we want them to have all of the protections we can give them. So we need the technology; we need the equipment; we need the personnel; and we need the training. That is what we are talking about in this bill today.

We are having a major conflict with the President and the Congress on just what we need in terms of military capability. Congress is trying to get the military spending up so that we will not have a hollow force, so that we will be able to win two major regional conflicts simultaneously, because that is what a ready force is, and so that we will be able to prevail in two major regional conflicts quickly and with the fewest possible casualties.

That is our goal, and that is why Congress wants to spend $10 billion more than the President wants to spend to make sure that when the troops are in the field they are trained and equipped, to make sure they have the air cover they need, to make sure they have the equipment they need to protect them if they are in the field, and to make sure our shores are protected from any kind of incoming ballistic missile, which we now know 32 countries in the world have the capability to produce and someday soon send to our shores. We even have groups that are not countries with that capability. And with open borders, we could be vulnerable if we do not do what is right and make the strategic decisions that will protect the people who live in our country and will protect those who are protecting our freedom anywhere in the world in any theater from coming into harm's way if we can prevent it.

Mr. President, those are the decisions we are making with this bill. I hope we can sit down with the President to make sure we are doing what is right for our troops in the field today, for the protection of freedom today, and to make sure we will not wake up 5 or 10 years from now and realize that we have allowed another task force Smith; that we did not do what we needed to do in terms of the strategic thinking necessary to make sure we were not vulnerable to any kind of attack from any source in the world.

I commend the Senator from South Carolina for his leadership. I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I wish to commend the able Senator from Texas for the excellent remarks she has made on this bill. She has made a fine contribution to this debate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. THURMOND. Mr. President, I now ask unanimous consent the Senate stand in recess until 2:15.

There being no objection, the Senate, at 12:25 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. LOTT. Mr. President, we are working with the Democratic leader and trying to get agreements on how we can proceed on this bill and other issues. For the information of all Senators, the Democratic leader and I have been negotiating on the minimum wage issue since Friday of last week. This Senator believes that we are making good progress and may yet today be able to reach an agreement that would satisfy all Senators.

With that in mind, I will now outline the agreement that we have been discussing. The agreement is as follows: On Monday, July 8, at a time to be determined later, the Senate would begin consideration of H.R. 3448, the House-passed minimum wage bill, which also contains the small business taxes, and at that time Senator KENNEDY would offer his amendment with a 1-hour time limit. The amendment would then be laid aside, and I would offer an amendment on behalf of Senator BOND, with an hour time limit. The Senate would then vote, first on the Bond amendment, to be followed by a vote on the Kennedy amendment.

Following the two minimum wage votes, the bill would then be opened to two tax-related amendments, one to be offered by each leader and debated separately and limited to 2 hours of debate each. I want to emphasize again that this has not been agreed to, but this is an outline of what we are talking about.

It seems to me this is a fair agreement; that it also offers a date specific that we would take these issues up and act on them. If the Democratic leader is optimistic some agreement along these lines can be reached, then it would be my intention to ask unanimous consent that no minimum wage amendments be in order during today's session in order to make progress on the DOD bill while negotiations are ongoing with respect to this minimum wage issue.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. I understand the Democratic leader has no objection to this, and therefore I ask unanimous consent that no minimum wage amendments be in order during the remainder of the session of the Senate today, Tuesday, June 18, 1996.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask unanimous consent that the committee amendments be set aside until the close of business today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. There was no objection heard?

The PRESIDING OFFICER. There was no objection.

Mr. LOTT. Senator GRASSLEY has one on infrastructure; Senator BINGAMAN has one on ASAT; Senators SIMPSON and THOMAS have one with regard to a Wyoming project; Senator FORD, DOD/DOE chemical munitions. We are not asking at this time for any time agreement on these amendments, but these Members and amendments are ready to go. We need to get started on the amendment process.

It would be the intention of the leadership that we go ahead and take these amendments up and try to get agreement on a time where votes would be agreed to. Perhaps, even, we would stack some of them at a time certain. We will notify the Members as soon as we can get that agreed to.

At this time, we would like the committee members to go ahead and proceed with the DOD bill and amendments that are ready to go.

With that, Mr. President, I turn the floor back over to the distinguished chairman of the committee.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that Michael Montelongo, a fellow in Senator HUTCHISON's office, be granted the privilege of the floor during the consideration of S. 1745.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that Comdr. Thomas Vecchiolla, a Navy fellow in Senator COHEN's office, be granted the privilege of the floor for the duration of the debate on the fiscal year 1997 national defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, Senator GRASSLEY, I believe, will be here momentarily. I believe that Senator BINGAMAN is here ready to go.

I see Senator GRASSLEY is on the floor. We will be ready to go momentarily.

CHURCH BURNINGS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 265, submitted earlier today by myself, the Democratic leader and others.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 265) relating to church burnings.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, this Senate resolution condemns the arson and other acts of desecration against churches and other houses of worship.

Senator DASCHLE and I are joined in the cosponsorship of this resolution by Senator HUTCHISON, Senator MOSELEY-BRAUN, Senator GRAMM, Senator HELMS, Senator FAIRCLOTH, and Senator D'AMATO. I hope Senators during today, if they have an opportunity, or later on this afternoon, and would like to speak on this issue, that they will feel free to do so.

Mr. President, my State of Mississippi was gravely wounded last night.

Two churches burned in Kossuth, a small town in the northeast corner of our State. The Mount Pleasant and the Central Grove Missionary Baptist Churches were lost to flames.

The fires, like several others that have hit churches elsewhere in the country in recent months, were, as the official reports say, of suspicious origin.

In time, the truth will be uncovered. And if these fires were not accidents, if they were set by the hand of evil, then justice must be done.

The good people of Kossuth will rebuild their churches.

Bill Dillworth, a deputy sheriff and a deacon at Mount Pleasant Church, affirmed, "We will always survive. You look to the Lord at times like this. He will be your guide."

I hope that same spirit prevails in the meeting President Clinton has scheduled for tomorrow with several of the Nation's Governors, to discuss ways to combat church arsons.

It will not help the situation to turn these tragedies into a racial or regional issue. Attacks on churches and synagogues are attacks on religion itself.

James Glassman's column in today's Washington Post lays out the sad statistics. The Bureau of Alcohol, Tobacco and Firearms has investigated 123 church burnings over the last 5 years. Of those, 38 have been at black churches.

Attacks of any kind against any of our places of worship should unite Americans in outrage and in resolve. That is why, early this year, a coalition of pro-family organizations—the Christian Coalition, Eagle Forum, Family Research Council, and others—publicly appealed for action to protect churches—all churches.

In response to their petition, the House Judiciary Committee held hearings in May. And the Christian Coalition offered a $25,000 reward for information leading to the arrest and conviction of a church-burner.

Those were constructive steps in the right direction.

Perhaps additional legislation is needed to make it easier for Federal prosecutors to intervene in cases of church burnings.

On the other hand, perhaps the administration should take a closer look at the extraordinary powers to protect churches which congress gave the Justice Department 2 years ago in the clinic access bill.

That legislation, designed to protect only abortion clinics, was expanded, at the insistence of Senator HATCH and other Republican Members of the House and Senate, to apply to religious institutions as well.

To date, however, the administration has failed to use its powers under that legislation to deal with attacks on churches. I urge the Attorney General to rethink her Department's approach.

I urge the President, as well, to rethink the approach he and some others associated with him have taken toward religious institutions, and in particular, toward their role in public affairs.

Every time Americans are denounced as extremists for standing up for their religious beliefs, every time persons of faith are stigmatized for intruding their values into politics, it becomes easier for those who wish evil to actually do evil.

That evil is all of one piece, whether it is a wooden church aflame in rural Mississippi or a synagogue defaced in California or a cathedral disrupted in New York City.

For persons of faith, those buildings are more than places we visit regularly. They are extensions of our own homes.

Whoever raised a hateful hand against our homes in Mississippi last night is going to learn an important lesson.

Along with the entire Nation, they will learn that the faithful people there are like the three young men of Israel who were cast into the fiery furnace. The raging flames could not harm them, and they were brought forth radiant with the protection of their God.

I am glad we are able to get this unanimous-consent agreement on this resolution. It is very important that the Senate express its outrage at these churches being burned.

Unfortunately, in my own State of Mississippi last night, we had two incidents in the northeastern part of the State that are of suspicious origin. There is no way that we can tolerate this type of activity.

We want to express our outrage and also assure our colleagues that our intent is to take a quick, serious look at House-passed legislation and hope we will be able to pass their bill, which provides some additional authority for law enforcement investigations and activity with regard to these church and other religious buildings burnings.

I am very pleased we have this resolution, and I am glad it was done in a bipartisan way.

Mr. COCHRAN. Mr. President, I am pleased to join my State colleague and other Senators in cosponsoring this resolution condemning recent church burnings and urging that all appropriate Federal authority be used to investigate these incidents and bring to justice those who are responsible for them.

I suggest, in addition to passing this bipartisan leadership resolution, that we hold at the desk the bill that will be passed by the House and call it up for passage as soon as possible, without amendment, and send it to the President for his signature.

Taking this action should serve notice on all concerned that this kind of conduct will not be tolerated in our society, and those who engage in this terrorism will be caught and they will be punished.

Mr. KEMPTHORNE. Mr. President, I am proud to cosponsor this resolution by Senator MOSELEY-BRAUN and Senator LOTT which places the Senate firmly on record against the recent incidents of church burnings in our Southern States.

Church burning is religious persecution at its worst. It denies Americans their right to worship their God as they see fit.

Our Southern States are witnessing the worst number of black church bombings and fires since the 1960's civil rights era. Mount Zion AME Church in Greeleyville, SC, was burned to the ground last year by an arsonist. Church bombings are occurring in Virginia, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, and Texas. For well over 18 months, communities in these States have been held hostage by cowardly and intolerant individuals threatening their inalienable right to pray and praise. This is simply unacceptable. America is a land of toleration and acceptance; not of prejudice and fear.

What do these criminals hate that makes them act so miserably? If their goal is racial prejudice, they should think again. Burning a church is not just a crime against people of different ethnic origins. It is an attack on the House of God. Surely God knows and will remember those who commit these crimes. Church arsonists are playing with fire, the fire of judgment day.

Regrettably, religious persecution is not limited to the South. Illinois citizens are waking up to crosses burning in their yards. Idahoans, especially Idaho Mormons, have suffered as well. Three years ago, on the campus of Idaho State University in Pocatello, the LDS Institute was burned to the ground. Arson was the cause. And that's not the only incident. Random acts of vandalism to the Boise and Idaho Falls Temples, as well as to churches and seminaries unfortunately continue today.

Religious persecution has no place in Birmingham, AL, or Boise, ID.

Our Founding Fathers enshrined religious freedom in the first amendment. They knew worship strengthens our daily lives. They knew that Americans held, and would continue to hold, differing religious convictions. They also knew America stands for freedom and that thousands of immigrants had come to these shores seeking refuge from religious persecution.

My prayers go out to those parishioners whose churches have been bombed, burned, or threatened. The faith that helped their forefathers through the worst days of slavery and suffering will carry them through now. Already God is at work opening the hearts of Americans all across the Nation who are helping rebuild these houses of worship.

These random acts of kindness show America will not move back to a time of fear, ignorance, and prejudice. We will move forward to a world of racial and religious tolerance, acceptance, and respect.

All Americans are entitled to the right to worship their God. Let us renew our faith and remember what a privilege it is to freely be able to practice our religion according to the dictates of our own conscience. This resolution recognizes and reenforces that right. I fully support it and want it to pass.

Mr. DASCHLE. Mr. President, my heart goes out to the victims of the recent rash of church burnings. Like so many Americans, I have watched with great dismay and real sadness as one after another African-American house of worship has gone up in flames. There have been at least 35 fires of suspicious origin at these churches in the last 18 months. As a nation, we will not tolerate this attack on African-Americans and their right to exercise their religion freely and in peace. I know that the vast majority of Americans joins with us today in condemning these acts of destruction and recognizing that we cannot allow a small number of hate-filled people to derail the progress we have made toward ending racial discrimination and intolerance.

We have seen in recent years the destruction of well over 100 houses of worship serving people of different faiths and different races. This resolution rightfully condems all those acts of destruction and desecration.

The burning of these churches—which constitute the heart and soul of the communities they serve—is a national tragedy that requires a strong and swift response. I commend President Clinton both for his moral leadership on this issue and his commitment of all possible Federal resources to the investigation and prosecution of the perpetrators of these vicious crimes. I hope we will be able to help these Federal law enforcement efforts by passing legislation introduced by Senators KENNEDY and FAIRCLOTH that gives Federal officials more tools to fight these terrible acts. Bringing these arsonists to justice must be one of our highest national priorities.

Mr. WARNER. Mr. President, the continued spate of burnings of African-American churches in the South is a national tragedy. I commend Attorney General Reno for redoubling the efforts of the Department of Justice to catch the perpetrators of these most heinous crimes. I have also joined with Senator FAIRCLOTH in cosponsoring legislation which reiterates that burning of a church is a Federal crime and lowers the damages threshold to bring Federal enforcement.

One of out most precious freedoms is to practice our religious beliefs. To have that freedom abridged because of racist acts is doubly troubling.

I know that substantial efforts have been made to investigate these fires. But it is clear that more must be done because the fires, some 30 in all over the past year and a half, keep happening. The leadership of my Commonwealth is responding. The attorney general of Virginia, Jim Gilmore, was recently elected as chairman of the southern region of the National Association of Attorneys General. One of his first acts was to organize a coordinated effort among southern attorneys general to combat hate crimes such as church burnings. His leadership on this issue will bring results, and I commend him and the organization for taking this action.

Everybody concerned with the rash of church burnings wants to know whether these crimes are the work of an organized group or isolated instances of violence. I hope that the efforts of the State attorneys general and of the Department of Justice will answer this question. Just as importantly, I hope that whomever is committing these horrible crimes will see that law enforcement across the country is committed to solving and preventing these despicable acts. Even one instance of church arson is too many—to have dozens of church burnings is a crisis that must be solved.

Unfortunately, as disturbing as these cases of arson are, they are not the only instances of racist violence intruding on the right to worship. Yesterday, a church in Charles County, VA, was defaced with racist words and symbols. The Mount Zion Baptist Church has served the Charles City community since 1812 and is celebrating its 100th year at its present location.

Now the Federal Government cannot protect every church in America. I hope, however, that by finding and prosecuting arsonists and by encouraging law enforcement efforts such as those led by Attorney General Gilmore, the Federal authorities can make a difference in protecting America's houses of worship.

The wife of the pastor of Mount Zion Baptist Church was quoted that the church will survive this racist incident. She said that the "membership is just going to bind closer together." I wish them well, and my thoughts go out to all who have suffered at the hands of cowardly attacks on our churches.

Mr. LOTT. Mr. President, I ask unanimous consent that the resolution and the preamble be agreed to; that the motion to reconsider be laid upon the table; and that any statements relating thereto be printed in the RECORD at the appropriate place as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 265) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 265

Whereas there have been at least 156 fires in houses of worship across the Nation since October 1991;

Whereas there have been at least 35 fires of suspicious origin at churches serving African-American communities in the last 18 months;

Whereas these churches and houses of worship are a vital part of the life of these communities;

Whereas intentionally burning churches or other houses of worship is a very heinous crime;

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights as an American, is inconsistent with the first amendment of the United States Constitution, which guarantees every American the right to the free exercise of his or her religion, and which ensures that Americans can freely and peaceably assemble together; and,

Whereas intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights, is a serious national problem that must be expeditiously and vigorously addressed: Now, therefore, be it

Resolved, That—

(1) the Senate condemns arson and other acts of desecration against churches and other houses of worship as being totally inconsistent with fundamental American values; and

(2) The Senate believes investigation and prosecution of those who are responsible for fires at churches or other houses of worship, and especially any incidents of arson whose purpose is to divide communities or to intimidate any Americans, should be a high national priority.

Mr. LOTT. Mr. President, I ask unanimous consent that Senator COCHRAN's name be added as a cosponsor of this Senate resolution.

The PRESIDING OFFICER. Without objection; it is so ordered.

Mr. LOTT. Mr. President, I yield the floor.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 4047

(Purpose: To freeze at the level programmed for fiscal year 1998 the amount that may be expended for infrastructure programs of the Department of Defense in order to increase funding for force modernization)

Mr. GRASSLEY. My purpose for rising is to introduce an amendment. I am not going to send the amendment to the desk quite yet. Also, I inform the leadership on both sides of the aisle that I do not have any intention of speaking for an extra long period of time. But before I agree to a time limit, I want to make some opening remarks in regard to my amendment. After that, I will have an opportunity to sit down and probably work something out with the leadership on the time.

Mr. President, we are at a point in the defense authorization bill where I want to bring up the point that we ought to be saving some money in infrastructure costs, but we are not. We ought to be saving some money in infrastructure costs because it is just natural that infrastructure ought to be somewhat less as we downsize the military, both from the standpoint of personnel and from the standpoint of the number of bases we have, and a lot of other factors. The fact that we really are not, the point of my amendment is to drive that point home, but also to offer a plan that will allow us to guarantee that when we are told that money should be saved, that it is in fact saved.

We are in a situation here, Mr. President, where from a political standpoint we ought to have the votes to accomplish what I want to accomplish. I do not anticipate that we do. I anticipate that we are in a long process of educating the people of this country and the Members of this body to the fact of what I have already stated, that if we are going to close bases to save money, somewhere we ought to be able to show the American people that here is X numbers of dollars we saved. Because that is what we were told would happen; if we closed bases, we would save money. But we have had even experts like the General Accounting Office audit to identify the savings, and they have issued reports that it is not saved.

But we are also in a political environment here where—in past years, it has been very easy for us to make some points on saving money from the standpoint of my being a conservative Republican. Leading the efforts to cut the defense budget or to save money, I would almost have the full support of Members on the Democratic side of the aisle because they were generally of the opinion that Republican Presidents were spending too much on defense, even wasting money on defense, so fiscally minded Republicans, joining together with Democrats, would have enough votes to actually win the battle and to save the taxpayers money.

But now we have a political situation in the last 3 years where we have a Democrat President and a Republican Congress, and we find people on the Democratic side of the aisle, even though that President may be spending money above and beyond the level he should be doing it as Commander in Chief, they seem to be in a position where they want to get behind their President even if they might disagree with him on the amount of money he is spending. So we have a divided Democratic Party more so than usual on the issue of saving defense money.

As is typical on this side of the aisle, my Republican side of the aisle, it seems that there is a willingness just to give more money to defense because somehow by giving more money you get more defense.

The point that I try to drive home so often to my colleagues and I think it is legitimate; and I am speaking now just about people in this body who consider themselves conservative; and for the most part those are people who are also registered as Republicans and elected to this body as Republicans—is that we are constantly admonishing the other side of the aisle, for decades, that you cannot solve in the typical way liberals like to solve problems, throwing money at those problems, and somehow just by spending more money on a lot of social problems, you actually solve those problems; and we would always say, "Well, you know, it's not how much money you spend, but it's how you spend it, and how you invest it, whether or not you're going to get your money's worth."

We do not seem to have the same caution on this side of the aisle when it comes to money for defense. We seem to take the attitude that if you just put more money in the defense budget, give more money to the Pentagon, somehow you are just automatically going to have more defense.

I raise this argument more so at the level of adopting the budget as opposed to the defense authorization bill. I suppose that is really a better place to make that generic argument about more money for defense or less money for defense. But I think it is legitimate, when we are dealing with a very specific item like infrastructure costs, and particularly when we were told over the last several years that if we close bases we ought to save money, and if we cut down on the number of personnel in the Defense Department we ought to save money, that after a few years of that argument, you ought to be able to look and say, "Yes. We have saved X number of dollars. Here it is." I would have believed it. The General Accounting Office expected to find it. But the reports of the General Accounting Office do not confirm those savings.

The point is, savings are real things. You ought to be able to see them. My amendment is geared toward the proposition that if there is going to be savings, we ought to know where those savings are and what they ought to be used for and that, if they are going to still be spent in the defense budget and not reduce the deficit, at least we ought to know what they buy. So that is the basis for my amendment.

But I will to get into more detail about my amendment, more specifics in just a moment. I want to remind my colleagues of the debate we had on April 15 in this body. It was a very excellent debate on what the size of the defense budget should be. At that point, the budget resolution we had before us had already added in an extra $12 billion to the budget for defense. That is $12 billion over and above what the President had recommended that we spend on defense. I opposed that move. I opposed it by offering an amendment to cut back most of that money. The vote was 57 to 42 against what I was trying to accomplish.

The majority rules in this body, and I am willing to accept it. But all that extra money then is in the bill before us as a result of the decision that we made on the budget resolution and also the decision of the Senate Armed Services Committee to go to the maximum allowed under the budget resolution.

Most of this money is for modernization of our military capabilities. But, sadly, an analysis of the bill shows that $12 billion does not buy much at the Pentagon. That should come as no surprise to people who have been watching the defense budget and how the Defense Department has operated over a long, long period of time. It does not come as any surprise to me.

The money has been spread around in so many different areas that all we end up with is a few bits and pieces. If you would take the key area of combat aircraft as an example, this is what we get. We get six extra F-18's, two extra AV-8B's, four extra F-16's. That is it, 12 more fighters. The military needs to buy hundreds of fighters each year to modernize the force. The other areas are not much better. We do get a few extra missiles, a few extra transports, a few extra helicopters. But I might say that we do not get one extra ship for the Navy, as an example.

Now, all of this added together, I suppose somebody is going to make a case that it is absolutely needed and it is going to improve and modernize our military considerably. But it seems to me that when you see exactly what we get, then it is not even a reasonable downpayment on modernization. And $12 billion—of course, when you look at what this bill has for a total expenditure for a year—happens to be peanuts at the Pentagon, kind of a drop in the bucket.

So this brings me to a point that I have hammered on for years, as I indicated, admonishing my colleagues, particularly on the Republican side of the aisle, that throwing more money at the Department of Defense is not going to solve the problem. We will never succeed in modernizing the force structure at these prices without fundamental reform.

Now, it happens that there are even outstanding members of the Armed Services Committee that have been fighting a long time for fundamental reform. I want to commend my colleagues for fighting for fundamental reform. I think that fundamental reform is very, very important to make sure that whatever extra money we spend—including the $250-some-billion we are going to spend—is invested wisely and we get the most bang for the buck. But it seems to me that the reform ought to go ahead of the additional $12 billion.

We have had some types of reform over the last 15 years. But, again, we think we make some dramatic changes—what we feel are dramatic changes—in the way the Defense Department does business. After you look back at it, you really do not see the changes come about that we had hoped for when we passed the reforms or the reforms that go on within the Defense Department that can be done without actually passing the legislation.

We have had a host of defense reforms, one after the other. But there tends to be a big gap between promises and reality. None of these reforms have worked completely as advertised. We do not get all of the desired impact that we want to have.

Some could even been classified as bureaucratic tricks to cover for business as usual. It all leads up to the fact that what the Department of Defense needs to do is to find a new way of doing business—a completely new way of doing business, a new attitude, a new culture there. But, in fact, we really never really get the complete changes that ought to be made so that we get our money's worth when we put additional money in for modernization, or anything else.

If we do not get this fundamental reform, I think we still have to say, as good as our Armed Forces are, how much better they could be, how much more we would get for our investment of money if these reforms would really happen. We are talking about changing a basic culture. To do that, you need new ideas and new strategies. Most importantly, you need a disciplined management. You have to find ways to make reforms work—and work now, not later—not in the year 2001.

So I am suggesting in the amendment, which I will deposit at the desk shortly, a way of making sure that we get real modernization with the savings that we are supposed to get from infrastructure savings. We have already had four rounds of base closures. We have had a shrinking force. This should mean savings in infrastructure accounts. The Department of Defense has promised these savings, but the savings, as I have indicated, are not there. So promises do not match the reality.

My amendment would, hopefully, make the savings real. So this is what I propose to do would accomplish that goal. I will give you seven specific objectives of my amendment.

The first is to seek to establish a better balance between force structure and infrastructure costs. I will show you, eventually, how there is an imbalance there—an imbalance that does not make sense to me, but it is still an imbalance.

Second, this balance would be brought about and achieved by freezing the infrastructure budget at the fiscal year 1998 level of $145 billion. The freeze would save $10 billion in fiscal year 1998 to the year 2001.

Fourth, the Secretary of Defense would transfer the savings to the procurement accounts to pay for modernization. This is the key, then, to getting money from savings that we ought to be able to account for and get it into modernization, not into overhead. That ought to be going down; instead, it is going up.

The fifth point is that key readiness accounts would be protected. That would be like for spare parts, training, and a lot of other things like that.

Sixth, the savings would be reflected in the future years' defense program submitted to Congress next year so that we would be able to know what it was and to see it and to have it accounted for.

Seventh, we would have the Comptroller General review and verify the savings, so we have somebody outside of the Defense Department, with no vested interest, verifying what Defense does, in the sense of just the accounting, or being accountable for the money, and not micromanaging anything that the Secretary of Defense might do.

Now, what is going to be strange to the managers of this bill—both Republican and Democrat—is that I see my goals being 100 percent consistent with the Department of Defense plans. So you take what they say they want to do, which, as I have indicated, is not being done, and make sure that it is done. It seems to me that if there is anyplace for the Congress of the United States to be involved in some detail of the Defense Department's work, it is nothing more than to make sure that they do what they say they are going to do, what they report to us they are going to do, to kind of make their performance in office commensurate with their rhetoric. That's making them accountable. That is perfectly consistent with constitutional oversight functions of the Congress of the United States.

This DOD plan was presented to the Armed Services Committee as recently as March 5, 1996. At that time, Secretary of Defense Perry testified that $10 billion in savings from base closings would be used to pay for modernization. A very distinguished member of the Armed Services Committee who was just here—and I suppose he is going to speak on my amendment. I am glad to have him engage in this debate. But we know this very distinguished member as a person who is a real hero for the defense of our country as well as being a very good Senator, John McCAIN. I am going to say he also agrees. He may stand up here shortly and say that he disagrees, but at least I want to give my version of that.

He has said that there is a gross imbalance between our military forces and the infrastructure. He says we need to eliminate excess infrastructure, we need to save money. He has a white paper on our national defense. That is the way I interpret it. There is just one minor problem on what the Secretary of Defense said on March 5 of this year when he was going to take this $10 billion in savings from the base closings and use it for modernization. The savings promised by Mr. Perry do not exist. The General Accounting Office just audited those accounts. You cannot find any savings. The savings have evaporated into thin air.

Mr. President, earlier this year, on April 25, I spoke about the General Accounting Office report on this subject. What I said then I am going to repeat now. Anybody can read that. It is entitled, "Defense Infrastructure: Budget Estimates for 1996–2001 Offer Little Savings for Modernization." It was published on April 4, just 2 months ago. Unfortunately, it was based on the fiscal year 1996 future year defense program publication.

The fiscal year 1996 future year defense program was submitted to Congress over a year ago. So I suppose to some extent, as things move very rapidly, it is somewhat out of date. It is at least a year old. I thought I should have more current data. I thought that the Pentagon bureaucrats might have been able to get their act together since last year. Maybe they succeeded in getting infrastructure costs on the right track. I think we could legitimately surmise that they should have done that.

So not being able to get this information, I wrote to Mr. Bowsher on May 10 of this year asking him to provide me the updated information drawn from the fiscal year 1997 future year defense plan. I thank Mr. Bowsher and his expert staff, including Mr. Bill Crocker, for working so hard and to turn around my request in less than 2 weeks. That is pretty fast even for a responsible organization like the General Accounting Office. It must be a record.

I have the General Accounting Office's brandnew report right here with me. It is entitled, "Defense Infrastructure: Cost Projected To Increase Between 1997 and 2001." This is dated May 1996.

Before I get started, I think it is important to define infrastructure cost. This is the money that DOD spends to house, train, and support the Armed Forces and keep them ready to go. The General Accounting Office has provided a brief description in this publication of each category of infrastructure costs. The General Accounting Office has also provided a table that shows how infrastructure costs are spread across the various appropriations accounts.

I ask unanimous consent to have that material printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CATEGORIES OF DEFENSE INFRASTRUCTURE

Installation support consists of activities that furnish funding, equipment, and personnel to provide facilities from which defense forces operate. Activities include construction planning and design, real property maintenance, base operating support, real estate management for active and reserve bases, family housing and bachelor housing, supply operations, base closure activities, and environmental programs.

Acquisition infrastructure consists of all program elements that support program management, program offices, and production support, including acquisition headquarters, science and technology, and test and evaluation resources. This category includes earlier levels of research and development, including basic research, exploratory development, and advanced development.

Central logistics consists of programs that provide support to centrally managed logistics organizations, including the management of material, operation of supply systems, maintenance activities, material transportation, base operations and support, communications, and minor construction. This category also includes program elements that provide resources for commissaries and military exchange operations.

Central training consists of program elements that provide resources for virtually all non-unit training, including training for new personnel, aviation and flight training, military academies, officer training corps, other college commissioning programs, and officer and enlisted training schools.

Central medical consists of programs that furnish funding, equipment, and personnel that provide medical care to active military personnel, dependents, and retirees. Activities provide for all patient care, except for that provided by medical units that are part of direct support units. Activities include medical training, management of the medical system, and support of medical installations.

Central personnel consists of all programs that provide for the recruiting of new personnel and the management and support of dependent schools, community, youth, and family centers, and child development activities. Other programs supporting personnel include permanent change of station costs, personnel in transit, civilian disability compensation, veterans education assistance, and other miscellaneous personnel support activities.

Command, control, and communications consists of programs that manage all aspects of the command, control, and communications infrastructure for DOD facilities, information support services, mapping and charting products, and security support. This category includes program elements that provide nontactical telephone services, the General Defense Intelligence Program and cryptological activities, the Global Positioning System, and support of air traffic control facilities.

Force management consists of all programs that provide funding, equipment, and personnel for the management and operation of all the major military command headquarters activities. Force management also includes program elements that provide resources for defense-wide departmental headquarters, management of international programs, support to other defense organizations and federal government agencies, security investigate services, public affairs activities, and criminal and judicial activities.

TABLE 2.—DIRECT INFRASTRUCTURE BY APPROPRIATION, FISCAL YEARS 1997–2001

[Dollars in billions]

Appropriation	Fiscal year—				
	1997	1998	1999	2000	2001
Operation and maintenance	$56.30	$56.17	$56.41	$57.57	$59.50
Military personnel	33.53	33.10	33.67	34.33	35.20
Research, development, test, and evaluation	10.47	10.89	11.20	11.43	11.89
Military construction	4.99	4.15	4.15	3.84	3.96
Family housing	3.98	3.84	4.08	4.08	4.12
Procurement	2.38	2.53	3.48	3.21	3.46
Revolving funds and other [1]	0.93	1.11	1.06	1.13	1.17
Total direct infrastructure [2]	$112.58	$111.80	$114.05	$115.61	$119.30

[1] These include adjustments for foreign currency fluctuations and service and Defense Logistics Agency managed stock fund cash requirements.

[2] Totals may not add due to rounding.

Source: GAO analysis of DOS data.

AGENCY COMMENTS

The data and analysis in this report were provided to DOD for review and comment. In oral comments, DOD stated the data were complete and accurate with the analysis.

SCOPE AND METHODOLOGY

To define and evaluate DOD's infrastructure activities in the 1997 FYDP, we interviewed the acting Director, Force and Infrastructure Analysis Division in the Office of the Secretary of Defense, Program Analysis and Evaluation. Our analyses are based on data contained in the fiscal year 1997 FYDP. In addition to the FYDP and associated annexes, we reviewed DOD's Reference Manual for Defense Mission Categories, Infrastructure Categories, and Program Elements, prepared in conjunction with the Institute for Defense Analysis. We also reviewed the President's fiscal year 1997 budget submission and our prior reports.

Our work was conducted during the month of May 1996 in accordance with generally accepted government auditing standards.

Mr. GRASSLEY. I wish I could say, Mr. President, that the Department of Defense has turned the corner. I wish I could report that infrastructure costs were coming down. But the latest report of the General Accounting Office tells me that nothing has changed since the last future year defense plan, meaning 1996. The trends have to be the same. The Pentagon still has infrastructure costs on the wrong track. They are still on an up-ramp instead of on a down-ramp. This is what the new data show. As the Department of Defense budget top line goes up, infrastructure costs go up. Infrastructure costs should come down even if the top line goes up. The infrastructure costs ought to be decoupled from the top line. The infrastructure costs need to be recoupled to the force structure because that is what Secretary Perry says is his intent.

The infrastructure costs in the military force structures are not in sync. They are out of whack. We need to bring them back into balance. As I read what Senator MCCAIN has written in his white paper, he says that is what we must do as well. But that is not what has happened. The Department of Defense seems to be creating new infrastructure faster than the old stuff is made excess.

That is what this new data tells us. This is its new data that the General Accounting Office has followed for 1 year that was not available until the General Accounting Office updated it. It shows a steady increase in the infrastructure costs for fiscal year 1997 through fiscal year 2001.

I want to repeat. There is a very steady increase from $146 billion in fiscal year 1997. It dips by $1 billion to $145 billion in 1998, but then it goes right back up to $148 billion in 1999; $2 billion more in the year 2000. Then it leaps by $5 billion to $155 billion in the year 2001. That is a projected increase of $9 billion over the next 5 years. If Congress keeps pumping up the defense budget, these numbers will increase even more.

The data portrayed on table 1 of this new General Accounting Office report is particularly troublesome.

I also ask unanimous consent at this point to have table 1 printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.—PROJECTED FUNDING FOR INFRASTRUCTURE CATEGORIES, FISCAL YEARS 1997–2001

[In billions of dollars]

Infrastructure categories	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Installation support	25.10	23.64	22.68	22.53	23.03
Central training	19.35	19.40	20.08	20.71	21.46
Central medical	15.47	15.82	16.13	16.64	17.38
Central logistics	13.33	13.30	14.18	14.15	14.70
Force management	12.91	12.38	13.05	13.12	13.35
Acquisition infrastructure	10.25	10.64	10.97	11.19	11.76
Central personnel	10.33	10.24	10.41	10.60	10.83
Central command, control, and communications	5.78	5.84	6.05	6.05	6.20
Resource adjustments [1]	.05	.53	.50	.62	.58
Total direct infrastructure [2]	112.58	111.80	114.05	115.61	119.30

[1] These include adjustments for foreign currency fluctuations and service and Defense Logistics Agency managed stock fund cash requirements.

[2] Totals may not add due to rounding.

Source: GAO analysis of DOD data.

As shown in figure 3 and table 2, most direct infrastructure activities are funded by operation and maintenance and military personnel appropriations. Thus, if DOD is to achieve significant infrastructure savings for future force modernization, the savings must come from these accounts. However, these appropriations have been closely associated with the readiness and quality-of-life of the force, the Secretary of Defense's priority areas for the last few years.

Mr. GRASSLEY. Mr. President, this table breaks the infrastructure costs into nine distinct categories. The new General Accounting Office data shows major increases in every category, with one important exception, and that would be installation support. Even installation support shows increases in the outyears. The four BRAC commissions proposed closing 97 bases. Yet, installation support costs are projected to rise. I think it is legitimate to ask why. Is it because few, if any, of those bases have really been closed?

The downstream savings promised by base closings and a shrinking force structure should be reflected in these numbers, but they are not. We should be able to identify where the savings are. I do not expect to see any savings. We will not ever see those savings unless we hold the Department's feet to the fire.

A comparison of the numbers in the fiscal year 1996 future year defense plan with the numbers in the 1997 future year defense plan suggests that installation support figures on table 1 are misleading. That comparison reveals a shocking trend. That comparison suggests that base support costs will actually increase by $1 billion per year between the years 1997 and the year 2001.

Take fiscal year 1997 just for example. The fiscal year 1997 column in the 1996 future year defense plan shows installation costs at $23.96 billion.

Then if you go over to the fiscal year 1997 column, in the the 1997 future year defense plan, the number goes up to $25.1 billion. That is an increase of $1.14 billion in 1 year in projected installation support. The next year it is the same thing. The number goes from $22.76 billion up to $23.64 billion, and that is an increase of $900 million.

I need to clarify one point about the numbers. The numbers on the table that I have submitted for the RECORD do not match up with the totals for the infrastructure costs that I used a moment ago, and there is a reason for that discrepancy. About $35 billion in infrastructure costs get lost in what we refer to as DBOF—that stands for Defense business operation fund—each year. We know the money is in there someplace, but the General Accounting Office cannot track it because dollars in the Defense business operation fund are not identified in the future year defense program.

And so I think it is very ironic because DBOF was established to improve cost accounting at the Pentagon. In fact, that was the whole idea about DBOF. Here is $35 billion in annual DOD costs that cannot be tracked because of the Defense business operation fund. We cannot audit them because of the fund. The fund is an obstacle to accurate cost accounting.

There is yet another problem. That problem is that the Department of Defense had a $4 billion plug figure in last year's numbers, and they pulled it out of the new future year defense plan, making it look as if some of the funding levels were coming down. The Department of Defense said the $4 billion that was plugged in for last year was miscoded. The miscoded dollars were pulled out of the infrastructure costs and, in a sense, just heaved overboard. I suppose somebody could say they were transferred to another part of the future year defense plan, but if they cannot be tracked, no one knows.

That makes me think they are kind of phony numbers.

In a nutshell, Mr. President, that is what is in this latest report of the General Accounting Office on defense infrastructure. I hope my colleagues will take this as I have referred to it for several minutes here, taking statistics from it, to make a case for my amendment that I will offer.

This latest report, I think, states for another year that Mr. Perry's promised savings are nowhere in sight. His $60 billion modernization plan then is, if the savings are not available, hung out to dry. It is dead in the water.

And so I come here pleading with my colleagues that Congress needs to help Mr. Perry. Without a doubt, reason is on his side.

On March 5, he presented to the Congress of the United States through the Armed Services Committee that there is going to be x amount of savings, and this is the resource for modernization. That all makes sense, right? But is it going to happen? With an increase in infrastructure costs and overhead, it is going to be eaten up someplace else. The modernization that we think we are planning on being there is not going to materialize. In fact, at the beginning of my time today I pointed out how little we actually get for modernization when you look at the materiel that is purchased.

So I cannot come here and condemn Mr. Perry for not having good intent and a plan that he thinks will accomplish what he wants to accomplish. But it just is not going to happen. So my amendment would make sure that money finds its way into modernization and not into this overhead and infrastructure cost where it is going to inevitably end up because four rounds of base closings and a shrinking force structure should be producing substantial savings. Because it should be producing substantial savings, we ought to identify those savings and reserve them for the purpose that Mr. Perry suggested. He wants to recover those savings to pay for modernization. And so unless we freeze these accounts, the savings are going to be frittered away on new infrastructure projects. My amendment will help Mr. Perry do what he says must be done.

I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. THOMPSON). The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 4047.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle A of title X add the following:

SEC. . FORCE MODERNIZATION FUNDED BY REDUCTIONS IN SPENDING FOR INFRASTRUCTURE PROGRAMS.

(a) FUNDING FREEZE AT PROGRAMMED LEVEL FOR FISCAL YEAR 1998.—The Secretary of Defense shall ensure that the total amount expended for infrastructure programs for each of fiscal years 1998 through 2001 does not exceed $145,000,000,000.

(b) USE OF SAVINGS FOR FORCE MODERNIZATION.—The Secretary of Defense shall take the actions necessary to program for procurement for force modernization for the fiscal years referred to in subsection (a) the amount of the savings in expenditures for infrastructure programs that is derived from actions taken to carry out that subsection.

(c) PROTECTION OF PROGRAM FOR SPARE PARTS AND TRAINING.—In formulating the future-years defense programs to be submitted to Congress in fiscal year 1997 (for fiscal year 1998 and following fiscal years), fiscal year 1998 (for fiscal year 1999 and following fiscal years), fiscal year 1999 (for fiscal year 2000 and following fiscal years), and fiscal year 2000 (for fiscal year 2001 and following fiscal years), the Secretary shall preserve the growth in programmed funding for spare parts and training for fiscal years 1998 through 2001 that is provided in the future-years defense program that was submitted to Congress in fiscal year 1996.

(d) REDUCTIONS TO BE SHOWN IN FISCAL YEAR 1998 FUTURE-YEARS DEFENSE PROGRAM.—The future-years defense program submitted to Congress in fiscal year 1997 shall reflect the programming for the reduction in expenditures for infrastructure programs that is necessary to carry out subsection (a) and the programming for force modernization that is required by subsection (b).

(e) GAO REVIEW OF FISCAL YEAR 1998 FUTURE-YEARS DEFENSE PROGRAM.—The Comptroller General shall review the future-years defense program referred to in subsection (c) and, not later than May 1, 1997, submit to Congress a report regarding compliance with that subsection. The report shall include a discussion of the extent, if any, to which the compliance is deficient or cannot be ascertained.

(f) INFRASTRUCTURE PROGRAMS DEFINED.—For the purposes of this section, infrastructure programs are programs of the Department of Defense that are composed of activities that provide support services for mission programs of the Department of Defense and operate primarily from fixed locations. Infrastructure programs include program elements in the following categories:

(1) Acquisition infrastructure.
(2) Installation support.
(3) Central command, control, and communications.
(4) Force management.
(5) Central logistics.
(6) Central medical.
(7) Central personnel.
(8) Central training.
(9) Resource adjustments for foreign currency fluctuations and Defense Logistics Agency managed stock fund cash requirements.

(g) FUTURE—YEARS DEFENSE PROGRAM DEFINED.—As used in this section, the term "future-years defense program" means the future-years defense program submitted to Congress pursuant to section 221 of title 10, United States Code.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I should like to inquire of the distinguished Senator if he is willing to enter into a time agreement on this amendment?

Mr. GRASSLEY. You propose one, and then I will respond after it is proposed.

Mr. THURMOND. I would suggest maybe 20 minutes to a side.

Mr. GRASSLEY. Yes.

Mr. THURMOND. Is that agreeable?

Mr. GRASSLEY. Yes, that is agreeable.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time on the Grassley amendment be limited to 40 minutes equally divided in the usual form and that no amendments be in order, and that following the use or yielding back of time, the Senate proceed to vote on or in relation to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I say to the manager of the bill, I would like to yield the floor now and listen to the opposition to my amendment before I speak again.

Mr. THURMOND. As I understand, the Senator is willing to agree to 40 minutes equally divided.

Mr. GRASSLEY. Yes. We have already agreed to that. So I have 20 minutes that I control and you have 20 minutes that you control.

Mr. THURMOND. That is correct.

Mr. GRASSLEY. If the Senator would be so kind, I would like to have him use some of his 20 minutes so I can hear the opposition to my amendment, and then I would like to respond to that.

Mr. THURMOND. I will be glad to speak at this time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in strong opposition to this amendment. If the Senate votes to pass this provision and it is eventually signed into law, it could have a serious negative impact on the readiness of our military forces.

Like my good friend, the Senator from Iowa, I am concerned about the amount of money that the Department of Defense annually expends for infrastructure. In fact, the Defense authorization bill that we are considering now and is before us, reduces such programs by approximately $600 million and allocates these funds for higher priority programs including force modernization.

Mr. President, I believe that we should carefully examine any reduction that is proposed in order to ensure that we do not adversely impact our military forces. I am sure that my fellow Senators will agree with me when I say that we do not want to jeopardize our national security or the men and women in uniform who protect that security.

With this in mind, I must inform my colleagues that the proposed amendment could force severe funding reductions to important programs such as the medical care of military personnel, military housing, and military intelligence activities. Are we sure we can reduce these programs without negatively impacting upon military readiness?

Does the Senator from Iowa really believe that we should reduce such programs? Does he want to deny health care to our men and women in uniform? Does he want to force the families of military personnel to live in substandard housing? Mr. President, I cannot speak for every Member of this Chamber, but I know that I cannot support such reductions.

Mr. President, I agree with the Senator from Iowa that we must look for new and innovative management practices in order to find ways to shift funds from the infrastructure accounts to the modernization accounts. However, we must be sure that the shifting of such funds does not significantly impair military readiness. Reducing funds for unnecessary infrastructure is a task which the Armed Services Committee performs each year during its markup of the Defense Authorization Act and, as I have already noted, this year we reduced such funds by $600 million. In addition, the bill before us today includes a provision that would require the Department to examine new ways of maintaining its forces in order to further reduce funding required for day-to-day operations, and make these funds available for force modernization.

Mr. President, I cannot advocate, nor agree to support, an arbitrary cut such as that advocated by this amendment. We must preserve the flexibility of the President and the Secretary of Defense to request what they believe is necessary to ensure our national security. If the Congress disagrees with this request, it can authorize and appropriate a different mix of funding.

Mr. President, I urge my fellow Senators to vote "no" on the Grassley amendment.

Mr. President, I now yield to the able Senator from Arizona, Senator McCAIN.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I thank the Senator from Iowa who continues to be a persistent, constructive critic of defense issues, especially in the area of spending. I think this GAO report is a good one and should have a sobering effect on our defense planners, who somehow believe and support a precept that I have long questioned, and that is that base closings and other savings are going to support the modernization of the force.

The Senator from Iowa, I think, through his efforts, and also that of this GAO report, points out clearly that there are not going to be savings. In fact, according to this GAO study—which I must say needs to be fleshed out, I am sure my colleague from Iowa would agree—it shows there is going to be an increase in cost.

Just one example of that, one of the clear reasons for that, is the base closing issue. We believed for a long time there would be enormous savings associated with base closures. Those bases needed to be closed. More need to be closed. But the fact is we are not realizing those savings. In fact, the opposite has been the case. Rather than sell the valuable land on which these bases reside, we give it away to the local community. We are finding more and more toxic waste sites and areas of pollution that need to be cleaned up, and anyone who has ever had any contact with that issue knows that the costs rapidly spiral in a dramatic fashion when you are talking about cleanups. In fact, as the Senator from Iowa points out, these costs have been much higher, much, much higher than we had originally estimated.

The Senator from Iowa was kind enough to make reference to the white paper that I did concerning tiered readiness, and this GAO report and his amendment highlight the absolute criticality of making the kind of hard choices which we are not making today because there is no possible way we are going to maintain the level of readiness, operations, and training of our Armed Forces and at the same time modernize the force.

We have a Hobson's choice, because the money simply is not there and, as the Senator from Iowa correctly points out, much less money is there than even we had envisioned. The Chairman of the Joint Chiefs of Staff has stated on numerous occasions that we need about $60 billion for the purchase of modernization. We have, the last number I saw, was about $30 billion.

Having said all those things, I still have to disagree with this amendment. One reason is because of its scope. For example, the amendment calls for reductions in spending for such programs as health care, personnel, and training. I do not see how you can impose arbitrary cuts on those programs. One of the aspects that we are most proud of in the military today is the quality of life, that is, the quality of young men and women that we have been able to attract and keep in the military. I am not sure that we could maintain that if we just, across the board, forced certain cuts without designating where they should be.

I want to emphasize that I believe we are spending money in ways that are really not appropriate. In this year's bill we added some $600 million in military construction that was not needed. We add two new oceanographic ships for $99.4 million. We have added $13 million to fund a new bureaucracy in the case of civilian research in oceanography. We are going to add on $15 million for the High Frequency Active Aural Research Program. This program has benefited from congressional addons since 1990, costing a total of $76 million in just 7 years, with another $115 million required. We continue to purchase B–2 bombers. In this bill we included an additional $759 million in the National Guard and Reserve equipment account, plus as much as $242 million in additional unrequested equipment earmarked for the Guard and Reserve in the regular service procurement accounts. Within this amount is $284 million for six unrequested C–140J aircraft for the Guard and Reserve, a tactical airlift aircraft that the Air Force has not yet been able to afford.

Mr. President, the list goes on and we are spending money that we should not spend. We have lost sight of the fundamental reason why we spend money on defense, and that is to defend the security of the Nation.

I strongly suggest to my friend from Iowa that there are different ways of doing this. I look forward to working with him on this. I will have a couple of amendments that I hope will impose some savings. I am told there will be some additional military construction projects which will be attempted to be added to the bill here on the floor. I hope my colleague from Iowa will help me in trying to defeat those, although I am not totally optimistic about chances of success.

But, as I oppose the amendment, I thank my colleague from Iowa because the fact is that the American people are losing confidence that their tax dollars that are earmarked for defense are being spent wisely. If that continued erosion reaches its logical conclusion, sooner or later we are going to reach a point where the American people will not support sufficient funding to meet our vital national security interests.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Nine minutes twenty seconds.

Mr. McCAIN. Mr. President, I reserve the remainder of my time.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself 10 minutes.

First of all, I accept Senator McCAIN's offer to work with him on this issue, because I am very impressed with the intent of his white paper and his first-hand knowledge of the military, being the military hero that he is and serving our country so well and being on the Armed Services Committee and his expertise in that area. So whether my amendment is adopted or not, I accept the offer to work with Senator McCAIN.

I would, first of all, like to respond to some specific points both Senator THURMOND and Senator McCAIN raised, but also to give an example from military persons themselves about what needs to be done about infrastructure costs and his frustration that infrastructure costs have not gone down.

First of all, on the legitimacy of questioning whether my amendment is going to hurt funding for command and control and for medical support, it will not, but it seems to me, without my saying it, common sense ought to dictate that a shrinking force structure and fewer military bases should reduce command and control and medical requirements.

My amendment would, in fact, just freeze; it would not reduce. It would reduce increases, yes, but there are no cuts that come as a result of my amendment. Increasing infrastructure costs are inconsistent with the philosophy behind the base closure process. My amendment would hold the Department of Defense infrastructure costs at $145 billion per year. Now, remember, this is, as we are, in a process of closing bases and reducing the number of personnel connected with defense.

It seems to me that the Department of Defense needs to address the critical shortfalls and allocate money to meet the highest priorities within the infrastructure accounts. At this point in the base closure process and at this point in the reduction of personnel, infrastructure should not be on the rise.

We need to make sure that we eliminate the excess infrastructure and that we save the money that Secretary Perry promised, not just for the sake of saving money, but Secretary Perry says that is money that we are going to use for modernization. If it goes to infrastructure costs, which are going up, it is not going to go for modernization.

It was also suggested that my amendment might harm training and readiness, but very specifically I want to address that issue. Subsection (C) of my amendment specifically protects key readiness accounts, including training and spare parts.

I now want to refer to some remarks that were made by Marine Maj. Gen. John Sheehan. He is the commander in chief of the U.S. Atlantic Command. I think he made some very pertinent remarks, a person in the military, a person in command who views how the taxpayers' dollars are being used every day. If you do not want to listen to a civilian's point of view, like the Senator from Iowa has a civilian point of view, it seems to me that we ought to pay some attention to those who are in the military, because General Sheehan offers some very real insight.

His insights were given at a June 6 breakfast hosted by the Association of the U.S. Army's Institute for Land Warfare. I have excerpts of his comments from a trade journal called Inside the Pentagon. It was in the June 13 issue, page 20.

In a nutshell, this is what General Sheehan said:

> The overflow of staff organizations within the Department of Defense consumes too many personnel and resources and puts the force structure at risk.

That is a major general who said that.

Opponents of my amendment say it is going to put certain aspects, like readiness and training and command and control and medical treatment, in jeopardy. Here is a major general who says what we are doing now, if we maintain the status quo, is putting our force structure at risk. Of course, he is talking about the Department of Defense infrastructure. This is what General Sheehan had to say:

> There is a debate that's being formed right now, where the only sides in the debate are modernization versus force structure. . .

He says:

> My argument says we ought to take a very serious top-down look at the overhead costs of doing business.

He asked:

> Why do we have so many headquarters? Of what value are they?

The general has identified one of the big drivers in infrastructure costs, and he has identified them as excess headquarters and excess commands. General Sheehan says:

> We have too many excess headquarters and too many commands.

So he has put his finger on one of the root causes of the problem.

He pinpoints the problem, and I want to quote from his report. He says:

> There are 199 DOD staff organizations of two-star level or above, and the number has not changed since 1989.

I say, parenthetically, that is about the time the Berlin Wall came down.

His 1989 benchmark is important because the force has shrunk 30 to 40 percent since that time. So, headquarters should shrink as the force gets smaller, but headquarters are not shrinking.

As an example, he cited the U.S. Army in Europe with its 23 staff echelons to command only 65,000 soldiers. He also cited the U.S. Southern Command as another example of a top-heavy organization.

General Sheehan raised this provocative question:

> Why is it, for example, that you have SOUTHCOM with 770 officers commanding less than 4,000 men?

Mr. President, I say to my colleagues, listen to what General Sheehan says:

> Why is it that you have SOUTHCOM with 770 officers commanding less than 4,000 people?

He goes on to say:

> There are still 65 NATO headquarters with over 21,000 staff officers sitting around doing paperwork. That's more staff officers than two NATO nations have in land forces.

We have more people doing paperwork than two NATO nations have in their land forces.

So you have to ask yourself.

General Sheehan says—

> . . . of $1.79 billion we invest in NATO on burdensharing, why is $800 million of that just for infrastructure?

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. GRASSLEY. Mr. President, I yield myself 10 more minutes. I know that is all the time I have, but I think what General Sheehan says is very important.

General Sheehan has hit the nail on the head, and this is his main argument:

> Bloated staff organizations have created a demand for personnel that can starve warfighting units into hollowness.

A hollow fighting unit like we had in the late 1970's, in other words.

Bloated command staffs and headquarters are an outgrowth of top-heavy rank. In other words, General Sheehan is saying, we have excess admirals and generals, and each one needs a home, and every senior officer needs a command, a headquarters, a base, a staff, or a large department of some kind, somewhere, someplace to look over.

Take the Navy, for example. At the height of World War II, the Navy had 6,768 ships. Those 6,768 ships were commanded by 333 admirals. That is one admiral for about 20 ships. Today's 363-ship Navy is commanded by 218 admirals. That is almost one admiral for every ship. To be precise, it is one and two-thirds ships per admiral.

General Sheehan is wrestling with this problem, and doing it from the standpoint of a person serving his country, in uniform, on the line where the money is being spent—or should we say, on the line where the money is being wasted.

He told the audience that he is searching for technical solutions to the problems of swollen staff organizations. This is what he had to say:

> What is needed are systems that can help reduce the overhead costs for commanding large forces. With all this technology and smarts running around, why aren't we more efficient?

That is a question that every Senator ought to ask before he votes for this bill.

In other words, General Sheehan has made an excellent case for cutting infrastructure costs.

The military today is top-heavy with rank and staff organizations and command headquarters left over from the cold war. That is the official word from the commander of the United States Atlantic Command. That is a pretty good authority.

General Sheehan has clearly identified the culprit. He obviously understands the problem. And he is also frustrated by his inability to get rid of his own excess command fat.

We know that the Department of Defense cannot do it, so we need to help them. So if you vote for my amendment, you will help General Sheehan do what he says he sees is necessary to get more bang for their defense dollar.

He put it this way:

> Nobody likes to cut their own staff.

He goes on to say:

> I've never seen a butcher hand a pig a cleaver and say, "Go make pork chops."

So Congress needs to lend a helping hand to people like General Sheehan.

Mr. President, I ask unanimous consent to have this report about General Sheehan's speech printed in the RECORD, the article from Inside the Pentagon.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From Inside the Pentagon, June 13, 1996]

ATLANTIC COMMANDER CRITICIZES PROFUSION OF STAFF ORGANIZATIONS

(By Douglas Berenson)

Marine Corps Gen. John Sheehan, commander-in-chief of the U.S. Atlantic Command; last week decried the profusion of staff organizations within the Department of Defense, arguing they consume too many personnel and resources, and therefore put at risk already strained force structure. Sheehan, who has previously targeted the top-heavy command structure of the NATO alliance (Inside the Pentagon, Sept. 21, 1995, pl), offered his remarks at a June 6 breakfast hosted by the Association of the U.S. Army's Institute for Land Warfare.

"There is a debate that's being formed right now, where the only sides are in the debate [are] modernization versus force structure. My argument says we ought to take a very serious top-down look at the overhead costs of doing business. Why do we have so many headquarters? Of what value are they?" Sheehan asked.

Sheehan noted that within the Department of Defense, there are 199 staff organizations of two-star level of above, a number that has not changed since 1989. As an example, he cited the fact that the U.S. Army in Europe has 23 staff echelons to command 65,000 soldiers. He said that U.S. Southern Command offered another example of a top-heavy organization. "Why is it, for example, that you have SOUTHCOM [with] 770 officers commanding less than 4,000 men?" he wondered.

He argued that these bloated staff organizations have created a demand for personnel that can starve warfighting units into hollowness. "Why is it that the Bradley fighting vehicle spends so much time in gunnery when you go into the field? Why is it you don't spend more time in the integration of operations of the rifle unit coming out the back [of the Bradley]? It's because of this process," Sheehan said, noting that Bradley infantry squads are often fielded at lower than their optimum strength.

Sheehan argued that the "tooth-to-tail" ratio has become badly skewed against the warfighter, such that, "we field in the entire Army 125,000 killers." The rest of the force is made up of support and staff personnel, he said. Sheehan warned that the staff noncommissioned officer corps is being decimated, and that as the services focus on freeing up money to spend on force modernization, they are "forcing great people out of the system."

Sheehan noted that Army Chief of Staff Gen. Dennis Reimer has been working to streamline the Army's structure in response to these problems. "Dennis Reimer has to be allowed to go after the European staff structure. He has got to be allowed to go after the SOUTHCOM staff structure and take some of that staff structure out to keep combat capability."

Sheehan warned that "the next organization to go is the 2nd ACR [Armored Cavalry Regiment]. That would be a travesty. We need light, mobile attack type forces with a protected gun system for the battlefield of the future."

"Nobody likes to cut their own staff," Sheehan observed, quipping, "I've never seen a butcher hand a pig a cleaver and say, 'Go make pork chops.'"

Sheehan appealed to the assembled audience to help find technical solutions to the problem of swollen staff organizations. What is needed, he said, are systems that can help reduce the overhead costs for commanding large forces. "With all this technology and smarts running around, why aren't we more efficient?"

As he has in the past, Sheehan levelled similar criticism against the NATO command structure. In addition to his responsibilities as U.S. Atlantic Command chief, Sheehan serves simultaneously as Supreme Allied Commander of NATO's Atlantic Command. "As a major NATO commander, my main complaint against my NATO allies is that many of these countries took their force structure out and took a peace dividend without reinvesting in the future. [But] they didn't take the overhead out . . .

"There are still 65 NATO headquarters, with over 21,000 staff officers sitting around doing paperwork," Sheehan continued. "That's more staff officers than two NATO nations have land forces. And so you ask yourself, of $1.79 billion we invest in NATO on a burdensharing basis, why is $800 million of that just in infrastructure?"

Mr. GRASSLEY. Mr. President, I yield the floor and reserve the balance of my time. I inquire of the amount of time I have left versus the amount of time that the opposition has.

The PRESIDING OFFICER. The Senator has 6 minutes, 24 seconds. The opposition has 9 minutes, 10 seconds.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that Dan Ciechanowski, a fellow with Senator KYL, be granted floor privileges for the duration of the consideration of the DOD authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that the vote occur on or in relation to the Grassley amendment No. 4047 at 5:30 p.m., and following the conclusion or yielding back of time the amendment be laid aside until 5:30 p.m. this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I yield back the balance of my time on my amendment.

Mr. THURMOND. Mr. President, I yield back my time.

The PRESIDING OFFICER. The amendment is laid aside until 5:30.

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. DORGAN. Mr. President, I ask unanimous consent that Delila Lacevic be accorded the privileges of the floor during the pendency of the defense authorization bill. She is employed with the Center for Democracy and is working as a staff fellow in my office.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I rise to offer an amendment on my behalf and on behalf of Senators LEAHY, HARKIN, and BUMPERS.

AMENDMENT NO. 4048

(Purpose: To reduce to the level requested by the President the amount authorized to be appropriated for research, development, test, and evaluation for national missile defense)

Mr. DORGAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. LEAHY, Mr. HARKIN, and Mr. BUMPERS, proposes an amendment numbered 4048.

On Page 31, strike out line 2 and insert in lieu thereof the following:

"$9,362,542,000, of which—

"(A) $508,437,000 is authorized for national missile defense;".

Mr. DORGAN. Mr. President, if I could have the attention of the Senate.

The PRESIDING OFFICER. The Senate will come to order.

Mr. DORGAN. Mr. President, I am offering an amendment that would reduce, by $300 million, the amount of money authorized in this piece of legislation for national missile defense.

For those who do not know much about this process and have not been involved in the lexicon of Defense issues, the national missile defense, or Defend America, or antiballistic missile system, or Star Wars, all relates to a system that some say is needed to be built in order to defend America against incoming attacks from missiles launched by a potential adversary, ICBM's that would be launched by a rogue nation, or ICBM's that are launched accidentally. All of these are described as threats to our country, and it is proposed by a number of Members of the Congress, and others, that we should build a defense system against them.

Now, if I were to provide a chart to the Senate that showed an array of the threats against our country, the threats would range all over the board. The threats against our country would be, for example: A terrorist who fills a rental truck with a fertilizer bomb and drives it in front of a courthouse or Federal building in Oklahoma and murders scores and scores of American citizens. A threat against our country might be not a fertilizer bomb in a rental truck, but perhaps a small glass vial of the deadliest biological agents known to mankind, placed in a subway strategically, killing thousands and thousands of people. A threat to our country perhaps would be a suitcase bomb, or a nuclear device no bigger than the size of a suitcase put in the trunk of a Yugo car and left at a dock in New York City to hold hostage an entire city. Another threat might be a nuclear device on the tip of an incoming cruise missile launched by air, ground, or sea, by a potential adversary. Another threat might be a full-scale nuclear attack by an adversary, with dozens or scores of incoming missiles, ICBM's, or cruise missiles for that matter. Another threat might be that some rogue nation, some international outlaw on the scene, gets ahold of an ICBM and launches one intercontinental ballistic missile at our country tipped with a nuclear warhead. Or another might be simply an accidental launch of someone who possesses an ICBM with a nuclear warhead.

All of these are potential threats to our country. They are not new threats. These threats have existed for some long while. In fact, a much greater threat existed some years ago than the ones I have just described, and the greater threat was hundreds and hundreds and hundreds of missiles in the ground, in silos, armed with multiple warheads, aimed at American cities, aimed at American military targets, all poised and ready to be fired by a potential adversary called the Soviet Union.

The Soviet Union does not exist any longer. The Soviet Union was fractured into a series of independent states—the Ukraine, Russia, and others—in which there were missiles with nuclear warheads targeted at the United States. But a series of arms control agreements with the old Soviet Union, and now with the independent states, has changed that much larger threat. It has not erased the threat, but it has changed the much larger threat. Arms control agreements now mean that Soviet missiles that used to be aimed at our country in many cases no longer exist.

Mr. President, I showed this piece of metal on a previous occasion. I ask unanimous consent that I be allowed to show it to my colleagues again.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, this is a piece from a hinge on the massive door that covered missile silo No. 110, in Pervomaysk, Ukraine. This comes from a silo that housed an SS–19, which had half a dozen warheads aimed at the United States of America. Each of those warheads had a yield of 550 kilotons each, 20 times the power of the atomic bomb dropped on Hiroshima.

I want to show my colleagues a chart that describes something that I think is quite remarkable. This is that missile site, which housed missile No. 110. On June 5 of this year, this photo shows the Ukrainian Defense Minister Shmarov on the left and his U.S. counterpart, Secretary Perry, watering sunflowers planted in the ground where there use to be a Soviet intercontinental ballistic missile. In other words, it is where there previously existed a missile with nuclear warheads aimed at America, and there now are sunflowers growing. The silo is gone, the missile is gone, and there are sunflowers.

How did this happen? Was this a magic act? Was Harry Houdini involved? No. This happened through a great deal of diligent, hard work. Some of it was here in the Senate, which approved the arms control agreements that were negotiated between the United States and the Soviet Union. Substantial credit, in my judgment, should go to Senators LUGAR and NUNN, who worked to create the Cooperative Threat Reduction program, which funds the dismantling of nuclear weapons in the former Soviet states. The Soviets, the Russians and Ukrainians now, began destroying nuclear weapons.

That destruction of nuclear weapons means that one way to protect America is to destroy a foreign missile before it leaves the silo; destroy the missile before it leaves the silo. This chart shows what happened. There used to be a missile. Now there are sunflowers. What a wonderful thing for humankind—that a missile that used to be aimed at us is now gone. This bit of hinge does not exist as a functional piece of some kind of nuclear threat against the United States. It is not just missiles that Senator LUGAR and Senator NUNN have through their initiative in the U.S. Senate helped to destroy. Here is a picture of Soviet workers sawing off the wings of Soviet long-range bombers. This is success. Arms control agreements have worked. They have substantially reduced the nuclear threat. We are today every day seeing in the old Soviet Union—now Russia, Ukraine, and Kazakhstan—missiles being destroyed, bombers being destroyed, and the world is a safer place as a result.

Some would come to the floor of the Senate and say, "None of this matters very much." The hundreds of ICBM's that are now gone do not matter much. The fact that the President of Ukraine announced that his country, which had previously housed thousands of nuclear warheads, is now nuclear free; no nuclear warheads in the Ukraine is quite a remarkable thing. Some would come to the floor of the Senate, and say, "That does not mean much. What we need to do is begin a new arms race. We need an America to begin building on an expedited basis with expedited deployment a National Missile Defense Program. And we insist on doing it in a way that would make it a multiple-site system, in a way that would provide that it has a space-based component," both of which would jeopardize the arms control agreements we currently have. And they say, "Well, if we jeopardize those arms control agreements, so be it. We will force the other parties to renegotiate."

I am not coming to the floor of the Senate saying that research and development on missile defense programs are not relevant or unworthy. I have supported them in the past. I support them today. The administration requested $508 million in this bill for research and development on national missile defense systems and programs.

In fact, if taxpayers are interested we have spent $98 billion on strategic and theater missile defense programs; $98 billion. The most recent proposal that was brought to the Senate for its consideration, the Congressional Budget Office says, will cost anywhere between $30 billion and $60 billion to construct without regard to the cost of its operation. That is what it will cost simply to build on an expedited basis the kind of national missile defense that was called the Defend America Program that the sponsors envision.

I support the recommendation of the Pentagon to spend $508 million for research and development of a national missile defense system. What I do not support is the Congress saying, "Pentagon, you do not know what you are talking about. We insist on adding $300 million more."

Let me read a comment from the Vice Chiefs of Staff in the Joint Requirements Oversight Council. It says:

> The Joint Requirements Oversight Council believes that with the current projected ballistic missile threat, which shows Russia and China as the only countries able to field a threat against the U.S. homeland, the funding level for national missile defense should be no more than $500 million a year through the Future Years Defense Plan.

That is what the Joint Requirements Oversight Council says. One might argue they are not experts. I do not know how one could credibly argue that. They are the Vice Chiefs of Staff of our Armed Services. But one could make that case and try to make that point. These are the people who ought to know, in my judgment.

General Shalikashvili in a letter to Senator NUNN says the following:

> Efforts which suggest changes to or withdrawal from the ABM Treaty may jeopardize Russia's ratification of START II, and could prompt Russia to withdraw from START I.

These are the arms control agreements that resulted in taking these missiles and warheads out of the ground and reducing the threat posed to the United States of America.

General Shalikashvili says the following. He says:

> I am concerned that failure of either START initiative will result in Russian retention of hundreds or even thousands more nuclear weapons thereby increasing both the cost and the risks that we face.

We will hear no doubt, especially when the Defend America Act comes back to the Senate, if it does—and I cast a vote on that recently. This was a bill to potentially require $30 to $60 billion of expenditure on the part of the taxpayers—just to build, not to operate. It is not the right way in my judgment to do it. But that was the vote we had. Of course, I voted against cloture because, if we are going to have a debate on this, there ought to be a debate. There ought to be a thorough and lengthy debate. It is of substantial importance for this country, its foreign policy, its defense policy, and certainly for the taxpayers.

We will no doubt have comments made here—I do not intend to address these at the moment, although I would be happy to come back and do so—that reflect the comments we heard last year during the same debate. We will have maps put up talking about the threat that North Korea could pose to Alaska, or the threat that some other rogue nation would pose to Hawaii. Those statements are not justified by the facts. Those are not threats that are currently justified by information given by this country's intelligence community.

It seems to me that we ought to worry a bit about how we are spending money, for what purpose we are spending money, and where we are going to get the money. This $300 million is the first incremental first step on a long staircase. And we had a quote from Senator Dole at a press conference. The question was asked where the money was going to come from. "Senator, how much do you think this is going to cost, and where is that money going to come from?"

The answer: "Well, I'll leave that up to the experts."

The experts are not going to pay the bill. The taxpayer will pay this bill—$300 million this year, a long step on a long staircase leading up to the Congressional Budget Office suggesting as much as $60 billion.

In the main, this is a security issue. I accept that and agree to debate it on that premise. But it is also an issue that combines the question of security with the question of, "What is it going to cost?" Well, it is reasonable to ask: How much did we spend, and how much are we going to spend to get a system? What kind of protection will it provide us?

In North Dakota, we have some experience with this. We have in my State the only antiballistic missile system that was ever built in the free world. In today's dollars, they have spent about

$26 billion. It looks a little like this. It is a big concrete pyramid. It was incidentally mothballed in the same year that it was declared operational. That was built in the early 1970's with billions of taxpayers' money spent.

I mentioned that somewhere between $96 and $98 billion was spent in the aggregate in pursuit of missile defense technology. I also said I am not opposed to spending all of the money but that I am opposed to this rush to add extra money to this defense authorization bill. And I will be opposed to adding the money to the appropriations bill as well—to demand that we have accelerated deployment in a system that we are told will cost up to $60 billion, and the accelerated deployment must be combined with a multisite system, and a space-based system that, in my judgment, will jeopardize most of our arms control agreements, agreements that I think are critically important to this country.

I would say this to my friends who support this—and I have great respect for many who will stand up and support this aggressively: Senator KYL has in the past, Senator INHOFE and others. I suspect the Senator from Virginia will weigh in on this subject. I have great respect for their views, but I do believe this. You have to make the case that spending this extra money is critically necessary for our defense. I do not think that case can be made, No. 1. And, No. 2, you also ought to make the case, given what we have talked about—the danger of the Federal deficits and who is for more spending and who is for less spending—you also ought to make the case, who is going to pay for this? Where is the $60 billion going to come from?

This bill contains the first small increment of $300 million, which may not seem like a lot of money to some but I think is a whole lot of money for the American taxpayers to shell out when they do not need to shell it out. This is a proposal that we do not need, a proposal that we cannot afford, a proposal the Pentagon says it does not want, and a proposal this country should not adopt. It defies common sense for this Congress to say to General Shalikashvili: It does not matter what you think; it does not matter what you say about arms control agreements; it does not matter how much you want to spend. We demand you spend more on this because we believe this ought to be built on an accelerated basis.

I say you have to make the case that that be done first, and I do not think the case can be made. And second, as you make that case, if you think you can make the case, tell us, who are you going to get to pay for this? Which taxes are you going to raise to get $60 billion?

Mr. President, I indicated previously we will no doubt have comments from those who say there is a direct threat to some States in our country from this, that, or the other approach. I began speaking about the array of threats to our country and let me end with the same notion. If we are concerned about the principal threats to our country, it seems to me somewhere back on the far side of the range of threats that are likely would be that a Mu'ammar Qadhafi acquires through some magic an intercontinental ballistic missile that he is able to launch complete with a nuclear warhead destined for some American city. That is one of the least likely threats.

Far more likely a threat is an international rogue, some international bandit on the scene who is more likely to acquire a dozen other devices, including, if you are talking missiles, a much more easily acquired missile such as a cruise missile, easier to acquire and easier perhaps to operate. It is much more likely that we will find a threat other than that which they are going to build the national missile defense system to protect our country against. Should our country be unprotected? No. We have always had protection with this understanding: every missile launched against our country has a return address. Every missile launched against America has a return address because we know who launches it. We see all launches in this world through our satellites. Should any country, any rogue nation, any adversary be foolish enough to launch a missile with a warhead against this country, that country will cease to exist quickly. Our defense and our deterrent has always been our ability to let everyone in this world understand you launch a nuclear weapon against our country, and our nuclear arsenal, the most capable in the world, will erase from the face of the Earth those with that kind of judgment.

That nuclear arsenal still exists, and I hope that we will support the amendment to reduce the $300 million. We will still be left with $508 million, which is a substantial amount of money, for research and development, but we will have sent a signal that we do not want to begin climbing the first step on a stairway to a $60 billion expenditure, the justification for which has not and in my judgment cannot be made at this point in this Chamber.

(Mr. ABRAHAM assumed the chair.)

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. DORGAN. I would be pleased to yield.

Mr. WARNER. I have followed very carefully his points here. As a matter of fact, it is basically a recitation—and I say this most respectfully—of the points the Senator made last year. The Senator has been consistent in his message. But I was taken by his closing remarks of the history of the relationship between those nations possessing intercontinental systems and how our planet has thus far avoided any confrontation.

This is a subject that I have been dealing with since 1969 when I went to the Department of the Navy, I do not want to calculate how many years ago. But the Senator is absolutely right; it was the deterrence that prevented any confrontation between the former Soviet Union and the United States of America. It was the doctrine of mass destruction, mutual massive destruction. But we were dealing in those days, despite our antipathy toward communism, with governments, with military organizations that were able to grasp the reality of mutual assured destruction and had a very tight command and control over every single one of those sites.

I should say that in the many years I followed this, having served on the Intelligence Committee, there were isolated incidents where there was alcohol involved on a site here and there. We saw the occasional reports. But, fortunately, the command and control was exercised so as to eliminate what I personally regard as the prime reason for this expenditure, the accidental or unintentional firing.

In the former Soviet Union, the rocket forces were the elite. Only the finest men and, I suppose in some instances, women were put into those units. We did not have in those days the risk that I think is present today of the accidental or unintentional firing.

Quite apart from the dollars and cents—and we could debate on into the night as to what the estimates are to build the system and the time in which it is to be done, but I cannot look into the faces of my fellow Americans and say that there is any budget or any calculation which would induce me not to support this given the horrific damage from a single accidental firing of an ICBM against a major city. Take whatever you want as the budget to build this system. If you hit on 57th and 5th Avenue in New York City, it would be billions and billions of dollars in property damage and incalculable lives.

Mr. DORGAN. Mr. President, I wonder if the Senator is warming up to a question.

Mr. WARNER. I am sort of on a roll here, and I rather enjoy it, but my point is, what is your concept of a single accidental firing, a risk present today that was not present during the height of the cold war? That is essentially the purpose of this system.

Mr. DORGAN. The Senator asks a good question, and I understand it well because he set it up quite well. I say to the Senator, you describe this in the context of a rogue nation or an international terrorist who gets hold of one missile and launches one missile against the United States. I contend that it is far more likely that an international terrorist would get hold of a suitcase and put it in a rusty Yugo on the dock in New York City than be able to find an ICBM and launch an ICBM at the United States. The point I made at the start of my discussion is you have an array of threats against our country. The one you describe is a threat, there is no question about that.

Let me give you another one. How about——

Mr. WARNER. Mr. President, if the Senator will——

Mr. DORGAN. Let me give you a threat.

Mr. WARNER. I am ready to concede that you are correct. It may well be the suitcase——

Mr. DORGAN. Let me continue before you concede. You are conceding a small part. Let us assume a captain of a Typhoon submarine goes half wacko somewhere out in the ocean and launches the entire supply of warheads on that submarine, which is 200 warheads, ICBM's, sea-launched ICBM's against this country. That is a rogue threat. There is nothing proposed by anyone, that I am aware of, nothing under any condition or any system or any bizarre scheme I am aware of that is going to protect this country against that large a threat, is that correct?

Mr. WARNER. Mr. President, the Senator is correct. We do not have anything and that is in the realm of risk. I think farther down the scale than the single isolated incident is either in Russia or, indeed, North Korea—they are rapidly approaching the potential, with their Taepo Dong missile, which could reach Hawaii or Alaska.

My point is the Senator is correct. There is a risk from the suitcase. There is a risk from a berserk crew on a Typhoon submarine. And there is a risk associated with the accidental firing of a single, or perhaps two missiles against the United States.

But the fact that we have a number of risks does not eliminate the responsibility of every Member of this Chamber to apply, diligently, every resource we have in this country to stop these risks.

Mr. DORGAN. I would say this to the Senator, I fully accept the responsibility of doing the research and development on a missile program, a national missile defense program of some type for which there is, in this bill, $508 million—plus $300 million added by the committee, saying $508 million is not enough, we want to add $300 million more. I respect the obligation to be doing the research and development to be available and to be ready to deploy a system if it becomes certain that we need this system and conceivable we can build it in a cost-effective way. I am ready to do that.

But what I am saying to the Senator is this. If you come to us with proposals that the Defense Department says threaten to undermine the arms control treaties that now exist that result in destroying the missiles in the ground—all the missiles are out of the Ukraine at this point.

The fact is today—I know the Senator knows this because we have people on both sides of the aisle who have engineered this, and I would say the Senator has been instrumental in a number of these areas in helping this along—we are seeing adversaries' missiles now being destroyed, sawed in half, cut up. It seems to me you would agree that the very best way to destroy a potential adversary's missile is to destroy it before it leaves the ground. If you propose a national missile defense system that threatens the underpinnings of our arms control agreements, it seems to me what you have done is add to the arsenal of weapons that are potentially going to be weapons against us.

So I am willing to walk down the road, to talk about threats and how one responds to them. I am not willing, under any circumstances, not any, to do anything that I think starts to take apart the arms control agreements. It is not just me that says that. It is the Chairman of the Joint Chiefs of Staff and others who say this threatens to destroy the foundation of these arms control agreements.

Once you start to do that you are not dealing with little rogue threats out there. You are not dealing with some international nut case who manages to find some ICBM and then manages to find a nuclear tip to put on the top of it. Then you are dealing with the questions of hundreds, perhaps thousands of additional weapons and launchers that will be retained when they should in fact have been destroyed, because we were trying to enter into arms control agreements that really do accomplish a reduction in the threat.

So, I hope—I have taken some time, but I hope the Senator understands. I am not opposed to research and development. I am opposed to adding, on top of that, money that means we will run off and buy and build and damn the consequences. I would listen to some very thoughtful people who say you are going to injure the opportunities we have had in the past and will have in the future, as a result of the arms control agreements. That is my major concern.

Mr. WARNER. Mr. President, I would like to reply. Let us say that the Senator and I have a disagreement on the arms control issue. I firmly believe that we can resolve with Russia any apprehension that they may have with respect to the development of this system in a manner that will pose a threat to them. As a matter of fact, I would argue it is in their interests that we have such a system because, should a missile be fired we could have some errors on our side, thinking a strike had been launched against us and suddenly trigger something against Russia.

But let us say we have a disagreement on arms control. But how does the Senator from North Dakota answer the question: We have no arms control with China, yet they have the capability of an accidental firing. We have no arms control with North Korea, yet they are within 3 or 4 years of having a missile that could hit two of our States. What does the Senator say to those arguments?

Mr. DORGAN. The entire philosophy of arms control is to reduce the stock of nuclear arms and launchers and devices to deliver arms that now exists and to try very hard to work on the issue of nonproliferation of nuclear arms. We must do a better job of that.

Do you know why? Because I think people are all too interested in going off and building things. The efforts at nonproliferation are not very sexy. It is not an area that produces the same kind of thing that a building project does. A building project, you pour concrete and get something that you can see and everybody can say, "Look what we have." We ought to, in our country, it seems to me, take seriously this issue of who has and who is going to have nuclear weapons and pose a threat in the future.

If the Senator says it matters with respect to China, yes, it does. Sure it matters. It matters with respect to North Korea, yes. It also matters with respect to what our intelligence community tells us about the capabilities of these countries, No. 1. I will be happy to put that in the RECORD, because we are at odds on that issue.

But, second, it matters very much, it seems to me—it matters very much that this country behave in a way that recognizes it is in our interests to have fewer nuclear weapons in the world. And our arms control agreements, as deficient as they might be—some would want them much more aggressive—have started the process of doing what you and I might have thought unthinkable not too long ago.

The Senator was in the Chamber when I showed this chart. I want to show it again, because I suspect 8, 10 years ago, no one would have believed this. Ten years ago would anyone have believed that the Secretary of Defense and the Defense Minister of the Ukraine would be planting sunflowers on ground where there was planted an SS-19 aimed at the United States of America?

Mr. WARNER. I say to my good friend, Secretary Perry came and met with members of the Armed Services Committee at a breakfast hosted by the distinguished chairman, Chairman THURMOND, this morning, and recounted the very incident portrayed by this picture. We concede all that.

But I would like to come back to this issue. You stress arms control. We have a disagreement on that. Come back to China. We have no arms control—do you not agree they have the capability today of a missile system that could hit Alaska and could hit Hawaii, and that there could be an accidental or rogue firing in that nation? Just witness what happened in connection with the Straits of Taiwan here just several months ago, when we saw what in my judgment were actions by China, presumably under tight command and control, where those actions were in defiance of what I call responsible conduct by major nations in this hemisphere.

Let us go back. Let us see if we can narrow debate. They have the system, am I not correct?

Mr. DORGAN. Let me ask the Senator, since he has raised the question of China, does the Senator know approximately the estimate of how many ICBM's the Chinese possess?

Mr. WARNER. I do, but I am not sure it is a matter we should bring out in public at this time.

Mr. DORGAN. Does anyone know whether that is classified information?

Mr. WARNER. Let us just concede that we know they have them. I do not know the number—I do know it but I am not sure—let us just assume that they have a system. I think you and I can agree on that.

Mr. DORGAN. Does the Senator also agree that, should any nation——

Mr. THURMOND. Mr. President, I wonder if the Senator will just let us take a voice vote on the Grassley amendment?

Mr. DORGAN. I will be happy to.

Mr. THURMOND. Mr. President, notwithstanding the previous unanimous-consent request, I ask unanimous consent that we resume consideration of the Grassley amendment. I understand Senator GRASSLEY has agreed to have the amendment voted on by a voice vote. I understand there is no further debate on this question.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 4047

The PRESIDING OFFICER. The Senate will vote on amendment No. 4047 of the Senator from Iowa. The question is on agreeing to the amendment.

The amendment (No. 4047) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, I want to make certain the RECORD shows the Senator from Virginia voted in the negative by voice vote.

The PRESIDING OFFICER. The RECORD will so reflect.

AMENDMENT NO. 4048

Mr. WARNER. Parliamentary inquiry, are we now returning to the colloquy?

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. WARNER. And the distinguished Senator was about to pose a question.

Mr. DORGAN. I was about to ask the question, if the Senator agreed with me, if a rogue nation—China, I suppose, would not be in the definition of "rogue nation" here; China is a trading partner of ours.

Mr. WARNER. Mr. President, it depends on the day of the week. They do have some actions——

Mr. DORGAN. Normally, those who refer to rogue nations or international outlaw leaders have three or four in mind. Now, the Senator raises——

Mr. WARNER. You are correct, China should not be put in the same category as the generic term "rogue nation." I am talking about the accidental, unintentional firing.

Mr. DORGAN. I understand. The Chinese have, as you know, without discussing it, very few intercontinental ballistic missiles. The Senator raises the question of the potential of a country with intercontinental ballistic missiles launching an attack against the United States.

The question I want to ask is, does the Senator agree with me that there cannot be an intercontinental ballistic missile launched without a return address; we will know instantly where it is launched from?

Mr. WARNER. Mr. President, the Senator is correct in that.

Mr. DORGAN. If the launching of an intercontinental ballistic missile means this country immediately knows where that launching took place, is it reasonable to expect, if they attack the United States, they would expect a response that would annihilate the country sending the missile? The point is, that has been a deterrence that has been around for sometime. I thought the Senator was really talking about a real outlaw, nut leader someplace out there in space, and now he has raised the question of China.

Mr. WARNER. Mr. President, for the purpose of this debate, there are really only two nations which possess intercontinental systems that can strike the United States, and that is Russia and China. China has a system which can reach not only two States, Alaska and Hawaii, but, indeed, we have reason to believe that it could reach the central parts of the mainland United States. For the record, I am not talking about an organized command and control attack on the United States by China. I am talking about the accidental firing, the unintentional—perhaps in a training mission—firing of a live missile, either from Russia or China. Should not we have the bare minimum capability in this country to defend against a single or perhaps two or three missiles being fired?

I say yes. Our difference is the schedule on which it is to be built. You have reasons to believe that $500 million is enough. I feel strongly, as does the committee, that $800 million is the required amount to keep the research and development at the most expeditious pace, such as a President can make the decision with regard to deployment.

Mr. DORGAN. The Senator has narrowed this interestingly. So let me ask this question. The Air Force has proposed a system that they say is a minimal cost system to respond to exactly what you are talking about: one isolated case of one intercontinental ballistic missile, perhaps with one warhead, being launched accidentally or deliberately at someplace in this country.

There is a plan floating around that they say will cost $2 billion, $2.5 billion to defend against that, not to give us a defense that is not impenetrable, but one that gives a reasonable certainty of stopping that limited threat.

I ask the Senator, is that what the Senator would support and would that be sufficient?

Mr. WARNER. This Senator is in favor of supporting a system that could perhaps interdict up to 10, 12, 15, maybe as many as 20, certainly not an exchange as was practical, that potentially could have occurred between the former Soviet Union and the United States. China's total arsenal we have agreed we should not discuss here, but it has numbers that could approximate those amounts of exchange. That is not an accidental firing in reality or unintentional to send 10 or 20 missiles. Nevertheless, the system should be built to cope with it.

Mr. DORGAN. If I understand your response, you are not proposing then a system that would in any way protect this country against a lunatic *Typhoon* submarine captain who launches 200 warheads from a *Typhoon* submarine against this country? You are not proposing a system that protects us against that?

Mr. WARNER. Mr. President, the system that I have in mind could limit the damage. Now, whether it could deal with all 20 missiles fired——

Mr. DORGAN. Two hundred warheads.

Mr. WARNER. I am not prepared to give you an answer.

Mr. DORGAN. Two hundred warheads.

Mr. WARNER. If you interdict the missile, you get 10 warheads.

Mr. DORGAN. It depends on when you interdict the launcher. But my point was, I guess most people would say you are not proposing a system that could respond to that threat. So, again, on the scale of threats, you have some you respond to, some you do not. Look, I would not support a penny for research and development if I did not think it is reasonable for us to be trying to figure out what are the threats and what is a reasonable approach to begin thinking about them and planning to meet them when they become sufficiently real that the intelligence community says this country needs to do something about those threats.

The Senator knows, and we have said before in this debate, that the intelligence community in this country does not concur that this is the time to do what is being proposed we do. The Defense Department tells us that it will undercut the arms control agreements and launch us into an orbit to spend an enormous amount of money against a system that the Senator now concedes will not respond to the more aggressive or robust threats.

Mr. WARNER. Well, Mr. President, all I can say is that what we envision is a limited system to deal with the accidental or unintentional firing. I am not prepared, nor any of us are really prepared, to give you precise numbers, whether it could interdict the entire load of a *Typhoon*. It depends on when interdiction takes place, whether there is warhead separation. There are a lot of factors that deal with it.

I want to also put in the RECORD, I respect your arguments about the suitcase. Fortunately, I think technology is not quite at the point where that is the highest risk now, but we have in place a number of systems to deter and, indeed, interdict the suitcase. It is just my concern we have nothing—nothing—in place to interdict the stray two or three missiles that could be accidentally fired or a terrorist firing against our Nation.

That is the direction in which this Senator wants to move as expeditiously as possible. And we have O'Neill, who was the prior head—he just resigned—of the BMD office, who said $800 million is the figure. I happen to agree with him. You happen to disagree. Therein, I think, we framed the argument.

Mr. DORGAN. You say $800 million. Let me make just a couple additional points. Again, I respect very much the Senator from Virginia. I have admired his work for a long while. We disagree from time to time on things. We disagree on this. I, nonetheless, think he contributes a great deal to defense policy.

This little pager that I use is about the size, I am told, of the device that brought down the Pan Am flight by a terrorist planting a device this size on the Pan Am 747 which crashed in Lockerbie, Scotland. That was a terrible attack. We know what the terrorist attack was with a rental truck in Oklahoma City. We know of many terrorist accidents. We know of the deadly chemical agent attack in Japan on the subway. We know of the bombing of the World Trade Center by terrorists.

The Senator raises the question, what about the ultimate terrorist act of a terrorist getting ahold of, not a suitcase, not a Yugo, but an ICBM, not a cruise, an ICBM missile, and tipping it with a nuclear warhead and launching it against our country?

Again, I will say to the Senator, there is a prospect advanced by one of the services that they say would cost $2 billion that would use existing technology to provide a defense against a very limited, isolated, single missile kind of rogue nation or accidental launch. That proposal does exist.

The Senator and I may not have much disagreement if he said, let us take the limited option at minimum dollars and provide the protection against that threat that he has just described in some detail. I am not sure we would have much disagreement about that.

That is not what is being proposed, as the Senator knows. What is being proposed is a robust system, multiple sites, space-based components, accelerated deployment. That is a much, much different, much more expensive and much more extensive proposal than what we are discussing.

So again I say, if the isolated circumstances that the Senator describes were met by a $2 billion system, which one branch of the service has given me a detailed briefing on, I do not know that we would have a big disagreement. But what we are talking about here—and I believe the Senator in his heart knows we are talking about—is the potential of $60 billion over the years to build a much more capable system, at the end of which we will not have addressed the threat of a robust attack against this country.

I worry that if we spend that money, we may develop the circumstance of saying to the American people, we now have a missile defense system we have spent $60 billion for, just to build, not to operate, and then someone says, "What if somebody launches 50 missiles against us?" We say, "Well, we're sorry about that. We're not going to be able to deal with that."

If we are talking threat, let us respond to the most aggressive threats first. Let us do the things that are necessary to do research and development on national missile defense.

I notice my friend from Oklahoma is now on the floor. I mentioned earlier he is someone who has an interest on this subject. I mentioned him in a kindly way.

But I just believe that to rush off and commit $300 million above what General Shalikashvili recommends, Secretary Perry and others recommend as is prudent and wise, given our circumstances and arms control, and other needs, I think that is not in this country's interests. So I appreciate the colloquy the Senator and I have had.

Mr. WARNER. I shall yield the floor momentarily. I have enjoyed the colloquy. But let us make it clear, this additional $300 million by the Armed Services Committee was for the purpose of the ground system. And it is our collective judgment that that amount of money is needed to keep an aggressive R&D going.

I strongly support it. And $300 million is not specifically earmarked for any system. It in fact is the BMD's program that they have at the moment. We have disagreements as to the total cost. That is clear. But I think we isolated this to be a debate between two individuals who feel equally strongly from their various perspectives.

I think we owe it to the American public to do everything we can to put in place such systems to deter against a suitcase, to deter against the *Typhoon* suddenly coming up and firing its whole load. But I see this as a risk, which I think is far greater, the accidental firing of a single or a double, by either a terrorist or someone who comes in and seizes an installation in China or Russia, some group, band, who goes in and seizes it and fires it somehow. That is what I want to stop.

Mr. DORGAN. If the Senator would yield on that point.

Mr. WARNER. Yes.

Mr. DORGAN. I encourage the Senator to receive the briefing, if he has not yet, on the planning that has been done by the Air Force for a minimal system at minimum cost to address exactly that circumstance.

Mr. WARNER. Mr. President, I have gotten that briefing. I am just not sure that that is a sufficiently robust system to meet the requirements as I see them.

Mr. President, there are other Senators anxious to speak. I thank the Senator. I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I will make some remarks with regard to the matter at hand, and the general feeling that I have with regard to the bill.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. EXON. Did my colleague from South Carolina wish to make some kind of a point? I have been recognized. I would be glad to yield to him.

Mr. THURMOND. Mr. President, we have been debating this amendment now for over an hour. I just wanted the Senator from North Dakota to consider entering into a time agreement on his amendment at this time.

Mr. EXON. The Senator from South Carolina had a question for the Senator from North Dakota.

Mr. THURMOND. I wonder if the Senator would agree to a time agreement on this amendment.

Mr. DORGAN. I have no intention of delaying the vote. There are a number of Senators who do want to speak briefly.

Mr. THURMOND. What is a time the Senator would wish to suggest?

Mr. DORGAN. Senator CONRAD from North Dakota wants to speak and Senator EXON wishes to speak.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. All the Senator from Nebraska is attempting to do is move things along. If an agreement is reached with regard to a time agreement, I will certainly yield to the managers of the bill and the Senator from North Dakota to make that statement. In the meantime, I would like to proceed with the statement I have regarding the bill.

Mr. President, the Senator from South Carolina, the distinguished chairman of the Armed Services Committee, is a very, very dear friend of mine. He does an excellent job and has as long as this Senator has been in the U.S. Senate. He works very well with Senator NUNN, the ranking member of the committee. They have worked very hard on this defense authorization bill that this Senator supported when it came out of the Armed Services Committee. But at that time I sent a first signal that I would be attempting to make some changes to improve the bill in several areas that I thought needed attention.

I will simply say to my good friend from South Carolina, that he has made noble efforts in the committee. We had thorough discussion on a lot of these issues that we are going to be taking up in the form of amendments now that the bill is on the floor, which I think is entirely proper.

What this Senator has been attempting to do since this bill came out of the authorization committee, and as late as this morning—as referenced by my distinguished friend and colleague from Virginia, we met with the Secretary of Defense—what I am trying to do is, as much as possible, make this defense authorization bill vetoproof.

In other words, if we can accommodate some of the wishes of the President of the United States, the Secretary of Defense and others, that have key roles to play in what happens to the authorization bill that we will eventually pass here, it is to make it as acceptable as possible to reach some compromises on several things where I think there should be compromises, make it somewhat more acceptable to the Clinton administration, and then we will have accomplished something rather than passing a defense authorization bill that will end up dead in the water in the form of a veto.

So the comments that I am now about to make are designed, as best I can design them, to try to reach a compromise, a compromise, if you will, up front in the process of the Senate working its will on the defense authorization bill, and hopefully have a bill that will mean something.

Mr. President, the defense authorization bill before the Senate is a rather rare piece of legislation, one might say. It is one of the few spending or authorization bills for the next year receiving a sizable increase—I repeat, a sizable increase—above the administration's request.

To be specific, at $267 billion, the 1997 defense authorization bill dwarfs—dwarfs—Mr. President, any other discretionary spending program in the Federal budget. Like an out of shape prizefighter, it enters the ring $13 billion overweight from the position of the President of the United States.

Having been overfed by the majority of the Senate Armed Services Committee—and I hope we can at least partially correct that—the quarter of a trillion-dollar defense bill before the Senate is not just $13 billion above the Pentagon's proposed budget, it is $1.7 billion in excess of the originally passed budget resolution, and $4.1 billion more than the 1996 defense spending bill. At a quarter of a trillion dollars, the 1997 defense authorization bill is flush, with $13 billion in unrequested spending authority, much of which adds unnecessarily to our national debt, while adding, in the opinion of this Senator, little or nothing to our national defense.

The 1997 defense authorization bill should be termed the "wish list" bill. It is so much so that every service official and regional military commander that appeared before the Senate Armed Services Committee on the bill was asked by the members of the majority a question, and certainly Federal managers of domestic programs have frequently heard that recently, and it is going to be driven home again during this debate. This was the question that was asked of these various military officials: "If you were given additional funds above the budget request, how would you spend it?"

Let me repeat that. Can you imagine a military person sitting before the Armed Service Committee and they are asked a question, "If you were given additional funds above the budget request, how would you spend it?" What kind of a reply would you expect? To no one's surprise, when blank checks were enticingly dangled before the witness, the replies were as prompt as they were lengthy. No military leader worth his salt, under such a scenario, could not find something that he could use.

Of the $13 billion added to the President's defense budget request, $11.4 billion, or nearly $9 out of every $10 added, went toward procurement and research and development programs. But approximately $2 billion of the add-on dollars proposed in the Pentagon's wish list is not even part of the Pentagon's own budget plan for the next 5 years, and certainly it is not, nor has it been previously, projected.

What is more, a similar portion of the $13 billion committee add-on is neither part of the long-range budget, nor any armed services wish list, including the wish lists that are included in this proposal.

In other words, the Armed Services Committee did not even get enough requests, after dangling that enticing proposition before the witnesses, to add up to the billions that we are spending. In other words, nearly $4.6 billion of the $13 billion-plus-up to the Pentagon's outyear budget plan, or a part of the services' wish list. It is something that came through the fat-feeding program in the Armed Services Committee.

In my opinion, it is vital that the American public understand this important distinction between several options:

One, what the President proposed in his budget for defense spending. Two, what the Pentagon says it needs to provide for our national defense. Three, what the military witnesses wish they could have after having the proposition dangled in front of them. Four, what level of funding the committee ultimately approved.

Such a wish-list approach to defense budgeting is not responsible, in this Senator's opinion, and stands out as a glaring exception to the manner in which painful cuts have been levied against domestic budget accounts. Nor is the end product of $13 million in additional defense spending justified and, certainly not, Mr. President, in order to do what we are trying to do in these times, when we are supposedly being prudently fiscal, to reach a balanced budget by the year 2002.

A cursory look at the defense authorization bill before the Senate indicates that a rising budget tide floats all boats. Among the largest beneficiaries of the committee's blank check wish list in the budget includes these items: An $856 million increase in the proposed ballistic missile defense spending, which has just been debated to some extent on the floor of the Senate preceding my remarks; a $760 million increase in the National Guard and Reserve equipment; a $750 million increase in DDG–51 destroyer funding; a $701 million increase in new attack submarine funding; a $700 million increase in military construction and housing funding; a $351 million increase in V–22 aircraft funding; and a $341 million increase in F–16 and F–18 funding for 10 unrequested aircraft.

These increased spending levels are only a downpayment—I emphasize once again, Mr. President, the funding levels I have just cited are only a downpayment for future spending that will confound budget-making in the years to come.

Mr. President, at a minimum, the spending level included in the defense authorization bill should be reduced by $1.7 billion to be brought into conformance with the budget resolution so as to eliminate hollow budget authority in the bill. But the Senate should not stop there. We should question the need for the remaining $11 billion increase and whether this extraordinary increase is needed to properly defend the national security interest of the United States.

Perhaps the starting point for reduction in spending authority contained in this bill should begin at $4.6 billion, the sum total of weapon add-ons and program increases not requested in the service wish lists, or contained in the Pentagon's long-range budget plan.

At a later point during the consideration of this bill, I will propose an amendment along with Senators BINGAMAN, KOHL, LEVIN, and WELLSTONE, to reduce the top-line defense spending figure by a modest $4 billion. This represents a full $600 million less, Mr. President, than the $4.6 billion in unsupported, unjustified, and unwise spending authority.

In essence, the Exon amendment would retain $9 billion in defense spending authority over and above the President's request. Now, let me repeat that. The Exon amendment would retain $9 billion in defense spending authority above and added on top of what the President has suggested. If the Exon amendment is agreed to by the Senate, our Nation would still be spending $155 million more in 1997 than in 1996. I would have more to say about this amendment when it is offered.

One of the most questionable of the committee add-ons, in the opinion of this Senator, is $856 million for missile defense programs—most notably, the $300 million add-on for a national missile defense system.

The Senator for North Dakota has an amendment before the Senate at this time, which has been debated for the last hour and a half. I also intend to support that, and I have included that in the numbers that I have presented and will be presenting later in the form of an Exon amendment, with several important cosponsors.

Earlier this month, the Senate debated the wisdom of the Dole star wars proposal to pursue a crash program to field a continental missile defense system by the year 2003. It was pointed out then that the threat does not and will not exist in the near term to justify such a proposition. In the longer term, all of us are continuing to look at various types of missile defenses that we may need in the long term.

Furthermore, the Dole star wars bill as presently drafted would cost, according to the Congressional Budget Office, anywhere from between $31 and $60 billion. So the $300 million plus that we are talking about now would grow to $31 billion to $60 billion just to deploy, and perhaps another $10 billion on top of that to operate. The committee's $350 million increase is an initial downpayment; $350 million may not sound like a whole lot of money. But that is a downpayment, if you will, on a multibillion dollar program most likely, at a minimum, in the range of $50 billion between now and the year 2002.

Downpayments are easy, as the average American family knows. But in this case this is a system that I urge the Senate to delete as wasteful expenditures even though there may be some arguments and some people sincerely feel that we should move faster than the Pentagon and the experts in the field tell us we should in this area. As was the case in last year's authorization bill, there are language provisions in the 1997 defense authorization bill which are unwise and may prove to be a problem down the road in getting this bill signed by the White House. This is something that I opened my remarks on by saying that I was trying to steer this bill into something that is workable and not another knockdown, dragout between the Congress and the President.

Mr. President, two provisions in particular stand out as being questionable forays by the majority of the Senate Armed Services Committee into the area of foreign policy, and each could possibly jeopardize bilateral efforts between the United States and Russia to lower our nuclear inventories in a balanced and accountable fashion.

One provision ultimately interprets the ABM Treaty demarcation between long-range and short-range missile defenses at a time when our nations are negotiating this very issue right now.

The second language provision that I have concerns about is with regard to changing the bilateral Antiballistic Missile Treaty to a multilateral treaty that includes several of the independent states of the former Soviet Union. This is a major concern of the President of the United States. And, unless this language is corrected, I think we stand a high chance of a veto. The majority's insistence that such multilateralization of the treaty would constitute a substantive change in requiring reratification by the Senate is equally meddlesome on the part of the committee.

As President Clinton stated in his April 8 letter to the Armed Services Committee chairman, STROM THURMOND, he has strong objections to this matter for very valid reasons, in the opinion of this Senator. He said in that letter: "Refusing to recognize Ukraine, Belarus, and Kazakhstan as coequal successors to the Soviet Union with regard to the ABM Treaty would undermine our own interests in seeing that these countries carry out their obligations as successors to the Soviet Union under other arms control treaties, such as START I—and START II and others—and the intermediate range nuclear forces treaty," which is very important.

Mr. President, to summarize, this year's defense authorization bill is a marked improvement over last year's bill. I have saluted the committee for its action on that in the opening of these remarks. Yet, changes must be made, in the opinion of this Senator, to reduce unjustified spending increases and delete intrusive foreign policy language before I can enthusiastically support this bill. However, I would say, Mr. President, that overall I congratulate Senator THURMOND, my friend, colleague, and chairman of the committee, for other than some of the shortcomings that I see. I salute him for a very well-balanced bill in several other areas.

I appreciate the consideration, the cooperation, and the understanding. For those of us who tried to make some changes in the committee, the chairman of the committee did not agree with us, but as usual he gave us every opportunity to make our point. We in turn supported the bill as it came out of committee with the clear understanding to the chairman that we would be making some changes on the floor of the U.S. Senate.

I thank the Chair. I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

UNANIMOUS-CONSENT AGREEMENT

Mr. THURMOND. Mr. President, I ask unanimous consent that there now be 60 minutes equally divided for debate on the pending Dorgan amendment with no amendment in order to the amendment; that at the conclusion or yielding back of time the amendment be set aside; and, further, that at 9 a.m. on Wednesday, June 19, the Senate resume consideration of the Dorgan amendment and there be 15 minutes equally divided for debate with a vote on or in relation to the Dorgan amendment at the expiration of that debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, in light of this agreement, there will be no more votes this evening. The next rollcall vote will occur at approximately 9:15 tomorrow morning.

AMENDMENT NO. 4048

The PRESIDING OFFICER. Under the previous agreement, there are 60 minutes equally divided on the Dorgan amendment.

Who yields time?

Mr. THURMOND. Mr. President, I now yield myself such time as may be required under the Dorgan amendment.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, it is unfortunate that the Senator from North Dakota does not think that the American people deserve to be defended against the only military threat that faces them in their homes every day, a threat that is growing more severe every year. Simply stated, what the Dorgan amendment seeks to do is perpetuate American vulnerability.

We have heard quite a bit about how there is no threat and how investment in national missile defense is a waste of money. Let's remember that more Americans died in the Persian Gulf war as a result of a single missile attack than any other cause. I don't imagine that their families would view missile defense investments as a waste.

It has been argued that there is no threat to justify deployment of a national missile defense system to defend the United States. This view is strategically shortsighted and technically incorrect. Even if we get started today, by the time we develop and deploy an NMD system we will almost certainly face new ballistic missile threats to the United States. Unfortunately, it will take almost 10 years to develop and deploy even a limited system.

Much has been made of the intelligence community's estimate that no new threat to the United States will develop for 10 years or more. This estimate, however, only has to do with new indigenously developed missile threats to the continental United States. It treats Alaska and Hawaii as if they were not part of the United States. Moreover, the intelligence community has confirmed that there are numerous ways for hostile countries to acquire intercontinental ballistic missiles in much less than 10 years by means other than indigenous development.

North Korea has also demonstrated to the world that an ICBM capability can be developed with relatively little notice. The Taepo-Dong II missile, which could become operational within 5 years, is an ICBM. Each new development of this missile seems to catch the intelligence community by surprise. It certainly undermines the argument of those who downplay the threat and the intelligence community's own 10-year estimate.

Even if we knew with certainty that no new threat would materialize for 10 years there would still be a strong case for developing and deploying a national missile defense system. Deploying an NMD system would serve to deter countries that would otherwise seek to acquire an ICBM capability. A vulnerable United States merely invites proliferation, blackmail, and even aggression.

It has also been argued that the administration's NMD program is adequate to hedge against an emerging threat. Unfortunately, the budget request does not adequately support the administration's own plan. Since the administration's NMD program is supposed to preserve the option of deploying an NMD system by 2003 it is appropriate for Congress to add sufficient funds to ensure that such an option is truly viable. The director of the Ballistic Missile Defense Organization has testified repeatedly to Congress that about $800 million per year is needed for NMD in order to preserve such an option. This is precisely what the Armed Services Committee has recommended.

For those who argue that the Senate Armed Services Committee is throwing money at ballistic missile defense, I would point out that the amount in this bill for the Ballistic Missile Defense Organization is only slightly higher than the Clinton administration's own bottom-up review recommended for fiscal year 1997.

The bottom line is simple. If you think that the American people should not be defended against ballistic missiles, then you should support the Dorgan amendment. If you think that the United States should preserve the option of deploying an NMD system by 2003, then vote against this amendment. I strongly urge my colleagues to put themselves on the side of defending the American people.

Mr. President, I yield the floor and acknowledge the able Senator from Oklahoma, Senator INHOFE.

(Mr. BURNS assumed the chair.)

Mr. INHOFE. I thank the Senator and I certainly concur in the comments that he is making. It is a very frustrating thing to have knowledge of the threat that exists out there and merely because the American people are not aware of it, we are ignoring the defense of our country which I have always understood when I was growing up should have been the primary concern or function of Government, to protect its citizens.

In a few of the things that have been said by a number of those who are on the opposite side of defending America was the discussion about the threat of suitcases, of carrying around bombs, of terrorist activities. Being from Oklahoma, nobody needs to tell me about terrorist activities. I understand. It is almost as if to say that because there are crazy people out there that burn churches and carry around suitcases, we need to address that and not address the potential of an attack on the United States of America by an ICBM, armed with a warhead that can be a weapon of mass destruction, chemical, biological or nuclear. It is like saying you do not want to have car insurance because you want to have insurance on your home. You want to have a comprehensive policy that insures you against everything. There is a threat out there and I think we need to talk about that, and certainly now is the appropriate time because we have heard Senator after Senator stand up and allege there is no threat out there; the cold war is over.

It was 2 years ago that James Woolsey, who was the CIA Director under President Clinton, made a statement, and his statement 2 years ago was we know of between 20 and 25 nations that either have or are in the final stages of completing weapons of mass destruction, biological, chemical or nuclear, and are working on the missile means to deliver those weapons.

That was 2 years ago. He updated that statement and said there are somewhere closer to 30 nations now. Let us look at who those nations are, the type of people, the mentality of those individuals who are potentially armed with this type of destruction, countries like Iraq and Iran and Libya and Syria, North Korea, China, Russia, countries where just not too long ago, for example, Saddam Hussein, a guy who murdered his own grandchildren, made the statement back during the Persian Gulf war that if we had waited 5 more years to invade Kuwait, we would have had the capability of sending a weapon of mass destruction to the United States.

Well, here it is. It is now 5 years later. So let us assume that some of these guys might be right. They come up and they say, well, we do not want to do it because it might in some way affect adversely the ABM Treaty. The ABM Treaty was put together back in 1972, and we cannot say this was done in a Democrat administration. It was not. I am a Republican. Richard Nixon was a Republican. Henry Kissinger, I assume, was a Republican. At least he worked for a Republican. And he put together a plan. The ABM Treaty at that time was designed to address the problem of two superpowers in the world environment. Those superpowers were the U.S.S.R. and the United States, and so they put together a plan that said we will restrict our nuclear capability bilaterally.

So let us assume that they would do it. I never believed they would. Let us assume they would. If you bring that up to today, there is no longer a U.S.S.R. It is now Russia. Let us assume that Russia would agree to stepping into this issue as the former U.S.S.R. And live up to the expectation of the ABM Treaty. What about these other 25 or 30 nations out there?

Let us assume that the United States and Russia are downgrading their nuclear capability. At the same time what is Iraq doing? What is China doing? What are the other countries doing? They are certainly not a part of this treaty.

It was brought out by one of the Senators in the Chamber a few minutes ago that these people are not part and parcel to the treaty so they could continue to increase their nuclear capability, the weapons of mass destruction, and their capability to develop a missile means of delivering them.

If we do not want to take the word of somebody who is not here as to how significant and how applicable today is the policy of a mutually assured destruction, listen to what Henry Kissinger said just the other day. I had lunch with him. I asked him if I could quote him. He said yes. His statement was, "It is nuts to make a virtue out of our vulnerability." And that is exactly what we are doing. Let us for a minute talk about the cost. I have never heard anyone throw around figures like I have heard in the Chamber of the Senate—talking about another $30 billion to $60 billion. The CBO estimate of $30 to $60 billion over 14 years was taking every system that is out there right now and saying we want to deploy all of these systems by a date in the future.

No one has ever suggested that. Right now, we are talking about in this bill looking at what options are there. Let us take the Aegis system. We have a $40 to $50 billion investment in 22 ships that are floating out there right now. They have missile launching capability. They are there. They are already bought and paid for. We need to spend about $4 billion more to give that system capability of reaching up into the upper tier and giving us a defense from an attack of a missile that might be coming from North Korea or from someplace else. In that, we already have an investment. Mr. President, 90 percent of it is already paid for. We have some estimates here that were made by the team B of the Heritage Foundation. That is made up of people like Hank Cooper, the former director of the Strategic Defense Initiative, and several others. All of them are acknowledged experts. No one has ever questioned their credibility. They say that a Navy-wide area defense system on Aegis cruisers would cost between $2 and $3 billion over the next 6 years, plus $5 billion for a sensor satellite.

We are talking about, now, not $70 billion, we are talking about somewhere in the neighborhood of $7 to $8 billion over the next 6 years. So let us get this in perspective. Let us assume there could be some truth to the statements that these experts like James Woolsey are making, and, in fact, the threat is out there. Let us assume the Russians already have one.

This morning in a speech on the floor I used several articles, four or five of them. I wish I had them with me now. I did not think this subject would come up again. But we talked about how China is now selling technology to Pakistan, how Syria and Libya have a new, cozy arrangement with each other.

Here is an article right here that I did not use. The headline of this article, found in the Washington Times, dated May 20, "China's arsenal gets a Russian boost. Deal for ICBM technology a threat to U.S., classified Pentagon report says."

Then it says:

> China, under the guise of buying space launchers, is enhancing its strategic arsenal with technology and parts from Russia's most lethal intercontinental ballistic missile, the SS–18, [that is the MIRV'd missile with 10 warheads] says a classified Pentagon intelligence report.

Further quoting,

> Incorporating the SS–18-related military guidance or warhead technologies into China's strategic missile forces would greatly improve Beijing's ability to threaten targets in the United States. . .

Now, that is in a confidential report that so far no one has refuted. Let us keep in mind that was about the time that a high Chinese official said—during the time they were experimenting with missiles in the Strait of Taiwan, the Chinese were conducting experiments—they said, "We don't have to worry about the United States coming to their aid because they," the United States, "would rather protect Los Angeles than they would Taipei."

I would characterize that at the very least as an indirect threat at the United States. It is like the Senator from South Carolina said, the honorable chairman of this committee, he said, "We are being held hostage." Threats like this: "They are not going to do that, because if they do that we will go after them." Do they have the capability? According to the reports, yes, they have the capability.

So I just think we need to look at this in terms of the costs that have been grossly, dramatically inflated into something that is totally unrealistic—the constant use of terms like "star wars" and other things to put this into some kind of fiction environment so people will think this thing is not real.

Keep in mind what was started in 1983 and was right on target all the way up through about last year, when the President vetoed the DOD authorization bill from last year, and in his veto message said he did not want to spend any more money on a national missile defense system. In light of that, since that has happened, we have probably had more threats that have come to the United States than we have at any other time.

We have talked about the cost. I am from Oklahoma. The cost of the damage that was done to the building itself in Oklahoma City was $500 million, half a billion dollars. That is just a drop in the bucket as to the total cost. The bomb that caused so much damage in Oklahoma had the power of 1 ton of TNT. The smallest nuclear warhead known at the present time is 1 kiloton, 1,000 times bigger than that bomb.

So I would like to have anyone, any of these Senators who seem to be so passive in their interest in protecting ourselves from a missile attack, to stop and look and remember, recall what happened in Oklahoma City on April 19 of last year and multiply that by 1,000. It does not have to be just in New York City. It does not have to be in Los Angeles. It could happen in North Dakota, it could happen in Nebraska, or anywhere.

I will conclude by saying if all these experts say the threat is out there, if all of them say the Taepo Dong 2 missile will have the capability of reaching the United States by the year 2000, and there are missiles in existence today that can already reach us, and this missile technology is permeating all the way through the various countries like Iraq, Iran, Syria, Libya, Pakistan and other nations, if this is out there, just ask the question—we are talking about $300 million right now. We are talking about $300 million, far less than just the damage to the building in Oklahoma City. Ask yourself the question: What if we are wrong?

I challenge any of those on the other side of the aisle who want to take this money and put it into social programs, to ask themselves: What good are these social programs if we were wrong on this, on our estimate as to the extent of the capability of these countries to reach the United States?

I see this as a very difficult time for us. It is difficult because it is very difficult for us to convey to the American people the truth, and the truth is, we have threats from many, many nations now. It is something that we should have as our single highest priority in this body, and that is to protect the lives of Americans. That is what we are attempting to do.

I said this morning I am supporting this bill. I think we got the very most we could out of a defense authorization bill. It is still not adequate. We should be moving forward in a more rapid pace to put ourselves in a position to spend this other 10 percent of the investment we have already spent and give ourselves some type of defense for a missile that comes over, outside the atmosphere, to the United States. The technology is there. We saw it during the Persian Gulf war. We know you can knock down missiles with missiles. This is our opportunity to go forward with this program in a very minimum that we must do to fulfill our obligation to the American people.

Last, let us look at this in terms of a nonpartisan or bipartisan priority. Back during the years that John Kennedy was President of the United States, regarding our budget to run the entire Government of the United States, 60 percent of that was on defense, 17 percent on human services. Today, approximately 17 percent is on defense and 60 percent on human services. I think we have this completely turned around. This is our opportunity to try to get back on track to making America strong again, defending ourselves against a very serious threat.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4049

(Purpose: To authorize underground nuclear testing under limited conditions.)

Mr. KYL. Mr. President, I have an amendment I would like to send to the desk. I ask unanimous consent we lay aside the pending amendment, and I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL], for himself and Mr. REID, proposes an amendment numbered 4049.

Mr. KYL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle F of title X add the following:

SEC. . UNDERGROUND NUCLEAR TESTING CONSTRAINTS.

(a) AUTHORITY.—Subject to subsection (b), effective on October 1, 1996, the United States may conduct tests of nuclear weapons involving underground nuclear detonations in a fiscal year if—

(1) the Senate has not provided advice and consent to the ratification of a multilateral comprehensive nuclear test ban treaty;

(2) the President has submitted under subsection (b) an annual report covering that fiscal year (as the first of the fiscal years covered by that report);

(3) 90 days have elapsed after the submittal of that report; and

(4) Congress has not agreed to a joint resolution described in subsection (d) within that 90-day period.

(b) REPORT.—Not later than March 1 of each year, the President shall submit to the Committees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives, in classified and unclassified forms, a report containing the following matters:

(1) The status on achieving a multilateral comprehensive nuclear test ban treaty, unless the Senate has already provided its advice and consent to the ratification of such a treaty.

(2) An assessment of the then current and projected safety and reliability of each type of nuclear warhead that is to be maintained in the active and inactive nuclear stockpiles of the United States during the four successive fiscal years following the fiscal year in which the report is submitted.

(3) A description of the number and types of nuclear warheads that are to be removed from the active and inactive stockpiles during those four fiscal years, together with a discussion of the dismantlement of nuclear weapons that is planned or projected to be carried out during such fiscal years.

(4) A description of the number and type of tests involving underground nuclear detonations that are planned to be carried out during those four fiscal years, if any, and a discussion of the justifications for such tests.

(c) TESTING BY UNITED KINGDOM.—Subject to the same conditions as are set forth in paragraphs (1) through (4) of subsection (a) for testing by the United States, the President may authorize the United Kingdom to conduct in the United States one or more tests of a nuclear weapon within a period covered by an annual report if the President determines that is in the national interest of the United States to do so.

(d) JOINT RESOLUTION OF DISAPPROVAL.—For the purposes of subsection (a)(4), "joint resolution" means only a joint resolution introduced after the date on which the committees referred to in subsection (b) receive the report required by that subsection the matter after the resolving clause of which is as follows: "Congress disapproves the report of the President on nuclear weapons testing, transmitted on ________ pursuant to section _____ of the National Defense Authorization Act for Fiscal Year 1997." (the first blank being filled in with the date of the report).

(e) IMPLEMENTATION OF TEST BAN TREATY.—If, with the advice and consent of the Senate to ratification of a comprehensive nuclear test ban treaty, the United States enters into such a treaty, the United States may not conduct tests of nuclear weapons involving underground nuclear detonations that exceed yield limits imposed by the treaty unless the President, in consultation with Congress, withdraws the United States from the treaty in the supreme national interest.

(f) REPORT OF SUPERSEDED LAW.—Section 507 of Public Law 102–377 (106 Stat. 1343; 42 U.S.C. 2121 note) is repealed.

Mr. KYL. Mr. President, I will describe this very briefly. It is actually a simple amendment. I will only discuss it here for about 3 or 4 minutes, then we can have further discussion tomorrow when there are more Members present, when they desire to do so.

This is an amendment dealing with nuclear testing, and the effect of it is to simply extend the time for the President to decide to test a nuclear weapon to the point that the United States ratifies a comprehensive test ban treaty and it goes into effect.

Today, the law is, as of September 30, the President could not order a nuclear test unless another country were to test a weapon.

What this amendment would do is to allow the President to order a test for safety and reliability purposes; in other words, not dependent upon whether another country happened to engage in testing, and that right would exist until such time as this country ratified and a CTBT went into effect. This chart describes very simply what we are doing.

The current law is that as of September 30 of this year, the President's ability to order a test would no longer exist, unless another country engaged in a test. And then once a CTBT is entered into force, there is no test except for extreme national emergency.

What our amendment would do is to continue the status quo until such time as there is a CTBT, and the rationale is very simple. The fact that another country tests does not necessarily mean that the United States should test. Our ally France has conducted nuclear tests. China has conducted nuclear tests and plans to conduct some more. And in neither of those events is it necessarily the case that as a result the United States should test.

We have no reason to test just because some other country does. But there is always the possibility that the President would want to order a test in order to assure stockpile safety and reliability. If we had some reason to believe, for example, that one of our weapons was no longer safe and we wanted to test that it was safe or to find out why it was not safe, in that event, today the President has such a right to order such a test, and he would continue to have that right until such time as the CTBT is adopted.

That is it. That is as simple as the amendment is.

I further state, the Congress would have the right under this amendment to ratify the President's decision or to reject it, based upon reports that the President would continue to send to us. Today, the President is required to send us a report, and we would continue to require that report be sent to us on the status of the stockpile and whether any testing is required.

Under this amendment, if the President said he wanted to conduct a test, the Congress would have the ability to tell him he could not do so. This is not something that we are suggesting that the President do or suggesting that he would do it. It is simply a safety valve, if you will, in the event of some untoward event with our stockpile that the President should conclude that a test is necessary that he would have the ability to do that.

It does not affect the CTBT negotiations in any way. As I said, our amendment simply goes up to the time that a CTBT is entered into. It is that simple, Mr. President.

If Members wish to further discuss it tomorrow, I will be happy to try to answer any questions about it or discuss it. I cannot imagine it would be particularly controversial.

Mr. President, if there is no one seeking to speak, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, the subject matter of this amendment will probably be quite contentious. I hope not. I hope that other Members will see that the amendment does not advocate opposition to concluding a comprehensive test ban and that it does not promote testing. With that in mind, I rise in support of the amendment offered by the distinguished Senator from Arizona.

As I understand the amendment, it would authorize the President to conduct underground nuclear weapons tests after October 1, 1996, if a comprehensive test ban treaty has not been ratified by the United States. In order to conduct an underground nuclear test, the President would have to submit a report to Congress detailing justification for the test. In order to stop the test from being conducted, the Congress would have to pass a joint resolution within 90 days.

During the debate on the Exon-Hatfield legislation which prohibits nuclear testing, I voiced my concerns for the safety and reliability of the nuclear stockpile without the ability to test. So long as our defense relies on nuclear weapons, we must ensure the safety and reliability of the stockpile. That requires the authority to conduct underground nuclear tests. I urge my colleagues to adopt the amendment.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

MORNING BUSINESS

Mr. KYL. Mr. President, on behalf of the leader, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT OF SENATE DELEGATION VISIT TO BOSNIA

Mr. DASCHLE. Mr. President, during the April recess, the Senator from Utah [Mr. HATCH], the Senator from Nevada [Mr. REID], and I traveled to Bosnia and other countries of the former Yugoslavia as well as Albania and Hungary to monitor developments related to implementation of the Dayton peace accord and to visit United States troops stationed in Bosnia and the surrounding area. We have prepared a report of our trip and submit it for our colleagues' and the public's consideration. It should be noted that the situation in Bosnia is constantly evolving and that the report reflects our findings based on developments through the period of our visit, which ended on April 12, 1996. I ask unanimous consent that the full report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF SENATE DELEGATION VISIT TO BOSNIA, APRIL 3–12, 1996

INTRODUCTION

A delegation from the United States Senate, consisting of Democratic Leader Tom Daschle (D-SD), Senator Orrin G. Hatch (R-UT), and Senator Harry Reid (D-NV), met with leading officials in Bosnia and the other countries of the former Yugoslavia—Croatia, the Former Yugoslav Republic of Macedonia (FYROM), Serbia, Slovenia—as well as Albania and Hungary from April 3 to April 12, 1996. The delegation was authorized by the joint leadership of the Senate to explore outstanding issues related to implementation of the Dayton Peace Accord formally signed on December 14, 1995, by President Alija Izetbegovic of Bosnia and Herzegovina, President Slobodan Milosevic of Serbia and Montenegro, and President Franjo Tudjman of Croatia in Dayton, OH.

The accord is based upon the tenet that Bosnia will remain a single state within its internationally recognized borders, but that the state will be comprised of two entities—the Bosnian Muslim-Croat Federation and the Republika Srpska—with substantial authority. In an effort to create the conditions for peace in Bosnia, the Dayton agreement provides for a peace implementation force (IFOR) under NATO command and calls for civilian implementation through elections and economic reconstruction.

In the period between the signing of the accord and the delegation's departure, the ceasefire had held, elections were being scheduled, and problems related to implementation of the civilian aspects of the peace agreement were reported.

On the day the delegation left for the region, Americans received the tragic news that the plane carrying Commerce Secretary Ron Brown, 32 other Americans, and two Croatians had crashed near Dubrovnik, Croatia. Secretary Brown had been traveling in and around Bosnia with U.S. business leaders and Commerce Department officials as part of the American effort to help build democratic and economic institutions in the region so that a lasting peace might take hold in the Balkans. After making schedule adjustments, the delegation chose to go forward with its planned visit to the region to honor Ron Brown's vision and to send a clear signal to those struggling for peace in Bosnia that the United States remains committed to that mission.

TOM DASCHLE.
ORRIN G. HATCH.
HARRY REID.

SUMMARY

Senators Daschle, Hatch, and Reid met with leading officials in Bosnia, Croatia, the former Yugoslav Republic of Macedonia, Serbia, Slovenia, Albania, and Hungary. In each country, the delegation gathered perspectives on: (1) military implementation of the Dayton Peace Accord; (2) civilian implementation of the Dayton Peace Accord; (3) that country's progress toward democratization; and (4) that country's progress toward privatization and development of a market economy. In Bosnia, the FYROM, and Hungary, the delegation visited U.S. military installations and met with troops stationed in the region.

While perspectives on progress toward peace in Bosnia and the Balkans varied from country to country, the delegation found there was general consensus around two basic points: first, that NATO's Implementation Force (IFOR), led by the United States, has been an unqualified success in terms of stopping the war in Bosnia; and, second, that, while moving forward, implementation of the civilian and economic aspects of the Dayton accord has met with significant delay and difficulty.

U.S. military and diplomatic leadership were credited by virtually everyone in the region for progress that has been made in Bosnia. Still, concerns persist about the prospects for full implementation of the Dayton accord within the timeframes laid out in the plan. Officials stressed that key to successful implementation will be the efforts of Serbian and Croatian leaders to garner the commitment of Serbs and Croats within Bosnia to the borders agreed to in the Dayton accord as well as human rights for all ethnic groups within those borders.

Morale among U.S. troops appeared to be high, despite the fact that they are living and working under extremely difficult conditions. The servicemen and women with whom the delegation spoke understood and believed in the importance of their mission. They also spoke highly of the cooperative spirit that has exemplified their relationship with forces from Russia, Britain, France, and the other countries represented in IFOR.

The delegation's goals were to promote, and assess progress with respect to, full implementation of the Dayton Peace Accord; to express support for U.S. troops participating in the NATO and UN peacekeeping efforts; to promote democracy, economic growth, and respect for human rights in the region; and to reflect the United States' commitment to those working for a lasting peace in Bosnia.

FINDINGS

The delegation returned to the United States confident that U.S. military and diplomatic leadership has been the driving force behind the current peace in Bosnia—that the peace could not have been accomplished, and probably cannot be sustained, without our efforts. The delegation returned convinced of the value of that mission, for, as fragile as the peace in Bosnia may be, the promise of peace, freedom and democracy for all the people of the former Yugoslavia—and the regional stability that would follow from that achievement—justify their pursuit.

Several major findings—some of them confirmations of past ones—resulted from this visit.

NATO military action, U.S. diplomacy, and military implementation supporting that diplomacy stopped the war in Bosnia and have been the primary deterrents to resumption of the war.

U.S. military and foreign service personnel serve as models for the rest of the world; their professionalism under extraordinary circumstances should make every American proud.

Landmines pose a serious threat to U.S. and other peacekeeing forces as well as the civilian population in Bosnia. The United States should actively seek an international ban on the use of anti-personnel landmines.

Regarding the military aspect of the Dayton Peace Accord, IFOR has successfully carried out its mandate thus far.

Conditions for free and fair elections in Bosnia have not yet been established. Numerous concerns were heard regarding the willingness of the dominant parties in the three regions to allow free elections.

People throughout the Balkan region are concerned about the timing of IFOR's departure in light of problems related to implementation of the civilian aspects of the Dayton accord and economic reconstruction.

While these concerns should be taken seriously, the ultimate success or failure of the

Dayton accord—and the chance for sustained peace in the region—will depend on the political will of its signatories.

The United States must continue to pressure those signatories to commit themselves fully to that effort.

HUNGARY

The delegation began its investigations in Hungary, host to 7000 American troops at three U.S. military installations, including Taszar Airbase, the primary logistics center and staging area for U.S. troops deployed in Bosnia. In meetings with the Deputy Foreign Minister, American troops at Taszar, business leaders in Budapest, and U.S. Embassy officials, the delegation explored issues related to implementation of the Dayton Peace Accord, Hungary's role in supporting the military aspects of the accord, NATO expansion, and Hungary's progress toward fulfillment of the country's political and economic goals.

Deputy Foreign Minister Istvan Szent-Ivanyi told the delegation that, while implementation of the military aspects of the Dayton Peace Accord was proceeding in the right direction, he remained concerned about implementation of the political aspects of the accord. He expressed the view that the American and European military presence in Bosnia has been essential to the restoration of peace in the region and that continued U.S. support of the peace effort will be essential to maintenance of that peace and the safe resettlement of war refugees, including ethnic Hungarians. He reported that Hungary is fully cooperating with the War Crimes Tribunal's efforts to identify, locate, and prosecute perpetrators of war crimes in Bosnia.

Szent-Ivanyi also stressed Hungary's desire to be included in the first round of candidates for NATO expansion and called for a "normal integration process." He also discussed with the delegation the upcoming official opening of the International Law Enforcement Academy in Budapest to combat organized crime.

During a visit to the United States' Intermediate Staging Base in Taszar, Hungary, the delegation was briefed on the massive effort to deploy U.S. forces to Bosnia. Seventy-five to 80 percent of the 18,000 U.S. troops stationed in Bosnia have entered the country through the staging area in Taszar since the deployment began last December.

Major General Walter H. Yates, Jr., Deputy Commanding General, V Corps, United States Army, Europe, advised the delegation that the size and configuration of the U.S. deployment in Bosnia would be assessed again in early summer and that any minor adjustments that might be needed would be made at that time. He also reported that, from a military perspective, all sides have been in general compliance with the Dayton Peace Accord. He concluded that the greatest challenge facing the multinational force in Bosnia is the existence of 3 to 8 million landmines in that country. He added that U.S. forces are encouraging, training, and monitoring the work of various factions to deactivate the mines. Finally, the group was told that the Hungarian government has been especially helpful to U.S. military efforts and that U.S. personnel at Taszar is seeking to further its cooperation with Hungary and the local community at the military, political, and civic levels.

Senator Daschle addressed the troops in attendance at the briefing, thanking them for their role in the mission and expressing the support of the Senate. He and the entire delegation also had a chance to visit with individual servicemembers.

SERBIA AND MONTENEGRO

In Belgrade, the delegation met with President Slobodan Milosevic, opposition leaders, union leaders, members of the independent press, and U.S. Embassy officials. Discussions focused on Serbia's compliance with the Dayton agreement, cooperation with the War Crimes Tribunal, relations with other republics of the former Yugoslavia, movement toward democratization and privatization, the situation in Eastern Slavonia, resettlement of the Krajina Serbs, and progress toward a peaceful solution to the disputes between the government and ethnic Albanians in Kosovo.

In its meeting with President Slobodan Milosevic, the delegation reiterated and expressed strong support for U.S. policy concerning normalization of relations with Serbia—that the "outer wall" of UN sanctions will remain in place until the Dayton agreement is fully and successfully implemented, Serbia has fully cooperated with the War Crimes Tribunal's effort to arrest and prosecute war criminals, and there is significant progress in Kosovo. The delegation also pressed Milosevic on the need for progress toward the development of democratic institutions, including a free and independent media. The delegation stressed the importance of normalization of Serbian-FYROM relations.

Milosevic characterized developments since the signing of the Dayton accord as "pretty positive," concluding that the military aspects of the agreement have been "absolutely successful" and that civilian implementation of the agreement has slowed somewhat. Although he said he questions the objectivity of the War Crimes Tribunal, Milosevic stated that Serbia has cooperated with the Tribunal and "will not protect war criminals." While acknowledging that respect for human rights is a "global issue," he called the situation in Kosovo "an internal matter." Milosevic suggested that the independent press in Serbia is thriving and that Serbian-FYROM relations would be normalized in the near future.

BOSNIA

Sarajevo

The flight over Bosnia and into Sarajevo gave the delegation its first sense of the magnitude of the devastation in that country, and the drives from the Sarajevo airport through the city and through the Sarajevo suburbs revealed the reality of "ethnic cleansing" in a way that news reports can only suggest. Burned and bombed buildings lined the main street running through Sarajevo. The delegation's visit to the ruins of the Sarajevo library, which was known as one of the most magnificent buildings in the country was graphic evidence of the war's devastating impact on Bosnia. Some have proposed to leave the library as it currently stands—if it can be stabilized structurally—and turn it into a war memorial.

Make-shift cemeteries in what were formerly soccer fields and other public spaces served as sad reminders of the 200,000 Bosnians, including 10,000 Sarajevans, who died in the 4½ year war. Still, the resumption of activity all over Sarajevo served as evidence that peace is both hoped for and possible if all sides commit themselves to it.

At the U.S. Embassy, the delegation was briefed by Admiral Leighton W. Smith, Jr., Commander in Chief, IFOR (Smith also serves as Commander-in-Chief, Allied Forces Southern Europe and Commander-in-Chief, U.S. Naval Forces), and by Embassy officials accompanied by various U.S. and international representatives charged with implementation of various aspects of the Dayton accord. The delegation also met with President Alija Izetbegovic.

Again, the delegation heard that the military aspects of the Dayton agreement had been very successful, but that civilian implementation of the agreement has proven more complex. Of particular concern were efforts to ensure the Muslim-Croat Federation in Bosnia remains viable, ensure that the Bosnian elections—at the municipality, canton, entity, and republic levels—are free, fair, and in full compliance with the Dayton guidelines, and ensure the safe resettlement of refugees from all ethnic groups as well as general freedom of movement.

The delegation was told by international representatives at the Embassy briefing that Serb, Croat, and Muslim factions within Bosnia all have been accused of varying degrees of authoritarianism and violations of human and civil rights and that concerns about Serbian President Milosevic's and Croatian President Tudjman's interests in pursuing a "Greater Serbia" and a "Greater Croatia" persist. Nevertheless, most analysts reported that Milosevic and Tudjman appeared to be complying with the Dayton accord, though limits on Serbian cooperation on the release of prisoners continues to pose a serious challenge, and greater cooperation in turning over war criminals remains wanting from both leaders. Furthermore, many are concerned that Bosnian Serb Army Commander Ratko Mladic and Bosnian Serb President Radovan Karadzic are still in control of the Bosnian Serbs, and that Tudjman has been reluctant to disassociate himself from troubling actions by the Bosnian Croats. It is clear that close monitoring of these factors and continued pressure on all sides to comply with the Accord, including the removal of all indicted war criminals from political power and their submission to the Hague, will be important to the long-term viability of the Muslim-Croat Federation and peace in general.

The delegation was briefed on efforts to build the civilian police and criminal justice systems in Bosnia. The importance of having these systems in working order by the time the NATO implementation force departs was stressed.

In its meeting with President Izetbegovic, the delegation discussed the President Izetbegovic's perspective on the military and civilian implementation of the Dayton Peace Accord; ways to strengthen the Muslim-Croat Federation; progress toward free and fair elections; the importance of freedom of the press; and efforts to ensure that borders in the Dayton Accord, as well as the human rights of all ethnic groups within those borders, are respected. The senators stressed the importance of ensuring that all Iranian and other foreign forces leave Bosnia. The delegation congratulated Izetbegovic for his efforts to release prisoners under Muslim control and reiterated the United States' commitment to a lasting peace and a multiethnic Bosnia.

Tuzla Airbase

After an aerial tour of the devastation of countless Bosnian villages, the delegation was briefed by U.S. military personnel, led by Major General William L. Nash, Commanding General, First Armored Division, Operation Joint Endeavor, and Colonel John R. S. Batiste, Commander, Second Brigade, First Armored Division, Operation Joint Endeavor. They described a combat team evenly distributed between the Republika Srpska and the Muslim-Croat Federation and stressed the importance of operating within both entities in an even-handed, impartial way and always reflecting the competence and discipline that have given NATO the legitimacy to make this operation a success. Batiste stated that IFOR operates on the premise that any violation of the peace accord demands an appropriate response.

Colonel Batiste reported that contact between the Muslim, Croat, and Serb factions in Bosnia has become less confrontational over time, but that civilian freedom of movement has been restricted by all factions and that this is a key area of concern. He stated that exemplary U.S.-Russian troop cooperation has led to combined patrols and that the U.S. military's relationships with both NATO and non-NATO countries involved in the mission has been excellent.

Reiterating what the delegation had heard in Hungary, Colonel Batiste reported that one of the greatest challenges facing IFOR is the threat posed by remaining landmines. He said there had been good cooperation in clearing the minefields for which there are records but that only 30 to 40 percent of the mines are included in that category. He reported that, on the previous day, 68 mines in the area had been cleared through the Mine Action Center in Tuzla. Only minutes after the delegation was given that information, Colonel Batiste's briefing was interrupted by a report that a Russian soldier had just lost his foot in a mine explosion.

Colonel Batiste stressed the importance of the effort to ensure that the political and civilian aspects of the Dayton accord are fully implemented and to keep the economic reconstruction effort on track. He discussed the difficulties related to the election process, since many, particularly Serbs, are uninformed about where they must vote (under the Dayton agreement, all Bosnians' voting eligibility is based on where they lived in the spring of 1990 before the war began). The economic impact of Serb, Muslim, and Croat army downsizing was also discussed, as were the ongoing effort at arms control within Bosnia and the importance of the development of a professional, civilian police force.

The delegation was briefed on the medical facilities serving U.S. forces (every lodgement has a medic and a surgeon) and advised that environmental data collection that might be needed in any follow-up health investigations has been vigorous.

Senators Daschle, Hatch, and Reid addressed the servicemen and women at the briefing, acknowledging their personal sacrifices and praising and thanking them for the professionalism with which they are carrying out their mission. Members of the delegation also had an opportunity to share a lunch of soup and MREs (meals ready to eat) with personnel from their respective states.

ALBANIA

The delegation's visit to Albania was marked by visual impressions as much as verbal reports. As soon as the plane made its descent, the American mental image of one of the world's most closed societies was overshadowed by the reality of a green, mountainous countryside and a capital filled with activity. Reminders of Albania's past, including 600,000 to 750,000 seven-ton concrete-and-steel bunkers built to respond to the perceived threat of simultaneous attacks from NATO and the Warsaw Pact, remain, but the future is clearly Albania's focus.

In Tirana, in addition to sessions with the President and opposition leaders, the delegation met with U.S. Embassy officials joined by representatives of the U.S. Information Agency and the U.S. Peace Corps mission in Albania. They were briefed on the repression suffered by the Albanians for 40 years at the hands of dictator Enver Hoxha. It is estimated that 25 to 30 percent of Albanian families experienced that repression—imprisonment, exile, torture, or execution—firsthand. Albania had been a bankrupted economy that for decades had outlawed private ownership of cars, monitored the direction of people's television antennas, and declared itself atheist, turning its largest Catholic cathedral into a basketball court to prove it. In April 1992, Albania elected a new president and was on its way to filling its streets with cars and every other form of transportation, tuning in to "CNN International," erecting coffeehouses on every city curb, privatizing its economy, and reducing inflation from 400 percent to single digits.

Certainly Albania faces serious challenges. According to the briefing team, reports of discrimination against the ethnic Greek minority continue; criminal justice and judicial reforms are needed; the state controls Albania's electronic media; the civilian police force is ill-trained; opposition parties complain the country's "Lustration" law, which bars certain former communist officials and others from seeking political office until 2002, is too broad; the military is severely underfunded; and the country's economy and infrastructure have a long way to go. Still, they report that Albania has made significant progress toward the establishment of democracy.

In a meeting with the delegation, Albanian President Sali Berisha reported that his administration has focused on efforts to promote fast growth, make possible integration into NATO and the European Union, and improve educational opportunities within the country. He thanked the delegation for U.S. support for progress in Albania and reported that U.S.-Albanian military cooperation has been especially good. He also expressed thanks for U.S.A.I.D.'s reforestation program in Albania, adding that the construction of the ubiquitous bunkers had caused serious damage to Albania's forests.

President Berisha added his voice to those who rate the military implementation of the Dayton accord as successful and the political progress slow. He also provided an Albanian perspective on the situation in Kosova, saying that Albania wants a peaceful solution with Serbia. He defended Albania's Lustration law, arguing that Albania faced a true "cultural genocide" at the hands of its former rulers and that those barred from political candidacy may appeal that ruling if they can show that documents linking them to abuses have been falsified. He addressed concerns about state-controlled media outlets by saying that private entities are forming and that state-controlled outlets will be privatized as independent outlets develop.

President Berisha expressed optimism about Greek-Albanian relations and discussed the process in place for Albania's upcoming elections. He concluded by saying that Albania's greatest challenges are to maintain the country's fast economic growth and continue to build its democratic institutions.

FORMER YUGOSLAV REPUBLIC OF MACEDONIA (FYROM)

The former Yugoslav Republic of Macedonia is the only former republic to make a completely peaceful transition to independence, and, in virtually every discussion the delegation had with political leaders in that country, a pragmatic and democratic attitude about how to approach problems and resolve disputes was reflected. The delegation met with Tito Petkovski, President of the Macedonian Parliament, Prime Minister Branko Crvenkovski, and President Kiro Gligorov, as well as U.S. Embassy officials. The discussions focused on implementation of the Dayton accord, the impact of potential instability in Bosnia and Kosovo on the FYROM, the FYROM's political process, efforts to fully privatize the country's economy, and the FYROM's relations with its neighbors. The delegation also visited two U.N. Preventative Deployment Force (UNPREDEP) observation posts along the Serbian border.

Parliament President Tito Petkovski advised the delegation that Serbia and the FYROM had agreed within the previous 24 hours to establish full diplomatic relations, though the details of the agreement were not fully available at the time of the meeting. He said he was hopeful that the issue of his country's name could be resolved with Greece in the near future and noted that his country has no other open problems with Greece. Petkovski stressed the importance of a lasting peace in Bosnia, saying that failure to fully implement the Dayton accord would threaten the FYROM's stability. He thanked the delegation for the United States' military cooperation and support of FYROM's efforts to develop democratic institutions and a stronger economy. Petkovski also briefed the delegation on the parliament's preparation of a new electoral law and the current situation with respect to political parties in the FYROM.

Prime Minister Branko Crvenkovski declared the UN military presence, led by a force of 550 Americans, to be an overwhelming success, arguing that such preventive efforts are much more cost-effective than war, and predicted that the deployment would serve as a prototype for other deployments. He discussed the impact on the FYROM's economy of past UN sanctions against Serbia and stressed the importance of turning around the negative economic trends that have been suffered by the Macedonian people. Crvenkovski acknowledged the difficulties the FYROM has faced in the area of the schooling for ethnic Albanians and outlined the FYROM's plan to increase the percentage of classes taught in the Albanian language. He also noted the importance of stabilizing the situation in Kosovo.

The delegation met with President Kiro Gligorov and was pleased to learn both that he had recovered well from his injuries resulting from an assassination attempt several months earlier, and that, during his absence from office, the FYROM government adhered strictly to its constitutional precepts. President Gligorov spoke of the resiliency of the Macedonian people and their willingness to accept great personal sacrifices to achieve independence and democracy. He expressed his commitment to a peaceful, fair resolution of the Kosovo issue and, like Petkovski and Crvenkovski, noted that Albanians are active participants in FYROM's government. Gligorov spoke of his country's two most basic challenges and obligations during the war in Bosnia were: to do nothing to cause the expansion of the war to the south and to care for the FYROM's internal stability. He noted that he had substantial support from the United States in these efforts. Gligorov expressed the hope that continued US-FYROM cooperation would lead to his country's integration into NATO and the European Union.

The delegation traveled by helicopter to two U.S.-operated UNPREDEP observation posts along the Serbian border, meeting with servicemembers at each post. Five hundred fifty U.S. troops are stationed in the FYROM as part of this effort, first proposed by President Bush and later implemented by President Clinton, to monitor the FYROM-Serbia border and prevent the Bosnian conflict from spreading to the south.

SLOVENIA

In addition to a briefing from U.S. Embassy officials, the delegation's visit to Slovenia, the most economically advanced country of the former Yugoslavia, was marked by meetings with President Milan Kucan, State Secretary Ignac Golob, and Prime Minister Janez Drnovsek.

In the meeting with President Kucan, the delegation discussed the historic roots of Slovenia, which he described as a traditional identification with Austria-Hungary that has manifested itself in the Slovenian people through individualism, realism, a strong work ethic, and tolerance of different peoples. He stated that Tito interrupted that tradition but that Slovenia has maintained its Central European, rather than Balkan, orientation.

With respect to the break-up of Yugoslavia, Kucan argued that, while Islam and socialism had served as integrating elements beginning in 1918, there had been no "new idea" to keep Yugoslavia unified beyond those periods. He called that explanation an oversimplification, but said he believed it was a major factor in the former Yugoslav republics' declarations of independence.

Kucan called the Dayton agreement "a decisive point," stating that the United States had successfully interrupted the cycle of violence and ignorance. He reiterated what many others had said about the roots of the conflict—that the war was not a civil or religious one, but an attempt to use ultranationalism to create a "Greater Serbia" and, later, a "Greater Croatia" by exporting the war to Bosnia-Herzegovina. Kucan stated that the U.S. presence has been critical to the effort to prevent resumption of the war, he believes the ultimate success of the Dayton accord will depend on a commitment to that peace reflected in Belgrade and Zagreb, and he called for continued U.S. and European pressure on Serbia and Croatia toward that end.

Kucan also discussed Slovenia's current dispute with Italy over Slovene land that was owned by Italians before 1945. The Slovene parliament was to consider a law to ease restrictions on foreign ownership of property later that day. (The parliament did later approve a proposal by the Spanish presidency of the European Union to resolve the dispute. The Italians foreign ministry has responded positively, but the final outcome of the issue, which rests in the Italian parliament, remains uncertain.)

With State Secretary Golob of the Ministry of Foreign Affairs, the delegation discussed the Kosovo issue. Golob shared the view of many others—that war in Kosovo would destabilize the entire region and that the foreign presence in the area—particularly that of the United States—is "extremely important." He described the situation in the former Yugoslavia as "complicated, but not hopeless," and argued that the price the international community is paying for the IFOR deployment is small compared to the costs that would be associated with failure in Bosnia and a spread of the war.

Prime Minister Drnovsek also argued the legitimacy and importance of the U.S. role in Bosnia. He acknowledged the challenges the involvement poses for the United States in the short term, but expressed its long-term value in terms of the cost-effectiveness of prevention as well as the benefit of helping small democracies develop in Central Europe and the Balkans. He said, "You who espouse democracy, and have enjoyed it for 200 years, have the opportunity to see people who have lived for generations under tyranny, dictatorship, and communism now breathe freely under democracy. We, the small struggling republics, could be like you."

CROATIA

In addition to a briefing from the Ambassador and other U.S. Embassy officials in Zagreb, the delegation met with Croatian President Franjo Tudjman to discuss progress related to implementation of the Dayton Peace Accord, the prospects for long-term peace in the region, and the investigation of the crash of Secretary Brown's plane in Dubrovnik.

The delegation thanked President Tudjman for Croatia's assistance in the aftermath of the plane crash and expressed the delegation's and the United States' interest in continuing the mission that Secretary Brown started. The senators pressed Tudjman on the importance to U.S.-Croatian relations of continued progress toward democratization and privatization. The delegation also indicated that the United States would be monitoring the following issues over the next 6 to 18 months: continued support for the Muslim-Croat Federation, including respect for Bosnia's borders and protection of human rights within those borders, and for peaceful resolutions of regional disputes; fair treatment and resettlement of Serbs who lived in Croatia before the war; continued progress in Eastern Slavonia; and cooperation with the War Crimes Tribunal. The delegation stated that the United States is looking to Croatia for leadership toward a lasting peace in the region.

Tudjman reported that good progress is being made in Eastern Slavonia, and supported the idea of Serb family reunification, but said that it "would not be realistic" to expect the return of all Serbs from that region. He argued that Bosnian Croats have been more cooperative than Bosnian Muslims with respect to implementation of the Dayton agreement and pointed to recent problems in Mostar to support that claim. Still, Tudjman called himself "an optimist," saying that optimism is based on peace being in Croatia's strategic interest and the Bosnians having no other option. He summarily dismissed rumors of his willingness to enter into an agreement with Serbian President Milosevic to divide Bosnia.

GOOD SAMARITAN CENTER'S 50 YEARS OF SERVICE

Mr. DASCHLE. Mr. President, I would like to take this time to congratulate the staff of the Good Samaritan Center as they celebrate 50 years of service to the Tyndall community. The center has provided quality care to senior citizens in the Tyndall area, and its management and staff are to be commended for their hard work and dedication.

During my travels throughout South Dakota, I am continually reminded of the importance of health care institutions in our rural communities. They provide important services to local residents and help preserve our tight-knit communities.

The Good Samaritan Center in Tyndall is one of those institutions, and it gives me great pride to be able to point to such an exemplary South Dakota facility. For half a century, the center has been an integral part of the Tyndall community, serving the elderly with respect and compassion. Most importantly, the Good Samaritan Center ensures that its residents can continue to live close to their friends and loved ones, and in the towns in which many of them have spent their entire lives. The center can be very proud of its role in the Tyndall community.

Once again, I applaud the management and staff of the Good Samaritan Center on this important milestone. I know their next 50 years will be just as successful and rewarding.

TRIBUTE TO MINISTER GABRIEL LEWIS

Mr. THURMOND. Mr. President, the United States and the Republic of Panama enjoy a long and strong relationship between our two nations, one that stretches back to the 1904 founding of Panama. Since that time, these two great American nations have worked together to build partnerships for peace and prosperity that have not only greatly benefited our respective countries, but all the states of the American continents. During these 92 years, Panamanian and American officials and citizens have built countless friendships, and I rise today to share with my colleagues the unfortunate news that a man most of us know and like very much, Foreign Minister of the Republic of Panama Gabriel Lewis, is resigning his position due to illness.

Minister Lewis' contributions to his nation are well known and well respected. He has served Panama faithfully and selflessly during his career, and through his service, he has worked to make his nation a better and stronger place for its citizens. Perhaps Minister Lewis' greatest legacy and contribution to his countrymen, though, is the leading role he took in opposing the dictatorial and criminal regime of the former Panamanian strongman, Manuel Noriega.

Bringing Noriega to justice and holding him accountable for his illegal and immoral behavior took thousands of individuals to commit acts of great courage. It took courage for Panamanian citizens to take to the streets and protest the regime of Noriega and to face his riot police and organized thugs dubiously titled "Dignity Battalions"; and, it took courage for the young soldiers of the 82d Airborne and the 7th Infantry Divisions to engage in combat with the well trained and equipped Panamanian Defense Force. It took great courage for Minister Lewis to openly defy and condemn the government of his nation, and to take Noriega and his puppet advisers to task for attempting to quash democracy and ignore the basic civil rights of their citizens. Minister Lewis' leadership in the international community during that time of crisis was just as critical to the successful outcome of Operation Just Cause, and the arrest and conviction of Noriega as were the contributions made by the people of Panama or the military personnel of the United States.

Mr. President, though I am sure that those who know Minister Lewis are sorry to see him leave his post as Foreign Minister of the Republic of Panama, I am pleased to note that our friend is not leaving public service. Recognizing an individual of unusual characteristics and qualities, the President of Panama has appointed Gabriel Lewis to be his senior counsel, with cabinet rank. I am confident that Minister Lewis will continue to make many valuable contributions to the people and nation of Panama through this new position, and that he will also continue to work to maintain and further strengthen the friendship between our nations, as well as to further the march of democracy throughout Latin America. I wish him success in his work as senior counsel, and for a speedy and complete recovery to his full health.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, Monday, June 17, the Federal debt stood at $5,137,826,225,531.03, which amounts to $19,306.97 per man, woman, and child on a per capita basis.

SETTING THE RECORD STRAIGHT

Mr. FORD. Mr. President, I am sure that we all have high standards for accuracy on this floor, and therefore I wish to comment on certain statements which have been made in recent days.

On June 7, the junior Senator from Oklahoma mistakenly represented that the Senate had voted on a version of the balanced budget amendment in the 103d Congress that was "identically the same" as the version voted on in the 104th Congress. He then mistakenly inserted into the CONGRESSIONAL RECORD copes of two resolutions when he represented to be "the two resolutions that we voted on * * *."

In fact, he inserted into the RECORD copies of the resolutions as introduced, but not as amended and actually voted on by the Senate. The two resolutions which were ultimately voted on contained language differences concerning judicial review.

The distinguished Senator from North Dakota and I had a colloquy with the Senator from Oklahoma. As we pointed out then, the language differences were not the primary reasons for our votes in opposition to the balanced budget amendment in the 104th Congress. Our opposition stemmed mainly from the dramatic change in the interpretation of section 6 of the proposal concerning implementing language—regarding the intention to count the annual surplus in the Social Security trust fund. However, since the Senator from Oklahoma was attempting to portray the issue in a simple black-and-white fashion—as two votes on identical proposals—we sought to clarify for the RECORD that the representations he made were flat out wrong.

Last Friday, the junior Senator from Oklahoma again took the floor to discuss this matter. He stated that, after all, the two resolutions really were "exactly the same thing" since both added language dealing with the issue of judicial review. Therefore, even though the language was different, certain Senators "turned right around and actively opposed the same exact language in a balanced budget amendment" that they had earlier supported in 1994.

The junior Senator from Oklahoma then quoted the distinguished Senator from Georgia, Senator NUNN, who authored a 1995 amendment on judicial review. What the Senator from Georgia actually said on February 28, 1995 was that his amendment on judicial review was "similar to the Danforth amendment we agreed to last year and the Johnston amendment, which was defeated last week" by a vote of 47 to 52.

I ask unanimous consent that the Danforth amendment from 1994 and the Johnston and Nunn amendments from 1995, each of which amends section 6 of the balanced budget amendment, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DANFORTH AMENDMENT

The power of any court to order relief pursuant to any case or controversy arising under this Article shall not extend to ordering any remedies other than a declaratory judgment or such remedies as are specifically authorized in implementing legislation pursuant to this section.

JOHNSTON AMENDMENT

The judicial power of the United States shall not extend to any case or controversy arising under this article except for section 2 hereof, or as may be specifically authorized in implementing legislation pursuant to this section.

NUNN AMENDMENT

The judicial power of the United States shall not extend to any case or controversy arising under this article except as may be specifically authorized by legislation adopted pursuant to this section.

Mr. FORD. As the Senator from Georgia noted, all three amendments are similar. The Senator form Oklahoma says the Danforth and Nunn amendments are "exactly the same thing." Yet last year he voted against the Johnston amendment, which also dealt with judicial review. Perhaps the next time we are discussing identical proposals on the balanced budget amendment, the junior Senator from Oklahoma can inform all of us concerning what was so different about the Johnston amendment on judicial review to justify his different positions. I would think he would consider it to be the same exact language. The junior Senator from Oklahoma continues to try to make a silk purse out of a sow's ear.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES REFERRED

The following resolution was read and referred as indicated:

S. Res. 263. Resolution relating to church burning; to the Committee on the Judiciary.

REPORTS OF COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of June 13, 1996, the following report was submitted on June 17, 1996, during the adjournment of the Senate:

By Mr. D'AMATO, from the Special Committee to Investigate Whitewater Development Corporation and Related Matters:

Special Report entitled "The Final Report" (Rept. No. 104-280).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, with an amendment:

H.R. 3448. A bill to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, and for other purposes (Rept. No. 104-281).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

John W. Hechinger, Sr., of the District of Columbia, to be a member of the National

Security Education Board for a term of 4 years.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BYRD:

S. 1881. A bill to amend title 23, United States Code, to make available for obligation such sums as are necessary to pay the Federal share of completion of construction of the Appalachian Development Highway System, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DEWINE:

S. 1882. A bill to amend chapter 89 of title 5, United States Code, to include medical foods as a specific item for which coverage may be provided under the Federal Employees Health Benefits Program; to the Committee on Governmental Affairs.

By Ms. SNOWE (for herself and Mr. COHEN):

S. 1883. A bill to amend title 23, United States Code, to conform to State law the vehicle weight limitations on certain portions of the Interstate System, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRAMM:

S. 1884. A bill to provide a penalty of not less than 10 years imprisonment without release for damage by arson to houses of worship; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for himself, Mr. DASCHLE, Mrs. HUTCHISON, Ms. MOSELEY-BRAUN, Mr. FAIRCLOTH, Mr. LEVIN, Mr. HELMS, Mr. KEMPTHORNE, Mr. ABRAHAM, Mr. BIDEN, Mrs. BOXER, Mr. BRADLEY, Mr. CHAFEE, Mr. COCHRAN, Mr. COVERDELL, Mr. D'AMATO, Mr. DODD, Mrs. FEINSTEIN, Mr. GRAMM, Mr. HARKIN, Mr. INHOFE, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. PELL, Mr. SIMON, Mr. THOMPSON, Mr. THURMOND, Mr. WARNER, and Mr. WELLSTONE):

S. Res. 265. A resolution relating to church burnings; considered and agreed to.

By Ms. MOSELEY-BRAUN (for herself and Mr. SIMON):

S. Res. 266. A resolution to congratulate the Chicago Bulls on winning the 1996 National Basketball Association Championship and proving themselves to be one of the best teams in NBA history; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BYRD:

S. 1881. A bill to amend title 23, United States Code, to make available for obligation such sums as are necessary to pay the Federal share of completion of construction of the Appalachian Development Highway System, and for other purposes; to the Committee on Environment and Public Works.

THE APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM COMPLETION ACT

Mr. BYRD. Mr. President, I rise today to introduce the Appalachian Development Highway System Completion Act of 1997. This bill will ensure that adequate funds will be disbursed to complete the Appalachian Development Highway System by the year 2003, some 38 years after the Federal Government first committed itself to the completion of this critical highway network.

We are quickly approaching the expiration of the funding authorizations contained in the Intermodal Surface Transportation Efficiency Act, or ISTEA as it is commonly referred to. Our colleagues in the other body have already begun hearings on the reauthorization of ISTEA, and the Senate Environment and Public Works Committee will begin efforts toward that end in the next several months. As we approach the drafting of a new comprehensive multiyear highway bill, I want to call the attention of my Senate colleagues to the proposal to ensure that the Federal Government finally fulfills its commitment to providing adequate highway access throughout the Appalachian region.

The necessity to expand highway access to spur the development of the Appalachian region was first cited by the President's Appalachian Regional Commission of 1964, 32 years ago. The commission's report stated:

> Developmental activities in Appalachia cannot proceed until the regional isolation has been overcome by a transportation network which provides access to and from the rest of the Nation and within the region itself. The remoteness and isolation of the region lying directly adjacent to the greatest concentration of people and wealth in the country are the very bases of Appalachian life. Penetration by an adequate transportation network is the first requisite of its full participation in industrial America.

One year later, the Appalachian Regional Development Act of 1965 authorized several programs for the development of the region, the first of which called for the construction of a new highway network. According to the act, these highways "will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access."

Mr. President, subsequent amendments to the act defined the 3,025 miles that comprise the Appalachian Development Highway System. Unfortunately, today we find that while the Interstate Highway System is virtually 100 percent complete, the Appalachian Development Highway System is only 76 percent complete. Of the 3,025 miles that comprise the Appalachian system, roughly 725 miles remain unfinished more than 30 years after the system was promised.

These unfinished miles, spread throughout the 13 States that have counties within the statutorily designated boundaries of Appalachia, await completion. Those States include Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. All of West Virginia is within Appalachia. West Virginia is the only State that is wholly within Appalachia.

While the completion of the Interstate Highway System did play a role in the development of certain parts of Appalachia, the interstate system largely bypassed the Appalachian region due to the extremely high costs associated with building roads through Appalachia's rugged topography. As a result, the construction of the interstates had the detrimental effect of drawing passengers and freight, and their accompanying economic benefits, away from the Appalachian region. This left the Appalachian region with a transportation infrastructure of dangerous, narrow, winding roads that followed the paths of river valleys and streambeds between mountains. These roads are, more often than not, two-lane roads that are required to be squeezed into very limited rights-of-way. They are characterized by low travel speeds and long travel distances due to the winding roadway pattern. They were often built to inadequate design standards and, therefore, present very hazardous driving conditions.

For those areas where the Appalachian Development Highway System has been completed, we have seen stunning economic successes. The Appalachian Regional Commission has completed surveys indicating that of the hundreds of thousands of jobs that have been created in the Appalachian region over recent decades, over 80 percent of these jobs have been located along either the Appalachian highway system or the Interstate Highway System.

We have seen this in West Virginia as we have seen it in each of the other 12 States that comprise the Appalachian region. Unfortunately, we have also seen that in those areas where the Appalachian Development Highway System has not been completed, it is almost impossible for communities to compete for large employers due to poor access to national markets.

Mr. President, the rationale behind the completion of the Appalachian highway system is no less sound today than it was 32 years ago—in 1964. Unfortunately, there are still children in Appalachia who lack decent transportation routes to schools. There are still pregnant women, elderly citizens, and others who lack timely road access to area hospitals. There are thousands of people who certainly find it very difficult to obtain sustainable, well-paying jobs because of poor road access to the major employment centers.

Mr. President, the people of Appalachia have waited long enough for the Federal Government to fulfill its commitment to the Appalachian region. The bill I am introducing today will ensure that sufficient funds are set aside in the next major highway bill to complete the remaining 24 percent of the Appalachian Development Highway System.

This bill takes a different approach from that of the prior authorization acts for the Appalachian highway system. The bill calls for direct contract authority to be made available from the highway trust fund to be distributed to the States of the Appalachian region solely for the purpose of completing the 725 unfinished miles of the Appalachian Development Highway System.

One of the primary reasons why completion of the Appalachian highway system has lagged behind that of the Interstate Highway System is because the interstate system has benefited from the direct availability of highway trust funds, while the Appalachian Development Highway System has been required to be financed largely through incremental annual appropriations of general funds.

Now, Mr. President, the Appalachian Development Highway System is no less deserving of highway trust funds than any other major arterial road system. The 725 miles of the Appalachian Development Highway System that await completion represent just 1.6 percent of the size of our completed Interstate Highway System. They represent less than one-half of 1 percent of the size of the National Highway System, just designated in law in 1995. It is certainly high time that the funding mechanism for the Appalachian Development Highway System be put on a par with those of other highway systems of national significance that are customarily funded through direct contract authority from the trust fund.

The bill I introduce today also makes clear that funds provided to the Appalachian States for the completion of the Appalachian Development Highway System will be provided in addition to the funds that those States will receive from the Federal aid highway program for their customary purposes. These States should not be required to choose between the maintenance of their interstate and other Federal highways and the completion of the Appalachian system. It would not be fair to the States of the Appalachian region to give with the one hand and take away with the other.

Under this bill, States will still be required to provide the standard 20 percent matching share for Federal funds for the completion of these highways, as is the case for all major Federal aid highway programs. The bill authorizes the Secretary to distribute such sums as are necessary for the completion of the Appalachian Development Highway System.

The Appalachian Regional Commission, with the cooperation of the Federal Highway Administration, is currently updating its estimate for the cost to complete the system. I anticipate that when this bill is incorporated into next year's highway legislation, it will identify and authorize the appropriate dollar figure that results from this ongoing study.

I should point out, Mr. President, that the administration shares my goal for the completion of the Appalachian Development Highway System in the near term. I recently wrote to the President regarding my concern in this area.

OMB Director, Alice Rivlin, responding for the President, stated that it is the administration's goal to complete the construction of the system by the year 2005. In response to my questions during a recent Transportation Appropriations Subcommittee hearing, Secretary Pena also signaled his support and cooperation.

Therefore, I urge all of my colleagues to support this legislation. Our entire Nation has benefited from the improvements brought about by the Appalachian Development Highway System and so, too, will we all benefit from its completion in the near future.

By Mr. DEWINE:

S. 1882. A bill to amend chapter 89 of title 5, United States Code, to include medical foods as a specific item for which coverage may be provided under the Federal Employees Health Benefits Program; to the Committee on Governmental Affairs.

MEDICAL FOODS LEGISLATION

• Mr. DEWINE. Mr. President, I introduce legislation that will clarify the ability of fee-for-service plans in the Federal Employees Health Benefit Program [FEHBP] to provide coverage for medical foods.

Medical foods are a liquid formula given to a patient under the supervision of a doctor in cases where patients cannot take solid foods to meet their nutritional needs. Medical foods are often used for patients with AIDS or patients undergoing chemotherapy and have difficulty taking solid foods.

So this bill would amend title 5 of the United States Code to include medical foods specifically in the list of items and services that can be covered by fee-for-service plans serving FEHBP beneficiaries. This legislation would not mandate coverage of medical foods. It simply clarifies that fee-for-service plans can provide coverage for medical foods.•

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 794

At the request of Mr. LUGAR, the names of the Senator from Minnesota [Mr. GRAMS] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1035

At the request of Mr. DASCHLE, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1035, a bill to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests, and for other purposes.

S. 1095

At the request of Mr. MOYNIHAN, the names of the Senator from Oregon [Mr. WYDEN] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 1095, a bill to amend the Internal Revenue Code of 1986 to extend permanently the exclusion for educational assistance provided by employers to employees.

S. 1237

At the request of Mr. HATCH, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 1237, a bill to amend certain provisions of law relating to child pornography, and for other purposes.

S. 1400

At the request of Mrs. KASSEBAUM, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1477

At the request of Mrs. KASSEBAUM, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1477, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 1506

At the request of Mr. ABRAHAM, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 1506, a bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law, and for other purposes.

S. 1632

At the request of Mr. LAUTENBERG, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1632, a bill to prohibit persons convicted of a crime involving domestic violence from owning or possessing firearms, and for other purposes.

S. 1669

At the request of Mr. LOTT, the names of the Senator from Colorado [Mr. CAMPBELL] and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 1669, a bill to name the Department of Veterans' Affairs medical center in Jackson, MS, as the "G.V. (Sonny) Montgomery Department of Veterans' Affairs Medical Center".

S. 1674

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1674, a bill to amend the Internal Revenue Code of 1986 to expand the applicability of the first-time farmer exception.

S. 1729

At the request of Mrs. HUTCHISON, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1729, a bill to amend title 18, United States Code, with respect to stalking.

S. 1740

At the request of Mr. NICKLES, the names of the Senator from New Hampshire [Mr. GREGG], the Senator from Missouri [Mr. ASHCROFT], the Senator from Washington [Mr. GORTON], the Senator from Arizona [Mr. KYL], the Senator from Utah [Mr. BENNETT], the Senator from Tennessee [Mr. FRIST], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 1740, a bill to define and protect the institution of marriage.

S. 1808

At the request of Mr. MURKOWSKI, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1808, a bill to amend the Act of October 15, 1966 (80 stat. 915), as amended, establishing a program for the preservation of additional historic property throughout the Nation, and for other purposes.

S. 1816

At the request of Mr. BOND, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 1816, a bill to expedite waiver approval for the Wisconsin Works plan, and for other purposes.

S. 1844

At the request of Mr. MURKOWSKI, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1844, a bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water-based recreation and for other purposes.

S. 1856

At the request of Ms. SNOWE, her name was added as a cosponsor of S. 1856, a bill to establish a commission to study and provide recommendations on restoring solvency in the Medicare Program under title XVIII of the Social Security Act.

S. 1879

At the request of Mr. MOYNIHAN, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 1879, a bill to amend the Internal Revenue Code of 1986 to provide for 501(c)(3) bonds a tax treatment similar to governmental bonds, and for other purposes.

SENATE RESOLUTION 263

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of Senate Resolution 263, a resolution relating to church burning.

SENATE RESOLUTION 265—RELATING TO CHURCH BURNINGS

Mr. LOTT (for himself, Mr. DASCHLE, Mrs. HUTCHISON, Ms. MOSELEY-BRAUN, Mr. FAIRCLOTH, Mr. LEVIN, Mr. HELMS, Mr. KEMPTHORNE, Mr. ABRAHAM, Mr. BIDEN, Mrs. BOXER, Mr. BRADLEY, Mr. CHAFEE, Mr. COCHRAN, Mr. COVERDELL, Mr. D'AMATO, Mr. DODD, Mrs. FEINSTEIN, Mr. GRAMM, Mr. HARKIN, Mr. INHOFE, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. PELL, Mr. SIMON, Mr. THOMPSON, Mr. THURMOND, Mr. WARNER, and Mr. WELLSTONE) submitted the following resolution; which was considered and agreed to:

S. RES. 265

Whereas, there have been at least 156 fires in houses of worship across the nation since October 1991;

Whereas, there have been at least 35 fires of suspicious origin at churches serving African-American communities in the last 18 months;

Whereas, these churches and houses of worship are a vital part of the life of these communities;

Whereas, intentionally burning churches or other houses of worship is a very heinous crime;

Whereas, intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights as an American, is inconsistent with the First Amendment of the United States Constitution, which guarantees every American the right to the free exercise of his or her religion, and which ensures that Americans can freely and peaceably assemble together; and,

Whereas, intentionally burning churches, when done to intimidate any American from the free exercise of his or her rights, is a serious national problem that must be expeditiously and vigorously addressed.

Now, therefore, be it *Resolved*, That—

(1) the Senate condemns arson and other acts of desecration against churches and other houses of worship as being totally inconsistent with fundamental American values; and,

(2) the Senate believes investigation and prosecution of those who are responsible for fires at churches or other houses of worship, and especially any incidents of arson whose purpose is to divide communities or to intimidate any Americans, should be a high national priority.

SENATE RESOLUTION 266—TO CONGRATULATE THE CHICAGO BULLS

Ms. MOSELEY-BRAUN (for herself and Mr. SIMON) submitted the following resolution; which was considered and agreed to:

S. RES. 266

Whereas the Chicago Bulls at 72–10, posted the best regular season record in the history of the National Basketball Association;

Whereas the Bulls roared through the playoffs, sweeping the Miami Heat and defeating the New York Knicks in five games; before sweeping the Orlando Magic to return to the NBA Finals for the first time in two years;

Whereas the Bulls displayed a potent offense, and what some consider to be their best defense ever, throughout the playoffs before beating the Seattle Supersonics to win their fourth franchise NBA championship;

Whereas head coach Phil Jackson, who won his first Coach of the Year award, and the entire coaching staff skillfully led the Bulls through a record 72-win season and a 15-3 playoff run;

Whereas Michael Jordan, Scottie Pippen, and Dennis Rodman all were named to the NBA's "All-Defensive Team", the first time in 13 years that three players from the same team have been so named;

Whereas Michael Jordan, in his first full season after coming out of retirement, won his record eighth scoring title, his fourth Most Valuable Player award, and was again named playoff most valuable player (for the fourth time);

Whereas Scottie Pippen again exhibited his outstanding offensive and defensive versatility, proving himself to be one of the best all-around players in the NBA;

Whereas the quickness, tireless defensive effort, and athleticism of the colorful Dennis Rodman, who won his fifth straight rebounding title, keyed a Bulls front line that led the league in rebounding;

Whereas veteran guard Ron Harper, in shutting down many of the league's top point guards throughout the playoffs, demonstrated the defensive skills that have made him a cornerstone of the league's best defense;

Whereas center Luc Longley frustrated many of the all-star caliber centers that he faced in this year's playoffs while at times providing a much needed scoring lift;

Whereas Toni Kukoc, winner of the league's "Sixth Man" award, displayed his awesome variety of offensive skills in both assisting on, and hitting, several big shots when the Bulls needed them most;

Whereas the laser-like three-point shooting of career three-point field goal percentage leader Steve Kerr sparked many a Bulls rally;

Whereas the outstanding shooting of Jud Buechler and Bill Wennington, and the tenacious defense of Randy Brown, each of whom came off the bench to provide valuable contributions, were an important part of each Bulls victory;

Whereas John Salley and James Edwards provided valuable contributions throughout the season and the playoffs, both on and off the court, at times giving the Bulls the emotional lift they needed; and

Whereas the regular season contributions of second year forward Dickey Simpkins and rookie forward Jason Caffey, and the constant emotional lift provided by the injured Jack Haley, both on the court and in practice, again demonstrated the total devotion of Bulls personnel to the team concept that has made the Bulls into one of the most devastating basketball forces of modern times: Now, therefore, be it

Resolved, That the Senate congratulates the Chicago Bulls on winning the 1996 National Basketball Association championship.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

GRASSLEY AMENDMENT NO. 4047

Mr. GRASSLEY proposed an amendment to the bill (S.1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

At the end of subtitle A of title X add the following:

SEC. . FORCE MODERNIZATION FUNDED BY REDUCTIONS IN SPENDING FOR INFRASTRUCTURE PROGRAMS.

(a) FUNDING FREEZE AT PROGRAMMED LEVEL FOR FISCAL YEAR 1998.—The Secretary of Defense shall ensure that the total amount expended for infrastructure programs for each of fiscal years 1998 through 2001 does not exceed $145,000,000,000.

(b) USE OF SAVINGS FOR FORCE MODERNIZATION.—The Secretary of Defense shall take the actions necessary to program for procurement for force modernization for the fiscal years referred to in subsection (a) the amount of the savings in expenditures for infrastructure programs that is derived from actions taken to carry out that subsection.

(c) PROTECTION OF PROGRAM FOR SPARE PARTS AND TRAINING.—In formulating the future-years defense programs to be submitted to Congress in fiscal year 1997 (for fiscal year 1998 and following fiscal years), fiscal year 1998 (for fiscal year 1999 and following fiscal years), fiscal year 1999 (for fiscal year 2000 and following fiscal years), and fiscal year 2000 (for fiscal year 2001 and following fiscal years), the Secretary shall preserve the growth in programmed funding for spare parts and training for fiscal years 1998 through 2001 that is provided in the future-years defense program that was submitted to Congress in fiscal year 1996.

(d) REDUCTIONS TO BE SHOWN IN FISCAL YEAR 1998 FUTURE-YEARS DEFENSE PROGRAM.—The future-years defense program submitted to Congress in fiscal year 1997 shall reflect the programming for the reduction in expenditures for infrastructure programs that is necessary to carry out subsection (a) and the programming for force modernization that is required by subsection (b).

(e) GAO REVIEW OF FISCAL YEAR 1998 FUTURE-YEARS DEFENSE PROGRAM.—The Comptroller General shall review the future-years defense program referred to in subsection (c) and, not later than May 1, 1997, submit to Congress a report regarding compliance with that subsection. The report shall include a discussion of the extent, if any, to which the compliance is deficient or cannot be ascertained.

(f) INFRASTRUCTURE PROGRAMS DEFINED.—For the purposes of this section, infrastructure programs are programs of the Department of Defense that are composed of activities that provide support services for mission programs of the Department of Defense and operate primarily from fixed locations. Infrastructure programs include program elements in the following categories:

(1) Acquisition infrastructure.

(2) Installation support.

(3) Central command, control, and communications.

(4) Force management.

(5) Central logistics.

(6) Central medical.

(7) Central personnel.

(8) Central training.

(9) Resource adjustments for foreign currency fluctuations and Defense Logistics Agency managed stock fund cash requirements.

(g) FUTURE-YEARS DEFENSE PROGRAM DEFINED.—As used in this section, the term "future-years defense program" means the future-years defense program submitted to Congress pursuant to section 221 of title 10, United States Code.

DORGAN (AND OTHERS) AMENDMENT NO. 4048

Mr. DORGAN (for himself, Mr. LEAHY, Mr. HARKIN, and Mr. BUMPERS) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 31, strike out line 2 and insert in lieu thereof the following:

"$9,362,542,000, of which—

"(A) $508,437,000 is authorized for national missile defense;".

KYL (AND REID) AMENDMENT NO. 4049

Mr. KYL (for himself and Mr. REID) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X add the following:

SEC. . UNDERGROUND NUCLEAR TESTING CONSTRAINTS.

(a) AUTHORITY.—Subject to subsection (b), effective on October 1, 1996, the United States may conduct tests of nuclear weapons involving underground nuclear detonations in a fiscal year if—

(1) the Senate has not provided advice and consent to the ratification of a multilateral comprehensive nuclear test ban treaty;

(2) the President has submitted under subsection (b) an annual report covering that fiscal year (as the first of the fiscal years covered by that report);

(3) 90 days have elapsed after the submittal of that report; and

(4) Congress has not agreed to a joint resolution described in subsection (d) within that 90-day period.

(b) REPORT.—Not later than March 1 of each year, the President shall submit to the Committees on Armed Services and on Appropriations of the Senate and the Committees on National Security and on Appropriations of the House of Representatives, in classified and unclassified forms, a report containing the following matters:

(1) The status on achieving a multilateral comprehensive nuclear test ban treaty, unless the Senate has already provided its advice and consent to the ratification of such a treaty.

(2) An assessment of the then current and projected safety and reliability of each type of nuclear warhead that is to be maintained in the active and inactive nuclear stockpiles of the United States during the four successive fiscal years following the fiscal year in which the report is submitted.

(3) A description of the number and types of nuclear warheads that are to be removed from the active and inactive stockpiles during those four fiscal years, together with a discussion of the dismantlement of nuclear weapons that is planned or projected to be carried out during such fiscal years.

(4) A description of the number and type of tests involving underground nuclear detonations that are planned to be carried out during those four fiscal years, if any, and a discussion of the justification for such tests.

(c) TESTING BY UNITED KINGDOM.—Subject to the same conditions as are set forth in paragraphs (1) through (4) of subsection (a) for testing by the United States, the President may authorize the United Kingdom to conduct in the United States one or more tests of a nuclear weapon within a period covered by an annual report if the President determines that is in the national interest of the United States to do so.

(d) JOINT RESOLUTION OF DISAPPROVAL.—For the purposes of subsection (a)(4), "joint resolution" means only a joint resolution introduced after the date on which the committees referred to in subsection (b) receive the report required by that subsection the matter after the resolving clause of which is as follows: "Congress disapproves the report of the President on nuclear weapons testing, transmitted on pursuant to section of the National Defense Authorization Act for Fiscal Year 1997." (the first blank being filled in which the date of the report).

(e) IMPLEMENTATION OF TEST BAN TREATY.—If, with the advice and consent of the Senate to ratification of a comprehensive nuclear test ban treaty, the United States enters into such a treaty, the United States may not conduct tests of nuclear weapons involving underground nuclear detonations that exceed yield limits imposed by the treaty unless the President, in consultation with Congress, withdraws the United States from the treaty in the supreme national interest.

(f) REPORT OF THE SUPERSEDED LAW.—Section 507 of Public law 102–377 (106 Stat. 1343; 42 U.S.C. 2121 note) is repealed.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. McCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Wednesday, June 19, 1996, at 9:30 a.m.

to mark up title III of H.R. 3286, the Adoption Promotion and Stability Act of 1996. The markup will be held in room 485 of the Russell Senate Office Building.

COMMITTEE ON INDIAN AFFAIRS

Mr. McCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs and the Senate Committee on Banking, Housing, and Urban Affairs will conduct a joint hearing during the session of the Senate on Thursday, June 20, 1996, beginning at 10 a.m. on title VII, American Indian Housing Assistance, to H.R. 2406, the U.S. Housing Act of 1996. The hearing will be held in room 538 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry Subcommittee on Research, Nutrition, and General Legislation be allowed to meet during the session of the Senate on Tuesday, June 18, 1996, to discuss issues that affect the livestock industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Tuesday, June 18, 1996, session of the Senate for the purpose of conducting an oversight hearing on the Federal Communications Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. THURMOND. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to consider pending business Tuesday, June 18, at 9:30 a.m., hearing room (SD–406).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 18, 1996, at 10 a.m. to hold a hearing on oversight of the Department of Justice witness security program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, June 19, 1996, beginning at 9 a.m., and Wednesday, June 19, 1996, beginning at 9:30 a.m. until business is completed, to hold a hearing on public access to Government information in the 21st century, with a focus on the GPO depository library program title 44.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO DANIEL HEALY AS HE CELEBRATES HIS 50TH YEAR IN THE NEW HAMPSHIRE LEGISLATURE

• Mr. SMITH. Mr. President, I rise today to pay tribute to Daniel Healy as he celebrates the completion of 50 years as a New Hampshire State lawmaker. Dan Healy is the longest serving State legislator in the history of New Hampshire and the United States. I commend him and thank him for his long career of service to the Granite State.

Representative Healy, a Democrat from Manchester, currently holds the honorary title of Dean of the House. Mr. Healy is the longest serving State legislator in the history of New Hampshire and the United States. First elected in 1944, he is the only person in the state's history to be elected 25 times to the New Hampshire House.

Dan is the son of an Irish immigrant, attended Georgetown School of Law and began his career as a lawyer. He has seen the terms of 11 Presidents as well as 12 New Hampshire Governors. In addition, he was a delegate to the 1938, 1964, and 1974 constitutional conventions. He has seen the beginning and the end of the cold war in office. Daniel was serving the city of Manchester as it celebrated its 100th anniversary, and he is still serving as the city celebrates its 150th anniversary this year. Secretary of State Bill Gardener says of the 88-year-old Healy that it is his "conservative nature and Yankee sensibility" that brought him success and longevity.

Daniel Healy's career bears the marks of dignity and distinction from its earliest days. He epitomizes the concept of public servant, faithfully representing his constituents for the past 50 years. Their confidence in him is apparent as he completes his 25th consecutive term in office. As he has been in ill health, the 50th anniversary celebration marks his first visit to the State House this year. His record of public service to the State of New Hampshire is outstanding, having devoted his life to serving the Granite State. The public trust has been and continues to be safe in the hands of Dan Healy.

I commend Dan Healy for his long career of excellence in public office. He is a New Hampshire institution and I would like to take this opportunity to wish him well. I hope that New Hampshire may continue to be blessed by his faithful leadership and dedication.•

JUNETEENTH DAY

• Mr. KOHL. Mr. President, I would like to join my fellow citizens of the State of Wisconsin in celebrating the 25th anniversary of Juneteenth Day in Milwaukee, WI. Juneteenth Day commemorates the day on which the last slaves in the United States learned of their freedom. While the Emancipation Proclamation, issued by President Lincoln on January 1, 1863, represents an important step in the African-American population's quest for freedom and equality, Juneteenth Day, or June 19, 1865, marks the final abolition of slavery in the United States and thus occupies a special place in our Nation's history.

The celebration of Juneteenth Day in Milwaukee, WI, dates back to 1971 when the staff at Northcott Neighborhood House initiated the celebration. Juneteenth Day simultaneously pays homage to the African-American struggle for freedom and equality, commemorates the end of slavery, and celebrates the rich and varied contributions of African-Americans to the fabric of American society.

This year, on the 25th anniversary of Juneteenth Day in Milwaukee, the contributions of several individuals were honored. I would like to take this opportunity to extend special recognition to Margaret Henningsen, whose extensive work in the community has touched the lives of many, and to the memories of Jan Kemp-Cole, Terrance Pitts, and O.C. White, all of whom made tremendous contributions to the Milwaukee community. The lives and work of these individuals embody the spirit of Juneteenth Day: A celebration of African-American achievement, culture, and history.

Juneteenth celebrations throughout the Nation serve to reaffirm the ideals, goals, and dreams of all African-Americans. While much has been achieved in the years since President Lincoln signed the Emancipation Proclamation, the fight for equality continues and we must pursue the dream of Dr. Martin Luther King, Jr., that all children "not be judged by the color of their skin but by the content of their character." I invite my colleagues to join me in celebrating Juneteenth Day, a day of freedom, pride, and dignity in the African-American community.•

THE THEODORE ROOSEVELT DAM IN HISTORY

• Mr. KYL. Mr. President, on March 18, 1911, Teddy Roosevelt stood at the conjunction of the Salt River and Tonto Creek in the Salt River Valley, and pushed a button to release water from the dam that had been named after him. The harnessing of the Salt River 85 years ago created a lake that is 30 miles long, 4 miles wide, and a tribute to the dogged determination of turn-of-the-century engineers, political leaders, and residents of the local Indian and Anglo communities. At the rededication of the dam this spring — the ceremony marked the completion of a 9-year makeover by the Salt River project—I and some 2,000 other Arizonans gathered to celebrate this historic accomplishment.

From this distance in time, it is easy to forget that harnessing water to make the desert bloom put American political and technological ingenuity to a severe test. In the late 1800's, east-coast investors had first planned to build a masonry dam to tame the Salt River, but they proved unable to raise the $3 million necessary for this vast project. Only the Federal Government could do it. Just as in our own day, many different interests had to be reconciled before this mammoth effort could begin. As the historian Thomas Sheridan writes:

> Debate raged between farmers and speculators, between small farmers and large landowners like Dwight Heard and Alexander Chandler, between those who favored federal involvement and those who wanted Maricopa County or Arizona Territory to take control.

The man who made it all come together was Benjamin Fowler of Chicago, who had moved west for his health. Fowler was a private citizen who was able, Sheridan says, to "talk his fellow farmers into hammering out a plan the Government would approve." In 1903, the Salt River Valley Water Users' Association—today's Salt River project—was incorporated, and a complex yet workable public-private partnership was born. Two years later, ground was broken on the site, and the water control project commenced.

Instead of calling for the huge masonry structure that was originally envisioned, the U.S. Geological Survey plan made use of a natural rock basin to create the dam. Conditions at the Tonto Basin were gruelling: In the parching heat, laborers lowered themselves off steep cliffs on lifelines in order to hack roads out of solid rock. The setbacks were many. Temporary dams and flues were swept away by the floods of 1905. The transmission of electrical current to run heavy equipment caused one fatal accident; three others were drowned during construction of concrete bridges over the Grand Canal. But gradually, block by heavy block, the stone and concrete structure rose 284 feet from the river bed. Hundreds of geologists, stonecutters, zanjeros—gate operators,—laborers, and engineers had reclaimed the Great American Desert, turning Arizona's unnavigable waterways into irrigation for fields of grain, vegetables, cotton, and livestock.

Today, the Salt River project continues the partnership of Arizona citizens and the Federal Government by operating the dam on behalf of the U.S. Bureau of Reclamation. The SRP's work has enabled the Roosevelt Dam, which, at 85, is 19 years older than Nevada's Hoover Dam, to keep up with the times. The average family of four uses 325,851 gallons of water in 1 year. The recently completed renovation has increased the dam's height and capacity, adding storage for flood control as well as enabling the facility to serve another 1.2 million in population. As the valley's population grows, and as more and more recreational users flock to the camp grounds of Roosevelt Lake, the Roosevelt Dam bears out the vision of those who planned, risked, and sweated to bring it into existence.●

TRIBUTE TO SHERIFF CHARLES A. FUSELIER, NATIONAL SHERIFF OF THE YEAR

● Mr. JOHNSTON. Mr. President, it is with great pleasure that I rise to honor Sheriff Charles Fuselier who has been named sheriff of the year by the National Sheriffs' Association. The renowned national Ferris E. Lucus Award presented annually by the National Sheriff's Association, recognizes the accomplishments, outstanding public service and strong leadership qualities of its recipient. Of the forty-two sheriffs in the Nation to have been nominated, Sheriff Fuselier holds the distinction of being the first sheriff from Louisiana to receive this most prestigious award.

Sheriff Fuselier, who is currently serving his fifth term in office, is a very valuable resource both to St. Martin Parish and the State of Louisiana. He has demonstrated time and time again his dedication to the citizens of St. Martin Parish through his many accomplishments which have touched the lives of many people and had an overwhelmingly positive impact on the State as a whole.

When Sheriff Fuselier took office in 1980, the staff consisted of 28 deputies. Currently, the sheriff's office boasts a 160 deputy staff. This is just one of the many instances where Sheriff Fuselier recognized a critical need and took the necessary steps to better serve the people of St. Martin Parish. Other examples of his leadership and dedication include the establishment of law enforcement centers, parish prisons and a special emergency reaction team. Sheriff Fuselier has not only recognized the law enforcement needs of the parish but also the individuals under his care with the implementation of an inmate rehabilitation program.

Due to his tireless efforts to enhance the delivery of law enforcement services and combat the victimization of older persons, Sheriff Fuselier was instrumental in creating the first TRIAD program in the Nation in Louisiana. He heard about the TRIAD concept at a national FBI forum, knew it would help the people of St. Martin Parish and began a TRIAD program within weeks of having heard about it. Thus having earned the title "Father TRIAD," he has also instructed and moderated numerous TRIAD workshops and seminars providing assistance to develop TRIAD programs throughout Louisiana and the Nation.

Through his work on a myriad of law enforcement task forces, study groups, and commissions, Sheriff Fuselier has made many very important contributions to the Louisiana Sheriffs' Association and the National Sheriffs' Association. In fact, Sheriff Fuselier served in every position of the Louisiana Sheriffs' Association and also in many capacities on the National Sheriffs' Association such as the crime prevention committee and the national TRIAD advisory board.

I congratulate Sheriff Fuselier on receiving this very prestigious award and also on his contributions to the State and national criminal justice system. His achievements are truly an inspiration and the national sheriff of the year award is well deserved.●

TRIBUTE TO DEAN KAMEN, NEW HAMPSHIRE'S BUSINESS LEADER OF THE YEAR

● Mr. SMITH. Mr. President, I rise today to commend Dean Kamen, New Hampshire's Business Leader of the Year for 1996, president of DEKA Research and Development, and founder of U.S. First. I congratulate him for his record of excellence in business and community development.

Business NH Magazine and the Association of Chamber of Commerce Executives sponsor an annual event to recognize New Hampshire individuals and businesses making outstanding contributions to industry and community. Each year the sponsoring group receives hundreds of nominations. The exceptional quality of the entries gives testimony to the strength of Granite State businesses and the New Hampshire volunteer spirit.

Dean Kamen's record of achievement is certainly worthy of this outstanding honor. His inventions hold over 30 U.S. patents, he invented a life-saving 22-pound portable kidney dialysis machine, and he created a climate control system used by NASA. Dean has been recognized by President Clinton for his accomplishments and received the Hoover Medal, an international engineering honor.

Dean Kamen is a visionary who wants to change the way children view science and technology. He would like to see our Nation's children emulate scientists as much as they do sports heroes. His award-winning and community-minded contribution for this year is the U.S. First program designed to inspire American children. Children from across the Nation work with engineers and compete in a technological version of "American Gladiators."

Dean is working on a new project and keeping it tightly under wraps, but I look forward to hearing about it in the future. This is an outstanding record of accomplishment for this 45-year-old businessman. I wish to congratulate him for his recognition as New Hampshire's Business Leader of the Year, and I am proud to call Dean Kamen my friend.•

HONORING THE TRIMBLES FOR CELEBRATING THEIR 50TH WEDDING ANNIVERSARY

• Mr. ASHCROFT. Mr. President, families are the cornerstone of America. The data is undeniable: individuals from strong families contribute to the society. In an era when nearly half of all couples married today will see their union dissolve into divorce, I believe it is both instructive and important to honor those who have taken the commitment of "till death us do part" seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Mr. David and Mrs. Hazel Trimble of St. Charles, MO, who on June 16, 1996, celebrated their 50th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. David and Hazel's commitment to the principles and values of their marriage deserves to be saluted and recognized. I wish them and their family all the best as they celebrate this substantial marker on their journey together.•

TRIBUTE TO GIRL OF THE YEAR, KIM YARMO

• Mr. SMITH. Mr. President, I rise today to recognize Kim Yarmo, a sixth-grader at Amherst Street School in Nashua, NH, for receiving the honor of Girl of the Year Award from Girls, Inc.

Girls, Inc. is an organization open to girls between the ages of 5 and 18 and dedicated to the empowerment of young women. The programs are designed to help girls compensate for neglect they sometimes suffer in the development of skills in certain areas, such as sports or subjects such as math and science. Kim's parents thought that the program would help her overcome the difficulties of growing up with three brothers and no sister.

Selection for both Girl of the Month and Girl of the Year is based upon several qualities: cooperative attitude, enthusiasm, steady attendance, positive attitude, leadership skills, and outstanding ability to interact with staff and peers. Kim was chosen by the local Girls, Inc. staff and all of the 4 to 500 girls in the program as Girl of the Year. She was chosen from a group of 12 girls who had been named Girl of the Month during 1 of the past 12 months. Kim will represent Girls, Inc. at special events throughout the next year.

Kim is known by her peers for her helping ways, including assisting her peers with homework and reading. She is a responsible and caring young lady who understands the definition of teamwork. Kim is a leader and I am proud to call her one of New Hampshire's own.

Young women like Kim are important to the future of New Hampshire and the future of this Nation. I congratulate her as the recipient of Girls, Inc.'s Girl of the Year award.•

SWISS BANKS AND GOLD LOOTED BY THE NAZIS

• Mr. D'AMATO. Mr. President, I rise today to discuss the role of Swiss banks and their handling of gold looted by the Nazis.

On May 25, 1946, the Allies and Switzerland agreed to a treaty liquidating German property in Switzerland. In section II, paragraph 2 of the treaty, Switzerland agreed to pay the Allies $250 million in Swiss francs payable on demand, in gold in New York. This treaty was the culmination of a very difficult negotiation with the Swiss, who long refused to deal with the problem of their banks, essentially, laundering gold looted from all over Europe by the Nazis.

Yet, while the Swiss agreed to pay this sum, there was clearly more gold deposited in Switzerland by the Nazis during the war. As a February 5, 1946 State Department document clearly states, the amount agreed to in this treaty was far lower than the true amount. At this time, I ask that this document be printed in the RECORD.

The document follows:

Allied Claim Against Swiss for Return of Looted Gold

1. It has been determined from available ledgers of the German Reichsbank that a total of at least 398 million dollars worth of gold was shipped to Switzerland by the German Reichsbank during the war. This figure does not include the following which, when verified and amounts definitely determined, should also be taken up with the Swiss:

(a) One additional shipment known to have taken place after these books were closed and evacuated from Berlin.

(b) Other shipments believed to have taken place early in the war and to have been recorded in earlier ledgers of the German Reichsbank which are not now available;

(c) An amount approximately 12 million dollars worth of gold which the Germans seized when they looted the Italian gold but delivered directly to the Swiss.

2. It is perfectly possible that the entire amount of 398 million dollars (or more) worth of gold received by the Swiss from the German Reichsbank was looted gold because of the following facts:

(a) The large amounts of gold known to have been looted by the Germans from the countries which they occupied in Europe before and during the course of the war. It is known that at least 579 million dollars worth of gold was looted by the Germans and made available to the German Reichsbank. This figure represents a conservative tabulation based upon the estimates of the countries from which gold was looted and upon a careful examination of the records of the Germans.

(b) The relatively small amounts of legitimate gold available to them.

(c) The very small proportion of the looted gold which appears to have remained in Germany at the end of the war or to have been disposed of in countries other than Switzerland. The amount of such looted gold now identified as being in Germany at the end of the war or disposed of to foreign countries other than Switzerland is only 169 million dollars. These figures have been derived for a complete inventory of the gold found in Germany at the end of the war and a thorough examination of the records of the Reichsbank, including a detailed tracing of the processing and disposition of more than half of the gold originally looted.

Subtraction of the loot thus traced to German war-end stocks and to third countries (169) from the total loot (579) leaves 410 million dollars worth of loot or more than the entire amount of the known shipments to Switzerland still to be accounted for.

3. Even if one makes the assumption, which is quite unrealistic but presents the most favorable possible case for the Swiss, that the shipments which they received included all of the non-looted gold available to the Germans during the war, there still remains an absolute minimum of 185 million dollars of the gold taken by the Swiss from the German Reichsbank which must have been looted.

(a) A thorough examination of the records of the German Reichsbank and intensive interrogations in Germany of high Reichsbank officials in a position to know the true facts have determined the amount of hidden reserves of gold held by the Reichsbank before and during the war in addition to the published reserves which were known to the world.

(b) For the purpose at hand June 30, 1940 has been chosen as the base date in order to make the case as favorable as possible to the Swiss and eliminate any uncertainty as to legitimate acquisitions of gold by the Germans prior to their attack on the low countries. The Reichsbank's total gold holdings on that date were 232 million dollars.

(c) From the holdings shown above (232 million dollars), there must be subtracted an amount of 49 million dollars worth of loot accumulated by the Reichsbank in the preceding year, which gives a total of 183 million dollars worth of non-looted gold stocks held on June 30, 1940.

(d) The only significant source of legitimate gold still open to the Germans after June 1940 was Russia. German records show that the total amount of gold received from Russia between the outbreak of war with Poland and the attack on Russia was 23 million dollars. Although it is clear that much of the gold was received prior to June 30, 1940 and, therefore, is undoubtedly included in the German gold reserve figure for that date (183 million dollars), we are making the assumption most favorable to the Swiss and assuming that all 23 million was acquired after June 30, 1940 and is, therefore, to be added to the gold reserve shown on that date as additional legitimate gold. The resultant total of

206 million dollars is the maximum possible amount of non-looted gold available to the German Reichsbank at any time after June 1940.

(e) Subtracting from the total known shipments to Switzerland (398) the portion of those shipments which took place prior to the end of June 1940 (7 million) leaves an amount of at least 391 million dollars worth of gold received by the Swiss thereafter, and the difference between this amount and the maximum possible amount of non-loot available to the Germans in the same period (206) is 185 million dollars.

4. On the fairest assumptions the amount of loot taken by the Swiss from Germany can be estimated at 289 million dollars.

(a) It is unreal to assume, as was done above, in calculating the absolute minimum figure of looted gold received by the Swiss from Germany that every ounce of non-looted gold available to the Germans was sent to Switzerland.

(b) It is more realistic to assume that the ratio of loot to total gold available to the Germans was reflected in all German gold shipments including those to Switzerland. The total amount of gold available to the Germans after June 30, 1940, as shown above, was 785 million dollars of which 579 million dollars or 74 percent was loot. Applying this percentage to the total amounts received by the Swiss it would appear likely that at least 289 million thereof was loot.

ALLIED POLICIES FOR NEGOTIATIONS OF LOOTED GOLD QUESTION

It is definitely known that the Swiss received at least 398 million dollars worth of gold from Germany during the course of the war. Of this amount the absolute minimum which is to be classified as loot is 185 million dollars. In arriving at this calculation every doubt has been resolved in favor of the Swiss. A more realistic approach indicates that the amount of looted gold taken by the Swiss is closer to 289 million dollars, and there is a possibility that all gold received by the Swiss from Germany was looted.

With these facts in mind, the Allied Governments should insist that the Swiss hand over immediately 185 million dollars worth of gold. Any bargaining between the Allies and Switzerland should only be with respect to the difference between 185 million and 398 million. As to this, the Allies should take the position that such difference should be turned over unless the Swiss are able to prove that such gold was either included in Germany's non-looted pre-war stocks or legitimatedly acquired after the beginning of the war.

It is possible that Switzerland will ask to see the data upon which the figure representing the minimum loot was based. If so, the Allied negotiators should agree to this concession upon the condition that the Swiss make available to Allied experts books, records and other documents in their possession relating to their gold stocks acquired from Germany and the disposition of such gold. However to avoid delays, such concessions should only be made after the Swiss have agreed to turn over the initial 185 million dollars worth of gold.

In taking the above position the Allied negotiators should make it clear to the Swiss officials that the fact that specific looted gold is no longer in Swiss possession does not operate to defeat the Allied claim or hinder or impede the handing over of an equivalent amount of gold. The Swiss should be advised that in cases where the original looted gold has passed from Switzerland to another country and the Swiss Government has made the equivalent amount of such gold available to the three named Allied powers, those powers will, insofar as is feasible, lend their assistance to the Swiss in obtaining the return of the specific gold or an equivalent. However, such offer of assistance is not to be understood or construed as a guarantee on the part of the three governments named.

In the event that the Swiss Government should indicate its preference to settle the gold question by paying over a flat sum rather than assume the burden of proof as is indicated herein above, any compromise figure between 185 and 398 million which is agreed to by all of the Allied negotiators could be accepted. It would seem that 289 million would represent a reasonable settlement.

German gold movements (estimate)

[From April 1938 to May 1945]

Income	*Million*
Germany started the war with estimated gold reserves of (Published gold reserves were only 29.)	$100
Taken over from:	
Austria	46.0
Czechoslovakia	16.0
Danzig	4.0
Poland	12.0
Holland	168.0
Belgium	223.0
Yugoslavia	25.0
Luxembourg	5.0
France	53.0
Italy	64.0
Hungary	32.0
Total	748.0
Outgo	*Million*
Sold to Swiss National Bank	$275 to 282.0
Possibly sold to Swiss Commercial Banks before 1942	20.0
Washed through Swiss National Bank depot account and eventually reported to Portugal and Spain (larger part by far to Portugal)	100.0
Rumania	32.5
Sweden	18.5
Found in Germany (including 64 earmarked for Italy and 32 earmarked for Hungary)	293.0
Sold to or used in Balkan countries and Middle East—mainly Turkey	10.0
	752.0

Swiss Gold Movements (Swiss official statement)

[From January 1, 1939 to June 30, 1945]

Purchased from:	
Germany	$282.9
Portugal	12.7
Sweden	17.0
Sold to:	
Germany	4.9
Portugal	116.6
Spain	42.6
Turkey	3.5

Conclusions: (1) All gold that Germany sold after a certain date, probably from early 1943 on, was looted gold, since her own reserves, including hidden reserves with which she started the war, were exhausted by that time; (2) out of $278,000,000-worth of gold that Switzerland purchased from Germany, the larger part was looted gold; in addition, Switzerland has taken $100,000,000 looted gold in deposit, which later on was re-exported to Spain and Portugal for German account; (3) among the gold that the Swiss sold during the war to Portugal, Spain, and Turkey, there could have been looted German gold; (4) the gold that Switzerland bought from Sweden during the war could theoretically be German looted gold; monetary experts all over the world (Switzerland has monetary experts at her disposal) knew, or ought to have known, roughly the figures and movements as contained in the above estimate—certainly they knew the gold holdings and gold reserves of the German Reichsbank. Switzerland therefore was lacking good faith. In addition, she was warned that all Germany's own pre-war gold stocks had been used up by mid-1943 at the latest and therefore all the gold then in the possession of Germany must be presumed to be looted gold.

Mr. D'AMATO. As one can see, the amount of gold, estimated by this report is said to be $398 million, $148 million more than the treaty amount. A possible reason for the difference can be laid upon the Swiss because they would not agree to give up more than $250 million.

I would like to know what happened to the other $148 million, or more, that apparently was kept by the Swiss. I am quite sure that the other nations of Europe who had their gold looted from them by the Nazis and sent to Switzerland, not to mention the individual citizens who had gold taken from them, would like to know where that gold is today. Only the Swiss know and they aren't talking.•

TRIBUTE TO BILL MARSTON ON HIS RETIREMENT AS PRINCIPAL OF GOFFSTOWN HIGH SCHOOL

• Mr. SMITH. Mr. President, I rise today to pay tribute to an outstanding individual as he nears the end of a 40-year career as an educator. Bill Marston retires this month from his position as principal of Goffstown High School in Goffstown, NH.

Mr. Marston's 15-year tenure as principal has been marked by his unfailing dedication to his students. His example of excellence and integrity, set for his students, his teachers, and his community, will endure long after his retirement. He will be remembered as a true educator in every sense of the word. An educator's job is about much more than passing along information or keeping order in the classroom. An educator provides his students with the tools they need to shape their future. Bill treated each student as an individual and was always willing to go the extra step to see a student succeed.

Educators like Bill are one of our Nation's greatest treasures. They shape the future of this Nation as they shape the mind and character of our young people. Education and educators like Bill Marston give us hope for tomorrow. The young people whose lives our Nation's educators touch each day will be the leaders of tomorrow. It is the educator who sparks interest in physics or makes civics come alive for the student. They equip the future scientists and inspire the future writers of this Nation. As a former teacher myself, I have seen the impact educators can have on the lives of students. Teachers are, in many ways, the keepers of our Nation's future, holding the promise of tomorrow in their hands.

By all accounts, Bill Marston has been an exemplary educator, both as teacher and as administrator. The job of an administrator is not always an easy one. By keeping the best interests of the students at heart, Bill set an example he can be proud of. Bill, however, was more than an administrator. He was a leader. He always acted with integrity and earned the respect of his community. The influence of his leadership will surely be felt long after his retirement.

I commend Bill Marston for his career of distinction in the field of education. New Hampshire is fortunate to have such a talented and dedicated educator shaping its future generation.•

CONGRATULATING THE CHICAGO BULLS ON WINNING THE 1996 NATIONAL BASKETBALL ASSOCIATION CHAMPIONSHIP

Mr. KYL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 266, submitted earlier today by Senators MOSELEY-BRAUN and SIMON.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 266) to congratulate the Chicago Bulls on winning the 1996 National Basketball Association Championship and proving themselves to be one of the best teams in NBA history.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Ms. MOSELEY-BRAUN. Mr. President, on behalf of my colleague, Senator SIMON, the city of Chicago, and the State of Illinois, I rise to offer a Senate resolution commemorating the Chicago Bulls for winning the 1995–1996 National Basketball Association Championship.

I say to my friend, Senator PATTY MURRAY, that her great State of Washington was well-represented in this championship series that ended last Sunday. We should all applaud the Seattle Supersonics for an excellent season in which they won 64 games. I am sure it will not be the last we will hear of them. I am just delighted that this happens to be the year of the Chicago Bulls.

The Bulls have put together a truly remarkable season. There should no longer be any doubt that this Bulls team is the best basketball team in the 49-year history of the NBA. Yes, the best ever. One need look no farther than the numbers. The Bulls finished the regular season with an unprecedented record of 72–10. They roared through the playoffs, losing only three games in four playoff rounds. Their final record is a truly unbelievable 87–13. There has never been a team that has so dominated professional basketball at both ends of the court like this year's Bulls.

Coach Phil Jackson once stated that, "Basketball is a sum of parts that sometimes are greater than the whole * * * we try to get the concept to the team that you are only as strong as your weakest link." Coach Jackson's philosophy of teamwork has resonated with the players on this team. From Michael Jordan down to the last player on the bench, each member knew his role, accepted it, and worked for the good of the team. They worked hard in practice, meshed their various talents and selflessly played together for team, not individual, achievements.

As is the case with all great teams however, when the team is successful, individuals stand out as well. Michael Jordan, the greatest basketball player on this planet, was named the league's most valuable player for the regular season, for the playoffs, and for the all-star game, something that has never been done before. Dennis Rodman won the rebounding title. The sixth man of the year award went to Toni Kukoc. Coach Jackson was honored as Coach of the Year. And three members—Jordan, Rodman, and Scottie Pippen—were named to the All-Defensive Team.

Basketball teams around the country have hung banners in their arenas commemorating championship seasons. Undoubtedly, some of those teams possessed more Hall of Famers or had more individual talent. But this year's Chicago Bulls team has amassed a record of success that ranks as the best of all-time. We are so proud that the city of Chicago is associated with the mark of excellence and perfection that this Bulls team has shown.

The values of team, hard work, and both physical and mental toughness that the Bulls embody has brought them fans all across the country—in every State in the union. It is therefore particularly fitting that the Senate recognize the special nature of the Bulls achievement. I, therefore, strongly urge my colleagues to join with my distinguished senior colleague, Senator SIMON, and me, and to vote to approve this resolution commending the Chicago Bulls for their fourth NBA championship.

Mr. KYL. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, and the motion to reconsider be laid upon the table, and that any statements relating thereto be placed in the RECORD at the appropriate place as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 266) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 266

Whereas the Chicago Bulls at 72–10, posted the best regular season record in the history of National Basketball Association;

Whereas the Bulls roared through the playoffs, sweeping the Miami Heat and defeating the New York Knicks in five games, before sweeping the Orlando Magic to return to the NBA Finals for the first time in two years;

Whereas the Bulls displayed a potent offense, and what some consider to be their best defense ever, throughout the playoffs before beating the Seattle Supersonics to win their fourth franchise NBA championship;

Whereas head coach Phil Jackson, who won his first Coach of the Year award, and the entire coaching staff skillfully led the Bulls through a record 72-win season and a 15–3 playoff run;

Whereas Michael Jordan, Scottie Pippen, and Dennis Rodman all were named to the NBA's "All-Defensive Team", the first time in 13 years that three players from the same team have been so named;

Whereas Michael Jordan, in his first full season after coming out of retirement, won his record eighth scoring title, his fourth Most Valuable Player award, and was again named playoff most valuable player for the fourth time);

Whereas Scottie Pippen again exhibited his outstanding offensive and defensive versatility, proving himself to be one of the best all-around players in the NBA;

Whereas the quickness, tireless defensive effort, and athleticism of the colorful Dennis Rodman, who won his fifth straight rebounding title, keyed a Bulls front line that lead the league in rebounding;

Whereas veteran guard Ron Harper, in shutting down many of the league's top point guards throughout the playoffs, demonstrated the defensive skills that have made him a cornerstone of the league's best defense;

Whereas center Luc Longley frustrated many of the all-star caliber centers that he faced in this year's playoffs while at times providing a much needed scoring lift;

Whereas Toni Kukoc, winner of the league's "Sixth Man" award, displayed his awesome variety of offensive skills in both assisting on, and hitting, several big shots when the Bulls needed them most;

Whereas the laser-like three-point shooting of career three-point field goal percentage leader Steve Kerr sparked many a Bulls rally;

Whereas the outstanding shooing of Jud Buechler and Bill Wennington, and the tenacious defense of Randy Brown, each of whom came off the bench to provide valuable contributions, were an important part of each Bulls victory;

Whereas John Salley and James Edwards provided valuable contributions throughout the season and the playoffs, both on and off the court, at times giving the Bulls the emotional lift they needed; and

Whereas the regular season contributions of second year forward Dickey Simpkins and rookie forward Jason Caffey, and the constant emotional lift provided by the injured Jack Haley, both on the court and in practice, again demonstrated the total devotion of Bulls personnel to the team concept that has made the Bulls into one of the most devastating basketball forces of modern times: Now, therefore be it

Resolved, That the Senate congratulates the Chicago Bulls on winning the 1996 National Basketball Association championship.

E. BARRETT PRETTYMAN UNITED STATES COURTHOUSE

Mr. KYL. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 3029, and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

A bill (H.R. 3029) to designate the United States courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States courthouse."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. WARNER. Mr. President, I would urge the Senate to formally consider and pass H.R. 3029, designating the U.S. courthouse at 3d and Constitution Avenue in Washington, DC, the E. Barrett Prettyman United States Courthouse.

Following my graduation from the University of Virginia Law School in 1953, I was privileged to serve as a law clerk under E. Barrett Prettyman, circuit judge, U.S. Court of Appeals for the District of Columbia. He later became Chief Judge of the Circuit Court of Appeals for the District of Columbia.

Known as the "Swing Man" of the nine-member court, Prettyman was renowned for an emphasis on thoughtfulness and fairness in the rendering of his decisions. In perhaps his best known opinion, Prettyman opted to help protect international stability and preserved the State Department's right to bar travel by United States citizens to certain areas, such as Red China. The Supreme Court later upheld this decision.

I can think of no better qualified or more lasting tribute to such a fine, honorable public servant than to name the U.S. Courthouse in the Nation's Capital the "E. Barrett Prettyman Federal Courthouse."

Mr. KYL. Mr. President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3029) was deemed read the third time and passed.

APPOINTMENT BY THE PRESIDENT OF THE SENATE

The PRESIDING OFFICER. The chair, on behalf of the President of the Senate, pursuant to Public Law 85–874, as amended, appoints the Senator from Wyoming [Mr. SIMPSON] to the Board of Trustees of the John F. Kennedy Center for the Performing Arts.

ORDERS FOR WEDNESDAY, JUNE 19, 1996

Mr. KYL. Finally, Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m., Wednesday, June 19; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of S. 1745, the Department of Defense authorization bill, and the pending Dorgan amendment as under the previous consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. KYL. Mr. President, for the information of all Senators, on behalf of the leader, again, there will be 15 additional minutes of debate on the Dorgan amendment tomorrow morning, with a vote to occur on or in relation to the amendment at approximately 9:15—a vote on the Dorgan amendment at approximately 9:15. As a reminder to all Senators, rollcall votes will be strictly limited to 20 minutes in length. All Senators should be reminded of this early morning vote, and to be prompt. Additional amendments are expected to the Department of Defense bill on Wednesday. Therefore, Senators can expect rollcall votes throughout the day.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. KYL. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:35 p.m., adjourned until Wednesday, June 19, 1996, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 18, 1996:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

AYSE MANYAS KENMORE, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 2000. (REAPPOINTMENT)

EXECUTIVE OFFICE OF THE PRESIDENT

PATRICIA M. MCMAHON, OF NEW HAMPSHIRE, TO BE DEPUTY DIRECTOR FOR DEMAND REDUCTION, OFFICE OF NATIONAL DRUG CONTROL POLICY, VICE FRED W. GARCIA.

FOREIGN SERVICE

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DONALD C. MASTERS, OF THE DISTRICT OF COLUMBIA

U.S. INFORMATION AGENCY

GAIL MILISSA GRANT, OF MISSOURI
PATRICIA MCMAHON HAWKINS, OF NEW HAMPSHIRE

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

RICHARD W. LOUDIS, OF FLORIDA
MARK STEWART MILLER, OF FLORIDA
ALLEN F. VARGAS, OF NEW YORK

DEPARTMENT OF COMMERCE

REGINALD A. MILLER, OF CALIFORNIA
JUDY R. REINKE, OF VIRGINIA

DEPARTMENT OF STATE

JUAN M. BRACETE, OF FLORIDA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF AGRICULTURE

KARL HAMPTON, OF THE DISTRICT OF COLUMBIA

U.S. INFORMATION AGENCY

SUSAN TEBEAU BELL, OF SOUTH CAROLINA
REBECCA TRACY BROWN, OF CALIFORNIA
KATE MARIE BYRNES, OF FLORIDA
MARGOT CARRINGTON, OF FLORIDA
ANNE SARA CASPER, OF NEVADA
CHARLES GARY COLE, OF CALIFORNIA
LINCOLN D. DAHL, OF NEVADA
DAVID ADAMS DUCKENFIELD, OF THE DISTRICT OF COLUMBIA
DAVID JOSEPH FIRESTEIN, OF TEXAS
STEFEN GRANITO, OF FLORIDA
MARJORIE R. HARRISON, OF PENNSYLVANIA
ERIK ANDERS HOLM-OLSEN, OF NEW JERSEY
ROBERT C. HOWES, OF MICHIGAN
TIFFANY ANN JACKSON-ZUNKER, OF CALIFORNIA
GERALDINE F. KEENER, OF CALIFORNIA
CHRISTINE A. LEGGETT, OF CALIFORNIA
DEENA FATHI MANSOUR, OF WYOMING
KAREN MORRISSEY, OF FLORIDA
GEORGE P. NEWMAN, OF NEW YORK
THOMAS JOSEPH NICHOLAS PIERCE, OF CONNECTICUT
ADELE E. RUPPE, OF MARYLAND
R. STEPHEN SCHERMERHORN, OF FLORIDA
DANA COHN SHELL, OF CALIFORNIA
VICTORIA L. SLOAN, OF FLORIDA
SUSAN NAN STEVENSON, OF FLORIDA
SCOTT D. WEINHOLD, OF WISCONSIN
IVAN WEINSTEIN, OF NEW JERSEY
RICHARD MORGAN WILBUR, OF NEW YORK

DEPARTMENT OF STATE

ROBERT M. ANTHONY, OF OKLAHOMA
JONATHAN JAY BEIGHLE, OF WASHINGTON
RANDY WILLIAM BERRY, OF COLORADO
PAUL W. BLANKENSHIP, OF TEXAS
SHARON T. BOWMAN, OF NEW YORK
FRANCES CHISHOLM, OF NEW HAMPSHIRE
NANCY ANN COHEN, OF CALIFORNIA
MARIE CHRISTINE DAMOUR, OF VIRGINIA
NATHANIEL PABODY DEAN, OF THE DISTRICT OF COLUMBIA
SHAWN DORMAN, OF NEW YORK
CHRISTOPHER G. DUNNETT, OF FLORIDA
LEVON A. ELDEMIR, OF CALIFORNIA
ROBERT FRANK ENSSLIN, OF FLORIDA
GEORGE H. FROWICK, OF CALIFORNIA
JOANNE GILLES, OF NEW YORK
WILLIAM LEWIS GRIFFITH, OF NEW YORK
ALEXANDER GROSSMAN, OF TEXAS
DAVID C. HERMANN, OF MASSACHUSETTS
ANDREW S. HILLMAN, OF NEW YORK
IRMA J. HOPKINS, OF INDIANA
MARK SCOTT JOHNSEN, OF CALIFORNIA
MARC C. JOHNSON, OF THE DISTRICT OF COLUMBIA
CHRISTOPHER A. LANDBERG, OF WASHINGTON
SCOTT D. MCDONALD, OF FLORIDA
EDWARD VINCENT O'BRIEN, OF FLORIDA
EDWARD W. O'CONNOR, OF PENNSYLVANIA
DERRICK MEYER OLSEN, OF OREGON
MICHAEL JOSEPH PETRUCELLI, OF MARYLAND

PATRICK ROBERT QUIGLEY, OF FLORIDA
JENNIFER ANN RICHTER, OF PENNSYLVANIA
CYNTHIA CORBIN SHARPE, OF TEXAS
KATHLEEN S. SHEEHAN, OF MASSACHUSETTS
CATHERINE ANN SHUMANN, OF NEW JERSEY
RAYMOND DANIEL TOMA, JR., OF MICHIGAN
PAMELA M. TREMONT, OF TEXAS
JAMES J. TURNER, OF MARYLAND

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE U.S. INFORMATION AGENCY AND THE DEPARTMENT OF STATE TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AMANDA L. BLANCK, OF MISSOURI
PATRICK W. BOYDEN, OF INDIANA
BRUCE W. BRETT, OF VIRGINIA
DAVID H. CANNON, OF CALIFORNIA
ROBERT W. CHAPMAN, OF VIRGINIA
RICHARD K. CHOATE, OF VIRGINIA
COLLETTE M. CHRISTIAN, OF OREGON
JENNIFER N. M. COILE, OF WYOMING
DANIEL KEITH HALL, OF VIRGINIA
JAMES L. HARRIS, OF VIRGINIA
MARY HEINTZELMAN, OF THE DISTRICT OF COLUMBIA
MAUREEN MATTER HOWARD, OF WASHINGTON
MICHAEL J. HUGHES, OF VIRGINIA
MICHAEL C. JOHN, OF VIRGINIA
PATRICIA KOZLIK KABRA, OF CALIFORNIA
ANDREW M. LANGENBACH, OF VIRGINIA
DAVID KENT MASON, OF VIRGINIA
MARYANN MCKAY, OF CALIFORNIA
ANDREA LINDA MEYER, OF PENNSYLVANIA
CYNTHIA L. MORROW, OF VIRGINIA
DUC TAN NGO, OF VIRGINIA
JEAN T. OLSON, OF FLORIDA
ROBERT E. ORKOSKY, OF VIRGINIA
ELIZABETH C. POKORNY, OF VIRGINIA
LAURA B. PRAMUK, OF COLORADO
ANN M. ROUBACHEWSKY, OF MARYLAND
NORVILLE B. SPEARMAN, JR., OF CALIFORNIA
KAREN SULLIVAN, OF NEW YORK
KURT N. THEODORAKOS, OF VIRGINIA

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. DENNIS L. BENCHOFF [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM M. STEELE [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOSEPH W. KINZER [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. ERIC K. SHINSEKI [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOSEPH E. DEFRANCISCO [redacted]

THE FOLLOWING-NAMED OFFICER, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE:

JUDGE ADVOCATE GENERAL

To be lieutenant colonel

WAYNE E. ANDERSON [redacted]

IN THE AIR FORCE

THE FOLLOWING OFFICERS, WHO WERE DISTINGUISHED GRADUATES FROM THE U.S. AIR FORCE OFFICER TRAINING SCHOOL, FOR APPOINTMENT AS SECOND LIEUTENANTS IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTION 531 OF TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE

BRIAN K. BAKSHAS [redacted]
TARA B. BEEDLE [redacted]
JOHN J. BELL [redacted]
MICHAEL L. BENNETT [redacted]
MICHAEL S. BRAIBISH [redacted]
LARRY R. BROADWELL, JR. [redacted]
GRETA M. CISSEL [redacted]
JAMES H. CUNNINGHAM III [redacted]
PATRICK C. DALEY [redacted]
SCOTT C. FROMM [redacted]
WILLIAM F. FRY [redacted]
DONALD J. GREGSON [redacted]
SHANNON M. HADDAD [redacted]
EDWARD G. HASKELL, JR. [redacted]
AMY S. HENDERSON [redacted]
MARK G. HUHTA [redacted]
DANIEL G. JACOBSON, JR. [redacted]
ERIC A. KNUDSON [redacted]
THOMAS J. LANG, JR. [redacted]
PATRICK J. LAVERTY [redacted]
SCOTT H. MAYTAN [redacted]
MARK W. MURRAY [redacted]
JEFFREY R. OWEN [redacted]
AMY L. PEPPER [redacted]
STEVEN M. PERRY [redacted]
MICHAEL P. PETERSON [redacted]
CRAIG A. PUNCHES [redacted]
ROBERT L. RUSS [redacted]
HUGH B. ST. MARTIN, JR. [redacted]
MICHAEL R. WEIRICK [redacted]
STEPHEN D. WHITE [redacted]

THE FOLLOWING OFFICERS FOR PROMOTION AS RESERVES OF THE AIR FORCE, UNDER THE PROVISIONS OF SECTIONS 12203, 8366, AND 8372, OF TITLE 10, UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8372 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE OF 8 MARCH 1996, AND PROMOTIONS MADE UNDER SECTION 8366 SHALL BE EFFECTIVE UPON COMPLETION OF SEVEN YEARS OF PROMOTION SERVICE AND TWENTY-ONE YEARS OF TOTAL SERVICE, UNLESS A LATER PROMOTION EFFECTIVE DATE IS REQUIRED BY SECTION 8372(C), OR THE PROMOTION EFFECTIVE DATE IS DELAYED IN ACCORDANCE WITH SECTION 8380(B) OF TITLE 10.

CHAPLAIN CORPS

To be lieutenant colonel

DANIEL A. BABINE [redacted]
ROBERT B. COMPTION [redacted]
ROGER N. JACQUES [redacted]
JOHN F. KURZAK [redacted]
CHARLES R. LANGFORD [redacted]
JOSEPH E. LEGACY [redacted]
THOMAS A. SCHENK [redacted]
STEPHEN M. SMALLEY [redacted]
STEVEN R. THOMAS, JR. [redacted]
RUTH M.W. WARREN [redacted]

JUDGE ADVOCATE CORPS

To be lieutenant colonel

BRADLEY S. ADAMS [redacted]
FRANCES G. ADAMS II [redacted]
MARK W. ARMSTRONG [redacted]
JEFFREY D. BILLETT [redacted]
GLENN H. BROWN [redacted]
THEODORE A. CHUN [redacted]
MICHAEL J. CIANCI [redacted]
TIMOTHY COON [redacted]
DAVID N. COOPER [redacted]
AUGUSTUS B. ELKINS II [redacted]
THOMAS J. FAUGNO [redacted]
MARK A. FERRIN [redacted]
TIMOTHY S. FISHER [redacted]
DERENCE V. FIVEHOUSE [redacted]
RICHARD L. FOLTZ [redacted]
JAMES T. FORREST [redacted]
HARRY J. FOX, JR. [redacted]
DAVID F. GARBER [redacted]
ROBERT S. GARDNER [redacted]
KIRK R. GRANIER [redacted]
CLAUDE R. HEINY II [redacted]
STUART S. HELLER [redacted]
ANDREW L. KJELDGAARD [redacted]
DEXTER A. LEE [redacted]
NORMAN E. LINDSEY [redacted]
HAROLD C. MANSON [redacted]
CLYDE W. MATHEWS [redacted]
KAREN MC COY [redacted]
HILLARY J. MORGAN [redacted]
ELTON J. OGG [redacted]
DENNIS R. PIERSON [redacted]
CURTIS A. RANKIN [redacted]
PATRICK J. SANJENIS [redacted]
DALE W. SANTEE [redacted]
J. C. SETH [redacted]
CRAIG J. SIMPER [redacted]
STEPHEN H. SMITH [redacted]
ROBERT F. STAMPS [redacted]
BRADFORD L. TAMMARO [redacted]
WILLIAM J. WEIGEL, JR. [redacted]

THE FOLLOWING U.S. AIR FORCE RESERVE OFFICER TRAINING CORPS DISTINGUISHED GRADUATES FOR APPOINTMENT IN THE REGULAR AIR FORCE IN THE GRADE OF SECOND LIEUTENANT UNDER THE PROVISIONS OF SECTION 531 OF TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE

JUSTIN L. ABOLD [redacted]
BRIAN P. AFFLERBAUGH [redacted]
BRADLEY J. ALDEN [redacted]
CLARK L. ALLRED [redacted]
MARK B. ALTER [redacted]
DAVID R. AMAYA [redacted]
CHRIS R. AMRHEIN [redacted]
NEIL E. ANDERSON [redacted]
STEVEN C. ANDERSON [redacted]
EARL ARDALES [redacted]
JUDY C. ASCANO [redacted]
JENNIFER L. AUCHTER [redacted]
BRYAN L. BARKER [redacted]
KEVIN A. BAYLIS [redacted]
JEFFREY A. BEERS [redacted]
TIMOTHY E. BEERS [redacted]
LYDIA K. BLACK [redacted]
PATRICK B. BOLAND [redacted]
MONICA K. BORDEN [redacted]
HOLLY M. BRANDON [redacted]
SAMUEL D. BROWN [redacted]
JOHN G. BURNETT [redacted]
TODD C. BURWELL [redacted]
JASON M. BUSS [redacted]
MATTHEW D. CALHOUN [redacted]
MICHAEL A. CALVARESI [redacted]
DEAN J. CARTER [redacted]
JONATHAN D. CARY [redacted]
LEAH C. CASE [redacted]
JUSTIN P. COAKLEY [redacted]
CHARLES W. COLLIER [redacted]
DAVID H. CONLEY, JR. [redacted]
GAVIN D. CONSTANTINE [redacted]
BARRY W. COUCH [redacted]
BLAKE E. CROW [redacted]
VAN R. CULVER [redacted]
ROBERT D. DAVIS [redacted]
THOMAS A. DENT [redacted]
KENNETH R. DIEFFENBACH [redacted]
REBECCA S. DOTY [redacted]
JOSEPH J. DUBOSE [redacted]
JENNIFER L. DVORAK [redacted]
TRAVIS L. EDWARDS [redacted]
GARY J. EILERS [redacted]
MATTHEW J. ESKER [redacted]
DAVID A. FERGUSON [redacted]
CHRISTOPHER R. FERRY [redacted]
DANIEL M. FESLER [redacted]
ROBERT A. FORINO [redacted]
JAMES P. GATCH [redacted]
THEODORE W. GEASLEY [redacted]
PAMELA R. GEIGER [redacted]
CHRISTOPHER J. GERMANN [redacted]
TED D. GLASCO [redacted]
JOHN F. GONZALES [redacted]
BRADLEY D. GRAVES [redacted]
NOLAND T. GREENE [redacted]
TRENT A. GREENWELL [redacted]
SEAN A. GUILLORY [redacted]
DENNIS F. HALE [redacted]
RONALD K. HALL [redacted]
AMANDA M. HARDING [redacted]
PAUL K. HARMER [redacted]
BRIAN S. HARTLESS [redacted]
CHARITY A. HARTLEY [redacted]
JAMES W. HERRINGTON [redacted]
FREDERICK S. HILKOWITZ [redacted]
ANDREW R. HODGES [redacted]
CONSTANCE L. HOOKS [redacted]
TIMOTHY L. HYER [redacted]
STEPHEN R. JONES [redacted]
TERRENCE M. JOYCE [redacted]
ERIC L. JURGENSEN [redacted]
CHAD C. KASCHAK [redacted]
BRYAN Y. KIM [redacted]
DANIEL R. KING [redacted]
ALEXANDER KIRKPATRICK [redacted]
JASON C. KLAAS [redacted]
PAUL E. KLADITIS [redacted]
JAIMIE C. KOHLS [redacted]
AMY Y. KOMATSUZAKI [redacted]
WILLIAM M. LEE, JR. [redacted]
TRAVIS K. LEIGHTON [redacted]
MATTHEW J. LENGEL [redacted]
CICELY R. LEVINGSTON [redacted]
AMAR Q. LIANG [redacted]
PETER J. LINDSAY [redacted]
MICHAEL S. LOCK [redacted]
PHYLLIS D. LOPEZ [redacted]
WILLIAM J. LYNCH [redacted]
ARMAND D. LYONS [redacted]
ALANNA L. MABUS [redacted]
WILLIAM P. MALLOY [redacted]
PAUL A. MANCINELLI [redacted]
MARTIN A. MARTINEZ, III [redacted]
JOSHUA O.MASKOVICH [redacted]
SHANNON A. MCGUIRE [redacted]
DAVID M. MCILLECE [redacted]
DERRY S. MCKINNEY [redacted]
BRIDGET M. MCNAMARA [redacted]
DAVID S. MERTENS [redacted]
ADAM M. METCALF [redacted]
BRIAN R. MOORE [redacted]
TODD R. MOORE [redacted]
SHAWN D. MORGENSTERN [redacted]
KATHLEEN M. MURPHY [redacted]
JOSEPH A.MUSACCHIA [redacted]
MICHAEL M. NACHSHEN [redacted]
VINOD D. NAGA [redacted]
KATRINA M. NELSON [redacted]
WESLEY J. NIMS [redacted]
JONATHAN P. NOLAN [redacted]
TARALYNN M. OLAYVAR [redacted]

DEREK J. OMALLEY [redacted]
VILMA E. ORTIZ [redacted]
THOMAS R. OWEN [redacted]
SUKIT T. PANANON [redacted]
KEVIN L. PARKER [redacted]
CRAIG J. PHILLIPS [redacted]
ALLEN A. PICHON [redacted]
JEANNINE A. PICKERAI [redacted]
CURTIS L. PITTS [redacted]
MARY K. PLUMB [redacted]
WILLIAM S. POTEET [redacted]
MICHAEL T. REESE [redacted]
MICHAEL P. RILEY [redacted]
SHERYL A. RISACHER [redacted]
DAWN Q. ROBERTS [redacted]
BRONWYN H. ROBINSON [redacted]
SCOTT A. ROTHERMEL [redacted]
RYAN L. ROWE [redacted]
CASSANDRA E. RYTTING [redacted]
JASON M. SAWYER [redacted]
DONALD W. SCHMIDT, [redacted]
ROBERT J. SCHMOLDT [redacted]
ANNA M. SCHNEIDER [redacted]
ANDREW L. SCHOEN [redacted]
KARL R. SCHRADER [redacted]
TIMOTHY M. SCHWAMB, [redacted]
DOUGLAS B. SHAFFER [redacted]
BRYAN J. SHELTON [redacted]
VICTOR O. SHIRLEY, JR. [redacted]
ROXANNE R. SKINNER [redacted]
ERIC R. SMITH [redacted]
CHRIS N. SNYDER [redacted]
MYRON O. STAMPS [redacted]
TIFFANY J. STAUDINGER [redacted]
ADAM B. STEVENS [redacted]
DEMETRIUS R. STEWART [redacted]
ERIC M. STOREY [redacted]
BRIAN R. STUART [redacted]
STEPHEN G. STURM [redacted]
BRIAN M. SWYT [redacted]
CHARLES S. TAPP [redacted]
AARON T. TAYLOR [redacted]
MONA A. TENORIO [redacted]
DEBRA L. THOMAS [redacted]
JOEL R. TURINETTI [redacted]
DAVID J. VETTER [redacted]
SCOTT A. VICKERY [redacted]
THOMAS K. WALDRON [redacted]
JOHN K. WEIGLE [redacted]
JOSHUA M. WIELAND [redacted]
BRIAN J. WIGTON [redacted]
FRANK S. WILDE [redacted]
TODD A. WYDRA [redacted]
KEVIN A. YATES [redacted]
SHAYNE R. YORTON [redacted]
STEPHANIE A. ZAJICEK [redacted]
KATHLEEN M. ZENDEJAS [redacted]

EXTENSIONS OF REMARKS

BISHOP KOMARICA—A VOICE FOR PEACE AND JUSTICE IN BOSNIA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SMITH of New Jersey. Mr. Speaker, recently the Helsinki Commission, which I chair, held a briefing on political and human rights developments in Banja Luka, the second largest city in Bosnia. Among the participants was the Most Reverend Franjo Komarica, Roman Catholic Bishop of Banja Luka. Bishop Konmarica has steadfastly pursued peace and justice throughout the 4-year-long war of armed aggression and genocide in Bosnia which has left his church in ruins despite the fact that no large-scale fighting occurred in the diocese.

Catholics from the region, predominately ethnic Croats, have been, and continue to be subjected to various forms of harassment and violence. An estimated 90 percent of Catholics have fled the diocese, many the victims of ethnic cleansing. Scores of churches have been destroyed while virtually all of those left standing sustained at least some damage. Several members of the clergy and religious were murdered during the course of the war. Meanwhile, Father Tomislav Matanovic, the former director of Caritas Banja Luka, is missing and believed to be held by Bosnian Serb forces of the 43d Brigade. Bishop Komarica, who was under house arrest for much of 1995, has demonstrated his firm commitment to peace and justice for all people of Banja Luka, regardless of their ethnic or religious background. Strengthened by his faith, Bishop Komarica is a leading advocate of reconciliation in a country rent by violence and war.

Mr. Speaker, I ask that the text of Bishop Komarica's opening statement be placed in the RECORD.

THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE—BANJA LUKA-ETHNIC CLEANSING PARADIGM, OR COUNTERPOINT TO A RADICAL FUTURE

OPENING STATEMENT BY MOST REVEREND FRANJO KOMARICA ROMAN CATHOLIC BISHOP OF BANJA LUKA—JUNE 11, 1996

Bishop Komarica: (through interpreter). Honorable friends, I greet you today as friends of peace and God-loving people. I thank you for your interest specifically regarding Banja Luka, my home town. I thank you for this opportunity given to me to express my concerns and my hopes for my country. I thank you on behalf of all the citizens of my city, regardless of their national or state orientation.

You know that I'm a Catholic bishop and not a political representative of any specific group. I'm not assuming the representation neither of Croatian people specifically, nor Bosnian Muslims or Serb people in this territory. Regretfully, there is no politician available or existing right now to represent the views of my country, of my city, especially to represent the views of the people, of tens of thousands of voiceless people who have no voice.

As a leader and a Christian, I have an obligation to help all the people in their effort to be human and to be God-loving people. I would like to help every human being to affirm their human rights and their freedom and to establish their right to existence. It is now six years that hundreds of thousands of people whose basic human rights have been taken away and denied.

That is the right to life, the right to professions, the right to possess homes and live, the right to have a country, the right to work and to secure a living, the right to have a social and security support, the right of movement, the right to freedom of religion, the right to raise your own children in your own convictions, the right of freedom of conscience, the right of equality of being free to belong to a political or a different faith group.

We cannot talk at all about these rights for thousands of our citizens. The denial of basic human rights has taken place without the presence of any media or any voice to publicly declare this. We had the impression that we are forgotten in our corner of the world. We were strengthened only by our faith in our God, whom we trust that he has the potential to redeem us.

And this thing that I once again mention is really the basis, that we try to respect all our neighbors and not do any harm to any one of them. As in other parts of Bosnia there were confrontations, armed confrontations and clashes, in this part of Bosnia there was no war and no open conflict between different groups of different nationalities or faiths.

We opted for a different option here. We rather accepted denial of our basic human rights than to hurt our neighbors and to establish conflict. We are talking here about people who have been peaceful and made every single effort to remain people who respect others and try to live together. The only blame that they receive is that they did not belong to a side or a group of people who by all means and by all forces and by brutal approach has tried to establish ethnically cleansed territory.

The biggest number, the highest percentage, of the people in this region, be they Serbs or Bosnian Muslims or Croatians, have a desire to remain in peaceful coexistence in this region. The Catholic Croatians in this region have shown by their behavior that they are capable and ready to live together, capable to live together in peace with the other two peoples, which are namely Serbs and Bosnian Muslims.

This desire to live in peace is denied by the members of the existing political structure, and despite all our efforts to live the commandment of respect and love for others, to love those who did so much evil to us, we are brutally hurt again and again and punished for no reason, and not just from the side of extreme nationalists, but those by international democrats.

We ask all those who still crush our human rights: "Why are you doing this to us? Are we people for you? Are we human beings for you? We ask for the basic human rights that you enjoy. If we are guilty, we would ask you to provide it to us, and if we are not guilty, then you are doing great injustice to us when you are denying to us basic human rights."

I am taking this opportunity to tell you and to express to all American peaceloving people, God has given you in this country a generosity of the heart. Your land is almost like a garden, that there are many wonderful plants and beautiful flowers. You are a garden of different people, different cultures, different groups and religions.

The common characteristic of all of you is the freedom and love for peace and respect. In this country, it's especially appreciated especially important human rights and human honor and human dignity. These are the precious gifts to our civilization, the gifts emphasizing diverse cultures and multifaced religion.

You are an ideal and an example for us, and you are a leader for so many other people in the world. When we would affirm similar in Banja Luka, we are punished for that. You know that. Will you with clear conscience allow, continue to allow, that the basic human rights are still denied in my city and in my country? And they are being punished just because they would like to be like you—free, human and democratic people.

I expect an answer from you, which you have to give unto your conscience first and then to your people and then to the world and then hopefully to us as well.

Regardless of how you look at us and for what you think of us, we in Banja Luka are definitely fighting. With enormous efforts, we try to protect and restore civilization. I hope that we will not remain alone in this effort. We hope that we'll find friends who will support us in this effort. We hope to find these supporters in Europe and especially here in the United States. I am quite sure that I will not be disappointed in this expectation.

Thank you for listening.

TIP TAX TRIBULATIONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. CRANE. Mr. Speaker, today I introduce legislation to exclude tip income from the administrative and tax burdens of the Federal income tax. I have long objected to the taxation of tips and it was the recent tribulations of a constituent of mine which prompted me to once again introduce this legislation.

Charlene Beyer from Round Lake Park, IL, recently sent to me copies of the forms and regulations covering the tax reporting requirements for tip income she receives as a restaurant employee. It is my understanding that hard working restaurant employees even take time out to attend classes to learn all the rules

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

concerning tip reporting. While serving customers, they must keep track of their gratuities, then report them to the restaurant and the Internal Revenue Service [IRS]. The restaurant is also held liable for tip income of their employees. Of course, tip income is received by cab drivers, bartenders, and individuals of other professions. The IRS is given the difficult task of policing all these activities. The whole process creates a bureaucratic mess for both the taxpayer and the Government.

I believe that tip income should not be treated on par with earned income for tax purposes. Gratuities are, by definition, discretionary in both amount and practice, irrespective of the service provided. In fact, tips are more gifts than income and current law allows an annual tax exemption from income of gifts up to $10,000 from an individual.

I feel this bill will be especially relevant to the current debate over reforming the Internal Revenue Code. As one of the common goals of the numerous tax reform plans is simplification, the exclusion of tip income will go a long way toward simplifying the compliance of taxpayers with the law. The current process of taxing tip income provides an economic incentive for tip earners to evade taxes by underreporting income. Employers, too, are burdened with paying payroll taxes on both reported and unreported tip income. Although Congress provided a credit to employers for FICA taxes on tip income, a much more efficient solution, again, is to eliminate the tip tax altogether.

I urge my colleagues to consider the merits of this bill and to lend their names as sponsors to it.

CONGRATULATING YEOMAN FIRST CLASS YVONNE A. ZUBER ON HER ACHIEVEMENT AS THE COAST GUARD'S ENLISTED PERSON OF THE YEAR

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. BILIRAKIS. Mr. Speaker, I rise today to congratulate and recognize the achievement of Yvonne A. Zuber, a resident of Dunedin in my ninth district of Florida, who has been selected as the Coast Guard's Enlisted Person of the Year. She is certainly the cream of the crop.

This is the second year for the Coast Guard's Enlisted Persons of the Year Recognition Program. Awards are given annually to one active duty and one reserve member who demonstrate exceptional standards in leadership, work ethics, Coast Guard knowledge, uniform appearance, and military bearing.

Petty Officer Zuber is a reflection of what every enlisted person can achieve at their best. Currently, she is assigned to the Coast Guard Aviation Training Center [ATC] in Mobile, AL. She is a loyal volunteer for the Mobile Area Special Olympics and has, for the past 3 years, helped over 6,000 special athletes reach their full potential—assisting them in reaching the State and national games.

She has also devoted many hours as a rape-crisis hotline counselor helping rape victims seek assistance and coping with the tragedy of rape. She also volunteers with the ATC's Partner's in Education Program.

She has been the recipient of numerous awards, including: Coast Guard Achievement Medal, Commandant's Letter of Commendation, DOT Gold Medal for Outstanding Achievement, Coast Guard Unit Commendation and Operational Distinguishing Device, Coast Guard Meritorious Unit Commendation, Coast Guard Bicentennial Unit Commendation, Coast Guard Good Conduct Medal, Humanitarian Service Medal, Coast Guard Special Operations Ribbon, Coast Guard Restricted Duty Ribbon, Coast Guard Recruiting Service Ribbon, and the Coast Guard Sharpshooter Pistol Shot Ribbon.

In addition, she is also the 1995 Sailor of the Year for her dedication to the vision and core values of the Coast Guard and her tireless community involvement. It is evident that she serves as an excellent example of dedication, discipline, and responsibility that is necessary to serve ones country well.

Mr. Speaker, I can think of no greater compliment that you could pay to your families than to honor them with the dedication to personal achievement and service to your country that Yvonne Zuber has demonstrated. I would like to congratulate her once again, and wish her the best of luck in all of her future endeavors.

TRIBUTE TO SISTER HELEN M. FAULDS

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. MANTON. Mr. Speaker, I rise today to pay tribute to Sister Helen M. Faulds.

For over 40 years, Sister Helen has been a tireless servant of the church and has dedicated her life to ministry in education and the healthcare industry.

In September 1949, Sister Helen entered the Congregation of the Sisters of Saint Joseph of Brentwood, NY. Since that time Sister Helen has held various assignments in elementary and secondary schools in Brooklyn, Queens, and Long Island. Sister Helen has also served as a teacher, administrator, and principal.

Mr. Speaker, along the way Sister Helen advanced her education by earning a masters degree in religious education from Providence College in 1965 and a masters degree in health services administration from George Washington University in 1982.

In 1982, Sister Helen returned to New York and reported to St. John's Queens Hospital as associate executive director. Two years later Sister Helen was appointed executive director and has served in that capacity ever since.

Mr. Speaker, as executive director of St. John's Queens Hospital, Sister Helen, through private donations, helped erect a hospital chapel and she has pioneered new hospital services including an AIDS and American heart center designations. Sister Helen has streamlined many hospital services and has advanced the hospital's computer system.

Always aware of her ministry to people, Sister Helen implemented new community services including a bereavement group, Lamaze classes, and has helped to expand the volunteer system.

Mr. Speaker, I am proud to recognize the achievements of Sister Helen M. Faulds, and I know my colleagues will join me in honoring her 40 plus years of ministry and service in education and healthcare and extending our heartfelt congratulations on her retirement.

TRIBUTE TO BERNARD AND ANNETTE ABEND

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. WAXMAN. Mr. Speaker, I ask my colleagues to join me in recognizing two outstanding citizens, Bernard and Annette Abend.

One June 23, 1996, Bernard Abend will be honored with a lifetime achievement award in recognition of his 36 years of devoted service to Etz Jacob Congregation. On this special occasion, he and Annette will also celebrate their golden wedding anniversary.

Bernard and Annette Abend, who were born in Poland and suffered through the atrocities of concentration encampment during the Holocaust, did not meet until after World War II. They married in 1946 and soon after emigrated to the United States. The new paths they forged for themselves in Scranton, PA were enriched with the births of their two daughters and the many challenges facing a young family in an adopted land.

Seeking new opportunities, the Abend family moved to Los Angeles, CA in 1959 and Etz Jacob Congregation quickly became a central part of their lives. Bernard Abend's 32 years as president of the congregation from 1964 to 1996 marked a period of great expansion and religious inspiration. Under his capable and energetic leadership, a social hall, holy ark, Holocaust memorial, and the Etz Jacob Hebrew Academy were constructed.

It is indeed fitting that the congregation honor Bernard Abend for his contributions to Etz Jacob Congregation in conjunction with its celebration of Bernard and Annette's golden wedding anniversary. Their life together has been inextricably intertwined with the growth and blessings of Etz Jacob Congregation.

I ask my colleagues to join me in extending best wishes to Bernard, Annette, and their beloved daughters and grandchildren for continued happiness, good health, and prosperity.

THE WEBB SCHOOLS: SECOND PLACE WINNER, THE 1996 TOSHIBA/NSTA EXPLORAVISION AWARDS PROGRAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. BROWN of California. Mr. Speaker, on June 21–22, 1996, more than 40 students will come to our Nation's Capital to receive top honors in the 1996 ExploraVision Awards Program, sponsored by Toshiba and administered by the National Science Teachers Association (NSTA].

The ExploraVision Awards Program is the largest K to 12 student science competition in the world. The competition asks students to work in teams to use their imaginations to envision what technology will be like 20 years from now.

As a long-standing member of the House Science Committee, I have worked hard to improve science education in this country. The ExploraVision Awards give students the opportunity to identify future technological needs and develop the kind of technological thinking our society needs in order to meet the challenges of the future.

The competition is just one great example of a successful business-education partnership that encourages students to pursue careers in science. I have been supporting this outstanding program since its launch in 1992. In addition, I will be serving as the honorary co-chairperson of the 1996 ExploraVision Awards weekend with Ms. Barbara Morgan, NASA's "Teacher in Space" designee.

Mr. Speaker, I am proud to announce that the class from the Webb Schools of Claremont, one of the finest schools in the inland empire, has been selected as one of the 1996 12 finalist winner teams of the competition. The distinguished members of the team are Ewurama Ewusi-Mensah, William Marshall, and Christopher Maffris. I would also like to recognize their teacher, John Ball, and their advisor, Harlow Johnson, who deserve much of the credit for the success of the team.

I am very proud to recognize the achievements of the class from the Webb Schools and other winners of this year's competition and to reaffirm my commitment to support the Toshiba/NSTA ExploraVision Awards in 1997.

TRIBUTE TO FAUZIYA KASINGA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mrs. SCHROEDER. Mr. Speaker, I rise today to commend Fauziya Kasinga, a 19-year-old woman from Togo, who was finally awarded the freedom for which she came to the United States. In a remarkable 11 to 1 decision, the Board of Immigration Appeals, the highest immigration court in the land, ruled in favor of Fauziya last week. In so doing, the Board established a precedent not only in Fauziya's case, but for future women who flee their countries of origin to avoid being subjected to female genital mutilation [FGM].

Although the Immigration and Naturalization Service [INS] had established guidelines in 1995 which state that FGM constitutes a form of political asylum, INS judges demonstrated various interpretations of such guidelines. In one occasion, a judge in Baltimore denied a woman's petition for political asylum, under FGM, because the woman couldn't change her gender, but she could change her mind with regards toward FGM practices.

Fauziya's now-triumphant case was not any less difficult. While in several INS detention facilities, Fauziya was shackled in chains, teargassed and beaten, and forced to spend her 18th and 19th birthdays in prisons intermingled with drug users and murderers. Thus, the decision the 11 Board members took in stating that FGM, an explicit violation of human rights, is a basis for political asylum is long overdue.

Mr. Speaker, as I loudly applaud Fauziya's courage, I also want to humbly thank her for indisputably delivering a wake-up call to the rest of the Nation and the world on the human rights violation of FGM. Our immigration system has finally "gotten it," and women fleeing FGM will not be told that their stories are not credible again.

TRIBUTE TO THE FLORIDA PANTHERS

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SHAW. Mr. Speaker, I rise today to recognize the 1995–96 Eastern Conference champions, the Florida Panthers. The Panthers are a team of dedicated men who accomplished an athletic feat that many believed impossible. Those in the know never thought that a 3-year-old expansion team could defeat the odds and make it to the Stanley Cup Finals, but this special team did just that. The Florida Panthers captured the hearts of thousands of Florida fans, and their storybook season is one which will never be forgotten. The precedent for excellence has been set; the skeptics have been silenced.

After a grueling 80-game regular season schedule, the Panthers traveled to the next level; the National Hockey League playoffs. The experts said the Boston Bruins, the Philadelphia Flyers, and the Pittsburgh Penguins were all better teams, but the Panthers never relinquished their pride; they hung tough and piled up the wins. Finally, the Panthers lived a hockey players' greatest dream—a young upstart team challenging the veteran squad of the former Quebec Nordiques for Lord Stanley's Cup. Although the Florida rat pack showed integrity and professional zeal, the Avalanche took the cup. The dream ended in an all-out, no-holds-barred triple overtime game, and the Panthers showed what it takes to reach greatness.

Mr. Speaker, the Florida Panthers have ignited the passions of our south Florida community. My congratulations to Marti and Wayne Huizenga, and the Panther organization for putting together a group of men committed to teamwork, winning, and community spirit; to Coach Doug McLean and his coaching staff for their dedicated work throughout the year; to the rat crazy fans of the Florida Panthers for their support and enthusiasm; and finally to the Eastern Conference champions for a great season and many, many memories.

Mr. Speaker, the Panthers are a team and an organization that exemplifies hard work and the importance of community, and I urge my colleagues to join me in honoring true champions—the Florida Panthers.

Congratulations Panthers.

TRIBUTE TO THYRA HODGE-SMITH

HON. VICTOR O. FRAZER

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. FRAZER. Mr. Speaker, I rise to salute a long-term community activist in the Virgin Islands, Mrs. Thyra A. Hodge-Smith, and mourn her passing. Mrs. Hodge-Smith lived an active life until her death on June 6, 1996, at age 90.

She had been a part of the Virgin Islands community band for over 50 years and was an active participant of "Carnival" until she became ill. Mrs. Hodge-Smith believed that education was important so therefore, late in life she received her masters' degree from the University of the Virgin Islands.

A stalwart in the Republican Party, Mrs. Hodge-Smith was one of the first females in the Virgin Islands to generate change in her party. Mrs. Hodge-Smith will also be remembered for her numerous years of service in the government and particularly for her work in the Department of Health.

As a strong supporter of families, Mrs. Hodge-Smith was always willing to do anything to strengthen family ties. Her legacy will live forever because of the many lives that she influenced. She was an asset to the Virgin Islands and will be missed by everyone who knew her.

PREFERENCING ON SECURITIES EXCHANGES

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mrs. KELLY. Mr. Speaker, on May 9, 1996, 18 of my colleagues and I sent a letter to the SEC regarding that agency's recent approval of preferencing on the Cincinnati Stock Exchange or CSE. In the letter, we expressed concern that the SEC had acted precipitously to permit this questionable practice on a securities exchange without an adequate empirical or legal basis.

Preferencing enables a broker-dealer to take the other side of its own customer orders, to the exclusion of other competing market interest. In practice, CSE operates as a pure dealer market, depriving customers of the opportunity for their orders to be executed against each other. The ability of customer to meet customer is one of the hallmarks of the agency auction system, and frequently results in improved prices. In spite of the central place that customer order interaction plays on a true exchange, the SEC's order approving preferencing on the CSE leaves unanswered many questions about the practice's effect on customers. For example, the order does not examine whether customers whose orders are preference on the CSE are receiving the best prices for their transactions. Given the excellent job that the SEC has done over the years in safeguarding customers and pressing for fair treatment of customer orders, it is indeed surprising that the order approving the CSE preferencing program does not address so basic an issue.

Mr. Speaker, today we take up H.R. 3005, the Securities Amendments of 1996. This legislation does not address the issue of preferencing but I understand that similar legislation in the other body may contain a provision directing the SEC to undertake a detailed study of preferencing on exchange markets. I believe that such a study could be most helpful in addressing, among other issues, the quality of customer executions on the CSE. I urge support for such a study in conference. If the study identifies no tangible benefits to investors and the capital formation from preferencing on exchanges, I would support action to ban this practice.

TRIBUTE TO JOSÉ RAMON QUIÑONEZ

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Mr. José Ramon Quiñonez, who was honored on Saturday by the members of the Holy Family Parish Council for his outstanding service to be community as the chairman of the board, at the Church of the Holy Family, in my South Bronx congressional district.

Ray Quiñonez, as he prefers to be called, was born in Puerto Rico and raised in South Bronx. He completed studies in metallurgy at the U.S. Marine Corps Institute of Technology, in Washington, DC and at Del Mar Technical College, in Oceanside, CA. Later on, he started working for Seandel Studios, Inc., in New York City.

Mr. Quiñonez served the country in the Third Marine Division in Vietnam. After his return from Vietnam, he married his wife, Edmee, with whom he has three children.

Ray Quiñonez has dedicated his life to helping our youngsters develop their full potential as community leaders of tomorrow. His service includes volunteer work at the Castle Hill Little League, where he was the field cleaner, coach, manager, treasurer, and vice president. He also served as a member of the league's board of directors, as well as moderator of the Holy Family Youth Leadership Group. Through the youth group, he inspired high school students from parochial and public schools to develop a sense of leadership and to strive for excellence.

Other community service includes his work as chairman of the Center for Catholic Lay Leadership Formation and as a member of the Community Planning Board 9.

Mr. Speaker, I ask my colleagues to join me in recognizing Mr. José Ramon (Ray) Quiñonez for his outstanding commitment to the service of our youngsters, the Church the Holy Family, and our South Bronx community.

THE IMPORTANCE OF CITRUS TRISTEZA VIRUS RESEARCH TO THE FLORIDA CITRUS COMMUNITY

HON. CHARLES T. CANADY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. CANADY of Florida. Mr. Speaker, citrus is a major food crop in terms of nutrition, generation of income, foreign exchange, and employment in the United States.

There are approximately 1.2 million acres of citrus in the United States, and the annual retail value is over $17 billion. The citrus industry in the United States exceeds $19 billion in gross revenue.

Florida has 850,000 acres in citrus groves, 70,000 people employed in the citrus industry and 74,000 people employed indirectly, which means on-tree revenues of $9 billion to Florida.

Citrus is the No. 1 fresh produce commodity grown in California and Florida and there is substantial acreage in Arizona, Louisiana and Texas. Hawaii and Puerto Rico are also increasing their citrus industry to reduce their dependence on imports.

The American citrus industry produces table quality navel and Valencia oranges, and my home State of Florida, grows oranges for fresh juice and juice concentrate. Florida is also one of the world leaders in export quality oranges, lemons and grapefruit.

Unfortunately, this vital industry is being threatened by the brown citrus aphid, which is the most efficient transmitter of the citrus tristeza virus. This virus threatens the entire U.S. crop.

Arizona, California, Florida, Louisiana, and Texas have formed a research council to study the eradication of the brown citrus aphid and the citrus tristeza virus. This research is supported by the industry, the U.S. Department of Agriculture, and the land grant colleges.

The farm bill, which the Congress passed earlier this year also, recognized the importance of eradicating this disease before it takes over and destroys the American citrus crop. The legislation authorized $3 million to be spent on Citrus Tristeza Virus research.

Mr. Speaker it is extremely important for us to supply the 1997 funding needed to carry out this research and keep out citrus industry healthy in Florida and elsewhere in the United States.

TURKISH GOVERNMENT REPRESSION: TAKING LESSONS FROM BEIJING

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SMITH of New Jersey. Mr. Speaker, the United Nations Habitat II conference on sustainable urban development has concluded in Istanbul, Turkey. While most observers will point to the conference's focus on the pressing challenges of urbanization, the repression employed by the host Government of Turkey in response to criticism of its human rights record has cast a pall over the meeting and should be protested at an international level.

While Turkey cannot be compared to China in terms of democratic development, Ankara seems to have taken some lessons from Beijing when it comes to stifling dissent. As Habitat was just convening, Turkish police forcibly evacuated the headquarters of 35 NGO's organizing an "Alternative Habitat." These NGO's were protesting the government's destruction of some 3,000 Kurdish villages and the creation of 3 million refugees in southeast Turkey. These groups rightly believe that such policies were incompatible with the spirit and goals of Habitat II.

Mr. Speaker, last week, Turkish authorities detained hundreds of peaceful demonstrators, including a Habitat NGO representative, and a handful of TV journalists filming the police actions. The demonstrators were protesting government policies, and the reaction of Turkish security forces was reminiscent of China's action during the UN Beijing Conference on Women.

These attacks on free speech and the right of free assembly are cynical attempts by the Government of Turkey to deflect international scrutiny of their policies in southeast Turkey. Yet, Mr. Speaker, these heavy-handed tactics bring even greater scrutiny to the government's repressive, undemocratic activities. Mr. Speaker, I have to imagine that the thousands of NGO's and officials from around the world who attended Habitat II have taken home a distinct impression that Turkish democracy is severely lacking.

Mr. Speaker, the Turkish Government tried to prevent its repressive policies in southeast Turkey from coming to light, but a group of mayors from towns and villages in the region did submit a revealing report to the conference. The report linked human rights abuses in the region directly to Habitat issues and the urban ills facing Istanbul and other large cities in Turkey. The mayors believe that crowding, poverty and instability in Istanbul originated in the towns and villages of southeast Turkey, where economic deprivation and the government's war on terrorism had forced millions from their homes to urban centers unequipped to meet their needs.

Mr. Speaker, I fear Turkey is headed down a road of increasing instability and upheaval. As long as the government stifles the protests of its own people and refuses even to allow open debate of these problems, there will be scant hope for resolving such tough issues.

Mr. Speaker, I would like to enter into the RECORD an article from the Turkish Daily News, June 14, 1996, edition, which further spells out the problems faced by those attempting to bring human rights issues before the Habitat II meeting.

[From the Turkish Daily News, June 14, 1996]

THE OLYMPIC STRUGGLE FOR HUMAN RIGHTS?

(By David O'Byrne)

ISTANBUL—"Turkey is dedicated to advancing the cause of human rights despite the presence of malign element-terrorism-pinching the Turkish nation from within and without."

This rather ungainly quote is taken directly from the introduction to a brochure on human rights published by the Turkish Minister of Foreign Affairs. One of a package of material prepared for participants in the UN Habitat II conference, this heavily qualified and ungrammatical statement is fairly typical of the document as a whole. For a country like Turkey with a more than dubious record in the human rights department and aspirations to host the 2004 Olympics, this government publication is far from unequivocal acceptance of widely accepted standards.

In fact, the tone of the brochure is decidedly defensive. Much of the brochure is concerned with alleged criticisms of the Turkish human rights record by the Kurdish Workers' Party (PKK) and its supporters. But as a terrorist organization the PKK is certainly not noted for its human rights record, so it's indeed strange that their opinions should carry such weight. Shorter mention is made of other religious and ethnic minorities, again aimed at countering what the Foreign Ministry sees as unwarranted criticism from, apparently, foreign sources.

The unfortunate implication is that human rights are something only demanded by "minority groups", and then only at the bidding of 'outside' forces. Despite giving details of numerous amendments to the Turkish constitution and listing Turkey's many accessions to international treaties, nowhere are human rights referred to as something to which the Turkish population as a whole should be concerned with.

At the Habitat NGO forum however, there was no sign of Turkish people ignoring the human rights issue. In fact many of the stalls were occupied with Turkish groups whose sole concern was human rights. Chilling photographs and texts in several languages detail terrible human rights' abuses in several different countries. Turkoman people in Iraq have, not surprisingly perhaps, suffered terribly under the despotic regime of Saddam Hussein. In western China—or eastern Turkistan as it is also referred to—native Turkomens have been remove from positions of authority as the region has been settled by increasing numbers of Han Chinese moved in by the Chinese government.

Continued nuclear testing in the region has left many parts uninhabitable and has led to the predictable increases in cancers. Displays showing the results of Russian occupation of Chechenya and the occupation of parts of Azerbaijn by Armenian government forces were equally disturbing.

The Turkish speaking minority from Greece were also represented. Greek government policy has long centered around moving the Turkish Muslim community from Western Thrace to areas where it can more easily assimilated. The closure of schools and mosques coupled with continued harassment by the police and civil authorities has forced many to Turkish Greeks leave. Another Foreign Ministry brochure available to people attending Habitat details these and other human rights abuses.

Groups concerned with minorities inside Turkey received no such official sanction however. This in spite of the government statement reprinted above. On the contrary, foreigners attending the NGO forum complained constantly about the presence of plain clothes policemen. One utterly innocuous seminar on the "colorful life of dark people"—ie gypsies—attracted 11 people, two of whom were plain clothes police. While one of the policemen dominated the discussion with loud irrelevant contributions, the other attempted to interview the three Turkish participants and ascertain why they were interested in gypsies.

Outside of Habitat too further Turkish interest in human rights issues made itself evident. The Turkish human rights group IHD organized an "Alternative Habitat" conference, only to find it closed down practically before it started. Further interest was shown by the friends and relatives of the 400 or so people who, since 1979, are alleged to have "disappeared" whilst in police custody. Their silent peaceful protests have been taking place outside Galatasaray school for the past year. Coverage by the press was minimal, with journalists attending dutifully in case of incident.

Last Saturday they were rewarded (sic). Although officially banned the demonstration went ahead anyway with predictable results. A larger than usual but none the less peaceful group of people attempted to sit down in Galatasaray Square but were immediately set upon by the legions of waiting police. Journalists, photographers and even delegates from the Habitat conference were arrested, many being severely beaten in the process. Television pictures of the unwarranted brutality were shown all over the world and photographs were published in many of the world's leading journals. A press conference held the following day to protest at the arrests was also broken up by the police with many arrests.

There were by this time an estimated 1500 people in custody. As releases began—without charge—groups of people congregated outside police stations to welcome their friends. Prominent human rights lawyer Serpil Kaya emerged from her incarceration to find a group of her friends being harassed by the police. On pointing out that they weren't breaking the law she was immediately rearrested. Judging the reaction of shocked delegates to the Habitat conference was not difficult, they were only too happy to express their anger at what they had witnessed. As a spokesman for the NGOs explained in a press conference, "We have witnessed that hundreds of individuals have been beaten, arrested and detained while demonstrating peacefully on the city streets. We will not forget what we have seen."

During the whole length of the Habitat conference another demonstration has been going on, largely unnoticed. Teams of runners have been jogging along the Bosphorus bearing Olympic flags. Turkey's bid for the 2000 Olympics failed to make much impression. The Habitat conference is one of the first major international events to be staged in Turkey. The current bid for the 2004 Olympic games has been making good use of Habitat to show the international community what Turkey is capable of. Those efforts now appear sadly wasted.

Until a Turkish government can make a statement regarding human rights that is both unqualified and is seen to be put into practice it is most unlikely that the international community will see fit to trust Turkey with another event of major significance. After the events of the past two weeks the effort required to bring the 2004 games to Istanbul would seem to be more herculean than olympic.

A TRIBUTE TO MARINE PARK CIVIC ASSOCIATION AS THEY JOIN IN CELEBRATION OF ITS 70TH ANNIVERSARY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SCHUMER. Mr. Speaker, I am proud to join all my friends and colleagues in celebrating the Marine Park Civic Association's 70th anniversary. This wonderful park, which occupies over 1,821 acres, has provided an important haven for Brooklyn residents since 1926. I am pleased to congratulate the members of the Marine Park Civic Association for making this area a source of community pride. As a result of the tireless work and vigilant dedication of south Brooklyn families, Marine Park has maintained its reputation as a safe and quiet community distinct from the city's frenetic atmosphere. I have personally enjoyed many visits to Marine Park both as a child and as an adult. I am certain that the strength of this community would not be what it is today without the commitment of its Civic Association. Such countless contributions have ensured the neighborhood's continued growth and stability, which are fully appreciated by all.

The neighboring communities of Sheepshead Bay and those surrounding Floyd Bennett Field are extremely familiar with the services provided by the Marine Park Civic Association. For years, families in Brooklyn have known Marine Park as a solid community, making it a good place to live. I am honored to celebrate 70 years of civic leadership in Marine Park—the Civic Association's members have done much to improve the quality of life for all Brooklyn residents.

A TRIBUTE TO LU ANN DERING

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Ms. HARMAN. Mr. Speaker, I ask that Congress join me today in honoring a dedicated constituent of mine, Lu Ann DeRing. On June 21, Lu Ann will be honored at the Westchester/LAX Chamber of Commerce's annual installation dinner for her outstanding service as chamber president.

Recognizing the need to help fight crime, during Lu Ann's presidency, the chamber helped raise $15 million for mayor Richard Riordan's alliance for a safer Los Angeles. This private sector contribution was essential to create the infrastructure for a Los Angeles Police Department computer network, a critical piece in updating badly outdated equipment. Lu Ann and the chamber also pressed hard to stimulate the local economy and under her watch, Dreamworks SKG announced plans to open a major studio in Playa Vista. Perhaps the metaphor for a renewed Westchester was the landing of the olympic torch at LAX to begin its nationwide journey to Atlanta and the 1996 summer games.

Over the past year, Lu Ann helped arrange several high-visibility chamber meetings including the annual business recognition dinner which featured many noted entrepreneurs, including the chairman of the board of Southwest Airlines, Herb Kelleher. Lu Ann helped bring the chamber to the forefront of the greater Los Angeles community by securing several well known and respected individuals to address the Westchester Chamber this year including Los Angeles Police Chief Willie Williams.

In addition to her tireless work as chamber president, Lu Ann's career has flourished, both as the international director of promotions for Herbalife and as the owner and founder of DeRing Marketing. Away from the workplace, Lu Ann looks forward to the time she spends with her husband, Robert, and her 9-year old son Jonathan.

Mr. Speaker, Lu Ann DeRing is an inspiration to her family, friends, community, and all who have the pleasure of knowing her. Please join me in saluting a great individual, Lu Ann DeRing.

A TRIBUTE TO DRMS COMMANDER CAPT. DONALD A. HEMPSON, JR., USN

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SMITH of Michigan. Mr. Speaker, on Wednesday, June 19, 1996, Capt. Donald A. Hempson, Jr. (USN) will retire from the Navy and his post as Commander of the Defense Reutilization and Marketing Service [DRMS]. A retirement ceremony will be held at 1:00 p.m. in Battle Creek, MI at DRMS headquarters. Although my duties in Congress prevent my attendance, I would like to take this opportunity to honor Captain Hempson for the outstanding work he has done to improve the efficiency and overall performance of DRMS during his tenure in Battle Creek.

Captain Hempson and dedicated DRMS employees have revitalized DRMS by adopting a variety of management practices similar to those used in private industry. Among the highlights have been the creation of an Internet site to describe surplus items for sale, computer tracking of surplus property to reduce recordkeeping costs, the initiation of toll-free phone lines for improved customer service, and new advertising practices to increase sales. The results have been impressive. Between fiscal years 1993 and 1995, DRMS has increased its annual reutilization, transfer, donation, and sale of excess Defense Department property from $2.9 billion to $3.5 billion. At the same time, it has moved from a net loss of $120.7 million in fiscal year 1993 to a net profit of $254.4 million in fiscal year 1995.

By adopting strategies to put customers first, make use of innovative technologies, and increase efficiency and productivity, DRMS and Captain Hempson have provided an example of how much can be achieved through the reinvention of Government agencies. I salute Captain Hempson and wish him the best of luck in his future endeavors. And to the employees of DRMS, I say keep up the good work.

IN HONOR OF JEANETTE RUDY

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. CLEMENT. Mr. Speaker, I rise today to honor a distinguished member of the Nashville community, Dr. Jeanette Cantrell Rudy. Dr. Rudy is a generous philanthropist, a nationally accomplished sportswoman and a beloved friend to many in the music city and across the country.

Jeanette Cantrell and her twin sister Geneva were born to Felix and Edna Cautrell on October 27, 1927, in Sheffield, AL. After graduating from Sheffield High School, she enrolled in the St. Thomas Hospital School of Nursing. Jeanette received her nursing degree in the summer of 1948 and served as a public health nurse for 7 years.

On February 20, 1949, Jeanette married Daniel Clees Rudy, cofounder of the Rudy's Farm Sausage Co. The Rudys made their home in the Pennington Bend area on the Cumberland River, and they enjoyed an active life together until Mr. Rudy's death in 1984. In his memory, Jeanette helped to found and fund the Dan Rudy Cancer Center at St. Thomas Hospital.

Mrs. Rudy has long been a devoted and tireless supporter of Cumberland University in Lebanon, TN. When the university and its board of trustees decided to expand the curriculum to include a bachelor of science in the nursing degree program, there were several obstacles in the way. Long-term debt was hindering financial stability, enrollment growth was minimal, and resources were strained. Jeanette helped reduce these obstacles, not only by providing much-needed financial resources, but also by giving her professional guidance in the development of the nursing curriculum. It is not an exaggeration to say that without Jeanette Rudy, the nursing program at Cumberland University would not exist. In 1990, Mrs. Rudy was recognized for her efforts with an honorary doctorate of humanities from Cumberland.

Jeanette is as passionate about her hobbies as she is about her devotion to public service. She has assembled what is widely considered to be the finest privately held collection of State and Federal duck stamps, including the very first stamp issued in 1934. In 1992, Mrs. Rudy served as a judge of the Federal duck stamp competition in Washington, DC. The Smithsonian Institution has established the Jeanette Cantrell Rudy Duck Stamp Gallery at the National Postal Museum in her honor. The gallery will open on June 26, 1996.

Mrs. Rudy is also an avid sportswoman and has held the title of Ladies State Trapshooting Champion for 9 years, and has been named to the women's all-American trap team twice. She sits on the boards of Cumberland University, the St. Thomas Hospital Auxiliary and Foundation and the Nashville Zoo, and she is a major supporter of the Nashville Police and Fire Department. Mrs. Rudy was also the major donor of the National Police Memorial in Washington, DC.

Dr. Jeanette Cantrell Rudy is a living legend and truly an American original. Her generosity and warmth know no bounds, and her devotion to public service and humanity have enriched the lives of countless Tennesseans. It is with tremendous pride and genuine affection that I salute the great spirit, intelligence, and wit of Jeanette Rudy. She honors us all daily with her friendship and love.

TRIBUTE TO THE FIRST NATIONAL PUERTO RICAN PARADE

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SERRANO. Mr. Speaker, it is with great joy that I rise today to pay tribute to an historic event, the first National Puerto Rican Parade which was held on June 9, in New York City.

As a Puerto Rican, a New Yorker, and a Member of Congress, it was an honor to participate in this national parade in which thousands of Puerto Ricans marched in celebration of our culture and achievements in this country.

I was 7 years old when my family moved from Puerto Rico to the Bronx in search of employment opportunities and a brighter future.

Leaving the beautiful island of Puerto Rico, its music, its traditions, and its people was no easy task for those who were born on the Caribbean island.

In 1958, my father and I had the opportunity to celebrate our culture during the first Hispanic parade of New York City. As we cheered participants, my father quickly unfolded a Puerto Rican flag to show his love and pride for his heritage.

Two years later, the Hispanic parade became the New York Puerto Rican Parade. From that day on, once every year, Puerto Ricans and friends of the Puerto Rican community from all of the 50 States and the island come to New York City to celebrate our heritage.

This year, for the first time in its 39 years of history, the parade has been recognized as a national event—the largest and most colorful celebration of Puerto Rican heritage in this Nation.

On this occasion, members of the Puerto Rican community will march along Fifth Avenue in Manhattan to reaffirm our identity and pride of our heritage. Among many other achievements, Puerto Ricans have been instrumental in transforming New York City into a great bilingual city.

Dr. Ricardo Alegría, a distinguished Puerto Rican anthropologist led the parade of thousands of participants. Dr. Alegría is internationally renown as an eminence in the restoration of historic cities, for his anthropological and archaeological studies on Puerto Rico and the Caribbean, as well as for his patronage of the arts.

TRIBUTE TO MACON COUNTY

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. GORDON. Mr. Speaker, I rise today to recognize a beautiful and successful county in my district. Natural beauty resides in Macon County at such places as Union Camp Waterfall and Winding Stairs, a natural rock formation, true to its name, that was used by Indians long ago.

The success of Macon County stems from its people's ingenuity. In an area known for tobacco, farmers there are turning to alternative crops such as strawberries, Christmas trees, tomatoes, peppers, cabbage, blackberries, grapes, and more. Macon County farmers are now competing with growers in California and Florida.

Macon County is composed of hard-working people with the desire to be the best. Among other honors, the Macon County Fair has twice been named Best Small Fair by the Annual Tennessee Association of Fairs Convention. Macon Countian Ronald Jenkins is the Tennessee Lion of the Year, while his Lion's Club is ranked third in the State.

Macon County was created by necessity. In 1837, the two closest county seats, that of Sumner County and Smith County, were both 25 miles away. That year the State legislature created Macon County, named for statesman Nathanial Macon. Lafayette is the county seat.

The citizens of this county have always sought to do their best with what has been given them. To these citizens, I wish continued success and the best life has to offer.

HONORING THE CITY OF HOBOKEN: BIRTHPLACE OF OUR NATION'S PASTIME

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to the City of Hoboken, the birthplace of our national pastime. On June 19, 1996, the City of Hoboken as well as the entire Nation will celebrate the 150th anniversary of baseball. On this day of joyous celebration, the city will conduct a variety of activities, including a parade and awards dinner to commemorate the origins of baseball.

The game of baseball was born on June 19, 1846, on the Elysian Fields in Hoboken. On that day, the Knickerbockers squared off against the New York Nine and the Knickerbockers lost the game 23 to 1. The first newspaper account of a baseball game was actually written the previous year when other participants gathered in Hoboken on the same field to play an intramural variation of the game.

The official birthday of the sport is considered to be in 1846, however, baseball was played in different forms in Hoboken prior to that date. Alexander Joy Cartwright, Jr. of Hoboken, has been recognized by many as one of the initial inventors of the rules of baseball. Thus, the tradition of baseball was established on the banks of the Hudson River in Hoboken, NJ.

Organized baseball has been played in Hoboken ever since that very first game. Citizens of Hoboken have long contributed to the rich tradition of the sport of baseball by lending their support to the game in a variety of fashions. The youth of Hoboken have enjoyed the opportunities that the public parks and fields have provided for their recreational uses. From the success of Hoboken's Little League program to the well-documented achievements of its high school teams, baseball has since been an essential part of the city's culture.

Moreover, many of our modern day heroes all share a piece of the tradition that was established on the Elysian Fields in Hoboken. It is with great pleasure and admiration that I honor the City of Hoboken and its great people.

JOE ALLEN, A SPECIAL SON OF KEY WEST

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. DEUTSCH. Mr. Speaker, among its many favorite sons, Key West regards Joe Allen with special affection. Not only has he been an outstanding public servant, he is also the unofficial historian of a city which takes its historical heritage very seriously.

This year there is a special facet of Joe's life, to which I would like to bring your attention. It is a romance which began 50 years ago. While serving a brief tour of duty in his home waters helping to track down enemy submarines, which imperiled our ships off the Florida Keys, Joe met Marjorie Holladay of Columbia, KY. At the time, Ms. Holladay had been affiliated with the women of the U.S. Naval Reserve—WAVES.

Now after 50 years of happily married life, Joe and Marjorie will celebrate their anniversary on June 21 at the old Civil War fort on Monroe Court Beach, now known as the "Joe Allen Garden Center."

Forty of those fifty years have been entwined with a long list of civic and political accomplishments. In addition to serving in the State legislature for 10 years before retiring in 1986, he served 8 years as a Monroe County commissioner and 20 years as tax assessor.

While serving as bicentennial chairman in 1976, he was named 1 of 51 State patriots for outstanding service in the field of historic preservation, particularly the restoration of two pre-Civil War forts, East and West Martello Towers and the designation of the lighthouse in Monroe County as a historic landmark. He is also credited with preserving the national guard armory.

In addition to their heavy involvement in community affairs, Joe and Marjorie Allen are the proud parents of four sons, Joseph B. III, Dr. William N., John H., and Henry B. I hope you will join me in wishing them a joyous 50th and many more to come.

TRIBUTE TO THE REV. HENRY LEE BARNWELL

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. PASTOR. Mr. Speaker, today it is with great pleasure that I rise to pay tribute to one of Phoenix's finest citizens, and also congratulate the Rev. Henry Lee Barnwell on the occasion of his 29th anniversary in the ministry.

Reverend Barnwell was educated at Rosenwald High School in Panama City, FL. He attended Grand Canyon College and Arizona College of the Bible in Phoenix, Talbort Theological Seminary at Biola University, Bishop College and Lacy Kirk Williams Minister's Institute, both of Dallas, TX. He also has a Training Diploma from the Protestant Chaplin's Association of Okinawa (1958); a Diploma for Christian Work from Arizona College of the Bible (1977); a bachelor of arts degree through Arizona College of the Bible (1978); and a Doctor of Divinity from Guadalupe Baptist Theological Seminary in San Antonio, TX.

Retired from the U.S. Air Force, Reverend Barnwell is now Pastor of the First New Life Baptist Church in Phoenix. He also serves a chaplaincy with the Arizona State Department of Corrections, and is Auxiliary Chaplin at Williams Air Force Base in Higley, AZ. Reverend Barnwell is involved in many other outreach efforts, having served as president of the Interdenominational Ministerial Alliance of Phoenix and vicinity; Bible instructor of Zion Rest District Association; regional director for the National Evangelism Movement; first vice-president of the General Missionary Baptist State Convention of Arizona; and immediate past moderator of the Area One American Baptists Churches of the Pacific Southwest.

Reverend Barnwell has applied his energy and talents to many worthwhile projects over the years as an active member of the board of directors for the Phoenix Opportunities Industrial Center and St. Mary's Food Bank. He is also a member of the Mayor's Human Resources Commission; the Maricopa Branch of the NAACP; the Sheriff's Religious Advisory Committee on Maricopa County; and the city of Phoenix Human Resources Commission. Reverend Barnwell also serves on the Clergy Against Drugs and is a past member of the Governor's Advisory Council on Juvenile Justice Planning.

His efforts to educate and improve the quality of life in the community have earned Reverend Barnwell recognition from many groups who have bestowed awards on him, including The Floyd Adams Community Services Award from the Phoenix Opportunities Industrial Center; the Religion Award from the Maricopa County Branch of the NAACP; and the Recognition for Christian Service Award from the National Evangelism Workshop. Reverend Barnwell was named Pastor of the Year for the State of Arizona in 1989 and carries the title of "Honorary Citizen" from the city of Tucson.

I commend Reverend Barnwell for his many years of community service and involvement. Scores of Phoenicians have benefited from his energy and efforts. I ask my colleagues to join with me today in congratulating Reverend Barnwell as he celebrates 29 years of service in the ministry.

TRIBUTE TO LYDIA CRUZ OGO, GUAM'S POLICE OFFICER OF THE YEAR

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. UNDERWOOD. Mr. Speaker, in Guam as elsewhere across our Nation, a grateful community sets aside time to pay tribute to the men and women of law enforcement—that thin blue line separating law-abiding citizens from the criminal element. As part of Guam's Police Week observance, Guam's finest are recognized for their dedicated service to the community. Mr. Speaker, I am proud to announce that Guam's Police Officer of the Year for 1995 is Special Agent Lydia Cruz Ogo, an 18-year veteran of the force.

Special Agent Ogo graduated from the Guam Police Department's 19th cycle on January 6, 1979. She spent the next 14 years in the department's patrol division. On December 7, 1989, Special Agent Ogo was promoted to police officer II. In November 1992, she was transferred to the criminal investigation section assigned to crimes against persons unit, where her primary duty is the investigation of criminal sexual conduct cases. As we all know, Mr. Speaker, domestic disturbances and rape cases are among the most difficult, most heart-wrenching, and most potentially dangerous calls to which police officers are expected to respond to. These are just the types of calls that Special Agent Ogo handles everyday. I daresay she has witnessed more pain and human tragedy over the years than we could bear.

Over the years, Special Agent Ogo has responded to, or conducted the investigation of, nearly every imaginable type of call—from staking out illegal gambling dens and chasing down car thieves, to investigating murder scenes and testifying at trials. But Special Agent Ogo also gives lectures to public and private organizations on family and domestic violence, child abuse, and sexual assault. She assisted in the planning and formation of the Healing Hearts Center, Guam's rape crisis intervention center. In deed and action, Special Agent Ogo exhibits a profound application and understanding of her duty as a peace officer. In the words of her immediate supervisor, "Agent Ogo is an outstanding investigator and continues to be a role model for other investigators. She is judicious in carrying out assignments. She demonstrates admirable judgment and intuition. She has been classified by unit supervisors and her superiors as the most dependable, reliable, and hardworking investigator who never neglects her duties and offers no excuses. She is an asset to this section and to the department."

I would add that Special Agent Ogo is a role model for young men and women in Guam and that she is an asset, not just to her section and the police department, but also to the island of Guam. I proudly join with Special Agent Lydia Crus Ogo's family, friends, neighbors, and fellow officers in extending our heartiest congratulations and heartfelt Si Yu'os Ma'ase. Kontra i piligro, na'fan safo' ham. Yu'os protehi si Lydia yan todo siha i manga'chong-ña gi depatamentun polisian Guahan.

AMERICA'S FRIENDS IN THE SOUTH PACIFIC, H. CON. RES. 189

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. GILMAN. Mr. Speaker, today I am introducing House Concurrent Resolution 189, a resolution expressing the sense of the Congress regarding the importance of U.S. States membership in regional South Pacific organizations.

In the postcolonial era, regional cooperation has become one of the key elements in the development of the South Pacific. While the programs that the South Pacific Commission, the South Pacific Regional Environment Program, and other regional organizations undertake are small in scale, the impact on regional stability is critical. In short, the small investment is for a high return.

Nations in the South Pacific share our values and a commitment to the democratic process. Their support has been important to the United States in the United Nations and other international fora. However, we must not continue to take it for granted.

In the post-cold-war era we need to ensure that we remain engaged in this key strategic region on the doorstep of Asia. In order to do this we must continue to support the work of regional organizations such as the South Pacific Commission, the South Pacific Regional Environment Program, and the South Pacific Forum.

I am pleased to learn that the administration has recently paid the U.S. contribution for this year to the South Pacific Commission. It is important that we maintain our commitment to this key regional organization.

Accordingly, I urge my colleagues to support the resolution and request that the full text of House Concurrent Resolution 189 be printed at this point in the RECORD.

H. CON. RES 189

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) recognizes the traditional and close ties between the United States and the South Pacific region and reaffirms the value of these ties;

(2) notes the need to continue to support the efforts of the countries of the region to enhance the sustainable development of the more fragile island economies and their integration into the regional economy, while helping to ensure the protection of the unique ecosystems of the region;

(3) commends the South Pacific Commission for the process of managerial and organizational reform currently being undertaken, and recognizes the important role the United States financial contribution to, and participation in, the organization makes in assisting it to realize the gradual economic self-sufficiency to all members of the organization; and

(4) reaffirms the commitment of the United States as a member of the South Pacific Commission and the South Pacific Regional Environment Programme, and the post-forum dialogue partnership of the United States with the South Pacific Forum.

TRIBUTE TO LOUISE AND GERALD STEIN

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. KLECZKA. Mr. Speaker, I am pleased today to rise in tribute to Milwaukeeans Louise and Gerald Stein, as they receive the Jerusalem 3000 Builders of Israel Award on Monday evening, June 24, 1996.

Both Louise and Jerry were raised in traditional Jewish homes, stressing family and faith. These commitments remain an important and vital part of their lives to this day.

Louise, in addition to raising the couple's three daughters, has been very active over the years as an officer in the Milwaukee Jewish Federation, the Milwaukee Association for Jewish Education and the B'nai B'rith Women's Council.

As president and chief executive officer of the Milwaukee-based Zilber/Towne Realty family of companies, Jerry has been a positive force in the Milwaukee business and Jewish communities for many years. He is currently the president of the Milwaukee Jewish Federation and is a past campaign chair. In addition, he is a director and past president of the Milwaukee Center for Independence and the Milwaukee Public Museum. The University of Wisconsin-Milwaukee Foundation Board, the Milwaukee Heart Institute, First Bank Milwaukee, the UW–M School of Business and the Marquette University Law School Multicultural Council all benefit from Jerry's dedicated efforts.

Therfore, it is with great pleasure that I join the family of Louise and Jerry Stein, their business associates and many friends in honoring them as they receive the prestigious Jerusalem 3000 builders of Israel Award.

Continued best wishes, and on behalf of the residents of the greater Milwaukee-area, I offer a heartfelt "thank you" for your generosity and many, many hours of unselfish work over the years.

F.E. SPOONER, CHUCK SHAW, RON RHODES HONORED FOR DEDICATION TO STUDENTS

HON. HARRY JOHNSTON

OF FLORIDA

HON. MARK ADAM FOLEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. JOHNSTON of Florida. Mr. Speaker, we are pleased to congratulate F.E. (Buz) Spooner, Chuck Shaw, and Ron Rhodes for their long dedication to the students of Palm Beach County. For 38 years they have provided over 55,000 students with the opportunity to visit our Nation's Capital. It has been our pleasure to greet the thousands of students they brought to Washington, DC. Every year the patrols arrive and fill the seats on the floor of the House of Representatives, bringing their interest and excited enthusiasm to these normally staid Chambers. Their enthusiasm reminded all of us who work here of the awesome nature of the Capitol and what it represents.

We commend Buz, Chuck, and Ron for granting this opportunity to so many students over the years. One of the greatest problems in our country today is a lack of understanding and appreciation for our democratic system and the way we make laws and why. Introducing young people to the Capitol and educating them on the law-making process is a truly admirable pursuit that will serve our entire country as those same students become adults who have the power to vote and effect change.

The efforts and dedication of Buz Spooner, Chuck Shaw, and Ron Rhodes are remembered and appreciated by our south Florida colleagues in the U.S. House of Representatives and our predecessors, the Honorables Dan Mica and Tom Lewis. Most importantly, they are remembered by the students who will retain the experience and grow up to be citizens actively involved in the democratic process. We can only hope that others will take up the challenge and continue providing this service for future generations. It would be the best way to honor the legacy of these three men.

IN SUPPORT OF THE IRAN OIL SANCTIONS ACT OF 1996

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. SHAW. Mr. Speaker, I rise today in support of the Iran Oil Sanctions Act of 1996. H.R. 3107 is a good bill that will impose sanctions on those who provide Iran and Libya with the ability to acquire or create weapons of mass destruction.

Iran and Libya continue to pose a serious threat to the Middle East Peace process and to the security of nations around the world. Both nations continue to sponsor international terrorism and operate to disrupt world stability. They have shown complete disregard for the value of human life with the downing of Pan Am Flight 103, the Berlin disco bombing in 1985, the seizure of U.S. hostages in Tehran and their continued sponsorship of international terrorists.

Since these nations refuse to cooperate with the rest of the world on peace initiatives, the United States must take steps to prevent these nations from earning the money they need to sponsor further international terrorism. The best way to do this is to convince Iran and Libya's creditors and trading partners not to transact business with them. This will put pressure on these terrorist countries to reform their policies. The United States needs to take the lead and take decisive action today and if we fail to do so, we are bound to see the loss of more innocent lives around the world.

I urge each of my colleagues to support H.R. 3107.

JUNE: SCIENCE AND TECHNOLOGY MONTH

HON. SCOTT L. KLUG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. KLUG. Mr. Speaker, since June is Science and Technology Month, it is appropriate that we honor the 25th anniversary of the Association for Women in Science [AWIS]. This association is the largest multidisciplinary science organization for women in the United States. Founded in 1971, it has grown to 74 chapters with nearly 6,000 members nationwide.

AWIS is committed to achieving equity and full participation of women in all areas of science and technology. Serving as a national voice, the association has been recognized for its leadership and has made a lasting impact on the accessibility of science and engineering education and careers to women.

A high priority of AWIS is diversity in the broadest definition, including race and ethnicity, workplace, education level and discipline. The scope of this diversity is reflected in its membership. Disciplines include natural sciences, from agronomy to engineering, and social sciences, from anthropology to psychology. Nearly 60 percent of AWIS members hold a Ph.D. In addition, more than 50 percent are involved with academic institutions. The remainder work in industry or government.

AWIS has also been instrumental in nominating women who were subsequently appointed to the National Science Board and the President's Committee on Science and Technology. Members have also received several prestigious national awards such as the National Medal of Science. I would especially like to commend the president of AWIS, Jaleh Daie, a professor at the University of Wisconsin. She was recently inducted into the Hall of Fame for the Network of Women in Technology International.

In 1996, AWIS celebrates 25 years of service and commitment to equity, leadership training, diversity, and to supporting women in their career advancement. I am pleased to honor this important organization which is committed to a strong and diverse science and education enterprise.

SGT. CHARLES KOHRHERR HONORED FOR SERVICE TO HIS COUNTRY AND COMMUNITY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay special tribute to Sgt. Charles Kohrherr, a courageous individual who has served the Nation in time of war and whose bravery has helped protect Union City from crime for many years. His selfless dedication to public service has made him a model of excellence in law enforcement and an ambassador of goodwill throughout the community.

In 1967, Sgt. Kohrherr began his career enlisting in the U.S. Army. From 1968 to 1969, he was assigned to the 1st Aviation Brigade, 61st Helicopter Company, while serving in Vietnam. Before being honorably discharged from the Army in 1970, he amassed an outstanding service record, including 11 air medal awards, the Vietnam Campaign Ribbon, a Unit Citation and the Air Crewman Badge of Courage.

Following his military service, he joined the Union City Police Department in 1971. By 1972, he was made a detective and assigned to the Narcotics Unit. Then in 1974, while serving as a narcotics officer, he was shot and his partner was killed while apprehending an escapee from a Florida chain gang. Despite this enormous tragedy, Sgt. Kohrherr found the courage to continue his law enforcement career and to serve with the Narcotics Unit until 1976. After serving several more years in various departmental units such as the Motorcycle Division and Uniform Patrol, he was promoted to the rank of Sergeant where he completed his law enforcement career.

Sgt. Kohrherr's career exemplifies the true meaning of valor and achievement. For his service as a law enforcement officer, he was awarded the New Jersey State Medal of Honor, the State P.B.A. Valor Award, four meritorious service awards, and the Knights of Columbus Policeman of the Year Award. Aside from being a highly decorated and respected officer, Sgt. Kohrherr has for many years put his life on the line for the protection and safety of others. It is therefore fitting to say that Sgt. Charles Kohrherr is truly one of New Jersey's finest.

I ask that my colleagues join me in honoring Sgt. Charles Kohrherr, a special individual who has devoted himself to serving his country and community with honor and dignity. I applaud the dedication of such a remarkable man and an exceptional law enforcement official.

TRIBUTE TO JOHN BRAGG

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. GORDON. Mr. Speaker, I rise today to recognize the 30-year career of a great statesman, Tennessee State Representative John Bragg. Upon his retirement, I would like to recognize his outstanding achievements, honors, and successes, both personally and for the State of Tennessee.

Serving as the House Finance chairman for 22 years, Mr. Bragg established an ethical foundation of admirable weight. He subsequently made significant changes in the State legislative process. For these measures, he was awarded the title chairman emeritus.

In addition, he was a stronghold in the creation of the Tennessee Consolidated Retirement System. As such, Tennessee is considered one the best managed States in the country, with regard to public pension plans.

Mr. Bragg hails from Murfreesboro, TN, and his loyalty has never swayed. He has represented the city and Rutherford County throughout his entire three decades in politics.

During that time, he boosted Middle Tennessee State University to a premier educational institution within the State. He secured the funds to build three multimillion dollar complexes for the school: the mass communications building, the Tennessee Livestock Center, and a $31.7 million library.

Joining Mr. Bragg at his retirement ceremony were colleagues, friends, and family. He attributed most of his accomplishments to their support; and similarly, his desire to care for those he loves extends to his fellow citizens. I ask that we recognize John Bragg for his endless dedication, his honorable values, and his compassion for Tennessee.

A TRIBUTE TO DR. RICHARD J. BOXER

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mr. BARRETT of Wisconsin. Mr. Speaker, I pay tribute today to one of Milwaukee County's truly outstanding citizens, Dr. Richard J. Boxer. As the Lubavitch House of Wisconsin prepares to honor Dr. Boxer for his multitude of contributions to our community, I would like to take a moment to reflect on the remarkable achievements of this great man.

Dr. Boxer, or Rick, as he prefers to be known, has been nationally recognized for his countless number of contributions to American medicine. Rick is the only member of the board of advisors to the Health Policy Institute at both the Medical College of Wisconsin and the University of Wisconsin. He has authored 435 scientific articles, chapters, and a book and has lectured throughout the world. Rick is the former chairman of the surgery department at both Sinai-Samaritan and St. Michael Hospitals in Milwaukee. Rick was voted by his peers the best urologist in Milwaukee in three separate surveys by Milwaukee Magazine in 1987, 1991, and 1996. Rick further serves as the medical director of the Bernard and Helen Soref Prostate Cancer Foundation and the Gordon Henke Cancer Foundation. In addition, he is a professor in the Health Policy Institute and in the Department of Family Medicine at the Medical College of Wisconsin.

President Clinton recognized Rick's capabilities in 1995 when he appointed him to the National Cancer Advisory Board and the National Institutes of Health. In 1996, Rick broke new international ground when he led the first physicians' mission to Israel. In addition to his professional associations, Rick selflessly devotes his personal time to numerous philanthropic organizations including the Milwaukee's Jewish Federation, the Milwaukee Jewish Council, the Wisconsin State of Israel Bonds, the Milwaukee Jewish Home and Care Center, the Weizmann Institute, and the Friends of Lubavitch.

Mr. Speaker, I commend the Wisconsin Friends of Lubavitch on its excellent selection of Dr. Richard Boxer as this year's honored guest, and I wish Rick, his wife Barbara, and their loving children continued success in all of their endeavors.

TRIBUTE TO CAPITAL COMMITMENT

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1996

Mrs. MEEK of Florida. Mr. Speaker, I rise today to congratulate a dynamic local organization which has brought telecommunications training and knowledge to the economically disadvantaged of the Washington area. Capital Commitment, recently celebrated its 50th anniversary. And, through its fine work, 424 disadvantaged students have graduated from programs which have prepared them for well paying jobs in telephone installation, maintenance, and repair.

Capital Commitment was born from a vision held by Ernest and La Verne Boykin who recognized in June 1991 that the telecommunications industry in which they had worked for so many years had few minorities. They also witnessed increased violence in their Washington neighborhood and had the compassion to ask themselves what they could do to help these young people bring focus to their lives. The answer to Ernest and La Verne was to leave their jobs at high technology telecommunications companies to set up Capital Commitment.

In the fall of 1991, they formed partnerships with the DC public schools, Ballou STAY and Northern Telecom [Nortel], a world leader in designing, engineering, building, and maintaining digital networks. By January 1992, they graduated their first class, which consisted of six homeless men from the Omega-Alpha Brotherhood. They were successful in placing this class in good jobs and they used their success to solicit support from local foundations.

As they struggled financially, they continued their important program and, by the end of 1993, had graduated 150 students and had an all-time high placement record of 97.5 percent. They still had not met their most important goal, to raise $100,000. However with continued support from Nortel as well as help from the National Center for Neighborhood Enterprises, the Hitachi Foundation, The Beer Institute and the United Black Fund, they reached 50 percent of their money raising goal.

In the summer of 1994, their success in training and placing their students in high paying, high technology jobs—by this time they had graduated 219—attracted additional partnerships with Bell Atlantic and the Eisenhower Foundation. Things had started to turn around for them.

Capital Commitment has been featured on several TV and radio stations within the last year. They have announced further partnerships with the Pentagon Renovations, BISCI, the Private Industry Councils of Washington, DC, Prince Georges County and Montgomery County. Their partners provide funding and also help secure employment for Capital Commitment graduates.

It gives me great pleasure to ask my colleagues to join me in congratulating Ernest and La Verne Boykin and all of their partners in Capital Commitment for making a real difference in their communities by providing hope and a future to the economically disadvantaged.

SENATE—*Wednesday, June 19, 1996*

The Senate met at 9 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Holy God of Justice, we turn to You with a just cause. We are profoundly disturbed by the burning of the church buildings of black and multiracial congregations in our land. Our consternation has grown as this hateful, destructive arsonism has continued. Father, we have prayed through the years for Your power to combat racism in America and You have helped us make some progress. Now we ask You to stay the hand of the collusive, coercive forces that have committed these cowardly acts of setting fire to sanctuaries of worship. Intervene to expose them so that they can be brought to justice. Control the unresolved prejudices in others who might be instigated to copy these crimes. Thank You for raising up people of all races who have rallied to help reconstruct the burned out sanctuaries. Oh God, in this land where You have given us freedom to worship You, step in to save the sanctuaries of Your people. In Your all-powerful name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Thank you, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, today, the Senate will immediately resume consideration of S. 1745, the Department of Defense authorization bill and the pending Dorgan amendment. There will be 15 minutes of debate on the Dorgan amendment this morning, with a vote on or in relation to that amendment immediately following that debate time.

Also, Senators should be reminded after this morning's vote, there will be other votes, of course, throughout the day. We will be doing our very best to keep the time limit on the votes to 20 minutes. There are always extenuating circumstances, but we will start off today by trying to keep that commitment. Senators are encouraged to respond promptly to the votes, and if you have amendments that you want to offer, please be here with them so we can have those amendments offered and debate so we can do it during the daylight instead of very, very late tonight.

Mr. President, also, I announce that the Democratic leader and I are continuing with negotiations with respect to minimum wage, small business tax package, and other issues. We are in hope of reaching some agreement shortly with respect to this issue and all the other related matters. We have not been able to complete that effort, but we are working on it very seriously. We hope to be able to get that done shortly. We will come to the floor and make that announcement.

I yield the floor.

RESERVATION OF LEADER TIME

THE PRESIDING OFFICER (Mr. INHOFE). Under the previous order, the leadership time is reserved.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1745, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Dorgan amendment No. 4048, to reduce funds authorized for research, development, test, and evaluation for national missile defense.

Kyl amendment No. 4049, to authorize underground nuclear testing under limited conditions.

AMENDMENT NO. 4048

The PRESIDING OFFICER. There will now be 15 minutes of debate on the pending Dorgan amendment No. 4048, equally divided.

Mr. DORGAN. Mr. President, I understand there is a period of time to continue debate ever so briefly prior to the scheduled vote. Senator LEVIN, I believe, wishes to take just a couple of minutes. I intend to yield to him when he arrives. When Senator THURMOND comes through, I will be happy to yield to him.

Let me describe just briefly exactly what this amendment is and what it is not. The Defense authorization bill that comes to the floor of the Senate includes in it $508 million for research and development for a national missile defense program. That is a program that has been bantered about around here. Some call it national missile defense, some call it Defend America, some call it star wars. Whatever you call it, it is a program to try to find a way to intercept potential incoming missiles launched by a rogue nation, an adversary, or launched accidentally by someone else. This is the outgrowth of the old star wars proposals back in the early 1980's.

There is in the Clinton budget a proposal for continued research and development of $508 million. The majority party, in constructing the piece of legislation brought to the floor today, said, "That is not enough. We want to add $300 million to that; $508 million is not enough. We want it to be $808 million."

My amendment very simply says, "no," we should get rid of the $300 million that was added extra, and go back to the $508 million base proposal offered in the administration's budget, $508 million requested by the Pentagon, $508 million requested by the Chairman of the Joint Chiefs of Staff, by the Secretary of Defense, saying, "This is what our country needs. This is what is advisable to spend." The bill brought to the floor said "No, the Defense Department does not know what it is talking about. We want to authorize you to spend $300 million more."

I read a quote from General Shalikashvili, the Chairman of the Joint Chiefs of Staff, who says, in speaking of this kind of activity, adding $300 million—which, by the way, is designed to provide for and require an early deployment on a national missile defense program of some type which would provide multiple sites and spaced-based components which will undercut the arms control agreements, the very agreements that are now leading to a reduction in the nuclear threat. There are missiles being destroyed in the old Soviet Union, in Russia today, because we have arms control agreements that provide for the destruction of those missiles. The world is safer because those missiles do not exist, those nuclear warheads do not exist, and they do not exist because of arms control agreements that have provided that both the Russians and the Independent States of the old Soviet Union are reducing launchers, warheads, bomber airplanes and others. We are doing the same. This makes eminent good sense.

This proposal, incidentally, leads to an undercutting of all those arms control agreements. Should we protect our country? Of course we should. However, should we do so in a way that undercuts the arms control agreements that

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

are now leading to a reduction in the threat? No, I do not think that makes any sense.

General Shalikashvili says the following:

> Efforts which suggest changes to or withdrawal from the ABM Treaty may jeopardize Russian ratification of START II and could prompt Russia to withdraw from START I. I am concerned that failure of either START initiative will result in Russian retention of hundreds or even thousands more nuclear weapons, thereby increasing both the costs and the risks that we face.

In short, the decision, in fact, the requirement by those who support this piece of legislation that we spend $300 million more in pursuit of a policy that may result in a potential adversary having hundreds or even thousands of more nuclear weapons is, in my judgment, a failed policy.

Mr. President, $300 million ought not be added to this. My amendment withdraws the $300 million.

How much time is remaining?

The PRESIDING OFFICER. The Senator has 2 minutes and 5 seconds.

Mr. DORGAN. I yield 2 minutes to the Senator from Michigan, Senator LEVIN.

Mr. LEVIN. Mr. President, I thank the Chair and I thank Senator DORGAN for his leadership on this. We ought to rely on the uniformed military in terms of what is needed to produce a national missile defense in a sensible time period so that we can make a decision to deploy at a time a decision to deploy is needed.

What do the uniformed military say about funding levels? We have heard a lot of political rhetoric about national missile defense. The proposed budget in front of us would add $300 million to the $500 million the administration requested. These are not just numbers hopefully pulled out of the air. The $500 million that the administration asked for is what our uniformed military say is needed to produce and develop a national missile defense in a timely way.

Now, that is not President Clinton saying it, that is not Secretary Perry saying it; that is the uniformed military saying it. It is called the Joint Requirements Oversight Council, the JROC. The JROC, in January of this year, wrote to their chiefs—these are the Vice Chiefs of the four Departments—saying that they wanted and needed no more than $500 million per year for national missile defense. This is a memorandum which I am going to ask to have inserted into the RECORD. This is what our uniformed military say: The JROC believes that with the current and projected ballistic missile threat that the funding level "for national missile defense should be no more than $500 million per year." That is in the budget request of the administration. They went on to say, "We believe that the proposed acquisition level for national missile defense is balanced in proportion."

I ask unanimous consent that the letter from the Chiefs of the Army, Navy, Marine Corps, and Air Force, be printed in the RECORD at this time in support of the administration's request and which is very inconsistent with the add-on of $300 million by the Armed Services Committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE VICE CHAIRMAN OF THE
JOINT CHIEFS OF STAFF,
Washington, DC.

Memorandum for the Under Secretary of Defense for Acquisition and Technology.

Subject: National Missile Defense.

1. This memorandum is to inform you of The Joint Requirements Oversight Councils (JROC) position of prioritizing a Theater Missile Defense (TMD) capability over a National Missile Defense (NMD) capability.

2. The JROC believes that with the current and projected ballistic missile threat, which shows Russia and China as the only countries able to field a threat against the US homeland the funding level of NMD should be no more than $500 million per year and TMD should be no more than $2.3 billion per year through the FYDP. These funding levels will allow us to continue to field critical TMD/NMD systems to meet the projected threats and, at the same time, save dollars that can be given back to the Services to be used for critical recapitalization programs.

3. We believe the proposed TMD/NMD acquisition levels are balanced and proportional and after great potential for achieving an affordable ballistic missile defense architecture that meets our joint warfighting needs.

W.A. OWENS,
Vice Chairman of the Joint Chiefs of Staff.
THOMAS S. MOORMAN, Jr.,
General, USAF, Vice Chief of Staff.
J.W. PRUEHER,
Admiral, U.S. Navy, Vice Chief of Naval Operations.
R.D. HEARNEY,
Assistant Commander of the Marine Corps.
RONALD H. GRIFFITH,
General, U.S. Army, Vice Chief of Staff.

Mr. THURMOND. Mr. President, before we vote on the Dorgan amendment, I would like to make a few brief remarks and strongly urge my colleagues to oppose the amendment.

First of all, let me be clear that the additional funds added in the bill for national missile defense are not to support a space-based or star wars defense system. In fact the funds are not to support a deployment decision at all. We have simply followed the advice of the Director of the Ballistic Missile Defense Organization who has informed the committee that about $800 million per year is needed to support a robust technology development effort. This additional funding is consistent with the administration's own NMD Program, which is supposed to preserve the option of deploying a system by 2003. Regardless of whether you support the Defend America Act, the administration's NMD plan, or some other approach, you should support the funding recommended by the committee to allow for a more comprehensive testing program.

The Armed Services Committee did not earmark the funds for systems that are not currently being developed by the Department of Defense. We simply suggest more robust testing within the administration's own program. This program would rely on a ground-based system. Nothing associated with the additional funds in any way conflicts with the ABM Treaty or even with the administration's own 3-plus-3 NMD Program.

I would also remind all Senators that Congress added $375 million above the budget request for NMD in fiscal year 1996, which the administration is presently obligating. The Department of Defense recognized that additional funds were needed. The Director of BMDO has stated this explicitly, and the committee added the funds in an effort to reduce technical risk and preserve a realistic deployment option around 2003.

Mr. President, in closing, let me urge my colleagues to oppose the Dorgan amendment and to support the additional funds for NMD risk reduction.

I yield to the able Senator from Oklahoma, Senator NICKLES.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. How much time remains?

The PRESIDING OFFICER. Five minutes.

Mr. NICKLES. I will be very brief. I compliment the Senator from South Carolina for his leadership. I urge my colleagues to vote "no" on this amendment. This amendment would strike $300 million of money that is used for research and development for missile defense. It is kind of a shocking thing for most Americans to find out that we do not have capabilities now to shoot down incoming missiles if you think the primary responsibility of the Federal Government is the protection of our people, the protection of our freedom. Yet, we do not have the capabilities today to shoot down an incoming missile from wherever it comes from. It may come from a belligerent nation, it may come from other rogue nations, it may come from someone getting control over missiles in the former Soviet empire.

But we do not have the capability to shoot them down. That bothers me. Somebody might say, well, we have the Patriot. The Patriot worked semisuccessfully in the Persian Gulf war. It shot down some Scud missiles when they were right over their backyard. Not very effective. As a matter of fact, we had American soldiers who lost their lives in Saudi Arabia because of Scud missiles that were 20-some-odd years old that landed in that neighborhood. The Patriot did not stop these.

They stopped some missiles. It is not effective.

We need to be able to have the capability to shoot down missiles before they end up in our backyard. The threats are becoming more serious all the time, and we need to be moving now in research and development so we will have the system capability sooner rather than when it is too late. When you have North Korea firing missiles in the direction of Japan, when you have China firing missiles in the direction of Taiwan, when you have China making implicit threats to the United States, and even specifically Los Angeles, you realize this is a much more dangerous world than it was 3 years ago.

We are now using our money to help Israel develop missile defense capabilities. I support that. But it is very ironic that we do not give ourselves the capability and enough resources to develop missile technology to defend ourselves against an incoming missile, whether it be an incoming intercontinental ballistic missile, with whatever warheads—nuclear warheads, biological or chemical warheads. We should not leave ourselves defenseless.

I am afraid that if we adopt the amendment by our friends on the other side, we are doing just that—we are cutting back too much. People like to call missile defense star wars, and maybe they score political points by doing so. But they leave us without the capability of moving forward rapidly, as quickly as possible, to shoot down incoming missiles. The No. 1 priority of the Federal Government should be the protection of our people, the protection of our freedom. We need to have the capability to destroy incoming missiles from whatever source. We need this money.

I compliment the chairman of the Armed Services Committee. I hope our colleagues will vote to delete and vote against this amendment. I yield the floor.

Mr. THURMOND. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from South Carolina has 1 minute 45 seconds. The Senator from North Dakota has 45 seconds.

Mr. THURMOND. I will yield back my time, unless somebody wants to speak.

I understand the Senator from Oklahoma desires to speak.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, I thank the Senator for his leadership in this issue that we are discussing. Nothing new can be said on this subject. I know what the final remarks will be from the Senator from North Dakota. I want to talk about two things. No. 1, the threat; No. 2, the cost. If anybody out there believes it is going to cost so that we will ultimately have the ability to save ourselves, protect ourselves from missile attack—look at the CBO report and the figures that they are batting around, $30 to $60 billion over 14 years, and that has now been downgraded.

It is quite obvious that we wanted to have an Aegis ship with the space sensors. We already have a $50 billion investment in 22 Aegis ships that are out there. We can upgrade those, and reach into the upper tier for about $3 to $4 billion over 4 years. If you add the $5 billion for sensors we could have a system in place that will stop an incoming ballistic missile for the United States. Right now we have nothing.

The vast majority of American people believe that after we have spent all of this money that we have a system but we do not. We are almost there. It is 90 percent paid for, and the threat is real.

For those who question the threat, remember the words of James Woolsey who was the CIA Director for President Clinton. He said 2 years ago that we know of between 20 and 25 nations that have or are in the final stages of developing weapons of mass destruction and the missile means of delivering those weapons. One expert after another expert testified that threat is out there, that threat is real.

So, I would only say when you are considering taking out this little bit of money that we have to try to go forward with this program, stop and realize and stop and ask yourself the question. What if all of these experts are right? Look at Oklahoma City. The Presiding Officer and I represent the State of Oklahoma. We saw the devastation that took place there. That was what is comparable to one ton of TNT. The smallest nuclear warhead known is a kiloton, 1,000 times that power.

So if you are wrong, we are making a terrible mistake if we pass this amendment.

Mr. DORGAN. Mr. President, this is not about whether there should be a missile defense program in this country. There exists in the bill brought to this floor $2 billion for theater missile defense. I think everyone probably knows that. It has not been mentioned. The implication was that there was nothing in this bill for missile defense. There is $2 billion for theater missile defense and $508 million was proposed by the Pentagon for national missile defense. The bill comes to the floor saying $508 million for research and development is not enough.

I simply say for the people who support throwing dollars at this problem on national missile defense that it is not going to solve the problem. The uniformed officers say $508 billion is enough of research and development. Those of you who think that there is not an amount that is enough, the more the merrier and let us spend as much as we can spend are wrong.

This is a very simple vote to cut $300 million from this authorization bill.

I hope my colleagues will support the amendment.

The PRESIDING OFFICER (Mr. INHOFE). The question is on agreeing to the amendment of the Senator from North Dakota.

Mr. THURMOND. Mr. President, how much remains?

The PRESIDING OFFICER. All time has expired.

Mr. NICKLES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR], the Senator from Arkansas [Mr. BUMPERS] and the Senator from New Jersey [Mr. BRADLEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. BUMPERS] and Senator from New Jersey [Mr. BRADLEY] would each vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 44, nays 53, as follows:

[Rollcall Vote No. 160 Leg.]

YEAS—44

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Gregg
Harkin
Hatfield
Hollings
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NAYS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—3

Bradley
Bumpers
Pryor

The amendment (No. 4048) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, the Democratic leader and I are continuing our negotiations with respect to the minimum wage issue. Therefore, in hopes of reaching some agreement with respect to this issue and other related matters, I now ask unanimous consent that no minimum wage amendment or legislation be in order prior to the hour of 1 p.m. today and, at 1 p.m, the majority leader be recognized so we can discuss this issue.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 4049

Mr. BIDEN. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The business before the Senate is the Kyl-Reid amendment to S. 1745.

Mr. BIDEN. Mr. President, I ask unanimous consent I be able to proceed for 5 minutes as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Mr. President, might I ask the Senator to yield for one moment so I may ask for the yeas and nays on the amendment which is pending?

Mr. BIDEN. Sure.

Mr. KYL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

THE ATTACK ON HARIS SILAJDZIC

Mr. BIDEN. Mr. President, I rise today to deplore in the strongest possible terms the brutal assault last Saturday on former Bosnian Prime Minister Haris Silajdzic.

For more than 4 years, I have protested the bloody aggression by Serbia and its Bosnian Serb proxies against the Republic of Bosnia and Herzegovina. Even today Senator LIEBERMAN, Senator LUGAR, and I are introducing a resolution calling upon our Government to give stronger support to the International War Crimes Tribunal in the Hague, including making it an urgent priority for IFOR to detain and bring to justice persons indicted by the tribunal.

But, Mr. President, it was not Bosnian Serbs under the direction of the war criminals Karadzic and Mladic who attacked Haris Silajdzic. Nor was it carried out by the notorious Bosnian-Croat thugs from Herzegovina.

No, the attack was carried out by Bosnian Muslims belonging to the ruling party of democratic action, the SDA, of Bosnian President Izetbegovic. Former Prime Minister Silajdzic was making an election campaign speech in the Bihac area of northwestern Bosnia when about 100 young toughs waving SDA flags reportedly began terrorizing citizens at the rally. Some of them struck Prime Minister Silajdzic on the head with a metal bar, opening a bloody wound on his temple. He was rushed off to a hospital.

Many of my colleagues and I regard Haris Silajdzic as the single best hope for a multireligious democracy in Bosnia. For years he has fought against the vicious tribalism that unscrupulous politicians have used to stir up hatreds, even as he has tirelessly struggled to keep his embattled country alive.

Undaunted earlier this year after he was forced out of the prime ministership, Haris Silajdzic founded the party for Bosnia and Herzegovina, a coalition of Bosnian Muslims, Bosnian Serbs, and Bosnian Croats whose vision rises above the pathetic provincialism of the ethnic and religious-based parties intent on fragmenting the country.

The reaction of the ruling SDA in Sarajevo was, sad to say, typical of people who learned their politics at the foot of the old Yugoslav league of Communists.

Mr. Silajdzic has been harassed at every turn. Knowing of his broad international contacts, the authorities made it impossible for him to place telephone calls abroad. For example, when I have wanted to talk with him during the past few months, I have had to phone his home from Washington. And our conversations are routinely cut off in mid-sentence.

This is the treatment that President Izetbegovic's government accords a former prime minister with a worldwide reputation for bravery and integrity.

Moreover, Haris Silajdzic's multi-religious party for Bosnia and Herzegovina has been systematically denied a level playing field in the campaign for national elections, which according to the Dayton accords must take place by September 14.

They have found it excruciatingly difficult to get television time with which to spread their message of tolerance and democracy. I have already described how the SDA hoodlums broke up their campaign rally last weekend.

Mr. President, I would submit that the Bosnian people have no better friend in this Congress than this Senator. But let me be absolutely clear: The patience of even the strongest supporters of Bosnian independence has limits.

President Izetbegovic and his party must understand that we have not sent young American fighting men and women at the head of an international force thousands of miles from home merely to make it safe for a power-hungry, narrow-minded Bosnian Muslim clique to mimic the vicious, antidemocratic behavior of their Bosnian Serb oppressors.

The clock is ticking on the implementation of the Dayton accords. There are still many fundamental problems to solve. Until now the record of the Bosnian Government, though far from perfect, has been better than that of Serbia and Croatia and their respective Bosnian proxies.

But this latest outrage against Haris Silajdzic is a terrible step in the wrong direction. I call upon President Izetbegovic to take heed: Either get your party to clean up its act, or the United States of America may have to reconsider its Bosnian policy.

I thank the Chair, and I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4049

Mr. SIMON. Mr. President, I rise in opposition to the amendment offered by Senator KYL from Arizona. I knew our distinguished colleague from Arizona when he was in the House, but I did not know him well. I have come to have great respect for him as a legislator. He really is a legislator who works on bills and does the nitty-gritty work that is so important. But I believe that an amendment to authorize the resumption of nuclear testing is very ill-timed.

First of all, we have had over a thousand nuclear tests in the last 50 years. We do not need additional nuclear tests. If we were trying to perfect some new nuclear weapon, then it makes sense. But that is not the policy of this Government.

But more important than that, India and Pakistan are reluctant to join in a comprehensive test ban. What we need now is for all nations with nuclear power to come aboard. China, apparently, is coming aboard. But India and Pakistan we do not know yet.

We should not do anything that is going to move a comprehensive test ban further away. We need it as soon as possible. It is in the interest of the United States, and it is in the interest of the world.

I think this amendment, and I know the motivation is good on the part of our colleague from Arizona, but I think it is an ill-timed amendment that is not in the national interest.

Mr. President, if no one else seeks the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INHOFE. Mr. President, I ask unanimous consent that the quorum call in progress be vitiated.

The PRESIDING OFFICER (Mr. COATS). Without objection, it is so ordered.

Mr. INHOFE. Mr. President, I ask unanimous consent that I be able to proceed for up to 5 minutes as in morning business.

The PRESIDING OFFICER. The Senator from Oklahoma wishes to be recognized to speak as in morning business for 5 minutes. Is there objection? Without objection, it is so ordered.

(The remarks of Mr. INHOFE pertaining to the introduction of S. 1885 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. INHOFE. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I just want to say that we are sitting here waiting and doing nothing. Why? Because those who have amendments are not coming forward to present them. We are wasting the Government's time. We are wasting the Senate's time. Why do those who have amendments not come forward? I urge those who have amendments—hotline both sides and tell them anybody who has amendments to bring them. We want to get through this bill. We are supposed to finish this bill tonight. We may have to go until 3 or 4 o'clock in the morning. Let us get going now and finish this bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered.

Mr. NUNN. Mr. President, the amendment that will be presented in a few minutes by the Senator from Hawaii deals with the Army and Air Force Nurse Corps and the promotions of the nurses in that corps.

This amendment has been examined by our staff, and from the Democratic side of the aisle, we would recommend when it is presented that the Senate accept the amendment. That would be our position on the amendment.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. We can accept the amendment on our side.

Mr. INOUYE. Thank you very much.

Mr. NUNN. I say to my friend from Hawaii that we recommended the amendment be accepted. So we just wanted to let him know that.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Without objection, the pending amendment will be set aside.

AMENDMENT NO. 4050

(Purpose: To amend title 10, United States Code, to codify existing practices of the Army and Air Force regarding the grade of the Chief of the Army Nurse Corps and of the Chief of the Air Force Nurse Corps, and the minimum grade required for appointment to the positions of Chief and Assistant Chief of the Army Nurse Corps and to the positions of Chief and Assistant Chief of the Air Force Nurse Corps; and for other purposes)

Mr. INOUYE. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE] proposes an amendment numbered 4050.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

SECTION 1. CHIEF AND ASSISTANT CHIEF OF ARMY NURSE CORPS.

(a) CHIEF OF ARMY NURSE CORPS.—Subsection (b) of section 3069 of title 10, United States Code, is amended—

(1) in the first sentence, by striking out "major" and inserting in lieu thereof "lieutenant colonel";

(2) by inserting after the first sentence the following: "An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general."; and

(3) in the last sentence, by inserting "to the same position" before the period at the end.

(b) ASSISTANT CHIEF.—Subsection (c) of such section is amended by striking out "major" in the first sentence and inserting in lieu thereof "lieutenant colonel".

(c) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 3069. Army Nurse Corps: composition; Chief and assistant chief; appointment; grade".

(2) The item relating to such section in the table of sections at the beginning of chapter 307 of title 10, United States Code, is amended to read as follows:

"3069. Army Nurse Corps: composition; Chief and assistant chief; appointment; grade.".

SEC. 2. CHIEF AND ASSISTANT CHIEF OF AIR FORCE NURSE CORPS.

(a) POSITIONS AND APPOINTMENT.—Chapter 807 of title 10, United States Code, is amended by inserting after section 8067 the following:

"§ 3069. Air Force nurses: Chief and assistant chief; appointment; grade

"(a) POSITIONS OF CHIEF AND ASSISTANT CHIEF.—There are a Chief and assistant chief of the Air Force Nurse Corps.

"(b) CHIEF.—The Secretary of the Air Force shall appoint the Chief from the officers of the Regular Air Force designated as Air Force nurses whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than three years, and may not be reappointed to the same position.

"(c) ASSISTANT CHIEF.—The Surgeon General shall appoint the assistant chief from the officers of the Regular Air Force designated as Air Force nurses whose regular grade is above lieutenant colonel.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after section 8067 the following:

"3069. Air Force Nurse Corps: Chief and assistant chief; appointment; grade.".

Mr. INOUYE. Mr. President, I rise today to introduce an amendment that would put into law a designated position and grade for the chief nurses of the U.S. Army and the U.S. Air Force. To the credit of the past and present leadership of our Armed Services, they have appointed a chief nurse in the rank of brigadier general since the 1970's. However, for the Army and the Air Force, this practice has never been codified in law, although I am pleased to note that the Navy has designated their chief nurse as a rear admiral. Our military chief nurses have an awesome responsibility—a degree of responsibility that is absolutely deserving of flag officer rank.

You might be surprised at how big their scope of duties actually is. For example, the chiefs are responsible for both peacetime and wartime health care doctrine, standards, and policy for all nursing personnel. In fact, the chief nurses are responsible for more than 80,000 Army and 26,000 Air Force nursing personnel. This includes officer and enlisted nursing specialties in the active, reserve and guard components of the military. If an executive officer in a large American corporation had this much responsibility, he or she would undoubtedly have a position title and salary at least comparable to that of a brigadier general, and would certainly have a seat at the corporate table of policy and decisionmaking.

You might wonder why it would be necessary to put these provisions in law since this practice is already occurring. Sadly, I am most concerned that without this official designation, these positions are vulnerable to being downgraded or even eliminated. In recent years, downsizing mandates and new ways of providing health care have led to many reorganization efforts. Unfortunately, reorganization has become a euphemism for eliminating positions—and health care reorganization has too often become an excuse to eliminate nursing positions, particularly senior and executive leadership positions.

There has been much discussion about the so-called glass ceilings that unfairly impact the ability of women to achieve the same status as their male counterparts. While I do not want to make this a gender-discrimination issue, the reality is that military nurses hit two glass ceilings: one as a nurse in a physician-dominated health care system and one as a woman in a male-dominated military system. The simple fact is that organizations are best served when the leadership is composed of a mix of specialty and gender groups—of equal rank—who bring their unique talents to the corporate table. For military nurses, the general officer chief nurse position is the only way for nurses to get to the corporate executive table.

Mr. President, I strongly believe that it is very important, and past time, that we recognize the extensive scope and level of responsibility the military chief nurses have and make sure that future military health care organizations will continue to benefit from their expertise and unique contributions.

Mr. President, as noted, the distinguished managers of the measure have both agreed to its adoption.

I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4050) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, we have been waiting here now a long time to act on these amendments. Again, I want to tell the Senators, if they have amendments, to come forward with them. I want to inform all Senators that I intend soon to ask unanimous consent that only amendments that have been offered will be in order on this bill. So it is important for them to come forward and offer their amendments, otherwise, they may not be considered. I urge all Senators who have amendments to come to the floor and offer them now—I repeat—now, not later.

Mr. President, I suggest the absence of a quorum.

Mr. KYL. Will the Senator withhold? I would like to discuss the pending amendment.

Mr. THURMOND. Certainly.

AMENDMENT NO. 4049

Mr. KYL. Mr. President, the pending amendment is the Kyl amendment, cosponsored by Senator REID from Nevada. The distinguished chairman of the committee spoke in support of this amendment last night when I offered it. Since then, there has been virtually no discussion of it. Several people have asked me questions, and I thought I would come to the floor and try to answer those questions because, for the life of me, I cannot understand why this would be a controversial amendment. I am advised that at least one Senator is awaiting instructions from the White House.

I suggest that this body can take the action that it deems appropriate. Certainly the White House will have its say in anything that we do on the Defense authorization bill. But this ought not to be that controversial. So let me attempt to explain again what I am trying to do with this amendment. Again, I thank the distinguished chairman of the Armed Services Committee for his support of the amendment.

Probably the best way I can do this, Mr. President, is to do it graphically. Above this line we have the status quo, the current law with respect to nuclear testing. Just to set the stage, we have not conducted nuclear tests for a long time. The tests that have been conducted in the last decade have been primarily to ensure safety and reliability of our nuclear stockpile. I might add that about a third of the problems that have been discovered with the stockpile were found as a result of safety testing.

I also make the point, in general, with respect to testing, that it has always seemed odd to me that while we hear speeches that we should fly before we buy, we should be sure that we test the equipment that we are going to buy for our military uses, we should make sure that we continue to maintain our equipment, understand how it works, and whether it might not work, and we want to make sure that all of the things that we are going to have to rely upon will in fact work, that the one thing that we do not want to test to see if it will continue to work is the most sophisticated weapon we have in our inventory, namely, our nuclear weapon.

On that we are going to close our eyes and say, "Well, we tested these a long time ago. We maybe built these systems 20 years ago, but we're just going to hope that they continue to work if we ever have to use them." I submit that that is not an intelligent way for us to maintain our nuclear stockpile. But that is essentially where we are right now. The administration does not want to test, is not testing. We currently have the authority to test, if the President decides to do so.

That is what is indicated here. We have a test moratorium in our country, but we could test for safety reasons or to determine the reliability of a system. So that if, for example, the Department of Energy came to the President and said, "Mr. President, we think we may have a problem with one of these systems. It seems to be acting funny. We obviously don't want to send it up in an airplane or put it on top of a missile if something might happen. Therefore, we need to conduct a test to determine exactly what's wrong here or how to fix it," the President could do that today.

But that authority will expire on September 30 of this year under existing law. The President will no longer have that capability.

That was done in order to anticipate the fact that a Comprehensive Test Ban Treaty, the so-called CTBT, would be entering into force. The problem is, it has not been ratified by this country. It is obviously not going to go into force for some time. Therefore, we are left with a hiatus, a period between September 30 of this year and whenever the CTBT comes into effect, if it comes into effect.

After the CTBT comes into effect, there are no tests except in a very extreme situation called supreme national interest which, in effect, would only exist if there was some grave emergency that existed where the country was threatened and there was some need to do so.

So what we are talking about is simply extending this September 30 date until the CTBT goes into effect. It is not anti-test-ban treaty. Anyone who favors a test-ban treaty should not be concerned about this. In fact, I would think they would be supportive because it would maintain the status quo until the CTBT goes into effect.

What actually changes? Two things. No. 1, we continue to require the administration to report to the Congress on the status of the stockpile. There is nothing wrong with that. I assume there is no objection to that. So the test moratorium would continue and the reporting requirements would continue. But the President could still test for stockpile safety and reliability purposes beyond the September 30 date until some date in the future if and when the CTBT goes into force or when the U.S. Senate ratifies it.

The other difference is that under the test moratorium that will exist if we do not change the law, there is one circumstance under which the President can test. But it does not make any sense. The President could test if another country tests. We do not need to test just because China conducts a test or just because France conducts a test or Russia conducts a test. That is no reason for the United States to conduct a test. We are not testing in retaliation for what another nation does. There is no rational reason to base our testing on whether another nation tests.

Whether another nation tests will depend upon whether that nation believes it to be in that nation's interest to test. Likewise, whether the United States tests prior to the implementation of the CTBT, ought to be based upon whether it is in our national interest to do so. Just because France tests should not mean that the President should call for the United States to do so.

But by the same token, if the Department of Energy or the Department of Defense should discover a problem with one of our weapons, it is the height of irrationality for us to close our eyes and say, "But we can't fix that weapon."

Until this Nation has effective missile defenses and defenses against any other way in which a nuclear warhead would be delivered to the United States, we are relying upon our strategic retaliatory nuclear capability. That is a fact. Therefore, it has to work and it has to be safe. It makes no sense to say that we should not have the capability of ensuring that safety.

I doubt very seriously whether President Clinton would ever order a test, but why tell him that he cannot do so? For those who believe, well, maybe it will not be President Clinton next year, maybe it will be President Dole, and he is going to be irresponsible in this regard, my amendment also requires that the Congress not disapprove the decision. So Congress has a check on the President's actions. The President cannot unilaterally call a test.

I do not know what could be more reasonable, Mr. President. All we are saying is that the deadline that is going to expire on September 30 be continued—not the deadline—but that the ability to test be continued, the power of the President to call for a test. We are not saying he has to do anything. This has no relationship to the CTBT. We are simply saying, until the CTBT comes into effect, the President would have the ability to call for a test, but Congress would have to not disapprove it.

Let me read some statements, perhaps, that will give people a little sense of security in supporting this if they think there is some hidden meaning to it. There is not. The administration's testing policies, as articulated by the President himself, are totally consistent with what we are doing.

On August 11, 1995, the President gave his statement regarding the CTBT. He acknowledged that the possibility of future underground tests might be needed. In fact, there is a specific safeguard in his policy enumerated "Safeguard F" which reads as follows:

> If the President of the United States is informed by the Secretary of Defense and the Secretary of the Energy (DOE)—advised by the Nuclear Weapons Council, the Director of DOE's nuclear weapons laboratories and the Commander of the U.S. Strategic Command—that a high level of confidence in the safety or reliability of a nuclear weapon type which the two Secretaries consider to be critical to our nuclear deterrent could no longer be certified, the President, in consultation with Congress, would be prepared to withdraw from the CTBT under the standard "supreme national interests" clause in order to conduct whatever testing might be required.

That is the end of Safeguard F.

Mr. President, what we are proposing here is something far short of that. The President has made the point here that he needs a mechanism for conducting an underground test if it is in the supreme national interest to do so. We are simply saying until there is a CTBT, he should have that same authority. A fortiori, once the CTBT goes into effect, the President is saying he should still have that authority in the supreme national interest. I agree. It does not make any sense for that authority to exist at that time after this CTBT has already gone into effect, and not to have the authority before it goes into effect.

Following the President's own understanding of the potential need for an underground test to ensure safety and reliability of our weapons, we simply gave him that authority beyond the deadline that it would otherwise expire, and base it on what the President has said he would need to base it on; namely, safety and reliability, rather than on whether another nation tests. I cannot imagine anything more reasonable and more rational.

I will read a quotation from one of the President's top advisers in this entire area, former staff member for the distinguished ranking member of the Armed Services Committee, Bob Bell, in a speech at the National Missile Defense University Foundation. On May 8 of this year, Bob Bell, who is a member of the National Security Council, suggested that a key element of the administration strategy to defend America is deterrence, both conventional and nuclear deterrence. He said,

> The second line of defense against weapons of mass destruction is deterrence, both at the conventional and nuclear level. Any rogue nation foolish enough to contemplate using nuclear, chemical, or biological weapons against the United States, its Armed Forces or our allies must not be confused about how we would respond. As Secretary Perry stated, it would be "devastating" and "absolutely overwhelming."

Now, Mr. President, you cannot rely upon a nuclear deterrent that is not safe or does not work. You have to know that it is safe and it will work. That is why we have always maintained the ability, the right, to test these weapons, to make sure they will work and that they are safe. That is what the law provides today. That authority terminates on September 30. For the life of me, I do not understand why anyone would object to simply continuing the President's right to do what he said he needed to have the ability to do. Not that he would ever do it. I am sure everyone would acknowledge this President's inclinations would not be to do it, but as he himself said, if he were advised by the Secretary of Defense, the Secretary of Energy, the Nuclear Weapons Council, and the commander of the U.S. Strategic Command that they did not have a high level of confidence in the safety or reliability of a weapon type that was deemed critical for nuclear deterrent, then he would need that authority. If we are going to give him that authority after a CTBT goes into effect, why should he not have that authority before it goes into effect?

Mr. President, all I can do is continue to repeat the point that I wish somebody would challenge it, would argue it, would debate it. This amendment has been pending since last night. I said I am happy to explain it, to debate it, but can we not have a discussion on it, and then vote? I cannot imagine why anyone would oppose it.

Now, there have been two reasons suggested to me. One is that the Comprehensive Test Ban Treaty negotiations are in a delicate stage now and we do not want to do anything that might upset them. How would this upset them? It has nothing to do with the CTBT. Surely, people who want us to enter into the CTBT want us to do so with weapons that are safe and reliable. Surely, they do not want us to deny ourselves the ability to enter into the treaty, knowing we have safe and reliable weapons. Why would they want us to have a period of time where our weapons could deteriorate or become unsafe and we could not do anything about it, and then enter into a comprehensive test ban limitation? That would not make any sense.

We want to enter into the comprehensive test ban knowing that our weapons are in good shape. I guarantee you, Mr. President, other countries will make very sure that their weapons are in good shape before they enter into it. Look at the evidence. What did France do? France thumbed its nose at the international arms limitation community by saying, "We are going to test until we are confident that our weapons are reliable and safe and they will do the job." They conducted their tests, notwithstanding opposition from practically, it seemed like, everybody in the world. When they finally had concluded they had done enough testing and they were confident of their weapons, they said, "Fine. Now we will join up."

China, likewise, has been conducting tests. They just concluded one. They have said they are going to do another one. They have said, "We think we have to do one more to make sure that our system is reliable, safe, and workable. After that, we will join up, or at least consider joining up." It may be that Russia has conducted tests. There have been reports of activity at their test site that may suggest that some kind of activity has occurred there. I submit that other nations will do the same thing if they believe their weapons are deteriorating or they need to do something to improve the safety or reliability. They will test to make sure that can be done.

All we are saying is the President of the United States ought to have the authority to do that, with Congress not overruling, to ensure that our nuclear deterrent, as Bob Bell said, is a meaningful deterrent. That is to say that countries of the world will know that it is workable, and that we, in fact, will employ it.

The argument that CTBT negotiations are underway does not suggest any reason why we should not proceed with this. Are those negotiations so touchy that if anybody talks about nuclear testing or continues authority that currently exists in law, that they somehow are going to full apart? I cannot imagine that. If that is the case, there is something drastically wrong. Are those negotiations dependent upon an elimination of our authority to test after September 30? That would not be good policy for the United States, and I cannot imagine that other countries of the world have made that a precondition. I have not heard any evidence to that effect. Just because the CTBT negotiations are going on does not mean that we cannot extend the President's authority beyond September 30. We are not telling him he has to test, he should test or anything of that sort. We are saying if he thinks it is necessary to test, as he himself pointed out, he should have the authority to do that, subject to Congress not saying no.

Now, I do not know of any other reason, except one reason expressed to me by someone who said, "Well, I have always been so much in favor of absolutely eliminating all nuclear weapons from the world that I would not want to do anything even to extend the ability of the United States to test until there is a CTBT. If we can stop it on September 30, boy, that is great."

Mr. President, if all of the other nations in the world were as idealistic as this particular individual, I would not have a problem with that. As we have already seen, since the United States has stopped testing, since our moratorium, other nations, both friendly and unfriendly, have decided it is in their best interests to go ahead. We are not going to stop them from doing what they think is necessary and in their national interests, and particularly where it relates to safety, it seems to me, we ought to retain the ability to test. That should have very little to do with the argument of whether or not all the nations of the world will eventually agree to a comprehensive limitation.

One final point I make, Mr. President. When I served in the House of Representatives, I was the ranking member of the Department of Energy's nuclear facilities panel, along with Representative SPRATT from South Carolina. We had the jurisdiction, basically to deal with the Department of Energy programs, including the nuclear stockpile. During that time, it came to light that a very new and sophisticated and technical way of utilizing very new and powerful computers could actually help us understand the dynamics of nuclear weapons much better than we ever had before. This computer analysis seemed to suggest that there might be some vulnerability to certain of our weapons that we should look into.

Just to talk hypothetically, what we are talking about, if a nuclear weapon were to be dropped, for example, could that possibly trigger some kind of emission of radioactive material? In the past we had done a lot of telephoning and we said, "No, we think it is very safe." This new computer technology suggested that maybe there would be a bit of a problem. So we caused a commission to be created called the Drell Commission. The members of the commission were very prominent nuclear scientists who studied for over a year whether there were safety or reliability problems with our weapons—primarily safety problems. They made recommendations to the Congress, which we have largely carried out, and which the military has largely carried out, that caused us to make some changes in the way that we handle our nuclear weapons. Some weapons were removed from active alert status on strategic bombers. Certain changes were made in the way that weapons were handled in their loading and unloading.

Without getting into too much technicality, or classified material, those recommendations demonstrated that we have to be constantly vigilant of the potential for accidents, because the last thing in the world that we want is an accident with a nuclear weapon. We know that there have been some, and we do not want that to ever happen and cause harm to anyone in the world. So safety has been a primary consideration—at least in recent years—with respect to our nuclear stockpile.

For the life of me, Mr. President, I cannot imagine that people who are interested in consumer safety, who are interested in the health, safety, and welfare of our citizens, who frequently support measures to protect us from all sorts of things that might cause damage to us, who are interested in reducing smoking by teenagers and adolescents, and I cannot imagine why people who are interested in protecting the American citizenry would say, however, when it comes to one of the most potentially devastating threats of all—not a threat that is likely to occur, but if it ever did occur, it would be very devastating—a release of radioactive material as a result of an accident with a nuclear weapon, and we are not going to do anything about that. We are just going to trust that weapons that are 20 or 30 years old, and that have not been tested for years, are going to continue to work all right, behave all right, and not pose any safety threat. We are going to close our eyes to the possibility that there could ever be a problem there, and we are going to legally prohibit the President from testing those weapons to see that they are safe—not to develop a new weapon; we are not talking about testing for new weapons. We are going to bind the President and say that, after September 30, he cannot test to determine the safety of a nuclear weapon anymore. I just, for the life of me, cannot understand how people would make that argument.

Now, Mr. President, there are Senators on the floor now who would like to enlighten me as to why this perfectly innocent amendment is not appropriate. I will conclude by simply reminding you of what it does. It simply says the power that the President has to test, which will expire on September 30, will continue until there is a CTBT. If the Congress does not approve a test, the President cannot do it.

I hope people who want to debate the issue will do that so I know what we are trying to respond to here because, right now, I cannot think of any arguments against this amendment. I hope we can quickly get a time agreement so that, as the distinguished chairman of the Armed Services Committee said, we can get on with this bill. This is a minor amendment in the overall scheme of things with this very important defense authorization bill. The chairman is right that we have to get on with it. I do not intend to take any time with this. If we can reach a time agreement for 10 minutes, that is fine with me.

I thank the chairman of the committee for supporting my amendment.

Mr. THURMOND. Mr. President, I want to again compliment Senator KYL for his detailed explanation of his amendment. This is a sound provision. It enhances the President's authority to ensure that the Nation maintains the capability to maintain a ready and safe nuclear stockpile. I do not understand the other side's reluctance to debate this amendment and agree to a time limit.

Again, I urge Members to come to the floor and let us go forward and make progress on this bill.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. I ask unanimous consent that the pending committee amendment be laid aside.

Mr. EXON. Mr. President, reserving the right to object, I inquire of the Senator from Minnesota, about how much time does he wish? There has been some talk about moving ahead on this matter. I prefer to move ahead on this matter, and I simply inquire, before I withdraw my right to object, about how much time the Senator from Minnesota feels he needs, and on what subject, before we set aside the pending business of the Senate.

Mr. GRAMS. I expect to take 10 minutes, and it relates to the closure of Pennsylvania Avenue.

Mr. EXON. With that understanding, I withdraw my objection. Is the Senator intending to propose an amendment?

Mr. GRAMS. It is a sense of the Senate.

Mr. EXON. Then, Mr. President, I object on the grounds that I am prepared to move ahead on the amendment before us. Certainly, I would like to accommodate the concerns of the Senator from Minnesota and his sense-of-the-Senate amendment. But I suggest that in order to try and move ahead on this matter, it would probably be best at this time to proceed with debate on the amendment that is before us rather than offering another amendment at this juncture. With that caveat, I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Minnesota has the floor, unless he chooses to yield the floor.

Mr. GRAMS. I ask the Chair, am I allowed to go ahead and offer my sense-of-the-Senate amendment?

The PRESIDING OFFICER. There must be approval to set aside the pending amendment and that has been objected to.

Mr. GRAMS. I yield the floor, Mr. President.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I say to my friend from South Carolina, the chairman of the committee, which I have observed now for 18 years, and also my colleague from Georgia, the ranking member of the committee, that I understand the difficult position they find themselves in with regard to trying to move this bill along. I certainly am not here to cause any problems in that effort because, certainly, the defense authorization bill, which I voted for as it came out of the Armed Services Committee, is an important piece of legislation, and I think that we should move expeditiously ahead. Certainly, any Senator has a right under the rules of the Senate to offer any amendment.

But I would simply say that I intend to make some remarks at this time in strong opposition to the Kyl amendment, and then would plead to the managers of the bill—since the Kyl amendment nor nothing like it was included in the authorization bill that came out of the committee—that it would probably be best, in the interest of moving ahead with this bill, that the Kyl amendment be withdrawn and probably and possibly considered at some later more appropriate date. Mr. President, there could not possibly be a worse time, a more inopportune time, if you will, to consider the amendment offered by the Senator from Arizona.

Here we are, Mr. President, 9 days away from the self-imposed June 28 deadline by the multination negotiators now delicately moving toward hopefully an agreement for a comprehensive test ban treaty. And the deadline is June 28. That is 9 days from now. To be specific, that is a week from this coming Friday.

These are extremely delicate negotiations. I have talked on numerous occasions to our Ambassador who is involved in those detailed negotiations. I have been in close touch with the Secretary that has responsibility in this area, the Secretary of Energy. I have been in close touch with the White House, and the National Security Council. They all agree with myself, Senator MARK HATFIELD, and many others who will speak in opposition to this amendment, that there could not possibly be a worse time for the U.S. Senate to begin meddling in matters of this delicate nature 9 days ahead of the June 28 self-imposed date by the negotiators to try to come up with a comprehensive test ban treaty that in the opinion of this Senator, and in the opinion of most people who understand the procedure, would be to the greatest benefit of mankind for as far as we can see into the future.

What we are talking about here is whether or not we are going to have less reliance on nuclear weapons in the future. Since the end of the cold war we all have been working, and quite well, I might say, with Russia and the former states of the former Soviet Union to the point where we do not have nuclear warheads pointed at each other. Behind all of this is the attempted emergence of new nations to nuclear power.

If we can put in place and keep in place the nuclear test ban treaty that is now being delicately renegotiated in Geneva it would be the greatest boon to mankind and the safety of mankind that one could imagine. No. I suspect that none of us can see into future time when we will have not have nuclear weapons. But certainly we should be able to recognize and realize that the United States of America which is far ahead on the ability to test, which is far ahead on the ability to make tests with computers, which is far ahead in inventory of any other part of the world, it would seem evident to me that it would be not only in the national security interests of the United States of America but also the right thing to do to recognize that we should continue to be a leader in trying to end for all time, if we can, nations testing nuclear devices.

So, Mr. President, I speak now not only for myself but other Members of the U.S. Senate on both sides of the aisle in strong opposition to the Kyl-Reid amendment. It is being sold here just to give the President a little flexibility, and so forth and so on. If the U.S. Senate would pass the Kyl-Reid amendment, which I think it will not—I think I have been here long enough to have a pretty good understanding of the Senate and its rules—I say to the managers of the amendment, and I say to the managers of the bill that there could be long and delayed debate on this amendment. I think it has little chance of surviving the opposition that we will mount against it. I want to unmask, if I can, Mr. President, the feeling that this is a harmless amendment; that it is not going to hurt anything at all. I would simply say that regardless of what the intentions of the authors of the amendment are for the U.S. Senate to be even debating such a proposition 9 days ahead of the final deadline, whether we pass it or not, only gives the opposition around the world, wherever it is and for whatever reason, more chances of disrupting and eliminating any chance of a comprehensive test ban treaty based on negotiations—very delicate negotiations, I might say, Mr. President—in Geneva today.

Why is it that 9 days ahead of the deadline we have some Senators coming on the floor of the U.S. Senate trying to make changes in what we are going to do in the future with regard to nuclear tests? No one knows at this juncture.

Mr. KYL. Mr. President, will the Senator yield?

Mr. EXON. I have not interrupted the Senator from Arizona. I will not yield. He will have ample time to make his points at a later time.

I simply say that this amendment is ill-timed. It is ill-advised. At least the authors should recognize and realize, if they are so certain that this amendment is all-important, that it would be more in line with reality and reason to at least wait until follow-on bills after the 28th day of June, a week from Friday, when we will know by that time whether or not the hard work and the delicate balance to try to reach an international comprehensive test ban treaty is successful.

I do not know what their motives are. It may well be that the authors of this amendment are totally in support, as I hope they would be in being behind our negotiators and our administration who fully recognize and realize the dangers that we are working with here; that the authors of this amendment would simply say, yes, this is probably not the best time and this amendment should not be offered.

Mr. President, this amendment, or something like it, was discussed by members of the Armed Services Committee before our markup and before our hearings in the Armed Services Committee on the defense authorization bill. It was agreed unanimously that this is a matter that should not have been taken up at this time. And for that reason, and principally for that reason, there was no move inside the Armed Services Committee to make any such suggested changes. And I believe that the chairman of the Armed Services Committee knows and understands that full well. The chairman of the Armed Services Committee has every right to support this amendment, if he wants to, on the floor of the U.S. Senate. That was not the reasoning of his committee during those deliberations.

Mr. President, later on today I will insert into the RECORD statements by the White House, statements by the Secretary of Energy, and others in strong unqualified opposition to this amendment principally along the lines that I have outlined.

I cannot imagine anything I would oppose more than the Kyl-Reid amendment authorizing the resumption of nuclear testing beginning on October 1 this year under certain conditions. While proponents of the amendment contend that this change to the 1992 Hatfield-Exon-Mitchell law closes some sort of a loophole in the American nuclear testing policy and should have no impact on the comprehensive test ban negotiations now underway in Geneva, this simply is not—I emphasize, Mr. President, is not—the case. The Kyl-Reid amendment is the proverbial wolf in sheep's clothing, an innocent appearance cloaking a more sinister inner nature. Whether intended or not, passage of this meddlesome amendment would send a chilling ripple around the world that the Senate has pulled the rug out from under our Nation's treaty negotiators on the very eve of finalizing a landmark treaty designed to halt the global spread of nuclear weapons.

After decades of failed efforts and ineffectual agreements, the world's nuclear powers have finally made some progress in not only curbing the increase in the number of nuclear weapons States but also reducing the number of nuclear weapons systems targeted on population centers around the world. The INF Treaty, START I Treaty, and now START II are historic mileposts in the history of arms control in that they compel for the first time the destruction of nuclear delivery systems while still maintaining the geopolitical balance and the ability to deter an attack by a potential aggressor.

Defense and foreign policy experts agree that the most significant security challenge facing the United States and the rest of the world is curbing the proliferation of weapons of mass destruction, most dangerous of which is a nuclear warhead. Closing Pandora's box, as I have referred to these nonproliferation efforts in the past, is a formidable undertaking, but I believe history will judge the leaders of our era in great measure on how successful we are in meeting this challenge.

While the bipartisan Nunn-Lugar program has made remarkable progress in addressing the secure transportation, storage, and destruction of thousands of former Soviet nuclear weapons, another threat reduction effort designed to enhance our national security is close to agreement. That is the agreement I talked about that is hopefully scheduled to be agreed to in 9 days.

What in the world, whatever are their intentions, is the reasonableness of Members of the Senate coming in 9 days ahead of that formidable undertaking with an amendment that could only cause great mischief and possibly lead to further division of the nations that are having enough trouble already in coming to agreement in Geneva on the nuclear test ban treaty a week from this Friday—9 days away. I cannot imagine any Member of the Senate, Mr. President, I cannot imagine any Member of the Senate believing it would be wise, if they understood the possible consequences, for any Member of the Senate to endorse this amendment for the reasons that I have stated and very likely for other reasons as well.

For the past 3 years, the 37-member nation conference on disarmament has been meeting in Geneva to negotiate a verifiable comprehensive test ban or CTB Treaty. A CTB Treaty is an important linchpin in our efforts to prevent new nations from developing a nuclear weapons capability by depriving them of the ability to test and verify the performance and capability of the new weapons. In effect, the CTB Treaty, if realized, would go a long way in cutting off membership to the nuclear weapons club, depriving autocratic rulers and Third World rogue nations of the means to develop such weapons with confidence in the future.

After 40 years of effort, the world community is now 10 days away, hopefully, 10 days away, Mr. President, from its self-imposed negotiating deadline of June 28—that is this June 28—to finalize a CTB agreement. Not only are we in the last hours of the negotiations end game in the context of the historical debate on the test ban concept, we are in the final minute of this long and difficult endeavor. For this reason, it is no surprise that some opponents of the Comprehensive Test Ban Treaty and advocates of continued nuclear testing would look for ways to undermine an agreement.

I am not saying that the authors of this amendment necessarily fall into that category. I hope they do not. It might well be that some people pushing this amendment were not here in 1992 when Senator Mitchell, Senator EXON and Senator HATFIELD came about with a bipartisan agreement, stepped aside from political considerations and worked out an agreement that passed the Senate and has been the framework ever since and has been endorsed by the President of the United States and indirectly endorsed by other nations of the world and has resulted in the ongoing negotiations at Geneva.

In large part, the bipartisan Hatfield-Exon-Mitchell law of 1992 jump started American interest in joining the world's other nuclear powers in pushing for a comprehensive test ban treaty. By requiring that future U.S. nuclear weapons testing be linked to the correction of prospective safety and reliability problems, the Hatfield-Exon-Mitchell provision confirms what most scientists, military leaders, and policymakers understood: The United States has the safest, the most reliable nuclear weapons arsenal in the world.

Furthermore, after conducting over 1,000 nuclear tests, with the data resulting therefrom, at our test facility in Nevada, we have developed more advanced simulation technology than any other power in the world. The time was ripe for phasing out our testing program over 3 years and start seriously negotiating a comprehensive test ban agreement. Basically, Mitchell-Exon-Hatfield played a key role in that development. And I am astonished at this amendment because, however well intended, it is ill-advised as I have outlined.

Now, 4 years later, when we are on the verge of possibly reaching a comprehensive test ban agreement, a mere 9 days away from lowering the lid on the nuclear Pandora's box, it is in this context that the Kyl-Reid amendment should be judged. The Kyl-Reid amendment would authorize the President to seek authorization to resume nuclear testing after October 1 up until the time when a comprehensive test ban treaty is ratified by the Senate. Unlike the existing requirements of Hatfield-Exon-Mitchell, these tests could be for any reason, not necessarily to correct any safety or reliability problem. I should reiterate, there is no known safety or reliability problem with our nuclear weapons. It is worth noting that even if the President did seek to resume testing it would take approximately 2 years—let me repeat that, Mr. President—even if suddenly, today, the President of the United States should find that we have a serious problem with our nuclear deterrent, it would take approximately 2 years to reready the nuclear test site to conduct tests to verify if there is a problem and to help identify what would be necessary to correct it. If that should happen, I believe there is no question but the U.S. Senate would join in, would recognize and realize the serious threat, and take action as the President has outlined.

But that is not the case, and we should not be using or relying on that type of scare tactic to justify this ill-conceived and ill-timed amendment here on this date, late in June 1996, 9 days away from the final deadline in Geneva. According to the Department of Energy's best estimate, we would have to take 2 years, if we needed it, to reready the test site in Nevada. In that context, the amendment before us is meaningless.

This reality raises the question of what is the true value of the Kyl-Reid amendment if it professes to give the President the means by which to resume testing up to a point of the Comprehensive Test Ban Treaty ratifications? The President of the United States is firmly against this. He does not need any additional authority at this time. The Secretary of Energy, who has prime responsibility under the President of the United States, and the National Security Council, are firmly opposed to this amendment, primarily for the reasons I have outlined. Even if there was a reason to test, and there is not, we would have to wait 2 years at least before detonation could take place and tests could be conducted even underground at the Nevada test site, far more time than the anticipated delay between signing the Comprehensive Test Ban Treaty and its subsequent ratification by the U.S. Senate.

In light of this, and the fact that there is no known safety or reliability reason to test, the question that needs to be asked is, Why is this amendment being proposed now, and what would the consequences be if the amendment was agreed to?

As I have stated, I am very fearful that they would be devastating. The prospects of a comprehensive test ban agreement by June 28 were greatly enhanced just recently when China agreed to join the rest of the world's declared nuclear weapons states in adhering to a testing moratorium and forsaking the right to test, ending all testing once an agreement is reached, which might be in the immediate future.

For the first time in history, all five permanent members of the Security Council are in agreement to adhere to a true zero yield test ban treaty. The Chinese decision clears the most difficult and significant hurdle in reaching agreement on a comprehensive test ban treaty text. What is more, the world's nonnuclear states, the potential new admissions to the nuclear club, are poised to sign on to a treaty relinquishing their right to develop or obtain these highly lethal and destabilizing weapons of mass destruction. If the United States were to approve the Kyl-Reid amendment on the eve of the Comprehensive Test Ban Treaty agreement, changing U.S. policy so as to authorize tests for any reason—for any reason, I emphasize, Mr. President, up until the time of Senate treaty ratification—the effect on our Nation's nonproliferation efforts in Geneva I am afraid would be devastating.

I am afraid, Mr. President, that under those circumstances the United States would become the pariah of the international arms control community and the reactions of condemnation from around the world would undoubtedly be swift, not unlike what occurred following the French and the Chinese weapons tests earlier this year.

My suggestion to Senator KYL and Senator REID is that this issue be withdrawn and reconsidered at some later date this year or maybe next year, or sometime after that when we will know whether or not the comprehensive test-ban negotiations were successful. While we have learned a great deal about all of these problems, with regard to reliability and safety of our nuclear weapons arsenal, and we have a lot to learn in the future, but there is no justifiable reason to resume testing now or in the foreseeable future. There is, however, a compelling reason to push hard in the final days of the comprehensive test-ban negotiations in Geneva, without having to bother with the uproar that is sure to follow if the Kyl-Reid amendment, regardless of how well intended, would be passed by the U.S. Senate or even considered and defeated under the rules that we have at our disposal in the U.S. Senate.

Mr. President, I urge my colleagues to stay the course and work in a positive way to halt the spread of nuclear weapons around the world. The Comprehensive Test Ban Treaty will do just that. Mr. President, the Kyl-Reid amendment regrettably would work to the contrary. Approval of this amendment by the Senate would be self-defeating and could very well snatch defeat from the jaws of victory, scuttling the Comprehensive Test Ban Treaty at a time 9 days—9 days away from possible success. Such a happening would undermine our own collective security and that of our allies by allowing nonnuclear states to potentially join what has been, up to now, an exclusive group of nations capable of killing millions with the push of a button. Rejection or withdrawal of the Kyl amendment would give us a chance—and I underline the word chance—of success at Geneva. I fear history will not judge this Senate kindly if our actions, whether intended or not, are instrumental in killing the Comprehensive Test Ban Treaty as it is prepared, hopefully, to be enacted and to join other landmark arms control agreements which have brought greater peace to all Americans and all people in the world, as we look not only just at today, but at tomorrow as well.

Mr. President, I urge my colleagues to reject the Kyl-Reid amendment. I will do everything that I can, within the powers that I and others have in the U.S. Senate, to see that this amendment does not prevail. There will be many other speakers who will follow me in opposition to the Kyl-Reid amendment. I emphasize only, again, in closing that, while this amendment may be well-intentioned, it is ill-conceived and the timing could not be worse. Those are the essential elements that the White House and the Secretary of Energy joined me on and, in my conversations with them, asked me to relate along with their strong opposition to this amendment.

I thank the Chair and I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Arizona.

PRIVILEGE OF THE FLOOR

Mr. KYL. Mr. President, I ask unanimous consent that Mr. Bob Perret, a congressional fellow in Senator REID's office, be provided privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. Mr. President, let me simply respond to the argument of the Senator from Nebraska with three quick points. I hope the Senator from Nebraska does not misunderstand what the amendment would do. He said there is no justifiable reason to test now. There is nothing in this amendment that calls for testing now. Nothing whatsoever. It merely continues the existing authority of the President to ask for a test. I have no reason to believe that the President would do so. It has nothing to do with engaging in any tests now.

Second. the Senator from Nebraska said, "Why bring it up now?" The answer is very simple: Because the distinguished chairman of the Armed Services Committee said if you have any amendments to the defense authorization bill bring them to the floor now. I am following the request of the distinguished chairman. And on the assumption that the bill is going to be dealt with within the next few days, we need to bring the amendment up now, not later.

But I offer to my colleague from Nebraska this good-faith offer: If the Senator from Nebraska would agree with me that we could vote on this amendment on June 29, the day after the 28th, which is the big date in the Senator's mind, I would be happy to enter into such a UC agreement. We have no reason to have a vote necessarily before or after the 28th. We are simply proposing the amendment at the time it is supposed to be proposed.

So if the Senator will agree to a unanimous-consent request to vote on the 29th, I would be delighted to enter into such an agreement with him.

The third point is that nowhere in the Senator's speech about how the timing could not be worse because it comes only 9 days before the 28th of June, which is the self-imposed deadline for the parties negotiating the CTBT to reach an agreement, nowhere in his discussion was any suggestion as to why this would somehow disrupt the agreement, why anybody would consider this relevant in the least, why they would object to it.

I understand that they have this self-imposed deadline to reach an agreement by the 28th. What we are doing here is absolutely irrelevant to that; it has no bearing on it. I cannot imagine somebody standing up and saying, "Well, U.S. Negotiator, we can agree with you on the CTBT, but the U.S. Senate just considered this amendment that allows the President to continue to test up to the time we have a CTBT."

Every other country in the world has that right. I suspect the United States would be the only country in the world that as of September 30 will not have that right by law, because that is when the President's authority expires. Other countries that we are negotiating with can test right up to the time there is a CTBT. Why is that not disruptive?

There is no logic to the Senator's argument: "We're going to have 9 more days to negotiate, so your amendment shouldn't be voted on." What is the connection? Why should anybody object to our amendment being voted on in these negotiations? Our amendment has absolutely nothing to do with this CTBT. It, by definition, only deals with the period of time up to the CTBT.

If we put the chart back up again, I will try to make it crystal clear. Graphic: The law allowing the President to test expires September 30. Up until the time that there is a CTBT, he would not be able to test for stockpile safety and reliability. We simply extend his ability to do so. That is all. How can anybody in the CTBT negotiations object to that? All of the other states will already have that right.

So, Mr. President, I heard the Senator from Nebraska, but I do not understand the logic of the argument.

Two final quick points. We are going to have to change the law at some time, because when we enter into a CTBT, if we do, we are going to have to legislatively give the President the authority to test in the supreme national interest, as the President said he would need the authority to do, and I quoted the President's safeguard section (f) in that regard.

So if this law expires on September 30, that is not the end of it. We are going to have to legislate.

Second, I note that the administration itself has said that until three different countries—I think two of them were Pakistan and India—agreed to sign up that we are not going to be entering into a CTBT. I am just not at all sure this magic date of the 28th is all of that magic. It may well be we are not able to reach an agreement by that self-imposed deadline.

But it does not matter, because all my amendment does is to allow the President the authority he has today, subject to Congress saying, "No, you can't test," allow him to call for a test up until the time the CTBT goes into effect. It has no effect whatsoever on the CTBT. It does not affect it in the least. Granted, the 28th date is out there, but I do not know what relevance that is as to what we are doing here today.

I did want to clear those up since the Senator had raised the question of our motives in bringing it up at this time. I know Senator REID and I both want to make it crystal clear—that was the point in my seeking recognition a moment ago—to assure the Senator from my home State of Nebraska that our motive was to simply comply with the distinguished chairman of the Armed Services Committee to get any amendment we had to this bill presented before the bill was taken from the floor.

That is why we brought it up today. We could have easily brought it up tomorrow or the next day. I think we are happy to agree to any unanimous consent request that the Senator would be agreeable to enter into to have a vote after the date of the 28th, if there is a concern doing it before then would be disruptive in Geneva.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I listened with great interest to my colleague from the State of Arizona. I will simply say to him that everything that I had just said in my statement in this regard is totally accurate, to the best of my knowledge.

With regard to his counterarguments that this is going to help the President of the United States, the President of the United States says he does not need help. "Thanks, but no thanks."

The President of the United States is simply saying that the timing of this amendment is so outlandish, regardless of how well-intentioned it might be, that it has the chance of doing a great deal of harm and little, if any, enhanced possibilities of success at Geneva.

I will certainly say to my friend from Arizona that I am very willing to try and work with him in the future when the time might or might not be right to do some of the things that he says his amendment is designed to do. But I must tell him that the White House, the negotiators at Geneva, most if not all of the experts in this area that I know of and have worked with over the years, feel that his is an especially ill-timed amendment, notwithstanding his intentions.

I, therefore, simply say to him that I am not in a position at this time to agree to any time certain for a time limit or a time certain for a vote on this matter on the defense authorization bill that is before us, and certainly it is not possible for me to make any commitments at this time as to some date certain in the future as to when I might agree to allow that to happen, other than to say I think the Senator from Arizona knows that this Senator is totally approachable, intends to be reasonable, and understands the other person's point of view.

I try very hard to walk in another's shoes, see both sides of the debate. I will not walk in the shoes of those that are trying to push ahead on this amendment that this Senator feels, and other Senators like me on both sides of the aisle feel, that this amendment at this time is a disaster from the standpoint of trying to reach a comprehensive test ban treaty at Geneva that I think is essential for the future of mankind. Mr. President, I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent that the current amendment and the pending committee amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4052

(Purpose: To express the sense of the Senate regarding the reopening of Pennsylvania Avenue)

Mr. GRAMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. Grams], for himself and Mr. ROBB, proposes amendment numbered 4052.

Mr. GRAMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) In 1791, President George Washington commissioned Pierre Charles L'Enfant to draft a blueprint for America's new capital city; they envisioned Pennsylvania Avenue as a bold, ceremonial boulevard physically

linking the U.S. Capitol building and the White House, and symbolically the Legislative and Executive branches of government.

(2) An integral element of the District of Columbia, Pennsylvania Avenue stood for 195 years as a vital, working, unbroken roadway, elevating it into a place of national importance as "America's Main Street".

(3) 1600 Pennsylvania Avenue, the White House, has become America's most recognized address and a primary destination of visitors to the Nation's Capital; "the People's House" is host to 5,000 tourists daily, and 15,000,000 annually.

(4) As home to the President, and given its prominent location on Pennsylvania Avenue and its proximity to the People, the White House has become a powerful symbol of freedom, openness, and an individual's access to their government.

(5) On May 20, 1995, citing possible security risks from vehicles transporting terrorist bombs, President Clinton ordered the Secret Service, in conjunction with the Department of the Treasury, to close Pennsylvania Avenue to vehicular traffic for two blocks in front of the White House.

(6) While the security of the President and visitors to the White House is of grave concern and is not to be taken lightly, the need to assure the President's safety must be balanced with the expectation of freedom inherent in a democracy; the present situation is tilted too heavily toward security at freedom's expense.

(7) By impeding access and imposing undue hardships upon tourists, residents of the District, commuters, and local business owners and their customers, the closure of Pennsylvania Avenue, undertaken without the counsel of the government of the District of Columbia, has replaced the former openness of the area surrounding the White House with barricades, additional security checkpoints, and an atmosphere of fear and distrust.

(8) In the year following the closure of Pennsylvania Avenue, the taxpayers have borne a significant burden for additional security measures along the Avenue near the White House.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the President should direct the Department of the Treasury and the Secret Service to work with the Government of the District of Columbia to develop a plan for the permanent reopening to vehicular traffic of Pennsylvania Avenue in front of the White House in order to restore the Avenue to its original state and return it to the people.

Mr. GRAMS. Mr. President, the legislation we debate today sets out the broad defense policy for the Nation. It affords us an opportunity to outline our defense priorities, and the opportunity to reflect on what role this Nation is to play in the defense of freedom worldwide.

What I have come to the floor to address today is the defense of freedom within our own borders, indeed, right here in the heart of our Nation's Capital. I rise, along with Senator ROBB, my colleague from Virginia, to offer an amendment seeking the reopening of Pennsylvania Avenue in front of the White House. Mr. President, the two-block section of Pennsylvania Avenue fronting the White House was closed to vehicular traffic on May 20, 1995, by order of the President.

I have been to the floor several times in the year since to voice my concerns that the loss of this historic roadway—which travels across one of the busiest sections of one of the busiest cities in the world—has had a devastating impact on the District of Columbia. I have talked about the damage the closing has done to Washington's business community. There are well-founded concerns that it is scaring off new jobs and prompting potential retail and commercial tenants to stay away from the downtown area. I have discussed the hardships caused by the closing for District residents, and anyone whose paycheck depends on access to the avenue, people like cab drivers and tour bus operators.

I have outlined the numerous problems the closing has created for the District itself, which had one of its major crosstown arteries unilaterally severed by the Federal Government without any consultation. At a time when this troubled city could least afford another blow, this has hit especially hard. I have discussed the inconvenience for the 15 million tourists who come to Washington each year, especially the elderly and disabled, many of whom are being deprived of a close look at the White House.

And I have talked about the cost for the taxpayers, which has already reached into the millions of dollars, and, if the National Park Service prevails, could rise by at least $40 million more.

Mr. President, I have raised each of those aspects of the closing because each is important. But there is another side to this issue that is easy to overlook amid all the other more obvious problems: the question of what the closing of Pennsylvania Avenue says to the American people, and what we give up as a free society when we give in to fear.

Generations of visitors to Washington would hardly recognize the stretch of Pennsylvania Avenue that has stood for nearly 200 years as America's Main Street. Today, it is a vacant lot, empty of any traffic. Gone is the thrill for visitors of driving by the White House for the first time—the concrete barricades have put an end to that.

Gone, too, is the sense of openness that inspired Americans to feel close to the Presidency and close to their Government when they visited the Executive Mansion. And 1600 Pennsylvania Avenue has become a Federal fortress, and the effect is unnerving.

In a city that boasts of such inspiring symbols of freedom as the marble of the Lincoln Memorial, the columns and porticos of the White House, the massive stones that lift the Washington Monument into the sky, and the great dome of the U.S. Capitol itself, the gray, concrete barricades of Pennsylvania Avenue are a national embarrassment.

How do we explain the blockades to our visitors, whose first glimpse of the home of their President is marred by the sight of a White House seemingly under siege? What do we say when those visitors are children, who have been taught how this Nation has fought for freedom and values it above all else, and yet find a different message along the now-empty stretch of Pennsylvania Avenue?

Mr. President, I must make this clear: in each conversation I have had about the future of Pennsylvania Avenue, everyone has been emphatic that the safety of the President must be our primary concern. So it is—without question. And because the need to ensure the safety and security of the President of the United States is paramount, there was little argument when Pennsylvania Avenue was closed in the weeks immediately following the bombing of the Federal building in Oklahoma City. At the insistence of the Secret Service, temporary restrictions on Pennsylvania Avenue seemed prudent, and because it was a temporary move, people went along.

But months passed, and then a year, and now, the National Park Service is moving ahead with plans to forever close "America's Main Street" to traffic in front of the White House. Because they are thorough and efficient and utterly dedicated to protecting the President, the Secret Service can't be blamed for pushing for the closing of Pennsylvania Avenue. They have been trying for 30 years to shut it down, beginning with the Kennedy administration and every President since. They have long seen Pennsylvania Avenue as a threat, and used Oklahoma City as the justification to move ahead with a plan they have been eager to put in place for more than three decades. If the Secret Service had its way, we would build a protective bubble around the President from which he'd never emerge. But that is not what being President is all about, especially when you are an outgoing, gregarious leader like President Clinton, who exposes himself to danger a thousand times a day inside and outside Washington, because he thrives on the public contact that comes with being President. Keep this President away from the people? Well, you would have better luck keeping Cal Ripkin away from the ballpark. And that is the way it should be. That is what people need their President to be. We cannot eliminate every risk, Mr. President, because that is the nature of a democracy. When we resort to the temptation to try, we start down a slippery slope. Turning these two blocks of Pennsylvania Avenue into a $40 million park will not hide the fact that we're wrapping the White House in another layer of protection and further insulating our leaders from the public.

Mr. President, an entire year has come and gone since the closure of Pennsylvania Avenue, and the circumstances have changed with time. A decision that seemed prudent a year ago now demands to be reexamined, and the sense-of-the-Senate amendment I introduce today offers us that opportunity. It simply calls on the President to direct the Secret Service—working alongside the Treasury Department and the District government—to develop a plan for the permanent reopening of Pennsylvania Avenue in front of the White House. It puts this Senate on record as saying we are not a nation that cowers to terrorists. My amendment—based on Senate Resolution 254, which 46 of my Senate colleagues agreed to cosponsor when I introduced it as stand-alone legislation last month—enjoys widespread, bipartisan support here on Capitol Hill, throughout the District of Columbia, and among the American people themselves. I am proud to have Senator ROBB join me as an original cosponsor. Many of his constituents deal every day with the closure of Pennsylvania Avenue. I am grateful our efforts have the added support of Congressmen DAVIS and MORAN and Congresswoman NORTON in the House, along with Senator LEAHY, as well, here in the Senate, and that we have been joined by Mayor Barry, the D.C. Council, and more than two dozen of this city's most influential business, civic, and historic organizations.

Mr. President, I ask unanimous consent that this list of supporters, the original cosponsors of Senate Resolution 254, and a resolution of support passed by the D.C. Council be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WE SUPPORT THE SENATE RESOLUTION CALLING FOR THE REOPENING OF PENNSYLVANIA AVENUE IN FRONT OF THE WHITE HOUSE

District of Columbia Mayor Marion Barry.
DC Council Chairman David A. Clarke.
DC Councilmember Frank Smith.
DC Councilmember Jack Evans.
DC Councilmember Charlene Drew Jarvis.
AAA Potomac.
American Bus Association.
Apartment and Office Building Association of Metropolitan Washington, Inc.
Association of Oldest Inhabitants of DC.
Chamber of Commerce of the United States.
Citizens Against Government Waste.
Citizens Planning Coalition.
Committee of 100 on the Federal City.
DC Chamber of Commerce.
District of Columbia Building Industry Association.
District of Columbia Preservation League.
DuPont Circle Advisory Neighborhood Commission 2B.
Federation of Citizens Association.
Frontiers of Freedom.
Georgetown Kiwanis Club.
Greater Washington Board of Trade.
Hotel Association of Washington DC.
Interactive Downtown Task Force.
International Downtown Association.
Arthur Cotton Moore Associates.
National Capital Area Chapter of the American Planning Association.
Restaurant Association of Metropolitan Washington.
Washington Cab Association.
Washington DC Historical Society.

S. RES. 254

REOPENING PENNSYLVANIA AVENUE TO THE PEOPLE

Current cosponsors of S. Res. 254, which calls for the President to order the Secret Service to develop a plan for the permanent reopening of Pennsylvania Avenue to vehicular traffic in front of the White House:

Spence Abraham, John Ashcroft, Bob Bennett, Hank Brown, Richard Bryan, Conrad Burns, Ben Nighthorse Campbell, John Chafee, Dan Coats, Bill Cohen, Paul Coverdell, Larry Craig.

Al D'Amato, Pete Domenici, Lauch Faircloth, Bill Frist, Chuck Grassley, Judd Gregg, Orrin Hatch, Mark Hatfield, Jesse Helms, Jim Inhofe, Jim Jeffords, J. Bennett Johnston.

Nancy Kassebaum, Jon Kyl, Patrick Leahy, Dick Lugar, Connie Mack, John McCain, Mitch McConnell, Barbara Mikulski, Frank Murkowski, Don Nickles, Larry Pressler, Chuck Robb.

Bill Roth, Rick Santorum, Richard Shelby, Al Simpson, Bob Smith, Arlen Specter, Ted Stevens, Craig Thomas, Fred Thompson, Strom Thurmond.

RESOLUTION 11-382 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Resolved, by the Council of the District of Columbia, That this resolution may be cited as the "Sense of the Council Pennsylvania Avenue Reopening Emergency Resolution of 1996".

SEC. 2. The Council finds that:

(1) One year ago the United States Department of the Treasury closed Pennsylvania Avenue in front of the White House, the national symbol of an open democracy.

(2) The National Park Service has submitted a proposal to permanently close that portion of Pennsylvania Avenue, leaving the downtown disfigured and dysfunctional.

(3) Pennsylvania Avenue is the major east-west artery in the District of Columbia.

(4) The temporary closure of Pennsylvania Avenue has seriously affected the ability of District residents to navigate city streets and has greatly disrupted traffic patterns, commerce, and tourism.

(5) The permanent closure of Pennsylvania Avenue will exacerbate the serious financial and traffic problems that have been created by the temporary closure.

(6) Pennsylvania Avenue is not a park.

(7) The concern for heightened security is understandable. Nevertheless, with the technological capability of the United States, another solution can be found to address security interests without permanently damaging the District of Columbia.

(8) In this time of fiscal austerity at the local and national levels, it is neither desirable nor justifiable to spend the amounts proposed to permanently alter Pennsylvania Avenue.

(9) The proposal submitted by the National Park Service does not address the impact the closure will have on the residents and businesses of the District of Columbia.

(10) The future of Pennsylvania Avenue should be decided with the cooperation and approved of the elected officials and citizens of the District of Columbia.

SEC. 3. It is the sense of the Council that the United States Congress enact legislation requiring the reopening of Pennsylvania Avenue.

SEC. 4. The Secretary of the Council of the District of Columbia shall transmit copies of this resolution upon its adoption to the President of the United States, the Mayor of the District of Columbia, the District of Columbia Delegate to the United States Congress, the chairpersons of the committees of the United States Congress with oversight and budgetary jurisdiction over the District of Columbia, the Chair of the District of Columbia Financial Responsibility and Management Assistance Authority, the Secretary of the United States Department of the Treasury, the Secretary of the United States General Services Administration, the Secretary of the United States Department of Transportation, the Secretary of the United States Department of the Interior, the Chairman of the National Capital Planning Commission, the City of Administrator, the Assistant City Administrator for Economic Development, the Director of the District of Columbia Department of Public Works, and the Director of the District of Columbia Office of Planning.

SEC. 5. This resolution shall take effect immediately.

Mr. GRAMS. Mr. President, we have come together—Republicans and Democrats, without regard to party affiliation and without any political agenda—to ask the President to reverse a decision that has had widespread, unintended consequences. In the Capital City of a nation built "of the people, by the people, and for the people," there is no room for fear, roadblocks, or barricades.

The American people agree, and I am heartened by their support. By mail and through the Internet, hundreds of them have urged me to continue this campaign to restore Pennsylvania Avenue to its historic use. I wish I could share each of their messages with you. I want to tell you, though, I have heard from military experts who tell me the present closure would do nothing to blunt a terrorist attack, former—even current—White House employees who are ashamed of what Pennsylvania Avenue has become, long-time residents and more recent transplants to the District, and Americans from every corner of the country. They have said it many different ways, but their message is the same and that is: give us back Pennsylvania Avenue.

This month, two former residents of 1600 Pennsylvania Avenue joined in the national discussion by speaking out against the closing. President Gerald Ford said, quote, "There ought to be a better solution." President Jimmy Carter labeled it, quote, "unnecessary and a mistake."

There is one letter I keep coming back to, a letter that sums up more eloquently than any other the closing of Pennsylvania Avenue because it was written by a man who lived alongside the fear of terrorism for 444 days, yet still refuses to bow to it.

He urged me to continue my efforts, and sent me a copy of a letter he had printed in the Washington Post just days after the avenue's closure. It reads: "By closing Pennsylvania Avenue, we have succumbed to the atmosphere of fear that terrorists—domestic and foreign—seek to foster among us."

If there is any American who should fear the power of a terrorist, it is Minnesota native Bruce Laingen, the senior diplomat among the U.S. Embassy employees held hostage in Tehran beginning in 1979. If Bruce Laingen is not willing to give in to terrorism, then neither should we.

Mr. President, through almost 200 years of this Nation's colorful history, Pennsylvania Avenue survived, through assassinations, civil and world wars, political unrest, and events that have often led us to question what it means to live in a free society where risks are an inescapable part of our everyday life.

The transformation of Pennsylvania Avenue from a national symbol of freedom into a testament to terrorism is something average Americans tell me they cannot understand. It is time to reopen Pennsylvania Avenue, for our visitors, our business community, our commuters, our residents—for every American who celebrates freedom and will defend it at all costs. Kings live in castles, protected by moats. Dictators hide themselves away in the safety of bunkers. Presidents live alongside busy streets like Pennsylvania Avenue, close to the people who give them their strength.

I ask my colleagues to support the Pennsylvania Avenue amendment.

Mr. THURMOND. Mr. President, I rise to support the sense-of-the-Senate resolution offered by the distinguished Senator from Minnesota, Senator GRAMS. Judging from the number of cosponsors, this resolution has broad bipartisan support.

I would also like to associate myself with the Senator's remarks, particularly with his point that the White House has become a powerful symbol of freedom, openness, and citizens' access to their Government. This resolution informs the President that the Senate believes the Department of the Treasury and the Secret Service should develop a plan to reopen Pennsylvania Avenue. I commend the Senator for his leadership in this matter.

Mr. GRAMS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. COATS. Mr. President, I am tempted to move the question here because the Senator has presented his amendment, and he has presented his argument. There is no one on the floor to either argue against the Senator's amendment, to speak for the Senator's amendment, or to offer an amendment to the bill that we are debating.

Here it is now 12:30 p.m., and we are in this typical nothing-happens-during-daylight hours in the U.S. Senate. We have an important bill on the floor. We have amendments that we are aware of, but no one is here to offer those amendments.

I am not going to move for adoption of this amendment by voice vote yet, in deference to those that may want to speak against it or for the Senator's interest in getting a rollcall vote, but the bill before the Senate, the defense authorization bill for fiscal year 1997, is not being debated. The Senate is wasting a lot of time. Once again, we will find ourselves here late into the evening doing work that we ought to be doing during the day.

I urge colleagues who have an interest in this bill, who have amendments that they wish to offer to this bill, to notify the managers of their interest so that we can structure some time for them to do this. Without that, we are going to, at some point, come to the conclusion that no one is interested in amending the bill as it is presented, other than the amendment, the two amendments that are currently up, and we will have to move to some disposition.

Mr. COATS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, I ask for the yeas and nays on my amendment I offered earlier, amendment No. 4052.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, if I could direct a question to Senator GRAMS, who offered the pending sense-of-the-Senate resolution. It is my understanding—and I have not been on the floor—that this would be a sense-of-the-Senate resolution that would indicate that Pennsylvania Avenue should be reopened; is that true?

Mr. GRAMS. That is correct.

Mr. REID. Mr. President, I believe that we should proceed with caution on something as serious as this. I know my friend from Minnesota has probably been inconvenienced, as has this Senator. I have had to change one of my routes to my residence in Washington as a result of the closure of Pennsylvania Avenue. It has been inconvenient for me. I went to a meeting at the White House yesterday, however, and pulled into Pennsylvania Avenue and the guards were there. I was very impressed as to what was going on on Pennsylvania Avenue, the part of it that has been closed. Vehicular traffic is stopped, but foot traffic is heavier than ever. In fact, out in front of the White House on Pennsylvania Avenue, they had a street hockey game going on—in fact, several of them.

Now, every one of us here on the Senate floor, Members of the Senate, have access to what goes on in the Intelligence Committee. I think it would be constructive for every Member of the Senate to have a briefing on why Pennsylvania Avenue was closed. When I came here 14 years ago, all these entrances coming into the Capitol complex were open—those that now have these big cement flower pillars there. They were open when I came here. You could come in and out at your leisure. There was no security of any consequence on those routes.

The first year that I was in the House of Representatives the Nevada State Society had a meeting over here in the Rayburn Room. And it ended sometime in the evening at 8 o'clock or so. Shortly after the Nevada people left that room there was a huge explosion that took place that did damage in here and did tremendous damage in the Rayburn Room, and all out through there.

The security slowly but surely has tightened up, and it has not been done just as a whim of the Capitol Police. They are short handed like everyone else. They have had to beef up their security in an effort to make the Capitol complex safer—safer for the Senators and Congressmen but also for the millions of people who visit this building and the office buildings surrounding the Capitol complex.

I think it would be bad policy for the U.S. Senate to start handling security for the White House. I think it would be bad public policy for the U.S. Senate to start handling security of the Capitol complex, especially without congressional hearings.

Simply to walk in here and say, "In 1791, George Washington commissioned L'Enfant to draft a blueprint for America's new Capital City; they envisioned Pennsylvania Avenue as a bold, ceremonial boulevard physically linking the U.S. Capitol Building and the White House, and symbolically the legislative and executive branches of Government."

In over 200 years things have changed. There were no automobiles, of course, then.

The Senate resolution goes on to say:

> An integral element of the District of Columbia, Pennsylvania Avenue stood for 195 years as a vital, working, unbroken roadway, elevating it into a place of national importance as America's Main Street.

No one would dispute that.

> 1600 Pennsylvania Avenue, the White House, has become America's most recognized address and a primary destination of visitors to the Nations Capital; the People's House is host to 5,000 tourists daily, and 1,500,000 annually.

It would be more than that. As we all know, they are limited to a small facility to the numbers of people that can go there. Those people we want to be safe also.

> As home to the President, and given its prominent location on Pennsylvania Avenue and its proximity to the people, the White House has become a powerful symbol of freedom, openness, and an individual's access to their Government.
>
> On May 20, 1995, citing possible security risks from vehicles transporting terrorists bombs, President Clinton ordered the Secret Service, in conjunction with the Department of the Treasury, to close Pennsylvania Avenue to vehicular traffic for two blocks in front of the White House.
>
> While the security of the President and visitors to the White House is of grave concern and is not to be taken lightly, the need to assure the President's safety must be balanced with the expectation of freedom inherent in a democracy; the present situation is tilted too heavily toward security at freedom's expense.

Mr. President, I think that we are really lurching into an area here that deserves a little caution. A year ago the Secretary of the Treasury, Robert Rubin, directed the Secret Service to close a segment of Pennsylvania Avenue—it is not all closed—to vehicular traffic following the conclusion of the White House security review. The review of security to the White House is the most extensive ever conducted. Pennsylvania Avenue remains accessible to visitors, and the area will be converted to a pedestrian park, which I think people coming to visit Washington will certainly be well served by rather than the traffic jams we have had there since I can remember.

This sense-of-the-Senate resolution says:

> It is the sense of the Senate that the President should direct the Department of the Treasury and the Secret Service to work with the Government of the District of Columbia to develop a plan for the permanent reopening to vehicular traffic of Pennsylvania Avenue in front of the White House in order to restore the Avenue to its original state and return it to the people.

I say with as much respect as I can that this is not a good sense-of-the-Senate resolution. I think it should be defeated. I do not think it prudent national security policy that, absent hearings, we take this measure up on the floor of the Senate. This resolution has no business in the Defense authorization bill. There have been no hearings held on this. There are committees with jurisdiction to handle matters dealing with intelligence.

I personally feel for my Government that it is better that it be closed. I have not heard a single person from the State of Nevada—and a lot of them come back here—complain because that area has been blocked off. I have heard people who complain it is harder to get home now. There is no question that it is. The Secretary of the Treasury has the legal authority to restrict vehicular traffic on Pennsylvania Avenue. As long as he, the Secretary of the Treasury, and the head of the Secret Service continue to determine that as a factual matter—doing so is necessary to protect the President—I am going to go along with that.

Based on information from the Secret Service, the closure is necessary to protect the President and all those who work at and visit the White House every day. The Department of Treasury remains committed to that decision. This, Mr. President, is not a decision to protect President Clinton. It is a decision to protect the President of the United States and those thousands of people that work in, and have contact with, the White House on a daily basis.

Closure was necessary because the White House security review was not able to identify any alternative to prohibiting vehicular traffic on Pennsylvania Avenue that would ensure the protection of the President and others in the White House complex from explosive devices carried in vehicles near the perimeter.

Mr. President, an explosive device in the trunk of a car out on Pennsylvania Avenue would do significant damage to the White House, its property, and the people in the White House.

The Secretary of Treasury's review recommended a number of things, and his recommendations were not done alone. They were not done by him alone. He made the final decision. But the review recommendations were fully endorsed by an independent, bipartisan advisory group which included former Secretary of Transportation William Coleman and the former Director of the CIA and the FBI, Judge William Webster. The review consulted with numerous experts on public access, architecture, and the history of the White House. He stated that a pedestrian park had numerous advantages other than security.

Someone coming from the State of Nevada to look at the White House would certainly be more impressed with an open park atmosphere rather than honking cabs back-to-back with smoke puffing out of the cars. A pedestrian mall concept is consistent with President Washington's vision for the White House similar in identity, and which Mrs. Kennedy endorsed more than a generation a ago.

At President Clinton's direction, the Department of Interior's National Park Service has been working with a preexisting committee on a comprehensive design plan for the White House; a design for a pedestrian park.

On Wednesday, May 22 of this year, the Director of the National Park Service was in the process of announcing the design plan for Pennsylvania Avenue and, Mr. President, we are confident that when this plan is completed the area will be much more inviting than it was when that area was not blocked off. It will be an important public space. We would look back with derision to an amendment like this to create and maintain a roadway for vehicular traffic through the front of the White House.

The Department of Transportation's Federal Highway Administration is continuing its work with the District of Columbia Department of Public Works on short- and long-term traffic plans to alleviate traffic problems for the area.

Although closing Pennsylvania Avenue has had an impact on traffic, it has not had a negative impact on the public's access to the White House. People who were driving in front of the White House with rare exception were people who were not coming to see the White House. They were there because they were doing business in and about that area.

It has not prevented public access to the White House. Tours have continued. They have continued uninterrupted. Visitors can now enjoy walking, as I indicated, rollerblading, participating in street hockey, and other games out in front of the White House, and they are biking down Pennsylvania Avenue without the noise and danger of passing motorists. The White House, Mr. President, does remain the people's house.

Mr. President, I hope that we would not have to vote on this sense-of-the-Senate resolution. I think that we are really stepping out of where we are supposed to be by trying to micromanage security at the White House. With all the problems we have had in this country and around the world, with leaders being assassinated, bombs being placed in cars, I just think that this is the wrong way to go, and I certainly hope that this sense-of-the-Senate resolution would not have to be voted on, and if we do I hope that we would not pass it. I think it should be defeated.

Mr. President, I feel that there are a lot of things we should be talking about on this defense bill but one of them is not how to micromanage security at the White House. Should we pass a sense-of-the-Senate resolution overriding what the Capitol Police do around the Capitol complex? Should we amend this sense-of-the-Senate resolution—I ask in the form of a question to my friend from Minnesota, would the Senator be willing to modify his amendment to provide for the opening of all the streets around the Senate Office Buildings and the Capitol?

The PRESIDING OFFICER (Mr. CAMPBELL). Under the previous order, at the hour of 1 p.m., the majority leader was to be recognized.

Mr. REID. I certainly cannot interfere with a unanimous-consent request that has previously been entered, but I hope that I would not lose the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, if the Senator will yield at this time, we did have a commitment to notify the Members of the progress that was being made at

1 o'clock and get a unanimous-consent agreement as to how we would continue to proceed. And then, of course, we would go right back to where the Senator is, and we would have an opportunity to work together on that, so I will be very brief.

Mr. President, for the information of all Senators, the Democratic leader and I have just concluded another meeting to further discuss the possibility of an agreement with regard to the minimum wage and the small business tax package. Both leaders will now be contacting various Members to continue to clear the agreement, and I thank all Members at this time for their cooperation. I hope to be able to resolve this matter by the close of business today. We are being very careful because we want to make sure all Members know exactly what is involved, and before we agree to any further step we both go back to our Members to discuss it with them further. In the meantime, I urge Members who have amendments to the DOD authorization bill to come to the floor and be willing to accept reasonable time agreements with respect to their amendments.

I ask unanimous consent now that no minimum wage amendment or legislation be in order for the remainder of today's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. We want to certainly cooperate with the majority leader and our minority leader as well on the issue of the minimum wage and to try to work out an adequate procedure by which the Senate will have an opportunity to address this issue. I had understood at a previous time that that negotiation had been in process and that they in effect were in agreement with the exception of the notification on the particular language that was going to be offered, one by the Republicans, one by the Democrats, on the minimum wage, and then one by Republicans and Democrats on the various tax provisions; and that there would be then a conclusion of the results on it and we would go to the conference.

That was I thought pretty well understood or announced on Sunday. I heard my friend and colleague from Mississippi talking on a national program about the desire to work that out. It is Wednesday now at 1 o'clock.

The way it had been initially outlined seemed to me to be a way that made the most sense in proceeding, to try to do the defense authorization and then to move off the dime.

Could the Senator give us some idea as to where these negotiations are, because I think I am one of many who believe that we have been back and forth on this issue of the minimum wage for some period of time. It does not seem to be an enormously complicated question to try to work out and a process and procedure which should be satisfactory to the majority and the minority. But I am wondering if he could give us some idea about where we are at this time. We are all being asked about this by the press. I think the public ought to have at least some understanding. I know that the leaders have to work these measures through in terms of a variety of considerations, but I should like to inquire as to where we are because we are giving up the opportunity to address this. We are only in 1 more week prior to the Fourth of July recess and, as the Senator knows, one of the factors of the Fourth of July was that was to be the time when the minimum wage was supposedly increased. That was to be the triggering year for the increase of the 40 cents. So it is of interest, I imagine, to millions of Americans who wonder whether we are going to do this before the Fourth and to try and get some action so that they might be able to participate in an increase or whether they are not and what the circumstances are about it.

Mr. LOTT. Mr. President, if I could respond——

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. To the comments of the distinguished Senator from Massachusetts, I want to emphasize that this involves a lot more than the minimum wage. It does involve a package of small business tax amendments that could be very helpful to small businesses in America, where most of the jobs are created in America anyway, or the majority of them and particularly where most of the entry-level people are working. And so that is a part of this package. The gas tax issue, whereby there would be a repeal of the 4.3-cent-a-gallon gas tax, has been involved in all of this. The issue of the taxpayer bill of rights is involved, as well as the TEAM issue which had been offered earlier, so that we could have cooperation between employees and employers.

As our colleagues know, this issue took on more and more issues as it languished for 1 month or 6 weeks and every time it came up there was another angle to it. So that is point No. 1. Second, I think we were very close to having an agreement between Senator DASCHLE and myself last night, or late yesterday afternoon, one that was not universally appealing on our side of the aisle or on the other side of the aisle, but then I believe Senator DASCHLE found there were some concerns on your side of the aisle with what we were trying to get an agreement on.

We have met subsequently, and we have discussed other ways that maybe that can be dealt with. But we are being extra careful because we want to develop a relationship that is one of trust and respect. We are making sure that when we talk about something, I understand what he is saying and he understands what I am saying. We are trying to reduce it to writing with our staff working on both sides. We have just come through a meeting which I pointed out in which we came up with some suggestions as to how amendments, for instance, on gas tax provisions, would be allowed, how many, because there are some Senators on that side who want to have more than one and there are some Senators on our side who would like to have more than one on the small business tax provision. I am sorry; I misspoke myself—on the small business portion of it. So, we are being extra careful to make sure that we understand each other and that colleagues on both sides can live with it. But what we are trying to do is to deal with this matter in absolutely a fair way, an open way, so that we can deal with other business that is very important for our country—Department of Defense authorization, campaign finance reform next Monday, we have the Federal Reserve Board nominees. We are going to vote on those Thursday.

So this Gordian knot that has been tied up here, we are trying to take it one string at a time, and we are making progress. But we ask—I ask our colleagues here, give us a little more time. We are working in good faith and we are very close to something, I think, that would be fair, understandable, and we could all agree with. I think we are going to try very hard to have that done by the close of this session.

Mr. KENNEDY. Just further reserving the right to object, just to make a brief comment, Mr. President, I am unpersuaded by the Senator's position that this is a Gordian knot and that it has been languishing here. The reason it has been languishing is those who for over a year and a half have denied this body the opportunity to vote when we have been able to demonstrate in previous votes a majority of the body will vote for an increase in the minimum wage.

I reject, also, the suggestion that it is our side of the aisle that has somehow complicated these negotiations. I have privity to those, and when the Senator talked about what was going to happen or not happen with regards to the TEAM Act on Sunday and said that was not going to be called up this year and then had a change of mind, trying to add other things to these negotiations which had been tentatively agreed to, it was not this side of the aisle that was complicating the negotiations. It was his side of the aisle.

Now, the American people are enormously interested in these provisions on small business. As I understand it, it is 12 or 13 billion dollars' worth. They are interested, the taxpayers, in the gas tax; I am sure in the TEAM Act. But I think it is a very simple issue. We are asking an up-or-down vote on minimum wage, which we have historically voted on seven different times at other times in our history. That is something we are being denied, even though the time has been moving on and the triggering time for the increase in the minimum wage is July 4.

So, I must say to my friend and colleague, I will not object at this time. But I, quite frankly, am enormously troubled by the failure to make it very clear whether we are going to have the opportunity to vote on this measure in a way the Members can know when it will be called up and to vote on it, and just have this continuously dragged through. We have a right to offer this on different measures. The reason that we do is because we are denied the opportunity to vote on it as a separate bill. As long as the majority refuses to give us that opportunity to vote on a separate bill, then we are going to be required to use any particular device.

I do not object at this time, but I certainly hope we would conclude these negotiations through the afternoon and all Members will have a chance to look at what is actually going to be proposed on a unanimous consent. Because otherwise this minimum wage is going to be right on the defense authorization before this week ends.

Mr. LOTT. Mr. President, I renew my request for the unanimous consent.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. LOTT. If I could just claim some leader time, perhaps, to comment further on that. First of all, I might just say that in the proposal we have, the Senator will have an opportunity to have a clear vote on his amendment the way he wants to do it. So the opportunity is there. I think it is only fair that we have an opportunity to have our version of that issue.

As far as the time that you have been delayed, you had 2 years when you were in the majority when you did not offer a minimum wage increase. To now say you are being blocked from that, I just wonder why you did not offer it in those earlier 2 years. But having said that——

Mr. KENNEDY. Do you want an answer?

Mr. LOTT. We are trying to find a way to get the job done, and I am working at that diligently.

I want to say this. As far as the TEAM Act, saying I was not going to call it up this year, I did not say that. I said we were trying to work up an agreement that would not have the TEAM Act in as a part of the minimum wage and small business tax relief. That is the direction we are working in. But I did not mean to imply and I did not say we were not going to call it up this year. That is an issue a lot of people feel very strongly about. The American people, I think, would agree with it. So I want to make that clear.

The other thing I must say, the problem is not on the Democratic side of the aisle alone. We have people over here who do not like this very much either. So there is an equal grumbling about it. But as leaders here, we are trying to find a way to get everybody just unhappy enough that they do not like it but they will not object to it. And we are about to get there. So give us that latitude, and I think we will get an agreement that will work.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada [Mr. REID] is recognized.

Mr. REID. Mr. President, I had the floor. I wanted——

Mr. KERRY. Does the Senator from Nevada yield for a question?

Mr. REID. I will be happy to.

The PRESIDING OFFICER. The Senator from Massachusetts [Mr. KERRY] is recognized.

Mr. KERRY. I wanted to ask my colleague how long he might be proceeding and whether he thinks there might be time, since Senator MCCAIN and Senator SMITH are here, for a quick interlude to act on an amendment that has been agreed upon and restore the floor to the Senator from Nevada.

Mr. REID. We should not be long. I have a few questions.

The PRESIDING OFFICER. The Senator from Nevada [Mr. REID] is recognized.

AMENDMENT NO. 4052

Mr. REID. The first question I ask my friend from Minnesota is: Would the Senator think it would be appropriate to modify this sense-of-the-Senate resolution to provide for the opening of streets around the Capitol, the House office buildings and Senate office buildings and the arteries in and out of the Capitol?

The PRESIDING OFFICER. The Senator from Minnesota [Mr. GRAMS].

Mr. GRAMS. I wanted to remind the Senator from Nevada, last year I did make that recommendation, talking about removing barriers as well around the Senate office buildings that have been enclosed at the same time as Pennsylvania Avenue, so I would have no objection to so move and make those modifications to this amendment.

Mr. REID. So the Senator from Minnesota feels that the proper way to determine security of the Capitol complex and the White House is on the floor, without congressional hearings of any kind? Any kind of hearings?

Mr. KYL. We do have hearings that are planned for the Government Affairs Committee. The amendment has been cleared with Senator STEVENS and also the chairman of the D.C. Subcommittee, Senator COHEN. Both have assured me that this amendment complements their efforts regarding the reopening of Pennsylvania Avenue, and they plan to hold hearings regarding this.

But I would also remind the Senator from Nevada that there were no hearings, there were no consultations with anybody, when Pennsylvania Avenue was closed because it was an imposed closure, only temporary, and then that has evolved into a permanent closure. Now the only option being offered is to keep it closed. We do not think that is correct either. So we have asked this. Again, I remind the Senator from Nevada, this is only a sense of the Senate to move ahead with this.

Mr. REID. I hope the American public, on this interchange between the distinguished Senator from Minnesota and the Senator from Nevada, would not think this is how we do business all the time; that is, take legislative action and then hold hearings later. It seems to me we should reverse that order, hold the hearings and determine the legislative action necessary.

I also hope there is no one of the opinion that, regarding the security of the President and the visitors who come to the White House, the people who work there, and this Capitol complex, any time the Capitol police or Secret Service want to make a decision, they would have to have congressional approval to do so. Knowing how slowly we have moved on most things around here, there would not be much action taken, especially if it involved the security of the President or people around the Capitol complex.

I ask my friend from Minnesota another question, through the Chair to the distinguished Senator from Minnesota. Would the Senator consider an amendment to the resolution that, after the word "people," which is the last word in the sense-of-the-Senate resolution, we add the words, "provided that the Secretary of the Treasury and the Secret Service certify that such a plan protects the security of those who live in and work in the White House"?

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. I have to apologize to the Senator from Nevada, I could not hear him very well.

Mr. REID. I am sorry. After the word "people" there would be a comma or semicolon and we would say "provided that the Secretary of the Treasury and the Secret Service certify that such a plan protects the security of those who live in and work in the White House."

Mr. GRAMS. No, I would not accept that as a substitute for the amendment.

Mr. REID. The Senator would not.

Mr. GRAMS. No.

Mr. REID. Can this Senator direct another question to the Senator from Minnesota and ask why?

Mr. GRAMS. Because, again, this is the same situation we are in now. This decision was made arbitrarily by these individuals, and we feel there should have been an open process.

In fact, there are laws on the books, I believe, that say before the Federal Government can permanently close any street in the District of Columbia, it has to have full consultation with the District and open hearings for the public. That was never done as well.

Mr. REID. Mr. President, I hope that the decisions that were made for the President's security, whether that President be a Democrat or Republican, or people who work in the White House, people who visit the White House, people who are elected officials to serve in the Capitol complex, in the House and the Senate, people who work here and visit here, I hope that when there is something involving security as a result of terrorist threats that are picked up through intelligence efforts, that we certainly will not have to go through a congressional review process as to whether or not they could close a road or walkway.

Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I ask unanimous consent that this vote be delayed until the hour of 2:15.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The vote will be delayed until the hour of 2:15.

The PRESIDING OFFICER. The Senator from Arizona [Mr. McCAIN].

Mr. McCAIN. Mr. President, I see the Senator from Massachusetts is on the floor. I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts [Mr. KERRY] is recognized.

Mr. KERRY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The vote on the Grams amendment has been postponed until 2:15, so the Senator may offer an amendment.

Mr. KERRY. I thank the Chair.

AMENDMENT NO. 4055

(Purpose: To provide for the Secretary of Defense to make payment to Vietnamese personnel who infiltrated into North Vietnam to perform covert operations as part of OPLAN 34A or its predecessor)

Mr. KERRY. Mr. President, I send an amendment to the desk on behalf of myself, Senator McCAIN, BOB KERREY, BOB SMITH, LARRY PRESSLER, CHUCK ROBB, TOM DASCHLE, and PAT LEAHY.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. McCAIN, Mr. KERREY, Mr. SMITH, Mr. PRESSLER, Mr. ROBB, Mr. DASCHLE, and Mr. LEAHY, proposes an amendment numbered 4055.

Mr. KERRY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle E of title VI add the following:

SEC. 643. PAYMENT TO VIETNAMESE COMMANDOS CAPTURED AND INTERNED BY NORTH VIETNAM.

(a) PAYMENT AUTHORIZED.—(1) The Secretary of Defense shall make a payment to any person who demonstrates that he or she was captured and incarcerated by the Democratic Republic of Vietnam after having entered into the territory of the Democratic Republic of Vietnam pursuant to operations conducted under OPLAN 34A or its predecessor.

(2) No payment may be made under this Section to any individual who the Secretary of Defense determines, based on the available evidence, served in the Peoples Army of Vietnam or who provided active assistance to the Government of the Democratic Republic of Vietnam during the period 1958 through 1975.

(3) In the case of a decedent who would have been eligible for a payment under this section if the decedent had lived, the payment shall be made to survivors of the decedent in the order in which the survivors are listed, as follows:

(A) To the surviving spouse.

(B) If there is no surviving spouse, to the surviving children (including natural children and adopted children) of the decedent, in equal shares.

(b) AMOUNT PAYABLE.—The amount payable to or with respect to a person under this section is $40,000.

(c) TIME LIMITATIONS.—(1) In order to be eligible for payment under this section, the claimant must file his or her claim with the Secretary of Defense within 18 months of the effective date of the regulations implementing this Section.

(2) Not later than 18 months after the Secretary receives a claim for payment under this section——

(A) the claimant's eligibility for payment of the claim under subsection (a) shall be determined; and

(B) if the claimant is determined eligible, the claim shall be paid.

(d) DETERMINATION AND PAYMENT OF CLAIMS.—(1) Submission and Determination of Claims. The Secretary of Defense shall establish by regulation procedures whereby individuals may submit claims for payment under this Section. Such regulations shall be issued within 6 months of the date of enactment of this Act.

(2) Payment of Claims. The Secretary of Defense, in consultation with the other affected agencies, may establish guidelines for determining what constitutes adequate documentation that an individual was captured and incarcerated by the Democratic Republic of Vietnam after having entered the territory of the Democratic Republic of Vietnam pursuant to operations conducted under OPLAN 34A or its predecessor.

(e) AUTHORIZATION OF APPROPRIATIONS.—Of the total amount authorized to be appropriated under section 301, $20,000,000 is available for payments under this section. Notwithstanding Sec. 301, that amount is authorized to be appropriated so as to remain available until expended.

(f) PAYMENT IN FULL SATISFACTION OF CLAIMS AGAINST UNITED STATES.—The acceptance of payment by an individual under this section shall be in full satisfaction of all claims by or on behalf of that individual against the United States arising from operations under OPLAN 34A or its predecessor.

(g) ATTORNEY FEES.—Notwithstanding any contract, the representative of an individual may not receive, for services rendered in connection with the claim of an individual under this Section, more than 10 percent of a payment made under this Section on such claim.

(h) NO RIGHT TO JUDICIAL REVIEW.—All determinations by the Secretary of Defense pursuant to this Section are final and conclusive, notwithstanding any other provision of law. Claimants under this program have no right to judicial review, and such review is specifically precluded.

(i) REPORTS.—(1) No later than 24 months after the enactment of this Act, the Secretary of Defense shall submit a report to the Congress on the payment of claims pursuant to this section.

(2) No later than 42 months after the enactment of this Act, the Secretary of Defense shall submit a final report to the Congress on the payment of claims pursuant to this section.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KERRY. Mr. President, this is an amendment that seeks to address yet another painful chapter in the long legacy of painful chapters with respect to Vietnam, and it specifically addresses what some might characterize as our own form of a bureaucratic Phoenix Program that sought to eliminate from existence a group of commandos who served faithfully during the war under our organizational effort and command effort.

This amendment would reimburse this group of commandos for their years of incarceration in North Vietnamese prisons while they served in the mutual cause with us in the war in Vietnam.

What the amendment seeks to do is to authorize $20 million for payment to Vietnamese personnel who infiltrated into North Vietnam to perform covert operations during the Vietnam era and who were captured and incarcerated by the Democratic Republic of Vietnam.

Under the amendment, a lump-sum payment of $40,000 would be provided to each claimant determined eligible by the Secretary of Defense, and I am pleased to say that the administration has worked very closely in designing this amendment and in signing off on it and now fully supports it, as do, I believe, the chairman of the Armed Services Committee and the ranking member of the Armed Services Committee.

Those of us who offer this amendment recognize that the United States worked with many Southeast Asian forces during the Vietnam war, but our intent here is to only single out for recognition the Vietnamese commandos who participated in a specific program, in OPLAN 34A and its predecessor, and who sought under that program to infiltrate into North Vietnam, who were captured and who were incarcerated in the process.

In designing guidelines for proof of eligibility for payments under this amendment, the Secretary of Defense is to take into account that these claimants, because of the war and the incarceration, may not have complete documentation proving eligibility. But it is our intent that the standard of proof here be set low enough to do justice in this situation.

Mr. President, 30 years ago, Vietnam presented us with a host of questions and difficult contradictions, and now in this situation, we find a new chapter that is a surprise for all of us. In many ways, this chapter is old because we have always known through the centuries that war is cruel. On the other hand, it is new because, as Americans, none of us have ever expected that we would allow something to happen that purposefully or inadvertently attacks or diminishes our own sense of honor.

The truth is that we sent heroic Vietnamese commandos into North Vietnam to do our bidding, risking their lives and even their families' lives, and then we left them there, denied their existence, and walked away leaving them to be imprisoned, tortured or killed.

So we are here today simply to right a wrong, to pay for an injustice and to seek fairness and put this still another disturbing chapter about Vietnam behind us.

These are the quick facts, and I will just run through them very, very quickly.

In the early days of the war, the United States and South Vietnamese Governments initiated a joint covert intelligence-gathering operation against North Vietnam, and recruited were commandos from among Vietnamese civilians and the Armed Forces of the Army of the Republic of Vietnam.

The United States, through the CIA and later through the Defense Department, provided training and funding, including salaries, allowances, bonuses, and death benefits. Together, the United States and South Vietnamese officials determined where and when the commandos, who were organized into teams, would be infiltrated into North Vietnam. Many were dropped by parachute, but some were inserted by land or sea. Some also conducted counterintelligence activities against North Vietnam and against Laos.

ARES, the first team, was inserted in early 1961. By the early 1970's, there were 52 teams comprising nearly 500 commandos who had been inserted behind enemy lines. Initially, the mission was confined to intelligence gathering, but subsequently it grew to include sabotage and psychological warfare.

From the very beginning, Mr. President, it was clear that this operation was a failure. Recently, declassified Defense Department documents show that the teams were killed or captured very shortly after landing and that the CIA and the Defense Department, which took over the operation in early 1964, knew it at that time.

It is now apparent that the missions were compromised and that Hanoi ran a counterespionage operation against us and our South Vietnamese ally by forcing our commandos to radio back the information that they, Hanoi, wanted us to hear.

The preponderance of the evidence that has come to light in the last year leaves little doubt that the United States Government at that time continued to insert Vietnamese commandos behind enemy lines, knowing full well that it was sending them on near impossible missions with little chance of success.

The Defense Department then compounded this tragedy by writing off the lost commandos as dead, apparently in order to avoid paying their monthly salaries.

An example: A six-man team, called Attila, was dropped into Nghe An province on April 25, 1964. The team was immediately captured. Two months later on July 16, Radio Hanoi announced the names and addresses of the six team members, the dates they were captured, and the start of their trials.

Declassified Defense Department documents indicate that we knew the team had been captured, but, nevertheless, by the beginning of 1965, only months later, the Defense Department had declared the entire team dead and paid small death benefits to their next of kin. The process of declaring the commandos dead on paper was reaffirmed in 1969 by the colonel in charge of the operations for MACSOG, the Military Assistance Command Studies and Observations Group. He said:

> We reduced the number of dead gradually by declaring so many of them dead each month until we had written them all off and removed them from the monthly payrolls.

So, Mr. President, after sending these men on these extraordinary missions, after cutting off their pay, we then committed the most egregious act of all. We made no effort to obtain their release, along with the American POW's, during the peace negotiations in Paris. As a result, many of these brave men, who fought alongside us for the same cause, spent years in prison, more than 20 years in some cases.

After their release from prison in the 1970's or 1980's, a number of the commandos made their way to the United States. They are now seeking acknowledgement from our country for their service and payment from the U.S. Government for their period of incarceration.

In a lawsuit, they have asked for $2,000 a year for an average of 20 years spent in captivity. We believe, those of us supporting this amendment, that the United States owes these men a debt that can never be repaid. We can at least give them the recognition that they deserve and the small amount of compensation that they were promised three decades ago.

Speaking for myself, I am not here, nor do I think any of us are here, to try to point fingers at people individually, nor even to find scapegoats or scalps. I do not think any purpose is served by that. But we do want people to understand what happened 25, 30 years ago so that it will not happen again. We are here also to do the right thing. It is clearly important not to compound judgments that were wrong 25 and 30 years ago with judgments that are wrong today. It would be wrong to avoid executing our responsibility today.

So, Mr. President, we can honor their service and make it clear to those who might join us again at any time, now or in the future, in the struggle for freedom and democracy, that we are big enough in our country to admit mistakes when they are made and to move to rectify them, and that while sometimes people may make mistakes, a great country will always honor and thank those who fight with us in a common cause.

Mr. President, I believe the amendment that we are offering today will help to provide that recognition, and I urge its adoption.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, the amendment requires the Secretary of Defense to make payments to Vietnamese nationals who were trained and commanded by the United States Government to fight behind enemy lines during the war.

The amendment purposely creates a low standard of proof to be met by the commandos, and it is our intention and hope that it be interpreted liberally. All that those men must prove in order to receive payment for their services is that: First, they entered North Vietnam during the war under an operation called OPLAN 34A or its predecessor; and second, they were captured and incarcerated by the Democratic Republic of Vietnam as a result.

For approximately 7 years, beginning in 1961, the United States apparently contracted with South Vietnamese nationals to conduct covert military operations in North Vietnam. At first under the authority of the CIA and later under the authority of the Defense Department, hundreds of commandos were sent into North Vietnam, and more than 450 were killed or captured.

Those captured were convicted of treason and remained in captivity until 1979, when they began to be released. At a minimum, each served 15 years at hard labor. Many of them suffered through more than 20 years of imprisonment.

A recently declassified study done in 1970 by the Joint Chiefs of Staff, which oversaw the commando program, indicates that the commandos were funded by DOD and that the majority of them were captured alive and taken prisoner by North Vietnam.

More recently, only weeks ago, 80 boxes of documents were discovered in the National Archives related to the employment of these brave men. These documents, 240,000 in total, include DOD payroll rosters for the commandos and records of death gratuities.

To address this injustice, the amendment provides the commandos with $20 million in back pay, approximately $40,000 each. As the Senator from Massachusetts pointed out, this amounts to about $2,000 for each year each commando spent in prison. We have chosen as the number of commandos the outside estimate of 500. The cost may ultimately be as low as $11 million, but because the number of eligible Vietnamese veterans may increase as time goes by, we thought it important to give the Secretary the spending authority to meet the contingency of more claims.

The administration, until very recently, citing an 1875 Supreme Court case, maintained that it had no obligation to these men because they were employed under a secret contract. I am pleased to report, however, the commandos now have the support of the administration. Senator KERRY and I and Senator SMITH, Senator ROBB, and other Senators have worked very closely with the administration in formulating this amendment.

The CIA began the program, but later turned it over to the Department of Defense, at which time the numbers of teams and individuals sent into North Vietnam approximately doubled. The late former CIA Director, William Colby, who in 1961, as the chief of the Agency's Far Eastern Division, was tasked with directing the commando program, indicated his support for the commandos' claims and specifically endorsed a legislative solution.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the current acting CIA Director, George Tenet, also supporting a legislative solution to the problem, and in addition, a letter to me from John F. Sommer, Jr., Executive Director of the American Legion, and a letter to me from Paul A. Spera, Commander in Chief of the Veterans of Foreign Wars.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CENTRAL INTELLIGENCE AGENCY,
Washington, DC, June 18, 1996.

Hon. ARLEN SPECTER,
Chairman, Select Committee on Intelligence, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the Director, I welcome the opportunity to provide our views with respect to an amendment to provide relief to those who have come to be called the "Lost Commandos."

This Administration supports an amendment recognizing the hardships endured by those of the Lost Commandos who were captured and incarcerated during the Vietnam War. Although many of our Vietnamese allies suffered during and after the war, the mission of these Commandos and the suffering they have endured set them apart and make them uniquely deserving of recognition. Whether or not the mission of these Commandos was a mistake is not relevant to our moral obligations to them now. The creed of the Central Intelligence Agency, then as now, is to protect, defend, and compensate its assets for the sometimes mortal risks they take on our behalf. That is the only credible position for a secret intelligence service to take if it is to win and hold the loyalty of its assets. We strongly believe that, in the case of these commandos, the United States Government has a similar, morally based obligation.

Congress, not the courts, is the proper forum for the recognition of such an obligation. I must note that the United States Government is currently the defendant in a lawsuit brought by 281 persons claiming to be among these Lost Commandos. Our position is that their claims are not justiciable and in fact are in the wrong forum. Accordingly, the Government has filed a Motion to Dismiss. Our Motion is based in major part upon the principle, first enunciated in *Totten* v. *United States*, that an intelligence service cannot exist if its secret assets—actual or imagined—can sue it publicly for money or benefits. That principle was upheld in 1988 in *Vu Duc Guong* v. *United States*, an earlier suit by an individual claiming to be a Lost Commando.

The Totten principle is vital to the ability of this Agency to obtain secrets, run assets, and conduct operations without the threat of blackmail of public exposure through lawsuits for money. Underlying that principle is the necessity that CIA administer its assets fairly and fulfill its obligations meticulously. This we do. I would be pleased to provide any appropriate level of detail on this point in closed session. Underlying the Totten principle as well is the recognition that Congress, not the courts, has oversight responsibility for the conduct of our operations.

I regret that I am unable to provide factual information in an open session to assist in the preparing of an amendment. Doing so, I am advised, could jeopardize the Totten principle and impede the transfer of this issue from the courts to the Congress, where it belongs. Let me repeat, however, that I am pleased to support legislative relief for these brave, deserving men. That relief will be more than a measure of their suffering: It will be a measure as well of our commitment to our former allies.

Sincerely,

GEORGE J. TENET,
Acting Director.

THE AMERICAN LEGION,
Washington, DC, June 19, 1996.

Hon. JOHN MCCAIN,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR MCCAIN: The American Legion most certainly supports the amendment to provide payments to former South Vietnamese Commandos or their survivors. America's obligation to the commandos, who were written off by our government, must be fulfilled to recognize their honorable service, their commitment to the principles of freedom and their personal sacrifices.

History has shown that the wages of war go on long after the guns are silenced, the treaties are signed and the parades are over. This issue warrants serious reexamination of America's national policy on service personnel who are prisoners-of-war and missing-in-action. If our government places young men and woman in harms way, it has a moral and ethical obligation for the repatriation of each and every one of them. Equally as important is the fact the families of these military personnel must be cared for by a grateful Nation.

The American Legion applauds the purpose of this amendment, as it reflects a good-faith effort to recognize the sacrifices of our former allies. However, nothing can erase this terrible chapter of the Vietnam War. We trust there are lessons learned from this travesty of justice.

Sincerely,

JOHN F. SOMMER, JR.,
Executive Director.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, June 19, 1996.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: I am writing in support of your amendment to the National Defense Authorization Act seeking back pay for Vietnamese commandos captured and interned by the Vietnamese.

We believe, as you do, that these Vietnamese who performed dangerous and covert operations as part of our secret war in Indochina and who suffered as a consequence of these operations should be recompensed for their service and sacrifice.

For too long, these brave men, once declared dead by our Government, lived in limbo, unrecognized for their achievements and their hardships.

Now we find out that our own Government, knowing they were in captivity, systematically wrote them off as dead in order to avoid paying them their salaries. In good conscience, we believe this was wrong and strongly support your amendment to provide back pay to these brave men.

Please advise your colleagues in the Senate of our strong support for the Kerry-McCain Amendment.

Sincerely,

PAUL A. SPERA,
Commander-in-Chief.

Mr. MCCAIN. I point out, Mr. President, the amendment has the support of the Veterans of Foreign Wars and the American Legion.

All of the details and legalities aside, one thing is clear; these men sacrificed for a cause, the same cause for which all veterans of the Vietnam war sacrificed—a free Vietnam. And they suffered horribly for their commitment. For many years United States immigration policy has provided programs which ease the process for those Vietnamese associated with the United States war effort. We do so because it is our obligation to our wartime allies. All that the cosponsors of this amendment are asking is that we similarly honor the full extent of our obligations to the commandos and correct this gross injustice.

One of the commandos is quoted in Saturday's New York Times as saying, "They didn't want to remember us because we represent the failure of the United States in Vietnam." I have always made the case that as a nation, and as individuals, we must put the Vietnam war behind us. To continue to deny the service of these men is not the way to do it.

I also strongly subscribe to the words of President Reagan who said it as succinctly and coherently as possible when he stated that: "The Vietnam veterans who served, served in a noble cause." I repeat, "a noble cause," as did these South Vietnamese commandos.

Mr. President, we send a bright signal by passing this legislation today: The United States of America lives up to its agreements with its friends because it is a nation of honor and a nation of laws.

Mr. President, I strongly urge the adoption of this amendment. I yield the floor.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I am very pleased to join with my colleagues in cosponsoring this particular amendment. The case for support has been eloquently stated by the distinguished Senator from Massachusetts, the distinguished Senator from Arizona, and could be made by others. I will not repeat it.

I will simply say that what was done in the name of the United States in the instance of these particular commandos is appalling and unconscionable. This is clearly the right thing to do to atone for the actions that were taken some time ago and without the knowledge of apparently very many people in the Government at that particular time. In any event, I applaud my colleagues for taking this particular action.

AMENDMENT NO. 4052

Mr. ROBB. Mr. President, while I have the floor for just one moment, the last amendment that was debated, and on which the yeas and nays have been ordered, and which was temporarily set aside for a vote at 2:15, I would like to just say—as I was prepared to say at that time, but could not—that I am a cosponsor of that particular amendment. I reiterate for my colleagues, particularly on this side of the aisle who may not have heard the arguments, this is simply a sense-of-the-Senate resolution which is attempting to deal with a very difficult problem here in the Nation's Capital.

It does not direct the President or the Secretary of the Treasury or the Secret Service to do anything. It is a sense-of-the-Senate resolution that asks them, in effect, to work together to try to solve the problem. I hope my colleagues will join in this case in opposing the motion to table when we vote on it at 2:15.

Mr. REID. Mr. President, would the Senator from Virginia yield for a question?

Mr. ROBB. Mr. President, I am happy to yield to the Senator.

Mr. REID. Mr. President, I say to my friend, it is a sense of the Senate that the President should direct, and lists a number of people.

Mr. ROBB. Mr. President, I respond to my friend that it is a sense of the Senate. We are simply expressing the sense of the Senate that that is what we hope the President will do in that particular instance. It is not statutory. It does not require that particular action.

I might also say, Mr. President, when the distinguished Senator from Minnesota initially drafted the particular piece of legislation and sent it to my office, there was some language I felt could easily be interpreted as partisan in nature. I did not think it was appropriate. I asked him if he would be willing to make some concessions in that regard, which he was kind enough to do, so we would approach it on a bipartisan basis and attempt to deal with the problem in a way that involved the various agencies of Government that have some responsibility for this particular action.

Again, I agree wholeheartedly with my distinguished friend from Nevada that the floor of the U.S. Senate is not the place to debate or make a decision. This is simply a request to go through the kinds of procedures that I think will lead to a proper decision.

More importantly, this is the best solution to this particular problem. No one wants to place either the First Family of the United States or others in particular jeopardy. I agree with the Senator from Minnesota that any inclusion of some of the additional street closings would also be appropriate for study and consideration.

I ask unanimous consent a letter from the president of the U.S. Chamber of Commerce be printed in the RECORD as part of that debate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, June 19, 1996.

MEMBERS OF THE U.S. SENATE: The U.S. Chamber of Commerce—the world's largest business federation, representing 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 76 American chambers of commerce abroad—urges your support for Senator Rod Grams' resolution calling for the reopening of Pennsylvania Avenue, which will appear as an amendment to the Defense Appropriations Bill for FY97.

A little over a year ago, Pennsylvania Avenue was closed between 15th and 17th Streets. The U.S. Secret Service requested this action be taken following the bombing of the Murah Federal Building in Oklahoma City. At the time, it was said to be a temporary measure. Interestingly, two former presidents—Gerald Ford and Jimmy Carter—have said the closure was requested during their presidencies as well, but was rejected. The National Park Service has since released a plan to turn the "temporarily" closed portion of Pennsylvania Avenue into part of Lafayette Park at a cost of $45 million. The U.S. Chamber does not feel this is an expense that should be spent on a "temporary solution." Furthermore, an unfair burden of economic loss and traffic congestion has been placed on the local residents of the park and this city without appropriate consultation.

The U.S. Chamber of Commerce has been a resident of historic Lafayette Park since 1924. Now with H Street a main east/west thoroughfare, the northern boundary of the park has been damaged. This boundary is represented by historic buildings such as the Decatur House, St Johns Church, the Madison House, and the Hay-Adams Hotel.

The closure of Pennsylvania Avenue has taken away one of the main symbols of democracy and American freedom. While the President's safety is of the utmost importance, according to security experts the closure of Pennsylvania Avenue does not make the White House complex significantly more secure. It will, however, result in having one of our symbols of freedom and democracy become more distant from the people. We have allowed fear to dictate our actions. Returning Pennsylvania Avenue to the people will restore the freedom for which it stands.

Now, with the June 28th deadline approaching for public comment on the proposed closure, we must work together to give Pennsylvania Avenue back to the people. We urge you to support this amendment.

Sincerely,

RICHARD L. LESHER.

AMENDMENT NO. 4055

Mr. ROBB. Mr. President, it is my understanding with respect to the amendment before the Senate, there is no objection from either side. The Senator from New Hampshire may wish to comment. If he does not, I ask that the Senate proceed to take action on that amendment by voice vote at this time.

The PRESIDING OFFICER. The Senator from New Hampshire, Mr. SMITH, is recognized.

Mr. SMITH. There is no objection on this side, and we have no objection to voice voting. I do have a few remarks I will make. Subsequent to that, we can proceed to do that.

Prior to that, Mr. President, in regard to the previous unanimous consent for a vote at 2:15, there are some Members who apparently are tied up at a White House meeting. I ask unanimous consent that the vote which was previously scheduled for 2:15 now occur at 2:30 today.

The PRESIDING OFFICER. Without objection; it is so ordered.

Mr. SMITH. Mr. President, I am pleased to join the Senator from Massachusetts, Senator KERRY, the Senator from Nebraska, Senator KERREY, and the Senator from Arizona, Mr. MCCAIN, in offering this amendment. It is an amendment that needs to be offered. It is one of those very painful chapters in American history that occasionally we have to deal with. It is a great tribute, I think, to America that when we find a wrong, that we do have the capacity to admit that wrong and to right it.

Over 35 years ago, the United States Government asked the Republic of Vietnam to provide some South Vietnamese military personnel for special commando missions into North Vietnam. The best figures that we have, and there is some variation here, but approximately 350 of these commandos were trained by U.S. Government agencies.

They were inserted into North Vietnam by our military forces, and, as has already been said, they were captured by the Communist forces and forced to spend the next 20 to 30 years in reeducation camps. The term "reeducation camp" does not really, Mr. President, accurately define what exactly these men went through. We know they were tortured. So reeducation is hardly the correct word.

For the record, Mr. President, it is clear that these commandos knew what they were doing. They knew they were taking great risks. Indeed, many of their fellow comrades died during these very operations, and some died after the missions while they were in North Vietnam. They also knew what was at stake with the Communist aggression if we did not contain the Communist aggression in Southeast Asia.

More importantly, the United States certainly was aware of the dangers involved with these missions. That is why I believe a solemn commitment was made to these commandos and their families that they would be compensated for the sacrifices they made.

It is interesting, these Vietnamese worked for the CIA and the United States military in, basically, a doomed effort to infiltrate North Vietnam between 1961 and 1969. They were dropped behind enemy lines by parachute. Some secretly swam ashore after being taken there in speedboats, and then they were captured.

It is clear that as we stand here now, the United States has yet to live up to that commitment that was made to these South Vietnamese commandos in the 1960's. In point of fact, a cold and uncaring bureaucracy was allowed to write these men off, literally, as dead three decades ago, even though there was convincing evidence that many had been captured. To put it bluntly, their families were told they were dead when, in fact, they were alive.

It is a documented historical fact that in 1969, in then secret testimony before the Joint Chiefs of Staff, a DOD official stated: "We reduced the number of commandos on the payroll gradually by declaring so many of them dead each month until we had written them all off and removed them from the monthly payroll."

It is really bizarre to think these kinds of things do happen in our Government, but, as I said earlier, the fact that we right these wrongs is perhaps a better comment about what America is like. The families were paid a very small token of death gratuity, and that was it. Knowing these men were alive, the DOD official told the Joint Chiefs of Staff that we were writing them off as dead, and the widows and surviving family members were paid a small stipend and then informed that these people were dead when, in fact, we knew they were not.

The majority of those men had put their lives on the line for the United States' national interests. They were not Americans, but they put their lives on the line for America, and they were shackled in North Vietnamese prisons, and our Government knew it and our Government never told the families.

The amendment that my colleagues are offering today, along with me, will authorize back pay, very simply, for the men who participated in these daring missions. It is a bit late, for sure, but it comes out to about $2,000 per commando for each year spent in North Vietnamese prisons. It is the least we can do.

I note as a comparison that our distinguished colleague from Arizona and many others who were captured by the North Vietnamese and imprisoned and tortured, they received full pay, as they should have, during the time they were in Communist activity. So there is certainly a well-established precedent for this amendment. There is nothing dramatic about it. It is just the right thing to do.

Let me also point out after a year of fighting this case in U.S. claims court, the administration has decided that granting this back pay to these commandos is the right thing to do. I think we should give credit to National Security Adviser Tony Lake, because he has been very supportive and very helpful in getting this done.

I think that the tragedy which befell these commandos was only made worse by the initial attitude of the Justice Department and DOD and the CIA in the claims court. Again, we had to drag them kicking and screaming in to right the wrong, but the wrong is righted. I commend, again, Tony Lake for reversing this attitude and coming out in support of the amendment.

Finally, Mr. President, as we continue to seek answers about the fate of our own missing American servicemen from the Vietnam war, I think it is imperative for the administration to assure that each of these South Vietnamese commandos has been interviewed for any information they might possess on any missing American, dead or alive. This is very important. Some of these men have been in prison in North Vietnam for 20 years. Who knows what they might know. They all should be debriefed thoroughly. This would include making arrangements to speak to all of them who are reportedly still in Vietnam awaiting approval for departure to the United States.

Let me commend my colleagues, again, who served with me on the Senate committee in 1992, including the Senator from Virginia, who is here on the floor, for working with me on this amendment. We were all concerned when we saw the news accounts, and we were all committed to doing something about it. We reacted quickly. I am proud to be an original cosponsor, and I urge all of my colleagues to support it.

Mr. President, I might say that there is no one on our side that I know of who wishes to speak on the amendment. I yield to the Senator from Virginia to move the amendment.

Mr. ROBB. I know of no one else who has requested an opportunity to speak on this amendment. I, therefore, urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment.

The amendment (No. 4055) was agreed to.

Mr. SMITH. Mr. President, I move to reconsider the vote.

Mr. ROBB. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada, Mr. REID, is recognized.

Mr. REID. Mr. President, what is the order of business now before the Senate?

The PRESIDING OFFICER. Under the previous order, the Grams amendment has been postponed until 2:30.

AMENDMENT NO. 4052

Mr. REID. Mr. President, I will give some general statements. We have been called upon to vote on a motion to table at 2:30 today. There being no other business here on the Senate floor, I will talk a little bit about that amendment and the motion to table that sense-of-the-Senate resolution.

Mr. President, it seems unusual to me that, with all the many problems we have in America today—and there are significant problems—such as minimum wage, problems dealing with health care reform, significant problems dealing with the environment, we are here today talking about a block of Pennsylvania Avenue.

The loudest complaints we hear about Pennsylvania Avenue being blocked off for the security of the people that live in, work in, and visit the White House, come from lobbyists. Most of the lobbyist offices are downtown, on the 18th Street corridor, down that way. It makes it difficult for them to travel back and forth. It is very difficult for many of them to maneuver their limousines through some of the small, closely packed District of Columbia streets with the big pot holes. But that is not what we should be debating here.

We should be talking about whether or not, if someone has health insurance and they leave a job, they can take it with them, or whether or not someone who has a son or a daughter with a preexisting condition, when they graduate from college, can they still get insurance someplace, or someone is injured on a job and, for whatever reason, loses that job and now wants to get insurance for them and their family. Under present conditions, most times they cannot do that because of preexisting condition restrictions that insurance companies place on obtaining insurance. I have spoken to people in the insurance industry. They are hoping that this is debated to a finality and that there is a decision made.

So I hope the motion to table is agreed to. If it is not, there is going to be a series of amendments offered to improve the amendment that is now before the body.

Mr. President, in the break that we have had, I went back to the cloakroom and received a call from the Secretary of the Treasury. The Secretary of the Treasury, who is head of the Secret Service, wanted me to inform the U.S. Senate—and these are his words, not mine—that "It is imperative that that street remain blocked off."

We cannot be sending a message to terrorists around the world, or to anyone else, that we are going to ease up on our security. I served for several terms as chairman of the Legislative Branch Appropriations Committee, where we funded the Capitol Police force. We had hearings on their important duties and how they have changed as a result of international terrorism.

Mr. President, we all know how weaponry has changed. No one now needs to drive a tank next to the White House to blow it up, or on Pennsylvania Avenue. You can have a vehicle loaded with plastic explosives that would blow up the White House. This is an issue that we should not be involved in.

It is difficult for me to understand, with all of the priorities we have, how we can be debating for the people of Nevada whether or not a block of Pennsylvania Avenue should be closed. What I would like to be talking about is minimum wage, as an example. Minimum wage, as you know, is not just for teenagers flipping hamburgers at McDonald's. The fact of the matter is that 60 percent of the people who draw minimum wage are women, and for 40 percent of those women, that is the only money they get for their families. That is one of the issues we should be talking about.

There is talk that the Treasury Department decision to close Pennsylvania Avenue in front of the White House was nothing more than a knee-jerk reaction to fear. Well, the fact is, it was done under very strong consultation. And, also, Mr. President, what we have to appreciate is that the Treasury Department came to Capitol Hill and briefed the leadership of both the Senate and the House, the Republican and Democratic leadership, and told them what they were going to do. There was no objection from any of the leadership.

I also say that we have to understand that any Member of the U.S. Senate can have a briefing. If they had a briefing, I am sure they would be enlightened as to how little it takes to do a lot of damage. For us to stand on the Senate floor and say, well, this resolution really is only a sense-of-the-Senate resolution, it does not mean anything, I respectfully suggest that it does mean something. The U.S. Senate is going on record and saying it is the sense of the Senate that the President should direct the Secret Service to develop a plan for the permanent reopening of vehicular traffic on Pennsylvania Avenue in front of the White House. That is about as direct as you can get and about as assertive as you can get. I think it is wrong that we would even consider doing something like that.

Mr. President, in fact, earlier this month, the directors of the U.S. Secret Service stated, the Secret Service "remains steadfast in its belief that the threat to the White House complex by explosive-laden vehicles is genuine, and that given an opportunity, an attack will occur."

That is about as direct as you can get, Mr. President. The Secret Service "remains steadfast in its belief that the threat to the White House complex by explosive-laden vehicles is genuine, and that given the opportunity, an attack will occur." That is not some kind of bureaucratic jargon where you have to read between the lines. It is direct and to the point.

The avenue in front of the White House should be closed to vehicular traffic. The decision to close Pennsylvania Avenue was, in part, based on the recommendation of the Advisory Committee of the White House Security and Review, a nonpartisan distinguished panel of experts. The committee was impaneled following several security incidents at the White House, most notable being the air crash on the south grounds.

Do not forget, also, colleagues and Mr. President, that the White House was sprayed with gunfire within the past year. Someone came to the front of the White House and Pennsylvania Avenue and simply sprayed the White House with gunfire. This was not a knee-jerk reaction. The recommendation was based on a thorough technical analysis. Concerns about the vulnerability of the White House were heightened by the truck bombing of the U.S. Marine barracks in Beirut—we all remember that—and confirmed by the bombings of the World Trade Center in New York and the Murrah Federal Building in Oklahoma City. It was only about 2 weeks after the White House was closed and Pennsylvania Avenue was closed to vehicular traffic that the Federal building in Oklahoma City was destroyed and 140 people were killed.

So we have heard it from the head of the Secret Service. We have heard it from the Secretary of the Treasury, and his words I repeat. "It is imperative that the area be closed."

On this defense bill we are dealing with billions and billions of dollars of taxpayers' money that will be spent during this next year for the security of this Nation, and hopefully the peace and security of the rest of the world—very important, weighty issues. I personally, respectfully suggest that our talking about a block of Pennsylvania Avenue closed to vehicular traffic that has caused some inconvenience to lobbyists and some of the people trying to get home at night should not be what we are spending our time about here. I believe we should be talking about doing a better job of balancing the budget. I think we should be talking about doing something about the delivery of health care to the people across America. I think we should be talking about doing something to make sure that we have clean air and clean water, and that our cities are areas where there is job growth rather than job drought. We talk about the drought happening all across the United States. We have had a drought of jobs. We need to get involved.

I do not think we should be worrying about Pennsylvania Avenue. I think we should leave that to the experts. I do not believe we should be micromanaging what the Secret Service says.

The general scheme of things, it seems to me, is that we should not be concerned about a block of sidewalk when we should be talking about minimum wage, welfare reform, and health care reform. We could come on the Senate floor and talk about some of the good things that are happening. There are good things happening, too. It is not all bleak. It will be the fourth year in a row where we have had declining deficits—not declining enough in my mind and in the minds of others. But for the fourth year in a row, we have had declining deficits.

For the first time since the Civil War years, we have had 4 years in a row of declining deficits, and the lowest unemployment and the lowest inflation in some 40 years. Job creation: Over 9 million jobs, and 60 percent of them are high-wage jobs. We are doing some good things. We should be talking about that rather than the sidewalk in front of the White House that is the travel route for the lobbyists in their limousines.

If I thought in good faith that we are going to have a sense-of-the-Senate resolution directing the President to open Pennsylvania Avenue to vehicular traffic, should we not at least say that we should be letting the Secretary of the Treasury and the Secret Service tell us that it protects the people who live in the White House and who work in the White House?

We have problems with welfare. If there is an issue that the people in Nevada would like to hear some conversation about here on the Senate floor, it should be welfare reform. I cannot guarantee the viewing audience much, but I can guarantee that the viewing audience would rather we were talking about welfare reform than whether or not the street in front of the White House is closed.

What about Medicare? We know that Medicare is something that we should be talking about here. And Medicaid we need to talk about.

So I hope that my colleagues will see this sense-of-the-Senate resolution for what I respectfully suggest it is. It is something that we should not be involved in. Whether or not the White House is secure or not cannot be decided here on the Senate floor.

I heard an astounding remark from the question I asked of my colleague. "Well, we are going to hold hearings later." Well, I have served in legislative bodies for many years in my life. I believe we should hold the hearings first and then do our voting later. There are ways we can determine if, in fact, the vehicular traffic in front of the White House should be cut out.

On this east front of the Capitol of the United States, when the Presiding Officer and I came to Washington, as you will remember, this was a parking lot. Hundreds and hundreds of cars were parked out here. Because of security threats, those cars were eliminated.

What are we going to do out here? We are going to build a beautiful mall. We are going to have a visitors center where people who come and want to visit the Capitol do not have to do it in the blaring sun with the humidity of the summertime in Washington or the terrible winters we have here on occasion. But we will have a visitors center where people can come in out of the elements and come in order into the Capitol, one of the most sought after places in America. That is the same thing they are basically going to do at the White House. As indicated, there are institutions which are now studying the best way to do that.

Mr. President, I hope when this matter is voted on at 2:30 that my colleagues will support the motion to table. This should not be a partisan issue. The security of the White House and the Capitol complex should not be a part of this issue. We should, on a bipartisan basis, vote to table this sense-of-the-Senate resolution, which I think is ill-placed, ill-timed, and really something that we should not be debating here. I believe this is something that should be done in the security offices throughout this Government. I think the two intelligence committees of the House and Senate can give us all the vision as to why it is important that we have security.

I think on this defense bill we should get to the many issues that are now going to take up days of our time. The ranking member of the full committee indicated in the meetings that we had yesterday that we are going to have a very hard time with the schedule that is now before us to complete this bill next week. I am paraphrasing what he said. But it is going to be almost impossible to finish this bill within the next day or two.

So, Mr. President, I hope that we will join together, join hands and table this sense-of-the-Senate resolution. If we do not, then the Senator from Nevada—and I am sure others—will offer amendments to, in effect, not let the U.S. Senate micromanage what the Secret Service and the Capitol Police do, and put us back in the business we should be in—and that is legislation.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. Mr. President, I just want to take a couple minutes to talk a little bit about the pending vote coming up and that is on the question of Pennsylvania Avenue. I know and I agree with my colleague from Nevada that there are many, many important issues before the Senate and that we could debate them if we had the opportunity. Many of those issues have been brought to the floor, and we have never had the opportunity to debate those. But that does not take away from the question that we have at hand, or the issue that we are facing.

I know there is a concern about whether there has been hearings held or whether we should wait for hearings. I should like to remind my colleague from Nevada and others that the House has already held an entire day of hearings, having witnesses from all sides of this issue. And what came out of those hearings already was an overwhelming support for this amendment, and that is just to ask the President to reopen Pennsylvania Avenue.

Now, the committee chairman in the Senate has also said that he plans on holding hearings, and he has told me that this sense-of-the-Senate resolution is complementary to what he plans to do in holding these hearings. So this sense-of-the-Senate by no means is going to interfere with gathering more information and being able to listen to the public and get an idea of their feelings.

By the way, we have a web page on the Worldwide Web asking the people from around the country. The Senator from Nevada says the people in Nevada are not that concerned about this, but they should be. On our Worldwide Web, over 3,100 people have contacted our web page in just over 2 weeks, and the overwhelming number, nearly 85 percent—this is people from around the country, not just the nearly 100 percent of the residents in this area—want this street reopened but for many reasons. The people around the country see the same concern, that you cannot put a wall around freedom; you cannot give in to the terrorists by erecting walls in front of the White House.

Now, the question was raised about whether we should or not. I do not think alternatives have been fully explored. And we talk about closing off Pennsylvania Avenue, that it would eliminate some of the problems that have already happened, such as snipers and a plane crashing into the south lawn of the White House. Closing Pennsylvania Avenue would have done nothing to prevent that type of activity.

When you talk about whose opinion is this, this is not only my opinion or the opinion of many others as well, but two former residents of the White House have come out in support of reopening Pennsylvania Avenue. Former President Jimmy Carter said closing the avenue was a mistake. Every President since John F. Kennedy has been given the same briefings by the Secret Service with their same reasoning for closing off Pennsylvania Avenue, to provide more protection to the President, but each one of those Presidents—John F. Kennedy, Lyndon Johnson, Richard Nixon, Gerald Ford, Jimmy Carter, Ronald Reagan, George Bush—has said no, after hearing those same briefings from the same Secret Service with those same reasons. They have all said not on my watch, we are not closing what Thomas Jefferson called America's Main Street.

Now, this is not Tiananmen Square. Is not Red Square. We cannot wait for the Park Service to put in $40 million worth of mall before we make some kind of a decision, or at least ask the President to reconsider. Are we going to spend $40 million, are we going to allow the Park Service to railroad this through, to impose this edict as they have not only on the District of Columbia but the entire country as well and we are going to stand back and say, well, go ahead, spend $40 million and make a park out of this and then what, tear it up? There are a lot of things that are done when you have a bureaucracy with a right hand that does not know what the left hand is doing.

I just think this is not out of order. I think this is complementary to the process that is going forward, that we should at least ask the President and the Secret Service and the Treasury to open hearings on this to the public. Let the public voice their concerns. They have not done that. The only comments they are taking now are, what kind of park do you want? That is not a very good alternative.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. GRAMS. Yes.

Mr. FORD. On the Worldwide Web the Senator is talking about, that you got 1,300 responses, and so forth, did they respond to your explanation of Pennsylvania Avenue or were they responding to the Secret Service's explanation of closing it?

Mr. GRAMS. We have posed the question of what has happened and what can be done, and their response has been by 83.9 percent to reopen Pennsylvania Avenue.

Mr. FORD. So, Mr. President it has been the response of what you put on the web not what the Secret Service put on the web and therefore is a political grandstand.

Mr. GRAMS. No, Mr. President, it is not. The only response that the Park Service is taking is something they believe is their grandstand, and that is to say, what kind of park do you want? They are not opening their web page. They are not opening their comment period to any individual to voice their opinion, only to comment on the Park Service opinion.

Now, I do not think that is very democratic. I do not think that is an open process. In other words, I think the decision has been made on their part and they are going to drive it no matter what it takes. They are not asking people whether it should be opened or reopened. They are just saying, well, we are going to do this and what color do you want it.

I do not think that is fair either. All we are asking is to give this some open air. Let the people decide. Have some public input. In fact, that is the way the process should have worked. And the only reason people allowed the street to be closed to begin with without raising an uproar is because it was posed to them as a temporary closure of Pennsylvania Avenue in the wake of Oklahoma City, and then they were going to determine what would be the best course of action in the future.

Well, there have been no talks. There has been no discussion, no public hearings or anything. So I am not trying to say that the Secret Service is not well intended, and they are taking this job of theirs very seriously. But again, they have used the same arguments for the last 35 years and not one President in that period of time has taken those arguments and said, yes, I need this additional security to protect myself.

I think they provide adequate security for the President. I think they have done a great job. I think right now this President decided that he would listen to the arguments, and that is fine—on a temporary basis. But we should have an opportunity, before it is permanently closed and before this is done, for the people to have a chance to make that decision. Again, the decision to close it a year ago might have been prudent, on a temporary basis, until we could stand back, look at it, look at the alternatives to see how we can, first and foremost, keep the avenue open and then provide absolute security.

Closing Pennsylvania Avenue is not going to remove 100 percent of the risks. This is a democracy. We have risks every day. And there are many, many other opportunities. This is a President who likes to jog up and down The Mall. He wants to be near the public. I do not know why closing Pennsylvania Avenue is the only alternative.

So I urge my colleagues when they come to the floor to at least consider that. Give democracy a chance to work a little bit. Get some input and have hearings. And I think if you listened to the hearings that were held in the House just last week, all the comments that were made, the vast, vast majority of the people who were there supported reopening Pennsylvania Avenue.

Now, you might say, well, it does not matter much here, and the people in Nevada might not care, but I would pose it, in my city of Minneapolis-St. Paul, if we would close one of our major streets such as Hennepin Avenue, what would that do to the downtown. I think you would have a lot of complaints. And in Las Vegas, if you closed off the strip because of possible dangers to some of the people there, I do not think you would be able to go for a couple minutes without hearing an outcry from the businesses and public in general.

So to impose this on a main street, America's main street, and a vital artery in one of the major cities in the world and to say it will have no impact, I do not think is logical.

Again, I urge my colleagues when they come to the floor to take that into consideration, and I hope they vote to override the motion to table and give us a chance to have a vote on this.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the Las Vegas Strip, as important as it is, is not the center of Government of this country. The White House and the Capitol complex is. I would also say to people within the sound of my voice, in the statement of Director Bowron of the U.S. Secret Service, about a week ago, June 7, in a House committee he testified:

> The Secret Service also identified a need to quantify the vulnerability of the complex to explosive detonations outside the perimeter. Southwest Research Institute, one of the oldest and largest independent, nonprofit research organizations in the United States, was selected to conduct this classified study. Their methodology involved obtaining structural data on the White House and selecting likely explosive detonation points on the streets surrounding the complex.

The Director went on to explain how you can use fertilizer to blow up huge buildings, like they did the building in Oklahoma City. He went on to say:

> The Secret Service is committed to the use of technology in furtherance of our protective and investigative missions. Alternatives to closing Pennsylvania Avenue were examined without success.

It is not that they walked in and said, "We are going to close Pennsylvania Avenue." The President did not want Pennsylvania Avenue closed. He told me and told many others that. The advisory committee required full explanations of all the possible options and why the options would not work before they concurred that the avenue should be closed. The panel had concluded that the closing was justified, even before the bombing in Oklahoma City. Their decision was made before that bombing. It was not a knee-jerk reaction to Oklahoma City. The bombing occurred after Pennsylvania Avenue was closed—I should say a portion of it. The Director went on to say:

> Although specific intelligence information cannot be discussed in an open forum, it is known that members of certain foreign and domestic terrorist groups operate within the United States. Those terrorist and extremist groups have demonstrated a propensity for mounting their attacks to coincide with symbolic dates or at symbolic targets. The White House is one of the most symbolic targets in the United States. There is every reason to believe that given the opportunity, these groups will strike. This matter does not only concern the protection of the President and other government officials and a national landmark—it is a tremendous public safety issue with respect to individuals in and around the complex. Devices similar to those used at the World Trade Center and in Oklahoma City can cause destruction as much as five blocks away from the target. The fact of the matter is—the people who would undertake that type of act are present in this country. The means and ability to carry out this type of act are available. The only thing that is preventing the terrorist or extremist from mounting an attack is the lack of access. If you open Pennsylvania Avenue—they can, and at some point, they will destroy the White House.

If we have people around the country who are burning churches, do you think there is not someone going to try to blow up the White House? They have already tried to blow up the White House. We know that. We talk about our Government being open and free.

You still have access to the White House. You just do not have the traffic jam in front of it, mostly taxicabs and lobbyists. That is all you eliminate. And you make it inconvenient because some of the other streets are a little more crowded.

But this is going to make the White House, in the opinion of most, better. It is going to be a nice mall, park out there. The Park Service is working on it now. Just the same as we are going to do out here at the east front of the Capitol. We are going to remove the asphalt. We are trying to raise the money. It is a private-public partnership.

I just have to say access to the White House is not harmed in any way. I spoke to Secretary Rubin within the past hour. These are his words, not mine: "It is an imperative that that short piece of Pennsylvania Avenue be closed." What are we doing here today? We are being asked to vote to open Pennsylvania Avenue without a congressional hearing. Remember, the Secret Service, the Treasury Department came up here and briefed us all, they briefed all the leadership, Republican and Democrat, House, Senate, said they were going to close it. There was not a single objection.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The senior Senator from Kentucky is recognized.

Mr. FORD. Mr. President, this amendment bothers me and many of my colleagues very much. As my friend from Nevada has said, we were briefed. After that briefing, there was no objection whatsoever. Now we want, without any other consideration—many of us not having had the opportunity to hear the briefing—to vote to open up Pennsylvania Avenue. I think it has been important that, in the years that I have been here and when we have had to make hard decisions, we err on the side of safety. I do not want any of those living or working in the White House to be exposed.

There are a lot of things the Secret Service has told us that cannot be public. The Senator from Minnesota knows that. He will not reveal that because he cannot. One of the reasons that Pennsylvania Avenue was closed was because of that unavailable information.

If you want to take the blood on your hands and say, "We want to open up that 800 feet of pavement up there," and something occurs after that, then you are not going to do it with my vote. I want the safety of the First Family. I want the lives of those people who work there day and night to be as safe as possible.

I do not understand what is going on here. I really do not understand it. Oh, I can go back in history. I can quote Henry Clay. I can do lots of things. But today is today, not history. Today we have the problems. Today we have terrorists operating in this country. They will tell you that much. I have been there when we had to put out agents in many of the ports, waterways, and airways to check on people departing other parts of the world.

To say we want to take an opportunity here this afternoon to possibly eliminate the safety of the First Family? If President Bush had been reelected and he made this decision, the Senator from Minnesota would not be standing. He would not be standing making this effort today. It is because another President is in the White House he is making this decision. This is grandstanding.

I read the articles in Minnesota. They say he is more interested in 800 feet of pavement in Washington, DC, than he is the big issues of Minnesota. That is in his papers. I just paraphrase it. But why do we want to possibly jeopardize the lives of the people that are running this country? That is No. 1. I suspect, if those people who had answered him on the web had the ability to listen to the Secret Service and their briefing of the leadership of this Senate, they would change their minds. So I encourage my colleagues not to vote for this. Let us have another briefing. Let us try to do the right thing. Let us not expose people, particularly the President and his family and those who have the responsibility of leading this country.

So, Mr. President, I am hopeful the Senator will be kind enough to withdraw this amendment and let us sit down and try to understand the problems that are there. You cannot tell the American people all the problems that were given to us by the Secret Service. There are a lot of things you just do not do. And the decision was made based on that.

I am one who believes, after you weigh the facts, you err on the side of safety. So I believe the right vote here today is to table the amendment of the Senator from Minnesota and let us have an opportunity, if there is a need for it, to have more scrutiny, more input, and do the right thing.

I was there yesterday afternoon, along with leadership from both sides.

I did not see anybody protesting. I did not see anybody walking up and down Pennsylvania Avenue with signs saying, "Open this street." I saw people enjoying it, walking back and forth across the street, looking at the White House, not being interfered with at all, did not have to worry about the traffic, were enjoying the park. I thought it was a right congenial group. There was no one there protesting the closing of Pennsylvania Avenue, and they were there from all across this great land of ours and foreign countries.

So, Mr. President, I encourage my colleagues to table this amendment.

The PRESIDING OFFICER. The time of 2:30 p.m. having arrived, by previous agreement, the motion to table the Grams amendment is subject to a vote. The yeas and nays have been ordered. The question is on agreeing to the motion to lay on the table the Grams amendment. Those in favor of tabling the Grams amendment will vote "aye; those opposed will vote "no." The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New York [Mr. D'AMATO] is necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 59, as follows:

[Rollcall Vote No. 161 Leg.]

YEAS—39

Akaka
Baucus
Biden
Bingaman
Boxer
Byrd
Cochran
Cohen
Conrad
Daschle
DeWine
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Harkin
Heflin
Hollings
Hutchison
Inouye
Kassebaum
Kennedy
Kohl
Lautenberg
Levin
Lieberman
Moseley-Braun
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Warner
Wellstone
Wyden

NAYS—59

Abraham
Ashcroft
Bennett
Bond
Bradley
Breaux
Brown
Bryan
Burns
Campbell
Chafee
Coats
Coverdell
Craig
Dodd
Domenici
Dorgan
Faircloth
Frahm
Frist
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Inhofe
Jeffords
Johnston
Kempthorne
Kerrey
Kerry
Kyl
Leahy
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Nickles
Nunn
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond

NOT VOTING—2

Bumpers
D'Amato

The motion to lay on the table the amendment (No. 4052) was rejected.

The PRESIDING OFFICER. The Grams amendment is still the pending business before the Senate.

AMENDMENT NO. 4056 TO AMENDMENT NO. 4052

Mr. REID. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], proposes an amendment numbered 4056 to amendment 4052.

At the end of the amendment add the following: "*Provided*, That the Secretary of the Treasury and the Secret Service certify that the plan protects the security of the people who live and work in the White House."

Mr. REID. Mr. President, this amendment to the sense-of-the-Senate resolution now pending would state simply that prior to opening the street to vehicular traffic, the Secretary of the Treasury and the Secret Service would certify that the plan protects the security of the people who live and work in the White House.

It seems to me if we are not willing to adopt this amendment, then this body will go on record saying that there should be vehicular traffic on Pennsylvania Avenue in front of the White House, whether the people who live and work there are safe or not. I do not think we should go on record stating that.

As I indicated, Mr. President, the record is clear that the Secret Service is very concerned about opening this avenue in front of the White House. The Secret Service has said closing the avenue was not a unilateral Secret Service decision, but rather was the recommendation of the Advisory Committee to the White House Security Review, a nonpartisan distinguished panel of experts. This committee included former directors of both the FBI and the CIA, former chairmen of the Joint Chiefs of Staff, and others. The proposal to close the avenue was made before the Oklahoma City bombing. The panel had concluded, prior to Oklahoma City, that closing of the avenue was, indeed, justified.

Historically, people focus on security features after significant events. For example, ValuJet Airlines. Now we hear a lot about oxygen canisters in cargo holds. It is better we do something before. That is, in effect, what we did at the White House. The Treasury Department said, as previously stated on the record here, that there are terrorists who simply are waiting around for an opportunity to blow up the symbol of the American people.

Mr. President, during the last vote, some people told me, "Well, people can walk in and blow up the White House." Not true. We are told that you need the trunk of a car to put the explosives in. You cannot put enough explosives on a bicycle or on the back of a skateboard or whatever gets in there now. You need a vehicle. You need access to a large area to blow up the White House. But if you did have the trunk full of explosives, and they simply pulled up in front on Pennsylvania Avenue, you would damage and destroy the White House.

What this amendment does is ask the Secret Service to certify that the plan protects the security of the people who live in and work in the White House. That does not seem like that is too outlandish. There have been many alternatives considered and suggested, but the options have simply been deemed unworkable. The panel required full explanation of all possible alternatives and why these would not work before concurring to close the avenue. Closing the avenue was something that was done as a last resort. In addition, physical barriers such as walls and berms were not viable for a number of obvious reasons.

Mr. President, in the last 4 years, studies have revealed that 45 percent of terrorist incidents have included the use of explosives. What greater symbol is there in the United States than the White House? I guess the second greatest symbol would be the Capitol complex here. For terrorists, vengeance is a motive, and the White House is a symbolic target.

The means are available to attack the White House if the avenue remains open. It does not have to be a sophisticated apparatus. An abundance of explosive materials is available to the public with an ease of delivery and destruction of a target. You need a vehicle to do it. In fact, the World Trade Center conspirators were convicted of conspiracy to blow up symbolic targets. Not only the World Trade Center, which they blew up, but the Holland Tunnel and the FBI office in New York.

To illustrate the effect of an incident to the American people, 33 years after President Kennedy was assassinated, this country continues to deal with the ramifications from that incident. It is impossible to have a public debate on the issues prior to the closure of the avenue. This would have created a window of opportunity. Therefore, the information was held to a small group of people. In fact, since closure of Pennsylvania Avenue, more information is available than the Secret Service would like with respect to the vulnerability of the White House.

In recent years, other official residences of heads of State have closed off vehicular traffic in proximity to their facilities. We know that canines remain the best source of explosive detection. We are not talking about a perceived threat, Mr. President. The threat is a real threat. I repeat again, the Secretary of the Treasury said within the last hour and a half that it is imperative that area remain blocked off.

There are terrorists here in this country, and it is everyone's responsibility to limit the opportunity for them to carry out their evil acts. The closing of Pennsylvania Avenue contains a real public safety issue. If you provide access to the target, then you are endangering the public and both those who work in and around the White House.

Mr. President, I do not think we should consider this giving in to terrorists because we blocked off Pennsylvania Avenue.

I do not think we should consider it a victory for terrorists because we have closed off Pennsylvania Avenue. Rolling up the White House would be a victory for the terrorists, not limiting their access to it. If this is perceived as giving in to terrorism, then what about people at night when they lock their doors before they go to sleep? Are they giving into the unlawful elements of our society? When you leave your home to go shopping or go to work and you lock your door, are you giving in to the unlawful elements of your community?

I think, Mr. President, that we should not allow the sense-of-the-Senate resolution to be adopted, unless we put this simple amendment on it, saying let us at least have the Secret Service certify that it is safe, whatever plan we come up with, whether it is vehicular traffic or otherwise.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I want to back the statement of the Senator from Nevada. There has been no committee hearing on this. This bill is pending before the Governmental Affairs Committee. We have not had the hearing, we have not had the Secret Service people up, and we have not had testimony on what the danger is. Much of it, as I understand it, is classified. So we can have closed hearings, and everybody would know then what we are doing.

If we want to be this cavalier about how we are treating people at the White House, let us take all the flower pots out that protect the Capitol here, which prevent vehicular traffic here; let us take them out. I was amazed to find out that L'Enfant and George Washington did not somehow think it was nice to have a Capitol like this. But George Washington and L'Enfant did not have to deal with things like the Oklahoma bombing, the Unabomber, and everything else.

We have not had the first hearing on this, and here we are voting to take this off from in front of the White House after danger has been assessed, and it is done by a bipartisan group—Coleman and Webster were both on that. We are so cavalier about the White House, why do we not include this and have a second-degree amendment and take off all the protection all over the Nation's Capital, including at the Capitol right here—if we are so brave about this. Let people pull their vans up beside the Russell Building, which is blocked off, and behind the Hart Building, where my office happens to be.

We have very good reasons for thinking some of these protections are necessary and so does the White House. I think this vote was ridiculous. If we are going to take it off at the White House, take it off here and let us face the same danger together. Otherwise, let us agree with the people that have made this assessment, who were on this review committee, and say, yes, we need to assess this very carefully. We are about to do, with legislation, here what we should not be doing unless we have a very thorough hearing and understanding of the White House personnel.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in support of the measure of the Senator from Nevada. I would like to put it in a certain context. The first thing to know, if we are talking about our original plans, is that the L'Enfant plan connects what was termed the "Congress' House" with the "President's House," at either end of Pennsylvania Avenue. It is the center of the plan. It is in a sense a diagram of the Constitution—the separation of powers in a unified Government.

Pennsylvania Avenue, in that original plan, comes to the Capitol Grounds, stops at the west end, and then resumes at the east end. That is the present arrangement on Capitol Hill. The identical arrangement was to be found at the west end of the avenue. The avenue moved up to the Presidential grounds, then stopped and resumed further west. That was before the Treasury Building was built, and before any roads were built. The city, at that point, was still very much a marshland, with this magnificent plan still to be realized.

I have been working for 35 years on the redevelopment of Pennsylvania Avenue, from the time President Kennedy, in his inaugural parade, looked to his left and to his right, south and north, at the avenue and found it was being abandoned. The center of the city, as the center of many cities, was just falling down. The city was moving out Wisconsin Avenue, out Connecticut Avenue. The Federal triangle was unfinished on the south side, which had begun under Andrew Mellon and President Hoover, following the McMillan plan of 1900, which gave us Union Station. It got the railroads off The Mall, for example. To the north, the Avenue was all but abandoned—two- and three-story buildings were empty, except for the occasional storefront selling firecrackers.

President Kennedy proposed redevelopment of the avenue. A commission was established. Nathaniel Owings was Chairman. Presidents Johnson, Nixon, Ford, Carter, Reagan, Bush, and now President Clinton, have worked on it with great care. We are just about completed. The Ronald Reagan Building, now three-quarters completed, will finish the Federal triangle. That site, sir, was cleared in 1928. So you cannot say we have been in any great rush to do this. And now just as we finish the route to the White House, we have this security problem.

I say to my friend from Nevada that President Clinton did a fine thing in establishing a committee headed by Roger Kennedy, who is the Director of the Park Service, an architectural historian of great talent. His works are incomparably intelligent. Orders From France, is but one example.

The committee has come up with a plan, which would extend the park northward in the manner envisioned by L'Enfant. But it need not be a barrier to the movement of people and vehicles along the avenue. An underpass could be completed that would serve this purpose. It is just so important that we not define ourselves as a beleaguered, besieged nation. Suggestion has been made by the ranking member of the Governmental Affairs Committee, the distinguished Senator from Ohio, that we get rid of the pots and barriers around the Capitol. Fine. We could extend the Capitol park down the western side of the Russell Office Building, add to that whole park complex, do everything that is desired, without putting up what look like emergency barriers.

That is not the message we want to send to ourselves and to the world. We can also do what is necessary for security at the White House without declaring us to be a nation under siege. We are not, and we should not say so. We are the most powerful nation on Earth. With equanimity and care we can take care of these difficulties. I hope we do.

Mr. REID. Will the Senator yield?

Mr. MOYNIHAN. I yield the floor.

Mr. REID. Before the Senator leaves the floor, Mr. President, through you to the distinguished Senator from New York, I want the RECORD to be spread with the fact that because of his diligent work—I do not know of anyone who is more responsible for driving down Pennsylvania Avenue today and seeing beautiful buildings and structures. The Pennsylvania Avenue Development Corporation in itself was a work of art.

One of the first things I did upon coming here on the Appropriations Committee was sit in on occasion for the distinguished senior Senator from West Virginia and conduct those hearings on the Pennsylvania Avenue Development Corporation and listen to the enthusiasm of the people on that corporation and what they were going to do. Now you drive down the street, and it has been done.

I further want the RECORD to be spread with the fact that I serve on the Public Works Committee with the distinguished senior Senator from New York. I can remember when we legislated a building on that ugly Federal triangle, a blank piece of dirt that was there. Now you drive by there and you see the thriving work that is there and that building which will add to the beauty of our Nation's Capital.

So I appreciate the Senator and what the Senator from New York said. But I also want to make sure to say some things that the Senator could not say for himself. But for him, we may still be where we were when President Kennedy had his inaugural parade. It is a beautiful parkway.

I also will read something that I think the Senator from New York would agree with. This is from a tour magazine which people get when they come to the Nation's Capital. L'Enfant had hoped that the grass "* * * would serve as an extension of the White House grounds."

So the original vision of L'Enfant was to have that whole area as an additional containment of the White House. Jefferson decided that was not the thing to do at the time.

But I just want to make sure that the Senator from New York knows and appreciates that the people will know, when the history books are written, about the work which he has done to make this city beautiful as the Nation's Capital.

Mr. MOYNIHAN. Mr. President, I am very grateful to the Senator from Nevada.

Might I close with just one line? In President Kennedy's proposal for the redevelopment of Pennsylvania Avenue, which we are talking about, he said the avenue "should be lively, friendly, and inviting, as well as dignified and impressive."

I think we can achieve that in the immediate environs of the White House. It is just the next challenge. Let us go forward and do it in good spirit and unity.

I thank again the Senator from Nevada.

Mr. NUNN. Mr. President, it is my understanding that the Senator from Nevada has a second-degree amendment now pending. Is that correct?

Mr. REID. Yes. I received word, I say to my friend, the ranking member, from one of the managers of this bill. I understand from what the note said that they will accept the amendment.

Mr. NUNN. I believe we are willing to accept the amendment on both sides who favor the original amendment. So I would suggest that the Senator might call the question on this amendment, and we can move on.

I hope on Senator BINGAMAN's amendment on ASAT, we can get a time agreement, if that is satisfactory to the Senator from South Carolina. Then it is my understanding that Senator MURRAY has an amendment on abortion in overseas hospitals. If we can get a time agreement on both of those, I believe we can move both of those along in the next couple of hours. I would like Senator BINGAMAN to be notified that we are prepared to take up his amendment on ASAT and also enter into a time agreement that is satisfactory to him.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Virginia.

Mr. ROBB. Mr. President, as the Senator from Georgia just indicated, those of us who are cosponsoring the amendment are entirely prepared to accept the language proposed by the distinguished Senator from Nevada. Indeed, the language is entirely consistent with the intent of the sponsors of this particular amendment. At the conclusion of the consideration of this amendment, I am going to propose a motion to change one word in the amendment, and then I hope we will be able to take up the matter on final passage. But the language that the Senator from Nevada has suggested is not only consistent but entirely appropriate. I fully support it. I believe the distinguished Senator from Minnesota shares that same opinion.

Mr. REID. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I wanted to concur with what the Senator from Virginia said. Without objection, we are willing to accept the second-degree amendment of the Senator from Nevada. We would like to go ahead with a voice vote on that.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I am willing to lend my encouragement to end this debate. But I do not want to close it without a brief statement. I have an amendment that I was about to send to the desk that said, if we think that we can expose the White House with the infrastructure and the President of the United States and the people who work in the facility to passersby, then I think we should do the same thing out here on the Capitol Grounds. I think we ought to say that no life here is worth more than a life there and nothing that goes on here is more important than what goes on in the White House in the executive offices of this country. I am willing to forgo it. But, Mr. President, I want to make the point, before we close the debate as far as this Senator is concerned, that "do unto others" is not an admonition that ought to pass by here. I think we ought to treat this facility no differently than we treat the White House.

If we are going to open up that street, I assure you that I will be here with an amendment that says open up the whole plaza here. Let of the traffic come through. Let them park cars, vans, whatever they choose. Let them park at the Hart, Dirksen and the Russell Buildings. I love this picture that says for the American people we are going to protect the Capitol, protect the Senators, and protect the Congressmen, but the President, let him beware.

That is the conclusion of my remarks. Mr. President, I congratulate the Senator from Nevada for his amendment to this proposition. Thank you.

The PRESIDING OFFICER. The question is on the second-degree amendment of the Senator from Nevada.

The amendment (No. 4056) was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBB. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

AMENDMENT NO. 4052, AS AMENDED, AS MODIFIED

Mr. ROBB. Mr. President, the amendment was never designed to be partisan nor to attack, certainly, the President. I would never have been a part of it. It was designed to try to clarify something that has been very troubling to many of the people who are directly involved, both for symbolic reasons as well as for practical reasons, in terms of the traffic flow of the Nation's Capital. I have lived in and around this area for 40 of my 57 years, or most of the last 40 of my 57 years. I am quite familiar with the traffic patterns and the inconvenience to those who have to traffic the area every day. I am very conscious of the symbolism of our Nation's Capital, and particularly the President's house.

I have discussed with the chief sponsor of the amendment the changing of one word that I think might make our intention even clearer. That would be to substitute the word "request" for the word "direct" which is contained on page 3, line 18. It would then read that it is the sense of the Senate that the President should request the Department of the Treasury and the Secret Service to work with the government of the District of Columbia to develop, et cetera.

I think there have been connotations that this is attempting to micromanage, or to take action that would be inappropriate. I fully respect those who have spoken and those who have concerns. It ought to be considered appropriately by the committees of jurisdiction. But we need to have a resolution of this question.

I applaud the Senator from Minnesota for bringing the question to our attention.

I move, Mr. President, to strike the word "direct" and insert the word "request" on line 18, page 3.

The PRESIDING OFFICER. Is there objection to modifying the amendment?

Mrs. BOXER. Mr. President, reserving the right to object, and I shall not object.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I shall not object. I would like to make an observation. I would like to wait until other Senators have spoken.

What is the parliamentary situation at the moment?

The PRESIDING OFFICER. A unanimous-consent request is pending to modify the existing amendment.

Mrs. BOXER. Let me just make a very brief remark reserving my right to object, if I might, which is this: I am going to support this amendment. I am glad there is agreement. But I really wonder sometimes where I am around here, if this is the city council or if this is the Senate of the United States of America.

I think it is very important that we address the issue of security for the President. We are in this amendment. And that we look at how we can make Pennsylvania Avenue work. But I have to say, Mr. President, and the reason I reserve my right to object, it is awfully frustrating to someone who would like to see us raise the minimum wage and to someone who would like to see us get to the issue of health care that we are on the defense bill and we are talking about Pennsylvania Avenue. With all due respect, I would not object at this time, but I do hope we can move forward and get on with this bill and others to make life better for people.

I yield the floor.

The PRESIDING OFFICER. Without objection, the modification is made.

The amendment, as amended, as modified, is as follows:

At the appropriate place in the bill, insert the following:

SEC. . SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) In 1791, President George Washington commissioned Pierre Charles L'Enfant to draft a blueprint for America's new capital city; they envisioned Pennsylvania Avenue as a bold, ceremonial boulevard physically linking the U.S. Capitol building and the White House, and symbolically the Legislative and Executive branches of government.

(2) An integral element of the District of Columbia, Pennsylvania Avenue stood for 195 years as a vital, working, unbroken roadway, elevating it into a place of national importance as "America's Main Street".

(3) 1600 Pennsylvania Avenue, the White House, has become America's most recognized address and a primary destination of visitors to the Nation's Capital; "the People's House" is host to 5,000 tourists daily, and 15,000,000 annually.

(4) As home to the President, and given its prominent location on Pennsylvania Avenue and its proximity to the People, the White House has become a powerful symbol of freedom, openness, and an individual's access to their government.

(5) On May 20, 1995, citing possible security risks from vehicles transporting terrorist bombs, President Clinton ordered the Secret Service, in conjunction with the Department of the Treasury, to close Pennsylvania Avenue to vehicular traffic for two blocks in front of the White House.

(6) While the security of the President and visitors to the White House is of grave concern and is not to be taken lightly, the need to assure the President's safety must be balanced with the expectation of freedom inherent in a democracy; the present situation is tilted too heavily toward security at freedom's expense.

(7) By impeding access and imposing undue hardships upon tourists, residents of the District, commuters, and local business owners

and their customers, the closure of Pennsylvania Avenue, undertaken without the counsel of the government of the District of Columbia, has replaced the former openness of the area surrounding the White House with barricades, additional security checkpoints, and an atmosphere of fear and distrust.

(8) In the year following the closure of Pennsylvania Avenue, the taxpayers have borne a significant burden for additional security measures along the Avenue near the White House.

(b) Sense of the Senate.—It is the sense of the Senate that the President should request the Department of the Treasury and the Secret Service to work with the Government of the District of Columbia to develop a plan for the permanent reopening to vehicular traffic of Pennsylvania Avenue in front of the White House in order to restore the Avenue to its original state and return it to the people.

At the end of the amendment add the following: *Provided*, That the Secretary of the Treasury and the Secret Service certify that the plan protects the security of the people who live and work in the White House.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Minnesota and the Senator from Virginia.

The amendment (No. 4052), as amended, as modified, was agreed to.

AMENDMENT NO. 4057

(Purpose: To express the sense of the Senate that the United States-Japan Semiconductor Trade Agreement should be renegotiated)

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I ask unanimous consent that the Kyl amendment and the pending committee amendments be laid aside for the purpose of offering an amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CRAIG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. Craig], for himself, Mr. Bingaman, Mr. Kempthorne, Mr. Baucus, Mr. Burns, Mr. Dorgan, Mrs. Feinstein, Mr. Hatch, Mr. Levin, Ms. Snowe, Mr. Murkowski, Mrs. Boxer, and Mr. Cohen, proposes an amendment numbered 4057.

Mr. CRAIG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle F of title X, add the following:

SEC. . SENSE OF SENATE REGARDING THE UNITED STATES-JAPAN SEMICONDUCTOR TRADE AGREEMENT.

(a) Findings.—The Senate makes the following findings:

(1) The United States and Japan share a long and important bilateral relationship which serves as an anchor of peace and stability in the Asia Pacific region, an alliance which was reaffirmed at the recent summit meeting between President Clinton and Prime Minister Hashimoto in Tokyo.

(2) The Japanese economy has experienced difficulty over the past few years, demonstrating that it is no longer possible for Japan, the world's second largest economy, to use exports as the sole engine of economic growth, but that the Government of Japan must promote deregulation of its domestic economy in order to increase economic growth.

(3) Deregulation of the Japanese economy requires government attention to the removal of barriers to imports of manufactured goods.

(4) The United States-Japan Semiconductor Trade Agreement has begun the process of deregulation in the semiconductor sector and is opening the Japanese market to competitive foreign products.

(5) The United States-Japan Semiconductor Trade Agreement has put in place both government-to-government and industry-to-industry mechanisms which have played a vital role in allowing cooperation to replace conflict in this important high technology sector.

(6) The mechanisms include joint calculation of foreign market share, deterrence of dumping, and promotion of industrial cooperation in the design of foreign semiconductor devices.

(7) Because of these actions under the United States-Japan Semiconductor Trade Agreement, the United States and Japan today enjoy trade in semiconductors which is mutually beneficial, harmonious, and free from the friction that once characterized the semiconductor industry.

(8) Because of structural barriers in Japan, a gap still remains between the share of the world market for semiconductor products outside Japan that the United States and other foreign semiconductor sources are able to capture through competitiveness and the share of the Japanese semiconductor market that the United States and those other sources are able to capture through competitiveness, and that gap is consistent across the full range of semiconductor products as well as a full range of end-use applications.

(9) The competitiveness and health of the United States semiconductor industry is of critical importance to the overall economic well-being and high technology defense capabilities of the United States.

(10) The economic interests of both the United States and Japan are best served by well functioning, open markets, deterrence of dumping, and continuing good cooperative relationships in all sectors, including semiconductors.

(11) A strong and healthy and military and political alliance between the United States and Japan requires continuation of the industrial and economic cooperation promoted by the United States-Japan Semiconductor Trade Agreement.

(12) President Clinton has called on the Government of Japan to agree to a continuation of a United States-Japan Semiconductor Trade Agreement beyond the current agreement's expiration on July 31, 1996.

(13) The Government of Japan has opposed any continuation of a government-to-government agreement to promote cooperation in United States-Japan semiconductor trade.

(b) Sense of Senate.—It is the sense of the Senate that—

(1) it is regrettable that the Government of Japan has refused to consider continuation of a government-to-government agreement to ensure that cooperation continues in the semiconductor sector beyond the expiration of the Semiconductor Trade Agreement on July 31, 1996; and

(2) the President should take all necessary and appropriate actions to ensure the continuation of a government-to-government United States-Japan Semiconductor Trade Agreement before the current agreement expires on that date.

(c) Definition.—As used in this section, the term "United States-Japan Semiconductor Trade Agreement" refers to the agreement between the United States and Japan concerning trade in semiconductor products, with arrangement, done by exchange of letters at Washington on June 11, 1991.

Mr. CRAIG. Mr. President, I will keep my remarks brief because it is my understanding that the amendment I have just sent to the desk has, in fact, been cleared by both sides.

Mr. President, as we surf the Net, drive our car to work, or complete a training mission in our F-16 fighter, we do not ask "How is this possible?" We simply go about the task at hand.

However, there is a common thread that drives technology in our lives, the everpresent semiconductor. Semiconductors are an increasingly pervasive aspect of everyday life, enabling the creation of the information superhighway and the functioning of everything from automobiles to advanced medical equipment.

Semiconductors are also the linchpin of our national defense capabilities. For example, the current design of the F-16 fighter includes 17,000 electronics components.

Mr. President, that is why I am offering an amendment today, with Senator Bingaman and 11 of our colleagues, that express the sense of the Senate that the United States-Japan Semiconductor Trade Agreement should be renegotiated.

The United States-Japan Semiconductor Trade Agreement is due to expire in July of this year. This trade agreement has a successful track record in opening Japanese markets and discouraging the dumping of semiconductor products by Japanese companies in the United States.

Mr. President, the United States and Japan have had a long history of difficulty in this area of trade relations. In 1986, when the first United States-Japan Semiconductor Agreement was signed, foreign share in the Japanese semiconductor market averaged only 8.4 percent annually. In the mid-1980's, the International Trade Commission determined that Japanese companies had dumped DRAM's, a commodity memory chip, into the United States market in an attempt to gain market share through predatory pricing. As a result, 9 of 11 American DRAM manufacturers were driven out of the market.

The United States-Japan Semiconductor Trade Agreement has made significant progress in countering these unfair trade practices. The agreement has opened the Japanese semiconductor market to foreign producers, with foreign market share growing to 25 percent in 1995.

The agreement has also discouraged dumping practices by requiring Japanese firms to have appropriate data regarding costs available on a standby basis. This allows the Department of Commerce to conduct a fast track investigation, so that there is a swift imposition of a remedy if dumping is found, or ends the possibility of litigation if there is no evidence of dumping.

Mr. President, the agreement has been very effective in easing the problems associated with this area of United States-Japan trade relations.

Earlier this week, the United States Trade Representative's office announced that the foreign share of Japan's semiconductor market increased during the first quarter of 1996 to a record high of 30.6 percent.

Acting USTR Charlene Barshefsky responded in a written statement, that this improvement "demonstrates the progress that can be achieved when the United States and Japan work together in a cooperative spirit and is a tribute to strenuous efforts that both sides have made to improve market access and strengthen industry cooperation under the United States-Japan Semiconductor Agreement. It is essential that we preserve and continue this effort."

Mr. President, this, and other recent developments are positive news. However, they provide added incentive to ensure that this important trade agreement be renewed. Given the range of trade issues currently being addressed between the United States and Japan, it would not be in our interest for another area of contention in trade to develop.

There is some evidence that the worldwide semiconductor industry may now be entering into a period when supply will exceed demand. Renewal of the United States-Japan Semiconductor Agreement has become even more important because of the recent drop in DRAM memory semiconductors. Prices, which have fallen by over 70 percent since the beginning of the year, are now at levels which are below many producers' costs.

This kind of dumping has thrown the market into uncertainty and has injured U.S. producers. This type of injury and uncertainty is what the agreement is designed to address, and has done so successfully for years.

If current trends continue, the United States-Japan agreement becomes even more vital to our national interest, since the protection it provides is doubly necessary to discourage dumping in a period of oversupply.

American semiconductor manufacturers are among the most efficient in the world, but they cannot be expected to compete against unfair trade practices.

More important, it is vital to our defense interests, because we cannot afford to lose this important industry as a result of predatory dumping, similar to what existed prior to the agreement.

In his speech at the Semiconductor Industry Association's annual awards dinner, Secretary of Defense William Perry noted the importance of this industry in meeting our defense and security needs.

In short, the competitiveness and health of the U.S. semiconductor industry is of critical importance to the overall economic well-being and high technology defense capabilities of the United States.

THE CASE FOR RENEWAL OF THE AGREEMENT

The purpose of both the 1986 and the 1991 United States-Japan Semiconductor Agreements is to allow foreign manufacturers equitable access to the Japanese semiconductor market, and to discourage Japanese dumping in the United States market. In short, the goal of the agreement is to open the Japanese market to the point where sales generally occur without respect to the nationality of the supplier.

U.S. semiconductor manufacturers are extremely competitive in all open markets across a wide range of applications and a wide range of products. However, there remains a sharp disparity, between the market share United States manufacturers account for outside the United States and Japan, and the share they account for inside Japan.

In the world market, excluding the United States and Japan, American manufacturers accounted for 40 percent of all semiconductor sales in 1995. United States semiconductor makers accounted for only 18 percent of sales in the Japanese market that same year.

The significant disparity between United States sales outside Japan and sales inside Japan indicates that sales in that country are not always made solely on the basis of market forces such as technology, price, quality, service, and delivery.

It is important to note that the disparity is not explained by the argument that the United States industry does better in the United States and the Japanese industry does better in Japan.

A comparison of the 40-percent share United States firms earn in world markets outside both the United States and Japan with the 18-percent share United States firms have in Japan demonstrates that a significant gap remains. But there is only a small difference between the 23-percent share Japanese firms have in the United States market and the 27-percent share they have in world markets outside both the United States and Japan.

KEY POINTS FOR A RENEWED AGREEMENT

Mr. President, as I already mentioned, the current semiconductor agreement expires July 31, 1996. It is essential that a new government-to-government agreement be negotiated with Japan before that time.

The Japanese electronic industry has proposed an industry-to-industry agreement with no government involvement as a replacement for the current agreement. An industry-level agreement is completely unacceptable. It would not ensure continued progress in increasing foreign market access in Japan, nor would it provide the necessary guarantee against Japanese dumping in our market.

Important features of a new government-to-government semiconductor agreement are:

It should provide for joint United States-Japanese Government calculation and publication of foreign market share in Japan;

And, it should provide for regular government-to-government consultations to assess progress in increasing foreign market access. These provisions regarding the governments' oversight roles are critical to ensuring continued progress.

Market access in Japan is critical for the continued growth and strength of the United States semiconductor industry. In 1995, the Japanese semiconductor market was $39.6 billion. It is expected to grow to $57.1 billion by 1999. Every percentage point increase in United States market access in Japan is therefore worth hundreds of millions of dollars in increased United States exports, thousands of additional jobs in the United States, and a stronger domestic industry to meet our growing national security and defense needs.

STATUS OF NEGOTIATIONS

Mr. President, bilateral talks are expected to begin this week. There is reason to be cautiously optimistic about this development; however, it is imperative that the Japanese Government be prepared to discuss in good faith the role that government must continue to play in deregulating the Japanese semiconductor market and continuing the process of opening that market.

Mr. President, the deadline for the expiration of the United States-Japanese Semiconductor Agreement is fast approaching. No new progress toward renegotiation of this important trade agreement has been made. Meetings have now occurred, which is certainly a step in the right direction. However, Japanese and American officials just ended 12 days of unofficial semiconductor trade talks yesterday in Tokyo that yielded little progress. The next step will be a sub-Cabinet-level meeting held here in Washington tomorrow and Friday between MITI Vice Minister of International Affairs Yashihiro Sakamoto and Ira Shapiro, Ambassador in Charge of Japan and Canada at the Office of the United States Trade Representative.

Mr. President, these current events emphasize the importance of the message being sent today by the Senate, and that is that the United States-Japanese Semiconductor Agreement should be—and, most importantly, must be—renegotiated. Given the range of trade issues currently being addressed between our two nations, it would not be in either of our interests for another area of contention in trade to develop. Therefore, it is essential that a new government-to-government agreement be negotiated with Japan before the current agreement expires on July 31.

Mr. President, I have no further comments on this amendment.

Mr. HATCH. Mr. President, I want to add my support to the amendment regarding the United States-Japan Semiconductor Agreement.

The United States-Japan Semiconductor Agreement, first concluded in 1986, and renewed in 1991, has led to tremendous progress in opening the Japanese market. It has provided the framework for discussing trade issues before they became problematic and has been the catalyst for increasing cooperation between United States semiconductor makers and Japanese semiconductor-consuming industries. It has also promoted fair trade in the marketplace and, at least until recently, has helped to avoid situations of injurious dumping.

The current agreement expires at the end of July. It must be renewed. Moreover, both governments must play a significant role in any renewed agreement. Government-to-government involvement provides essential support and encouragement to all industry efforts, and permits the collection of relevant data regarding the calculation of market share. The agreement will not work unless this data can form the basis of the accountability in product pricing that can avoid antidumping actions.

Renewal of the United States-Japan Semiconductor Agreement has become even more important because of the recent dramatic price declines for memory chips. Average sales prices have fallen by over 70 percent in recent months. These prices are so low, in fact, that the specter of significant injurious dumping is again a reality. Dumping throws markets into a panic. This type of uncertainty and disruption must not take place again. I urge the President to use all the means at his disposal to conclude a renewed agreement before the current one expires on July 31.

Mr. KEMPTHORNE. Mr. President, I rise today in support of an amendment to express the sense of the Senate that the United States-Japan Semiconductor Trade Agreement be renegotiated. The current semiconductor agreement expires July 31, and it is essential that a new government-to-government agreement be negotiated with Japan prior to the expiration date.

The importance of semiconductors should not be underestimated. They are an increasingly pervasive aspect of everyday life, enabling the creation of the information superhighway and the functioning of everything from automobiles to advanced medical equipment. Semiconductors are also the fulcrum of our national defense capabilities. U.S. semiconductor manufacturers employ 260,000 people nationwide. Their products are the driving force behind the nearly $400 billion U.S. electronics industry, which provides employment for 2.5 million Americans. Our semiconductor industry is the world's largest and it has habitually been the market leader. U.S. sales, last year, totaled $59 billion, representing almost 41 percent of the $144 billion global market.

It is anticipated that the world semiconductor market will double by the year 2000, with projected sales of over $300 billion. Market access in Japan is critical for the continued growth and strength of the United States semiconductor industry. In 1995, the Japanese semiconductor market was $39.6 billion. It is expected to grow to $57.1 billion by 1999. It is well accepted that every percentage point increase in United States market access in Japan is worth hundreds of millions of dollars in increased United States exports and approximately thousands of additional jobs in the United States.

In 1986, President Reagan vigorously sought and concluded a 5-year agreement with the Government of Japan to grant foreign access to its semiconductor market. The primary purpose of the 1991 United States-Japan semiconductor agreement, like the 1986 agreement which preceded it, is to allow foreign manufacturers equitable access to the Japanese semiconductor market. The objective of the agreement is to level the playing field and open the Japanese market to the point where sales generally occur without respect to the nationality or origin of the supplier. The semiconductor agreement has led to tremendous progress in opening the Japanese market. Foreign share increased from 8.5 percent in 1985 to 25.4 percent in 1995. Of this 25.4 percent foreign share, the U.S. industry has 18 percent market share.

It is quite apparent that U.S. semiconductor manufacturers are extremely competitive in all open markets across a wide range of applications and a wide range of products. There remains a sharp disparity, however, between the share United States manufacturers account for in the neutral world markets outside the United States and Japan and the share they account for inside Japan. In the world market, excluding the United States and Japan, American manufacturers accounted for 40 percent of all semiconductor sales in 1995. United States semiconductor makers accounted for only 18 percent of sales in the Japanese market that same year. This huge difference in United States sales outside Japan and sales inside Japan is further evidence that sales in that country are, unfortunately, still not always made solely on the basis of market forces such as technology, price, quality, service, and delivery.

Statements that attempt to rationalize the inability of American manufacturers to gain adequate access to the Japanese semiconductor market tend to focus on the belief that it is purely natural that the United States industry does better in the United States and the Japanese industry does better in Japan—this is simply not true. A comparison of the 40 percent share United States firms earn in world markets outside both the United States and Japan with the 18 percent share United States firms have in Japan demonstrates that significant gap remains. But there is only a small difference between the 23 percent share Japanese firms have in the United States market and the 27 percent share they have in world markets outside both the United States and Japan.

This week, acting-U.S. Trade Representative Charlene Barshefshy is in Tokyo to hold inform bilateral talks. Although, I am cautiously optimistic about this development, it is imperative that the Government of Japan understand and be prepared to discuss in good faith the role that government must continue to play in deregulating the Japanese semiconductor market and continuing the process of opening that market. The Government of Japan must also resist efforts by its electronics industry to install an industry-to-industry agreement with no government involvement as a replacement for the current agreement. Such an industry-to-industry agreement would not ensure continued progress in increasing foreign market access in Japan and is totally unacceptable.

A government-to-government semiconductor agreement will provide for joint United States-Japan Government calculation and publication of foreign market share in Japan and that it provide for regular government-to-government consultations to assess progress in increasing foreign market access. These provisions regarding the governments' oversight roles are critical to ensuring continued progress and are totally within the true spirit of competition.

Mrs. FEINSTEIN. Mr. President, I rise in support of the Craig-Bingaman amendment, urging the renewal of our semiconductor agreement. The agreement has reduced trade friction and promotes private sector cooperation. It is essential that a new government-to-government agreement is negotiated with Japan before the current agreement is allowed to expire on July 31.

The United States and Japan have a significant stake in trade harmony in this important economic sector. The current $100 billion world market for semiconductors is expected to grow to $300 billion by the year 2000. The semiconductor industry is the basis of our electronics industry and an increasingly pervasive part of our everyday life.

This agreement, first signed in 1986, creates a regular framework for business and government leaders to meet and review trade issues and business trends. This framework has helped build smooth, steady growth in the industry, defused potential disputes, and promoted trade harmony, rather than the hostility that has characterized other trade sectors.

As a replacement, the Japanese electronics industry proposes an industry-to-industry agreement with no government involvement. This industry agreement is unacceptable.

It would take no action to ensure continued progress to increase foreign market share in Japan. Without an agreement, in a market downturn, United States producers could be cut out of segments of the Japanese market.

A strong government oversight role is fundamental to enforcing the integrity of the semiconductor market under the agreement. The government-to-government semiconductor agreement must be renewed in order to provide for the gathering and publication of market share data and provide for the regular meetings of industry leaders to review market and industry issues.

Market access in Japan is critical for the continued growth and strength of the United States semiconductor industry. The $39 billion Japanese semiconductor market is expected to grow to $57.1 billion by 1999. Each percentage point increase in United States market access in Japan represents hundreds of millions of dollars in increased sales and United States jobs.

Representatives of the United States semiconductor industry recently met in Hawaii with their Japanese counterparts to try to reach agreement on future United States-Japan cooperation on semiconductor issues. During the meetings, the Japanese company executives submitted a confidential proposal to continue cooperation in semiconductors, but refused to discuss the role of the Government in ensuring the agreement.

At the same time, the Japanese Government insisted it could not discuss the agreement with the United States Government unless and until an industry level agreement is reached. This rigid insistence appears deliberately designed to deadlock discussions until the current agreement expires in July.

The United States industry—in close consultation with USTR—has decided that it cannot and will not continue to meet with Japanese company leaders under these circumstances, but will respond to proposals put forth by the Japanese companies.

Mr. President, the purpose of the 1991 agreement, like the 1986 agreement which preceded it, is to allow foreign manufacturers equitable access to the Japanese semiconductor market. The agreement seeks to open the Japanese market to the point where sales generally occur without respect to the nationality of the supplier.

The semiconductor agreement has been a tremendous success and must be continued. Under the agreement, the foreign share of the Japanese increased from 8.5 percent in 1985 to 25.4 percent in 1995. Of this 25-percent share, the U.S. firms have an 18-percent market share.

The United States semiconductor manufacturers, many of them based in my State of California, make the best product in the world and are extremely competitive in all open markets across the full range of applications and products.

However, United States manufacturers have been less successful in the Japanese market than in the neutral world markets outside of the United States and Japan.

In neutral markets, American manufacturers represent 40 percent of all semiconductor sales last year.

In Japan, United States semiconductor makers accounted for only 18 percent of 1995 sales, a gap consistent across the full range of semiconductor products and applications.

By contrast, there is only a small difference between the 23-percent share Japanese firms have in the United States market and the 27-percent share they have in neutral markets.

The disparity between United States sales outside and inside the Japanese market suggests semiconductor sales in that country are, unfortunately, still not always made solely on the basis of market forces such as technology, price, quality, service, and delivery. Current market conditions require the continuation of the United States-Japan agreement.

Mr. President, the United States-Japan semiconductor agreement reduces trade friction and promotes private sector cooperation, rather than Government enforcement. For both countries, the extension would represent an opportunity to continue the current, mutually beneficial relationship and should not to be allowed to slip by.

The Clinton administration deserves credit for endorsing renewal and raising this issue during bilateral meetings. However, the Japanese Government should understand very clearly that the desire to extend the agreement is shared by Congress as well. I am pleased to support the amendment.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, we favor the Craig amendment on this side, and I recommend it be accepted.

Mr. THURMOND. Mr. President, we favor the Craig amendment and recommend it be accepted.

Mr. CRAIG. Mr. President, I urge adoption of my amendment.

The PRESIDING OFFICER. The question now occurs on agreeing to the Craig amendment.

The amendment (No. 4057) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. I ask unanimous consent that the time on the Bingaman amendment be limited to 40 minutes equally divided in the usual form, that no amendments be in order, and that following the use or yielding back of time, the Senate proceed to vote on or in relation to the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 4058

(Purpose: To strike out provisions that predetermine the outcome of an ongoing Department of Defense study on space control and to provide a framework for space control decisions to be made)

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendments will be laid aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 4058.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 32, strike out line 22 and all that follows through page 33, line 21, and insert in lieu thereof the following:

SEC. 212. SPACE CONTROL ARCHITECTURE STUDY.

(a) REQUIRED CONSIDERATION OF KINETIC ENERGY TACTICAL ANTISATELLITE PROGRAM.—The Department of Defense Space Architect shall evaluate the potential cost and effectiveness of the inclusion of the kinetic energy tactical antisatellite program of the Department of Defense as a specific element of the space control architecture which the Space Architect is developing for the Secretary of Defense.

(b) CONGRESSIONAL NOTIFICATION OF ANY DETERMINATION OF INAPPROPRIATENESS OF PROGRAM FOR ARCHITECTURE.—(1) If at any point in the development of the space control architecture the Space Architect determines that the kinetic energy tactical antisatellite program is not appropriate for incorporation into the space control architecture under development, the Space Architect shall immediately notify the congressional defense committees of such determination.

(2) Within 60 days after submitting a notification of a determination under paragraph (1), the Space Architect shall submit to the congressional defense committees a detailed report setting forth the specific reasons for, and analytical findings supporting, the determination.

(c) REPORT ON APPROVED ARCHITECTURE.—Not later than March 31, 1997, the Secretary of Defense shall submit to the congressional defense committees a report on the space control architecture approved by the Secretary. The report shall include the following:

(1) An assessment of the potential threats posed to deployed United States military forces by the proliferation of foreign military and commercial space assets.

(2) The Secretary's recommendations for development and deployment of space control capabilities to counter such threats.

(d) Funding.—(1) The Secretary of Defense shall release to the kinetic energy tactical antisatellite program manager the funds appropriated in fiscal year 1996 for the kinetic energy tactical antisatellite program. The Secretary may withdraw unobligated balances of such funds from the program manager only if—

(A) the Space Architect makes a determination described in subsection (b)(1); or

(B) a report submitted by the Secretary pursuant to subsection (c) includes a recommendation not to pursue such a program.

(2) Not later than April 1, 1997, the Secretary of Defense shall release to the kinetic energy tactical antisatellite program manager any funds appropriated for fiscal year 1997 for a kinetic energy tactical antisatellite program pursuant to section 221(a) unless—

(A) the Space Architect has by such date submitted a notification pursuant to subsection (b); or

(B) a report submitted by the Secretary pursuant to subsection (c) includes a recommendation not to pursue such a program.

Beginning on page 42, strike out line 15 and all that follows through page 43, line 9.

Mr. BINGAMAN. Mr. President, this is a very simple amendment. It proposes to delete two provisions that have been included in the bill. The effect of the provisions that are in the bill is that they would prejudge an ongoing study that the Pentagon is doing on space control and antisatellite weapons. These provisions that I am proposing to delete would impose on the Pentagon a kinetic energy antisatellite weapon which is generally referred to as KE–ASAT, which may well be one of the least attractive options available to the Pentagon for space control.

My amendment instead sets up a process whereby the Pentagon can complete its analysis of the ongoing space control architecture study and fund the KE–ASAT, the kinetic energy ASAT, only if the Secretary of Defense decides that it is a desirable option.

My amendment was defeated in the committee when I offered it by an 11-to-10 vote. I hope that we can succeed on the floor because we simply should not be imposing a technical solution to a complex problem on the Pentagon before they have told us what their space control architecture will be.

Mr. President, this is a fairly esoteric subject. There is no doubt that our military forces deployed overseas will be made more vulnerable by the proliferation of foreign military commercial satellite imaging capabilities in the coming years. I have been among several here in Washington and around the country pointing to that threat and urging the administration to develop diplomatic and military options to deal with the threat.

The Pentagon's own April 1996 report, "Proliferation Threat and Responsibilities," pointed to the growing availability of satellite imaging and noted—and here is a quote from that report:

> Iraq, for example, might have used such capability to discover that coalition forces had shifted their positions prior to ground operations in Operation Desert Storm. Obviously, such a discovery by Iraq could have cost many allied lives. A future General Schwarzkopf may not have absolute dominance of the space above the battle area that the real General Schwarzkopf enjoyed during Desert Storm as a result of the U.N. sanctions on Iraq.

To deal with this threat, a threat that the Pentagon does take seriously, the Pentagon has launched a space control architecture development effort under the Pentagon's space architect, Maj. Gen. Robert Dickman. The results of the study may be available as early as this fall, according to the testimony that was received in the Armed Services Committee. Unfortunately, instead of waiting for this study, section 212 of this bill, this defense authorization bill that we are considering today—section 212 of the bill takes all funding away from the space architect unless the Secretary of Defense includes the kinetic energy ASAT in the space control architecture being developed. Section 221(c) denies all funding for technical analysis, that is $35 million, denies all that funding to the Under Secretary for Acquisition and Technology unless the kinetic energy ASAT Program is pursued.

Mr. President, this is, I believe, the first example I have seen of a sort of double mandate being put into law, where we are saying not only will we deny all funds to the space architect in the Department of Defense if they do not come to the conclusion we want in this study, but we will also deny this $35 million to the Under Secretary for Acquisition and Technology unless they decide to pursue this particular option.

In my view we should not be using such a mandate to influence the outcome of an ongoing Pentagon study. The real reason for this mandatory language, I am afraid, is that many are concerned that the kinetic energy ASAT option will prove to be a very poor alternative in this ongoing study. Most previous studies of antisatellite capabilities have pointed toward directed energy options as preferable to the kinetic energy ASAT mandated by the bill. For example, the Air Force Science Board, in its "New World Vistas" study in air and space power for the 21st century earlier this year recommended both ground-based lasers and high-powered microwave systems over the kinetic energy ASAT systems. Here is a quote from that "New World Vistas" study. It says:

> Kinetic energy systems . . . are expensive. The vehicles are complex, and tracking and guidance must be precise. Most of the cost, however, is the result of maintaining readiness to launch within an acceptable time.

Mr. President, I am not opposed to the Pentagon's developing antisatellite capabilities to deal with the proliferation of foreign high-resolution imaging satellites. But we have to understand that these capabilities will be in the hands of a limited number of nations for the next 10 to 15 years, nations such as France, Russia, Israel, China, possibly India, and Japan. Would we really use a kill capability—which is what the kinetic energy ASAT is? This kinetic energy ASAT capability would collide with the satellite which it is directed against at very high speed. Would we really use this ability against one of those nations which I just listed, simply because they were making imagery available to a potential foe, such as Saddam Hussein, during a regional confrontation? Would our national leadership not prefer a capability that would disable or jam such a satellite when it was over our deployed forces but which would not permanently damage it?

The Air Force Science Board study to which I referred earlier points out that high power "microwave systems could be attractive because they have the potential to produce electronic upset without damaging the structure of a threat satellite." Similarly, a mobile ground-based laser system might be developed that can only damage a threat satellite if its shutters were open, not if it were in a shutdown mode. Such systems would provide our military commanders a military option to ensure the dominance of space by this country above the battle area, which General Schwarzkopf enjoyed during Desert Storm, without resulting in the escalation of a regional conflict.

The ideal space control capability is not one that destroys a foreign imaging satellite by colliding with it at high velocity and creating a diplomatic crisis that broadens a conflict as well as a cloud of space debris that will have adverse effects on peaceful space activities.

Mr. President, if there are more cost effective and more diplomatically effective approaches to space control, should we not allow the Pentagon to pursue those? The amendment I am offering leaves the $75.million in the bill which is presently there for tactical ASAT technology, without specifying what technologies we might be using it for. It eliminates the mandate forcing the use of the kinetic energy ASAT by the Pentagon. The amendment instead directs that the kinetic energy ASAT option be explicitly evaluated by General Dickman for the space control architecture, but it leaves the choice of whether to fund that option to the Pentagon. The Pentagon must also give Congress the results of its space control study by March 31, 1997.

This is the way in which we normally proceed when the Pentagon defines a threat, as they have in this case, and launches an effort to deal with that threat. We do not impose our solution to a highly complex problem before we have heard the Pentagon's own recommended solution.

Mr. President, the only testimony which the Senate received this year on this whole issue was from Gil Decker, the Assistant Secretary of the Army for Research and Acquisition, who told the Armed Services Committee that this is not an Army priority. This funding did not appear on any service wish list. This is hardly the basis for imposing this kinetic energy ASAT system on the Pentagon.

I urge my colleagues to support the amendment. That concludes my statement in support of it and I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Indiana.

Mr. COATS. Mr. President, it is my understanding the Senator from New Hampshire will be seeking some time to respond to the Senator from New Mexico and will be available to speak shortly. Let me just state we appear, now, to be making some progress on the bill. Relevant amendments are being debated and discussed and time limits are being sought. To the extent Members with amendments can notify us of their amendments and we can work out a time agreement, that would be preferable to keep us working late into the night.

REMOVAL OF INJUNCTION OF SECRECY—INTERNATIONAL NATURAL RUBBER AGREEMENT OF 1995, TREATY DOCUMENT NO. 104–27

Mr. COATS. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaty transmitted to the Senate on June 19, 1996, by the President of the United States.

International Natural Rubber Agreement of 1995, which is Treaty Document No. 104-27.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Mr. President, I further ask the treaty be considered as having been read for the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the International Natural Rubber Agreement, 1995, done at Geneva on February 17, 1995. The Agreement was signed on behalf of the United States on April 23, 1996. The report of the Department of State setting forth more fully the Administration's position is also transmitted, for the information of the Senate.

As did its predecessors, the International Rubber Agreement, 1995 (INRA), seeks to stabilize natural rubber prices without distorting long-term market trends and to assure adequate rubber supplies at reasonable prices. The U.S. participation in INRA, 1995, will also respond to concerns expressed by U.S. rubber companies that a transition period is needed to allow industry time to prepare for a free market in natural rubber and to allow for the further development of alternative institutions to manage market risk. The new Agreement incorporates improvements sought by the United States to help ensure that it fully reflects market trends and is operated in an effective and financially sound manner.

The Agreement is consistent with out broad foreign policy objectives. It demonstrates our willingness to engage in a continuing dialogue with developing countries on issues of mutual concern and embodies our belief that long-run market forces are the appropriate determinants of prices and resource allocations. It will also strengthen our relations with the ASEAN countries, since three of them—Malaysia, Indonesia, and Thailand—account collectively for approximately 80 percent of world production of natural rubber.

Therefore, I urge the Senate to give this Agreement prompt consideration and its advice and consent to ratification to enable the United States to deposit its instrument of ratification as soon as possible.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 19, 1996.*

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana retains the floor.

AMENDMENT NO. 4058

Mr. COATS. Mr. President, I wonder if I can inquire from the Senator from New Hampshire what amount of time he requests we yield on this?

Mr. SMITH. I believe under the request I had 20 minutes. Probably very close to that amount of time.

PRIVILEGE OF THE FLOOR

Mr. BINGAMAN. Mr. President, may I just make a unanimous-consent request before the Senator makes his statement? I ask unanimous consent that Linda Taylor, a fellow in my office, be given the privilege of the floor during the pendency of S. 1745.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Mr. President, I yield 20 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire has 18 minutes remaining.

Mr. COATS. I yield all time remaining to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. SMITH. Mr. President, some things are very predictable around here. One of the most predictable is that somebody every year gets up there in the authorization debate and tries to kill the ASAT Program. This is not a harmless amendment. This is a very serious amendment that can do damage to the national security of the United States.

I might say very bluntly and honestly, I do not have any parochial interest in this. I have a national interest in this. There is not anybody working on this in my State. It is not a jobs issue in my State. This is a national security matter, and year after year I stand up and engage in debate on this, and in committee, as the opponents continue to go after this program.

This amendment is designed to kill ASAT, to kill the kinetic energy program plain and simple. That is exactly what it is designed to do. That is what they are trying to do. We have invested $245 million in this program. We have 2 years left, at approximately $75 million a year, to complete this program. This technology works. It has already been tested. It works. We are going to throw it down the tube, throw it away.

What is ironic to me is that some of the things that Senator BINGAMAN has said on this issue are reasonable. In fact, I offered to work with the Senator in committee to address his concerns over the section dealing with the space architect. But, we could not reach a compromise. There was no interest in having a compromise. He wants the whole thing. He wants to defeat it.

So here we are again, rather than simply addressing the concerns that he has over the space architect issue, the Senator from New Mexico now is going after the entire program—all or nothing.

The truth is, this amendment circumvents the authorization and appropriations process totally. It allows the space architect to singlehandedly decide if the Pentagon spends the money that has been authorized and appropriated in both 1996 and 1997 for ASAT. That is an assault on the jurisdiction of this committee, the Armed Services Committee, and the Appropriations Committee. There is a process in place, a correct process, to seek reprogramming or rescissions, and that works pretty well around here. But to say that the space architect, whose identity I would venture to say very few of my colleagues even know, can decide whether or not he wants to comply with the law, this represents an enormous erosion of the Senate's jurisdiction and particularly that of the Armed Services and Appropriations Committees.

We voted on this issue many times, both Republicans and Democrats, under Democrat control, under Republican control. The Senate has always gone on record in support of this program, and yet the assaults continue. The Armed Forces have testified that they need this capability. The Armed Forces have said they need this capability. The taxpayers have invested millions in its development. Now, when we are so close to completing the program, why kill it? You should not kill it on the money, because you have invested so much, but more important—much more important—you should not kill it because of the technology.

Let us talk a little bit about why it makes no sense to kill it and why it is a threat to our national security to do that.

The global spread of advanced satellite technology has made it possible for countries to obtain this high-definition imagery for satellites in low orbit or to buy that information. This data is crucial because in a future conflict, the United States has to be able to neutralize a hostile satellite. How are you going to do that? This is how you do it, with kinetic energy ASAT. But at present, we do not have that capability. We simply do not have the capability.

If you think back, during the gulf war, the Iraqi Air Force was destroyed or forced out of the air in the first few days of fighting, and Iraq had no reconnaissance capability. This lack of Iraqi overhead surveillance made it possible for the allies to mass their forces and sweep across the desert to bring a swift conclusion to a war that could have cost thousands—thousands —of American casualties.

Gen. Charles Horner, Desert Storm air commander, said that the diplomacy that we used convinced France and Russia not to sell reconnaissance data to Iraq. Suppose they had it? We had no way to stop them with that kind of reconnaissance. ASAT destroys those satellites, Mr. President. Why would anyone want to stop that technology?

Satellites that can be placed up in the air, over the Earth in low orbit with a capability to spy on the United States, spy on our forces, collect data, transmit data, what does ASAT do? What does this satellite do? It disables. It disables that satellite and keeps that enemy from collecting that information.

Why would anyone want to deny the United States of America the capability to do that? It baffles me. I cannot understand it. Every year, year after year, we have to take the same position—for 6 years I have done it—defending this system, while those in this Congress and some in the administration try to kill it, try to kill the capability of the United States to take out a satellite that could destroy American forces.

Some say, "Well, nobody out there has any capability for satellites. What do we need ASAT for?" According to the U.S. Space Command, Argentina, Australia, Brazil, Canada, China, the Czech Republic, France, Germany, Great Britain, India, Indonesia, Iran, Israel, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Norway, Pakistan, Portugal, Russia, Saudi Arabia, South Africa, Spain, Sweden, Thailand, Turkey, and Ukraine, to name 30. They do not have any capability? It is out there, folks.

You say some of those are friendly countries. That is right, and they sell this technology and there are a lot of people out there buying it.

"Why not just jam them?" they say. We do not have the capability to do that.

A U.S. antisatellite capability—and this is a very important point, I cannot emphasize this strongly enough to my colleagues—is a disincentive for a potential adversary to spend their resources on military satellites. A U.S. kinetic energy ASAT could help constrain the proliferation of such systems. Why would somebody want to spend hundreds of millions of dollars to develop satellites to put in space to spy on us or to use to collect data against our forces if they know we can disable them or disarm them? The chances are they will not. Yet, here we are, here we are, saying, "Let's kill the program."

Russia leads the world in space launches of military satellites.

Ukraine is building a series of radar satellites.

China is launching military recon satellites and have been doing it for 20 years. They are selling space launches and satellite technology all over the world.

United Arab Emirates reportedly has ordered a military reconnaissance satellite from a consortium of Russian firms.

On and on and on, and yet we stand here on the floor today having to defend attacks on us, those who support this system. I have had enough of it, Mr. President, to be very blunt about it. I have had enough of it. I am tired of it. I think it is outrageous that people come down on this floor and put our forces at risk to try to kill the technology that works, that protects us.

Let me repeat, had Saddam Hussein had the capability, had he had these satellites, we would have lost thousands of Americans because we could not have disabled them. We have the technology. It works. Why are we not using it?

It does not make any sense, Mr. President, not to continue this technology. This technology was designed, developed, manufactured, and integrated under the Kinetic Energy ASAT Demonstration Validation Program from 1990 to 1993 and ground tested, and it works. Here we are having to defend it from these attacks.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes 30 seconds remaining.

Mr. SMITH. The distinguished chairman, Senator THURMOND, has asked for a little of my time, so I will just conclude by saying, if we lose this vote and lose this technology and end this technology, ASAT, it, in my opinion, will be a direct threat to the thousands of American men and women all over the world who wear the uniforms of the Armed Forces of the United States.

It is an unprecedented erosion of our constitutional prerogative. When we take the oath to the Constitution, we take an oath to protect and defend America. This protects and defends America. I have been hearing a lot of this talk. I have heard some of it already, and we will hear a lot more, about how we are going to do this stuff with lasers, disable all these satellites with laser technology, that that is the thing of the future. It might be, but it is not here yet. What are we going to do here in between?

For those who might not care about the military application—or maybe you care about space junk—kinetic energy ASAT disables satellites. It does not break them up into hundreds of pieces and create space junk. It disables them. It is a very important point.

I would think the Senate would want to think long and hard before ending this technology because this amendment will do that. That is what it is designed to do.

There will be another amendment coming to cut the funding off just in case this one does not work. We face that every year.

I want to conclude on this point, Mr. President. I have been on the Armed

Services Committee here in the U.S. Senate under Democrat and Republican leadership. We have fought this fight every year. And Democrats, when they were in the majority, were some of the strongest supporters on that committee of this program.

This is not a Republican-Democrat issue here. This is a national security issue. It deserves to be supported. Why some in the administration have taken the position that it ought not to be, and some in the Senate, I do not know. But I know this is dangerous. This is a dangerous amendment. I do not say that about very many amendments on this floor. This is a dangerous amendment. This could cost American lives, and not too far in the distant future either. This could be very close in the immediate future. This could cost American lives.

We have the technology to disable satellites. We ought to use it. It is proven. We have expended roughly two-thirds of the money. It is in place. The military supports it. And those policymakers who do not are ill-advised. They are wrong. They are absolutely wrong. We have an obligation to stand up and be heard on this, when these kinds of things happen.

So I am proud to say, Mr. President, that I support this program, not for any parochial reasons, but for national security reasons. I am standing here on the floor today because this system works. It is necessary for the security of the United States of America. It protects American lives. It ought to be funded fully. It ought not to be in any way diminished.

So I ask my colleagues, please, do not fall for this faulty line, this false information, and to support kinetic energy ASAT.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from South Carolina has 3 minutes, 20 seconds.

Mr. THURMOND. Mr. President, first, I want to commend the able Senator from New Hampshire for the excellent remarks he has made on this subject. He has made a very emphatic case for our side. I am very proud that he has done that today.

Mr. President. I rise in opposition to the amendment offered by the Senator from New Mexico. A similar variation of the amendment was offered in the committee during markup and it was not accepted.

The Congress has authorized and/or appropriated funds for the kinetic energy antisatellite technology program since 1985. For the past 3 years the administration has not complied with the law and obligated the funds for the program. Every year, as a result, we have to take actions to force the Department to comply with legislation to compel them to obligate the funds for this particular program.

Mr. President, the Under Secretary of Defense for Space, Bob Davis, has stated on many occasions that there is a need to develop systems to counter the space threat. The Congress has supported the kinetic energy antisatellite technologies for that purposes, as well as other technologies which are not ready for production or are years away from deployment. The KE-ASAT program is the only near-term program to meet a potential enemy satellite threat.

The U.S military relies on space for surveillance, communications, navigation, and attack warning. It is important for the United States to ensure its freedom to use space. If our adversaries achieve the ability to control space and the United States does not have the capability to turn this around, we will lose our military advantage.

Mr. President, I, again, oppose the amendment offered by the Senator from New Mexico and I urge my colleagues to vote against it.

Mr. President, I ask unanimous consent that a memorandum for Robert T. Howard, Deputy Assistant Secretary of the Army for Budget by Jay M. Garner, Lieutenant General, USA, commanding, be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
SPACE AND STRATEGIC DEFENSE
COMMAND,
Arlington, VA, January 3, 1996.

Memorandum for MG Robert T. Howard, Deputy Assistant Secretary of the Army for Budget.

Subject: Kinetic Energy Anti-Satellite (ASAT) Technology Funding Reduction.

1. USASSDC nonconcurs with action proposed by Program Budget Decision 719, which rescinds $30M from the ASAT program in support of the Bosnia Supplemental. USASSDC believes kinetic energy technology will prove to be a vital capability for the future. In addition, the kill vehicle currently being tested may have applicability to other programs.

2. The total KE ASAT technology program encompasses four years (FY96–99) at a cost of $180M, which includes the $30M currently being considered for rescission. The program is structured to develop incremental technology improvements (and possible insertion into other programs), necessary kill vehicle and booster procurements, and testing. For example, in FY96, weapon control system integration, software upgrades, and kill vehicle refurbishment will be accomplished in support of a planned hover test. This hover test, along with kill vehicle qualification testing and hardware in the loop simulation planned for FY97 will facilitate full up flight tests during FY98. As in the past, we expect continued Congressional funding and support of this program to not affect Army's research and development account, or overall total obligation authority (TOA). Based on this level of funding a contingency deployment capability will be achieved by FY99.

3. The current contract with Rockwell will terminate on January 31, 1996. If allowed to do so, ASAT contingency capability will be delayed by a minimum of one year depending on when funding is made available.

4. Point of contact for this action is LTC Robert M. Shell at (703) 607-1934.

JAY M. GARNER,
Lieutenant General,
USA, Commanding.

Mr. LEVIN. Mr. President, I rise in support of the Bingaman amendment on ASAT programs. His amendment would simply remove two very onerous provisions from the bill and permit the Department of Defense "Space Architect" to complete a study we have required, and determine which anti-satellite technologies are most appropriate for the U.S. military.

His amendment would not kill the ASAT Program, as its opponents have charged. In fact, his amendment would leave in place $75 million for U.S. ASAT programs, which was added by the committee majority, for the ASAT Program. This is funding the administration did not request, but which was added by the majority.

I believe it would be appropriate to eliminate the funding as well as the two provisions in the bill, because I do not believe there is a need to fund this ASAT Program. But this amendment by Senator BINGAMAN is a compromise that would leave in place all the funding added by the Committee majority, but strip out the two provisions that were in the bill. It would leave the Department of Defense the option of pursuing the kinetic energy ASAT Program if it is considered appropriate technology. But the bill mandates that the Pentagon choose the KE ASAT, without even knowing the results of the current study being conducted by the "Space Architect."

So the amendment offered by Senator BINGAMAN is a very reasonable compromise that leaves open all ASAT options while keeping $75 million that was not even requested by the Administration. Although I do not believe that this funding is justified, I think the underlying provisions in the bill are totally unjustified and should be rejected by the Senate.

I urge my colleagues to vote in favor of the Bingaman amendment.

The PRESIDING OFFICER. Who yields time?

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. At this time, not to interrupt the debate, I would like, if the Senator from New Mexico is finished, to move the amendment, or at least ask for the yeas and nays. Let me just ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. SMITH. Mr. President, I move to table the amendment and ask for the yeas and nays.

Mr. BINGAMAN. Mr. President, I did want to conclude my debate.

The PRESIDING OFFICER. The motion to table is not in order at this point.

Mr. SMITH. I will withhold.

Mr. BINGAMAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Mexico controls 10 minutes, 52 seconds.

AMENDMENT NO. 4058, AS MODIFIED

Mr. BINGAMAN. Mr. President, first, I am informed by the floor staff that I need to send a modification to the desk. It is a technical modification to make it clear as to which page and which line is being proposed for striking in this amendment. I send that modification to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the amendment is modified.

The amendment, as modified, is as follows:

Beginning on page 33, strike out line 3 and all that follows through page 34, line 2, and insert in lieu thereof the following:

SEC. 212. SPACE CONTROL ARCHITECTURE STUDY.

(a) REQUIRED CONSIDERATION OF KINETIC ENERGY TACTICAL ANTISATELLITE PROGRAM.—The Department of Defense Space Architect shall evaluate the potential cost and effectiveness of the inclusion of the kinetic energy tactical antisatellite program of the Department of Defense as a specific element of the space control architecture which the Space Architect is developing for the Secretary of Defense.

(b) CONGRESSIONAL NOTIFICATION OF ANY DETERMINATION OF INAPPROPRIATENESS OF PROGRAM FOR ARCHITECTURE.—(1) If at any point in the development of the space control architecture the Space Architect determines that the kinetic energy tactical antisatellite program is not appropriate for incorporation into the space control architecture under development, the Space Architect shall immediately notify the congressional defense committees of such determination.

(2) Within 60 days after submitting a notification of a determination under paragraph (1), the Space Architect shall submit to the congressional defense committees a detailed report setting forth the specific reasons for, and analytical findings supporting, the determination.

(c) REPORT ON APPROVED ARCHITECTURE.—Not later than March 31, 1997, the Secretary, of Defense shall submit to the congressional defense committees a report on the space control architecture approved by the Secretary. The report shall include the following:

(1) An assessment of the potential threats posed to deployed United States military forces by the proliferation of foreign military and commercial space assets.

(2) The Secretary's recommendations for development and deployment of space control capabilities to counter such threats.

(d) FUNDING.—(1) The Secretary of Defense shall release to the kinetic energy tactical antisatellite program manager the funds appropriated in fiscal year 1996 for the kinetic energy tactical antisatellite program. The Secretary may withdraw unobligated balances of such funds from the program manager only if—

(A) the Space Architect makes a determination described in subsection (b)(1); or

(B) a report submitted by the Secretary pursuant to subsection (c) includes a recommendation not to pursue such a program.

(2) Not later than April 1, 1997, the Secretary of Defense shall release to the kinetic energy tactical antisatellite program manager any funds appropriated for fiscal year 1997 for a kinetic energy tactical antisatellite program pursuant to section 221(a) unless—

(A) the Space Architect has by such date submitted a notification pursuant to subsection (b); or

(B) a report submitted by the Secretary pursuant to subsection (c) includes a recommendation not to pursue such a program.

Beginning on page 42, strike out line 15 and all that follows through page 43, line 9

Mr. BINGAMAN. Mr. President, let me just respond briefly. I do not think I will take the full 10 minutes. The Senator from New Hampshire says that this amendment that I have offered is an effort to kill the ASAT Program. That is clearly not true. There is nothing in the amendment that I have offered which in any way tries to delete or reduce or diminish funding for an ASAT Program. I made it very clear that I support that funding. The funding remains in the bill.

The Senator from New Hampshire is saying that the Pentagon is trying to kill its own ASAT capability. I have real trouble understanding that logic or believing that that is a credible line of argument.

The real question we are trying to pose here, Mr. President, is, should we allow the Pentagon to come forward with their own recommendation on what makes the most sense, what is the best option for an ASAT capability, or should we prejudge that?

I remember a story that I heard when I was in school about how Henry Ford used to say, "You can have any color of Model-T Ford that you want as long as it's black." What we are saying here in the existing bill to the Pentagon is, "You can pursue any option you want to obtain ASAT capability as long as you take the one we want you to take." That is not a smart way for us to proceed. We do not have the technical capability here in the U.S. Senate to prejudge this study that the Pentagon is engaged in.

My colleague from New Hampshire says that the military supports this kinetic energy ASAT capability; they want to go ahead and fund it. If that is true, then why do we have to mandate in the bill that they have to fund it? Why do we have to mandate in the bill that they cannot spend any money for these other purposes unless they fund it, unless they choose that option?

I think clearly what the majority in the committee is trying to do in this bill is to take away the options of the Pentagon and say the Pentagon has to fight the way we say or else we will impose sanctions upon them.

My colleague from New Hampshire says that anyone who would support this amendment, the amendment I have offered, is trying to put our forces at risk. Why is it putting our forces at risk to let the Pentagon decide what makes the most sense, what is the most effective for protecting our forces? I have real difficulty understanding that kind of logic.

Mr. President, the amendment that I have offered is not an effort to kill the ASAT Program. It is not an effort to reduce funding for the ASAT Program. There is nothing in the amendment that does either of those things. What it says is, let us give them the money, let us give them the ability to come back and recommend to us the proper use of that money to gain the greatest capability for protecting our own forces. To me that is common sense. I have great difficulty seeing why we even have to argue about it.

I am reminded, as I hear the debate raging around here, that when I was practicing law, a more senior member of the bar early on in some of the trial practice I engaged in said there is a simple rule in trying a lawsuit. When the facts are on your side, pound away at the facts; when the law is on your side, pound away at the law; when neither are on your side, pound away at the table. That is what is happening here. Neither the facts nor the law nor common sense are on the side of those who put this provision in the bill.

We clearly should delete this provision. Let the Pentagon make its own recommendations as to what option is best for our troops. That is what I favor doing. I urge my colleagues to support the amendment. I yield the floor.

Mr. THURMOND. I yield the remainder of the time to the able Senator from New Hampshire, and I ask unanimous consent that 2 additional minutes be allowed the Senator from New Hampshire.

Mr. BINGAMAN. Mr. President, I have no objection to an additional 2 minutes, but I would like 2 minutes on my side.

Mr. THURMOND. I have no objection.

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered. The Senator from New Hampshire is recognized for up to 2 minutes and 58 seconds.

Mr. SMITH. I will respond to my friend from New Mexico. We worked very closely together on the Acquisition and Technology Subcommittee. I will not pound the table. I am not even going to raise my voice. The truth of the matter—and the Senator knows this full well—the administration did not request any funding in their budget for the ASAT Program.

Unless I am missing something in the logic here—I do not believe I am; maybe the Senator would like me to miss it and would like others to miss it—unless I misunderstand something, if the administration does not request it and the policy folks do not want it, if we send it back to the space architect, who is a policy person, to study it, you can pretty well conclude what the results will be. They will not fund it.

When I say this is a deliberate attempt to kill the Kinetic Energy ASAT Program, I mean what I say. It is true. It will kill it. The other thing that we need to understand here, the Army supports the Kinetic Energy ASAT Program. They objected to the rescission list. They objected to this being listed as a rescission item. They did not win the debate. The policy people won.

The Senator's amendment sends this back to the space architect. He will study it diligently over the next few weeks, months, whatever it takes, and then announce that we do not need it, and kill it. This is not an objective decision here. This person was not objective. This person made up his mind already. He does not want it. If he wanted it, he would have funded the remainder of it, which has already been—as we said earlier, we have already expended $245 million on this program, and we have already proven that it works, and we already have the technology in place. All we are asking for is the completion. That is the reason why this is a killer amendment.

We should not be cute about the process here. When somebody opposes something, you give it back to them to make the decision, you can pretty well guess what the decision is going to be. That is a little bit disingenuous. They did not fund it. The administration does not want this program. The administration is getting quite a reputation around here for not expending moneys that we have appropriated and authorized. They are getting pretty good at it, and they are doing it without legislation. They are just doing it. They are just saying, "We do not want this, so even though you authorized it and appropriated it, we are not going to spend it."

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from New Mexico has 7 minutes 45 seconds.

Mr. BINGAMAN. Mr. President, again I will not take the full 7 minutes, but let me conclude by saying that I think there is clearly a failure to communicate here on this issue.

My colleague from New Hampshire says that the Army wants this program. Looking at the facts: The administration asked for a fairly healthy defense budget; the Armed Services Committee, in the bill that is before the Senate here, added about over $12 billion to that—something in that range. In order to come up with that additional money, we went to each of the services and said, "What is on your wish list? Are there things you would like to have funded that we were not able to fund, or that the President did not request, or that the Pentagon did not request, the Secretary of Defense did not request?" The Army gave us over $2 billion worth of those, more like $3 billion. I am not sure of the exact amount.

Again, there was nothing in there for this ASAT capability. The argument that the Army wants this, they just never want us to give them any money for it, is a hard one for me to understand. I think, clearly, this is not a program I am trying to kill. We are not touching the money. The money has been added here, and we are saying, "Fine, let's go ahead and spend the money for whichever option the Pentagon wants to pursue." But let the Pentagon make the judgment. Do not try to prejudge the right technology in order to develop this ASAT capability. That is all we are saying.

The end of the amendment that I have offered, I think, makes it very clear that not later than April 1, 1997, the Secretary of Defense shall release to the kinetic energy antisatellite program manager any funds appropriated in 1997 for the Kinetic Energy Tactical Antisatellite Program pursuant to section 221(a) unless the space architect has by such date submitted a notification; or a report submitted by the Secretary pursuant to subsection (c) includes a recommendation not to pursue such a program.

What I am trying to do in my amendment is to protect the ability of the Pentagon to use the money in the most effective way. We are not in favor of mandating a result in an ongoing study where they are trying to make a judgment as to what is the best use of this money to protect our own forces.

I have confidence that the Pentagon will make a judgment based on their honest and expert opinion as to what makes sense for the country and for our own forces. I do not think we need to prejudge that. Accordingly, I hope very much that my amendment will be agreed to.

Mr. President, I ask that Senator BUMPERS be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I have no additional debate.

Mr. THURMOND. Mr. President, I ask unanimous consent upon disposition of the Bingaman amendment, that Senator ASHCROFT and Senator KENNEDY be recognized to speak as in morning business for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I move to table this amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. BUMPERS] would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 46, as follows:

[Rollcall Vote No. 162 Leg.]

YEAS—52

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—2

Bumpers
Rockefeller

The motion to table the amendment (No. 4058), as modified, was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Senator FAIRCLOTH is recognized for 10 minutes.

Mr. FAIRCLOTH. I thank the Chair.

(The remarks of Mr. FAIRCLOTH, Mr. KENNEDY, Mr. HEFLIN and Mr. NUNN pertaining to the introduction of S. 1890 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that floor privileges be granted to Randy O'Connor, a defense fellow in my office for the duration of the consideration of the fiscal year 1997 Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I believe the Senator from Washington would like to be recognized. I think there has been a unanimous-consent request. I believe the Senator from South Carolina will be asking unanimous consent that Senator MURRAY be recognized for the time agreement specified. I believe, also, the Senator needs to ask the amendments be set aside that are now pending.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time on the Murray amendment related to abortions in military hospitals be limited to 2 hours equally divided in the usual form, that no amendments be in order, and that following the use or yielding back of time, the Senate proceed to vote on or in relation to the amendment.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, reserving the right to object, I would like to include in the unanimous-consent request, if I might, that I be recognized to offer an amendment immediately upon the disposition of the Murray amendment.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I suggest we begin debate on this amendment.

The PRESIDING OFFICER. There is a pending unanimous-consent request. Is there objection?

Mr. PRYOR. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. THURMOND. Mr. President, I suggest we now proceed to debate.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, can I inquire, has the Senator from Washington been recognized to offer her amendment?

The PRESIDING OFFICER. Not at this point. There was an objection to the unanimous-consent request.

Mr. COATS. But that would not prevent the Senator from going ahead and offering her amendment; there would just not be a time constraint?

The PRESIDING OFFICER. That is correct.

Mr. COATS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, if the Senator from South Carolina propounds the unanimous-consent request, I believe it will be agreed to now. I know the Senator from Arkansas first would like to make his position clear, and perhaps if he is recognized at this point for that, he can make his brief statement and then the Senator from South Carolina can propound the unanimous=consent request, and I believe it will be agreed to.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the distinguished ranking member of the Armed Services Committee for allowing me to make a statement, and I will say to my distinguished chairman of the Armed Services Committee, my statement will be about just one moment, and then we will allow Senator MURRAY to go forward with her amendment.

Mr. President, the amendment that I am going to offer, and it may not be after the disposition of Senator MURRAY's amendment but it may be after the disposition of a subsequent amendment, is the so-called GATT Glaxo amendment. I have been attempting all of this year, during the entirety of 1996, to bring this amendment to the floor, to have it debated and have it voted on. I have asked for 1 hour of debate, 30 minutes on a side, and then let us vote up or down and dispose of this matter to see if we are willing or not willing to correct a massive abuse that we created by mistake in the GATT treaty.

This is allowing one drug firm to prevent other generic firms from coming in and competing fairly in the market. It is also allowing an extra $5 million each day—each day—of profits that we hesitate and fail to correct.

It should be a matter of honor that we correct this matter, and I am going on the Department of Defense bill to continue attempting to find a slot where Senator BROWN, Senator CHAFEE, and the Senator from Arkansas, Senator PRYOR, may offer this amendment and have the U.S. Senate go on record, once and for all, as to whether we are willing to correct this abusive flaw created by mistake.

Mr. President, I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Arkansas for taking the position he has. I will now proceed to make the request.

Mr. President, I ask unanimous consent that the time on the Murray amendment, relating to abortions at military hospitals, be limited to 2 hours, equally divided in the usual form, and that no amendments be in order; and that following the use or yielding back of time, the Senate proceed to vote on, or in relation to, the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 4059

(Purpose: To repeal the restriction on use of Department of Defense facilities for abortions)

Mrs. MURRAY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendments are laid aside.

The clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY], for herself, Ms. SNOWE, Mr. KENNEDY, Mr. ROBB, Mr. LAUTENBERG, Mr. SIMON, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 4059.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title VII add the following:

SEC. 708. RESTORATION OF PREVIOUS POLICY REGARDING RESTRICTIONS ON USE OF DEPARTMENT OF DEFENSE MEDICAL FACILITIES.

Section 1093 of title 10, United States Code, is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) RESTRICTION ON USE OF FUNDS.—".

Mrs. MURRAY. Mr. President, the amendment that I am offering to the fiscal year 1997 Department of Defense authorization bill—and I am offering it on behalf of myself, Senator SNOWE, Senator SIMON, Senator LAUTENBERG, Senator ROBB, Senator MOSELEY-BRAUN and Senator KENNEDY—is very simple. It strikes language adopted in last year's defense authorization and appropriations bills that would prohibit privately funded abortions from being performed at overseas military hospitals. This ban places women stationed overseas in an unsafe and unfair situation and blatantly restricts their constitutional right to choose.

Women in our armed services sacrifice each and every day to serve our country. They should receive our utmost respect, honor, and gratitude. They certainly do not deserve to be told they must check their constitutional rights at the door when they are stationed overseas. My amendment protects their precious rights and ensures their safe access to quality medical services.

Mr. President, let me just say a few things about my amendment to clear away any confusion that may exist.

First, this amendment simply restores previous DOD policy. From 1973 to 1988, a woman stationed overseas was allowed to obtain an abortion if she paid with private, nondefense funds. Likewise, this was DOD policy from 1993 till 1996. This is not some radical new idea. Quite the contrary, in fact. This law was in place for almost two full terms of the Reagan White House.

We have had many debates on the floor of this Senate over the past 2 years about abortion, about Federal funding, about Federal workers, about Medicaid. Let me be very clear, this issue is different. My amendment simply ensures the same rights for women in our armed services enjoyed by every other woman in this country.

This amendment is merely an effort to return us to the policy of the past which protected women stationed in a foreign country from having to seek medical care from inexperienced or inadequately trained personnel. It is dangerous and unnecessary and just plain wrong to put these women, who are serving our country overseas, at risk.

Furthermore, my amendment does not force anyone to perform an abortion at a military facility.

Currently, all departments of the military function under a conscience clause which states that medical personnel do not have to participate in an abortion procedure if they have a religious, moral, or ethical objection.

This amendment preserves that important conscience clause. Most importantly, Mr. President, it deals only with an individual's private funds. The 104th Congress has spent almost 2 years trying to return flexibility and authority to States. But under the fiscal year 1996 DOD bill, we have a fundamental inconsistency. We have a problem telling our States how to spend their money, but women in our own military are not afforded that privilege.

Mr. President, I remind my colleagues that a woman stationed overseas does not always have the luxury of access to safe and quality medical care other than at the military hospital on her base. It is dangerous to force her to seek medical care in the local area. We are sending our women in uniform to the foreign back alley. And that is wrong.

My amendment seeks to prevent our women in uniform from having to make a very difficult and potentially dangerous, life-threatening choice. My amendment seeks to restore our women in uniform, women stationed overseas, a right they have had for most of the last 23 years. My amendment seeks to protect the constitutional rights of our women in uniform. They sacrifice every day for every single one of us, and we owe them that much. I urge my colleagues to vote for this amendment. I withhold the balance of my time.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Indiana.

Mr. COATS. Mr. President, in response to the Senator from Washington and the amendment that was just offered, it is true this is not some radical new idea. This is an issue that has been debated by this body on a number of occasions over the past several years.

Since 1979, the Department of Defense has had a policy of prohibiting the use of Federal funds to perform abortions except where the life of the mother would be in danger if the fetus were carried to term. The bill before us today carries that ban, which was enacted in last year's authorization bill, and it incorporates also the exceptions for rape and incest.

What the Congress has always debated are the two separate questions, both of which are legitimate questions and both of which need to be debated. The separate questions are, one, whether or not a legislative body ought to intervene in the decisions made in Roe versus Wade by the Supreme Court and enact restrictions or a constitutional amendment on the issue of abortion. The second issue, however, is a separate issue. That is whether or not a taxpayer ought to be coerced into supporting something that goes against his or her moral conscience or moral beliefs.

So in 1979, Congressman HYDE introduced the Hyde amendment, which essentially said that taxpayers' funds would not be used in support of abortion.

The amendment offered by the Senator from Washington attempts to address the situation as it applies only to military personnel and their dependents, under the argument that many of these individuals are deployed overseas and may find themselves in situations where performance of an abortion is either banned by the laws of that country or there are situations which are not of the quality or safety that women would seek.

But it ignores the fact that the Department of Defense has had in place a policy which allows women the opportunity to seek an abortion with their own funds at essentially a hospital of their choice. The Department of Defense makes military transportation available to these women.

What we are really dealing with here is the question of whether or not Federal funds should be used in the performance of abortions. It is also important to note that during the time that the policy prohibiting the use of Federal funds to perform abortions in military facilities, during the time that that policy has been in effect, there has been no difficulty in implementing the policy, there have been no formal complaints filed concerning the policy, there have been no legal challenges instituted concerning this policy, and no members of the military or their dependents have been denied access to an abortion as a result of the policy.

So it is simply not accurate to say that the policy currently in effect places women in an unfair situation and, to quote the Senator from Washington, "blatantly restricts their constitutional rights." This does not restrict the constitutional rights of women at all. Let me repeat that. This policy currently in effect does not restrict the constitutional rights of any woman in the service, or her dependents. That woman has full access to an abortion, to a legal abortion under the law. I do not condone that. I do not support that. But that is not the issue we are arguing.

The issue that we will be voting on is not whether you are pro-choice or pro-life. It is not whether you think a woman ought to have the right to choose. Military women have the right to choose. No one is denying their opportunity to have an abortion.

We are simply saying that the use of Federal facilities which are paid for, operated by the use of Federal funds, is violative of a policy that the Congress has adopted on numerous occasions, described as the Hyde amendment, which says that essentially no Federal funds will be used for the performance of abortions except in certain cases, life of the mother, and more recently life of the mother if the fetus were carried to term or in the cases of rape or incest.

There have been no recorded or official complaints, not only for women in uniform being denied access to an abortion, but their dependents being denied access to military transport for the purpose of procuring an abortion.

This, I believe, was a sound and a fair policy. It worked. If it had not worked, there would have been complaints filed, there would have been challenges issued concerning the policy, there would have been military personnel or their dependents denied access. That was not the case.

It remained in place until 1993 when President Clinton issued an Executive order reversing it. Under the Clinton policy, defense facilities were used for the first time in 14 years, not to defend life, but to take life, and to do so with taxpayer funds.

Last year the House and the Senate reversed that policy when we voted to override the President and make permanent the ban on the use of Department of Defense medical facilities to perform abortions except in the case of rape, incest or to save the life of the mother. So today we are faced again with this issue, because this amendment would strike that ban and reinstate the former Clinton policy regarding military facilities.

Supporters of the Murray amendment will argue that this policy does not involve the use of taxpayer funds since women are required to pay for these abortions. But to maintain that fiction is simply to misunderstand the nature of military medicine. Unlike other medical facilities, military clinics and hospitals receive 100 percent of their funds from Federal taxpayers. Physicians in the military are Government employees, paid entirely by tax revenues. All of the operational and administrative expenses of military medicine are paid by taxpayers. All of the equipment used to perform the abortions are purchased at taxpayer expense.

So that is the issue that is before us. Are we going to require the taxpayers of America, whose fundamental religious beliefs or whose moral beliefs or values are such that they do not approve of the use of their tax dollars for the Government providing an abortion, to fund abortions?

It is true that the payment for this abortion will be made by the person seeking the abortion and not the taxpayer. But it is not true that taxpayers' funds are, therefore, not used in the procedure, because the procedure is being performed by employees whose entire salary is paid by the taxpayer, in a facility whose entire cost of construction is paid for by the taxpayer, whose entire operating costs are paid by the taxpayer, and which equipment used in the procedure is purchased at taxpayer expense.

It is therefore impossible to imagine that taxpayer money can be preserved from entanglement of abortion in military medicine. Any attempt to do so would present an accounting nightmare, according to the Defense Department's own analysis. The only way to protect the integrity of taxpayer funds is to keep the military out of the abortion business. We must not take money from citizens and use it to vandalize their moral values.

Mr. President, I suggest the Murray amendment is a solution in search of a problem. No problem has been identified. When the prohibition was in place, no one was denied access to an abortion.

I repeat that for my colleagues to consider: When this policy was in place banning the use of military facilities to provide abortions, no one was denied access to an abortion. If safe, acceptable facilities for elective abortion were not available to military women based on where they were stationed or living, these women were permitted to use military transport, for whatever reason they chose, to go wherever they wanted to go to have that abortion.

Supporters of the Murray amendment have argued that in the past, women in the military have been stripped of their rights, but not a single case has been filed challenging this policy. The bottom line is that the need for the legislation or the President's policy has not been proven.

Therefore, I urge my colleagues to reject this amendment, to retain the present policy as enacted last year in the House-Senate conference, and now as part of current law, to retain that policy, because that policy makes imminent sense. To repeal that would violate what this Congress has adopted as policy many, many times over. That is, the intermingling of taxpayer funds for the provision of abortion.

I reserve the balance of my time. I yield the floor.

Mrs. MURRAY. I yield 10 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want the Senate to support the amendment offered by Senator MURRAY to ensure that women in the armed services serving overseas can exercise their constitutional right to choose safe abortion services. It does not require the Department of Defense to pay for abortions. But it repeals the current ban on privately funded abortions at U.S. military facilities overseas. Our servicewomen should not lose their rights granted by the Constitution when they serve the country in foreign lands.

This is an issue of fairness to the women who make significant sacrifices to serve our nation. They go to military bases around the world to protect our freedoms, but when they get there, they are denied access to the kind of medical care available to all women in the United States. Military women should be able to depend on their base hospitals for all their medical services. This amendment gives them access to the same range and quality of health care services that they could obtain in the United States.

In many countries where our forces serve, that quality of care is not available. Without adequate care, an abortion can be a life-threatening or permanently disabling operation. In some countries, the blood supply may pose an unacceptable health risk for military personnel.

We have a responsibility to provide safe options for U.S. servicewomen in these situations. Those who oppose this amendment are exposing servicewomen to substantial risks of infection, illness, infertility, or even death. We can easily avoid such risks by making the health facilities at overseas bases available, and it is irresponsible not to do so.

In addition to the health risks of the current policy, there is a significant financial penalty on servicewomen and their families. Round-trip travel costs for a woman stationed at our Air Base in Turkey to travel privately back to Washington for an abortion totals over $2,500 and that figure does not include the cost of the medical procedure. For a young enlisted woman whose pretax monthly income is about $1,400, that cost is a significant financial hardship that women serving in the United States do not have to bear.

If the enlisted woman does not have the financial means to travel privately to the United States, she could face significant delays waiting for space available military transportation. The health risks increase with each week. If the delays are too long, the servicewoman may well be forced to rely on questionable facilities in the country where she is stationed. For all practical purposes, she is being denied her right to choose.

The decision on abortion is very difficult and extremely personal. It is unfair and unreasonable to make this decision so dangerous for women who serve our country overseas.

Every woman in America has a constitutional right to choose to terminate her pregnancy. It is time for Congress to stop denying this right to military women serving overseas and to stop treating them as second-class citizens. I urge the Senate to support the Murray amendment.

Mr. President, I find it very difficult to follow the logic of those individuals who oppose abortions at overseas Government-supported medical facilities because tax payers' dollars are involved, and yet somehow distinguish that from the Government-supported air transportation required to fly individuals back to the United States to obtain abortion services. Who in the world pays for the air transportation, the aircraft, and the personnel that fly the aircraft?

The issue ought to be what is the best in terms of the health care for that individual. We insist on that for our military personnel. They are entitled to it—the very, very best. We are committed to make sure they get the best.

Why should we be able to say we are going to provide quality health care services with this one exception, with this one area, where a woman is going to have to roll the dice and take her chances, based upon availability of flights, based upon the particular location where the woman is stationed? Are we going to effectively wash our hands of any kind of responsibility? It makes no sense. It is cruel. It is inhumane. It is failing to meet the health care needs of military personnel. We should not be able to say we will provide the best in health care with the exception of this one procedure.

I think the amendment is commendable. I congratulate the Senator from Washington for offering it. I hope the amendment is carried.

Mrs. MURRAY. Mr. President, I ask the Senator from Maine how much time she desires.

Ms. SNOWE. I would like 5 minutes.

Mrs. MURRAY. I yield 5 minutes to the Senator from Maine.

Ms. SNOWE. Mr. President, I rise in support of the amendment offered by Senator MURRAY to repeal the ban on abortions in overseas military hospitals. I am very pleased to cosponsor this amendment as well.

In listening to the debate here this afternoon, I cannot help but think "here we go again" on this issue, on a woman's personal right to choose. We have this debate year in and year out. Congress revisits this issue of reproductive freedom by seeking to restrict, limit, and eliminate a woman's right to choose.

This ban on abortion in overseas military facilities, reinstated last year, represented just more of the same. I point out these efforts to turn back the clock on a woman's reproductive rights will never erase the fact that the highest court in the land reaffirmed a woman's basic and fundamental right to a safe and legal abortion time after time, again and again, in decision after decision.

Last year's successful effort to reinstate that ban was another frontal assault on the principle of reproductive freedom and the dignity of women's lives. We all know that this ban denies the right to choose for female military personnel and dependents. It denies those women who have voluntarily decided to serve our country in the Armed Forces safe and legal medical care, simply because they were assigned to duty in other countries.

What kind of reward is that? Why does this Congress want to punish those women who so bravely serve our country overseas by denying them the rights that are guaranteed to all Americans under the Constitution?

It did not occur to me that women's constitutional rights were territorial. It did not occur to me that when American women in our Armed Forces get visas and passports stamped when they go abroad, they are supposed to leave their fundamental constitutional rights at the proverbial door.

I think it is regrettable that in this debate we are talking about denying women their rights because they are serving in our military in overseas facilities. We are denying them their option to have a safe and legal medical procedure because they happen to be working for this country overseas. The taxpayers are not required to pay for this procedure. This procedure is paid for by the woman's personal fund. That is the way it was, under the law, between 1979 and 1988. And as we know, at that time, in 1988, the policy was reversed. It was reinstated to lift the ban in 1993.

I, frankly, cannot understand why we are suggesting that there should be a two-tiered policy for women if they happen to serve in the military overseas. We are saying, by virtue of that fact, you will not have the same medical care in this legal procedure that is recognized under the law in this country, and has been reaffirmed time and again by the highest court in the land.

Military personnel stationed overseas still vote, they pay taxes, they are protected and, as well, are punished under U.S. law. Whether we agree about the issue of abortion, or not, we do not have the right to deny them their right to have access to a legal and safe medical procedure. What we are saying is that this ban, basically, forces women to put their health at risk. They will be forced to seek out unsafe medical care in countries where the blood supply is not safe, in many instances, where the procedures are antiquated, where their equipment may not be sterile. I do not believe it is appropriate, nor right, to force our military personnel to make additional sacrifices beyond the ones they are already making in serving their country.

Now, we are not saying that we should force any medical personnel to perform this procedure. There is a conscience clause for all three services in the Armed Forces. No one is required to perform this procedure. If they have a moral, religious, or ethical objection to abortion, they do not have to participate in this procedure. I think we all think that is reasonable. But what is unreasonable is saying to women: Sorry, we are not going to allow you to have the same medical rights if you serve in the military because you happen to be overseas. I do not see anything reasonable about that standard. It is unfair, and it is dangerous.

Last year, the New York Times, I think, expressed the bottom line on this ban when they said in an editorial: "They can fight for their country, they can die for their country, but they cannot get access to a full range of medical services when their country stations them overseas."

I really think that this becomes an extreme policy. It puts women in a crisis position, and we in this Chamber have to stand up and say enough is enough. Unfortunately, someday, it may be too late when we finally do.

So I hope that the Members of this Senate will support the amendment that has been offered by Senator MURRAY from Washington, because it is an appropriate, reasonable approach to a very difficult issue. I do not think that we want to be in a position of requiring women who serve in our military to be subjected to or be victim to unsafe medical procedures because we happen to differ with that procedure. This is their money, and it is their right to make this decision. It is a procedure recognized by the law of this country and by the Supreme Court. We owe it to them to have the right to make that decision and, obviously, they are going to pay for it. And now we are saying that we are sorry, we are going to deny them this option under very difficult circumstances.

There are not many options available to a woman stationed overseas, who has to make this very difficult and personal decision to terminate a pregnancy. So I hope that we will consider this in the proper context. It is her right to make that decision under the law of this land. That should apply to them when they are serving this country overseas.

I yield the floor, Mr. President.

Ms. MOSELEY-BRAUN. Mr. President, I rise today to join Senators MURRAY and SNOWE in offering an amendment to repeal the restrictions barring American women serving overseas from accessing abortion services in military hospitals.

This amendment simply grants women who have volunteered to serve and protect their country the same rights as every other American woman. This amendment allows them to pay their own funds to access medical care at a military hospital if they choose to terminate a pregnancy. This amendment allows women serving this country to avoid increasing military expenses by having to leave the host country to travel to the United States to seek medical care that is available in a nearby military medical facility.

Women in the military are fighting to protect the constitution of the United States. We should not deny these women their constitutional rights, rights enjoyed in every State in the Union. The right to choose to have an abortion is protected by our Constitution.

It would be unconscionable to force women serving overseas to seek the services of hospitals in host countries. We have no way of ensuring that these hospitals have sufficiently trained employees, standards of sanitation comparable to those in America, or adequate facilities. Our military hospitals maintain world class facilities.

Before 1974, hundreds of women died or suffered terribly because they had abortions outside of proper medical facilities. Women serving this country should not face that prospect again.

One of the reasons we have military hospitals is to ensure that our military personnel get the best medical treatment possible. Women serving overseas have already volunteered to risk their lives in order to protect this country. We cannot place an additional and senseless risk upon them by turning them away from military medical care.

This ban also affects women who are not even in the military themselves. Wives of military personnel also utilize military hospitals overseas. These women have sacrificed in order to move overseas to keep their families intact. Denying their access to quality care if they choose to terminate a pregnancy is no way to thank them.

I would like to point out that this amendment in no way forces anyone to abrogate their religious or moral beliefs. All three branches of the military have a "conscience clause" which will remain intact. The clause permits medical personnel who have any objection to abortion to not participate in the procedure.

There was never any Congressional consultation when, in 1988, the Department of Defense issued an administrative order prohibiting women from obtaining abortion services in military facilities overseas. Prior to 1988, women could obtain abortions in military facilities with private funds. President Clinton lifted the ban by Executive Order on January 20, 1993. This amendment merely upholds a policy that is currently in effect and was before 1988 as well.

We are here today to improve the safety of women serving in the military overseas. We are here today to protect wives living overseas with their military husbands. We are here today to uphold what has been confirmed as a constitutional right time and time again since Roe versus Wade in 1974. I urge my colleagues to support this amendment today.

Mrs. FEINSTEIN. Mr. President, I support Senator MURRAY's amendment to repeal the provision of current law that prohibits a woman in the armed services from using her own funds to pay for an abortion in an overseas U.S. military facility. I support this amendment for several reasons.

First, the Supreme Court has clearly established a woman's right to choose. That right is not suspended simply because a woman serves in the U.S. military or is married to a U.S. servicemember.

Second, women based in the United States and using a U.S.-based military facility are not prohibited from using their own funds to pay for an abortion. Having a prohibition on the use of U.S. military facilities overseas creates a double standard, and an undue hardship on women servicemembers stationed overseas.

Third, private facilities may not be readily available in other countries. For example, abortion is illegal in the Philippines. A woman stationed in that country or the spouse of a servicemember would need to fly to the U.S. or to another country—at her own expense—to obtain an abortion. We don't pay our servicemembers enough to assume they can simply jet off to Switzerland for medical treatment.

Fourth, if women do not have access to military facilities or to private facilities in the country they are stationed, they could endanger their own health by the delay involved in getting to a facility or by being forced to seek an abortion by someone other than a licensed physician.

We know from personal experience in this country that when abortion is illegal, desperate women are often forced into unsafe and life-threatening situations in back alleys. If it were your wife, or your daughter, would you want her in the hands of an untrained abortionist on the back streets of Manila or Cordoba, Argentina? Or would you prefer that she have access to medical treatment by a trained physician in a U.S. military facility?

Not only would these women be risking their health and lives under normal conditions, but what if these women are facing complicated or life-threatening pregnancies and are unaware of the seriousness of their condition?

We are asking these women to risk their lives in the service of their country.

Current law does not force any military physician to perform an abortion against his or her will. All branches have a "conscience clause" that permits medical personnel to choose not to perform the procedure. What we are talking about today is providing equal access to military medical facilities, wherever they are located, for a legal procedure paid for with one's own money.

Abortion is legal for American women. U.S. servicemembers would pay with their own funds. To deny them access to medical treatment they can trust is wrong. It's that simple. I urge my colleagues to vote for this amendment.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Murray amendment.

This amendment will repeal the bill's ban on privately funded abortions at military medical facilities overseas.

Let's be very clear what we're talking about here today. It is a very simple question. Are women who are defending our Nation women who sacrifice every day in military service to our country going to be treated as second class citizens when it comes to the health care they receive?

The bill before us answers "yes" to that question. Mr. President, that is simply unacceptable. Our military women are not second-class citizens and we cannot treat them as if they were.

Mr. President, safe and legal access to abortion is the law of the land. It is a matter of simple fairness that our servicewomen, as well as the spouses and dependents of servicemen, be able to exercise that right when they are stationed overseas.

When people enlist in the Armed Services, they do not choose where they are to be stationed. They go where our military decides they are needed. They are often sent to remote locations where the only access to quality, safe medical care is in a military facility.

While they are sent all over the world to defend our freedoms, isn't the very least we owe them the right to exercise the same freedoms they would enjoy if they remained here at home?

By adopting this amendment we will enable military women to exercise their right to reproductive freedom. The amendment does not involve the use of any taxpayer funding. What this amendment will ensure is the right of women to obtain a safe and legal abortion paid for with their own funds. And, of course, under this amendment the conscience clause for military personnel who do not wish to perform abortions would be retained. So no military personnel would be compelled to perform abortions.

Adoption of this amendment will ensure that women in the Armed Services have access to safe medical care. Let's do the right thing. Let's not treat our servicewomen like second-class citizens. They give so much in service to our country. They deserve no less than to be treated fairly by us.

I urge my colleagues to join me in supporting this important amendment.

Mr. BINGAMAN. Mr. President, the language in this bill is an unsupportable effort to take away a fundamental, legal right from women in uniform and female military dependents overseas—the right to use their own funds to obtain a legal abortion.

The amendment we are considering today is simply a return to previous DOD policy that stood for many, many years.

It is, quite simply, about treating these women fairly and equitably, and giving them the same rights that women in this country have.

These women are in service to their country—our country—overseas, protecting our fundamental freedoms.

But this ban would deny them the same freedom that women in this country are granted—the right to safe, legal, and comprehensive reproductive services.

I urge my colleagues to support the Murray-Snowe amendment, and strike this offensive language from the bill. We have no right to ask these women to sacrifice more than they already have in service to their country.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, will the Senator yield 3 or 4 minutes?

Mrs. MURRAY. I yield 4 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would just like to inquire of the Senator from Washington. If I understand the situation correctly, if a woman were coming back to the United States, by and large she has to ask for leave, does she not, to be able to come back to the United States?

Mrs. MURRAY. Mr. President, it is my understanding that she would have to ask for leave to come back to the United States in order to have the medical procedure take place.

Mr. KENNEDY. It is my understanding that there may have to be reasons stated for the leave, in some circumstances, depending on the particular situation. I would call that sort of a violation of privacy. But in some areas, in some situations, as I understand it, they may very well have to reveal the reasons for that leave. Or if they were to return to the United States and have the procedure and develop complications and needed more time, they would have to request additional leave time and, more often than not, they would have to indicate their reasons for it.

Now, of course, if a woman made the decision here in the United States and then ran into complications, they would have to justify why they were not meeting military requirements, in any event. But it seems to me that while imposing the requirements for leave, you are also stating, more often than not, as I understand it, that they have to give reasons or a justification, which is a privacy issue. If they run into any complications, there are additional issues both in terms of leave and additional privacy issues. It seems to me that this is another factor that might not make the greatest difference to some individuals. But I would think that adding this kind of emotional trauma that is being experienced through this whole kind of a procedure is particularly unfortunate, and I think probably unfair, certainly, to the women as well. I was just interested in the Senator's understanding about the situation.

Mrs. MURRAY. Mr. President, the Senator from Massachusetts is absolutely correct. With the language as it is currently written in the DOD bill, without my amendment, this will force women in the military overseas—in Bosnia, in Turkey, or in many other places—to go to their supervisor and request a leave. Most likely, they would be asked to tell them why, which would be a very difficult situation for many. They would be subject to their supervisor's decision about whether or not they would be granted leave. That would put women in a very awkward and unfair position.

I should add that, if the abortion is delayed, the woman's life becomes more in danger. In many circumstances, that would be delayed if she requested leave. It could be delayed if she traveled to this country. If she is granted leave and traveled to this country, as the Senator has stated, if the complications arise, as they can, she would then be subject to having to go back to that supervisor again and ask for additional leave.

This is an extremely unfair situation. It can be rectified very easily by this amendment that would allow a woman to use her own private money. We are not asking for taxpayer dollars. We are saying that a woman can use her own money to go into the military facility where we have excellent personnel overseas to perform a safe medical procedure.

Mr. KENNEDY. Finally, the point was made here on the floor that the facility will have been built with American taxpayers' money and the doctors are going to be paid their salary with taxpayers' money. Does the Senator not find the distinction between that and having space available on a plane which is paid for by the taxpayers, piloted by the taxpayers—does the Senator find that the logic is failing in those who are opposed to the amendment to say that on the one hand it looks like it is being tax supported and on the other hand it is not? I have been singularly unconvinced about that part of the argument which we have heard time and time again this afternoon. I do not see how that logic holds up to the light of day.

I do not know whether the Senator had some additional insight that might be able to clarify that.

Mrs. MURRAY. I am really glad that the Senator asked about the taxpayers' funds being used to build a military facility. Frankly, I find those arguments very offensive because, as taxpayers in this country, we provide dollars for many facilities across this country. But we have singled out women who are overseas serving us in countries overseas, and have told them that they cannot use their own private dollars to pay for a medical service in those facilities. We pay for many other services in those facilities, but we will not provide an abortion for those women. Yet, the Senator is absolutely correct; she will have to fly back to this country in a military plane paid for by taxpayer dollars. She will eat meals on that plane paid for by taxpayer dollars. All of us use taxpayer dollars when we travel on the roads, when we use our public schools, when we go to our colleges, when we have the police come to our house, or when we have a firetruck come to the House.

Why are we singling out women who need a medical procedure and expanding the use of taxpayers' funds in that terminology? I find that very offensive.

Mr. KENNEDY. Does the Senator find offensive as well the fact that a woman who is in the service is paying taxpayer dollars and others who might want to use those facilities for this purpose are contributors and paying taxes? The last time I checked on it, they were. So here they are paying their fair share of the taxes into it. But in this particular time of medical need there is this arbitrary policy which would deny the best in terms of health care. It is being denied to them.

I thank the Senator. I think she has made a very powerful case, and others have added to it. I hope her position will be sustained.

Mrs. MURRAY. I thank the Senator from Massachusetts. I will add that not only is that woman paying her taxes but she is serving our country overseas. She is serving every single one of us; making us safe here at home. She deserves to have us take care of her when she has a medical need.

Mr. President, I ask unanimous consent to add Senator BINGAMAN and Senator INOUYE as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Will the Senator yield?

Ms. SNOWE. Will the Senator yield for a question?

Mrs. MURRAY. I yield for a question to the Senator from Maine.

Ms. SNOWE. I thank the Senator for yielding.

Would the present description of the law place an undue burden on women serving in the military overseas? In 1992, the Supreme Court decision about Planned Parenthood said that Government regulations may not constitute an undue burden on the right to an abortion, and this ban would be an undue burden by placing an obstacle in the path of the woman seeking an abortion.

So would the Senator agree that this certainly would represent an obstacle in the path of a woman making this decision and having access to a safe medical procedure? Because certainly a combination of military regulations and the practical world would mean that someone who needs it, who made this decision, would face lengthy travel, serious delays, expenses, substandard medical options, restricted information, would have to fly home, and certainly in my opinion—I ask the Senator if she would agree—this ban appears to be unconstitutionally burdening the right of a woman to make this decision because it places a number of obstacles in the way of her making that decision and having access to the procedures that are available here in the United States which are legal under the law of the land.

Mrs. MURRAY. I would agree with the Senator. This places many undue obstacles in front of the woman who is serving in the military overseas such as asking through her supervisor for permission to leave. This is not something anyone here has to ask for who is serving here or who is not serving here. It means that a woman would have to fly home—sometimes hours of travel, sometimes weeks of delay in getting a flight out of some of the countries which we are asking our young women to serve in. It means a delay in the medical procedure, and it puts an undue burden on these women which is not faced by any other woman in this country.

Ms. SNOWE. I thank the Senator for answering that question. The bottom line is we are treating these people as second-class citizens if they do not have access to the procedures guaranteed constitutionally under the law of the United States simply because of the Supreme Court ruling.

Mrs. MURRAY. They are not only making a sacrifice, but these are women who are serving our country who are every day working for every single one of us to make our lives safe here. They should not be treated as second-class citizens. They should be treated as first-class citizens and be given the same right that every woman in this country has and the access to safe medical procedures that they deserve.

I thank the Senator from Maine.

Mrs. BOXER. Will the Senator yield to me?

Mrs. MURRAY. I yield to the Senator from California.

Mrs. BOXER. I thank my friend for her leadership on this. I am so pleased she has raised this issue for the Senate. As we know, this Congress is narrowing women's right to choose. But I think nothing would be more disturbing than what we have before us. As the Senator from Maine pointed out through her questioning and our friend brought out through her answers, these are women who are risking their lives by joining the military; are they not?

Mrs. MURRAY. The Senator is correct.

Mrs. BOXER. They are risking their lives, just as the men do, to fight for their country, and indeed may die for this country. Why on Earth would this U.S. Senate put their health at risk? That is a major question.

I ask my friend. Is there any case that she knows of where a man is denied a particular medical procedure?

Mrs. MURRAY. I cannot think of any case where a man is denied a medical procedure who is serving in the military overseas.

Mrs. BOXER. I wonder what my friends of the male persuasion from both sides of aisle would be doing on this floor if suddenly it was the case that men could not get help when they were stationed abroad. They would say, "Well, regardless of what it is, we need our men in the military to be there. That is why we are sending them there." Yet, they would treat women in such a way.

I say to my friend, what happens if a woman cannot get on a plane and has to go to a hospital in a country that she is stationed in? I will half answer that. When I went to visit the troops in Saudi Arabia during the Persian Gulf war, I saw the incredible health facilities that they had there for our men and women in uniform. But what if such a woman was in pain, was in a situation where she really needed help, and she went to the facility and was told by a military doctor, "You have to go to a local hospital"? I ask my friend to talk about what that experience might be like in a place like Saudi Arabia where women cannot even drive their cars.

Mrs. MURRAY. The Senator from California brings up an excellent point. The way the current bill is drafted, without my amendment, it simply creates foreign back alleys for our women who are serving overseas—for those of us who were aware before Roe v. Wade, women got abortions in back alleys because they were not provided medical facilities. We have friends who are not able to have babies because of a procedure that was performed in a back alley. I cannot imagine this Senate and this Congress putting our women who serve in uniform overseas at risk as we did women many years ago in this country. It seems to me that is really disturbing—to create foreign back alleys as this current bill does.

Mrs. BOXER. I thank my friend. I say that of all of the issues that we face, where women's rights to choose have been narrowed dramatically—if she is a Federal employee, we know that right is narrowed. She cannot use her insurance. But at least she is in America and she is here. So she will have to make a financial sacrifice, if she exercises that right to choose, which is a legal right.

I think we need to understand what is going on here in this U.S. Senate. There are those who want a constitutional amendment to completely outlaw a woman's right to choose. They want to make it a crime. You know they cannot do it because the people of America do not support that. So what they are doing instead is attacking us—one group at a time; Federal employee women over here one day, poor women over here the next day, and women who live in D.C. the third day. And today it is women who serve in the military overseas. They are the ones who will be subjected to, as my friend says, the foreign back alley. Let me tell you, the back alleys of America were not friendly. I lived in those days. I know those days. If there is anything I can do, and I know the Senator from Maine feels as strongly—this crosses party lines—we will make sure that we never return to the days of the back alley.

I think this is just one more attempt to harm the women of this country, the women who are sacrificing for their country. By supporting Senator MURRAY's amendment, we will go a long way in telling those women we respect they should not have to answer to another set of laws to put their health in jeopardy any more than they are put in jeopardy in the fact they are willing on a daily basis to lay their lives on the line.

I thank my friend. I yield back my time to her.

Mrs. MURRAY. I thank my colleague from California for a very eloquent statement and for her support of this extremely important amendment that sends a message to women who serve our country overseas that they will be treated equal to any other woman who is a citizen in this country today.

Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator from Washington has 26½ minutes.

Mrs. MURRAY. And how much time remains on the other side?

The PRESIDING OFFICER. Forty-eight.

Mrs. MURRAY. Mr. President I ask my friend from Indiana if he intends to use any more of his time?

Mr. COATS. I would like to respond to the statements that have been made, but I would tell the Senator from Washington that depending on whether or not she has more speakers on her side, I would be prepared to yield back a substantial amount of time if we could come to agreement on both yielding back time.

I have been approached by some Members who have some conflicts this evening and are looking for a little bit of a window. One Senator on your side asked if it would be possible to yield back some time. So I guess I would inquire of the Senator from Washington what her intentions are in this regard.

Mrs. MURRAY. Mr. President, I suggest the absence of a quorum to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

Mr. COATS. Reserving the right to object, Mr. President, I am sorry. The Senator from South Carolina was asking me a question and I did not understand or hear what was propounded.

The PRESIDING OFFICER. The request was for a quorum call, the time to be equally divided.

Mr. COATS. That is fine. And then the Senator is going to check to see what she has on her side and I will do the same, and if we can come to an agreement we will yield back our time. That is acceptable, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. MURRAY. Mr. President, I yield 5 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

Mr. LAUTENBERG. I thank the Chair. I thank my colleague from Washington for giving me some portion of the time to support the Murray-Snowe amendment.

This amendment is so basic that it, frankly, kind of surprises me that we say to people who we have recruited to serve in our military that you leave your constitutional rights on the doorstep; that if you need medical services you are willing to pay for, we are not going to give them to you.

This amendment, as it is presented, will overturn the unreasonable, harsh Republican policy that prohibits servicewomen from obtaining abortion services in overseas military facilities, once again, even if they are willing out of their own pockets to pay for these health services.

Essentially, the current law that was passed by the Republican Congress forces servicewomen to leave their constitutional rights behind, at the water's edge.

I am familiar, Mr. President, with the struggle to protect constitutional rights of servicewomen. In 1991 and 1992, I led the fight to overturn this policy. I had an amendment pass the Senate twice to overturn this unfair restriction. Unfortunately, President Bush threatened to veto the entire defense appropriations bill over this provision and thus it was dropped in conference. But the 1992 election changed all of this. On the second day of the Clinton administration, President Clinton restored servicewomen's constitutional rights by executive authority.

Tragically, the Republican Congress reversed the Clinton policy. But they are not just reversing a Clinton policy. What they are saying to those individuals, who have every right under the law to make a choice about whether or not they continue a pregnancy, is that they will not be able, practically, to do it; they will not be able to have an abortion if they choose.

I am not promoting abortion. I am saying every woman has a right under our law to make that decision. What they are saying is if you happen to be stationed in a country that prohibits abortion and you want, nevertheless, to have quality service, you are restricted. You can choose to go to a back alley someplace and take the terrible chance that involves, or else you can sometimes be standby on a flight out of that country to a friendlier place. The problem is these flights are often filled and you could wait for months—months that would, perhaps, put a pregnancy into a stage of development that no one would want to see terminated.

So this is a terrible imposition, I think. We are asking people to serve. We are telling them they will be rewarded for their loyal service. We tell them they may undergo danger, they may in fact lose their lives, but they do so on behalf of their country. I salute their bravery and their courage. But I think it would be terrible at the same time to say, if you need a medical service that is available, that you are not going to be able to get it because you are in the military.

So I hope our colleagues in the Senate will look at this realistically and say we are not encouraging any choice for anyone to make that is not totally their own. But we are also saying if you enlist, if you raise your hand, take the oath, promise to serve your country faithfully under virtually any condition, that you do not lose your rights as a woman to make a decision that is available to every other woman in this country.

I yield the floor and hope the Murray-Snowe amendment, a very thoughtful piece of legislation, will be agreed to and will amend what I think is an egregious violation of a right that belongs to every woman in this country, particularly those who join the service.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise to oppose this amendment.

Last year, in both the National Defense Authorization Act and the Defense appropriations bill, the Congress spoke on this issue. Both of these bills included a prohibition on performing abortions in military hospitals and clinics overseas except in cases of rape, incest, and where the life of the mother is at risk. The President signed both of these bills.

Now, Senator MURRAY is proposing that we repeal the law enacted last year. I would suggest that more debate on abortion within the Senate is not going to change any Senator's vote. I hope we can agree to limit the discussion and vote.

I just want to say this. There is a question here whether you are going to have abortions wide open for any purpose, any time, any place, or you are only going to have them in cases of rape, incest, and where the life of the mother is at risk. That is the issue here. I think Senators ought to understand it.

If you want to preserve life except in cases of rape, incest, and where the life of the mother is at risk, then you oppose the amendment of the Senator from Washington. But if you favor wide open abortions, as I said, at any time, any place, for any purpose, then, of course, you support her in this amendment.

Mr. President, I oppose the amendment.

The PRESIDING OFFICER. Who yields time?

Mrs. MURRAY. Mr. President, I yield 1 minute to the Senator from Virginia.

Mr. ROBB. Mr. President, I thank the Chair and thank the distinguished Senator from Washington. I thank her for her leadership on this particular amendment.

This is a matter that we have considered a number of times. We are all familiar with the arguments. I describe my position, not as pro-abortion, but as pro-choice. I believe that abortions ought to be safe, legal, and rare. But I do not think, under any circumstances, that we ought to deprive those people who happen to be stationed overseas from having the same legal and safe medical procedures that are available to those of us here in the United States.

I respect the very significant differences of opinion for ethical, moral, and religious reasons that many hold. This is not asking that the Federal Government provide any funds. It simply is allowing those folks who are stationed overseas to use the facilities.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. COATS. I have been discussing with the Senator from Washington the timing here. I have some responses I would like to make to statements that have been made. I do not anticipate that will take more than 10 minutes at the most, probably less. I know the Senator from Washington has indicated an interest in just taking a couple of minutes to wrap up the debate in support of her amendment, at which point, I believe, we would both be ready to go to a vote.

I say that to notify Members, who may be watching the debate who are interested in when we will vote, it appears we will vote earlier than the time originally projected, in terms of the 2-hour debate, maybe as early as the next 10 or 15 minutes. I just say that to alert Members.

I would like to respond to some of the things that have been said relative to the Murray amendment. I sit here somewhat baffled by the remarks that I have heard, because it sounds to me as if a crisis situation exists that is in immediate search of solution, relative to female members of our armed services and their dependents obtaining the right to have an abortion if they so chose. But the problem described and the rhetoric used to describe the situation is totally at odds with the facts of the situation.

The picture that has been painted is a false picture. We are left with the perception, as presented by supporters of the Murray amendment, that we are placing women who serve in our military in extraordinarily dangerous situations; that the policy currently in effect is forcing them into foreign back alleys, that their health and perhaps even their life is in jeopardy if we do not immediately repeal a policy which has been in place for a very substantial period of time and has caused no problems.

There have been no complaints registered by women in the military. There have been no incidents of problems relative to women being unable to have an abortion. There has been no denial of constitutional rights. Yet we keep hearing about these terrible health risks that are being forced on women who serve in our military overseas. Terms were used: The cruel, indecent, inhumane policies; women have been victimized; it is extreme policy. I just wrote down some of the things that were said. "Placing huge obstacles in front of women."

That just simply is not the case, Mr. President. Those are not the facts. If those were the facts of the situation, there might be a basis for at least debating, in seriousness, the Murray amendment.

I would like to quote from a response to a letter that I sent to the Assistant Secretary of Defense to try to ascertain the facts of the case. I asked him several questions. I said:

> Has the Department of Defense had any difficulty in implementing the current policy?

That is the policy in effect that basically said military facilities will not be used to perform abortions on the basis of an elective abortion, not an abortion in terms of a need for abortion, but an abortion which is simply elective, a woman wanting an abortion.

> Has the Department had any difficulty in implementing the current policy?

Answer: No.

> Have any formal complaints been filed concerning this policy, to the best of your knowledge and information?

The answer: No; no formal complaints have been filed.

> Have any legal challenges been instituted concerning this policy?

The answer: No.

> Have any members or their dependents been denied access to an abortion as a result of this policy?

I think that is a very important point here. I am not sure our colleagues are listening. But the question I posed to the Secretary of Defense is, have any members or their dependents been denied access to an abortion as a result of the policy that the Senator from Washington is seeking to overturn? And the answer was no.

I do not understand what the problem is. There has not been a denial of constitutional rights for women. There has not been a denial of access to abortion for women. The policy has been to enforce a policy that was adopted not just by Republicans but also by Democrats, I will state to my friend from New Jersey, that taxpayers' funds in the performance of abortions should not be used. That is a policy that has been upheld by the Supreme Court, which said simply because someone has a constitutional right to something does not mean the taxpayer has to fund that right.

That case is Harris versus McCray, which basically upheld the Hyde language.

What we are seeking to do here is uphold the Hyde language which has been adopted on numerous occasions by Republicans and Democrats, in both the House and in the Senate, as it applies to use of military facilities which are constructed, operated, paid for, doctors are paid for, equipment is purchased, all with taxpayer money.

Now, if it was a valid argument that we were forcing women into foreign back alleys, I think that is a legitimate question for us to address, because these women are serving in the interest of their country and they are being deployed to places that would not necessarily be a place of their choosing.

But that is not the case, because the Department of Defense will provide transportation back to whatever place that woman wants to go to, and I do not know of anybody who has to wait weeks for that transportation, because I asked that question also of the Assistant Secretary of Defense:

> Have any members or their dependents been denied access to military transport for the purpose of procuring an abortion?

The answer is no, none. Nobody has filed a complaint saying they have been denied access. Nobody has raised a question saying they have had to wait weeks. No one has said, "I have been forced into a back alley." They have had the opportunity to seek legal, safe abortions without risk to their health.

If there is a risk to their health in such a way that it endangers their life or potentially endangers their life, or the abortion is as a result of a rape or incest, then that woman can obtain an abortion from a military facility. We do not want to deny them that opportunity in that situation. That is an abortion that is needed.

But an abortion that is just simply wanted, for whatever reason, we are simply saying we do not believe the taxpayers should have to fund an abortion simply because a woman wants an abortion. Now, if that woman wants an abortion and she has the right to get that abortion under the law, we are not denying her that right.

It is just difficult for me to understand the rhetoric that is used by people who say we are taking away the constitutional rights of women.

(Mr. GORTON assumed the chair.)

Mrs. BOXER. Will the Senator yield on that point?

Mr. COATS. I will be happy to yield for questions from the Senator from California.

Mrs. BOXER. I say to my friend, I thank you for yielding.

The issue here is equal treatment under the law, basically. You have a man who has to have a procedure performed that is a legal procedure. No one tells him he has to get on a plane. No one asks him all the details. No one puts him on a plane, takes him out of his duty station, flies him back. I tell you, if you did that to any one of these Senators here who might have been in the military, you would antagonize every man on this Senate floor.

You are not treating a woman who wants to get a medical procedure in the same fashion. You may not like it, my colleague, and I respect your view and others on the Senate floor who I see here who want to take away a woman's right to choose, who want to take women back to the old days, but the point is: How do you justify treating a woman who wants a legal medical procedure different than a man who wants a legal medical procedure?

I see my friend from Pennsylvania smiling about this. He may find it very amusing, but I might just say to my friend——

Mr. COATS. Mr. President, I ask the Senator from California what her question is.

Mrs. BOXER. Yes, I ask my friend, how does he justify treating a woman who wants to get a legal procedure in a different fashion from a man who wants to get a legal medical procedure?

Mr. COATS. Mr. President, in answer to the question of the Senator from California, I state to the Senator from California that there is a whole list of elective procedures that is not covered in military hospitals, not covered by military medicine, depending on the size of the facility, depending on the location of the facility, and, frankly, there are a series of things that are not covered, so men are denied elective procedures in a number of instances.

So it is not a question here of equal treatment under the law, that this is the only medical procedure not allowed to people who serve in the military. We are simply saying, and I think the Senator has not addressed the point, we are simply saying that in the question of the utilization—Mr. President, is the Senator interested in my answer?

Mrs. BOXER. I say to my friend, very seriously, if you look a woman in the eye who decides to exercise her legal right to choose, that she has a certain frame of time in which to make that painful, difficult, personal decision with her God, with her doctor, with her family, you do not put her on a plane. That is not an elective procedure.

My friend can view it a different way, but I seriously question the fact that this is an elective procedure when a woman finds herself in this circumstance.

Mr. COATS. Mr. President, the Senator from California and I, obviously, have a difference of opinion on this. Let me see if I can refocus the debate.

The question here is not over a woman's right to choose. The question is not over whether a woman has the right to an abortion. While the Senator from California and I disagree on the current legal status of that question, the Supreme Court has granted a woman the right to an abortion. That is not the issue that we are debating. That is not what this amendment is about.

This amendment is focused on a fairly narrow question, and that is whether or not taxpayers' dollars ought to be used to provide abortion for women who serve in the military. There would be a problem here in denying a woman's access to abortion and perhaps impeding her constitutional rights if there were not alternatives available to that particular woman.

But there are alternatives available. And the Department of Defense has made sure those alternatives are available. There is no recorded case in the Department of Defense where there was ever a complaint raised. That is why I said this seems to be a solution in search of a problem. If we had a documented series of a list of problems—

Mrs. MURRAY. Mr. President, will the Senator from Indiana yield for a question? It is only to ask about time.

Mr. COATS. I do not wish to use a whole lot of time. But I was asked a fairly provocative question, and I thought I would give the answer.

Mrs. MURRAY. We want to give our Members a time agreement. How much more time does the Senator need?

Mr. COATS. I am hoping to wrap up very shortly.

But I hope when Members come over here we can separate fact from fiction. I hope Members will look at the facts of the case and make a decision on that basis, rather than look at the fiction that has been provided to us today by proponents of the amendment, because this is not a question of a woman's right to choose. That is a separate question. We can debate that. We are not debating that today, at least I did not think we were debating that today.

The issue here is simply whether or not a woman in the military should use a military facility for an elective abortion, paid for by her funds for the cost of the procedure, but impossible to separate from the use of taxpayer funds in constructing, operating, hiring doctors, purchasing equipment, and the other associated costs with taxpayer funds provided in military hospitals.

The military has no recorded evidence of anybody being denied access, denied transportation, denied the opportunity to get the abortion that they seek. We can deal with the other issue at another time. But to characterize this policy as cruel, indecent, inhumane, the denial of women's rights, dangerous, back-alley foreign abortions simply, I think, does not characterize and should not characterize this debate because that is not what this issue is about.

Mr. LAUTENBERG. Will the Senator yield for a question?

Mr. COATS. I will be happy to yield.

Mr. LAUTENBERG. What happens if the woman wants to have the procedure done—the Senator has agreed that under present law she can request that—in a country that has a prohibition within their population? That eliminates medical service there.

The Senator further says that you cannot use the military medical facility because of the fungibility of funds. Would the Senator be willing to say to the military, that you must guarantee that a flight be made available within a 3-day period, a 5-day period, to a U.S. military medical facility that will accommodate her need and to make sure that that trip can be arranged within a 5-day period?

Would the Senator be willing to guarantee, since the Senator says he has no interest in stopping the procedure—his concern is about the fungibility of the funds—that we would guarantee that this individual would have access to an abortion, respecting the rights, by the way, of any conscientious objection by a physician who might not want to do it or medical personnel?

Mr. COATS. If that was a problem, it is something that we might want to consider. But according to the Department of Defense, it is not a problem, never been a problem. Again, it is a solution, a mandate, that is not necessary because there has never been a problem with that.

If a woman in the military is in a country that does not provide abortions by law, obviously that woman is free to travel to another country or back to the United States. In the case of—I am not even sure of what Italy allows, but if you are stationed in Italy, you usually travel to Germany to get an abortion or a neighboring country. It is just not a problem. I do not think we need to legislate something that is not a problem.

Mr. President, I am prepared to yield to anyone else that seeks time. But I think we are just replowing old ground here. If the Senator from Washington wants to wrap up, we can notify our colleagues that within a very short time we expect a vote. I am going to move to table as soon as the Senator from Washington is finished.

Mrs. MURRAY. Mr. President, if the Senator from Indiana is willing to yield back time, I will use 30 seconds.

Mr. COATS. Mr. President, I am more than willing to do that. I will yield back my time.

The PRESIDING OFFICER. The Senator from Indiana has yielded back his time. The Senator from Washington is recognized for 30 seconds.

Mrs. MURRAY. Thank you, Mr. President.

Once again, I urge my colleagues to vote for this very simple amendment. It will allow our women who serve in our military overseas to use their own private funds to get a safe, legal abortion in our military facilities overseas.

We have talked a lot about the women in our military, but this also affects the wives and the daughters of our servicemen who serve overseas. They, too, should have the ability to have a safe, legal procedure.

I have heard that no complaints have been filed. But I tell my colleagues that this puts a woman in a very serious position, if she does complain, and she is in the military. It could have career implications. And it could have personal implications. It does not surprise me that the Senator from Indiana has not heard of any complaints. But I assure you, this does put women's lives in jeopardy. It puts obstacles in front of them that clearly violate their equal protection under the law. Mr. President, I urge my colleagues to support this amendment, and I yield back my additional time.

The PRESIDING OFFICER. All time is yielded back.

Mr. COATS. Mr. President, I move to table the pending amendment.

Mrs. MURRAY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment by the Senator from Washington. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New York [Mr. D'AMATO] and the Senator from Minnesota [Mr. GRAMS] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Nebraska [Mr. KERREY] are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. BUMPERS] would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 45, nays 51, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—45

Abraham
Ashcroft
Bennett
Bond
Breaux
Burns
Coats
Cochran
Coverdell
Craig
DeWine
Domenici
Exon
Faircloth
Ford
Frist
Gramm
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Johnston
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Reid
Roth
Santorum
Shelby
Smith
Thomas
Thompson
Thurmond
Warner

NAYS—51

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Brown
Bryan
Byrd
Campbell
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Frahm
Glenn
Gorton
Graham
Harkin
Hollings
Inouye
Jeffords
Kassebaum
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Robb
Rockefeller
Sarbanes
Simon
Simpson
Snowe
Specter
Stevens
Wellstone
Wyden

NOT VOTING—4

Bumpers
D'Amato
Grams
Kerrey

The motion to lay on the table the amendment (No. 4059) was rejected.

Mrs. MURRAY. Mr. President, I move to reconsider the vote.

Ms. MOSELEY-BRAUN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4059) was agreed to.

Mrs. MURRAY. Mr. President, I move to reconsider the vote.

Ms. MOSELEY-BRAUN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 4060

(Purpose: To reduce the amount authorized to be appropriated for military construction in order to eliminate authorizations of appropriations for certain military construction projects not included in the Administration request for such projects for fiscal year 1997)

Mr. McCAIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for himself and Mr. GLENN, proposes an amendment numbered 4060.

Mr. McCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title XXVII, add the following:

SEC. 2706. REDUCTION IN AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN MILITARY CONSTRUCTION PROJECTS NOT REQUESTED BY THE ADMINISTRATION.

Notwithstanding any other provision of this division, the total amount authorized to be appropriated by this division is hereby decreased by $598,764,000.

Mr. McCAIN. First of all, I would like to say that I am perfectly agreeable to a time agreement to be entered into immediately. I hope that the other side understands. There is an objection on the other side. But I do not believe this amendment should take too long. I would be glad to enter into a time agreement at any time during this discussion.

Mr. LEAHY. Will the Senator yield without losing his right to the floor?

Mr. McCAIN. I ask unanimous consent to so yield to the Senator from Vermont without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I do not have a particular position on this one. I would be delighted with whatever time agreement we might enter into. But I see the deputy Republican leader on the floor. I am just wondering with time agreements and all if we might have some idea. What is the schedule tonight? For those of us who have faint glimmers of family-friendly situations, I just wonder. I am perfectly willing to continue to vote for the rest of the evening, or stack votes. I am not the one to make that choice. I wonder if someone could give us an idea.

Mr. McCAIN. I ask unanimous consent to yield to the Senator from Oklahoma for purposes of answering.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, there has been no formal agreement. I will tell my colleagues that we are trying to complete this bill. We have a lot of amendments. I understand the request of the Senator from Vermont. I think it is the intention of the majority leader to press on tonight, probably until— this time has not been announced but I will guess until about 9 o'clock and then probably continue later to stack votes for a later time. It is vitally important that we move forward.

I will consult with the majority leader and will report back very soon.

Mr. LEAHY. I thank my friend from Arizona for making it possible to make that inquiry of the Senator from Oklahoma.

Mr. McCAIN. Mr. President, I ask unanimous consent to yield to the Senator from Illinois for 3 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, if I may suggest to the new leadership over there, as one who is not going to be around here too long, I think we ought to accommodate families as much as possible. So in the evenings when you can stack the votes I think it is desirable to do so. I just pass that along and suggest it to the new whip. I congratulate him publicly on that. I see that Senator CRAIG is here. I think to the extent that you can accommodate family life here it improves the United States Senate.

Mr. NICKLES. Mr. President, I appreciate the comments of my colleague from Illinois. I might mention the Senator from Arizona asked for a time limit on his amendment. If Senators and opponents of amendments are willing to enter into time agreements, it makes it a lot easier to stack votes. So for us to be cooperative, I share the concerns to be more family friendly, and if it is possible for us to stack votes for this evening so there might be time for people to have dinner with their families, or something, but to do that it is really essential to have time agreements and have a couple of other amendments in order. So if we have maybe some more help in reaching those time agreements and ordering the next amendment, that would certainly be of help.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, if I might additionally comment, we are reaching the point in the process we go through where it is about time we got hold of all of the amendments and start trying to negotiate time agreements on them. Obviously, the gestation period is a couple of days. We need to move forward with that part of this process of getting this bill through the body.

Mr. President, I would like to say again to my friends on the other side of the aisle that I would be glad to enter into a time agreement on this amendment at any time during the discussion of this amendment. As far as I know, the Senator from Ohio is the only other speaker I have on this amendment; at least who is in favor of it. We would be glad to enter into a reasonable time agreement at any time.

Mr. President, I would like to describe the amendment and make a few comments on it.

The amendment would cut nearly $600 million which was included in the bill for unrequested military construction and family housing projects. I am somewhat gratified to learn that the close scrutiny focused on military construction pork has at least forced a degree of control on the process. Most of the projects in this additional add-on of $600 million meets four of our five criteria stated in the sense-of-the-Senate language.

These criteria are that the mission is essential for, in 11 instances, quality of life not inconsistent with the BRAC process in the future years defense plans except when only designed money is authorized and executed in fiscal year 1997. Twenty-five of the added projects do not meet some other criteria. However, 10 of these are quality of life improvements, and the balance received only planning and design funding. But, Mr. President, none of the projects that were added in this bill meet the fifth criteria; that is, there is an offset by a reduction in some other defense account.

These are simply $600 million add-ons. I appreciate the fact that every effort was made to adhere to some credible criteria in selecting the projects for these add-ons. But my objection in principle to adding funds for unrequested military construction projects remains the same. During the markup of this legislation in the Armed Services Committee the Readiness Subcommittee recommended a plus of $100 million for high priority housing projects that the Secretary of Defense had come over and sought additional funding for. But the subcommittee allowed the Department of Defense to determine the allocation of these projects by military priority, not by location in any particular Senator's State.

Senator GLENN and I both voted against the addition of this $600 million in unrequested military construction when the amendment was offered in our markup. Not surprisingly we lost that vote.

Mr. President, this is a very disturbing, unpleasant, and in some ways alarming situation that has been going on for some time. Since 1990, the Congress has added more than $6 billion to the military construction accounts. I want to repeat—$6 billion to military construction accounts. This bill adds another $600 million for unrequested projects. At the same time the overall defense budget has declined by more than 40 percent despite our recent efforts to increase funding.

Mr. President, let me explain that again. While we have increased over the request of the Defense Department some $6 billion in unrequested military construction projects—some of them the most outrageous, including, for example, a foundry at a base that is being closed; construction of a health care facility at a base where down the street is another health care facility where they could have put lifetime memberships for every member of that military base; to the addition of a runway at a base where not far away is a very large, one of the largest airfields in the world. The list goes on and on. We have added $6 billion to the military construction accounts while the defense budget overall has decreased by some 40 percent.

Mr. President, we cannot do that for a whole variety of reasons, including maintaining credibility with the American people as to the need for their tax dollars which are earmarked for defense, to be spent on defense.

Let us look at the priority of these added projects in the overall budget of the military construction. Of the total of 115 added projects 72 of them were planned for the year 2000, or later. In fact, 14 of these projects were not anywhere in the future year defense plan; nowhere. Nowhere could 14 of these projects be found. Of the $600 million added for the unrequested projects, almost $350 million for these 72 projects was planned for the next century—were planned for the next century, not this century. Surely projects planned for the year 2000, 2001, 2002, or later are not as vital to the services as those that are planned to be included in next year's defense budget. Why did we not focus on fiscal year 1998 projects, if we are going to add these military construction projects? I will tell you, Mr. President, the answer is simple. Because some of these 1998 projects were not in the State or district of powerful members. It is that simple. There can be no other reason. Instead, we are reaching 4 years out in the future years' defense plan, into the next century, to find 29 projects that are planned in the States of members of the Armed Services Committee.

Let me repeat. I will be very frank. We are reaching 4 years ahead in the future years' defense plan, into the next century, to fund 29 projects that are planned in States of members of the Armed Services Committee.

Let us be realistic. This bill is $1.7 billion above the defense budget target set in the fiscal year 1997 budget resolution. That means we will have to cut out some of the programs added in this bill when we get to conference with the House.

Will military construction be part of those cuts when we reach our negotiations with the other body? I do not think so. Instead, we will probably end up cutting some of the high-priority adds for much needed modernization equipment that will enable our troops to fight and win in future conflicts.

With the authorizers and appropriators adding $900 million to the military construction request, I predict the outcome of our conference will be an agreement to fund most of what is in either bill, or more than $1 billion in unrequested projects. After all, that is the only way to keep everybody happy.

Mr. President, I am tired of seeing us acquiesce to a practice which only feeds on itself. Until we instill some discipline in our own markup process by resisting the temptation to add money simply because it serves our constituents, we cannot expect the Department of Defense to exercise discipline in resisting efforts to spend defense dollars on unnecessary nondefense projects.

Mr. President, we have made progress in reducing the total amount of porkbarreling in the defense budget. Last year, about $4 billion of the total $7 billion that was added to the defense budget was wasted on pork-barrel projects like new attack submarines, research project earmarks, medical education programs, and, of course, military construction add-ons. This year, we are only wasting $2 billion. But $2 billion is a lot of taxpayers' dollars to waste.

How do we explain to the American people why we need to spend $11 billion more for defense this year when we are spending $2 billion for projects that do little or nothing to contribute to our Nation's security?

For the sake of ensuring public support for adequate defense spending now and in the future, let us stop this practice now. I urge my colleagues to vote to cut out the $600 million in unnecessary military construction spending.

Thanks to organizations such as the Citizens Against Government Waste, Citizens for a Sound Economy, the National Taxpayers Union, and talk show hosts all over America, the American people are becoming increasingly aware of what kind of a process we are in. We might have had some rationale back in the 1980's when we continually increased the defense budget, when money for defense was quite readily available, but what we have experienced in the last 7 or 8 years is a dramatic cut in defense spending, and yet the spending on unnecessary and unwanted projects goes up. At some point, this is going to have to stop. I hope it is now. It probably will not be.

There are enough projects in here that there will be more than enough votes to defeat this amendment. But it is not fair. It is not appropriate.

Let me point out that we still have problems with our equipment. We do not have sufficient airlift and sealift and amphibious capability. According to the Chairman of the Joint Chiefs of Staff, we are underfunded as far as force modernization is concerned by some $21 billion this year, and yet we are going to spend billions of dollars on these unwanted projects.

I do not expect to win on this amendment, but I want to inform my colleagues that I will not quit on this issue. I have an obligation to the men and women in the military and the taxpayers of America to continue to ventilate this issue.

I am also pleased that we passed the line-item veto this year, which will go into next year, and next year, in partnership with my colleague from Ohio, we are going to at least send a list over to the President of the United States for his consideration so we can cut out this practice which clearly the Congress of the United States does not have the courage to do.

With that, Mr. President, at this point I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, Senator MCCAIN and I usually are on the same side, but in this particular case we are on opposite sides.

I rise to oppose Senator MCCAIN's amendment to strike the funding for $598 million for military construction projects added to the defense authorization bill during the Armed Services Committee markup. Senator MCCAIN has been persistent trying to eliminate defense spending that he believes is unnecessary and I applaud him for his persistence.

Mr. President, we have screened the projects that Senator MCCAIN is attempting to strike with the Department of Defense. They all meet the criteria that both Senator MCCAIN and Senator GLENN worked so diligently to set up. For the benefit of all Members that criteria are as follows: Is the project in the future year defense plan? Can construction on the project begin in fiscal year 1997? Is the project mission essential or a quality of life issue? And, is the project consistent with base closure action?

The committee received requests from 62 members for construction projects totaling more than $1.6 billion.

Of the projects requested, $730 million met the committee's criteria. However, because of the funding priorities, the committee agreed to fund only the highest priorities and those that would contribute to readiness and to the quality of life of our soldiers, sailors, airmen, and marines.

Mr. President, I want to point out that more than $200 million of the $700 million is dedicated to quality of life improvement projects such as barracks and family housing. Another $170 million is dedicated to training and readiness facilities. These are projects that the administration could not fund because it chose to reduce the military construction budget by almost $1.5 billion below the amount requested in fiscal year 1996.

Finally, I want to address the comment in the statement of administration policy regarding this bill. The administration states that projects for $95 million are not in the services long-range plans. It included such facilities as the troop barracks in Germany and the family housing construction in England. These projects that amount to more than $25 million were among the highest priorities on the list of unfunded projects submitted by services. The remaining projects were equally justified.

Mr. President, the $700 million added by the committee are justified and are in the best interest of our national security. I urge the Senate to support the committee and vote against the McCain amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Ohio.

Mr. GLENN. Madam President, there is not a single Senator here who does not go back home and talk all the time about how we want a balanced budget. We want a balanced budget very badly. We have the President's plan we put forward in 1993, we have the Democratic plan, Republican plan, and we all take great pride in how we want to balance the budget. Yet, when it comes down to actually doing something practical, if it impinges just a little bit in our area, or if we are not able to bring home some of the pork we would like to bring home, pump up the way people look at us back home, then our talk about budget balancing gets pretty thin around here. That is what we are talking about and that is what Senator MCCAIN has been addressing.

This amendment would cut nearly $600 million which was included in the bill for unrequested military construction. These are things the Pentagon did not say they needed. These were things the administration did not say we needed. We did not have to have this money in there. These are add-ons, strictly add-ons.

Granted, many of these are going to family housing projects and things like that. But these were not the priorities that the administration established or the Defense Department established or the Army, Navy and Marine Corps established as what they would rather have if the $600 million was available to be spent for whatever. These are things that Members of Congress just decided in their own wisdom to put in. As the Senator from Arizona has indicated, too many times it appears that these efforts to put good things in just happen to be in the home district or just happen to be in the home State. They just happen to be add-ons that all total up to $600 million. So when we talk about balancing the budget down here, are we going to walk the walk as well as talk the talk? That is basically what we are talking about.

Some years ago here, I think it was 3 or maybe 4 years ago, this idea of the pork creeping into every defense authorization bill had become so rampant, had become so out of control, that the Senator from Arizona and I started a policy. We got this through as sort of sense-of-the-Senate language that any add-ons would have to meet some criteria. We would use these as a benchmark. That does not mean they should go in if they met these five criteria; it just means we had to make a compromise and stop some of the runaway pork that was put into this legislation every year.

So what did we do? We put in several criteria. It had to be mission-essential for the long term, the future; No. 2, it could not be inconsistent with BRAC, the base closure procedure; it had to be in the 5-year defense plan; it had to be executed in the next fiscal year or at least start the contract then; and, No. 5, it had to be offset by a reduction in some other defense account if you are going to make an add-on.

That does not mean if it met these five criteria automatically you should try to put it in and goody-grab in the budget or authorization bill if it meets those five criteria. We set these criteria because that stopped some of the even more rampant requests, things that were put in the budget back then that were even worse than the things we see right now.

What happened when we take this sense-of-the-Senate criteria and apply it this year? Madam President, 25 added projects do not meet some of the criteria. It does not mean they do not meet some of them; they do. Are any of them offset by our defense accounts? No, they are not. They do not meet that criteria at all. But the basic objection is just in principle, adding funds for unrequested military construction projects. Our objection to it remains the same.

During the Senate Armed Services Committee markup, as an example, our subcommittee, which Chairman MCCAIN chairs and which I am the ranking minority on, we recommended some additions in the subcommittee to be passed by the full committee. They were substantial increases in areas we had discussed with the Pentagon. They thought they could use some more money in these areas so we recommended in the subcommittee some additions of about $100 million, additions for high priority housing projects—we agreed on that. But the subcommittee allowed the Department of Defense to determine the allocation of those projects. We did not look around the room and say, "What Senator is here we can please? What Senator can we help get reelected? What Senator can we do a favor for?"

No, we put that money in because the Defense Department indicated they could use it, and they could make the choice, they could make the choice on where the greatest need was. That was our basic criteria in markup this year, and I think it was a very sound one. Let DOD decide where their greatest need is, not try to come back and do a favor for one or more of our Members.

Senator MCCAIN and I both voted against additions of the $600 million in unrequested MilCon when it was offered in our markup. But we lost that vote, obviously. What is the cumulative effect of all this? Since 1990, it has added up to real money, as some would say here. This is not just peanuts anymore. Since 1990, we have added more than $6 billion—$6 billion—to MilCon accounts. Now we are going to add another $600 million in unrequested projects with what we are doing here.

Our overall defense budget has gone down meanwhile, so, when we make add-ons like this, they assume a more important role than they would have even normally, because they become a greater percentage of what our total military expenditures are. The defense budget has gone down about 40 percent, yet we are going ahead with these things that benefit primarily our Members.

The priority of these added projects? Do we need them now? It is my understanding that, of the 115 added projects, 72 were planned for the year 2000 or later. That does not make them very necessary right now. In the unrequested projects, almost $350 million out of the $600 million was added for these projects that are planned for after the turn of the century. No wonder the Defense Department did not request things like this. No wonder there were higher priorities in the defense budget.

So, why do we put these in? Although we objected, they are put in mainly because particular Members want to do something in their States. They want to bring home the bacon. We must be realistic. This bill is $1.7 billion above the defense budget target set in the fiscal 1997 budget resolution now. That means we have to cut out some of the programs added, and when we get to conference with the House, how are we going to do that? What is going to be cut? Will these be out of the procurement accounts? Is that what we are going to do? Will MilCon be cut when Members just succeeded in getting something in for their States or their home districts?

MilCon is probably going to be the last thing that gets cut. So we will wind up, instead of spending some of this $600 million for much-needed modernization equipment that we will really need if we get into any future conflict, we are going to spend it for these other things that were add-ons that people wanted for their particular area.

As I understand it, the House has already passed their bill. They added, in their bill, some $900 million to the MilCon request, almost $1 billion. You know what is going to come out of the conference. What usually comes out of the conference—not cutting back on those MilCon projects, because that would offend some members of the committee who were just successful in getting these projects in for their home State.

So we are looking forward to a conference committee which usually will not cut these accounts. So if we are going to cut them, it is going to have to be here, and it will have to be done with the proposal of the Senator from Arizona, his proposal that I support very, very strongly. It is not easy to be out on point, trying to do something like this. I will say that. He and I have both received a lot of flak over the past 3 or 4 years as we have tried to cut back some of these things. We have had Members come back to us and criticize us, criticize us for being unfair and all sorts of things. I do not have any problem at all standing for some of these cuts. We have been proud to make this effort.

I will say this: I think we have been somewhat successful with this in reducing the total amount, the total amount through the years that people have requested. I will not say we have scared people off, but let us say we have made some of them think twice, anyway, about some of these things. So the requests have been going down, and we can probably point to where, compared with last year, we probably have gone from about $4 billion you can point to as questionable down to only about $2 billion this year. Is that good? No, it is not very good. But it is better than we thought we might do last year, I will say that. So maybe we are having an impact. Maybe we are heading, really, in the right direction.

But what it comes down to is, are we going to talk about budgets and talk and talk about budgets and act as though we are doing something around here all the time and worry about little tiny amounts, comparatively speaking, in the budget? Or are we going to really do something about it?

Here is what we do when it comes to trying to get something for our own States, or Members of the House of Representatives trying to get something for their districts so they can point with great pride, make a headline when they are up for reelection: I brought back the park on this. I got that road intersection, or I got something in there that is part of this $600 million.

Are we doing this for campaign purposes or are we doing it because the Pentagon really needs this as a priority item to really fulfill our defense needs?

Most of these things, by that criteria, do not even deserve to be talked about as far as being necessary. Most of them are add-ons that are favors to particular Members, and we know it, and anybody who works on this legislation knows it also.

So I say, let us just keep after this. I know Senator MCCAIN is committed to keeping after it. I am, too. I believe he wants to call for a rollcall vote on this, and I certainly support that.

For all the reasons I have stated above, I support this. I urge our colleagues to put the budget ahead of their own parochial interests, perhaps. He and I have not added things in for our own State on this. I have not added a thing. There are things in here for Ohio, but not that I asked for. I think he is in the same status, as far as Arizona goes.

So we are walking the walk on this ourselves. We are not just talking about this and talking against someone else and goody grabbing ourselves. This is something we feel strongly about. We feel this $600 million was not requested, and we think when you look at it that we can do without these things and, hopefully, get the Pentagon to prioritize what they want and support their budget, not what we can add on over here.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I certainly would never question the good intentions of my friend from Ohio or the Senator from the State of Arizona, but I think it is important to know that the chairman of this subcommittee, the junior Senator from the State of Montana, is not known for being a big spender. He came to the U.S. Senate with experience in the State of Montana working at the county level. There he was known for his frugality. He has acted the same way as chairman of this subcommittee.

Everyone should recognize that the amount that we are going to have marked up in our bill tomorrow is $200 million less than what the House has, and I do not think the House is known for spending lots of money. Our subcommittee is coming with less money than has been requested and authorized and appropriated by the House.

All of our colleagues should understand that the money that is the so-called add-ons meet the so-called McCain criteria. The distinguished Senator from Arizona said that if there are going to be add-ons, they should meet certain criteria. If there is going to be money appropriated, they should meet certain criteria.

We have met every one of the criteria in every one of the matters being questioned.

What are those criteria? That there be a 5-year plan. Everything in our bill meets that plan. Every element in these so-called add-ons are within the 5-year plan.

Second is that they be the top priority of the base commander. We have met that criteria.

That the add-ons be mission essential. We met that criteria.

That the site has been selected for the construction. That criteria has been met.

Finally, it can be executed in this fiscal year. That criteria has been met.

We have met the McCain criteria, not in some instances but in every instance.

The examples cited by the distinguished Senator from Arizona, about the health club and all that, I respectfully say I do not know what he is talking about, but they would not meet the 5-year plan or the criteria generally. Everything we are talking about meets the McCain criteria.

We should also recognize that the bill we are talking about this year is 10 percent below last year's level; $1.3 billion below last year's level. We are, of course, going to be within our 602(b) allocation.

If you look at what has happened, the moneys that we have been given by the administration suggested the grand sum for the Army National Guard of $7 million for military construction all over the country. The Army National Guard would go out of business.

I stand in strong opposition to the amendment offered by the Senator from Arizona and the Senator from Ohio. I suggest that the Senator from Nevada and the Senator from Montana are proud of what we are doing for the military. We are proud of what we are doing for the Guard and Reserve.

The amendment would not allow for authorization of construction projects that are of immediate need to those who continue to serve us so well. I urge my colleagues not to support this amendment for these and other reasons.

The Senate Armed Services Committee used stringent criteria to ensure that all projects authorized were determined to have met these criteria. These criteria are known, as I indicated, to the members of the committee as the McCain criteria.

We, as members of the Military Construction Appropriations Subcommittee, chaired by the Senator from Montana, funded all the projects that had previously met these criteria and were recommended by the authorizing committee, of which the Chair serves as a member of that committee. The projects that have been authorized are necessary to maintain the stability of our National Guard and Reserve and to continue to enhance the quality of life for our soldiers, sailors, and our airmen and women.

Of the $600 million talked about in construction projects that this amendment would eliminate, $368 million, about 60 percent of this amount, is designated for construction of National Guard and Reserve projects. Remember, the administration requested the sum of $7 million for the Army National Guard and military construction.

In addition to the $368 million, about 60 percent, as I have indicated, for National Guard and Reserve, we have requested an additional $189 million which is directly designated to build military family housing. Why? To improve the quality of life of our service members.

Nearly all of this $600 million reduction directly attacks the projects that the administration always neglects. They do not put anything in there, knowing that we have an obligation to the Guard and Reserve.

We have a National Guard and Reserve Caucus in this Senate. We have 62 Members. Why? Because administrations in years gone by have neglected the Guard and Reserve. We need to become more dependent on the Guard and Reserve rather than less dependent, as a result of the builddown of our military forces.

It is our specific task to look independently at all the military construction needs of this country. Should we be a rubberstamp of the administration and say we are not going to ask for anything other than what they request for the Guard and Reserve and from the States of Ohio, Arizona, Montana, Texas, Nevada, California, Virginia? The answer is no, we have to look beyond what the administration suggests and recommends.

It is our specific task to do just that: to look independently at all the military construction needs of this country, not just what the President sends us.

We are not appropriating moneys for programs that have not been authorized. We are not appropriating moneys for programs that have not met the criteria of the McCain criteria. The list that we receive annually from the administration continues to overlook projects we are known to support and compelled to include in our bill in order to maintain the strength of our fighting force. The administration does not have the exclusive wisdom to determine the finality of this list. A rubber stamp by our committee would take away the legitimacy of its obligation, its oversight responsibility and obligation.

Without the $600 million included in this bill, the Guard and Reserve will again be shortchanged. All over this country quality of life for our service members will be greatly deterred and the committee's need would be repudiated. We could just eliminate the subcommittee. We could just eliminate the armed services work that they have done.

I encourage my colleagues to strongly oppose this amendment. I repeat, the chairman of this subcommittee has worked very hard, along with the members of the subcommittee, to come up with something that is fair. There is talk about if these add-ons were added on—people used the term "pork." Maybe, Madam President, what we need to do is talk about some of these so-called pork projects, projects that allow our Guard and Reserve to survive and allow the quality of life for our armed service members to be enhanced. If that is pork, then we have $600 million of pork, because the $600 million will allow our Guard and Reserve to survive and will enhance and improve the quality of life of the men and women who serve us in the military.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Madam President, I rise in opposition to this amendment. I guess whenever we start talking about appropriating and budgeting for certain needs of our military, we always hear the argument that there are things unrequested by the Pentagon or unrequested by the President. I am wondering if we as individuals in this body and the House do not have the same responsibility of taking a look and making up our own minds on the needs of our men and women in uniform.

In this bill that has been authorized, the greatest share goes to quality of life. Quality of life leads to retention, the retention of the good people who are now serving in our respective services.

The Senator from Nevada and I have worked—and I do not know of anybody who is easier or better to work with when we start going down through the priority list on military construction than Senator REID from Nevada. He understands what has to be done, understands that, no, the administration never sends any request down for projects or any support for the National Guard or sometimes even our Reserve units. In fact, if we would look at the backlog of construction for our Reserve units, it is in the billions of dollars, because it has been put away.

I want to remind my colleagues that this bill, this authorizing bill, and the appropriations that we are going to mark up tomorrow is cut $1.3 billion from a year ago. So if the Senator from Ohio and my friend from Arizona say they are having an effect, they are having an effect. We are spending less money than we did a year ago in military construction.

But quality of life and readiness, because we have changed that since the cold war is over—in other words, money goes to the base closing and realignment, environmental cleanup of those bases; but for the retention of the people that we need, the biggest share of our thrust has been in the quality of life.

I will tell you that I have been in some barracks that were not very good. I would not ask my employees to live there. Those projects have to be done if we are going to retain the people in our military. And as to the morale, it adds to everything.

But keep in mind that, yes, we are $1.3 billion under a year ago. Then you have to sit down, like Senator REID and I did and our staffs, and set some priorities. But the Pentagon should not be the only one that has any kind of judgment on the needs of some of our military people, nor the administration. We have an obligation to our military people, too, just like anybody else.

So I think this is a pretty frugal bill when it comes to military construction. There is not very much in here that is not needed and requested by the military. With that, I say to my colleagues that this amendment should be defeated, and I ask for its defeat. I yield the floor.

Mr. BOND. Madam President, as cochair for the National Guard Caucus I rise to object to this amendment.

The Senate, in the past years, has voted to appropriate necessary military construction funds to offset the neglect of administrations in order to make sure that the defense infrastructure would be adequately funded.

As we have discussed on the floor before, the National Guard has traditionally been the neglected stepchild of the executive branch and the Department of Defense. They neglect the Guard because they know we will take care of it. We must. Who do we look to for every disaster? Who receives the call in every domestic emergency? And who continues to serve and implement military and foreign policy the world over? The National Guard. The military construction bill funds these mission essential and housing projects which were designated as critical by each State's adjutant general. I ask Senators to support the men and women of the Guard and support the Guard's ability to carry out its missions and vote against this amendment.

Active Forces infrastructure has traditionally been adequately funded with the Guard forces traditionally underfunded. Why has it been this way, many have asked. And the answer which is whispered through the Halls of this building is that the Congressmen and Senators will take care of it. And we have and we do and we will because we care about the welfare and readiness of the National Guard and Air National Guard.

The administration this year funded the Army Guard to the tune of $7 million; $7 million for the entire Army Guard infrastructure. For all 50 States and Puerto Rico; $7 million for the entire Army Guard force. If the Senators here respect our citizen soldiers, then they must rectify this shoddy treatment of those who protect us. My colleagues on the committee have done just that and they have done it with strict adherence to a rigorous set of standards for these necessary quality of life and readiness projects.

The committee considered each of the programs added to this year's military construction bill for its executability in fiscal year 1997, its being of the highest priority for the base commanders and National Guard tags, its inclusion in the FYDP, and its overall criticality to quality of life and readiness.

To vote for this amendment is to turn your back on your National Guard personnel. Currently, this is the only venue we have to maintain infrastructure readiness and quality of life. We are trying to get the administration to acknowledge the Guard's requirements, but let us not hamstring our Guard for the administration's shortsightedness. Do not let this amendment pass.

Mr. FORD. Madam President, I stand in strong opposition to the Amendment offered by the Senator from Arizona [Mr. MCCAIN]. This amendment would not allow for the authorization of construction projects that are of immediate need to those who continue to serve us so well. I urge my colleagues not to support this amendment for these reasons.

The Senate Armed Services Committee used stringent criteria to ensure that all projects authorized were determined to have met these criteria. These criteria are known to the members of the committee as the McCain Criteria. We, the members of the Military Construction Appropriations Subcommittee funded all of the projects that had previously met these criteria and were recommended by the Authorization Committee.

The projects that have been authorized are necessary to maintain the stability of our National Guard and Reserve and to continue to enhance the quality of life for our soldiers, sailors, and airmen. Of the $600 million in construction projects that this amendment would eliminate, $368 million or over 60 percent of this amount is designated for the construction of National Guard and Reserve projects; and additional $189 million is directly designated to build military family housing, to improve the quality of life of our service members. Nearly all of this $600 million reduction directly attacks the projects that the administration annually neglects.

It is our specific task to look independently at all the Military Construction needs of the country. The list that we receive annually from the administration continues to overlook projects that we are known to support, and compelled to include in our bill, in order to maintain the strength of our fighting force. The administration does not have exclusive wisdom to determine the finality of this list. A rubber stamp by our committees would take away the legitimacy of its oversight.

Without the $600 million included in this bill, the Guard and Reserve will again be shortchanged, quality of life for our service members would be greatly deterred, and the committee's need would be repudiated. I encourage my colleagues to strongly oppose this amendment.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I do not want to cut off debate. I will move to table when everyone has completed talking.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, subject to the concurrence of my distinguished colleague from Georgia, it is the intention of Chairman THURMOND to have this matter voted on, but allowing sufficient notification to Senators of the time that that vote would commence.

I understand that the distinguished Senator from Georgia will address this issue for a period. If the distinguished Senator from Nevada wishes to move to table, of course, that is his prerogative. Then if it is agreeable to the Senator from Arizona, we would lay aside the amendment and delay the voting for a stipulated period of time and allow maybe other business to come in the intervening period. That would be the desire of this manager. I presume the distinguished Senator from Georgia concurs in that.

Mr. NUNN. That is fine.

Mr. WARNER. He has indicated his assent.

Is the Senator from Arizona agreeable?

Mr. MCCAIN. I say to my friend from Virginia, I am agreeable, but I think it should be made clear. Will we have further votes tonight? This issue will be voted on at some time tonight?

Mr. WARNER. Oh, yes. Let us say, hypothetically, if the Senator from Georgia would use 10 minutes, we would have the vote commence at 8:15. In the interim period, the Senator from Georgia and I would endeavor to get more business done.

Mr. MCCAIN. Reserving the right to object, I request 3 additional minutes for comments before we close out.

Mr. WARNER. Yes.

Mr. NUNN. Mr. President, may I inquire of the Senator from Virginia whether he anticipates other rollcall votes tonight beyond this one?

Mr. WARNER. Mr. President, I am advised by Chairman THURMOND that is the desire of the majority leader.

Mr. REID. Reserving the right to object——

Mr. WARNER. I am not sure anything is pending, but that is the best I know at this time.

Mr. NUNN. The only suggestion I would make, unless we can get an amendment up that is one that is going to be debated as a rollcall vote, I would suggest—I could take no more than 30 seconds for my comments, and we could perhaps move that timeframe up a bit. That gives us a better chance of either one of two things: If we are not going to have other rollcalls, it would allow Members to be able to go back to their families earlier; if there are, we can get started on that debate. I do not know what other amendments are going to come up requiring rollcalls tonight.

Mr. WARNER. Mr. President, if the Senator would yield, I am informed that the majority leader is agreeable to having this vote on the McCain amendment at the hour of 8 o'clock tonight.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I will take just about 1 minute. It is my understanding from all the information that I have been provided that every project here that is the subject of this amendment and the critique that has been laid down by our colleagues from Ohio and Arizona, each one of these projects is in the 5-year defense plan of the Department of Defense. Each project also can begin construction in fiscal year 1997. Each project is mission essential or quality-of-life related. And each project is consistent with BRAC actions.

I would like to see if there are any of these projects that are on closed military bases or ones being closed. I am informed that none of them is. That has been carefully screened. If they are, I certainly would like to have someone show me which one is on a closing military base, because that is contrary to all the information that we have.

A breakdown of the requested projects that have been added to the budget:

There has been $206 million added for quality of life improvements—barracks, family housing, fitness centers, child care centers, dining facilities, family support centers, education centers, et cetera: $169 million for training and readiness-related projects; $81 million for maintenance shops and facilities; $51 million for general infrastructure improvement projects; $50 million for new mission-related projects; and $41 million for health/safety/environment-related projects.

Mr. President, it is true that these projects were not requested by the Department of Defense. It is also true that there is $12 billion in the bill that was not requested by the Department of Defense.

I have a very hard time understanding the distinction between the other $11.5 billion that has been added and this $500 million that has been added. The Department of Defense and the administration's official position is not in favor of any of the add-ons. The question is whether we are going to provide family housing, whether we are going to provide day care centers, whether we are going to provide fitness centers and other quality-of-life improvements, and training for our troops, or whether we are going to basically neglect them and simply add on weapon systems.

The argument about these projects not being requested, made by my good friends from Arizona and Ohio, is absolutely right. You can say that about the other $11.5 billion in this bill that has been added on. That is the reason the President says he may veto the bill. The question is, What are we going to add in terms of our judgment, because there is no request for this $11 to $12 billion that has been added on.

It has been added on because the Senate and the budget committees in the Senate and the House decided that defense was a priority and that defense was underfunded. That was a decision we made on the budget resolution. When we made that decision, by its very nature, it meant that the Congress was going to decide to add on the money, because the administration has not indicated that they favor that add-on.

I urge my colleagues to vote against this amendment or to vote to table it if the tabling motion is made.

Mr. McCAIN. Mr. President, with the greatest respect to my colleague from the State of Georgia, I just state the add-ons were not asked for.

Let me point out, in the future years' defense plan, specifically, Pohakuloa training area for $1.5 million, is not in the future years' defense plan; the Lansing CSMS, not in the future years' defense plan; the Camp Ashland training site flood control, not in the future years' defense plan; the Nellis Air Force Base FHP-111, 100 units, not in the future years' defense plan; the Air National Guard in Ontario, OR, not in the future years' defense plan; the Dallas Armory, not in the future years' defense plan; the Eastover-Leesburg Multipurpose Simulator Center, not in the future years' defense plan, and so forth; the Wyoming Air National Guard, Camp Guernsey, not in the future years' defense plan.

I do not know where the Senator from Georgia gets his information, but I hope he corrects the CONGRESSIONAL RECORD, because they are not in the future years' defense plan.

I am glad to hear a response from the Senator.

Mr. NUNN. Mr. President, I am informed that what we have tried to apply here is the McCain-Glenn criteria, which is for construction projects. All the projects that were listed by the Senator from Arizona were planning and design money, which is not part of the McCain-Glenn criteria. We have followed those criteria, but there is no 5-year defense plan for planning and design money. That is lump-sum money.

Mr. McCAIN. I am glad to point out again, first of all, the criteria is they had to be in the future years' defense plan for any funding; but, second of all, there are also projects that are more than just planning and design.

We also asked the Department of Defense which of these projects were nondefense essential. They gave us a list of over 20 of these which were deemed by the Department of Defense as nondefense essential. That is their judgment. It is hard for me to understand how that judgment could be overruled, but I also understand what we are talking about here.

Mr. President, I ask unanimous consent to have this list printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROJECTS THAT DO NOT MEET SENATE CRITERIA

FOURTEEN PROJECTS THAT ARE NOT IN FYDP

1. Hawaii, Pohakuloa Training Area, Road Improvement, $1.5 million.
2. Michigan, Lansing Army Natl Guard, combined support maintenance shop, $1.3 million.
3. Montana, Billings Army Natl Guard, Armed Forces Resource Center, $1.1 million.
4. Nebraska, Camp Ashland Army Guard, training site flood control project, $665,000.
5. New York, Stewart IAP landfill cover, $2.2 million.
6. Oregon, Ontario Army Guard, armory, $226,000.
7. Oregon, Army Natl Guard, armory, $210,000.
8. Pennsylvania, Ohldale Army Reserve, USAR Center, $2.3 million.
9. Pennsylvania, Johnstown, Marine Corps Reserve, training center, $590,000.
10. Pennsylvania, Johnstown, Marine Corps Reserve, maintenance hanger, $690,000.
11. South Carolina, Eastover, Army Guard Multipurpose Simulation Center, $224,000.
12. South Carolina, Eastover, Army Guard, Leesburg, infrastructure upgrade, $280,000.
13. Virginia, Charlottesville DIA Facility, $4.4 million.
14. Wyoming, Camp Guernsey, Army Guard, combined maintenance facility, $935,000.

ELEVEN PROJECTS NOT "MISSION ESSENTIAL"

1. California, Travis AFB, two dormitories, $7 million.
2. Delaware Dover AFB, visiting officers quarters, $13.1 million.
3. Kansas, McConner AFB, dormitory, $7.7 million.
4. Maryland, Andrews AFB, family support center, $2.3 million.
5. Massachusetts, Hansuom AFB, family housing, $5.1 million.
6. Nevada, Fauon Naval Air Station, Gymnasium, $500,000.
7. Nevada, News AFB, dormitory, $10.1 million.
8. Nevada, Faron Naval Air Station, bachelor enlisted quarters, $16.1 million.
9. Nevada, Mevis AFB, family housing, $150,000.
10. Ohio, Wright-Paterson AFB, family housing improvements, $6.3 million.
11. South Dakota, Ellsworth AFB, CDC addition, $4.5 million.

Mr. McCAIN. I believe that the States in which these military construction projects are located, when correlated with membership on the Senate Armed Services Committee and the Appropriations Committee, will give a better explanation of the point Senator GLENN and I are trying to make here.

I do not believe Senator GLENN or I are unappreciative of the need for quality of life and the absolute importance that we maintain qualified men and women in the military. My question is, do we have to maintain the quality of life in the States of members of the committee, or do we have to maintain the quality of life in all 50 States in America?

Clearly, the RECORD indicates—and I will be submitting for the RECORD in the future—that there has been a dramatic, dramatic imbalance in the funding for military construction projects, which, very frankly, do not serve the men and women well who are stationed in States where there is not that membership. I do not think the men and women in the military deserve that kind of preferential treatment.

I have no illusions as to whether this amendment will succeed or not. I tell you what it does do. It makes me feel a lot better about the 10 years that I spent trying to get the line-item veto passed. It gives me enormous, enormous gratification to know that next year the President of the United States, no matter who he is, is going to take a list like this, and he is going to line-item veto it, and we will spend money on projects we need.

I want to point out again, we are short of sealift capability, Mr. President. We are short of airlift capability. We are short of amphibious capability. We do not have sufficient tactical aircraft to man our carrier decks and bases all over this Nation, including Nevada. We do not have the kind of modernization of our force that is necessary for us to fight and win battles in the next century, and our modernization force has dropped to practically zero.

There are other reasons besides military construction why that has been the case. We have had to spend such an enormous amount of money on operations, maintenance, and training in order to keep our present forces ready.

When we waste billions of dollars, as the Senator from Ohio points out—$6 billion since 1990—on military construction projects, I do not think it is fair for us to ask young men and women to fight and die in equipment that is not the very best.

I will never forget the former Commandant of the Marine Corps who testified before the Readiness Committee, General Mundy. He said, "It is very, very, very important that our Marines have decent housing, but I don't want a Marine widow to be living in a wonderful house when she is notified by the CO of the base and the base chaplain that her husband was killed in combat because he didn't have the proper equipment with which to defend himself."

Mr. President, those are not my words. Those are not my words. Those are the words of the former Commandant of the Marine Corps, General Mundy.

If we were funding modernization of our forces and keeping up with the technological requirements that gave us the kind of technological edge that won the Persian Gulf war, I would not be nearly as vociferous in my opposition to the add-ons. The reality is—and you can talk to any objective military expert—that we simply do not have the money. This is not the highest priority, although it is certainly very nice to have things for the men and women who happen to reside in the right States.

I will not inflame this debate any longer, except to say I realize it will lose. I do believe this is the last year for it because I believe the next President of the United States will exercise the line-item veto, and I will be one of the first, along with my friend and partner from Ohio, who will urge him to do so.

I yield the floor.

Mr. WARNER. Solely for the purposes of trying to clarify the parliamentary situation and to inform Senators, it is still the desire of the manager to have a vote occur on the McCain amendment, on or related to the pending order relating to the McCain amendment, at 8 o'clock.

The PRESIDING OFFICER. The Chair advises the Senator that the order was to have a vote at 8 p.m. If you want to change that, it takes a unanimous consent.

Mr. NUNN. I ask unanimous consent that we vote on the McCain amendment or on a motion related to the McCain amendment at 8 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, further—I add this to the unanimous-consent request—that at the conclusion of this debate, I ask that the Kyl amendment and McCain amendment be laid aside so that the managers can proceed with other business. Could the Senator from Ohio tell me how much longer he wishes to debate?

Mr. GLENN. Not long.

Mr. WARNER. Let us say that at the hour of 7:50, debate on the pending McCain amendment will conclude, at which time the Senator from Virginia asks that the McCain amendment be laid aside for voting, as stipulated in the prior order, at 8 o'clock. If it is required to lay aside the Kyl amendment, I ask unanimous consent that the Kyl amendment be laid aside, and at the hour of 7:50, the Senator from Virginia be recognized for the purposes of sending to the desk an amendment, which would require immediate consideration, and that the Senator from Texas be recognized for such secondary amendments that she wishes to offer, and that there be no time agreement on the Warner-Hutchison amendment.

Mr. NUNN. Reserving the right to object, and I hope we will not have to object. We have not seen any of those amendments. I am not sure what the unanimous-consent request is.

Mr. WARNER. Merely a chance to get them in and get them up.

Mr. NUNN. Maybe we need to talk a moment.

Mr. REID. Reserving the right to object, I have a few words I would like to say after the Senator from Arizona has spoken and the Senator from Ohio.

Mr. NUNN. It sounds to me like the time between now and 8 o'clock will be used thoroughly.

Mr. WARNER. Mr. President, I would like to be recognized for 2 minutes prior to the hour of 8 o'clock. Let us say at the hour of 7:56, we could have recognition, once again, of the managers.

Mr. NUNN. I do not have any objection.

Mr. President, I add one other thing to the unanimous-consent request—that is, with the understanding that there be no second-degree amendments to the McCain amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I have some short remarks—not a rebuttal but a discussion regarding some of the comments that have been made.

Much has been made of this five-point criteria. Let me comment on that. Back some years ago, before we established the five-point criteria, the pork barreling that went on in the defense authorization bill was far worse than it is even now. The five-point criteria was never intended—and I think Senator MCCAIN would back this up—to be the final goal, and that anything that fit those five criteria could somehow automatically be approved and be OK, whether the Pentagon or the President's budget asked for them or not. It was not supposed to be an end-all and be-all itself. It was supposed to be a way station to get toward having a budget put together by the Pentagon and sent here, which really meant what it said and it did not need us to add on everything else under the Sun. Nobody questions for a moment the fact that some of these housing projects are needed. But are they as important as some other things that are needed if the Pentagon had the choice to make that decision.

So these five criteria, whether in the 5-year plan or future year plan, or whether mission-essential, or whether inconsistent with BRAC, when the contracts can be started or whether they are offset in some other defense account, all of these are things that were meant to tighten this up toward a way station toward getting control and budgeting the way we ought to. Whether the criteria apply or not does not mean to me they are automatically OK and that we should automatically approve them if they come in with a 5-year plan, which means we are stepping out of what the Pentagon might want to use the money for and projecting the money out to a 5-year future. So making so much out of this criteria was not meant to be the end-all or the final goal of this at all.

Now, another thing was mentioned in debate—that the Guard and Reserve are only getting $7 million. We go through an annual ritual every spring on the Guard and Reserve. It does not make any difference what administration is in the White House. We have an annual ritual where they underfund, through the Pentagon, the Guard and Reserve. I think it is done intentionally. It is done by Republican administrations and Democratic administrations. Why? Because they know good and well that we will put it in over here so the Members can take this coup back to benefit their local areas in the local armory, money to run the local armory, money to milk on it, money to rebuild the local armory, and these are things people were bringing back home, waving the flag that we did this for you in Washington.

Every administration knows that the Guard and Reserve have a big enough constituency out there that that will happen. It happens every single year. I think it is time we put a stop to it. That is the reason I think we should have honesty in budgeting. This should not be an annual budget that lets people just bring home the bacon to the local armories as a way of funding this year in and year out. It should be done on a basis of what the Guard's and Reserve's needs are. That should be established by the Guard Bureau, working closely with the Pentagon in determining what the budget will be.

So if we want to appropriate $600 million, if we went back to the Pentagon and said, we know you need some things in MilCon, in housing; you need a lot of things, but we will put this in and let the Pentagon decide, let you prioritize where the greatest needs in the services are, then this might make even a little bit more sense. But it does not to me.

Let me comment on what the Senator from Georgia said a little while ago about the add-on of $11.5 billion. I agree 100 percent with him on that. That is the reason I voted against this bill when it came out, and I will still do that if that $11.5 billion add-on stays in. I have not voted against authorization and appropriations bills for the Defense Department—except for beginning last year—in all the 21-plus years that I have been here now. I agree with him on that. I do not think that add-on was needed. I disagreed with the purpose for which it was added on. Some of those have been addressed in amendments here today. We have had a chance to vote on them.

I think that what we are trying to do is get honesty in budgeting. That is the purpose of this. The five-point criteria was never meant to be the final goal of all of this. If anything came up and qualified under that criteria, we would say, that is all right, it is approved. That was meant to be a means of trying to get some control over budgeting, which we did have some years ago, in the amount of add-ons we would make, it seemed. This was a way station toward getting to more meaningful budgeting.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, you cannot have it both ways. We have been asked to follow the McCain criteria. We do that with painstaking efforts. We meet every criteria that has been established. Every one of these add-ons meet that criteria.

Now we are being told, well, the McCain criteria really is not that important. There are other things. You cannot have it every way, both ways, or any way. I suggest that we have to stop and find out where we are. First of all, this bill is less than what the House has appropriated. Second, we are within our 602(b) allocation. Also, we are $1.3 billion less than we appropriated last year. We are 10 percent below last year's level.

Now, there is talk here about the States, where there is somebody on the Armed Services Committee or on the Appropriations Committee, and they are the only ones that get anything. That is absolutely ridiculous. I have not had an opportunity to study who got what, but I can name a few States that I looked at quickly while the debate has been going on. Delaware. There is no one in Delaware that is in Armed Services or Appropriations. Indiana, the same. Kansas, South Dakota, and North Dakota are just a few where there are add-ons. There are add-ons because they meet the criteria set by Senator McCAIN, and every one of them meet that criteria.

Mr. President, let us stop and understand what happens when the Pentagon makes a recommendation. The active military is prejudiced against the Guard and Reserve. Everybody who has been in the military knows that. They do not favor them. They want all the money to go to them, the active military. And so in the recommendations that come to us every year they neglect the Guard and Reserve. We are the ones that save the Guard and Reserve. That is our obligation. It may not be the right way to do things, but it is the only way to protect the Guard and Reserve. We work very hard to make sure they survive. Programs funded under this budget are programs that are essential to the survival of the Guard and Reserve.

If the Guard and Reserve had to depend on the active military to give them what they wanted, they would all be out of business. The active military, frankly, mostly do not want the Guard and Reserve to be even in existence because there is competition for their dollars. That is why we are where we are.

This is not a budget breaker. We are within all the budget constraints. We are not going outside of what has been authorized. We are only going not only with what is authorized but what is authorized under the very strict criteria set by the Senator from Arizona, Senator McCAIN. These are in the 5-year plan. They are the top priority of the base commander. They are mission essential. The site has been selected, and we can execute within fiscal year 1997, the money that is being appropriated.

What more can we do? All Senators should recognize that this is not a budget buster. I repeat, it is within all the budget constraints set by the Budget Committee. We are not going outside of the money, above what has been authorized.

I repeat, we are going one step further and following what has been set by the very strict McCain criteria. Mr. President, we believe that, if we step back and take a look at this, we find that the Armed Services Committee used very stringent criteria to ensure that all projects authorized were determined to have met the criteria that we have outlined.

The projects which have been authorized are necessary to maintain the stability of our National Guard and Reserve and to continue to enhance the quality of life of our soldiers, sailors, and airmen. Almost 60 percent of this amount that is attempted to be stripped from this bill is designated for construction of Guard and Reserve projects.

I say with all respect to the senior Senator from Arizona, these are not projects that are going to get any headlines because you strike them from the bill. These are projects that help the men and women who defend our country. The Pentagon simply did not put them in their request, knowing we would step forward and try to help them.

These projects help the Guard and Reserve from the State of Ohio. The Senator from Ohio did not ask for this money, but we felt it was important. We have two add-ons for the State of Ohio because the Ohio Guard and Reserve believe they are essential to their mission. We knew when we did this bill that the Senator from Ohio would be here with our friend from the State of Arizona complaining about these add-ons. But we felt it was important to the people of Ohio to have the Guard and Reserve strong there, as it should be all over the country.

With the downsizing of our military, we are going to have to become even more aware of the importance of the Guard and Reserve. Stories have been written and will continue to be written about how important the Guard and Reserve was in Desert Storm, how effective and important they have been in our situation in the Balkans.

So there is no apology for what we have done in the Military Construction Subcommittee. We have done what is really important, and we appreciate the direction and guidance given by the Armed Services Committee under the leadership of the senior Senator from South Carolina and the Senator from the State of Kentucky.

I move to table the McCain amendment.

Mr. McCAIN addressed the Chair.

Mr. REID. I am happy to withhold that until the Senator from Arizona speaks.

Mr. McCAIN. Mr. President, I thank the Senator from Nevada and the Senator from Montana. I think they have done a dedicated job. We have a disagreement, but I know for a fact that the Senator from Montana and the Senator from Nevada are dedicated to improving the quality of life for the men and women in the military. We have an honest difference of opinion. But I appreciate very much their efforts. I appreciate the cooperative spirit in which we have worked over many years, along with the Senator from Ohio. I disagree, obviously, as I have pointed out, with this add-on, but that in no way diminishes the dedication and effort on the part of the Senator from Montana and the Senator from Nevada to try to provide a decent quality of life for men and women in the military.

I also want to point out again the reason I began with. The Senator from

Nevada pointed out a very legitimate aspect of this whole process. The Guard and Reserve have now become dependent on the Congress to provide the funding that they need—the Senator from Nevada is exactly right—because they know that the Pentagon knows that, if they do not request it, it will be added on in the process that we go through here.

Mr. President, it is a stated reality, but it is wrong. It is wrong, and we have to fix this. We have to force the Office of the Secretary of Defense in the Department of Defense to come over here with legitimate needs and requirements that the Guard and Reserve have.

I look forward to working with the Senator from Montana and the Senator from Nevada in trying to fix this gross inequity which has become part of the system that we have today.

Mr. President, I understand my time has expired.

The PRESIDING OFFICER. May the Chair advise the Senate that under a previous order we have 2 minutes remaining for the managers to wrap up?

Mr. REID. Mr. President, I move to table.

The PRESIDING OFFICER. There are still 2 minutes for each manager.

Mr. WARNER. Mr. President, I yield back such time as is reserved for the purpose of the Senator from Virginia.

Mr. NUNN. Mr. President, if I could ask the Chair, would the proper motion be that we proceed immediately to a rollcall vote? As I understand it, we do not have any more time on this. We basically have an order for an 8 o'clock vote.

The PRESIDING OFFICER. That is correct.

Mr. WARNER. We have an order for 2 minutes in behalf of the Senator from Virginia, which I yielded back.

Mr. REID. I move to table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. NUNN. I believe we object to moving up of the time. I think we need to delay the clock.

The PRESIDING OFFICER. Objection is heard.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I renew my motion to table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada to lay on the table the amendment of the Senator from Arizona. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New York [Mr. D'AMATO] and the Senator from Minnesota [Mr. GRAMS] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Illinois [Ms. MOSELEY-BRAUN] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 83, nays 13, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—83

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bond
Boxer
Breaux
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Frahm
Frist
Gorton
Graham
Gramm
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—13

Bingaman
Bradley
Brown
Feingold
Glenn
Harkin
Kerrey
Kohl
Kyl
McCain
Simon
Wellstone
Wyden

NOT VOTING—4

Bumpers
D'Amato
Grams
Moseley-Braun

The motion to lay on the table the amendment (No. 4060) was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). The majority leader is recognized.

Mr. LOTT. Mr. President, we want to continue to move forward on this legislation. We have not made a lot of good progress, but the chairman and the ranking member are working on that, trying to get a list of amendments that can be agreed to.

I hope a block of those can be done tonight. After consultation with the Democratic leader, it is our intent at this time for the committee to take up another amendment and complete all debate on that, see what other issues can be agreed to and done tonight, and the first vote then be rolled over and occur in the morning at 9:15.

Mr. INOUYE. 9:15?

Mr. LOTT. 9:15 in the morning.

Mr. DASCHLE. Will the majority leader yield?

Mr. LOTT. Yes, I yield.

Mr. DASCHLE. Mr. President, I know we have had the opportunity to discuss what will happen after the Federal Reserve debate is completed and the votes are taken at 2:15. We have been in consultation, and it is my understanding the Senator from Arkansas has been able to work out an agreement with the Senator from Utah with regard to his amendment. I think they have also agreed to a time limit within which that amendment can be taken up.

Is the majority leader at this time ready to enter into an agreement on that, or do we need to continue some consultation?

Mr. LOTT. I would like to have an opportunity to check with the Senators who have an interest in it from a committee jurisdiction standpoint and other interests.

I am under the impression that probably can be worked out, but if the Senator will allow me to check on it, because I would like to get things lined up to go forward. If it is going to be offered, let us get an arrangement to get it done and move forward. I would like to talk with two of the Senators I know who have a special interest in it.

Mr. DASCHLE. We will work with the majority leader to see if that can be accommodated, and we can lock that in perhaps tomorrow morning.

Mr. PRYOR. If the distinguished leader will yield for a comment.

Mr. LOTT. I will yield.

Mr. PRYOR. I have consulted two times in an hour and a half with Senator HATCH, the chairman of the Judiciary Committee. He has an intense interest in the issue. He has agreed to a time limit and hopes, like I do, that perhaps tomorrow after the Federal Reserve issues are decided, that we could then possibly go to this amendment.

Mr. LOTT. That sounds like what we all would like to do. Give me a chance to check with the Senator from Utah and one other, and I believe we can work that out.

Mr. PRYOR. I thank the Senator.

Mr. LOTT. I yield the floor.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

PRIVILEGE OF THE FLOOR

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that Marc

Thomas, through the Congressional Fellowship Program, who has been assigned to my office for sometime now, be granted privilege of the floor during the discussion of the defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 4061

(Purpose: To authorize $4,100,000 for the construction, phase I, of a combined support maintenance shop at Camp Guernsey, Wyoming)

Mr. SIMPSON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Is there objection to laying aside the pending Kyl amendment? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON], for himself and Mr. THOMAS, proposes an amendment numbered 4061.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 2601(1)(A), strike out "$79,628,000" and insert in lieu thereof "$83,728,000".

Mr. SIMPSON. Mr. President, I rise to offer an amendment——

Mr. FORD. Mr. President, does the Senator have a copy of his amendment at the desk? We need a copy.

Mr. SIMPSON. The amendment can be read. That will save you trouble. It is one line.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

In section 2601(1)(A), strike out "$79,628,000" and insert in lieu thereof "$83,728,000".

ORDER OF PROCEDURE

Mr. NICKLES. Will the Senator yield just for a moment? I just would like to clarify with the majority leader that there will be no more votes tonight; is that correct?

Mr. LOTT. Mr. President, if the Senator from Wyoming will yield for 1 second more, I would like to clarify there will be no more rollcall votes tonight. I felt that was clear when we said we would roll over to 9:15. I want to make it official.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent that on Thursday, June 20, following the votes on the confirmation of the nominees to the Federal Reserve, when the Senate resumes consideration of the DOD authorization bill, the committee amendments be laid aside and Senator PRYOR be recognized to offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I yield the floor. Thank you very much.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 4061

Mr. SIMPSON. Mr. President, I rise to offer an amendment to the Defense Authorization Act for myself and my friend, Senator THOMAS. This is a minor amendment in the greater scheme of legislative matters which we wrestle with in this body, but nevertheless, it is quite a very important matter for the Wyoming Army Guard and all Guard soldiers who train in Wyoming, and we train a good many soldiers in Wyoming from around the United States.

The amendment would authorize $4.1 million in funding for the first phase of construction of a combined support maintenance shop at Camp Guernsey, WY. The existing critical facility is a 47-year-old, 26,000-square-foot multipurpose repair building where all of the Wyoming Army National Guard wheeled and tracked vehicles and equipment, light trucks, the self-propelled howitzers are repaired and overhauled.

The primary problem with the existing facility is inherent electrical and ventilation deficiencies that have not been able to be adequately corrected, despite some $270,000 in retrofits and repairs over the last 11 years.

Additionally, the National Guard Bureau and industrial hygiene team conducted an evaluation of this facility in March of 1995 and concluded that numerous hazards exist. Of seven discrepancies and hazards that exist, four have been assigned a Risk Assessment Code, or RAC, of 1, and the other three have been rated RAC 2.

These ratings reflect the severity of the conditions of the facility. RAC 1 indicates always a critical problem and has the possibility of causing permanent, severe, disabling, irreversible illness or even death. RAC 2 reflects a serious condition also.

Mr. President, the National Guard Association of the United States strongly supports this project. In a letter dated June 6, the executive director of the National Guard Association wrote:

> Since 13 March 1990, the soldiers working in this shop have seen every day a warning on the front door that reads in part—

And here is what the warning says:

> Unsafe or unhealthy working condition. Carbon monoxide level exceeds the OSHA ceiling limit.

The only solution to protect the health and life of National Guard soldiers in Wyoming is to replace this building. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GUARD ASSOCIATION
OF THE UNITED STATES,
Washington, DC, June 6, 1996.

Hon. STROM THURMOND,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR SENATOR THURMOND: The National Guard Association of the United States (NGAUS) is respectfully submitting this endorsement of a MILCON authorization request from the Wyoming Army National Guard.

During the accelerated budget process this year, a critical military construction request was initially left off the MILCON project list. The request is for a Combined Support Maintenance Shop (CSMS) at Camp Guernsey, Wyoming.

According to information provided by the state, this 47-year old facility contains serious, inherent health and safety hazards. An industrial hygiene team from the National Guard Bureau has determined that the building has seven serious Risk Assessment Code (RAC) discrepancies. Four of the discrepancies are coded RAC 1: "a critical problem exists that has the possibility of causing permanent, severe, disabling, irreversible illness or death." The CSMS facility has inherent ventilation and electrical deficiencies that the Wyoming National Guard has not been able to adequately correct despite $268,000 in retrofits and repairs over the last 11 years. Since 13 March 1990, the soldiers working in this shop have seen every day a warning on the front door that reads in part: "UNSAFE or UNHEALTHY WORKING CONDITION (DO NOT REMOVE NOTICE UNTIL CONDITION IS ABATED). Carbon monoxide level exceeds both the OSHA 8 hour PEL . . . and OSHA ceiling limit . . ."

The only solution, to protect the health and lives of National Guard soldiers in Wyoming, is to replace the building.

The Wyoming Army National Guard, through its Adjutant General, Maj. Gen. Ed Boenisch, is requesting phased funding to alleviate this health and safety discrepancy. The phase 1 request for the current appropriations year (FY 97) is $4.1 million. Phase 2 (FY 98) would be for $4.0 million.

NGAUS respectfully urges favorable support of your Committee for a floor amendment to the National Defense Authorization Act for Fiscal Year 1997 (S. 1745) to include this MILCON authorization request from the Wyoming Army National Guard.

Sincerely,

EDWARD J. PHILBIN,
Major General, ANGUS (Ret.),
Executive Director.

Mr. SIMPSON. Mr. President, the secondary problem with the existing facility is the wholly inadequate amount of space, as I said. They need 70,000 square feet instead of the current 26,000. Clearly, this is a quality equipment repair facility and is critical to the function of the combined support maintenance shop that directly impacts the Wyoming Guard's top goal of military readiness and those who train there, and there are thousands from across the United States.

Finally, the number of specialized jobs in the combined maintenance shop, such as welding and fabrication operations, painting operations, brake shop, brake shoe rebuilding, small arms repair, and electrical and mechanical repairs, cannot be performed.

These other operational attitudes cannot be performed at smaller outlying maintenance facilities.

But, more importantly, you have health and safety as more of a concern. Since repeated efforts to repair the facility and correct the inefficiencies have been unsuccessful, closing the facility may be the only alternative. It is used, as I say, by thousands of people in the Guard units from all the surrounding States.

The Wyoming Guard have compromised and curtailed their request for military construction funding to include only this critical program. It is an urging I make to support this amendment for $4.1 million in funding for phase 1 of the project, and $4 million in funding for the next fiscal year.

I also cite to my colleagues, on May 6, 1996, in a letter from William A. Navas, Major General, U.S. Army, Director, the Army National Guard, in a letter to the chairman, it stated, "Thirty-three urgently required projects were inadvertently omitted from that list," which was received before the committee on March 21, 1996. "A listing of those projects is enclosed." One of those is the project for which we seek the funds this evening.

I yield to my friend from Wyoming.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. Did the Senator from Wyoming yield to the Senator from Wyoming?

Mr. SIMPSON. Yes, I did.

Mr. THOMAS. Mr. President, I will take a moment. I appreciate very much this opportunity. My senior Senator has described the issue. I just simply want to tell you that this Camp Guernsey is a very important part of the National Guard, not only for Wyoming, but it is also the training facility for a good many of the units surrounding Wyoming. It is an artillery unit with a range there.

So, as the Senator said, this was inadvertently left out of the accelerated budget process. It combines the support and maintenance shop. This is a very compelling need here.

Three tenants have occupied the same building since 1948. The building is environmentally in noncompliance, with problems of ventilation and electrical systems.

The National Guard Bureau has identified seven serious risk assessment discrepancies, as the Senator has pointed out. We have, as was mentioned, the letter from the National Guard Association, the letter from the Director of the Army National Guard, written in support of this funding.

The original funding actually was $12 million. Now it is less than that.

Mr. President, as we downsize, of course, we call on the Guard and the Reserve to carry more of the load. Someone mentioned earlier in the debate that the Congress pretty much is responsible—the Senate—for supporting the Guard funds. This, I think, is part of that.

So, Mr. President, I will not take any more time. But I certainly ask for support from our colleagues for this important National Guard addition. I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MCCAIN. Second of all, Mr. President, it is a minor item, but when the Senator from Wyoming yielded the floor, he yielded the floor. He could not yield to the other Senator from Wyoming for him to receive next recognition. But it is not important.

The PRESIDING OFFICER. The Senator is correct. The Chair notes the mistake.

Mr. MCCAIN. Mr. President, let me just say that right now, and for those few who may be listening or watching, if this amendment passes, then I encourage all of my colleagues who have a military construction project in their district or State, that they may want to come over and have an amendment, and we will have a vote—because this meets none of the criteria.

This has nothing to do with any priority. This is a violation, clear violation of the sense-of-the-Senate resolution, which I will read into the RECORD again. So if this passes, I want all of my colleagues to come over, and whatever military construction project you want in your State, put it up, and we will have a vote on it, because you should win. You should win because there is no reason why you should not, because if we pass this project, then everything meets the criteria, including the fact that there will be no requirement for any offsets.

So I hope my colleagues, after the vote tomorrow, if this amendment passes, will have lots of projects ready to vote for, because, as far as I am concerned, it is open season on the military construction situation.

This project does not meet the criteria established for the Senate's authorization of unrequested military construction projects. Mr. President, this project is not included in the services' future years defense program. In other words, the Guard does not plan to build this project until after the year 2000.

If the safety hazards at that location are as serious as stated today, then the National Guard Bureau should request emergency construction authority.

The Senate Armed Services Committee was asked to review this project during our markup of the bill. The committee did not include the project because it did not meet the established criteria.

The fact remains that the scarcity of defense resources requires that the Guard Bureau, the services, and the Department of Defense all make tough choices among priority projects. This project did not meet the test of urgency when considered against all other priorities for the Guard, and it was not included in the initial priority list submitted by the Guard.

I think it is improper and counterproductive for the Congress to approve this. I hope my colleagues will not vote for the addition of several million dollars for another unrequested, low-priority project. However, let me emphasize, if this $4.1 million project is approved, then I would strongly urge my colleagues to come over here with every project that they have, because they deserve equal consideration. I have no idea how many more hundreds of millions or even billions of dollars we could add on in military construction projects if this one is agreed to.

So, Mr. President, I guess we will find out tomorrow. But I hope all my colleagues will be ready with their own projects. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Let me reflect again, so the RECORD is clear, that I will have entered into the RECORD a letter from General William A. Navas, Jr., that this project was inadvertently omitted from the list. I restate that and ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENTS OF THE ARMY AND
THE AIR FORCE NATIONAL GUARD
BUREAU, ARMY PENTAGON,
Washington, DC.

Re Installation, Logistics, and Environment Directorate.

Hon. JOHN MCCAIN,
Chairman, Subcommittee on Readiness, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: During a hearing before the Senate Appropriations Military Construction Subcommittee on March 21, 1996, I was asked to provide a $250 Million priority list of Army National Guard Military Construction projects. This list was sent to Congress by the Army Secretariat.

Thirty-three urgently required projects were inadvertently omitted from that list. A listing of these projects is enclosed.

Sincerely,

WILLIAM A. NAVAS, Jr.,
Director, Army National Guard.

Army National Guard Military Construction

	Amount
Alaska: Bethel—AASF Taxiway Upgrade	$1.838
Alabama: Birmingham—Joint Med Tng Facility	4.600
California: Los Alamitos—JP-8 Fuel Fac, supplemental	1.092
Connecticut:	
Camp Hartell—CSMS/OMS	4.700

	Amount
Camp Hartell—Armory	8,500
Groton—AVCRAD	5.647
Florida:	
Camp Blanding—Combined Support Maint Shops	8.068
Lakeland—Limited AASF	5.000
MacDill—AASF	4.248
Indiana:	
Camp Atterbury—Water System Upgrade	5.534
Marion—OMS	1.121
Kentucky:	
Western KY Tng Site—Phase III	11.995
Fort Knox—MATES	2.691
Western KY Tng Site—Phase IV	11.000
Western KY Tng Site—Phase V	18.024
Massachusetts: Milford—USPFO Warehouse renovation	7.099
Michigan: Fort Custer—Education Support Facility	3.497
New Mexico: Taos—Armory	1.935
North Carolina:	
Charlotte—Armory	5.994
Charlottee—OMS	3.673
Fort Bragg—Mil Ed Fac Ph I	15.844
Fort Bragg—Mil Ed Fac Ph II	4.985
Oregon:	
Salem—Armed Force Reserve Center	11.000
Eugene—Armory	11.796
Eugene—OMS	2.136
South Carolina:	
Eastover—Readiness Center	5.994
Eastover—Simulation Center	2.800
Eastover—Infrastructure Upgrade	3.500
Tennessee:	
Chattanooga—AAOF	3.414
West Virginia:	
Camp Dawson—Mil Ed Fac	15.144
Camp Dawson—Armory	6.954
Wyoming: Camp Guernsey—CSMS/OMS/UTES	11.692

Mr. SIMPSON. Mr. President, I have spent little time in my 18 years in the Senate wandering in here to talk about any project. In fact, I believe that this would be perhaps the first time because these things have usually been very well considered.

This is something that did not get considered properly. That is why we are here, to seek an authorization to place it before the Senate on a priority. I believe that I am told that there are not more than four or five amendments that are out here that have to do with adding money or add-ons.

So if the invitation is to come to the floor to bring in your favorite dog or cat, there have not been many people doing that. There are about five. That will not cause some breach in the diet that will create an onslaught on this measure. So I want that clear, if we can. And we have inserted the letter in the RECORD. I suggest to our colleagues that this is very necessary for one of the few Guard units in the United States that trains the rest of them from the rest of the United States.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. The Senator from Wyoming, Senator SIMPSON, is exactly correct on this matter. We have the letter in from William A. Navas, Jr., Major General, U.S. Army, Director, Army National Guard. The Senator from Wyoming has already read the letter. He basically says that 33 urgently required projects were inadvertently omitted from the list that was submitted.

The reason this project was not included to begin with was because it did not meet the criteria because it was not in the 5-year defense plan. This letter says that was an error. So I just want to make it clear that what the Senator has said, from my perspective and the perspective from this side of the aisle, is exactly right. This would have been part of the list had it been listed as is now listed by General Navas, Major General, U.S. Army, Director, Army National Guard.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. I just want to reiterate again, so others will understand thoroughly. When the Senator from Arizona said, come over, bring anything you have in mind, this is not in that category. The letter is here. It is entered. It was sent to the committee. And it was inadvertently left off the list. I think it is unfair to make that kind of a characterization.

Mr. REID. Mr. President, I ask unanimous consent the pending amendment be set aside.

Mr. McCAIN. Reserving the right to object, I think we have completed debate on this amendment. The vote is set for 9:15 tomorrow. I think we can move off of it and on to whatever business the Senator from Nevada wishes.

The PRESIDING OFFICER. There has been no unanimous consent for a time set for the vote.

Mr. McCAIN. Mr. President, I suggest there is no further debate on this amendment.

Mr. SIMPSON. Mr. President, in line with the Senator from Arizona, perhaps just a unanimous-consent request could be made that debate be concluded and the majority and minority leader set the time for the vote on the amendment tomorrow at a time certain.

The PRESIDING OFFICER. That is in order.

Mr. SIMPSON. I move that.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Reserving the right to object, I think the leader said 9:15; does the Senator from Wyoming say 9:30?

Mr. SIMPSON. I leave it to the discretion of the leader.

Mr. NUNN. Perhaps a unanimous-consent request would reflect that.

Mr. SIMPSON. I incorporate that within it.

The PRESIDING OFFICER. Without objection, the request is agreed to.

Mr. NUNN. I add to that unanimous-consent request that no second-degree amendments be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. I object to no second-degree amendments being in order.

The PRESIDING OFFICER. The Chair hears the objection.

Mr. NUNN. Mr. President, I object to the unanimous-consent request.

The PRESIDING OFFICER. The objection is heard.

Mr. REID. Mr. President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4062

(Purpose: To strike the authorization for the military construction project of the National Security Agency at Fort Meade, Maryland; to authorize $1,400,000 for the construction of a ramp addition for C–130 aircraft at Reno International Airport, Nevada; and to authorize $5,800,000 for the construction of a jet engine test facility/aircraft test enclosure at Fallon Naval Air Station, Nevada)

Mr. REID. Mr. President, I have an amendment I hope we can resolve in just a few minutes this evening, and I send that amendment to the desk.

The PRESIDING OFFICER. The pending amendments are laid aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for himself and Mr. BRYAN, proposes an amendment numbered 4062.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the table in section 2201(a), in the amount column for the item relating to Fallon Naval Air Station, Nevada, strike out "$14,800,000" and insert in lieu thereof "$20,600,000".

Strike out the amount set forth as the total amount at the end of the table in section 2201(a) and insert in lieu thereof "$512,852,000".

In section 2205(a), in the matter preceding paragraph (1), strike out "$2,040,093,000" and insert in lieu thereof "$2,045,893,000".

In section 2205(a)(1), strike out "$507,052,000" and insert in lieu thereof "$512,852,000".

In the table in section 2401(a), strike out the item relating to the National Security Agency, Fort Meade, Maryland.

Strike out the amount set forth as the total amount at the end of the table in section 2401(a) and insert in lieu thereof "$502,390,000".

In section 2406(a), in the matter preceding paragraph (1), strike out "$3,421,366,000" and insert in lieu thereof "$3,396,166,000".

In section 2406(a)(1), strike out "$364,487,000" and insert in lieu thereof "$339,287,000".

In section 2601(3)(A), strike out "$208,484,000" and insert in lieu thereof "$209,884,000".

Mr. REID. Mr. President, this amendment encompasses two projects and is offered on my behalf and Senator BRYAN. These two projects are for the State of Nevada. The reason they were not included in the matter we voted on last is the fact that Top Gun just moved to Nevada. It is a very important project for the Navy. Fallon Naval Air Station is the premier naval air fighting station in the whole world. Top Gun has moved there.

This amendment meets all the McCain criteria of the Senate Armed Services Committee. This project we are talking about is for testing of Navy jet engine acoustics at Fallon Naval Air Station. This authorizes appropriation of $5.8 million to move and complete a badly needed jet engine test facility at the Naval Air Station Alameda, which is due to close this fiscal year, to Fallon Naval Air Station, saving millions of dollars. If we wait to do this, we will have to spend millions of additional moneys. This is an effort to save money.

We would still be within our 302(b) allocation. It is not a budget buster. If we cannot do this, we would be required to construct a new and a smaller test facility. This is extremely important for Top Gun and other projects.

Now, the other project, Mr. President. Fallon Naval Air Station, I have indicated, is rapidly becoming the Navy's premier pilot training site, including Top Gun, Top Dome, and training of the navy's elite pilots. If you want to have a Ph.D. as a naval fighter in airplanes, you have to go to Fallon and train. This project meets all the criteria I have mentioned.

Mr. President, the other is a $1.4 million project that will add badly needed space to the aircraft parking are at the Reno Air National Guard for C–130's. This is a new mission they have. One thing I did not mention, Mr. President, for both of these projects, the money is offset. Both projects in the amendment are fully offset in moneys and for a project that is simply not usable anymore. It meets all the criteria. I do not need to dwell on it. I ask this amendment be approved.

Mr. NUNN. Mr. President, I urge support of the Reid amendment when we do get to a vote on it. This meets the committee's criteria that corrects potential problems currently in the Air National Guard.

Mr. REID. If I could say, the distinguished Senator from Arizona is going to object to this, but I think he would accept it on a voice vote. That is my understanding.

Mr. McCAIN. Mr. President, I understand the argument of the Senator from Nevada. There is not an offset in it. I understand it meets with all the other criteria. I oppose the amendment. I will not request a recorded vote.

Let me also say I will try and have the second-degree amendment to the amendment from the Senator from Wyoming very soon. As I understand the majority leader would have liked to have had a time certain.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment (No. 4062) was agreed to.

Mr. REID. I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STARSTREAK EVALUATION

Mr. INHOFE. Mr. President, I would like to engage Senators WARNER, SMITH, and KENNEDY, who are my colleagues on the Armed Services Committee, in a colloquy for the purposes of clarifying and correcting provisions in the committee's report with respect to the committee's funding of the air-to-air Starstreak missile evaluation, to be conducted by the Army.

Senator KENNEDY and I, along with other members of the committee, have supported continued evaluation of the Starstreak missile in an air-to-air role, to provide self-protection capability for the Apache helicopter. I understand that it has been the committee's intent to provide $15 million in fiscal year 1997 for the completion of the air-to-air Starstreak live fire phase test, to be carried out by the Army's applied aviation technology directorate. This test phase is to be completed prior to conducting a side-by-side evaluation with the air-to-air Stinger missile. It is also my understanding that to achieve the committee's intent, these funds should be placed in program element 63003A, an account used in prior years for this program.

However, the committee report placed it in a different line item—PE No. 23801A—and contains language that suggests an alternate use of these funds. I would like to correct the record in this matter.

Mr. WARNER. Senator, you are correct on both accounts. As the chairman of the Air-Land Forces Subcommittee, I can attest that the committee's intent is to authorize $15 million in program element 63003A explicitly for the continuation air-to-air Starstreak evaluation. The committee's report inadvertently implies that Starstreak would be evaluated alongside Stinger and placed the funds in the incorrect funding line. This was not the committee's intent and will be corrected during conference with the House.

Mr. KENNEDY. I share the concerns of the distinguished Senator from Oklahoma, and thank the Air-Land Subcommittee chairman for his support. These actions would be inconsistent with the authorization conference report for fiscal year 1996 and with actions taken last year by the Army to move Starstreak funds into this line for the continuation of the air-to-air Starstreak evaluation. The Army has indicated a clear need for helicopter self-defense, and is completing necessary documentation of that requirement. To best meet this requirement, there must be a fair shoot-off competition between Starstreak and Stinger. Providing this funding is necessary to fully evaluate the Starstreak missile prior to any shootoff, to ensure a level playing field.

Mr. SMITH. I concur with Senator WARNER's earlier statement, that the $15 million for the Starstreak evaluation should be placed in PE 63003A and be provided for the purpose of continuing the Starstreak evaluation. As chairman of the Acquisition and Technology Subcommittee, I am pleased to join my colleagues in working to bring this development program to a successful conclusion. The position and legislative intent of the committee as articulated in this colloquy will supersede that expressed in the committee report. Appropriate corrections will be made during conference on this bill with the House of Representatives, and the Army will be notified of our position on this issue.

Mr. INHOFE. I thank my colleagues for their assistance in clarifying this important matter.

AMENDMENT NO. 4049

Mr. PELL. Mr. President, I oppose strongly the amendment on nuclear testing offered by the Senators from Arizona and Nevada, Mr. KYL and Mr. REID. The United States is currently in the forefront of nations seeking a comprehensive ban on nuclear explosions. Members of the administration have worked assiduously to remove obstacles to such a ban both in the United States and among the other nuclear powers. Currently, we are in the final stages of an effort that could culminate an agreement on the text by June 28, with the opening of the text for signatures occurring this coming September.

Getting us to this point, at which a comprehensive treaty ban is almost in hand, has been both slow and tortuous. I recall well that President John F. Kennedy hoped to bring about a complete ban on nuclear testing. By building upon the positive aspects on both sides, he was able to bring about the breakthrough that produced the Limited Test Ban Treaty of 1963, which limited nuclear testing to the underground environment and spared the world further exposure to radiation and fallout from the tests by the three signatories, the United States, Great Britain, and the Soviet Union.

In 1974, President Nixon achieved the Threshold Test Ban Treaty, and President Ford accomplished the Peaceful Nuclear Explosives Treaty in 1976. In 1990, while I was chairman of the Committee on Foreign Relations, the committee and the Senate approved ratification of those two treaties. The complete ban has been an oft-stated goal of the United States for more than three decades and it has been pursued with varying degrees of enthusiasm. In recent years, as some questions of safety and reliability of nuclear weapons have been resolved and as our scientific community has, with methods of ensuring the safety and reliability of the stockpile without resort to nuclear testing, it has become increasing clear that nuclear testing is no longer an imperative and that national interests of the United States would be served by an end to nuclear testing.

When the administration succeeded last year in securing the unconditioned and permanent extension of the nonproliferation treaty, we were successful largely because many nations who have foresworn nuclear weapons trusted us and the other nuclear powers to move expeditiously to a complete end of nuclear testing. That goal appears now to be within both reach and grasp.

As a result of legislation sponsored by Senators HATFIELD, EXON, and Mitchell in 1992, the United States has been operating under a moratorium on nuclear testing that will extend through this September. According to that legislation, the United States can only resume nuclear testing if another nation does so. Russia has not tested since 1992 and indicates it does not intend to resume nuclear testing. Earlier this year, France finished its latest and controversial series of nuclear tests in the Pacific and declared its commitment to achievement of a comprehensive ban. That leaves only China, which has indicated that it will conduct only one more test before September and then will join the other nuclear powers in stopping testing.

The Kyl-Reid amendment would revoke the Hatfield-Exon-Mitchell language, under which the United States has been engaged in the moratorium and moving toward a complete ban. It is correct that the amendment does not require testing, but it does open the way to renewed testing and send a completely wrong signal at this final stage of the negotiation on a complete ban. It would serve to undermine U.S. commitment to success in the negotiation. It could serve to disrupt the negotiation completely, and it could precipitate an end to prospects for a complete ban for years to come.

Mr. President, in January, John Holum, the director of the U.S. Arms Control and Disarmament Agency, delivered a message from the President to the delegates negotiating the test ban at the conference on disarmament in Geneva. The President made the point: "A Comprehensive Test Ban Treaty is vital to constrain both the spread and further development of nuclear weapons. And it will help fulfill our mutual pledges to renounce the nuclear arms race and move toward our ultimate goal of a world free of nuclear arms."

The President concluded: "I pledge the full and energetic support of the United States to conclude promptly a treaty so long sought and so long denied. Let us, now, take this historic step together."

The last several weeks in Geneva have been marked by heated negotiations as delegates attempt to remove final roadblocks. The next few days will be similarly hectic as delegates try to meet the June 28 deadline for success. John Holum told us today, "We are close to achieving our goal in Geneva. This window of opportunity is the best, and perhaps the last, chance to achieve this goal."

Mr. President, the Senate has had the wisdom to agree to the SALT I interim agreement, the 1972 Anti-ballistic Missile Treaty, START I and the START II Treaty. These treaties first capped the arms race, and ensured the viability of strategic deterrence. Through the START I Treaty which is now in force and the START II Treaty which awaits Russian ratification, the world's two superpowers will have reduced their nuclear arsenals by approximately two-thirds. If we are wise and prudent we will move beyond that level still further to substantially lower levels of nuclear armament. A complete ban on nuclear testing will help to reinforce and invigorate that process.

I hope very much that the Senate will decide today to keep the United States on the course it so wisely chose in 1992 in deciding to initiate a moratorium on nuclear testing.

HOUSE PROVISION ON ANTIPERSONNEL LANDMINES

Mr. LEAHY. Mr. President, last year an amendment to the Fiscal Year 1996 Defense Authorization bill which I sponsored with 49 other senators, both Democrats and Republicans, to impose a 1-year moratorium on the use of antipersonnel landmines, except along international borders and in demilitarized zones, passed the Senate on August 4 of last year by a vote of 67 to 27. It was signed into law by President Clinton on February 12 of this year. Support for the moratorium has broadened in the Congress since then, due to the extraordinary media attention this issue has received and the experience of our troops in Bosnia.

Recently, it came to my attention that the House National Security Committee included a provision in its version of the fiscal year 1996 Defense authorization bill, which would effectively nullify my amendment. This provision is identical to a provision the House included last year, but which was deleted in the conference.

While I do not question the motives of the authors of that provision, I have communicated my concerns about it to Chairman THURMOND, as well as Senators WARNER and NUNN. I have made clear that not only does this provision undermine the position of two-thirds of the Senate, it is totally unnecessary and premature since the moratorium would not take effect until February 1999. It also contradicts the Pentagon's considered judgment that it can manage with the Leahy moratorium, and ignores the administration's own position that it will not seek to modify or repeal the amendment.

Mr. President, on May 16, President Clinton announced the administration's long-awaited policy on landmines. While I was disappointed that the administration did not use this opportunity to renounce the use of an indiscriminate weapon that is responsible for horrendous suffering of civilians, the President did commit to vigorously negotiate an international agreement to ban antipersonnel mines. Over the next 2 years, we will have ample opportunity to judge the seriousness of the administration's efforts. With 41 nations already on record in support of an immediate, total ban, including many of our NATO allies, it is crucial that we preserve the Leahy amendment intact in order to reinforce our support for strong U.S. leadership in this global effort.

I am very pleased and appreciative that Chairman THURMOND has, like last year, answered my concerns by reaffirming his intention to defend the Senate position in conference. He was successful in doing so last year, and nothing has changed since then to weaken the Senate position. In fact, the official opinion of the Pentagon that it can live with the Leahy moratorium, the administration's policy to vigorously negotiate an international ban as soon as possible, and the growing number of countries that support a ban, should significantly strengthen it.

I hope the House will reconsider its position on this. There is no reason for an issue that has such broad public support, from veterans organizations to the Catholic Bishops to the American Red Cross, to become an issue of contention between us. If necessary, there is more than enough time to revisit this when the effective date of the moratorium approaches.

Mr. President, I ask unanimous consent that excerpts from a May 16 Pentagon press briefing describing the Pentagon's opinion of my amendment, and my correspondence with Chairman THURMOND, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEWS BRIEFING

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE—PUBLIC AFFAIRS

Senior Defense Official #2: The President signed it into law. I mean, we have not been happy with it with regard to its provisions compared to this broader policy. The President did accept it. And we believe we can live with it, but we don't think it's an adequate—I didn't say we didn't support it—I mean, we don't think it's an adequate answer to the problem. And so, this policy is meant to answer the problem in a broader way. If the moratorium stays in place, we can live with that one year moratorium given the exceptions that are written into it.

Q: All anti-personnel mines?

Senior Defense Official #2: Anti-personnel landmines.

U.S. SENATE,
Washington, DC, May 12, 1996.
Hon. STROM THURMOND,
Chairman, Committee on Armed Services, Washington, DC.

DEAR STROM: It has come to my attention that the House National Security Committee has included in its FY 1997 Defense Authorization bill the same certification provision concerning my anti-personnel landmine moratorium amendment that was deleted last year.

Not only is this provision unnecessary since the moratorium does not take effect until February 1999, it also would nullify the effect of the amendment which was supported by over two-thirds of the Senate in a bipartisan vote.

If necessary, I will take whatever measures are necessary to prevent this attempt by the House to undermine the Senate's position on my amendment. However, your help was instrumental in getting this same provision deleted from the bill last year. Before I make any decision on this, I would appreciate knowing whether I can count on you to prevent this provision from being included in the final version of the FY 1997 Defense Authorization bill.

I look forward to hearing from you soon.

With best regards.

PATRICK LEAHY,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, December 18, 1995.
Sen. PATRICK J. LEAHY,
U.S. Senate, Washington, DC.

DEAR SENATOR LEAHY: Pursuant to our discussion on the floor this morning concerning consideration of the National Defense Authorization Act for Fiscal Year 1996, I would like to recap our agreement.

We have agreed that: You will control 20 minutes of debate on the landmine provision and I will control the same amount of time; you will not filibuster the defense authorization conference report and will not object to a unanimous consent for a time certain to vote on the defense authorization conference report; and if the current version of the FY 96 Defense Authorization bill does not become law, I will do everything in my power to ensure that section 1402(b) (concerning a certification in relation to the moratorium on landmine use) is deleted from any subsequent version of the bill. If the current version of the FY 96 Defense Authorization bill is signed into law, I will do everything in my power to ensure that section 1402(b) is reversed in the next Defense Authorization bill.

Sincerely,

STROM THURMOND,
Chairman.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, June 11, 1996.
Sen. PATRICK LEAHY,
U.S. Senate, Washington, DC.

DEAR PAT: Thank you for your recent correspondence regarding the anti-personnel landmine moratorium. I appreciate your bringing to my attention the provision in the House defense bill regarding a requirement for a certification prior to the imposition of a moratorium.

As the Chairman of the Senate Armed Services Committee, I will support the Senate position on any issue that comes before the conference on the defense authorization bill. However, as you know, it is impossible for me, or any other member of the Senate, to predict or guarantee the outcome of any particular provision during the conference of a bill. As always, I would support the Senate position with the House in the conference on the defense authorization bill.

As I recall our agreement last year it was that I would not offer any language to the fiscal year 1997 defense bill that would undermine your provision, and you would not offer language regarding the anti-personnel landmine moratorium to the fiscal year 1997 defense authorization bill. I have kept that agreement—there is no language in the fiscal year 1997 Senate defense authorization bill regarding the anti-personnel landmine moratorium.

With kindest regards and best wishes,

Sincerely,

STROM THURMOND,
Chairman.

Mr. CRAIG. Mr. President, there are a few issues which I think must be considered during what I expect will be complicated and controversial deliberations on the 1997 Defense authorization bill. First and foremost, this bill defines national security—the Government's primary obligation to its citizens.

The United States military is the greatest military power in the world. In a time of rapidly evolving technology, sufficient yet judicious funding authority is absolutely essential to maintain the status quo. The committee budget is $12.9 billion higher than fiscal year 1996 levels. However, adjusting this figure for inflation, the Department of Defense will actually see spending levels reduced by $5.5 billion from last year.

The administration in 1994 and 1995 promised outyear funding would increase to recover the shortfalls driven by deep cuts in earlier budgets. Yet, for the second straight year, the Presidential budget is less than projected in previous years. I am confident that DOD will meet its assigned mission, but I am concerned at what cost.

If we are to continue sending our soldiers into harm's way, this Nation has a responsibility to provide them with the highest level of technology. I often overhear comments that since the fall of the Iron Curtain, America has no significant enemy. However, since 1989, America has deployed more forces than at any time since 1964. Yes, the Soviet Union is no more, but renegade factions continue to threaten our Nation's security and vital economic interests. While we are the only remaining super power, our armed forces shouldn't be used in the role of the world's police force.

In the past 7 years, American forces have deployed to Panama, Grenada, and Saudi Arabia to protect our National interests. Additionally, peacekeeping operations have sent our troops to Haiti, Somalia, and most recently Bosnia. This Nation has a responsibility to scrutinize each mission carefully and send American Forces only when absolutely necessary. The threat is still there, but its face has changed. America will continue to send her young soldiers and sailors to foreign shores to protect our peace, but we must be judicious in those assignments.

As we examine the 1997 authorization, we must consider that the Defense budget has decreased to the lowest spending levels in 40 years. As we debate these issues, we must strive to produce a budget which defines national security and guarantees the Department of Defense has the necessary funding to complete all assigned, carefully chosen missions, obtain all training vital to success, and secure the best technology available. When this is finished, our military forces will continue to be the most influential military in the world and this Nation's security unquestioned.

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, it is my understanding that the pending amendments would have to be set aside by unanimous consent before considering this block of amendments that have been consented to on both sides.

I ask unanimous consent that the pending amendments be set aside for the purpose of taking up these amendments. I believe there are 19 amendments that we will be presenting, which have been agreed to.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

AMENDMENT NO. 4063

(Purpose: To specify funding and requirements for research, development, test, and evaluation of advanced submarine technologies)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator COHEN, I offer an amendment that would include a provision in the Senate bill that would provide for explicit guidance on the intended use of funds that are authorized for submarine technology. I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. COHEN, proposes an amendment numbered 4063.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle B of title II add the following:

SEC. 223: ADVANCED SUBMARINE TECHNOLOGIES.

(a) AMOUNTS AUTHORIZED FROM NAVY RDT&E ACCOUNT.—Of the amount authorized to be appropriated by section 201(2)—

(1) $489,443,000 is available for the design of the submarine previously designated by the Navy as the New Attack Submarine; and

(2) $100,000,000 is available to address the inclusion on future nuclear attack submarines of core advanced technologies, category I advanced technologies, and category II advanced technologies, as such advanced technologies are identified by the Secretary of Defense in Appendix C of the report of the Secretary entitled "Report on Nuclear Attack Submarine Procurement and Submarine Technology", submitted to Congress on March 26, 1996.

(b) CERTAIN TECHNOLOGIES TO BE EMPHASIZED.—In using funds made available in accordance with subsection (a)(2), the Secretary of the Navy shall emphasize research, development, test, and evaluation of the technologies identified by the Submarine Technology Assessment Panel (in the final report of the panel to the Assistant Secretary of the Navy for Research, Development, and Acquisition, dated March 15, 1996) as having the highest priority for initial investment.

(c) SHIPYARDS INVOLVED IN TECHNOLOGY DEVELOPMENT.—To further implement the recommendations of the Submarine Technology Assessment Panel, the Secretary of the Navy shall ensure that the shipyards involved in the construction of nuclear attack submarines are also principal participants in the process of developing advanced submarine technologies and including the technologies in future submarine designs. The Secretary shall ensure that those shipyards have access for such purpose (under procedures prescribed by the Secretary) to the Navy laboratories and the Office of Naval Intelligence and (in accordance with arrangements to be made by the Secreatry) to the Defense Advanced Research Projects Agency.

(d) FUNDING FOR CONTRACTS UNDER 1996 AGREEMENT AMONG THE NAVY AND SHIPYARDS.—In addition to the purposes of which the amount authorized to be appropriated by section 201(2) are available under paragraphs (1) and (2) of subsection (a), the amounts avilable under such paragraphs are also available for contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the "Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB), and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine", dated April 5, 1996, for reseach and development activities under that memorandum of agreement.

Mr. COHEN. Mr. President, this amendment would add a provision to title II of the Senate bill that reflects the markup position on advanced submarine technology that is now reflected in report language and the funding tables that accompany the bill. This position was developed as a result of testimony provided at a hearing on submarine procurement and development and on the Secretary of Defense Report on Nuclear Attack Submarine Procurement and Submarine Technology that was submitted to Congress on March 26, 1996 in compliance with section 131 of last year's defense authorization bill.

The hearing and report both indicate that the approach used by the Navy to invest in submarine technology should be revised to accommodate the low rate of future production for attack submarines relative to cold war levels and the much higher rate of technology turnover that is occurring in the civilian sector. The previous focus on incorporating new technologies into new designs that occurred with much greater frequency than can be expected in the future and then reducing technology funding to subsistence funding until time for a new design will no longer suffice to maintain the technological edge that our submarine force enjoyed during the cold war. A more promising model would be the creation of a single, stable research and development program under a single product manager and funded at a steady state level that supports, matures, and incorporates new technology on a continuing basis. In other words a process of continuous rather than cyclical evolution. A far greater emphasis would be placed on involvement of civilian industry, particularly the shipyards involved in submarine construction, than has occurred in the past. The Report accompanying the Senate bill provides guidance that the Secretary of the Navy is to use these funds to carry out high priority research on advanced submarine technology that is identified in the Secretary of Defense's report.

The House also concluded that additional funding for submarine technology was needed. However, consistent with the fascination with submarine technology reflected in last year's conference negotiations, the House bill would make over $200 million available for it in fiscal year 1997 and pursue initiatives such as the development of six different design alternatives at a cost of at least $500 million before settling on a design for series production no earlier than fiscal year 2003. The House provision also makes very detailed allocations on how submarine technology funds would be spent by the Navy without providing any objective analysis or documented justification to support this allocation.

It is clear that the House and Senate have developed divergent views on how the course of future research and development for advanced submarine technology should proceed. It appears prudent, based on the magnitude of funding increases in the House bill and its micromanagement of them, to establish in the Senate bill a provision in law that articulates, with more force than can be achieved with report language, the Senate's view on how the Navy should proceed with a program to develop submarine technology. This provision will provide stronger guidance to our conferees when they negotiate a final outcome in the fiscal year 1997 defense authorization bill. I encourage my colleagues to join me in voting in favor of this amendment.

Mr. KEMPTHORNE. Mr. President, again, I point out there is no objection from the other side.

Mr. NUNN. Mr. President, I urge support of this amendment. It would clarify the Senate's intention on how the Navy should spend funds and implement recommendations of the DOD's report on nuclear attack submarine procurement and technology. This is an important effort to begin to address inefficiencies that have been identified in previous attack submarine R&D programs.

Mr. KEMPTHORNE. Mr. President, I urge adoption of this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4063) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4064

(Purpose: To ensure that the annual report from the Reserve Forces Policy Board is submitted as a report that is separate from the annual report of the Secretary of Defense on the expenditures, work, and accomplishments of the Department of Defense)

Mr. NUNN. Mr. President, on behalf of Senator BYRD, I offer an amendment that would make technical corrections to the references to the annual report required to be submitted by the Reserve Forces Policy Board and establish that the annual report be a separate report submitted in conjunction with the annual report of the Secretary of Defense. This has been cleared on the other side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. BYRD, proposes an amendment numbered 4064.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle E of title X add the following:

SEC. 1054. ANNUAL REPORT OF RESERVE FORCES POLICY BOARD.

Section 113(c) of title 10, United States Code, is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraphs (1), (2), and (4) as subparagraphs (A), (B), and (C), respectively;

(3) by inserting "(1)" after "(c)";

(4) by inserting "and" at the end of subparagraph (B), as redesignated by paragraph (2); and

(5) by adding at the end the following:

"(2) At the same time that the Secretary submits the annual report under paragraph (1), the Secretary shall transmit to the President and Congress a separate report from the Reserve Forces Policy Board on the reserve programs of the Department of Defense and on any other matters that the Reserve Forces Policy Board considers appropriate to include in the report.".

Mr. KEMPTHORNE. This amendment has been cleared.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4064) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4065

(Purpose: To provide for managed health care services to be furnished under the health care delivery system of the uniformed services by transferees of Public Health Service hospitals or other stations previously deemed to be uniformed services treatment facilities that enter into agreements with the Secretary of Defense to provide such services on an enrollment basis)

Mr. KEMPTHORNE. Mr. President, on behalf of Senators GORTON, COHEN, and GLENN, I offer an amendment which would establish the integration of the uniformed services treatment facilities in the Department of Defense TRICARE health care program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. GORTON, for himself, Mr. COHEN, and Mr. GLENN, proposes an amendment numbered 4065.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After the heading for title VII insert the following:

Subtitle A—General

Strike out section 704.

Redesignate section 705 as section 704.

Redesignate section 706 as section 705.

Redesignate section 707 as section 706.

At the end of title VII add the following:

Subtitle B—Uniformed Services Treatment Facilities

SEC. 721. DEFINITIONS.

In this subtitle:

(1) The term "administering Secretaries" means the Secretary of Defense, the Secretary of Transportation, and the Secretary of Health and Human Services.

(2) The term "agreement" means the agreement required under section 722(b) between the Secretary of Defense and a designated provider.

(3) The term "capitation payment" means an actuarially sound payment for a defined set of health care services that is established on a per enrollee per month basis.

(4) The term "covered beneficiary" means a beneficiary under chapter 55 of title 10, United States Code, other than a beneficiary under section 1074(a) of such title.

(5) The term "designated provider" means a public or nonprofit private entity that was a transferee of a Public Health Service hospital or other station under section 987 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 603) and that, before the date of the enactment of this Act, was deemed to be a facility of the uniformed services for the purposes of chapter 55 of title 10, United States Code. The term includes any legal successor in interest of the transferee.

(6) The term "enrollee" means a covered beneficiary who enrolls with a designated provider.

(7) The term "health care services" means the health care services provided under the health plan known as the TRICARE PRIME option under the TRICARE program.

(8) The term "Secretary" means the Secretary of Defense.

(9) The term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

SEC. 722. INCLUSION OF DESIGNATED PROVIDERS IN UNIFORMED SERVICES HEALTH CARE DELIVERY SYSTEM.

(a) INCLUSION IN SYSTEM.—The health care delivery system of the uniformed services shall include the designated providers.

(b) AGREEMENTS TO PROVIDE MANAGED HEALTH CARE SERVICES.—(1) After consultation with the other administering Secretaries, the Secretary of Defense shall negotiate and enter into an agreement with each designated provider, under which the designated provider will provide managed health care services to covered beneficiaries who enroll with the designated provider.

(2) The agreement shall be entered into on a sole source basis. The Federal Acquisition Regulation, except for those requirements regarding competition, issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall apply to the agreements as acquisitions of commercial items.

(3) The implementation of an agreement is subject to availability of funds for such purpose.

(c) EFFECTIVE DATE OF AGREEMENTS.—(1) Unless an earlier effective date is agreed upon by the Secretary and the designated provider, the agreement shall take effect upon the later of the following:

(A) The date on which a managed care support contract under the TRICARE program is implemented in the service area of the designated provider.

(B) October 1, 1997.

(2) Notwithstanding paragraph (1), the designated provider whose service area includes Seattle, Washington, shall implement its agreement as soon as the agreement permits.

(d) TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.—The Secretary shall extend the participation agreement of a designated provider in effect immediately before the date of the enactment of this Act under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1587) until the agreement required by this section takes effect under subsection (c).

(e) SERVICE AREA.—The Secretary may not reduce the size of the service area of a designated provider below the size of the service area in effect as of September 30, 1996.

(f) COMPLIANCE WITH ADMINISTRATIVE REQUIREMENTS.—(1) Unless otherwise agreed upon by the Secretary and a designated provider, the designated provider shall comply with necessary and appropriate administrative requirements established by the Secretary for other providers of health care services and requirements established by the Secretary of Health and Human Services for risk-sharing contractors under section 1876 of the Social Security Act (42 U.S.C. 1395mm). The Secretary and the designated provider shall determine and apply only such administrative requirements as are minimally necessary and appropriate. A designated provider shall not be required to comply with a law or regulation of a State government requiring licensure as a health insurer or health maintenance organization.

(2) A designated provider may not contract out more than five percent of its primary care enrollment without the approval of the Secretary, except in the case of primary care contracts between a designated provider and a primary care contractor in force on the date of the enactment of this Act.

SEC. 723. PROVISION OF UNIFORM BENEFIT BY DESIGNATED PROVIDERS.

(a) UNIFORM BENEFIT REQUIRED.—A designated provider shall offer to enrollees the health benefit option prescribed and implemented by the Secretary under section 731 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 10 U.S.C. 1073 note), including accompanying cost-sharing requirements.

(b) TIME FOR IMPLEMENTATION OF BENEFIT.—A designated provider shall offer the health benefit option described in subsection (a) to enrollees upon the later of the following:

(1) The date on which health care services within the health care delivery system of the uniformed services are rendered through the TRICARE program in the region in which the designated provider operates.

(2) October 1, 1996.

(c) ADJUSTMENTS.—The Secretary may establish a later date under subsection (b)(2) or prescribe reduced cost-sharing requirements for enrollees.

SEC. 724. ENROLLMENT OF COVERED BENEFICIARIES.

(a) FISCAL YEAR 1997 LIMITATION.—(1) During fiscal year 1997, the number of covered beneficiaries who are enrolled in managed care plans offered by designated providers may not exceed the number of such enrollees as of October 1, 1995.

(2) The Secretary may waive the limitation under paragraph (1) if the Secretary determines that additional enrollment authority for a designated provider is required to accommodate covered beneficiaries who are dependents of members of the uniformed services entitled to health care under section 1074(a) of title 10, United States Code.

(b) PERMANENT LIMITATION.—For each fiscal year after fiscal year 1997, the number of enrollees in managed care plans offered by designated providers may not exceed 110 percent of the number of such enrollees as of the first day of the immediately preceding fiscal year. The Secretary may waive this limitation as provided in subsection (a)(2).

(c) RETENTION OF CURRENT ENROLLEES.—An enrollee in the managed care program of a designated provider as of September 30, 1997, or such earlier date as the designated provider and the Secretary may agree upon, shall continue receiving services from the designated provider pursuant to the agreement entered into under section 722 unless the enrollee disenrolls from the designated provider. Except as provided in subsection (e), the administering Secretaries may not disenroll such an enrollee unless the disenrollment is agreed to by the Secretary and the designated provider.

(d) ADDITIONAL ENROLLMENT AUTHORITY.—Other covered beneficiaries may also receive health care services from a designated provider, except that the designated provider may market such services to, and enroll, only those covered beneficiaries who—

(1) do not have other primary health insurance coverage (other than medicare coverage) covering basic primary care and inpatient and outpatient services; or

(2) are enrolled in the direct care system under the TRICARE program, regardless of whether the covered beneficiaries were users of the health care delivery system of the uniformed services in prior years.

(e) SPECIAL RULE FOR MEDICARE-ELIGIBLE BENEFICIARIES.—If a covered beneficiary who desires to enroll in the managed care program of a designated provider is also entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), the covered beneficiary shall elect whether to receive health care services as an enrollee or under part A of title XVIII of the Social Security Act. The Secretary may disenroll an enrollee who subsequently violates the election made under this subsection and receives benefits under part A of title XVIII of the Social Security Act.

(f) INFORMATION REGARDING ELIGIBLE COVERED BENEFICIARIES.—The Secretary shall provide, in a timely manner, a designated provider with an accurate list of covered beneficiaries within the marketing area of the designated provider to whom the designated provider may offer enrollment.

SEC. 725. APPLICATION OF CHAMPUS PAYMENT RULES.

(a) APPLICATION OF PAYMENT RULES.—Subject to subsection (b), the Secretary shall require a private facility or health care provider that is a health care provider under the Civilian Health and Medical Program of the Uniformed Services to apply the payment rules described in section 1074(c) of title 10, United States Code, in imposing charges for health care that the private facility or provider provides to enrollees of a designated provider.

(b) AUTHORIZED ADJUSTMENTS.—The payment rules imposed under subsection (a) shall be subject to such modifications as the Secretary considers appropriate. The Secretary may authorize a lower rate than the maximum rate that would otherwise apply under subsection (a) if the lower rate is agreed to by the designated provider and the private facility or health care provider.

(c) REGULATIONS.—The Secretary shall prescribe regulations to implement this section after consultation with the other administering Secretaries.

(d) CONFORMING AMENDMENT.—Section 1074 of title 10, United States Code, is amended by striking out subsection (d).

SEC. 726. PAYMENTS FOR SERVICES.

(a) FORM OF PAYMENT.—Unless otherwise agreed to by the Secretary and a designated provider, the form of payment for services provided by a designated provider shall be full risk capitation. The capitation payments shall be negotiated and agreed upon by the Secretary and the designated provider. In addition to such other factors as the parties may agree to apply, the capitation payments shall be based on the utilization experience of enrollees and competitive market rates for equivalent health care services for a comparable population to such enrollees in the area in which the designated provider is located.

(b) LIMITATION ON TOTAL PAYMENTS.—Total capitation payments to a designated provider shall not exceed an amount equal to the cost that would have been incurred by the Government if the enrollees had received their care through a military treatment facility, the TRICARE program, or the medicare program, as the case may be.

(c) ESTABLISHMENT OF PAYMENT RATES ON ANNUAL BASIS.—The Secretary and a designated provider shall establish capitation payments on an annual basis, subject to periodic review for actuarial soundness and to adjustment for any adverse or favorable selection reasonably anticipated to result from the design of the program.

(d) ALTERNATIVE BASIS FOR CALCULATING PAYMENTS.—After September 30, 1999, the Secretary and a designated provider may mutually agree upon a new basis for calculating capitation payments.

SEC. 727. REPEAL OF SUPERSEDED AUTHORITIES.

(a) REPEALS.—The following provisions of law are repealed:

(1) Section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c).

(2) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d).

(3) Section 718(c) of the National Defense Authorization Act for Fiscal year 1991 (Public Law 101–510; 42 U.S.C. 248c note).

(4) Section 726 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 42 U.S.C. 248c note).

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997.

Mr. GORTON. Mr. President, today I am offering an amendment which defines the future for Uniformed Services Treatment Facilities [USTFs] in order to ensure that these hospitals and clinics can continue to provide high-quality care to thousands of military beneficiaries throughout the country. Senators SARBANES, MOYNIHAN, and MURRAY have joined me as cosponsors of this amendment. I appreciate the accommodation of the Committee leadership for clearing my amendment for inclusion in the Senate version of the National Defense Authorization Act for fiscal year 1997.

USTFs are former Public Health Service hospitals that were transferred to private, not-for-profit ownership during the Reagan administration. The late Senator from Washington State, Scoop Jackson, sponsored legislation in 1981 that completed this transition by deeming these hospitals and clinics facilities of the Uniformed Services and authorizing them to provide health care to military beneficiaries, including retirees and family members of active-duty personnel and retirees. I was proud to join as a cosponsor of that amendment during my first year in the Senate.

USTFs have performed well over the past 15 years as providers of cost-effective and quality military health care. There are currently 9 USTFs operated by 7 organizations serving about 120,000 military beneficiaries in nine States: Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Texas, and Washington. These facilities have a loyal base of beneficiaries who have come to rely on them as their primary care providers.

USTFs have also pioneered new innovations in military health care, including full at-risk managed care. I sponsored an amendment in 1992 that required the Department of Defense [DOD] to enter into agreements with USTFs to carry out a managed care delivery program. The USTFs managed care program, called the Uniformed Services Family Health Plan, I am told, has further reduced costs and has consistently received a favorable beneficiary rating in excess of 90 percent.

The USTFs are now at a crossroads. With their current participation agreements expiring next year, USTFs and DOD entered into negotiations late last year aimed at integrating the USTFs program into the overall military health care system. The negotiations resulted in a set of "guiding principles" which both DOD and USTFs accepted. My amendment implements these "guiding principles" by clarifying how the USTF program will be integrated into the TRICARE program. With one exception concerning the date for the application of TRICARE enrollment fees and increased co-payments, my amendment is identical to the provisions of the House-passed National Defense Authorization Act for fiscal year 1997.

My amendment reflects a careful compromise reached between the USTFs and DOD to protect the interests of the military beneficiary and the taxpayer. In addition to integrating the USTFs into TRICARE, my amendment limits the growth of the USTF program and implements a recommendation of a new GAO report by disenrolling USTF beneficiaries who receive benefits under Medicare. A more detailed section-by-section summary of my amendment will follow this statement.

Mr. President, this amendment is a true compromise which serves the interest of American servicemen and women. It not only has the support of the Health Affairs Office at the Defense Department, but except for the one difference already mentioned, the entirety of my amendment has been included in the House-passed bill. I thank the Committee leadership for agreeing to include this amendment in the Senate bill as well.

I ask unanimous consent that the summary I mentioned be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY OF THE GORTON AMENDMENT

The amendment adds a new subtitle B to title VII dealing with the Uniformed Services Treatment Facilities.

Section 721 defines nine terms in subtitle B.

Section 722 reauthorized the USTFs as "designated providers" of health care to military beneficiaries. DOD is directed to negotiate and enter into new agreements with each USTF on a sole source basis. Although the competitive requirements of the Federal Acquisition Regulations (FAR) would not apply, the FAR would apply to USTF agreements as "acquisitions of commercial items." The new USTF agreements would be required by the later of October 1, 1997 (when the current agreements expire) or when TRICARE is implemented in the region served by the USTF. The Seattle USTF, however, could begin their agreement sooner than October 1, 1997. USTFs which will not have TRICARE in their regions until after 1997 will automatically have their current participation agreement extended. The USTFs shall comply with "necessary and appropriate" administrative requirements established by DOD for other health care providers. USTFs would be exempt from state health maintenance organization licensure requirements. A USTF could not contract out more than 5% of its primary care enrollment without DOD's approval, except for contracts in effect on the date of enactment.

Section 723 established the process for applying the uniform benefit to the USTFs. The USTFs would be required to apply the TRICARE Prime enrollment fees and increased co-payments the later of October 1, 1996 or when TRICARE is implemented in their region. DOD has the discretion to prescribe a later date or reduce the cost shares.

Section 724 establishes two enrollee caps to limit the growth of the USTFs. For FY-1997, the enrollee cap consists of the total number of those enrolled in the program (even those for which no funding was provided) as of October 1, 1995 plus new active-duty dependents that DOD could waive into the program. For FY-1998 and beyond, the program enrollee cap is 10% higher than the previous year. This section also requires that all existing enrollees continue to receive care under the new agreements unless the beneficiary disenrolls. The USTF can also enroll additional beneficiaries, but can only market to those who do not have other non-governmental primary health insurance coverage or are participating in the TRICARE program. This section also authorized DOD to automatically disenroll any beneficiary over 65 who unlawfully receives benefits under Medicare. This provision reflects the recommendations of a new GAO report and should prevent double payments.

Section 725 applies the CHAMPUS payment rules to the USTFs. DOD could modify the payment rules as appropriate and could authorize a lower rate than the maximum rate if agreed to by the USTF and the primary health care provider facility.

Section 726 states that the form of payments for the USTFs will be full-risk capitation negotiated and agreed upon by DOD and the USTFs. The capitation payments must be based on utilization experience of enrollees and "competitive market rates" for equivalent health care services for a comparable population in the area served by the USTF. The total capitation cannot exceed the amount incurred had the beneficiary received care from a military hospital or under TRICARE. The capitation payments will be established on an annual basis and subject to periodic review to reflect actuarial soundness and adverse selection. The USTFs and DOD may mutually agree upon a new basis for calculating capitation payments after September 30, 1999.

Section 727 repeals much of the existing, now superseded USTF provisions, including the statutory status, the authority for managed care agreements, and the application of the FAR and the TRICARE cost shares. The repeals take effect on October 1, 1997.

Mr. KEMPTHORNE. Mr. President, I believe this amendment has been cleared.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4065) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4066

(Purpose: To authorize the Secretaries of the military departments and the Secretary of Transportation to carry out a food donation pilot program at the service academies)

Mr. NUNN. Mr. President, on behalf of Senator SARBANES, I offer an amendment which would authorize the Secretaries of the military departments and the Secretary of Transportation to carry out a food donation program at the service academies, under their respective jurisdiction. I believe this amendment has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The Senator from Georgia [Mr. NUNN], for Mr. SARBANES, for himself and Ms. MIKULSKI, proposes an amendment numbered 4066.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. FOOD DONATION PILOT PROGRAM AT THE SERVICE ACADEMIES.

(a) PROGRAM AUTHORIZED.—The Secretaries of the military departments and the Secretary of Transportation may each carry out a food donation pilot program at the service academy under the jurisdiction of the Secretary.

(b) DONATIONS AND COLLECTIONS OF FOOD AND GROCERY PRODUCTS.—Under the pilot program, the Secretary concerned may donate to, and permit others to collect for, a nonprofit organization any food or grocery product that—

(1) is—

(A) an apparently wholesome food;

(B) an apparently fit grocery product; or

(C) a food or grocery product that is donated in accordance with section 402(e) of the National and Community Service Act of 1990 (42 U.S.C.A 12672(e));

(2) is owned by the United States;

(3) is located at a service academy under the jurisdiction of the Secretary; and

(4) is excess to the requirements of the academy.

(c) PROGRAM COMMENCEMENT.—The Secretary concerned shall commence carrying out the pilot program, if at all, during fiscal year 1997.

(d) APPLICABILITY OF GOOD SAMARITAN FOOD DONATION ACT.—Section 402 of the National and Community Service Act of 1990 (42 U.S.C. 12672) shall apply to donations and collections of food and grocery products under the pilot program without regard to section 403 of such Act (42 U.S.C. 12673).

(e) REPORTS.—(1) Each Secretary that carries out a pilot program at a service academy under this section shall submit to Congress an interim report and a final report on the pilot program.

(2) The Secretary concerned shall submit the interim report not later than one year after the date on which the Secretary commences the pilot program at a service academy.

(3) The Secretary concerned shall submit the final report not later than 90 days after the Secretary completes the pilot program at a service academy.

(4) Each report shall include the following:

(A) A description of the conduct of the pilot program.

(B) A discussion of the experience under the pilot program.

(C) An evaluation of the extent to which section 402 of the National and Community Service Act of 1990 (42 U.S.C. 12672) has been effective in protecting the United States and others from liabilities associated with actions taken under the pilot program.

(D) Any recommendations for legislation to facilitate donations or collections of excess food and grocery products of the United States or others for nonprofit organizations.

(f) DEFINITIONS.—In this section:

(1) The term "service academy" means each of the following:

(A) The United States Military Academy.

(B) the United States Naval Academy.

(C) The United States Air Force Academy.

(D) The United States Coast Guard Academy.

(2) The term "Secretary concerned" means the following

(A) The Secretary of the Army, with respect to the United States Military Academy.

(B) The Secretary of the Navy, with respect to the United States Naval Academy.

(C) The Secretary of the Air Force, with respect to the United States Air Force Academy.

(D) The Secretary of Transportation, with respect to the United States Coast Guard Academy.

(3) The terms "apparently fit grocery product", "apparently wholesome food", "donate", "food", and "grocery product" have the meanings given those terms in section 402(b) of the National and Community Service Act of 1990 (42 U.S.C. 12672(b)).

Mr. SARBANES. Mr. President, I am pleased to offer this amendment which would establish a voluntary food donation pilot program at the service academies. The amendment would provide the academies with the necessary authority to donate surplus foods to nonprofit organizations for hunger relief efforts in their local communities.

With the need for food assistance escalating, especially among our working poor, this additional source of food which might otherwise go to waste, could help to alleviate hunger in these surrounding communities. I look forward to the academies' voluntary participation in and the overall success of this program.

Mr. KEMPTHORNE. This amendment has been cleared on our side.

Mr. NUNN. Mr. President, I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4066) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4067

(Purpose: To provide for the designation of a memorial as the National D-Day Memorial)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator WARNER, I offer an amendment that would designate a memorial to be constructed in Bedford, VA, to be known as the "National D-Day Memorial."

The PRESIDING OFFICER. The clerk will report.

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. WARNER, proposes an amendment numbered 4067.

At the appropriate place in title X, insert the following:

SEC. . DESIGNATION OF MEMORIAL AS NATIONAL D-DAY MEMORIAL.

(a) DESIGNATION.—The memorial to be constructed by the National D-Day Memorial Foundation in Bedford, Virginia, is hereby designated as a national memorial to be known as the "National D-Day Memorial". The memorial shall serve to honor the members of the Armed Forces of the United States who served in the invasion of Normandy, France, in June 1944.

(b) PUBLIC PROCLAMATION.—The President is requested and urged to issue a public proclamation acknowledging the designation of the memorial to be constructed by the National D-Day Memorial Foundation in Bedford, Virginia, as the National D-Day Memorial.

(c) MAINTENANCE OF MEMORIAL.—All expenses for maintenance and care of the memorial shall be paid for with non-Federal funds, including funds provided by the National D-Day Memorial Foundation. The United States shall not be liable for any expense incurred for the maintenance and care of the memorial.

Mr. WARNER. Mr. President, I rise today to urge my colleagues to support the designation of the memorial to be constructed in Bedford, Virginia as the National D-Day Memorial.

The Normandy Invasion of June 6, 1944—more commonly known as D-Day—was the largest air, land, and sea invasion ever undertaken. The sheer magnitude of the invasion, which included 4,870 ships, 7,200 planes and 250,000 soldiers was unprecedented. By the battle's end, causalities for the Allied forces numbered 9,758, including 6,603 Americans. As the turning point in World War II, D-Day will forever be remembered as the decisive battle that spelled the beginning of the end for Hitler's dream of Nazi domination of the world.

Remarkably, there is no memorial in the United States commemorating this important battle. My amendment would rectify this oversight by designating the memorial to be constructed in Bedford, Virginia as the National D-Day Memorial.

Bedford is the ideal location for a National D-Day Memorial for several reasons. Most important, Bedford, VA—home base for Company A of the 116th Infantry Regiment—sustained the highest per-capita loss of any single community as a result of the D-Day invasion. In addition, the 88-acre scenic site is easily accessible via the interstate highway system and overlooks the beautiful Blue Ridge Mountains.

It is important to realize that this designation is not exclusively granted to the memorial in Bedford, and obligates no federal funds for construction or operation of the memorial now or in the future.

When completed, this memorial will serve as a lasting tribute to all who took part in D-Day, as a reminder of the price paid for freedom and peace, and as a resource to educate future generations about the significance and sacrifice of D-Day.

Mr. KEMPTHORNE. Mr. President, this has been cleared by the other side.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4067) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4068

(Purpose: To increase authorizations of appropriations for the Air National Guard by $8,700,000 for support of 10 primary authorized C-130 aircraft for each airlift squadron in the Air National Guard of Kentucky, West Virginia, North Carolina, Tennessee, and California; and to increase various personnel end strength authorizations by 385 for support of such aircraft)

Mr. NUNN. Mr. President, on behalf of Senator BYRD, for himself, Senators FORD and FEINSTEIN, I offer an amendment which would authorize the Air National Guard to retain 10 C-130 aircraft in each of the five National Guard C-130 squadrons. I believe this amendment has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. BYRD, for himself, Mr. FORD, and Mrs. FEINSTEIN, proposes an amendment numbered 4068.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 301(11), strike out "$2,692,473,000" and insert in lieu thereof "$2,699,173,000".

In section 411(a)(5), strike out "108,594" and insert in lieu thereof "108,904".

In section 412(5), strike out "10,378" and insert in lieu thereof "10,403".

In section 421, strike out "$69,878,430,000" in the first sentence and insert in lieu thereof "$69,880,430,000".

In section 201(3), strike out "$14,788,356,000" and insert in lieu thereof "$14,783,356,000".

In section 301(4), strike out "$17,953,039,000" and insert in lieu thereof "$17,949,339,000".

At the end of subtitle B of title V add the following:

SEC. 518. MODIFIED END STRENGTH AUTHORIZATION FOR MILITARY TECHNICIANS FOR THE AIR NATIONAL GUARD FOR FISCAL YEAR 1997.

Section 513(b)(3) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 305; 10 U.S.C. 115 note) is amended to read as follows:

"(3) Air National Guard:

"(A) For fiscal year 1996, 22,906.

"(B) For fiscal year 1997, 22,956.".

Mr. BYRD. Mr. President, this amendment which I am offering on behalf of myself and Senators FORD and FEINSTEIN enables Air National Guard units in North Carolina, Tennessee, West Virginia, Kentucky, and California to maintain their full complement of 12 C-130's. Without $6.7 million in operations and maintenance funds and $2.0 million in personnel funds, these units would be forced, prematurely and perhaps unnecessarily, to reduce their airlift capacity to 10 aircraft per unit.

The President's budget for Fiscal Year 1997 reduces the Air National Guard inventory of C-130's in these five states from 12 aircraft per unit to 10 in accordance with earlier Air Force program decisions. However, subsequent to the FY 1997 budget submission, the Air Force initiated an airlift analysis which, together with congressionally-directed C-130 Master Stationing Plan, would provide the Air Force with a comprehensive look at long-term airlift requirements. Therefore, it is premature to reduce the number of aircraft in these units until the total force requirements analysis is completed. If these aircraft and personnel are eliminated from the force, it would be difficult to replace them, should the ongoing study demonstrate an ongoing requirement for them.

Mr. President, airlift has long been the ugly duckling of aircraft programs, drab and utilitarian next to the swans that are fighter and bomber aircraft. But airlift is essential to every military operation, delivering the supplies that keep our military going. Air National Guard units are critical to maintaining the supply pipeline, and I am confident that the Air Force study will recognize the value of retaining the maximum number of C-130's in the inventory.

Mr. FORD. This amendment is very simple, and as I understand, is acceptable to both sides. During the 1997 Fiscal Year budget deliberations at the

Pentagon, a decision was made to reduce the Air National Guard C–130 fleet by ten aircraft. Two aircraft would be taken from each of the five units in the States of Kentucky, West Virginia, California, North Carolina and Tennessee. However, the Air Force has initiated an Inter-theater Lift Analysis to determine the impact of the C–17 on the C–130 requirements. Furthermore, the Air Force has not yet completed its C–130 Master Stationing Plan.

My colleagues and I believe it is premature to reduce the Air National Guard C–130 fleet below current levels until both of the studies have been completed and the comprehensive Total Force airlift requirements have been approved by Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Adjutant General of Kentucky, Gen. John R. Groves, Jr. General of the Kentucky National Guard immediately following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF KENTUCKY,
DEPARTMENT OF MILITARY AFFAIRS,
Frankfort, KY, April 18, 1996.

The Adjutant General
100 Minuteman Parkway
Frankfort, KY.

Hon. WENDELL H. FORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR FORD: The upcoming congressional action concerning Defense Authorization Bills is one of great importance to the Commonwealth of Kentucky and the Nation. We in Kentucky ask for you and your colleagues' support of the following facts as they relate to the Air National Guard's role in National Defense.

The Kentucky Air National Guard has proven to be one of the most cost-effective means of maintaining the Nation's Total Air Force capability within the constraints of a shrinking defense budget. This has never been more evident than with our Air National Guard C–130H aircraft and unit personnel constantly being involved in worldwide contingencies.

Our Kentucky Air National Guard units as well as those of other C–130 states like; West Virginia, North Carolina, Tennessee and California are more involved today than ever before. Recently, I watched Kentucky C–130's fly out of Louisville International Airport for destination like Honduras and Germany in support of Operation Joint Endeavor. The men and women of the Kentucky Air National Guard perform these and many other missions in support of national policy with a high degree of experience and an even higher degree of professionalism.

For years the Congress has provided funding to maintain several Air National Guard C–130 units at 12 primary authorized aircraft (PAA). Secretary Perry has indicated the Air National Guard's participation in airlift will continue to increase, as I am sure is based on the great record of Total Force support by Air National Guard C–130 units like Kentucky. If the Air National Guard's support of national defense initiatives continues, then so should the funding of twelve primary authorized aircraft and its associated personnel package. Reduced funds in the FY 97 Defense budget and further reductions in the out years of defense budgets will impact the Air National Guard's ability to step up to increased operations tempo.

We in Kentucky feel strongly that the Air National Guard force structure should remain constant until a new National Security Review is completed and that the C–130 airlift units in the five states mentioned above should retain their current primary authorized aircraft of twelve. This would most assuredly be more cost effective than any reduction of authorized aircraft necessary to meet near term total Air Force requirements.

The stabilization of these five states C–130 units at 12 (PAA) would require Congressional restoration of $8.7 million in Air National Guard accounts for operations, maintenance and military personnel. Additionally, authorized manpower increases of 25 AGR's 310 drill, and 50 military technician positions are necessary to support maintaining these units.

If my office can be of any assistance to you in this concern of great importance to the Commonwealth, please call me at (502) 564–8558. Thank you.

JOHN R. GROVES, JR. BG, KYNG,
The Adjutant General.

Mr. KEMPTHORNE. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4068) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4069

(Purpose: To modify the specification of the source authorization of appropriations for certain submarine program contracts)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator COHEN, I offer an amendment that would properly identify the appropriation that will be used to fund the transfer of design information for the next nuclear attack submarine from the lead design shipyard to the second building shipyard, under the terms of an agreement that has been negotiated between the Navy and the two building yards.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. COHEN, proposes an amendment numbered 4069.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 123(a), strike out paragraph (2), and insert in lieu thereof the following:

(2) In addition to the purposes for which the amount authorized to be appropriated by section 102(a)(3) is available under subparagraphs (B) and (C) of paragraph (1), the amounts available under such subparagraphs are also available for contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the "Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB) and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine", dated April 5, 1996, relating to design data transfer, design improvements, integrated process teams, and updated design base.

Mr. COHEN. Mr. President, this amendment is intended to properly identify the resources that will be used to carry of the transfer of design information for the fiscal year 1998 nuclear attack submarine from the lead design shipyard, Electric Boat, to Newport News Shipbuilding and Drydock, the shipyard that will build the fiscal year 1999 submarine. In its present form section 123 would direct that design transfer be funded from the Navy's Research and Development account. Subsequent to markup and referral of the bill, I have been informed by the Navy that the correct account to fund this activity should be the Shipbuilding and Conversion, Navy appropriation.

This amendment will require no change in funding levels in the bill that is under consideration. Sufficient resources have been proposed in the bill to carry out design transfer activities for the fiscal year 1999 submarine. The amendment is simply a bookkeeping change that will properly align funding sources with intended activity.

I encourage the other members to join me in voting in favor of this amendment.

Mr. KEMPTHORNE. This amendment has been cleared.

Mr. NUNN. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4069) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4070

(Purpose: To improve the National Security Education Program)

Mr. NUNN. Mr. President, on behalf of Senator SIMON, I offer an amendment which would revise the National Security Education Program by revising the service requirement for award recipients and making other improvements in the program. I believe this amendment has also been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. SIMON, proposes an amendment numbered 4070.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 311, between lines 9 and 10, insert the following:

SEC. 1072. IMPROVEMENTS TO NATIONAL SECURITY EDUCATION PROGRAM.

(a) REPEAL OF TEMPORARY REQUIREMENT RELATING TO EMPLOYMENT.—Title VII of the Department of Defense Appropriations Act, 1996 (Public Law 104–61; 109 Stat. 650), is amended under the heading "NATIONAL SECURITY EDUCATION TRUST FUND" by striking out the proviso.

(b) GENERAL PROGRAM REQUIREMENTS.—Subsection (a)(1) of section 802 of the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102–183; 50 U.S.C. 1902) is amended—

(1) by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph (A):

"(A) awarding scholarships to undergraduate students who—

"(i) are United States citizens in order to enable such students to study, for at least one academic semester or equivalent term, in foreign countries that are critical countries (as determined under section 803(d)(4)(A) of this title) in those languages and study areas where deficiencies exist (as identified in the assessments undertaken pursuant to section 806(d) of this title); and

"(ii) pursuant to subsection (b)(2)(A) of this section, enter into an agreement to work for, and make their language skills available to, an agency or office of the Federal Government or work in the field of higher education in the area of study for which the scholarship was awarded;"; and

(2) in subparagraph (B)—

(A) in clause (i), by inserting "relating to the national security interests of the United States" after "international fields"; and

(B) in clause (ii)—

(i) by striking out "subsection (b)(2)" and inserting in lieu thereof "subsection (b)(2)(B)"; and

(ii) by striking out "work for an agency or office of the Federal Government or in" and inserting in lieu thereof "work for, and make their language skills available to, an agency or office of the Federal Government or work in".

(c) SERVICE AGREEMENT.—Subsection (b) of that section is amended—

(1) in the matter preceding paragraph (1), by striking out ", or of scholarships" and all that follows through "12 months or more," and inserting in lieu thereof "or any scholarship".

(2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph (2):

"(2) will—

"(A) not later than eight years after such recipient's completion of the study for which scholarship assistance was provided under the program, and in accordance with regulations issued by the Secretary—

"(i) work in an agency or office of the Federal Government having national security responsibilities (as determined by the Secretary in consultation with the National Security Education Board) and make available such recipient's foreign language skills to an agency or office of the Federal Government approved by the Secretary (in consultation with the Board), upon the request of the agency or office, for a period specified by the Secretary, which period shall be no longer than the period for which scholarship assistance was provided; or

"(ii) if the recipient demonstrates to the Secretary (in accordance with such regulations) that no position in an agency or office of the Federal Government having national security responsibilities is available, work in the field of higher education in a discipline relating to the foreign country, foreign language, area study, or international field of study for which the scholarship was awarded, for a period specified by the Secretary, which period shall be determined in accordance with clause (i); or

"(B) upon completion of such recipient's education under the program, and in accordance with such regulations—

"(i) work in an agency or office of the Federal Government having national security responsibilities (as so determined) and make available such recipient's foreign language skills to an agency or office of the Federal Government approved by the Secretary (in consultation with the Board), upon the request of the agency or office, for a period specified by the Secretary, which period shall be not less than one and not more than three times the period for which the fellowship assistance was provided; or

"(ii) if the recipient demonstrates to the Secretary (in accordance with such regulations) that no position in an agency or office of the Federal Government having national security responsibilities is available upon the completion of the degree, work in the field of higher education in a discipline relating to the foreign country, foreign language, area study, or international field of study for which the fellowship was awarded, for a period specified by the Secretary, which period shall be established in accordance with clause (i); and".

(d) EVALUATION OF PROGRESS IN LANGUAGE SKILLS.—Such section 802 is further amended by—

(1) redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) EVALUATION OF PROGRESS IN LANGUAGE SKILLS.—The Secretary shall, through the National Security Education Program office, administer a test of the foreign language skills of each recipient of a scholarship or fellowship under this title before the commencement of the study or education for which the scholarship or fellowship is awarded and after the completion of such study or education. The purpose of the tests is to evaluate the progress made by recipients of scholarships and fellowships in developing foreign language skills as a result of assistance under this title.".

(e) FUNCTIONS OF THE NATIONAL SECURITY EDUCATION BOARD.—Section 803(d) of that Act (50 U.S.C. 1903(d)) is amended—

(1) in paragraph (1), by inserting ", including an order of priority in such awards that favors individuals expressing an interest in national security issues or pursuing a career in an agency or office of the Federal Government having national security responsibilities" before the period;

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking out "Make recommendations" and inserting in lieu thereof "After taking into account the annual analyses of trends in language, international, and area studies under section 806(b)(1), make recommendations";

(B) in subparagraph (A), by inserting "and countries which are of importance to the national security interests of the United States" after "are studying"; and

(C) in subparagraph (B), by inserting "relating to the national security interests of the United States" after "of this title";

(3) by redesignating paragraph (5) as paragraph (7); and

(4) by inserting after paragraph (4) the following new paragraphs:

"(5) Encourage applications for fellowships under this title from graduate students having an educational background in disciplines relating to science or technology.

"(6) Provide the Secretary on an on-going basis with a list of scholarship recipients and fellowship recipients who are available to work for, or make their language skills available to, an agency or office of the Federal Government having national security responsibilities.".

(f) REPORT ON PROGRAM.—(1) Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report assessing the improvements to the program established under the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102–183; 50 U.S.C. 1901 et seq.) that result from the amendments made by this section.

(2) The report shall also include an assessment of the contribution of the program, as so improved, in meeting the national security objectives of the United States.

Mr. SIMON. Mr. President, the National Security Education Program has been temporarily suspended. The consequence is that an estimated 324 U.S. graduate and undergraduate student finalists are anxiously waiting to hear whether they will be able to study and conduct research in critical national security areas of the world. These students are waiting because a change in the service obligation was attached to the FY 1996 Defense Appropriations Bill to require NSEP award recipients to "be employed by the Department of Defense or in the Intelligence Community." Previously, students could fulfill this requirement by working in any branch of the federal government or higher education.

The current service obligation is unworkable. However, I agree that there should be a return of investment to the Department of Defense for its support of the National Security Education Program. To this end I am offering an amendment that will improve this program by better targeting the service obligation to meet national security needs and to increase program accountability. The continuation of the National Security Education Program is vital to fill the existing gap in America for linguists and country specialists in critical areas of national security.

I would like to call the attention of my colleagues to a letter that I received from the Honorable Walter Mondale, Ambassador of the United States to Japan, about the importance of the National Security Education Program.

As Ambassador Mondale's letter points out, we have only 1,700 American students studying in Japan, compared with 45,000 Japanese students in the U.S. The National Security Education Program has made the largest number of awards to American undergraduate and graduate students to learn the language and culture of Japan. This is only one example of over 100 countries in which NSEP recipients have studied. The continuation of this program makes sense because it is in America's long-term national security and economic interests to educate our students in foreign languages and cultures.

I urge my colleagues to read Ambassador Mondale's letter and to work with me to support improvements to the NSEP and the continuation of other federal programs that support international educational and cultural exchange.

I ask unanimous consent that Ambassador Mondale's letter be printed in the RECORD.

There being no objection, the letter was order to be printed in the RECORD, as follows:

AMBASSADOR OF THE
UNITED STATES OF AMERICA,
Tokyo, May 30, 1996.

Hon. PAUL SIMON,
U.S. Senate, Washington DC.

DEAR PAUL: I wanted to write you about a matter that has come up to give you my perspective. I am worried by the present threat to the future of the National Security Education Program (NSEP). This has been a great success over here. The new service requirements that mandate future service in the Defense Department of "the intelligence community" will, I fear, dry up the pool of applicants, alienate the American scholarly community, and undermine the ability of awardees to operate comfortably in foreign countries.

U.S. Japanese language students have been the largest single group of NSEP grantees. Therefore, the impact here of these new provisions will be particularly severe. Is there any chance that the existing provisions could be retained?

Increasing the numbers of American students learning about Japan must be a major of our efforts here. The goal of having more Americans learning about this very different society is in our long-term national security, as well as economic, interests. Currently, we have only about 1,700 American students in Japan, compared to 45,000 Japanese students in the U.S.

Since it started a couple of years ago, the NSEP program has been a welcome contributor to the in-depth training of Americans. Thanks to NSEP scholarships, 100 undergraduates have already studied in Japan, and some 36 more are slated to come this year.

I write you personally because I believe the NSEP program has been very helpful and I hope we can keep it going as presently constituted. We would be glad to provide any further information that you may want.

I hope you will have a chance to give this matter your attention. Normally I wouldn't write, but I believe the program as presently written is very much in our interests.

Best wishes from Tokyo.

Sincerely,

WALTER F. MONDALE.

Mr. KEMPTHORNE. Mr. President, this amendment has been cleared.

Mr. NUNN. I urge its immediate adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4070) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4071

(Purpose: To require a modification of a plan for development of a program leading to production of a more capable and less expensive submarine than the New Attack Submarine in order to advance by three years the earliest fiscal year in which a design for a next submarine for serial production may be selected)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator COHEN, I offer an amendment that deals with serial production of New Attack Submarines. It has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. COHEN, proposes an amendment numbered 4071.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 123 add the following:

(e) NEXT ATTACK SUBMARINE AFTER NEW ATTACK SUBMARINE.—The Secretary of Defense shall modify the plan (relating to development of a program leading to production of a more capable and less expensive submarine than the New Attack Submarine) that was submitted to Congress pursuant to section 131(c) of Public Law 104–106 (110 Stat. 208) in order to provide in such plan for selection of a design for a next submarine for serial production not earlier than fiscal year 2000 (rather than fiscal year 2003, as provided in paragraph (3)(B) of such section 131(c)).

Mr. COHEN. Mr. President, this amendment would restore the planning date for serial production of the next class of nuclear attack submarine to the fiscal year 2000, the date reflected in last year's Senate defense authorization bill. The amendment is intended to resolve a flaw in congressional direction regarding serial production of the next class of nuclear attack submarine that, if left standing, could have a devastating impact on the Nation's submarine industrial base. This flawed direction, contained in the section 131 of the National Defense Authorization Act for Fiscal Year 1996, mandates a delay in design competition for the next class of nuclear attack submarine until fiscal year 2003. It was identified in the Secretary of Defense Report on Nuclear Attack Submarine Procurement and Submarine Technology that was submitted to Congress on March 26, 1996 in compliance with section 131 of last year's defense authorization bill.

Under the assumption that no suitable design could be available until the first decade of the next century, section 131 directed the Secretary of Defense to plan to commence serial production of the next class of nuclear attack submarine no earlier than fiscal year 2003. Let me emphasize that the Senate conferees did not share this view, but accepted this proviso in section 131, and others with which they disagreed, in order to reach conclusion of a conference that had lasted far too long.

The Secretary of Defense's report makes clear the Department of Defense's disagreement with the premise that the design being developed for the next nuclear attack submarine, now called the New Attack Submarine, that is to be first authorized in fiscal year 1998 will be inadequate for the requirements set for it by the Joint Chiefs of Staff. This view is strongly supported by an independent Submarine Technology Assessment Panel that was commissioned by the Secretary of the Navy to assist in preparation of the Secretary of Defense's report.

The approach recommended by the report and the panel is to: utilize the New Attack Submarine design as the basis for serial production; fund a continuing level of effort for submarine research and development; and incorporate new technologies that emerge from this research effort into the base design as they mature. These findings are consistent with the position of the Senate during last year's conference.

This year's House version of the defense authorization bill provides extensive direction of how it would pursue development of the next class of submarine. included is direction to the Navy to develop six independent designs that would be completed in fiscal year 2003. The winning design would then become the basis for serial production of the next class of nuclear attack submarine. Aside from the cost implications of pursuing six independent designs, the consequences of delaying a design competition until fiscal year 2003 and the ensuing delay of up to two years before actual authorization of the first submarine would be a gap of four to five years between submarine contract awards no matter which shipyard, Newport News or Electric Boat, wins the competition for serial production. Such a lengthy production break could not be tolerated by either shipyard. The Secretary of Defense's Report points out the disruptive effect of such a lengthy delay and notes the need for additional authorizations in order to maintain a viable construction base for nuclear attack submarines.

By accepting the Secretary of Defense's proposal for incorporating new technology into future nuclear attack submarine and setting fiscal year 2000 as the year in which serial production can begin, the future of the submarine industrial base can be preserved. The Senate bill, as modified by this amendment would accomplish that objective. I strongly encourage my colleagues in the Senate to join me in supporting the amendment.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

Mr. McCAIN. Mr. President, I would like to know what the amendment is. I would like an explanation of the amendment.

Mr. NUNN. I believe the Senator from Idaho has the explanation.

Mr. KEMPTHORNE. Mr. President, this amendment would restore the planning date for serial production of the next class of nuclear submarines to fiscal year 2000, the date reflected in last year's Senate defense authorization bill.

Mr. McCAIN. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4071) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4072 TO AMENDMENT NO. 4061

Mr. McCAIN. Mr. President, with the indulgence of the managers, I have worked out an agreement with Senator SIMPSON. I would propose a second-degree amendment to the Simpson amendment. I believe we can dispose of it by voice vote. Mr. President, I have a second degree amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 4072 to amendment 4061.

The amendment is as follows:

At the end of the amendment add the following:

Notwithstanding any other provision of this Act, none of the funds authorized for construction, Phase I, of a combined support maintenance shop at Camp Gunnson, Wyoming may be obligated until the Secretary of Defense certifies to Congress that the project is in the Future Years Defense Plan.

Mr. McCAIN. Mr. President, I have discussed this amendment with Senator SIMPSON. I have explained to him and to Senator THOMAS that the reason this amendment was in violation of the sense of the Senate criteria for MILCON, for military construction projects, was that it was not in the future year defense plan. Both Senator THOMAS and Senator SIMPSON pointed out that it was an inadvertent absence from the military future year defense plan. If it was inadvertent, then clearly the Secretary of Defense can come over with a letter and say this is in the future year defense plan. And I believe that Senator SIMPSON and Senator THOMAS are confident that will happen especially since they were assured that there is a safety and health problem here which they are very cognizant of, and that this is a very important project.

I believe that it is sensible to ask for the funds to be not authorized until the Secretary of Defense comes over with a letter saying that it is included in the future year defense plan which I think could happen in a matter of days.

Before I yield, I am fully aware that this is the last period of time here in the Senate for my dear friend from Wyoming, Senator SIMPSON. I am equally appreciative of his continuing commitment to the people of Wyoming, and to the Guard in his State. He has never—as he and I have discussed—come over for an additional project in the 10 years that I have here—an unauthorized project. He has never pork barreled. He has never sought special favors for his State. I do not believe he is doing so now.

I am grateful that he accepts this second-degree amendment so that we can get it done in the future year defense plan and get the much needed project for the State of Wyoming and for the men and women who serve there.

Mr. SIMPSON. Mr. President, I thank my friend from Arizona for helping us to resolve this issue. I appreciate his good faith assistance. It was important to resolving it.

I am going to say that I am going to miss my friend from Arizona because we do communicate at the most earthy levels of discussion. Both of us have been trained in different fields. But there is no one I respect more and admire more. And I have said that. Sometimes this is but a sparrow gas in the midst of a typhoon compared to what the Senator from Arizona and I have been into in years past, especially with regard to senior citizens. But we will not go into that.

So I thank him. I very much appreciate it. I thank Senator NUNN and Senator KEMPTHORNE. This is a good resolution of an issue which was very tough for us on behalf of my colleagues. But I thank the Senator from Arizona very much.

Mr. NUNN. Mr. President, has the second-degree amendment been accepted?

The PRESIDING OFFICER. No. It has not.

The question is on agreeing to the second-degree amendment.

Mr. McCAIN. I ask unanimous consent to vitiate the request for the yeas and nays which I made earlier.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (No. 4072) was agreed to.

Mr. NUNN. Mr. President, I urge adoption of the amendment, as amended.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4061) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KEMPTHORNE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4073

(Purpose: To waive a limitation on use of funds in the National Defense Sealift Fund for purchasing three ships for the purpose of enhancing Marine Corps prepositioning ship squadrons)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator SMITH and SANTORUM I offer an amendment that would reaffirm in law the authority of the Secretary of the Navy to acquire ships that are needed to improve the capability of the Marine Corps Maritime Prepositions Force.

I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. SMITH, for himself and Mr. SANTORUM, proposes an amendment numbered 4073.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle C of title I add the following:

SEC. 125. MARITIME PREPOSITIONING SHIP PROGRAM ENHANCEMENT.

Section 2218(f) of title 10, United States Code, shall not apply in the case of the purchase of three ships for the purpose of enhancing Marine Corps prepositioning ship squadrons.

Mr. SMITH. Mr. President, since fiscal year 1995 the Senate has annually sponsored in its defense authorization bill a program for enhancement of the Marine Corps maritime prepositioning force by the purchase and conversion of three ships from the world market. An additional ship for each of the three Marine Corps prepositioned squadrons will allow them to carry extra materiel, including an expeditionary airfield, a fleet hospital, a Navy mobile construction battalion equipment set, Marine Corps command element equipment, and additional sustainment supplies. The lessons learned from the Marine Corps' experience in Desert Storm demonstrate that having this additional equipment afloat on a continuing basis will provide our warfighting commanders with much greater flexibility when they choose to employ Marine Corps units.

For 3 years the Senate Armed Services Committee has intensively studied various options for providing MPF enhancement for the Marine Corps. The objective has been an affordable program that will deliver an adequate capability at the lowest cost to the taxpayer. The committee has consistently concluded that a program for purchase and modest conversion of existing ships represents the best means to achieve this goal. However, the committee has avoided any temptation to foreclose possible alternatives. Consequently, section 345 of the Senate bill, which would authorize additional funds for the MPF Enhancement program, leaves open the option to satisfy its requirements by construction of new ships, if this option can compete based on cost and timeliness. The Senate approach is supported by the Marine Corps, the Navy, and the Joint Chiefs of Staff, and by the vast majority of United States shipyards.

Although the House supported the Senate program for MPF Enhancement in both the fiscal year 1995 and 1996 defense authorization bills, it has now included a provision in its version of the defense authorization bill that would exclude the purchase and conversion of existing ships for the MPF Enhancement program. This action is yet another in a series of exclusionary provisions proposed by the House that seek to limit competition, no matter what the cost to the taxpayer and the ship construction and repair industry as a whole.

My amendment would reaffirm in law an authorization for the purchase and conversion of the ships needed to provide MPF Enhancement for the Marine Corps by the most cost effective means. It will also provide a strong Senate position for use by our conferees that stands in stark contrast to the exclusionary one contained in the House bill. I strongly encourage my fellow Senators to join Senator SANTORUM and myself in supporting this amendment.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4073) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4074

(Purpose: To revise and improve the authority for research projects under transactions other than contracts and grants and for certain cooperative research and development agreements)

Mr. NUNN. Mr. President, on behalf of Senator BINGAMAN, for himself and Senator SMITH, I offer an amendment which would revise the legislation governing the use of cooperative agreements and innovative transaction authorities under section 2371 of title X, United States Code.

The revisions are supported by the Department of Defense. And I believe this amendment has also been cleared by the Republican side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. BINGAMAN, for himself and Mr. SMITH, proposes an amendment numbered 4074.

The amendment is as follows:

At the end of title VIII add the following:

SEC. 810. RESEARCH UNDER TRANSACTIONS OTHER THAN CONTRACTS AND GRANTS.

(a) CONDITIONS FOR USE OF AUTHORITY.—Subsection (e) of section 2371 of title 10, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(2) by inserting "and" after semicolon at the end of subparagraph (A), as so redesignated;

(3) by striking out "; and" at the end of subparagraph (B), as so redesignated, and inserting in lieu thereof a period;

(4) by inserting "(1)" after "(e) CONDITIONS.—"; and

(5) by striking out paragraph (3) and inserting in lieu thereof the following:

"(2) A cooperative agreement containing a clause under subsection (d) or a transaction authorized under subsection (a) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate.".

"(b) REVISED REQUIREMENT FOR ANNUAL REPORT.—Section 2371 of such title is amended by striking out subsection (h) and inserting in lieu thereof the following:

"(h) ANNUAL REPORT.—(1) Not later than 90 days after the end of each fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on Department of Defense use during such fiscal year of—

"(A) cooperative agreements authorized under section 2358 of this title that contain a clause under subsection (d); and

"(B) transactions authorized under subsection (a).

"(2) The report shall include, with respect to the cooperative agreements and other transactions covered by the report, the following:

"(A) The technology areas in which research projects were conducted under such agreements or other transactions.

"(B) The extent of the cost-sharing among Federal Government and non-Federal sources.

"(C) The extent to which the use of the cooperative agreements and other transactions—

"(i) has contributed to a broadening of the technology and industrial base available for meeting Department of Defense needs; and

"(ii) has fostered within the technology and industrial base new relationships and practices that support the national security of the United States.

"(D) the total amount of payments, if any, that were received by the Federal Government during the fiscal year covered by the report pursuant to a clause described in subsection (d) that was included in the cooperative agreements and transactions, and the amount of such payments, if any, that were credited to each account established under subsection (f).".

(c) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—Such section, as amended by subsection (b), is further amended by inserting after subsection (h) the following:

(i) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—(1) Disclosure of information described in paragraph (2) is not required, and may not be compelled, under section 552 of title 5 for five years after the date on which the information is received by the Department of Defense.

"(2) Paragraph (1) applies to the following information in the records of the Department of Defense if the information was submitted to the department in a competitive or noncompetitive process having the potential for resulting in an award, to the submitters, of a cooperative agreement that includes a clause described in subsection (d) or other transactions authorized under subsection (a):

"(A) Proposals, proposal abstracts, and supporting documents.

"(B) Business plans submitted on a confidential basis.

"(C) Technical information submitted on a confidential basis.".

(d) DIVISION OF SECTION INTO DISTINCT PROVISIONS BY SUBJECT MATTER.—(1) Chapter 139 of title 10, United States Code, is amended—

(A) by inserting before the last subsection of section 2371 (relating to cooperative research and development agreements under the Stevenson-Wydler Technology Innovation Act of 1980) the following:

"§ 2371a. Cooperative research and development agreements under Stevenson-Wydler Technology Innovation Act of 1980";

(B) by striking out "(i) COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS UNDER STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980.—"; and

(C) in the table of sections at the beginning of such chapter, by inserting after the item relating to section 2371 the following:

"2371a.Cooperative research and development agreements under Stevenson-Wydler Technology Innovation Act of 1980.".

(2) Section 2358(d) of such title is amended by striking out "section 2371" and inserting in lieu thereof "sections 2371 and 2371a".

Mr. BINGAMAN. Mr. President, the amendment which I have offered on behalf of myself and the Senator from New Hampshire makes a series of changes in section 2371 of title 10, United States Code, that are designed to make this authority more useful to the military services and defense agencies.

Earlier this year, the General Accounting Office submitted a report to the Armed Services Committee entitled "DOD Research: Acquiring Research by Nontraditional Means." I was very encouraged by the findings of this very constructive report. The report concluded that cooperative agreements and other transactions carried out under the authority of section 2371 of title 10, United States Code, have provided DOD a tool to leverage the private sector's technological know-how and financial investment and have attracted firms that traditionally did not perform research for DOD to carrying out such research.

Mr. President, in light of the significant declines projected in defense research spending and the continued rapid growth of private-sector research investments, Senator SMITH and I believe that it is going to become even more important for DOD to leverage commercial research investments and attract commercial firms to working on service requirements. Innovative military leaders such as the Marine Corps Commandant, General Krulak, and the former Vice Chairman of the Joint Chiefs, Admiral Owens, fully recognize this and are taking steps to insure the services leverage, and don't duplicate private sector efforts.

However, the report also points out that DARPA has been the primary utilizer of this innovative transaction authority thus far and that there has been some confusion on the use of this instrument among the services. Since DOD is preparing new guidance on this matter, the Armed Services Committee in its report on the pending legislation sought to clarify several points. First, the committee intended in creating other transactions authority to maximize flexibility on intellectual property negotiations with private sector entities. In particular, the committee did not intend that such transactions be subject to the provisions of Public Law 96–517, as amended. The GAO report points out that this additional flexibility has been important in attracting commercial firms to carry out cost-shared research with the Pentagon. Second, the committee intended that the sunk cost of prior research efforts not count as cost-share on the part of the private sector firms. Only the additional resources provided by the private sector needed to carry out the specific project should be counted. Finally in the committee's hearings DOD officials testified that the reluctance of the services to use other transactions authority derived in part from the requirement that standard contract, grant or cooperative agreement first be found not feasible or appropriate for carrying out any given project. The committee did not intend that this requirement unduly restrict use of the other transactions instrument. DARPA has properly interpreted Congress' intent that if the goal of a research project is to leverage the capabilities of firms who will not accept a standard grant, contract or cooperative agreement to conduct defense research, then it is not feasible or appropriate to use such instruments and the use of other transactions authority is warranted. The committee intended that program managers in DARPA and the services be given the discretion to make these judgments within a framework provided by overall defense guidance. The committee urged that these issues be clarified by the Office of the Secretary of Defense as soon as possible so that the services can gain the benefits which the GAO report demonstrates DARPA has received from use of other transactions.

Mr. President, since the committee's markup, Dr. Kaminski, the Under Secretary for Acquisition and Technology, has provided additional information to the committee about the changes which the Pentagon would like to see in the other transactions authority in order to spur its use by the military services. I ask unanimous consent that has written response to a question posed at our March hearing be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BINGAMAN. Our amendment makes the changes requested by Dr. Kaminski with one exception. We have preserved an annual report on the use of other transactions authority, but we have changed the entire tone of that reporting requirement. The reporting requirement in our amendment would essentially ask DOD to continue to update the GAO report on an annual basis so that we can judge how the services are doing in making use of this flexible authority to leverage the commercial sector to meet DOD's needs for dual-use technologies.

Mr. President, I believe that it is important to give the Pentagon the authorities it needs to make the best use of its limited R&D resources. One of the great achievements of the past two Congresses and Secretary Perry's Pentagon is that we have really changed the Pentagon's acquisition system for the better. We have done this on a bipartisan basis, and I am glad to continue to work with the Chairman of the Acquisition and Technology Subcommittee, Senator SMITH, to bring about needed reforms in that system. Our amendment is a modest step in helping the Pentagon to leverage the private sector's $100 billion annual R&D investment and to broaden the industrial base that supports the Pentagon to include truly commercial firms. I urge my colleagues to support it.

EXHIBIT 1

EXCERPT FROM SENATE COMMITTEE ON ARMED SERVICES, SUBCOMMITTEE ON ACQUISITION AND TECHNOLOGY HEARING ON DOD TECHNOLOGY BASE PROGRAMS, WEDNESDAY, MARCH 20, 1996

FLEXIBLE INSTRUMENTS FOR SCIENCE AND TECHNOLOGY

First, I would like to mention that we are taking actions to encourage increased use of flexible instruments, which include cooperative agreements and "transactions other than contracts, grants, or cooperative agreements" (commonly known as "other transactions" or OTs). Cooperative agreements, like OTs, can have provisions designed to involve commercial organizations that haven't traditionally received Government awards, thereby helping to increase DoD access to the portion of the U.S. technology and industrial base that serves the needs of the commercial marketplace. Both cooperative agreements and OTs therefore can be responsive to the policy intent of 10 U.S.C. 2371. To encourage increased use of flexible instruments, we are:

Preparing to advise the Military Departments that the authority to use OTs should be delegated to at least the level of the major commands that have responsibility for making awards under DoD Science and Technology programs. In conjunction with that action, I have asked the Director of Defense Research and Engineering to issue updated guidance on when it is appropriate to use flexible instruments. Feedback that we've received indicates that improved guidance will help to increase comfort levels with the use of the instruments.

Seeking to remove factors that may unnecessarily discourage potential users of the instruments from using them. For example, there is a requirement to report to Congress each OT, as well as any cooperative agreement that uses the funds-recovery authority in 10 U.S.C. 2371. It was suggested that this reporting requirement is a potential disincentive to use the instruments. Therefore, section 805 of the Administration-proposed, national defense authorization bill would repeal the requirement, and I ask that you give the proposal favorable consideration.

It should be noted that use of flexible instruments already is increasing. In Fiscal Year 1994, the first year in which they used the instruments, the Military Departments entered into 19 cooperative agreements with provisions designed to involve commercial firms that hadn't traditionally received Government awards. The number of those flexible agreements increased to 41 in Fiscal Year 1995. With that experience as a foundation, I think that we can expect a continued increase in the use of such instruments in the future, because I don't believe that we've exhausted the areas of opportunity for flexible instruments to help us meet our objectives.

Second, I want to provide an answer to the question about the provision in 10 U.S.C. 2371 that requires a judgment before using an "other transaction," that standard grants, cooperative agreements, and contracts are not feasible or appropriate. 10 U.S.C. 2371 is a very powerful authority, but it should not be totally open-ended. Creative people in the DoD will continue to use the authority to invent different and improved types of agreements; we can't predict today what those innovations might be. In the context, this provision helps to provide assurance that the powerful authority will continue to be used in a disciplined manner.

However, there are some indications that the provision may be impeding use of OTs, in situations where they are appropriate. The problem appears to be that some people have the impression that the provision sets a standard so high that it is almost unattainable. I think that one could revise the provision slightly to change its tone in a way that alleviates this problem, while retaining the benefits the clause provides. The provision currently says that the Secretary of Defense shall ensure that an OT is used for a research project *only* when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate. With minor restructuring of the subsection that contains the provision, one could restate the condition without the severe term "*only*." I think that would require thoughtful analysis before using an OT, but remove the impression of an unattainable standard.

Paragraph (e) of 10 U.S.C. 2371 then would read as follows:

"(e) CONDITIONS.—(1) The Secretary of Defense shall ensure that—

"(A) to the maximum extent practicable, no cooperative agreement containing a clause under subsection (d) and no transaction entered into under subsection (a) provides for research that duplicates research being conducted under existing programs carried out by the Department of Defense; and

"(B) to the extent that the Secretary determines practicable, the funds provided by the Government under a cooperative agreement containing a clause under subsection (d) or a transaction entered into under subsection (a) do not exceed the total amount provided by other parties to the cooperative agreement or other transaction.

"(2) A cooperative agreement containing a clause under subsection (d) or a transaction entered into under subsection (a) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate."

Third, I'd like to respond to your suggestion that Congress might amend section 2371 of title 10 of the U.S. Code, to clarify that the intent was to exempt agreements under that authority from the Bayh-Dole requirements (chapter 18 of 35 U.S.C.). There is no need to amend the law; the Bayh-Dole statutory requirements, by the terms of the statute, do not include OTs.

Finally, I would like to mention one point about the need for maintaining good stewardship. The development and use of flexible instruments to involve firms that have not traditionally performed research for the Government has tremendous potential benefits, but it is not without risk. the goal is to find the right tradeoff or balance—one must develop approaches with sufficient oversight to ensure the appropriate use of federal funds but without excessively intrusive requirements that drive commercial firms away and deny DoD access to some of the best and most affordable technology. That is both the opportunity and the challenge.

Mr. KEMPTHORNE. Mr. President, this amendment has been cleared on this side. I urge its adoption.

The PRESIDING OFFICER. Without objection, the agreement is agreed to.

The amendment (No. 4074) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4075

(Purpose: To make reimbursement of Government contractors for costs of excessive amounts of compensation for contractor personnel unallowable under Government contracts)

Mr. KEMPTHORNE. Mr. President, on behalf of Senators GRASSLEY, BOXER and HARKIN, I offer an amendment which would place a limitation of $200,000 on the amount of annual individual compensation that may be reimbursable under contracts with the Department of Defense.

I believe this amendment has been cleared with the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. GRASSLEY, for himself, Mrs. BOXER, and Mr. HARKIN, proposes an amendment numbered 4075.

The amendment is as follows:

On page , between lines and , insert the following:

SEC. . REIMBURSEMENT FOR EXCESSIVE COMPENSATION OF CONTRACTOR PERSONNEL PROHIBITED.

(a) ARMED SERVICES PROCUREMENTS.—Section 2324(e)(1) of title 10, United States Code, is amended by adding at the end the following:

"(P) Costs of compensation (including bonuses and other incentives) paid with respect to the services (including termination of services) of any one individual to the extent that the total amount of the compensation paid in a fiscal year exceeds $200,000.".

(b) CIVILIAN AGENCY PROCUREMENTS.—Section 306(e)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 356(e)(1)) is amended by adding at the end the following:

"(P) Costs of compensation (including bonuses and other incentives) paid with respect to the services (including termination of services) of any one individual to the extent that the total amount of the compensation paid in a fiscal year exceeds $200,000.".

(b) CIVILIAN AGENCY PROCUREMENTS.—Section 306(e)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(e)(1)) is amended by adding at the end the following:

"(P) Costs of compensation (including bonuses and other incentives) paid with respect to the services (including termination of services) of any one individual to the extent that the total amount of the compensation paid in a fiscal year exceeds $200,000.".

Mr. GRASSLEY. Mr. President, I am proud to cosponsor this amendment with my friend from California, Senator BOXER.

Over the years, she has helped me watchdog the Pentagon.

That is not an easy thing to do.

Whether Republicans or Democrats are running the place, it's always tough to tangle with the Pentagon.

It is an unpopular thing to do.

She has always been a reliable defense reform ally.

In today's political environment, dependable defense reform allies are hard to come by.

They may be an endangered species.

So I am happy to team up with her on this measure.

It is another effort to chip away at the Pentagon culture.

This is a culture that is literally blind to waste.

It tolerates waste and sometimes even encourages waste.

What we want to do is change that culture.

In trying to change that culture, we hope to strengthen our military capabilities.

When we add $12 billion for defense—like in this bill, we want to make sure we buy more capability.

We want to make sure that we are not buying more waste and more cost.

Our amendment would place a permanent cap on individual executive compensation allowable under Government contracts.

It would set the cap at $200,000 per year.

The cap would apply to salaries, bonuses, and other incentives.

It would be a permanent cap.

There is a temporary, short-term cap in effect today.

The temporary, short-term cap was imposed by the DOD Appropriations Act for fiscal year 1996.

It applies only to fiscal year 1996 contracts.

I will discuss the existing cap in greater detail later in the debate.

Mr. President, I would like to make one point crystal clear right off the bat.

This is not an attempt to tell private companies how much they should pay their top executives.

Instead, it would restrict what Government bureaucrats are allowed to pay top executives in industry.

Mr. President, executive salaries in private industry should be determined in the marketplace.

And not by a bunch of bureaucrats in the Pentagon.

But that is what is going on.

Right now, bureaucrats decide what is fair and reasonable and pay it.

Our amendment would put a lid on Government payments only.

I underscore Government payments only.

That is the driving force behind this measure.

The Grassley-Boxer amendment would not limit the amount of money a defense contractor could pay its executives.

If, for example, a defense company wants to pay one of its top executives working on military contracts $6,332,000.00 a year—as one did, then so be it.

Under Grassley-Boxer, the company could continue to do it—no questions asked.

Mr. President, Loral Corporation's top executive, Mr. Bernard L. Schwartz, received a pay and bonus package in 1995 that totaled $6,332,000.00

But that's not the whole enchilada.

Mr. Schwartz will also receive a $36 million bonus for agreeing to sell his company's defense business. The buyer is the Lockheed Martin Corp.

Mr. President, I ask unanimous consent to place a recent newspaper article about Mr. Schwartz's pay in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 16, 1996]

LORAL CHAIRMAN TO GIVE $18 MILLION OF MERGER FEE TO 40 EMPLOYEES

(By John Mintz)

Loral Corp. Chairman Bernard L. Schwartz will receive a $36 million bonus for agreeing to sell his company's defense business to Lockheed Martin Corp., but will give $18 million of it to a group of Loral employees, according to documents filed with the Securities and Exchange Commission.

The money Schwartz is giving up will reward 40 people in Loral's Manhattan headquarters who may lose their jobs or be demoted in the merger, according to the documents. The employees, including some secretaries and mid-level executives, could receive money equivalent to as much as twice their annual salary and bonus.

Loral's New York headquarters likely will close and be folded into Lockheed Martin's Bethesda offices, industry officials said.

"Their lives could be affected by the merger, and I decided it would be appropriate to recognize their efforts," Schwartz said yesterday. "There are some smiling faces here today. . . . If I'd had enough resources, I would have spread it among all 38,000 Loral employees."

Giving such a gift to employees is extremely rare in mergers, investment bankers said. Schwartz, the only liberal Democrat among chief executives of large defense firms, has often expounded on his views of corporate empowerment, and for years has offered generous stock options to Loral employees to make them what he calls "stakeholders" in his company.

The $18 million bonus Schwartz will collect from Loral is in addition to approximately $27 million he has made on paper in the value of his Loral stock due to the proposed merger. He owns about 3.6 million shares, and each has increased in value by approximately $7.50 following the announcement last week.

Schwartz's regular annual compensation and bonus from the company in 1995 totaled $6,332,000.

The proposed merger with Lockheed Martin was announced last week. If Loral pulls out of the transaction, it must pay Lockheed Martin a termination fee of $175 million, according to the SEC filings.

Meanwhile, the Pentagon has largely sided with Lockheed Martin and against a group of critics in a bitter controversy involving a previous merger that created Lockheed Martin from Lockheed Corp. and Martin Marietta Corp. in March last year.

In a report, a Defense Department accounting office called the Defense Contract Audit Agency (DCAA) did not support allegations by Rep. Bernard Sanders (I-VT.), some congressional colleagues and the newspaper Newsday that Lockheed Martin was improperly seeking a Pentagon payment of $31 million in connection with the merger. The critics called it a taxpayer rip-off.

The DCAA recommendations, which still must be reviewed by the Pentagon, were first reported in the industry publication Defense Week.

The company has asserted for months that its foes are confusing two sums of money. One is a $61 million payment to 460 former Martin Marietta executives because of the merger. The military won't reimburse firms for such payments, and Locheed Martin is not asking for that.

But the firm is asking the military to reimburse it $31 million that it has already paid those 460 executives. These sums had nothing to do with the merger, the company has said.

The military pays contracts on a "cost-plus" basis, meaning the companies tell the Pentagon about their expenses, including overhead, cost of labor and materials, and executive compensation. The military decides which requests are "reasonable," computes the profit and pays the appropriate amounts.

The company has said the $31 million was part of its long-standing executive compensation package and not, as Sanders asserted, a cozy Pentagon pay-off to high-ranking executives for arranging the merger.

Now the Pentagon's DCAA has concluded that $16 million of the firm's $31 million in reimbursement requests was proper, has deferred consideration on $9 million and raised questions about $6 million of the requested amount. The questions, however, focused on complex government accounting issues and did not directly track with Sanders' objections.

Congressional offices were closed for the holiday. Calls to Sanders' office seeking comment were not answered.

Mr. GRASSLEY. Mr. President, that is a big bundle of money going to Mr. Schwartz.

But I am not questioning whether he earned or deserved it.

Under Grassley-Boxer, he would get it.

I owe it to my colleague to point out that Mr. Schwartz is at the high end of the defense executive wage scale.

The others' salary and bonus packages are not quite so generous.

They ranged from about $1 million up to $2,500,000 in 1995.

Some are slightly lower.

Mr. President, I ask unanimous consent to place the latest data on defense executive compensation in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REASONABLENESS TEST FOR EXECUTIVE COMPENSATION

Made in accordance with FAR 31-205-6, compensation for personal services.

Considers same relevant factors, i.e., We check for conformity with firms of: same size/industry/geographic area and gov't/non-gov't business.

Includes all remuneration paid although elements also individually assessed.

In sync with fact that FAR places burden of proof on company (i.e., upon challenge, company must demonstrate reasonableness).

On balance, experience has shown process to be generally fair/not arbitrary.

BASIC AUDIT STEPS FOR REASONABLENESS TEST

1. Identify exec positions, comp amts, sales volume data, & industry.
2. Use multiple survey sources to compare cash comp amts by exec positions & gain mkt consensus of avg pay levels.
3. Calculate mkt avg of surveys with 10% range of reasonableness.
4. Similarly judge reasonableness of other comp elements (FRINGES/PERQS/LTIs).
5. Challenge amounts over 110% of "market consensus" survey averages.
6. Ask contractor to demonstrate reasonableness.
7. Evaluate contractor's justification/rebuttal including proposed offsets.
8. Exit with contractor. Report results.

EXEC COMP SURVEYS NOW IN USE

1. Officer compensation report (panel pubs)
2. Dietrich exec engineering survey
3. Ernst & Young exec comp surveys
4. Wyatt Data Services—ECS
5. TPF&C MGMT COMP HIGH TECH SURVEY
6. CD EXECSURV—MID/ATL's SEC-BASED TOP 5.

Mr. GRASSLEY. Mr. President, Grassley-Boxer would not restructure or reinvent the defense executive wage scale.

This is what Grassley-Boxer would do: it would change the way the money is dished out.

It would come out of a different pocket.

Instead of coming right off the top of a defense contract, most of it would have to be taken out of profits.

Instead of being taken directly out of the pockets of hard-working American taxpayers, most of the money would come from the company's earnings.

The source of the money would change.

Under Grassley-Boxer, most of Mr. Schwartz's pay, for example, would have to be taken out of profits.

In Mr. Schwartz's case, $6,132,000 would come out of profits.

The balance, $200,000, could be charged to Uncle Sam.

Mr. President, Pentagon bureaucrats should not be put in the position of having to decide how much to pay industry executives.

The Government should get out of that business entirely.

Those decisions should be made in the marketplace.

This amendment will start us down the road in the right direction.

With a cap in place, we can reexamine the issue next year and decide how to proceed.

Mr. President, I feel sure that some of my Republican colleagues will howl about this amendment.

They will complain that Grassley-Boxer will eat into corporate profits and slash corporate benefits.

We will undermine initiative and morale.

In response, I say to my colleagues: Our defense industry is health.

That is what the latest report on corporate earnings shows.

Mr. President, I ask unanimous consent to place a report on corporate profits in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LEADERS IN 1995 SALES AND PROFITS

THE TOP 25 IN SALES

	1995 sales in millions	Percent change from 1994	1994 rank
1 General Motors	$168,829	9	1
2 Ford Motor	137,137	7	2
3 Exxon	109,620	8	3
4 Wal-Mart Stores	90,525	15	4
5 AT&T	79,609	6	5
6 Mobil	74,879	11	6
7 IBM	71,940	12	7
8 General Electric	70,028	17	8
9 Chrysler	53,200	2	11
10 Philip Morris	53,139	−1	10
11 Dupont	42,163	7	12
12 Chevron	37,082	4	13
13 Texaco	36,792	10	15
14 Sears, Roebuck	34,925	6	9
15 Procter & Gamble	34,923	11	16
16 Kmart	34,572	4	14

THE TOP 25 IN SALES—Continued

	1995 sales in millions	Percent change from 1994	1994 rank
17 Hewlett-Packard	31,519	26	20
18 Persico	30,421	7	18
19 Citicorp	28,128	−3	17
20 Amoco	27,066	4	19
21 Motorola	27,037	22	25
22 Conagra	24,637	3	21
23 Kroger	23,938	4	23
24 Lockheed Martin	22,853	0	NR
25 United Technologies	22,802	8	28

THE TOP 25 IN EARNINGS

	1995 profits in millions	Percent change from 1994	1994 rank
1 General Motors	$6,932	23	2
2 General Electric	6,573	11	1
3 Exxon	6,470	27	4
4 Philip Morris	5,478	16	5
5 IBM	4,178	38	9
6 Ford Motor	4,139	−22	3
7 Intel	3,566	56	16
8 Citicorp	3,464	1	8
9 Merck	3,335	11	10
10 Dupont	3,293	21	11
11 Coca-Cola	2,986	17	13
12 Procter & Gamble	2,835	17	15
13 Wal-Mart Stores	2,828	12	12
14 Bankamerica	2,664	22	17
15 GTE	2,538	4	14
16 Hewlett-Packard	2,433	52	23
17 Johnson & Johnson	2,403	20	21
18 Mobil	2,376	35	26
19 Fannie Mae	2,156	1	20
20 Chrysler	2,025	−45	7
21 Ameritech	2,008	72	47
22 NationsBank	1,950	15	27
23 Allstate	1,904	293	136
24 Dow Chemical	1,891	145	59
25 SBC Communications	1,889	15	28

Source: Standard & Poor's Compustat, a division of the McGraw-Hill Companies.

Mr. GRASSLEY. This report appears in the March 4, 1996 issue of Business Week.

Profits are reported as follows: Boeing: $393 million; General Electric: $6.6 billion; General Dynamics $247 million; Lockheed Martin: $682 million; Northrop Grumman: $252 million, and United Technologies: $750 million.

They are doing OK, and that's good.

In my mind, executive pay should be tied directly to company performance and to profits.

If the company had a great year, earned big profits and enjoyed other successes, then the chief executive should enjoy the fruits of his labor.

A big year should equal a big pay check.

A bad year might mean a pay cut.

The profit figures cited above are for calendar year 1995.

During that period, only McDonnell Douglas suffered a loss.

The company took a loss of $416 million. But guess what?

That loss did not keep the company's top executive from drawing a bigger paycheck.

The top boss' base pay went from $1.6 million in 1994 to $1.9 million in 1995, including a bonus of $1,042,400.

But that is not all.

McDonnell Douglas' chief executive, Mr. Harry C. Stonecipher, received a very generous share of company stock.

Mr. Stonecipher got cash and stock valued at a staggering $34 million—in 1995 alone.

The other top executives at McDonnell Douglas also received handsome bonuses. These generous pay packages came at a time when the company was downsizing in the face of declining sales.

Mr. President. I ask unanimous consent to have printed in the RECORD a report on Mr. Stonecipher's pay package from the Journal of Commerce.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce, Mar. 24, 1995]

MCDONNELL CHIEF'S COMPENSATION TAKES ON SUPERSTAR PROPORTIONS

ST. LOUIS.—The compensation package McDonnell Douglas Corp. assembled to attract Harry C. Stonecipher, chief executive, last year was worthy of basketball's Michael Jordan.

McDonnell's nearly seven-year deal with Mr. Stonecipher, the first non-family member to run the company, could bring him more than $34 million in cash and stock.

"We paid the market rate for a person of his caliber," said James Reed, vice president for communications. "We're very convinced of that, and the board of directors is very convinced of that."

The Chicago Bulls also paid the market rate when they signed Jordan, the National Basketball Association's top player, to an eight-year, $28 million deal in April of 1988.

Although the $825,000 base salary and $575,000 annual bonus target McDonnell set for Mr. Stonecipher are unremarkable for a Fortune 500 company, the stock incentives McDonnell offered are notable.

The aerospace giant used the promise of what is now $17.7 million in stock profits to persuade Mr. Stonecipher to leave his job as chairman and chief executive of Sundstrand Corp.

McDonnell awarded Mr. Stonecipher 180,000 shares of restricted stock, with a current market value of $10.1 million. The first 42,000 of those shares vest next Friday; the rest vest in 1996, 1997 and 2002.

McDonnell also gave Mr. Stonecipher the option to buy 450,000 shares later in the decade for $36.96 each, the market price when he joined the company on Sept. 24.

Mr. GRASSLEY. Now, why would the big boss at McDonnell Douglas get a huge bonus when the company sustained a $416 million loss?

Could it be because the company has a direct tap on the DOD money pipe?

When Uncle Sugar is picking up the tab, you can afford to give big pay raises—even when you are losing money.

In private business, it is not supposed to work that way.

I would like to clarify one point as we proceed with the debate:

These defense companies are not totally dependent on the Pentagon; most do 50 to 70 percent of their business with the Government the Pentagon primarily; they are really semi-private.

Mr. President, I ask unanimous consent to have printed in the RECORD the top 10 defense contractors.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LIST OF TOP 10 CONTRACTORS IN 1993 WITH AT LEAST ONE-THIRD DOD BUSINESS

[Dollars in billions]

	Total sales	DOD contracts	Percent DOD
McDonnell Douglas	$14.5	$7.5	52
Lockheed	13.1	6.9	53
Martin Marietta	9.4	4.7	50
Raytheon	9.2	3.2	35
Northrop	5.1	3.0	59
General Dynamics	3.2	2.1	66
Loral	3.3	1.7	52
Grumman	3.2	1.7	53
Litton Industries	3.5	1.6	46
E–Systems	2.1	.8	38

TOTAL SALES OF TOP 10 DEFENSE CONTRACTORS, 1989–94

[Dollars in billions]

Company	1989	1990	1991	1992	1993	1994
McDonnell Douglas	$13.938	$15.497	$18.061	$17.365	$14.487	$13.176
Lockheed	9.891	9.958	9.809	10.100	13.071	13.130
Martin Marietta	5.796	6.126	6.075	5.954	9.436	9.874
Raytheon	8.796	9.268	9.274	9.058	9.201	10.166
Northrop	5.248	5.490	5.694	5.550	5.063	6.711
General Dynamics	10.043	10.173	8.751	3.472	3.187	3.058
Loral	1.187	1.274	2.127	2.882	3.335	4.009
Grumman	3.559	4.041	4.038	3.504	3.249	(1)
Litton	5.023	5.156	3.526	3.711	3.474	3.446
E–Systems	1.626	1.801	1.991	2.095	2.097	2.028

[1] Acquired by Northrop.

TOTAL EMPLOYEES OF TOP 10 DEFENSE CONTRACTORS, 1989–94

Company	1989	1990	1991	1992	1993	1994
McDonnell Douglas	127,900	121,200	109,100	87,400	70,000	65,800
Lockheed	82,500	73,000	72,300	71,700	88,000	82,500
Martin Marietta	65,500	62,500	60,500	55,700	92,800	90,300
Raytheon	77,600	76,700	71,600	63,900	63,800	60,200
Northrop	41,000	32,800	36,200	33,600	29,800	42,400

TOTAL EMPLOYEES OF TOP 10 DEFENSE CONTRACTORS, 1989–94—Continued

Company	1989	1990	1991	1992	1993	1994
General Dynamics	102,200	98,100	80,600	56,800	30,500	24,200
Loral	12,700	26,100	24,400	26,500	24,200	32,400
Grumman	28,900	26,100	23,600	21,200	17,900	(1)
Litton	50,800	50,600	52,300	49,600	46,400	42,000
E–Systems	17,900	18,400	18,600	18,600	16,700	16,000

[1] Acquired by Northrop.

COMPENSATION OF TOP 5 EXECUTIVES AT TOP DEFENSE CONTRACTORS FOR 1995

The following information is the fiscal year 1995 reported compensation of the top 5 executives at the defense contractors previously reported in GAO report "Defense Contractors: Pay, Benefits, and Restructuring During Defense Downsizing".

In this paper, total compensation is denied as Salary plus Bonus. Other cash compensation and long-term valuation of stock options is not included.

The sources of information are: SEC (Edgar) online electronic filings of company Proxy Statements or, Business Week, April 22, 1996.

COMPENSATION OF TOP 5 EXECUTIVES AT TOP DEFENSE CONTRACTORS FOR 1995

Company	Executive	Salary	Bonus	Total Salary/Bonus
McDonnell Douglas	1	825,000	1,042,400	1,867,400
	2	502,308	571,000	1,073,308
	3	392,308	524,100	916,408
	4	382,116	500,000	882,116
	5	376,024	229,600	605,624
Lockheed/Martin	1	1,053,462	1,400,000	2,453,462
	2	983,846	1,300,000	2,283,846
	3	733,077	750,000	1,483,077
	4	464,615	443,500	908,115
	5	459,904	448,200	908,104
General Dynamics	1	670,000	1,750,000	2,420,000
	2	500,000	700,000	1,200,000
	3	356,000	500,000	856,000
	4	300,000	300,000	600,000
	5	220,000	175,000	395,000
Raytheon	1	999,996	870,000	1,869,996
	2	573,908	425,000	998,908
	3	419,520	290,000	709,520
	4	397,500	240,000	637,500
	5	379,500	235,000	614,500
Northrop/Grumman	1	730,000	1,000,000	1,730,000
	2	238,688	428,000	666,688
	3	336,667	320,000	656,667
	4	275,000	350,000	625,000
	5	288,333	330,000	618,333
Litton	1	445,681	500,000	945,681
	2	337,418	340,000	677,418
	3	277,414	260,000	537,414
	4	326,385	335,000	661,385
	5	252,412	205,000	457,412
Loral (Being acquired by Lockheed/Martin. Proxy statement not on file).	1	....	....	6,244,000
	2			
	3			
	4			
	5			
E–System (Fiscal year 95 info not available. Being acquired by Raytheon).	1	....	....	3,247,000
	2			
	3			
	4			
	5			

Mr. GRASSLEY. This information is drawn from a recent GAO report entitled "Defense Contractors: Pay, Benefits, and Restructuring During Defense Downsizing."

Mr. President, the Government should not be in the business of deciding how much to pay corporate executives in the defense industry.

Grassley-Boxer will not get the Government out of that business entirely, but it is a step in the right direction.

Mr. President, earlier in the debate, I said that we need to get Government bureaucrats out of the business of deciding how much to pay defense executives.

Grassley-Boxer wouldn't get us out of that business entirely, but it would be a step in the right direction.

Grassley-Boxer would put a governor on executive pay flowing through the DOD money pipe.

The Grassley-Boxer amendment would limit the size of executive salaries that could be charged directly to the Government under a specific contract.

Under existing rules, the sky is the limit.

For the bills coming due today, DOD pay what is fair and reasonable.

Reasonableness is defined in Federal regulation, FAR 31–205–6.

The rule is broad and general, as I suspected.

It gives the bureaucrats wide latitude for maneuver.

The guidance on how to make the determination is spelled out in defense contract audit agency [DCAA] documents.

DCAA bureaucrats make the final decision.

The main guide is a market consensus survey to see what everybody else is getting paid.

Above all, the DCAA documents say: "Be fair—not arbitrary."

At the Pentagon, being fair and reasonable usually means the taxpayers get shafted.

Pentagon bureaucrats like to bend over backward to keep the defense contractors happy.

And shoveling money at corporate executives is a great way to do it.

The Pentagon has proven over and over again that it is incapable of keeping lid on executive pay dished out on contracts.

The pay package coming out of the recent Martin Marietta-Lockeed merger is a prime example of what I'm talking about.

Some 460 executives and directors are slated to receive a total of $92.2 million: $8.2 million in cash and stock options is supposed to go to Mr. Norman Augustine, chairman of the Martin Marietta Corp. before the merger.

Now this very generous plan is in the process of being blessed by the Pentagon bureaucrats.

The deal isn't final, yet.

Since this pay package is based on longstanding contractual commitments, some dating back to the early 1980's, United Same has to pay.

The old rules apply.

The sky is the limit.

This is what the DCAA bureaucrats have to do to make it happen.

They take the salary of each corporate executive and break it down into many parts and spread it around on thousands of contracts.

They use a mathematical formula to determine how much to put on each contract.

Mr. President, this is what we must not forget. This is the key point:

There is no ceiling on what DOD can pay the Lockheed-Martin executives.

But from what I am hearing, industry's demand for money is being scaled back, somewhat.

But exactly how much will each executive get under the merger deal?

I don't think the Pentagon wants us to kown how much the taxpayers are paying Mr. Augustine.

They don't want us to know how much is about to be taken out of the pockets of hard-working American taxpayers to bankroll these outrageous payments.

These top industry executives are on the Government payroll, and we can't even find out how much they make.

DCAA says that's sensitive proprietary information.

If they are on the public payroll, the people have a right to know how much each one gets.

Over a year ago, Senator BOXER and I asked the DOD Inspector General, Ms. Eleanor Hill, for this information.

That was on April 28, 1995.

We received her response on May 26, 1995.

But it was unsatisfactory, and we went back to her on June 20 for more specific answers to our questions.

When no satisfactory response was given, the request was renewed again on February 16, 1996.

On June 17, 1996, she finally provided a partial answer to the question.

Mr. President, I ask unanimous consent to place our correspondence with the DOD IG in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, April 28, 1995.

MS. ELEANOR HILL,
Inspector General, Department of Defense, Army Navy Drive, Arlington, VA.

DEAR MS. HILL: We are writing to ask you to examine the merger of the Lockheed and Martin Marietta Corporations and to determine its cost to the taxpayers.

We think this merger needs scrutiny by your office.

The "payout benefit plan" being given to executives and managers at Martin is truly beyond comprehension for most ordinary American citizens. Martin Marietta Chairman Norman Augustine, for example, will receive $8.2 million in cash and stock options as a result of the merger. Other top executives are set to receive huge sums. A total of $92.2 million will be dished out to about 460 managers and executives under various plans. We understand that some of this money will be taken out of the pockets of hard working American taxpayers.

Since mid-1992, there have been at least nine or ten major mergers or acquisitions in the U.S. defense industry. Under current policy, the amounts charged to current or future defense contracts to cover the "restructuring" or merger costs could be building up to unacceptable levels. What are the government's total potential liabilities from all recent mergers? What is the rationale for giving defense companies tax money to cover the costs of their mergers? To us, mergers mean less competition, and less competition usually means higher prices.

Furthermore, we understand that there is a lack of clear guidance in regulation and law governing mergers as to what is allowable and what is not allowable. This situation could leave the door wide open for waste, abuse and excessive cash payments to industry executives.

In line with our more general concerns, we have eleven more specific questions on the Martin/Lockheed merger:

Is there any evidence—based on recent experience—to suggest that the merger will generate real savings to the taxpayers?

If so, what are the total expected savings to the taxpayers from the merger?

What is the total projected cost of the merger to the taxpayers, including potential reimbursements for closing unneeded facilities?

How exactly would tax dollars be used to compensate the two firms for the cost of the merger?

To what extent are tax dollars being used to support the executive compensation plan resulting from the merger—particularly the one contained in a joint proxy statement for the meeting held on March 15, 1995?

If tax money is used to finance the executive "payout" operation, please provide the name of each person receiving tax money and the total amount each person is to receive.

What is the legal basis for using tax money to make such payments?

Will projected costs and savings be subjected to adequate audit verification?

Does the merger plan comply with Section 818 of Public Law 103-337 and Section 8117 of Public Law 103-335?

Does the April 15, 1995 deadline specified in Section 8117 mean that the Martin/Lockheed merger is not covered by this provision?

Have anti-trust issues been adequately addressed?

Ms. Hill, as far as we are concerned, the salaries paid to top executives in industry should be determined in the market place—not by some obscure act of Congress. But if money is taken out of the pockets of hard working American taxpayers to pay defense industry executive outrageous and unreasonable salaries and bonuses, then we feel like we have an obligation to ask questions.

We look forward to your independent assessment of the facts.

Your continued support is always appreciated.

Sincerely,

CHARLES E. GRASSLEY.
BARBARA BOXER.

INSPECTOR GENERAL,
DEPARTMENT OF DEFENSE,
Arlington, VA, May 26, 1995.

Hon. CHARLES E. GRASSLEY,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRASSLEY: This is in reply to a letter of April 28, 1995, signed jointly by you and Senator Barbara Boxer, that requested our assessment of the facts surrounding the merger of the Lockheed and Martin Marietta Corporations. Our response to each of your concerns and questions is presented in the enclosure.

Under Section 818, Public Law 337, and implementing regulations, restructuring costs associated with a business combination of defense contractors may not be paid, absent a review of projected costs and savings resulting for the Department from that business combination. We understand that Lockheed Martin Corporation plans to submit a proposal containing such information by late June 1995. That proposal will be audited by the Defense Contract Audit Agency and the results assessed by the Defense Contract Management Command to determine the amount of restructuring costs that properly may be reimbursed by the Government. In the interim, those agencies will review the companies' requests for payments to assure that the Government is not being improperly billed.

Because the Defense Contract Audit Agency and the General Accounting Officer will be examining the costs associated with the business combination, we do not plan to initiate a review of the matter. We will, however, closely monitor the audit by the Defense Contract Audit Agency and actions by the Defense Contract Management Command. Let me assure you that I share your concern that the Lockheed and Martin Marietta business combination not result in the payment of unallowable or excessive costs by the Government.

A similar reply is being provided to Senator Boxer. If we may be of further assistance, please contact me or Mr. John R. Crane, Office of Congressional Liaison, at 604-8324.

Sincerely,

ELEANOR HILL,
Inspector General.

RESPONSE TO COMMENTS AND QUESTIONS REGARDING THE MERGER OF LOCKHEED AND MARTIN MARIETTA CORPORTIONS

General Comments: A total of $92.2 million will be dished out to about 460 managers and executives under various plans.

Of the $92.2 million, the Lockheed Martin Corporation believes that $31 million are allowable costs that can be charged to Government contracts. The Defense Contract Audit Agency is currently auditing the $31 million. The audit is scheduled to be completed by June 30, 1995.

What are the Government's total potential liabilities from all recent mergers?

The Department of Defense (DoD) may pay allowable and allocable restructuring costs resulting from a business combination provided under that audited proposals indicate that overall savings to the Government will result. As only a few contractors have presented restructuring proposals, the total potential costs and overall savings to the Government cannot be predicted at this time.

What is the rationale for giving defense companies tax money to cover the costs of their mergers? To us, merger means less competition, and less competition means higher prices.

The DoD may pay restructuring costs, i.e., the cost to streamline operations, including the elimination of unneeded or redundant facilities and reductions in the work force subsequent to a merger or acquisition, provided they are offset by related savings. We share your concern, however, that competition is being reduced and may lead to higher prices.

We understand that there is a lack of clear guidelines in regulation and law governing mergers as to what is allowable and what is not allowable.

Clearly, those costs, such as reorganization costs, that were previously unallowable are still not allowable. A July 1993 policy memorandum on restructuring costs by the Under Secretary of Defense for Acquisition and Technology specifically makes that point. What is unclear is the law and regulations addressing the allowability of restructuring costs that result in increased costs on contracts novated from the selling company to the buyer.

Under the provisions in the present Federal Acquisition Regulation (FAR), the DoD is under no obligation to pay increased costs of novated contracts even if they are offset by decreases. The July 1993 memorandum was intended to clarify that DoD contracting officers have the latitude to recognize cost increases on novated contracts due to restructuring provided they are offset with related savings.

The problem we see is that the Congress initially believed that restructuring costs actually represented merger and acquisition costs. Section 818 of Public Law 103-337, therefore, addresses restructuring costs in general rather than those situations specifically related to increased costs on novated contracts.

Restructuring costs are generally allowable since contractors must have the ability to change and improve their operations. However, the interim regulations written by the DoD in response to the broad requirements of Section 818, require contractors to demonstrate that all restructuring costs, whether related to a merger or acquisition or not, are offset by savings. It is possible that the law and new regulations will make previously allowable costs unallowable. The net effect is that few contractors have come forward with restructuring proposals. We believe, therefore, that the law and the DoD interim regulations should be clarified to address restructuring related to novated contracts only.

Specific Concerns: Is there any evidence—based on recent experience—to suggest that the merge will generate real savings to the taxpayers?

Yes. In those very few cases where companies involved in business combination have submitted restructuring proposals, cost reductions are forecast. However, we cannot predict whether anticipated savings are offset by diminished competition.

If so, what are the total expected savings to the taxpayer from the merger?

The company has not submitted a proposal of forecasted savings.

What is the total projected cost of the merger to the taxpayer, including potential reimbursements for closing unneeded facilities?

Again, that information is not yet available because the company has not submitted a proposal of forecasted savings.

How exactly would tax dollars be used to compensate the two firms for the cost of the merger?

As previously stated, the costs of the merger are not compensated. Restructuring costs are reimbursed once the contractor satisfactorily demonstrates to the Contracting Officer at the Defense Contract Management Command and auditor at the Defense Contract Audit Agency that there will be overall savings to the Government. An advance agreement will then be executed specifying the type and limits for restructuring costs that can be charged to contracts each year. That agreement is forwarded to a senior DoD official who certifies that savings will be achieved. The costs are then allocated among all the contractor's business and the Government pays its share.

To what extent are tax dollars being used to support the executive compensation plan resulting from the merger particularly the one contained in a joint proxy statement for the meeting held on March 15, 1995?

Tax money, in the form of contract payments, will be used to pay some of the executive compensation costs. The Lockheed Martin Corporation has indicated that the costs will be claimed on its Government contracts based on its past practices and would not exceed the amount DoD would have paid had the merger not occurred. Each of the elements of compensation included in the proxy statement resulting from the merger are being reviewed by the Defense Contract Audit Agency to determine the reasonableness of the compensation paid and to ensure the long-term compensation plans are in accordance with the procurement regulations. The DoD and other Federal agencies pay the allowable portion of executive compensation based on their share of the contractor's business.

If tax money is used to finance the executive "payout" operation, please provide the name of each person receiving tax money and the amount each person is to receive.

Although the proxy statement does identify some individuals and amounts paid, it does not identify the amount that will be claimed on Government contracts. We will not know all the names of the people receiving the money or the final amount being claimed on Government contracts until the audit by the Defense Contract Audit Agency is complete. The audit is scheduled to be completed by June 30, 1995.

What is the legal basis for using tax money to make such payments?

The FAR provides for a fair share of contractor costs, including executive compensation, to be charged to Government contracts. The regulation prohibits paying costs such as "golden parachutes." The audit by the Defense Contract Audit Agency will determine if the amounts claimed by the Lockheed Martin Corporation are allowable.

Will projected costs and savings be subjected to adequate audit verification?

The Public Law and procurement regulations require audit verification by the Defense Contract Audit Agency. We plan to monitor the audit.

Does the merger plan comply with Section 818 of Public Law 103-337 and Section 8117 of Public Law 103-335?

We will not know whether the plan complies with either law until the restructuring proposal is submitted and examined by the contracting officer and auditor.

Does the April 15, 1995 deadline specified in Section 8117 mean that the Martin/Lockheed merger is not covered by this provision?

The April 15, 1995 deadline applies to payments from funds appropriated in fiscal year 1995 for contracts awarded after April 15, 1995. Section 8117 will limit, to some extent, the DoD reimbursement to the Lockheed Martin Corporation after April 15, 1995. The audit by the Defense Contract Audit Agency will evaluate the compensation costs proposed to be claimed after April 15, 1995, to determine compliance with the public law.

Have anti-trust issues been adequately addressed?

Compliance with antitrust laws is the responsibility of the Department of Justice and the Federal Trade Commission. We are not aware of any problems in that area.

INSPECTOR GENERAL,
DEPARTMENT OF DEFENSE,
Arlington, VA, June 14, 1996.

Hon. CHARLES GRASSLEY,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRASSLEY: This is in further response to a letter of April 28, 1995, signed jointly by you and Senator Barbara Boxer that requested information regarding long-term incentive compensation payouts to Martin Marietta executives. These payouts have been claimed for government reimbursement by Lockheed Martin Corporation as a result of the merger of Lockheed and Martin Marietta Corporations.

Enclosed are aggregate totals of the long-term incentive compensation for four categories of Lockheed Martin executives that are allocable to Government contracts through indirect expense pools, excluding commercial and foreign military sales. It should be noted the long-term incentive compensation was earned over a period of years and paid in 1995 after the merger. The categories of former Martin Marietta executives include the top five executives, other top executives, all other executives and the outside Board of Directors.

The Lockheed Martin Corporation has agreed, on an exception basis, to a release of the aggregate totals without a company proprietary stamp. Lockheed Martin Corporation considers individual names and associated financial information to be confidential proprietary and management sensitive data and has not made an exception as to that information.

We agree that such information is proprietary and is exempt from release under the Freedom of Information Act, Sections 552(b)(4) and 552(b)(6), Title 5, United States Code. It has been designated "For Official Use Only" (FOUO), and can be released pursuant to a request from a chairman of a committee or subcommittee with jurisdiction over the subject matter.

We hope that the above information is helpful to you. If we may be of further assistance, please contact me or Mr. John R. Crane, Office of Congressional Liaison, at (703) 604-8324.

Sincerely,

ELEANOR HILL,
Inspector General.

Martin Marietta long-term incentive compensation allocable to Government contracts through indirect expense pools

[Excluding commercial and foreign military sales]

Top Executives (5)	[1]$3,552,909
Other Top Executives (14)	[1]2,691,248
Outside Board of Directors (19) (1993 to 1995)	[1]2,773,263
Outside Board of Directors (Prior to 1993)	[1]555,297
All Other Executives (450+)	[1]6,669,283
Total	[2]16,272,000

[1] These amounts were calculated from information provided by the Defense Contract Audit Agency.

[2] This amount is advisory to the Defense Corporate Executive who is responsible for negotiating the final settlement with the Lockheed Martin Corporation.

Mr. GRASSLEY. Martin Marietta's top executives are getting paid $16,272,000 under the deal.

This isn't salary. It's a retirement package for the senior executives.

Some call it a "golden parachute."

By any definition, it's a very generous deal.

DOD pays the top five executives, including Mr. Augustine, $3,552,909.

Now, this isn't Mr. Augustine's salary, for example.

These are just retirement benefits.

He gets a lot more, but it comes out of another DOD pool of money.

How many pools of money does DOD have for corporate pay.

Mr. President, this tells me we need a cap.

I am told that when the idea of a cap was first debated over in the Pentagon, a DCAA bureaucrat made this suggestion:

Why not set the cap at $1 million?

Mr. President, the Pentagon's weak-kneed attitude on executive pays tells me that a cap is mandatory.

On March 5, 1996, the DOD inspector general, Ms. Eleanor Hill, came out in favor of a $250,000 cap.

I thank her for doing that.

Mr. President, I ask unanimous consent to place her letter of recommendation in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INSPECTOR GENERAL,
DEPARTMENT OF DEFENSE,
Arlington, VA, March 5, 1996.

Hon. STROM THURMOND,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Recently, the Department provided its views on S. 1102, "To amend title 10, United States Code, to make reimbursement of defense contractors for costs of excessive amounts of compensation for contractor personnel unallowable under the Department of Defense contracts". In response to a request from Senator GRASSLEY'S office, we offer our views on the legislation for your consideration.

We support a permanent $250,000 cap on allowable individual compensation costs under DoD contracts. This is not a limitation on total compensation but on the costs charged to the Government. Furthermore, we would also support a limitation on all Government contractors. This additional limitation would prevent DoD contractors who also have contracts with other Government agencies from charging this compensation to non-DoD contracts.

I hope this information is helpful as the Congress continues consideration of this important issue. If we can be of further assistance, please do not hesitate to contact me or Mr. John R. Crane, Office of Congressional Liaison, at (703, 604-8324.

Sincerely,

ELEANOR HILL,
Inspector General.

Mr. GRASSLEY. Unfortunately, Senator BOXER and I think $250,000 cap is too high.

That's what the President of the United States makes in a year.

Only one person on the Federal payroll should make that much money.

Mr. President, the appropriators seem to agree with our thinking.

We can thank the appropriators for their pioneering work in this area.

In 1944, they established the first "cap" on the defense appropriations bill.

Under Section 8117 of Public Law 103–335, they placed a $250,000 salary "cap" on fiscal year 1995 contract payments.

Then, just last year, they lowered the cap to $200,000 on fiscal year 1996 contract payments.

That was in Section 8068 of Public Law 104–61—the fiscal year 1996 defense appropriations bill.

As I pointed out earlier in the debate, that's not a permanent cap.

It's a 1-year cap on fiscal year 1996 defense appropriations.

Mr. President, we need a permanent cap on all Government contracts.

We shouldn't take money out of the pockets of hard working American taxpayers to bank-roll the big executives in defense industry.

We need to get the taxpayers out of the loop.

Pay and bonuses for top defense executives should be determined in the marketplace.

Executive wages should be determined by successes and failures by profits and losses.

And not by a bunch of bureaucrats in the Pentagon.

A $200,000 cap is a good first step in the right direction.

I hope my colleagues will support this amendment.

Mr. President, throughout this debate, I have repeatedly stressed one point:

We need to get government bureaucrats out of the business of deciding how much to pay industry executives.

Mr. President, there is only one place where those kinds of decisions should be made in this country.

And that's in the marketplace.

Those decisions should be governed by profits and business successes.

There is a general consensus for getting the Government out of the loop.

Government bureaucrats are incapable of deciding what an executive should earn.

Mr. President, I have here in my hand an article taken from one of the defense trade journals.

This one is from Defense News, June 3–9, 1996, page 14.

Now, Defense News is a weekly publication with close ties to defense industry.

The article has this title: "White House Prepares New Rule on Compensation for Executives."

The report says the White House procurement czar is about to issue a new regulation on how much executive pay can be charged to defense contracts.

"Industry officials" are quoted.

And industry officials are saying what I am saying.

They say that this decision should be made in the marketplace.

This is what the reports says, and I quote:

"Industry officials say the free market should determine how much they [defense executives] are paid, and how much the Government reimburses them [for salary]."

Mr. President, that is exactly what I am saying.

Mr. President, I ask unanimous consent to have printed in the RECORD, the article.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Defense News, June 3–9, 1996]

WHITE HOUSE PREPARES NEW RULE ON COMPENSATION FOR EXECUTIVES

(By Jeff Erlich)

WASHINGTON.—White House officials will make a decision this month on what portion of defense executives' salaries the government will reimburse.

The issue of how much corporate executives are paid has taken on populist overtones as salaries continue to rise while workers are laid off, a senior government official said.

"Some contractors seem to have tunnel vision," the official said. "There is a larger debate in society about executive compensation. This is not just about defense contracting."

Industry officials, however, say the free market should determine how much they are paid, and how much the government reimburses them.

"If you find the right guy, the leverage of his thought process is way beyond the value you would attribute to him as one man," Vance Coffman, chief operating officer of Lockheed Martin Corp., Bethesda, Md., said in a May 29 interview.

Steve Kelman, White House director of federal procurement policy, is due to issue the pay rule this month. He said May 28 that he has not yet made a decision.

Kelman will weight options that include a cap on how much the Pentagon can reimburse executives for their salaries.

Congress has a $200,000 cap this year, pending the new policy. Or Kelman could eliminate any caps and let the DoD's cost-accounting principles govern levels of reimbursement.

He also will address other forms of pay, such as bonuses, deferred salary, stock options and other compensation, often earned during corporate restructuring.

These issues came under congressional scrutiny with the merger of Lockheed and Martin Marietta corporations. Lockheed Martin will get $16.5 million from the government in extra compensation resulting from the restructuring.

"During the past eight years, 2.2 million Americans have lost their defense-related jobs. At precisely the same time, the top CEOs among defense contractors have been taking home huge salaries and stock payouts paid in no small part by U.S. taxpayers," Reps. Peter DeFazio, D-Ore., Bernard Sanders, I-Vt., and Carolyn Maloney, D-N.Y., wrote May 9 to Defense Secretary William Perry.

Bert Concklin, president of the Professional Services Council, a Vienna, Va.-based consultants association, said the policy should address only high levels of compensation resulting from mergers, buyouts or other corporate restructuring, while leaving alone normal bonuses and salaries.

"It should focus on what has apparently gotten the attention of the critics," Concklin said May 28.

Mr. GRASSLEY. Grassley-Boxer doesn't get the Government out of the loop completely.

It would leave bureaucrats with authority to manipulate just a small piece of the compensation pie.

The bulk of executive compensation would be decided by industry in the marketplace where it belongs.

In time, I hope to see a complete end to this practice.

It would cease to be an allowable expense under defense contracts.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4075) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4076

(Purpose: To amend the reporting requirement under demonstration project for purchase of fire, security, police, public works, and utility services from local government agencies)

Mr. NUNN. Mr. President, on behalf of Senator BOXER, I offer an amendment that would extend the reporting date on the demonstration project for an additional 2 years. The demonstration involves purchase of services from municipalities.

I believe this amendment has also been cleared by the Republican side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN), for Mrs. BOXER, proposes an amendment numbered 4076.

The amendment is as follows:

At the end of title VIII, insert the following new section:

SEC. . REPORTING REQUIREMENT UNDER DEMONSTRATION PROJECT FOR PURCHASE OF FIRE, SECURITY, POLICE, PUBLIC WORKS, AND UTILITY SERVICES FROM LOCAL GOVERNMENT AGENCIES.

Section 816(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820) is amended by striking out "1996" and inserting in lieu thereof "1998".

Mr. KEMPTHORNE. Mr. President, this has been cleared on this side.

I urge its immediate adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4076) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4077

(Purpose: To authorize agreements with Indian tribes for services under the Defense Environmental Restoration Program)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator MCCAIN, I offer an amendment that modifies section 2701 of title X, United States Code, that specifically authorizes the Secretary of Defense to enter into agreements to obtain the reimbursable services of any Indian tribe to assist the Secretary in carrying out the Department of Defense environmental restoration activities. Section 2701 currently authorizes the Secretary to enter into such agreements with any other Federal agency or State or local government agency. The amendment would make it clear that an Indian tribe may be party to such an agreement.

I believe this amendment has been cleared by the other side.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for MCCAIN, proposes an amendment numbered 4077.

The amendment is as follows:

At the end of subtitle D of title III, add the following:

SEC. . AUTHORITY FOR AGREEMENTS WITH INDIAN TRIBES FOR SERVICES UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701(d) of title 10, United States Code, is amended—

(1) in the first sentence of paragraph (1), by striking out ", or with any State or local government agency," and inserting in lieu thereof ", with any State or local government agency, or with any Indian tribe,"; and

(2) by adding at the end the following:

"(3) DEFINITION.—In this subsection, the term 'Indian tribe' has the meaning given such term in section 101(36) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).".

Mr. MCCAIN. Mr. President, I am offering an amendment to S. 1745, the National Defense Authorization Act for fiscal year 1997, that would modify section 2701 of title 10, United States Code, to specifically authorize the Secretary of Defense to enter into agreements to obtain the reimbursable services of any Indian tribe to assist the Secretary in carrying out Department of Defense environmental restoration activities. Section 2701 currently authorizes the Secretary to enter into such agreements "* * * with any other Federal agency, or with any State or local government agency. * * *"

Participation in agreements under section 2701 became an issue when the Department of Defense informed the Suquamish Indian tribe that the Department did not have the legal authority to enter into such agreements with Indian tribes. The amendment would expressly authorize the Department to enter into agreements with Indian tribes for reimbursable services related to environmental restoration.

Mr. President, I urge that the Senate adopt this amendment.

Mr. KEMPTHORNE. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4077) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote. I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4078

(Purpose: To revise the description of a category of expenses for which humanitarian and civic assistance funds may be used)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN] proposes an amendment numbered 4078.

The amendment is as follows:

In section 1006, strike out the last three lines and insert in lieu thereof the following:

"(B) The cost of any equipment, services, or supplies acquired for the purpose of carrying out or supporting activities described in such subsection (e)(5), including any nonlethal, individual or small-team landmine cleaning equipment or supplies that are to be transferred or otherwise furnished to a foreign country in furtherance of the provision of assistance under this section.

"(C) The cost of any equipment, services, or supplies provided pursuant to (B) may not exceed $5 million each year.".

Mr. NUNN. Mr. President, this amendment amends existing law to enable the Department of Defense in the course of providing education, training and technical assistance to foreign nations personnel on landmine clearance to also acquire equipment, services or supplies and to transfer nonlethal individual small team landmine clearing equipment or supplies to such foreign country. A ceiling of $5 million would be set for the cost of such services, equipment and supplies.

Mr. KEMPTHORNE. Mr. President, this has been cleared on this side, and I urge its immediate adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4078) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4079

(Purpose: To revise the eligibility requirements for grants and contracts under the University Research Initiative Support Program)

Mr. KEMPTHORNE. Mr. President, I send to the desk an amendment on behalf of myself which would clarify the eligibility criteria for the University Research Initiative Support Program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE] proposes an amendment numbered 4079.

The amendment is as follows:

At the end of subtitle D of title II add the following:

SEC. 243. AMENDMENT TO UNIVERSITY RESEARCH INITIATIVE SUPPORT PROGRAM.

Section 802(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1701; 10 U.S.C. 2358 note) is amended by striking out "fiscal years before the fiscal year in which the institution submits a proposal" and inserting in lieu thereof "most recent fiscal years for which complete statistics are available when proposals are requested".

Mr. KEMPTHORNE. Mr. President, I am proposing an amendment to the Defense Authorization bill in support of the University Research Initiative Support Program [URISP]. This amendment will greatly improve and make more efficient the process for calculating the eligibility of colleges and universities around the country to receive grants and contracts for research by clarifying that such institutions may not have received more than $2 million in funding from the Department of Defense in the two most recent fiscal years for which complete statistics are available when proposals are requested.

The University Research Initiative Support Program [URISP] was initiated by the Senate Armed Services Committee in section 802 of the National Defense Authorization Act for fiscal year 1994. The purpose of the program was to provide support for individual universities which had not been participants in Department of Defense research programs. The URISP program is only open to universities that have received less than $2 million in DOD R&D funds in the two fiscal years preceding the submission of proposals for participation by the university. The program was intended to be a complement to the similar Defense Program to Stimulate Competitive Research [DEPSCoR] program in which university eligibility is determined solely by location in a designated DEPSCoR state and not by the amount of research funding an individual institution may have received in the past. Section 802 directs that all contracts and grants be awarded under the URISP program using merit-based, competitive procedures.

On February 13, 1996, the Department of Defense announced that it will award $30 million under the URISP program over the next five years. The funding is intended to allow for the building of infrastructure to allow the universities to compete for DOD research contracts. The average grant is $2 million, and the plan is to fund the first three years at $500,000 each and to provide $300,000 and $200,000 in the fourth and fifth year, respectively.

Unfortunately, release of full funding for the first installment has been reduced by the OSD comptroller to $140,000 because the eligibility determinations required under the law are delaying program implementation. Information for the two most recent fiscal years has not been available because of the time lag in compiling such recent data.

The amendment I propose would have the effect of allowing the program to go forward by authorizing the use of data from the two most recent fiscal years for which it is available at the time the university made its proposal. This change will allow the effective implementation of a program that originated in the Senate Armed Services Committee.

The Department of Defense has requested that this change be made and the House has included this provision in their bill as section 244. In the spirit of competition, passage of this amendment would allow universities which previously lacked the ability to vie for government research dollars to compete on a more equal footing thereby ensuring that healthy competition remains the standard bearer in the research and development community.

Mr. President, I believe this amendment has been cleared by the other side.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4079) was agreed.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4080

(Purpose: To strike section 1008, relating to the prohibition on the use of funds for Office of Naval Intelligence representation or related activities)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator LOTT, I offer an amendment to strike section 1008 of the bill relating to the Office of Naval Intelligence. I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. LOTT, proposes an amendment numbered 4080.

The amendment is as follows:

Strike out section 1008, relating to the prohibition on the use of funds for Office of Naval Intelligence representation or related activities.

Mr. LOTT. Mr. President, this amendment strikes section 1008 of the bill as reported out of committee. I appreciate the support of the members of the committee as well as the full Senate for this amendment.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4080) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4081

(Purpose: To authorize the Secretary of the Army to convey certain real property located at Fort Sill, Oklahoma)

Mr. KEMPTHORNE. Mr. President, on behalf of Senators INHOFE and NICKLES, I offer an amendment which would transfer 400 acres located at Fort Sill, OK, to the Department of Veterans Affairs for use as a national cemetery. I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. NICKLES, for himself and Mr. INHOFE, proposes an amendment numbered 4081.

The amendment is as follows:

Insert the following in the appropriate place:

SEC. . TRANSFER OF JURISDICTION AND LAND CONVEYANCE, FORT SILL, OKLAHOMA.

(a) TRANSFER OF LAND FOR NATIONAL CEMETERY.—

(1) TRANSFER AUTHORIZED.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property (including any improvements thereon) consisting of approximately 400 acres and comprising a portion of Fort Sill, Oklahoma.

(2) USE OF LAND.—The Secretary of Veterans Affairs shall use the real property transferred under paragraph (1) as a national cemetery under chapter 24 of title 38, United States Code.

(3) RETURN OF UNUSED LAND.—If the Secretary of Veterans Affairs determines that any portion of the real property transferred under paragraph (1) is not needed for use as a national cemetery, the Secretary of Veterans Affairs shall return such portion to the administrative jurisdiction of the Secretary of the Army.

(b) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred or conveyed under this section shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by the recipient of the real property.

Mr. NICKLES. Mr. President, I wish to thank Senators THURMOND and NUNN for their assistance in getting this provision included in the Defense authorization bill. I also want to thank the staff of the Senate Armed Services Committee for their patience and understanding in working with my staff on this issue.

This land transfer will put Oklahoma well on its way to getting a new national veterans cemetery. This process was started nearly ten years ago, but for one reason or another has been slow in moving forward. The transfer will conclude years of searching for a location by utilizing this land now a part of Ft. Sill.

Getting property upon which to locate a veterans cemetery has been a major struggle, and, obviously, this land transfer solves that problem. I am very pleased that this provision will be in the bill for the veterans of Oklahoma who wondered if this day would ever come.

Mr. INHOFE. Mr. President, I wish to thank Senators THURMOND and NUNN for agreeing to include this provision in the Defense authorization bill. I also want to thank the staff of the Senate Armed Services Committee for their patience and understanding in working with Senator NICKLES' and my staff on this issue.

This land transfer will allow Oklahoma to move forward in its attempt to establish a new national veterans' cemetery. This process has taken almost a decade to get to this point, but I believe we now have a satisfactory solution in using available land at Fort Sill, in Lawton, OK.

Finding property for this veterans' cemetery has been a major struggle, and, obviously, this land transfer will mean a great deal to many Oklahoman veterans. I am pleased to be a part of this solution, and I thank the other Senators who have helped to make this happen.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4081) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4082

(Purpose: To revise the provision relating to the environmental restoration accounts)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator MCCAIN, I offer an amendment that would remove language that refers to the treatment of appropriations and focuses on purposes for which authorized funds may be obligated under the four environmental restoration accounts for the military departments.

The amendment also eliminates all references to transfer accounts. The deletion of the term "transfer accounts" ensures that the four environmental restoration accounts are treated as separate line items for authorization of appropriations not susceptible to transfer funds between the military departments.

I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. MCCAIN, proposes an amendment numbered 4082.

The amendment is as follows:

On page 81, strike out line 18 and all that follows through page 86, line 2, and insert in lieu thereof the following:

SEC. 341. ESTABLISHMENT OF SEPARATE ENVIRONMENTAL RESTORATION ACCOUNTS FOR EACH MILITARY DEPARTMENT.

(a) ESTABLISHMENT.—(1) Section 2703 of title 10, United States Code, is amended to read as follows:

"§ 2703. Environmental restoration accounts

"(a) ESTABLISHMENT OF ACCOUNTS.—There are hereby established in the Department of Defense the following accounts:

"(1) An account to be known as the 'Defense Environmental Restoration Account'.

"(2) An account to be known as the 'Army Environmental Restoration Account'.

"(3) An account to be known as the 'Navy Environmental Restoration Account'.

"(4) An account to be known as the 'Air Force Environmental Restoration Account'.

"(b) OBLIGATION OF AUTHORIZED AMOUNTS.—Funds authorized for deposit in an account under subsection (a) may be obligated or expended from the account only in order to carry out the environmental restoration functions of the Secretary of Defense and the Secretaries of the military departments under this chapter and under any other provision of law. Funds so authorized shall remain available until expended.

"(c) BUDGET REPORTS.—In proposing the budget for any fiscal year pursuant to section 1105 of title 31, the President shall set forth separately the amounts requested for environmental restoration programs of the Department of Defense and of each of the military departments under this chapter and under any other Act.

"(d) AMOUNTS RECOVERED.—The following amounts shall be credited to the appropriate environmental restoration account:

"(1) Amounts recovered under CERCLA for response actions.

"(2) Any other amounts recovered from a contractor, insurer, surety, or other person to reimburse the Department of Defense or a military department for any expenditure for environmental response activities.

"(e) PAYMENTS OF FINES AND PENALTIES.—None of the funds appropriated to the Defense Environmental Restoration Account for fiscal years 1995 through 1999, or to any environmental restoration account of a military department for fiscal years 1997 through 1999, may be used for the payment of a fine or penalty (including any supplemental environmental project carried out as part of such penalty) imposed against the Department of Defense or a military department unless the act or omission for which the fine or penalty is imposed arises out of an activity funded by the environmental restoration account concerned and the payment of the fine or penalty has been specifically authorized by law.".

(2) The table of sections at the beginning of chapter 160 of title 10, United States Code, is amended by striking out the item relating to section 2703 and inserting in lieu thereof the following item:

"2703. Environmental restoration accounts.".

(b) REFERENCES.—Any reference to the Defense Environmental Restoration Account in any Federal law, Executive Order, regulation, delegation of authority, or document of or pertaining to the Department of Defense shall be deemed to refer to the appropriate environmental restoration account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(c) CONFORMING AMENDMENT.—Section 2705(g)(1) of title 10, United States Code, is amended by striking out "the Defense Environmental Restoration Account" and inserting in lieu thereof "the environmental restoration account concerned".

(d) TREATMENT OF UNOBLIGATED BALANCES.—Any unobligated balances that remain in the Defense Environmental Restoration Account under section 2703(a) of title 10, United States Code, as of the effective date specified in subsection (e) shall be transferred on such date to the Defense Environmental Restoration Account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) October 1, 1996; or

(2) the date of the enactment of this Act.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4082) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KEMPTHORNE. Mr. President, as it was noted in Senate Report No. 104-267 produced by the Committee on Armed Services, it was not possible to include CBO cost estimates when the report was created because the cost estimates were not available. I now have CBO's figures.

I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 15, 1996.

Hon. STROM THURMOND,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 1745, the National Defense Authorization Act for Fiscal Year 1997 as ordered reported by the Senate Committee on Armed Services on May 2, 1996.

The bill would affect direct spending, and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish, we would be pleased to provide further details on the estimate.

Sincerely,

JUNE E. O'NEILL,
Director.

Attachment.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1745.

2. Bill title: National Defense Authorization Act for Fiscal Year 1997.

3. Bill Status: As ordered reported by the Senate Committee on Armed Services on May 2, 1996.

4. Bill purpose: This bill would authorize appropriations for 1997 for the military functions of the Department of Defense (DoD) and the Department of Energy (DoE). This bill also would prescribe personnel strengths for each active duty and selected reserve component.

5. Estimated cost to the Federal Government: Table 1 summarizes the budgetary effects of the bill. It shows the effects of the bill on direct spending and asset sales and on authorizations of appropriations for 1997. Assuming appropriation of the amounts authorized, the bill would increase funding for discretionary programs in 1997 by $3.0 billion over the 1996 appropriated level, although outlays would decline by $0.1 billion.

6. Basis of estimate: The estimate assumes that the bill will be enacted by October 1, 1996, and that the amounts authorized will be appropriated for 1997. Outlays are estimated according to historical spending patterns.

Direct spending and asset sales

The bill contains several provisions that would affect direct spending or asset sales (see Table 2). The provisions involve the sale of material in the National Defense Stockpile, the sale of various naval vessels, civilian and military retirement benefits, annuities for military surviving spouses, the use of proceeds from certain property sales, and other matters with less significant costs.

Under the 1996 budget resolution, proceeds from asset sales are counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

Stockpile Sales. The bill would require the Administration to sell certain materials in the National Defense Stockpile to raise receipts by $338 million during the five-year period ending on September 30, 2001, and $649 million during the seven-year period ending on September 30, 2003. Table 2 shows CBO's estimates of sales through 2002.

TABLE 1.—BUDGETARY IMPACT OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997 AS ORDERED REPORTED BY THE SENATE COMMITTEE ON ARMED SERVICES

[By fiscal years, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
DIRECT SPENDING AND ASSET SALES							
Direct spending:.							
Estimated budget authority	0	12	20	75	78	82	89
Estimated outlays	0	−1	13	72	77	82	89
Assets Sales:[1]							
Estimate budget authority	0	−142	−59	−64	−70	−75	−145
Estimated outlays	0	−142	−59	−64	−70	−75	−145
SPENDING SUBECT TO APPROPRIATIONS ACTIONS							
Spending under current law:							
Budget authority[2]	265,023	0	0	0	0	0	0
Estimated outlays	264,311	91,156	36,485	17,138	7,362	3,275	913
Proposed changes:							
Estimated authorization level	0	268,069	0	0	0	0	0
Estimated outlays	0	173,007	55,280	21,615	9,373	3,938	2,084
Spending under the bill:							
Estimated authorizaton level[2]	265,023	268,069	0	0	0	0	0
Estimated outlays	264,311	264,163	91,765	38,753	16,735	7,213	2,997

[1] Under the 1996 budget resolution, proceeds from asset sales are counted in the budget totals for purposes of Congressinal scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

[2] The 1996 figure is the amount appropriated for programs authorized by this bill.

Note.—Costs of the bill would fall under budget function 050, National Defense, except for certain other items as noted.

The receipts would come from selling aluminum, cobalt, columbium ferro, germanium metal, indium, palladium, platinum, rubber, and tantalum. Current law does not permit DoD to sell any of these materials except cobalt, but CBO expects that all cobalt now authorized for sale will be sold during 1996.

To determine if the receipt targets could be achieved, CBO reviewed both past sales and historical trends in prices for the different materials. Using both historical average prices and quantities that would probably not cause any significant disruption in world markets, CBO found the receipt levels to be achievable.

Transfer of Naval Vessels. The bill would authorize the Secretary of the Navy to sell eight naval vessels to certain foreign countries and otherwise dispose of two other vessels. The Navy estimates the sale would generate $72 million in offsetting receipts in 1997.

Civilian Retirement Annuities. Section 1121 would index the average pay used to calculate deferred retirement benefits for certain DoD civilian employees. CBO estimates that this proposal would reduce spending by $40 million in fiscal year 1997, $98 million in 1998, $57 million in 1999, $57 million in 2000, $56 million in 2001, and $54 million in 2002.

Section 1121 would apply, at the discretion of DoD, to employees at military bases sold to private contractors. To qualify for benefits under this proposal, the DoD employee must continue working in the same job after the base is sold to a private company. Further, the employee must be enrolled in the Civil Service Retirement and Disability System and not be eligible for retirement benefits. Based on the Base Realignment and Closure Commission reports and data from DoD, CBO assumes that about 1,200 people in 1997 and 2,000 in 1998 would take advantage of this proposal.

Under the bill, qualified workers could count their years of service under the private contractor toward meeting the age and service requirements for regular retirement. Further, the high-3 average federal salary used to calculate benefits would be indexed to federal pay raises during the time between the end of federal service and retirement. Based on data from DoD, CBO estimates that only about 5 percent of those affected would begin receiving benefits in the six-year projection period. Direct spending outlays are estimated to be less than $500,000 in fiscal year 1997, $2 million in 1998, $3 million in 1999, $3 million in 2000, $4 million in 2001, and $6 million in 2002. The bulk of the costs would begin to be realized about 15 years from enactment.

Over the six-year projection period, the increased costs of the annuities would be more than offset by forgone refunds of employee contributions. Based on rates of withdrawal from the Office of Personnel Management, CBO assumes that under current law about 60 percent of affected employees would have withdrawn their retirement contributions, when they lost their federal jobs to a private contractor. Since this proposal would greatly increase the value of the employee's retirement benefits, most of the affected workers would not withdraw their contributions and instead would remain eligible for retirement benefits. Given an average refund of about $34,000, the reduction in outlays from fewer refunds is estimated to be $20 million in fiscal year 1997 and about $40 million in 1998.

Section 1121 would also require that DOD amortize in 10 equal payments any increase in the unfunded liability of the Civil Service Retirement and Disability Fund that is attributable to the enhanced benefits of this proposal. DOD would pay an estimated $20 million a year for 10 years beginning in fiscal year 1997 and another $40 million a year for 10 years beginning in 1998. The receipt of these payments is not included in the cost estimate because they fund additional benefits that generally lie beyond the horizon of the estimate.

Annuities for Certain Military Surviving Spouses. Section 634 would provide annuities to the surviving spouses of two groups of former servicemembers. The first group would consist of military retirees who died before March 21, 1974. The second group would consist of reservists who died between September 21, 1972 and October 1, 1978, and who were entitled to retired pay at the time of their death except that they were under the age of 60. Based on information from DOD, CBO estimates that this provision would ultimately extend benefits to about 25,000 surviving spouses. We assume, however, that only half of those eligible spouses would learn of this provision and receive benefits in 1997, when costs are estimated to total about $12 million. In 2002, we assume all 25,000 will be receiving the benefits. CBO estimates that payments will eventually total about $57 million a year.

Use of Base Closure Proceeds. Section 2812 would allow DOD to use certain proceeds from the sale of base closure property for the construction of commissaries or facilities related to morale, recreation, or welfare activities. This provision would affect proceeds from the sale of any property that was acquired or constructed with commissary funds or nonappropriated funds and that is sold due to the base closure process. Under current law, these proceeds cannot be used unless appropriated by the Congress. By 2002, CBO estimates that spending under this section would total about $15 million annually.

Retirement of Certain Officers. Section 532 would allow no more than 25 retired officers in each military department to be recalled to active duty. Under current law, the Army and Navy have recalled about 100 retired officers to active duty. This provision would force the retirement of about 150 people and would result in increased retirements costs of about $5 million annually.

TABLE 2.—DIRECT SPENDING AND ASSET SALES IN S. 1745

[By fiscal years, in millions of dollars]

	1997	1998	1999	2000	2001	2002
DIRECT SPENDING						
Civilian Retirement	−20	−38	3	3	4	6
Surviving Spouses	12	38	52	54	56	57
Base Closure Proceeds	2	8	12	14	15	15
Retirement of Certain Officers	5	5	5	5	5	6
Bonuses Repayments	0	0	(1)	1	2	5
Other Direct Spending	(1)	(1)	(1)	(1)	(1)	(1)
Total Direct Spending	−1	13	72	77	82	89

TABLE 2.—DIRECT SPENDING AND ASSET SALES IN S. 1745—Continued

[By fiscal years, in millions of dollars]

	1997	1998	1999	2000	2001	2002
ASSET SALES						
Stockpile Sales	−70	−59	−64	−70	−75	−145
Sale of Naval Vessels	−72	0	0	0	0	0
Total Asset Sales	−142	−59	−64	−70	−75	−145

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[1] Less than $500,000.

Repayment of Separation Bonuses. Under current law, some servicemembers who leave the military and receive certain separation bonus payments must repay those amounts if they later receive veterans' disability compensation or military retirement. For these individuals retirement and compensation payments are withheld until the full amount of the bonus payment has been recouped. This provision would change the amount that must be repaid from 100 percent of the bonus payment to the net amount of the payment following federal income tax withholding, for separations from service occurring in 1997 or later. Thus, beneficiaries would begin receiving veterans compensation or retired pay sooner than under current law.

Additional veteran's compensation payments would begin in 1999. Near term costs would be small—less than $500,000 in 1999 and $15 million in 2002. Total costs for individual separating over the next six years would eventually amount to about $70 million, but this total amount would not be reached for 10 to 15 years.

No data are kept on the number of individuals who receive separation payments and subsequently rejoin the military and qualify for retired pay. Such individual would most likely join and retire from the Selected Reserves. Reserve retirees do not receive retired pay until they reach age 62—more than 25 years after most would have received the initial separation payment. Any costs associated with this part of the provision would be small and would not appear for many years.

Miscellaneous Military Retirement Provisions. Four other provisions would change current law governing the military retired program including survivor benefits. None of these provisions would have significant costs because relatively few people would be affected or changes in benefit levels would be relatively small:

Section 515 would authorize reservists to receive disability retirement if they are injured during overnight stays associated with inactive-duty training.

Section 516 would allow certain members of the reserves to receive retirement-related credit if they participate in select educational programs and work in a specialty that is critically needed in wartime.

Section 531 would allow service members who are retired due to physical disabilities to receive retired pay based on the grade to which they would have been promoted had it not been for the onset of the physical disability.

Section 533 would authorize disability coverage for certain officers who are injured while attending educational programs on leave without pay.

Other provisions. The bill would give the President the authority to award the Medal of Honor to seven individuals. This award is accompanied by monthly payment of $400, but the annual cost of all seven recipients would amount to less than $500,000 per year.

The bill would allow the Secretary of Transportation to stop trying to collect amounts that Coast Guard personnel owed the government before they died on active duty. The forgone receipts would be considered direct spending. Both the number of people and the amount of collections would be small, however, and the cost of this provision would be less than $500,000 annually.

The bill also contains a provision that would allow the government to recover the costs of compensation for certain military servicemembers who are unable to perform their military duties. If a third party is found liable for the circumstances under which the servicemember becomes incapacitated, the government would be able to collect and spend the money. Collections would increase but expenditures would rise by the same amount, so there would be no net budgetary impact.

Authorizations of appropriations

The bill authorizes specific appropriations of $198 billion for 1997 for operation and maintenance, procurement, research, development, test and evaluation, nuclear weapons programs, and other DoD program. These authorizations fall under National Defense, budget function 050.

In addition, the bill would authorize specific appropriations for other budget functions: $150 million for the Naval Petroleum Reserve (function 270), $57 million for the Armed Forces Retirement Home (function 700).

The bill also contains both specific and implicit authorizations of appropriations for other military programs, primarily for military personnel costs, some of which extend beyond 1997. Table 3 contains estimates for the amounts authorized and the related outlays. The following sections describe the estimated authorizations shown in Table 3 and provide information about CBO's cost estimates.

Endstrength. The bill would authorize active and reserve component endstrengths for 1997 at a cost of $68 billion. Endstrengths specifically stated in the bill for active-duty personnel would total about 1,457,500—about 500 more than in the Administration's request but about 24,200 below the level estimated for 1996. DoD reserve endstrengths would be authorized at about 901,900—about 900 more than in the Administration's request but about 28,900 less than the estimated 1996 level.

Also, the bill would authorize an endstrength of 8,000 in 1997 for the Coast Guard Reserve, which is the same as the 1996 level and the Administration's request; this authorization would cost about $66 million and would fall under budget function 400, Transportation.

Compensation and Benefits. The bill contains several provisions that would affect military compensation and benefits.

Pay Raises and Quarters Allowances. The bill would authorize a 3.0 percent increase in the rates of basic pay and the basic allowance for subsistence for military personnel, at a cost of $1.2 billion. The same section would also call for the basic allowance for quarters (BAQ) to increase by 4.0 percent. Under current law BAQ increases according to the military pay raise; consequently, the 3.0 percent pay raise authorized in this bill would raise BAQ by $109 million. The provision that raises BAQ by the additional 1.0 percent would cost another $36 million. Thus, BAQ would increase by $145 million compared to 1996 rates.

Expiring Authorities. Several sections would extend for one year certain payment authorities that are scheduled to expire at the end of 1997. In some cases, renewing authorities for one year results in costs over several years because payments are made in installments. Payment authorities for enlistment and reenlistment bonuses for active duty personnel would cost $148 million in 1998. The cost of extensions of special payments for aviators and nuclear-qualified personnel would total $49 million in 1998. Extension of various bonus programs for Selected Reserve personnel would increase costs by $33 million in 1998. Finally, authorities to make special payments to nurse officer candidates, registered nurses, and nurse anesthetists would increase authorizations by $12 million in 1998.

Housing Allowance During Duty at Sea. The bill would authorize payment of housing allowances to certain personnel in pay grade E-5 who are assigned to shipboard sea duty. This change would provide about 7,000 personnel with housing allowances averaging $6,000 annually, for a total yearly cost of about $40 million.

Grade Structure. The bill would authorize the number of active duty officers who can serve in certain pay grades in each of the military services. This change would not increase overall endstrength, but it would result in increased promotions. The provision has a cost, about $35 million annually, because personnel serving in higher grades are paid more. Because the provision does not take affect until September 1, 1997, the cost is only $3 million in 1997.

Special Pay for Dentists. In 1996, DoD will pay about $40 million in incentive payments to dentists serving as officers in the military services. This bill would increase these incentives at a cost of $8 million a year.

Moving costs. The bill would allow DoD to pay storage costs for motor vehicles when members cannot take the vehicle along on a move and to reimburse members for certain expenses when they pick up a vehicle at a port following government shipment. Together, these two provisions would cost $4 million in 1997.

Family separation allowance. Current law authorizes payment of a family separation allowance (FSA) to servicemembers whose military duties prevent them from being able to live with their families. However, no allowance is paid when both spouses are servicemembers and there are not other dependents. This provision would pay FSA to military couples who are otherwise eligible for payments at a cost of $2 million annually.

Adoption expenses. Under current law, DOD reimburses members of the military services for expenses incurred when they adopt children through state, local, or non-profit adoption agencies. The bill would extend this reimbursement to adoptions arranged privately under court supervision. Based on national adoption statistics, CBO estimates that this change would increase the number of adoptions eligible for reimbursement by about 50 percent, at an annual cost of $1 million.

Military Personnel Authorization. The bill explicitly authorizes appropriations for military personnel of $69,878 million in 1997. Because the estimated cost of other sections of the bill exceed this amount, this section has the effect of reducing costs by $36 million.

Military Health Care Programs. The bill contains two provisions that affect military health care and that have significant budgetary impacts.

Dental Insurance. The bill would require the Secretary of Defense to establish a dental insurance program for military retirees and their dependents. DOD could bear part of the cost of the premium payments. Assuming premium sharing at the same level as in similar programs currently available to active duty dependents and members of the Selected Reserve, this provision would cost about $300 million annually.

Composite Health Care System (CHCS). The bill would direct the Secretary of Defense to make certain changes to the composite Health Care System (CHCS), an automated medical information system used by DOD. These changes would standardize CHCS so that the information systems of various military treatment facilities and private contractors could exchange data about health care beneficiaries. No information is available from DOD about the potential costs of the changes, and CBO is unable to estimate the cost of this provision.

Civilian Retirement Annuities. Section 1121, which would index the average pay used to calculate deferred retirement benefits for certain DOD civilian employees, also results in costs that would be funded by appropriations. The 10-year amortization payments made by the DOD to the civilian retirement fund would total an estimated $10 million in 1997 and $60 million a year for each of the following years in the projection period. These costs are offset by savings of about $30 million in fiscal year 1997 and $50 million in 1998 attributable to the provision that precludes severance payment to any individual taking advantage of benefits under this section.

Public Health Service. The bill would authorize payments to Public Health Service officers of certain special pay and allowances currently received by DoD military personnel. Payments would be extended to optometrists, non-physician health care providers, and foreign language specialists at a cost of $4 million annually. These costs would fall under various budget functions.

TABLE 3.—AUTHORIZATIONS OF APPROPRIATIONS IN THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997 AS ORDERED REPORTED BY THE SENATE COMMITTEE ON ARMED SERVICES

[By fiscal years, in millions of dollars]

Category	1997	1998	1999	2000	2001	2002
Stated authorizations	198,120	0	0	0	0	0
Estimated outlays	106,579	51,760	21,615	9,373	3,938	2,084
Endstrengths:						
Function 050:						
Estimated authorization level	68,479	0	0	0	0	0
Estimated outlays	65,036	3,443	0	0	0	0
Function 400:						
Estimated authorization level	66	0	0	0	0	0
Estimated outlays	59	7	0	0	0	0
Compensation and Benefits (DoD):						
Military Pay Raise:						
Estimated authorization level	1,378	1,824	1,798	1,780	1,779	1,776
Estimated outlays	1,309	1,802	1,799	1,781	1,779	1,776
Expiring Authorities—Active Duty:						
Estimated authorization level	0	148	51	35	33	16
Estimated outlays	0	141	56	36	33	17
Expiring Authorities—Aviation and Nuclear Officers:						
Estimated authorization level	0	49	24	24	17	15
Estimated outlays	0	47	25	24	17	15
Expiring Authorities—Reserves:						
Estimated authorization level	0	33	27	18	13	9
Estimated outlays	0	31	27	18	13	9
Expiring Authorities—Nurses:						
Estimated authorization level	0	12	0	0	0	0
Estimated outlays	0	11	1	0	0	0
Duty at Sea:						
Estimated authorization level	40	40	41	41	41	41
Estimated outlays	38	40	41	41	41	41
Grade Relief:						
Estimated authorization level	3	33	34	35	36	37
Estimated outlays	3	31	34	35	36	37
Dental Special Pay:						
Estimated authorization level	8	8	8	8	8	8
Estimated outlays	8	8	8	8	8	8
Moving Costs:						
Estimated authorization level	4	5	5	5	5	5
Estimated outlays	4	5	5	5	5	5
Family Separation Allowances:						
Estimated authorization level	2	2	2	2	2	2
Estimated outlays	2	2	2	2	2	2
Adoption Expenses:						
Estimated authorization level	1	1	1	1	1	1
Estimated outlays	1	1	1	1	1	1
Cap on Military Personnel Appropriations:						
Estimated authorization level	−36	0	0	0	0	0
Estimated outlays	−35	−2	0	0	0	0
Health Care Provisions:						
Retiree Dental Insurance:						
Estimated authorization	(1)	283	296	309	322	337
Estimated outlays	(1)	212	293	306	319	333
Composite Health Care System (CHCS):						
Estimated authorization level	(1)	(2)	(2)	(2)	(2)	(2)
Estimated outlays	(1)	(2)	(2)	(2)	(2)	(2)
Civilian Retirement Annuities:						
Estimated authorization level	(1)	10	60	60	60	60
Estimated outlays	(1)	10	60	60	60	60
Public Health Service:						
Estimated authorization level	4	4	4	4	4	4
Estimated outlays	4	4	4	4	4	4
Total Authorizations of Appropriations:						
Estimated authorization level	268,069	2,452	2,351	2,322	2,321	2,311
Estimated outlays from authorizations for 1997	173,007	55,280	21,615	9,373	3,938	2,084
Estimated outlays from authorizations for 1998–2001	0	2,273	2,356	2,321	2,318	2,308

[1] The 1997 impacts of these provisions are included in the amounts specifically authorized to be appropriated in the bill.

[2] CBO is unable to estimate the costs of this provision.

Panama Canal Commission. Title XXXV would authorize the Panama Canal Commission to spend any sums available to it from operating revenues or Treasury borrowing for operation, maintenance, and improvement of the canal in fiscal year 1997. This spending is considered discretionary, because the appropriation bill customarily establishes an obligation ceiling for this account. CBO estimates that Panama Canal Commission collections and outlays will be about $624 million in 1997.

7. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. Because this bill would affect direct spending, pay-as-you-go procedures would apply. These effects are summarized in the following table.

[By fiscal years, in millions of dollars]

	1996	1997	1998
Change in outlays	0	−1	13
Change in receipts	(1)	(1)	(1)

[1] Not applicable.

8. Estimated impact on State, local, and tribal governments: The bill contains no intergovernmental mandates as defined in Public Law 104–4 and would impose no significant costs on State, local, or tribal governments. A number of the bill's provisions—such as those pertaining to cultural resource management, land transfers, and teacher and firefighter placement programs—would affect State, or local governments; however, none would create new enforceable duties or result in significant budgetary impacts on these entitles.

9. Estimated impact on the private sector: This bill would impose no new Federal private sector mandates, as defined in Public Law 104–4.

10. Previous CBO estimate: None.

11. Estimate prepared by: Federal Cost Estimate: Kent Christensen, Victoria Fraider, Raymond Hall, and Amy Plapp prepared the estimates affecting the Department of Defense; they can be reached at 226–2840. Kathy Gramp (226–2860) prepared the estimate for the Naval Petroleum Reserve. Deborah Reis (226–2860) prepared the estimate for the Panama Canal Commission. Wayne Boyington (226–2820) prepared the estimates for the costs of changes to civilian retirement programs.

State and local government impact: Leo Lex and Karen McVey (226–2885).

Private sector impact: Neil Singer (226–2900).

12. Estimate approved by Paul N. Van de Water, Assistant Director for Budget Analysis.

Mr. NUNN. Mr. President, for those who may be listening, I believe there had originally been a vote at 9:15 that the leader had announced and now that the amendment, which was the SIMPSON amendment, has been disposed of and agreed to with the second-degree amendment that was accepted, so as far as I know—and the Senator from Idaho may want to add to this—there will be no vote on this amendment at 9:15 tomorrow morning.

The PRESIDING OFFICER. The Senator is correct; that vote was vitiated.

Mr. KEMPTHORNE. Mr. President, we are certainly in agreement that the vote which was ordered has been vitiated, or has been dealt with. We have not yet received final word from the majority leader as to whether or not he wishes to still have an early vote. We will know that very shortly.

At this point I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

AFRICAN-AMERICAN MEDAL OF HONOR NOMINEES

Mr. KEMPTHORNE. Mr. President, I rise today to pay tribute to seven unsung heroes of World War II. Although a half-century in the making, it is never too late to honor the bravery and heroism of our men and women in uniform. I view the nomination of seven African-American World War II heroes for the Medal of Honor with much admiration and pride. This is an honor that should have been bestowed many decades ago. The award acknowledges a job well done and is absolutely well deserved.

A 15-month study conducted by a team of military historians reviewed the nation's archives and interviewed veterans to find out why no black service member received the Medal of Honor during World War II. Nine black soldiers were awarded the second-highest honor—the Distinguished Service Cross. I was surprised, however, to learn that the study found no evidence that any African-American soldier in World War II was ever nominated for the Medal of Honor, though commanders, comrades and archival records indicate that at least four of the seven nominees had been recommended. This same report found evidence that the segregation of units by race often complicated training, exacerbated relations between officers and enlisted men and their units, and undermined the morale of these units in both subtle and obvious ways.

The Senate Armed Services Committee and the House Committee on National Security approved a provision in the Defense Authorization bill that would authorize the Secretary of the Army to award the Medal of Honor to African-American former service members who have been found by the Secretary of the Army to have distinguished themselves by gallantry above and beyond the call of duty while serving in the U.S. Army during WWII.

It is truly unfortunate that only one of the seven nominees—Vernon J. Baker—is still living. On April 5, 1945, then First Lieutenant Baker led a platoon over "Hill X" in Italy. Along the way, he and his men destroyed six machine gun nests, two observer posts and four dugouts while the Germans rained bullets down on them. Out of 25 men, 7 Americans survived while 26 Germans were killed in the action. "Hill X" had to be taken in order to capture a castle that guarded the town of Montignoso along Highway 1. The route was key to the Allies push north and its capture helped to hastened the end of WWII. First Lieutenant Baker received the Distinguished Service Cross—our Nation's second highest award—for his actions. And now at long last he will receive the appropriate recognition—the Medal of Honor the highest honor that we can bestow.

Mr. Baker, although raised in Wyoming, moved to St. Maries, ID, in 1987 because he enjoys the State's hunting and great outdoor opportunities. I am proud of and thankful for the many sacrifices that our men and women in uniform have made in the past and continue to make around the world. We are certainly proud that Mr. Baker now resides in the State of Idaho, and that he and the other nominees will now rightfully receive the Congressional Medal of Honor.

HONORING THE DASCHLES CELEBRATING THEIR 50TH WEDDING ANNIVERSARY

Mr. REID. Mr. President, it is my distinct pleasure to rise today to honor Sebastian and Elizabeth Daschle, who celebrated their 50th wedding anniversary on January 16, 1996. Their lives and strong commitment to one another serve as an example to the entire Nation.

Betty Meiers and Sebastian "Dash" Daschle were married on a mild winter day in Roscoe, SD. Two days later, they were hit by the worst blizzard of the year. Together, the Daschles weathered the storm and have continued to stand beside one another through 50 years of surprises and joys.

The Daschles devotion to one another began early, with Betty waiting for her sweetheart to return home from World War II so they could be married. Since fabric was scarce at the time, Betty's wedding dress and the flower girl's dress were made out of a parachute brought home from the war. While the fabric was unconventional, it was plentiful and provided enough material for Betty's dress to have a long, elegant train. Betty and Dash took their vows on the day of Betty's parents 25th anniversary and, for 30 years, the two couples jointly celebrated their happiness. Clearly, commitment and lasting love run in the family.

Following the wedding, the young couple moved to Aberdeen, SD, to make their home. After an unsuccessful search for a place to live, they had to install plumbing on the top floor of a house to create a makeshift apartment. Betty's father and brother built the Daschles' first house in 1948. In 1952, they built a bigger home on the same lot and have happily lived there ever since.

Through the years, Dash worked as a bookkeeper for Nelson Auto Electric, and eventually worked his way to become a part-owner of the business. The

Daschles are proud parents of four boys—including my friend and colleague, the distinguished minority leader Senator TOM DASCHLE. The Daschles now delight each day in the joy of their grandchildren.

For the Daschles, a promise made was a promise kept. Their dedication to their vows and commitment to strong family ties serve as a model for families across America.

I congratulate the Daschles on this achievement, and wish them continued happiness in their lives together.

SALUTE TO THE PERFORMING ARTS

Mr. GRASSLEY. Mr. President, when I think of Iowa, I envision lush, rolling hills; wide, blue skies; and rich, black soil. Located in the heartland of America, Iowa's bounteous fields and streams feed the world. I'm sure most people across the country and throughout the world associate my State with its exceptional agricultural products and productive farmland.

But today, I am going to share with America a different chapter of the Iowa story. Perhaps one that many already have read about or seen on the Big Screen—and that is, Iowa's contributions to film making and the performing arts. A handful of our Iowa-born friends have risen to celebrity status on TV, on the silver screen, and on stage.

To name a few—singer Andy Williams was born in Wall Lake; the Everly Brothers, Don and Phil lived in Shenandoah; Cloris Leachman, who played Phyllis on "The Mary Tyler Moore Show," hails from Des Moines, as did Harriett Nelson of the television series, "The Adventures of Ozzie and Harriett." Marion Michael Morrison, better known as John Wayne, was born in Winterset. The famous musician/composer, Glenn Miller came from Clarinda. And who can ever forget the memorable sounds of the "Music Man," Meridith Wilson is from Mason City. And, last but not least, Mr. President, internationally-acclaimed opera singer, Simon Estes, was born in Centerville, IA.

In addition to the talents of Iowa's hometown celebrities, my State has opened its doors to reveal our scenic countryside to Hollywood film makers. Box office hits filmed in Iowa include, "Field of Dreams," "The Bridges of Madison County," and "Twister." The movie "Bridges" was adapted from the novel written by my fellow Iowan, Robert Waller. If asked, Mr. President, I would have to concur with a popular scene from the movie "Field of Dreams," filmed in eastern Iowa near Dyersville. That scene included the lines—"Is this Heaven? No, it's Iowa."

Mr. President, the list of Iowa-born celebrities includes a hometown girl who never forgot where she came from. The oldest of five children, Donna Belle Mullenger, attended a one room school house and helped with the family chores on a western Iowa farm near Denison. Growing up on a farm, Donna cherished the rare Saturday trips to town, when she would meet friends at the Candy Kitchen and catch a movie at the Ritz Theater.

This girl-next-door later became a household name and Hollywood star. Donna Reed starred in more than 40 films, including such classics as "It's a Wonderful Life," "Portrait of Dorian Gray," and her Oscar-winning performance in "From Here to Eternity." And for 8 years, Donna Reed entertained families in their living rooms across America. "The Donna Reed Show" ran from 1958 to 1965.

As I stated earlier in one of my speeches describing the Iowa Spirit, the people of Iowa strive to excel in any and all endeavors, whether it be education, entertainment or enterprise. And the community of Denison, the county seat of Crawford County, is no exception. In memory of the Hollywood actress who was known to say, "No matter what I do, I am still a farm girl from Denison," the community celebrated a 1-day festival in her honor after her death in 1986. At that time, her Oscar was presented to the city of Denison. One year later, Donna Reed's hometown community, friends and family members formed The Donna Reed Foundation for the Performing Arts to recognize youth and promote education.

The Foundation celebrates its 10th annual Donna Reed Festival this week, June 15–23. Building on its charter to provide affordable and high quality education to those who share a love for the arts, the Foundation offers performing arts workshops, and awards an annual college scholarship to applicants interested in studying acting, music, and dance. The first scholarship was awarded in 1987 for $500. Within 8 years, the award had grown to a $10,000 national scholarship. During this week's festival, performing arts instructors and professionals from New York, California, and the Midwest will conduct about 45 professional workshops. One of the highlights at the festival this year includes a tribute to the 50th anniversary of "It's A Wonderful Life," featuring a reunion of cast and crew.

Mr. President, I proudly salute members of the Denison community and their vision for promoting the arts. Borne of hard work, countless volunteer hours, and unparalleled community spirit, The Donna Reed Foundation has achieved a center for cultural and performing arts in America's heartland.

Mr. President, life in Iowa truly is a wonderful life. And I'm sure the citizens of Denison would be the first to agree.

SALUTE TO KBBG–FM RADIO

Mr. GRASSLEY. Mr. President, I rise today to salute an enterprise undertaken almost two decades ago by two community-oriented entrepreneurs in northeast Iowa. Declaring that radio for the Black community was an idea whose time had come, Jimmie Porter founded KBBG–FM radio in 1977 with his partner, Warren Nash, Jr., in Waterloo, IA. Incorporated as Afro-American Community Broadcasting, Inc., KBBG's charter pledged to fulfill the needs, interests and wishes of ethnic minority people in northeast Iowa.

KBBG has come a long way since its first equipment testing of 10 watts on July 26, 1978. On its first full day of broadcasting that August, KBBG reached a 4 to 5 mile radius. Today, the radio station boasts a 60-mile radius, 10,000 watts, and 11 employees.

The largest African American owned and operated noncommercial educational radio station in my State of Iowa, KBBG Radio has provided almost $1.8 million of public service announcements for nonprofit organizations in the last 8 years.

Mr. President, I proudly commend KBBG Radio, its owners and its employees for providing a valuable service to the Waterloo and Cedar Falls metro area and to northeast Iowa.

A model of self-development and community outreach, KBBG continues to build on its well-served motto, communicate to educate. Mr. President, I thank and congratulate KBBG for 18 years of service and extend my wishes for continued success in the future.

DR. BEATRICE BRAUDE AND JUSTICE DELAYED BUT NOT ULTIMATELY DENIED

Mr. MOYNIHAN. Mr. President, this past Monday, the Washington Post reported that Justice Department attorneys have reached a settlement with lawyers representing the estate of Dr. Beatrice Braude concerning monetary damages equitably due for the wrongful dismissal of Dr. Braude from her Federal job in 1953 and subsequent blacklisting. The estate will receive $200,000 in damages. Family members have announced that the funds—which Congress must now appropriate—will be donated to Hunter College, the institution from which Dr. Braude received her bachelor's degree.

This settlement stems from the enormously gratifying decision of U.S. Court of Federal Claims Judge Roger B. Andewelt on March 7, following a hearing last November, that the United States Information Agency (USIA) had wrongfully dismissed Dr. Braude and intentionally concealed the reason for her termination. He concluded that such actions constituted an equitable claim for which compensation is due.

Dr. Braude's suit was made possible through legislation then-Senator Javits and I originally introduced in 1979 and which Senator D'AMATO and I continued to press. When finally enacted, it lifted the statute of limitations, enabling the Court to hear Dr. Braude's case and hand down its decision. I know Senator D'AMATO shares my gratification with the settlement announcement.

With Judge Roger B. Andewelt's decision and this negotiated settlement, we have finally seen a measure of justice which brings back memories of an old and awful time. Dr. Braude, a linguist fluent in several languages, was dismissed from her position at the USIA in 1953 as a result of accusations of disloyalty to the United States. The accusations were old; 2 years earlier, the State Department's Loyalty Security Board had investigated and unanimously voted to dismiss them. The Board sent a letter to Dr. Braude stating "there is no reasonable doubt as to your loyalty to the United States Government or as to your security risk to the Department of State."

Dr. Braude was terminated 1 day after being praised for her work and informed that she probably would be promoted. USIA officials told that her that the termination was due to budgetary constraints. Congress had funded the USIA at a level 27 percent below the President's request. The Supplemental Appropriation Act of 1954 (Public Law 83-207) authorized a reduction in force commensurate to the budget cut. Fair enough. As Dr. Braude remarked years later, "I never felt that I had a lien on a government job." But what Dr. Braude did not know is that she was selected for termination because of the old—and answered—charges against her. And because she did not know the real reason for her dismissal, she was denied certain procedural rights (the right to request a hearing, for instance).

The true reason for her dismissal was kept hidden from her. When she was unable, over the next several years, to secure employment anywhere else within the Federal Government—even in a typing pool despite a perfect score on the typing test—she became convinced that she had been blacklisted. She spent the next 30 years fighting to regain employment and restore her reputation. Though she succeeded in 1982 (at the age of 69) in securing a position in the CIA as a language instructor, she still had not been able to clear her name by the time of her death in 1988. The irony of the charges against Dr. Braude is that she was an anticommunist, having witnessed firsthand communist-sponsored terrorism in Europe while she was an assistant cultural affairs officer in Paris and, for a brief period, an exchange officer in Bonn during the late 1940's and early 1950's.

Mr. President, I would like to review the charges against Dr. Braude because they are illustrative of that dark era and instructive to us even today. There were a total of four. First, she was briefly a member of the Washington Book Shop on Farragut Square that the Attorney General later labeled subversive. Second, she had been in contact with Mary Jane Keeney, a Communist Party activist employed at the United Nations. Third, she had been a member of the State Department unit of the Communist-dominated Federal Workers' Union. Fourth, she was an acquaintance of Judith Coplon.

With regard to the first charge, Dr. Braude had indeed joined the Book Shop shortly after her arrival in Washington in 1943. She was eager to meet congenial new people and a friend recommended the Book Shop, which hosted music recitals in the evenings. I must express some sensitivity here: my F.B.I. records report that I was observed several times at a "leftist musical review" in suburban Hampstead while I was attending the London School of Economics on a Fulbright Fellowship.

Dr. Braude was aware of the undercurrent of sympathy with the Russian cause at the Book Shop, but her membership paralleled a time of close U.S.-Soviet collaboration. She drifted away from the Book Shop in 1944 because of her distaste for the internal politics of other active members. Her membership at the Book Shop was only discovered when her name appeared on a list of delinquent dues. It appears that her most sinister crime while a member of the book shop was her failure to return a book on time.

Dr. Braude met Mary Jane Keeney on behalf of a third woman who actively aided Nazi victims after the war and was anxious to send clothing to another woman in occupied Germany. Dr. Braude knew nothing of Keeney's political orientation and characterized the meeting as a transitory experience.

With regard to the third charge, Dr. Braude, in response to an interrogatory from the State Department's Loyalty Security Board, argued that she belonged to an anti-Communist faction of the State Department unit of the Federal Workers' Union.

Remember that the Loyalty Security Board investigated these charges and exonerated her.

The fourth charge, which Dr. Braude certainly did not—or could not—deny, was her friendship with Judith Coplon. Braude met Coplon in the summer of 1945 when both women attended a class Herbert Marcuse taught at American University. They saw each other infrequently thereafter. In May 1948, Coplon wrote to Braude, then stationed in Paris and living in a hotel on the Left Bank, to announce that she would be visiting shortly and needed a place to stay. Dr. Braude arranged for Coplon to stay at the hotel. Coplon stayed for 6 weeks, during which time Dr. Braude found her behavior very trying. The two parted on unfriendly terms. The friendship they had prior to parting was purely social.

Mr. President, Judith Coplon was a spy. She worked in the Justice Department's Foreign Agents Registration Division, an office integral to the FBI's counterintelligence efforts. She was arrested early in 1949 while handing over notes on counterintelligence operations to Soviet citizen Valentine Gubitchev, a United Nations employee. Coplon was tried and convicted—there was no doubt of her guilt—but the conviction was overturned on a technicality. Gubitchev was also convicted but was allowed to return to the U.S.S.R. because of his quasi-diplomatic status.

I bring all this up because, as I mentioned earlier, it is instructive. The world is a dangerous place. On July 11, 1995—6 days before the 50th anniversary of the first successful detonation of an atomic bomb—the National Security Agency released 49 of some 2,200 coded messages sent by the KGB and decrypted between 1943 and 1980. The decoded messages have been kept classified until now. They are known as the VENONA intercepts.

The existence of a Soviet spy ring and the active involvement of American communists—fellow countrymen was the KGB code word for them—has long been established. Of late, details have been flooding in from Moscow. But this is the first American archive to be opened.

At the onset of the Cold War, in Edward Shils' memorable phrase, the American visage began to cloud over. Some saw conspiracy everywhere. Recall, that in 1951, Senator Joseph McCarthy published America's "Retreat from Victory: The Story of George Catlett Marshall." Some denied any such possibility and accused the accusers. Loyalty oaths and background checks proliferated, and all information became Top Secret. A culture of secrecy took hold within the American government, whilst a hugely divisive debate raged in Congress and the press.

We got through it. But the world remains a dangerous place, and it is just possible that we might learn something from the VENONA files. Had they been published in 1950, we might have been spared the soft-on-communism charge that distorted our politics for four decades. We might have been spared the anti-anti-communist stance that was no less unhelpful.

The fact is, there were spies in this country and they did awful things—Coplon among them. But there were innocent people, too, like Dr. Braude, who were caught in a hall of mirrors.

My involvement in Dr. Braude's case dates back to early 1979, when Dr. Braude came to me and my colleague at the time, Senator Javits, and asked us to introduce private relief legislation on her behalf. In 1974, after filing a Freedom of Information Act request and finally learning the true reason for her dismissal, she filed suit in the Court of Claims to clear her name and seek reinstatement and monetary damages for the time she was prevented from working for the Federal Government. The Court, however, dismissed her case on the grounds that the statute of limitations had expired. On March 5, 1979, Senator Javits and I together introduced a bill, S. 546, to waive the statute of limitations on Dr. Braude's case against the U.S. Government and to allow the Court of Claims to render judgment on her claim. The bill passed the Senate on January 30, 1980. Unfortunately, the House failed to take action on the bill before the 96th Congress adjourned.

In 1988, and again in 1990, 1991, and 1993, Senator D'AMATO and I re-introduced similar legislation on Dr. Braude's behalf. Our attempts met with repeated failure. Until at last, on September 21, 1993, we secured passage of Senate Resolution 102, which referred S. 840, the bill we introduced for the relief of the estate of Dr. Braude, to the Court of Claims for consideration as a congressional reference action. The measure compelled the Court to determine the facts underlying Dr. Braude's claim and to report back to Congress on its findings.

The Court held a hearing on the case last November and Judge Andewelt issued his verdict in March. Forty-three years after her dismissal from the USIA and 8 years after her death, the Court found in favor of the estate of Dr. Braude.

Senator D'AMATO and I wish to express our profound admiration for Judge Andewelt's decision in which he absolved Dr. Beatrice Braude of the surreptitious charges of disloyalty with which she was never actually confronted. The Court declared that Dr. Braude "cared about others deeply and was loyal to her friends, family and country."

We are equally grateful to Christopher N. Sipes and William Livingston, Jr. of Covington & Burling, two of the many lawyers who have handled Dr. Braude's case on a pro bono basis over the years. Mr. Sipes quite properly remarked that the decision represents an important page in the annals of U.S. history: "The Court of the United States has said it recognizes that this conduct is out of bounds. It tells the government it must acknowledge its wrongs and pay for them."

Anthony Lewis wrote about Dr. Braude's case on March 15 in his regular New York Times column, Abroad at Home. He properly warns us that the cause of the injustice to Beatrice Braude and other loyalty victims—secret proceedings—is not ancient history. The anti-terrorism bill had a provision to allow for the deportation of aliens on secret evidence. It was stripped, fortunately, during floor consideration in the House. But the provision is likely to reappear in some fashion. We must remain vigilant.

Now that the parties to the Braude case have reached an agreement on the monetary damages equitably due to Dr. Braude's estate, Senator D'AMATO and I will be offering legislation soon to release the $200,000 to her estate. When that time comes, I hope that we will have the unqualified and unanimous support of our colleagues.

Ann Kirchheimer, a friend—now 80—who carried on Dr. Braude's fight, recently commented that Dr. Braude's life following her dismissal from the USIA could have been taken from the opening lines of Franz Kafka's book, The Trial: "Someone must have traduced Joseph K., for without having done anything wrong, he was arrested one fine morning." Indeed.

What happened to Dr. Braude was a personal tragedy. But it was also part of a national tragedy, too. This nation lost, prematurely and unnecessarily, the exceptional services of a gifted and dedicated public servant. Stanley I. Kutler, a professor of constitutional history at the University of Wisconsin, estimates that Dr. Braude was one of about 1,500 Federal employees who were dismissed as security risks between 1953 and 1956. Another 6,000 resigned under the pressure of security and loyalty inquiries, according to Professor Kutler, who testified as an expert witness on Dr. Braude's behalf last November. It was, as I said earlier, an awful time. We had settled "as on a darkling plain, Swept with confused alarm of struggle and flight, Where ignorant armies clash by night." It mustn't happen again.

I ask unanimous consent that an article appearing in the June 17, 1996, issue of the Washington Post, "$200,000 Repayment Agreement for Estate of McCarthy-Era Victim", Mr. Lewis's March 15, 1996 column, "Secrecy and Justice," from the New York Times, and a letter dated June 19, 1996 from Mr. Sipes to my legislative director, Gray Maxwell, be printed in the CONGRESSIONAL RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 17, 1996]

$200,000 REPAYMENT AGREEMENT FOR ESTATE OF MCCARTHY-ERA VICTIM

The estate of Beatrice "Bibi" Braude, who was fired from the U.S. Information Agency and blacklisted 43 years ago during a spasm of anti-communist zealotry, should be paid $200,000, according to an agreement between the U.S. government and attorneys for her estate.

Funding the settlement is up to Congress. Braude fought for decades to clear her name after her firing in 1953. By the time she was in her seventies, she seemingly had exhausted all court remedies. After her death nearly nine years ago, her friends and relatives took up her cause and persuaded Sens. Daniel Patrick Moynihan (D-N.Y.) and Alfonse M. D'Amato (R-N.Y.) to sponsor legislation that mandated review of the case by the U.S. Court of Federal Claims.

Attorneys for the Justice Department argued earlier this year that there was insufficient proof that loyalty concerns prevented Braude from being rehired for decades. The reason might have been, they argued, because she was a woman and in her forties. Judge Roger B. Andewelt disagreed, saying Braude was a loyal American persecuted "during a dark era in American history."

He ordered the Justice Department to negotiate an amount to pay Braude's estate. Christopher Sipes, of the law firm of Covington & Burling, who handled the case without a fee, said lawyers considered what Braude would have earned during the period of her blacklisting. The case, Sipes said, represents a rare acknowledgment of the wrongs committed by the government during the era associated with Sen. Joseph R. McCarthy.

Braude's niece, Ericka, responding to the agreement, said she was nearly speechless. "It's unbelievable," she said, "and it's about time."

[From the New York Times, Mar. 15, 1996]

ABROAD AT HOME; SECRECY AND JUSTICE

(By Anthony Lewis)

The case before him, the judge said, "harks back to a dark era in American history when Senator Joseph R. McCarthy was a powerful political force in this nation, when promising careers in the public and private sectors were arbitrarily cut short based on innuendo, unsubstantiated allegations and irrational fears. . . ."

That was the opening sentence of a remarkable opinion by Judge Roger B. Andewelt of the United States Court of Federal Claims. It told a story of long ago, but one with a moral for today.

Beatrice Braude came to Washington to work for the Government during World War II. She had college and graduate degrees, and she won lots of praise at work. In 1951 she went to the new United States Information Agency. On Dec. 30, 1953, she was told she was going to get a pay raise. The next day she was fired.

Why? They told her that Congress had cut the U.S.I.A. budget. But when she applied for other government jobs over the next several years, she got nowhere. She was even turned down for a position as a typist, although she had a perfect score on the Civil Service typing exam.

Ms. Braude went on to other work. She got a Ph.D. and was a tenured teacher at the University of Massachusetts. But she never again felt the exhilaration she had in government service, and her exclusion from it was a troubling mystery.

Then, when the Privacy Act became law in 1974, she got her records from the Government. They showed she had been fired as a security risk.

She had been investigated by the State Department Loyalty Board in 1951 because of casual past associations with two people considered suspect. The board cleared her, finding that there was "no reasonable doubt" as to her loyalty. But the U.S.I.A., on the same evidence, decided to fire her—and to conceal the reason.

Mr. Braude sued, but the courts held that she was too late. In 1982 she finally went back to work for the Government—as a language instructor at the C.I.A. She died in 1988.

But her family, still angry at what had happened, persuaded Senators Daniel Patrick Moynihan and Alfonse D'Amato to sponsor a bill to compensate her for any wrongdoing. It was referred to the Court of Claims for a finding on whether she had a claim in law or equity.

Judge Andewelt said there was no basis for saying that Ms. Braude "was a security risk or was sympathetic to any political philosophy not within the mainstream." Indeed, he said, the record showed her to be "a rather typical American. She cared about others deeply and was loyal to her friends, family and country."

The judge found that the U.S.I.A. had "intentionally concealed" the reason for her dismissal and had "blacklisted" her thereafter. That was wrongdoing, he said, and gave Ms. Braude's heirs an equitable claim. The lawyers will work out the amount due, and the court will send that to Congress for action.

So, 43 years she was fired, 8 years after she died, Beatrice Braude got a kind of justice. I asked her lawyer, Christopher N. Sipes of Washington, why the effort on her behalf had been so persistent.

"She was happy," he said, "she served her country—and in a flash it was gone. In time, bewilderment turned to anger and frustration. She had friends and family who cared so much that they had the same burning desire to see justice done."

It would be nice to think that the cause of the injustice to Beatrice Braude and other loyalty victims—secret proceedings—is ancient history. But it is not.

The Clinton Administration has pressed for a so-called antiterrorism bill allowing the deportation of aliens on secret evidence. An unusual combination of civil libertarians on the right and left has just deleted that and other dangerous sections from the legislation. But the same proposals will be back on the floor next week as part of an immigration bill.

The National Rifle Association, in its criticism of the antiterrorism bill, made the case as well as anyone. "The constitutional right to confront one's accusers is a necessary safeguard against government abuses," it said. "Our nation has survived for 200 years without resorting to the use of secret evidence in criminal trials or deportation proceedings. Congress must not set a dangerous precedent by abandoning the right to confront evidence against you."

Re Estate of Beatrice Braude v. United States; Congressional Reference No. 93-645x.

COVINGTON & BURLING,
Washington, DC, June 19, 1996.

GRAY MAXWELL,
Legislative Director,
Hon. Daniel P. Moynihan,
Russell Senate Office Building,
Washington, DC

DEAR MR. MAXWELL: It was a pleasure speaking with you yesterday. As we discussed, I am writing now to update you on the status of Dr. Braude's case. As you may recall, on March 7, 1996, Judge Andewelt of the Court of Federal Claims ruled that Dr. Braude had been blacklisted by the Federal Government during the 1950s and 1960s on the basis of spurious allegations of disloyalty and that her state therefore had an equitable claim for compensation from the United States for the wrongs she suffered.

In its opinion, the court left open the amount of compensation due. Following negotiations with the Justice Department, the parties stipulated to $200,000 as the appropriate amount of compensation. On June 3, 1996, Judge Andewelt issued his final report, "recommend[ing] to Congress that plaintiff's equitably entitled to $200,000 from the United States ." For your convenience, I have attached copies of the March 7 and June 3 rulings.

The next, and final, step in the Congressional Reference regarding Dr. Braude's case is submission of the final report issued by Judge Andewelt to a review panel composed of three judges of the Court of Federal Claims. *See* 28 U.S.C. §2509(d). This review should complete the Congressional Reference and result in transmission of a final report on Dr. Braude's case back to the Senate. *See* 28 U.S.C. §2509(e).

It is unclear how long the review panel will take with Dr. Braude's case. However, both the Justice Department and plaintiff have submitted a notice of acceptance of the hearing officer's report, and therefore neither party is seeking review or otherwise raising any objections or issues for the review panel to address. It is our hope that, in the light of both parties' acceptance of Judge Andewelt's report, that report will be adopted by the review panel expeditiously and without modification. It is thus our hope that the Senate will shortly be receiving a final report on Dr. Braude's case indicating that she is equitably due $200,000 as a result of her wrongful blacklisting from government employment.

It is our understanding that payment of Dr. Braude's claim requires an appropriation from Congress. (In the alternative, it may be possible, if funds are already available, for her claim to be paid pursuant to a directive of Congress). For this reason, we urge you to discuss her case, and Judge Andewelt's favorite report, with members of the Appropriations Committee, and, more specifically, with the Subcommittee on Commerce, Justice and State. We understand that the Subcommittee has not yet scheduled a mark-up of its FY 1997 Appropriations Bill. We would be happy to accompany you to any meeting with the Staff and urge you to request that the Subcommittee bill include funding for Dr. Braude's claim.

Thank you again for your interest and assistance in this matter. Please feel free to call me or Joan Kutcher if we can be of any further assistance in this matter.

Sincerely yours,

CHRISTOPHER SIPES.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, June 18, 1996, the Federal debt stood at $5,118,200,749,524.53.

On a per capita basis, every man, woman, and child in America owes $19,306.24 as his or her share of that debt.

HONORING THE RAGSDALES FOR CELEBRATING THEIR 50TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, families are the cornerstone of America. The data is undeniable: individuals from strong families contribute to the society. In an era when nearly half of all couples married today will see their union dissolve into divorce, I believe it is both instructive and important to honor those who have taken the commitment of "till death us do part" seriously, demonstrating successfully the timeless principles of love, honor, and fidelity. These characteristics make our country strong.

For these important reasons, I rise today to honor Mr. Gene and Mrs. Vieta Ragsdale of Marshfield, MO, who on July 13, 1996, will celebrate their 50th wedding anniversary. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. Gene and Vieta's commitment to the principles and values of their marriage deserves to be saluted and recognized. I wish them and their family all the best as they celebrate this substantial marker on their journey together.

EARL VARNEY

Mr. SIMPSON. Mr. President, I rise to pay tribute to a most wonderful man and a dear friend of mine, Earl Varney. Earl Varney, a World War I Army veteran, will be honored by the community of Worland, WY, on Military Day, June 29, 1996. Earl will have celebrated his 100th birthday by that day! He is the oldest living veteran of that conflict now residing in Washakie County and quite possibly in the State of Wyoming.

Earl is absolutely an extraordinarily dazzling man. He is Wyoming's answer to George burns! He has all of the energy, graciousness, wit and good humor and civility of George BURNS himself—and especially the wit! His good humor reminds me of the old adage that my Mother, who Earl knew well, used to share with me—"Humor is the universal solvent against the abrasive elements of life."

My dear father, Milward Simpson, also loved Earl Varney. They used to have a helluva lot of fun together. They were contemporaries in every sense. They were veterans of World War I, great friends and business associates. They also worked together in the American Legion. They had a shared and splendid lifetime of friendship and memories and love and affection. When my Dad died at the age of 95, Earl was one of the first to respond to offer his condolences.

In addition to personally knowing my parents and grandparents, Earl knew the parents and grandparents of my dear wife, Ann. He was at her parents' wedding. He is such a thoughtful and kind man, too, as he always remembers others and the memorable dates and times in their lives.

Earl served this Nation proudly in the final months of World War I before the Armistice. His dates of service were September 18, 1918 to November 26, 1918. He achieved the rank of Corporal. Not only did Earl give to the Nation in uniform, he has also been a great contributor to the good of the entire State of Wyoming. He was born in Ansley, Nebraska on June 14, 1896 but he went on to become a true Wyomingite. After release from the Army in 1918, Earl moved to Thermopolis, WY, and worked as a pharmacist in the local drug store where he first met my wife's father, Ivan Schroll. His other professions over the years included managing a finance and insurance office in Greybull, Wyoming, owning the Varney Motors Ford dealership in Worland, WY, and operating the Worland Oil Corporations-Mobil Bulkplant and Service Stations. He also worked in real estate. Earl didn't really embark on any kind of a retirement program until he reached his mid 80's!!

We are so very fortunate to have Earl living among us in Wyoming. Earl is one of those special people that make up the core and fiber of the State—one of nature's nobleman. I cherish the years I have been the beneficiary of his counsel and friendship. My life is richer because of him. Those of us who know him so well think of him always as a rock solid citizen and a man who is authentic, honest and sincere—a man whose word is his bond. I know the proud community of Worland, WY, will be making June 29 a very special day for this good and dear man—Earl Varney. He so richly deserves it. God bless him.

REPUBLICANS STAND FOR CHILDREN

Mr. PRESSLER. Mr. President, today I would like to address a subject that has received much attention during the last several weeks—the future of our children.

As a father myself, I share the concerns of the many who recently marched on The Mall this month at the Stand for Children rally. Certainly, parents, families, teachers, and community leaders all agree that children should be protected and nurtured. This is a universal sentiment. We all stand for children. Every child deserves a safe and loving environment, adequate nutrition and a full education.

Child poverty and its related problems, such as hunger, certainly deserve our attention. Child poverty is an especially pressing problem in South Dakota, where unemployment in some areas reaches as high as 85 percent. According to the Annie E. Casey Foundation, 17 percent of all South Dakota children live in poverty, compared to 21 percent nationwide. Federal programs are designed to address these issues and many states like South Dakota are doing an admirable job. Child poverty has dropped 3 percent in my State since 1985.

Looking out for the best interests of children is not a partisan issue. The budgets passed in Congress demonstrate that we are protecting children. Child nutrition programs received an increase in this fiscal year—the National School Lunch program was increased by $173 million, the School Breakfast program by $107 million, the Women, Infants and Children program by $260 million. Head Start also was increased by $36 million. These increases mean that hundreds of additional children in South Dakota will receive the sustenance they need. The increases in school-based nutrition programs are especially beneficial. They allow children to concentrate on what is really important—learning. Clearly, Congress is making good on its commitment to the youngest and most vulnerable in our society.

The single greatest issue affecting our children's future though, is the Federal budget. Our $5 trillion debt threatens the quality of life of future generations on many fronts. Skyrocketing interest payments on our national debt will continue to squeeze out funding for other legitimate Federal programs, such as child care or foster care. We must take immediate action to control deficit spending to preserve our school lunch or Title I programs for future generations.

Budget deficits darken our children's economic future as well. We need a balanced budget to lower interest rates, spur economic development and create jobs. Lower interest rates will make a college education and a first home more affordable.

I was very disappointed that liberals in the Senate once again rejected the Balanced Budget Amendment. This is a moral issue. A balanced budget represents real hope and opportunity for all Americans. I continuously have supported a balanced budget, as well as a Balanced Budget Amendment to the Constitution. Our $5 trillion debt burden is an albatross that our children will be forced to carry. Having just celebrated Father's Day, I would like to give my daughter, and all other children, the gift of freedom from our national debt.

Balancing the budget, preserving programs like school lunch and Head Start, providing real hope and opportunity for future generations—that's how we can stand for children. All are not mutually exclusive goals. I look forward to working with my colleagues in the months ahead to ensure that we in Congress demonstrate a strong, bipartisan commitment to children.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a treaty.

MESSAGES FROM THE HOUSE

At 2:45 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2803. An act to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes.

H.R. 3525. An act to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

H.R. 3572. An act to designate the bridge on United States Route 231 which crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana, as the "William H. Natcher Bridge."

At 6:02 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1579. An Act to streamline and improve the effectiveness of chapter 75 of title 31, United States Code (commonly referred to as the "Single Audit Act").

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 3572. An act to designate the bridge on United States Route 231 which crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana, as the "William H. Natcher Bridge"; to the Committee on Environment and Public Works.

MEASURES PLACED ON THE CALENDAR

The following measures were read the first and second times by unanimous consent and placed on the calendar:

H.R. 3060. An act to implement the Protocol on Environmental Protection to the Antarctic Treaty.

H.R. 3562. An act to authorize the State of Wisconsin to implement the demonstration project known as "Wisconsin Works."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3045. A communication from the Acting Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Spearmint Oil Produced in the Far West; Revision of the Salable Quantity and Allotment Percentage for Class I (Scotch) Spearmint Oil for the 1995–96 Marketing Year," received on June 11, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3046. A communication from the Acting Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled

"Honey Research, Promotion, and Consumer Information Order—Amendment of the Rules and Regulations to Add HTS Code for Flavored Honey," (FV–96–701) received on June 11, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3047. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Mediterranean fruit Fly; Removal of Quarantined Areas," received on June 14, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3048. A communication from the Acting Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Tobacco Inspection; Grower's Referendum Results," (TB-95-15) received on June 13, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3049. A communication from the Acting Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Tobacco Inspection; Grower's Referendum Results," (TB-95-13) received on June 13, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3050. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Hazelnuts Grown in Oregon and Washington; Assessment Rate," (FV96-982-1) received on June 13, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3051. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Increased Assessment Rate for Domestically Produced Peanuts Handled by Persons not Subject to Peanut Marketing Agreement No. 146 and for Marketing Agreement No. 146 Regulating the Quality of Domestically Produced Peanuts," (FV96-998-1) received on June 13, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3052. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Apricots Grown in Designated Counties in Washington; Temporary Suspension of Minimum Grade Requirements," (FV-96-922-1) received on June 13, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3053. A communication from the Chief of the Forest Service, Department of Agriculture, transmitting, pursuant to law, the report of program performance for fiscal year 1995; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3054. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Apricots Grown in Washington; Temporary Suspension of Minimum Grade Requirements," (FV-96-922-1) received on June 18, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3055. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Irish Potatoes Grown in Colorado; Assessment Rate," (FV–96–948–1) received on June 18, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3056. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Fresh Cut Flowers and Fresh Cut Greens Promotion and Consumer Information Order—Postponement of Assessments," (FV–96–702) received on June 18, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3057. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Cranberries Grown in States of Massachusetts, Rhode Island, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in the State of New York," (FV–96–929–1) received on June 18, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3058. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the rule entitled "Viruses, Serums and Toxins and Analogous Products; Master Labels," received on June 17, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3059. A communication from the President of the United States, transmitting, pursuant to law, a report on foreign economic collection and industrial espionage; to the Select Committee on Intelligence.

EC–3060. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report relative to the Department of Commerce Trade and Investment Programs; to the Committee on Appropriations.

EC–3061. A communication from the Secretary of the Navy, transmitting, pursuant to law, a report of determination and findings relative to the authority to award a contract; to the Committee on Armed Services.

EC–3062. A communication from the Secretary of the Navy, transmitting, pursuant to law, a report of determination and findings relative to the authority to award a contract; to the Committee on Armed Services.

EC–3063. A communication from the General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, the major rule entitled "The Withdrawal of Employer-Employee and Computer Loan Origination Systems Exemptions," received on June 13, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–3064. A communication from the General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, the report of three rules including a rule entitled "Section 8 Tenant-Based Programs," received on June 11, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–3065. A communication from the Chairman of the U.S. Securities and Exchange Commission, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC–3066. A communication from the Secretary of Housing and Urban Development, transmitting, drafts of proposed legislation entitled "The FHA Multifamily Housing Reform Act of 1996" and "The Housing Enforcement Act of 1996"; to the Committee on Banking, Housing, and Urban Affairs.

EC–3067. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation entitled "The FHA Single Family Housing Reform Act of 1996"; to the Committee on Banking, Housing, and Urban Affairs.

EC–3068. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation entitled "The Community Development Block Grant Performance Fund and HOME Performance Fund Act of 1996"; to the Committee on Banking, Housing, and Urban Affairs.

EC–3069. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation entitled "The Homeless Assistance Performance Fund Act of 1996"; to the Committee on Banking, Housing, and Urban Affairs.

EC–3070. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the report entitled "Expanding Housing Choices for HUD-Assisted Families"; to the Committee on Banking, Housing, and Urban Affairs.

EC–3071. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the report entitled "The Assessment of the Comprehensive Grant Program"; to the Committee on Banking, Housing, and Urban Affairs.

EC–3072. A communication from the Acting Director of the Ballistic Missile Defense Organization, Department of Defense, transmitting, pursuant to law, a notice relative to Presidential Determination 96-27; to the Committee on Armed Services.

EC–3073. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relative to sixth special impoundment message for fiscal year 1996; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Armed Services.

EC–3074. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals dated June 11, 1996; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Agriculture, Nutrition, and Forestry, to the Committee on Armed Services, to the Committee on Finance, to the Committee on Foreign Relations, and to the Committee on Governmental Affairs.

EC–3075. A communication from the Chief of the Office of Legislative Liaison (Programs and Legislative Division), Department of the Air Force, transmitting, pursuant to law, the report of a cost comparison study relative to the Base Operating Support at all Air Force Bases; to the Committee on Armed Services.

EC–3076. A communication from the Chief of the Office of Legislative Liaison (Programs and Legislative Division), Department of the Air Force, transmitting, pursuant to law, the report of a multi-function cost comparison study relative to training equipment maintenance and the precision measurement laboratory at Kessler Air Force Base, MS; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-600. A resolution adopted by the Senate of the Legislature of the State of Georgia; to the Committee on Finance.

"SENATE RESOLUTION 288

"Whereas, it is estimated 37 million Americans are without health insurance, many while between jobs, and more are underinsured because of the effects of rising health care costs and spending. The costs of health care are escalating, forcing employers to trim the level and availability of health care benefits to their employees; and

"Whereas, overutilization of health care services for relatively small claims is one of the most significant causes of health care cost and spending increases. Currently, more than two-thirds of all insurance claims for medical spending are less than $3,000.00 per family per year in this country; and

"Whereas, in response to the runaway cost increases on health care spending in this country, the private sector has developed the concept of medical savings accounts. This initiative is designed to ensure health insurance availability for Americans. It is predicated on providing incentives to eliminate unnecessary medical treatment and encourage competition in seeking health care; and

"Whereas, through employer-funded medical savings account arrangements and reduced cost qualified higher deductible insurance policies, millions of Americans could insure themselves for both routine and major medical services. Under the concept of medical savings accounts, an employer currently providing employee health care benefits would purchase instead a low-cost, high deductible major medical policy on each employee. The employer may then set aside the saving premium differential in a medical savings account arrangement. The participating employees would use the money in the account to pay their medical care expenses up to the deductible. However, any account money unspent by the participating employees in a plan year would then belong to the employees to save, spend on medical care, or use otherwise. This would be a strong incentive for people not to abuse health expenditures and to institute "cost-shopping" for medical care services; and

"Whereas, by setting aside money for employees to spend on health care, employees could change jobs and use the money they had so far earned to buy interim health insurance or to cover health care expenses thereby eliminating the problems of uninsureds between jobs and helping to reduce "job-lock"; and

"Whereas, by making medical care decisions the employee's prerogative, individual policyholders have a strong stake in reducing costs. This simple financial mechanism will expand health insurance options to others who presently have no insurance. Most importantly, this move to decrease health care cost burdens in this country would require no new federal bureaucracy and would be revenue neutral to employers; Now, therefore, be it

"*Resolved by the Senate*, That the members of this body encourage the Congress of the United States to enact legislation swiftly and in good faith to enable Americans to establish medical savings accounts; be it further

"*Resolved*, That the Secretary of the Senate is authorized and directed to transmit an appropriate copy of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and all members of the Georgia congressional delegation."

POM-601. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Finance.

"HOUSE JOINT RESOLUTION NO. 227

"Whereas, tax-exempt industrial development bonds play a critical role in promoting economic development in the Commonwealth; and

"Whereas, these bonds are used by local industrial development authorities and corporations to create jobs and bring investment to the Commonwealth; and

"Whereas, in 1995, these bonds, amounting to $134 million, played a role in creating 2,500 jobs; and

"Whereas, the Virginia Small Business Financing Authority, which facilitates the administration of the industrial development bond program for the Commonwealth, finds that federal restrictions on the issuance of these bonds hinders business development; and

"Whereas, particularly restrictive is the $10 million cap and the limitation that bond proceeds cannot be used to finance associated office and warehouse space that businesses expanding in or relocating to Virginia need; and

"Whereas, Congressman Phil English has introduced H.R. 2617 to the 104th Congress to increase the cap to $20 million and to remove many of the unnecessary restrictions on the use of industrial development bonds; and

"Whereas, the Joint Subcommittee Studying Capital Access and Business Financing, created pursuant to House Joint Resolution No. 591 (1995) and Senate Joint Resolution No. 370 (1995), has expressed its support for H.R. 2617; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress of the United States be urged to pass legislation providing states and localities with additional flexibility relating to the issuance of tax-exempt industrial development bonds to promote economic development; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Virginia Liaison Office, and to each member of the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly of Virginia."

POM-602. A joint resolution adopted by the General Assembly of the State of New Jersey; to the Committee on Foreign Relations.

"ASSEMBLY RESOLUTION NO. 23

"Whereas, Since illegally coming to power in 1959, the government of Fidel Castro has constantly demonstrated a consistent disregard for internationally adopted standards of human rights and domestic values; and

"Whereas, The Cuban people have demonstrated their desire for freedom and democracy and their opposition to the Castro government by risking their lives by organizing demonstrations in opposition to Castro's totalitarian regime; and

"Whereas, Cubans regardless of their age, gender and medical conditions, are presently undertaking the hazardous and perilous 90 mile journey of freedom to the United States; and

"Whereas, Fidel Castro is attempting to manipulate this exodus of innocent people to win concessions from an American nation that has grown increasingly impatient and intolerant of his regime; and

"Whereas, The Castro regime has historically placed citizens of the United States in danger by maintaining a government dominated by the military and proliferating its offensive military capacity 90 miles from this nation's shores; and

"Whereas, In response to Castro's continued ruthless leadership, many Americans, regardless of ethnic or national background, feel strongly that the United States needs to isolate Castro's Cuba from the rest of the democratic world; and

"Whereas, The citizens of New Jersey fully support the federal "Cuban Democracy Act of 1992" and the trade embargo currently imposed by the government of the United States against the Cuban government; and

"Whereas, While additional sanctions recently imposed by President Clinton are having a dramatic impact on the ability of Castro to continue his forced rule over the Cuban people, a full quarantine of Cuba will further isolate the Castro government from the rest of the world, and thus hasten its movement towards democratic elections; now, therefore be it

"*Resolved by the General Assembly of the State of New Jersey:*

"1. The President of the United States is memorialized to assist the people of Cuba by implementing a full quarantine of Cuba until such time that the authoritarian regime of Fidel Castro gives way to a democratically elected government.

"2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives and every member of Congress elected from this State."

POM-603. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on Foreign Relations.

"SENATE RESOLUTION 2035

"Whereas, the Commonwealth of Puerto Rico enjoys a close relationship with the province of Taiwan, Republic of China, and

"Whereas, Dr. Sun Yat-Sen founded the Republic of China in Taiwan, which is at present the fourteenth largest commercial country, the twentieth in gross national product and the twenty-fifth in gross per capita income, and

"Whereas, the population of the Republic of China in Taiwan is greater than the population of two thirds of the members of the United Nations Organizations, and

"Whereas, the Republic of China in Taiwan has consistently shown its support to democracy and world peace, its concern for regional and international development, and its interest in programs of assistance to its global fellow neighbors, and

"Whereas, the establishment of an ad hoc committee for the study and analysis of the special situation of the Republic of China in Taiwan in the international community, has been proposed to the United Nations Organization in order to find a fair and viable solution to its participation within the frame of the United Nations Organization, and

"Whereas, the people of the Republic of China in Taiwan deserve appropriate recognition and credit for their dynamic participation in the international community, and

"Whereas, the Republic of China in Taiwan should be granted full membership in the United Nations Organization and its affiliated organizations in the same manner as other divided nations such as South Korea and the former East and West Germany, which have been granted full participation, and

"Whereas, considering that our Puerto Rican people lack the power to influence directly the United States of America's foreign policy which applies to Puerto Rico, through a vote for the president and representation entitled to vote, it is essential for this High Body to state its feelings on this matter; therefore, be it

"*Resolved by the Senate of Puerto Rico:*

"SECTION 1.—The President and the Congress of the United States of America are hereby requested to give their utmost consideration to render active support to the Republic of China in Taiwan as an important commercial nation, and as a former ally, in order to assist in achieving the full participation of the Republic of China in Taiwan in the international community in general, and in the United Nations Organization in particular.

"SECTION 2.—A copy of this Resolution, translated into the English language, shall be remitted to the President, to the Congress of the United States of America and to the Representative of the Republic of China in Taiwan.

"SECTION 3.—This Resolution shall take effect immediately after its approval."

POM–604. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Government Affairs.

"SENATE CONCURRENT MEMORIAL 1001

"Whereas, the federal government was established by the states through the ratification of the Constitution of the United States; and

"Whereas, the federal government was granted carefully limited powers under the Constitution of the United States and the Tenth Amendment to the United States Constitution provides that "[t]he powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people"; and

"Whereas, the Constitution of the United States established a system in which the states ceded only certain powers to the federal government; and

"Whereas, the framers recognized that separation of powers is essential and ensured that the rights of the people would be protected by establishing checks and balances not only between the branches of the federal government but also between the federal government and state governments; and

"Whereas, the legislative, executive and judicial branches of the federal government have by many actions usurped powers reserved by the Constitution of the United States to the states and to the people; and

"Whereas, by the combined actions of the legislative, executive and judicial branches of the federal government, the relationship between the federal government and state governments established by the Constitution of the United States has been severely unbalanced; and

"Whereas, the federal judiciary, itself a branch of the federal government, has failed to stop many of these federal excesses; and

"Whereas, the Supreme Court of the United States, in *Garcia* v. *San Antonio Metropolitan Transit Authority* (469 U.S. 528 (1985)), noted that the interests of states are best protected by their representation in Congress; and

"Whereas, to restore the balance of power between the federal government and state governments intended by the framers of the Constitution of the United States, the federal government must carefully consider, and be accountable for, the constitutional boundaries of its jurisdiction to protect the states and the people from the unwarranted assumption of power by the federal government.

"Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the One Hundred Fourth Congress of the United States enact legislation requiring the Congress of the United States to specify the section of the Constitution of the United States that grants Congress the authority to enact the proposed section of law. The Arizona Legislature supports the inclusion in such legislation:

"(a) That Congress be required to state explicitly the extent to which the proposed section of law preempts any state, local or tribal law, and if so, an explanation of the reasons for such preemption.

"(b) That if Article I, Section 8, Clause 3, Constitution of the United States, is identified as the Constitutional provision granting authority to Congress for its proposed section of law, Congress report a list of factual findings establishing a substantial nexus between the regulatory effect of the proposed section of law and interstate commerce.

"2. That the Secretary of State of the State of Arizona transmit certified copies of this Memorial to each Member of the Senate of the United States and the House of Representatives of the United States and to the Speaker of the House of Representatives and the President of the Senate of each state legislature in the United States."

POM–605. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Governmental Affairs.

"SENATE CONCURRENT RESOLUTION NO. 86

"Whereas, the number of unfunded federal mandates imposed upon the states by the United States Congress has alarmingly increased in recent years; and

"Whereas, this continuing imposition places Hawaii and her sister states in the precarious position of either attempting to fund the federal requirements with diminishing amounts of available revenue or jeopardizing eligibility for certain federal funds; and

"Whereas, the United States Congress should try to understand the difficult posture in which the states have been cast and the urgent necessity of the states to receive monetary assistance for these mandates or relief from the enforcement of these unfunded decrees; and

"Whereas, the members of this Legislature desire to convey to the United States Congress the seriousness of this problem so that the Congress may be completely cognizant of the effect the actions of the federal government have at the state legislative level and may be more sensitive to the difficulties unfunded federal mandates create; now, therefore be it,

"*Resolved by the Senate of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1996, the House of Representatives concurring*, That the United States Congress is respectfully requested not to enact federal legislative mandates on states without necessary funding; and be it further

"*Resolved*, That certified copies of this Concurrent Resolution be transmitted to the President of the United States Senate, the speaker of the United States House of Representatives, and the members of Hawaii's congressional delegation."

POM–606. A joint resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Governmental Affairs.

"SENATE RESOLUTION NO. 63

"Whereas, the number of unfunded federal mandates imposed upon the states by the United States Congress has alarmingly increased in recent years; and

"Whereas, this continuing imposition places Hawaii and her sister states in the precarious position of either attempting to fund the federal requirements with diminishing amounts of available revenue or jeopardizing eligibility for certain federal funds; and

"Whereas, the United States Congress should try to understand the difficult posture in which the states have been cast and the urgent necessity of the states to receive monetary assistance for these mandates or relief from the enforcement of these unfunded decrees; and

"Whereas, the members of this Legislature desire to convey to the United States Congress the seriousness of this problem so that the Congress may be completely cognizant of the effect the actions of the federal government have at the state legislative level and may be more sensitive to the difficulties unfunded federal mandates create; now, therefore, be it

"*Resolved* by the Senate of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1996, That the United States Congress is respectfully requested not to enact federal legislative mandates on states without necessary funding; and be it further

"*Resolved*, That certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of Hawaii's congressional delegation."

POM–607. A joint resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Governmental Affairs.

"HOUSE JOINT RESOLUTION NO. 26

"Whereas, Maxfield Parrish was a citizen of New Hampshire for 68 years; and

"Whereas, he was one of the foremost American artist/illustrators of the early 20th century; and

"Whereas, Maxfield Parrish painted 2 posters for the state of New Hampshire; and

"Whereas, through his art, Maxfield Parrish continued to expose millions to the beauties of the New Hampshire landscape; now, therefore, be it

"*Resolved by the Senate and House of Representatives in General Court convened:*

"That the New Hampshire legislature requests that the United States Postal Service issue a postage stamp honoring Maxfield Parrish; and

"That copies of this resolution be sent by the house clerk to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the United States Postmaster General and New Hampshire's Congressional delegation."

POM–608. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Governmental Affairs.

"HOUSE JOINT RESOLUTION NO. 179

"Whereas, employees of the Commonwealth and its political subdivisions may defer compensation to a date later in life when tax rates might be more advantageous; and

"Whereas, this deferred income remains the "property" of the employer as required by federal Internal Revenue Service regulations and technically has not been distributed to the employee; and

"Whereas, because the deferred compensation remains in the hands of the employer, there is a possibility that the employer can access deferred compensation funds should the employer find itself in need of revenue for any purpose; and

"Whereas, language contained in federal legislation would have required that all assets and income in state and local government deferred compensation plans be held in trust for the exclusive benefit of participants and their parties; and

"Whereas, current law prevents states from enacting similar requirements without compromising the tax advantages of deferred compensation plans; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring,* That the Congress of the United States be urged to enact legislation to provide that public employees' deferred compensation funds may be used for no other purpose than to return deferred compensation assets and income to the plan's participants and their beneficiaries. The Congress is urged to provide that all assets and earnings of deferred compensation plans for state and local government employees be held in trust for the exclusive benefit of participants and their beneficiaries; and, be it

"*Resolved further,* That the Clerk of the House of Delegates transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Virginia Liaison Office, and the members of the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly of Virginia on this issue."

POM–609. A concurrent resolution adopted by the Legislature of the State of Kansas; to the Committee on Veterans' Affairs.

"HOUSE CONCURRENT RESOLUTION NO. 5046

"Whereas, More than 600,000 members of the United States Armed Forces, including activated units of the Ready Reserve and National Guard, were deployed to the Persian Gulf region in Operation Desert Shield and Operation Desert Storm to liberate Kuwait; and

"Whereas, United States service personnel were exposed not only to the hazards of war, but to an unknown variety of potential health hazards, including exposure to smoke from oil well fires, depleted uranium and infectious biological weapons; and

"Whereas, More than 55,000 individuals who served in Operation Desert Shield and Operation Desert Storm have reported wide-ranging medical problems that began during service, or shortly after their return from the Persian Gulf, a significant number of which have not been accurately diagnosed or treated; and

"Whereas, There is evidence that family members of Gulf War veterans are experiencing health problems similar in nature to those of the veterans, including abnormal numbers of birth defects in children conceived by Gulf War veterans; and

"Whereas, In November 1994, Congress enacted the Persian Gulf War Veterans' Act, authorizing the Department of Veterans Affairs to compensate any Persian Gulf War veteran suffering from a chronic disability resulting from undiagnosed illnesses that occurred either during active duty or within a certain period following service in the Persian Gulf War; and

"Whereas, The Department of Defense has been conducting research into the causes of symptoms that have collectively come to be called "Gulf War Syndrome" for over three years and during that time, the Department has failed to make any substantive scientific progress in determining the causes, effects, and transmissibility of, or treating this disabling and sometimes fatal syndrome: Now, therefore,

"*Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein,* That we memorialize the President and the United States Congress to take action to identify, locate and provide funds for research and treatment of Gulf War related illnesses among Persian Gulf War Veterans, and, to that end, to work jointly with private research facilities; and be it further

"*Resolved,* That we urge the President and the Congress of the United States, and the Department of Defense to review the necessity for secrecy of all classified information bearing on the detrimental health effects that the Gulf War Veterans and their families are experiencing, and to make any previously classified material available for publication; and be it further

"*Resolved,* That we urge the President and the Congress of the United States to place a moratorium on the donation of blood, blood products and organs by veterans of the Gulf War until a determination regarding the communicability of these illnesses has been made; and be it further

"*Resolved,* That the Secretary of State be directed to send enrolled copies of this resolution to the President and Vice President of the United States, to the Speaker of the United States House of Representatives, to each member of the Kansas Congressional Delegation, to the Administrator of Veterans Affairs, to the Secretary of Defense and to the Secretary of Health and Human Services (Center for Disease Control)."

POM–610. A concurrent resolution adopted by the Legislative of the State of Oklahoma; to the Committee on Veterans' Affairs.

"SENATE CONCURRENT RESOLUTION NO. 57

"Whereas, Oklahoma's atomic veterans showed steadfast dedication and undisputed loyalty to their country and made intolerable sacrifices in service to their country; and

"Whereas, these atomic veterans gave their all during the terribly hot atomic age to keep our country strong and free; and

"Whereas, these atomic veterans were unknowingly placed in the line of fire, after being assured that they faced no harm, and were subjected to an ungodly bombardment of ionizing radiation; and

"Whereas, the radiation to which they were exposed is now and will continue eating away at their bodies every second of every day for the rest of their lives with no hope of cessation or cure; and

"Whereas, because their wounds were not of the conventional type and were not caused by the enemy but by the United States Government, the atomic veterans did not receive service-connected medical and disability benefits and did not receive a medal such as the Purple Heart; and

"Whereas, many atomic veterans have already died and others will die a horrible and painful death; now therefore, be it

"*Resolved by the Senate of the 2nd session of the 45th Oklahoma Legislature, the House of Representatives concurring therein:*

"That atomic veterans be recognized by the federal government.

"That the United States Senators and Representatives from Oklahoma propose or support legislation granting service-connected medical and disability benefits to all atomic veterans who were exposed to ionizing radiation and propose or support legislation issuing a medal to atomic veterans to express the gratitude of the people and government of the United States for the dedication and sacrifices of these veterans.

"That copies of this resolution be distributed to the President of the United States, the Vice President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the Secretary of Defense, the Secretary of Veterans Affairs, the Chairs of the United States House and Senate Veterans Affairs Committees, and each member of the Oklahoma Congressional Delegation.

"Adopted by the Senate the 21st day of May, 1996."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Governmental Affairs, without amendment:

S. 253. A bill to repeal certain prohibitions against political recommendations relating to Federal employment, to reenact certain provisions relating to recommendations by Members of Congress, and for other purposes (Rept. No. 104–282).

S. 1577. A bill to authorize appropriations for the National Historical Publications and Records Commission for fiscal years 1998, 1999, 2000, and 2001 (Rept. No. 104–283).

By Mr. STEVENS, from the Committee on Governmental Affairs, with amendments:

H.R. 2739. A bill to provide for a representational allowance for Members of the House of Representatives, to make technical and conforming changes to sundry provisions of law in consequence of administrative reforms in the House of Representatives, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 1888. An original bill to extend energy conservation programs under the Energy Policy and Conservation Act through September 30, 1996.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Vicky A. Bailey, of Indiana, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2001.

(The above nomination was reported with the recommendation that she be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INHOFE (for himself, Mr. FAIRCLOTH, Mr. GRAMS, Mr. ABRAHAM, Mr. HELMS, and Mr. MCCONNELL):

S. 1885. A bill to limit the liability of certain nonprofit organizations that are providers of prosthetic devices, and for other purposes; to the Committee on the Judiciary.

By Mr. FRIST:

S. 1886. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of educational grants by private foundations, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. Hatch, and Mr. Heflin):

S. 1887. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. MURKOWSKI:

S. 1888. An original bill to extend energy conservation programs under the Energy Policy and Conservation Act through September 30, 1996; from the Committee on Energy and Natural Resources; placed on the calendar.

By Mr. MURKOWSKI (for himself and Mr. Stevens):

S. 1889. A bill to authorize the exchange of certain lands conveyed to the Kenai Native Association pursuant to the Alaska Native Claims Settlement Act, to make adjustments to the National Wilderness System, and for other purposes; to the Committee on Energy and Natural Resources..

By Mr. FAIRCLOTH (for himself, Mr. Kennedy, Mr. Hatch, Mr. Biden, Mr. Lott, Mr. Daschle, Mr. Thurmond, Mr. Byrd, Mr. Warner, Mr. Leahy, Mr. Cochran, Mr. Heflin, Mr. D'Amato, Mr. Johnston, Mr. Gramm, Mr. Breaux, Mr. Frist, Ms. Moseley-Braun, Mr. Levin, Mr. Simon, Mr. Rockefeller, Mr. Reid, Mr. Dodd, Mr. Glenn, Mr. Kerrey, Mr. Kerry, Mr. Harkin, Mr. Bradley, Ms. Mikulski, Mr. Kohl, Mrs. Murray, Mrs. Boxer, Mr. Wyden, Mrs. Hutchison, Mr. Coverdell, Mr. Pryor, Mr. Lautenberg, and Mrs. Feinstein):

S. 1890. A bill to increase Federal protection against arson and other destruction of places of religious worship; read twice, and placed on the calendar.

By Mrs. BOXER (for herself and Mr. Bingaman):

S. 1891. A bill to establish sources of funding for certain transportation infrastructure projects in the vicinity of the border between the United States and Mexico that are necessary to accomodate increased traffic resulting from the implementation of the North American Free Trade Agreement, including construction of new Federal border crossing facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG (for himself and Mr. Wellstone):

S. 1892. A bill to reward States for collecting medicaid funds expended on tobacco-related illnesses, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 1893. A bill to provide for the settlement of issues and claims related to the trust lands of the Torres-Martinez Desert Cahuilla Indians, and for other purposes; to the Committee on Indian Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INHOFE (for himself, Mr. Faircloth, Mr. Grams, Mr. Abraham, Mr. Helms, and Mr. McConnell):

S. 1885. A bill to limit the liability of certain nonprofit organizations that are providers of prosthetic devices, and for other purposes; to the Committee on the Judiciary.

THE PROSTHETIC LIMB ACCESS ACT OF 1996

Mr. INHOFE. Mr. President, a few years ago I became exposed to a problem that exists in the lives of thousands of Americans. It happened when one of my closet friends in Oklahoma, Buddy Martin; lost both of his legs.

He was one of the fortunate ones who had the resources to purchase artificial limbs, and is able to live today a much more normal life than one could imagine.

It is because of this exposure that I rise today to introduce a bill to provide relief to thousands of Americans. Everyday far too many Americans are unable to live full and productive lives like Buddy Martin because they cannot afford adequate prosthetic care. There are over 250,000 Americans who cannot afford adequate prosthetic care. While the government provides assistance through Medicare and other programs they can not meet all of the needs, and they don't have to. The private sector stands ready to help, through nonprofit foundations, but they cannot because of our country's product liability laws. That is why I am introducing the Prosthetic Limb Access Act of 1996, I am joined by my colleagues Senators Faircloth, Grams, Abraham, and Helms.

In Oklahoma, a nonprofit foundation called Limbs for Life takes used artificial limbs, reconditions them, and provides them to needy people in third world countries, they do not give them to Americans. It is not because there is not the need, they do not provide them because of our country's laws regarding product liability. They would be unable to afford the necessary insurance to provide the limbs to needy Americans. One doctor in Oklahoma, Dr. John Sabolich, the Nation's foremost prosthesis expert, currently saws used devices in half before throwing them away, because of liability. He showed me a $50,000 prosthetic arm that was about to be destroyed; to make it reusable would only have required about 20 minutes of work. It is a disgrace that perfectly good artificial limbs have to be destroyed when there are thousands of Americans who could use them.

My bill would provide the necessary product liability relief, while still protecting the patients by providing relief for intentional wrongdoing. This would allow hundreds of Americans to care for themselves, work, and better enjoy a more full life.

There are over 3,000 new amputations each week, which amounts to 160,000 amputations each year, for a grand total of 3.8 million amputees in the United States. The number of new amputees has increased over the years because of the early detection of cancer, doctors are able to detect cancer earlier and it is better to sacrifice a limb to save a person. Therefore the demand for more limbs by needy people will only increase. I have been told that if this bill is enacted that at least 2,000 limbs per year could be made available for needy Americans. These are 2,000 people who otherwise would not have access to an artificial arm or leg. These are 2,000 people who are currently not living full and productive lives, who need assistance to care for themselves, sometimes to just accomplish tasks that we all take for granted such as eating, moving around, or even working.

I have met many of these people who would benefit from this legislation and have listened to their heartbreaking stories. And for everyone I've heard of there are hundreds more who go daily without a prosthetic device, depending on others.

There is Nestor, a man who is missing both arms. He states:

> My prosthesis is broken and I am unable to eat or do any activities of daily living such as personal care or cooking. I live alone and have no friends to help, so I must do things for myself.

There is Pearl, a 46-year-old woman with one leg missing, who lives in a nursing home. She said:

> I slip and fall so often when my crutches slip away from me—and it hurts a lot when my wrist or neck or other body parts are throbbing with pain for weeks due to my falls—and although I try to be careful and watchful, the crutches still can slip away from me when encountering the mopped floors or wet spots that are in a nursing home.

There is Dalia, she was fitted with her current prosthesis in 1983, but since then her body has changed and it no longer fits properly. She says:

> When I changed prosthesis, my whole body changed, my balance is off especially effecting my back. I have fallen down, have worsening osteoporosis and am very frustrated because I can't do the things I used to do.

Mr. President, I know these are sad stories, and I know we as Members run across sad stories every day. But here we can do something positive for them, which will solve their problems, at no cost to the taxpayers. We can provide them the same medical services we are now giving poor people in third world countries, and we can do this through the nonprofit sector. We have needy people and a willing organization ready to help. Mr. President, we should at least treat our own citizens as well as we treat those in other countries.

Mr. President, my legislation is supported not only by the Limbs for Life Foundation, but also: Goodwill Industries, National Amputee Fund, National Association for the Advancement of Orthotics and Prosthetics, American Academy of Physical Medicine and Rehabilitation, and the American Congress of Rehabilitation Medicine.

Mr. President, this is a simple bill which would create major relief for a number of needy people. It is not a broad product liability bill, so therefore it should not draw the opposition that other bills have received this Congress. It corrects a small problem that literally means the world for a large group of disabled Americans. I hope we can move this bill forward this year.

By Mr. FRIST:

S. 1886. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of educational grants by private foundations, and for other purposes; to the Committee on Finance.

EDUCATIONAL GRANTS LEGISLATION

• Mr. FRIST. Mr. President, I introduce a bill which is essential in building a higher educated and more productive labor force as we move toward the next century. My bill would encourage private foundations to increase the amounts they currently provide for educational assistance to students in their communities.

Currently, guidelines developed by the Internal Revenue Service can have the effect of prohibiting certain foundations from being able to provide the maximum amount of educational assistance to local students. As the Federal Government faces greater and greater fiscal constraints, we must look for ways to encourage the private sector to fill unmet educational needs.

Essentially, under current law, a private foundation will not suffer tax penalties if it meets certain tests when providing scholarships or educational loans to employees, or children of employees, of a particular employer. While there is a facts and circumstances test which can be met, uncertainty surrounding application of this test to an employer-related grant program results in much greater usage of a safe-harbor percentage test which has been developed by the Internal Revenue Service. This safe-harbor percentage test basically limits the amount of scholarships and loans that a foundation may provide to one out of four applicable children of employees of a particular company. This 25-percent test can cause hardship, especially in cases where a substantial percentage of the community at large works for a single employer.

My proposal eliminates this rigid 25-percent test.

I hope my colleagues will join me in supporting this essential education bill. By providing these private foundations relief from the IRS' rigid 25-percent test, we will be granting valuable and badly needed educational support to America's hard-working families.•

By Mr. GRASSLEY (for himself, Mr. HATCH, and Mr. HEFLIN):

S. 1887. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; to the Committee on the Judiciary.

THE FEDERAL COURTS IMPROVEMENTS ACT OF 1996

• Mr. GRASSLEY. Mr. President, I am introducing for myself, Senator HATCH, and Senator HEFLIN, a bill entitled "The Federal Courts Improvements Act of 1996." A first version of the bill, S. 1101, was introduced in August 1995, at the request of the Judicial Conference. In October of last year, we held a comprehensive hearing on that bill in the Judiciary Subcommittee on Administrative Oversight and the Courts, which I chair, at which both judges and lawyers testified at length on the substance of many of S. 1101's provisions. The present bill was crafted after many months of detailed discussions and intense collaboration between myself, Senators HATCH and HEFLIN, and the Administrative Office of the U.S. Courts. More importantly, we have worked closely with the other members of the subcommittee to address their concerns and include their suggestions, making this truly a bipartisan bill.

At the onset, I would like to elaborate on the spirit in which this bill was crafted. I am sure my colleagues are well aware, many of my efforts have focused on saving the Federal Government's sparse resources and making the most of taxpayer dollars. As chairman of the Judiciary Subcommittee with jurisdiction over the courts, I am also concerned that the Federal judicial system be administered in the most efficient and cost-effective manner possible, while maintaining a high level of quality in the administration of justice. In fact, I sent out a judicial questionnaire earlier this year requesting assistance from individual judges on their ideas and views of the needs of the Federal judiciary. I hope some of you have had the opportunity to review my subcommittee's report on the courts of appeal, which I released recently. The report on the District courts will be completed shortly. I found it enlightening to communicate with the individual judges, and hope that these lines of candid and constructive communication with the individual judges and the Administrative Office remain open and continue to produce beneficial results in terms of efficiency, cost savings, and other improvements within the Federal judiciary.

In drafting the Federal Courts Improvement bill, we worked closely with the Administrative Office to assess and address the needs of the Federal judiciary. As a result, the bill contains both technical and substantive changes in the law, many of which were carried over from previous Congresses and-or originally proposed in S. 1101. During our working sessions on the bill, some of the provisions in S. 1101, such as the sections dealing with Federal Defender Services matters, were determined to warrant further inquiry or additional hearings. On the whole, the bill is broad-reaching, and contains provisions concerning judicial process improvements; judiciary personnel administration, benefits and protections; judicial financial administration; Federal Courts Study Committee recommendations; and other miscellaneous issues. Almost all of the provisions have been formally endorsed by the Judicial Conference, the governing body of the Federal courts. I would now like to mention some of the more salient provisions of the bill.

Many provisions contained in this bill streamline the operation of the Federal court system. A good example of our attempt to render the judiciary more efficient is section 605, which abolishes a special tribunal with narrow jurisdiction, the Special Court, the Regional Rail Reorganization Act of 1973, established in the early 1970's to oversee the reorganization of insolvent railroads. The work of this court is basically concluded, with the court's docket containing 10 largely inactive cases. This section transfers the Special Court's jurisdiction over those cases and any future rail reorganization proceedings to the U.S. District Court for the District of Columbia, where the court's records and a majority of its judges are currently located, and makes other technical and conforming changes incidental to the court's abolition. The elimination of this court will produce budgetary and administrative economies and, according to the Administrative Office of the U.S. Courts, result in an annual cost savings of approximately $175,000.

Section 209 simplifies the appeal route in civil cases decided by magistrate judges with consent by confining appeals of judgments in such cases to the court of appeals and eliminating an alternative route of appeal to the district judge. A single forum of appeal in civil consent cases simplifies court procedures and recognizes the existing practice in most districts. The Judicial Conference recommended such action in the long range plan for the Federal courts. Also, this section would not alter the role of magistrate judges as adjuncts to article III courts since district judges would still control the referral of consent cases to magistrate judges.

Section 304 changes the reappointment procedure for incumbent bankruptcy judges. Rather than requiring the judicial council for a circuit or a merit selection panel to undergo a lengthy and time-consuming screening process, this section streamlines the reappointment process for judges whose performance has previously been reviewed. In this manner, the section eliminates unnecessary expenditures of time and money.

Another example is section 202, which authorizes magistrate judges to try all petty offense cases. Traditionally, safeguards applicable to criminal defendants charged with more serious crimes have not been applicable to petty offense cases because the burdens were deemed undesirable and impractical in dealing with such minor misconduct. Section 202 also authorizes magistrate judges to try misdemeanor cases upon either written consent or oral consent of the defendant on the record. This amendment enhances the efficiency of the courts, since most defendants routinely consent to proceeding before the Federal magistrate judge system. Presently, consent to trial of misdemeanor cases by magistrate judges is required to be in writing, although there is no legal significance between written consent and consent made orally on the record, provided that the defendant's consent is made with full knowledge of the consequences of such consent, is intelligently given, and is voluntary. Elimination of the written-consent requirement saves time and eases burdensome paperwork for court personnel, while preserving knowing and voluntary consent in such cases.

Additional sections that facilitate judicial operations are sections 201 and 205. Section 201 authorizes magistrate judges temporarily assigned to another judicial district because of an emergency to dispose of civil cases with the consent of the parties. Section 205 clarifies that deputy clerks may act whenever the clerk is unable to perform official duties for any reason, and permits the court to designate an acting clerk of the court, when it is expected that the clerk will be unavailable or the office of clerk will be vacant for a prolonged period.

Provisions in this bill also clarify existing law to better fulfill Congress' original intent. For example, section 208 enables the United States to obtain a Federal forum in which to defend suits against Federal officers and agencies when those suits involve Federal defenses. This section would legislatively reverse the Supreme Court's decision in *International Primate Protection League, et al.* v. *Administrators of Tulane Educational Fund, et al.*, 111 S.Ct. 1700 (1991), which held that only Federal officers, and not Federal agencies, may remove State court actions to Federal court pursuant to 28 U.S.C. 1442(a)(1). The section would also reverse at least three other Federal district court decisions which held that Federal officers sued exclusively in their official capacities cannot remove State court actions to Federal court. The result of these decisions has been that Federal agencies have had to defend themselves in State court, despite important and complex Federal issues such as preemption and sovereign immunity. Section 208 fulfills Congress' intent that questions concerning the exercise of Federal authority, as well as the scope of Federal immunity and Federal-State conflicts, be adjudicated in Federal court. It also clarifies that suits against Federal agencies, as well as those against Federal officers sued in either an individual or official capacity, may be removed to Federal district court. More importantly, this section does not alter the requirement that a Federal law defense be alleged for a suit to be removable pursuant to 28 U.S.C. §1442(a)(1).

Another example is section 503, which repeals a provision in a 1981 continuing appropriation resolution barring annual cost-of-living adjustments in pay for Federal judges except as specifically authorized by Congress. Repeal of section 140 restores the operation of 28 U.S.C. §461 as to article III judges and parity with the other two branches of Government, as enacted by the Federal Salary Cost-of-Living Adjustment Act of 1975 and amended by the Ethics Reform Act of 1989.

Several sections improve the judicial court system in other ways. Section 206 amends section 1332 of title 28 relating to diversity jurisdiction to raise the jurisdictional amount in diversity cases from $50,000 to $75,000. The purpose of this amendment is to supplement the increase of the jurisdictional amount from $10,000 to $50,000 in the 100th Congress by a modest upward adjustment to $75,000. Section 210 requires each Judicial Council to submit an annual report to the Administrative Office of the United States Courts on the number and nature of orders relating to judicial misconduct or disability under section 332 of title 28 of the United States Code. This reporting requirement was recommended by the Report of the National Commission on Judicial Discipline and Removal of August 1993, which found that reliable information concerning council orders was difficult to obtain.

In addition, section 608 extends by 6 months the due date of the Civil Justice Reform Act reports on the demonstration and pilot programs. The bill at section 609 also extends the authorization of appropriations by 1 year of the use of arbitration by district courts under 28 U.S.C. §651. This will give us more time, if needed, to consider how we will implement permanently alternative dispute resolution in the courts.

In conclusion, this bill is the result of careful consideration by members of the subcommittee and their staff, in close collaboration with the Administrative Office, who have all worked long and hard in attempting to produce a strong, bipartisan piece of legislation. I am pleased to say that the legislation we are introducing today not only enhances and improves the operation of the Federal judiciary, but also takes into consideration any potential increase in costs to the Federal budget.•

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 1889. A bill to authorize the exchange of certain lands conveyed to the Kenai Native Association pursuant to the Alaska Native Claims Settlement Act, to make adjustments to the National Wilderness System, and for other purposes; to the Committee on Energy and Natural Resources.

THE KENAI NATIVE ASSOCIATION EQUITY ACT

• Mr. MURKOWSKI. Mr. President, today I introduce the Kenai Native Association Equity Act. This legislation will correct a significant inequity in Federal law with respect to lands conveyed to the Kenai Natives Association [KNA] under the Alaska Native Claims Settlement Act [ANCSA]. This legislation, which will mark the final outcome of a process begun nearly 14 years ago.

The legislation directs the completion of a land exchange and acquisition package between the U.S. Fish and Wildlife Service [USFWS] and KNA. The legislation will allow KNA, for the first time, to make economic use of lands conveyed them under ANSCA. The final stage of this process began by directing in Public Law 102-458, a land exchange and acquisition package between the USFWS and KNA. Over the past year, negotiations were completed, resulting in the legislation I am introducing today.

Mr. President, unlike other corporations in ANCSA, KNA, as an urban corporation, was not entitled to receive monetary settlement or additional lands than those granted under ANCSA. KNA ultimately selected 19,000 of its 23,040 entitlement within what later became the Kenai National Wildlife Refuge. KNA lands are located between operating oilfields within the refuge to the North and urban and suburban developments to the South.

At the request of the USFWS, KNA officials chose lands along the boundaries of the refuge so that development would be allowed. Notwithstanding the representation that development would be allowed, the USFWS advised KNA after selections were made that use of the property would be severely restricted by the application of section 22(g) of ANCSA.

Section 22(g) requires that all uses of private inholdings within the refuge comply with the laws and regulations applicable to the public lands within a refuge and that those lands be managed consistent with the purpose for which the refuge was established. Section 22(g) has been an ongoing problem in Alaska as it has significantly limited the economic use of private lands within refuges.

Pursuant to agreements between USFWS and KNA, this legislation will allow USFWS to acquire three small parcels of land and KNA's remaining ANCSA entitlement at appraised value. These parcels include: Stephanka Tract, 803 acres on the Kenai River; Moose River Patented Tract, 1,243 acres; Moose River Selected Tract, 753 acres; and Remaining Entitlement, 454 acres.

The total habitat acquisition of 2,253 acres will be purchased with *Exxon Valdez* oilspill funds at a cost of $4,443,000. Therefore, there would be no cost to the Federal Government for the purchase of these lands. Refuge boundaries would be adjusted to remove 15,500 acres of KNA lands from the refuge, thus resolving the 22(g) conflict. This can be done because, although the property is within the refuge—it does not belong to the Federal Government. KNA would also receive the refuge headquarters site in downtown Kenai which consists of a building and a 5-acre parcel.

Under the terms of this agreement, the USFWS has proposed, in order to maintain equivalent natural resource protection for Federal resources, that Congress designate the Lake Todatonten area, approximately 37,000 acres, as a BLM Special Management Area [SMA]. The lake is adjacent to the Kanuti National Wildlife Refuge. The SMA would be subject to subsistence preferences under ANILCA and to valid existing rights. While I support the intent of this provision I do intend on exploring its implications on land use closely during Senate hearings before the Energy and Natural Resources Committee.

Mr. President, I believe the Kenai Native Association has waited long enough to resolve these issues. It is my intention to move this legislation quickly and get it behind us.•

By Mr. FAIRCLOTH (for himself, Mr. KENNEDY, Mr. HATCH, Mr. BIDEN, Mr. LOTT, Mr. DASCHLE, Mr. THURMOND, Mr. BYRD, Mr. WARNER, Mr. LEAHY, Mr. COCHRAN, Mr. HEFLIN, Mr. D'AMATO, Mr. JOHNSTON, Mr. GRAMM, Mr. BREAUX, Mr. FRIST, Ms. MOSELEY-BRAUN, Mr. LEVIN, Mr. SIMON, Mr. ROCKEFELLER, Mr. REID, Mr. DODD, Mr. GLENN, Mr. KERREY, Mr. KERRY, Mr. HARKIN, Mr. BRADLEY, Ms. MIKULSKI, Mr. KOHL, Mrs. MURRAY, Mrs. BOXER, Mr. WYDEN, Mrs. HUTCHISON, Mr. COVERDELL, and Mr. PRYOR):

S. 1890. A bill to increase Federal protection against arson and other destruction of places of religious worship.

THE CHURCH ARSON PROTECTION ACT OF 1996

Mr. FAIRCLOTH. Senator KENNEDY and I stand here today united in our belief that the rash of church arson must end and now. If we in Congress cannot agree that church burning is a despicable crime, what can we agree upon? It is not a matter of liberals, conservatives, blacks, or whites. It is about justice, faith, and right and wrong. Five of these churches—sadly, including a recent one on last Sunday night—were located in my home State of North Carolina.

I have every confidence that local law enforcement in my State can solve these crimes, but there is a real possibility that persons from outside of my State and other States may have set the fires, and that is the need for this bill and for Federal law enforcement assistance and a Federal statute. We have taken too long as a nation to react to this tragedy.

I do not know why the response has been so slow, nor do I fully understand if these crimes were the acts of conspirators or copycats.

What I do know is that we are sending a clear message today to anyone who is thinking about burning a church, that the wrath of the Federal Government will fall upon them. Scoundrels who burn churches have no refuge in our America on this day or any other day. They should and will be prosecuted and punished to the fullest extent of the law.

To that end, Senator KENNEDY and I have introduced this bill, full of both symbol and substance, to protect houses of worship.

Growing up and living in the rural South, I understand better than a lot of people that the church serves as a center of family life, of the community life, and in so many of these areas life is built around the church. Consequently, they hold in more ways than one a sacred place in the hearts of the people within that community. There is far more potential in these churches to cure what ails us as a nation than the Federal Government will ever possess. Let us renew our commitment with energy and conscience to protect the rights of all Americans without regard to race or religion.

Mr. KENNEDY. Mr. President, recently, the entire Nation has watched in horror and disbelief as an epidemic of terror has gripped the South. Events we all hoped were a relic of the past are now almost a daily occurrence. The wave of arsons primarily directed at African American churches is a reminder of some of the darkest moments in our history—when African-Americans were mired in a quicksand of racial injustice. We have come a long way from the era of Jim Crow, the Klan, and nightly lynchings. But these arsons are a chilling reminder of how far we have to go as a nation in rooting out racism.

In the 1960's, at a time when acts of violence against African-Americans were commonplace, when white freedom workers were being murdered by cowardly racists, Congress first began to speak vigorously and in a bipartisan fashion to condemn this violence and address the many faces of bigotry. Today, we again speak with a united voice in introducing bipartisan legislation to address this alarming recent epidemic of church burnings.

I commend my colleague from North Carolina, Senator FAIRCLOTH, for his leadership on the legislation we are introducing today. It is vitally important for the American people to recognize that all Americans—Democrats and Republicans, whites and nonwhites, Catholics, Protestants, Jews, and Muslims—must speak with a united voice in condemning and combating these outrageous acts. We must send the strongest possible signal that Congress intends to act swiftly and effectively to address this festering crisis.

President Clinton has also spoken eloquently on this issue, and has provided strong leadership. I applaud his efforts to commit substantial additional Federal resources to the investigations. Just as it was appropriate in the 1960's for the Federal Government to play an important role in reducing racial unrest, it is vitally important today for the Federal Government to take an active role in combating these racist arsons.

I also commend Congressmen HENRY HYDE and JOHN CONYERS, who developed the bipartisan House bill that was passed swiftly and unanimously yesterday, and I urge the Senate to act with similar swiftness.

There are four basic components to the Faircloth-Kennedy bill. First, it provides needed additional tools for Federal prosecutors to address violence against places of worship. The bill amends the primary Federal statute dealing with destruction of places of worship to make it easier to prosecute these cases. Current law contains onerous and unnecessary jurisdictional obstacles that have made this provision largely ineffective. In fact, despite the large number of incidents of destruction or desecration of places of religious worship in recent years, only one prosecution has been brought under this statute since its passage in 1988. Our bill will breathe life into this statute by removing these unnecessary obstacles.

In addition, our bill strengthens the penalty for church arson by conforming it with the penalties under the general Federal arson statute. By conforming the penalty provisions of these two statutes, the maximum potential penalty for church arson will double, from 10 years to 20 years. Our bill also extends the statute of limitations from 5 to 7 years, giving investigators needed additional time to solve these difficult crimes.

Giving prosecutors additional tools will enable them to address the current crisis more effectively. However, we must also deal with the aftermath of the arsons that have left so many needy communities without a place of worship. The bill contains an important provision granting the Department of Housing and Urban Development the authority to make loan guarantees to lenders who provide loans to places of worship that have been victimized by arson.

This provision does not require an additional appropriation of funds to HUD. It simply gives HUD authority to use funds it already has. These loan guarantees will serve an indispensable function to help expedite the rebuilding process and the healing process.

These arsons have placed an enormous burden on State and local law enforcement, who also must investigate the crimes and address the tense aftermath within their communities. Our bill contains two measures to assist State and local law enforcement and local communities in responding to these vicious crimes. The Department of the Treasury is authorized to hire additional ATF agents to assist in these investigations, and to train State and local law enforcement officers in arson investigations. ATF already trains 85 to 90 percent of local law enforcement in how to investigate arson. This authorization will facilitate needed additional training.

The bill also authorizes the Department of Justice to provide additional funds to the Community Relations Service, a small but vital mediation arm established by the Civil Rights Act of 1964. The mission of the Community Relations Service is to go into a community and reduce racial unrest through mediation and conciliation. The Community Relations Service has worked effectively to calm communities during some of the Nation's most difficult moments in the battle for racial justice, and it has earned the respect of law enforcement officials and community leaders nationwide.

In 1996, its budget was cut in half—from 10 million to $5 million. As a result, at a time when its services are in enormous demand, the Community Relations Service is about to be forced to lay off half of its already slim staff. This bill authorizes the restoration of funds to the Community Relations. We must act now, because its services are urgently needed.

Finally, the bill reauthorizes the Hate Crimes Statistics Act. This rash of arsons demonstrates the need to document all hate crimes nationwide. Reauthorizing the Hate Crimes Statistics Act is essential, and law enforcement groups, religious leaders, and civil rights leaders throughout the Nation strongly support it.

Taken together, this bill represents a sensible and practical response to the church arson crisis. We have a constitutional obligation to preserve the separation of church and state, but we also have a Federal obligation to protect the right of all Americans to worship freely without fear of violence. We believe this legislation is a timely and constructive step to stem the tide of violence in the South. If more can be done, we will do it.

In a larger sense, this tragic violence provides an opportunity for all Americans to examine our consciences on the issue of prejudice. We must work to root out racism and bigotry in every form. If we create a climate of intolerance, we encourage racist acts of destruction. While I respect and indeed cherish the first amendment right of free expression, we must be mindful that words have consequences. It is distressing that hate crimes are on the rise—whether arson of a church or assaults and murders because of bigotry. At other times in our history, we have been able to act together to heal a sudden or lingering sickness in our society, and we will do so now. The fundamental challenge is to re-commit ourselves as a Nation to the basic values of tolerance and mutual respect that are the Nation's greatest strengths.

The courage and faith demonstrated by the parishioners and clergy of the burned churches is an inspiration to the entire country. Their churches may have burned, but their spirit endures, and it is stronger than ever.

I also welcome the outpouring of generosity from numerous sources in the private sector. I commend the many individuals, businesses, congregations, and charitable organizations that have pledged financial support to rebuild the churches. These generous acts, as Martin Luther King once said, "will enable us as a Nation to hew out of the mountain of despair a stone of hope."

I urge my colleagues to join in expediting action on this urgent legislation. America is being tested, and the people are waiting for our answer.

Mr. President, this Faircloth-Kennedy bill addresses the recent spate of arsons that have gripped the South. The bill contains a number of measures designed to assist prosecutors and investigators in pursuit of the cowardly perpetrators of these crimes, and to assist victims and communities in the rebuilding process. This statement pertains to Congress' constitutional authority to amend the criminal provision pertaining to destruction of religious property and violent interference with right of free exercise of religious worship.

The bill amends title 18, United States Code, section 247 to make it easier for prosecutors to establish Federal violations in instances of destruction or desecration of places of religious worship. Although section 247 was passed in 1988, there has been only one Federal prosecution due to the onerous jurisdiction requirements contained in section 247(b).

The interstate commerce requirement of section 247(b)(1) is much greater than in other similar Federal statutes. For example, title 18, United States Code, section 844(i) is the general Federal arson statute and contains a much lower interstate commerce threshold than is found in section 247(b)(1).

The $10,000 requirement of section 247(b)(2) is arbitrary and unnecessary, and does not reflect the serious nature of many bias motivated acts of violence against places of religious worship. For example, there have been a number of incidents of bias-motivated violence committed by skinheads against synagogues which involved firing gunshots into these sacred places of worship, or the desecration of solemn symbols or objects, such as a Torah.

The Justice Department is providing specific examples of the limitations of section 247 which it will present at a hearing scheduled for June 25, 1996 in the Judiciary Committee. The monetary damage amount in these incidents described above is minimal. Yet, the devastation caused by these crimes is enormous, and the Federal Government can and should play a role in prosecuting these heinous acts of desecration.

The Faircloth-Kennedy bill amends section 247 in a number of ways. Most importantly, the onerous jurisdictional requirements of section 247(b) are discarded in favor of a more sensible structure that will better enable prosecutors to pursue the cowardly perpetrators of these crimes.

Section 2 of the bill contains congressional findings that set out in explicit detail the constitutional authority of Congress to amend section 247. A hearing was conducted in the House of Representatives on May 21, 1996, and a hearing will be conducted in the Senate on June 25, 1996, in which substantial evidence has or will be presented to support these congressional findings.

Congress has three separate bases of constitutional authority for amending section 247. First, Congress has authority under section 2 of the 13th amendment to enact legislation that remedies conditions which amount to a badge or incident of slavery. The Supreme Court, in *Jones* v. *Alfred H. Mayer Co.*, 392 U.S. 409 (1968), and *Griffin* v. *Breckenridge*, 403 U.S. 88 (1971), held that Congress has broad power under the 13th amendment to enact legislation that addresses societal problems of discrimination. In Griffin, the Supreme Court held that "there has never been any doubt of the power of Congress to impose liability on private persons under section 2 of the th[e Thirteenth] Amendment.

The arsons that have occurred have been directed primarily at African-American churches. Although a number of the perpetrators have not been apprehended, it is clear from the statement of the Justice Department that a substantial number of the arsons were motivated by animus against African-Americans. Indeed, these events are a tragic reminder of a sad era in our Nation's history, when African-Americans were mired in a quicksand of racial injustice. As such, Congress has the authority under the 13th amendment to amend section 247, and to eliminate the interstate commerce requirement altogether.

Congress also has authority under the commerce clause to enact this legislation. As the record makes clear, the churches, synagogues, and mosques that have been the targets of arson and vandalism, serve many purposes. On

Saturdays or Sundays, they are places of worship. During the rest of the week, they are centers of activity. A wide array of social services, such as inoculations, day care, aid to the homeless, are performed at these places of worship. People often register to vote, and vote at the neighborhood church or synagogue. Activities that attract people from a regional, interstate area often take place at these places of worship. There is ample evidence to establish that Congress is regulating an activity that has a "substantial effect" upon interstate commerce.

Mr. President, I would like to include as cosponsors of this legislation the Senator from West Virginia [Mr. BYRD]; the Senator from Connecticut [Mr. DODD]; and the Senator from Alabama [Mr. HEFLIN].

Mr. President, I ask unanimous consent the upcoming hearing on church arson currently scheduled for June 25, 1996 by the Judiciary Committee as well as excerpts of other statements submitted in the context of that hearing be made a part of the overall record pertaining to consideration of the Faircloth-Kennedy church arson prevention bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT OF STATEMENT OF DEVAL PATRICK, ASSISTANT ATTORNEY GENERAL, CIVIL RIGHTS DIVISION, BEFORE THE COMMITTEE ON THE JUDICIARY, MAY 21, 1996

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear today to discuss the efforts of the Department of Justice to prosecute those individuals responsible for the deplorable act of setting fires to houses of worship and intimidating their parishioners.

Let me assure you all, first and foremost, that the Department of Justice considers investigation of church fires and prosecution of those persons responsible for attempting to destroy houses of worship to be among our most important investigative and prosecutorial priorities. Houses of worship have a special place in our society. They are, of course, the center of a community's spiritual life. In many communities, the church is the center of its social life as well. As we have seen in communities that are the subject of today's hearing, destruction of a church can have devastating effects.

When the fire is accompanied by an explicit or implied threat of violence directed at church members because of their race, these devastating effects are multiplied. In our society, arson of a church attended predominantly by African Americans carries a unique and menacing threat—that those individuals are physically vulnerable because of their race. These threats are intolerable; no one in our society should have to endure them. The Department of Justice is committed to insuring that those who make such threats will be prosecuted and will serve sentences commensurate with the cowardly and despicable nature of their actions.

I will provide a more general overview of federal prosecutorial activities.

FEDERAL JURISDICTION

There are a number of statutes that provide federal jurisdiction over arsons at churches.

We also have jurisdiction under 18 U.S.C. 247 and 248. Under 18 U.S.C. 247, anyone who "intentionally defaces, damages, or destroys and religious real property, because of the religious charter of that property, or attempts to do so," through use of fire, has committed a felony. Subsection (b) of the statute states that the defendant must have traveled in interstate or foreign commerce, or used a "facility or instrumentality of interstate or foreign commerce in interstate or foreign commerce" in committing the crime, and caused more than $10,000 damage.

Section 844(h) of Title 18 applies when fire or an explosive is used to commit another crime, and section 844(i) of Title 18 prohibits the use of fire when destroying a building used in interstate or foreign commerce. Section 248(a)(3) of Title 18 makes it a crime to "intentionally damage[] or destroy[] the property of a place of religious worship." As we discuss later, however, our ability to use 248 may be limited.

SUCCESSFUL PROSECUTIONS

Investigation of church fires is extremely challenging. Fire often destroys all of the relevant evidence. In addition to examining the evidence at the scene of the fire, many witnesses must be interviewed in order to get a lead, as there are seldom witnesses to an arson at a church, particularly churches located in rural areas, as many of these churches are. There are currently over 200 federal agents from the ATF and FBI assigned to the various fires we are investigating.

We have had successful federal prosecutions, and have secured sentences commensurate with the seriousness of these crimes. Two recent cases demonstrate the type of investigations and prosecutions that vindicate federal rights.

MAURY COUNTY, TENNESSEE

In January of 1995, two African American churches and an African American-owned tavern were burned. Local law enforcement investigated, and arrested three suspects, all of whom said the fires were the result of actions they took while intoxicated, and were intended only as a joke. The FBI also investigated, and determined that all three defendants spent a Sunday watching the Super Bowl, drinking, and discussing their hatred of African Americans. The discussion later turned specifically to "burning nigger churches." After gathering various supplies, the defendants first drove to an adjoining county and tried to set fire to the tavern by throwing a molotov cocktail through the window. It failed to ignite. They also burned a cross on the tavern property. They then crossed back into Maury County and went to the Friendship Missionary Baptist Church, an African American church, and threw a railroad tie and molotov cocktail through the window. The fire ignited and caused heavy damage to the church. They also attached a small cross to the church sign and ignited it. They then drove to another African American church, the Canaan African Methodist Episcopal Church, again throwing a molotov cocktail into the church and causing damage, and again leaving a cross on church property.

The FBI obtained inculpatory statements and physical evidence, and identified other persons who later testified before the grand jury concerning the defendants' intent to burn African American churches. Attorneys from the United States Attorney's Office for the Middle District of Tennessee, as well as from the Criminal Section of the Civil Rights Division, participated in the Federal prosecution of these three defendants. They also met often with local church officials, not only to keep them apprised of the developments in the Federal prosecution, but also to discuss with them the impact of this attack on the members of the church.

The defendants were arrested in August of 1995 on Federal charges of violating 18 U.S.C. 241 by conspiring to set fire to the two African American churches and the tavern. They pled guilty to the Federal charges in October of 1995. Two of the defendants were sentenced to 33 months in Federal prison, and the third to 57 months, for this hate crime.

One reason we decided to proceed with a Federal prosecution was that because the tavern firebombing occurred in another county, trial in State court would have required separate State indictments and resulted in the juries in each case seeing only part of the overall crime. The Federal conspiracy charge permitted the full scope and nature of the crime to be presented in one prosecution, and provided certain evidentiary advantages, such as the admissibility of co-conspirator statements. In addition, the sentences these defendants would have received under local law were much less than Federal law would permit. The Federal sentencing guidelines permitted the court to tailor sentences which reflected the culpability and subsequent cooperation and acceptance of responsibility by the defendants. The Government was able successfully to argue at sentencing that the leader of three defendants deserved an enhanced sentence. The Federal investigation also revealed that the local firefighters who responded to the first church burning were placed at a substantial risk of death or serious bodily injury by the fire, which also persuaded the court to impose an enhanced sentence. The decision to proceed against these defendants in Federal court and on Federal charges resulted in sentences that fit the contemptible nature of their actions and the effect of those actions on the members of the churches they attempted to destroy.

PIKE COUNTY, MISSISSIPPI

On April 5, 1993, on the 25th anniversary of the death of Rev. Martin Luther King, Jr., two African American churches in rural southern Mississippi burned to the ground. The FBI, with some cooperation by the local sheriff's department, took the lead in the investigation and identified three suspects, one adult and two juveniles. The Bureau contacted the father of one suspect, and met with the suspect, his father and his attorney. Later the Bureau agent and a lawyer from the criminal Section of the Civil Rights Division met with another suspect and the suspect's parents. The suspects admitted setting fire to the churches. The churches were chosen because they were African American churches, and the suspects admitted making racially derogatory remarks such as "Burn Nigger Burn" and "that will teach you Niggers" when setting the fires.

These fires were set in an area of Mississippi with a disturbing and violent racial past. This prosecution sent a strong message that this sort of violence will not be tolerated. A thorough six month investigation was done, followed by grand jury testimony. On October 1, 1993, all three participants pled guilty to violating 18 U.S.C. 241. Two defendants were sentenced to 37 months in Federal prison and one to 46 months.

These are two instances of successful Federal investigation and prosecution of hate crimes involving the burning of African American churches. Other fires have been investigated jointly with State and local authorities. Some of these have resulted in State convictions and lengthy sentences.

INCREASE IN REPORTS OF CHURCH FIRES

We have found a disturbing increase in the number of fires at churches reported to the Justice Department over the past two years. As of May 1, 1996—only four months into the year—we had received reports of fires at 24 churches, seventeen of which occurred at churches in which the membership is predominantly African American. During 1995, we received reports of fires at 13 churches, and reports of acts of vandalism at three churches that did not involve fires. Eleven of the fires that occurred in 1995 were at African American churches. From 1990 through 1994, we received and investigated reports of fires at only 7 houses of worship, 6 of which were at African American churches, and acts of vandalism at 5 synagogues.

This pattern of church fires has not been limited to one region of the country. The reports of church fires occurring in 1996 have come from Alabama, Georgia, Louisiana, Mississippi, Tennessee, Virginia, South Carolina, and Texas in the southern United States, and also from Arizona, Maryland, and New Jersey. In 1995, we investigated church fires that occurred in Alabama, North and South Carolina, and Tennessee, and also one that occurred at an African American church in Washington state.

Nearly one-quarter of the cases reported to us in 1995 and 1996 have been resolved. Of the 24 fires reported to us as of May 1 of this year, arrests have been made in two cases, and one has been determined to have been accidental. The rest remain under active federal investigation, and we are hopeful that we can bring some to conclusion soon. Of the 13 fires and 3 incidents of vandalism occurring in 1995, 10 remain under active federal investigation. Two investigations have been closed after successful federal prosecution, and one fire was determined to be accidental. Arrests have been made in two of the incidents still under active investigation. The three incidents of vandalism at churches in Alabama were resolved through local prosecution.

We have taken a number of steps to encourage local law enforcement personnel throughout the country and others to contact the FBI and ATF whenever a fire appears suspicious. We have also spoken to church and civil rights leaders in many areas to encourage them to get the word out to their parishioners and members that fires and acts of vandalism at houses of worship are of serious federal concern, and that they should quickly report these incidents to both local and federal officials.

I recently went to Boligee, Alabama, to visit the sites of recent church arsons and to meet with local law enforcement officials as well as officials of the damaged churches. I spoke both of the high priority these cases have in the Department of Justice, and of our need for a close relationship with local law enforcement and local citizens regarding these kinds of actions. I was heartened by the reception I was given by local church officials, and I hope they, and other church members and other citizens around the country fully understand the Department's commitment. I know that Assistant Secretary James Johnson from the Department of the Treasury has also made a number of visits to churches around the country victimized by suspicious fires, and has explained the manner in which the federal government is responding to these fires.

I am sure that local church and community members are as frustrated as we are by those instances in which church fires are not yet solved. I certainly hope that those same officials and citizens understand that we are actively investigating these fires, and doing whatever we can to determine what happened and to make arrests where criminal activity occurred. It is important to remember that arsons are among the most difficult crimes to solve. Fire often destroys important evidence. Some of these fires were set at churches located in rural, isolated areas, and for that reason the fires at some were extensive. In some instances, churches burned to the ground. It is not yet clear whether the increase in the number of fires reported to us reflects an increase in the number of fires that have occurred, or reflects an increase in reporting. As I stated earlier, we have actively encouraged local citizens and law enforcement officials to report all fires at houses of worship to federal officials, and recent publicity about some church fires may have encouraged the reporting of others.

It is clear, however, from some of the cases that have been solved, that some of the people who have set fires at houses of worship are motivated by hate. Most of the other cases are still under investigation. As you know, I cannot discuss specifics of any open case. I can say, however, that during our investigation we focus not only on the circumstances of the specific fire before us, but also on whether, if we identify an individual or individuals responsible for the fire, there is any evidence that these individuals have any ties to fires that have occurred elsewhere in the country. Because these investigations are ongoing, it is premature to draw conclusions one way or the other as to whether the fires we are seeing are part of an organized hate movement.

DIFFICULTIES WITH FEDERAL JURISDICTION

While I mentioned the Federal statutes that give us jurisdiction over some fires and acts of vandalism at houses of worship, using those statutes does present some difficulties.

18 U.S.C. 241 applies when we have two or more defendants acting in a conspiracy. While we can get significant jail sentences under section 241, we can use section 241 only when we have a conspiracy of two or more persons. When we do not have two or more individuals involved in the fire, section 241 is not available.

When we are left with only one suspect, our jurisdiction is provided by 18 U.S.C. sections 247 or 248. Prosecutions under section 247 are complicated significantly by the fact that subsection (b) of the statute states that the defendant must have traveled in interstate or foreign commerce, or used a "facility or instrumentality of interstate or foreign commerce in interstate or foreign commerce" in committing the crime, and caused more than $10,000 damage. These provisions make this statute nearly impossible to use. The $10,000 requirement means that when the damage from the fire is minimal, or when hate is expressed, not through fire but through desecration or defacement of houses of worship, 18 U.S.C. 247 is not an available source of jurisdiction. In those cases, the message of hate is just as clear, and the effect on the victims often just as palpable and disturbing, but an important law enforcement tool is not available.

18 U.S.C. 248(a)(3) also provides Federal jurisdiction in church arsons. While that section could be a useful tool to address this problem, we believe that the Supreme Court's recent decision in *United States* v. *Lopez*, 115 S.Ct. 1624 (1995), may make use of that provision more difficult.

Section 844(h) of title 18 applies when fire or an explosive is used to commit another crime, and section 844(i) of title 18 prohibits the use of fire when destroying a building used in interstate or foreign commerce. Their utility is limited, however, where no other crime is present, or the interstate commerce nexus is not met.

CONCLUSION

The Clinton Administration is determined to address this problem using all the law enforcement and investigative tools available, working cooperatively with our Federal as well as State and local law enforcement. Solving these crimes, and punishing those responsible, remains a high priority for this Administration.

STATEMENT BY THE REV. DR. JOSEPH E. LOWERY, PRESIDENT, SOUTHERN CHRISTIAN LEADERSHIP CONFERENCE, CHAIRMAN, BLACK LEADERSHIP FORUM, INC., TO THE JUDICIARY COMMITTEE, TUESDAY, MAY 21, 1996

Mr. Chairman, and Members of the Judiciary Committee, the Department of Justice through the Assistant Attorney General, Civil Rights Division, has advised us that (as of April 24, 1996) they have investigated "fires and incidents of desecration" at 46 different houses of worship in 15 States . . . since 1990.

Of the 46 incidents listed, 29 remain unsolved. So far in 1996, 25 incidents have been reported, and 23 remain unsolved.

We have been outraged at these continuing attacks on places of worship—and sorely disappointed that until recently law enforcement in particular, as well as government and media in general—have seemed only mildly interested in focusing on these acts of terrorism. Scant notice was given by national media until a church where the assistant pastor was a well known professional football star—was torched.

In late 1995, SCLC intensified its protest and plea to law enforcement agencies to unleash all available resources to bring these criminals to justice.

In early 1996 we visited the sites of burned churches in Alabama and Louisiana. Subsequently, Asst. Atty. Gen. Deval Patrick visited our offices in Atlanta to assure us that the investigation of these fires would be given top priority. An official in the enforcement division of the Treasury Department (ATF) also called and informed us that a Joint Task Force with the Justice Dept.—consisting of approximately 100 persons—had been assigned to the investigation. We were advised that two of the officers originally assigned to the Task Force had been removed after it was discovered that they had been among ATF agents who attended a Good Ol' Boy Roundup, where shameful racist activities took place. It is our understanding that none of the agents who frequented these "Roundups" has been dismissed or severely disciplined. African Americans are concerned that many law enforcement agencies include personnel who are also members of racist groups.

We are not surprised at this feeble response to racist behavior—for like the national response to these church burnings, it represents a fifty-first state in the nation—"the state of denial". While we have been shocked as a nation at the rise of hate groups and right-wing terrorists that have bombed federal buildings, and militia groups that pose serious threats to democracy, we have downsized the racist nature of these groups. History, however, is clear that hate mongers in this nation are usually integrated with white supremacists, anti-Semites, and neo-Nazis. They are usually gun addicts and are heavily armed with assault weapons.

Is it any wonder that we are outraged that law enforcement agencies insist on denying the racist nature of these attacks on the soul of the Black community—our churches?

A few days ago a gang of white teenagers in Ft. Myers, Florida—known as "Lords of Chaos"—shot and killed a high school band director who uncovered their mayhem. This gang of white teens—from affluent homes (some of whom were honor students)—had burned a soft drink warehouse, a restaurant with exotic birds; had burned property of a Baptist church and were on their way to attack Disney World with assault weapons. What the media have hardly mentioned is that their plans included a shooting spree against Black tourists following the attack on Disney.

We are witnessing a frightening and serious assault on African Americans in this nation, in the judicial and legislative suites—as well as in the streets. One hundred years ago, around the time of Plessy vs. Ferguson (separate but equal) African Americans were stripped of political power and our properties including churches were burned. One hundred years later the ghost of Plessy vs. Ferguson and the forces that ended reconstruction are haunting the nation. Our children are cast into inferior courses by "tracking" and other forms of miseducation and denial of justice and equal opportunity in education. Our voting rights are being devastated by federal judges who hold the sacred rulings of their predecessors in contempt. Equal opportunities in employment and economic enterprise are imperiled by the assault on affirmative action. The rhetoric around welfare reform suggests that welfare recipients are black, lazy, dishonest, and need to be penalized for being poor. It is soundly perceived and believed that efforts to balance the budget are totally insensitive to the needs of the poor and elderly—and that the budget should be balanced on the backs of the poor. So-called angry white males are concerned that affirmative action, the Federal government, and welfare recipients are their enemies and are responsible for their economic uncertainties. These misconceptions are fomented by the rhetoric and policies of extremists in both the public and private sector.

While we continue to call for intensive and massive efforts by law enforcement to bring these criminals to justice, we recognize that concomitantly, we must: (1) recognize the widening impact of anti-Black, anti-poor policies, in creating attitudes of hostility that can translate into acts of hostility; (2) we must hold accountable the extremist groups that fan flames of racial and class divisions.

We would strongly urge the Congress of these United States to:

1. Call for a massive, intense effort on the part of the FBI, and the entire law enforcement contingency of the United States government to bring to justice those who committed these crimes.

2. Commend, support and encourage the ministers, congregations and communities that refuse to be intimidated by these cowardly acts of terrorism. The message must be loud and clear that the African American community will not be intimidated in 1996 any more than we were in 1896, 1963 or any other time. These attacks stiffen our resistance to oppression and render firm our resolve in the pursuit of justice and equity.

We respectfully urge this committee and the Congress to remember the history of fire bombing of churches in our community. While no life has been lost, we recall with deep pain and sorrow the murder of four little girls in Sunday school in a church in Birmingham, Alabama. These criminals must be stopped before such tragedies recur.

3. We respectfully urge the committee and the Congress to seek ways and means of addressing the economic distress, the loss of jobs, the growing fears and uncertainties about the future in ways that do not make African Americans, Hispanics, women, and low income persons—scapegoats.

We urge the Congress to engage in a positive campaign to achieve racial justice and an end to political, judicial, economic and street violence.

We believe that an intelligence system and advanced criminological technology that can identify terrorists in faraway lands, and in New York and Oklahoma, ought to be able to apprehend angry arsonists who burn churches.

Finally, some religious extremists have offered rewards for the culprits and challenged civil rights groups to match the reward monies.

We believe the religious community could better serve the common good by engaging in joint efforts to eliminate the climate of hostility which encourages acts of hostility. We are willing to work together for social justice, the beloved community, and an end to economic, political, judicial and physical violence.

EXCERPTS OF TESTIMONY OF JOHN W. MAGAW, DIRECTOR, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, BEFORE THE COMMITTEE ON THE JUDICIARY, MAY 21, 1996

Thank you, Mr. Chairman, Mr. Conyers, and members of the Committee, for providing this forum to discuss the Federal response to the recent series of church fires, predominately African-American, that have occurred in the Southeastern United States. The Bureau of Alcohol, Tobacco and Firearms is the arson investigative agency of the Federal government, and we bring unparalleled expertise to fire investigations. Today, I'd like to highlight ATF's role in working with State and local fire and police authorities, the Federal Bureau of Investigation, and the Civil Rights Division of the Department of Justice in investigating these fires. The burning of churches is a particularly heinous crime because those who would attack our churches seek to strike at our most fundamental liberties and sources of personal support. African-American churches historically have served as places of sanctuary, centers of the community, and symbols of freedom. ATF is committed to fully applying all of our investigative resources to determine the cause of these fires and arrest those responsible for the arsons.

Although ATF has dedicated a tremendous amount of resources to investigating this unusual increase in the number of church fires, church fires are not necessarily a new phenomenon. According to statistics compiled by the National Fire Data Center (NFDC) in the U.S. Fire Administration, 179 church fires were reported in 1994. The NFDC estimates that the statistics represent half of the actual number of fires which occur each year. ATF has investigated 135 church fires across the United States since October 1, 1991. However, as depicted in the displayed pie chart, all church fires that ATF initially investigates are not determined to be arsons.

CURRENT CHURCH FIRE INVESTIGATIONS

Since January 1995, ATF has conducted more than 2,600 fire investigations. During this same period, ATF has conducted 51 church fire investigations. Twenty-five of these investigations are arsons which occurred at predominately African-American churches in the Southeast. These include six in Tennessee: five each in Louisiana and South Carolina; four in Alabama; three in Mississippi; and one each in Virginia and Georgia. These locations are reflected in the displayed map chart. As you know, these investigations are ongoing and, therefore, I am unable to go into detail about the specifics of these fires. I can tell you that, as of May 15, 1996, there have been two individuals arrested in connection with fires in Williamsburg County and Manning, South Carolina. In addition, there have been three arrests in Lexington County, South Carolina; one arrest in Tyler, Alabama; and another in Satartia, Mississippi. I am confident that we will make additional arrests in the near future.

The concentration of arsons at African-American churches, depicted on the line chart, raises the obvious possibility of race/hate-based motives. The proximity in time and geographic region indicates the possibility that some of the fires are connected. Because of the potential of racial motives, and the possibility that some fires may be connected, there has been an extraordinary degree of coordination of the various investigations. We are always aware of the possibility that evidence and information developed in one investigation might provide valuable leads in another. While the targets, timing, and locations of the arsons have resulted in heightened attention to race/hate-based motives and possible connections, ATF must also examine all other possible motives for the fires. Motives can range from blatant racially motivated crimes to financial profit to simply personal revenge or vandalism. In any event, the motive in one arson does not automatically speak to the motive in another arson or series of arsons. A conspiracy was uncovered involving at least two fires in South Carolina. We have not yet found any evidence of an interstate or national conspiracy, but until our work is done no motive or suspect will be eliminated.

The Bureau of Alcohol, Tobacco and Firearms (ATF) is the arson investigative agency of the Federal government and we bring unparalleled expertise to fire investigations. AFT derives its authority to investigate arson incidents, in part, from 18 U.S.C. Section 844(i) which makes it a Federal crime to use explosives or fire to destroy property affecting interstate commerce. The legislative history of this law makes it clear that Congress intended it to cover churches and synagogues. The interstate nexus generally flows from national or international affiliations that involve the movement of funds, property, and other support services across State boundaries.

Since January 1995, ATF has conducted more than 2,600 fire investigations. During this same period, ATF has conducted 51 church fire investigations. Twenty-five of these investigations are arsons which occurred at predominately African-American churches in the Southeast. We are working in concert with over 20 State and local law enforcement and fire agencies, as well as with the FBI, the Civil Rights Division of the Department of Justice, U.S. Attorneys' offices, and local prosecutors. We have committed virtually every arson investigative resource at our disposal to the investigation of the African-American church fires. Approximately 100 ATF special agents have been assigned to the active investigations in the Southeast. We have employed all of ATF's investigative resources, such as our National Response Teams, Certified Fire Investigators, and ATF-trained accelerant detecting canines to help process the crime scenes.

Because of the potential of racial motives, and the possibility that some fires may be connected, there has been an extraordinary degree of coordination of the various investigations. A conspiracy was uncovered involving at least two fires in South Carolina. We have not found any evidence so far of an interstate or national conspiracy, but until our work is done no motive or suspect will be eliminated. African-American churches have served as places of sanctuary, centers of the community, and symbols of freedom. We will continue to vigorously pursue all investigative leads to solve these arsons and remove the fear.

Mr. KENNEDY. Mr. President, I ask unanimous consent that a section-by-section analysis of the legislation be printed in the RECORD.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

FAIRCLOTH-KENNEDY CHURCH ARSON PREVENTION ACT

Section One: Short Title: This section notes that the bill may be cited as "The Church Arson Prevention Act of 1996."

1. Sections Two and Three: Amendment to Federal Criminal Code.—Title 18, United States Code, Section 247, is one of the principal federal statutes addressing destruction of religious property. Since its passage in 1988, this provision has been used once by federal prosecutors, despite the hundreds of incidents of destruction or desecration of religious property. (The one case involved the murder of a cult member by another cult member.) The reason prosecutors do not use the statute is because it contains jurisdictional requirements that, as a practical matter, have been impossible to meet.

Specifically, section 247(b) contains a very high interstate commerce requirement, a requirement that is not constitutionally mandated, even after *Lopez*. The level of interstate commerce required under section 247(b) is much higher than is required in other similar federal statutes, such as the arson statute.

In addition, in cases of destruction of religious property, there is a requirement that the damage exceed $10,000. The monetary requirement is arbitrary, and does not reflect the seriousness of many crimes. For example, there have been a number of very serious cases involving skinheads firing gunshots into synagogues that could not be prosecuted under this statute because the damage did not exceed $10,000.

The upshot of these two requirements is that section 247 is essentially useless because prosecutors cannot meet the unduly onerous jurisdictional requirements. The attached bill (Section 3) addresses this problem by eliminating these unworkable jurisdictional requirements and replacing them with a more sensible scheme that will expand the scope of a prosecutor's ability to prosecute religious violence under section 247. The monetary requirement is eliminated altogether, and the interstate commerce requirement is replaced by a much more workable framework that will enable prosecutors to prosecute church arsons, as well as other serious acts of religious violence, under this statute. The House bill contains a very similar provision, and the Administration supports this approach.

The Senate bill pertaining to section 247 contains two additional features that are not contained in the House bill. First, the Senate bill conforms the penalty provisions of section 247 so that they are identical to the general federal arson statute. Presently, if a defendant is prosecuted under the federal arson statute for the arson of a building in which nobody is injured, he faces a maximum possible penalty of 20 years. However, if that same person burns down a place of religious worship, and is prosecuted under section 247, the maximum possible penalty is 10 years. Similarly, the statute of limitations for prosecutions under the general federal arson statute is seven years, while it is only five years under section 247. The Senate bill corrects these anomalies by conforming these provisions of section 247 to the provisions of the federal arson statute.

The Senate bill (Section 2) also contains the requisite Congressional findings that enable Congress to amend section 247. These findings, in conjunction with the extensive factual record that is being generated, are intended to ensure that the bill withstands constitutional scrutiny.

2. Section 4: Loan Guarantees—The Senate bill contains a provision intended to assist victims in seeking to rebuild without running afoul of First Amendment establishment clause concerns. Under this provision, HUD will have the authority to use up to $5,000,000 from an existing fund to extend loan guarantees to financial institutions who make loans to 501(c)(3) organizations that have been damaged as a result of an act of terrorism or arson. This provision does not require an appropriation of additional funds to HUD. It will simply give HUD the authority to use already existing funds in a new manner. The financial benefit derives primiarly to the financial institution, which now has the ability to make certain loans that it might now otherwise have considered. The House bill does not contain this provision.

3. Section 5: Additional Resources to ATF—ATF trains approximately 85-90% of state and local law enforcement in how to investigate suspicious fires. It has been very difficult for state and local enforcement to keep pace with the recent spate of arsons. As a result, ATF has played a prominent role in these investigations. The bill contains authorization language (Section 5) for ATF to add investigators and technical support personnel to participate in these investigations, and to train state and local law enforcement with the necessary arson investigation skills to enable them to conduct these difficult investigations. The House bill does not contain this provision.

4. Section 5: Additional Resources to Community Relations Service—The Community Relations Service is the mediation/conciliation arm of the Justice Department that was created as part of the Civil Rights Act of 1964. Its mission is to go out in the community to quell racial unrest through mediation and conciliation. From working in Memphis following the death of Martin Luther King to working in Los Angeles during the Rodney King riots, the Community Relations Service has worked to calm communities during our nation's most tense moments. CRS focuses on non-litigation approaches to problem solving, and has earned the respect of police chiefs and community leaders across the country.

In an unfortunate development, CRS had its budget cut in half (10 million to 5 million) during the 1996 appropriation cycle. Consequently, effective June 22nd, at a time when their services are in great demand, CRS will be forced to lay off almost half its staff, unless they get additional money. Section 5 of the bill contains authorization language for CRS to receive such sums as are necessary to perform these essential services. It is Senator Kennedy's hope that CRS ultimately will be funded at 1995 levels. The House bill does not contain this provision.

5. Section 6: Reauthorization of the Hate Crimes Statistics Act—Newspaper reports give differing accounts of the number of church fires that have occurred over the past two years. The inability to document the number of such incidents points to the need to reauthorize the Hate Crimes Statistics Act permanently.

Section 7 contains a provision permanently reauthorizing the Hate Crimes Statistics Act. Although the Senate has already passed a separate bill reauthorizing the HCSA, the House has not acted. Given the paucity of time remaining in this legislative term, it is imperative to pass the HCSA reauthorization as soon as possible. As a result, it has been included in the Senate bill.

If you have any questions, feel free to contact me at 224-4031. I hope your Senator will consider co-sponsoring this proposal so that the Senate can send a strong message to the American public on this pressing issue.

6. Section 7: Sense of the Senate—Section 7 is a sense of the Senate resolution commending individuals and entities who have assisted financially, or offered to assist financially, in the rebuilding process. This resolution encourages the private section to continue these efforts.

7. Section 8: Severability Provision.—This clarifies the severability of all provisions of this bill.

Mr. KENNEDY. I think I have 2 minutes left. I yield 2 minutes to the Senator from Alabama for his comments.

Mr. THURMOND. Mr. President, may I make an inquiry? Am I listed on that bill as cosponsor? I just want to find out.

Mr. KENNEDY. Senator FAIRCLOTH, I think, is indicating in the affirmative, Senator.

Mr. FAIRCLOTH. Yes, the ones so far are Senator LOTT, Senator THURMOND, Senator WARNER, Senator D'AMATO, Senator GRAMM, Senator Frist, and Senator COCHRAN. There are several others, and many more who are going to sign on, but you are listed, Senator THURMOND.

Mr. KENNEDY. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes, 30 seconds.

Mr. KENNEDY. I yield 2 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, we recently awoke once again to disturbing news that has become all-too-commonplace. We were told that during the night, additional southern black churches had been burned. These recent church burnings came amidst heightened national concern over the epidemic of such episodes throughout the South. As each fire is reported, we cling to the hope that what we will hear is that it was the result of an accident and not the work of some demented arsonist. The evidence, however, points away from the accidental fire.

As these hateful incidents continue to occur with alarming regularity, we are reminded of some of the most terrible moments of the civil rights struggle of the 1960's. Then, homes, businesses, churches, and other property was set afire in the dark of the night by those who wanted to preserve the existing social order. Their goal was to intimidate and frighten those working legally for the causes of equality and integration.

To those of us who remember those dark days and who applaud the progress which has been made in our society since then in terms of race relations, these current images of fires at churches in the early hours before dawn are profoundly disturbing and disconcerting. This is not supposed to happen in this day and age, not in the South or anywhere in this country.

Such incidents remind us that such hatred is alive in the United States of America and it is directed today at the very heart of these small, rural black communities. We ask ourselves who would hate a group enough to burn its church, the spiritual and social center of the community. The forces of evil are intentionally striking at the very soul of these communities by destroying their most sacred and powerful symbols.

Last week, the President said:

> This country was founded on the premise of religious liberty. It's how we got started * * * It is the cruelest of all ironies that an expression of bigotry in America that would sweep this country is one that involves trashing religious liberty.

Most would agree that one of the most logical institutions or symbols for bringing different people together would be a house of worship. What better venue could there be for transcending social and cultural division than the spiritual setting provided by a church?

These fires are far more than an expression of religious bigotry. The fact that these small churches are so much more to the community than simply places of worship makes the expressions of hatred even more egregious. They go beyond religion to the very essence of racial hatred. We have to ask ourselves what kind of hatred could possibly motivate individuals to destroy these symbols of a community in such a despicable manner.

As the Government searches for ways to address this epidemic, including the legislative efforts which I strongly support, we have to look at the twin possibilities of a conspiracy and the work of copycat arsonists. If it is a conspiracy, the work of one isolated group or groups fanning their hatred across the South, then our task is to find the perpetrators and prosecute them to the fullest extent of the law. Some of the evidence points to a conspiracy, such as the timing of the fires—they have all occurred in the very early hours of the morning, before day-light. As disturbing as it would be, it would be better for us as a country if the fires are the result of a conspiracy, the work of one group of individuals that does not reflect the current sentiment in this region of the country.

If, on the other hand, they are the result of copycats, which is more likely the case, then we are dealing with a societal disease. Addressing such a societal ill is far more difficult and requires a much different response that goes beyond basic law enforcement. At the same time, it provides us with an opportunity to reevaluate race relations in this country and to seek new ways to improve them. As these tragic fires illustrate, some remedial attention with regard to continued progress in race relations is needed.

There are some ways in which communities can be brought together because of these fires. White churches should invite their black neighbors who have lost their places of worship to come and worship with them. Black and white churches should come together in forming watches to prevent these attacks in the future. Ministers—black and white—should speak forcefully about racial equality and of the importance of honoring houses of God and keeping them sacred.

These rather small but commonsense acts of neighborliness and spiritual leadership could direct more attention on where we are in terms of racial attitudes and relations. It is sad that with all the progress we have made over the last few decades, these kinds of terrorist acts still occur. Throughout my career, I have striven to promote racial harmony in my State and throughout the Nation. I am proud of the progress we have made. But, as my time in the Senate draws to a close, I am, frankly, quite disheartened that these kinds of incidents are again plaguing our society.

While we do all in our power possible to stop these hate crimes, bring their perpetrators to justice, and encourage compliance with the law, we should also ask ourselves if there is more we can do as individual communities to advance the causes of equal rights and racial harmony. So, Mr. President, I support the Faircloth-Kennedy bill. I think it is an improvement over the House bill. A lot of work has gone into this. I think it approaches the situation with an investigatory device, to try to enhance the right of the FBI to investigate these terrible acts that are occurring throughout our Nation.

Senator PRYOR has asked me to add his name to this. I am sure there will be others. I ask unanimous consent the cosponsors' names be allowed to be entered for a period of time following this.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, I also see this as an opportunity to bring further improvement in regard to race relations. Yesterday I spoke with a group of Methodist ministers. I told them this was an opportunity to extend a hand of friendship to the black members of churches that were destroyed, to endeavor to try to work with them to improve their lot in the agony they are suffering today. I think this is an opportunity.

I do not know whether this is a conspiracy or whether it is a copycat situation. If it is a conspiracy, we should root out the perpetrators of this and punish them. If it is a copycat situation, then we have to try to work to remove the root cause.

So, it is something I think the American people ought to be aware of, and that they ought to do everything they can to address these crimes.

I fully support this bill.

Mr. KENNEDY. Mr. President, I yield the remainder of our time.

Mr. FAIRCLOTH. Mr. President, any time I have remaining I also yield back.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, the Senator from Massachusetts and the Senator from North Carolina, have they completed their remarks and the introduction of their bill?

Mr. KENNEDY. I thank the Chair and ranking minority member for yielding for this purpose. We yield back our time.

Mr. NUNN. I congratulate both Senators on taking this step. I think there is nothing that is so discouraging and heartbreaking than to see the burnings that have taken place of churches across much of our country.

I congratulate both the Senator from Massachusetts and the Senator from North Carolina. Maybe we can get unanimous support for denouncing this unexplainable and detestable series of acts. Whatever the cause, I think the message should go out that the U.S. Senate is firmly on record, both sides of the aisle, every political philosophy, deploring this kind of conduct.

So I congratulate both Senators for introducing this bill. I know it will receive prompt and careful consideration by the Senate and the respective committees.

Ms. MIKULSKI. Mr. President, I rise today to voice my strong condemnation of the rash of church burnings that have swept through the South. This is a national crisis.

These acts of terrorism, which are aimed solely at predominately black churches, strike at the very heart of what is sacred in our country—the right to freedom of religion and fundamental civil rights. Churches, mosques, temples, and synagogues are sanctuaries where Americans enjoy the freedom to worship. That is why these acts are truly repugnant, and I am outraged that the arsons continue.

Yesterday the Senate passed unanimously a resolution expressing our horror at these repugnant acts, and calling for rigorous investigation and prosecution of these crimes. I was proud to be a cosponsor of that resolution.

But we can and must do more. That is why I am cosponsoring the bill introduced by my colleagues, Senators KENNEDY and FAIRCLOTH, that will make it easier for the Federal Government to investigate and prosecute crimes involving the intentional destruction of churches.

Our Nation has made tremendous progress since the civil rights movement in the 1960's. Church burnings turn the clock back on the strides we have made since the 1960's and bring shame to our great Nation. Our Nation cannot tolerate the increasing number of black church arsons. The burnings have reached epidemic proportions.

It is a painful reminder of a time when hate and ignorance prevailed in many parts of the country. The perpetrators of these crimes must be caught and punished. They must know that our Nation will not tolerate or encourage these cowardly acts. Citizens around the country are outraged that places of worship—mostly in small Southern towns—are being burned to the ground. Many of the churches are historic landmarks. Some were erected over 100 years ago.

Black churches are the lifeblood in small Southern communities—by burning these churches the arsonists strike at the very heart of the black community. But, all of us who worship and believe in God are hurt by these church burnings; they strike everyone.

Faith built our country. We must begin building bridges to destroy the plague of racism. It is the basis of our Constitution that everyone has the freedom to worship wherever they please. These fundamental freedoms must be protected from those who would like to bully and intimidate peaceful, worshiping citizens.

Nearly 40 churches have burned since the beginning of the year. This is the worst kind of terrorism. It is reminiscent of a time when the Ku Klux Klan and other hate groups felt free to burn crosses, lynch innocent blacks, and burn churches. The current wave of church burnings has targeted remote, isolated places of worship in Southern black communities. These arsonists sneak into the night to torch churches falsely believing they will not be caught. We must not let these arsonists continue to commit their acts without being punished.

Our country will not tolerate this kind of moral outrage and shame. Federal prosecutors should be able to investigate and prosecute these criminals to the fullest extent allowed by law. Federal prosecution of those who are responsible for these fires at churches should be the highest national priority. We need to have the resources to go after these criminals; a civilized society cannot continue to have churches being burned to the ground every other day.

It is encouraging that my Senate colleagues in a bipartisan fashion have come together to condemn the church burnings. This is an issue that crosses all racial and party lines. We need to begin rebuilding—the churches across the South and the moral fabric of our country.

We must do all that we can to bring these criminals to justice. We are all the victims of the rash of church burnings in our country.

I urge my colleagues to support the Kennedy-Faircloth bill. The legislation will give law enforcement officials the tools they need to stop this terrible epidemic.

We must come together to begin healing the racial wounds caused by the church fires. Racism and hatred have no place in our country.

Mr. KERRY. Mr. President, I join my colleagues to express concern and outrage at the dastardly acts of hatred and violence against black churches, against good and decent people, people of faith with a strong sense of community. This legislation is a bipartisan statement that the United States Senate is determined to bring this outrage to a halt.

Make no mistake, those who have set these churches ablaze have rekindled our desire to stamp out bigotry and prejudice everywhere. There was a time in America, not long ago, when many of us were involved in the Civil Rights movement with men and women of good will—white and black—who demonstrated and marched for equal rights and justice in the face of the worst kind of violence, hatred, and bigotry. Black churches had long been a refuge from prejudice and served as the symbol of community for millions of Americans who were the victims of blind intolerance that raged throughout this country.

We cannot and must not let the hatred and ignorance of a few criminals, arsonists, separatists, or supremacists turn back the clock on the progress we have made toward racial equality. We must, in this face of the haters, the bigots, and the racists, strengthen our resolve to tear down the walls that divide us and stand together, shoulder-to-shoulder, in solidarity against intolerance and this kind of violent, destructive, sociopathic behavior directed at our fellow citizens.

Those who have committed these hate crimes have forgotten the lessons of history. They have forgotten or never learned what America went through in the 1960s. They have forgotten the faces on the bridge in Selma, the burning bus of the Freedom Riders ablaze in Anniston, AL and the horrifying scene of demonstrators being dragged from the bus and beaten. They have forgotten the image of "Bull" Connor ordering the use of police dogs and fire hoses on demonstrators in Birmingham. They have forgotten or never learned the meaning of the assassination of Dr. King. These thugs are no different than the haters, cowards, and common criminals in white hoods who burned crosses in the middle of the night in a reign of terror against innocent people who sought only fairness, equal rights, and justice.

We can thank God that history taught most of us a lesson. History has passed its own lesson on the cross-burners along with men like "Bull" Connor because of their racism, ignorance and cowardice. But now, years later, those who learned nothing from history, or those too young, too alone, too desocialized, disinterested, or demoralized to know better are burning churches instead of crosses, and they must be brought to justice.

As a nation and as one people united in our constitutional, religious, and philosophical belief in equal justice under the law, we cannot let the actions of these criminals result in bitterness, anger, or retaliation. We cannot let them divide us. We must remember the words of Martin Luther King who said,

> I've seen too much hate to want to hate myself, and I've seen hate on the faces of too many sheriffs, too many White Citizens Councilors, and too many Klansmen of the South to want to hate, myself; and every time I see it, I say to myself: hate is too great a burden to bear.

Let Dr. King's words be our lesson as we find these criminals, bring them to justice, and rally together for an end to hatred and intolerance in this Nation.

I commend the Senators who have taken the leading roles in crafting the language on which we will be voting, and I urge my colleagues to support the bill.

Mr. President, I yield the floor.

Mr. KOHL. Mr. President, I rise to cosponsor the Church Arson Protection Act of 1996 introduced today by Senators KENNEDY and FAIRCLOTH.

Since the beginning of this year, a series of fires have swept our country. More than 30 predominantly African-American churches in the southeast have been burned. Not all of the fires have been set by people filled with racial hatred. But many have. And even one is too much.

Passing this measure is the least we can do to address this problem. With this new law, we send a clear message to every person who is thinking of setting fire to a place of worship: we will catch you. If you think that any church is small and remote, think again. No church is too small or remote for us not to care about it. If you think that you can burn all of the evidence, think again. We will find the evidence. If you think that no one cares if you burn a church used by African Americans, think again. This Nation condemns your actions.

In the last few months, the FBI, the Bureau of Alcohol, Tobacco and Firearms, and State and local law enforcement have vigorously investigated the fires in our churches. They have made numerous arrests and have leads on many other cases.

Despite this progress, the news of these fires is genuinely disturbing and perplexing. How could anyone do such a heinous thing? How could anyone burn a church and feel proud of their actions? No one who is truly committed to the principles of our country could do this. This Nation was founded on tolerance and respect for religious worship. And the greatest battle of our country's short life has been fought for the principle of racial tolerance.

Many people may say that these fires are a blow aimed at racial and religious equality. And they are. But they are feeble and small swats. We will rebuild the burned churches; we will condemn the bigots who started the fires; and with this law, we will help assure that punishment is swift, sure, and severe. These fires cannot undo the progress in race relations that we have made as a nation.

So today, I rise to cosponsor this legislation. And I urge my fellow Senators to pass it rapidly an unanimously.

Mr. D'AMATO. Mr. President, what has happened recently in this country is abominable and we have all heard the reports: yet another church, attended by black parishioners, was torched in the South. The recent rash of arson attacks on black churches should put this country in fear; it has to this Senator.

These cases of arson are more than the destruction of a structure; it is the destruction of the congregation and the communities themselves. This is the time for this body, and for all this Nation, to lend their support to these communities and these congregations for they have suffered a tremendous loss. If we allow this to continue with impunity in America, what protection do any of us have?

The reporting of over 30 church burning in 18 months indicates the need for a swift and just response. The responsible parties must be caught and prosecuted to the fullest extent of the law. These malicious burnings must end and end now.

By Mrs. BOXER (for herself and Mr. BINGAMAN):

S. 1891. A bill to establish sources of funding for certain transportation infrastructure projects in the vicinity of the border between the United States and Mexico that are necessary to accomodate increased traffic resulting from the implementation of the North American Free Trade Agreement, including construction of new Federal border crossing facilities, and for other purposes; to the Committee on Environment and Public Works.

THE BORDER INFRASTRUCTURE, SAFETY, AND CONGESTION RELIEF ACT OF 1996

Mrs. BOXER. Mr. President, I rise today to introduce the Border Infrastructure, Safety and Congestion Relief Act of 1996 with Senator BINGAMAN of New Mexico.

When the Senate debated the North American Free Trade Agreement, I opposed it on the grounds that the United States was unprepared for its impact on our environment, infrastructure, and labor relations. In fact our Mexican border States face trying to handle the increased traffic from NAFTA in less time than it takes to design, review and construct major highway projects.

Now that NAFTA is a reality, however, I am determined to make it work to California's best advantage.

Whatever its shortcomings, NAFTA has increased trade across our borders. However, this trade boom now threatens to overwhelm residents and businesses in the border region of San Diego and Imperial Counties. In California's border community of Otay Mesa, my colleagues, you can see that the new global economy is choking old city streets.

To get a good idea of the problem, you need look no further than Otay Mesa Road.

Just a few miles up the road is the Otay Mesa Port of Entry. Serving a border region of over 4 million people, it is the third-busiest truck crossing on the United States-Mexico border and the only commercial crossing facility linking San Diego and Tijuana. The number of trucks crossing annually at Otay Mesa has increased from 668,000 in 1993 to more than 1.5 million today. Daily traffic is expected to double again by the year 2010.

The Otay Mesa Port is connected to the U.S. Interstate Highway System by this one city street, which narrows to two lanes before reaching Interstate 905. Otay Mesa Road already carries traffic that is three times its design capacity.

In Imperial County the situation is similar, if slightly less intense. The Calexico/Mexicali Port of Entry serves a regional population of 1 million. The border crossing opens on to a two-lane road with no shoulders, which is expected to carry truck, car and bus traffic through the heart of Calexico.

Between Otay Mesa and Calexico, construction is beginning on a new Federal border port of entry at Tecate. The U.S. Department of Transportation is providing no direct funding to link any of these stations with the regional road networks.

The California Transportation Commission recently approved shifting $244 million from other transportation projects in the State to the border region as a down payment on about $1 billion in needed infrastructure improvements to serve commercial vehicle traffic crossing the California-Mexico border.

The State of California is doing its share. Now, State transportation officials are demanding Federal assistance—over and above the State's current Federal highway funding—to help pay for these border improvements.

That is why Senator BINGAMAN and I are introducing the Border Infrastructure, Safety and Congestion Relief Act of 1996.

Our bill provides a two-level system for Federal assistance to fund the States' top-priority border infrastructure projects:

First, it establishes a $500 million Border Infrastructure Trust Fund to provide grants by the Secretary of Transportation to the States in order to pay for new or upgraded connections to the National Highway System.

States could also be reimbursed for projects that have begun any time since 1994, when NAFTA was implemented. This means that California would not be penalized for putting its State money up early to prepare for NAFTA with projects such as the new inspection station at Otay Mesa.

We also allow provide up to $10 million, if needed, for the Attorney General to use to provide transportation improvements for the Border Patrol and other law enforcement agencies. I believe that we should do more at the border to deter drug smuggling and illegal immigration. My bill will provide important help in funding access roads, lighting, and other transportation improvements needed by our Federal law enforcement agencies.

The second part of our bill would authorize Federal loan guarantees to assist the States in financing major construction of high-cost, revenue-producing projects, such as toll roads. The assistance is provided through the State Infrastructure Bank pilot program, established under the National Highway System Designation Act of 1995. Our bill, however, would authorize new Federal funds to finance border infrastructure projects.

The final part of the bill authorizes Federal assistance to railroad projects in the border region which are intermodal and will provide traffic congestion relief by providing a rail alternative for freight shipments. These loan guarantees for railroad improvements would be provided under the Railroad Revitalization and Regulatory Reform Act of 1976.

This assistance is critical to San Diego's efforts to reopen the eastern extension of the San Diego & Arizona Eastern Railway. Extending this railroad across southeastern California will provide a critical link to the U.S. national rail network. By providing fast and efficient service to new markets throughout Mexico, it is also San Diego's best opportunity to take advantage of NAFTA. Trade with Mexico's interior offers the San Diego region its greatest opportunity to take full advantage of NAFTA. But this cannot happen without good, dependable rail service.

In today's post-cold-war global marketplace, the competition is economic. America's place in the world will be determined largely by our ability to produce and market goods and services and deliver them efficiently into that global marketplace.

I have been working with the San Diego House delegation, local elected officials, and members of the community to make Washington pay much greater attention to our infrastructure needs at the border. The San Diego Association of Governments, the four-State Border Trade Alliance business group and the Greater San Diego Chamber of Commerce have endorsed my legislation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Border Infrastructure Safety and Congestion Relief Act of 1996".

SEC. 2. FINDINGS.

Congress finds that—

(1) although the United States Customs Service has collected increased duties, merchandise fees, and revenues from other commerce-related activities because of the approval and implementation of the North American Free Trade Agreement, these increased revenues have not been accompanied by Federal funding for improving transportation facilities along the international borders of the United States to ensure the free and safe flow of trade destined for all States and regions of the United States;

(2) because of NAFTA, all 4 States along the United States-Mexico border will require significant investments in highway infrastructure capacity and motor carrier safety enforcement at a time when border States face extreme difficulty in meeting current highway funding needs;

(3) the full benefits of increased international trade can be realized only if delays at the borders are significantly reduced; and

(4) the increased revenues to the general fund of the Treasury described in paragraph (1) should be sufficient to provide Federal funding for transportation improvements required to accommodate NAFTA-generated traffic, in an amount above and beyond regular Federal transportation funding apportionments.

SEC. 3. DEFINITIONS.

In this Act:

(1) BORDER REGION.—The term "border region" means the region located within 60 miles of the United States border with Mexico.

(2) BORDER STATE.—The term "border State" means California, Arizona, New Mexico, and Texas.

(3) FUND.—The term "Fund" means the Border Transportation Infrastructure Fund established under section 4(g).

(4) NAFTA.—The term "NAFTA" means the North American Free Trade Agreement.

(5) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

SEC. 4. DIRECT FEDERAL ASSISTANCE FOR BORDER CONSTRUCTION AND CONGESTION RELIEF.

(a) IN GENERAL.—Using amounts in the Fund, the Secretary shall make grants under this section to border States that submit an application that demonstrates need, due to increased traffic resulting from the implementation of NAFTA, for assistance in carrying out transportation projects that are necessary to relieve traffic congestion or improve enforcement of motor carrier safety laws.

(b) GRANTS FOR CONNECTORS TO FEDERAL BORDER CROSSING FACILITIES.—The Secretary shall make grants to border States for the purposes of connecting, through construction or reconstruction, the National Highway System designated under section 103(b) of title 23, United States Code, with Federal border crossing facilities located in the United States in the border region.

(c) GRANTS FOR WEIGH-IN-MOTION DEVICES IN MEXICO.—The Secretary shall make grants to assist border States in the purchase, installation, and maintenance of weigh-in-motion devices and associated electronic equipment that are to be located in Mexico if real time data from the devices is provided to the nearest United States port of entry and to State commercial vehicle enforcement facilities that serve the port of entry.

(d) GRANTS FOR COMMERCIAL VEHICLE ENFORCEMENT FACILITIES.—The Secretary shall make grants to border States to construct, operate, and maintain commercial vehicle enforcement facilities located in the border region.

(e) LIMITATIONS ON EXPENDITURES OF FUNDS.—

(1) COST SHARING.—A grant under this section shall be used to pay the Federal share of the cost of a project. The Federal share shall be 80 percent.

(2) ALLOCATION AMONG STATES.—

(A) IN GENERAL.—For each of fiscal years 1998 through 2001, the Secretary shall allocate amounts remaining in the Fund, after any transfers under section 5, among border States in accordance with an equitable formula established by the Secretary in accordance with subparagraphs (B) and (C).

(B) CONSIDERATIONS.—Subject to subparagraph (C), in establishing the formula, the Secretary shall consider—

(i) the annual volume of international commercial vehicle traffic at the ports of entry of each border State as compared to the annual volume of international commercial vehicle traffic at the ports of entry of all border States, based on the data provided in the most recent report submitted under section 8;

(ii) the percentage by which international commercial vehicle traffic in each border State has grown during the period beginning on the date of enactment of the North American Free Trade Agreement Implementation Act (Public Law 103–182) as compared to that percentage for each other border State; and

(iii) the extent of border transportation improvements carried out by each border State during the period beginning on the date of enactment of the North American Free Trade Agreement Implementation Act (Public Law 103–182).

(C) MINIMUM ALLOCATION.—Each border State shall receive not less than 5 percent of the amounts made available to carry out this section during the period of authorization under subsection (i).

(f) ELIGIBILITY FOR REIMBURSEMENT FOR PREVIOUSLY COMMENCED PROJECTS.—The Secretary shall make a grant under this section to a border State that reimburses the border State for a project for which construction commenced after January 1, 1994, if the project is otherwise eligible for assistance under this section.

(g) BORDER TRANSPORTATION INFRASTRUCTURE FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Border Transportation Infrastructure Fund to be used in carrying out this section, consisting of such amounts as are appropriated to the Fund under subsection (i).

(2) EXPENDITURES FROM FUND.—

(A) IN GENERAL.—Subject to subparagraph (B), upon request by the Secretary, the Secretary of the Treasury shall transfer from the Fund to the Secretary such amounts as the Secretary determines are necessary to make grants under this section and transfers under section 5.

(B) ADMINISTRATIVE EXPENSES.—An amount not exceeding 1 percent of the amounts in the Fund shall be available for each fiscal year to pay the administrative expenses necessary to carry out this section.

(h) APPLICABILITY OF TITLE 23.—Title 23, United States Code, shall apply to grants made under this section.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Fund to carry out this section and section 5 $125,000,000 for each of fiscal years 1998 through 2001. The appropriated amounts shall remain available for obligation until the end of the third fiscal year following the fiscal year for which the amounts are appropriated.

SEC. 5. CONSTRUCTION OF TRANSPORTATION INFRASTRUCTURE FOR LAW ENFORCEMENT PURPOSES.

At the request of the Attorney General, the Secretary may transfer, during the period consisting of fiscal years 1998 through 2001, up to $10,000,000 of the amounts from the Fund to the Attorney General for the construction of transportation infrastructure necessary for law enforcement in border States.

SEC. 6. BORDER INFRASTRUCTURE INNOVATIVE FINANCING.

(a) PURPOSES.—The purposes of this section are—

(1) to encourage the establishment and operation of State infrastructure banks in accordance with section 350 of the National Highway System Designation Act of 1995 (109 Stat. 618; 23 U.S.C. 101 note); and

(2) to advance transportation infrastructure projects supporting international trade and commerce.

(b) FEDERAL LINE OF CREDIT.—Section 350 of the National Highway System Designation Act of 1995 (109 Stat. 618; 23 U.S.C. 101 note) is amended—

(1) by redesignating subsection (l) as subsection (m); and

(2) by inserting after subsection (k) the following:

"(l) FEDERAL LINE OF CREDIT.—

"(1) DEFINITIONS.—In this subsection, the terms 'border region' and 'border State' have the meanings provided in section 3 of the Border Infrastructure Safety and Congestion Relief Act of 1996.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the general fund of the Treasury $100,000,000 to be used by the Secretary to make lines of credit available to—

"(A) border States that have established infrastructure banks under this section; and

"(B) the State of New Mexico which has established a border authority that has bonding capacity.

"(3) AMOUNT.—The line of credit available to each participating border State shall be equal to the product of—

"(A) the amount appropriated under paragraph (2); and

"(B) the quotient obtained by dividing—

"(i) the contributions of the State to the Highway Trust Fund during the latest fiscal year for which data are available; by

"(ii) the total contributions of all participating border States to the Highway Trust Fund during that fiscal year.

"(4) USE OF LINE OF CREDIT.—The line of credit under this subsection shall be available to provide Federal support in accordance with this subsection to—

"(A) a State infrastructure bank engaged in providing credit enhancement to creditworthy eligible public and private multimodal projects that support international trade and commerce in the border region; and

"(B) the New Mexico Border Authority; (each referred to in this subsection as a 'border infrastructure bank').

"(5) LIMITATIONS.—

"(A) IN GENERAL.—A line of credit under this subsection may be drawn on only—

"(i) with respect to a completed project described in paragraph (4) that is receiving credit enhancement through a border infrastructure bank;

"(ii) when the cash balance available in the border infrastructure bank is insufficient to pay a claim for payment relating to the project; and

"(iii) when all subsequent revenues of the project have been pledged to the border infrastructure bank.

"(B) THIRD PARTY CREDITOR RIGHTS.—No third party creditor of a public or private entity carrying out a project eligible for assistance from a border infrastructure bank shall have any right against the Federal Government with respect to a line of credit under this subsection, including any guarantee that the proceeds of a line of credit will be available for the payment of any particular cost of the public or private entity that may be financed under this subsection.

"(6) INTEREST RATE AND REPAYMENT PERIOD.—Any draw on a line of credit under this subsection shall—

"(A) accrue, beginning on the date the draw is made, interest at a rate equal to the current (as of the date the draw is made) market yield on outstanding, marketable obligations of the United States with maturities of 30 years; and

"(B) shall be repaid within a period of not more than 30 years.

"(7) RELATIONSHIP TO STATE APPORTIONMENT.—Funds made available to States to carry out this subsection shall be in addition to funds apportioned to States under section 104 of title 23, United States Code.".

SEC. 7. RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM.

(a) PURPOSE.—The purpose of this section is to provide assistance for freight rail projects in border States that benefit international trade and relieve highways of increased traffic resulting from NAFTA.

(b) ISSUANCE OF OBLIGATIONS.—The Secretary shall issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 832), in such amounts, and at such times, as may be necessary to—

(1) pay any amounts required pursuant to the guarantee of the principal amount of an obligation under section 511 of the Act (45 U.S.C. 831) for any eligible freight rail project described in subsection (c) during the period that the guaranteed obligation is outstanding; and

(2) during the period referred to in paragraph (1), meet the applicable requirements of this section and sections 511 and 513 of the Act (45 U.S.C. 832 and 833).

(c) ELIGIBILITY.—Assistance provided under this section shall be limited to those freight rail projects located in the United States that provide intermodal connections that enhance cross-border traffic in the border region.

(d) LIMITATION.—Notwithstanding any other provision of law, the aggregate unpaid principal amounts of obligations that may be guaranteed by the Secretary under this section may not exceed $100,000,000 during any of fiscal years 1998 through 2001.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make loan guarantees under this section $10,000,000 for each of fiscal years 1998 through 2001.

SEC. 8. REPORT.

(a) IN GENERAL.—The Secretary shall annually submit to Congress and the Governor of each border State a report concerning—

(1) the volume and nature of international commercial vehicle traffic crossing the border between the United States and Mexico; and

(2)(A) the number of international commercial vehicle inspections conducted by each border State at each United States port of entry; and

(B) the rate of out-of-service violations of international commercial vehicles found through the inspections.

(b) INFORMATION PROVIDED BY UNITED STATES CUSTOMS SERVICE.—For the purpose of preparing each report under subsection (a)(1), the Commissioner of Customs shall provide to the Secretary such information described in subsection (a)(1) as the Commissioner has available.

By Mr. LAUTENBERG (for himself and Mr. WELLSTONE):

S. 1892. A bill to reward States for collecting Medicaid funds expended on tobacco-related illnesses, and for other purposes; to the Committee on Finance.

THE TOBACCO MEDICAID RECOVERY ACT OF 1996

Mr. LAUTENBERG. Mr. President, I rise to introduce the Tobacco Medicaid Recovery Act, along with Senator WELLSTONE.

This bill will create a new Federal/State partnership to help recover Medicaid costs associated with tobacco use.

Mr. President, for years, the tobacco industry has hooked Americans on products that cause death and disease. They've made billions of dollars in the process. But they've never been held accountable.

When big tobacco sells it's deadly products, all Americans pay the price. Not only through the mothers and fathers, sisters and brothers who are lost to lung cancer and other diseases. But through the higher taxes that must be paid to support programs like Medicaid.

Mr. President, 10 courageous states are suing the tobacco industry for the large Medicaid costs associated with tobacco use. There are two other states, including New Jersey, that will soon file suit and 10 others that may file before the summer is out. These suits enjoy bipartisan support from Democratic and Republican governors and Democratic and Republican state attorney generals. In fact, I was pleased to be joined this morning in unveiling this legislation with Mike Moore, attorney general from Mississippi, Hubert "Skip" Humphrey, attorney general from Minnesota, and Bob Butterworth, attorney general from Florida. They are all leaders in suing the tobacco industry for Medicaid costs and strongly support this legislation. The Minnesota suit is being supported by its Republican Governor, Arne Carlson, and the Florida suit is being supported by its Democratic Governor, our former colleague Lawton Chiles.

Mr. President, the tobacco industry is fighting hard to avoid being held accountable. It doesn't just use every hardball legal tactic in the book. It has even sent its hired guns into state attorney generals' offices to intimidate them.

In one case, a state official was warned not to sue the industry—and if the state did, the industry would force the state to pay enormous sums—including the possible deposition of every single Medicaid recipient in that state.

Mr. President, the courageous states, like Mississippi, Minnesota and Florida, who have taken on the tobacco companies deserve more Federal support—because they are doing the Federal taxpayers' bidding. If they are successful in their litigation, they must return the Federal portion of Medicaid funds to Washington. The Federal government should be helping them get this money, not sitting on its hands.

This legislation would allow the states to keep a third of the Federal portion to better serve the needs of their Medicaid recipients—their seniors, disabled, poor children and pregnant women.

Another third of the Federal share would go to the National Institutes of Health to conduct research on the diseases caused by tobacco products, like lung cancer and heart disease.

Finally, the balance would go into the Federal Treasury to help reduce the deficit.

Currently, many states are sitting on the fence, thinking how difficult and expensive it will be to sue the tobacco industry. This bill may get them off the fence, and into battle with the industry.

Mr. President, it is time for the Federal government to help states get the taxpayers' money back. It is time to reward the states for trying to hold the tobacco companies accountable, and provide an incentive for those considering entering the fray.

This bill could provide states with millions in much needed Medicaid funds. It could increase funding for the National Institutes of Health. And it will not increase the deficit.

I urge my colleagues on both sides of the aisle to support this common sense legislation that will help our state taxpayers.

Mr. President, I ask unanimous consent the text of the legislation and a summary of it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tobacco Medicaid Recovery Act of 1996".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Federal taxpayers pay for approximately $20,000,000,000 each year in Federal health expenditures to treat tobacco-related illnesses, including expenditures incurred under the medicare and medicaid programs operated under titles XVIII and XIX of the Social Security Act, health care programs carried out by the Secretary of Veterans Affairs under chapter 17 of title 38, United States Code, and other Federal health care programs. These expenditures often contribute to an increase in the Federal budget deficit.

(2) According to the Centers for Disease Control and Prevention, tobacco-related illnesses cost the medicaid program under title XIX of the Social Security Act $5,100,000,000 each year.

(3) The efforts of several States that are attempting under Federal law, including in some cases, under the Federal anti-racketeering statutes, or under State law, to recover the health care costs incurred under the medicaid program for the treatment of individuals with diseases attributable to the use of tobacco products from the manufacturers of such products, are to be commended.

(b) PURPOSE.—The purpose of this Act is to reward States that successfully recover the Federal and State health care costs incurred under the medicaid program for the treatment of individuals with diseases attributable to the use of tobacco products by providing increased funding for their medicaid programs and to provide increased resources to the National Institutes of Health.

SEC. 3. INCENTIVE PAYMENTS FOR COLLECTION OF MEDICAID FUNDS EXPENDED ON TOBACCO-RELATED ILLNESSES.

(a) FINANCIAL REWARD FOR SUCCESSFUL RECOVERIES.—Section 1903(d) of the Social Security Act (42 U.S.C. 1396b(d)) is amended by adding at the end the following new paragraph:

"(7)(A) Notwithstanding any other provision of law, if a State recovers, by judgment in, or settlement of, any suit arising under Federal or State law, amounts expended as medical assistance under the State plan for the treatment of individuals with diseases attributable to the use of tobacco products, from a manufacturer of tobacco products, the State shall notify the Secretary of the amount of such recovery. Upon receipt of such a notice, the Secretary shall determine the amount of Federal expenditures under this title that are attributable to the amounts recovered, based on the Federal medical assistance percentage, as defined in section 1905(b), for such State. The Secretary shall treat the amount so determined as an overpayment under this section, in accordance with paragraph (2)(A), and with respect to such amount shall do the following:

"(i) Provide that the State shall retain ⅓ of such amount, for the purpose of using such funds to meet the non-Federal share of expenditures under the State plan with respect to which payments may be made under this title.

"(ii) Pay ⅓ of such amount to the Director of the National Institutes of Health, for the purpose of conducting disease research.

"(B) Any amount of new budget authority or outlays resulting from the provisions of this paragraph shall not be counted for any purpose under section 251 or 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

"(C) For purposes of this paragraph—

"(i) the term 'manufacturer of tobacco products' has the meaning given such term by section 5702(d) of the Internal Revenue Code of 1986; and

"(ii) the term 'tobacco products' has the meaning given such term by section 5702(c) of such Code.".

(b) CONFORMING AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide that the State shall provide prompt notice to the Secretary of the amount of any recovery from a manufacturer of tobacco products, as defined in section 1903(d)(7)(C)(i), of expenditures for medical assistance provided under such plan for the treatment of individuals with diseases attributable to the use of tobacco products, as defined in section 1903(d)(7)(C)(ii).".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to amounts recovered on and after the date of the enactment of this Act.

LAUTENBERG BILL TO REWARD STATES FOR RECOUPING MEDICAID EXPENDITURES FOR TOBACCO-RELATED ILLNESSES

This legislation recognizes the following:

States who sue the tobacco industry for Medicaid costs face tremendous expenses, intimidation and extraordinary legal tactics from the tobacco industry.

Pursuant to the Medicaid statute and other legal interpretations, states must return the Federal Medicaid share of any award to the Federal government.

States should be rewarded for their efforts to recoup Federal tax dollars.

This bill will do the following:

Upon a settlement or a jury award between a state and a tobacco company, the Federal government shall return 33 percent of the Federal share of the award to the states to be used in their Medicaid programs.

Another 33 percent of the Federal share shall be placed in an NIH Trust Fund to be used for research on lung cancer, heart disease and other illnesses.

The final 34 percent of the Federal share shall be used for deficit reduction.

By Mrs. FEINSTEIN:

S. 1893. A bill to provide for the settlement of issues and claims related to the trust lands of the Torres-Martinez Desert Cahuilla Indians, and for other purposes; to the Committee on Indian Affairs.

THE TORRES-MARTINEZ SETTLEMENT AGREEMENT ACT OF 1996

Mrs. FEINSTEIN. Mr. President, today I rise to introduce legislation that will ratify the settlement agreement negotiated by the U.S. Departments of the Interior and Justice, Imperial Irrigation Water District, Coachella Valley Water District, and the Torres-Martinez Desert Cahuilla Indian Tribe. This settlement agreement resolves a long standing dispute to replace reservation lands the Torres-Martinez Tribe lost due to flooding from the Salton Sea.

In 1876, the Torres-Martinez Indian Reservation was created by a 640-acre section of land in Coachella Valley, California at the northern end of the Salton Sink. The Reservation was expanded in 1891 adding approximately 12,000 acres to the original 640-acre reservation. Between 1905 and 1907, flood waters of the Colorado River filled the Salton Sink, creating the Salton Sea, inundating approximately 2,000 acres of the reservation lands. In 1909, an additional 9,000 acres of land were then submerged under the Salton Sea.

Today, the federal government holds 25,000 acres of the reservation in trust for the Tribe. Of this parcel, 11,800 acres is either currently under water or has been condemned as uninhabitable due to runoff and drainage water from the irrigation systems of the Imperial, Coachella, and Mexicali Valleys into the Salton Sea. Since 1982, the United States government, acting for the Tribe, has been negotiating with the Imperial and Coachella Valley Water Districts to compensate the Tribes for the loss of their reservation lands.

In the settlement agreement, the Torres-Martinez Indian Tribe will receive $14 million: $10 million from the U.S. government and $4 million from the water districts. From these funds, the Tribe can acquire and take into trust 11,800 acres of land. Of these parcels, 11,160 must be contiguous to existing reservation land. The Tribe can acquire the remaining 640 acres within the Coachella Valley only if the local governing body or Riverside County does not object. The Tribe's right to conduct gaming on lands taken into trust is limited and restricted to one gaming operation on one site.

In return, the irrigation districts would be granted a permanent flowage easement over tribal and Federal lands within the minus 220 foot contour of the Salton Sink.

The settlement of this land dispute has been a major concern for many years. It has taken more than ten years for all parties involved to reach a consensus on the settlement agreement. There have been competing interests and priorities for everyone involved, including completion of the construction of the Route 86 Expressway project.

All parties involved in negotiating this settlement agreement have worked hard to reach a consensus to implement this agreement. The Tribe has agreed to give local communities the right to veto its purchase of land and Riverside County has passed a resolution in support of this settlement agreement. Moreover, construction of Route 86 will progress.

I commend the Departments of the Interior and Justice, the Coachella and Imperial Water Districts, and the Torres-Martinez Tribe for remaining committed to resolving this issue.

Mr. President, I ask unanimous consent that the resolution passed by Riverside County in support of the agreement and correspondence I have received from the Water Districts and the Torres-Martinez Tribe indicating the accuracy of this legislation in completely implementing the settlement agreement, be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mrs. FEINSTEIN. Mr. President, Congressman Sonny Bono introduced identical legislation last Thursday and the Native American and Insular Affairs Subcommittee of the House Resources Committee has scheduled hearings this afternoon on this legislation. I look forward to working with the Senate Committee on Indian Affairs to implement this agreement in law and the Appropriations Committee to provide funds as outlined in the settlement agreement.

I hope my colleagues will join me today in enacting this legislation.

EXHIBIT 1

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

From: Supervisor Wilson.

Subject: Support of Legislation for Settlement With Torres-Martinez Indian Tribe.

Recommended Motion: That the Board take a position in support of the attached draft legislation, proposed by Congressman Sonny Bono and providing for settlement with the Torres-Martinez Indian Tribe by providing compensation for acquisition of lands in the Coachella Valley; further, direct the county Executive Office to immediately forward copies of the Board Minute Order to members of California's Congressional delegation.

Justification: The accidental creation of the Salton Sea in 1905–1907 resulted in approximately 12,000 acres of Torres-Martinez Indian Tribal lands in the southeastern Coachella Valley being either underwater or unusable. There has been litigation since 1982 by the Federal Government on behalf of the Tribe against Coachella Valley Water District and Imperial Irrigation District, and the Tribe itself filed litigation in 1991. In addition to the issue of compensation to the Tribe, the completion of Highway 86 is also at risk, as the alignment and construction of the highway is contingent on right-of-way on existing Tribal lands.

The attached draft legislation has been developed in consultation with all parties, and I am advised that all are in agreement with its provisions. It provides the Tribe with funds to acquire 12,000 acres, either in entirety in the "primary" acquisition area (Avenue 56, also known as Airport Blvd., south to the Riverside/Imperial County line) which is adjacent to existing Tribal lands, or up to 640 acres (out of the total 12,000) in the "secondary" acquisition area (the remainder of the Coachella Valley, generally from Desert Hot Springs southeast to Avenue 56).

Finally, the legislation authorizes the Tribe to establish a single gaming site, and provides land use jurisdiction within the secondary acquisition area with the ability to protest acquisition/conversion of land to Tribal status within 60 days of being notified of the Tribe's intent.

County Counsel worked directly with Congressman Bono's staff in development of the draft legislation, and I urge the Board's support of this proposed settlement.

ROY WILSON.

BAYH, CONNAUGHTON & MALONE, P.G.,
Washington, DC, June 14, 1996.

Hon. DIANNE FEINSTEIN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: I would like to transmit correspondence from Coachella Valley Water District, the Imperial Irrigation District and the Torres-Martinez Desert Cahuilla Indians regarding the Torres-Martinez settlement legislation (H.R. 3640).

For the past four years, on behalf of the water districts and in full cooperation with the Tribe, I have assisted in facilitating this settlement through the Departments of the Interior and Justice. The legislation introduced by Rep. Bono in the House accurately and completely implements the settlement agreement. Thus, all parties support enactment of this legislation and ask that you sponsor the companion bill on the Senate side.

We appreciate your consideration of our request and are grateful for all of the help we have received from Mia Ellis, Susy Elfving and your other staff members over the past several years. We are close to the finish line and we ask that you and Senator Boxer help us on the Senate side in enacting this legislation that is so critical to both the Tribe and the water users in the Imperial and Coachella Valleys of California.

Thank you.

Sincerely,

JOSEPH FINDARO.

COACHELLA VALLEY WATER DISTRICT,
Coachella, CA, June 14, 1996.

Hon. DIANE FEINSTEIN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: The text of the Torres-Martinez settlement legislation (introduced by Congressman Bono in the House as H.R. 3640) accurately and completely implements the settlement agreement. We, therefore, support enactment of this legislation and request that you sponsor this legislation in the Senate.

Yours very truly,

TOM LEVY,
General Manager-Chief Engineer.

IMPERIAL IRRIGATION DISTRICT,
Imperial, CA, June 14, 1996.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: I sincerely appreciate your consideration of our request to carry the Senate companion bill to authorize the Torres-Martinez land claims settlement.

The text of the Torres-Martinez settlement legislation (introduced in the House by Rep. Bono as H.R. 3640) accurately and completely implements the settlement agreement. We therefore support enactment of this legislation and request that you sponsor this legislation in the Senate.

Again, thank you for your assistance.

Sincerely,

ERIC E. YODER,
Government Relations.

THE TORRES MARTINEZ
DESERT CAHUILLA INDIANS,
Thermal, CA, June 14, 1996.

Hon. DIANNE FEINSTEIN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: The text of the Torres-Martinez settlement legislation (introduced by Rep. Bono in the House as H.R. 3640) accurately and completely implements the settlement agreement. We therefore support enactment of this legislation and request that you sponsor this legislation in the Senate.

We thank you for all of your assistance.

Sincerely,

MARY E. BELARDO,
Chairperson.

LAW OFFICES OF
THOMAS E. LUEBBEN,
Albuquerque, NM, June 14, 1996.

Attention: Mia Ellis.

Re Torres-Martinez settlement legislation, H.B. 3640.

Hon. DIANNE FEINSTEIN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: The text of the Torres-Martinez settlement legislation (introduced by Rep. Bono in the House as H.R. 3640) accurately and completely implements the settlement agreement. We therefore support enactment of this legislation and request that you sponsor this legislation in the Senate.

Sincerely,

RICHARD L. YOUNG,
Attorney for Torres-Martinez,
Desert Cahuilla Indians.

CITY OF DESERT HOT SPRINGS,
Desert Hot Springs, CA, June 10, 1996.

Hon. DIANNE FEINSTEIN,
Senate, Hart Senate Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: Soon President Clinton is expected to approve a settlement of claims by the Torrez-Martinez Desert Cahuilla Indian Tribe regarding the Salton Sea. The Imperial Irrigation District and our district will be signing this agreement along with the Tribe and the Federal government.

This settlement resolve long-standing disputes concerning land and water use in our region of California. At the local level, there is widespread support finally settling the dispute and for swift enactment of legislation to implement this settlement. We, therefore, urge you to sponsor this legislation for introduction in the Senate concurrently with House introduction.

The Cahuilla Indian Tribe will receive $14 million, approximately $4 million from the two water districts and $10 million from the federal government. The districts will receive permanent flowage easements, the Tribe will be able to purchase new lands, and local water rights will be protected.

We appreciate the attention your staff has given this matter over the last several years and look forward to working with you to obtain implementing legislation.

Sincerely,

GERALD F. PISHA,
Mayor.

ADDITIONAL COSPONSORS

S. 794

At the request of Mr. LUGAR, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 912

At the request of Mr. KOHL, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 912, a bill to amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes.

S. 949

At the request of Mr. WARNER, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1271

At the request of Mr. CRAIG, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 1271, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 1402

At the request of Mr. CRAIG, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1402, a bill to amend the Waste Isolation Pilot Plant Land Withdrawal Act, and for other purposes.

S. 1491

At the request of Mr. GRAMS, the names of the Senator from Florida [Mr. MACK], the Senator from Tennessee [Mr. FRIST], and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.

S. 1641

At the request of Mr. GRAMS, the names of the Senator from Tennessee [Mr. FRIST] and the Senator from Illinois [Ms. MOSELEY-BRAUN] were added as cosponsors of S. 1641, a bill to repeal the consent of Congress to the Northeast Interstate Dairy Compact, and for other purposes.

S. 1731

At the request of Mr. CRAIG, the names of the Senator from Oregon [Mr. HATFIELD] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 1731, a bill to reauthorize and amend the National Geologic Mapping Act of 1992, and for other purposes.

S. 1811

At the request of Mr. MACK, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1811, a bill to amend the Act entitled "An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property" to confirm and clarify the authority and responsibility of the Secretary of the Army, acting through the Chief of Engineers, to promote and carry out shore protection projects, including beach nourishment projects, and for other purposes.

S. 1815

At the request of Mr. GRAMM, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 1815, a bill to provide for improved regulation of the securities markets, eliminate excess securities fees, reduce the costs of investing, and for other purposes.

SENATE RESOLUTION 238

At the request of Mr. HELMS, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of Senate Resolution 238, a resolution expressing the sense of the Senate that any budget or tax legislation should include expanded access to individual retirement accounts.

AMENDMENT NO. 4048

At the request of Mr. DORGAN the names of the Senator from California [Mrs. BOXER] and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of amendment No. 4048 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

INOUYE AMENDMENT NO. 4050

Mr. INOUYE proposed an amendment to the bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities for the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

At the appropriate place, insert:

SECTION 1. CHIEF AND ASSISTANT CHIEF OF ARMY NURSE CORPS.

(a) CHIEF OF ARMY NURSE CORPS.—Subsection (b) of section 3069 of title 10, United States Code, is amended—

(1) in the first sentence, by striking out "major" and inserting in lieu thereof "lieutenant colonel";

(2) by inserting after the first sentence the following: "An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general."; and

(3) in the last sentence, by inserting "to the same position" before the period at the end.

(b) ASSISTANT CHIEF.—Subsection (c) of such section is amended by striking out "major" in the first sentence and inserting in lieu thereof "lieutenant colonel".

(c) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 3069. Army Nurse Corps: composition; Chief and assistant chief; appointment; grade

(2) The item relating to such section in the table of sections at the beginning of chapter 307 of title 10, United States Code, is amended to read as follows:

"3069. Army Nurse Corps: composition; Chief and assistant chief; appointment; grade.".

SEC. 2. CHIEF AND ASSISTANT CHIEF OF AIR FORCE NURSE CORPS.

(a) POSITIONS AND APPOINTMENT.—Chapter 807 of title 10, United States Code, is amended by inserting after section 8067 the following:

"§ 3069. Air Force nurses: Chief and assistant chief; appointment; grade

"(a) POSITIONS OF CHIEF AND ASSISTANT CHIEF.—There are a Chief and assistant chief of the Air Force Nurse Corps.

"(b) CHIEF.—The Secretary of the Air Force shall appoint the Chief from the officers of the Regular Air Force designated as Air Force nurses whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than three years, and may not be reappointed to the same position.

"(c) ASSISTANT CHIEF.—The Surgeon General shall appoint the assistant chief from the officers of the Regular Air Force designated as Air Force nurses whose regular grade is above lieutenant colonel.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after section 8067 the following:

"3069. Air Force Nurse Corps: Chief and assistant chief; appointment; grade.".

GRASSLEY AMENDMENT NO. 4051

(Ordered to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

Insert page 108, at the end of line 5, a new Section 368:

SEC. 368. TRANSFER OF EXCESS PERSONAL PROPERTY TO SUPPORT LAW ENFORCEMENT ACTIVITIES.

(a) TRANSFER AUTHORITY.—(1) Chapter 153 of title 10, United States Code, is amended by inserting after section 2576 the following new section:

"§ 2576a. Excess personal property: sale or donation for law enforcement activities

"(a) TRANSFER AUTHORIZED.—(1) Notwithstanding any other provision of law and subject to subsection (b), the Secretary of Defense may transfer to Federal and State agencies personal property of the Department of Defense, including small arms and ammunition, that the Secretary determines is—

"(A) suitable for use by the agencies in law enforcement activities, including counter-drug activities; and

"(B) excess to the needs of the Department of Defense.

"(2) The Secretary shall carry out this section in consultation with the Attorney General and the Director of National Drug Control Policy.

"(b) CONDITIONS FOR TRANSFER.—The Secretary may transfer personal property under this section only if—

"(1) the property is drawn from existing stocks of the Department of Defense; and

"(2) the transfer is made without the expenditure of any funds available to the Department of Defense for the procurement of defense equipment.

"(c) CONSIDERATION.—Personal property may be transferred under this section without cost to the recipient agency.

"(d) PREFERENCE FOR CERTAIN TRANSFERS.—In considering applications for the transfer of personal property under this section, the Secretary shall give a preference to those applications indicating that the transferred property will be used in the counter-drug activities of the recipient agency."

(2) The table of sections at the beginning of such chapters is amended by inserting after the item relating to section 2576 the following new item:

"2576a. Excess personal property: sale or donation for law enforcement activities."

(b) CONFORMING AMENDMENTS.—(1) Section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 10 U.S.C. 372 note) is repealed.

(2) Section 1005 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1630) is amended by striking out "section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 372 note) and section 372" and inserting in lieu thereof "sections 372 and 2576a".

GRAMS (AND OTHERS) AMENDMENT NO. 4052

Mr. GRAMS (for himself, Mr. ROBB, and Mr. LEAHY) proposed an amendment to the bill, S. 1745, surpa; as follows:

At the appropriate place in the bill, insert the following:

SEC. . SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) In 1791, President George Washington commissioned Pierre Charles L'Enfant to draft a blueprint for America's new capital city; they envisioned Pennsylvania Avenue as a bold, ceremonial boulevard physically linking the U.S. Capitol building and the White House, and symbolically the Legislative and Executive branches of government.

(2) An integral element of the District of Columbia, Pennsylvania Avenue stood for 195 years as a vital, working, unbroken roadway, elevating it into a place of national importance as "America's Main Street".

(3) 1600 Pennsylvania Avenue, the White House, has become America's most recognized address and a primary destination of visitors to the Nation's Capital; "the People's House" is host to 5,000 tourists daily, and 15,000,000 annually.

(4) As home to the President, and given its prominent location on Pennsylvania Avenue and its proximity to the People, the White House has become a powerful symbol of freedom, openness, and an individual's access to their government.

(5) On May 20, 1995, citing possible security risks from vehicles transporting terrorist bombs, President Clinton ordered the Secret Service, in conjunction with the Department of the Treasury, to close Pennsylvania Avenue to vehicular traffic for two blocks in front of the White House.

(6) While the security of the President and visitors to the White House is of grave concern and is not to be taken lightly, the need to assure the President's safety must be balanced with the expectation of freedom inherent in a democracy; the present situation is tilted too heavily toward security at freedom's expense.

(7) By impeding access and imposing undue hardships upon tourists, residents of the District, commuters, and local business owners and their customers, the closure of Pennsylvania Avenue, undertaken without the counsel of the government of the District of Columbia, has replaced the former openness of the area surrounding the White House with barricades, additional security checkpoints, and an atmosphere of fear and distrust.

(8) In the year following the closure of Pennsylvania Avenue, the taxpayers have borne a significant burden for additional security measures along the Avenue near the White House.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the President should direct the Department of the Treasury and the Secret Service to work with the Government of the District of Columbia to develop a plan for the permanent reopening to vehicular traffic of Pennsylvania Avenue in front of the White House in order to restore the Avenue to its original state and return it to the people.

FORD (AND BROWN) AMENDMENTS NOS. 4053–4054

(Ordered to lie on the table.)

Mr. FORD (for himself and Mr. BROWN) submitted two amendments intended to be proposed by them to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4053

At the end of subtitle B of title I, add the following:

SEC. 113. DEMILITARIZATION OF ASSEMBLED CHEMICAL MUNITIONS.

(a) PILOT PROGRAM.—(1) The Secretary of Energy and the Secretary of Defense shall jointly conduct a pilot program to identify and demonstrate technologies for demilitarization of assembled chemical munitions that are feasible alternatives to incineration of such munitions.

(2) For the purpose of paragraph (1), the term "assembled chemical munition" means an entire chemical munition, including component parts, chemical agent, propellant, and explosive.

(b) PROGRAM REQUIREMENTS.—(1) The Secretary of Energy shall enter into a contract for carrying out the pilot program.

(2) The contract shall provide for—

(A) the United States and the contractor to share the costs of the contractor's activities under the pilot program equally when the Secretary of Energy determines that such a cost sharing arrangement is feasible; and

(B) subject to paragraph (3), the contractor to be liable for any claim under the pilot program only with respect to activities performed by or under the exclusive control of the contractor.

(3) The aggregate amount of the liability of the contractor under paragraph (2)(B) may not exceed $50,000,000. The United States shall be liable for and indemnify the contractor for any liability of the contractor under the pilot program in excess of such amount.

(4) The pilot program shall terminate not later than September 30, 1999.

(c) EVALUATION AND REPORT.—Not later than December 31, 1999, the Secretary of Energy and the Secretary of Defense shall jointly—

(1) evaluate each alternative technology identified and demonstrated feasible under the pilot program; and

(2) submit to Congress a report containing the evaluation.

(d) LIMITATIONS ON CONTRACTING FOR BASELINE INCINERATION.—(1) Notwithstanding any other provision of law, the Secretary of Defense shall not enter into any contract for the purchase of long lead materials for the construction of any incinerator in the State of Kentucky for the incineration of chemical munitions known as "baseline incineration" before—

(A) the expiration of 60 days of continuous session of Congress after the date on which the report required under subsection (c) is received by Congress; and

(B) the transfer required by subsection (e)(2) has been completed.

(2) For the purposes of paragraph (1)(A)—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

(e) FUNDING, TRANSFER, AND ADDITIONAL LIMITATION.—(1)(A) Of the amount authorized to be appropriated under section 107, $60,000,000 shall be available for the pilot program under this section.

(B) The funds made available under subparagraph (A) may not be derived from funds to be made available under the chemical demilitarization program for the alternative technologies research and development program at bulk sites.

(2) Funds made available for the pilot program pursuant to paragraph (1) shall be transferred to the Secretary of Energy for use for the pilot program.

(3) No funds authorized to be appropriated by section 107 may be obligated until the transfer required by paragraph (2) has been made. The limitation in the preceding sentence is in addition to the limitation in subsection (d)(1)(B).

AMENDMENT NO. 4054

At the end of subtitle B of title I, add the following:

SEC. 113. DEMILITARIZATION OF ASSEMBLED CHEMICAL MUNITIONS.

(a) PILOT PROGRAM.—The Secretary of Defense shall conduct a pilot program to identify and demonstrate feasible alternatives to incineration for the demilitarization of assembled chemical munitions.

(b) Program Requirements.—The Secretary of Defense shall designate an executive agent to carry out the pilot program required to be conducted under subsection (a).

(2) The executive agent shall—

(A) be an officer or executive of the United States Government;

(B) be accountable to the Secretary of Defense; and

(C) not be, or have been, in direct or immediate control of the chemical weapon stockpile demilitarization program established by 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521) or the alternative disposal process program carried out under sections 174 and 175 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 50 U.S.C. 1521 note).

(3) The executive agent may—

(A) carry out the pilot program directly;

(B) enter into a contract with a private entity to carry out the pilot program; or

(C) transfer funds to another department or agency of the Federal Government in order to provide for such department or agency to carry out the pilot program.

(4) A department or agency that carries out the pilot program under paragraph (3)(C) may not, for purposes of the pilot program, contract with or competitively select the organization within the Army that exercises direct or immediate management control over either program referred to in paragraph (2)(C).

(5) The pilot program shall terminate not later than September 30, 2000.

(c) Annual Report.—Not later than December 15 of each year in which the Secretary carries out the pilot program, the Secretary shall submit to Congress a report on the activities under the pilot program during the preceding fiscal year.

(d) Evaluation and Report.—Not later than December 31, 2000, the Secretary of Defense shall—

(1) evaluate each demilitarization alternative identified and demonstrated under the pilot program to determine whether that alternative—

(A) is a safe and cost efficient as incineration for disposing of assembled chemical munitions; and

(B) meets the requirements of section 1412 of the Department of Defense Authorization Act, 1986; and

(2) submit to Congress a report containing the evaluation.

(e) Limitation on Long Lead Contracting.—Notwithstanding any other provision of law, the Secretary may not enter into any contract for the purchase of long lead materials for the construction of an incinerator at any site in Kentucky or Colorado until the executive agent designated for the pilot program submits an application for such permits as are necessary under the law of the State of Kentucky and Colorado for the construction at that site of a plant for demilitarization of assembled chemical munitions by means of an alternative to incineration.

(f) Assembled Chemical Munition Defined.—For the purpose of this section, the term "assembled chemical munition" means an entire chemical munition, including components parts, chemical agent, propellant, and explosive.

(g) Funding.—(1) Of the amount authorized to be appropriated under section 107, $60,000,000 shall be available for the pilot program under this section.

(2) Funds made available for the pilot program pursuant to paragraph (1) shall be made available to the executive agent for use for the pilot program.

(3) No funds authorized to be appropriated by section 107 may be obligated until funds are made available to the executive agent under paragraph (2).

KERRY (AND OTHERS) AMENDMENT NO. 4055

Mr. KERRY (for himself, Mr. McCain, Mr. Kerrey, Mr. Smith, Mr. Pressler, Mr. Robb, Mr. Daschle, Mr. Leahy, and Mr. Moynihan) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle E of title VI add the following:

SEC. 643. PAYMENT TO VIETNAMESE COMMANDOS CAPTURED AND INTERNED BY NORTH VIETNAM.

(a) Payment Authorized.—(1) The Secretary of Defense shall make a payment to any person who demonstrates that he or she was captured and incarcerated by the Democratic Republic of Vietnam after having entered into the territory of the Democratic Republic of Vietnam pursuant to operations conduction under OPLAN 34A or its predecessor.

(2) No payment may be made under this Section to any individual who the Secretary of Defense determines, based on the available evidence, served in the Peoples Army of Vietnam or who provided active assistance to the Government of the Democratic Republic of Vietnam during the period 1958 through 1975.

(3) In the case of a decedent who would have been eligible for a payment under this section if the decedent had lived, the payment shall be made to survivors of the decedent in the order in which the survivors are listed, as follows:

(A) To the surviving spouse.

(B) If there is no surviving spouse, to the surviving children (including natural children and adopted children) of the decedent, in equal shares.

(b) Amount Payable.—The amount payable to or with respect to a person under the section is $40,000.

(c) Time Limitations.—(1) In order to be eligible for payment under this section, the claimant must file his or her claim with the Secretary of Defense within 18 months of the effective date of the regulations implementing this Section.

(2) Not later than 18 months after the Secretary receives a claim for payment under this section—

(A) the claimant's eligibility for payment of the claim under subsection (a) shall be determined; and

(B) if the claimant is determined eligible, the claim shall be paid.

(d) Determination and Payment of Claims.—(1) Submission and Determination of Claims. The Secretary of Defense shall establish by regulation procedures whereby individuals may submit claims for payment under this Section. Such regulations shall be issued within 6 months of the date of enactment of this Act.

(2) Payment of claims.—The Secretary of Defense, in consultation with the other affected agencies, may establish guidelines for determining what constitutes adequate documentation that an individual was captured and incarcerated by the Democratic Republic of Vietnam after having entered the territory of the Democratic Republic of Vietnam pursuant to operations conducted under OPLAN 34A or its predecessor.

(e) Authorization of Appropriations.—Of the total amount authorized to be appropriated under section 301, $20,000,000 is available for payment under this section. Notwithstanding Sec. 301, that amount is authorized to be appropriated so as to remain available until expended.

(f) Payment in Full Satisfaction of Claims Against the United States.—The acceptance of payment by an individual under this section shall be in full satisfaction of all claims by or on behalf of that individual against the United States arising from operations under OPLAN 34A or its predecessor.

(g) Attorney Fees.—Notwithstanding any contract, the representative of an individual may not receive, for services rendered in connection with the claim of an individual under this Section, more than ten percent of a payment made under this Section on such claim.

(h) No Right to Judicial Review.—All determinations by the Secretary of Defense pursuant to this Section are final and conclusive, notwithstanding any other provision of law. Claimants under this program have no right to judicial review, and such review is specifically precluded.

(I) Reports.—(1) No later than 24 months after the enactment of this Act, the Secretary of Defense shall submit a report to the Congress on the payment of claims pursuant to this section.

(2) No later than 42 months after the enactment of this Act, the Secretary of Defense shall submit a final report to the Congress on the payment of claims pursuant to this section.

REID AMENDMENT NO. 4056

Mr. REID proposed an amendment to amendment No. 4052 proposed by Mr. Grams to the bill, S. 1745, supra; as follows:

At the end of the amendment add the following: "provided that the Secretary of the Treasury and the Secret Service certify that the plan protects the security of the people who live and work in the White House."

CRAIG (AND OTHERS) AMENDMENT NO. 4057

Mr. CRAIG for himself, Mr. Bingaman, Mr. Kempthorne, Mr. Baucus, Mr. Burns, Mr. Dorgan, Mrs. Feinstein, Mr. Hatch, Mr. Levin, Ms. Snowe, Mr. Murkowski, Mrs. Boxer, Mr. Helms, and Mr. Cohen) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, add the following:

SEC. . SENSE OF SENATE REGARDING THE UNITED STATES-JAPAN SEMICONDUCTOR TRADE AGREEMENT.

(a) Findings.—The Senate makes the following findings:

(1) The United States and Japan share a long and important bilateral relationship which serves as an anchor of peace and stability in the Asia Pacific region, an alliance which was reaffirmed at the recent summit meeting between President Clinton and Prime Minister Hashimoto in Tokyo.

(2) The Japanese economy has experienced difficulty over the past few years, demonstrating that it is no longer possible for Japan, the world's second largest economy, to use exports as the sole-engine of economic growth, but that the Government of Japan

must promote deregulation of its domestic economy in order to increase economic growth.

(3) Deregulation of the Japanese economy requires government attention to the removal of barriers to imports of manufactured goods.

(4) The United States-Japan Semiconductor Trade Agreement has begun the process of deregulation in the semiconductor sector and is opening the Japanese market to competitive foreign products.

(5) The United States-Japan Semiconductor Trade Agreement has put in place both government-to-government and industry-to-industry mechanisms which have played a vital role in allowing cooperation to replace conflict in this important high technology sector.

(6) The mechanisms include joint calculation of foreign market share, deterrence of dumping, and promotion of industrial cooperation in the design of foreign semiconductor devices.

(7) Because of these actions under the United States-Japan Semiconductor Trade Agreement, the United States and Japan today enjoy trade in semiconductors which is mutually beneficial, harmonious, and free from the friction that once characterized the semiconductor industry.

(8) Because of structural barriers in Japan, a gap still remains between the share of the world market for semiconductor products outside Japan that the United States and other foreign semiconductor sources are able to capture through competitiveness and the share of the Japanese semiconductor market that the United States and those other courses are able to capture through competitiveness, and that gap is consistent with the full range of semiconductor products as well as a full range of end-use applications.

(9) The competitiveness and health of the United States semiconductor industry is of critical importance to the overall economic well-being and high technology defense capabilities of the United States.

(10) The economic interests of both the United States and Japan are best served by well functioning, open markets, deterrence of dumping, and continuing good cooperative relationships in all sectors, including semiconductors.

(11) A strong and healthy military and political alliance between the United States and Japan requires continuation of the industrial and economic cooperation promoted by the United States-Japan Semiconductor Trade Agreement.

(12) President Clinton has called on the Government of Japan to agree to a continuation of a United States-Japan Semiconductor Trade Agreement beyond the current agreement's expiration on July 31, 1996.

(13) The Government of Japan has opposed any continuation of a government-to-government agreement to promote cooperation in United States-Japan semiconductor trade.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) it is regrettable that the Government of Japan has refused to consider continuation of a government-to-government agreement to ensure that cooperation continues in the semiconductor sector beyond the expiration of the Semiconductor Trade Agreement on July 31, 1996; and

(2) the President should take all necessary and appropriate actions to ensure the continuation of a government-to-government United States-Japan Semiconductor Trade Agreement before the current agreement expires on that date.

(c) DEFINITION.—As used in this section, the term "United States-Japan Semiconductor Trade Agreement" refers to the agreement between the United States and Japan concerning trade in semiconductor products, with arrangement, done by exchange of letters at Washington on June 11, 1991.

BINGAMAN (AND BUMPERS) AMENDMENT NO. 4058

Mr. BINGAMAN (for himself and Mr. BUMPERS) proposed an amendment to the bill, S. 1745, supra; as follows:

Beginning on page 32, strike out line 22 and all that follows through page 33, line 21, and insert in lieu thereof the following:

SEC. 212. SPACE CONTROL ARCHITECTURE STUDY.

(A) REQUIRED CONSIDERATION OF KINETIC ENERGY TACTICAL ANTISATELLITE PROGRAM.—The Department of Defense Space Architect shall evaluate the potential cost and effectiveness of the inclusion of the kinetic energy tactical antisatellite program of the Department of Defense as a specific element of the space control architecture which the Space Architect is developing for the Secretary of Defense.

(b) CONGRESSIONAL NOTIFICATION OF ANY DETERMINATION OF INAPPROPRIATENESS OF PROGRAM FOR ARCHITECTURE.—(1) If at any point in the development of the space control architecture the Space Architect determines that the kinetic energy tactical antisatellite program is not appropriate for incorporation into the space control architecture under development, the Space Architect shall immediately notify the congressional defense committees of such determination.

(2) Within 60 days after submitting a notification of a determination under paragraph (1), the Space Architect shall submit to the congressional defense committees a detailed report setting forth the specific reasons for, and analytical findings supporting, the determination.

(c) REPORT ON APPROVED ARCHITECTURE.—Not later than March 31, 1997, the Secretary of Defense shall submit to the congressional defense committees a report on the space control architecture approved by the Secretary. The report shall include the following:

(1) An assessment of the potential threats posed to deployed United States military forces by the proliferation of foreign military and commercial space assets.

(2) The Secretary's recommendations for development and deployment of space control capabilities to counter such threats.

(d) FUNDING.—(1) The Secretary of Defense shall release to the kinetic energy tactical antisatellite program manager the funds appropriated in fiscal year 1996 for the kinetic energy tactical antisatellite program. The Secretary may withdraw obligated balances of such funds from the program manager only if—

(A) the Space Architect makes a determination described in subsection (b)

(B) a report submitted by the Secretary pursuant to subsection (c) includes a recommendation not to pursue such a program.

(2) Not later than April 1, 1997, the Secretary of Defense shall release to the Kinetic energy tactical antisatellite program manager any funds appropriated for fiscal year 1997 for a kinetic energy tactical antisatellite program pursuant to section 221(a) unless—

(A) the Space Architect has by such date submitted a notification pursuant to subsection (b); or

(B) a report submitted by the Secretary pursuant to subsection (c) includes a recommendation not to pursue such a program.

Beginning on page 42, strike out line 15 and all that follows through page 43 line.

MURRAY (AND OTHERS) AMENDMENT NO. 4059

Mrs. MURRAY (for herself, Ms. SNOWE, Mr. KENNEDY, Mr. ROBB, Mr. LAUTENBERG, Mr. SIMON, Mr. BINGAMAN, Mr. INOUYE, Ms. MIKULSKI, and Ms. MOSELEY-BRAUN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title VII add the following:

SEC. 708. RESTORATION OF PREVIOUS POLICY REGARDING RESTRICTIONS ON USE OF DEPARTMENT OF DEFENSE MEDICAL FACILITIES.

Section 1093 of title 10, United States Code, is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) RESTRICTION ON USE OF FUNDS.—".

McCAIN (AND MR. GLENN) AMENDMENT NO. 4060

Mr. MCCAIN (for himself and Mr. GLENN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title XXVII, add the following:

SEC. 2706. REDUCTION IN AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN MILITARY CONSTRUCTION PROJECTS NOT REQUESTED BY THE ADMINISTRATION.

Notwithstanding any other provision of this division, the total amount authorized to be appropriated by this division is hereby decreased by $598,764,000.

SIMPSON (AND THOMAS) AMENDMENT NO. 4061

Mr. SIMPSON (for himself and Mr. THOMAS) proposed an amendment to the bill, S. 1745, supra; as follows:

In section 2601(1)(A), strike out "$79,628,000" and insert in lieu thereof "$83,728,000".

REID (AND BRYAN) AMENDMENT NO. 4062

Mr. REID (for himself and Mr. BRYAN) proposed an amendment to the bill, S. 1745, supra; as follows:

In the table in section 2201(a), in the amount column for the item relating to Fallon Naval Air Station, Nevada, strike out "$14,800,000" and insert in lieu thereof "$20,600,000".

Strike out the amount set forth as the total amount at the end of the table in section 2201(a) and insert in lieu thereof "$512,852,000".

In section 2205(a), in the matter preceding paragraph (1), strike out "$2,040,093,000" and insert in lieu thereof "$2,045,893,000".

In section 2205(a)(1), strike out "$507,052,000" and insert in lieu therof "$512,852,000".

In the table in section 2401(a), strike out the item relating to the National Security Agency, Fort Meade, Maryland.

Strike out the amount set forth as the total amount at the end of the table in section 2401(a) and insert in lieu thereof "$502,390,000".

In section 2406(a), in the matter preceding paragraph (1), strike out "$3,421,366,000" and insert in lieu thereof "$3,396,166,000".

In section 2406(a)(1), strike out "$364,487,000" and insert in lieu thereof "$339,287,000".

In section 2601(3)(A), strike out "$208,484,000" and insert in lieu thereof "$209,884,000".

COHEN AMENDMENT NO. 4063

Mr. KEMPTHORNE (for Mr. COHEN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II add the following:

SEC. 223. ADVANCED SUBMARINE TECHNOLOGIES.

(a) AMOUNTS AUTHORIZED FROM NAVY RDT&E ACCOUNT.—Of the amount authorized to be appropriated by section 201(2)—

(1) $489,443,000 is available for the design of the submarine previously designated by the Navy as the New Attack Submarine; and

(2) $100,000,000 is available to address the inclusion on future nuclear attack submarines of core advanced technologies, category I advanced technologies, and category II advanced technologies, as such advanced technologies are identified by the Secretary of Defense in Appendix C of the report of the Secretary entitled "Report on Nuclear Attack Submarine Procurement and Submarine Technology", submitted to Congress on March 26, 1996.

(b) CERTAIN TECHNOLOGIES TO BE EMPHASIZED.—In using funds made available in accordance with subsection (a)(2), the Secretary of the Navy shall emphasize research, development, test, and evaluation of the technologies identified by the Submarine Technology Assessment Panel (in the final report of the panel to the Assistant Secretary of the Navy for Research, Development, and Acquisition, dated March 15, 1996) as having the highest priority for initial investment.

(c) SHIPYARDS INVOLVED IN TECHNOLOGY DEVELOPMENT.—To further implement the recommendations of the Submarine Technology Assessment Panel, the Secretary of the Navy shall ensure that the shipyards involved in the construction of nuclear attack submarines are also principal participants in the process of developing advanced submarine technologies and including the technologies in future submarine designs. The Secretary shall ensure that those shipyards have access for such purpose (under procedures prescribed by the Secretary) to the Navy laboratories and the Office of Naval Intelligence and (in accordance with arrangements to be made by the Secretary) to the Defense Advanced Research Projects Agency.

(d) FUNDING FOR CONTRACTS UNDER 1996 AGREEMENT AMONG THE NAVY AND SHIPYARDS.—In addition to the purposes of which the amount authorized to appropriated by section 201(2) are available under paragraphs (1) and (2) of subsection (a), the amounts available under such paragraphs are also available for contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the "Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB), and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine", dated April 5, 1996, for research and development activities under that memorandum of agreement.

BYRD AMENDMENT NO. 4064

Mr. NUNN (for Mr. BYRD) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle E of title X add the following:

SEC. 1054. ANNUAL REPORT OF RESERVE FORCES POLICY BOARD.

Section 113(c) of title 10, United States Code, is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraphs (1), (2), and (4) as subparagraphs (A), (B), and (C), respectively;

(3) by inserting "(1)" after "(e)";

(4) by inserting "and" at the end of subparagraph (B), as redesignated by paragraph (2); and

(5) by adding at the end the following:

"(2) At the same time that the Secretary submits the annual report under paragraph (1), the Secretary shall transmit to the President and Congress a separate report from the Reserve Forces Policy Board on the reserve programs of the Department of Defense and on any other matters that the Reserve Forces Policy Board considers appropriate to include in the report.".

GORTON (AND OTHERS) AMENDMENT NO. 4065

Mr. KEMPTHORNE (for Mr. GORTON, for himself, Mr. COHEN, and Mr. GLENN) proposed an amendment to the bill, S. 1745, supra; as follows:

After the heading for title VII insert the following:

Subtitle A—General

Strike out section 704.

Redesignate section 705 as section 704.

Redesignate section 706 as section 705.

Redesignate section 707 as section 706.

At the end of title VII add the following:

Subtitle B—Uniformed Services Treatment Facilities

SEC. 721. DEFINITIONS.

In this subtitle:

(1) The term "administering Secretaries" means the Secretary of Defense, the Secretary of Transportation, and the Secretary of Health and Human Services.

(2) The term "agreement" means the agreement required under section 722(b) between the Secretary of Defense and a designated provider.

(3) The term "capitation payment" means an actuarially sound payment for a defined set of health care services that is established on a per enrollee per month basis.

(4) The term "covered beneficiary" means a beneficiary under chapter 55 of title 10, United States Code, other than a beneficiary under section 1074(a) of such title.

(5) The term "designated provider" means a public or nonprofit private entity that was a transferee of a Public Health Service hospital or other station under section 987 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 603) and that, before the date of the enactment of this Act, was deemed to be a facility of the uniformed services for the purposes of chapter 55 of title 10, United States Code. The term includes any legal successor in interest of the transferee.

(6) The term "enrollee" means a covered beneficiary who enrolls with a designated provider.

(7) The term "health care services" means the health care services provided under the health plan known as the TRICARE PRIME option under the TRICARE program.

(8) The term "Secretary" means the Secretary of Defense.

(9) The term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

SEC. 722. INCLUSION OF DESIGNATED PROVIDERS IN UNIFORMED SERVICES HEALTH CARE DELIVERY SYSTEM.

(a) INCLUSION IN SYSTEM.—The health care delivery system of the uniformed services shall include the designated providers.

(b) AGREEMENTS TO PROVIDE MANAGED HEALTH CARE SERVICES.—(1) After consultation with the other administering Secretaries, the Secretary of Defense shall negotiate and enter into an agreement with each designated provider, under which the designated provider will provide managed health care services to covered beneficiaries who enroll with the designated provider.

(2) The agreement shall be entered into on a sole source basis. The Federal Acquisition Regulation, except for those requirements regarding competition, issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall apply to the agreements as acquisitions of commercial items.

(3) The implementation of an agreement is subject to availability of funds for such purpose.

(c) EFFECTIVE DATE OF AGREEMENTS.—(1) Unless an earlier effective date is agreed upon by the Secretary and the designated provider, the agreement shall take effect upon the later of the following:

(A) The date on which a managed care support contract under the TRICARE program is implemented in the service area of the designated provider.

(B) October 1, 1997.

(2) Notwithstanding paragraph (1), the designated provider whose service area includes Seattle, Washington, shall implement its agreement as soon as the agreement permits.

(d) TEMPORARY CONTINUATION OF EXISTING PARTICIPATION AGREEMENTS.—The Secretary shall extend the participation agreement of a designated provider in effect immediately before the date of the enactment of this Act under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1587) until the agreement required by this section takes effect under subsection (c).

(e) SERVICE AREA.—The Secretary may not reduce the size of the service area of a designated provider below the size of the service area in effect as of September 30, 1996.

(f) COMPLIANCE WITH ADMINISTRATIVE REQUIREMENTS.—(1) Unless otherwise agreed upon by the Secretary and a designated provider, the designated provider shall comply with necessary and appropriate administrative requirements established by the Secretary for other providers of health care services and requirements established by the Secretary of Health and Human Services for risk-sharing contractors under section 1876 of the Social Security Act (42 U.S.C. 1395mm). The Secretary and the designated provider shall determine and apply only such administrative requirements as are minimally necessary and appropriate. A designated provider shall not be required to comply with a law or regulation of a State government requiring licensure as a health insurer or health maintenance organization.

(2) A designated provider may not contract out more than five percent of its primary care enrollment without the approval of the Secretary, except in the case of primary care contracts between a designated provider and a primary care contractor in force on the date of the enactment of this Act.

SEC. 723. PROVISION OF UNIFORM BENEFIT BY DESIGNATED PROVIDERS.

(a) Uniform Benefit Required.—A designated provider shall offer to enrollees the health benefit option prescribed and implemented by the Secretary under section 731 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 1073 note), including accompanying cost-sharing requirements.

(b) Time for Implementation of Benefit.—A designated provider shall offer the health benefit option described in subsection (a) to enrollees upon the later of the following:

(1) The date on which health care services within the health care delivery system of the uniformed services are rendered through the TRICARE program in the region in which the designated provider operates.

(2) October 1, 1996.

(c) Adjustments.—The Secretary may establish a later date under subsection (b)(2) or prescribe reduced cost-sharing requirements for enrollees.

SEC. 724. ENROLLMENT OF COVERED BENEFICIARIES.

(a) Fiscal Year 1997 Limitation.—(1) During fiscal year 1997, the number of covered beneficiaries who are enrolled in managed care plans offered by designated providers may not exceed the number of such enrollees as of October 1, 1995.

(2) The Secretary may waive the limitation under paragraph (1) if the Secretary determines that additional enrollment authority for a designated provider is required to accommodate covered beneficiaries who are dependents of members of the uniformed services entitled to health care under section 1074(a) of title 10, United States Code.

(b) Permanent Limitation.—For each fiscal year after fiscal year 1997, the number of enrollees in managed care plans offered by designated providers may not exceed 110 percent of the number of such enrollees as of the first day of the immediately preceding fiscal year. The Secretary may waive this limitation as provided in subsection (a)(2).

(c) Retention of Current Enrollees.—An enrollee in the managed care program of a designated provider as of September 30, 1997, or such earlier date as the designated provider and the Secretary may agree upon, shall continue receiving services from the designated provider pursuant to the agreement entered into under section 722 unless the enrollee disenrolls from the designated provider. Except as provided in subsection (e), the administering Secretaries may not disenroll such an enrollee unless the disenrollment is agreed to by the Secretary and the designated provider.

(d) Additional Enrollment Authority.—Other covered beneficiaries may also receive health care services from a designated provider, except that the designated provider may market such services to, and enroll, only those covered beneficiaries who—

(1) do not have other primary health insurance coverage (other than medicare coverage) covering basic primary care and inpatient and outpatient services; or

(2) are enrolled in the direct care system under the TRICARE program, regardless of whether the covered beneficiaries were users of the health care delivery system of the uniformed services in prior years.

(e) Special Rule for Medicare-Eligible Beneficiaries.—If a covered beneficiary who desires to enroll in the managed care program of a designated provider is also entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), the covered beneficiary shall elect whether to receive health care services as an enrollee or under part A of title XVIII of the Social Security Act. The Secretary may disenroll an enrollee who subsequently violates the election made under this subsection and receives benefits under part A of title XVIII of the Social Security Act.

(f) Information Regarding Eligible Covered Beneficiaries.—The Secretary shall provide, in a timely manner, a designated provider with an accurate list of covered beneficiaries within the marketing area of the designated provider to whom the designated provider may offer enrollment.

SEC. 725. APPLICATION OF CHAMPUS PAYMENT RULES.

(a) Application of Payment Rules.—Subject to subsection (b), the Secretary shall require a private facility or health care provider that is a health care provider under the Civilian Health and Medical Program of the Uniformed Services to apply the payment rules described in section 1074(c) of title 10, United States Code, in imposing charges for health care that the private facility or provider provides to enrollees of a designated provider.

(b) Authorized Adjustments.—The payment rules imposed under subsection (a) shall be subject to such modifications as the Secretary considers appropriate. The Secretary may authorize a lower rate than the maximum rate that would otherwise apply under subsection (a) if the lower rate is agreed to by the designated provider and the private facility or health care provider.

(c) Regulations.—The Secretary shall prescribe regulations to implement this section after consultation with the other administering Secretaries.

(d) Conforming Amendment.—Section 1074 of title 10, United States Code, is amended by striking out subsection (d).

SEC. 726. PAYMENTS FOR SERVICES.

(a) Form of Payment.—Unless otherwise agreed to by the Secretary and a designated provider, the form of payment for services provided by a designated provider shall be full risk capitation. The capitation payments shall be negotiated and agreed upon by the Secretary and the designated provider. In addition to such other factors as the parties may agree to apply, the capitation payments shall be based on the utilization experience of enrollees and competitive market rates for equivalent health care services for a comparable population to such enrollees in the area in which the designated provider is located.

(b) Limitation on Total Payments.—Total capitation payments to a designated provider shall not exceed an amount equal to the cost that would have been incurred by the Government if the enrollees had received their care through a military treatment facility, the TRICARE program, or the medicare program, as the case may be.

(c) Establishment of Payment Rates on Annual Basis.—The Secretary and a designated provider shall establish capitation payments on an annual basis, subject to periodic review for actuarial soundness and to adjustment for any adverse or favorable selection reasonably anticipated to result from the design of the program.

(d) Alternative Basis for Calculating Payments.—After September 30, 1999, the Secretary and a designated provider may mutually agree upon a new basis for calculating capitation payments.

SEC. 727. REPEAL OF SUPERSEDED AUTHORITIES.

(a) Repeals.—The following provisions of law are repealed:

(1) Section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c).

(2) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d).

(3) Section 718(c) of the National Defense Authorization Act for Fiscal year 1991 (Public Law 101–510; 42 U.S.C. 248c note).

(4) Section 726 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 42 U.S.C. 248c note).

(b) Effective Date.—The amendments made by this section shall take effect on October 1, 1997.

SARBANES AMENDMENT NO. 4066

Mr. NUNN (for Mr. Sarbanes) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle F of title X, add the following:

SEC. 1072. FOOD DONATION PILOT PROGRAM AT THE SERVICE ACADEMIES.

(a) Program Authorized.—The Secretaries of the military departments and the Secretary of Transportation may each carry out a food donation pilot program at the service academy under the jurisdiction of the Secretary.

(b) Donations and Collections of Food and Grocery Products.—Under the pilot program, the Secretary concerned may donate to, and permit others to collect for, a nonprofit organization any food or grocery product that—

(1) is—

(A) an apparently wholesome food;

(B) an apparently fit grocery product; or

(C) a food or grocery product that is donated in accordance with section 402(e) of the National and Community Service Act of 1990 (42 U.S.C. 12672(e));

(2) is owned by the United States;

(3) is located at a service academy under the jurisdiction of the Secretary; and

(4) is excess to the requirements of the academy.

(c) Program Commencement.—The Secretary concerned shall commence carrying out the pilot program, if at all, during fiscal year 1997.

(d) Applicability of Good Samaritan Food Donation Act.—Section 402 of the National and Community Service Act of 1990 (42 U.S.C. 12672) shall apply to donations and collections of food and grocery products under the pilot program without regard to section 403 of such Act (42 U.S.C. 12673).

(e) Reports.—(1) Each Secretary that carries out a pilot program at a service academy under this section shall submit to Congress an interim report and a final report on the pilot program.

(2) The Secretary concerned shall submit the interim report not later than one year after the date on which the Secretary commences the pilot program at a service academy.

(3) The Secretary concerned shall submit the final report not later than 90 days after the Secretary completes the pilot program at a service academy.

(4) Each report shall include the following:

(A) A description of the conduct of the pilot program.

(B) A discussion of the experience under the pilot program.

(C) An evaluation of the extent to which section 402 of the National and Community Service Act of 1990 (42 U.S.C. 12672) has been effective in protecting the United States and others from liabilities associated with actions taken under the pilot program.

(D) Any recommendations for legislation to facilitate donations or collections of excess food and grocery products of the United States or others for nonprofit organizations.

(f) DEFINITIONS.—In this section:

(1) The term "service academy" means each of the following:

(A) The United States Military Academy.

(B) The United States Naval Academy.

(C) The United States Air Force Academy.

(D) The United States Coast Guard Academy.

(2) The term "Secretary concerned" means the following:

(A) The Secretary of the Army, with respect to the United States Military Academy.

(B) The Secretary of the Navy, with respect to the United States Naval Academy.

(C) The Secretary of the Air Force, with respect to the United States Air Force Academy.

(D) The Secretary of Transportation, with respect to the United States Coast Guard Academy.

(3) The terms "apparently fit grocery product", "apparently wholesome food", "donate", "food", and "grocery product" have the meanings given those terms in section 402(b) of the National and Community Service Act of 1990 (42 U.S.C. 12672(b)).

WARNER AMENDMENT NO. 4067

Mr. KEMPTHORNE (for Mr. WARNER) proposed an amendment to the bill, S. 1745, supra; as follows:

At the appropriate place in title X, insert the following:

SEC. . DESIGNATION OF MEMORIAL AS NATIONAL D-DAY MEMORIAL.

(a) DESIGNATION.—The memorial to be constructed by the National D-Day Memorial Foundation in Bedford, Virginia, is hereby designated as a national memorial to be known as the "National D-Day Memorial". The memorial shall serve to honor the members of the Armed Forces of the United States who served in the invasion of Normandy, France, in June 1944.

(b) PUBLIC PROCLAMATION.—The President is requested and urged to issue a public proclamation acknowledging the designation of the memorial to be constructed by the National D-Day Memorial Foundation in Bedford, Virginia, as the National D-Day Memorial.

(c) MAINTENANCE OF MEMORIAL.—All expenses for maintenance and care of the memorial shall be paid for with non-Federal funds, including funds provided by the National D-Day Memorial Foundation. The United States shall not be liable for any expense incurred for the maintenance and care of the memorial.

BYRD (AND OTHERS) AMENDMENT NO. 4068

Mr. NUNN (for Mr. BYRD, for himself, Mr. FORD, and Mrs. FEINSTEIN) proposed an amendment to the bill, S. 1745, supra; as follows:

In section 301(11), strike out "$2,692,473,000" and insert in lieu thereof "$2,699,173,000".

In section 411(a)(5), strike out "108,594" and insert in lieu thereof "108,904".

In section 412(5), strike out "10,378" and insert in lieu thereof "10,403".

In section 421, strike out "$69,878,430,000" in the first sentence and insert in lieu thereof "$69,880,430,000".

In section 201(3), strike out "$14,788,356,000" and insert in lieu thereof "$14,783,356,000".

In section 301(4), strike out "$17,953,039,000" and insert in lieu thereof "$17,949,339,000".

At the end of subtitle B of title V add the following:

SEC. 518. MODIFIED END STRENGTH AUTHORIZATION FOR MILITARY TECHNICIANS FOR THE AIR NATIONAL GUARD FOR FISCAL YEAR 1997.

Section 513(b)(3) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 305; 10 U.S.C. 115 note) is amended to read as follows:

"(3) Air National Guard:

"(A) For fiscal year 1996, 22,906.

"(B) For fiscal year 1997, 22,956.".

COHEN AMENDMENT NO. 4069

Mr. KEMPTHORNE (for Mr. COHEN) proposed an amendment to the bill, S. 1745, supra; as follows:

In section 123(a), strike out paragraph (2), and insert in lieu thereof the following:

(2) In addition to the purposes for which the amount authorized to be appropriated by section 102(a)(3) is available under subparagraphs (B) and (C) of paragraph (1), the amounts available under such subparagraphs are also available for contracts with Electric Boat Division and Newport News Shipbuilding to carry out the provisions of the "Memorandum of Agreement Among the Department of the Navy, Electric Boat Corporation (EB) and Newport News Shipbuilding and Drydock Company (NNS) Concerning the New Attack Submarine", dated April 5, 1996, relating to design data transfer, design improvements, integrated process teams, and updated design base.

SIMON AMENDMENT NO. 4070

Mr. NUNN (for Mr. SIMON) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 311, between lines 9 and 10, insert the following:

SEC. 1072. IMPROVEMENTS TO NATIONAL SECURITY EDUCATION PROGRAM.

(a) REPEAL OF TEMPORARY REQUIREMENT RELATING TO EMPLOYMENT.—Title VII of the Department of Defense Appropriations Act, 1996 (Public Law 104–61; 109 Stat. 650), is amended under the heading "NATIONAL SECURITY EDUCATION TRUST FUND" by striking out the proviso.

(b) GENERAL PROGRAM REQUIREMENTS.—Subsection (a)(1) of section 802 of the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102–183; 50 U.S.C. 1902) is amended—

(1) by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraph (A):

"(A) awarding scholarships to undergraduate students who—

"(i) are United States citizens in order to enable such students to study, for at least one academic semester or equivalent term, in foreign countries that are critical countries (as determined under section 803(d)(4)(A) of this title) in those languages and study areas where deficiencies exist (as identified in the assessments undertaken pursuant to section 806(d) of this title); and

"(ii) pursuant to subsection (b)(2)(A) of this section, enter into an agreement to work for, and make their language skills available to, an agency or office of the Federal Government or work in the field of higher education in the area of study for which the scholarship was awarded;"; and

(2) in subparagraph (B)—

(A) in clause (i), by inserting "relating to the national security interests of the United States" after "international fields"; and

(B) in clause (ii)—

(i) by striking out "subsection (b)(2)" and inserting in lieu thereof "subsection (b)(2)(B)"; and

(ii) by striking out "work for an agency or office of the Federal Government or in" and inserting in lieu thereof "work for, and make their language skills available to, an agency or office of the Federal Government or work in".

(c) SERVICE AGREEMENT.—Subsection (b) of that section is amended—

(1) in the matter preceding paragraph (1), by striking out ", or of scholarships" and all that follows through "12 months or more," and inserting in lieu thereof "or any scholarship".

(2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph (2):

"(2) will—

"(A) not later than eight years after such recipient's completion of the study for which scholarship assistance was provided under the program, and in accordance with regulations issued by the Secretary—

"(i) work in an agency or office of the Federal Government having national security responsibilities (as determined by the Secretary in consultation with the National Security Education Board) and make available such recipient's foreign language skills to an agency or office of the Federal Government approved by the Secretary (in consultation with the Board), upon the request of the agency or office, for a period specified by the Secretary, which period shall be no longer than the period for which scholarship assistance was provided; or

"(ii) if the recipient demonstrates to the Secretary (in accordance with such regulations) that no position in an agency or office of the Federal Government having national security responsibilities is available, work in the field of higher education in a discipline relating to the foreign country, foreign language, area study, or international field of study for which the scholarship was awarded, for a period specified by the Secretary, which period shall be determined in accordance with clause (i); or

"(B) upon completion of such recipient's education under the program, and in accordance with such regulations—

"(i) work in an agency or office of the Federal Government having national security responsibilities (as so determined) and make available such recipient's foreign language skills to an agency or office of the Federal Government approved by the Secretary (in consultation with the Board), upon the request of the agency or office, for a period specified by the Secretary, which period shall be not less than one and not more than three times the period for which the fellowship assistance was provided; or

"(ii) if the recipient demonstrates to the Secretary (in accordance with such regulations) that no position in an agency or office of the Federal Government having national security responsibilities is available upon the completion upon the completion of the degree, work in the field of higher education in a discipline relating to the foreign country, foreign language, area study, or international field of study for which the fellowship was awarded, for a period specified by the Secretary, which period shall be established in accordance with clause (i); and".

(d) EVALUATION OF PROGRESS IN LANGUAGE SKILLS.—Such section 802 is further amended by—

(1) redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(1) by inserting after subsection (b) the following new subsection (c):

"(c) EVALUATION OF PROGRESS IN LANGUAGE SKILLS.—The Secretary shall, through the National Security Education Program office, administer a test of the foreign language skills of each recipient of a scholarship or fellowship under this title before the commencement of the study or education for which the scholarship or fellowship is awarded and after the completion of such study or education. The purpose of the tests is to evaluate the progress made by recipients of scholarships and fellowships in developing foreign language skills as a result of assistance under this title.".

(e) FUNCTIONS OF THE NATIONAL SECURITY EDUCATION BOARD.—Section 803(d) of that Act (50 U.S.C. 1903(d)) is amended—

(1) in paragraph (1), by inserting ", including an order of priority in such awards that favors individuals expressing an interest in national security issues or pursuing a career in an agency or office of the Federal Government having national security responsibilities" before the period;

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking out "Make recommendations" and inserting in lieu thereof "After taking into account the annual analyses of trends in language, international, and area studies under section 806(b)(1), make recommendations";

(B) in subparagraph (A), by inserting "and countries which are of importance to the national security interests of the United States" after "are studying"; and

(C) in subparagraph (B), by inserting "relating to the national security interests of the United States" after "of this title";

(3) by redesignating paragraph (5) as paragraph (7); and

(4) by inserting after paragraph (4) the following new paragraphs:

"(5) Encourage applications for fellowships under this title from graduate students having an educational background in disciplines relating to science or technology.

"(6) Provide the Secretary on an on-going basis with a list of scholarship recipients and fellowship recipients who are available to work for, or make their language skills available to, an agency or office of the Federal Government having national security responsibilities.".

(f) REPORT ON PROGRAM.—(1) Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report assessing the improvements to the program established under the David L. Boren National Security Education Act of 1991 (title VIII of Public Law 102–183; 50 U.S.C. 1901 et seq.) that result from the amendments made by this section.

(2) The report shall also include an assessment of the contribution of the program, as so improved, in meeting the national security objectives of the United States.

COHEN AMENDMENT NO. 4071

Mr. KEMPTHORNE (for Mr. COHEN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of section 123 add the following:

(e) NEXT ATTACK SUBMARINE AFTER NEW ATTACK SUBMARINE.—The Secretary of Defense shall modify the plan (relating to development of a program leading to production of a more capable and less expensive submarine than the New Attack Submarine) that was submitted to Congress pursuant to section 131(c) of Public Law 104–106 (110 Stat. 208) in order to provide in such plan for selection of a design for a next submarine for serial production not earlier than fiscal year 2000 (rather than fiscal year 2003, as provided in paragraph (3)(B) of such section 131(c)).

McCAIN AMENDMENT NO. 4072

Mr. McCAIN proposed an amendment to amendment No. 4061 proposed by Mr. SIMPSON to the bill, S. 1745, supra; as follows:

At the end of the amendment, add the following:

Notwithstanding any other provision of this Act, none of the funds authorized for construction, Phase I, of a combined support maintenance shop at Camp Guernsey, Wyoming, may be obligated until the Secretary of Defense certifies to Congress that the project is in the future years Defense plan.

SMITH (AND OTHERS) AMENDMENT NO. 4073

Mr. KEMPTHORNE (for Mr. SMITH for himself, Mr. SANTORUM, and Mr. GRAHAM) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle C of title I add the following:

SEC. 125. MARITIME PREPOSITIONING SHIP PROGRAM ENHANCEMENT.

Section 2218(f) of title 10, United States Code, shall not apply in the case of the purchase of three ships for the purpose of enhancing Marine Corps prepositioning ship squadrons.

BINGAMAN (AND SMITH) AMENDMENT NO. 4074

Mr. NUNN (for Mr. BINGAMAN, for himself and Mr. SMITH) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title VIII add the following:

SEC. 810. RESEARCH UNDER TRANSACTIONS OTHER THAN CONTRACTS AND GRANTS.

(a) CONDITIONS FOR USE OF AUTHORITY.—Subsection (e) of section 2371 of title 10, United States Code is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(2) by inserting "and" after the semicolon at the end of subparagraph (A), as so redesignated;

(3) by striking out "; and" at the end of subparagraph (B), as so redesignated, and inserting in lieu thereof a period;

(4) by inserting "(1)" after "(e) CONDITIONS.—"; and

(5) by striking out paragraph (3) and inserting in lieu thereof the following:

"(2) A cooperative agreement containing a clause under subsection (d) or a transaction authorized under subsection (a) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate.".

(b) REVISED REQUIREMENT FOR ANNUAL REPORT.—Section 2371 of such title is amended by striking out subsection (h) and inserting in lieu thereof the following:

"(h) ANNUAL REPORT.—(1) Not later than 90 days after the end of each fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on Department of Defense use during such fiscal year of—

"(A) cooperative agreements authorized under section 2358 of this title that contain a clause under subsection (d); and

"(B) transactions authorized under subsection (a).

"(2) The report shall include, with respect to the cooperative agreements and other transactions covered by the report, the following:

"(A) The technology areas in which research projects were conducted under such agreements or other transactions.

"(B) The extent of the cost-sharing among Federal Government and non-Federal sources.

"(C) The extent to which the use of the cooperative agreements and other transactions—

"(i) has contributed to a broadening of the technology and industrial base available for meeting Department of Defense needs; and

"(ii) has fostered within the technology and industrial base new relationships and practices that support the national security of the United States.

"(D) The total amount of payments, if any, that were received by the Federal Government during the fiscal year covered by the report pursuant to a clause described in subsection (d) that was included in the cooperative agreements and transactions, and the amount of such payments, if any, that were credited to each account established under subsection (f).".

(c) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—Such section, as amended by subsection (b), is further amended by inserting after subsection (h) the following:

"(i) PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.—(1) Disclosure of information described in paragraph (2) is not required, and may not be compelled, under section 552 of title 5 for five years after the date on which the information is received by the Department of Defense.

"(2) Paragraph (1) applies to the following information in the records of the Department of Defense if the information was submitted to the department in a competitive or noncompetitive process having the potential for resulting in an award, to the submitters, of a cooperative agreement that includes a clause described in subsection (d) or other transaction authorized under subsection (a):

"(A) Proposals, proposal abstracts, and supporting documents.

"(B) Business plans submitted on a confidential basis.

"(C) Technical information submitted on a confidential basis.".

"(d) DIVISION OF SECTION INTO DISTINCT PROVISIONS BY SUBJECT MATTER.—(1) Chapter 139 of title 10, United States Code, is amended—

"(A) by inserting before the last subsection of section 2371 (relating to cooperative research and development agreements under the Stevenson-Wydler Technology Innovation Act of 1980) the following:

"§ 2371a. Cooperative research and development agreements under Stevenson-Wydler Technology Innovation Act of 1980";

"(B) by striking out "(i) COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS UNDER STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980.—; and

"(C) in the table of sections at the beginning of such chapter, by inserting after the item relating to section 2371 the following:

"§ 2371a. Cooperative research and development agreements under Stevenson-Wydler Technology Innovation Act of 1980.".

"(2) Section 2358(d) of such title is amended by striking out "section 2371" and inserting in lieu thereof "sections 2371 and 2371a".

GRASSLEY (AND OTHERS) AMENDMENT NO. 4075

Mr. KEMPTHORNE (for Mr. GRASSLEY, for himself, Mrs. BOXER, and Mr. HARKIN) proposed an amendment to the bill, S. 1745, supra; as follows:

On page , between lines and , insert the following:

SEC. . REIMBURSEMENT FOR EXCESSIVE COMPENSATION OF CONTRACTOR PERSONNEL PROHIBITED.

(a) ARMED SERVICES PROCUREMENTS.—Section 2324(e)(1) of title 10, United States Code, is amended by adding at the end the following:

"(P) Costs of compensation (including bonuses and other incentives) paid with respect to the services (including termination of services) of any one individual to the extent that the total amount of the compensation paid in a fiscal year exceeds $200,000.".

(b) CIVILIAN AGENCY PROCUREMENTS.—Section 306(e)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(e)(1)) is amended by adding at the end the following:

"(P) Costs of compensation (including bonuses and other incentives) paid with respect to the services (including termination of services) of any one individual to the extent that the total amount of the compensation paid in a fiscal year exceeds $200,000.".

BOXER AMENDMENT NO. 4076

Mr. NUNN (for Mrs. BOXER) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of title VIII, insert the following new section:

SEC. . REPORTING REQUIREMENT UNDER DEMONSTRATION PROJECT FOR PURCHASE OF FIRE, SECURITY, POLICE, PUBLIC WORKS, AND UTILITY SERVICES FROM LOCAL GOVERNMENT AGENCIES.

Section 816(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2820) is amended by striking out "1996" and inserting in lieu thereof "1998".

McCAIN AMENDMENT NO. 4077

Mr. KEMPTHORNE (for Mr. MCCAIN) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title III, add the following:

SEC. . AUTHORITY FOR AGREEMENTS WITH INDIAN TRIBES FOR SERVICES UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701(d) of title 10, United States Code, is amended—

(1) in the first sentence of paragraph (1), by striking out ", or with any State or local government agency," and inserting in lieu thereof ", with any State or local government agency, or with any Indian tribe,"; and

(2) by adding at the end the following:

"(3) DEFINITION.—In this subsection, the term 'Indian tribe' has the meaning given such term in section 101(36) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).".

NUNN AMENDMENT NO. 4078

Mr. NUNN proposed an amendment to the bill, S. 1745, supra; as follows:

In section 1006, strike out the last three lines and insert in lieu thereof the following:

"(B) The cost of any equipment, services, or supplies acquired for the purpose of carrying out or supporting activities described in such subsection (e)(5), including any nonlethal, individual or small-team landmine cleaning equipment or supplies that are to be transferred or otherwise furnished to a foreign country in furtherance of the provision of assistance under this section.".

(C) The cost of any equipment, services or supplies provided pursuant to (B) may not exceed $5 million each year.

KEMPTHORNE AMENDMENT NO. 4079

Mr. KEMPTHORNE proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title II add the following:

SEC. 243. AMENDMENT TO UNIVERSITY RESEARCH INITIATIVE SUPPORT PROGRAM.

Section 802(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1701; 10 U.S.C. 2358 note) is amended by striking out "fiscal years before the fiscal year in which the institution submits a proposal" and inserting in lieu thereof "most recent fiscal years for which complete statistics are available when proposals are requested".

LOTT AMENDMENT NO. 4080

Mr. KEMPTHORNE (for Mr. LOTT) proposed an amendment to the bill, S. 1745, supra; as follows:

Strike out section 1008, relating to the prohibition on the use of funds for Office of Naval Intelligence representation or related activities.

INHOFE (AND NICKLES) AMENDMENT NO. 4081

Mr. KEMPTHORNE (for Mr. INHOFE, for himself and Mr. NICKLES) proposed an amendment to the bill, S. 1745, supra; as follows:

Insert the following in the appropriate place:

SEC. . TRANSFER OF JURISDICTION AND LAND CONVEYANCE, FORT SILL, OKLAHOMA.

(a) TRANSFER OF LAND FOR NATIONAL CEMETERY.—

(1) TRANSFER AUTHORIZED.—the Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property (including any improvements thereon) consisting of approximately 400 acres and comprising a portion of Fort Sill, Oklahoma.

(2) USE OF LAND.—The Secretary of Veterans Affairs shall use the real property transferred under paragraph (1) as a national cemetery under chapter 24 of title 38, United States Code.

(3) RETURN OF UNUSED LAND.—If the Secretary of Veterans Affairs determines that any portion of the real property transferred under paragraph (1) is not needed for use as a national cemetery, the Secretary of Veterans Affairs shall return such portion to the administrative jurisdiction of the Secretary of the Army.

(b) LEGAL DESCRIPTION.—the exact acreage and legal description of the real property to be transferred or conveyed under this section shall be determined by surveys that are satisfactory to the Secretary of the Army. The cost of such surveys shall be borne by the recipient of the real property.

McCAIN AMENDMENT NO. 4082

Mr. KEMPTHORNE (for Mr. MCCAIN) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 81, strike out line 18 and all that follows through page 86, line 2, and insert in lieu thereof the following:

SEC. 341. ESTABLISHMENT OF SEPARATE ENVIRONMENTAL RESTORATION ACCOUNTS FOR EACH MILITARY DEPARTMENT.

(a) ESTABLISHMENT.—(1) Section 2703 of title 10, United States Code, is amended to read as follows:

"§ 2703. Environmental restoration accounts

"(a) ESTABLISHMENT OF ACCOUNTS.—There are hereby established in the Department of Defense the following accounts:

"(1) An account to be known as the 'Defense Environmental Restoration Account'.

"(2) An account to be known as the 'Army Environmental Restoration Account'.

"(3) An account to be known as the 'Navy Environmental Restoration Account'.

"(4) An account to be known as the 'Air Force Environmental Restoration Account'.

"(b) OBLIGATION OF AUTHORIZED AMOUNTS.—Funds authorized for deposit in an account under subsection (a) may be obligated or expended from the account only in order to carry out the environmental restoration functions of the Secretary of Defense and the Secretaries of the military departments under this chapter and under any other provision of law. Funds so authorized shall remain available until expended.

"(c) BUDGET REPORTS.—In proposing the budget for any fiscal year pursuant to section 1105 of title 31, the President shall set forth separately the amounts requested for environmental restoration programs of the Department of Defense and of each of the military departments under this chapter and under any other Act.

"(d) AMOUNTS RECOVERED.—The following amounts shall be credited to the appropriate environmental restoration account:

"(1) Amounts recovered under CERCLA for response actions.

"(2) Any other amounts recovered from a contractor, insurer, surety, or other person to reimburse the Department of Defense or a military department for any expenditure for environmental response activities.

"(e) PAYMENTS OF FINES AND PENALTIES.—None of the funds appropriated to the Defense Environmental Restoration Account for fiscal years 1995 through 1999, or to any environmental restoration account of a military department for fiscal years 1997 through

1999, may be used for the payment of a fine or penalty (including any supplemental environmental project carried out as part of such penalty) imposed against the Department of Defense or a military department unless the act or omission for which the fine or penalty is imposed arises out of an activity funded by the environmental restoration account concerned and the payment of the fine or penalty has been specifically authorized by law.".

(2) The table of sections at the beginning of chapter 160 of title 10, United States Code, is amended by striking out the item relating to section 2703 and inserting in lieu thereof the following new item:

"2703. Environmental restoration accounts.".

(b) REFERENCES.—Any reference to the Defense Environmental Restoration Account in any Federal law, Executive Order, regulation, delegation of authority, or document of or pertaining to the Department of Defense shall be deemed to refer to the appropriate environmental restoration account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(c) CONFORMING AMENDMENT.—Section 2705(g)(1) of title 10, United State Code, is amended by striking out "the Defense Environmental Restoration Account" and inserting in lieu thereof "the environmental restoration account concerned".

(d) TREATMENT OF UNOBLIGATED BALANCES.—Any unobligated balances that remain in the Defense Environmental Restoration Account under section 2703(a) of title 10, United States Code, as of the effective date specified in subsection (e) shall be transferred on such date to the Defense Environmental Restoration Account established under section 2703(a)(1) of title 10, United States Code (as amended by subsection (a)(1)).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) October 1, 1996; or

(2) the date of the enactment of this Act.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. CAMPBELL. Mr. President, I would like to announce for the public that the hearing scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources on Thursday, June 20, 1996 at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC, to review S. 1424, a bill to redesignate the Black Canyon of the Gunnison National Monument as a national park, to establish the Gunnison Gorge National Recreation Area, to establish the Curecanti National Recreation Area, to establish the Black Canyon of the Gunnison National Park Complex, has been canceled until further notice.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224–5161.

COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. CAMPBELL. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, July 18, 1996 at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to review S. 988, a bill to direct the Secretary of the Interior to transfer administrative jurisdiction over certain land to the Secretary of the Army to facilitate construction of a jetty and sand transfer system and S. 1805, a bill to provide for the management of Voyageurs National Park.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, D.C. 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224–5161.

COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. CAMPBELL. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, July 25, 1996, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to review S. 1699, a bill to establish the National Cave and Karst Research Institute in the State of New Mexico; S. 1737, a bill to protect Yellowstone National Park, the Clarks Fork of the Yellowstone National Wild and Scenic River and the Absaroka-Beartooth National Wilderness Area; and S. 1809, the "Aleutian World War II National Historic Sites Act of 1996".

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public an addition to the agenda of the Full Committee hearing previously scheduled for Wednesday, June 26 at 9:30 a.m. in Room SD–366 of the Dirksen Senate Office Building in Washington, DC.

In addition to receiving testimony on matters regarding the U.S. Territories, the Committee will also receive testimony on S. 1889, a bill to authorize the exchange of certain lands conveyed to the Kenai Native Association pursuant to the Alaska Native Claims Settlement Act, to make adjustments to the National Wilderness System, and for other purposes.

Those wishing to testify or who wish to submit written statements with regard to S. 1889, should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Presentation of oral testimony is by Committee invitation. For further information, please contact Jo Meuse or Brian Malnak.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, June 19, 1996, to consider the committee's budget reconciliation instructions.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, June 19, 1996, to conduct a markup of S. 1815, the "Securities Investment Promotion Act of 1995".

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Wednesday, June 19, 1996 session of the Senate for the purpose of conducting a hearing on Salmon Recovery Research.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, June 19, 1996, for purposes of conducting a Full Committee business meeting which is scheduled to begin at

9:30 a.m. The purpose of this meeting is to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. COATS. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Wednesday, June 19, 1996, beginning at 10:00 a.m. in room SD–215.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, June 19, 1996 at 9:30 a.m. to conduct a mark-up on Title III of H.R. 3286, the Adoption Promotion and Stability Act of 1996. The mark-up will be held in Room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, June 19, 1996, to hold an executive business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, June 18, 1996 beginning at 9:00 a.m., and Wednesday, June 19, 1996, beginning at 9:30 a.m. until business is completed, to hold a hearing on Public Access to Government Information in the 21st Century, with a focus on the GPO Depository Library Program/Title 44.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. COATS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, June 19, 1996 at 9:00 a.m. to hold an open hearing on Intelligence Matters and at 2:00 p.m. to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PROPOSED MERGER BETWEEN THE UNION PACIFIC AND SOUTHERN PACIFIC RAILROADS

• Mr. BOND. Mr. President, when Congress passed legislation last year transferring the authority to review proposed rail mergers from the former Interstate Commerce Commission to the Surface Transportation Board, a major issue of concern in the Senate was whether or not the Board should retain exclusive jurisdiction over ensuring that healthy competition is protected before any proposed merger is approved. That congressionally imposed responsibility is indeed important and its first major test will be seen soon when the Board issues its decision on the proposed merger of the Union Pacific and Southern Pacific Railroads.

Never before has such a large consolidation of control over rail traffic been proposed and never before have so many expressed such strong reservations about the dangers to competition posed by such a merger.

The Board must discharge its responsibility to protect competition and in this case to do so, it must condition approval of the proposed merger with mandatory divestiture of the parallel lines created as a result of the merger to an independent rail competitor.

This condition is essential to approve the proposed merger. Granting trackage rights alone is not sufficient to protect competition. In reviewing this question, the Board should consider the following:

First, the proposed merger would leave two railroads in the West, the combined UP-SP and the BN-Santa Fe, with control of 90 percent of the rail traffic in the West, resulting in reduced competition, higher shipping rates, and reduced service.

Second, the proposed merger will cause many shippers to go from three carriers to two, and many more from two carriers to only one. The Department of Justice's review estimates over $6 billion in shipping traffic would be affected by this reduced competition.

Third, oddly enough, the competitive harm in this proposed merger is two times the competitive harm of the proposed Santa Fe-Southern Pacific merger proposed and rejected in the mid-1980's.

It is not surprising that numerous shipping groups have publicly opposed the merger in its present form and favor divestiture to solve the competitive problems. These groups include the Society of Plastics, the NIT League, and the Gulf States of Texas and Louisiana. The American Farm Bureau, National Grange, and National Farm Bureau are among the many agriculture groups opposed to the merger and requesting conditions other than the BNSF-CMA agreement. Divestiture of parallel tracks and facilities will result in preservation of competitive options for all shippers who would otherwise see reduction in competition from two carriers to one, and for a significant number who would go from three to two.

Mr. President, last fall I joined with the chairman of the House Small Business Committee, Congresswoman JAN MEYERS, in convening a joint session of our Small Business Committees, to hear from small shippers who have been affected by mega-mergers like this in the past and who know what the consequences of this proposed merger, if approved in its current form, will be for them in the future. They were unanimous. They know that only actual, real competition protects them from the serious consequences of being captive to a single shipper. They have come out in droves to voice their fears in their public filing to the Board. Their interests collectively must be protected.

Because of the intense interest in these parallel lines by competing carriers, divestiture would not force the applicants to sell any of these lines for less then their market value. Divestiture allows the merger to go forward and gives the UP and SP the benefits of end-to-end efficiency and the administrative-corporate consolidation that they want while protecting competition for shippers.

Unfortunately, the trackage rights solution to these serious threats to competition will not resolve the problems. Even with added access, competitors operating over lines controlled by an aggressively competitive owner are inferior to the owner of the line who uses control of access to place the competitor at a serious disadvantage. Trackage rights alone do not constitute available competition, only access to actual moving traffic does. That can be achieved only by mandatory divestiture of parallel lines.

The Departments of Justice, Transportation, and Agriculture oppose the current proposed merger due to these competitive problems. Numerous shippers groups and many of the affected States have voiced concerns as well. Mr. President, I believe Congress wants the Board to discharge its duty to protect competition. We will see this decision as the crucial test whether it will or will not.

Congress explicitly recognized divestiture as a viable condition available to the Board when it passed the ICC Termination Act creating the Surface Transportation Board. Congress specifically wrote divestiture into the new law with this need in mind. Divestiture to the highest bidder certainly promotes free-market competition. The Board clearly has this authority and should use it to protect competition.•

FINAL REPORT BY THE SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER

• Mrs. MURRAY. Mr. President, yesterday, after 13 months, 51 hearings, 159 witnesses, thousands of pages of documents, and nearly 2 million taxpayer dollars, the Special Committee To Investigate Whitewater concluded its work.

Our committee found no instance in which the President or the First Lady have acted unethically, illegally or abused their power.

Mr. President, the special committee released two varying reports yesterday: A Republican majority report and a Democratic minority report. Our committee started its work in true bipartisan fashion. Unfortunately, as the investigation repeatedly failed to produce any substantive or legitimate wrongdoing by the President, the majority veered the committee down a path of partisan politics and speculation. As a result, our bipartisan teamwork broke down. It disintegrated to a point that two separate reports are needed in order to report our findings as clearly as possible.

The biggest failing of this committee, however, was our failure to keep faith with the American people. For months, I reminded our committee of the importance of being credible and of the need to maintain the confidence of the American people. Constituents in my home State often expressed their displeasure with our committee's partisan politics. And they told me they no longer trusted our committee to find the truth in a fair and impartial manner.

Mr. President, we were charged with the mission of finding all of the facts relating to the President's relationship with Whitewater and related matters. That's what the American people wanted us to do. That is what they expected us to do. Unfortunately, the majority decided to make allegations first, and find the facts second. If the facts failed to support the allegations, the majority simply discarded the facts.

I believe, and most of my colleagues will agree, that there were few instances where the White House could have produced documents faster or answered questions more quickly. In its attempt to be careful and cautious, the White House ultimately ran into perception problems. The White House looked as if it was covering up the truth. Once all the information was gathered, we learned the White House had not acted improperly—rather in many cases it was as open and forthcoming as possible. In no way did the White House act to obstruct justice or attempt to impede this committee's investigation.

The majority granted the special committee $400,000 to extend our hearings well beyond our original February deadline. Nearly 4 months later, our committee conducted only 10 more hearings. This track record makes it very clear to me that we could have concluded our work by the original deadline, and that the majority simply intended to continue these hearings further into the Presidential election season.

Now, after finding no wrongdoing by the President in relation to the subject at hand—Whitewater and Madison Guaranty—the Majority has leaked reports that it intends to pursue perjury charges on three of the President's aides and advisers. This is a clear attempt to move attention away from the fruitless investigation by creating a new allegation. Like many of the smoking guns that amounted to no more than squirt guns, it again appears to be another effort to make news where there is no news, and to make political noise in an election year.

Our committee spent nearly $2 million to examine the facts. The Resolution Trust Corporation [RTC] spent nearly $4 million conducting an independent investigation clearing the Clintons of any wrongdoing. And the independent counsel has spent more than $26 million on its ongoing investigation. Including the House committee hearings, nearly $40 million of public money has been spent to bring all relevant information into the open. The final reports put to rest the suicide of Vince Foster, concluded the Clinton White House did not interfere with RTC and Department of Justice investigations, and discovered then-Governor Clinton did not misuse his power to influence State regulators.

It is time for us to move beyond this political issue. It is time for Congress to address the issues that really concern the American people. When I go home people ask me what Congress has done to preserve their quality of life, what Congress has done to improve our education system, and what Congress has done to improve our health care delivery system. I can count on one hand the number of times somebody asked me about Whitewater over the past 2 years.

As a member of the Special Whitewater Committee, I took my job seriously. I understood the importance of our committee, and I stand by the minority report. Our report studies the facts very carefully, and after compiling all of the facts we made our conclusions accordingly. I urge all interested parties to read this report, and I am hopeful it completes the mission we were instructed to pursue.•

TRIBUTE TO JIM SMITH

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to a Kentucky businessman whose success allowed him to give something back to Kentucky. Jim Smith, who passed away May 31, was one of western Kentucky's most successful self-made businessmen.

Mr. Smith, the youngest of eight children, dropped out of school in the 10th grade. After being involved in several construction company partnerships, he struck out on his own and turned one bulldozer into a multi-million dollar construction business. Jim Smith Construction Co. built most of the major highways in western Kentucky. He also expanded into other areas, including coal, transportation, a hotel, and a restaurant.

A close friend and business partner, David Reed, was quoted in the Paducah Sun as saying, "Those of us who know Jim well realize immediately the void his passing will mean, not only to us personally but to all of western Kentucky." Former Kentucky Gov. Julian Carroll said of Mr. Smith, "I've known him as a friend, a businessman, a citizen of the community, a Christian * * * but of all the roles that Jim filled in his life, the one that he relished the most, and agonized over the most, was being the father of four sons." Even though he was wealthy, Mr. Smith required his sons to work and earn their living.

Mr. Smith is survived by his wife, Sandy; four sons, Mike, Rex, Chris, and Steve; two stepchildren, Joelle Smith and Joel Weaver; three brothers, Hiram, Hugh, and Bill Smith; and three sisters, Geneva Youngblood, Imogene Riggs, and Lucille Wade. I would ask that my colleagues join me in honoring this extraordinary Kentuckian.•

HIDDEN HUMAN TOLL OF GAMBLING

• Mr. SIMON. Mr. President, in all the discussion about the problems of gambling in the United States, most of us in those discussions use statistics.

What we frequently fail to understand are the human beings involved in the addiction.

Ken Adelman, the former head of The Arms Control and Disarmament Agency and now a columnist who is nationally syndicated, recently had a column in the Washington Times that told about a cousin of his.

It tells in simple, graphic terms why we need a commission to look at this problem.

I don't know how many personal cases I have heard of since introducing the bill on the commission, but it is enough to encourage me to fight for its creation, and I hope my colleagues will have the good sense to pass the measure and create the commission.

I ask that the Washington Times column be printed in the RECORD.

The column follows:

[From the Washington Times, June 13, 1996]

HIDDEN HUMAN TOLL OF GAMBLING

(By Ken Adelman)

Stopping for a fund-raiser in Las Vegas last weekend, Bill Clinton solicited big gambling bucks, as has Bob Dole. Lost in the policy debate over state-sponsored gambling—via lotteries, casinos, horse races, whatever—is the personal dimension.

This hasn't been lost on our family, which has endured pain from my first cousin, Alby, becoming a compulsive gambler. At 15 years old, I should have sensed Alby's problem when our grandfather, Papa, took us on a trip abroad. The whole way Alby wanted to bet on whose room would have a higher number (Papa's or ours), whether our seats would be on the right or left side of the airplane, on anything really. He was—and presumably is, though I haven't seen him in years—an engaging and brilliant fellow. We never suspected the years of jail and a failed life gambling would bring.

Between prison sentences, beginning at age 16 or so, Alby would hit the track, poker tables, and sports events. No state lotteries had yet been established, so we can't blame them for our family woes. How much state-sponsored gambling, now dubbed "gaming," multiplies the number of Albys in America should be a key focus of the national commission on gambling, which Congress is now debating.

"The main ambitions I ever had were fantasies," Alby told me in 1975, when I spent six months researching his life. He poured his mathematical genius, personality and wit into gambling. Alby won big at times—$10,000 in one day and $7,700 in one race. But those triumphs were fleeting as all winnings went back into the game. The amounts were staggering, at least to me. Alby burned through more than $1 million before turning 30. He squandered it all, as well as two marriages and a host of natural abilities.

Alby became attracted and then addicted to horse-racing while still in high school. "When you're at the track or when you're gambling, you're in a different world," he mused. "There's nothing else that matters until you walk into reality again. It's a dream world." Gambling became his trademark.

"When I won, I would have a lot of money in my pocket and flash it around. It was an ego trip for me." And a macho thing, since compulsive gambling is mostly a man's disease. Unlike alcoholism or drug addiction, only 10 percent of compulsive gamblers are women.

But women become victims. One elderly landlady in New Mexico housed Alby and a buddy when they were 16. After they skipped out without paying rent, she wrote Alby's parents, "They were both good, likable kids." She missed them after Alby "left town like something from a cannon. He said he needed to return home on account of a death of a sister." No sister had died. Such began a life of lies.

Though having now spent more than half his life behind bars, Alby never considered himself a criminal. He trashed common convicts, especially armed robbers: "They're stupidest people in the world. They go to jail for 10 years for a hundred bucks when I can get $50,000 with a pen in hand rather than a gun."

Like most compulsive gamblers, Alby abhors violence. None of his crimes involved guns, knives or physical assaults. They involved passing bad checks and schemes of every sort. Though non-violent, they still hurt others, especially family members. Alby's father bailed him out of jail and dangerous situations for several years before giving up. His grandfather lasted longer, but after Alby stole his prized stamp collection and World War I medals, he too gave up.

The burden falls too on friends and neighbors. Rummaging through family correspondence, I came across scores of sad stories. One came from the mother of a high school buddy who "loaned" Alby his coin collection but never got it back."My son is a stranger to you but he is my only child and the most important person in the world to me," she wrote Alby's folks. "The coins he's been saving since he was little were his only concrete asset. They are now gone.

Though sharing an addiction, compulsive gamblers differ from drug and alcohol abusers. The gambling life is one of involvement and stimuli. Drug and alcohol addicts lead a life of withdrawal and passivity.

While gambling is as old as humanity itself—archaeologists have found a 4,000-year-old lamb bone used as dice—compulsive gambling is a relatively new affliction. Upward of 10 million compulsive gamblers in America—perhaps 10 times the number of drug addicts—may be increasing in numbers now. For state and local lotteries not only furnish the opportunity, but encourage "striking it rich" without any effort.

Alby's tragedy may become epidemic since legalized gambling has increased 2,800 percent over the past two decades. To grasp this danger, imagine the furor if state and local governments not only legalized drug sale and use but themselves sold and advertised drugs to the general public.

As Congress debates establishing a national commission on the effects of gambling, everyone has focused on the commission's subpoena powers. More critical would be a focus on the human toll gambling takes, on tales of wasted lives, like Alby's.●

INS EMPLOYMENT VERIFICATION PILOT PROJECT

● Mr. KERREY. Mr. President, at the end of May, the Immigration and Naturalization Service and a consortium of meatpacking companies announced an innovative pilot project in which the companies will voluntarily verify the employment eligibility of noncitizens who seek employment.

I commend the meatpacking industry, specifically IBP and BeefAmerica in Nebraska, as well as companies elsewhere in recognizing that the jobs they offer are a major draw for immigrants, some of whom are not in the country legally, and for taking the initiative to help root out those who are not eligible to work. The meatpacking industry wants to hire legal workers; this industry is also well aware of how difficult a task that can be given the availability of forged documents. The Employment Verification Pilot will test, across an entire industry, a hiring system that has already demonstrated success in smaller pilot projects.

In a relatively short period of time we should expect that the word will spread: Nebraska and other States with good job opportunities will keep the welcome mat out for those authorized to work, but will shut the door to those who are not. The participating companies together employ about 56,000 workers at 48 sites in 10 States. Participation by these employers ensures that about 80 percent of the meatpacking industry will be covered.

I also commend the INS for their response to an issue of utmost importance to the country—protecting American jobs and continuing efforts to reduce the primary incentive for illegal immigration—the job magnet. I also want to laud the INS for recognizing the usefulness of a voluntary system. By participating with employers in fashioning the program, the INS has forged a partnership that will lead to success.

The process is simple. Employers who volunteer to participate can quickly verify with INS, through a computer, whether their newly hired, noncitizen employees are authorized to work. In most cases, verification will be received in minutes. Through quick verification, this project cracks down on illegal employment while protecting the rights of legal immigrant workers.

I believe this pilot project has the potential to restore American's faith in the legal immigration system and I look forward to the evaluation of the program after it has gotten off the ground. I also look forward to continue working with INS and employers to ensure that Americans jobs are protected and available for those who are in the United States legally.●

HONORING THE 150TH ANNIVERSARY OF BASEBALL

● Mr. LAUTENBERG. Mr. President, on a warm spring afternoon, on June 19, 1846, the seeds of modern baseball were planted in the fertile soil of New Jersey. On that day, one of baseball's first teams, the Knickerbockers, invited a group known as the New York City Club to join them for a game of ball. They met on the Elysian Fields of Hoboken, NJ, and played under a unique set of rules, which the Knickerbockers had recently devised. With the first pitch, the modern game of baseball was born. The new pastime quickly captured the young Nation's interest and fired its imagination. Clubs were soon modeling themselves upon the Knickerbockers, and Hoboken's Elysian Fields became one of the first great centers of baseball activity in the United States.

Over the last 150 years, the seed first planted in New Jersey became firmly rooted in the American landscape and then spread around the globe.

But although baseball is enjoyed throughout the world, it is a uniquely American game. It both mirrors and molds our national character.

It has been said that "Whoever wants to know the hearts and minds of America had better learn baseball." This is undeniably true, because baseball is one of the world's most democratic games. Each team has equal opportunity to win, since no timeclock decides when the game is done. Only hard work and teamwork determine a winner. What could better reflect our national philosophy?

But baseball not only mirrors our character, it also molds it. For generations of immigrant children, their first American experience often came on the baseball diamond. During World War II, when our male baseball players joined the war effort, all-female teams were formed. Displaying exceptional talent and tenacity, these ballplayers vividly demonstrated that a woman could fill a man's shoes. In 1947, baseball set a powerful example for the Nation; when Jackie Robinson joined the Brooklyn Dodgers, professional baseball became one of the standard bearers of the desegregation movement.

For all that baseball has done, perhaps its greatest contribution is simply the bond that it forms between one generation of Americans and the next. It is a bond forged between children and parents who have spent long days together at the ballpark or on the ballfield.

As Americans, we come from diverse cultures, often with very different customs and beliefs. It is only our common experiences that bind us together as a nation. Whether playing it or watching it, baseball has been one of the few shared experiences enjoyed by all of us, a common thread which has helped stitch together the tapestry of America. So, it is no exaggeration to say that baseball is, and will always be, a part of our national identity, our national heritage, and our national greatness.

I am pleased to recognize the important role which New Jersey played in baseball's history. Too few people realize that baseball's first match game was played in Hoboken. Hopefully, the events taking place today in Hoboken, to celebrate that first game, will help spread the word. Congratulations Hoboken, and happy 150th anniversary to America's national pastime, the sport of baseball.

Mr. President, I ask that a letter from President Clinton be printed in the RECORD.

The letter follows:

THE WHITE HOUSE,
Washington, June 19, 1996.

Warm greetings to everyone gathered in Hoboken, New Jersey, to commemorate the 150th anniversary of the celebrated baseball game on Elysian Fields between the Knickerbockers and the New York Club.

Throughout its long and storied history, baseball has stirred the hearts and captured the imagination of the American people. From hot summer days on the sandlot to cool autumn nights at the World Series, baseball has passed from generation to generation as new stars rise to replace the legends of the past and new fans learn to root for the home team.

Through wars and depression, good times and bad, we have been beguiled by the sights and sounds of this graceful and timeless game. The crack of the bat on a hard-hit ball; the slap of a fastball into a catcher's mitt; the smooth precision of a well-turned double play; the thrill of a stolen base; the sight of a home run as it clears the center field fence—these are the things that have imprinted baseball in the soul of America.

I join you in celebrating this cherished national pastime and the players, managers, coaches, and fans who have made it a permanent part of American culture. Best wishes for a memorable day.

BILL CLINTON.•

TRIBUTE TO LUCILLE MAURER, FORMER STATE TREASURER OF MARYLAND

• Ms. MIKULSKI. Mr. President, the State of Maryland mourns today.

We have lost a tremendous public servant and role model in Lucille Maurer, who died Monday at the age of 73, after a long struggle with a brain tumor.

Lucy Maurer was a long time Montgomery County legislator who went on to serve as Maryland's first female treasurer. She served as treasurer for over 9 years, ending this past January. As treasurer, she was widely recognized for her effectiveness, her professionalism, her intelligence, and her commitment. Lucy also served in the House of Delegates and on several school boards.

But her public service was not limited to fiscal affairs; Lucy Maurer also committed her considerable talents and energies to those who needed them most—Maryland's children. Whether the issue was education, nutrition, or safety, Lucy wanted the promise of a better future to become a reality for every child.

Lucy was an outstanding example of all that is good about democratic politics. She was also a great friend and an inspiration to so many women—and men—who hold public office. We looked to emulate the strength, fiscal and political savvy, confidence, and can-do spirit that was so much a part of her.

She was an inspiration to the many unheralded women across Maryland who work everyday to improve their communities and make a real difference. I hope Lucy's community involvement—with groups like the PTA and the League of Women Voters—will encourage even more women to become active in community and political affairs. I can think of no legacy more important that Lucy Maurer could leave for the Maryland she loved so much.

I would like to extend my condolences to Lucy's husband, Ely Maurer, to the rest of the Maurer family, and to the colleagues and friends in Maryland and across the country who are mourning Lucy's passing. I share, and the U.S. Senate shares, your tremendous loss.•

CUBAN POLICY

• Mr. SIMON. Mr. President, one of the most shortsighted policies we have anywhere is our policy toward Cuba.

The reality is, we are letting a small group dictate American policy because of domestic political interests.

There is not a single nation in the world that doesn't believe our policy toward Cuba is counterproductive.

Our aim should be to get the Government of Cuba to ameliorate their hard stands on human rights issues, and it has had the opposite effect.

Certainly, if we had followed a different course, it is hard to believe the situation could be any worse than it is right now.

Recently, the New York Times had an article by Larry Rohter titled, "Latin American Nations Rebuke U.S. for the Embargo on Cuba."

They are right in their criticism.

I ask that the New York Times article be printed in the CONGRESSIONAL RECORD.

The article follows:

[From the New York Times, June 6, 1996]

LATIN AMERICAN NATIONS REBUKE U.S. FOR THE EMBARGO ON CUBA

(By Larry Rohter)

PANAMA, June 5.—In a display of near unanimity, the countries of the Organization of American States, gathered here for their annual meeting, singled out the United States, criticizing the recent extension of the economic embargo against Cuba as a probable violation of international law.

The criticism came in the form of a resolution aimed at the Helms-Burton Law, which President Clinton signed into law in March.

A vote on Tuesday on the measure, which had 32 co-sponsors, ended with the United States, traditionally the organization's dominant force, as the sole dissenter.

Dismayed by the strong language of the resolution, the United States fired back with a harsh assessment of the behavior of some of its closest allies, including many members of the organization who have supported American intervention in the past in places such as Haiti and the Dominican Republic.

In a stinging speech at the gathering, which ends on Friday, the United States delegate, Harriet C. Babbitt, condemned the resolution as an act of "diplomatic cowardice."

"What is the message that will emerge from this assembly?" she asked her fellow delegates. "That the hemisphere will flex its muscles to defend and justify illegal expropriations, but remain silent while our brothers and sisters in a neighboring state remain subject to the caprices of a brutal dictator? Where is our sense of perspective?"

Cuba was "excluded" from the organization in 1962 as part of an American diplomatic effort to isolate Fidel Castro and the Communist Government he continues to lead.

Since then, Cuban officials and the state-controlled press have regularly ridiculed the organization as a claque of subservient puppets manipulated by the United States.

In Havana, a spokesman for the Cuban Foreign Ministry said the resolution "was really a surprise," and thanked organization members for their support.

The Helms-Burton legislation tightens the 35-year-old economic embargo against Cuba by allowing American citizens to sue foreign companies that "traffic" in property seized from Americans and denies executives of those companies the right to enter the United States.

Congress overwhelmingly approved the bill after Cuban Air Force pilots shot down two small civilian aircraft owned by Cuban exile groups in February, killing four people.

The resolution is directed against all laws that "obstruct international trade and investment" or "the free movement of persons."

In addition, the Inter-American Juridical Committee, an independent body that advises the organization on legal matters, was asked to "examine the validity under international law" of Helms-Burton and to prepare a "judgment" as soon as possible.

Coming from a forum that has always done its best to avoid controversy, the vote could only be interpreted as a stunning defeat for the United States and a rejection of the Clinton Administration's get-tough policy toward Cuba.

But at a news conference after the rebuke, Ms. Babbitt tried to put the best face on the vote and to mend some fences. "We have in effect agreed to disagree on this issue," she said. "We share the same goal, but we disagree on the methods of attaining that goal."

Privately, members of the American delegation said they were distressed not only with the language of the resolution but also by the manner in which it was pushed through. They also complained of being given insufficient time to consult with Washington.●

OPERATION SMILE WINS CONRAD N. HILTON HUMANITARIAN PRIZE

● Mr. WARNER. Mr. President, there are kind hearts in the world.

The Conrad N. Hilton Foundation—for the first time—is awarding a $1 million prize to a humanitarian organization committed to alleviating human suffering.

Mr. President, I rise today to congratulate Operation Smile, a Virginia-based organization dedicated to bringing smiles to the world's children. Operation Smile, an international, volunteer, medical-services organization, provides reconstructive surgery to indigent children suffering from facial and functional deformities.

I am delighted that Operation Smile was chosen by the Conrad N. Hilton Foundation.

Both Operation Smile and the Hilton Foundation fuel the spirit of volunteerism. Operation Smile, embracing the mission of all humanitarians, touches the face of humanity, literally, figuratively, and spiritually. For centuries, throughout much of the world—even in our great Nation—children born with facial deformities were sentenced to a life of private pain and public humiliation. Operation Smile was founded in 1982 by the husband-and-wife team of Dr. William P. Magee, a plastic surgeon, and Kathleen Magee, a nurse and social worker. I particularly want to commend the founders of Operation Smile, their vision and hard work have made the dreams of many youngsters come true.

The generous award by the Conrad N. Hilton Foundation will help keep this hope alive. By establishing this prize, the foundation, according to the executive director of the Hilton Prize, seeks to recognize and support all persons working hard, and often under difficult conditions, to alleviate human suffering.

Today, selfless volunteers with Operation Smile provide reconstructive surgery and related health care to children around the world. Thanks to the unwavering dedication of Operation Smile volunteers, over 18,000 children have witnessed a personal miracle and embarked on a new life.

Internationally, Operation Smile educates and trains local medical professions and creates an infrastructures for volunteer and financial support—all of which contributes to a local network of self-sufficiency.

From the State of Virginia, as well as the other 28 chapters around the country, Operation Smile reaches into schools and communities, identifying children in need of reconstructive surgery. With the unwavering support of volunteer surgeons and hospitals, Operation Smile insures that no child will suffer through a childhood made traumatic by facial disfigurement.

Mr. President, the Conrad N. Hilton Foundation could not have chosen a more worthy organization. Operation Smile deserves a standing ovation. In fact, I applaud both Operation Smile and the Conrad N. Hilton Foundation for showing the world the promise of hope and the power of smiles.●

CAPT. DONALD A. HEMPSON, JR.

● Mr. LEVIN. Mr. President, I rise to honor and congratulate Capt. Donald A. Hempson, Jr. on 27 years of dedicated service in the U.S. Navy. Today, June 19, 1996, Captain Hempson will retire from the Navy as commander of Defense Reutilization and Marketing Service [DRMS] located in Battle Creek, MI. During Captain Hempson's 3-year command, DRMS made great strides in its mandate of reutilization, transfer, and donation of excess government property. Captain Hempson successfully commanded the service under many changes brought about by "Reinventing Government" initiatives. His vision and drive were key to the success of DRMS during this transitional period.

DRMS reuse, transfer, and donation of government property reached an all-time high of $3.5 billion in 1995, a 21-percent growth since 1993. The DRMS Sales Program saved American taxpayers over $302 million last year, an increase of 134 percent since 1993. These money saving programs have enjoyed great success during the past 3 years, and much of it is due to Captain Hempson's leadership.

Captain Hempson has had a long and far reaching naval career. He is qualified in nuclear submarines and has served several sea assignments as a Supply Officer. His shore assignments have included logistics, acquisition, and financial management in many different offices and commands. Captain Hempson has also been designated a Surface Warfare Supply Corps officer. His decorations include the Legion of Merit, the Meritorious Service Medal and the Navy Commendation Medal, each with one Gold Star in lieu of second award.

Captain Hempson is an immensely qualified individual who has graduated from Georgia Institute of Technology, the Wharton School of the University of Pennsylvania, Northwestern University's Kellogg Graduate School of Management, and the Brookings Institution. His extensive training has served the Defense Department well. Captain Hempson is married to Sandra R. Zayatz Hempson, and they have two children, Donald and Kelly.

I know my Senate colleagues join me in thanking Capt. Donald Hempson for his 27 years of dedicated service to our country.●

SALINE CELTIC FESTIVAL

● Mr. LEVIN. Mr. President, I rise to honor the Saline Celtic Festival which will take place on the banks of the Saline River on July 6, 1996, in Saline, MI. This festival celebrates Irish, Scottish, and Welsh cultures and will feature traditional Celtic food, music, and dance. This year's Celtic festival is especially significant because it marks the 30th anniversary of the Saline, MI—Brecon, Wales Sister City program.

On April 18, 1966, Mayor George Johnson invited the City of Brecon, Wales to become a Sister City in the People-to-People program established by President Eisenhower in 1956. The program's goal was to promote strong ties among different cultures. The Saline-Brecon union was the first to involve United States and Welsh citizens under the program.

Over the years, the relationship between the two cities has often involved the exchange of music. In 1967, Musical Youth International, during its tour of Europe, was the first official group from Saline to visit Brecon. In 1984, the mayor of Brecon asked the city of Saline to become involved in a 3-day Dixieland Jazz Festival it was planning. Saline quickly accepted the invitation and sent the Saline Big Band to Brecon, Wales. An original "Hymn for Brecon", written by Dil Murrell, was performed for their gracious hosts. The trip was a memorable experience for the group of 35 that traveled to Wales. They were treated with great hospitality and made many new friends at the festival. During the following years, Saline sent its high school choir and marching band—and in 1988, the Saline Big Band made a return visit to Brecon.

The residents of Brecon have also reached out to the City of Saline. The first guests from Brecon were Mayor and Mrs. Tony Elston in 1973. In 1986, while celebrating the 20th anniversary of the twinning of the cities, nearly 60 citizen ambassadors traveled from Brecon to Saline. This year will also see a large group from Brecon celebrating the Celtic Festival in Saline.

Thirty years have fostered a solid friendship between Saline and Brecon, they've learned about each other, and as Mayor Little has so aptly put it, they have become "one community separated by a large body of water." I know my Senate colleagues join me in Saluting the Saline Celtic Festival and the 30th anniversary of the Saline-Brecon Sister City program.●

MEASURE PLACED ON THE CALENDAR—S. 1890

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that S. 1890, introduced earlier today by Senator FAIRCLOTH, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—H.R. 3562

Mr. KEMPTHORNE. Mr. President I ask unanimous consent that H.R. 3562, received from the House, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—H.R. 3060

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that H.R. 3060, relating to Antarctic protection, just received from the House, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, JUNE 20, 1996

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. on Thursday, June 20; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate then, under a previous order, resume executive session to consider the nomination of Alan Greenspan to be Chairman of the Federal Reserve Board.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. KEMPTHORNE. Mr. President, for the information of all Senators, at 9:30 a.m., Thursday, there will be 3 hours of debate time remaining on the Greenspan nomination. Under the previous order, a vote will occur on the Greenspan nomination at 2 p.m., to be followed by any votes required on the remaining nominees to the Federal Reserve System.

The Senate will also resume the DOD authorization bill during tomorrow's session. Senators can therefore expect rollcall votes throughout the day.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. KEMPTHORNE. Mr. President, if there is no further business to come before the Senate, I now ask the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:29 p.m., adjourned until Thursday, June 20, 1996, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, June 19, 1996*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. COLLINS of Georgia].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 19, 1996.

I hereby designate the Honorable MAC COLLINS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

When we see violence in any form, O God, we cringe and are appalled. And when we see violence against our places of worship, we can despair and lose hope for there is madness about. Yet, O loving and gracious God, You would have all people of good will persevere in peace and be open to the healing and reconciliation that builds community and respect. May Your Spirit, O God, that can accomplish what we cannot, be with those who hurt and may each person speak and work and give in ways that promote justice and peace. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. BROWN] come forward and lead the House in the Pledge of Allegiance.

Mr. BROWN of Ohio led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 3029. An act to designate the United States courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse."

The message also announced that pursuant to Public Law 85–874, as amended, the Chair, on behalf of the President of the Senate, appoints the Senator from Wyoming [Mr. SIMPSON] to the Board of Trustees of the John F. Kennedy Center for the Performing Arts.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will receive fifteen 1-minutes on each side.

REPUBLICAN HEALTH CARE REFORM BLOCKED IN THE SENATE BECAUSE IT DOES NOT RELY ON GOVERNMENT MANDATES

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, in 1992 the House Republicans, working with President Bush, put together an excellent health care bill designed to address the questions of portability and affordability for the American people. That bill was not allowed on the floor in 1992 by the then majority Democrat leadership.

As Members know, we have struggled with this question of health care for some time. We have passed through the House a bill that ensures affordability, ensures portability, and offers to 40 million Americans the health care savings account. The people who would take advantage of these are the self-employed and employees of small business, people who would have an opportunity to buy the most rational insurance possible for themselves by their own choosing, get a tax credit for putting money in a savings account with which to deal with the deductible and incidental medical expenses, and an ability to do something for themselves on their own health care.

That bill is under consideration in the other body and is stopped by one Senator and one Senator alone, from Massachusetts, who apparently does not like freedom and would only have the Americans do what they please if it is mandated.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind Members they should not refer to Members of the other body by name or in an identifiable way.

CONSUMERS UNION WEIGHS IN AGAINST MEDICAL SAVINGS ACCOUNTS

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, in fact, we do want to have portable and secure health insurance for people, and we want to have insurance companies prohibited from not insuring folks for their preexisting conditions. But let me tell the Members, under the banner of reform, what the congressional majority has done to the health care bill.

Do not take my word for it, take the word of Consumers Union. Consumers Union produces the Consumer Reports that advise us on buying an automobile, an appliance, and not to buy a lemon. Let me tell the Members what they say about medical savings accounts, which is holding up the health care reform bill:

The inclusion of the Republican MSA proposal in the Kassebaum-Kennedy bill makes the legislation worse than a wash for consumers. It takes us backward in our efforts to make health insurance accessible and affordable.

MSA's are a time bomb. They turn the very principle of insurance on its head. Instead of pooling resources, they help healthy people accumulate wealth.

I ask Members to be on their guard and oppose the MSA's.

HEALTH CARE REFORM: COMMONSENSE ANSWERS FOR AMERICA'S HEALTH CARE NEEDS

(Mrs. KELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KELLY. Mr. Speaker, I rise today to encourage our colleagues to join me in calling on the Senate to pass our commonsense health care reforms now. These are reasonable changes like portability, affordability, and most of all, accessibility.

Portability is within this Congress' grasp. And here our reforms can end job lock, giving tens of thousands of Americans the opportunity to maintain their health care coverage, without sacrificing their careers.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Second, by allowing individuals tax-free medical savings accounts, expanding the health insurance deduction for the self-employed and introducing tax incentives to promote long-term care coverage, we are helping people help themselves.

But finally, Mr. Speaker, this Congress has the opportunity to end the preexisting conditions exclusion, which keeps more than 20 million Americans from the coverage they need.

One of these is, in fact, one of my own family. They have a full time job and pay their taxes. Yet, because of a condition that they developed, they cannot secure the health care coverage that they need and want.

I can assure you, Mr. Speaker, that when we cast our final votes on this package, it will be these three commonsense reforms, portability, affordability, and accessibility, that will be foremost in the minds of all Americans.

GRANTING MFN TO CHINA NOT FAIR TO AMERICAN WORKERS

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I had planned to hold up a toy assault weapon when I spoke today on the House floor. House rules suggest I not do so.

This toy gun was made in China. It is only a toy. But the 2,000 assault weapons that the U.S. attorney in San Francisco found last month were not toys. They were the real thing, smuggled in by the Chinese Government or a company controlled by the Chinese Government. It is sometimes hard to tell the difference when you are dealing with a Communist country that uses slave labor.

The assault weapons in California kill people. Those toys made by the Chinese in Chinese slave labor camps kill jobs, American jobs. The trade deficit with China is $34 billion a year and growing. Before long it will be greater than the deficit we have with Japan. MFN, most-favored-nation status, is not fair to American workers. Kill MFN.

THE NEA MUST GO

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUNDERBURK. Mr. Speaker, here we go again. The NEA insists on offending American families. Freshman Republicans tried to eliminate taxpayer funding for the National Endowment for the Arts, in part because taxpayers should not have to subsidize art which blatantly offends the religious beliefs and family values of most Americans. As Bob Dole puts it, most people know the difference between Mapplethorpe and Michelangelo.

Now the NEA has crossed the lines again with a debut this Sunday of the "Watermelon Woman" film at the New York Lesbian and Gay Video and Film Festival. The film is described in the Washington Times as "black lesbian quirky, steamy, and taxpayer funded." The Times goes on to quote Edmond Peterson, chairman of Project 21, an organization of conservative blacks, saying: "This is a classic example of the Clinton administration being in bed with the gay-lesbian movement and funding a project through tax dollars that cannot get funded any other way."

Mr. Speaker, it is a free country and people can make any kind of trash they want, but taxpayers should not have to pay for it. It is time we cut off funding for the NEA.

A MODERN-DAY HELEN OF TROY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, Helen of Troy supposedly launched many ships with just her face. Today I picked up the Hill and read that the Speaker of the House is giving me credit for launching the Republican budget with my face. I want to thank him, but I cannot take credit.

Everybody wondered how the Republicans got the last four votes on this Republican budget that they launched, because this Republican budget increases the deficit from this year, next year, and the next year. It is a disaster. It's a ship that should be sunk, not launched.

Mr. Speaker, when the Republicans counted the votes, they did not have them, so they had to keep the voting machine open for a very long time while they pressured their Members to change. The Speaker said he did not have to work at all, that their four changers very willingly came down here and changed when they saw my face. That is fairly incredible, because I was not here. I was one of the first to vote, went home, and was watching the vote on C-SPAN, so I have something over Helen of Troy. If the Speaker is right, they can beam my face right back in here from C-SPAN even if I'm absent.

MEDICAL SAVINGS ACCOUNTS ARE NEW APPROACH WITH PROVEN TRACK RECORD

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, medical savings accounts have become a focal point for this whole debate over the health care reform. MSA's are a new approach, but they do have a proven track record.

A recent study by researchers at Cleveland State University prove the effectiveness of MSA's. They studied 27 Ohio firms of less than 200 employees. The average employee had lower out-of-pocket costs—as much as $1,355 per family. The firms themselves saved an average of 12 percent a year without passing on the savings to their employees.

Mr. Speaker, as of last year, 17 States have passed MSA laws, another 11 are considering them, and another 11 have called on Congress to enact MSA's. Even the United Mine Workers offers MSA's to its members. Let us join the trend toward serious, workable health care reform; let us follow the lead of the States and enact the kind of reforms that have a proven track record.

CALL GHOSTBUSTERS FOR AIRLINE SAFETY

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, before the ValuJet crash, an FAA inspector said that ValuJet is an accident waiting to happen. It is so bad, she said, that neither she nor her family would ever fly on ValuJet. But after the crash, a DOT spokesman said ValuJet is completely safe. It is perfectly OK.

Yesterday, after a Three-Stooges-type soap opera, the Government, who has been speaking out of both sides of their mouth on the ValuJet incident, did the following thing. They grounded ValuJet as unsafe, and they threw the top safety man, Tony Broderick, to the wolves.

Beam me up, Mr. Speaker. It is evident after this soap opera that the only call the flying public can make is to Ghostbusters, because the FAA is out to lunch with a bunch and the DOT has gone for soup with the group. Think about it.

WHEN ARE WE GOING TO HEAR THE TRUTH ABOUT THE FBI FILEGATE SCANDAL?

(Mr. HEFLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEFLEY. Mr. Speaker, in order to help me and the American people decipher the police state tactics of the FBI files scandal, I tried to figure out what an innocent bureaucratic mistake was. I thought it might help to look up the word "innocent" in the dictionary. Webster's New Collegiate Dictionary states that the word "innocent" has the following definition: free from guilt through lack of knowledge.

Mr. Speaker, this really did not help, because how could anyone realistically have a lack of knowledge that all of the names in the files in question were Republican White House personnel? Certainly the White House should know our former Secretary of State James Baker, who was on the list, is not really a security risk.

Mr. Speaker, my colleagues and I ask just one thing of the Clinton White House with regard to the new FBI Filegate scandal. It is the same question we have asked with so many of the scandals down at this White House: When are we going to hear the truth?

ANOTHER REPUBLICAN DISMANTLING OF MEDICARE

(Mr. OLVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLVER. Mr. Speaker, as Yogi Berra once said, it is deja vu all over again: another Republican dismantling of Medicare; a little smaller than before, but just as unnecessary, and still a bad policy. Doctors can charge thousands of dollars in bills that Medicare will not cover; hospitals are cutting even more than before, and these cuts, along with the Republicans' Medicaid cuts, will close many rural hospitals in districts all over this country. Seniors are still herded into managed care plans where they cannot choose their own doctor. That means less choice and continually rising premiums.

Once again, Republicans demand that seniors pay more and more and get less and less. Once again, seniors will pay for the tax cuts for the well off. This plan was never intended to improve Medicare. As Speaker GINGRICH has already said, this plan is intended to see Medicare wither on the vine. It is still a bad deal for America's seniors.

□ 1015

PRIVACY RIGHTS AND FILEGATE

(Mr. CHABOT asked and was given permission to address the House for 1 minute.)

Mr. CHABOT. Mr. Speaker, when the privacy rights of American citizens are in jeopardy, partisan politics has no place.

That is why I stood up to Members of my own party in fighting against giving the FBI more leeway to conduct warrantless wiretaps. I have opposed the so-called digital telephony scheme which would have expanded the FBI's power to eavesdrop on American homes. And I have taken on Members of my own party when I fought against the odious 1-800-BIG-BROTHER employee computer registry plan.

Thus, I am absolutely astounded by some of the political professionals in this town who have rushed blindly to defend the White House on this FBI file scandal. There is no excuse for White House operatives to rummage through the private FBI background files of political opponents. None. People who sacrifice all dignity in order to help the White House Stonewall and on filegate lose any right to call themselves civil libertarians. It is disgraceful and they should be ashamed.

DOLE'S ANTI-ENVIRONMENT RECORD

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, Bob Dole's first campaign swing through California had a chilling message for every voter who cares about the environment.

Bob Dole endorsed Governor Wilson's Ward Valley nuclear dump, although the bankrupt developer has yet to build a radioactive waste facility without serious safety problems.

Bob Dole endorsed the $2 billion Auburn Dam for Sacramento Valley developers, situated smack on top of an earthquake fault, ignoring a cheaper and more environmentally safe flood control alternative.

Bob Dole endorsed logging of a giant ancient, redwood forest in violation of the Endangered Species Act to benefit a giant timber corporation.

And Bob Dole embraced subsidized agribusinesses who refuse to share water with California cities, fisheries, wetlands, and refuges. No surprise, because Bob Dole's campaign manager is a lawyer representing the biggest subsidized growers and polluters in our State.

This is Bob Dole's scorched Earth campaign for California's environment, designed by lawyers, lobbyists, and special interests. It will be rejected by California voters because Bob Dole is no friend of our environment.

WHAT IS THREATENING ABOUT MEDICAL SAVINGS ACCOUNTS?

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, taking power and influence out of the hands of bureaucrats in Washington and returning it to the America people is something the American people want and that the Congress is trying to provide.

Medical savings accounts, MSA's, are one way to return power and influence over health insurance to individuals.

With an MSA, you do not need anyone's permission to spend money on health care. It is your money to spend or save as you see fit.

With an MSA, you do not have to worry about losing your health care insurance if you switch jobs or lose your job—your MSA is yours and it goes with you. That is true portability.

With an MSA, you do not have to worry about the potential for ruinous out-of-pocket costs. Out-of-pocket costs are limited to the amount of the deductible; and catastrophic insurance kicks in with full coverage after that.

With an MSA, the power and influence over health care spending is in the hands of the individual Americans who choose to have an MSA to pay for their health care.

Why is this power and influence for individuals so threatening?

One person should not deny millions of Americans reform, including MSA's, that will make health insurance more portable and affordable.

TRIBUTE TO 1996 TOSHIBA/NSTA EXPLORAVISION AWARDS PROGRAM

(Mr. BROWN of California asked and was given permission to address the House for 1 minute.)

Mr. BROWN of California. Mr. Speaker, this Friday, more than 40 students will come to our Nation's Capital to receive top honors in the 1996 ExploraVision Awards Program, sponsored by Toshiba and administered by the National Science Teachers Association [NSTA].

The ExploraVision Awards Program is the largest K-12 student science competition in the world. The competition asks students to work in teams to use their imaginations to envision what technology will be like 20 years from now.

As a longstanding member of the House Science Committee, I have worked hard to improve science education in this country.

The competition is just one great example of a successful business-education partnership that encourages students to pursue careers in science. I have been supporting this outstanding program since its launch in 1992.

The ExploraVision Awards give students the opportunity to identify future technological needs and develop the kind of technological thinking our society needs in order to meet the challenges of the future.

I am proud to recognize the achievements of this year's winners and proud to be the honorary cochairperson of the 1996 ExploraVision Awards weekend.

CLINTONOMICS

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, today I submit the latest "Say what, Mr. President?" and the credit goes to Clinton appointee Richard Rominger who last night proclaimed to the Georgia Farm Bureau that, and I quote, "During this administration, the national debt has fallen $15,000 per family of four."

"How so?" asks our numbers-crunching colleague, MAC COLLINS, because the national debt has risen steadily during this administration.

"Well," answered a shameless Rominger, "the annual deficit had been rising and since it is not rising as much, the $15,000 represents the additional amount saved had it kept rising."

Let me put that in English. I weigh 170 pounds. I have never weighed 190 pounds. But according to Clintonomics, I lost 20 pounds if I add up all the sundaes and desserts that I have said "no" to.

Ladies and gentlemen, that is Clintonomics. It is like an Oliver Stone movie—it is exciting, it is entertaining, but it is not based on reality.

HIGH-TECHNOLOGY JOBS BEING TRANSFERRED TO CHINA

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, soon we will be voting on the President's special request for a waiver for most-favored-nation status for China. I am here today to talk about one of the myths that has been circulated, and that is that most of the jobs that we are losing to China are low-technology jobs. Indeed, one of the greatest assaults on the American worker is being made right now with the transfer of technology to China. For example, Boeing used to make all of its tail sections for the 737 in Wichita, KS. Now, in the last couple of years, they have transferred the production of half of those tail sections to Xi'an, China, where workers make $50 a month on these high-technology jobs, thereby taking jobs from the American worker that are high-technology.

In addition to that, if you wish to sell into the Chinese market, you must build a factory there and then turn over your technology plans to some institute there which then passes it around among the Chinese where you have now created your competitors.

This is a very important issue, Mr. Speaker. If intellectual property is a $2 to $3 billion loss, this is over a $100 billion loss. It does harm to the American worker and steals America's economic future.

ROBBING OUR UNION EMPLOYEES

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, employees have a right to know why their hard-earned money is being taken out of their pockets and being used by union leaders. They also deserve the right to stop it if they choose.

Why would anyone oppose legislation which gives workers the right to know where their money is going? Because it is a cash cow.

AFL–CIO President John Sweeney publicly vowed his union's intention to spend $35 million to fund campaign and political activities—$35 million right out of the pockets of rank and file union members.

More than 62 percent of these hard-working men and women said in a poll that they do not approve. They do not want their dues going to campaign and political purposes.

And most did not even know about President Sweeney's political attack with their hard-earned money.

We need to stop this ripoff and give our hard-working families a break. There is a way. Support the Worker Right-To-Know Act.

MEDICARE OVERBILLING

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, the House Republican plan on Medicare calls for $168 billion in cuts in the growth, as they say. They say they need to cut this much in order to save Medicare, but the President's budget saves Medicare for $44 billion less in the cuts in growth.

Perhaps this is the Republican majority way of paying for financially irresponsible tax cuts. These are the same tax cuts that increase the deficit for the next 2 years. We will not hear that from that microphone over there.

But there is more. In the Speaker Gingrich House Republican Medicare plan there is a provision that would allow health care providers to bill seniors more now than they are for current services paid for by Medicare. So, in other words, not only are we going to cut Medicare but seniors are going to have to pay more for services that have been provided by Medicare. The Gingrich plan would weaken the provision, thereby opening the door for higher out-of-pocket expenses for our seniors.

The Republican majority's first priority is tax cuts, even though they increase the deficit. Then they want to cut Medicare, education, and all the rest in order to pay for it. These are not the priorities of the American people.

THE RIGHT CHOICE TO SAVE MEDICARE

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, hearing my dear friend from Texas reminds me of that great country and western song entitled "That's my story and I'm sticking to it." The same tired old bromides based on fear and not on facts still exist within the liberal minority.

I daresay what we fail to hear from that microphone is the stunning reality that the bipartisan trustees of the Medicare trust fund told us not 2 weeks ago that if we fail to act, Medicare, as we know it, goes broke in 5 years, quite possibly in 4.

The key difference is this, Mr. Speaker: When we get past the name calling and the playground taunts, those of us in the new majority are willing to work to govern, to save, preserve, protect, and improve a program for the next generation, while our dear liberal friends are so willing to abandon reality they are thinking only of the next election. The American people will make the right choice.

HEALTH CARE REFORM

(Mr. WYNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, this morning I would like to talk about health care, because Americans want health care and they want health care reform.

Interestingly enough, there is bipartisan support for health care reform, reforms which would provide portability, which is the right of a person to transfer their health insurance when they change jobs, and also a provision that would ban prohibitions against preexisting conditions, so if their child has asthma, they can still get health care. There is bipartisan support in both houses.

We ought to pass it because the American people want it. But why do we not pass it? Because the Republican majority wants to overreach again. They want medical savings accounts.

Mr. Speaker, the American people are not asking for medical savings accounts. Medical savings accounts sound good, but actually they only work for the wealthy and the healthy. Those people who are poor, those people who are middle class, those people who are sick will face rising premiums as the healthy and the wealthy get out of the health insurance pool.

That is why medical savings accounts are not a good idea. Let us put that idea on hold. Let us pass what the American people want, which is health care reform. That is why Republicans are bad managers, because they cannot see the forest for the trees.

THE 100TH BIRTHDAY OF LAWRENCE WESTERMAN

(Mr. FLANAGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLANAGAN. Mr. Speaker, I rise today in recognition of the 100th birthday of Mr. Lawrence Westerman, a former resident of Chicago. It is appropriate that we celebrate Mr. Westerman's 100 years of life and recognize his years of service to our great Nation as we prepare to celebrate Independence Day.

Mr. Westerman was born on January 14, 1896, in Chicago, IL, of German immigrant parents. A World War I veteran who enlisted in the Illinois National Guard on June 16, 1916, Mr. Westerman was commissioned as a second lieutenant and, 2 years later, was promoted to first lieutenant and sent to France to serve in the 33d Division. In August of 1918, Mr. Westerman was severely wounded while defending our Nation and, accordingly, was awarded the Purple Heart. Interestingly, Mr. Speaker, Mr. Westerman may be the oldest recipient of this heroic award.

We should take this time to personally wish Mr. Westerman a belated happy birthday and also to thank him for his superior dedication and unwavering commitment to our great country. Mr. Westerman, thank you and we wish you all the best.

□ 1030

MEDICARE VERSUS PERSONNEL FILES

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, this is the month of June, but I do not know, some of us may be thinking it is Halloween. The reason is because it seems that the Republicans want to play around with the ghost of the personnel files in the White House. Already the White House has indicated that there was no wrong intended. They have got a new director. The special prosecutor Kenneth Starr says there is nothing to investigate or prosecute. But all we can hear is about the ghost of the personnel files. The reason is because they do not want to talk to us about the Medicare cuts. There is a $1,000 increase with the Republican plan on seniors by the year 2002.

Listen, America, forcing hospitals to close, already hospitals have closed in neighborhoods in New York and they are closing in rural communities across the Nation because of the cuts in Medicare. What Americans need most is good health care. For our seniors in particular, we need hospitals open and with lower cost. Yes; rather than trying to fix the Medicare trust fund with reasonable responses and cuts in abuse and fraud, the Republicans want to get a large cut so that they can give tax cuts to the wealthy.

Stop with the ghost of Halloween and let us put a good Medicare plan on the table and provide health care for seniors and Americans across the Nation.

MEDICAL SAVINGS ACCOUNTS

(Mr. CHRYSLER asked and was given permission to address the House for 1 minute.)

Mr. CHRYSLER. Mr. Speaker, last week, the Marketing Research Institute released a poll of 1,000 workers across the Nation on their opinions on health care issues.

This poll found that 87 percent of the respondents wanted Congress to enact medical savings accounts.

But now, all of a sudden, MSA's have become a partisan issue with liberal Democrats. They have effectively shut down health care reform over this and other issues where there is widespread bipartisan support.

At the State level, MSA's have been passed by legislatures and signed by Governors of both parties. In every State where MSA's have been passed, they passed with overwhelming bipartisan majorities. In five States, MSA's were passed by both Chambers unanimously. We have pilot programs.

Mr. Speaker, it is a shame the liberal Democrats here in Washington have resorted to obstructionism. They have no new ideas, they have no positive agenda, and all they can do is stand in the way and throw up road blocks to serious health care reforms that are popular with the American people.

DOING BETTER ON HEALTH CARE

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, we should indeed ask ourselves what are the implications of this Medicare discussion. Are they the realities my colleagues on the other side say? Well, the realities of cutting $168 million from rural America in the State I come from will mean that many of my senior citizens will have to pay more for their premium. The reality will mean that they will be forced into health care plans where they have no option.

The reality will mean in many instances the hospitals that depend heavily on Medicare and Medicaid may have to close. So the reality of cutting so severely does not protect for the future. It denies opportunity. Also, what should be the expectation for us as we look for Medicare and the security in the future? It means we need to come together as bipartisan and to understand there are ways to protect but not necessarily cut and be extreme.

Mr. Speaker, there are ways in which we can help the citizens who need help now and to protect in the future. It requires us not to be extreme. It requires us to think about the poor as we think about the rich. Mr. Speaker, we can do better than this.

THE ENERGY STANDARD

(Mr. GILLMOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILLMOR. Mr. Speaker, today the House will debate the interior appropriations bill. While I support many of the provisions of this bill, I do have serious concerns in at least one area. Nearly 20 years ago, Congress asked the Energy Department to set energy efficiency standards for home appliances. This was an effort to stem the unnecessarily rapid rate of energy consumption in this country. By establishing national standards for everyone to use, a valuable measuring stick was created to permit manufacturers to commit time, investment and engineering resources. However, this was all placed on hold in our spending bill in 1996 which put a moratorium on rulemaking.

While I have never been one to support increased regulation, this issue should have been handled better. Congress ought not be in the business of artificially manipulating a steady market once it is established. Yet this is exactly what the appropriations bill report language purports to do.

Second, the issue of energy standard should be dealt with through the Committee on Commerce, the committee of jurisdiction. What the committee is attempting to do is to interfere in the economic marketplace.

THE INTERIOR APPROPRIATIONS BILL

Mr. DICKS. Mr. Speaker, I rise today in strong opposition to the so-called Riggs amendment. In the full committee, on the Appropriations Committee, we took up the Interior appropriations bill. After last year, I think all of us learned that we should be very careful about extraneous riders to that bill. But the gentleman from California [Mr. RIGGS] decided to offer an amendment that would knock out a crucial, critical habitat designation under the Endangered Species Act for some important marbled murrelet habitat in northern California.

I urge the House today to support my amendment, which will be offered as an amendment to strike this provision, section 116, when the bill is considered later today. There is a way to deal with this problem for the company in California that I know Congressman RIGGS is concerned about, and that is to get that company to do a multispecies habitat conservation plan under the Endangered Species Act. That is the proper way to proceed, not with this rider.

JUNETEENTH DAY

(Mr. SOUDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOUDER. Mr. Speaker, I rise to commend those in my district who today are celebrating Juneteenth Day, marking the freedom of the last known slaves on June 19, 1865, almost 2½ years after President Lincoln signed the Emancipation Proclamation and 65 days after Lincoln had been assassinated. Gen. Gordon Granger entered Galveston, TX, with 1,800 troops, proclaimed Texas under U.S. Federal authority and declared the 250,000 slaves in Texas free.

His remarks to the slaves and slave owners concluded with his reading of the Emancipation Proclamation. Upon hearing the final line of General Granger's reading, the slaves in Galveston immediately began the first Juneteenth celebration in response to their freedom.

A story that has been passed down through the generations says that President Lincoln sent a messenger on a slow-stepping mule from Washington with the news which did not reach these States, deep southern States, until 2½ years later. This shows that some things never change. Historians have attributed the delay to the slow-moving Washington bureaucracy.

Today this holiday is celebrated throughout America, not just in the South. I know that in my district, in addition to celebrations like picnics, parades, and pageants, very much like those going throughout the country, there are 150 community leaders meeting and how their groups work to better people's lives. I rise to congratulate them. We all must work together.

THE BUDGET

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute.)

Ms. MCKINNEY. Mr. Speaker, proudly beating their chests in 1994, the Republicans signed a contract with America which promised to balance the budget. Last week, however, almost every Republican voted for a budget resolution that would increase the deficit by $40 billion over the next 2 years.

It was only after 3 years of hard work by President Clinton and the Democrats that we succeeded in reducing the Reagan and Bush deficits from $290 billion a year to $130 billion. And now, Mr. Speaker, Republican leaders want to take us back to the borrow-and-spend policies which put us in this deficit hole in the first place.

By now it should be crystal clear that the only things the Republican Party cares about are giving tax breaks to the wealthy and more money to the Pentagon.

Mr. Speaker, let's face it. The Contract on America was nothing more than the vehicle by which the Republican Party delivered Government handouts to defense contractors and junk bond dealers, period.

REPUBLICAN HEALTH CARE REFORM BILL

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, both Democrats and Republicans support a health care reform bill that would essentially make it easier for people to get health insurance if they lose their jobs or change jobs, or also if they have a preexisting medical condition. The problem, though, is that the Republican leadership continues its effort to add on what I call the poison pill to this health care reform bill, and that is the medical savings accounts. Essentially what they want to do is encourage healthy and wealthier people to opt out of the traditional insurance pool that we have for most health insurance and leave in the insurance pool the people who are sicker, who have less money and, therefore, drive up insurance costs, premium costs.

Last night I heard some of my colleagues on the Republican side talk about how they wanted an MSA demonstration project, but that it is not enough to just have it for employers of 15 employees or less, they want it for 100 employees or less.

Mr. Speaker, the bottom line is, if you include these MSA's in this health insurance reform, you will destroy health insurance reform. The President will not sign it. The Democrats will not support it. The end result is to increase premiums for the average American.

REAL HEALTH CARE REFORM

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, it is interesting that we on the Republican side are committed to making health care more affordable. There is 40 million Americans in this country without health care insurance today. Why? If you listen to them and ask them why, they tell you it is because they cannot afford it.

Now, those on the other side said, well, let us have the Government take over and run our health care system. Let the bureaucrats do it, they can do a better job. Well, the people spoke loud and clear 2 years ago and said they do not want the Government running health care. They want more choice, more freedom, more affordable health care.

Well, we have an agreement between the House and Senate to make health care more affordable, making it easier for small businesses to ban together, pool their employees, get better, more affordable rates. Medical savings accounts provide choice, allowing consumers to be rewarded for making better choices, being able to work with their own physician and save money, which is the bottom line.

Mr. Speaker, we want to bring about real health care reform. We need bipartisan support. We need those who want government-run health care to just say okay, let us let a proposal to make health care reform affordable pass.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. GILLMOR. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole under the 5-minute rule: Committee on Agriculture; Committee on Banking and Financial Services; Committee on Commerce; Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on International Relations; Committee on the Judiciary; Committee on National Security; Committee on Resources; Committee on Science; Committee on Transportation and Infrastructure; Committee on Veterans' Affairs; and Permanent Select Committee on Intelligence.

Mr. Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3662, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Ms. PRYCE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 455 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 455

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI or clause 7 of rule XXI are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill (other than section 117 and the first two provisos under the heading "Strategic Petroleum Reserve") for failure to comply with clause 2 or 6 of rule XXI are waived. Where points of order are waived against part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph. An amendment striking the last proviso under the heading "Strategic Petroleum Reserve" shall be considered as adopted in the House and in the Committee of the Whole. During further consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or his designee, have precedence over a motion to amend. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1045

The SPEAKER pro tempore. The gentlewoman from Ohio [Ms. PRYCE] is recognized for 1 hour.

Ms. PRYCE. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my good friend, the gentleman from California [Mr. BEILENSON]. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Ms. PRYCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 455, and that I be permitted to submit extraneous materials into the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Ms. PRYCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 455 is an open rule providing for the consideration of H.R. 3662, the Interior and Related Agencies appropriations bill for fiscal year 1997.

The rule provides 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, after which time the bill will be open to amendment under 5-minute rule.

Under this open rule, any Member can be heard on any germane amendment to the bill at the appropriate time, as long as it is consistent with the normal rules of the House. It is important to note that of the four previous appropriations bills that have been reported to the House this year, all have been considered under an open amendment process.

As we have done in the past, the rule empowers the Chairman of the Committee of the Whole to give priority in recognition of Members who have preprinted their amendments in the RECORD prior to their consideration.

The Committee on Rules continues to believe that the option of making amendments available for our colleagues to read in advance of floor action is a very useful tool for improving the quality of debate in the House.

Mr. Speaker, the rule also provides a limit but necessary number of waivers to facilitate the orderly consideration of the bill. For example, the rule waives clause 2(l)(6) of rule XI, regarding the 3-day availability of the committee report, and clause 7 of rule XXI, regarding the 3-day availability of printed hearings and reports on general appropriations bills.

Since authorizing legislation for several programs within the scope of the bill has not yet been approved by the House, the rule provides the necessary waiver of clause 2 of rule XXI, which prohibits unauthorized and legislative provisions in appropriations bills. However, Members should be aware that the waiver of unauthorized provisions does not extend to that section of the bill regarding the collection of States sales taxes on tribal businesses, or to the first two provisos under the heading of "Strategic Petroleum Reserve."

In addition, at the recommendation of the Budget Committee, the rule provides for the automatic adoption of an amendment striking the final proviso under the heading of "Strategic Petroleum Reserve" from the bill. It is the Rules Committee's understanding that the provision, if it were not removed from the bill, would constitute a significant violation of the Budget Act.

Furthermore, the rule allows the Chairman of the Committee of the Whole to postpone and shorten votes during further consideration of the bill. After the reading of the final lines of the bill, a motion to rise, if offered by the majority leader or his designee, will have precedence over a motion to amend. Finally, the rule provides for one motion to recommit, with or without instructions, as is the right of the minority.

Mr. Speaker, the focus of this year's Interior appropriations bill has been to make good government choices, and I congratulate my colleague from Ohio, the distinguished chairman of the subcommittee, for his leadership in balancing the need for meaningful deficit reduction with the need to enhance and protect our Nation's natural and cultural resources.

Although the bill appropriates $500 million less than last year's enacted level, the committee has provided reasonable increases for the national parks, wildlife refuges, and forests. Special increases are provided for Everglades restoration, the earthquake program, and for two new initiatives—the new Southern California Natural Communities Conservation Planning Program and the Appalachian Clean Stream Program. Funds have also been added to address important Indian health and education needs.

As I am sure my colleagues know, summer is the time when many of our constituents travel to the Nation's Capital to visit the city's treasured landmarks, and I am pleased to note that in the bill priority was given to funding increases in both operations and relieving critical maintenance backlogs for some of our Nation's major cultural institutions. These include such popular sites as the Smithsonian Institution, the National Gallery of Art, the John F. Kennedy Center for the Performing Arts, and the National Holocaust Memorial Museum.

While the committee was able to provide modest funding increases for these programs, I should also point out that the bill responds to the American people's call for smaller, less costly, and more effective government. In order to fund these and other priorities, the committee has taken responsible steps to eliminate duplication and layers of management, and to do away with functions that the committee believes are not inherent Federal responsibility.

By continuing to reduce unnecessary spending and focusing reasonable funding increases on the core programs contained in the bill, Chairman REGULA and members of the Appropriations Committee have been able to save the American taxpayers $500 million, and at the same time fulfill the commitment to preserve and enhance our national treasures.

Mr. Speaker, in closing I would emphasize again that the rule before us is both fair and open. Any remaining areas of concern or disagreement can be addressed through the normal amendment process. House Resolution 455 was reported unanimously by the

Rules Committee yesterday and it will allow our Members to participate most fully in the deliberative process. I urge my colleagues to vote "yes" on the rule and "yes" on the underlying legislation.

Mr. Speaker, I include the following information for the RECORD.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of June 18, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open[2]	46	44	74	59
Structured/Modified Closed[3]	49	47	33	27
Closed[4]	9	9	17	14
Total	104	124	124	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of June 18, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of June 18, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177. (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	A: voice vote (6/12/96).
H. Res. 451 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. 453 (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	A: voice vote (6/13/96).
H. Res. 455 (6/18/96)	O	H.R. 3662	Interior Approps, FY 1997	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Ms. PRYCE. Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume, and I thank the distinguished gentlewoman from Ohio, my good friend, Ms. PRYCE, for yielding the customary 30 minutes of debate time to me.

Mr. Speaker, this rule permits Members to offer any amendment which is in order under the standing rules of the House, and we are pleased that the majority has provided again such a rule for the Interior appropriations bill. We are also pleased that the rule continues a practice established several years ago when Democrats controlled the House, of respecting the prerogatives of authorizing committees by not protecting against points of order legislative language in an appropriations bill that the authorizing committee with jurisdiction over the matter objects to.

In that regard, the rule allows two controversial legislative riders in the bill to be struck by raising a point of order. One is a provision mandating the sale of over $200 million worth of oil from the strategic petroleum reserve. The other is a provision concerning the collection of State and local taxes by native American retail establishments located on native American lands.

However, there is one aspect of this rule, Mr. Speaker, that we object to, and that is the absence of a rule XXI waiver, a waiver against legislating on an appropriations bill for an amendment that the gentlewoman from Oregon [Ms. FURSE] and the gentleman from Illinois [Mr. PORTER] hoped to offer to repeal the salvage timber program enacted by the Congress last year.

The enactment of that program, which is causing serious environmental damage in the Pacific Northwest, was possible only because the Committee on Rules last year waived rule XXI to permit the salvage timber program to be added as a legislative rider to an appropriations bill. Because the destructiveness of this program has become a growing concern to an increasing number of Members, it seems only fair and reasonable to allow the House to consider terminating the program through the same means by which it was originally enacted. We feel that we should have had that opportunity.

Beyond the rule itself, many of us have serious concerns about the bill that the rule makes in order. While the bill does not contain the many antienvironmental riders that last year's Interior bill contained, it is not entirely devoid of controversy stemming from legislative provisions that do not belong on an appropriations bill.

One rider that this year's bill contains would prohibit the enforcement of the critical habitat designation for the marbled murrelet on private lands in California. Over 37,000 acres of critical habitat is affected, most of which is in the Headwaters Forest area, the last unprotected ancient redwood wilderness in the world. Fortunately, we anticipate an amendment striking this provision will be offered. We urge Members to support that amendment.

But even without containing a large number of antienvironmental legislative riders, this bill would cause great harm to our Nation's valuable natural and cultural resources by falling far short of providing the funds needed to protect those resources. The bill would reduce funding by half a billion dollars, as the gentlewoman from Ohio [Ms. PRYCE] stated, below last year's level. When combined with the deep cuts in the Interior bill enacted for fiscal year 1996, this bill would provide about 12 percent less for Interior programs than we were spending in fiscal year 1995.

Under this bill, funding for the National Park Service would be 18 percent below the President's request. That shortfall will prevent the Park Service from meeting the growing demand at our great national parks for visitor services, maintenance and resource protection.

The bill also contains large reductions from the President's request in other programs critical to effective resources management, including a 20-percent cut in endangered species programs and a 24-percent cut in funds requested for the Pacific Northwest forest plan, designed to protect our Nation's remaining old growth forests.

Funding for land acquisition, which is critical to protecting threatened areas in and around our national parks, national forests, and wildlife refuges, would be reduced to just $100 million, which is less than one-third the amount we spent for that purpose in 1992 when Mr. Bush was President and only one-ninth of the amount of money we are collecting in the land and water conservation fund for the purpose specifically of purchasing critical lands.

This bill also imposes a deep cut in energy conservation programs. It is 33 percent below the President's request in that area. These programs not only increase our Nation's energy efficiency, they also prevent pollution and save businesses and individuals large sums of money in energy costs. A particularly shortsighted provision is the 50-percent cut in the President's request for the Federal Energy Management Program, which saves taxpayers money by reducing the Federal Government's energy costs.

Furthermore, the bill's low level of funding for fire suppression, $83 million below the President's request, is inadequate to meet the rising costs of the Forest Service's efforts to fight and prevent wildfires.

In addition, this bill would severely impair programs serving native Americans by cutting funding for them by 14 percent below the President's request. Particularly hard hit would be the critically important health and educational services we currently provide for native Americans.

Finally, Mr. Speaker, the bill would reduce funding for the arts and humanities by 40 percent from the levels provided in fiscal year 1995. In doing so, it would severely jeopardize important cultural, educational and artistic programs in hundreds upon hundreds of communities throughout the United States.

I do not fault the chairman of the Committee on Resources, the gentleman from Ohio [Mr. REGULA], for these shortfalls in funding. He is an eminently fair and thoughtful gentleman, who has done a very good job with this bill in light of the very limited spending allocation his subcommittee was granted.

The fault lies, if I may say so, Mr. Speaker, with the Republican leadership's spending priorities, which, simply stated, are wrong. It makes no sense to shortchange the many relatively modest programs contained in this bill, programs that protect our Nation's resources for our children and our grandchildren in order, for example, to help pay for a defense spending bill that provides $11 billion in excess of what the Pentagon itself requested.

Mr. Speaker, the bill this rule makes in order does not serve our Nation's best interests. It denies future generations the legacy we believe we would all like to leave behind: abundant natural resources, a clean and well-protected environment, and a cultural richness that all Americans can enjoy. When the House considers the bill itself, we urge Members to oppose it.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules, my friend from the great Empire State.

Mr. SOLOMON. Mr. Speaker, I thank the gentlewoman from Columbus, OH, a member of the Committee on Rules that does such a great job, for yielding me time. She is going to do a great job on this one here today, too.

Mr. Speaker, this is a rule that is open, it is fair, it allows cutting amendments, it allows offsetting amendments, it allows limitation amendments, and there is no time limit on the bill itself.

I have to forewarn the Members that after today there will be 29 legislative days left. That means that we have approximately 13 appropriation bills and their conference reports to deal with. We have three reconciliation bills that must be dealt with. We have the Safe Drinking Water Act. We have welfare reform. We have all of these issues that have to come to the floor. Each one of them, there are about 85 of them, are going to take the best part of a day. When you consider there are 29 days left and we have 85 major issues to deal with, a lot is going to get left by the boards, because it is imperative we get out of here by October 4 and go back home and be where we should be, with our constituents.

So, having said that, let me just say that I hope that the Members, if they are going to offer amendments, will work together. We do not want to have duplicative amendments. If some of us are interested in cutting this particular program or adding to that program, we ought to work together so that we do not have 40 or 50 or 60 amendments. Let us keep it to as few as we can and still accomplish what we want to do.

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Having said that, let me just say to the gentleman from Ohio, Congressman RALPH REGULA, and the gentleman from Illinois, SID YATES, what a great job they have done. It is absolutely imperative that this Congress stay on the glidepath to a balanced budget. This is the second consecutive year that we are doing that, and we have 5 more years to go. Every year gets more difficult because the cuts come even deeper, but we must absolutely stay on that glidepath to a balanced budget.

That is why today I am supporting this bill, because it is a part of that glidepath, it is $500 million less than last year, and the projection for next year is going to be even deeper cuts in this bill and all of the other appropriation bills that are coming down the line. So, I want to really commend RALPH REGULA and SID YATES, because their job was very, very difficult.

We have very important issues in this Interior bill. They deal with our national parks, which are so important to the past and the future of this country, and to be able to develop this bill while still cutting the overall budget, I think is a great accomplishment. I want to commend them for it and hope that this rule and this bill is going to pass today so that we can get on and get to welfare reform and immigration reform and all of these other important bills that we have to deal with in the next 29 days.

So, I thank the gentlewoman for yielding me the time, and good luck.

Mr. BEILENSON. Mr. Speaker, I yield 8 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Speaker, I appreciate my friend from California yielding time to me. I want to talk today about a rather complicated issue, and I am pleased that the rule allows us to consider this amendment.

This is an issue that involves the continued existence of California's marbled murrelet. The marbled murrelet is a rare sea bird that nests in forests along the Pacific coast. It is a small bird that spends much of its time at sea feeding on fish. However, during certain crucial months each year it nests in California's coniferous forests.

The marbled murrelet is listed as endangered under the California Endangered Species Act and threatened under the Federal Endangered Species Act. My colleague and member of the Committee on Appropriations, the gentleman from California [Mr. RIGGS], has a rider on the Interior bill attached in committee last week which could lead to the extinction, unfortunately, of the California marbled murrelet.

The Riggs amendment prohibits implementation of critical habitat designation under the Federal Endangered Species Act for the marbled murrelet. The rider would apply to most of the private lands in the northern coastal area of California that has been identified as critical habitat for the marbled murrelet.

If critical habitat in this California area does not continue to be designated, there is strong likelihood of the marbled murrelet extinction in northern California, which will most likely affect the bird throughout its Pacific Northwest range.

The Riggs amendment excludes from its coverage 3,000 acres commonly called the "Headquarters Grove," but this exception does not include headwaters areas that are crucial for survival of the bird in California. For example, the exception does not include the Owl Creek Forest, a 440-acre stand of old growth coastal coniferous forest that contains a key 137-acre marbled murrelet nesting area.

The Riggs amendment does not provide needed protection for private property because critical habitat designation does not stop private activities. Critical habitat designation on private land does not stop activities, but it results in more careful consideration before Federal agencies carry out, approve, or fund activities.

Critical habitat designation impacts only Federal, not private, actions. For private land, critical habitat will come into consideration when the landowner seeks some Federal permit or approval, such as an incidental take permit. Moreover, while critical habitat designation may change the Fish and Wildlife Service's calculus in granting a take permit, it does not trigger the incidental take process. If marbled murrelets will not be injured or killed by logging or designating habitat, the logging can proceed without a permit.

The marbled murrelet is dependent on little areas that remain. In California, over the past 150 years, we have taken and harvested much of the marbled murrelet's nesting habitat. The number of birds in California has dropped from an estimated historic population of 60,000 to only about 6,000. Because of the marbled murrelet's precarious situation, further destruction of its significant habitat makes extinction of the northern California population probable.

The marbled murrelet has special nesting requirements. Every year the species loses a majority of its chicks to predation; therefore, it can nest successfully only where foliage is thick enough for the chicks to hide from predators. In addition, marbled murrelets do not build typical nests; instead, they lay eggs in natural depressions on tree limbs, so they require large limb structures.

Critical habitat designation has focused on Federal land. In May 1996 critical habitat was designated for the marbled murrelet along the Pacific coast. Slightly over 1 percent of the designation occurred on private land, because the Fish and Wildlife Service worked to designate non-Federal lands as critical habitat only "where Federal lands are limited or nonexistent and where non-Federal lands are essential for maintaining marbled murrelet populations and nesting habitats." A total of about 48,000 private acres were designated as critical habitat for the bird.

The Riggs amendment applies to almost all this area, most of which is owned by the Pacific Lumber Co.

The marbled murrelet draft recovery plan emphasizes the importance of these acres for marbled murrelet recovery. Suitable nesting habitat on Pacific Lumber Co. lands in Humboldt County, CA, is the only, and I underline that word, only, available nesting habitat for the southern portion of zone 4. This area is situated in a key area close to the coast with no Federal lands in the immediate area that are able to provide similar recovery distributions.

That is why I am offering my amendment today, to strike this provision. I wanted to emphasize to my colleagues that there are remedies here. If we want to get around the designation of critical habitat, I should not say get around, but if we want to deal with it, what we should do is what I have asked the companies in my State and in the Northwest and in Washington State to do, and that is to enter into a multispecies habitat conservation plan with the Fish and Wildlife Service.

Through doing a multispecies habitat conservation plan, a person can achieve 100 years of certainty on his lands. Now, yes, there is a negotiation and certain areas have to be protected on these private lands, but that is the way to proceed.

If one gets a multispecies habitat conservation plan, then they are entitled to an incidental take permit, so that if there is a take on private lands there will be no Federal sanction.

The companies in the State of Washington are entering into these agreements. Now, if my friend from California can walk in here into the Congress and overturn a Federal court decision which directed that critical habitat be designated and get relief for his individual company, then how am I to ask all of my companies to do the right thing, and that is to negotiate a multispecies HCP with the Federal Government? So if we do this, the administration has stated in their letter to all of us up here on this bill that they will veto the bill.

Last year we got ourselves into trouble by giving in to these substantive riders on this bill. So I urge my colleagues to support my amendment today to strike this out. It is the right thing to do for the ESA. It is the right thing, I think, to do for the private companies because then it will force Pacific Lumber Co., which has not negotiated in good faith with the Fish and Wildlife Service, to establish a habitat conservation plan; that they cannot come here and get around this provision.

My judgment is that they should go back, sit down with the Fish and Wildlife Service, and do what Murray Pacific, Weyerhaeuser, Plum Creek, and the major companies in my part of the world are doing, and that is negotiating a multispecies habitat conservation plan. So let us defeat the Riggs amendment and stand behind the Endangered Species Act.

I might say to my colleagues on the other side of the aisle, Mr. Speaker, that this will be one of the most important environmental votes of this Congress.

Ms. PRYCE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the great State of Florida, [Mr. GOSS], from the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank my friend from Columbus, OH, the distinguished Judge PRYCE, for yielding me this time, and, Mr. Speaker, I rise in strong support of this open rule, yet another open rule from the Committee on Rules.

Members will recall that last year a simple open rule proved to be not enough for the Interior bill, so I am especially pleased that we seem to have achieved broad bipartisan agreement on how we will consider this legislation before us today.

There were some tough choices this year, including how to treat the legislative language in the bill dealing with issues like the strategic petroleum reserve and the sale of commercial goods on Indian reservation lands. I think we made the right choices upstairs in deferring to the authorizing committees on this issue, and I hope that those panels will, and I encourage those panels to, look into these issues in the very near future because there is a lot of Member interest in them.

Mr. Speaker, the Interior appropriations bill is an important bill for the country and it is particularly important for the State of Florida, which I am privileged to represent part of. It is the vehicle for crucial Everglades restoration funds to meet the Federal commitment in our ongoing effort to restore and preserve for future generations the unique "River of Grass," as we call the Everglades. It is a national treasure. It is a global treasure.

Although we will have some discussion later in this debate about the need to boost and guarantee that commitment in this bill, I wish to commend the gentleman from Ohio, Chairman REGULA, and the ranking member, the gentleman from Illinois, Mr. YATES, for their attention to this unique national treasure and for their commitment to helping us have the Federal Government meet its commitment to the State of Florida; and the polluters, who have agreed to help pay and clean up the Everglades; and the taxpayers of Florida who are involved, and there are a great number of them.

It is an important Federal commitment and there is no reason at this point to relinquish it because the job is not done yet.

Also vital to Florida's economy and our national commitment to wise stewardship of the natural resources is the annual outer continental shelf oil and gas exploration moratorium, which protects our fragile coastline in Florida from oil slicks and pollution. We are grateful for the attention we have received.

Of course, this year's Interior bill is not without some controversy. Several programs have been scaled back to achieve budget targets so we stay on our glidepath. The Land and Water Conservation Fund, for instance, which is used to fund land acquisition in our national parks, wildlife refuges, and elsewhere, has been reduced again this year. I personally believe that is a false saving, but while I may not agree entirely with all the choices made in the bill, I certainly applaud Chairman REGULA and the members of the Committee on Appropriations for their hard work in getting to this point.

I ask my colleagues to support this rule and support the bill when it comes to the floor. I believe we have some amendments that will make it even better than it is now.

Mr. BEILENSION. Mr. Speaker, I yield 5 minutes to my distinguished colleague, the gentleman from California [Mr. BROWN].

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, I thank the distinguished gentleman from California for yielding me this time.

Mr. Speaker, I certainly want to rise in support of this rule. I think it is a very reasonable rule and will allow the House to work its will on the bill. I want to take advantage of this opportunity to make a few brief statements about the bill itself, which I think would be appropriate to make at this time, and I am going to confine myself to those parts of the bill which would fall within the authorizing jurisdiction of the Committee on Science.

I want to applaud the gentleman from Ohio [Mr. REGULA] for his tireless and farsighted support of the fossil energy R&D programs, and I enthusiastically commend him for his recognition of the importance of academic research in the earthquake hazards program at the U.S. Geological Survey, with which I have had a long-time association.

I understand how difficult it was to fund these programs at the desired levels, and I praise the work that he has done on these provisions in the bill.

Although I understand that it was also difficult to fund energy conservation R&D at even 10 percent below last year, I cannot support the drastic cuts made in this overall program. The gentleman from Ohio last year, in connection with the fiscal year 1996 appropriations bill, made a commitment to spread reductions in energy conservation over 5 years and to cut only 10 percent per year, and obviously, it has been difficult to do that this year.

I want to say that energy conservation R&D efforts have produced a host of success stories in the past. For example, R&D has developed a new window coating that now captures 36 percent of the $4 billion per year new window market and has saved taxpayers nearly $2 billion in energy savings. Further advances in the laboratory have produced windows that lose less heat than the wall within which they are embedded.

Other energy conservation R&D successes include the energy-saving compressors that most Americans have in their home refrigerators and better and more powerful fluorescent lights.

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These examples show that R&D provides incredible returns to the taxpayers in the form of lower energy bills. I might say that this is applied R&D, which some Members have criticized as being corporate subsidies. It has also produced returns in increased energy security, high-technology jobs, environmental protection. The Clinton budget recognizes the value of energy research and development for the future prosperity of the American economy and seeks to increase these efforts by 30 percent within a balanced budget.

I might say that this is possible within a balanced budget, and the so-called blue dog budget provides for this kind of an increase within a balanced budget.

I know that the gentleman from Ohio [Mr. REGULA], is well acquainted with the accomplishments of these programs and would not cut them if the budget constraints put upon him by the budget resolution were not so dire. I also believe that in the coming months, if funds become available, he will seek higher levels of funding. I commend him for this attitude. I will also fight for these programs and support any effort to enhance research and development in the energy efficiency area.

Ms. PRYCE. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. WELLER], a valued new Member of this Congress.

Mr. WELLER. Mr. Speaker, I want to thank the gentlewoman from Ohio for the opportunity to speak on this rule. I rise in support of the rule and I also rise in support of this interior appropriations bill.

This legislation provides a real opportunity to invest in the children and also the future of my home State of Illinois.

I want to point out the extraordinary efforts of my good friend, the gentleman from Illinois, SID YATES, the ranking member, and also the leadership of the chairman of this subcommittee, that this appropriations legislation invests in an important conservation program important to the State of Illinois and, in fact, provides $3.35 million to the U.S. Forest Service for continued development and operations of the Midewin National Tallgrass Prairie Park, what has already been nicknamed the Yellowstone of the Midwest by many conservationist groups. This appropriation legislation also continues an investment which the subcommittee and this House last year made of a $400,000 appropriation.

The point is that establishment of the Midewin National Tallgrass Prairie is a key part of our efforts, a bipartisan effort in the State of Illinois, to redevelop the Joliet Arsenal, the largest single of piece of property in northern Illinois. In fact, this effort is considered a national model for redevelopment of former surplus military facilities and something anyone who has a base closing in their district should look at. The President signed into law legislation to redevelop the Joliet Arsenal in February of this year. It was a bipartisan bill, a bipartisan effort.

This legislation took the almost 24,000 acres of the Joliet Arsenal, set aside 19,000 acres for establishment and development of the Midewin National Tallgrass Prairie, almost 1,000 acres, what will be the second largest national veterans cemetery in the country, and 3,000 acres for job creation.

Clearly, this is an important project. In fact, the people of Illinois consider development of the Midewin National Tallgrass Prairie and its funding and continued operation the No. 1 environmental and conservation priority for the State of Illinois.

Mr. Speaker, I want to thank Mr. YATES and thank Mr. REGULA for their leadership. It is a win, win, win and deserves bipartisan support.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I rise as one who was born in Portland, OR, loves the forests of the Northwest and am very saddened by the fact that we are not going to be able to do anything to reverse the clear-cutting provisions, that are taking them down so much faster than they grew up.

There are many other problems with this bill that saddens me. We gut the National Park Service, 18 percent below the President's budget. We gut Fish and Wildlife, 20 percent below the administration's request. We reduce forest plan funding for $19 million less than the President's request. And we do not fund the Everglades as the administration had requested.

I find these all national treasures, national treasures that we cannot restore again. Once these are gone, they are gone. I now live in Colorado, where we think of ourselves as the lungs of the Nation, and we treasure our national parks. So, there is going to be some voting today that is going to be very, very key. I hope Members vote on the issue.

I was saddened today to read in the paper that the Speaker was saying that he could get Members on that side of the aisle to vote any way he wanted just by showing my face. Apparently they have my face on a stick over there. I just wanted to show Members that, if they see this, please vote the environmental vote. Let us not use this kind of thing to stampede Members.

The Speaker was bragging that he was able to get four Members on that side of the aisle to change their vote on the budget to lift the deficit from this year to next year just by showing my face. It must have been because I was not here.

So, I want to make sure, if that trick is used on these votes, my colleagues have now seen the trick. My colleagues better have a better excuse for voting against these really wonderful treasures that we should be holding in stewardship and trusteeship for our children and for the future.

Let us listen and let us think and remember, those who voted to increase the President's defense budget by $13 billion more than he asked for, how can we possibly take away these national treasures that our forefathers and foremothers had the vision to put away? If we do not fund them and if we do not maintain them, we are going to lose them.

Just remember, many in this body voted to increase the defense funding, and they have now got to gash and cut away at the environmental funding. They have even raised the deficit from this year to next year. Please do not do it with my face. Please do it on the merits.

I cannot really believe that the Speaker meant folks on that side were that afraid of me. I am being made the big, bad wolf, I guess. Well, do not be afraid of me. I am a 55-year-old woman. This face is not going to kill you. Do not run from this face and do not run from the vote. I want no more excuses.

Ms. PRYCE. Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. FARR].

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise on this rule, and I think it is a good rule and am going to support it, but to point out that the rule also allows for this bill to be amended. I want to offer an amendment, an amendment that is consistent with the purpose for which this fund was created, the land and water conservation fund.

The Congress back in the 1960's enacted this bill and said that we are going to allow for offshore oil drilling of Federal lands and the revenues from those Federal lands, from public lands will be put into a fund and then that fund will be used to help all the States, not just those coastal States that have offshore oil drilling but all the States for all the people of the United States. My amendment shows that we have not been doing that. In essence we have taken, that account now has about $900 million a year income, and reappropriated about $400 million out of that.

Of that $400 million, $300 million goes back to the oil companies to essentially do research for multinational corporations to do research. The problem I have with that is, oil is also being drilled on State lands. It is being drilled on private lands, and there is no requirement that in those types of drilling operations that money goes back for that purpose.

Then we have shortchanged the money that goes back to the Department of the Interior and to our States and from our States to our counties and to our cities. I am concerned that this fund, which Congress set up originally for that purpose, is not being used for that purpose anymore. It is being used to do a lot of other things. So in my amendment I shift that balance. Instead of two-thirds for the people of America, I suggest that we reverse that and make the funding priorities just the opposite: one-third for the oil companies and two-thirds for all the citizens of the United States of present and future generations and visitors who are lawfully present within the boundaries of the United States so that they can enjoy the quality and quantity of outdoor recreational resources as may be available and are necessary and desirable for individual active participation in such recreation to strengthen the health and vitality of the citizens of the United States.

I am reading exactly from the bill, from the law that Congress in the 1960's adopted. So, Mr. Speaker, the distinguished chairman of the Committee on Appropriations, I think, has done a very good job under hard work, but I thank on this one my colleague has missed the mark. My colleague has essentially not put the priorities where the public wants the priorities to be. There is not a city, there is not a county, there is not a State that is not in need of more resources to buy from willing sellers, to invest in management opportunities. So for every Member of Congress, my amendment has something in it for them. I would urge that, when that amendment comes up under the rule that we are debating and will be adopting, we all vote for that amendment.

Ms. PRYCE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. REGULA], my friend and chairman of the subcommittee.

Mr. REGULA. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Let me just say that I hope all the Members will carefully review this bill. I think we have done a good job. We have been very bipartisan in terms of projects. There have been on both sides of the aisle projects that have been funded. The bill recognizes the fact that we have a limited amount of money, we have tried to manage our resources carefully.

This bill is a billion and a half dollars less than in 1995. That is a billion and a half that our children and grandchildren will not have to pay in terms of national debt and in terms of interest on that debt. But in the process, I think we have taken care of the important things, and we will discuss that more in the general debate.

I certainly would again urge all of the Members to look carefully at the details of the bill. I think working with the gentleman from Illinois [Mr. YATES], my colleague on the subcommittee, that we have tried to bring to the floor today a responsible bill given the constraints that were put upon us by reducing the spending by the reduced allocation. We have tried to address the important things.

Last year I talked about must-do's, need-to-do's and nice-to-do's. The must-do's we have done; added $55 million for the parks, for example. Need-to-do's, we have tried to take care of problem areas. We have done things like finish construction that was underway, put a lot of money in for repairs and maintenance. That is very important, and those are need-to-do's. On the nice-to-do's, we have to scale back considerably, but it is important.

We also recognize the fact that the taxpayers foot the bill for all of this, and so I think on balance we have done a responsible job. I would urge my colleagues to vote for the rule. It is an open rule. Members will have an opportunity to offer amendments as they see fit.

Given those circumstances, I would not see any reason not to support the rule. I urge all Members to do so.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of this rule as well as the fiscal year 1997 appropriation bill itself and the Interior Department and related agencies. While it is not the perfect Interior appropriation bill, I do commend the gentleman from Ohio [Mr. REGULA] for the manner and the actions that he took within the context of the spending allocations with which he has dealt.

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I believe that he did a decent job of providing for those programs which are the most important. We are, after all, in an era of having to make decisions in order to prioritize our scarce resource dollars.

So while it is true that this bill is about $400 million less than current year funding, it should be noted that part of this reduction can be contributed to the fact that several programs have been terminated and no longer require funding. This is an important fact to bear in mind.

Further, while cuts are being proposed for energy conservation and research programs, those reductions are allowing more funds to be plowed into operating our National Park System wildlife refuges, endangered species and other resource management agency programs. In my view these are some of the most important aspects of the Interior appropriation bill.

But most importantly I am supporting this bill because it does not reduce funding for the Office of Surface Mining, and it contains the moratorium on the processing and issuance of hard rock mining patents, an issue this House has expressed itself on unanimously on a number of occasions. The OSM in both its regulatory functions and through the abandoned mine reclamation program well serves the citizens of our Nation's coalfields.

So I commend the gentleman from Ohio [Mr. REGULA], express my gratitude to him for resisting the agenda being advanced by certain quarters to gut the Surface Mining Control and Reclamation Act of 1977 through backdoor approaches such through OSM's budget. The agency took a severe hit in the current year appropriation. It is operating with about 25 percent less Federal inspectors, and it is coping and under the leadership of Director Bob Uram. It is doing a job.

So I commend the fact this bill is largely free of controversial anti-environment, anti-public interest riders which plagued our consideration for so many appropriation bills last year.

Amendments might be offered today, Mr. Speaker. Many of my colleagues on this side of the aisle will vote for them. Fine. I may vote for them as well. But when all is said and done, let us vote for this Interior appropriation bill and vote for the rule.

Ms. PRYCE. Mr. Speaker, I will reserve the balance of my time until my friend, the gentleman from California [Mr. BEILENSON] concludes.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the beginning of this Congress the Republican majority claimed that the House was going to consider bills under an open process.

I would like to point out that 62 percent of the legislation this session has been considered under a restrictive process.

At this point I insert the following extraneous material in the RECORD:

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 63	Open	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive	N/A.
S. 2	Senate Compliance	N/A	Closed	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive	N/A.
H.R. 1530	National Defense Authorization Act; FY 1996	H. Res. 164	Restrictive	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS 1ST SESSION; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive	2R/2D.
H.R. 743	The Teamwork for Employees and Managers Act of 1995	H. Res. 226	Open	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive	1D.
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive	1D.
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive	1D.
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive	5R.
H.R. 2539	ICC Termination	H. Res. 259	Open	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed	2R.
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed	1D; 2R.
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed	N/A.
PROCEDURE IN THE 104TH CONGRESS 2D SESSION				
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed	N/A.
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed	N/A.
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; Rule tabled	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social Security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive	2D/2R.
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed	N/A.
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed	N/A.
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive	N/A.
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive	1D
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open	N/A.
H.R. 2715	Paperwork Elimination Act of 1996	H. Res. 409	Open	N/A.
H.R. 1675	National Wildlife Refuge Improvement Act of 1995	H. Res. 410	Open	N/A.
H.J. Res. 175	Further Continuing Appropriations for FY 1996	H. Res. 411	Closed	N/A.
H.R. 2641	United States Marshals Service Improvement Act of 1996	H. Res. 418	Open	N/A.
H.R. 2149	The Ocean Shipping Reform Act	H. Res. 419	Open	N/A.
H.R. 2974	To amend the Violent Crime Control and Law Enforcement Act of 1994 to provide enhanced penalties for crimes against elderly and child victims.	H. Res. 421	Open	N/A.
H.R. 3120	To amend Title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.	H. Res. 422	Open	N/A.
H.R. 2406	The United States Housing Act of 1996	H. Res. 426	Open	N/A.
H.R. 3322	Omnibus Civilian Science Authorization Act of 1996	H. Res. 427	Open	N/A.
H.R. 3286	The Adoption Promotion and Stability Act of 1996	H. Res. 428	Restrictive	1D; 1R.
H.R. 3230	Defense Authorization Bill FY 1997	H. Res. 430	Restrictive	41 amends; 20D; 17R; 4 bipartisan
H.R. 3415	Repeal of the 4.3-Cent Increase in Transporation Fuel Taxes	H. Res. 436	Closed	N/A.
H.R. 3259	Intelligence Authorization Act for FY 1997	H. Res. 437	Restrictive	N/A.
H.R. 3144	The Defend America Act	H. Res. 438	Restrictive	1D.
H.R. 3448/H.R. 1227	The Small Business Job Protection Act of 1996, and The Employee Commuting Flexibility Act of 1996.	H. Res. 440	Restrictive	2R.
H.R. 3517	Military Construction Appropriations FY 1997	H. Res. 442	Open	N/A.
H.R. 3540	Foreign Operations Appropriations FY 1997	H. Res. 445	Open	N/A.
H.R. 3562	The Wisconsin Works Waiver Approval Act	H. Res. 446	Restrictive	N/A.
H.R. 2754	Shipbuilding Trade Agreement Act	H. Res. 448	Restrictive	1R.
H.R. 3603	Agriculture Appropriations FY 1997	H. Res. 451	Open	N/A.
H.R. 3610	Defense Appropriations FY 1997	H. Res. 453	Open	N/A.
H.R. 3662	Interior Appropriations FY 1997	H. Res. 455	Open	N/A.

*Contract Bills, 67% restrictive; 33% open. ** All legislation 1st Session, 53% restrictive; 47% open. *** All legislation 2d Session, 62% restrictive; 38% open. **** All legislation 104th Congress, 56% restrictive; 44% open. ***** NR indicates that the legislation being considered by the House for amendment has circumvented standard procedure and was never reported from any House committee. ****** PQ Indicates that previous question was ordered on the resolution. ******* Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

LEGISLATION IN THE 104TH CONGRESS, 2D SESSION

To date 14 out of 35 of the bills considered under rules in the 2d session of the 104th Congress have been considered under an irregular procedure which circumvents the standard committee procedure. They have been brought to the floor without any committee reporting them. They are as follows:

H.R. 1643, to authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.

H.J. Res. 134, making continuing appropriations for fiscal year 1996.

H.R. 1358, conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.

H.R. 2924, the Social Security Guarantee Act.

H.R. 3021, to guarantee the continuing full investment of Social Security and other Federal funds in obligations of the United States.

H.R. 3019, a further downpayment toward a balanced budget.

H.R. 2703, the Effective Death Penalty and Public Safety Act of 1996.

H.J. Res. 165, making further continuing appropriations for fiscal year 1996.

H.R. 125, the Crime Enforcement and Second Amendment Restoration Act of 1996.

H.R. 3136, the Contract With America Advancement Act of 1996.

H.J. Res. 159, tax limitation constitutional amendment.

H.R. 1675, National Wildlife Refuge Improvement Act of 1995.

H.J. Res. 175, making further continuing appropriations for fiscal year 1996.

H.R. 3562 the Wisconsin Works Waiver Approval Act.

Mr. BEILENSON. Mr. Speaker, I ask our colleagues to join the gentlewoman from Ohio [Ms. PRYCE] and I in voting for this open, fair rule.

Ms. PRYCE. Mr. Speaker, I yield myself the balance of the time remaining on this side, and I thank the gentleman from California [Mr. BEILENSON] for his remarks.

Mr. Speaker, we have heard a lot of criticism here this morning about the funding levels contained in this bill. Let me say that I, for one, recognize that Chairman REGULA and the members of the committee have made difficult choices in crafting this year's bill. It is never easy to reverse years of spiraling increases and bloating bureaucracies.

The chairman's system of prioritizing the must-do's, the need-to-do's, and the nice-to-do's, reflects the kind of fiscal restraint and responsibility that we need in order to keep us on the glidepath to a balanced Federal budget.

The 1997 Interior appropriations bill is all making good Government choices and responsible spending decisions. It saves the American taxpayers $500 million from last year's level, and roughly $1.5 billion from the 1995 level, while focusing resources on programs that are important to the American people—the national parks, forests, wildlife refuges, and the Nation's great cultural landmarks.

Under the terms of this fair and open rule, the House will have an opportunity to give full consideration to the environmental, cultural, and Native American programs contained in this year's bill. I urge my colleagues to give this rule their full support.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed on Tuesday, June 18, 1996, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 3005, by the yeas and nays, and H.R. 3107 by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

SECURITIES AMENDMENTS OF 1996

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3005, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia [Mr. BLILEY] that the House suspend the rules and pass the bill, H.R. 3005, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 407, nays 8, answered "present" 1, not voting 18, as follows:

[Roll No. 249]

YEAS—407

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton

Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—8

Chenoweth
Crapo
DeFazio
Montgomery
Parker
Sanders
Taylor (MS)
Vucanovich

ANSWERED "PRESENT"—1

Lowey

NOT VOTING—18

Boehlert
Collins (MI)
Emerson
Ford
Frank (MA)
Franks (CT)
Gallegly
Kaptur
Lincoln
McDade
Peterson (FL)
Ramstad
Schumer
Scott
Tauzin
Volkmer
Waters
Wilson

☐ 1154

Mr. COBURN changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Speaker, I was unable to vote on the final passage of H.R. 3005, Securities Amendments of 1996, when the yeas and nays were ordered on June 19, 1996. Had I been present, I would have voted "yea" on the bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

IRAN AND LIBYA SANCTIONS ACT OF 1996

The SPEAKER Pro Tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3107, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and pass the bill, H.R. 3107, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 415, nays 0, not voting 19, as follows:

[Roll No. 250]

YEAS—415

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—19

Boehlert
Bonior
Collins (MI)
Emerson
Ford
Frank (MA)
Franks (CT)
Gallegly
Kaptur
Lincoln
Martini
McDade
Meek
Peterson (FL)
Ramstad
Schumer
Serrano
Tauzin
Wilson

☐ 1204

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes."

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. MEEK of Florida. Mr. Speaker, I missed rollcall vote No. 250. If I were here, I would have voted "yes."

PERSONAL EXPLANATION

Mr. MARTINI. Mr. Speaker, on June 19, 1996, I was unavoidably detained and missed rollcall vote No. 250. Had I been present, I would have voted "yes" on the bill.

ANNOUNCING BIRTH OF TWIN SONS TO HON. BLANCHE LAMBERT LINCOLN

(Mr. THORNTON asked and was given permission to address the House for 1 minute.)

Mr. THORNTON. Mr. Speaker, it gives me great privilege to announce that for the first time in the history of the U.S. House of Representatives, a Member has given birth this morning to twin sons.

Born to our colleague BLANCHE LAMBERT LINCOLN this morning was their oldest son, Meyers Reese, weighing in at 5 pounds, 1 ounce, followed 1 hour and 10 minutes later by his brother Stephen Bennett who weighed in at 6 pounds, 5 ounces. Mother and twins are doing well.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. THORNTON. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, just so that we keep the facts straight and keep this bipartisan, I want to point out to my colleagues that one of our Ohio members, Mr. GILLMOR, is the proud father of twin boys, so we have a good balance here, and about an equal number of votes on both sides.

Mr. THORNTON. I thank the gentleman for his comments. I will say that it was somewhat easier for Congressman GILLMOR. We celebrate with BLANCHE and her husband, Dr. Steve Lincoln, the arrival of their sons, but I continue in my claim that this is the first time a Member has given birth to twins.

Mr. REGULA. I understand. If the gentleman will yield, we have not lost a father yet.

Mr. THORNTON. I thank the gentleman for his comments.

The SPEAKER pro tempore (Mr. COLLINS of Georgia). We appreciate the information shared with Members of the House and we congratulate both families.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1462

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1462.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3662, and that I may be permitted to include tables, charts, and other material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 455 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3662.

□ 1209

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, with Mr. BURTON of Indiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio [Mr. REGULA] and the gentleman from Illinois [Mr. YATES] will each control 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Let me say at the outset, Mr. Chairman, that the gentleman from Illinois and myself have worked closely on this bill along with the other members of our subcommittee. I think we bring to the Members today a very responsible bill given the fiscal constraints.

I would point out the chart that is in the well demonstrates that we appropriate a total of about $12 billion and save the taxpayers, save future generations $500 million plus the interest that they would have to pay on that money. But at the same time we take care of the things that are vitally important and that people care about in this country, our public lands, in many instances, the parks, the forests, the fish and wildlife facilities, the grazing lands managed by the BLM. They are the jewels of this Nation and I think we have a great responsibility to manage these facilities and this resource well so that we can leave it as a legacy to future generations.

I would like to start by giving some little known facts about this bill. Let me start with the Forest Service. The National Forest System covers 8 percent of all the land in America. Of all the land, 8 percent is in national forests. The national forests produce 55 percent of the water for 16 western States. I think that is a significant fact. Fifty-five percent of the water that they use for irrigation, for municipal water supplies, for the many, many purposes, for industrial uses, 55 percent of that in the 16 western States comes from our public lands. Three hundred million recreational visitors to the Forest Service lands every year, 300 million Americans enjoyed these lands. Half of the Nation's ski lift capacity is on forest land. For those that like to ski undoubtedly if you have gone out in the western States, you have been on public lands. Half of the Nation's big game and cold water fish habitat is on the national forest lands.

With respect to timber harvest, I might say there has been a lot of concern about the fact that we have been excessively harvesting timber, recognizing the importance of it for multiple use, recognizing the importance of timber lands in providing water supply, that we might be doing too much. But let me point out that we are on a downward glide path. We harvested 11 billion board feet, in 1990. It this bill today it provides for 4.3 billion board feet, almost one-third of what we were allowing in 1990. I think it is a recognition that the national forests have far greater value in terms of multiple use and in terms of our watershed than perhaps just for timber harvest.

Little known facts is the Department of Energy. Fossil energy research focuses on cleaning up the environment and reducing energy consumption. We hear a lot about clean air and clean water and how important these are to our Nation and to the people in our society. Well, the fossil energy program is directed right at that need and the importance of cleaning up the environment. Low emission boilers will reduce sulfur dioxide and nitrogen oxide emissions by 80 percent once we develop the technology. I mention these things because during the course of handling this bill, there will be an amendment to reduce—maybe several—to reduce our fossil energy commitment in terms of research, but keep in mind, any vote to cut fossil research, and we have already reduced it considerably, a vote to do that is a vote against the environment, it is a vote against reducing energy consumption.

Advanced turbine systems will dramatically reduce emissions and reduce energy consumption while supporting 100,000 high-paying U.S. jobs and the export of 3 billion dollars' worth of technology. We hear a lot about the balance of payments. Again, a vote to reduce the fossil budget and I think the gentleman from California [Mr. BROWN] addressed it well during the rule debate, is a vote against increasing exports, it is a vote against U.S. jobs, against cleaning up our environment.

I would point out also in the Office of Surface Mining in the bill, we fund $4 million for a new Appalachian clean streams. Again, an effort to clean up the water to preserve this resource for the future.

Public lands, Interior and the Forest Service, are about one-third of the Nation's land mass. We manage it for clean waters and for open space and we try to preserve as much as possible the pristine values of our wilderness lands, the vast wetland and forests that naturally cleanse the water and the air and replenish the aquifers.

□ 1215

But at the same time, Mr. Chairman, as evident by the charts up here, we are also recognizing that part of our legacy to future generations should not only be clean air, clean water, a land mass that can be enjoyed in terms of parks and forests and fish and wildlife facilities and the BLM lands, but at the same time, we are reducing the amount of expenditures.

It points out in the chart that we are recommending $12 billion. While expending $12 billion, we are reducing spending by $500 million under 1996 and $1.5 billion under 1995. At the same time, we will increase national park operations by $55 million; national wildlife refuge operations by $18 million; native American programs by $52 million; forest health by $72 million; and Smithsonian and other cultural institutions by $16 million.

While doing that, we cut $114 million from energy programs. We cut $25 million from Washington and regional bureaucracy. We are getting people out of Washington and into the field, and we are also moving the expenditure of administrative-type funds out to the field where the problems need to be solved.

As can be noted from the chart, the $114 million cut in energy programs has already been taken. So let me again caution all of the Members, evaluate the amendments that will be proposed that would do harm to our energy programs. They are vitally important for the future of this Nation, both in terms of clean water, in terms of clean air, and in terms of reducing our dependency on other nations outside the United States for energy.

I think if Members look at the numbers, they will realize that probably in terms of petroleum, we are importing over one-half of our usage and we need to become more energy independent. We have tried to maintain the programs that are vitally important to the Nation's future.

I would mention the same thing in terms of being responsible to the native American programs. We have treaty obligations. We have rights that were generated in the historical development of Indian programs, so we have had to increase those by $52 million over 1996. We put the money in these areas: $10 million for tribal priority allocations, $10 million for Indian school operations, $20 million for new hospital staffing, and $12 million for health care professionals.

I would mention these things, Mr. Chairman, because under our treaty obligations, we have a responsibility for health, for education, and for the tribal priority needs. We have tried to address these in our bill.

In terms of forest health, and I reemphasize a point I made earlier, and that is that in the western States, 55 percent of their water comes from forest lands. A healthy forest is important to their future in terms of having clean water, in terms of having adequate water supplies. To recognize those forest health problems, we have increased by $72 million the overall program, $16.5 in forest health management, $40 million in wildfire preparation and prescribed burns, and $10.5 million for thinning and vegetation improvement. We have had $4 million for road maintenance and reconstruction and $1 million for Forest Service research. We recognize, as in the case with energy, that knowledge is very important, that knowledge in managing forests or parks or any of the public lands becomes an important element.

We have maintained the United States Geologic Survey at last year's level because that is the science arm of the Department of the Interior. In terms of the Everglades, we added $13 million for scientific research because we recognize that we are going to embark on a major program to undo some of the great mistakes of the past; but to do that in a responsible way, we need to have good science. Therefore we, as a starter in restoring the Everglades, put a large increase in the funding for the Everglades research and science that will go with that.

I think when we look at the total bill, it is a responsible, commonsense approach to challenges. We all treasure the public lands and what it means to the quality of life in this country, and we have tried to recognize that. We have avoided programs, starting new programs that have high downstream costs, because both sides of the aisle, starting with the President, are committed to getting the budget deficit under control; and to do that, we have to avoid programs, we have to avoid acquiring facilities that have big costs downstream because we need to continue this effort to manage the programs as well as possible.

So, Mr. Chairman, I certainly say to all of my colleagues, I hope that they will give this bill their consideration. I hope they will take time to understand what we have tried to do here. It is a nonpartisan bill. When it came to doing projects, we have an even balance between Members on each side of the aisle. In the subcommittee, we had very little partisanship. We worked as a team to try to use the resources that were allocated to us to do the best possible job of managing this marvelous resource called forests and parks, and so on, in the way that is constructive for the American people and that we can be proud of as far as a legacy to future generations. I urge all the Members to give us the support that we need and deserve on this bill.

Mr. Chairman, I include for the RECORD the table detailing the various accounts in the bill.

The information referred to is as follows:

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3662)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - DEPARTMENT OF THE INTERIOR					
Bureau of Land Management					
Management of lands and resources	567,453,000	575,892,000	566,514,000	-939,000	-9,378,000
Wildland fire management	235,924,000	247,924,000	247,924,000	+12,000,000	
Central hazmat account	10,000,000	20,500,000	12,000,000	+2,000,000	-8,500,000
Construction and access	3,115,000	3,103,000	3,103,000	-12,000	
Emergency appropriations (P.L. 104-134)	5,000,000			-5,000,000	
Payments in lieu of taxes	113,500,000	101,500,000	113,500,000		+12,000,000
Land acquisition	12,800,000	12,800,000	10,000,000	-2,800,000	-2,800,000
Oregon and California grant lands	97,452,000	108,379,000	98,365,000	+913,000	-10,014,000
Emergency appropriations (P.L. 104-134)	35,000,000			-35,000,000	
Range improvements (indefinite)	9,113,000	9,113,000	9,113,000		
Service charges, deposits, and forfeitures (indefinite)	8,993,000	8,993,000	8,993,000		
Miscellaneous trust funds (indefinite)	7,605,000	7,605,000	7,605,000		
Total, Bureau of Land Management	1,105,955,000	1,095,809,000	1,077,117,000	-28,838,000	-18,692,000
United States Fish and Wildlife Service					
Resource management	501,010,000	540,372,000	520,519,000	+19,509,000	-19,853,000
Emergency appropriations (P.L. 104-134)	1,600,000			-1,600,000	
Construction	37,655,000	37,587,000	38,298,000	+643,000	+711,000
Emergency appropriations (P.L. 104-134)	37,300,000			-37,300,000	
Natural resource damage assessment and restoration fund	4,000,000	4,000,000	4,000,000		
Land acquisition	36,900,000	36,900,000	30,000,000	-6,900,000	-6,900,000
Cooperative endangered species conservation fund	8,085,000	16,085,000	13,085,000	+5,000,000	-3,000,000
National wildlife refuge fund	10,779,000	10,779,000	10,779,000		
Rewards and operations	600,000	600,000	1,000,000	+400,000	+400,000
North American wetlands conservation fund	6,750,000	11,750,000	7,750,000	+1,000,000	-4,000,000
Lahontan Valley and Pyramid Lake fish and wildlife fund	152,000			-152,000	
Rhinoceros and tiger conservation fund	200,000	200,000	400,000	+200,000	+200,000
Wildlife conservation and appreciation fund	800,000	800,000	800,000		
Total, United States Fish and Wildlife Service	645,831,000	659,073,000	626,631,000	-19,200,000	-32,442,000
National Park Service					
Operation of the national park system	1,082,481,000	1,173,304,000	1,135,139,000	+52,658,000	-38,165,000
National recreation and preservation	37,649,000	40,218,000	36,476,000	-1,173,000	-3,742,000
Historic preservation fund	36,212,000	38,290,000	36,212,000		-2,078,000
Construction	143,225,000	143,225,000	119,745,000	-23,480,000	-23,480,000
C&O Canal (P.L. 104-99)	2,000,000			-2,000,000	
Emergency appropriations (P.L. 104-134)	47,000,000			-47,000,000	
Land and water conservation fund (rescission of contract authority)	-30,000,000	-30,000,000	-30,000,000		
Land acquisition and state assistance	49,100,000	36,300,000	30,000,000	-19,100,000	-6,300,000
Everglades restoration fund		100,000,000			-100,000,000
Fixed asset acquisitions (sec. 621)		111,000,000			-111,000,000
Total, National Park Service (net)	1,367,667,000	1,612,337,000	1,327,572,000	-40,095,000	-284,765,000
United States Geological Survey					
Surveys, investigations, and research	730,163,000	746,380,000	730,163,000		-16,217,000
Emergency appropriations (P.L. 104-134)	2,000,000			-2,000,000	
Minerals Management Service					
Royalty and offshore minerals management	182,555,000	182,994,000	186,555,000	+4,000,000	+3,561,000
Oil spill research	6,440,000	6,440,000	6,440,000		
Total, Minerals Management Service	188,995,000	189,434,000	192,995,000	+4,000,000	+3,561,000
Bureau of Mines					
Mines and minerals	64,000,000			-64,000,000	
Office of Surface Mining Reclamation and Enforcement					
Regulation and technology	95,470,000	94,272,000	94,272,000	-1,198,000	
Receipts from performance bond forfeitures (indefinite)	500,000	500,000	500,000		
Subtotal	95,970,000	94,772,000	94,772,000	-1,198,000	
Abandoned mine reclamation fund (definite, trust fund)	173,887,000	179,385,000	175,887,000	+2,000,000	-3,498,000
Total, Office of Surface Mining Reclamation and Enforcement	269,857,000	274,157,000	270,659,000	+802,000	-3,498,000
Bureau of Indian Affairs					
Operation of Indian programs	1,384,434,000	1,579,423,000	1,381,623,000	-2,811,000	-197,800,000
Emergency appropriations (P.L. 104-134)	500,000			-500,000	
Construction	100,833,000	122,824,000	85,831,000	-15,002,000	-36,993,000
Emergency appropriations (P.L. 104-134)	16,500,000			-16,500,000	

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3662)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Indian land and water claim settlements and miscellaneous payments to Indians	80,645,000	69,241,000	65,241,000	-15,404,000	-4,000,000
Technical assistance of Indian enterprises	500,000			-500,000	
Indian guaranteed loan program account	5,000,000	5,002,000	5,000,000		-2,000
(Limitation on guaranteed loans)	(35,914,000)	(34,615,000)	(34,615,000)	(-1,299,000)	
Total, Bureau of Indian Affairs	1,588,412,000	1,776,490,000	1,537,695,000	-50,717,000	-238,795,000
Departmental Offices					
Insular Affairs	47,506,000	47,506,000	47,506,000		
Northern Mariana Islands Covenant	27,720,000	27,720,000	27,720,000		
Compact of Free Association	14,900,000	13,500,000	13,500,000	-1,400,000	
Emergency appropriations (P.L. 104-134)	13,000,000			-13,000,000	
Subtotal	103,126,000	88,726,000	88,726,000	-14,400,000	
Departmental management	56,912,000	59,196,000	53,691,000	-3,221,000	-5,505,000
Office of the Solicitor	34,427,000	35,208,000	35,208,000	+781,000	
Office of Inspector General	23,939,000	24,439,000	24,439,000	+500,000	
Construction Management	500,000			-500,000	
Office of Special Trustee for American Indians	16,338,000	36,338,000	19,126,000	+2,788,000	-17,212,000
National Indian Gaming Commission	1,000,000	1,000,000	1,000,000		
Total, Departmental Offices	236,242,000	244,907,000	222,190,000	-14,052,000	-22,717,000
Total, title I, Department of the Interior:					
New budget (obligational) authority (net)	6,199,122,000	6,598,587,000	5,985,022,000	-214,100,000	-613,565,000
Appropriations	(6,071,222,000)	(6,628,587,000)	(6,015,022,000)	(-56,200,000)	(-613,565,000)
Emergency appropriations	(157,900,000)			(-157,900,000)	
Rescissions	(-30,000,000)	(-30,000,000)	(-30,000,000)		
(Limitation on guaranteed loans)	(35,914,000)	(34,615,000)	(34,615,000)	(-1,299,000)	
TITLE II - RELATED AGENCIES					
DEPARTMENT OF AGRICULTURE					
Forest Service					
Forest and rangeland research	178,000,000	179,786,000	179,000,000	+1,000,000	-786,000
State and private forestry	136,884,000	164,000,000	148,884,000	+12,000,000	-15,116,000
National forest system	1,257,057,000	1,291,553,000	1,259,057,000	+2,000,000	-32,496,000
Emergency appropriations (P.L. 104-134)	26,600,000			-26,600,000	
Wildland fire management	385,485,000	385,485,000	411,485,000	+26,000,000	+26,000,000
Emergency contingent appropriations		109,531,000			-109,531,000
Reconstruction and construction	163,600,000	169,662,000	164,100,000	+500,000	-5,562,000
Emergency appropriations (P.L. 104-134)	60,800,000			-60,800,000	
Timber receipts transfer to general fund (indefinite)	(-44,548,000)			(+44,548,000)	
Timber purchaser credits	(50,000,000)	(50,000,000)		(-50,000,000)	(-50,000,000)
Land acquisition	39,400,000	41,200,000	30,000,000	-9,400,000	-11,200,000
Acquisition of lands for national forests, special acts	1,069,000	1,069,000	1,069,000		
Acquisition of lands to complete land exchanges (indefinite)	210,000	210,000	210,000		
Range betterment fund (indefinite)	3,976,000	3,995,000	3,995,000	+19,000	
Gifts, donations and bequests for forest and rangeland research	92,000	92,000	92,000		
Southeast Alaska economic disaster fund	110,000,000			-110,000,000	
Total, Forest Service	2,363,173,000	2,346,583,000	2,197,892,000	-165,281,000	-148,691,000
DEPARTMENT OF ENERGY					
Clean coal technology:					
Rescission		-325,000,000			+325,000,000
Deferral		-312,879,000			+312,879,000
Subtotal		-637,879,000			+637,879,000
Fossil energy research and development	417,018,000	348,508,000	358,754,000	-58,264,000	+10,246,000
Alternative fuels production (indefinite)	-2,400,000	-4,000,000	-4,000,000	-1,600,000	
Naval petroleum and oil shale reserves	148,786,000	149,500,000	143,786,000	-5,000,000	-5,714,000
Energy conservation	553,189,000	735,363,000	499,680,000	-53,509,000	-235,683,000
Biomass Energy Development (transfer)	-16,000,000			+16,000,000	
Economic regulation	6,297,000	2,725,000	2,725,000	-3,572,000	
Strategic Petroleum Reserve		221,300,000			-221,300,000
(By transfer)	(187,000,000)		(220,000,000)	(+33,000,000)	(+220,000,000)
Energy Information Administration	72,266,000	66,120,000	66,120,000	-6,146,000	
Total, Department of Energy:					
New budget (obligational) authority (net)	1,179,156,000	881,637,000	1,067,065,000	-112,091,000	+185,428,000
Appropriations	(1,179,156,000)	(1,519,516,000)	(1,067,065,000)	(-112,091,000)	(-452,451,000)
Rescission		(-325,000,000)			(+325,000,000)
Deferral		(-312,879,000)			(+312,879,000)
(By transfer)	(187,000,000)		(220,000,000)	(+33,000,000)	(+220,000,000)

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3662)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Indian Health Service					
Indian health services	1,747,842,000	1,898,941,000	1,779,561,000	+31,719,000	-119,380,000
Indian health facilities	238,958,000	275,251,000	227,701,000	-11,257,000	-47,550,000
Total, Indian Health Service	1,986,800,000	2,174,192,000	2,007,262,000	+20,462,000	-166,930,000
DEPARTMENT OF EDUCATION					
Office of Elementary and Secondary Education					
Indian education	52,500,000	81,500,000	52,500,000	....	-29,000,000
OTHER RELATED AGENCIES					
Office of Navajo and Hopi Indian Relocation					
Salaries and expenses	20,345,000	25,000,000	20,345,000	....	-4,655,000
Institute of American Indian and Alaska Native Culture and Arts Development					
Payment to the Institute	5,500,000	5,500,000	5,500,000	....	....
Smithsonian Institution					
Salaries and expenses	311,188,000	328,716,000	317,188,000	+6,000,000	-11,528,000
Construction and improvements, National Zoological Park	3,250,000	4,000,000	3,250,000	....	-750,000
Repair and restoration of buildings	33,954,000	38,000,000	39,954,000	+6,000,000	+1,954,000
Construction	27,700,000	13,000,000	7,000,000	-20,700,000	-6,000,000
Total, Smithsonian Institution	376,092,000	383,716,000	367,392,000	-8,700,000	-16,324,000
National Gallery of Art					
Salaries and expenses	51,844,000	53,899,000	53,899,000	+2,055,000	....
Repair, restoration and renovation of buildings	6,442,000	5,942,000	5,942,000	-500,000	....
Total, National Gallery of Art	58,286,000	59,841,000	59,841,000	+1,555,000	....
John F. Kennedy Center for the Performing Arts					
Operations and maintenance	10,323,000	10,875,000	10,875,000	+552,000	....
Construction	8,983,000	9,000,000	9,000,000	+17,000	....
Total, John F. Kennedy Center for the Performing Arts	19,306,000	19,875,000	19,875,000	+569,000	....
Woodrow Wilson International Center for Scholars					
Salaries and expenses	5,840,000	5,840,000	5,840,000	....	....
National Foundation on the Arts and the Humanities					
National Endowment for the Arts					
Grants and administration	82,259,000	115,000,000	82,734,000	+475,000	-32,266,000
Matching grants	17,235,000	21,000,000	16,760,000	-475,000	-4,240,000
Total, National Endowment for the Arts	99,494,000	136,000,000	99,494,000	....	-36,506,000
National Endowment for the Humanities					
Grants and administration	94,000,000	118,250,000	92,994,000	-1,006,000	-25,256,000
Matching grants	16,000,000	17,750,000	11,500,000	-4,500,000	-6,250,000
Total, National Endowment for the Humanities	110,000,000	136,000,000	104,494,000	-5,506,000	-31,506,000
Institute of Museum Services					
Grants and administration	21,000,000	23,000,000	21,000,000	....	-2,000,000
Total, National Foundation on the Arts and the Humanities	230,494,000	295,000,000	224,988,000	-5,506,000	-70,012,000
Commission of Fine Arts					
Salaries and expenses	834,000	867,000	867,000	+33,000	....
National Capital Arts and Cultural Affairs					
Grants	6,000,000	6,733,000	6,000,000	....	-733,000
Advisory Council on Historic Preservation					
Salaries and expenses	2,500,000	2,500,000	2,500,000	....	....
National Capital Planning Commission					
Salaries and expenses	5,090,000	5,885,000	5,390,000	+300,000	-495,000
Franklin Delano Roosevelt Memorial Commission					
Salaries and expenses	147,000	125,000	125,000	-22,000	....
United States Holocaust Memorial Council					
Holocaust Memorial Council	28,707,000	31,262,000	29,707,000	+1,000,000	-1,555,000

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3662)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Total, title II, related agencies:					
New budget (obligational) authority (net)	6,340,770,000	6,326,056,000	6,073,089,000	-267,681,000	-252,967,000
Appropriations	(6,253,370,000)	(6,963,935,000)	(6,073,089,000)	(-180,281,000)	(-890,846,000)
Emergency appropriations	(87,400,000)			(-87,400,000)	
Rescission		(-325,000,000)			(+325,000,000)
Deferral		(-312,879,000)			(+312,879,000)
(Timber receipts transfer to general fund, indefinite)	(-44,548,000)			(+44,548,000)	
(Timber purchaser credits)	(50,000,000)	(50,000,000)		(-50,000,000)	(-50,000,000)
(By transfer)	(187,000,000)		(220,000,000)	(+33,000,000)	(+220,000,000)
Grand total:					
New budget (obligational) authority (net)	12,539,892,000	12,924,643,000	12,058,111,000	-481,781,000	-866,532,000
Appropriations	(12,324,592,000)	(13,592,522,000)	(12,088,111,000)	(-236,481,000)	(-1,504,411,000)
Emergency appropriations	(245,300,000)			(-245,300,000)	
Rescissions	(-30,000,000)	(-355,000,000)	(-30,000,000)		(+325,000,000)
Deferral		(-312,879,000)			(+312,879,000)
(Timber receipts transfer to general fund, indefinite)	(-44,548,000)			(+44,548,000)	
(Timber purchaser credits)	(50,000,000)	(50,000,000)		(-50,000,000)	(-50,000,000)
(Limitation on guaranteed loans)	(35,914,000)	(34,615,000)	(34,615,000)	(-1,299,000)	
(By transfer)	(187,000,000)		(220,000,000)	(+33,000,000)	(+220,000,000)
TITLE I - DEPARTMENT OF THE INTERIOR					
Bureau of Land Management	1,105,955,000	1,095,809,000	1,077,117,000	-28,838,000	-18,692,000
United States Fish and Wildlife Service	645,831,000	659,073,000	626,631,000	-19,200,000	-32,442,000
National Park Service	1,367,667,000	1,612,337,000	1,327,572,000	-40,095,000	-284,765,000
United States Geological Survey	732,163,000	746,380,000	730,163,000	-2,000,000	-16,217,000
Minerals Management Service	188,995,000	189,434,000	192,995,000	+4,000,000	+3,561,000
Bureau of Mines	64,000,000			-64,000,000	
Office of Surface Mining Reclamation and Enforcement	269,857,000	274,157,000	270,659,000	+802,000	-3,498,000
Bureau of Indian Affairs	1,588,412,000	1,776,490,000	1,537,695,000	-50,717,000	-238,795,000
Departmental Offices	236,242,000	244,907,000	222,190,000	-14,052,000	-22,717,000
Total, Title I - Department of the Interior	6,199,122,000	6,598,587,000	5,985,022,000	-214,100,000	-613,565,000
TITLE II - RELATED AGENCIES					
Forest Service	2,363,173,000	2,346,583,000	2,197,892,000	-165,281,000	-148,691,000
Department of Energy	1,179,156,000	881,637,000	1,067,065,000	-112,091,000	+185,428,000
Indian Health Service	1,986,800,000	2,174,192,000	2,007,262,000	+20,462,000	-166,930,000
Indian Education	52,500,000	81,500,000	52,500,000		-29,000,000
Office of Navajo and Hopi Indian Relocation	20,345,000	25,000,000	20,345,000		-4,655,000
Institute of American Indian and Alaska Native Culture and Arts Development	5,500,000	5,500,000	5,500,000		
Smithsonian Institution	376,092,000	383,716,000	367,392,000	-8,700,000	-16,324,000
National Gallery of Art	58,286,000	59,841,000	59,841,000	+1,555,000	
John F. Kennedy Center for the Performing Arts	19,306,000	19,875,000	19,875,000	+569,000	
Woodrow Wilson International Center for Scholars	5,840,000	5,840,000	5,840,000		
National Endowment for the Arts	99,494,000	136,000,000	99,494,000		-36,506,000
National Endowment for the Humanities	110,000,000	136,000,000	104,494,000	-5,506,000	-31,506,000
Institute of Museum Services	21,000,000	23,000,000	21,000,000		-2,000,000
Commission of Fine Arts	834,000	867,000	867,000	+33,000	
National Capital Arts and Cultural Affairs	6,000,000	6,733,000	6,000,000		-733,000
Advisory Council on Historic Preservation	2,500,000	2,500,000	2,500,000		
National Capital Planning Commission	5,090,000	5,885,000	5,390,000	+300,000	-495,000
Franklin Delano Roosevelt Memorial Commission	147,000	125,000	125,000	-22,000	
Holocaust Memorial Council	28,707,000	31,262,000	29,707,000	+1,000,000	-1,555,000
Total, Title II - Related Agencies	6,340,770,000	6,326,056,000	6,073,089,000	-267,681,000	-252,967,000
Grand total	12,539,892,000	12,924,643,000	12,058,111,000	-481,781,000	-866,532,000

Mr. REGULA. Mr. Chairman, I reserve the balance of my time.

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I honor my good friend, the gentleman from Ohio, RALPH REGULA, for this hard work and his very great diligence in formulating this bill.

It could have been a much better bill, if we only had the money that is required to do the job properly. To properly care for the vast natural resources of the United States and the magnificent museums and galleries which are funded in this bill, money is needed, and that money has not been allocated to us in the 602(b) allocation. For some reason, Interior continues to be the stepchild of the 602(b) bosses.

This bill has been saddled with many burdens. We have been forced to take a cut of $482 million in our 602(b) allocation, which comes on top of the $1.1 billion reduction this bill enjoyed in the previous fiscal year. To add insult to injury, this malnourished bill had two legislative riders foisted on it in the full Committee on Appropriations. One deals with native American taxation, the other deals with the endangered marbled murrelet.

Mr. Chairman, the first rider added by the gentleman from Oklahoma [Mr. ISTOOK], will effectively cripple the ability of many native American tribes to operate successful retail establishments, like gas stations or convenience stores, on their property by forcing native American tribes, who are sovereign under the decisions of the Supreme Court and under treaties established with the United States to charge State sales taxes at their establishment.

The second troubling rider was added by the gentleman from California [Mr. RIGGS], and deals with protection of the endangered marbled murrelet. The Riggs amendment was precipitated by a court ruling that ordered the Fish and Wildlife Service to designate areas in California, Oregon, and Washington as critical habitat for the elusive seabird.

What the Riggs provision seeks to do is to prevent the Fish and Wildlife Service from enforcing this designation on private lands in California. Not only does this ill-conceived provision set a dangerous precedent for suspending the Endangered Species Act, but it could very well lead to the extinction of the marbled murrelet in the Headwaters forest.

Mr. Chairman, even our full committee chairman, the gentleman from Louisiana [Mr. LIVINGSTON], recognizes that these riders could sink the Interior bill. That is why he voted against both of them in committee.

Our good friend, the gentleman from New York, [Mr. BOELHERT] has also been quoted as saying these riders present real problems for floor consideration. Inclusion of these riders is especially ironic in light of an article that ran in the Washington Post on Monday with the headline, "GOP Buffs environmental Image". If the Republican Party seeks to improve its environmental image, then they can join us in striking the marbled murrelet rider.

Mr. Chairman, the legislative riders are not the only problem with this bill, and while the gentleman from Ohio [Mr. REGULA] did his best to minimize the pain of our reduced allocation, there are major problems with the funding of this bill, critical problems which I cite.

For example, funding for the National Park Service has been cut by $40,095,000. Funding for the Fish and Wildlife Service is down by $19,200,000. Funding for vital agency support from Interior Departmental management has been punitively cut by $3,221,000. Funding for the Forest Service has been reduced by $56,281,000. Funding for energy efficiency programs are cut by $37,519,000. Funding for low-income weatherization is cut out by another $11,764,000. Funding for Indian health service facilities has been reduced by $11,257,000. Funding for the Smithsonian Institution has been decreased by $8,700,000. Funding for the National Endowment for the Humanities has been cut by $5,506,000.

At the same time that important programs are being cut, other nonessential accounts have been increased, including an increase in corporate welfare for the timber industry in the form of an additional $14 million over the fiscal year 1996 amount for timber roads and timber sale management and $12 million over the administration request for the PILT program.

Finally, I want to express my support for the funding contained in this bill for the National Endowment for the Arts and the Humanities. The issue of funding the endowments has long been very controversial in this bill. The funding that is in this bill is the result of the agreement that was reached last year by the members of the Republican Party to continue the NEA for 2 years and the NEH for 3 years. Given these austere budgets, representing a cut of nearly 40 percent for each agency from fiscal year 1995, I hope my colleagues will oppose any amendment to cut or eliminate additional funding for the endowments.

Mr. Chairman, in closing, I want to commend my chairman, my good friend, the gentleman from Ohio, RALPH REGULA, for his hard work, for his friendship, for his warm association and for his cooperation.

Mr. Chairman, I reserve the balance of my time.

Mr. REGULA. Mr. Chairman, just a footnote. I concede that we have reduced some of these programs, but it was land acquisition, construction of things that have downstream costs, and the only way we can save money is to cut spending.

Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE], a very able member of our subcommittee.

Mr. KOLBE. Mr. Chairman, I want to voice my support for the Interior appropriations bill which is before us today and add my thanks to both the chairman and the ranking minority member and their staffs for the work that they have done on this.

Mr. Chairman, you are going to hear a lot of concerns expressed here today, some in support of this, some in adamant opposition to the bill. But, before we take too seriously some of the expressions of discontent, we should all be aware of the budget parameters under which our subcommittee was operating.

□ 1230

Our initial 602(b) allocation was $1.1 billion below fiscal year 1996 funding levels. That is $1.1 billion below. Fortunately, when the House approved the budget resolution, we found there was an additional $3.9 billion of discretionary funding which the Committee on Appropriations was able to reallocate among the subcommittees. Despite this infusion of money, the Interior Subcommittee's fiscal year 1997 budget is still $482 million less than last year. Is this fair and equitable? Perhaps it is not for those concerned about these particular programs. But what is important is not what we do not have. What is significant is what we have done with the money that we do have available to us.

This Interior appropriations bill reflects increases for our national parks, for the Everglades restoration, for forest health, specifically fire management and research, for USGS earthquake research and cooperative water research, and we have $4 million for a clean streams initiative. We have also increased or at least maintained fiscal year 1996 funding levels for native American programs, like the vital and multipurpose tribal priority allocations account, for Indian education, Indian health, and increased the funding levels of major cultural institutions, like the Smithsonian, the Holocaust Museum, the Kennedy Center, and the National Gallery of Art.

We have attempted to ensure that sufficient funds are available to fulfill our responsibilities as stewards of the Nation's natural treasures. Did some agencies incur reductions or even terminations of programs? Absolutely. But this is necessary as a subcommittee, as a body for us to do this, to keep our commitment to the American people that we would exercise fiscal responsibility, that we would balance the Federal budget in 7 years. And, all told, we have saved nearly $500 million in doing that.

Let us not fool each other about what is going to happen. There are going to be a lot of amendments to increase funding levels for programs and agencies. Members will speak with great conviction about the merits of these programs, and in many cases they will be right about whether the program is good or not.

But, what I have said before needs to be said again. The appropriations process is not about numbers. It is not about whether we spend $12.1 billion, as this bill recommends, or $13.1 billion. It is not even about whether we cut a particular program, whether we increase a program, or whether we terminate a program. This and the other appropriations bills that are working their way through the legislative process is an opportunity for Congress and our political parties to make a philosophical statement about the direction we believe this country should be going. It is an opportunity to say something about where we think our future is. It is an opportunity for each party in Congress to set forth its vision, its hopes and dreams for our future and our children's future. This bill does that. I urge support for this legislation.

Mr. Chairman, I want to voice my strong support for the Interior appropriations bill before us. I know that you have heard many of my colleagues express their support for or adamant opposition to this bill. But before the opposition continues their litany of discontent, I'd like to make you aware of the budgetary parameters under which the subcommittee was operating.

Our initial 602(b) allocation was $1.1 billion below fiscal year 1996 funding levels. That's $1.1 billion. Fortunately, when the House approved the budget resolution there was an additional $3.9 billion in discretionary funding which the Appropriations Committee was able to reallocate among the subcommittees. Despite this infusion of money, the Interior Subcommittee's fiscal year 1997 budget authority is still $482 million less than last year. Is this fair and equitable? Probably not. But what's important is not what we don't have. What is significant is what we did with the money we were provided.

The fiscal year 1997 Interior appropriations bill reflects increases for our national parks, for Everglades restoration, for forest health—specifically, fire management and research, for USGS earthquake research and cooperative water research, and we provide $4 million for a clean streams initiative. We have also increased or maintained fiscal year 1996 funding levels for native American programs like the vital and multipurpose tribal priority allocations account, Indian education, Indian health, and increased the funding levels of major cultural institutions like the Smithsonian, the Holocaust Museum, the Kennedy Center, and the National Gallery of Art. We have attempted to ensure that sufficient funds are available to fulfill our responsibilities as stewards of this Nation's natural treasures. Did some agencies incur funding reductions or program terminations? Absolutely. But this was necessary for us to keep our commitment to the American people that we would exercise fiscal responsibility and balance the Federal budget in 7 years. All told, this bill saves the American taxpayers almost $500 million.

Let's not fool each other about what is going to happen. Several amendments will be offered to increase the funding levels for various programs and agencies. Members will speak with great conviction about the merits of these programs, and in many instances they'll be right. But I've said it before, and it needs to be said again. The appropriations process is not about numbers. It's not about whether we spend $12.1 billion—as this bill recommends—or $13.1 billion. It's not even about whether we cut a program, whether we increase a program, or whether we eliminate a program.

This bill and the other appropriations bills working their way through the legislative process is an opportunity for Congress, and our political parties, to make a philosophical statement about the direction we believe this country should be going. It is an opportunity for us to say something about where we think our future is. It's an opportunity for each party in Congress to set forth its vision for America; its hopes, its dreams for our future, and for our children's future.

Mr. Chairman, in its entirety, this appropriations bill reflects this vision. When you dissect and place the funding level of each program, each agency and each line item under a microscope you won't get a true indication of the overall picture. But if you step back and look at this bill in its entirely, keeping in mind that these numbers reflect a promise we made to our children—the promise that we would no longer burden them with our fiscally irresponsible actions—then you get a clearer perspective.

This appropriations bill is not perfect. But I believe it reflects a thoughtful and balanced approach given this Nation's $5 trillion debt. I urge all of my colleagues to support its passage.

Mr. DICKS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I want to start out by paying tribute to the gentleman from Ohio [Mr. REGULA], the chairman of the subcommittee, who has been a joy to work with throughout the process of shaping this bill. He is invariably willing to listen and try his best to accommodate in a bipartisan fashion the interests of other members of the subcommittee, and I am proud to serve on his subcommittee.

I wish that I could transfer all of the enthusiasm that I feel about Mr. REGULA personally to the legislative product that we have before us this afternoon. I am afraid that probably the best thing I can do is to say it is better than last year's bill. But last year's bill, as we all recall, had some problems.

Just to get what I think is the appropriate framework, this Interior appropriations bill is the primary way that this Congress and this country makes a statement about the precious responsibility we have as stewards of the country's natural and cultural resources. So it really is a very important indication of what is important to us as a people.

In that context, I am afraid that this bill does not meet the fundamental responsibilities we in Congress have to protect and preserve those very vital natural and cultural resources which we all are proud to claim as citizens of this country.

There is an increase in many of the accounts, as the gentleman's opening comments indicated, over last year's levels, but we are still falling behind. Even with, for instance, the increase for the Park Service, we are not keeping up with the increasing backlog of deferred maintenance which is showing itself, whether in my home area at Rocky Mountain National Park, with trails being closed and visitor services being curtailed, or as is being repeated elsewhere around the country.

One of the bill's more serious shortcomings has to do with the energy conservation and efficiency efforts. If we are so shortsighted as to fail to appreciate the threat to this country's national security and its economic security by continuing our profligate ways on energy, we are going to be in very, very sad shape. I will have an amendment later on that addresses this point to a modest degree, far from curing what I think are real shortcomings in that part of the bill.

I wish as well that we could find the wherewithal to do the honor that we should as a Nation to our work in the humanities and the arts. The funding levels for both of those endowments are way below what American civilization ought to dedicate to the furtherance of the humanities and the arts and I regret that very much.

Mr. REGULA. Mr. Chairman, I yield 4 minutes to the gentleman from Utah [Mr. HANSEN], the distinguished chairman of the Subcommittee on National Parks, Forests and Lands of the Committee on Resources.

Mr. HANSEN. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in strong support of this appropriations bill and recognize the great work that the gentleman from Ohio, Chairman REGULA, has done and the many of us who have spend hours talking to him about this.

I notice that people talk about an increase in payment in lieu of taxes. I hope that Members realize what this is. Out in the West, many of us are owned by the Federal Government. In the little county of Garfield, you take, for example, 93 percent is owned by the Federal Government.

All these folks from around the world and especially the East come out there and they want to play, and they want to look at things and fish, hunt, camp, et cetera. So we are saying, pay your share, if you will. They are the ones that put the debris down that has to be picked up. They are the ones that start the fires. They are the ones that find themselves breaking a leg and you have to go out and take care of them. All we are saying is pay your share. So I commend the gentleman for adding money to payment in lieu of taxes.

They also tell us where to put it in wilderness, how to use it for grazing, what we can mine and cut. We are saying if you are going to tell us how to run it, at least pay a little bit.

I also hope the Members realized over the past year there has been sensational news stories about closure of park facilities, resulting from dramatically increased visitation to national parks and cuts in park budgets. Actually, this is a result of disinformation, Mr. Chairman, on the part of the Secretary of Interior. Contrary to what you have heard, and I could name the cities and towns that this has been said, including the President of the United States, including the Secretary of Interior, that the Republicans are going to close parks, that there is a list of 312 parks somewhere.

Let me tell you, as chairman of that committee, there is no list. H.R. 260 has no place in it, absolutely no place, where it closes one single park. I stand in the well and would eat the bill if someone could tell me where it closed one park. It does not do anything like that.

However, that does not stop the Secretary of Interior from engaging in this partisan politics, going on fishing trips on Government time and running partisan things when he should be running his department.

There are two indisputable facts: First, is visitation to parks have been flat for nearly a decade. Second, funding for parks has dramatically increased in recent years. The fact is increased funding for parks has been supported by both Democratic and Republican administrations in Congress. As a direct result of the effort of Chairman REGULA, and before him Chairman YATES, annual base funding for parks has risen from $394 to $666 million in the last 7 years, an increase of 69 percent. As GAO has testified before my subcommittee last year, these increases have far outpaced inflation.

Meanwhile, total visitation to parks has remained flat for a decade. In fact, total park visitation last year was, do you know, about 5 percent from its peak year of 1988.

Using two parks as illustrations, Zion in Utah and Yosemite in California, funding increases have far outpaced both of these. These facts have not stopped Secretary Babbitt from saying we are shutting those down.

The park newspaper at Yellowstone Park declares the park facilities were closed due to budget shortfalls. Last winter during the lapse in appropriations, Secretary Babbitt shut down all the parks and concession facilities, even though the parks reported they actually had more rangers on duty during the shutdowns than before. Meanwhile, the Forest Service, also without a budget, did not shut down a single ski area, outfitter, or any other concessionaire on Forest Service lands. They continued to welcome the public, and for that I salute Secretary Glickman.

Overall budget cuts at the Forest Service have been much higher, but that agency has sought out innovative ways to continue to serve the public. Rather than shut down its campgrounds, the Forest Service contracted them out to the private sector. Secretary Glickman has contracted out 70 percent of Forest Service campgrounds to the private sector this year. That provides for a vivid contrast with Secretary Babbitt, who runs around the country complaining about budget shortfalls.

Mr. Chairman, I think we need a Secretary who puts protecting and managing our parks above politics.

Mr. Chairman, I would urge support of this good piece of legislation.

Mr. DICKS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, as we consider this very important bill, I think it is important that we revisit the issue of the timber salvage rider that was part of the rescissions bill last year. While I felt at the time that it was important to address the problem of dead and dying trees, and the issue of forest health in general, in hindsight it was clear we dealt with it in too much haste.

I did not vote on the Yates amendment when it was considered on the floor last year because I was with my wife at the hospital while she had minor surgery. I did vote for the bill on final passage, however, both because it helped to provide disaster relief to California and because it had the administration's support. At the time I think few Members of Congress were aware that the salvage timber rider allowed section 318 timber sales to be reinstated as well. If they had been aware of the deficiency, I do not think this rider would have gotten through.

The 1990 section 318 sales were intended to allow the development of a compromise in the Northwest but they did not succeed and were halted due to environmental concerns. These sales only affect old growth timber. The issue of salvage timber—or the attempt to glean the forest of dead or dying trees particularly after drought periods like the one recently in California—is a different concern altogether.

To my knowledge, these two issues were never intended to be intermingled. Fortunately, the Appeals Court has stepped in to stop the expedited 318 sales of old growth trees so we will have a chance to deal with option 9 in a responsible manner.

Given the vagueness of the definition of salvage timber, it was not unexpected that this provision could be ill used to harvest healthy trees. We should not have gone forward with the salvage timber rider without tightening up how the Forest Service implemented the program in the first place. In practice, the program allowed for more than dead and dying trees to be cut.

For those of us in this Congress who see a real threat to forest health and who have a strong desire to find the appropriate solution, the salvage timber rider simply went too far. Instead of merely allowing the timber companies some flexibility in helping to prevent future wildfires, those pursuing a different agenda took advantage of the opportunity and sought to cut health trees and old growth timber as well.

I would like to cite an example of how such sales can be extremely detrimental. Recently in my district the Forest Service sought to reinstate the Barkley timber sale in the Lassen National Forest. I personally appealed to the Department of Agriculture to stop the sale because it would have seriously unraveled the cooperative local efforts among landowners, conservationists, and government officials to produce a collaborative strategy for resource management.

In particular, the Quincy Library Group is a broad-based organization which worked hard to come to an agreement on timber harvests in the Sierra Nevadas. The Barkley timber sale would have jeopardized that carefully balanced effort. In response to my concern, the sale was stopped.

We must seek an appropriate balance in identifying solutions that will work overtime. I support the amendment before us to restore environmental review to the timber salvage process. We need to provide a check to the extreme actions being undertaken under the guise of harvesting dead and dying trees.

We need to come up with a definition of salvage similar to those that have been introduced by Members of both bodies, but which have yet to become law.

Mr. Chairman, this is an important issue that hopefully can be not only debated clearly today, but resolved once and for all, so the Congress can send a clear message about how it wants to deal with the issue of forest health.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, does the gentleman recognize that it is the Secretary of Agriculture that has to approve these sales that he is discussing in his remarks? I think that is an important point. It is the administration's Secretary that is doing it.

Mr. FAZIO of California. Mr. Chairman, reclaiming my time, typically they are really approved at the forest level. I think typically these decisions are made by Forest Service personnel at the regional level. They of course come from many different perspectives on these issues.

Mr. REGULA. Mr. Chairman, if the gentleman will yield further, in drafting the regulation, we did not spell out that the Secretary in effect has approval responsibility. So I think that is an important element that we should just bring to the attention of our colleagues in discussing this question.

Mr. FAZIO of California. Mr. Chairman, reclaiming my time, I think the key is to come up with a definition of dead and dying trees that would warrant a salvage operation. The gentleman from California [Mr. CONDIT] had proposed, for example, 70 percent. If we had that kind of clarity in the law, then we would not have the problem of green trees being cut in some areas and the program working perhaps more appropriately in other areas.

□ 1245

And, of course, the 318 inclusion, which occurred in the Senate during the conference, was very much a troubling aspect for people across the spectrum who were interested in the forest health issue.

Mr. REGULA. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina [Mr. TAYLOR], a very fine member of our subcommittee.

Mr. TAYLOR of North Carolina. Mr. Chairman, I want to commend the gentleman from Ohio [Mr. REGULA], the staff of the committee, and the gentleman from Washington [Mr. DICKS], and the gentleman from Illinois [Mr. YATES], for the bill that has been put together. I think it is an outstanding bill, as has been said on the floor.

So far, it does recognize many areas in forest health and it recognizes areas of park maintenance. It is probably the largest effort that has been made toward maintenance that we have had in a long time, and that is especially important in a time when there is so much pressure on reducing the budget.

I would like, though, as a member of the committee and a sponsor of the timber salvage bill, to correct some misstatements. A lot of the organizations outside that have never understood this legislation, never really cared about forest health, have been trying to promote its demise.

First of all, the 318 legislation that was put in by the Senate, as the gentleman from California [Mr. FAZIO] indicated earlier, will expire September 30 of this year, so it is pretty much a moot question. As he mentioned a moment ago, the sales that people in that region felt were a problem, they have appealed. The court has spoken in this area and that is going to be pretty well handled, and there is no reason to address it on this floor at all.

As it deals with salvage, to say that this language ought to be changed or we should have used this language is to fail to understand that the salvage language used in the timber salvage bill was the identical salvage language that has been used for years in the Forest Service's procedure in salvaging timber.

It was only a few years ago that environmental organizations decided they needed to move another step forward and stop cutting in the national forest, as they have openly now said they want to do, and they put in a provision against salvage timber at the time. We simply removed that provision with the salvage amendment. The language is the same, that has never been contested over the years, as was used by the Forest Service.

Second, to talk about its being used abusively, there is not one single case, and I challenge anyone to come with me, an it is hard to do on the floor, but I challenge anyone to come with me and prove there is a single case where that has been abused.

And the final point is that green trees, when we are trying to wipe out disease and insects, for instance, with insects, the green tree is the host tree of the insect; it is a peripheral area just around the dead trees. If all we were cutting were the dead trees when we try to wipe out insects, we would never cut that out because the insect has already moved on to a living tree.

So we have to come around to a peripheral area to get rid of the insects. And if we do not get rid of the insect, it will take the entire forest. And that was the reason for the salvage bill; it was for forest health.

So I think the legislation has been misunderstood. We will address it more specifically in the debate, but it is a good piece of legislation that has worked well.

Mr. DICKS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I want to acknowledge the efforts of the gentleman from Ohio, Chairman REGULA, and the ranking member, the gentleman from Illinois, Mr. YATES, for the bill they bring before us today. They have done their best to protect a wide variety of important programs in a difficult budgetary climate.

While there are many parts of this legislation I support, there is one in particular that I want to highlight, and that is the Department of Energy's fossil energy R&D. During the debate today many Members will come to floor and seek to plus up other accounts at the expense of fossil energy. While I do not necessarily disagree with the programs they seek to plus up, I believe that their efforts to cut fossil energy are misguided at best.

As you can see from this chart, the Energy Information Agency has predicted that 20 years from now, we will still be dependent on fossil energy for 89 percent of our energy needs. Since this will still be the primary source of our energy supply, it make sense to pursue technological advancements that will allow us to make better use of these fuels.

There is one area which I wish had received greater funding than is in the bill, and that is energy conservation R&D. For the same reasons that I support fossil R&D, I think it is important that we maintain a strong commitment to conservation R&D, as they deal with improving combustion-based energy.

However, I will oppose efforts to raise the conservation line at the expense of fossil.

I believe that such efforts are based on a fundamental misunderstanding of these two programs. Those who propose to increase conservation by reducing fossil are proposing no net gain for meeting our energy needs, they only move funds from one good program to another. The only difference is the name "conservation" sounds more politically-correct than fossil.

I realize that because fossil fuels have been around for awhile, that there is a tendency to think that the utilization technologies have been improved to their maximum. If this logic was applied to nuclear R&D, you would come to the conclusion that since atoms haven't changed since the beginning of time, that there is no more work to be done in this area. Or in the case of renewables, since wind has been around since the formation of the planet, we shouldn't fund wind energy research.

While these arguments make no sense, neither does the argument that we should cut fossil R&D, because they are currently in use. We are not talking about the fuel, but the way in which it is used.

The Department of Energy, should be praised for the way in which they have managed to live within the confines of last years Interior Appropriations bill, which calls for a 10 percent reduction per year for the next 4 years. This is allowing for a gradual phase-out of the fossil energy program, without throwing away tax dollars already invested in research projects that yet to be completed.

The amendments being offered to reduce fossil are being offered by those who either don't understand or don't care about the way their proposals will impact our energy security. I urge Members to oppose them all, as fossil energy should not be penalized with further reductions for adhering to its downsizing plan.

Mr. REGULA. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. RIGGS], a member of the full Committee on Appropriations.

Mr. RIGGS. Mr. Chairman, I thank the gentleman from Ohio, Chairman

REGULA, for yielding me this time, and I look forward to the debate coming up.

Colleagues, first of all, in this very brief 2 minutes, I want to address something the gentleman from Washington [Mr. DICKS] said during debate on the rule. He said that my amendment in the full Committee on Appropriations last week to prohibit the Fish and Wildlife Service from enforcing the critical habitat designation for the marbled murrelet on private lands, privately owned property, would render the marbeled murrelet extinct in northern California.

The question I have for Mr. DICKS is, when was the last time he visited us in northwest California? Because that critical habitat designation in my district alone, and this goes to the gentleman's staffer, too, who wrote his remarks, in my district alone this critical habitat designation applies to 693,000 acres in Humboldt, Del Norte, and Mendocino Counties, and that breaks down as follows: 477,300 acres in Six Rivers National Forest, Federal property; Redwood National Park; the King Range National Conservation Area; and some parcels of Bureau of Land Management land. That is all federally owned property.

And, in addition to that, the critical habitat designation applies to the 175,000 acres of State land, including State redwood parks, the Sinkyone Wilderness State Park, and some Mendocino State parks.

I am talking about protecting the property rights of 10 private property owners, 10 private property owners who own 32,000 acres in Humboldt County, the largest county in my congressional district. Some of those property owners are here today. They are not just timber companies, by the way. Some of them are longtime ranching and farming families, properties that have been in the hands of these families for generations, such as the Gift family, 501 acres designated critical habitat, taken without just compensation to the Gift family; the Bowers family, 156 acres taken without just compensation to the Bowers family; Harold Crabtree, his entire 254-acre ranch taken without just compensation from the Federal Government.

So I conclude, 99 percent of this critical habitat designation is on public lands. We are talking about the final 1 percent, the remaining 1 percent, that is privately owned property.

Mr. DICKS. Mr. Chairman, I yield myself 6 minutes.

I would say to my distinguished friend from California that I, too, represent an area that has been as affected as any in the country by listings under the Endangered Species Act, and my approach has been to try to work with the private companies and the State of Washington in order to get them to enter into a multispecies habitat conservation plan, an agreement between the Fish and Wildlife Service and the private company to protect the species on the private property lands and to help in the conservation effort. For that, they get 100 years of certainty.

Now, I checked yesterday with the Fish and Wildlife Service and asked them about the company involved here, and whether they had seriously attempted to negotiate a multispecies HCP, and the answer was a resounding no.

Now, that is the way for the gentleman to solve his problem, to sit down with his company and with the Fish and Wildlife Service and try to get them to work out on a voluntary basis a multispecies HCP. That is how the Endangered Species Act allows one to get the incidental take permit that is necessary.

Let me just also say to my friend from California, even with a critical habitat listing, the company still can log. All it cannot do is have a taking of a species that is either threatened or endangered, and so they can use this private property. I just want to make that point.

If he is going to have a taking, the only way he can get around a taking is to have an incidental take permit. And the way one gets an incidental take permit, a large private landowner, is to do it by negotiating a multispecies HCP. I have worked with the Murray Pacific Co., Plum Creek, Weyerhaeuser, the major timber companies in the Northwest, to get them to do that.

What the gentleman is doing today by walking into the full committee and offering an exemption for one large lumber company in his district is not only undermining the Endangered Species Act, but he is undermining my efforts and the efforts of other Members of Congress who are trying to work with their private timber companies to get them to do these multispecies HCP's. I am sure the gentleman has a different interpretation of his intent, but the bottom line is, this is what is occurring.

So I am urging my colleagues today to join with me in striking out the Riggs amendment, and I urge the gentleman to go back and do it the old-fashioned way, to sit down and get a multispecies HCP through the Fish and Wildlife Service.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California.

Mr. RIGGS. First of all, Mr. Chairman, I appreciate the gentleman yielding, and I want to give him an opportunity to respond to the point I made that we are talking about 10 property owners.

Mr. DICKS. But the gentleman would admit that the predominant landowner here is the Pacific Lumber Co.; is that not right?

Mr. RIGGS. If the gentleman would continue to yield, I would not stipulate to that. We are talking about nine other private property owners, some of which are——

Mr. DICKS. But the Pacific Lumber Co. has 33,000 acres.

Mr. RIGGS. Mr. Chairman, if the gentleman would give me an opportunity to finish, there are nine property owners who own collectively 8,000 acres. And I am going to introduce in the debate to come, on the gentleman's motion to strike, letters from these property owners that say they have never had a single contact from the Fish and Wildlife Service. Not once. The properties have not been inspected.

Mr. DICKS. Mr. Chairman, I take back my time. The gentleman knows fully if they have a species on their property, it is their responsibility. They do not have to do it, but if they do not do it, they do not get an incidental take permit. If they want to risk taking a species without an incidental take permit, then they will violate the Endangered Species Act.

The way to do it is to go in and enter into an agreement. Now, in many cases, small landowners are given, as a matter of course, an incidental take permit. It is the large landowner that is asked to do the multispecies HCP.

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In this case, the company involved did not negotiate in good faith to get a multispecies HCP. If they had done that and they were willing to do that on all the lands that they own in this area that the gentleman's amendment affects, I am told by the Fish and Wildlife Service that they would have bent over backwards to try to enter into such an agreement.

The facts are that they came in and made it very clear from the very first instant that what they wanted to do was to file a lawsuit that would raise the issue of a constitutional taking. That is, in fact, what they did. And in fact the Federal judge, Judge Rothstein, is the one who directed the Fish and Wildlife Service to designate critical habitat. In this instance, 78 percent of the critical habitat was on Federal lands, and only 1 percent was on the private lands.

In my judgment, the only reason it is on the private land is because the area involved is crucial to the survival of the spotted owl in that area. So I would just say to the gentleman from California, not only in this amendment is he undermining the Endangered Species Act, he is also threatening the survival of the marbled murrelet.

There are a lot of fishermen who have written me saying, please oppose the Riggs amendment. They are fearful that, if we do not protect the marbled murrelet and it becomes endangered rather than threatened under the Federal law, even more onerous restrictions will be put on the fishermen in my colleague's area as well.

Now, I sympathize with the gentleman from California. He and I have worked on things together in the past, but what I do not like here is what he is doing. By coming in here and getting a specific exemption, it is undermining all of the rest of us who are trying to get our private companies to do the right thing by entering into a multispecies HCP. That is what the gentleman should be doing, not coming here and undermining the Endangered Species Act, threatening the marbled murrelet and threatening the old growth in this particular area which is crucial to the survival of the marbled murrelet.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman for yielding me the time. I want to thank him for his hard work in bringing this bill to the floor.

These are very difficult issues. As we have heard by the previous speakers, the chairman has had to deal with situations where there are very meritorious but competing interests. I think he has done an admirable job here. But I rise today to revise and extend my remarks with respect to an issue that is of paramount importance here to us in the State of New Jersey.

Included in this legislation is the Sterling Forest issue, which is located in my district. It is being put in this legislation as one of the Nation's top two priorities for land acquisitions. This legislation recommends that Sterling Forest receive $9 million as a downpayment on the Federal Government's purchase price.

I want to point out, by the way, I thank the chairman. He and I have worked for a number of years on this together. I do appreciate his cooperation and his commitment to this particular project. I also want to point out that the Speaker this last March visited our State and Sterling Forest and has made a commitment that he would see to it this year that this would be accomplished.

However, although this is an important step, it is a significant step. It strictly undermines the contention that I have had from the beginning, which is that time is of the essence and that Sterling Forest owners cannot be expected to wait forever, even though they are willing in a willing compromise, a negotiated compromise to deal with the Federal Government. But I must point out here that, even though this is set as a priority under this authorization, not only is time of the essence but we must not lose sight of the fact that we need authorization for this to be effective. This Sterling Forest is not yet authorized. I will be pressing ahead with every fiber of my being to see to it that it gets authorized in the very near future.

Mr. DICKS. Mr. Chairman, I yield 1 minute to the gentlewoman from Nevada [Mrs. VUCANOVICH], an excellent member of our subcommittee.

Mrs. VUCANOVICH. Mr. Chairman, I rise in support of H.R. 3662, the fiscal year 1997 Interior and related agencies appropriations bill. This bill is $482 million below last year's funding and within our budget allocation.

Given the need to reduce Federal spending, and the resulting lower funding allocation the subcommittee and full Appropriations Committee is working under this year, this is a good bill, and I commend Chairman REGULA and his staff for putting this measure together.

H.R, 3662 represents the tough choices that have to be made if we are going to get spending under control. So while I call it a good bill and urge all of my colleagues to support the bill, I also recognize that there is something in here for everyone to dislike. It is impossible to both cut spending and to fund everything that all of us would like to fund.

On the other hand, compared to last year, H.R. 3662 increases funding for operating our National Park System by $55 million; it increases forest health initiatives like pest suppression and wildfire management by $72 million; and it allows $52 million more for Native American programs than last year.

Mr. Chairman, on balance, this bill represents a tremendous effort to balance spending cuts with stewardship of our natural resources. I urge a "yes" vote.

Mr. YATES. Mr. Chairman, I yield back the balance of my time.

Mr. REGULA. Mr. Chairman, this is a very good bill. I hope the Members will take a good look at it, especially the amendments, as we go along. We will accept some, but we will have to resist a number of them. We want to finish the bill today, and we want to move along as quickly as possible.

Mr. POSHARD. Mr. Speaker, I am very concerned about the numerous amendments, notably the Farr, Walker, and Richardson amendments, in the Interior appropriations bill for fiscal year 1997 that cut valuable funding of up to $138 million for the Department of Energy's Fossil Energy Research and Development Program. We hear a great deal today about how the United States has become overly dependent on foreign sources of oil. A main reason for this is because over the past decade strict limitations have been put on the burning of certain types of coal. These moneys address such crucial energy issues by enabling research into vital clean coal technology, as well as ways to increase domestic oil and gas production. In addition, programs such as the Petroleum Technology Transfer Council that provide for the transfer of technology between independent producers would be eliminated.

Rural economies have been especially hard hit by the limitations on coal, and the decreased production of oil and natural gas. In my district alone, thousands of people employed in these industries have been affected, whether they are displaced coal miners or small oil companies that can no longer afford to operate. These citizens represent the backbone of our domestic energy production, and stand ready to provide alternative energy options to foreign petroleum. In Illinois, the Fossil Energy Research and Development Program will account for almost 30,000 jobs in the first decade of the next century. Moreover, the budget for fossil energy programs has already been cut 10.5 percent from last year's levels, and 30 percent from fiscal year 1995. Hence, these amendments would seriously endanger the future of energy development in this country, as well as many local economies. I urge all of my colleagues to retain funding for this important research.

Mr. BILBRAY. Mr. Chairman, I ask permission to revise and extend my remarks.

I rise today in support of the funding in this bill for California Natural Communities Conservation Planning [NCCP] program. The fiscal year 1997 Interior appropriations bill, which will be considered by the subcommittee this afternoon, contains $5 million for the program.

I would also like to support the amendment offered by my California colleague Rep. KEN CALVERT. His amendment will shift $1 million from the Forest Service General Administration Account to the Cooperative Endangered Species Conservation Fund. By cutting bureaucracy, the Calvert amendment will further our goals for protecting and preserving sensitive species in southern California.

The NCCP pilot program in southern California is the Nation's most advanced cooperative approach. The program was initiated 5 years ago as an attempt to create a multispecies approach to preserving species. By increasing funding in the Cooperative Endangered Species Conservation Fund, Rep. CALVERT'S amendment will help us to fund the NCCP at the administration's requested level.

Even in a time of unprecedented fiscal constraints, I would like to commend Interior Subcommittee Chairman RALPH REGULA for recognizing the merit of this process and supporting the program. The NCCP represents the future of conservation, and it is a giant leap forward over the historical project-by-project, command and control methods of most environmental strategies. The system we have in place now sets us up for confrontation, conflict, and gridlock. The NCCP will replace that system and create a framework for comprehensive conservation planning to protect natural resources and sensitive species in southern California while allowing for reasonable growth.

The NCCP is part of a collaborative effort between Federal, State, and local officials, as well as land owners and environmental groups. The planning process' goal is to protect a variety of species and sensitive natural habitats, to prevent the need to list other species in the future as endangered, and allow growth and economic development to occur in balance with sound resource conservation.

The NCCP includes conservation and development plans for nine separate areas within the southern California planning region.

Again, I urge support of the Calvert amendment, and final passage of this bill.

Mr. UNDERWOOD. Mr. Chairman, I am pleased that Chairman REGULA and the Appropriations Committee has included in the fiscal year 1997 Interior appropriations bill $4.58 million in reimbursement to Guam for the costs incurred as a result of the Compacts of Free Association.

These compacts with the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, allow open and free migration to the United States. Of course, Guam receives the greatest share of this migration which puts a tremendous strain on our local resources and this impact continues to grow. Guam is geographically located closest to these new nations. Their economies are less developed than Guam's, and for many of their citizens, the economic draw and unlimited access are powerful incentives leading to widespread migration to Guam. The Federal commitment to Guam is a statutory commitment made to Guam in Public Law 99–239, section 104(e), which authorizes the appropriation of funds to cover the costs incurred as a result of increased demands placed on educational and social services.

Let me underscore that this $4.58 million is only minimum reimbursement for the costs incurred by the Government of Guam. I am pleased that the Committee included report language which recognizes the need to augment this funding. I am also encouraged that in a letter to me on May 15, 1996, the Department of Interior has agreed to submit a report to Congress on the impact of the compact also required by Public Law 99–239. This information will assist Congress in continuing to address this important issue. We are hopeful that the Interior report will detail and document the full financial impact of the compact on Guam.

Mr. VENTO. Mr. Chairman, I rise in opposition to the fiscal year 1997 Interior appropriations bill. This legislation further cuts the already lean budgets of the National Park Service, Fish and Wildlife Service, Bureau of Indian Affairs, and other Federal land use agencies, even though demands by the public on these agencies is increasing.

We in the Congress are charged to act as stewards of America's natural and cultural resources. We have a sworn duty to protect wildlife, our air and water, and our National Parks. We have the responsibility to ensure that our children and grandchildren will be able to use and enjoy our public lands. This appropriations bill represents an abdication of our responsibility to the American people.

Although this bill does not contain the sweeping anti-environmental riders the Republican leadership included last year, the appropriations measure we are considering includes a number of provisions that threaten our natural resources. This bill prohibits the Bureau of Land Management from resolving longstanding rights of way disputes under RS2477 and waives certain environmental laws to expedite the construction of a telescope on Mt. Graham, a sacred site for Native American people. It also prohibits the Fish and Wildlife Service from enforcing designation of critical habitat to protect the marbled murrelet on 37,000 acres of private property in California, which amounts to an exemption from the Endangered Species Act for a select few. Finally, the bill undermines the sovereignty of Indian tribes by prohibiting the use of Federal funds to take lands into trust by a tribe unless the tribe has a binding agreement in place to provide for the collection of State and local sales and excise taxes on sales to non-members of the tribe.

I also question the spending priorities set by Congressional Republicans in the 1997 Interior appropriations bill. For instance, despite increasing numbers of visits to our National Parks and a considerable backlog of Park maintenance, the total funding for National Parks is reduced by $40 million from the fiscal year 1996 total. Funding for National Park operations and maintenance totals $24 million less than the President's request. At the same time, subsidies for timber road construction and road maintenance, and "green" timber sales are increased by $14 million over last year's levels. I do not believe this allocation represents the values of the public, who have overwhelmingly supported our National Parks and opposed corporate welfare.

Mr. Chairman, the Republican Majority has tried to talk the talk on environmental issues, but this Interior appropriations bill demonstrates more loudly than words that the GOP aren't yet ready to "walk the walk." I urge Members to defeat this bill.

Mr. BEREUTER. Mr. Chairman, this Member rises in support of H.R. 3662, the Interior appropriations bill for fiscal year 1997.

This Member would like to commend the distinguished gentleman from Ohio [Mr. REGULA], the chairman of the Interior Appropriations Subcommittee, and the distinguished gentleman from Illinois [Mr. YATES], the ranking member of the subcommittee for their exceptional work in bringing this bill to the floor. Extremely tight budgetary constraints made the job of the subcommittee much more difficult.

This Member is pleased that the report includes language directing the National Park Service to develop a general management plan for Homestead National Monument of America near Beatrice, NE.

Homestead National Monument of America commemorates the lives and accomplishments of all pioneers and the changes to the land and the people as a result of the Homestead Act of 1862. This monument was authorized by legislation enacted in 1936. However, a general management plan is needed to help ensure that Homestead is able to reach its full potential as a place where Americans can more effectively appreciate the Homestead Act and its effects upon the Nation.

A general management plan is the first step in assessing and planning for new park development. The plan is used to identify the park's purposes, assess current situations, and plan new development and management directions. A general management plan also contains environmental and historical assessments. Public comment on the plan and proposed alternatives are required by the National Environmental Policy Act and other laws and policies. Before Homestead could embark upon any future projects, the general management plan process would have to be completed to ensure that mission-based objectives and public comment were properly considered. This process normally takes several years and it is this Member's understanding that it can be accomplished with base-funded staff with available funds.

Homestead National Monument of America is truly a unique treasure among the National Park Service jewels. The authorizing legislation makes it clear that Homestead was intended to have a special place among Park Service units. According to the original legislation:

> It shall be the duty of the Secretary of the Interior to lay out said land in a suitable and enduring manner so that the same may be maintained as an appropriate monument to retain for posterity a proper memorial emblematic of the hardships and the pioneer life through which the early settlers passed in the settlement, cultivation, and civilization of the great West. It shall be his duty to erect suitable buildings to be used as a museum in which shall be preserved literature applying to such settlement and agricultural implements used in bringing the western plains to its present state of high civilization, and to use the said tract of land for such other objects and purposes as in his judgment may perpetuate the history of this country mainly developed by the homestead law.

Clearly, this authorizing legislation sets some lofty goals. This Member believes that a general management plan would begin the process of realizing these goals.

Mr. Chairman, this Member is also gratified that H.R. 3662 maintains last year's funding level of $250,000 from State and private forestry funds for the National Agroforestry Center at Lincoln, NE.

The National Agroforestry Center—formerly the Center for Semiarid Agroforestry—was authorized by the 1990 Farm Bill, the Food, Agriculture, Conservation, and Trade Act [FACTA]. Section 1243 of the FACTA authorized an annual appropriation of up to $5 million for the center. The National Agroforestry Center is a partnership of the Research, State, and Private Forestry, and International Forestry branches of the USDA Forest Service. The center conducts research on developing tree varieties, especially adapted to the Great Plains, that will enhance crop and livestock production, protect surface and groundwater quality, create wildlife habitat, and promote environmental goals. The center is nationally and internationally renowned as the U.S. flagship for agroforestry due to its leadership in agroforestry research, development, and applications.

The center, located in Lincoln, Nebraska is a key element of agroforestry research and technology transfer for the Forest Service. The center's mission is to accelerate the development and application of agroforestry technologies to attain more economically, environmentally, and socially sustainable ecosystems. To accomplish its mission, the center conducts agroforestry research and interacts with a national network of cooperators to conduct research, develop technologies and tools, establish demonstrations, and provide useful information to natural resource professionals nationwide and globally.

The National Agroforestry Center is developing key partnerships with other agencies and institutions and catalyzing interdisciplinary teamwork. Since agroforestry bridges critical productivity, biodiversity, sustainability, and socio-economic issues, the National Agroforestry Center has become a focal point for interagency cooperation. The multi-agency initiative being developed includes the Agricultural Research Service [ARS], the Cooperative State Research, Education, and Extension Service [CSREES] and the Environmental Protection Agency [EPA].

The center seeks to increase the use of agroforestry in order to fulfill the following purposes: Make agriculture more sustainable; mitigate the adverse environmental side effects of agriculture; convert marginal farmlands to high-value tree crops and wildlife habitat; and enhance human environments

Mr. Chairman, in conclusion, this Member supports H.R. 3662 and urges his colleagues to approve it.

Mr. DEUTSCH. Mr. Chairman, I would like to underscore the comments of my colleagues who join with me in supporting the Florida delegation's Everglades amendment to H.R. 3662—the fiscal year 1997 Interior appropriations bill. Congress has long recognized that Everglades restoration is a basic quality of life issue. The State of Florida has taken the lead on this by funding the lion's share of restoration. It is crucial that Congress recognize the Federal commitment by funding authorized land acquisition priorities in this Interior bill. Although the committee report claims to make the Everglades a top national priority, this promise can only be fulfilled by fully funding the land priorities in this bill.

This Congress is deeply interested in the link between the economy and the environment. There is no better example than in south Florida where our multibillion dollar economy depends solely on reversing the environmental mistakes of the past.

I appreciate Chairman Regula's willingness to work with us on this issue. I led the delegation in organizing our unified position, and I know the chairman is aware that a majority of us are on record supporting our efforts today. I look forward to resolving this issue to everyone's satisfaction, and I thank the chairman.

Mr. FAZIO of California. Mr. Chairman, I think it is important that we revisit the issue of the timber salvage rider that was part of the Rescissions bill last year. While I felt at the time that it was important to address the problem of dead and dying trees, and the issue of forest health in general, in hindsight it was clear we dealt with it in too much haste.

I did not vote on the Yates amendment when it was considered on the floor last year because I was with my wife at the hospital while she had minor surgery. I did vote for the bill on final passage, however, both because it helped to provide disaster relief to California and because it had the administration's support. At the time I think few Members of Congress were aware that the salvage timber rider allowed section 318 timber sales to be reinstated as well. If they had been aware of the deficiency, I do not think this rider would have gotten through.

The 1990 section 318 sales were intended to allow the development of a compromise in the Northwest but they did not succeed and were halted due to environmental concerns. These sales only affect old growth timber. The issue of salvage timber—or the attempt to glean the forest of dead or dying trees particularly after drought periods like the one recently in California—is a different concern altogether.

To my knowledge, these two issues were never intended to be intermingled. Fortunately, the Appeals Court has stepped in to stop the expedited 318 sales of old growth trees so we will have a chance to deal with option 9 in a responsible manner.

Given the vagueness of the definition of salvage timber, it was not unexpected that this provision could be ill used to harvest healthy trees. We should not have gone forward with the salvage timber rider without tightening up how the Forest Service implemented the program in the first place. In practice, the program allowed for more than dead and dying trees to be cut.

For those of us in this Congress who see a real threat to forest health and who have a strong desire to find the appropriate solution, the salvage timber rider simply went too far. Instead of merely allowing the timber companies some flexibility in helping to prevent future wildfires, those pursuing a different agenda took advantage of the opportunity and sought to cut healthy trees and old growth timber as well.

I would like to cite an example of how such sales can be extremely detrimental. Recently in my district the Forest Service sought to reinstate the Barkley timber sale in the Lassen National Forest. I personally appealed to the Department of Agriculture to stop the sale because it would have seriously unraveled the cooperative local efforts among landowners, conservationists, and government officials to produce a collaborative strategy for resource management.

In particular, the Quincy Library Group is a broad-based organization which worked hard to come to an agreement on timber harvests in the Sierra Nevadas. The Barkley timber sale would have jeopardized that carefully balanced effort. In response to my concern, the sale was stopped.

We must seek an appropriate balance in identifying solutions that will work over time. I support the amendment before us to restore environmental review to the timber salvage process. We need to provide a check to the extreme actions being undertaken under the guise of harvesting dead and dying trees.

Mr. REGULA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. LAHOOD). All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule. An amendment striking the last proviso under the heading "Strategic Petroleum Reserve" is adopted.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the Congressional Record. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend.

The Clerk will read:

The Clerk read as follows:

H.R. 3662

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, acquisition of easements and other interests in lands, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau, and assessment of mineral potential of public lands pursuant to Public Law 96–487 (16 U.S.C. 3150(a)), $566,514,000, to remain available until expended, of which $2,000,000 shall be available for assessment of the mineral potential of public lands in Alaska pursuant to section 1010 of Public Law 96–487 (16 U.S.C. 3150); and of which $3,000,000 shall be derived from the special receipt account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601–6a(i)); and of which $1,000,000 shall be available in fiscal year 1997 subject to a match by at least an equal amount by the National Fish and Wildlife Foundation, to such Foundation for challenge cost share projects supporting fish and wildlife conservation affecting Bureau lands; in addition, $27,300,000 for Mining Law Administration program operations, to remain available until expended, to be reduced by amounts collected by the Bureau and credited to this appropriation from annual mining claim fees so as to result in a final appropriation estimated at not more than $566,514,000; and in addition, not to exceed $5,000,000, to remain available until expended, from annual mining claim fees; which shall be credited to this account for the costs of administering the mining claim fee program, and $2,000,000 from communication site rental fees established by the Bureau for the cost of administering communication site activities: *Provided,* That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau or its contractors: *Provided further,* That in fiscal year 1997 and thereafter, all fees, excluding mining claim fees, in excess of the fiscal year 1996 collections established by the Secretary of the Interior under the authority of 43 U.S.C. 1734 for processing, recording, or documenting authorizations to use public lands or public land natural resources (including cultural, historical, and mineral) and for providing specific services to public land users, and which are not presently being covered into any Bureau of Land Management appropriation accounts, and not otherwise dedicated by law for a specific distribution, shall be made immediately available for program operations in this account and remain available until expended.

WILDLAND FIRE MANAGEMENT

For necessary expenses for fire use and management, fire preparedness, suppression operations, and emergency rehabilitation by the Department of the Interior, $247,924,000, to remain available until expended, of which not to exceed $5,025,000 shall be for the renovation or construction of fire facilities: *Provided*, That such funds are also available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: *Provided further*, That persons hired pursuant to 43 U.S.C. 1469 may be furnished subsistence and lodging without costs from funds available from this appropriation: *Provided further*, That unobligated balances of amounts previously appropriated to the "Fire Protection" and "Emergency Department of the Interior Firefighting Fund" may be transferred to this appropriation.

CENTRAL HAZARDOUS MATERIALS FUND

For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C 9601 et seq.), $12,000,000, to remain available until expended: *Provided*, That notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedical action or response activities conducted by the Department purusant to sections 107 or 113(f) of such Act, shall be credited to this account to be available until expended without further appropration: *Provided further*, That such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bounds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary and which shall be credited to this account.

CONSTRUCTION

For construction of buildings, recreaton facilities, roads, trails, and appurtenant facilities, $3,103,000, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976, as amended (31 U.S.C. 6901-07), $113,500,000, of which not to exceed $400,000 shall be available for administrative expenses.

LAND ACQUISITION

For expenses necessary to carry out section 205, 206, and 318(d) of Public Law 94-579 including administrative expenses and acquisition of lands or waters, or interests therein, $10,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

AMENDMENT OFFERED BY MR. FARR OF CALIFORNIA

Mr. FARR of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FARR of California: In the item relating to the DEPARTMENT OF THE INTERIOR—Bureau of Land Management—Land Acquisition, insert "(increased by $4,750,000)" after the dollar amount.

In the item relating to the DEPARTMENT OF THE INTERIOR—United States Fish and Wildlife Service—Land Acquisition, insert "(increased by $37,300,000)" after the dollar amount.

In the item relating to the DEPARTMENT OF THE INTERIOR—National Park Service—Land Acquisition and State Assistance—

(1) insert "(increased by $57,790,000)" after the first dollar amount; and

(2) insert "(increased by $2,240,000)" after the second dollar amount.

In the item relating to RELATED AGENCIES—Department of Agriculture—Forest Service—Land Acquisition, insert "(increased by $35,310,000)" after the dollar amount.

In the item relating to DEPARTMENT OF ENERGY—Fossil Energy research Development, insert "(reduced by $135,150,000)" after the dollar amount.

Mr. REGULA. Mr. Chairman, I reserve a point of order since we have not yet seen the amendment.

The CHAIRMAN pro tempore. A point of order is reserved.

The Chair would note that the amendment is printed in the RECORD as amendment No. 7.

Mr. FARR of California. Mr. Chairman, my amendment directly benefits every American and every Member who supports our parks, our public spaces. There is a big pot of money in the Federal budget to pay for new parklands and for other open space acquisition. That money can benefit every American who enjoys the beauty of our national parks, the serenity of the wilderness, the exhilaration of an early morning duck hunt of the surge of pride in exploring the great historical places of this Nation.

That pot of money is called the Land and Water Conservation Fund. It is supposed to take some of the money raised from the sale of publicly owned fossil energy resources to build a legacy of parks and open space resources for future generations.

In 1964, Congress created the Land and Water Conservation Fund to use some of the Federal royalties from offshore oil drilling to buy parklands. Even though the offshore oil drilling only comes from coastal States, the money was to be used in all of the States. It was an ideal environmental business plan, reinvest the profits from the exploration of publicly owned natural resources into the infrastructure of our Nation's parks and other public spaces. Money would come into the fund and Congress and the President would allocate it between State parks programs and Federal public land priorities.

The fund currently takes in $900 million a year. It will continue to take in such money until the program's authority expires in the year 2015. But the plan is broken. Only a trickle of that money reaches the parks and other land conservation needs.

By the early 1980's, the President and Congress began using more and more of the fund each year to mask the size of the deficit. Less and less went into land acquisition. In 1991, only $321 million of the fund's $900 million income went into the environment; only $100 million of that is appropriated today for fiscal year 1997, a $12 billion surplus, which frees up other moneys to be spent for other purposes, including fossil fuel energy research.

My amendment would restore the funding to the 1995 appropriated levels by increasing the bill's Land and Water Conservation Fund appropriation levels by $134,904,000 over the committee's appropriated level, reported level of about $100 million.

My amendment allocate this increase among the land management agency accounts according to the fiscal year 1995 allocations. The Bureau of Land Management would get about $14 million; Fish and Wildlife, $67 million; National Parks Service, $87 million; and Forest Service, $65 million; for a total of $235 million.

It is my intention that $2 million of the Park Service increase be allocated for State grants through the National Park Service States assistance programs.

This is assisting our States which have long asked for help with this fund. My amendment preserves the committee's decision not to earmark individual projects and to leave it to the discretion of the agencies which projects to pursue.

I offset the $135 million cut in the Department of Energy fossil research account. This account has a total amount of $359 million remaining in the bill.

□ 1315

The point is that we do not need to allocate as much as the appropriators have done for the programs for research which really benefit our large multinational corporations like Chevron, Exxon, Conoco and such.

We have spent over $2½ billion for fossil fuel research since fiscal year 1992, just over a billion of that for, just a billion of that for, the land and water conservation fund for acquisition in the same period of time. Yet, for example, in my home State of California this program, which the committee has appropriated, would help fund Chevron's research into enhanced oil recovery technology, Arco's research into new horizontal drilling techniques, Pacific Operators' offshore research in

Santa Barbara on lateral drilling technology to extract more oil offshore. One may argue these are appropriate areas of research, but why rely totally on this fund?

We also have money coming from drilling on State lands and from drilling on private lands, and none of that money is being earmarked for this research purpose.

The CHAIRMAN. The time of the gentleman from California [Mr. FARR] has expired.

(By unanimous consent, Mr. FARR of California was allowed to proceed for 1 additional minute.)

Mr. FARR of California. Mr. Chairman, I ask that we reverse the priorities here and put two-thirds of this appropriation into acquisition of land and one-third into fossil fuel research. That would still leave a surplus in the fund for fossil fuel research of about $224 million, and I suggest that that is an appropriate balance of funds and would urge this House to support my amendment.

The CHAIRMAN. Does the gentleman from Ohio withdraw his point of order?

Mr. REGULA. Mr. Chairman, I withdraw my point of order.

Mr. REGULA. Mr. Chairman, I rise in strong opposition to this amendment. Let me point out to our colleagues that fossil energy research is vitally important.

Mr. Chairman, let me point out that the fossil energy research program is vitally important to this Nation. We are dependent of fossil energy for 85 percent of our needs and will be far into the foreseeable future. Fossil energy research is important in reducing emissions. We all talk about clean air, and here is a key element in the clean air program. It is important in reducing emissions into the environment of this Nation; it is important to having energy independence.

As we well know, thinking back to Desert Storm, we paid a heavy price to maintain access to energy offshore. We have cut 23 percent since 1995 in fossil energy research. Most of these programs, if not all, are contractual relationships with the private sector, where they are being matched. Federal dollars are being matched by at least 50 percent private dollars. These programs are not to implement the use of energy, but rather to find better ways to use our energy resources. These dollars increase energy technology at the domestic level, and I think it is vitally important that we maintain our commitment to those private sector partners that have helped us in these programs and have committed their own dollars.

Most of us depend on gasoline powered automobiles, and we cannot at this point give up that source of energy for the vast number of domestic automobiles, but we can find ways to burn energy in a more environmentally friendly way. Coal supplies are vital to the generation of electricity. We only need to look at the industrial consumption of electricity that produces jobs to realize how important coal is as a part of our energy resources in this Nation.

For all of these reasons, and given the fact that we have reduced funding by 23 percent, it becomes extremely important that we maintain this fossil energy research. We will have a number of amendments trying to take out the funding that we have in for these programs, and we recognize we are scaling back 10 percent each year.

But recognizing that we are going to depend on fossil energy for the foreseeable future, I think it is vitally important that we continue these partnership research programs to ensure that we burn this energy, use this energy in the most efficient way, that we protect our air, that we protect our water resources, that we protect the competitiveness of our industry, and I think to vote for this amendment is a vote against jobs, it is a vote against clean air, it is a vote against energy independence, it is a vote against the environment, and I urge all Members to oppose this amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I agree with the gentleman in opposing this amendment. This amendment is another form of the amendment that will be offered by the gentleman from Pennsylvania [Mr. WALKER] later on. For the same reasons as the gentleman from Ohio [Mr. REGULA] so eloquently outlined, I think the Farr amendment should be defeated.

Sure, it would be great if we had enough money to buy land for the Park Service, the Bureau of Land Management, the Fish and Wildlife Service, and the Forest Service. The Land and Water Conservation Fund needs that money. We just do not have it under the 602(b) allocation that we received, and it is very important that the fossil energy research and development continue with the money that we have allocated.

Mr. REGULA. I thank the gentleman from Illinois [Mr. YATES].

Mr. HINCHEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am very much in favor of this amendment, and I want to take the opportunity to say a few words on its behalf.

I think that it makes very good sense for us to take this relatively small amount of money, $359 million, out of the fund for fossil fuel research and put it where it is most needed at this particular moment, and that is in the Land and Water Conservation Fund.

The Land and Water Conservation Fund, first of all, is funded presently at the lowest level it has ever been funded at since its beginning, so it is not a case that there is too much money in the Land and Water Conservation Fund. The fact of the matter is there is far too little.

Furthermore, it makes good sense now at this particular moment to take this $359 million out of fossil fuel research and put it into the Land and Water Conservation Fund. Why? This $359 million in research for fossil fuels ought to be being paid for the fossil fuel companies themselves. The oil companies today are making once again record profits. Let me give my colleagues an example.

Since January of this year the price that we are paying for regular gasoline at the pump in New York has gone up by more than 30 cents a gallon. Now that the spot market price for gasoline has come down, and it has come down now more than 16 cents a gallon since the end of April, the oil companies have dropped their prices by only 2 to 3 cents a gallon. So they are pocketing 13 to 14 cents a gallon on every gallon of gasoline that is sold in New York, and it is even higher than that in California and other places across the country. They are the ones who ought to be paying for this fossil fuel research.

Furthermore, this Congress has failed since its beginning to continue a tax on the oil companies which was designed to pay for the cost of the cleanup of old toxic and hazardous waste dump sites and also is to pay for the cost of leaking underground petroleum storage tanks. That failure of this Congress to extend that tax which had been in existence for those purposes means that every year the oil companies are pocketing an additional $1 billion.

Now we are never going to recoup that money. We are never, even if we pass these taxes, put them back in existence so we have the funds to pay for the cost of cleaning up toxic and hazardous waste dump sites and the cost of underground petroleum spills, we are never going to make it retroactive. So they have gotten away now with more than a billion dollars a year by not having to pay that tax, and they are getting away with additional billions in dollars in excess profits because of the fact they are changing more at the pump by orders of magnitude than they have to pay on the spot market for the petroleum products that they buy.

The oil companies are getting away with murder. They have their hands in the pockets of the motoring American public, and they are pulling out fistfuls of dollars day in and day out and stuffing it into their own pockets. CEO's making salaries of a million and a half dollars while the guy who is struggling to go to work every day has to pay an additional 30 cents a gallon, 25 cents a gallon, for every gallon of gasoline he buys at the pump. It is wrong, it is unfair, it is unreasonable, and this Congress ought to put a stop to it.

So this is the time to take that money, that $359 million, put it in the Land and Water Conservation Fund, where it is desperately needed; the fund has never been this low; and make the oil companies pay for this fossil fuel research. Why should the American public be subsidizing that fossil fuel research when the benefits are going to go to the oil companies in the end in any case? This is just another example of the kind of corporate welfare that has been perpetuated here over and over again.

Let us make the oil companies pay for their own research, let us put a little money into the Land and Water Conservation Fund, and let us go to a system that is a little bit fairer for the American public, particularly those in rural districts like mine and other rural districts across the country where the people are totally dependent upon the automobile for transportation. Every time they go from home to work, from home to school, from home to the supermarket, they are putting additional money into the hands of the oil companies, and it is coming out of their pockets.

So this amendment makes good sense. Let us pass this amendment and tell the oil companies it is time for them to pay for their own research, put a little more money in the Land Water Conservation Fund, and stop exploiting the American people.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman and Members of the House, I rise in strong support of this amendment, and I would hope that the committee would look upon this as a friendly amendment because clearly this committee, the chairman of the committee and the ranking minority member struggled long and hard to try and meet the priorities of this Nation, of the Members of this Congress in dealing with the status and the quality of our national parks, our wildlife refuges and the forests of this Nation.

In 1964, when we passed the Land and Water Conservation Act, we kind of make a bargain with the Congress and within this country that we would trade the exploration and the development of our offshore energy resources off the coast of California and the Gulf of Mexico and elsewhere in this country, that we would trade the development of those resources to generate a pool of revenues to protect and to provide and to expand the public lands system within this country, that we would take a portion of those royalties and set them aside so we could buy lands for additions for new parks, for additions to existing parks and for our wildlife refuges, in some cases for forests and other public land units.

What has happened now because we have gone and spent ourselves into a deficit position, we now use this sacred trust, if my colleagues will, to protect the assets of the public lands of this Nation. We are now using that as a gimmick to balance this budget. Every dollar we do not take out of the Land and Water Conservation Fund that is reserved for the acquisition of public lands we divert, whether it is to the military budget, to the education budget, to infrastructure, to some other purpose. But that is not what we told the people of this country we were going to do with this money, and that is not what the people of this country expect us to do with this money.

□ 1330

Mr. Chairman, what we have now is we have a situation where by deferral of land acquisitions, deferral of the protection of the parks, deferral of the protections of the wildlife refuges and the other public lands, we are now subsidizing other activities in the Government where we do not have the courage to say no. It does not mean they are a higher priority, it does not mean they are a better priority. It just means this committee has less money to work with.

I think by adopting the Farr amendment, we have the opportunity to suggest that perhaps the priorities ought to be changed. Unfortunately, we can only deal with it within the context of the budget that is given to this committee. The gentleman from California [Mr. FARR] has sought to go to the energy research, the fossil fuel research portions of this budget that clearly do not have as high a priority as they might have had at one time, clearly do not have as high a priority at a time when the energy companies were not doing as well as they are doing today, clearly do not have as high a priority at a time when we were struggling to fill the strategic petroleum reserve, and now we are selling off portions of the petroleum reserve kind of willy-nilly. The President wants to sell off parts of it, this committee has made a decision to sell off parts of it.

Obviously this is not as high a priority. But what is a high priority with the American people is the additions to and the protections of the public lands, and most importantly, I think, as we start this summer season, the protections and the additions to the crown jewels, the national park system of this country that so many families will spend time this summer visiting with their children and with other members of their family. This amendment is about setting those priorities.

Mr. Chairman, this amendment does not mean that fossil fuel research will not take place. This amendment suggests that those who will benefit by the fossil fuel research perhaps shoulder more of the burden, now that they are doing better as a result of the run-up in gasoline prices and a stabilizing of world oil prices.

That is what this amendment suggests: that we share the burden; that the other luxuries that we want to put into the spending of this budget not be subsidized by the trust. This is a trust fund, a trust we created with the American people to protect the national parks, to preserve the national parks, to expand the national parks, and to protect the other public lands of this Nation. The Farr amendment gives us an opportunity to do that.

I know that the chairman of this committee believes strongly in the protection of the national parks, but he has to play the cards that he is dealt. I would hope that he would understand that this is hopefully a statement by a majority in this House that is deeply concerned about those cards and would perhaps play them in a different fashion, in a way in which the committee was incapable of playing them during the committee deliberations. I would urge support of this amendment.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman from Ohio [Mr. REGULA] is recognized for 5 minutes.

There was no objection.

Mr. REGULA. Mr. Chairman, I think we ought to correct this statement that we have not recognized the priorities. Certainly it would be nice to do a lot of these things. If we buy more land, it costs more money. We need to take care of what we have.

I know the gentleman from California is very strongly in favor of a moratorium on offshore drilling both of the gentlemen from California. Therefore, they would diminish the revenues that flow into the Land and Water Conservation Fund for these acquisitions.

Mr. Chairman, the vast amount of the money that goes in that fund is from drilling off of Louisiana, Alabama, and Texas, so I think if they are so anxious to have more money in the Land and Water Conservation Fund, they should be out here supporting the lifting of the drilling moratorium on offshore drilling from California.

Mr. FARR of California. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from California.

Mr. FARR of California. Mr. Chairman, some of that money, a good deal of that money, also comes from drilling off the coast of California. The point of it is that this Congress created that fund so those revenues would be reinvested back into lands. It now has a $900 million surplus. We are only asking for a very small amount of that money.

Mr. REGULA. Reclaiming my time, Mr. Chairman, I believe that the fossil energy research is an investment in the future of this Nation. We are an energy-dependent Nation. We burn more energy per person than any other nation in the world. What we want to do is make it affordable, what we want to do is increase our economic competitiveness in the world market, and most importantly, we want to improve the environment: clean air, clean water, jobs. That is what defeating this amendment is all about.

Mr. Chairman, we do not put any money in for commercialization. That is up to the private sector totally. But we do say that it is in the interests of the American public to have these things that I just described. Therefore, we are willing to be a partner with the private sector in developing the technology. Then the commercialization is something that is picked up by the private sector.

Mr. Chairman, we have already cut fossil research by 23 percent since 1995. I think it is vitally important that we keep these programs going.

Mr. DOYLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Farr amendment. I want to echo some of the comments made by the chairman of the committee, the gentleman from Ohio [Mr. REGULA]. Let us make no mistake about what is happening from this amendment. I have a letter here from the Secretary of Energy that I would like to quote from. We are talking about almost a 40 percent cut in the fossil energy R&D accounts.

This is a quote from Secretary Hazel O'Leary.

> A cut of this magnitude would effectively eliminate the Department of Energy's fossil energy R&D programs and limit our Nation's ability to manage its energy future. We have already cut this program to the bone. The administration's FY 1997 budget request of $348 million represents a 10.5 percent reduction from fiscal year 1996 funding levels and a 20-percent reduction from FY 1995. Taking an additional $137 million from this program, plus the estimated $30 to $40 million in termination costs, would essentially stop it dead in its tracks.

So, Mr. Chairman, let us be clear about this. What we are talking about in the Farr amendment is the elimination of the fossil energy research and development program in this country. Mr. Chairman, we just talked about, into the future, 85 percent of our needs; fossil energy is going to play a major role in providing 85 percent of the energy needs of this country.

Many people in the environmental community say, well, coal and oil, they are dirty fuels. That is exactly our point. Why would we stop research and development in ways to burn coal cleaner and cheaper and to use fossil fuels more efficiently, in environmentally sound ways, right at the time when our dependence on them is increasing, not decreasing?

Mr. Chairman, let us not be fooled by this. I urge all Members to understand, a vote for the Farr amendment and later on for the Walker amendment is a vote to eliminate fossil energy R&D programs in this country. I think that would be terribly shortsighted.

Mr. FARR of California. Mr. Chairman, will the gentleman yield

Mr. DOYLE. I yield to the gentleman from California.

Mr. FARR of California. Mr. Chairman, it does not eliminate it. This program has received over $2 billion in the history of fossil fuel research. We only take, of the appropriations this year, one-third; $1 out of every $3.

Mr. DOYLE. Reclaiming my time, Mr. Chairman, the gentleman's amendment takes 38 percent from the budget. The Secretary of Energy, Hazel O'Leary, in a letter that I would be happy to share with the gentleman, says clearly here that we are talking about gutting, terminating, eliminating, fossil R&D programs for this country, right here from our own Secretary of Energy.

Mr. SHAW. Mr. Speaker, I move to strike the requisite number of words.

Mr. Chairman, I reluctantly come to speak in favor of the amendment, not because of the contents, but just recognizing the work that this committee has done in trying to balance the needs of this country. But we have a problem of national proportions, which is a national responsibility in south Florida.

Early on in the history of south Florida, south Florida, the rim of south Florida had a natural dike. Outside we had, of course, the Atlantic Ocean. Within, we had a river of grass, which now is known as the Florida Everglades. There were natural springs bubbling up in downtown Fort Lauderdale, just in the new river. There were natural springs in Dade County that were bubbling up. It was a true tropical paradise.

Then, along came development within the Everglades itself. The whole attitude of the people was to drain the swamps, get rid of the alligators, get rid of all the problems, drain the swamps and put in a series of canals. Then agriculture came in to backfill on what was once the river of grass and the bottom of this giant swamp.

We have found that because of this right now, something has happened which has got everything out of balance. We have found that the natural ecosystem of the Everglades now is in serious danger, irreversible danger. We find down at the south end of the Florida bay that the natural marine habitat is disappearing, which is the nursery for all of the fisheries going up the coast, the east and west coast of Florida.

We have found that this is being caused because of the salinity that is building up and the rapid change of the salinity because of the rapid flow of the waters down into the southern part of the Everglades National Park, which is the Florida Bay. This is a national responsibility. The only way to solve this problem is to reacquire some of this land and try to turn to the past and try to reestablish the natural flow of much of the water flowing through the Everglades.

What is the tradeoff? The tradeoff is the irreparable damage that is being caused right now, day by day, as we sit here. We are finding that this is happening at a more and more rapid rate every day. It is imperative that more money be found for land acquisition so that we can put a stop to this destruction of this most valuable natural resource. It is a Federal responsibility. It is an entire network of Federal lands. It is a great national park. It is tremendously important, not only for the natural environment of Florida, but for the very supply of water that supplies the growing population of south Florida.

Therefore, Mr. Chairman, I think what the gentleman from California is proposing is a transfer of these funds from the fossil fuel area into the land acquisition fund, so we can speed up the acquisition of this land, is a most reasonable request. I would therefore urge all the Members to support this amendment, which will speed up the restoration of the Everglades and perhaps actually save the Everglades from the destructive process that has been put into place over many, many years of neglect and misunderstanding of the environment of south Florida.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to come down in opposition to this amendment, but I would like to provide a little background beforehand.

Mr. Chairman, this is not an all black or white situation. We see emerging here, expressed in debate on both sides, a recognition that we do need more funding for the Land and Water Conservation Fund. I thoroughly agree with that, and would support every reasonable effort to achieve that kind of funding.

We also, I think, see on both sides a recognition that we need to continue with the program of fossil energy research and development. That program, of course, has been under attack for several years because we point, as we have seen here on the floor today, to the mature coal and oil industry and say, why can they not do their own research. Well, they could if they wanted to spend the money. But their biggest priority is selling more oil and coal, not in doing research.

What we have in the present research program, as the distinguished chairman of the subcommittee pointed out, is a working partnership between industry and the Government in which we are getting these companies to do the research by giving them an incentive. We are offering to match a part of the money. If Members can think of a better way to do it, to encourage mature industries to do research in the national interest which will improve the environment, improve the utilization of coal and oil by finding better and cheaper ways to get it out, I would like to know what it is, because I want to support that.

Mr. Chairman, we have some Members in the House who do not believe in this kind of cooperative research as a way to achieve national goals. I differ quite strongly with them. I think this kind of partnership is the wave of the future and we are going to have to do it, and we are doing it here. Are we spending too much or too little? I cannot answer that question.

I would support more money for this, but actually, the bill has in it $10 million more than the President requested, so I would support a reduction of $10 million and use that, at least, to fund some additional acquisitions of land through the Land and Water Conservation Fund. I cannot, I do not believe it is in the national interest, cut this program back to the extent proposed in this amendment and in some of the other amendments which are going to be suggested. It is not good for the country to do that. It is not a proper utilization of national resources to avoid funding this research which is so important to the future of this country.

□ 1345

I come at this from a bias, of course, in favor of finding ways to get the private sector to support more research of this kind. I think the partnership arrangement does it. I want to continue to support that. I will support any other way of funding the acquisition of the lands which I know are necessary through the Land and Water Conservation Fund. We use this in California for many different programs and I know it is important in Florida. Let us see if we cannot preserve the values from both of these things by a proper balance between funding the acquisition of land and a proper allocation of money for fossil energy research which I think is vital to the future of the Nation.

Mr. MICA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first I have to take a moment and compliment Chairman REGULA and his staff. They have done a tremendous job. I sometimes see him as having tremendous responsibility and wisdom in this process and he has been more than fair to me, he has been very fair to the State I represent, Florida, and very fair to the environment. I also would be remiss if I did not thank Secretary Babbitt. I flew up during the Easter recess and met with him. He responded to an environmental concern in Florida. And this Congress has responded to environmental concerns in my State, which is being pressured by environmental problems and concerns.

When we come to Congress, however, we have an important responsibility, and that responsibility is to make choices. This is a tough choice because there are good, worthwhile programs. But I cannot think of anything that we do in the long term for so few dollars that makes such a big difference to what we are going to leave behind. In a few decades, most of us will be history. Some of us will be pushing up daisies and some of us will be someplace else, but the legacy that we leave behind will be determined today by this policy.

When you have a program, and I consider myself a fiscal conservative, and I get up with some folks of a little bit different philosophy, last year I was here with the gentleman from California [Mr. MILLER] and now with the gentleman from California [Mr. FARR], certainly a little bit different philosophy, but we agree that this is a sound investment with our dollars, that we have a surplus in the fund of $12 billion and that we get $900 million in, and this is an investment for the future.

My colleague, Mr. SHAW, from south Florida came up and spoke about what was happening in our State. I grew up in south Florida. I saw what happened in south Florida. I saw the mistakes that were made in south Florida. Today we can see where we developed to the Everglades and now this Congress has to appropriate a quarter of a billion dollars to take back some of that land. In my district, I am in central Florida and the same thing is happening there. We see the mushroom. Since I have been in office for a little over 36 months here, I have 2 new cities, one of 68,000 people, the third largest city in central Florida, in my district. I have another new city. The growth is phenomenal. And I will not get another chance. This is not a program where we are saying buy land and you do not want land out West. This is a program where local governments and State governments in concert with the Federal Government, and the way this darned thing should work, acquire land. We say that for children. I will not be here to enjoy it. We will not have another opportunity. I can tell you the developers are waiting with their plow.

We are asking when you make these decisions, and I know they are tough decisions, I know the chairman is pressed to consider us, consider the legacy, consider these choices, and consider what we are going to leave behind us for this next generation and consider also that we will never get another chance in States like Florida and other areas, and again that this is a voluntary program and that is it a program of cooperation.

I urge my colleagues, whether liberal, conservative, independent, moderate, Republican, Democrat, this is the chance to make a big difference in the environment that our children and grandchildren live in. This is a chance for them to inherit the earth, a part of that earth, and leave it a little bit better than we found it.

I urge Members, I beg Members to consider this amendment to expand the funds in this particular provision offered by the good gentleman from California [Mr. FARR] and let us vote for this and vote for opportunity for the environment for the future.

Mr. PALLONE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Farr amendment as well. I agree with the comments that my colleague on the other side from Florida made. Just looking at the land acquisition funds that have been available through the Land And Water Conservation Fund, particularly for the two programs that New Jersey has most benefited from in the last few years, I am looking at for the U.S. Fish and Wildlife Service for fiscal year 1994 $83 million; and then in 1995 $67 million; in 1996 $37 million; and now proposed, my understanding, for fiscal year 1997 is $30 million. Every year at least since 1994 that amount has been going down.

The same with the National Park Service. Fiscal 1994 $95 million; fiscal 1995 $85 million; fiscal 1996 $49 million; and my understanding for fiscal 1997 proposed $30 million.

The bottom line is that the Federal Government has been less and less able to provide for open space acquisition which is so important, particularly for a State like mine. New Jersey is the most densely populated State in the country. There are many projects out there through the Fish and Wildlife Service, as well as the Park Service or the Forest Service where we would like to see additional acquisition for open space to alleviate, if you will, some of the problems of high density so that people have a place where they can enjoy themselves, have recreational opportunities, whatever.

I think the point here and the point of the Farr amendment is that these opportunities are decreasing because the Federal Government has not been able to provide the funds. Similarly although the States try oftentimes to provide funding, they have, because of budget cuts and because of their own constraints, not been able to make up for the difference.

So I think what the gentleman from California [Mr. FARR] is essentially saying here is that here is our opportunity to take some money from another fund, in this case the fossil energy R&D where to some extent the oil companies which I know have been making windfall profits this year, we have all heard about that, we all know what is going on with the oil companies and they should be able to pay a little more so that we can release more money that can actually be used for open space acquisition. I think it is a very simple amendment, it makes the point clearly, that if we want to reverse the situation and see the Federal Government involved in more land acquisition, more open space acquisition, this is certainly the way to go.

Mr. HANSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. It is interesting, as chairman of the Subcommittee on National Parks, Forests and Lands, to come to this floor and talk to my colleagues. A day does not go by that somebody comes up to me and says, "Mr. Chairman, I have got this great place for a park in my district and it would be great if we could put a bill in for my legacy to buy that." And then another person comes up and he says, "I want to buy up a few more acres of forest here for the Forest Service." Then a third person thinks we ought to exchange something over to BLM. This has been going on for years around here.

In fact, one of the leading members of this committee—who is now deceased—from California used to have the park-a-month club, where they bought park after park. In fact there is a statue to him down around the Presidio where he bought all these parks. I guess some were good, and I do not object to that. I love our parks like you do.

However, we find ourselves in the position, now we turn around, we go to the RALPH REGULA's and the SID YATES' of the world, we say, Fine, now fund them. However the public says, "We don't want to put the money up to fund them." We want all the beauties of the parks and forests but we cannot fund them.

I have sat and chaired meeting after meeting with the GAO, the General Accounting Office. They walk in, what do they say to me? They say that our biggest single problem is we do not have enough money to take care of these areas. We do not have enough men. We do not have enough manpower. We do not have enough time.

We continue to go on buying and buying more and more of these particular pieces of ground. I think that is probably all right if we can afford them. Unfortunately, living within our income really is not in popularity in this particular body.

Chairman YOUNG did an interesting thing. He decided that he would check out how much ground we have bought. He ased the GAO to look into it. Excluding the Alaskan Native Statehood Act, 34 million acres have been added to the Federal land base in the last 30 years, so we now have 650 million acres. Just that 34 million acres is the size of the combined areas of the States of Connecticut, Delaware, Hawaii, Maryland, Massachusetts, New Hampshire, New Jersey, and Vermont.

So we are buying all this new ground but nobody is saying how we are going to take care of it. I agree that the Federal Government may not own all of the land, which is appropriate, but basically what we really ought to do is come up with a way for better changes, for sale of land.

One of the most ridiculous statements that can be made in America is, "I'm going to go buy some ground for the Federal Government" or "I'm going to exchange ground with the Federal Government." Believe me, folks, that does not happen. It is so tied up with rigmarole, jumping through hoops, EIS's and all that type of thing, it never happens.

As a city councilman for 12 years in the little town of Farmington, I tried to make a minor land exchange with the Forest Service. It did not work. As a legislator for 8 years I tried to do it. It did not work. As speaker of the Utah House we tried to do it. They could not find a way to get through the paper of it all. Finally, as a U.S. Congressman, I finally got that through. It took 30 years to get a minor land exchange done with the Forest Service.

So those things do not occur. But I am sympathetic to inholdings, and I think we should be working to take care of it. I think the gentleman from Ohio [Mr. REGULA] has done everything that he possibly can.

Mr. FARR of California. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from California.

Mr. FARR of California. Mr. Chairman, let me point out that the reason people are having such difficulty with this is we do have a surplus here. We are not spending enough money. When the gentleman was a city councilman and mayor, he received money out of the land and water conservation money that came to his city. When he was a State legislator he received money out of the land and water conservation money that came as grants to his State.

What has happened is all that money has dried up because we are not spending it, even though we are taking in $900 million. We are only asking that you spend another $135 million of that $900 million surplus for acquisition, so that those cities and counties and States could benefit from this surplus. That is what this amendment is about.

Mr. HANSEN. Reclaiming my time, when I was a city councilman, a State legislator and speaker of the House, I do not recall getting any of that money, and I was chairman of the executive appropriation committee. It just did not happen.

Let me just say, in my humble opinion, I think what has been worked out here in many, many long hours is the correct way to handle this. I would urge defeat of this amendment. I think they have done a good job on the Appropriations Committee. Let us get on with more important things.

Mr. DEUTSCH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate several of my colleagues from the other side of the aisle speaking in favor of this amendment. I think what is clear is this is a bipartisan amendment. It is not just a Florida amendment. Each of us in Florida can speak to specific acquisitions that need to be taken by this country. We can speak, in fact, in south Florida alone, probably in the billion-dollar range of appropriate lands that should be bought by governmental entities. The State of Florida has taken the lead, local governments have taken the lead, and the Federal Government needs to be a participant in that.

The property is only getting more expensive. If there is any lesson about land acquisition by governmental entities, it is do it now. Do not do it tomorrow. Do not do it in 5 years. Do not do it in 10 years. Do it now. Because the reality is the land is only getting more expensive.

And not just that they are getting more expensive but there is another reason. Each of us is getting a little bit older, our children are getting older and our grandchildren are getting older. What that means is a little less opportunity for us and our children and our grandchildren to enjoy really the treasures of America. That is really what this debate is about, really giving the treasures of America to our children, our grandchildren and ourselves.

As I said, there is a place in every part of America that benefits by this amendment. We have people from New Jersey, people from California, people from literally every State in this country, 435 Members. I hope that when the vote occurs, each of us will remember that and the vote will pass unanimously. I do not expect that to happen but I hope that happens, and I think that is what our constituents expect us to do on final passage of this amendment.

□ 1400

Mr. BEVILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment to cut the fossil energy research and development program. This, of course, is robbing Peter to pay Paul. I am a strong supporter of our National Park System, and I am a strong supporter of the Forest Service, the Bureau of Land Management, the

Fish and Wildlife Service. But I cannot support adding more funding to these programs at the expense of our fossil energy programs.

This proposal in fact would shut down the fossil energy programs. This would be highly counterproductive when we consider that our fossil energy programs are designed to help protect the environment. The research is focused on ways to use energy resources like coal, oil, and natural gas in a more environmentally sound manner. We rely on these energy resources, and it is critical that we find ways to use them in a clean, efficient way. If we shut down the fossil energy programs, we are turning our backs on the development of technology we will need into the 21st century. We are turning our backs on the environment and on our Nation's energy security. We will be turning our backs on partnerships we have formed with industry which is footing at least half the bill on most of these fossil energy projects.

Our Nation cannot afford to fall behind in the development of these new technologies, and we cannot afford to renege on our commitments. I urge my colleagues to defeat these amendments.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN pro tempore (Mr. LAHOOD). The Chair will note the Chair permitted the gentleman from Ohio to address the amendment for a second time without objection.

The gentleman from Ohio [Mr. REGULA] is recognized for a third time for 5 minutes, without objection.

There was no objection.

Mr. REGULA. Mr. Chairman, I rise in opposition to the amendment and want a couple last comments before we vote.

Mr. Chairman, let me just reemphasize that the fossil energy research touches the lives of every American. It means jobs in the future, it means clean air, it means energy security. It is so vitally important to this Nation that we work in a partnership arrangement with the private sector to develop better ways to use our energy.

We consume enormous amounts of energy in this Nation, and if we use it carefully, we will have it for future generations and at the same time we will protect our environment.

We have $100 million in this bill for land acquisition. We have a problem of maintaining and taking care of what we have now, and I think it would be very poor, very unwise public policy to abandon our goals of clean energy, of clean air, of all those things in order to transfer money to the land account and thereby increase the costs down the road of maintaining these land resources.

Mr. Chairman, I strongly urge the Members to vote against this amendment and support the good environmental policies of this Nation.

Mr. SANDERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from California [Mr. FARR].

Mr. FARR of California. Mr. Chairman, this vote is about whether oil companies get more research money or whether your city, county, and State gets more land acquisition money. The gentleman from Ohio pointed out that this vote is essentially the difference between Ohio receiving $830,000 in grants from my amendment or no money. I think that most of the Members here coming to represent their districts have to also think about representing the totality of the districts.

It is not just the Federal forest lands and Federal park lands and BLM lands and fisheries management, but it is also State lands, county lands, and city lands. This amendment allows those communities to get access to funds that have been created by Congress for that purpose, for that purpose alone. It does not delete the funding in the oil and gas research fund. It only takes a third of that money and still leaves in excess of $200 million for research.

So I suggest to Members of this House that if they want to support their communities for their ability to acquire land from willing sellers, then this is the amendment to do it, and I ask for an "aye" vote.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California [Mr. FARR].

The question was taken; and the chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. REGULA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 235, not voting 16, as follows:

[Roll No. 251]

AYES—183

Abercrombie
Ackerman
Andrews
Baesler
Baker (CA)
Baldacci
Barcia
Barrett (WI)
Bass
Becerra
Beilenson
Bereuter
Berman
Bilbray
Bilirakis
Blumenauer
Blute
Boehlert
Bonior
Brown (FL)
Brown (OH)
Camp
Campbell
Canady
Cardin
Castle
Chabot
Clay
Clayton
Clyburn
Coleman
Collins (MI)
Cox
Cummings
Cunningham
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dixon
Ehrlich
Engel
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Goss
Gutierrez
Harman
Hastings (FL)
Hinchey
Horn
Jackson (IL)
Jacobs
Johnson (SD)
Johnston
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klug
LaFalce
LaHood
Lantos
Lazio
Leach
Levin
Lewis (GA)
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Matsui
McCarthy
McCollum
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moran
Nadler
Neal
Obey
Olver
Owens
Pallone
Pastor
Pelosi
Petri
Porter
Rangel
Reed
Richardson
Riggs
Rivers
Ros-Lehtinen
Roukema
Roybal-Allard
Royce
Rush
Salmon
Sanders
Sawyer
Saxton
Scarborough
Schroeder
Seastrand
Serrano
Shadegg
Shaw
Shays
Slaughter
Smith (NJ)
Spratt
Stark
Stearns
Stokes
Studds
Taylor (MS)
Thurman
Torkildsen
Torricelli
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Woolsey
Wynn
Young (FL)
Zimmer

NOES—235

Allard
Archer
Armey
Bachus
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bentsen
Bevill
Bishop
Bliley
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Danner
Davis
de la Garza
Deal
DeLay
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
English
Everett
Fields (LA)
Foglietta
Ford
Frisa
Frost
Funderburk
Gekas
Geren
Gillmor
Goodlatte
Goodling
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kim
King
Kingston
Klink
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lucas
Manzullo
Mascara
McCrery
McHugh
McIntosh
McKeon
Metcalf
Meyers
Moakley
Molinari
Mollohan
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (NJ)
Payne (VA)
Peterson (MN)
Pickett
Pombo

Pomeroy
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Roberts
Roemer
Rogers
Rohrabacher
Rose
Roth
Sabo
Sanford
Schaefer
Schiff
Scott
Sensenbrenner
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Tiahrt
Traficant
Vucanovich
Walker
Wamp
Ward
Watts (OK)
Whitfield
Wicker
Williams
Wise
Wolf
Yates
Young (AK)
Zeliff

NOT VOTING—16

Brownback
Bryant (TX)
Emerson
Fields (TX)
Franks (CT)
Gallegly
Hyde
Lincoln
McDade
Montgomery
Peterson (FL)
Ramstad
Schumer
Tauzin
Torres
Wilson

□ 1427

Mr. KNOLLENBERG, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. MOAKLEY changed their vote from "aye" to "no."

Mr. MINGE, Ms. SLAUGHTER, and Messrs. BARCIA, CHABOT, and YOUNG of Florida, Mrs. MEEK of Florida, Mrs. KELLY, and Messrs. HORN, ROYCE, SHADEGG, WHITE, BILBRAY, and FORBES changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FRANKS of Connecticut. Mr. Speaker, I missed the first three votes yesterday due to my attending my daughter's graduation from preschool. I congratulate Jessica Lynn, and I thank the Bunker Hill Nursery School for doing such an outstanding job.

Had I been present, I would have voted yea on rollcall votes 249 and 250, and I would have voted no on rollcall vote 251.

The CHAIRMAN. Are there other amendments in this portion of the bill?

AMENDMENT NO. 27 OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment and I ask unanimous consent it be considered out of order.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 27 offered by Mr. SANDERS: In the item relating to "BUREAU OF LAND MANAGEMENT—PAYMENTS IN LIEU OF TAXES," after the first dollar amount, insert the following: "(increased by $10,000,000)".

In the item relating to "DEPARTMENT OF ENERGY—FOSSIL ENERGY RESEARCH AND DEVELOPMENT, after the dollar amount, insert the following: "(reduced by $25,000,000)".

□ 1430

The CHAIRMAN pro tempore (Mr. LAHOOD). Is there objection to the gentleman from Vermont offering the amendment?

Mr. MURTHA. Mr. Chairman, I object.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania objects.

Are there further amendments to this portion of the bill?

Mr. DICKS. Mr. Chairman, I ask unanimous consent that the remainder of title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The text of the remainder of title I is as follows:

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; $98,365,000, to remain available until expended: *Provided*, That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land-grant fund and shall be transferred to the General Fund in the Treasury in accordance with the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than $9,113,000, to remain available until expended: *Provided*, That not to exceed $600,000 shall be available for administrative expenses.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under Public Law 94–579, as amended, and Public Law 93–153, to remain available until expended: *Provided*, That notwithstanding any provision to the contrary of section 305(a) of Public Law 94–579 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this Act by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such action are used on the exact lands damaged which led to the action: *Provided further*, That any such moneys that are in excess of amounts needed to repair damage to the exact land for which funds were collected may be used to repair other damaged public lands.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing laws, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $100,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided*, That notwithstanding 44 U.S.C. 501, the Bureau may, under cooperative cost-sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly-produced publications for which the cooperators share the cost of printing either in cash or in services, and the Bureau determines the cooperator is capable of meeting accepted quality standards.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the United States Fish and Wildlife Service; for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge; and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by the Act of August 13, 1970, as amended, $520,519,000, to remain available until September 30, 1998, of which $11,557,000 shall remain available until expended for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976, to compensate for loss of fishery resources from water development projects on the Lower Snake River, and of which $1,000,000 shall be provided to the National Fish and Wildlife Foundation for implementation of the Natural Communities Conservation Plan, and shall be available only to the extent matched by at least an equal amount from the Foundation and shall remain available until expended: *Provided*, That pursuant to 31 U.S.C. 9701, the Secretary shall charge reasonable fees for the full costs of providing training by the National Education and Training Center, to be credited to this account, notwithstanding 31 U.S.C. 3302, of which not to exceed $2,000,000 shall be available for the direct costs of providing such training: *Provided further*, That not to exceed $1,000,000 of the funds provided herein may be used for contaminant sample analysis.

CONSTRUCTION

For construction and acquisition of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of fishery and wildlife resources, and the acquisition of lands and interests therein; $38,298,000, to remain available until expended.

NATURAL RESOURCE DAMAGE ASSESSMENT FUND

To conduct natural resource damage assessment activities by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601, et seq.), Federal Water Pollution Control Act, as amended (33 U.S.C. 1251, et seq.), the Oil Pollution Act of 1990 (Public Law 101-380), and Public Law 101-337; $4,000,000, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, $30,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND

For expenses necessary to carry out the provisions of the Endangered Species Act of 1973 (16 U.S.C. 1531-1543), as amended, $13,085,000, for grants to States, to be derived from the Cooperative Endangered Species Conservation Fund, and to remain available until expended.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $10,779,000.

REWARDS AND OPERATIONS

For expenses necessary to carry out the provisions of the African Elephant Conservation Act (16 U.S.C. 4201-4203, 4211-4213, 4221-4225, 4241-4245, and 1538), $1,000,000, to remain available until expended.

NORTH AMERICAN WETLANDS CONSERVATION FUND

For expenses necessary to carry out the provisions of the North American Wetlands Conservation Act, Public Law 101-233, $7,750,000, to remain available until expended.

RHINOCEROS AND TIGER CONSERVATION FUND

For deposit to the Rhinoceros and Tiger Conservation Fund, $400,000, to remain available until expended, to carry out the Rhinoceros and Tiger Conservation Act of 1994 (Public Law 103-391).

WILDLIFE CONSERVATION AND APPRECIATION FUND

For deposit to the Wildlife Conservation and Appreciation Fund, $800,000, to remain available until expended, for carrying out the Partnerships for Wildlife Act only to the extent such funds are matched as provided in section 7105 of said Act.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 83 passenger motor vehicles of which 73 are for replacement only (including 43 for police-type use); not to exceed $400,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the Service, and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources: *Provided*, That notwithstanding 44 U.S.C. 501, the Service may, under cooperative cost sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly-produced publications for which the cooperators share at least one-half the cost of printing either in cash or services and the Service determines the cooperator is capable of meeting accepted quality standards: *Provided further*, That the Service may accept donated aircraft as replacements for existing aircraft: *Provided further*, That notwithstanding any other provision of law, the Secretary of the Interior may not spend any of the funds appropriated in this Act for the purchase of lands or interests in lands to be used in the establishment of any new unit of the National Wildlife Refuge System unless the purchase is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 103-551.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $1,593,000 for the Volunteers-in-Parks program, and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by 16 U.S.C. 1706, $1,135,139,000, without regard to 16 U.S.C. 451, of which $12,800,000 for research, planning and interagency coordination in support of land acquisition for Everglades restoration shall remain available until expended, and of which not to exceed $72,000,000, to remain available until expended, is to be derived from the special fee account established pursuant to title V, section 5201, of Public Law 100-203.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, international park affairs, statutory or contractual aid for other activities, and grant administration, not otherwise provided for, $36,476,000.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the Historic Preservation Act of 1966, as amended (16 U.S.C. 470), $36,212,000, to be derived from the Historic Preservation Fund, to remain available until September 30, 1998.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities including the modifications authorized by section 104 of the Everglades National Park Protection and Expansion Act of 1989, $119,745,000, to remain available until expended: *Provided*, That funds provided under this head, derived from the Historic Preservation Fund, established by the Historic Preservation Act of 1966, as amended (16 U.S.C. 470), may be available until expended to render sites safe for visitors and for building stabilization.

LAND AND WATER CONSERVATION FUND

(RESCISSION)

The contract authority provided for fiscal year 1997 by 16 U.S.C. 460l-10a is rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of lands or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, $30,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, of which $1,000,000 is to administer the State assistance program: *Provided*, That any funds made available for the purpose of acquisition of the Elwha and Glines dams shall be used solely for acquisition, and shall not be expended until the full purchase amount has been appropriated by the Congress.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 404 passenger motor vehicles, of which 287 shall be for replacement only, including not to exceed 320 for police-type use, 13 buses, and 6 ambulances: *Provided*, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further*, That of the funds provided to the National Park Service in this or any other Act not more than $1,700,000 is to be used for the Office of the Director, not more than $2,000,000 is to be used for the Office of Public Affairs, and not more than $951,000 is to be used for the Office of Congressional Affairs: *Provided further*, That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project.

None of the funds in this Act may be spent by the National Park Service for activities taken in direct response to the United Nations Biodiversity Convention.

The National Park Service may in fiscal year 1997 and thereafter enter into cooperative agreements that involve the transfer of

National Park Service appropriated funds to State, local and tribal governments, other public entities, educational institutions, and private nonprofit organizations for the public purpose of carrying out National Park Service programs pursuant to 31 U.S.C. 6305 to carry out public purposes of National Park Service programs.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the United States Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by 43 U.S.C. 31, 1332 and 1340; classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; and to conduct inquiries into the economic conditions affecting mining and materials processing industries (30 U.S.C. 3, 21a, and 1603; 50 U.S.C. 98g(1)) and related purposes as authorized by law and to publish and disseminate data; $730,163,000, of which $62,130,000 shall be available only for cooperation with States or municipalities for water resources investigations; and of which $137,000,000 shall be available until September 30, 1998 for the biological research activity and the operation of the Cooperative Research Units; and of which $16,000,000 shall remain available until expended for conducting inquiries into the economic conditions affecting mining and materials processing industries: *Provided*, That none of these funds provided for the biological research activity shall be used to conduct new surveys on private property, unless specifically authorized in writing by the property owner: *Provided further*, That beginning in fiscal year 1998 and once every five years thereafter, the National Academy of Sciences shall review and report on the biological research activity of the Survey: *Provided further*, That no part of this appropriation shall be used to pay more than one-half the cost of topographic mapping or water resources data collection and investigations carried on in cooperation with States and municipalities.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the United States Geological Survey shall be available for the purchase of not to exceed 53 passenger motor vehicles, of which 48 are for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Survey duly appointed to represent the United States in the negotiation and administration of interstate compacts: *Provided*, That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in 31 U.S.C. 6302, et seq.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only; $186,555,000, of which not less than $74,063,000 shall be available for royalty management activities; and an amount not to exceed $15,400,000 for the Technical Information Management System and Related Activities of the Outer Continental Shelf (OCS) Lands Activity, to be credited to this appropriation and to remain available until expended, from additions to receipts resulting from increases to rates in effect on August 5, 1993, from rate increases to fee collections for OCS administrative activities performed by the Minerals Management Service over and above the rates in effect on September 30, 1993, and from additional fees for OCS administrative activities established after September 30, 1993: *Provided*, That $1,500,000 for computer acquisitions shall remain available until September 30, 1998: *Provided further*, That funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721 (b) and (d): *Provided further*, That not to exceed $3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine cleanup activities: *Provided further*, That notwithstanding any other provision of law, $15,000 under this head shall be available for refunds of overpayments in connection with certain Indian leases in which the Director of the Minerals Management Service concurred with the claimed refund due, to pay amounts owed to Indian allottees or Tribes, or to correct prior unrecoverable erroneous payments.

OIL SPILL RESEARCH

For necessary expenses to carry out title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, $6,440,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended, including the purchase of not to exceed 10 passenger motor vehicles, for replacement only; $94,272,000, and notwithstanding 31 U.S.C. 3302, an additional amount shall be credited to this account, to remain available until expended, from performance bond forfeitures in fiscal year 1997: *Provided*, That the Secretary of the Interior, pursuant to regulations, may utilize directly or through grants to States, moneys collected in fiscal year 1997 for civil penalties assessed under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: *Provided further*, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended, including the purchase of not more than 10 passenger motor vehicles for replacement only, $175,887,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended; of which $4,000,000 shall be for supplemental grants to States for the reclamation of abandoned sites with acid mine rock drainage from coal mines through the Appalachian Clean Streams Initiative: *Provided*, That grants to minimum program States will be $1,500,000 per State in fiscal year 1997: *Provided further*, That of the funds herein provided up to $18,000,000 may be used for the emergency program authorized by section 410 of Public Law 95–87, as amended, of which no more than 25 per centum shall be used for emergency reclamation projects in any one State and funds for federally-administered emergency reclamation projects under this proviso shall not exceed $11,000,000: *Provided further*, That prior year unobligated funds appropriated for the emergency reclamation program shall not be subject to the 25 per centum limitation per State and may be used without fiscal year limitation for emergency projects: *Provided further*, That pursuant to Public Law 97–365, the Department of the Interior is authorized to use up to 20 per centum from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: *Provided further*, That funds made available to States under title IV of Public Law 95–87 may be used, at their discretion, for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: *Provided further*, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements, compacts, and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, or institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau, including such expenses in field offices; maintaining of Indian reservation roads as defined in 23 U.S.C. 101; and construction, repair, and improvement of Indian housing, $1,381,623,000, of which not to exceed $90,829,000 shall be for payments to tribes and tribal organizations for contract support costs associated with ongoing contracts or grants or compacts entered into with the Bureau prior to fiscal year 1997, as authorized by the Indian Self-Determination Act of 1975, as amended, and up to $5,000,000 shall be for the Indian Self-Determination Fund, which shall be available for the transitional cost of initial or expanded tribal contracts, grants, compacts, or cooperative agreements with the Bureau under such Act; and of which not to exceed $339,709,000 for school operations costs of Bureau-funded schools and other education programs shall become available on July 1, 1997, and shall remain available until September 30, 1998; and of which not to exceed $55,838,000 for higher education scholarships, adult vocational training, and assistance to public schools under 25 U.S.C. 452 et seq., shall remain available until September 30, 1998; and of which not to exceed $55,603,000 shall remain available until expended for housing improvement, road maintenance, attorney fees, litigation support, self-governance grants, the Indian Self-Determination Fund, and the Navajo-Hopi Settlement Program: *Provided*, That tribes and tribal contractors may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants or compact agreements: *Provided further*, That funds made available to tribes and tribal organizations through contracts or grants obligated during fiscal year 1997, as authorized by the Indian Self-Determination Act of 1975, or grants authorized by the Indian Education Amendments of 1988 (25 U.S.C. 2001 and 2008A) shall remain available until expended by the contractor or grantee: *Provided further*, That to provide funding uniformity within a Self-Governance Compact, any funds provided in this Act with availability for more than one year may be reprogrammed to one year availability but shall remain available within the Compact until expended: *Provided further*, That notwithstanding any other provision of law, Indian tribal governments may, by appropriate changes in eligibility criteria or by other means, change eligibility for general assistance or change the amount of general assistance payments for individuals within the service area of such tribe who are otherwise deemed eligible for general assistance payments so long as such changes are applied in a consistent manner to individuals similarly situated: *Provided further*, That any savings realized by such changes shall be available for use in meeting other priorities of the tribes: *Provided further*, That any net increase in costs to the Federal Government which result solely from tribally increased payment levels for general assistance shall be met exclusively from funds available to the tribe from within its tribal priority allocation: *Provided further*, That any forestry funds allocated to a tribe which remain unobligated as of September 30, 1997, may be transferred during fiscal year 1998 to an Indian forest land assistance account established for the benefit of such tribe within the tribe's trust fund account: *Provided further*, That any such unobligated balances not so transferred shall expire on September 30, 1998: *Provided further*, That notwithstanding any other provision of law, no funds available to the Bureau, other than the amounts provided herein for assistance to public schools under 25 U.S.C. 452 et seq., shall be available to support the operation of any elementary or secondary school in the State of Alaska in fiscal year 1997: *Provided further*, That funds made available in this or any other Act for expenditure through September 30, 1998 for schools funded by the Bureau shall be available only to the schools in the Bureau school system as of September 1, 1995: *Provided further*, That no funds available to the Bureau shall be used to support expanded grades for any school beyond the grade structure in place at each school in the Bureau school system as of October 1, 1995: *Provided further*, That in fiscal year 1997 and thereafter, notwithstanding the provisions of 25 U.S.C. 2012(h)(1) (A) and (B), upon the recommendation of either (i) a local school board and school supervisor for an education position in a Bureau of Indian Affairs operated school, or (ii) an Agency school board and education line officer for an Agency education position, the Secretary shall establish adjustments to the rates of basic compensation or annual salary rates established under 25 U.S.C. 2012(h)(1) (A) and (B) for education positions at the school or the Agency, at a level not less than that for comparable positions in the nearest public school district, and the adjustment shall be deemed to be a change to basic pay and shall not be subject to collective bargaining: *Provided further*, That any reduction to rates of basic compensation or annual salary rates below the rates established under 25 U.S.C. 2012(h)(1) (A) and (B) shall apply only to educators appointed after June 30, 1997, and shall not affect the right of an individual employed on June 30, 1997, in an education position, to receive the compensation attached to such position under 25 U.S.C. 2012(h)(1) (A) and (B) so long as the individual remains in the same position at the same school: *Provided further*, That notwithstanding 25 U.S.C. 2012(h)(1)(B), when the rates of basic compensation for teachers and counselors at Bureau-operated schools are established at the rates of basic compensation applicable to comparable positions in overseas schools under the Defense Department Overseas Teachers Pay and Personnel Practices Act, such rates shall become effective with the start of the next academic year following the issuance of the Department of Defense salary schedule and shall not be effected retroactively.

CONSTRUCTION

For construction, major repair, and improvement of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands, and interests in lands; and preparation of lands for farming, and for construction of the Navajo Indian Irrigation Project pursuant to Public Law 87–483, $85,831,000, to remain available until expended: *Provided*, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation: *Provided further*, That not to exceed 6 per centum of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau: *Provided further*, That any funds provided for the Safety of Dams program pursuant to 25 U.S.C. 13 shall be made available on a non-reimbursable basis: *Provided further*, That for fiscal year 1997, in implementing new construction or facilities improvement and repair project grants in excess of $100,000 that are provided to tribally controlled grant schools under Public Law 100–297, as amended, the Secretary of the Interior shall use the Administrative and Audit Requirements and Cost Principles for Assistance Programs contained in 43 CFR part 12 as the regulatory requirements: *Provided further*, That such grants shall not be subject to section 12.61 of 43 CFR; the Secretary and the grantee shall negotiate and determine a schedule of payments for the work to be performed: *Provided further*, That in considering applications, the Secretary shall consider whether the Indian tribe or tribal organization would be deficient in assuring that the construction projects conform to applicable building standards and codes and Federal, tribal, or State health and safety standards as required by 25 U.S.C. 2005(a), with respect to organizational and financial management capabilities: *Provided further*, That if the Secretary declines an application, the Secretary shall follow the requirements contained in 25 U.S.C. 2505(f): *Provided further*, That any disputes between the Secretary and any grantee concerning a grant shall be subject to the disputes provision in 25 U.S.C. 2508(e).

INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS PAYMENTS TO INDIANS

For miscellaneous payments to Indian tribes and individuals and for necessary administrative expenses, $65,241,000, to remain available until expended; of which $56,400,000 shall be available for implementation of enacted Indian land and water claim settlements pursuant to Public Laws 101–618, 102–374, 102–575, and for implementation of other enacted water rights settlements, including not to exceed $8,000,000, which shall be for the Federal share of the Catawba Indian Tribe of South Carolina Claims Settlement, as authorized by section 5(a) of Public Law 103–116; and of which $841,000 shall be available pursuant to Public Laws 98–500, 99–264, and 100–580.

INDIAN GUARANTEED LOAN PROGRAM ACCOUNT

For the cost of guaranteed loans, $4,500,000, as authorized by the Indian Financing Act of 1974, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $34,615,000.

In addition, for administrative expenses to carry out the guaranteed loan programs, $500,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans, the Indian loan guarantee and insurance fund, the Technical Assistance of Indian Enterprises account, the Indian Direct Loan Program account, and the Indian Guaranteed Loan Program account) shall be available for expenses of exhibits, and purchase of not to exceed 229 passenger motor vehicles, of which not to exceed 187 shall be for replacement only.

DEPARTMENTAL OFFICES

INSULAR AFFAIRS

ASSISTANCE TO TERRITORIES

For expenses necessary for assistance to territories under the jurisdiction of the Department of the Interior, $65,088,000, of which (1) $61,239,000 shall be available until expended for technical assistance, including maintenance assistance, disaster assistance, insular management controls, and brown tree snake control and research; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands as authorized by law; grants to the Government of Guam, as authorized by law; and grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94–241; 90 Stat. 272); and (2) $3,849,000 shall be available for salaries and expenses of the Office of Insular Affairs: *Provided*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, may be audited by the General Accounting Office, at its discretion, in accordance with chapter 35 of title 31, United States Code: *Provided further*, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 99–396, or any subsequent legislation related to Commonwealth of the Northern Mariana Islands grant funding: *Provided further*, That of the amounts provided for technical assistance, sufficient funding shall be made available for a grant to the Close Up Foundation: *Provided further*, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance improvement of capital infrastructure in American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia through assessments of long-range operations maintenance needs, improved capability of local operations and maintenance institutions and agencies (including management and vocational education training), and project-specific maintenance (with territorial participation and cost sharing to be determined by the Secretary based on the individual territory's commitment to timely maintenance of its capital assets): *Provided further*, That any appropriation for disaster assistance under this head in this Act or previous appropriations Acts may be used as non-Federal matching funds for the purpose of hazard mitigation grants provided pursuant to section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c).

COMPACT OF FREE ASSOCIATION

For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided for in sections 122, 221, 223, 232, and 233 of the Compacts of Free Association, and for economic assistance and necessary expenses for the Republic of Palau as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, $23,638,000, to remain available until expended, as authorized by Public Law 99–239 and Public Law 99–658.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for management of the Department of the Interior, $53,691,000, of which not to exceed $7,500 may be for official reception and representation expenses.

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, $35,208,000.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General, $24,439,000, together with any funds or property transferred to the Office of Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Assets Forfeiture Fund, that represent an equitable share from the forfeiture of property in investigations in which the Office of Inspector General participated, with such transferred funds to remain available until expended.

NATIONAL INDIAN GAMING COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the National Indian Gaming Commission, pursuant to Public Law 100–497, $1,000,000.

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, $19,126,000, to remain available until expended for trust funds management: *Provided*, That funds made available to tribes and tribal organizations through contracts or grants obligated during fiscal year 1997, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: *Provided further*, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss: *Provided further*, That unobligated balances previously made available (1) to liquidate obligations owed tribal and individual Indian payees of any checks canceled pursuant to section 1003 of the Competitive Equality Banking Act of 1987 (Public Law 100–86; 31 U.S.C. 3334(b)), (2) to restore Individual Indian Monies trust funds, Indian Irrigation Systems, and Indian Power Systems accounts amounts invested in credit unions or defaulted savings and loan associations and which where not Federally insured, including any interest on these amounts that may have been earned, but was not because of the default, and (3) to reimburse Indian trust fund account holders for losses to their respective accounts where the claim for said loss has been reduced to a judgement or settlement agreement approved by the Department of Justice, under the heading "Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians", Bureau of Indian Affairs in fiscal years 1995 and 1996, are hereby transferred to and merged with this appropriation and may only be used for the operation of trust programs, in accordance with this appropriation.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 15 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: *Provided*, That notwithstanding any other provision of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft: *Provided further*, That no programs funded with appropriated funds in "Departmental Management", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, and must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oilspills; response and natural resource damage assessment activities related to actual oilspills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99–198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95–87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further*, That for emergency rehabilitation and wildfire suppression activities, no funds shall be made available under this authority until funds appropriated to "Wildland Fire Management" shall have been exhausted: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, and must be replenished by a supplemental appropriation which must be requested as promptly as possible: *Provided further*, That such replenishment funds shall be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, United States Code: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902 and D.C. Code 4–204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. 107. Appropriations made in this title from the Land and Water Conservation Fund for acquisition of lands and waters, or interests therein, shall be available for transfer, with the approval of the Secretary, between the following accounts: Bureau of Land Management, Land acquisition, United States Fish and Wildlife Service, Land acquisition, and National Park Service, Land acquisition and State assistance. Use of such funds are subject to the reprogramming guidelines of the House and Senate Committees on Appropriations.

SEC. 108. Prior to the transfer of Presidio properties to the Presidio Trust, when authorized, the Secretary may not obligate in any calendar month more than 1/12 of the fiscal year 1997 appropriation for operation of the Presidio: *Provided*, That prior to the transfer of any Presidio property to the Presidio Trust, the Secretary shall transfer such funds as the Trust deems necessary to initiate leasing and other authorized activities of the Trust: *Provided further*, That this section shall expire on September 30, 1997.

SEC. 109. None of the funds appropriated or otherwise made available by this Act may be obligated or expended by the Secretary of the Interior for developing, promulgating, and thereafter implementing a rule concerning rights-of-way under section 2477 of the Revised Statutes.

SEC. 110. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore leasing and related activities placed under restriction in the President's moratorium statement of June 26, 1990, in the areas of Northern, Central, and Southern California; the North Atlantic; Washington and Oregon; and the Eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

SEC. 111. No funds provided in this title may be expended by the Department of the Interior for the conduct of leasing, or the approval or permitting of any drilling or other exploration activity, on lands within the North Aleutian Basin planning area.

SEC. 112. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities in the Eastern Gulf of Mexico for Outer Continental Shelf Lease Sale 151 in the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992–1997.

SEC. 113. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities in the Atlantic for Outer Continental Shelf Lease Sale 164 in the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992–1997.

SEC. 114. There is hereby established in the Treasury a franchise fund pilot, as authorized by section 403 of Public Law 103–356, to be available as provided in such section for costs of capitalizing and operating administrative services as the Secretary determines may be performed more advantageously as central services: *Provided*, That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made prior to the current year for the purpose of providing capital shall be used to capitalize such fund: *Provided further*, That such fund shall be paid in advance from funds available to the Department and other Federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automatic data processing (ADP) software and systems (either acquired or donated) and an amount necessary to maintain a reasonable operating reserve, as determined by the Secretary: *Provided further*, That such fund shall provide services on a competitive basis: *Provided further*, That an amount not to exceed four percent of the total annual income to such fund may be retained in the fund for fiscal year 1997 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment, and for the improvement and implementation of Department financial management, ADP, and other support systems: *Provided further*, That no later than thirty days after the end of each fiscal year amounts in excess of this reserve limitation shall be transferred to the Treasury: *Provided further*, That such franchise fund pilot shall terminate pursuant to section 403(f) of Public Law 103–356.

SEC. 115. None of the funds in this Act or any other Act may be used by the Secretary for the redesign of Pennsylvania Avenue in front of the White House without the advance approval of the House and Senate Committees on Appropriations.

SEC. 116. None of the funds made available in this Act may be used by the Department of the Interior to continue or enforce the designation of any critical habitat for the marbled murrelet on private property in the State of California, excluding approximately 3,000 acres of redwood forest commonly known as the "Headwaters Grove", located in Humboldt County, California.

SEC. 117. None of the funds made available in this Act may be used by the Bureau of Indian Affairs to transfer any land into trust under section 5 of the Indian Reorganization Act, 48 Stat. 985, 25 USC s. 465, or any other federal statute that does not explicitly denominate and identify a specific tribe or specific property, unless it has been made known to the Secretary of Interior, or his or her designee, that a binding agreement is in place between the tribe that will have jurisdiction over the land to be taken into trust and the appropriate state and local official(s) and that such agreement provides, for as long as the land is held in trust, for the collection and payment, by any retail establishment located on the land to be taken into trust, of State and local sales and excise taxes, including any special tax on motor fuel, tobacco, or alcohol, on any retail item sold to any non-member of the tribe for which the land is held in trust.

POINT OF ORDER

Mr. YATES. Mr. Chairman, I have a point of order.

The CHAIRMAN pro tempore. The gentleman from Illinois will state his point of order.

Mr. YATES. Mr. Chairman, on page 47 of the bill, section 117, I make the point of order that it is legislation on an appropriations bill. It is written in the form of a limitation, but, nevertheless, it requires additional duties on the Secretary of the Interior and, therefore, it is subject to a point of order.

The CHAIRMAN pro tempore. Does anyone else wish to be heard on the point of order? If not, the Chair is prepared to rule.

The language in section 117 of the bill would, among other things, authorize the Secretary of the Interior to designate another person to fulfill a specific role. As such, section 117 includes legislation. The point of order is sustained. Section 117 is stricken from the bill.

Are there any amendments to the remaining portion of title I?

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WALKER: In the item relating to "NATIONAL PARK SERVICE—OPERATION OF THE NATIONAL PARK SYSTEM", after the third dollar amount, insert the following: "(increased by $62,000,000)".

In the item relating to "BUREAU OF INDIAN AFFAIRS—OPERATION OF INDIAN PROGRAMS"—

(1) after the first dollar amount insert the following: "(increased by $27,534,000)"; and

(2) after the fourth dollar amount, insert the following: "(increased by $27,534,000)"; and

In the item relating to "DEPARTMENT OF ENERGY—FOSSIL ENERGY RESEARCH AND DEVELOPMENT", after the dollar amount, insert the following: "(reduced by $137,804,000)".

Mr. REGULA. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 20 minutes, to be equally divided between the two sides.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania [Mr. WALKER] will be recognized for 10 minutes and a Member in opposition will be recognized for 10 minutes.

Mr. REGULA. Mr. Chairman, I claim the 10 minutes in opposition.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania [Mr. WALKER] will be recognized for 10 minutes, and the gentleman from Ohio [Mr.

REGULA] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, we have had an extensive debate about the fossil energy program that just preceded this and the questions that arise about exactly how we are spending that money. Let me enter one more point into that debate. When this House passed an authorization bill last year, we funded these programs at $221 million. This particular appropriations bill is at a figure $138 million above what this House authorized last year.

At the time that that authorization took place, there was, in fact, a vote on the floor. The gentleman from Pennsylvania [Mr. DOYLE] sought to do what the gentleman from Ohio [Mr. REGULA] proposes, and that is to have only a 10-percent cut rather than the cut that the committee proposed. Instead, the House voted by a rather large margin to stick with the committee's position in terms of the authorization.

What I am here today doing is defending that authorization, to say that we ought to put the appropriations in this bill, the spending in this bill that equals where we are on the authorization amount.

Now, what we do in this amendment is, we then transfer some of the money into some other accounts. For example, one of the things we do is we put some money into the National Park Service for operations and for maintenance; $62 million of the money saved here would go for 369 Park Service units in 49 States and the District of Columbia. This is an increase of $23.8 million above the administration's request that will help begin addressing the backlog of serious maintenance needs in the national parks.

Second, the money goes for education. $27.5 million will be used for an increase to forward-fund Native school operations to fund the administration's request to provide quality education for more than 51,000 Native Americans.

Third, this amendment addresses the issue of deficit reduction. Nearly $48 million in budget authority will be reduced under this amendment. In short, this amendment is proenvironment, pronational parks, proeducation, prodeficit reduction, probasic research, and anticorporate welfare.

I urge the adoption of this amendment for that reason. I think it is time that we start taking money out of accounts which are essentially industrial subsidies and put them into the things which are high priorities for this country. That is what this does; it takes money out of industry subsidy programs and puts the money into national parks, into Indian education, and into deficit reduction.

I urge my colleagues to adopt the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I thank the Chairman and I rise in strong opposition to the amendment. While I do not have anything against the programs it seeks to plus up, I once again believe we should not do this at the expense of fossil energy.

This amendment has almost a fictional quality about it. Here we have the vice chairman of the Committee on the Budget, who has never been a proponent of big government, seeking to fund social programs at levels above the President's request. I welcome the sudden concern of my colleague from Pennsylvania, Mr. WALKER, in the last months in Congress for programs he seeks to increase funding for, especially since he has never been a vocal advocate for them in the past. However, I doubt his true motivation lies with the programs he is increasing. Rather, it lies with the program he seeks to cut, fossil energy.

I want to praise the gentleman from Pennsylvania [Mr. WALKER] for the clever approach. He may succeed in getting his amendment passed, although I hope who voted against the Farr amendment will remember the Walker amendment is just about identical, and we should defeat it also.

I have here a letter from Public Citizens Critical Mass Energy Project in support of the Walker amendment, and I quote, "Coal and oil are extremely dirty energy sources and are significant sources of air and water pollution."

Mr. Chairman, I could not state a better argument for fossil energy R&D than this. This statement makes it sound as if fossil research was trying to find more ways to make it harmful to use these fuels when that is the very purpose of these programs, to find more efficient ways and cleaner ways to burn fossil fuel.

Let us look at why the gentleman from Pennsylvania [Mr. WALKER] claims we should cut fossil to roughly $221 million. He said the Committee on Science did not act on these accounts in fiscal year 1997 because he knew he did not have the votes in committee to defend his vision of energy policy. When we debated H.R. 3322, the science authorization, the committee chair claimed we handled the energy accounts on the floor last year. He refers us back to H.R. 2405, which passed the House last October without prior notice, and let me quote from that debate.

The gentleman from Pennsylvania [Mr. WALKER] said, "I never contended I brought this matter before the committee. I brought it to the floor as my own amendment."

The Committee on Science never agreed to the authorization levels.

Mr. Chairman, I would ask all Members to do what they did with the Farr amendment, and let us soundly defeat this amendment.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I thank my colleague, the chairman of the Committee on Science, the gentleman from Pennsylvania, for the time.

I listened with great interest to the arguments of my good friend and colleague on the other side of the aisle from Pennsylvania, Mr. DOYLE. With all due respect, I think that what we should focus on today is not the notion of personalities but the notion of public policy. And while I have the utmost respect for the Herculean efforts brought to the formulation of this bill by the chairman of the Subcommittee on Appropriations, my good friend and colleague, Mr. REGULA of Ohio, I see the Walker amendment as providing a common sense approach to some badly needed funds in some areas of great concern.

First and foremost, as the representative of the Sixth District of Arizona, I am acutely aware of the solemn and oft-regarded sacred nature of our treaty and trust obligation with native Americans. I believe this amendment works to address those problems by raising the forward-funded tribal education by $27.5 million.

Also, in the Grand Canyon State of Arizona, where some of nature's greatest treasures exist, I am mindful of the need to deal with the real wear and tear on some of our national parks. And, yes, if the truth be told, I do have my share of problems with the Park Service in terms of funds and some questions about how those funds have been used, but no one can dispute the fact that this type of maintenance is needed.

Moreover, to the notion of dealing with our deficit, the Walker amendment eliminates spending by $48 million. So, it rightly does what we come to this Chamber to do, to determine the proper priorities, to deal not in personalities but in policy, and to realistically face the future.

For that reason, Mr. Chairman, I stand in strong support of the Walker amendment and would urge my colleagues here in this House to join me in that support.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in strong opposition to the Walker amendment. Let me give my colleagues one example of the productivity of these research dollars.

Just as NIH research has been critical to the great strength of the American medical products sector, so R&D dollars have been critical to the development of clean energy alternatives.

Fuel cell technology. It has taken more than a decade of time to develop this technology. The private sector has invested $3 for every $1 the public sector has invested and the result is a very clean energy technology that is going to demand, as we get into production, iron-making, and especially steel manufacturing, electrical systems, heat exchanger and boiler manufacture, piping vessels, piping vessel capability, primary industries that are essential to keep our economy strong.

Secondary industries, plating, transportation of scrap, recycling of scrap metals, handling equipment and so on and so forth. It is just the kind of product that America's future depends on if we are going to be a strong manufacturing economy, capable of producing state-of-the-art energy sources.

I rise in strong opposition to the Walker amendment.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. LARGENT].

Mr. LARGENT. Mr. Chairman, I rise in strong opposition to the Walker amendment that seeks to reduce fossil energy accounts by over $130 million in order to bump up the National Park Service's and native American accounts.

I would point to the illustrations we have brought here from the Committee on Appropriations Interior Subcommittee that shows already we are increasing national park operations by $55 million and the native American is also increased about $52 million. So we are increasing these programs in this budget in this appropriations bill already.

But I would also point out, one of the previous speakers came up and spoke about establishing national priorities, and that is exactly why this amendment goes in the wrong direction when we consider the fact that 85 percent of the energy requirements that we have in this country today are met through fossil fuel energy. Eighty-five percent.

Also consider the fact that today we import 58 percent of the oil from overseas.

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This, Mr. Chairman, is a national priority. What were to happen if 58 percent of the fuel oil that we were importing from overseas was cut off and now we are in a national crisis? Say we are in a conflict somewhere around the world. How are we going to meet that 58 percent of oil that we were importing that has been cut off because of some national crisis? How are we going to meet those fuel requirements? The energy fossil energy research and development is absolutely essential.

This has been portrayed as corporate welfare. This is not corporate welfare. When we think about energy, fossil energy research and development, we might think of the Texaco's and Mobil's or Shell's. But 80 percent of the wells that are in this country today, domestic production in this country, are produced from wells that produce less than two barrels of oil per day. That is the marginal well, the stripper well, the producer, the mom and pop operation, the rancher, the farmer. That is the people that benefit through the fossil fuel energy research and development.

This is a bill that goes in the wrong direction. I urge my colleagues to vote "no" on the Walker amendment.

Mr. WALKER. Mr. Chairman, I reserve the balance of my time.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Chairman, I rise to oppose this with a number of other members of the Committee on Science on this side of the aisle and the gentleman from New York [Mr. BOEHLERT], the gentleman from Tennessee [Mr. WAMP], and the gentleman from Oklahoma [Mr. LARGENT], who we have just heard and others. We rise to oppose the Walker amendment.

I think the situation has changed from last year. First of all, when we take a look last year, we made a commitment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, the gentleman from New York [Mr. BOEHLERT] is a supporter of this amendment. I just want to correct the gentleman.

Mr. DAVIS. I stand corrected on that, Mr. Chairman. But I know that the gentleman from Tennessee [Mr. WAMP] and I, could reach no contemporary consensus this year on the authorization. We are dealing with last year's, last year's amendment which was offered on the floor. Last year we made a commitment to reduce R&D funding in both fossil and energy efficiency by 10 percent. That commitment is more than met in the bill before us this year which is a 14-percent cut.

This amendment would amount to a 47-percent cut from last year's level. It would literally wreak havoc on what is currently a planned and sensible downsizing of the government R&D part of this. Funding for fossil energy has been declining from $442 million in fiscal year 1995 to $359 million in fiscal year 1997 under the committee bill, a 23-percent decline in 2 years.

More than 92 percent of global manmade carbon emissions are released from outside the United States. Higher efficiency technologies, I believe, will help lower CO_2 emissions by more than 40 percent compared to existing options while reducing energy costs providing exportable technologies. I do not think we want to move backward on this, which is where this amendment takes us with reduced funding for R&D. The private sector R&D funding, including the Electric Power Institute and the Gas Research Institute, is declining at the same time.

Private sector spending on R&D in this area has dropped nearly 30 percent since 1982. Energy demand in the United States is going to continue to grow. EIA predicts that overall energy consumption will increase 19 percent over the next two decades. It does not make sense to cut funding for R&D in this area.

Contribution to fossil fuels to our energy mix will not decline when this increase occurs. In fact in my judgment, it is going to continue to grow. EIA projects that by the year 2015, 88 percent of our energy will come from fossil fuels. I urge defeat of this amendment.

Mr. REGULA. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. HOLDEN].

Mr. HOLDEN. Mr. Chairman, I say to my colleagues, we are far too dependent in this country on foreign oil. What we need to be doing is investing in our own natural resources. I represent the anthracite coal fields of Pennsylvania. We have between 300 and 500 years of coal reserves left. We should be spending our Federal dollars investing in alternative uses of anthracite coal and not be so dependent on foreign oil. Scientists already are able to convert anthracite coal into diesel fuel. We are not able to do that cost efficiently yet.

We need to invest in our own natural resources. Anthracite coal is a prime example where I believe this Congress should be spending money. Anthracite coal is low in sulfur, and high in Btu, and meets all of EPA's requirements as far as emissions go. So I say to my colleagues, defeat this amendment. Let us invest in our own natural resources.

Mr. WALKER. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Mr. Chairman, I thank the gentleman and I appreciate the debate. Let me just clarify a couple of points of, first of all, some Members who have come before us and make us think that there is going to be no money left for fossil energy research if we adopt this amendment. Wrong. There is going to be $221 million left for fossil energy research, even if we adopt this amendment. That is a quarter-of-a-billion dollars that will be available for fossil energy research.

So no doubt about it, there is going to be money there to do that. The question is whether or not we need the additional $138 million above what the House authorized last year. That is another point. We have heard several Members come to the floor and say, the Committee on Science did not do it. The House did it. Ultimately, the

House is the place where we make these decisions. The House passed authorization last year for fiscal year 1997, is that the figure that would be in place should my amendment pass.

So this keeps with the authorization, which in fact in the committee report last year the committee said that they would go with whatever the House passed in terms of an authorization. Yes, they also put language in that said they would only take a 10-percent cut so there is enough confusion in there, I guess, to make anybody's points. But the fact is, their report said that they would stick with the House-passed authorization. The House-passed authorization is what is in my amendment.

Third, I think it ought to be remembered by everybody who came out here and argued a few days ago on the floor about the bump in this year's funding, the fact that the deficit is going up a little bit this year. When we were arguing the budget just a week ago, lots of Members worried about the bump.

Here is your chance to begin doing some deficit reduction and taking care of the bump. Here we are, we have got $48 million in deficit reduction here. We get a chance to begin voting to reduce spending below what the budget says, so that what we can do is begin to deal with some of these factors. This helps us on the bump.

Fourth, I would suggest to my colleagues that a chart that has been floating around here, talking about the impact of reductions in fossil energy R&D by State, actually when we add up the figures on the chart, adds up to more money that they claim is coming out of the States that is in my amendment. So we have to be real careful about some of the figures flying around here. They actually have millions of dollars more that is coming out of the States, when we add them all up, than what is included in my amendment. Be very careful of some of the documentation.

Also I would suggest that in terms of environment, the League of Conservation Voters has said that this is the right direction to go, they are for this amendment. And they point out, for example, that this is an amendment that does, in fact, meet the needs of reducing fossil energy research to the right levels at the same time funding the parks.

Public Citizen, also an environmental organization, has written saying, fossil energy programs have received over $15 billion in 1995 dollars in Federal funding since 1974. The fossil energy industry is prosperous and mature. It is not deserving of a continuing large share of taxpayer support. The money that would be cut in this amendment can better be used for national parks, Indian education, and deficit reduction.

That is exactly the point. That is what we are doing with this amendment. We get a chance to increase the funding for the national parks. We get a chance to increase funding for the Indian schools, and we also get a deficit reduction.

I might make one final point; that is, that this amendment actually brings the bill somewhat closer to the administration's recommendations. When you look at the statement that the administration has given with regard to whether that the administration has given with regard to whether they veto the bill, a number of the areas in that particular message is in fact addressed by this amendment. They were concerned about the amount of money for Indian education. They were concerned about some of the moneys that were in their request for national parks that are not reflected in this particular appropriation. So this does in fact get us somewhat closer to where the administration would be on this bill and maybe avoids a veto on some of these issues as a result of the adoption of the amendment.

I would urge my colleagues to adopt the amendment. It is prodeficit reduction. It is pro-environment. It is pro-national parks. It is pro-Native Americans. And it is anti-industrial subsidy. It is a good amendment. I urge its adoption.

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I rise in opposition to this amendment.

I rise in strong opposition to the Walker amendment to reduce funding for fossil energy research and development and transfer these funds to the National Park System, Indian programs, and the budget deficit.

I wish that I did not have to stand here today in opposition to an amendment that would increase funds for our national parks. Unlike my colleagues on the other side of aisle, I have a history of supporting our parks. The 360 or so units of the National Park System are among the Nation's most precious natural areas, cultural resources, and recreation sites. These parks belong to the people, not just today, but in perpetuity. The Republican cuts to the National Park Service have greatly undermined our parks.

In fiscal year 1996 House Republicans thought it sufficient to provide a budget for the Park Service that would be $69 million less than the President's request. And this year they apparently believe that $1.13 billion, $290 million less than the President's request, is sufficient to sustain our Park System. Perhaps Republicans now realize that their cuts have gone too far, and they are trying to compensate by attacking an important program like fossil energy R&D. A program which stands for the development of clean, efficient, low-cost fossil energy technologies. I say: raise funds for the park service—just don't take it out of fossil energy R&D.

The Walker amendment effectively eliminates the Federal-private sector partnerships that are within 2 to 3 years of reaching their objectives—after 20 years and hundreds of millions of dollars of joint Government and industry investment. This bill will cause scores of private companies, who signed on with the Federal Government to cost-share high-risk, high-payoff research, to see the Government renege on its agreements. In all likelihood these companies will either abandon their research or look for foreign interests to pick up the cost-share.

It is particularly ironic that the Walker amendment comes at this point in time. Throughout the world, our economic competitors are expanding their government-industry partnerships, modeling their R&D arrangements after the public-private cooperative efforts which were pioneered here in the United States. In spite of a flat economy, Japan has nearly tripled its funding over the past 5 years for advanced coal combustion technology—the technology most in demand in the growing global marketplace. In fact, the governments of Germany and Japan are increasing their cooperative efforts with their private industries to develop technologies for global sale. Why? Because a $1 trillion market for advanced coal and other power-generating equipment awaits them in the 21st century. The Walker amendment would unilaterally put U.S. developers at a distinct disadvantage against the combined arsenals of other governments.

It is also ironic that the Walker amendment comes at a time when an unprecedented restructuring of our domestic energy market has caused private industry's investment in energy R&D to drop by 35 percent since the mid-1980's.

The U.S. energy industry involves more than $500 billion a year in sales and about 8 percent of our gross national product. Some 85 percent of our energy consumption comes from fossil fuels—coal, petroleum, and natural gas. With this kind of impact on our economy, the development of clean, efficient, low-cost fossil energy technologies should be one of the Nation's—and this Congress'—top priorities.

The Walker amendment turns its back on the future of technologies that supply 85 percent of the energy in this country. It turns its back on technologies that are within 2 to 3 years of crossing over the threshold to private sector deployment. It turns its back on today's energy industry where U.S. private sector investment in R&D is already declining. The Walker amendment turns its back on hundreds of millions of dollars in public and private investment—provided in good faith—to develop clean, efficient, low-cost technologies that can be used here at home and can be marketed to customers overseas.

I strongly oppose the Walker amendment to cut funding for fossil energy R&D by $137.8 million in the fiscal year 97 Interior appropriations bill. I urge my colleagues to vote "no" on the Walker amendment.

Mr. REGULA. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, just let us get the facts straight here. I have a letter addressed to the chairman of the Committee on Appropriations dated May 7, 1996. It points out that the Davis amendment in the authorization bill, and I quote: "the Davis amendment clarifies that authorization for these programs should be reconsidered if in the budget and appropriations process more funds become available."

Now more funds have become available. So that what we have just heard about what passed this House last year is not relevant in view of the fact that we now have more money available.

Second, I would like to point out a quote from the administration letter which says, "a cut of this magnitude would effectively eliminate the Department of Energy's fossil energy R&D programs and limit our Nation's ability to manage its energy future." It goes on to say that "fossil energy consumption will continue to supply 85 percent or more of the total energy consumption in the United States for well into the next century."

What we are talking about is the energy future of this Nation. We are talking about energy independence, as was pointed out by a previous speaker.

We now import nearly 50 percent of our energy needs in terms of petroleum. That is a fragile position to be in. The world is volatile. What happens to our industries? I can remember in the last 1970's that I had companies that manufactured plastics come to me and want a few barrels of petroleum products because some other things come out of a barrel of oil. Probably, some of the fabric in this suit has an oil-based derivative. So it is important that we have energy security.

Second, it is important that we develop the ability to use our energy, coal, oil and gas, without impacting on our clean air, without impacting on our environment. What this vote is all about is to protect our environment, to move to more ability to maintain clean air.

What it is about is energy security. What it is about is jobs, bottom line is jobs, because in this Nation, we are heavily dependent on energy in every facet of our life, of our industrial community, of our domestic community. Households today use far more electricity than they did in the past. We drive many more miles than we did in past years.

Therefore, it becomes vitally important that we protect our energy resources, that we use them wisely, because they are finite, that we use coal, because it is a tremendous energy resource in this Nation. If we do what is embodied in this amendment, we cripple our fossil energy program.

Let me point out, because this amendment transfers to parks and native Americans, we have increased park operations $55 million. We have increased native American programs $52 million. The committee in its wisdom reduced the fossil energy budget by 14 percent from 1996, a total of 23 percent from 1995. It is going down. To pass this amendment totally upsets this balance that we have achieved between the needs of our society for energy versus some of these programs. Obviously they are put in there to sound attractive to Members, to save more parks, more native Americans.

Let me just reiterate, energy is vital to every person in this Nation. It is vital to our future. We want to be independent. We want clean air. We want jobs.

☐ 1500

Mr. Chairman, a vote "no" is for those things, a vote "no" is for jobs, clean air and for energy independence.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the distinguished gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I join the distinguished chairman of the committee, the gentleman from Ohio [Mr. REGULA], in opposing this amendment. I agree completely with the arguments that he has advanced. This amendment would really disrupt our energy programs tremendously.

Mr. REGULA. Mr. Chairman, I thank the gentleman from Illinois.

One last comment: If you voted "no" on the last amendment, this one is worse. The last amendment slashed the fossil program $134 million after we already took out $60 million. This amendment slashes it $137 million, three more million dollars after we have taken out $60 million. So if you were a "no" on Farr, you are an even more emphatic "no" on Walker.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 224, not voting 14, as follows:

[Roll No. 252]

AYES—196

Allard
Andrews
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Beilenson
Bereuter
Berman
Bilbray
Blumenauer
Blute
Boehlert
Bonior
Brown (OH)
Burr
Burton
Buyer
Camp
Campbell
Cardin
Castle
Chabot
Christensen
Chrysler
Clay
Coble
Coburn
Coleman
Collins (GA)
Cooley
Cox
Crane
Cummings
Cunningham
Danner
Deal
DeFazio
Dellums
Dingell
Dornan
Duncan
Dunn
Ehlers
Ehrlich
Ensign
Eshoo
Evans
Ewing
Fawell
Filner
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Furse
Ganske
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gonzalez
Goodling
Gordon
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hancock
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hilleary
Hinchey
Hoekstra
Horn
Hostettler
Hyde
Inglis
Jackson (IL)
Jacobs
Johnson (SD)
Johnston
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kim
Kingston
Kleczka
Klug
LaFalce
LaHood
Lantos
Latham
Lazio
Leach
Levin
Linder
LoBiondo
Lofgren
Longley
Lowey
Luther
Manton
Manzullo
Markey
Martinez
Martini
McCarthy
McCollum
McDermott
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Metcalf
Mica
Miller (CA)
Minge
Mink
Montgomery
Myrick
Nethercutt
Neumann
Norwood
Nussle
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Pelosi
Peterson (MN)
Petri
Porter
Quinn
Reed
Richardson
Riggs
Rivers
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Saxton
Scarborough
Seastrand
Sensenbrenner
Serrano
Shadegg
Shays
Smith (MI)
Smith (NJ)
Smith (WA)
Stark
Stearns
Studds
Stump
Talent
Tate
Tejeda
Thurman
Torkildsen
Torricelli
Upton
Vento
Walker
Walsh
Waters
Waxman
Weldon (FL)
Weldon (PA)
White
Woolsey
Young (AK)
Zimmer

NOES—224

Abercrombie
Ackerman
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barton
Bateman
Becerra
Bentsen
Bevill
Bilirakis
Bishop
Bliley
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Callahan
Calvert
Canady
Chambliss
Chapman
Chenoweth
Clayton
Clement
Clinger
Clyburn
Collins (IL)
Collins (MI)
Combest
Condit
Costello
Coyne
Cramer
Crapo
Cremeans
Cubin
Davis
de la Garza
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Durbin
Edwards
Engel
English
Everett
Farr
Fattah
Fazio
Flake
Foglietta
Ford
Franks (CT)
Frisa
Frost
Funderburk
Geren
Gibbons
Gilman
Goodlatte
Goss
Graham
Green (TX)
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hayes
Hefner
Heineman
Herger
Hilliard
Hobson
Hoke
Holden
Houghton
Hoyer
Hunter
Hutchinson
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kennelly
King
Klink
Knollenberg
Kolbe
Largent
LaTourette
Laughlin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lipinski
Livingston
Lucas
Maloney
Mascara
Matsui
McCrery
McHale
McIntosh
Menendez
Meyers
Millender-McDonald
Miller (FL)
Moakley
Molinari
Mollohan
Moorhead
Moran
Morella
Murtha
Myers

Nadler
Neal
Ney
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Pickett
Pombo
Pomeroy
Portman
Poshard
Pryce
Quillen
Radanovich
Rahall
Rangel
Regula
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Sawyer
Schaefer
Schiff
Schroeder
Scott
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (TX)
Solomon
Souder
Spence
Spratt
Stenholm
Stockman
Stokes
Stupak
Tanner
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thornton
Tiahrt
Torres
Towns
Traficant
Velazquez
Visclosky
Volkmer
Vucanovich
Wamp
Ward
Watt (NC)
Watts (OK)
Weller
Whitfield
Wicker
Williams
Wise
Wolf
Wynn
Yates
Young (FL)
Zeliff

NOT VOTING—14

Brownback
Conyers
Emerson
Fields (LA)
Fields (TX)
Gallegly
Lincoln
McDade
Payne (NJ)
Peterson (FL)
Ramstad
Schumer
Tauzin
Wilson

□ 1520

Mr. HUTCHINSON, Mr. HEINEMAN, Mrs. CLAYTON, Mr. WELLER, and Mr. ARCHER changed their vote from "aye" to "no."

Mrs. MEEK of Florida, Messrs. COBURN, WAXMAN, and COOLEY, Ms. MCKINNEY, Messrs. LATHAM, VENTO, RUSH, and CHRISTENSEN, Mrs. ROUKEMA, and Mr. MCKEON changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. COLLINS of Illinois. Mr. Chairman, on rollcall No. 252 I had intended to vote "aye," but I inadvertently voted "no." I would like for the RECORD to reflect that I would have voted "aye" on rollcall No. 252.

PERSONAL EXPLANATION

Mr. SCHUMER. Mr. Speaker, I was unavoidably detained and unable to make votes 249, 250, 251, and 252. Had I been present, I would have voted "yes" on all four.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 3662, the fiscal year 1997 Interior appropriations bill. I commend the chairman, the gentleman from Ohio [Mr. REGULA], and the ranking member, the gentleman from Illinois [Mr. YATES], for their diligent efforts that produce a bill that properly protects our environment and meets the needs of the shrinking Federal budget.

As the subcommittee chairman, the gentleman from Ohio [Mr. REGULA] is aware, I have long supported the need for Federal funding for the acquisition of Sterling Forest which lies between New York State and the State of New Jersey. Similarly, I know that the gentleman from Ohio also supports what I and my colleagues from New York and New Jersey are trying to do with regard to Sterling Forest, which is located in my congressional district in the State of New York. I am gratified that the House today will be offered an opportunity to vote for the funding for this important endeavor.

Mr. Chairman, permit me to note that Speaker GINGRICH and the Speaker's environmental task force are fully supportive of the need to preserve Sterling Forest. I look forward to working with the gentleman from Ohio, Mr. REGULA, during the fiscal year 1998 process, as well as Speaker GINGRICH, to put an end to this long, hard-fought battle to preserve Sterling Forest. By doing so, we will protect the Appalachian Corridor, protect the new Jersey watershed, consolidate contiguous public lands, and preserve its ecological integrity.

Accordingly, Mr. Chairman, I urge my colleagues to support this fair-minded bill that not only supports our environment but continues our congressional efforts to balance the Federal budget.

AMENDMENT OFFERED BY MR. DICKS

Mr. DICKS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. DICKS: On page 47 of the bill, strike lines 3 through 9.

Mr. DICKS. Mr. Chairman, I rise to offer an amendment to H.R. 3662, the fiscal year 1997 Interior appropriations bill. Specifically, my amendment strikes section 116 of the general provisions of title I of the bill, eliminating language that withholds funding and restricts the U.S. Fish and Wildlife Service from designating critical habitat on certain private lands in northern California.

I believe that section 116 is an ill-advised provision for several reasons, and that it is inappropriate to include this language on the fiscal year 1997 Interior appropriations bill. First of all, the provision allows for the weakening of the Endangered Species Act [ESA]. The gentleman from California, who is responsible for this provision being included in the bill might want you to believe that all this amendment does is withhold funding; but in fact it prevents the U.S. Fish and Wildlife Service from carrying out its statutory and regulatory responsibilities under the Endangered Species Act.

The act allows for the Service to designate critical habitat for species listed as "threatened or endangered." Section 4(b)(2) of the Endangered Species Act specifically states:

> The Secretary shall designate critical habitat, and make revisions thereto, under subsection (a)(3) on the basis of the best science available and after taking into consideration the economic impact, and any other relevant impact, specifying any particular areas as critical habitat. The Secretary may exclude any area from critical habitat if he determines that the benefits of such exclusion outweigh the benefits of specifying such area as part of the critical habitat, unless he determines, based on the best scientific and commercial data available, that the failure to designate such area as critical habitat will result in the extinction of the species concerned.

Critical habitat designation is the one area of the Endangered Species Act where economic impacts are clearly considered, and I believe that is what fully occurred in this circumstance.

Mr. Chairman, I want to say to my colleagues, there are three major reasons why I am opposed to the Riggs amendment. First of all, Mr. Chairman, I believe that we should be supporting the Endangered Species Act, not undermining it. Critical habitat, when we designate it on private land, all it does is require one on private lands to come in, if you are going to take a bird or a species, in this case the marbled murrelet, and get an incidental take permit.

The way to do that is by filing a habitat conservation plan. That is how you get out of jail. You do not get out of jail by coming to the U.S. Congress and offering an amendment that makes it possible for you, while everybody else is complying with this law, to get a special deal. That is what I object to here.

Second, the marbled murrelet in northern California had declined in population from 60,000 down to about 6,000. The reason it has declined is because its habitat, old growth redwood trees, have been cut down in that area in a very significant way.

Third, as I mentioned, there is a way to get out of the Endangered Species Act, and that is to enter into a multispecies HCP. In this case, Pacific Lumber, who has most of the territory here, about 40,000 acres, did not negotiate in good faith with the Fish and Wildlife Service to get a multispecies HCP. Up in my State of Washington, I sat down with Murray Pacific, Weyerhauser, Plum Creek, and the major companies in my area. I said, "Gentleman, you are going to have to work with the Fish and Wildlife Service. You are going to have to get an HCP." Those companies are up there negotiating these HCP's. They get 100 years of certainty, they get to go into their land and do the harvesting; yet, they have to make some set-asides for conservation purposes, be it is the right thing to do. It is a win-win.

What am I going to do if the Riggs amendment is enacted? Then all these companies are going to come to me and say, NORM, why do you not offer an amendment to take me out from underneath the Endangered Species Act?

This is something we have never done. I just think it would be a tragic mistake in this instance to do it. That is why I am offering this amendment to strike the Riggs amendment, and I urge my colleagues to support this amendment.

Mr. RIGGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me put this debate in perspective, because we have now heard from the gentleman from Washington [Mr. DICKS], let us see, 8 minutes under the rule, several minutes under general debate, and the last 5 minutes. I do not believe I have heard him once mention the two words, private property.

☐ 1530

There was a lot of discussion about the marbled murrelet. No discussion about private property. He said he believes in the Endangered Species Act. But the flipside of that is the gentleman from Washington [Mr. DICKS], unlike 277 Members of this House in a bipartisan manner, voted against the Private Property Protection Act in March of last year. That is why we are here. We are talking about protecting private property rights.

Let us do some simple math here for just a moment.

Mr. Chairman, here is what we are talking about. The Fish and Wildlife Service wants to designate nearly 4 million acres of property in the Pacific Northwest, Oregon, and Washington and northwest California, as critical habitat for the marbled murrelet, a tiny little seabird, which actually is not at all in danger of extinction because of flourishes in British Columbia and Alaska.

Let us look at how that 4 million acres breaks down. First of all, the ownership, largely Federal lands, these are properties that are already under public ownership and in the public domain, 2.9 million acres; 706,000 acres owned by State governments; 10,000 acres owned by local government; and 48,000 acres, 1 percent, privately owned.

So the question is, do you have to have it all? Why will 99 percent not suffice?

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I will not yield.

Mr. DICKS. I will get the gentleman extra time. I promise the gentleman I will get him extra time if he will yield. I will ask for unanimous consent.

Mr. RIGGS. I will yield then at the appropriate time. I appreciate the gentleman now wanting to engage in a debate since he was unwilling to earlier.

Mr. Chairman, what we are talking about is the private property that was 1 percent of the 4 million acres. I will admit right from the get-go, there is no way to satisfy the regulatory appetite of the Federal Government. I acknowledge that. I acknowledge that there are those that genuinely believe we have to have it all, even the final, last, remaining 1 percent under private ownership.

But here is the problem, Mr. Chairman. That 1 percent represents 4 timber companies and 6 small ranches, 10 property owners altogether, in my congressional district. If we cannot protect private property rights for these 10 property owners, we cannot protect private property rights for America.

So before Members think that this is an easy vote, a clean, green environmental vote with no consequences in your congressional district because you do not have to worry about the economic consequences and the potential job losses, you can come down here and demagogue in the well because it does not mean anything to you and your constituents back home.

But it means a lot to the families that are affected, or would be affected, by the Dicks amendment, some of whom are in the gallery today. I want to introduce those families, because when we get done voting, if you have really got the courage of your convictions, you can come down and look those families in the eye and explain it to them.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The gentleman will suspend. The gentleman is not allowed to make reference to the occupants of the gallery. The gentleman may proceed.

Mr. RIGGS. I appreciate that, Mr. Chairman, because the last thing we want to do, of course, is personalize this debate and put a human face on it. No, let us talk about it in the abstract. Let us talk about it conceptually. Let us not talk about the families and the property owners that are directly affected.

But I am talking about them because I represent them, and I care about them. The Gift family, 501 acres, they have owned this ranch since the 1800's, and it is prairie land, not forest land. It is prairie land. They graze on this property. Here it is. At least those of us in northern California can tell the difference between a cow and a marbled murrelet. These are cows, not marbled murrelet seabirds.

The Gift family, 501 acres taken. The Bowers family, 156 acres taken. In case you cannot see it, Mrs. Bowers is wheelchair-bound. She is still trying to operate the family ranch. Harold Crabtree, his entire 254 acres taken by the designation.

Do not tell me that these families have the financial resources to prepare elaborate habitat conservation plans and go through months and months of review with the Federal bureaucracy in order to get an incidental-take permit because they cannot. They do not have the wherewithal or the financial resources.

That is what we are talking about here. Fundamentally this debate boils down to whether you believe in private property rights, whether you are going to take a stand here and now to follow through on the commitment we made last March when the House voted overwhelmingly in favor of the Private Property Protection Act.

I look forward in the debate as we move forward to further introducing these families. Again I ask that Members take a stand here and now, protect private property and the families and jobs that depend on that private property.

Mr. STARK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to continue talking about families. Somehow it seems that in this list of families, we left off one leading Californian, and I think that the gentleman from Washington would indulge me that if, in fact, there were a citizen and a worthy cause, he might be more sympathetic to the Riggs amendment. But the fact is, these families with their couple of hundred acres are not really affected by this. But good old Charlie Hurwitz, now there is a man that we could all be proud of. He has got 40-some-odd thousands acres of this stuff, most of which he got by stealing money from the Federal Government. Charlie, if he is not under indictment, he is under the cloud of it for raiding a savings and loan which he used to buy Pacific Lumber.

After he bought Pacific Lumber in the district of the gentleman from California [Mr. RIGGS], and this is who the gentleman is trying to protect, he proceeded to lay off 105 people and he proceeded to log all these redwoods and sell them off to pay off the junk bonds that were supposed to pay off the savings and loan that forced the Pacific Life Insurance Company, Executive Life, into bankruptcy, costing not only the people in his district 100 jobs but costing hundreds of people to lose their pensions. This is good old Charlie Hurwitz from the gentleman's district. He is the corporate raider who owns this land who is trying to clear-cut all of the redwoods. Forget the murrelets. Let us think about the hundreds of loggers who will be out of work when Charlie is done.

I think that we should protect private property. The first person we ought to protect is the Federal Government from raiders like Hurwitz who will go in and clean out a savings and loan to illegally acquire this property, then begin to fire the people, deprive them of their pensions, sell off really what is a birthright for generations to come, these magestic redwoods, cut them down, sell them off to pay off junk bonds.

Is that the kind of a gentleman that you would like to help, I would ask the distinguished gentleman from Washington? The gentleman from California [Mr. RIGGS] wants to help him.

Mr. DICKS. Mr. Chairman, if the gentleman will yield, I want to applaud the gentleman from California who has written on this subject and who has even suggested that maybe we could trade the massive $1.2 billion that we lost, or that the Federal Government lost because of the S&L that Mr. Hurwitz went bankrupt with.

Mr. STARK. We could make a deal with the devil himself and trade him out of his.

Mr. DICKS. We could buy the headwaters redwoods that are so critical to this. But in this case, most of the land is Pacific Lumber Co. land. The gentleman is right.

The other point the gentleman is right on, too, is that there was a Federal court that said you have got to issue critical habitat. So the Fish and Wildlife Service was directed by a court to do it.

Also, Mr. Hurwitz was stopped from logging the rest of the old growth because of a Federal court decision.

Mr. STARK. But then he found the gentleman from California [Mr. RIGGS]. Aha. He did not have to bother with the Federal court and the $1.6 billion he stole from the savings and loans. He could just sneak a little amendment in here to get himself absolved and continue to rip off on the public.

Is that the kind of a private citizen we should be helping when it entails destroying these redwoods which all of the citizens of the country can enjoy, I ask the gentleman?

Mr. DICKS. I do not think we should do it for those reasons. Let me also say to the gentleman, I think the important point here is that critical habitat——

Mr. YOUNG of Alaska. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. Will the gentleman from California [Mr. STARK] yield for a parliamentary inquiry?

Mr. STARK. Not at this time. How much time do I have remaining, Mr. Chairman?

Mr. YOUNG of Alaska. Mr. Chairman, I am listening to some comments. I am about ready to take——

The CHAIRMAN. The gentleman will suspend. Does the gentleman yield for a parliamentary inquiry?

Mr. STARK. How much time do I have remaining, Mr. Chairman?

POINT OF ORDER

Mr. YOUNG of Alaska. Point of order, Mr. Chairman. I have asked a parliamentary inquiry.

The CHAIRMAN. The gentleman has 1½ minutes remaining.

Is the gentleman from Alaska [Mr. YOUNG] raising a point of order?

Mr. YOUNG of Alaska. Point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Alaska. Mr. Chairman, I rarely do this, but I have heard some very serious charges made from the gentleman in the well that relates to nothing about this bill. Of course in taking a question, the gentleman offered the amendment, in fact the intent of the amendment——

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Alaska. My point of order is when does one ask to have the words taken down, especially when the question comes to a fellow member of this committee that asks and presents an amendment and someone questions the integrity, such as, "He found Mr. RIGGS and now he can go ahead and steal from the public."

The CHAIRMAN. The demand for the gentleman's words to be taken down must immediately follow the words in question. So a demand at this point is untimely.

Mr. YOUNG of Alaska. I would not ask that that be done, but I would suggest to the gentleman, and I do respect the gentleman in the well, to be very careful when he questions another Member on the floor of the House and show him due respect. He is a Member of this House. He is supporting those small people.

The CHAIRMAN. The gentleman from California may continue.

Mr. STARK. Mr. Chairman, the gentleman from Alaska's point is well taken. The intent of the gentleman from California [Mr. RIGGS] is unquestionably honorable in this. He is trying to help Mr. Hurwitz, there is no question about that, and that is his right as it is Mr. Hurwitz's right who still walks abroad as a free man even though he has some civil differences with the Federal Government. I appreciate that.

However, the question still remains, is good old Charlie the kind of person that we think should be helped by giving him a gift and allowing him to log these redwoods.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Washington.

Mr. DICKS. I appreciate the gentleman yielding.

If I were Mr. Hurwitz, I would be working with the Fish and Wildlife Service to do a multispecies habitat conservation plan like Murray Pacific, Simpson, Weyerhaeuser, and other people are doing in order to have a negotiated settlement of this issue so that he can get an incidental take permit and we can protect the owls and the murrelets.

The only problem here for the other people, by the way, there is a notion here that when you have a designation of critical habitat, you cannot do anything on your private lands. That is not accurate. You can go in and continue to log, but you cannot go in and take one of the species. If you are going to take a species, then you have got to get a habitat conservation plan, which is completely understandable.

So there is a way for Mr. Hurwitz to proceed, but he chooses not to because he wants to bring lawsuits saying that this whole process is a constitutional taking of his property. I guarantee I will work with any of the people that are here from the Congressman's district, with the people in the Fish and Wildlife Service who are doing HCP's to see if we can get them taken care of. I will be glad to work with the gentleman from California [Mr. RIGGS] to help the people who legitimately need help.

The CHAIRMAN. The time of the gentleman from California [Mr. STARK] has expired.

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent that the gentleman from California be given 2½ additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. KOLBE. Mr. Chairman, reserving the right to object, I have had some discussion with the gentleman offering this amendment and after we have one more speaker on this side, which would even out the time at that point, we will seek a unanimous-consent agreement to limit the debate on the amendment.

So I would ask that we go to a speaker on this side, then we will have an even amount of time. I would object.

The CHAIRMAN. Objection is heard.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I want to congratulate the gentleman from California [Mr. RIGGS] for introducing this amendment.

I am still very frustrated that one person's name was used over and over and over again. What happened to the five landowners, the little ones, 125 acres, 151 acres, 527 acres? There are no trees on those lands. Contrary to what the gentleman from Washington says, there is in fact with the Fish and Wildlife, you cannot do anything on that land if they designate it might disturb the murrelet. The murrelet is not endangered. It is not endangered, I say to the gentleman from Washington [Mr. DICKS]. It is all over the area. But the Fish and Wildlife says it is endangered. So we bow and we scrape to the Federal Government, the almighty Federal Government.

Yet these people, this lady in the wheelchair, these people on this little ranch with their kids, they are browbeaten by this Government saying you must meet our requirements. With what? Has the gentleman from Washington [Mr. DICKS] ever been on a farm? No. Does he know anything about farming? No.

Mr. DICKS. I worked on a farm for two summers.

Mr. YOUNG of Alaska. The gentleman knows how these people live, and he wants them to go get a lawyer, and draw up this plan and we have got the big Federal Government, the Fish and Wildlife, telling you what to do, that "if you don't do it you're going to jail and you're going to get fined." That is our Government today. We wonder why we have got the Freemen or the militants. We wonder why, in fact, we have got unrest in this country.

□ 1545

Mr. Chairman, it is because our Government, in fact, has got out of hand and out of line with the Endangered Species Act, and I am glad to hear the gentleman supports the Endangered Species Act, 35,000 people were put out of work in his area. In California and Oregon alone, 181 mills closed down. For what? For a species not endangered—because the Fish and Wildlife Service says it is endangered.

I write a bill that says it must have biological substantial evidence it is endangered, and I am criticized for that.

Do you know how to get a specie on the endangered list today? Any one of you can file a petition, as they did in Alaska. That is all you have to do. Then the agency says, we must study it. It the meantime, by the way, you are going to lose your job. This is just how ridiculous the Endangered Species Act is today.

Mr. Chairman, I think it is ridiculous that this amendment is even proposed when this gentleman has families to protect, and he talks about one person. What about the families? I do not care if it is one family or one acre. When this Government is wrong, it is wrong.

What happened to the gentleman's liberalism? What happened to his protecting the masses? What happened to "We have to think about the people"? All he thinks about now is the Government and how right they are. I am telling you they are wrong in this case, dead wrong.

Mr. Chairman, this is a bad amendment, and I support the gentleman from California.

Mr. Chairman, I yield to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, I thank the gentleman from Alaska [Mr. YOUNG], the distinguished chairman of the Committee on Resources, for his very strong remarks.

We have heard some on the other side, in fact, I believe I heard the gentleman from Washington [Mr. DICKS] say this earlier today, that my amendment may actually send the marbled murrelet into extinction, and I just want to get on the record right now how absurd that contention is. According to the Fish and Wildlife Service, there are an estimated 18,000 to 35,000 murrelets in Washington, Oregon, and California alone, with several hundred thousand additional birds in Alaska and British Columbia.

The second point I want to make, particularly since the gentleman from California spoke first, to point the finger to one particular company, the gentleman may want to bad-mouth the majority owner of that particular company, but I want him to know he is talking about the largest private employer in the largest county in my congressional district, and that employment at that company has grown from approximately 950 employees at the time of the merger in 1986 to 1,600 employees as of last month, an increase of 650 living-wage jobs that cannot be easily replaced in our local economy.

So this debate is about private property, as I said earlier, and the families and jobs that depend on that private property, not about a particular individual property owner.

Mr. YOUNG of Alaska. Reclaiming my time, I had an opportunity, I wrote a good bill with the gentleman from California [Mr. POMBO] to solve this problem. But anybody who thinks the Endangered Species Act works, I would suggest he start reading it and seeing where this Government has gone out of whack, when they tell a woman she cannot take and raise grain on her ranch because there is a kangaroo rat. She stopped raising grain. The rats left because there was nothing to eat. It burned and burned the houses down in all the area.

This is the act that Members support. I am terribly disappointed to support an Endangered Species Act that does not protect the species, does not take and protect the private landowners, in fact, allows this Government to run amok. I am saying, let us change it. That is what I am saying.

Mr. KOLBE. Mr. Chairman, I have a feeling I am not going to get it, but I am going to propound it anyhow. I ask unanimous consent that all debate on this amendment be limited to 60 minutes, the time equally divided between the gentleman from Washington offering the amendment [Mr. DICKS] and the gentleman from California, and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. MILLER of California. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, this amendment is about an individual, Mr. Hurwitz. It is about corporate ethics and corporate policy, and it is about special legislation that if you are rich enough, you are strong enough, you have enough lawyers and you have enough lobbyists, what you can get done in the Congress of the United States.

It was not about the families who are on the poster board here, because if they wanted to take care of those families, they could have. The driving force for this amendment is Mr. Hurwitz. Mr. Hurwitz, who would get exempted not 145 acres or 165 acres on the family spread. Not that, but 32,000 acres of California's redwood forest heritage that he seeks now to log in violation of the law.

But that is not anything new from Mr. Hurwitz. Because when Mr. Hurwitz had a pension fund, he ran the pension fund in violation of the law. When Mr. Hurwitz had an S&L, a savings and loan, he cost the taxpayers of this country a billion dollars, because he ran that in violation of the law. When Mr. Hurwitz had employees, he ran his company in violation of the law with respect to the labor law.

Mr. RIGGS. Mr. Chairman, point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. RIGGS. Mr. Chairman, is it appropriate under the rules of the House to charge individuals with crimes of which they have not been convicted?

Mr. MILLER of California. Mr. Chairman, if I may have regular order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. RIGGS. Mr. Chairman, I will make a point of order that the gentleman's comments are out of order because they amount to slander, in that the individual mentioned has not been convicted of any of the crimes.

Mr. MILLER of California. Mr. Chairman, I object. I ask the gentleman's words be taken down because he has no evidence that any of this is suggestive slander. It is a matter of public record what Mr. Hurwitz has done to the people of this company, the people of the community, and the people of our State.

The CHAIRMAN. Both gentlemen will suspend. The Clerk will first report the words of the gentleman from California [Mr. MILLER].

□ 1555

The CHAIRMAN. Does the gentleman from California [Mr. RIGGS] seek recognition?

Mr. RIGGS. Mr. Chairman, so we can move forward, I ask unanimous consent that the words in question be considered withdrawn.

The CHAIRMAN. The gentleman does not need unanimous consent to withdraw his objection to Mr. MILLER's words; all he needs to do is withdraw his demand.

Mr. RIGGS. I do so, Mr. Chairman.

The CHAIRMAN. Does the gentleman from California, [Mr. MILLER] withdraw his request?

Mr. MILLER of California. Mr. Chairman, I do. The gentleman from Arizona [Mr. HAYWORTH] informed me I was wrong, that the gentleman said I was "slender." That is what I took offense at.

The CHAIRMAN. Both demands are withdrawn. The gentleman from California [Mr. MILLER] is recognized for the remaining 3½ minutes.

Mr. MILLER of California. Mr. Chairman, the Committee is not in order.

The CHAIRMAN. The slender Member from California wants order. The Committee will be in order.

Mr. MILLER of California. Mr. Chairman, this may be a painful biography to point out, but it is an important one, because it goes to the character of this amendment and it goes to the character of the company behind this amendment. Because every time this company has engaged a regulatory agency of this Government, the FDIC, who is worried about his banking practices, he has encountered them in court. The Office of Thrift Supervision, which was dealing with the taxpayers money, he has encountered them in court. The California Forest Practices Board, he has encountered them in court. And the Federal judge on forest practices, he has encountered them in court.

This man has engaged every law that he has been involved with in his company, and he has essentially violated them all or been charged with violating them all by regulatory agencies and the courts of this country. So what good does he do? He comes to the Congress of the United States, and to suggest that somehow the Members of this body, the Members of this body can be conned into allowing him to do something which nobody else gets to do in California, the Pacific Northwest, in dealing with the problems of our environment, he simply gets to escape his responsibility under the law. He simply escapes his responsibility under the law.

Now, they put a couple of families in the lifeboat with him to decorate it up, but the captain and the crew is Mr. Hurwitz and Pacific Lumber Co. They are the driving force, because they are the 33,000 acres that are being exempted here.

So what? So he can start practicing the forest practices that brought him in violation of the State law and the Federal law? No. We cannot have that in California. We treasure our redwoods, and so does this Nation. And you know why he is lumbering these woods? Why he is timbering these woods? He is timbering because he sold junk bonds and now he cannot pay the interest on those junk bonds that he destroyed a pension plan with, that he destroyed a wonderful company with, a company that used to take care of its employees' children by giving them college scholarships, a company that used to take care of you at Christmastime and Thanksgiving. Those employees were thrown out. They were bought an annuity and the annuity collapsed. But now he has to pay those bonds off.

He has been in my office, he has been in everyone's office, or his representatives have. He tried to shop one deal after another to avoid obeying the law. This is the court of last request. This body should not dignify this request. This body should turn down this request in the name of decency, in the name of this institution. This is so far out of the realm of responsibility it should not even befoul the aisles, befoul the aisles of this Congress, that this man would come here in the name of his not wanting to obey the law, to desecrate the redwoods, to desecrate forest practices, to desecrate these lands.

No, that should not be allowed. And when we talk about private property, let us talk about the small businessman in terms of the fisherman, the people that are fishing off of your coast and my coast, because when this man gets done logging on the streams, the salmon fisheries go to hell. What about those small business people? It is all entertwined. That is why it is called an ecosystem. That is why we are using Federal, State, and private lands to share the burden, to share the burden.

This is not the answer. This is wrong, it was wrong when it was introduced in the committee, and it was wrong when it has been brought to this floor, and it is wrong that you should have to take your time with it. Because this is not fair to the people in Oregon and Washington and California who are playing by the rules, the people who are trying to amend their practices.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. COOLEY of Oregon. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY of Oregon. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the Dicks amendment. I do not know what is happening in this debate. We seem to be off on an individual. We are not talking about the masses, the little people involved in this process. For too long private property owners of America have been asked to sacrifice property for government ventures. Nameless faces, bureaucrats who believe in quasi-science instead of sound principles, have trampled all over the constitutional guarantee of just compensation for the land that is taken for public use. This has to end.

In my 18 months in Congress, I have been astounded by the number of people who believe that all America's land is theirs for the taking. How far has this gone? It has gone too far. We are involved in a debate now, we are talking about an individual in California. Let us talk about the little people in California and also in Oregon that have done nothing wrong. If somebody has done something wrong, let us get some legislation to punish them, but let us not punish the other people involved in this process by masking it to the point of where we are going to take the land away from the little people because we have somebody big who may or may not have done something wrong.

This bill contains commonsense language to protect the private property that the Government is asking to set aside for the marbled murrelet habitat. This provision only relates to 1 percent of all the area designated as critical habitat. Unfortunately, the opponents of this provision feel there is no such thing as private property. This is a radical measure. The private property in question is northern California, southernmost tip of the marbled murrelet migration.

With 4 million acres set aside for critical habitat in Oregon, in Washington, and California, is 1 percent of the habitat, the southernmost tip of the bird's migration, going to change anything? Not at all. I do not think so, especially when you consider the murrelet is mostly found in Canada and Alaska. What the opponent of private property rights ought to do is petition the Canadian Government to set aside millions of acres of land in their country for this critical habitat.

But, again, maybe they think that the bird simply stops at the border. It is the time for Congress to stand up and protect private property rights and not allow this discussion to focus on one individual who may or may not have had a problem. But think about the thousands and literally hundreds of small families as we have seen by the example that are being adversely affected by this piece of legislation.

I oppose the Dicks amendment.

Ms. ESHOO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Dicks-Stark amendment, and I want to salute them for offering it. It would strike the language from this Interior bill which obviously I think has been established in the debate so far will harm the marbled murrelet.

The bill prohibits the expenditure of funds to protect this endangered species that nests in the Head Waters Forest in California.

As a Californian, I rise in support of the amendment. How dare anyone try to pluck out the jewels in the crown of our State? Why does this bill give special treatment to one timber company at the expense of this endangered species and the Endangered Species Act?

The U.S. District Court in California has already stopped Pacific Lumber. Maybe the other side should have called this the Pacific Lumber amendment. The U.S. District Court in California already stopped Pacific Lumber from cutting crucial sections of this bird's habitat, because Pacific Lumber refused to comply with the Endangered Species Act. So it is not the Endangered Species Act that should be coming under the hammer today, it is Pacific Lumber. Now Pacific Lumber is asking the Congress to reverse that decision. Members, make no mistake about it. That is what the attempt is here today. I want to repeat that: Now Pacific Lumber is asking the Congress to reverse the court's decision.

Why are we being asked to reverse this decision? Because 1 percent of the marbled murrelet's total critical habitat designated by the Fish and Wildlife Service is on private lands in Washington, Oregon, and California.

Pacific Lumber is concerned that they will not be able to continue logging their logging activities in the area. Importantly, and this is something that every Member should listen to, a critical habitat designation does not in and of itself prevent logging or other activity; it simply triggers a process to ensure that any activity in the area does not adversely modify the habitat. That is a reasonable approach. I want to repeat that, that is a reasonable approach. There is nothing farfetched or off the ranch about this. It is a reasonable approach.

Where there were once 60,000 marbled murrelets there are now only 2,000 to 5,000. Commercial logging has destroyed 95 percent of this nesting habitat. I think we have the responsibility to protect threatened and endangered species. They are a part of the cycle of our life. They are a part of the cycle of our life that God has given to us. It is not for us to desecrate, it is not for us to use up. The Riggs language in the Interior appropriations bill would doom this coastal bird forever, and I urge my colleagues to support the Dicks-Stark amendment.

Mr. Chairman, I rise in support of the amendment to strike language from the Interior bill which will harm the marbled murrelet.

This bill prohibits the expenditure of funds to protect the threatened marbled murrelet, a sea bird that nests in the Head Waters Forest in California.

Why does this bill give special treatment to one timber company at the expense of the marbled murrelet and the Endangered Species Act? The U.S. District Court in California has already stopped Pacific Lumber from cutting crucial sections of this bird's habitat because Pacific Lumber refused to comply with the Endangered Species Act.

Now Pacific Lumber is asking the Congress to reverse that decision.

And why are we being asked to reverse this decision? Because 1 percent of the marbled murrellet's total critical habitat designated by the Fish and Wildlife Service is on private lands in Washington, Oregon, and California. Pacific Lumber is concerned that they won't be able continue logging activities in the area.

Importantly, a critical habitat designation does not, in and of itself, prevent logging or other activity—it simply triggers a process to ensure that any activity in the area does not adversely modify the habitat. That's a reasonable approach.

Mr. Chairman, where there were once 60,000 marbled murrelets, there are now only 2,000 to 5,000. Commercial logging has destroyed 95 percent of their nesting habitat.

We have a responsibility to protect threatened and endangered species—they are part of our cycle of life. The Riggs language in the Interior appropriations bill could doom this coastal sea bird forever. I urge my colleagues to support the Dicks amendment.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield?

Ms. ESHOO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to point out to my colleagues the reason that critical habitat was designated on private lands, and, by the way, in Washington, Oregon, and northern California it was only 1 percent of the lands, and it is because suitable nesting habitat on Pacific Lumber Co. lands in Humboldt County is the only available nesting habitat for the southern portion of zone 4. It is imperative to protect marbled murrelet habitat on corporate forest lands in northern California, because these lands provide a biological link for the murrelet populations between Redwood National Park to the north and the State redwood parks to the south. This is not being done in any mean-spirited way. It is being done to protect the marbled murrelet.

I was somewhat amazed by my friend from California suggesting that the murrelet, because it is surviving in Alaska, that we are not concerned about it. You have to understand under the law we have to protect these species throughout their range, and that is why you have got to protect them in northern California, Oregon, Washington, and Alaska. That is our law.

I would say to my colleague from Alaska, he is chairman of the committee. We have been waiting for him to come out with his amended bill. I understand that maybe the leadership on the majority side has had second thoughts about it, but I got to tell you this: To get up here today and say unequivocally that he does not support the Endangered Species Act I think is shocking. The Endangered Species Act is important to the future of this country, it is important to our biological diversity, it is important to the future of mankind. I think that we ought to think very, very carefully here today about a special exemption.

Mr. DOOLITTLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. DOOLITTLE. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I just want to respond to the comments of the gentleman from Washington [Mr. DICKS] because this is the point I made earlier today. The gentleman claims that we have to have this 1 percent of private property to preserve the critical habitat for the murrelet toward the southern range of its existence.

But I want to point out again, 693,000 acres, 693,000 acres in Humboldt, Del Norte, and Mendocino Counties have been designated critical habitat, and almost all of that is on public lands, my colleagues. It is on public land. The Six Rivers National Forest, the Redwood National Park, the King Ranch National Conservation Area, and parcels of Bureau of Land Management land. In addition, 175,000 acres of State land, including the State redwood parks, the Sinkonyone Wilderness State Park, and some Mendocino coastal parks. What we are talking about here now is 29,000 acres owned by Pacific Lumber Co. and another 8,000 acres, smaller parcels, owned by nine other private property owners.

Mr. DOOLITTLE. Mr. Chairman, reclaiming my time, we have heard it represented and a number of very unkind things have been said about Mr. Hurwitz. I have never met Mr. Hurwitz. So I find it fascinating to see such intensity coming out of the other side. When Mr. RIGGS' predecessor offered the amendment 2 years ago on the Head Waters, we were going to spend $1 billion, and you all voted to pay Mr. Hurwitz $1 billion for some 56,000 acres. That was OK, because that is more Government land, and that is a positive good.

Mr. RIGGS. Mr. Chairman, if the gentleman will yield further, did I understand the gentleman correctly to say that in the last Congress my predecessor, Congressman Dan Hamburg, offered a bill that would have authorized Federal taxpayers to spend up to $1 billion to acquire 56,000 acres of productive timber land?

Mr. DOOLITTLE. That is exactly what I said.

Mr. RIGGS. And the two gentlemen from California who have been most outspoken, Mr. STARK and Mr. MILLER, voted for that bill?

Mr. DOOLITTLE. That is my understanding.

Mr. RIGGS. That sounds like a bailout for Charles Hurwitz.

Mr. DOOLITTLE. That was a bailout for Charles Hurwitz. That was OK in that day. Today Mr. Hurwitz is the subject of attack. I fought Mr. Hamburg on this, by the way.

I just want to point out when you want to shoot the rich, Mr. Hurwitz, it is the working person that takes the bullet. Here is a book on the Pacific Lumber Co. You heard they now have 1,600 employees, up by over 500 from when the merger occurred. You have the Blakeleys and the Andersons. You have the Phillips, a number of people, a whole book. These are flesh and blood people that work for a living. They are not the Fortune 500.

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They are people that get up every morning and go to work and they are thankful they have a job. And this mean-spirited attack is going to basically throw these people out of work, just as has happened in my district with the shutting down of timber, and in the district of the gentleman from California [Mr. HERGER] as well as the district of the gentleman from California [Mr. RIGGS], and a number of districts throughout the Northwest.

And here the Clinton administration comes again. They are everybody's friend. Just like they did in their great timber summit, we lost two-thirds of the timber jobs; and with their growth proposal, we went to four-fifths of the jobs that were lost. I do not want that to happen to this area. These people are too important.

The gentleman from California [Mr. RIGGS] is seeking to exempt only 1 percent of the territory. And do not believe these representations that this is to get at Mr. Hurwitz for all those supposedly terrible things he has done. We are seeking to protect private property rights, the six ranches which are important.

They want to talk about Mr. Hurwitz and get the focus off the six ranches, the people who do not have the attorneys or the money for the attorneys and the accountants and so forth to do these habitat conservation plans. These are the people we seek to protect. And, yes, we seek to protect the employees in Mr. Hurwitz' company.

Mr. Hurwitz is wealthy. He will continue to be wealthy whatever happens on the floor today, but these people, when they are out of a job, will be on welfare and we do not want that. I strongly urge Members to defeat the Dicks amendment.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair must admonish our guests in the gallery not to show demonstrations with applause.

Ms. FURSE. Mr. Chairman, I move to strike the requisite number of words.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield?

Ms. FURSE. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I wanted to say to my two colleagues over there, there is a way for Mr. Hurwitz to get a certain program where he can continue to harvest on his entire property, and that is to do a multispecies HCP like every other responsible timber company is doing in the Northwest. But he will not do it because he wants to get special legislation either to exempt him or he wants to take it to court and raise a taking.

The reason this land is so important on this private property is because it has got the most nesting murrelets in the entire northern California area. That is why the judge, the scientists and everyone else said it is critical habitat and that is why we have to protect it.

Now, that makes sense to me, and I appreciate the gentlewoman's yielding.

Ms. FURSE. Mr. Chairman, reclaiming my time, the gentleman from California [Mr. RIGGS] is fighting for 10 individuals in his district. I think that is fine, but I am here to speak for thousands, thousands of people in Oregon, in Washington, and in California who depend for their livelihood on fishing. I am not going to use my own words, I will use the words of a man who is very well respected, Mr. Glen Spain, who represents the Pacific Coast Federation of Fishermen, and I quote:

> We urge you, on behalf of the commercial fishing industry, to oppose the Riggs rider and support stripping it out of the bill.

They go on to say:

> Anything that delays ESA-mandated recovery of the marbled murrelet is a direct threat to our industry and tens of thousands of coastal and inland jobs that we provide.

Mr. Spain goes on to say:

> The amendment, the Riggs amendment, is counterproductive, shortsighted, and will ultimately delay the steps necessary to minimize landowner impacts, not assist landowners in the long run.

Critical habitat designation does not stop logging activities on private land; it only assures that the impact on the murrelet is considered and assessed. Critical habitat only directly impacts Federal, not private, actions.

Now, Mr. Spain goes on to say, remembering he represents thousands of fishermen:

> If Congress wants to minimize the impact of this listing on our industries, Congress would be working towards a speedier designation of critical habitat, far more recovery funding, and for better science, not the reverse. We therefore urge you, on behalf of the fishing industry and the hundreds of thousands of jobs that we represent, to vote against the Riggs amendment and vote to strip it from the funding bill.

I agree, Mr. Chairman, that they are supporting thousands and thousands of jobs, and that is why I urge my colleagues, because of the Oregon, Washington, and California fishermen, to support the Dicks amendment, support private property rights, support jobs.

Mr. DICKS. Mr. Chairman, will the gentlewoman continue to yield?

Ms. FURSE. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, would the gentlewoman tell me where that gentleman that wrote the letter is from?

Ms. FURSE. The gentleman is the Northwest regional office representative. Now, they have offices in Sausalito, CA; El Granada, CA; Mendocino, CA; and Eugene, OR; and they do indeed represent the fishermen of the Nation.

Mr. RIGGS. Mr. Chairman, will the gentlewoman yield?

Ms. FURSE. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I thank the gentlewoman for yielding to me, and I have a copy of the same letter. And just to respond to the gentleman's question, he has clearly checked the box that says Eugene, OR, on the correspondence, so he is from Eugene, OR.

I want to make one other point the gentlewoman skipped over in quoting from the letter. The author says:

> The marbled murrelet is a sea bird which is also of great concern to fishermen because under the ESA our industry must go to extraordinary and sometimes expensive lengths to avoid even accidental "take" of the bird in commercial fishing gear.

It is my understanding that murrelets are dying in fishing nets. And if we take the gentlewoman's logic out to its logical extension, perhaps we should ban commercial fishing because it is bad for murrelets.

Mr. DICKS. Mr. Chairman, if the gentlewoman will continue to yield, the gentleman is worried, the fisherman is worried that if we take the Riggs approach, instead of being threatened, the species will be endangered and there will be even more onerous restrictions put on the fisherman. That is why he is worried, because it has an adverse effect on that whole segment of the economy if it is endangered.

Ms. FURSE. Mr. Chairman, reclaiming my time, those are thousands of small, small businesses who have this. They are willing to go to the length of protecting the marbled murrelet, but they see no reason why one or two or maybe even ten companies should be relieved of that, that burden. They say, let us share the burden, let us not just have the fishermen carry the burden. Let us share it, as private property owners across my State, the gentleman's State and Washington State are prepared to do.

Mrs. CHENOWETH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Dicks amendment and rise in strong support of the Riggs language adopted by the Committee on Appropriations.

I think finally, after we sift out the debate that has gone on today, and some of it, admittedly, has been quite mean-spirited, we finally find out that they let the cat out of the bag, and the fact is that some people are mad at a California timber company. So we are really going to show them. We are going to get the Fish and Wildlife Service after them, and we are going to list a bird that spends most of its life at sea.

Its nesting habitat is in Alaska and Canada, but we are going to fix this timber company. We will list some bird and we will take their land, and, oh, by the way, we are going to take several other farmers' land, and it makes no difference if we throw them out of an income.

I have sat by and I have listened for years to these dulcet, round, pear-shaped tones about how we can work with the Fish and Wildlife Service on establishing critical habitat on an individual's land. Well, just ask my people in Idaho or the people west of the 100th meridian how much the Fish and Wildlife Service works with private owners on the designation of private land for critical habitat.

Mr. Chairman, it simply does not work that way. Ask the hundreds of thousands of people who have been thrown out of work or had their businesses totally diminished because of listing of endangered species.

I think this has gone for enough, and I think that there are appropriate prosecuting attorneys who can certainly, if there is a valid case here against this lumber company, can certainly go after the lumber company. But we do not use the listing of an endangered species to go after a lumber company. That is a complete distortion of this system. I am thoroughly disgusted with it and I think we need to strongly support the Riggs language.

In addition to my support, the National Association of Realtors support the Riggs language and his position, and the Farm Bureau, the U.S. Chamber of Commerce, the American Forest and Paper Association all support the Riggs position.

I urge opposition to the Dicks amendment.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in strong support of the amendment offered by the gentleman from Washington, Representative DICKS, and the gentleman from California, Mr. STARK.

My friends, we must correct the terrible provision included in this bill, a poison pill that will destroy the magnificent headwaters forest of northern California. By stripping the endangered species critical habitat designation from 37,000 acres of forest, the Riggs provision will allow logging to begin at will, logging in a pristine old growth forest which is home to many precious species, including a rare sea bird and the dwindling coho salmon.

The Riggs provision would lead to the extinction of the marbled murrelet, which, in California, has seen a population decline from over 60,000 birds to fewer than 5,000 today. These birds nest in the headwaters forest and rely on critical habitat designation for their survival.

The Riggs provision also threatens the endangered coho salmon. Mr. Chairman, the headwaters is home to some of the last coho salmon runs in California. If we do not pass the Dicks amendment, the murrelet and the coho could be gone forever.

Preserving these species is crucial not only to our ecosystem but to the commercial fishing industry in my district and in the district of the gentleman from California [Mr. RIGGS] as well. Under the Riggs provision, fishermen will see their salmon catch continue to decline and, eventually, die.

We must ask why. Why are we asked to swallow this poison pill, a poison pill which may send rare species into extinction? The unbelievable answer, Mr. Chairman, is for a special interest giveaway to Pacific Lumber. This is simply outrageous and it is not acceptable.

Mr. Chairman, the people of northern California and the Pacific Northwest know that we can successfully balance our environmental protection and economic growth. They are ready to work together on a common solution to our region's problems. The Riggs provision, however, leaves them out of the process, and in so doing, would set a disturbing precedent for our future and for our environment.

We do not want the headwaters forest to be destroyed. We do not want the Endangered Species Act and the Pacific Northwest forest plan to be undermined, and we are amazed that this is proposed in the first place, proposed for the sake of corporate special interests.

Mr. Chairman, this is not what the doctor ordered. We must refuse to swallow this poison pill and vote for the Dicks-Stark amendment.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield?

Ms. WOOLSEY. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I appreciate the gentlewoman's yielding to me.

It is not like there is not a way for Pacific Lumber to deal with the Federal Government on this issue. They have sat down, but they have never negotiated in good faith to get a habitat conservation plan. Now, under a habitat conservation plan, they get 100 years of certainty about harvesting timber on their lands, and for that they give some protection to those species on the lands. Most of the protection for species in the Northwest will be done on Federal lands, so this is the constructive thing to do.

Companies in my State of Washington, Weyerhaeuser, Plum Creek, Murray Pacific, ITT, right here, all have worked out their problems with the Federal Government and the Fish and Wildlife Service in a negotiated settlement. But, again, Pacific Lumber has refused to do that, and it is because they think that either by going to court and filing a taking suit or by coming to Congress that they can get legislation enacted that takes away their responsibility. Every other company out there is doing this. We have never done this before under the Endangered Species Act, and I think it would be a terrible precedent to set.

I appreciate the gentlewoman's support of my amendment, and I hope that we can pass it here today.

Mr. POMBO. Mr. Chairman, I move to strike the requisite number of words.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, before the gentlewoman from California walks off the floor, I want to point out that she obviously did not read the bill, because on page 47 of the bill, section 116, beginning at line 3, we have the language of my amendment, and it says:

> None of the funds made available in this act may be used by the Department of the Interior to continue or enforce the designation of any critical habitat for the marbled murrelet on private property in the State of California, excluding approximately 3,000 acres of redwood forest commonly known as "Headwaters Grove", located in Humboldt County, California.

□ 1630

The gentlewoman, of course, insisted on using the Headwaters Forest as a reference throughout her remarks.

Mr. POMBO. Reclaiming my time, I believe that the gentleman points out that the portion of this private property that was supposedly the ancient forest, the headwaters, redwood, the big redwood trees, is specifically exempted from the amendment that was adopted in committee. We have been talking about that on and off during this debate. But it was specifically exempted in committee.

Here we go again. I think that this debate has been very, very instructive. It really does outline what the debate has been over the Endangered Species Act over the past several years. That is what we want to use as the Endangered Species Act, which is supposed to protect fish and wildlife from becoming extinct. We want to use that to accomplish other goals. We have heard that we wanted to use it to accomplish something that the fishing industry wants. But more importantly, we have heard it said that we want to use the Endangered Species Act to punish this particular company, that we want to go after this company and punish them for whatever transgressions they have committed over the years, whatever it is, real or imagined that they may have done. We want to use the Endangered Species Act to achieve that goal.

This entire listing of putting the marbled murrelet as threatened has been politically driven from the very beginning. I would like to read one thing here out of something that the Defenders of Wildlife has sent out, and my colleagues on the other side have used this extensively in their prepared floor statements. It says the marbled murrelets population in California, believed to have been about 60,000, is now estimated to be between 2,000 and 5,000 individuals.

One of the problems on this listing was the fact that Fish and Wildlife could not count the marbled murrelets. They had a real tough time counting them. They could not find the nests. They resorted to trying to count them as they would go out into the ocean to feed. They had a real tough time counting them. Yet today it is presented as fact that at one time, sometime in ancient history, we had 60,000 marbled murrelets in northern California because the Defenders of Wildlife put it in their piece of paper that they sent out. Even though they cannot count them today, in today's time they cannot count them, they have a tough time finding them, but somehow it is presented as fact that at some point they had that number.

Furthermore, this map here that I would like to bring to my colleagues' attention points out the land patterns in northern California, in this one particular section. The brown and purple areas represent publicly owned lands. We can see that the vast majority of this area is publicly owned. There is no doubt about it. But they went in here to this area and picked out one particular section of ground that they were going to go after, which just happens to be the land that is predominantly owned by one timber company. It also involves nine other private property owners, nine other small individuals, but they went after that one particular piece of land to further their agenda of trying to punish this one person.

They have been trying for years to get this piece of property. They were never able to get it through legislation, through buying it, through anything that they ever tried. So they resorted to the Federal Government's trump card, the Endangered Species Act. You find an endangered species, you get it on the list, somehow, some way, even if you have to use trumped up science to do it, even if you have to make things up, you get it on the list and then you go after the property, because that is the one thing that you can do, is to use the Endangered Species Act.

Unfortunately, my time has expired.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BLUMENAUER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would point out to the gentleman that the reason that the habitat has been, that this area was designated is because it is where the murrelets are living. It is their habitat. There are the old-growth trees. This is where they reproduce. It is not any vendetta or trying to get somebody. It is because that is where the species exist, that is where their habitat exists.

What I would say to the gentleman from California, when we cut the habitat down, the species populations go down. They have been going down at 6 to 8 percent per year. If we do not stop it, then we are going to lose that species in that particular area.

So I just wanted to point this out to my friend. This is no vendetta. This is trying to do what the law that Congress passed said we should do. That is to protect these species throughout their range.

I thank the gentleman for yielding to me.

Mr. BLUMENAUER. Mr. Chairman, I strongly support the amendment by the gentleman from Washington. I could not agree more with his words that are still echoing in this Chamber, that this is not to punish any single company. Indeed, I am concerned about the tenor here that sort of makes a cartoon process out of rules and regulations that a number of responsible timber owners in the Northwest are working with us to try and deal with the issues of environmental protection.

It is not about a handful of small property owners, as has been repeatedly documented throughout the course of this conversation. It is, rather, for the overwhelming benefit of the single large property owner.

It is not about using a process against somebody. This is what other companies are, in fact, doing. They have learned to use abitat protection plans and, in fact, even light-end timber companies are, in fact, advertising that point to their customers throughout the Northwest. To observe that there is no science involved when, in fact, what we are giving is a political fix to solve the problem primarily of one large owner really stretches credibility here in this regard.

If we adopt this approach, what we are suggesting to people is, rather than working in a cooperative fashion under the framework of the law, seek a political fix. Rather than working with the Government, with other landowners, with environmentally concerned citizens, seek a political fix. And if this political fix fails and, in fact, it goes through the progression of increased requirements for protection, what we will, in fact, have ended up doing is putting an even greater burden on the responsible private owners who have been playing by the rules because they are going to have to pick up the slack if it fails.

This Riggs proposal is a blow against cooperation and voluntary compliance. It sends the message to go to Congress to circumvent the laws. It is the wrong message to business. It is the wrong message to the environment, and it suggests that we are turning our backs on people who are committed to keep and improve our environmental protections.

Mr. DICKS. Mr. Chairman, if the gentleman will continued to yield, on this one point about this vendetta, here is a letter written by David E. Blockstein, Ph.D. and Chair of the Ornithological Society:

> As the umbrella organization representing this Nation's 5000 ornithologists and students of bird life, the Ornithological Council recognizes that we all have to play our part if our wildlife resources are to survive in the 21st century. Our members have spent many thousands of hours studying endangered and threatened species like the marbled murrelet. Much of this time has been contributed on a voluntary basis. The central finding of this work is that without habitat, our wildlife will not survive.
>
> Critical habitat designation is important because it provides direction to the Fish and Wildlife Service, if a private landowner applies for a Federal permit, such as an incidental take permit. By itself, critical habitat designation does not restrict action to the landowner. The Fish and Wildlife Service designates Federal lands for critical habitat first and will only designate private land as critical habitat if Federal lands are insufficient as in the case in northern California. If anything, the Fish and Wildlife Service has been too cautious when it comes to identifying critical habitat on nonFederal lands.
>
> The Riggs rider is wrong for the following reasons: By depriving the government of one of its most important tools in species protection, it drives up the cost of recovering the marbled murrelet and increases the probability of extinction.
>
> The Riggs rider sets a dangerous precedent that could be used to harm the recovery of other species.
>
> Other States in the Pacific northwest and elsewhere have learned to live with the law and are trying to protect their wildlife species. It would be unfair to exempt northern California.
>
> Other Members of Congress have avoided legislating through appropriations riders; Congressman Riggs should not have special privileges.
>
> Please vote to delete the Riggs rider from the interior appropriations bill. David E. Blockstein, Chairman of the Ornithological Council.

That is not politicians speaking. Those are some of the Nation's finest scientists.

Mr. SMITH of Texas. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I listened with great interest to our new colleague from Oregon and our good friend from Washington, the sponsor of this amendment. I listened with interest to the letter offered by the gentleman from the ornithological association.

I stand here in the well today representing the people of the Sixth District of Arizona, many of whom feel they are voiceless and powerless against an onslaught that is ofttimes offered in moderate tones, with the occasional playground taunt or the demonization of one personality.

In stark contrast to the assertion of my new colleague from Oregon, I would commend to him the words of my good friend, the ranking member from the Committee on Resources on his side of the aisle, who absolutely, tooth and nail, went after a private citizen for the sin of operating a company that provides jobs and, dare I say the word, yes, "profits." But what we have to ask, Mr. Chairman, is this question, What is reasonable? What is fair?

Again, despite the letters, despite the playground taunts, despite the venom and vitriol, here are the facts. Take a look at the ownership of the acreage for this critical habitat designation, 2.9 million acres belong to the Federal Government; 706,000 acres belong to the State government; only 48,000 acres are private.

Mr. Chairman, it is a fair question to ask, Is it not reasonable to allow a true balance to exist, to let the fragile rural economies and the very downtrodden that side of the aisle purports to champion keep their jobs and their way of life? When, oh when, will we speak up for the disenfranchised who do not have the glitz and glamour of the Hollywood crowd on their side but a simple plea and request: Let us keep our jobs. Let us keep our way of life because we have an interest in the environment, too. We have an interest in seeing this society preserved and, yes, we love the true concept of conservation. Yes, that is an emotional plea backed up by a rational plea.

Mr. Chairman, I would implore the Members of this minority to rise up against this amendment. It is unfair, it is unreasonable.

Mr. SMITH of Texas. Mr. Chairman, reclaiming my time, I rise in opposition to the Dicks amendment. It will undermine private property rights. It will harm resource protection and conservation. It will impose a Washington-knows-best, one-size-fits-all approach.

If you support private property, resource protection and flexible commonsense regulation, you should reject this amendment. The amendment violates private property rights. Ninety-nine percent of the land for critical habitat of the marbled murrelet is on public lands. Only 1 percent is on private property.

The interior appropriations bill currently protects both the murrelet and the rights of private landowners. The amendment would undermine this careful balance. It would ignore and violate the constitutional rights of private landowners in California. That is why the amendment is opposed by the League of Private Property Voters.

By violating private property rights, the amendment will undermine environmental protection. The private landowners in northern California are good environmental stewards. They have worked over generations, both to productively use their land and to protect their natural resources. The amendment will sabotage their efforts. It will convert resources from environmental assets into financial liabilities. In so doing, it will harm the very species it claims to help.

One cannot protect species unless they work with landowners. The amendment punishes landowners for good environmental management.

☐ 1645

By punishing landowners it harms species as well. If my colleagues are concerned about protecting the marbled murrelet, reject this amendment. The amendment rejects flexible regulation in favor of a Washington-knows-best, one-size-fits-all approach.

The current bill recognizes the private land is different from public land, so it applies different approaches to protect the marbled murrelet on private and public lands. The amendment rejects this flexible, reasonable approach. Instead it imposes a command and control, one-size-fits-all approach on all property regardless of who owns it.

If we really believe in commonsense regulation, if we really believe and support flexibility, if we really believe that the era of big government is over, as the President tells us, we must reject this amendment. Protect the environment, secure private property rights, ensure flexibility. Reject one-size-fits-all, Washington knows best, and oppose this amendment.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I apologize for speaking on this amendment because I have not been on the floor during most of the debate, and undoubtedly at least some, if not most, of what I say will be repetitious. I had intended to participate, and only because I was in a markup was I not able to be here.

The point that I would like to make is that what the Riggs amendment does is intervene in the processes of an ongoing court case which has halted the logging on the property that is a subject of discussion here, and through the enactment of this legislation the processes of the court would be circumvented. Normally speaking, the Congress is reluctant to do this kind of thing, and I do not quite understand why they would be doing it in this particular situation.

Now I did hear the emotional remarks of our good friend from Arizona a few moments ago about how it was important to preserve the jobs and the profits created by the owner of this property who is doing so much for the economics of the United States. I think this is the same gentleman who presided over the bankruptcy of the sixth largest savings and loans in the United States which cost the taxpayers a billion and a half dollars. I cannot quite get so emotional about his claims to be providing this great civic service by overlogging the redwoods of northern California. Now I admit that he has a right to use his property in accordance with reasonable public standards, but I do not think he has a right to be proud of the great service he is doing until I can understand a little better why he was unable to conduct a successful savings and loan business to begin with.

Now we have this endangered species problem in southern California. It does not involve the forests. We have the kangaroo rat, the Delhi sand fly, a number of other things that the developers hate, but we learned to love them and to live with them in the same fashion that the gentleman from Washington [Mr. DICKS] has described in the Northwest. Basically the major developers and the private property owners have agreed that a simple device of multiple species habitat protection, worked out with the support and help of the local government, or the State government as the case may be, is the logical approach both to protecting private property rights and to preserving species.

Now if my colleagues do not agree it is useful to preserve endangered species, of course this kind of approach will not appeal to them very much. But I think that it would be unwise to publicly, take the position that our society is entitled to wipe out any species that it likes. I just do not think that will sell.

Now we have to this with good judgment, we have to respect property rights, we have to protect those who suffer a loss as a result of protecting endangered species. We try and do this in accordance with the normal workings of law, and I think this is the course we ought to continue to follow.

I think this amendment introduced by my good friend from northern California, Mr. RIGGS, to circumvent judicial processes, to secure special treatment for a rather small number of people, including the gentleman that we have been talking about, is really not the operation of law but an effort to circumvent the normal processes of our society, and I support the amendment to the gentleman from Washington [Mr. DICKS].

Mr. Speaker, I rise in strong support of the Dicks amendment to strike language added to the Interior appropriations bill which will allow the Pacific Lumber Co. to circumvent the Endangered Species Act on most of the land contained in the Headwaters Forest. This provision, which was added by the gentleman from California [Mr. RIGGS], would prohibit the Department of Interior from enforcing the designation of critical habitat for the marbled murrelet on lands exclusively within his district.

The Headwaters Forest is the largest remaining property owned old growth redwood forest in the world. It hosts numerous species, including the murrelet and the coho salmon. Now Congress is planning to provide a special exemption for Pacific Lumber—a company that has demonstrated reckless logging practices within the Headwaters Forest.

For over 100 years Pacific Lumber was owned by a company that operated under model sustainable logging practices. Well, as many of my colleagues know, in 1986, Charles Hurwitz orchestrated a hostile takeover of the Pacific

Lumber Co., primarily through junk bonds. In the wake of the takeover, Hurwitz's United Savings Association of Texas failed, costing the taxpayers $1.6 billion. It was the sixth largest savings and loan failure in U.S. history.

Currently there are FDIC and OTS suits pending against Mr. Hurwitz and Maxxam Corp., which owns Pacific Lumber.

Pacific Lumber furiously increased the rate of logging in the Headwaters Forest, tripling the logging of redwood, especially old growth trees. After nearly exhausting the resources of this forest and facing numerous lawsuits and court orders to halt its destructive practices, Pacific Lumber laid off 105 workers.

The Fish and Wildlife Service recently designated lands as critical habitat for the marbled murrelet, and only 1 percent is privately owned. Only those lands that contain individual mature or old growth trees with occupied or potential nesting sites are included. Critical habitat is essential to protect enough area for the species to expand its range and recover to healthy population levels. A lengthy review and public comment period preceded the designation of the critical habitat. Based on that public comment, the boundaries were reduced from the 1995 proposal.

Through this provision, the Pacific Lumber Co. is merely trying to circumvent a Federal court order that halted logging in crucial sections of the habitat until a sufficient Habitat Conservation Plan has been completed. While I understand the concerns of the gentleman from California, I feel this exemption is irresponsible, and completely lacking any scientific justification, and I urge my colleagues to eliminate it by passing the Dicks amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I appreciate the gentleman's support and again reiterate what underlies what the gentleman said. All the company has to do is go and sit down with the Fish and Wildlife Service. They work out a multispecies habitat conservation plan, and it takes some work to do it, there is no doubt about it, but there is a lawful way for them to have certainty, to protect the jobs, and that is what most responsible companies would do.

But to come here with this amendment which undermines a court decision, undermines the Endangered Species Act and frankly is inappropriate on this particular bill, I just think is a mistake, and I appreciate the gentleman's support.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Washington [Mr. DICKS] and I are often together in many areas, and I find that today we do oppose each other. I support the Riggs proposition that was put into the committee.

First of all, we need to look at the Endangered Species Act itself, and we should not be doing that quite vigorously in committee. The act was passed some years ago with the intent of not killing endangered species, of not destroying, going in and physically destroying those species. We got to the regulations. It turned out to be, after the regulations were completed, not to disturb the habitat of that species. Now that is broad as the whole world.

It is a long way from California to North Carolina, but in North Carolina we found the red cockaded woodpecker landing on a gentleman's land that by all the authorities, both regulators and nonregulators, was being managed in a businesslike, a professional and environmental way. There was 8,000 acres of land, and he won awards in doing it. The red cockaded woodpecker landed on it, built a nest, and in order to keep from disturbing the woodpeckers' habitat, they took a thousand acres of this land, set it aside. He could no longer harvest timber. He really could not do anything with it much. He went ahead and started harvesting the other 7,000 because he did not know when seven of the cousins of the red cockaded woodpecker might come over and take the rest of his land.

Now we do not know, and we did not know at that time, whether or not the red cockaded woodpecker was endangered at that time simply because the man manages land, harvests it, grazes it and so forth, but that was not the question. It was determined by the bureaucracy that it would disturb the habitat.

Now in the Pacific Northwest with the spotted owl we found that thousands of people were put out of work, we found that private property rights were taken in order to protect the owl. Some years ago I went out on a tour of the area. We found plenty of owls. We found finally that the owl probably was miscounted, that there were a lot more spotted owls than we thought. In fact they were quite more adaptable. We found them nesting in Kmart signs. So they had adjusted to their habitat pretty well. But that did not stop the fact that we destroyed tens of thousands of jobs in the Pacific Northwest and endangered private property rights.

Now let us look at the marbled murrelet and see whether or not we are talking about really the destruction of the marbled murrelet by setting aside this 1 percent. I was on the Interior Committee in question; the scientists coming in.

First of all, the marbled murrelet most of its life nests in the Aleutian Islands. There are no trees in the Aleutian Islands. So if it has to have trees, I asked the scientists, why, how did it get along in the Aleutians? They said it adapts. Well, precisely.

Most of the land of the nesting areas is along the coast, is already protected, so the seafaring marbled murrelet has habitat to come in and nest in in the coast. The 1 percent that we are talking about may not even be necessary at all.

In fact, if the 99 percent of public land that we now set aside is not enough to protect the marbled murrelet, why do we think 1 more percent of private property is absolutely essential to that at all, and there is no reason to say that we are going to destroy the marbled murrelet, even though its numbers may be decreasing, by defeating the Riggs position and taking this private property.

The only thing we know for certain is that we are treading on private property rights each time someone puts forth one of the 5,000, one of the 5,000 endangered species, and there are 5,000 out there endangered or listing. We can shut down the entire United States any time we want to put any of those endangered species forward, as we have the spotted owl, or as we have done with the marbled murrelet. We have to get some sense back into our Endangered Species Act, and we must stop taking people's private property under the guise of protecting endangered spices when there is very little scientific evidence at all.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I say to the gentleman, I would think the gentleman would be up here applauding the Fish and Wildlife Service for keeping the designation of critical habitat down to 1 percent of the land, 48,000 acres, Washington, Oregon, and northern California, and only in those areas where the recovery plan states that there is no Federal lands or there is no State lands to designate, and it happens to be that this area, this 40,000 acre area in northern California, has the best old growth habitat and a large number of murrelets, and so they felt that there was no other way to protect the murrelet in that area and keep distribution of the species without protecting this area.

And I would just point out even with the designation of critical habitat there really is no restriction. The company can go in and still get a habitat conservation plan, as the people of Georgia Pacific did very successfully on the red cockaded woodpecker.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. TAYLOR] has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. TAYLOR of North Carolina was allowed to proceed for 1 additional minute.)

Mr. TAYLOR of North Carolina. Mr. Chairman, I appreciate the gentleman's courtesy. Is it really essential; in other words, is the marbled murrelet going to be destroyed if this 1 percent is not in? That would be the first question, and the second——

Mr. DICKS. And the scientists have said that there is a greater risk of extinction if we do not protect it in this area, and that is why they said we have got to designate it as critical habitat.

Mr. TAYLOR of North Carolina. If that is absolutely essential, then have we considered the taking and compensating? We are considering the taking. Then can we consider the compensation of the individuals, not just this individual, but the other ranchers and other private property owners?

Mr. DICKS. The gentleman from California [Mr. RIGGS] does not support this idea, so I do not know. I think we cannot do it, I guess. I would be perfectly willing to consider it.

Mr. SKAGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems to me this has been fairly thoroughly debated already. But one thing that has been, I think, given fairly short treatment is the question of fundamental equity between what is proposed to happen in California under the language of the gentleman from California and what is already the process for working out this same problem in the forests of Oregon and Washington. Questions of fundamental equity for the companies in those States that have gone the extra mile, have worked out with the government habitat conservation plans so as to avoid the proverbial train wreck. And I think it is very unfair to cut a special deal for this or any other particular company, given the efforts that are being made elsewhere in the Northwest to deal with this problem.

Second, I hope we will not revert back to the form that unfortunately was all too often the case in dealing with appropriations bills, and particularly this appropriation bill, in the last session of this Congress, namely loading down this bill with ill-advised environmental riders that are a real invitation to legislative deadlock which we simply do not have time for this year in particular. I think it was a failed strategy both substantively and politically for the majority last year; it is not going to be any better this year.

Finally, on the fundamental issue of the merits of the Endangered Species Act, Mr. Chairman, some very, very conservative and thoughtful scientists who work on environmental issues in my district have put the question to me about whether human activity has already made such changes in the natural environment on this planet that it may be beyond recovery.

□ 1700

Their answer to that question is we do not know yet. I think when we have doubts about that fundamental issue of whether human interference with natural systems may have put our survival in jeopardy, the question ought to arise whether we opt for a default position of further exploiting natural resources, or we opt for a default position of being very conservative about natural resources, including species, which are indicators of overall environmental health.

As my friend and my predecessor in this job I think has very profoundly observed, "the economy is a wholly-owned subsidiary of the environment." We forget that at our literal peril.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would again point out that there is a statement of the administration saying they strongly object to the language and provision concerning the designation of critical habitat to the endangered marbled murrelet on private lands in California. The provision adopted by the committee would adversely affect the administration's effort to achieve balanced implementation of the critical habitat designation for this species, and would set a dangerous and unsupportable precedent that would lead to costly and time-consuming litigation. I want the gentleman to know that the administration again strongly, as he knows, strongly opposes this rider.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Wisconsin.

Mr. VENTO. Mr. Chairman, I want to commend the gentleman from Colorado, the gentleman from Washington [Mr. DICKS] for his amendment, and the gentleman from Colorado [Mr. SKAGGS] for his statement.

The fact of the matter is, in this instance, this has been a longstanding problem. This new owner of this particular parcel of land knew when he bought this land what the laws were. This is not something that changed, in fact, during the course of his ownership. The interest here, of course, is a special interest amendment that is being offered to, in fact, increase the value of the land at the expense of the Endangered Species Act and at the expense of the laws of the land that we have.

Is the Endangered Species Act perfect? No. Can it be improved upon? Yes. In a generic sense, I think it could. But to do it on this basis, with riders on appropriation bills for special interests, is inappropriate. I think the fact is that that law serves us pretty well if we look at all the resolution that has gone on. But if we are going to open the door up to special interest amendments, then we are going to find a disrespect for the laws of this land. That is what has happened.

On the basis of anecdotal stories here, we have heard again about the spotted owl, about the marbled murrelet, on the basis of this. This is the rejection of science. This is not the acceptance of a sound science process on this House floor. It is rejecting the facts and putting in place the special interest. The hell with the facts, full speed ahead. That is what this amendment is: business as usual for the special interests. This amendment ought to be adopted and this measure pulled from this bill.

Mr. SKAGGS. I thank the gentleman for his comments. It is a good reason to support the gentleman's amendments.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I worked with the gentleman from Washington [Mr. DICKS] on national security and a lot of different areas. I know he is not mean-spirited and I know he does not mean this amendment in that direction, but let me describe how I feel the gentleman is wrong in it, at the same time he is right. I think there needs to be a balance. This particular amendment I do not feel is a balance. Let me explain why.

First of all, Mr. Chairman, I have never met, and I do not know the gentleman with this particular company that the gentleman is talking about, and I do not really care about him. I know there are a lot of jobs at stake with it, and I know in the State of California and in the State of Oregon and in the State of Washington there have been thousands of jobs lost. We look at the individuals that you are talking about and focusing on one gentleman.

The things that the Democrat Party strives for, education, law enforcement, and those things, 94 percent of that is paid out of State revenues. All of those jobs, with the defense cuts in California, does the gentleman know how many jobs we have lost to the spotted owl and the gnatcatcher with the farmers, and with the Central Valley water project with the salmon and the farmers? It cost us $4 million because a kit fox lived under a bridge and we could not continue in San Diego. Those are the things we are talking about.

In this particular case, Mr. Chairman, it is more than just the bird. I look at the cases in California, where we had people wanting to just doze around their house because in fire season, you know how bad it is. They could not. They were told no because it was gnatcatcher country. Do Members know how many homes we lost? We lost 12 very valuable homes to people. Those are real people, I would say to the gentleman from Washington. In New Mexico, remember when the little boy was lost for 3 days and they would not let a helicopter land because it was a wilderness area?

That is wrong when we take private property and put it on a list, which we cannot pay for, and I think a more balanced way, and we have offered and I offered to help, and I think part of the new ESA is to have revenues where we can pay for these lands. But when we take a person's land, cannot pay for it, it goes on a list, and because of that it is devalued to 10 cents on the dollar, and the Government comes in and says I want to give you fair market value, that is wrong.

In this case, we are talking about real people. I do not care about the forestry people, but we have farmers, we have people who are going to lose their places, just like in all these other examples. I do believe that is wrong. Over 52 percent of California is owned by the Government. What is too much? In Idaho, I think it is somewhere close to 70 percent is owned by the Federal Government and set aside. There is a point to which, yes, we need to provide for the environment.

Mr. Chairman, first of all, I promised that I would yield to my friend, the gentleman from California, and then I will yield to the gentleman.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I thank the gentleman for yielding to me. I want to address my remarks to the gentleman from Washington [Mr. DICKS] who has repeatedly asserted throughout the debate tonight that somehow the largest of the 10 property owners who are affected by the marbled murrelet critical habitat designation, Pacific Lumber Co., which again happens to be the largest private employer in the largest county of my congressional district, although I know that does not count for a whole lot at times in our debates out here, but he has asserted that all they have to do is go down, see Fish and Wildlife, and get an incidental take permit under the Endangered Species Act, which would allow them then to selectively harvest in those areas where the murrelet has been detected.

The facts are as follows. By the way, I might add, I received a letter today. I know this may seem a little incredulous to some of you on the other side. I received a letter today. Pacific Lumber opposes the amendment, my amendment, which I offered in front of the Committee on Armed Services, because it believes it does not provide sufficient relief. They feel my amendment should have provided for just compensation for this regulatory taking.

Mr. Chairman, they go on and say: "Pacific Lumber has worked diligently, without success, with the appropriate government agencies for years in an effort to ensure some economic return on and value from its timberlands which are considered habitat. It has spent over 3 years and $2.5 million in this regard, including substantial efforts to create an acceptable habitat conservation plan. Weyerhauser and Plum Creek," very important timber constituents of the gentleman from Washington [Mr. DICKS] "are much differently situated land-wise and murrelet-wise than Pacific Lumber Co. Also, the government is working with Weyerhauser and Plum Creek to obtain an acceptable HCP or an acceptable land swap. This is very different from Pacific Lumber's experience. For example, the government has told Pacific Lumber that the only kind of permissible activities it would allow on its privately owned marbled murrelet habitat would be," from the Fish and Wildlife Service, "noncommercial mushroom picking, Christmas tree cutting, rock collecting, and recreational fishing." These are not viable alternatives and would do little to sustain the company, its employment base, and its tax base.

The CHAIRMAN. The time of the gentleman from California [Mr. CUNNINGHAM] has expired.

(By unanimous consent, Mr. CUNNINGHAM was allowed to proceed for 2 additional minutes.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Washington.

Mr. DICKS. I appreciate the gentleman yielding to me.

Mr. Chairman, I would again point out that the designation of critical habitat has very significant meaning on Federal land, but when critical habitat is designated on private land, all it means is if you have to get a Federal permit, they have to take into account that you have got a murrelelet population and habitat on this particular land, only if there is a Federal nexus.

Having said that, there is also a way to deal with the problem of the fact that you have murrelets on the land. That is to do a habitat conservation plan. When you do the habitat conservation plan, and I would take umbrage at what has just been said about this, the company involved here did not negotiate in good faith with the Fish and Wildlife Service. I have talked to the people that were there. They said they made it very clear when they came through the door that they were interested in filing a suit on taking, a constitutional taking, and they were never willing to negotiate.

The CHAIRMAN. The time of the gentleman from California [Mr. CUNNINGHAM] has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. CUNNINGHAM was allowed to proceed for 1 additional minute.)

Mr. RIGGS. Mr. Chairman, will the gentleman yield.

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I have to rebut this contention. I have to ask the gentleman from Washington [Mr. DICKS] if he has had any personal contact with top level officials of the Pacific Lumber Company.

Mr. DICKS. No, I have not. But I have had contact with the top level officials of the Fish and Wildlife Service.

Mr. POMBO. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. POMBO. Mr. Chairman, I thank the gentleman for yielding to me.

We keep hearing about the magical, mystical HCP process. I guess if you own 400,000 acres in one block, it is much easier to come up with an HCP which will work, because you are allowed to rotate your cutting throughout the entire parcel.

Unfortunately for most small property owners, that is not an option. It is not available to you. You do not have the attorneys, you do not have the accountants, you do not have the biologists. You do not have the ability to adopt that kind of plan. I know the gentleman from Washington has worked very hard on HCP.

The CHAIRMAN. The time of the gentleman from California [Mr. CUNNINGHAM] has expired.

(On request of Mr. POMBO, and by unanimous consent, Mr. CUNNINGHAM was allowed to proceed for 2 additional minutes.)

Mr. POMBO. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. POMBO. I thank the gentleman for yielding.

Mr. Chairman, I have supported HCPs. As the gentleman is well aware, in my endangered species reform bill. We strengthened the HCP process so it would be capable of establishing HCPs that would actually work. My colleague, the gentleman from southern California [Mr. BROWN], was down here before and he talked about the HCP process they established in southern California, which was a very painful and very expensive process that took years to come up with, and has shown everything that was wrong with the current Endangered Species Act in terms of an HCP.

Again, the problem is not the major property owners. The problem is not the larger developers. The problem is the small people, the individual property owners that do not have the ability to do that.

Mr. DICKS. Mr. Chairman, if the gentleman from California [Mr. CUNNINGHAM] will continue to yield, the administration has made it very clear that for the small people, they are going to be able to come in and file something and be able to be exempted. What they are trying to do is get an HCP on the big companies.

Mr. POMBO. Mr. Chairman, reclaiming my time, one of the worst possible things we could do to the Endangered Species Act is put in some arbitrary things and say if you have 5 acres or less, you are exempted from that.

Again, in looking at the land patterns in northern California, the brown and the purple are publicly owned lands. They are either owned by the Federal or the State government. We can look at this and tell that there is an abundance of Federal- and State-owned lands, publicly owned lands. The gentleman keeps talking about the Headwaters Forest and the great redwoods. It should be pointed out that we also have the Redwood National Park just a few miles from there that is already federally owned and has fallen into disrepair, like most Federal land.

I would like to quote one thing from the Defenders of Wildlife again in their thing that they sent out on this. They said that unlike other sea birds with nests in the sand, the marbled murrelet nests in branches 150 feet above the pine needle forest, in the column of trees. This is the property we are talking about, the private property. You would have a heck of a time finding that type of habitat that they insist they need for this bird.

Mr. YATES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Washington [Mr. DICKS]. I think the provision added in full committee by the gentleman from California [Mr. RIGGS] ought to be stricken from this appropriations bill. I think it is a special interest rider. We have a private calendar for the relief of individuals. Perhaps that rider ought to move to the private calendar.

At any rate, I think we are ready to vote, Mr. Chairman. We have spent more than 2 hours in debating this amendment. I would hope that we are just about through with it so we can get on with the rest of the bill.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding to me, as I rise in support of the amendment offered by the gentleman from Washington [Mr. DICKS]. In the interests of the gentleman's admonition for us to move on, I will eliminate some of my statement, but I do wish, in deleting my statement, that we will delete the Riggs rider in the Interior appropriations bill.

The Headwaters Forest is very important, Mr. Chairman. It is home to the largest private growth of giant redwoods anywhere in the world, as well as home to the endangered marbled murrelet, as we have discussed. The critical habitat of the murrelet in the headwaters is an essential link between Redwood National Park and Humboldt Redwood State Park, where the murrelet also depends on old growth forest for survival.

A few points on this. The great redwoods are a symbol of California's, indeed America's, magnificent natural wonders. Many of the trees are thousands of years old. They existed when Hannibal crossed the Alps. People come from all over the world to view these giant redwoods, and some of the trees would require many people to completely encircle them. They are truly natural wonders of the world.

Mr. Chairman, I think this is important to the point that has been made earlier. Once, 2.1 million acres of dense coastal redwoods covered the coast from the Oregon border to Big Sur in California. Today, original redwood occupies only 3.9 percent, of this former range, and the 48,000 acres we are talking about today is a large part of that 3.9 percent. The ancient groves are interdependent and support numerous species.

The Riggs amendment is a giant step forward in undoing the Endangered Species Act. The Riggs rider reduces protection of the marbled murrelet in northern California, and amounts to an outright assault on the Endangered Species Act, with the exclusive goal of protecting a major special interest that will gain financially from this rider.

□ 1715

It sets a dangerous precedent for other species and for the Endangered Species Act by opening up areas once protected.

As the gentleman from Washington [Mr. DICKS] has stated, adequate recourse currently exists for private landowners to have their grievances about the Endangered Species Act and critical habitats addressed.

The appropriate place for an endangered species amendment is in the authorizing process as the gentleman from California [Mr. POMBO] has suggested he is pursuing. We have done enough damage to our old-growth and ancient forests without contributing further to their destruction.

The Riggs rider would put the murrelet firmly on the road to extinction. If every Member of Congress sought to restrict coverage of the Endangered Species Act or circumvent its intent on a piecemeal basis, the ark would sink.

The Dicks amendment places the public interest over individual economic gain. The marbled murrelet and the Headwaters Forest contribute greatly to the richness of our world and the natural heritage we will to future generations of Earth's inhabitants.

Vote for the Dicks amendment to strike the Riggs rider from the bill. A vote against the Riggs rider is a vote for jobs, environmentally sound jobs.

Mr. Chairman, I rise in support of the amendment offered by Mr. DICKS to delete the Riggs rider in the Interior appropriations bill.

The Headwaters Forest is home to the largest private grove of giant redwoods anywhere in the world as well as home to the endangered marbled murrelet. The critical habitat of the murrelet in headwaters is an essential link between Redwood National Park and Humboldt Redwood State Park where the murrelet also depends on old-growth forests for its survival.

These great redwoods are a symbol of California's indeed America's magnificent natural wonders—many of the trees are thousands of years old. These trees existed when Hannibal crossed the Alps. People come from all over the world to view these great redwood giants; some of the trees would require many people to completely encircle them. They are truly natural wonders of the world.

Once, 2.1 million acres of dense coastal redwoods covered the coast from the Oregon border to Big Sur in California. Today, original redwood occupies only 3.9 percent of this former range, according to field work and satellite mapping. And the 48,000 acres, last remaining redwoods make up a large part of that small percentage.

The ancient groves are interdependent and support numerous species, many of which are endangered. It is the collective nature of species and their habitat that determine their preservation and survival. Endangered species, once listed as endangered, should not be victims of actions that restrict their environment and further endanger their status in nature.

The marbled murrelet once numbered 60,000 in California and has been reduced to between 2,000 to 5,000 birds. The reduction in numbers is directly linked to intense commercial logging which has destroyed over 95 percent of the marbled murrelet's nesting areas.

The Riggs rider is a giant step toward undoing the Endangered Species Act. The Riggs rider reduces protection of the marbled murrelet in northern California and amounts to an outright assault on the Endangered Species Act with the exclusive goal of protecting a major special interest that will gain financially from this rider.

It sets a dangerous precedent for other species and for the Endangered Species Act by opening up areas, once protected, for timber harvesting. Under the bill, only 3,000 acres would be protected—the headwaters grove.

As Mr. DICKS has stated, adequate recourse currently exists for private landowners to have their grievances about endangered species in critical habitats addressed. Section 10 of the act allows landowners to enter into long-term agreements with the U.S. Fish and Wildlife Service through habitat conservation plans. These plans allow landowners to secure some certainty on the use of their private property over a long-term, for as much as 100 years ahead.

Critical habitat primarily seeks to protect enough area for the species to expand its range and recover to healthy population levels. Critical habitat designation and enforcement are crucial to the recovery of every listed species.

The appropriate place for an endangered species amendment is in the authorizing process, not the appropriations process. We have done enough damage to our old-growth and ancient forests without contributing further to their destruction.

The Riggs rider would put the murrelet firmly on the road to extinction. If every Member of Congress sought to restrict coverage of the Endangered Species Act or circumvent its intent on a piecemeal basis, the ark would sink.

The Dicks amendment places the public interest over individual economic interest. The marbled murrelet and the Headwaters Forest contribute greatly to the richness of our world and the natural heritage we will to future generations of Earth's inhabitants.

The world is a poorer place for the loss of a species. Vote for the Dicks amendment to strike the Riggs rider from the bill.

A vote against the Riggs rider is a vote for jobs.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California.

Mr. RIGGS. I appreciate the gentleman yielding. I just want to point out to my good friend from California and fellow member of the Committee on Appropriations again since she was present the other night and will recall the debate, the amendment specifically excludes the Headwaters Forest.

So I do not understand why those on that side insist on repeating this contention that it includes the Headwaters Forest when it clearly, by the language of the bill, excludes 3,000 acres of redwood forest commonly known as the Headwaters Grove located in Humboldt County, CA.

Ms. PELOSI. Mr. Chairman, if the gentleman will yield further, the gentleman's original amendment was even more destructive than the way it was amended in committee because indeed he did not exempt the Headwaters Forest, these 3,000 acres.

This perfecting amendment from the gentleman from Ohio [Mr. REGULA] in his good intention to protect some of the acreage simply did not go far enough. The 3,000 acres does not begin to cover the area that needs to be protected. But I am pleased the gentleman from California [Mr. RIGGS] is pointing out that his original amendment was even more drastic.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. YATES was allowed to proceed for 2 additional minutes.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would just like to commend the gentlewoman for her statement. Yes, 3,000 acres are protected but there is at least 33,000 additional acres that are not protected. The Fish and Wildlife Service says that in order to protect the murrelet in this area where you have got a lot of old growth, you have got to have some private property designated. Again, I point out that in the three States, they only designated 1 percent but that 1 percent is critical to the survival of the marbled murrelet in northern California. That is why they did it. They did it with great apprehension, frankly. Again, the answer here to my colleagues and the other private companies that have done this, get a habitat conservation plan. Negotiate it. The people in southern California did it. The people in northern Washington State are doing it. It is not that hard to do.

What this is is an exemption that is going to then have every company in the country coming to all the Members saying, "Why don't you get one for us." That is just not the way to do business.

The irony of all ironies is the gentleman from California [Mr. RIGGS] stating that Mr. Hurwitz is not satisfied with his amendment. If he is not satisfied with it, why is the gentleman offering it? Why does he not just withdraw it and accept my amendment?

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California.

Mr. RIGGS. The reason I am offering it, I will be very clear again, is that we are talking about 10 property owners, 4 different companies and 6 small ranches. That is why. And because the principle involved here is the fifth amendment of the Bill of Rights to the Constitution.

Mr. DICKS. If the gentleman will yield further, the Fish and Wildlife Service has told me, and I have talked to the people in that region, they will sit down with those people, the small landonwers, and work this out. They are willing to sit down with Mr. Hurwitz and work this out.

Mr. RIGGS. Does the gentleman have that in writing?

Mr. DICKS. I have been told by people whom I have known and worked with for many years and we have worked successfully on getting the Murray Pacific HCP, so why do we not do it the old-fashioned way, do it right, instead of having this legislative rider that is going to cause all the problems for the Members of Congress in our areas?

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has again expired.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time for debating this amendment terminate in 10 minutes with the two gentlemen from California who are on their feet having spoken being given that full time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. DICKS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DICKS. I think a split of 10 minutes, 5 on each side; I will agree to that. They will agree to that.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time on this amendment and all amendments thereto be limited to 15 minutes, half on this side and half on that side.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. RIGGS. Mr. Chairman, I reserve the right to object to simply point out that many of our colleagues have now come to the floor to participate in this debate and I think we owe it to them to give them the opportunity to express their personal views. So I would seek a unanimous-consent agreement, but I would propose that we make it a little bit longer than the timeframe of the unanimous consent.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Illinois.

Mr. YATES. Twenty minutes. We have already debated it over an hour, I might say.

Mr. DICKS. Two-and-a-half hours.

Mr. YATES. This is only the third amendment to this whole bill.

The CHAIRMAN. What is the time request on each side?

Mr. DICKS. Mr. Chairman, I ask unanimous consent that we have 20 minutes, 10 minutes on each side.

The CHAIRMAN. What is the unanimous-consent request from the gentleman from Illinois?

Mr. YATES. The request is that all debate terminate in 20 minutes, 10 minutes on each side.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. RIGGS. Mr. Chairman, reserving the right to object, I yield under my reservation to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Chairman, I thank my friend for yielding.

I am inclined to support this, but I would like to ask, Mr. Chairman, if it would be possible for those Members who are seeking the opportunity to speak on this amendment, if they could stand, raise their hands so that there would be some indication as to whether or not we should proceed with this measure. Members who, I guess, have already taken their time would not be included, this would be Members who have not yet taken an opportunity.

It appears that there are several Members, Mr. Chairman, who wish to speak on this, so I would propose to my dear friend from Illinois that we extend it to possibly 30 minutes total so that those Members who wish to speak would have the opportunity.

Mr. YATES. Mr. Chairman, I ask unanimous consent that the time for debate on this amendment and all amendments thereto be limited to 30 minutes, 15 minutes on each side.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. RIGGS. Mr. Chairman, reserving the right to object, I do so to clarify that I would then control the 15 minutes of time in opposition to the Dicks amendment.

Mr. YATES. And the gentleman from Washington [Mr. DICKS] will be in charge of our time on our side.

Mr. RIGGS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the time for debate on this amendment and all amendments thereto will be limited to 30 minutes. The gentleman from California [Mr. RIGGS] and the gentleman from Washington [Mr. DICKS] each will control 15 minutes.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Mr. Chairman, I yield 3 minutes to my good friend and northern California neighbor and colleague [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in strong opposition to the Dicks amendment.

Mr. Chairman, the listing of the marbled murrelet is the capstone of efforts by extreme environmentalists to lock up private property in northern California. This small bird, which environmentalists claim is on the verge of extinction, actually has a habitat range that stretches all the way from California through Canada and into Alaska, where literally hundreds of thousands of murrelets can be found.

The thrust of the movement and this amendment is to move the battle to stop timber harvests from Federal to private property. Over 4 million acres of murrelet habitat already has been designated in Washington, Oregon, and northern California; 3.9 million of these acres are on Federal land.

Less than 1 percent of the critical habitat, approximately 48,000 acres, is located on private land. Seventy percent of this private property is owned by one property owner. This one property owner will have 33,000 acres of land locked up by an uncompensated taking unless this Congress has the courage to stop it.

Mr. Chairman, 3.9 million acres of critical habitat for a bird that thrives by the hundreds of thousands in Alaska through northern California. We do not need to confiscate 33,000 acres of private property to save the marbled murrelet.

Unfortunately, the extreme environmentalists do not see it that way. Extremist juggernauts like the Sierra Club have already declared open war on Federal timber harvests. Now they are setting their sights on private timber interests. Their work will not be done until every square inch of forest in North America has been converted to a park.

Mr. Chairman, every private property owner in the United States should pay close attention to this vote. Today, extremist policies are taking property from a northern Californian. Tomorrow, it might be a Georgian or a Floridian or even someone in New York or New Jersey who will lose their property rights for the sake of furthering an extreme environmental agenda.

Mr. Chairman, I urge my colleagues, especially those who champion private property rights, to stand up for the millions of private property owners in our country, to oppose policies that systematically rob Americans of their rights of self-determination, and to reject the extreme environmentalist agenda by opposing the Dicks amendment.

(By unanimous consent, Mr. REGULA was allowed to speak out of order.)

EVENING SCHEDULE

Mr. REGULA. Mr. Chairman, I want to let Members know what we have in mind. That is, there is about 25 minutes left on this amendment, and then there will be a vote. Then we have two amendments that will be offered that will be accepted by the ranking minority member and myself, and we will voice vote those. Then it would be our intent to roll votes after that for a rather sustained period.

This will allow people to have some idea of what is planned for the rest of the evening. We do hope to finish this bill tonight, and I think we can, if everybody works at it.

Mr. DICKS. Mr. Chairman, I yield myself 5 minutes.

The Chairman, first of all I am a little disappointed in the hysteria that I have been hearing about what this all means. I want to read again, so that all my colleagues have an understanding objectively, with passions lowered, what this means.

The Fish and Wildlife Service only designated non-Federal lands as critical habitat where Federal lands are limited or nonexistent where non-Federal lands are essential for maintaining marbled murrelet populations and nesting habitat. The U.S. Fish and Wildlife Service recovery plan stated that suitable nesting habitat on Pacific Lumber Co. lands in Humboldt County, CA, is the only available nesting habitat for the southern portion of zone four. This area has known nest sites and is situated in a key area close to the coast, with no Federal lands in the immediate area that are able to provide similar recovery distributions.

It is imperative to protect murrelet habitat on corporate forest lands in northern California because these lands provide a biological link to the murrelet populations between the Redwood National Park to the north and the State redwood parks to the south. Contrary to the assertion of the gentleman from California [Mr. RIGGS] that critical habitat designation amounts to a condemnation or taking of private land, the Fish and Wildlife Service action does not specifically prohibit logging or any other type of land use on those properties.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California.

Mr. RIGGS. Does the gentleman's letter that he is reading from now make any mention of the nine other property owners who are affected by the marbled murrelet designation?

Mr. DICKS. The same remedies exist for them.

Mr. RIGGS. Does the gentleman's letter make any mention of those nine?

Mr. DICKS. Mr. Chairman, reclaiming my time, as I said to the gentleman, the other people that are affected besides your major company can go to the Fish and Wildlife Service and can get a habitat conservation plan. The Fish and Wildlife Service has said it is going to work with smaller landowners.

The most important areas, as the gentleman has mentioned, are the headwaters areas. The problem we have got here is that there is a legal and proper way to proceed. That is getting a multispecies HCP. What the gentleman is doing today with his amendment that was adopted in the full committee is trying to short-circuit the process.

I would again say to the gentleman, why is it that Plum Creek, Weyerhaeuser, Simpson and the Murray Pacific Co. are all able to negotiate with the Fish and Wildlife Service, and yet Mr. Hurwitz and Pacific Lumber are not?

□ 1730

It is because this gentleman is not interested seriously in reaching an agreement which would give him 100 years of certainty and the ability to log on his land. Now, we can work out the problems of the other small landowners.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I appreciate the gentleman from Washington yielding to me.

Mr. Chairman, the fact is that the Fish and Wildlife Service, under the Clinton administration, has actually made a commitment to exempt small landowners.

When we hear the discussion about landowners, the only reason this amendment has any effect in this bill is because of the large landowner exemption. This is a single-interest, special-interest exemption to this particular issue.

Mr. Chairman, I want to ask the gentleman from Washington [Mr. DICKS] this. I heard some suggestion that there was some modification to the fifth amendment to the Constitution in this particular amendment. Now, the gentleman from California, our friend and colleague, and the gentleman from Washington, neither of my colleagues have amended the fifth amendment to the Constitution in this appropriation bill; have they?

Mr. DICKS. Reclaiming my time, even in the Committee on Appropriations, we are not that brazen, I would assure my friend from Minnesota.

Mr. Chairman, the point is here, there is not a taking, because the company can come in, they can get a habitat conservation plan. They can work out this problem with the Fish and Wildlife Service. They do not need to be exempted.

Mr. VENTO. Mr. Chairman, if the gentleman would yield to me further on this point of taking, there was an earlier court decision in this term of Congress.

Mr. DICKS. Sweet Home, Mr. Chairman.

Mr. VENTO. The Sweet Home decision. And it was suggested that this activity by the Fish and Wildlife Service constituted, that was the assertion, that it constituted a taking. The Supreme Court rejected that particular logic.

Mr. Chairman, I would just suggest to my colleagues that in fact we are in an era where we have this new information and knowledge. It obviously is difficult for some of us to come to grips with it. It means new limits and complications in the world of work and in the world of commerce. But the fact is it has the same logic as if water ran through your land that you did not have any responsibility to anyone as to where the water came from or what you did to it while it was on your land or the air quality issue. The same is true with these habitat areas that have these important species. Obviously they affect all of us. They affect the entire fauna and flora in these ecosystems that are critical, and that is why we have laws in place, because of the foresight of others that addressed those issues with sound science and economics.

Mr. RIGGS. Mr. Chairman, I yield myself 1 minute to point out, first of all, that under this administration we have seen a gradual erosion of private property rights. Many of us from the West, of course, vividly recall the broken promises of this administration, beginning with the Pacific Forest Conference, or whatever it was called, which has resulted in literally thousands of timber workers being unemployed today and on food stamps.

Mr. Chairman, I want to make one other point. The gentleman from Washington [Mr. DICKS] has repeatedly asserted that there is no other suitable murrelet habitat in the vicinity of these 37,000 acres. He has repeatedly asserted that, but in the immediate vicinity are 693,000 acres of publicly owned land which has also been designated as critical habitat for the marbled murrelet.

How many times do I have to repeat these statistics: 477,300 acres on Federal land and 175,000 acres on State land. That is not, that is not a lack of critical habitat in the immediate vicinity for the marbled murrelet.

Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. Mr. Chairman, I thank the gentleman for yielding me the time, and I want to respond to the comments of my friend from Washington, and he is my friend, on this issue. The gentleman from Washington [Mr. DICKS] has stated that it is all that a landowner has to do, is go in and get an HCP. Well, that cost of those timber companies who did that in my State hundreds of thousands of dollars to get that HCP. It is not that easy, in my judgment. They did it with great sacrifice, great time delays, and at a great cost of their corporate dollars, and that is very real.

It is easy for us to stand here in this body and talk about, well, just go get an HCP or just go down and negotiate with the Fish and Wildlife Service. That is not that easy in today's world. That is one of the problems that I think small owners, landowners face, first.

Second, I received a letter from the Farm Bureau. Now, I represent the eastern district of Washington, lots of farmers, lots of small farmers. This is what they said about this amendment of the gentleman from California [Mr. RIGGS] and this provision in the appropriations bill. The Farm Bureau supports this private property rights provision and urges its retention in the bill. The provision sets a valuable precedent that it is wrong for the Government to impose regulations that prohibit private landowners from harvesting a crop.

Third, I think all this debate really emphasizes is that we have got an Endangered Species Act in this country that needs very, very serious attention. We have ambiguities in the law that was passed in 1973. We are fighting this out today, this discussion between private property rights and the public interest in protecting critical habitat and protecting endangered species. They are both very, very important.

But I think what we really ought to be doing instead of fighting this debate on this amendment is addressing the issue, the greater issue of reforming the Endangered Species Act to make it work so that small landowners and private property rights and big companies and birds and fish and animals can coexist. I think they can, and I think we ought to really direct our attention to that effort.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. NETHERCUTT. I yield to the gentleman from California.

Mr. RIGGS. The gentleman from Washington [Mr. DICKS] has repeatedly asserted throughout the day that the Endangered Species Act is working well in the State of Washington. The gentleman from Washington [Mr. NETHERCUTT] also represents a congressional district. Is it your opinion that the Endangered Species Act is working well in the State of Washington today?

Mr. NETHERCUTT. Reclaiming my time, I think we are frustrated in our State, whether it is the gentleman's district or mine. We are frustrated trying to make it work. Again, I want to make the point, it should work. We need to protect species. We need to protect private property rights. But under the current laws, we are all frustrated and it is costing everybody a fortune to make it work.

Mr. DICKS. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I would say to my friend from Washington, and he is my friend, that habitat conservation plans are a voluntary thing. A company like Murray Pacific, my good friend Toby Murray from Tacoma, WA, worked hard with my office, the Fish and Wildlife Service, everyone over an extended period of time to negotiate out a habitat conservation plan. I was there the day that that plan was approved. Toby Murray got up, conservative Republican, a business guy, solid as anyone. You would love him on your side of the aisle, and we would love him on our side of the aisle. He is providing good jobs for people.

He said this was the proudest thing that he had ever done, to be able to sit down with the Federal officials and to work out an agreement that would allow him on his private lands to protect salmon, to protect murrelets, to protect owls, to protect species, and yet still be able to do harvesting for the next 100 years. That is a win-win. Now, that is not an Endangered Species Act that is broken. That is an Endangered Species Act that is working.

I applaud this administration. I have opposed them on many things, and I think sometimes that they are, you know, too zealous. But in this area, they have been willing to sit down with the private sector, roll up their sleeves and come up with these habitat conservation plans. That is why I object to this approach, while all of my companies up there are doing it the right way, the way that the law lays out to do it, and they are succeeding.

Plum Creek is going to be next, then Weyerhaeuser and the State of Washington. Then if we can get this protection with the Federal option nine at the core, we protect the major Federal lands, the big landowners, then we can exempt most of the little landowners that both the gentleman from California [Mr. RIGGS] and I are both concerned about. They can be exempted because we will protect enough species on the Federal lands and on the major private landowners and the State lands to let the little people off without any requirements whatsoever. That is my goal.

Mr. Chairman, I am willing to work with the majority side in strengthening the habitat conservation provisions of the Endangered Species Act. But let us not go down the road of an exemption for one company that was taken in a hostile takeover, who comes here and asks for legislation and now they are not even satisfied with what the gentleman from California, [Mr. RIGGS] is trying to do for him. I think this is a terrible precedent.

We are all going to regret the day we do this. The administration says it will veto the bill over this. We have got a lawful way to proceed. We do not need to do this. This is a terrible mistake and we will rue the day that we did not protect the murrelet, did not protect the old growth redwood, and that we did not protect the Endangered Species Act.

I thought this was going to be the new majority now that we are going to look at environmental things in a little more responsible way, and that is why I was so upset by the comments that were made by the gentleman from Alaska [Mr. YOUNG], when he said flat out, as chairman of your Committee on Resources, that he does not support the Endangered Species Act.

I think we have got to sit here and say to ourselves, how can we say that? If biodiversity is not important, if protecting species is not important, even some of the most conservative Christians today in the church movement were standing up and defending the necessity to protect God's creatures. I say to the gentleman that protecting species is a responsibility of this Congress, and protecting the Endangered Species Act is the tool to do it.

Can we improve it? Yes. But to come in here today for one company and try to pass a social exemption is wrong, and the gentleman from California [Mr. MILLER] said it better than I can say it, but it is not the right way to proceed. If we want to change the ESA, let us go to the authorizing committee and change it. Let us not do it here in an amendment that has had no hearings, no process, no procedure. It is simply wrong.

The CHAIRMAN. The Chair would advise that the gentleman from Washington [Mr. DICKS], has 6 minutes remaining, and the gentleman from California [Mr. RIGGS], has 8½ minutes remaining.

Mr. RIGGS. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Chairman, I say to the gentleman, suppose Pacific Lumber Co. jumped through all the hoops to get a habitat conservation plan, spent the hundreds of thousands of dollars and took the months or years to accomplish it. Do we have information that suggests what activities they might be permitted to carry out on their land, having spent the hundreds of thousands of dollars and the months to obtain such a plan?

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. DOOLITTLE. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, let me say again for the RECORD that Pacific Lumber Company was told by the Federal Government, quote, that the only kind of permissible activities it will allow on its privately owned marbled murrelet habitat would be noncommercial mushroom picking, christmas tree cutting, rock collecting and recreational fishing.

Mr. DOOLITTLE. And that is reasonable.

Mr. RIGGS. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. DREIER] my very good friend and a distinguished member of the Committee on Rules and the Chairman of the Legislative Task Force.

Mr. DREIER. Mr. Chairman, I thank my friend for yielding me the time, and since he mentioned I am on the Committee on Rules, it is great to see this marvelous testimony to the open amendment process we have gone through for the past several hours. Everyone is cheering for it, I can tell.

Mr. Chairman, let me say that as we look at this measure, I believe that what we have come to is actually a compromise. We continue to hear the terms veto bait and this is a special interest measure, but it is a bipartisan compromise. It includes the support of the Chairman of the Joint Committee on Fisheries and Aquaculture, a Democrat from the California State legislature who has spent time looking at this, and Chairman Hauser has concluded that the Riggs language is very appropriate.

It also enjoys the support of the inclusion of an amendment by the chairman of the subcommittee, who obviously dealt with this Headwaters question which continues to come to the forefront time and time again, and it is excluded. Mr. RIGGS has made that point very, very clear. But very, very important is the fact that this addresses the issue of private property rights while it is also looking at the environmental concerns, which my friend from Washington has just raised.

Mr. Chairman, I submit for the RECORD letters that have come from people who are actually witnessing this debate: Mary and Jack Walsh, who are property owners whose land was pictured here on the easel earlier, and people like Martin and Donna Gift, who I know are very interested in this debate and in fact are being victimized if we do proceed with this. Also a very thoughtful handwritten letter. It is handwritten, so I cannot read exactly. Donmarie Paddock-Bowers.

The letters referred to are as follows:

JACK WALSH, M.D.,
Eureka, CA, June 14, 1996.

DEAR CONGRESSMAN RIGGS: I am writing you in regards to the Marbled Murrelet Critical Habitat Designation which is currently impacting our family's property just north of Fortuna, California.

My wife Mary and I purchased this previously clear cut property in 1953 when the second growth market was just coming into its own. We never dreamed that we would see it logged in our lifetime. This summer, our son Pat, will have completed his ninth year of selective logging on a sustained yield basis. We are all very proud of our logging operation.

The property (880 acres), is completely surrounded by other second growth stands. Why we were arbitrarily placed in this Habitat Designation, without any input from our family or forester is beyond our imagination. (see aerial photos)

Just October, our forester, Ron Hunt wrote a detailed letter to Russell Peterson, State Supervisor of Fish and Wildlife in Portland, Oregon. He requested that our property be removed from Habitat Designation for obvious reasons. (no existing habitat) Several follow up inquiries were put off by the Fish and Wildlife Service. We have yet to hear any logical explanation as to why we were placed in the Habitat Designation. (see Ron Hunt's letter).

The arrogance of the Fish and Wildlife Service to arbitrarily begin drawing maps which impact our property, we feel is completely unjust. We have more than enough regulations to overcome in an attempt to properly care for our forest. We hope you can help us.

Sincerely,

DR. AND MRS. JACK WALSH.

GIFT RANCH,
Kneeland, CA, June 14, 1996.

Hon. FRANK RIGGS,
1st District, California,
Eureka, CA.

DEAR CONGRESSMAN RIGGS: I, along with my son Todd, am the current owner and manager of the Gift Ranch in Humboldt County, California. A significant portion of our ranch, 510 acres of grassland, brushland, and timberland have been included within the United States Fish and Wildlife Service (USFWS) marbled murrelet's "so called critical habitate". This arbitrary designation of our property will cause a great financial burden upon our families.

This ranch has been owned and managed by the Gift family for four (4) generations. We have been good stewards of this land and the land has rewarded us with a reasonable living. Currently, the ranch supports me, my wife, my son Todd, his wife, and his three young children.

Recently we, at considerable expense, obtained a long term timber management permit from the State of California. This contract with the state obligates us to grow our timber on a "sustained yield" basis. It requires that we do only selective logging and maintain existing wildlife habitate. One of the requirements of this permit was an extensive, and I mean extensive, wildlife review. Among the wildlife habitate reviewed was the marbled murrelet. Both public and private biologists agreed that due to the extensive grassland, hardwood areas, and young growth forestlands that our ranch was not murrelet habitate. Nowhere on this ranch is the type of old growth forests that are reported to be essential for murrelet habitate.

This appears to be another example of heavy handed government "taking" of private property with little or no justification. At least the government could have explained to us why my son's house and the 100 or so acres of grass and oak woodlands is so critical to the survival of the marbled murrelet which is a sea bird that nests in dense old growth forests near the Pacific Ocean, not 20 or so air miles away on a hot open south facing slope.

This designation will not allow us to harvest the timber (no matter how conservatively) that we need to supplement our livestock operations. With severely depressed livestock prices the managing of our timber resources is critical to our existence.

Every generation of Gifts have added assets to this ranch. These assets are usually in the form of innovative stewardship and/or acreage to the property. It seems odd that the government with its vast holdings and seemly unlimited resources must take land from the private individual non industrial landowner to provide "so called" habitate for the marbled murrelet and/or any other "so called" endangered species.

Sincerely,

MARTIN GIFT.

JUNE 14, 1996.

Congressman RIGGS,
Washington, D.C.

My name is Donnavie Paddock Bowers, I am 55 yrs old. My husbands name is Ben Bowers, he is 58 years old. We are living on what's left of my family's sheep and cattle ranch. Visualize a small ranch (440 acres) half wooded and half prairie, this is a small ranch—too small in our county to make a living on, so my husband has a job off the ranch to make ends meet. My parents had 2,500 acres originally and sold most of it off to retire, and kept enough of the ranch to run, to supplement their retirement which is what we had planned to do when Ben retires.

I am disabled and in a wheelchair, I have been diagnosed with 2 diseases, "M.S." and "Late Lyme Disease" both of which are incurable diseases at this time. So we have large medical bills.

We are very concerned (half of our property 220 acres) has been put into the "Marbled Murelet Habitat" as seen on page #412, 413, and page #414. We feel that we will be so restricted over time that we won't be able to graze our cattle on our own land, and won't have this extra income that we desperately need to live on. This property is in my blood—"I love it". It makes me ill to think it could be taken away from us. Why this "marbled murrelet habitat" bill or some other bills that could come up in the future. I have been fighting for the past 5 years to keep our ranch (part or all of it) from being included into the "Headwaters Forest". We can't get rich running this ranch, but do need the extra income.

Because of my disabilities I have to run the ranch from my wheel chair and my wheel chair accessible van. If we are forced off of our property at our ages and health we wouldn't be able to start over! But the biggest concern is losing my heritage which can't be replaced at any price! My family has been on this land for 113 years. I thank God every morning that I can live on this land that previous generations of my family lived here before me.

A few miles from house most of my relatives are buried, including Mom & Dad.

Please protect our personal & property rights. We voted for you to look out for us when you went to Wash., D.C., Please help us now.

I want to continue running this ranch from my wheel chair with my trusty dog named "Teal" at my side.

Thank you,

DONNARIE, PADDOCK-BOWERS.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 17, 1996.

LEADING CALIFORNIA DEMOCRAT AGREES—THIS HABITAT IS NOT FOR THE BIRDS!

DEAR COLLEAGUE: Later this week, you may be asked to vote on a provision now included in the Interior Appropriations bill that excludes 37 thousand acres of private land from the 3.9 million-acre critical habitat designation for the marbled murrelet. The murrelet is a small bird that sometimes nests in old-growth redwoods. Why then, did the Interior Department include 501 acres of land belonging to my constituent, Martin Gift, that is largely prairie, as well as other, similar private land? As you can see from the letter that follows, Democratic Assemblyman Dan Hauser, Chairman of the California Legislature's Joint Committee on Fisheries and Aquaculture, agrees that the designation is wrong.

If you favor protection of private property from government action that reduces value without compensation, then vote "No" on any amendment to delete the habitat limitation.

Sincerely yours,

FRANK D. RIGGS.

CALIFORNIA LEGISLATURE, JOINT COMMITTEE ON FISHERIES AND AQUACULTURE,
Sacramento, CA, June 17, 1996.

Hon. FRANK RIGGS,
Capitol Hill

DEAR CONGRESSMAN RIGGS: Mary Morgan of my staff has personally toured Martin Gift's ranch. This ranch has been in the family for four generations. It is my understanding that a measure is pending that would declare approximately 500 acres of their ranch as critical habitat. Their ranch is part of the 3.9 million acre designation for critical habitat that is included in the Interior appropriation bill for 1997.

I question the methodology that could have allowed this portion of their ranch to be included in this critical habitat designation. Scientists have never walked over this land or studied this land from the land. Aerial photos are not as accurate as land surveys. According to my staff person, clearly, almost one-half of this acreage is bare grassy prairie which is good grazing pasture. What tree would a marbled murrelet or spotted owl live in on the bare grassy prairie? On the remaining acreage, that is included in this critical habitat designation, there is some fir, very little redwood, some oak and pepperwood.

At the very least, their ranch should be deleted from the critical habitat designation. Moreover, given the shaky methodology that included their land, may be the best alternative is to exclude private land from this critical habitat designation?

Thank you for your thoughtful and timely consideration of this request.

Sincerely,

DAN HAUSER.

It seems to me that as we look at these very touching statements that have been made by these individuals whose rights are being jeopardized, if we pass this amendment by the gentleman from Washington, [Mr. DICKS], we have no choice other than to support private property rights, responsible environmental concerns, and we should move ahead and do this immediately.

☐ 1745

Mr. DICKS. Mr. Chairman, I yield myself one minute.

Mr. Chairman, again, let us just talk a little bit about Pacific Lumber Co. Pacific Lumber Co. was once an outstanding practitioner of sustainable forestry. In 1985, Charles Hurwitz' Houston based holding company Maxim Corporation orchestrated a hostile takeover of Pacific Lumber using junk bonds financed by the notorious Michael Milken and his firm, Drexel, Burnham, Lambert. Almost immediately after the take over, Hurwitz raided the PALCO employees' pension fund and practically tripled the rate of cutting redwoods to pay off the loans and junk bonds used to finance the takeover. In justification of his actions, Hurwitz was quoted by Time Magazine as telling his new employees, "There is the story of the golden rule: He who has the gold rules."

Now, this seems to me not to be a company that deserves our help here today.

Mr. Chairman, I yield 4 minutes to my friend, the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I think the gentleman makes an important point. There is in fact a right way to do business and a wrong way to do business.

My family, interestingly enough, logged in this area and logged for this company and settled in this area in the 1840's and taught school and were workers in the mills in Eureka and Scotia and that whole surrounding area for many, many years, before they moved down to the San Francisco Bay area. Our family is legend with the culture of the woods and what it meant to work in those woods, and it is a very important part of our state.

As the gentleman pointed out, at one time this was a company that people pointed to with great pride, not only because it took very good care of its resources, but because its schedule of cutting was based essentially on sustainable forestry before we knew the term here in the Halls of Congress.

But all of that changed one day when this company was subject to a leveraged buyout and the bottom line and interest rates took precedence over the workers, over the forest resources, and, unfortunately, also over the laws of this Nation that are there to protect workers, protect pension plans, protect labor rights, and to protect the futures of those families. That is long and legendary, and we have had some heated debate about that today.

But the fact of the matter is as we close this debate, this House of Representatives cannot be used in this fashion, because this is deciding simply you no longer want to play by the rules, as does every other company in California and the Pacific Northwest and many other areas of our country, as they struggle with endangered species.

Rather than try and reform that legislation, all that we have had so far is these extreme proposals that say "you can't kill the species, but you can destroy the habitat." These extreme proposals that have caused Speaker GINGRICH now to announce that the Endangered Species Act changes are dead for this year, they will not be passed.

So now we are back with this kind of extreme proposal, that says simply you get yourself a lobbyist, you get yourself a lawyer, and you opt out of the system.

We really cannot present to the American people that that is the way you do business, because there are a lot of businesses in my area, there are a lot of home builders in my area, there are a lot of land developers in my area, that are struggling to put together habitat conservation areas. That is the way they do business. They will be able to build fewer homes or in different places or use parts of land and not other parts of land, because that is what they are required to do to present compatibility with the species and with the protection of our environment. That is the way those people are doing business.

They do not all get to run to the Congress and say "Take us out." If this is about endangered species and this is about reform, we can talk about reform. What we were not able to talk about in the last session was the gutting of the Endangered Species Act.

We should not allow Mr. Hurwitz and Pacific Lumber Company to unilaterally, only for his purpose, to gut the Endangered Species Act. That is what this amendment does, for one particular party, for one particular purpose, that has been unable, unable, to decide to play by the rules and to obey the law.

I want to thank the gentleman very much for offering this amendment.

The CHAIRMAN. The gentleman from Washington [Mr. DICKS] has 1 minute remaining, and the gentleman from California [Mr. RIGGS] has 5½ minutes and has the right to close.

Mr. DICKS. Mr. Chairman, it is my amendment.

The CHAIRMAN. The gentleman from California is a member of the committee.

Mr. DICKS. Mr. Chairman, I am a member of the committee and I am a senior member of the committee. I have the right to close.

The CHAIRMAN. The gentleman from California [Mr. RIGGS] has the right to close, because he represents the committee position and is a member of the committee.

Mr. RIGGS. Mr. Chairman, I yield myself 30 seconds, simply to point out that Pacific Lumber Co., as I mentioned earlier, has grown from 950 employees in 1986 at the time of the merger to 1,600 employees as of last month, and over the past 10 years, this is no cut and run operation. I would say to the gentleman from Minnesota [Mr. VENTO], over the last 10 years the company has invested over $125 million in capital improvements and additions to equipment and machinery. It has purchased two sawmills, invested in additional timber lands, and has invested heavily in modernizing its facilities.

Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman for yielding time.

Mr. Chairman, I think everybody in this Chamber agrees we should not carelessly cause the extinction of animal or plant species. Unfortunately, this amendment, our current policy, makes it harder to save endangered species. I think it is important to realize that just because something is called an Endangered Species Act, it is not automatically effective in saving endangered species. In fact, over the last 20 years, that act has not been credited with saving a single endangered species.

Now, the reason is the act creates the wrong incentives. The most effective way to preserve a threatened species——

Mr. DICKS. Has the gentleman heard of the bald eagle?

Mr. SMITH of Michigan. The bald eagle was by DDT.

Mr. DICKS. The DDT did not save it. The Endangered Species Act saved it.

Mr. RIGGS. Mr. Chairman, reclaiming my time, the most effective way to preserve threatened species is by improving and expanding their habitat. One might expect that an endangered species law would reward people for creating habitat. It does not do that.

For example, it could pay people who establish breeding grounds for the spotted owl or the marbled murrelet. We do not do that. Instead, we punish those who happen to have endangered species on their property. It is the wrong way to go about it. It benefits all of society. We should not impose on small property owners the imposition that does us all good. We need to change our policy. It is not a good amendment.

Mr. RIGGS. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. POMBO], cochairman of the Speaker's task force on the environment.

Mr. POMBO. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, yes, it is true that this debate really is not about the Endangered Species Act. I wish we were debating the Endangered Species Act on this floor today, but we are not. We are debating about whether or not we should protect the private property rights of these few people.

What it really comes down to is that, yes, the gentleman from Washington [Mr. DICKS] is correct about one thing. When your property is designated as critical habitat, and it is private property, it is not immediately affected under the law, unless you want to use it. If you want to use it for anything, you have to go to the Federal Government to get permission to use it.

Mr. DICKS. Only if you want to take a species.

Mr. POMBO. If you want to use your property, you have to go to the Federal Government and get permission to use your property, or risk being taken under the Endangered Species Act and being prosecuted for taking an endangered species. You must go to the Federal Government to use your property.

So, fine. You do not have to go to the Federal Government, unless you want to use your property.

Now, under the marbled murrelet critical habitat listing it says they need 150-foot-tall trees. This is part of the private property that was so necessary to include under the Endangered Species Act to protect the threatened marbled murrelet, this property right here. You can tell that it is not a forest, it is not populated with 150-foot-high trees, and yet they insist that it must be protected. This is about private property rights. That is what this debate is all about, and that is what we must protect.

Mr. DICKS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would ask my colleagues to support this amendment. The gentleman before said they cannot use the property. They can go in, they can get an incidental take permit; small companies are regularly exempted by this administration. The story here today is whether we are going to allow a special interest amendment to exempt one company from having to go through the lawful pattern that every other company is going through. The question is about the survival of the marbled murrelet in northern California. It is about protecting old growth redwood forests. The recovery plan of the forests of the Fish and Wildlife Service says that this habitat is critical.

Now, think of it: In three States we only designated 48,000 acres, most of which are Pacific Lumber. I think it is wrong to give them an exemption. I urge my colleagues to support the Endangered Species Act, to support the environment.

Now, this will probably be one of the most important environmental votes of the year. The administration has said that they will veto this bill if this rider is not taken out. Let us not mess up the Interior appropriations bill.

The CHAIRMAN. The gentleman from California [Mr. Riggs] is recognized for 2 minutes to close.

Mr. RIGGS. Mr. Chairman, after much debate we finally found a point to agree on. This is probably the most important private property rights vote that we will have in the 104th Congress, and that is what this is about. Since 99 percent of the designated habitat is unchanged in my amendment.

Mr. DICKS. I said environmental vote.

Mr. RIGGS. This is not an endangered species debate. Instead, it is about the core differences here between those who seek to protect the rights of private property owners, including some longtime ranch families, and those who have little concern about government regulatory takings of property without compensation.

So that is what this debate is about. Let us put an end to the taking. Let us keep our promises. Let us not betray rural America. If you were one of the 277 Members of this body who back on March 3, 1995, voted for the Private Property Protection Act, I urge you, I implore you, to reject the Dicks amendment, his motion to strike, and to stand firm for private property rights, stand firm for the small ranch families and rural America.

Mr. BROWN of California. Mr. Chairman, I rise in strong support of the Dicks amendment to strike language added to the Interior appropriations bill which will allow the Pacific Lumber Co. to circumvent the Endangered Species Act on most of the land contained in the Headwaters Forest. This provision which was added by the gentleman from California [Mr. Riggs], would prohibit the Department of the Interior from enforcing the designation of critical habitat for the marbled murrelet on lands exclusively within his district.

The Headwaters Forest is the largest remaining privately owned old growth redwood forest in the world. It hosts numerous species, including the murrelet and the coho salmon. Now Congress is planning to provide a special exemption for Pacific Lumber—a company that has demonstrated reckless logging practices within the Headwaters Forest.

For over 100 years Pacific Lumber was owned by a company that operated under model sustainable logging practices. Well, as many of my colleagues know, in 1986, Charles Hurwitz orchestrated a hostile takeover of the Pacific Lumber Co., primarily through junk bonds. In the wake of the takeover, Hurwitz's United Savings Association of Texas failed, costing the taxpayers $1.6 billion. It was the sixth largest savings and loan failure in U.S. history. Currently there are FDIC and OTS suits pending against Mr. Hurwitz and Maxxam Corp., which owns Pacific Lumber.

Pacific Lumber furiously increased the rate of logging in the Headwaters Forest, tripling the logging of redwood, especially old growth trees. After nearly exhausting the resources of this forest and facing numerous lawsuits and court orders to half its destructive practices, Pacific Lumber laid off 105 workers.

The Fish and Wildlife Service recently designated lands as critical habitat for the marbled murrelet, and only one percent is privately owned. Only those lands that contain individual mature or old growth trees with occupied or potential nesting sites are included. Critical habitat is essential to protect enough area for the species to expand its range and recover to healthy population levels. A lengthy review and public comment period preceded the designation of the critical habitat. Based on that public comment, the boundaries were reduced from the 1995 proposal.

Through this provision, the Pacific Lumber Company is merely trying to circumvent a federal court order that halted logging in crucial sections of the habitat until a sufficient Habitat Conservation Plan has been completed. While I understand the concerns of the gentleman from California, I feel this exemption is irresponsible, and completely lacking any scientific justification, and I urge my colleagues to eliminate it by passing the Dicks amendment.

Mr. Chairman, I rise in strong support of the Dicks amendment. Since the start of the 104th Congress, the Republican majority has consistently attempted to ignore the nation's existing environmental protections. In this particular instance the Republicans would like to prohibit the Fish and Wildlife Service from enforcing critical habitat protections for the marbled murrelet in the state of California.

For those of you who are unaware, the marbled murrelet is an endangered seabird that nests in old-growth forests. In order to protect these endangered birds, the Fish and Wildlife Service recently designated roughly 4.5 million acres of forest in California, Washington, and Oregon as critical habitat areas. Yet, rather than encourage private industries to comply with these protections and enter into a multi-species habitat conservation plan, the bill before us today would exempt these companies in California from complying with these standards.

In addition to harming the Nation's efforts to protect these endangered birds, exempting Californians from these standards will undermine efforts in my own state of Washington to have owners of critical habitat areas enter into multi-species habitat conservation plans of their own. The Dicks amendment would strike these environmentally dangerous provisions. I would hope that the House supports his efforts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. Dicks].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DICKS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 257, noes 164, not voting 13, as follows:

AYES—257

Abercrombie
Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Camp
Campbell
Cardin
Castle
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Davis
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Doyle
Durbin
Ehlers
Engel
English
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gordon
Goss
Green (TX)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Harman
Hastert
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoke
Holden
Horn
Houghton
Hoyer
Hutchinson
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klink
Klug
Kolbe
LaFalce
LaHood
Lantos
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pomeroy
Portman
Poshard
Pryce
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shaw
Shays
Sisisky
Skaggs
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tate

Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Zimmer

NOES—164

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bevill
Bilirakis
Bliley
Boehner
Bonilla
Bono
Brewster
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
DeLay
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards
Ehrlich
Everett
Fowler
Frisa
Funderburk
Ganske
Gekas
Geren
Gonzalez
Goodlatte
Goodling
Graham
Greene (UT)
Hall (TX)
Hancock
Hansen
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hostettler
Hunter
Hyde
Istook
Johnson, Sam
Jones
Kim
King
Knollenberg
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lucas
Manzullo
McCrery
McHugh
McInnis
McIntosh
McKeon
Mica
Molinari
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Pickett
Pombo
Porter
Quillen
Radanovich
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Royce
Salmon
Schaefer
Seastrand
Shadegg
Shuster
Skeen
Smith (MI)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Taylor (MS)
Taylor (NC)
Tejeda
Thornberry
Tiahrt
Traficant
Vucanovich
Walker
Wamp
Watts (OK)
Whitfield
Wicker
Young (AK)
Young (FL)
Zeliff

NOT VOTING—13

Baesler
Brownback
Emerson
Fields (TX)
Gallegly
Hayes
Lincoln
McDade
Peterson (FL)
Ramstad
Tauzin
Thomas
Torricelli

☐ 1817

Messrs. BILIRAKIS, HALL of Texas, and MANZULLO changed their vote from "aye" to "no."

Messrs. CAMP, WELDON of Florida, KASICH, and CHRYSLER changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. THOMAS. Mr. Chairman, on rollcall No. 253, I was unavoidably delayed, had I been present, I would have voted "no."

PERSONAL EXPLANATION

Mr. PORTER. Mr. Chairman, I was present on the floor and voted on rollcall No. 253. I intended to and thought I had voted in favor of the Dicks amendment, but on checking the RECORD find that I am recorded as "no." Apparently, I inadvertently pressed the wrong button on the voting station. I wish to correct the RECORD to indicate that my intention was to vote "aye."

Mr. THOMAS. Mr. Speaker, I missed a vote on an amendment to H.R. 3662, which passed by a 93 vote margin, 257 to 164. I oppose the amendment which would resume designating critical habitat for the marbled murrelet and would have voted against the amendment had I not been detained discussing a matter of importance to some of my Tulare County constituents with Members of the Senate in the Senate Chamber.

For too long, the Endangered Species Act has hurt our economy and wasted public resources. As a cosponsor of H.R. 2275, I believe Congress must reform the Endangered Species Act, so that it will contain strict requirements for scientific documentation and mandate objective evaluation of evidence prior to any species being listed and a habitat designation made. If society wants to protect a species, then society should pay for it, and not lay the costs onto the backs of that segment of society who own property on which so-called endangered species live.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. SKAGGS

Mr. SKAGGS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SKAGGS: On page 22, line 1, strike "$186,555,000" and in lieu thereof insert "$182,555,000"; On page 58, line 25, strike "$358,754,000" and in lieu thereof insert "$354,754,000"; and on page 59, line 24, strike "$499,680,000" and in lieu thereof insert "$507,680,000".

Mr. SKAGGS. Mr. Chairman, this amendment would move an additional $8 million into some very important energy conservation programs in the bill. It would be offset by a $4 million reduction in the Mineral Management Services account and an additional $4 million offset against the fossil energy R&D program. The 8 million, it is my intention, would be divided, with 3 million to the Federal Energy Management Program, which makes tremendous difference in reducing the costs of operating Federal buildings and, therefore, a major contribution to our efforts to control the budget, and 5 million to the building equipment and materials program, which promotes major energy conservation programs in building construction around the country.

I have been pleased to work with the chairman on this.

Mr. Chairman, these en bloc amendments would increase by $8 million the funding for important energy conservation programs.

To do this, they would reduce by $4 million each the funding for leasing of oil and gas on the Outer Continental Shelf and for fossil energy programs.

One of the most serious shortcomings of this bill is the inadequate funding that it would provide for the programs managed by the Department of Energy's office of energy efficiency and renewable energy. These energy conservation programs return big dividends, including important reductions in the amounts that the Government must spend for energy. In other words, these programs help reduce budget deficits, while at the same time they also help reduce or avoid pollution in our air, water, and soil, lessen our dependence on foreign oil, and create jobs in American industry.

These programs have already been severely cut. The 1996 legislation reduced them by 25 percent below 1995. Now, on top of that, this bill would inflict an additional cut of nearly 10 percent. The result would be to seriously damage these programs—programs that have been successful in reducing the Federal deficit as well as helping to boost America's economic growth, improve the quality of our environment, and enable us to maintain world leadership in several technologies.

This amendment does not restore all the funds that these programs should have. In fact, even after the increase I am proposing, funding for the energy conservation programs will still be cut by more than $29 million from current levels. But while I would have liked to do more, at least my amendment will somewhat mitigate the injury this bill will do to these tested, successful programs which save both money and energy.

The offsets proposed in my amendment will not have serious adverse effects. Under the bill, large areas of the Outer Continental Shelf will remain under the longstanding moratorium putting them off-limits to oil and gas leasing. So, the proposed reduction in funding for the Mineral Management Service's offshore leasing program will not seriously hinder that program. And the proposed reduction in the fossil energy account can be absorbed by reducing the funds for work on an advanced natural gas turbine, which, even after the reduction, will receive $15 million more than President Clinton has requested and almost 30 percent more than this year.

As to the proposed increases, my objective is to add $3 million to the Federal energy management program, and $5 million to the building equipment and materials program. Each of these programs has a proven track record of success, yet each of them would be severely hurt by the cuts in the bill as it now reads. Even with the changes I'm proposing, each of these programs will receive less than they are getting in the current fiscal year, although the harm will be lessened.

FEDERAL ENERGY MANAGEMENT PROGRAM

The Federal Energy Management Program provides technical and other assistance to reduce the amount of energy the Federal Government uses. In other words, it enables the Federal Government to reduce its spending on heating, lighting, and other energy costs—which means it helps reduce the budget deficit.

These are not minor savings. The Energy Department estimates that in Colorado alone, the program has the potential to save $26.5 million annually, while creating 510 new jobs—

savings and jobs that are at risk if my amendment is not adopted.

And Colorado is not the only place where savings and jobs are at risk without my amendment. To take just a few examples, the energy department estimates that: in California, without my amendment the bill puts at risk annual savings of more than $188 million, and some 3,500 new jobs; in Texas, without my amendment the bill puts at risk annual savings of more than $93 million, and some 1,700 new jobs; in Virginia, without my amendment the bill puts at risk annual savings of more than $82 million, and some 1,500 new jobs; in New York, without my amendment, the bill puts at risk annual savings of more than $51 million, and some 900 new jobs; in Illinois, without my amendment, the bill puts at risk annual savings of more than $40 million, and some 700 new jobs; in Arizona, without my amendment, the bill puts at risk annual savings of more than $23 million, and some 450 new jobs; and in Ohio, without my amendment, the bill puts at risk annual savings of more than $33 million, and some 600 new jobs.

We should not be so shortsighted. We should not jeopardize such savings and jobs.

BUILDING EQUIPMENT AND MATERIALS PROGRAM

The story is similar for the building equipment and design program. It funds research on advanced lighting, improved window technologies, and voluntary, market-driven initiatives to promote high-efficiency equipment.

Every year, 35 percent of all the energy used in our country goes to light, heat, and cool residential and commercial buildings. The goal of the building equipment and materials program is to cut in half the energy used for light, heat, and air-conditioning—reducing waste and reducing costs. One example of what's underway is the joint DOE–EPA "Energy Star" labels, a voluntary program for high-efficiency appliances. Another is promotion of advanced technologies like the superwindows with special coatings that cut down on energy transmission—technologies that have already saved American consumers more than $2 billion and that can save billions more.

Mr. Chairman, energy conservation, increased use of renewable energy, and increased energy efficiency should be bipartisan goals. I greatly appreciate the help and support of many of our colleagues, on both sides of the aisle, who share that view. It's been a pleasure to work with them, and I am confident that they will join in support of these en bloc amendments.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to he gentleman from Ohio.

Mr. REGULAR. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, we have examined the amendment. We have no objection to it. We are willing to accept it.

I might say that in conference I would like to do some fine tuning as to where we move these accounts to get the most cost-effective way of accomplishing the goal.

Mr. SKAGGS. I thank the gentleman for his support very, very much.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I think it is a good amendment. Our side is willing to accept it.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, these are among the most cost-effective programs that the Federal Government has to offer. I think that the gentleman's amendment is very important and will be well received by the Federal Government. I thank the gentleman for propounding it.

I rise in strong support for the amendment offered by my colleagues, Mr. SKAGGS and Mr. EHLERS.

This amendment to restore a small portion of the energy efficiency budget is key to our Nation's environmental health and economic future.

The Skaggs-Ehlers amendment also cuts Government waste. The Skaggs-Ehlers amendment will return $3 million to the Federal Energy Management Program [FEMP]. FEMP's mission is to reduce energy use in the Federal Government, thus providing direct dollar returns to the taxpayer. FEMP provides at least $4 in lower Federal energy costs for every $1 spent.

The Skaggs-Ehlers amendment will also help mitigate deep cuts in DOE's buildings efficiency research programs which have thus far yielded billions of dollars in energy savings, consumer savings, and pollution prevention. DOE research and development of advanced technologies in lighting and windows, for example, have improved consumer choice while providing Americans the opportunity to reduce their energy bills and improve their quality of life.

These are critical needs and I look forward to working with the Department of Energy so that these additional funds will be targeted to these high results programs, such as lighting research and windows research.

These programs have been among the most successful programs in the Federal Government. I serve as a cochair of the bipartisan Alliance to Save Energy and in that capacity I have become very familiar with Federal energy efficiency programs. These are some of the most successful—that's why they enjoy the strong support not only of the Alliance to Save Energy, but companies in the lighting and windows industries, environmental groups, and many others.

I thank the chairman of the subcommittee, Mr. REGULA, for his leadership on these issues. I encourage my colleagues to vote in favor of the Skaggs-Ehlers amendment to cut Government waste and improve our environment.

Mr. SKAGGS. I thank the gentleman for his support.

Mr. PORTER. Mr. Chairman, I rise in strong support of this amendment. While research into alternative energy sources is extremely important, we must not lose sight of what we can do to lower our energy consumption today. Increased funding for energy efficiency programs within the Federal Government as well as for energy efficient building equipment and materials will dramatically reduce our country's energy demand at the present time.

By increasing funding for the Federal Energy Management Program or FEMP, we will reduce energy use in the Federal Government thereby providing direct dollar returns to the taxpayer. Currently, the Federal Government wastes more than $1 billion annually on unnecessary energy bills. Expanding FEMP will be an important step in eliminating this terrible waste. FEMP has reduced the annual U.S. Government energy bill by $4.4 billion since 1985 and provides at least $4 in lower energy costs for every $1 spent.

In addition to improving energy efficiency within the Federal Government, increased funding for building equipment and materials will improve options for the American homeowner to make their homes more energy efficient. Specifically the use of energy efficient lighting and windows will save the consumers significantly in their energy bills. In addition to providing consumers an opportunity to reduce their energy bills, these new materials and technologies will assist in pollution prevention.

As cochair of the Alliance to Save Energy, a nonprofit coalition of business leaders working to promote energy efficiency, I have become very familiar with the Federal Government's energy efficiency programs. Both FEMP and the building equipment and materials program are among the most successful.

I join together with the Alliance, companies promoting energy efficient building equipment and materials, environmental groups and many in supporting this amendment. I hope the rest of my colleagues will choose to do the same.

Mr. OLVER. Mr. Chairman, I rise today in strong support of the Skaggs-Ehlers amendment.

This amendment is sound environmental policy that saves the Government billions—yes billions—in energy costs in Federal buildings.

This amendment says that this Nation will not surrender in our war of independence from Persian Gulf oil.

With passage of today's amendment, we will begin to turn back the tankers that carry oil from the Middle East.

We will reassert our independence, and reduce the overseas reliance which has hurt our economy, and dragged us into war and conflict. We must end the high price—in lives and dollars—that has been placed on foreign oil.

This amendment also means that we might have a few less tankers navigating Prince William Sound, Narraganset Bay, and the Chesapeake.

This amendment takes significant steps toward improving and encouraging energy efficiency, and reducing our reliance on foreign oil.

This amendment offers a long-term, forward-thinking approach to energy policy.

This amendment signals that an energy efficiency strategy will become a larger and more important part of our Nation's energy picture.

By improving energy efficiency, families will be able to have more disposable income, save energy, and incorporate environmental protection into their way of life.

I urge you to vote to protect the environment and protect the wallets of working families by supporting the Skaggs-Ehlers amendment.

Mr. TORKILDSEN. Mr. Chairman, I rise in strong support of the Skaggs amendment to restore $8 million in funding to important energy conservation programs. This amendment would restore the Federal Energy Management Program [FEMP] and the Department of Energy's lighting research program to their fiscal year 1996 levels.

The House should lead by example by providing Federal buildings with energy efficient lighting systems. Today, the Federal Government is committed to cutting their energy usage in over 500,000 buildings by 30 percent over the next decade. Federal Energy Management Program funding plays a key role in meeting this objective.

The Federal Energy Management Program is a small but significant part of the effort to reduce this Nation's energy dependency. We all agree that energy resources will become increasingly scarce in future years. Let's do the right thing and pass the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. SKAGGS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CALVERT

Mr. CALVERT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CALVERT: Page 12, line 14, after the dollar amount, insert the following: "(increased by $1,000,000)".

Page 49, line 6, after the dollar amount, insert the following: (reduced by $1,000,000)".

Mr. CALVERT. Mr. Chairman, I would like to thank Chairman REGULA for allowing me the opportunity to offer this amendment.

My amendment would simply transfer $1 million from the Forest Service general administration account to the U.S. Fish and Wildlife Service's Cooperative Endangered Species Conservation Fund. We are decreasing bureaucracy to bring money back to the local communities to help save endangered species.

The transferred money would be used to further the completion of habitat conservation plans and thus would serve two important purposes. It would provide lands as safe harbors for threatened and endangered species and bring us one step closer to creating multi-species preserves. It would also help protect American citizens from any negative effects of the Endangered Species Act by freeing them from various restrictions and fees. I would like to see acceptance of this amendment.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. CALVERT. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, we are prepared to accept this. It is a good amendment. This program in southern California has worked out very well, and it has become a model for about 200 others, other programs of a similar nature around the country. We think it is a very excellent way of showing how we can get a partnership with private, local, State, Federal, all working together to set up a habitat conservation program.

Mr. DREIER. Mr. Chairman, will the gentleman yield?

Mr. CALVERT. I yield to the gentleman from California.

Mr. DREIER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would like to congratulate the gentleman on this very thoughtful amendment. One of the greatest burdens for those who are trying to attain the American dream of homeownership in Riverside County, the area represented by my friend, Mr. CALVERT has been jeopardized by the Endangered Species Act and the overriding costs that have been imposed on those who are trying to be successful. This will in fact play a role in relieving, just a part, a part of that cost burden. I strongly support it and appreciate my friend's bringing forward this thoughtful amendment.

Mr. BILBRAY. Mr. Chairman, will the gentleman yield?

Mr. CALVERT. I yield to the gentleman from California.

Mr. BILBRAY. Mr. Chairman, I strongly support this amendment. I appreciate the chairman supporting it because this will be a downpayment, a new innovative way of implementing our species management. This is multispecies management. It is the next progressive step in preserving endangered species. I think we may all disagree about different tactics, but the goal should be the same, supporting the species.

This act will help to pay for that new strategy and will show that we can truly update our approach and instead of being punitive and confrontational with many of our approaches like we have in the past, we are being cooperative and actually progressive with this.

I strongly support my colleague's amendment on this side. I thank him very much for those of us that have worked over 5 years at moving to multispecies management of our endangered species.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CALVERT. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, our side is willing to accept the amendment.

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of the amendment offered by my friend and colleague from California, Mr. CALVERT to shift $1 million from the Forest Service General Administration Account to the Cooperative Endangered Species Conservation fund. This funding is very important to further California's Natural Habitat Conservation Plans [NCCP]. This multi-species approach to habitat and species conservation is a great improvement over the traditional command and control methods. It brings all parties together to protect the environment and private property rights.

Mr. CALVERT's amendment will enhance the program in California to develop conservation and development plans in nine separate areas in southern California that protect multiple species while allowing economic growth. In San Diego, our Multi-Species Conservation Plan encompasses over 55,000 acres in the San Diego region. I am encouraged by these efforts to protect the habitat of native plant and animal species, and I'm glad the Federal Government can lend support to our exceptional project.

Chairman REGULA has been extremely supportive of our conservation plan, and I am sure it will be a model throughout the country. I commend Mr. CALVERT for his amendment and urge my colleagues to join me in support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. CALVERT].

The amendment was agreed to.

Mr. CARDIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to request a colloquy with chairman regarding the fate of the ongoing restoration work at Fort McHenry National Monument and Historic Shrine. I would ask that the chairman engage in such a colloquy.

Mr. Chairman, I am concerned that the committee has cut a $2.5 million line item in the Park Service's construction budget for the completion of a project that is now underway at Fort McHenry.

Last year, based upon a high priority request from the Park Service, $1.5 million was appropriated for work to preserve the underground bombproof rooms and power magazines at the fort as well as some of the more deteriorated walls and defenses of the structure. This year the Park Service requested $2.5 million to complete this project.

The action of the committee threatens the timely completion of the work that is now underway at the birthplace of our national anthem. I understand the pressures your subcommittee is under this year, but this was a 2-year high priority project requested by the Park Service that is being cut off in the middle. I would greatly appreciate your reconsideration of this project as this bill moves forward in conference with the other body.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. CARDIN. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I understand the gentleman's concerns and his appreciation of the pressures we are under this year. I hope that in conference we will be able to seriously consider restoring the funding and see this important project through to completion in a timely manner.

Mr. CARDIN. Mr. Chairman, I thank the chairman for his comments.

AMENDMENT OFFERED BY MR. GOSS

Mr. GOSS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GOSS: In the item relating to "NATIONAL PARK SERVICE—LAND ACQUISITION AND STATE ASSISTANCE", after the first dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "FOREST SERVICE—RECONSTRUCTION AND CONSTRUCTION", after the first dollar amount, insert the following: "(reduced by $15,000,000)".

Mr. GOSS. Mr. Chairman, the purpose of this amendment is to increase the funds available to the National Park Service for necessary land acquisition, reducing the Forest Service construction account by the same amount. The amount is $15 million.

The reason that I am seeking this shifting of funds is to help provide money for Everglades restoration land acquisition that the Federal Government has promised. A $15-million increase in the Park Service's land and water conservation fund would pay for the top priority for Everglades land acquisition.

□ 1830

It is necessary to limit further degradation of the park and Florida Bay and to restore natural water flow which is critical to the long-term survival of the entire system. This is a plan that has been agreed upon by many participating parties and that the Federal Government has committed to.

Members should know that the State of Florida, its industry and its individual taxpayers, have made a solid financial commitment to Everglades restoration across the board. Over the estimated life restoration effort, which is a 15- to 20-year program, the State expects to spend $1.1 billion or 60 percent of the total cost, primarily from Florida taxpayers. The Federal Government is committed to $737 million, which is less than 40 percent over the same period, and the sugar industry will pay about $245 million in that period.

I think this demonstrates that Florida is the senior partner here and is really stepping up to pay more than its share. It is clearly living up to its end of the bargain.

The proposed source of funds we have chosen for this amendment is the Forest Service construction account, which saw an increase over last year's funding levels and includes the controversial road construction program. In fact, because it often costs more to build these roads then the Forest Service recovers in subsequent timber sales, many refer to the program as a subsidy. In my view they are right. The committee recommends that $62 million be spent on new timber roads next year. That is $15 million that we are talking about, represents 24 percent of that amount. But I ask Members to keep in mind that these construction programs are slated to have their funding levels increased over last year's amounts under the bill.

By comparison, land and water conservation funding has declined steeply over the past 2 years, and the Park Service's share is down $19.1 million since last year. An additional $15 million, in fact, will not even restore it to last year's levels, but it will help the Everglades and other areas seeking help with land acquisition. I think most Members agree that the Everglades is a national priority, and we do not want to end up taking a step backward from our level of commitment to restore them.

I am grateful for the excellent work done by the gentleman from Ohio [Mr. REGULA] in this committee this tough year. The bill before us does an excellent job of providing scientific and management resources necessary for the restoration effort we are talking about. It adds $13.8 million over last year's levels.

I know Members remember that Congress made a strong investment in Everglades restoration in the farm bill passed this year. The truth is that there is already, quote, a short list for those moneys for the farm bill that far exceeds the available dollars we have got. This short list does not include lands that were scheduled to be purchased through the normal process of this appropriations bill because language in the farm bill specifically discouraged that. The money, in fact, is not fungible, and it is already declared for other areas.

Mr. Chairman, at this time I would like to yield for a brief colloquy to the distinguished gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Is it in regards to the amendment?

Mr. GOSS. Mr. Chairman, I say to the gentleman I am querying on the amendment. I would like him to accept the amendment, but short of that, if the gentleman from Ohio can, I would like to know if he can give us some assurances on this bill.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from Ohio.

Mr. REGULA. I thank my friend, the gentleman from Florida [Mr. GOSS], for yielding, and I would say to him that we consider the Everglades restoration funding, including land acquisition, to be one of the very top priorities in our bill, and I might mention in the bill, and I am quoting from the report, "the committee considers this," speaking of Sterling Forest, "this and the Everglades restoration effort to be two of the highest priority projects in this bill." I understand that the pressing need for land acquisition is outlined by the State-Federal Everglades Task Force, and included in that were the National Park Eastern Expansion and the STA-1 watershed project.

It is clear that the State of Florida and its taxpayers have made a real commitment to this restoration project, and it is appropriate that the Federal Government live up to its responsibilities as well. I would point out that we have increased all other Everglades accounts by a total of $13.4 million, and most of this is for science.

Finally, while I cannot support this amendment, given the limited amount of money we have for land acquisition, I would pledge to work with the gentleman from Florida [Mr. GOSS] and the Florida delegation in conference to ensure adequate funding for Everglades land acquisition.

The CHAIRMAN. The time of the gentleman from Florida [Mr. GOSS] has expired.

(By unanimous consent, Mr. GOSS was allowed to proceed for 1 additional minute.)

Mr. GOSS. Mr. Chairman, I reclaim the time.

I accept the pledge, and it will be my intent to ask unanimous consent to withdraw my request for this amendment. However, Mr. Chairman, others wish to speak on it, so I would like to allow them to strike the last word to speak on it briefly, and I believe the appropriate procedure then is for me to yield back the balance of my time and hope to get recognition for my request as soon as they are finished.

Mr. SHAW. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Florida [Mr. GOSS].

Mr. Chairman, the gentleman from Florida [Mr. GOSS] has done tremendous work on this amendment. I certainly support it. It is certainly needed. We went through the arguments and the problems with the Everglades and the need for the restoration. I think he has very adequately set forth the determination, which is met with financial backing by the State of Florida and the taxpayers of the State of Florida, for the restoration of this most precious natural resource.

I think this is a good amendment. I would like to thank the gentleman from Ohio [Mr. REGULA], and I know the gentleman from Illinois [Mr. YATES] also has an interest in the Everglades.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I think it is a good amendment. I would be willing to accept it now. I do not know why the gentleman is going to withdraw it.

Mr. SHAW. Mr. Chairman, I wish that were to be the case, and I would like to comment, too, on the funding area for which the gentleman from Florida [Mr. GOSS] picked out in order to fund this amendment, and it is a construction of roads into new forests that have not been harvested. I have always looked at this with a great deal of skepticism as to why in the world that we are putting these roads to nowhere through our national forests and, in effect, selling off these, in many cases, very precious timber resources at a loss when we put the price of the road in there.

To me, I think we need to take a look, and I would hope that the Committee on Natural Resources would take a look, at reexamining our whole outlook as to how we manage our natural resources. We can certainly go in and, with some good forestry practices, we can cut our national forests. I am not necessarily opposed to that, but I think it is absolutely absurd to do this at a loss to the American taxpayers because we are losing the precious natural resources, being the national forests, and we are constructing roads to nowhere that really are not doing anybody any good, and we are losing money in the process. To me this makes absolutely no sense.

But to get back to the main thrust of the amendment, this is a very important amendment, and at this time I will not object should the gentleman from Florida [Mr. GOSS] want to withdraw the amendment based upon the colloquy with the gentleman from Ohio [Mr. REGULA].

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to thank the subcommittee chairman for his assurances to address the issue of funding for Everglades land acquisition in conference. This is an extremely vital issue for the State of Florida, and I look forward to working with the chairman through conference.

As the author of the amendment to provide $200 million for land acquisition in the Everglades earlier this year in the farm bill—it was not my intention, nor the intention of the Florida delegation, to have these monies undercut any future land acquisition funding through the normal appropriations cycle. As I stated during the debate on the conference report of the farm bill in House—"It is not my intent that these funds supplant any funds committed to South Florida for the purpose of Everglades restoration."

In fact, the Florida delegation has sent several letters to the Interior Subcommittee stating that the Farm Bill money was a furthering of the federal commitment to restore the fragile Everglades ecosystem—not the end of this ongoing process.

Mr. Chairman, as part of the Everglades Forever Act passed by the Florida legislature, the State of Florida has invested over $850 million in Everglades and the agriculture industry has also pledged a commitment of up to $320 million. The Federal Government was the third part of the funding scheme for overall Everglades restoration—so we must retain that commitment.

I appreciate the committee's willingness to make Everglades restoration one of its highest priorities—however, I believe the lack of funding in this bill for land acquisition under the Land and Water Conservation Fund is inconsistent with this goal.

The Everglades ecosystem is a unique national treasure and its long term viability is critical to the water supply, quality of life, and economy for South Florida.

Therefore, today, it is important to remember that because South Florida is home to seven of the ten fastest-growing metropolitan areas in the country—Everglades restoration is clearly on a critical path.

And success will depend upon the federal government, the State of Florida, and all local, regional, and tribal interest working in tandem.

But to keep this process moving forward we must not neglect the federal role—so with the chairman's assurances that this issue will be addressed in conference it is my hope that the Everglades will continue to receive the land acquisition funds it needs in the upcoming fiscal year.

Mr. GOSS. Mr. Chairman, based on the assurance of the gentleman from Ohio [Mr. REGULA] and the dialog and the colloquy we have had, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there any objection to the request of the gentleman of Florida?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Florida [Mr. GOSS] is withdrawn.

AMENDMED OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON: On page 10, Under the item "UNITED STATES FISH AND WILDLIFE SERVICE", under the item "RESOURCE MANAGEMENT", after the second dollar amount insert "(increased by $5,000,000)".

On page 58, Under the item "DEPARTMENT OF ENERGY", under the item "FOSSIL ENERGY RESEARCH AND DEVELOPMENT", after the first dollar amount insert "(reduced by $5,000,000)".

Mr. RICHARDSON. (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. RICHARDSON. Mr. Chairman, my amendment simply increases funding for the operations and maintenance of the National Wildlife Refuge System by $5 million. Let me say that my amendment is supported by the National Wildlife Federation, Trout Unlimited, the Wilderness Society, the Izaak Walton League, Defenders of Wildlife, the Freshwater Institute, the Wildlife Society, National Audubon Society, Wildlife Refuge Association, a variety of other hunting groups.

Mr. Chairman, the refuge system is the only system of national lands managed primarily for wildlife, including migratory waterfowl, songbirds and endangered species. It also provides unique opportunities for compatible wildlife oriented recreation including hunting, fishing, wildlife education and observation. In fact, 30 million people visit refuges, 5.7 million anglers use 250 refuges, and 1.3 million hunters use 270 refuges.

Mr. Chairman, I am taking a total of $5 million from the coal-fired plant. There have been a number of amendments here that went after some of the coal-fired and other fossil fuels. Mine simply takes 5 million, which is 5 million more than the administration requested.

The refuge system has for years suffered from inadequate funding and staffing to manage its exceptional resources.

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In 1993 the Interior Department Inspector General documented a $323 million backlog in refuge maintenance projects. A growing number of refuges have been placed in custodial status. Furthermore, the report concluded that refuges were not maintained at a level sufficient to meet their goals. Many refuges today suffer with inadequate water supplies, insufficient staff and funding to implement plans to recover endangered species, restore habitat, or conduct even rudimentary inventories of their wildlife populations. The lack of adequate funding also threatens refuge recreation and interpretive programs. Inadequate operations and maintenance funds for national wildlife refuges have also resulted in reduced wildlife populations and fewer associated recreational opportunities.

Mr. Chairman, let me just state once again, my amendment adds only $5 million to the operations and maintenance of the National Wildlife Refuge System and takes this from fossil energy, $5 million that comes from an increase of $5 million from the administration request.

I want to commend the gentleman from Ohio, [Mr. REGULA] for the funding he has initiated on several of these programs, but I do think that we should go with the administration request. The refuges need the money. Environmental groups, hunting, fishing groups are for this amendment. They have sent a letter to all Members: Defenders of Wildlife, Fresh Water Institute, the Wilderness Society, Trout Unlimited, the National Wildlife Federation. Mr. Chairman, this is an important priority to give $5 million to the National Wildlife Refuge System.

Again, to my colleagues from the fossil energy areas, we are only taking $5 million over the administration request. Again, I believe this is a good amendment, an environmentalist amendment, a hunting and fishing amendment. But it deals constructively, in my judgment, with some responsible appropriations that the gentleman from Ohio has made in several of these instances. I do want to commend him. The numbers are a lot better, but I think with this amendment we can improve things. I would hope the gentleman would be supportive of this amendment.

Mr. Chairman, I insert the following for the RECORD:

LEAGUE OF CONSERVATION VOTERS,
June 19, 1996.

U.S. House of Representatives,
Washington, DC.

Re: FY Interior Appropriations—Support Environmental Protections.

DEAR REPRESENTATIVE: The League of Conservation Voters (LCV) is the bi-partisan political arm of the national environmental movement. Each year, LCV publishes the National Environmental Scorecard, which details the voting records of Members of Congress on environmental legislation. The Scorecard is distributed to LCV members, concerned voters nationwide and the press.

Over the next few days the House will be voting on the FY 1997 Interior Appropriations Bill. During consideration of this bill several amendments will be offered relating to the protection of the nation's environment and valuable natural resources. LCV urges you to support the following amendments:

Representatives Porter (R-IL) and Furse (D-OR) will offer an amendment to repeal Section 2001 of Public Law 104-19. This amendment repeals the so-called salvage logging rider included in the 1995 Rescissions bill which suspended all federal environmental and natural resource law for old growth timber sales in Washington, Oregon, and Northern California and salvage logging being conducted on Forest Service and BLM lands nationwide.

Representative Dicks (D-WA) will offer an amendment to strike the provision prohibiting the implementation of critical habitat designation under the federal ESA for the endangered marbled murrelet on private lands in the northern coastal area of California. If critical habitat in this California area does not continue to be designated, there is a strong likelihood of marbled murrelet extinction in northern California. Critical habitat designation on private land does NOT stop all activities, as such designation only impacts federal, not private, actions.

Representatives Kennedy (D-MA), Porter (R-IL), Miller (R-FL), Minge (D-MN), Royce (R-CA), Klug (R-WI), and Hostettler (R-IN) will offer an amendment to reduce wasteful funding for logging road construction in the National Forest System by eliminating funding for new Forest Service logging roads in Fiscal Year 1997. This amendment will save $48 million by eliminating funding for 550 miles of new timber roads.

Representative Skaggs (D-CO) will offer an amendment to restore $8 million to energy conservation for the Federal Energy Management Program and the high results building research programs which were cut disproportionally to the other severe cuts in the overall energy conservation budget. These programs save taxpayers billion of dollars in economic returns and energy savings while preventing tens of thousands of tons of air pollution.

Representatives Farr (D-CA) and Walker (R-PA) are each expected to offer amendments which would use the Department of Energy's Fossil Fuel Research and Development program as an offset. Rep. Farr will offer an amendment to increase the Land and Water Conservation Fund account by $134.6 million, and Rep. Walker will offer an amendment to provide an additional $62 million to the National Park Service's operating budget. While the conservation community supports each amendment, the Farr amendment is of higher priority because restoring funding to the Land and Water Conservation Fund would provide additional funds for all land management agencies, and renew the National Park Service's state assistance program. If the Farr amendment is defeated, LCV recommends approval of the Walker amendment which would improve funding for the national parks.

Representative Miller (D-CA) will offer an amendment to provide $10 million to restore the Park Service's Urban Parks and Recreation Program which was zeroed out in the Interior Bill.

Representative Richardson (D-NM) will offer an amendment to increase funding for the operations and maintenance of the National Wildlife Refuge System by $5 million, to be offset by a decrease of $5 million in the Advanced Pulverized Coal-fired Power Plant.

Representative Yates (D-IL) will offer an amendment to correct an environmentally damaging provision in the telecommunications Act of 1996 that could lead to a proliferation of huge antenna towers in our parks, wildlife refuges, and forests. This amendment would ensure that no such facility is approved without public notice and comment and a determination of consistency with other statutes governing the unit.

Representative Faleomavaega (D-AS) will offer an amendment to strike section 317 of the Interior Appropriations bill. That section declares to be legal a Forest Service permit for the construction of a third telescope in the critical habitat of the Mt. Graham Red Squirrel, despite three court rulings that it violates the ESA and NEPA. He may also move to bar funds for Forest Service participation in the construction and operation of the third telescope.

LCV urges you to support these amendments to improve environmental protection and energy conservation. LCV's Political Advisory Committee will consider including votes on these amendments in compiling LCV's 1996 Scorecard.

Thank you for your consideration of this issue. If you need more information please call Betsy Loyless in my office at 202/785-8683.

Sincerely,

DEB CALLAHAN,
President.

COOPERATIVE ALLIANCE
FOR REFUGE ENHANCEMENT,
June 19, 1996.

DEAR REPRESENTATIVE: We are writing to urge you to support an amendment to be offered to the FY1997 Interior Appropriations bill by Representative Bill Richardson to increase funding for the operations and maintenance of the National Wildlife Refuge System. The operating budget for the Refuge System represents a tiny fraction of federal spending but management and protection of this system is one of the nation's most important wildlife conservation programs.

Our diverse group formed last year out of strong support for the National Wildlife Refuge System. The 92 million-acre Refuge System is the only federal public lands system dedicated primarily to the conservation of fish and wildlife. Throughout most of its 93-year history, the Refuge System has been central to our nation's efforts to conserve migratory birds, endangered species, and other wildlife. National wildlife refuges also provide exceptional opportunities for environmental education and wildlife-oriented recreation, such as wildlife observation, hunting, and fishing.

We are deeply concerned, however, for the integrity of the National Refuge System. Chronic underfunding in past years has led to degradation of refuge habitats and wildlife populations and put at risk popular wildlife-oriented recreation programs. Some refuges now report that as much as 95 percent or more of their funding goes to salaries, utilities and other fixed costs. Some have even indicated that their FY95 funding levels are less than fixed costs. Exotic species, inadequate water supplies, and other problems plague many refuges, undermining their ability to meet their wildlife objectives. Management programs to help recover endangered, threatened, and candidate species, restore habitats and address resource threats are left unaccomplished on an increasing number of stations.

In September, 1993, the Department of the Interior's Inspector General issued a report that documented a $323 million backlog in maintenance projects (Maintenance of Wildlife Refuges, Report No. 93-I-1477). Inspectors found that the Service was not maintaining any of the refuges that it examined "in a manner that would effectively enhance and protect wildlife and provide a safe and aesthetic experience for the public." The report concluded that "refuges were not maintained at a level sufficient to meet [their] goals because Service funding requests for refuge maintenance have not been adequate to meet even the minimal needs of sustaining the refuges."

The funding increase proposed by Rep. Richardson's amendment would begin to restore integrity to the National Wildlife Refuge System. Such an increase could allow for long-overdue habitat restoration, facilities repair, and wildlife protection and management and is essential to sustain and improve the quality of environmental education and wildlife-oriented recreation programs.

Sincerely,

James Wyerman, Defenders of Wildlife; Robert Putz, Freshwater Institute; Ronald Scott, Izaak Walton League of America; Evan Hirsche, National Audubon Society; Douglas Inkley, National Wildlife Federation; David Tobin, National Wildlife Refuge Association; Rollin Sparrowe, Wildlife Management Institute; Jim Waltman, The Wilderness Society; Thomas Franklin, The Wildlife Society; Steve Moyer, Trout Unlimited.

Mr. REGULA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman's concepts are well-meaning, but I simply have to point out that this would take this account $4 million over what the President has asked for, and he has not been shy in his requests. This would come out of our Fossil Energy Program. We have already cut $63 million from the 1996 levels. I think in the two votes we have had on the Fossil Energy Program, it is clear that the majority of this House feels we should maintain that program to protect our energy resources, to protect clean air, to protect jobs, to protect our energy independence.

While Fish and Wildlife obviously would spend it, let me point out that we gave this program, fish and wildlife resource management, $20 million more in this bill than we had in 1996. It is a 4-percent increase in the bill, while at the same time we were cutting fossil energy research by 14 percent. I do not think it is logical at this juncture to take another cut on fossil energy, which has already had a 14-percent cut, to add it to an agency that has had a 4-percent increase. It is a matter of balance. It is a matter of trying to achieve equity among the many responsibilities of the agencies funded in this bill.

For these reasons, Mr. Chairman, I would have to object strenuously to this amendment. Certainly I would think we would not want to go over the President's requests. We were within $1 million of that in the amount we put in the bill, and it is presently part of the proposal that is before us. I would hope that the Members would vote against this if we do have a rollcall vote.

Ms. McCARTHY. Mr. Chairman, I rise today in support of the amendment by my colleague from New Mexico to provide additional funding for the operations of the National Park Service.

One of the parks operated by the National Park Service, the home of former President Harry S. Truman, is located in my district in Independence, Missouri. Earlier this week I had the distinction of joining with Independence Mayor Ron Stewart, local preservationists, and National Park Service officials to announce that Harry Truman's neighborhood is one of the nation's 11 Most Endangered Historic Places.

Hundreds of thousands of tourists visit the Harry S. Truman Historic District each year to experience a living history lesson unlike any other. It is one example of our vital national treasures which must be preserved. Unfortunately, like the Truman Historic District, many of these treasures are endangered due to new development, and decades of deterioration and neglect.

The National Park Service is vital to the protection of preservation of historic landmarks like the Truman Home. The additional money provided by this amendment is necessary for the Park Service to perform its many operations. I urge my colleagues to support the National Park Service, and to vote for the Richardson amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. RICHARDSON. Mr. Chairman, on that I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON] will be postponed.

Are there further amendments to title I?

AMENDMENT OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer amendment No. 33.

The CHAIRMAN. The Clerk will designate the amendment.

The Clerk read as follows:

Amendment No. 33 offered by Mr. VENTO: In the item relating to the DEPARTMENT OF THE INTERIOR—National Park Service—Operation of the National Park System, insert "(increased by $23,480,000)" after the third dollar amount.

In the item relating to RELATED AGENCIES—Department of Agriculture—Forest Service—Reconstruction and Construction, insert "(reduced by $28,050,000)" after the first dollar amount.

Mr. VENTO. Mr. Chairman, this is a good amendment, an amendment that talks about our fundamental priorities in this Congress in terms of the way we fund various activities, and enable and empower people to have the opportunity to use our resources.

In the bill before the House presented after a lot of work, I guess, by the appropriation committees, I know a lot of work, I think fundamentally that the priorities are out of balance. Many of us are very concerned about our forests and the rate of cutting. We had quite a debate in this last year on salvage harvest and the concerns that grew out of that in terms of the indiscriminate harvest of millions of board feet from our national forests without regard to the various laws that protect the species.

In this bill today, though, Mr. Chairman, we continue a subsidy of over $160 million in terms of the Forest Service appropriations, and the fact is that this appropriation largely goes to subsidize the construction of timber roads. In fact, my colleague, the gentleman from Florida [Mr. GOSS], had offered an amendment, which he subsequently withdrew, which others from Florida spoke about and began the discussion of the subsidization of timber harvest on our national forests.

This, of course, does not just involve the construction of the roads, is also involves what we call the restoration of roads. That is actually road closing. So the Forest Service, as an agency, in fact, runs a road system through our forests, which is actually much greater in many respects than our interstate system. We operate a great road system that is produced there largely on a subsidized basis by, in fact, the Forest Service itself, in fact, 370,000 miles of road within our National Forests.

The fact is when we get CBO to start scoring this, they do not even look at some of the facts in terms of the subsidies, because much of it, the advocates of forest road construction have been very clever in terms of their timber interests groups and others in this Congress and in this Government, in the way the budget scores this in terms of allocating these roads back to multiple use. Somehow these roads that are being constructed through these forests, roads to nowhere, as was pointed out, somehow have some great uses for recreation and other purposes.

The forest road construction in this bill is actually $164.1 million. This goes on year after year, the spending of this money, similar amounts, to subsidize the harvest, and very often I think in some cases the indiscriminate harvest, based on legislation that is now in place with regard to the forest salvage rider that was added to some appropriation and rescission bills last year.

What this amendment does is try to say straighten out those priorities, straighten out those priorities to meet the needs of the people of this country first, meet the needs that exist in the people's parks, the national park system. In this bill that is before us, they underfund the Park Service by $24 million less than what was asked by the administration.

What the Vento amendment does not take out all of the subsidy for the timber roads, timber companies, and the credits they use. We are saying to the timber interests is to stand on your own 2 feet. Take the receipts that you get from the forest that you harvest and in fact apply those, apply them as credits. If the timber harvest does not pay, if it does not pay enough, maybe we ought not to be adding that subsidy to them to the extent that we are in order to harvest this timber.

We do not take all the money out of there, we just say that we are going to meet the needs of the Park Service. The Park Service today has at least a $4 billion backlog, a $4 billion, with a "b", backlog of unmet maintenance needs.

This spring, as all of us look forward to enjoying our national parks again in 1996, we are faced with some pretty bad news, bad news about the closing and limits in terms of how we are going to be able to use the parks, because the parks did not have the resources to maintain some of the facilities they embrace and to keep them open to the general public for this particular recreational season, for this summer season. We are going to face increasing problems of limited park uses.

I realize that all of us support the parks, but the fact is that parks do not just need our enthusiasm and our lip service, they need real dollars. The Committee on Appropriations historically has done a very good job in terms of trying to respond to that. But in this case they fall $24 million short with a backlog of $4 billion in repair and maintenance. We are not going to catch up with that by spending money excessively in terms of our natural forests. This is a question of priorities. The Vento amendment transfers $24 million from the Forest Service account to the Park Service account to provide adequate funding for the park operations, based on the plan that was put before us by the administration.

My amendment does not change the total funding of the Interior appropriation bill. It simply changes the allocation of funds within the bill. My amendment is about setting priorities.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. VENTO] has expired.

(By unanimous consent, Mr. VENTO was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, my amendment is about setting priorities. Should be timber industry or the National Park Service get the preference when we allocate scarce Federal dollars. That is what this is about. The timber sales actually cost the Government money, forcing the American taxpayer to subsidize the timber interests. That is continuing business as usual with regard to this funding measure.

Timber purchasers can build roads in natural forests for logging purposes and then can receive purchaser credits. Often they do, so the Federal Government never receives anything back, so often the timber sales yield so low a bid in terms of dollars that the Government does no receive money. In fact, they have to put more money into harvesting the forest, to clearcutting the trees, than in fact we get back. So the taxpayer not only loses these wonderful verdant green forests, but we also lose our green dollars from our pocketbook, the taxpayers' dollars that have to go in there to subsidize this activity.

All we are saying is that the dollars in the appropriations, the Interior appropriation, ought to have a priority on the people's business, in the people's parks, in our national park system, which I think everyone would agree we would like to give more money to but we cannot do it because we are in a tough budget situation.

But we can do it here by facing up to these special interests and by providing the money to the Park Service first, and let the special interests try to do it on the basis of the free enterprise system. They like to give speeches about it. They like the part about making money and getting Federal Government subsidies. They just do not like the idea of taking risks.

It is time they start taking risks. It is time they start paying their own way in terms of these programs that we have, especially as they affect our natural resources. They are not just taking our dollars, they are not just cutting our forests, they are taking away America's legacy. They are allowing the despoiling of our national park system, the cultural natural resources, and they are cutting down the national forests in this Nation.

Mr. Chairman, I ask for a "yes" vote on the Vento amendment. Let us protect our national parks first.

Mr. REGULA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us look at the facts on this. We heard a lot about the problems in the parks. I would point out that the Inspector General in his audit report documented item after item after item, and that is before our watch. What causes these problems? The failure to administer these programs carefully; the fact that money was spent helping out private property owners and concessionaires. Here it is. What we are trying to do in this bill is to ensure that we manage these parks well. I said at the outset, we want to bring the same kind of cost-effective management to our services that we ask the private sector to do.

Let me point out also that at this point we have just $2 million additional for this program, the Forest Service roads, whereas we have $55 million more in the Park Service. So we have recognized that. We have earmarked money for programs in the Park Service. It gets one of the larger increases in the bill, given the allocation that we had available.

Let me also mention a couple of other things. That is that all this money on the Forest Service roads is for reconstruction; not new roads, just reconstructing the roads that are there. Why is that important? Any of the Members that have worked on a driveway or any kind of road that is not paved discover that if you do not take care of it, you get erosion. Pretty soon we get stream impact from the washing that goes on in these roads if they are not reconstructed. So environmentally, it is very important that these roads be constructed properly to prevent the impact on the streams and the adjacent areas.

Second, and I have made this point in the general debate, our forests provide enormous recreation opportunities. They are multipurpose to the hunter, the fisherman, the camper, the Boy Scout, the bird watchers. All kinds of groups use our forests. In fact, the national forests have twice the visitor days of the national parks. How do they get there? How is the sportsman who wants to enjoy the outdoor delights of the forests in America to get there? They have to have a road, a reasonably safe road to utilize these resources.

To say OK, this does not make sense because of below-cost sales, ignores that fact that there is enormous value to society, to people, to have these roads available for all of the recreational resources. There were over 300 million visitors last year in the national forests. I think to make this kind of a switch does not recognize the needs of those visitors, does not recognize the polluting impact of failure to reconstruct these roads.

Again, we were very frugal in what we gave the road program as compared to what we gave the park program. I think it would be a big mistake in terms of priorities to adopt this amendment. I urge the Members to vote no.

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Mr. PALLONE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Vento amendment which I understand would basically increase the National Park Service operations enough to bring the funding up to the President's request for fiscal year 1997, basically to stress that the Park Service operation funds, more funding essentially is needed for both operating national parks as well as to construct and maintain Park Service facilities that are used by many Americans.

In my own district the demand for outdoor opportunities and recreation services continues to grow, and yet funding for the Park Service is shrinking, which does not make any sense to me. I have in my own district the Sandy Hook unit of Gateway National Recreation Area, which is basically used by millions of people in the highly urbanized New York-New Jersey metropolitan area.

If I could just use that as an example, there are many needs right now at Sandy Hook that are not being met, not only in terms of facilities but even in terms of basic access to Sandy Hook. Just continued access to the park and sufficient water availability for fire fighting needs, for example, are a problem.

I did want to thank the chairman, the gentleman from Ohio [Mr. REGULA], because there is report language in the bill acknowledging the problem at Sandy Hook and recognizing that there is an access problem, and I do appreciate Chairman REGULA including that. But I have to say that I do think we need more money for the Park Service.

The Vento amendment would increase funding for the overall benefit of the American public and it takes it, I know, by reducing funding for construction of timber roads. But I do think that we need to recognize—and that is what the gentleman from Minnesota [Mr. VENTO] does—the fact that there is a need for more operational funds as well as for construction of facilities and other opportunities throughout the country.

I also wanted to say, I know we passed it by, but I did want to also support the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON] with regard to the National Wildlife Refuge system. Again if I could use New Jersey as an example, we are faced with very serious environmental problems, many of which are the result of human accelerated environmental changes, especially due to the high population density in my State.

Whether it is coastal waters, migratory birds, fish or other wildlife resources under Federal trusteeship, it is only because of the national wildlife system that we have about five areas now in New Jersey that are protected. I was able to get a few years ago an extension of the service for another 2,000 acres of sensitive wetlands, but again there are a lot of unmet needs in my district as well as throughout the State. Until we are able to get some additional funding to the Fish and Wildlife service for acquisition, these needs are not going to be met.

I realize that we are dealing with budget priorities and we are trying to reduce the deficit, but I do think that this is one area where most Americans and certainly those in my home State feel that the priorities should be to provide additional funding rather than the level of cutbacks that we have seen in the last few years.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I appreciate the gentleman yielding, and I want to thank the gentleman for his support.

I would just point out that the nearly $50 million in this appropriation of some $160 million dollars for Forest Service construction is for road credits. That would construct approximately 550 miles of new roads. The fact is that I am not surprised that the Forest Service needs reconstruction of roads. They have 379,000 miles of Forest Service roads. That is eight times the number of mileage in the entire interstate highway system, eight times the amount of roads.

So the fact that we have all of these roads and that they are somehow associated with recreation and they are there for some other purpose I think is ludicrous on the face of it. These are not there for any other reason. If my colleagues have ever flown over any area where these roads are located, it is to harvest the timber. That is why these roads are put in. They are there almost exclusively for that purpose. There may be some other tangential use that goes on with it but it is to support it on that basis.

I am not cutting all the dollars in this item. I am saying the first priority ought not to be to these roads but to our Nation's national parks. That is what this amendment is about. If you are for the national parks, vote for the Vento amendment.

If you are not for it, if you are for harvesting more of the forests and doing it at the expense of the taxpayer, eliminating future generations' legacy of forests and spending taxpayers' dollars to do it, then you can vote against it. But I think it is the wrong vote, and I think it is the wrong priority for this Congress.

Can the Forest Service or the Park Service use a better accounting system? Yes, and they have put it in place, but that is not what this issue is about. It is about the priorities, whether it is for the parks or for the special interest timber interests.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, over the years I served with the gentleman from Minnesota [Mr. VENTO] in the Interior Committee and worked with the gentleman there, I have tried diligently to teach forestry to him and I have not had much success. We are good friends and I appreciate his interest in this area and before I leave Congress it is a goal of mine to make clear to him what this program is all about. There is no subsidy in the forest road system.

First of all, the timber is sold by the national forests on a bid basis. The bid has two components. First of all, I bid what I am going to buy if I am a bidder for that timber that is put on sale by the Forest Service. Part of my bid includes the fact that I would be given credit for building a road to the Forest Service's specification, because the Forest Service in many cases plans to use that for recreation and other purposes. They may want it built to a much higher standard than you need to harvest the timber. They may plan to use it as their trail program. A great portion of the trails either for walking or horseback riding in our national forests comes from roads that were built to harvest timber and then kept and maintained for the purposes of recreation. So I get that credit.

If the Forest Service did not give that credit to the person bidding, then the bid would be lower, therefore, it would be the same thing. The Forest Service would have to build it themselves at the cost that they are giving me credit for, or they would give me credit and I would build it. So it is a wash. There is no subsidy. There is a wash to the program when you are bidding timber.

Unfortunately, what the gentleman from Minnesota [Mr. VENTO] is talking about, and he is confusing it to some extent, if you are taking $24 million in new money and transferring it over to the park, it does not come from the Forest Credit Program for road credit. What it comes from is the program to upgrade existing roads. They have over 1,700 miles of old roads that are already built that they are going to try to raise standards on.

This is an anti-environmental vote if Members vote with the gentleman from Minnesota [Mr. VENTO] because part of this money that he is going to be taking is being used to upgrade the environmental standards of that road. They are going to reseed, try to cut sedimentation. Some of the money is going to be spent to upgrade the roads for recreational purposes, perhaps to raise weight limits on bridges and other areas to allow recreational vehicles to be involved. You are jeopardizing public safety and the environment by transferring the money over to the Park Service.

As the chairman of the Interior Appropriations Committee pointed out, there has been close to $55 million put into park maintenance. To many people in the United States, they really do not know the difference between national parks and national forests when it comes to recreation because they may go to a national forest and camp or fish or carry out all the same things they would do, hike, as they would do in a national park. If we cut the money for maintaining their recreational roads which the gentleman from Minnesota [Mr. VENTO] is suggesting into the national forest and give it to the national park, what have we accomplished? If more people are going to the forest, the people need that road improvement in the forest just as much as they would need maintenance in the national park. And so we are not making a statement for the recreational user by taking money out of a forest where they now recreate and putting it into a park maybe that has less recreational use.

Finally, I would like to point out, all this talk about subsidy, about losing money in national forests, the GAO—and the gentleman I think misquoted them a moment ago—pointed out, it documents that in fiscal year 1992 through 1994, we took in almost $3 billion. We spent just a little over $1.25 billion in administration costs and sale preparation for timber. So there was a substantial profit made by the U.S. Government.

It is dictated to use that profit several ways. First of all, $1.3 billion of it goes to the national forest fund. Almost $1 billion of it goes to the States where it is used for schools and government, State roads or county roads, given the case. $134 million goes in to maintain roads and trails for recreation. And then we have almost three-quarters of a billion dollars of it by law goes into reforest. Not all of that is reforesting areas that are cut. It may be reforesting areas that have burned, reforesting areas that have gone down with wind damage or disease.

We also show that for other erosion, brush removal, other things, we have $1.34 million that go into the Forest Service use of maintaining the forest. The taxpayer would have to pay that out of his pocket if it was not coming from the sale of timber.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. TAYLOR] has expired.

(On request of Mr. VENTO, and by unanimous consent, Mr. TAYLOR of North Carolina was allowed to proceed for 1 additional minute.)

Mr. TAYLOR of North Carolina. Mr. Chairman, to summarize I would say that to say that we are losing money by our timber harvest is not true. The homebuilders, the realtors, people who rely on the forest products to build homes know that it is not true and they know it is important for them to have a home.

This vote that the gentleman from Minnesota [Mr. VENTO] suggests is against public safety, as well as against the environment.

Mr. Chairman, I yield to the gentleman from Minnesota.

Mr. VENTO. I want to just turn to page 50 of the bill that the gentleman is commenting on and I want to point out it says on line 16 that not to exceed $50 million to remain available until expended may be obligated for the construction of forest roads by timber purchasers.

That is the $50 million that I am talking about. The issue of reconstruction and so forth is ahead of that. I am not suggesting in the amendment that I have that it ought to be taken all from that or all from the other area. I agree with the gentleman that there is a need to maintain roads, but I am just saying that it is a question of priority. There is $50 million in here for the construction of new roads, not just the credit program that the gentleman is talking about.

Mr. TAYLOR of North Carolina. Is the gentleman talking about $50 million for credit or $50 million for timber roads?

Mr. VENTO. It is provided that $50 million out of the $164 million is an obligation of direct spending, direct subsidy by this Congress to those timber interests.

Mr. HANSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think this is a classic case of what we do around here when all else fails, throw money at it. The fact is that the overall spending for our national parks has increased substantially over inflation in recent years. In fact, in the last 7 years alone, funding for national parks has increased by 69 percent. This bill continues that trend and authorizes an additional $50 million for park operating accounts. However, there are some concerns with allocating it. I do not see any reason just to throw money down a black hole because that seems to be the way we have done business around here for the past 40 years. We have tried to come up with a better way to manage the parks. H.R. 260, the bill of the gentleman from Colorado, Mr. HEFLEY, supported by myself, by former Chairman VENTO and MILLER was one that was shot down here. Some people tried to say it was a park closing bill, which is the greatest misnomer I have ever heard in my life. That contained in it some of the management procedures that were necessary to take care of it.

We are also working on a fee bill, which will allow the park superintendent to have in his own ability to spend the money himself without having to come back here or talk to somebody in Washington.

We are working on lot of things to increase the park. We have talked about the idea of having a professional in the park director's position, so a man who has been in park work who understands the problems can take care of it. All of those things respond to this. Why take another $50 million and throw it at the park? We have tried that before and it has not worked.

In other words, Congress could easily provide $25 million, $50 million or $100 million in any funding agency and no expectation that campgrounds would be reopened and visitor services restored. In fact, the National Park Service has stated itself it needs $800 million in additional operating funds which, if you look at it, you have to have a little skepticism in your mind.

□ 1915

Several years ago the National Park Service estimated it had a shortfall of over $500 million to repair employee housing. However, in testimony before the committee, the GAO said this: They could not find 1 in the 15 parks to justify their estimates for the housing shortfall, not one.

Mr. Chairman, I support, and I am sure most of us do, responsible increase for our parks and believe they are provided for in this bill. I support a fee increase. I support taking care of the parks. I do not support closing any parks, contrary to what has been stated around America by a few folks. But I do support taking care of these things, and I cannot see where this is going to help anything. I personally feel if we are going to do this right, we should go down the path we are going, a reasonable modest, approach, doing it with a fee bill, doing it with a management structure change which we are working on. I am trying to work in harmony with the minority on this. I do not think this does anything but take $50 million out of a much needed road project in the forests.

Mr. Chairman, I yield to my friend, the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I appreciate the gentleman's willingness to work, and I have been pleased to work with him for many years. In this case, we are going to agree to disagree.

Mr. Chairman, my concern here is we have to make tough choices. This is a tough choice. This choice is whether we want to continue a $164 million for Forest Service construction, roads, and the other activities in this particular account, or we want to transfer some of that to the Park Service.

The gentleman has been a leader in pointing out the backlog in the Park Service. When I was chairman, the gentleman was pointing it out and many others. Four billion dollars, I said it is; there are many that would claim it is higher. But the Park Service, one of the major backlogs the have is the roads that people use to get in and out of the parks. So that is 100 percent for the people of this country, not just some sort of incidental use that might be used in rural Minnesota or out-State Utah.

My concern is the priorities here ought to be with the parks. I know the difference between a park and a forest. The gentleman from North Carolina [Mr. TAYLOR] suggests that most people do not. I think they do. I think they know the difference between a park and a forest. They know where you can cut timber and where you cannot and the nature of our parks. I just think that this is making a tough choice. Making a tough choice, that is what this is about. We are going to have to make these tough choices. We need to send a message to those that are cutting resources and taking resources out of forests that they are going to have to pay their own way, that we cannot keep them on this base of $164 million. This is going into the forest largely for the timber interests in this country.

Mr. HANSEN. Mr. Chairman, reclaiming my time, I agree with the gentleman that there have to be some tough choices. I have no problem with that. I submit to the House this is not the right choice. I think there are lot better ways to do it. I articulated three of them. If we had the time, I would like to get into this thing of road building. I think there is a lot better and easier way to do it. I urge a "no" vote.

The CHAIRMAN. The time of the gentleman from Utah [Mr. HANSEN] has expired.

(By unanimous consent, Mr. HANSEN was allowed to proceed for 1 additional minute.)

Mr. HANSEN. Mr. Chairman, I yield to the gentleman from North Carolina [Mr. TAYLOR].

Mr. TAYLOR of North Carolina. Mr. Chairman, the gentleman is trying to make believe that all recreation in this country in forests is done in the national parks. There is probably more recreation in forests than there is in national parks, and it is a multiple use. There is hunting, for instance, in the national forests, whereas in many parks there is no hunting. Most people are accessible to national forests far more than they are to national parks, and also many national parks have been put aside in limited type of recreational use.

If we cut recreational road money, which the gentleman is suggesting, for the forest, we will be denying people access to the forest for recreation while purporting to help them out in the park where we already put $50 million for maintenance, is that not so?

Mr. HANSEN. Mr. Chairman, reclaiming my time, the gentleman makes an excellent point. If people would take the time to study it, they would see there is more recreation in the Bureau of Reclamation, there is more recreation in BLM and there is more recreation in the Forest Service than there is in parks, and now we are taking away from where people go and spend their time. I think that is an excellent point the gentleman has made.

Mr. TAYLOR of North Carolina. If the gentleman will continue to yield, if we are improving those roads in the forests against environmental hazards, reseeding and so forth, is it not better to spend that money in the national forest on environmental improvements than spend it in the parks where environment is not a concern?

Mr. HANSEN. Mr. Chairman, that is how I would look at it.

Mr. RICHARDSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a colloquy with the gentleman from Ohio [Mr. REGULA] that we can deal with now in the interest of expediting things.

Santa Clara Day School in my district has received a grant from the BIA for facilities improvement and repairs. With these monies, Santa Clara would bring its elementary school, which was originally built in 1926, up to modern code. Although the school has already altered its plans to cut construction costs, Santa Clara will fall $1.2 million short of the monies needed to complete construction in accordance with BIA education standards.

I realize the chairman has done the best that he can on Indian construction funding in this bill, and I would ask that the BIA give consideration to Santa Clara with any discretionary funds available.

Mr. Chairman, I would be pleased to yield to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding to me, and I sympathize with the situation of the Santa Clara Day School. I, like the gentleman from New Mexico, would also hope that the BIA would give consideration to the school situation with any discretionary funds within school construction that may come available.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to use this chart to illustrate how Forest Service timber sales have gone down. In 1990, we were almost at 10 billion board feet. In 1995, we were down here to less than 4 billion board feet. The reason for the roads and the money we put in is for reconstruction, not for contract sales, and the money that the gentleman is taking out for his amendment comes out of reconstruction. Why reconstruct these roads? It avoids siltation in streams. It avoids other environmental problems and, most importantly, it gives access to the recreational user. I reiterate the Forest Service has double the visitor days of the Park Service. These visitors are people who go out to hunt, to fish, to camp, the low-cost type of recreation. It is important that they have a decent road to get access to these facilities. Our forests offer a wonderful recreation asset and, therefore, I think it is important that we have roads.

We did not put a lot of money in. We added, I think it was, $2 million, and we added $55 million to the parks. It is an equitable balance and for that reason, I would oppose the amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I appreciate the gentleman yielding, and I could not agree more with the idea. I would like to close some of the roads. I think that is really where we ought to be putting some dollars, because I do not think in the long run you can keep 379,000 miles of road open and maintained properly, because they do, in fact, disturb the watersheds of all of these areas and they are unnatural and there are a lot of problems with them.

I understand the restoration to maintain the roads. We ought to be closing the roads. Restoration, not just the reconstruction. The problem with all of that is these roads were put in place and to an extent not 379,000 for recreation. There may be some for recreation, nothing to that. The other aspect is, it just is an indication of past problems where we did not require those that were harvesting the timber to pay for an adequate closure of those roads and for the maintenance of them in the future. So we are faced with the problem of what historically has been the policy here.

My concern here, of course, is that there is in this bill, appears to be, $50 million for new road construction. It says of the $164 million that $50 million is for new road construction, and that is the basis. Of course, I am not taking all the dollars out of here. I would point out that yes, the Forest Service is used for recreation, but I think obviously our parks are also used for that. It is not a question just of numbers here. I think it is a question of what our priorities are and who ought to pay, more out of the credits, more out of the timber.

Mr. Chairman, the saw timber is going down because they have eliminated the forests in this Nation. They have eliminated them. They started out in our area in Ohio and Minnesota and cut all the white pine and moved all the way west, and guess what, we are running out of it now. That is why those numbers are down, because we do not have those forests left that were eliminated 100 years ago. They have not come back.

Mr. REGULA. Reclaiming my time, if I am to believe the Forest Service, the sustained yield is greater than the cut, and therefore we are growing more board feet every year than we are cutting. The reason these numbers are going down is that we are recognizing the value of the forest for recreation, a high priority. There has been less pressure to cut timber. Just as recent as 1990, we were up almost to 12 million board feet, now we are down to 4. But these roads are there and we have to take care of them. The gentleman's amendment takes the money out of the reconstruction account.

Mr. VENTO. Mr. Chairman, if the gentleman would yield further, he is saying this bill does not mandate the harvest, as some of the bills in the 1980's mandated the harvest of an amount that was over and above the professionals. That is a positive aspect of this bill. But I obviously contend in my amendment the priorities are correct.

Mr. REGULA. Reclaiming my time, I would hope that Members would oppose the amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I rise and reluctantly oppose this amendment. The reason I am opposing it is that this cut of forest road money will result, by an estimate from the Forest Service, in a billion board feet reduction in the timber harvest program, our timber sale program. We only have 4.9. It is dramatically lower than it was historically.

So if we take this money out of the roads, there is a corresponding reduction in timber sales. When you have that corresponding reduction in timber sales, it reduces the revenues to the Government and to local communities.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. REGULA} has expired.

(On request of Mr. VENTO, and by unanimous consent, Mr. REGULA was allowed to proceed for 1 additional minute.)

Mr. REGULA. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, if this would result in a reduction of a billion feet of harvest, that means in essence we are subsidizing. If we were not putting the money in, that means those sales would not be sustained by their own credits, by their own revenue. That means that we are then subsidizing one-fourth of the timber in this bill. If the Forest Service numbers are correct, that is what that literally means, is that we are subsidizing it, because you cannot harvest it in the absence of the dollars of the Committee on Appropriations.

So that I think is a pretty good message to the timber industry that we expect them to carry their own weight, we do not expect taxpayers, if we do not have break-even sales. I think with timber prices up and other factors, we ought to get off the subsidy in terms of these roads. We ought to at least make these programs pay for themselves. I do not think it is the recreation user that is the problem here.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, one point I will make is you have to judge the sales on a sales-by-sales basis. In most of the sales we are making money, and without the roads, you cannot do the sales. So I do not see where there is a subsidy at all.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the last word.

Mr. Chairman, again I would like to point out in the area of subsidy, if you order a table to Minnesota, the gentleman did, or if you bought it at an auction, and at that auction they said, all right, you are getting the table for $100 and we will ship it, or you can pay at $90 and we will pay the shipping cost of $10. It is the same thing when we are talking about giving credits for timber roads, there is no subsidy.

We get the highest bid for the timber. If the credit was not given for the road, then the timber bid would be lower to include the road. The Forest Service wants the road built to their specifications, and that is why they give a credit for it. So there is no subsidy to the timber industry. It is a credit that is given when the road is built.

Now, let me go on to the second thing where you can see by this chart the enormous drop in forest products. In fact, the Sierra Club, which the gentleman speaks out for many times, wants no cutting in our national forests. Now, if we cut, if we stop all cutting in our national forests, and we have almost done that because we are down to about 20 percent of our national forests now that can be considered for harvest, that is an antienvironmental position. I have not yet been able to persuade my friends on the right of that, all of them.

But take this podium, it is made out of wood. We can make it out of wood or plastic or metal. If we make it out of the renewable resource of wood, it is much easier to make, takes less energy to make, it is easily recyclable. If we make it out of plastic, then we have to fight to get the oil out of the Middle East. We have to spill it two or three times on the way. It is more toxic in the manufacturing process and it is harder to recycle. That is saying nothing against plastic, because plastics are going to be needed. I am just saying if you start limiting your options, the same thing with metal, it takes 8 times more energy to produce a table with metal than it does with wood. It is much harder to recycle.

Mr. Chairman, we are at a section of choices. If we follow the leadership of these folks who want all timber harvests stopped in the national forest and certainly if we do away with credits for roads, if we do away with any types of work with the Forest Service, because that is where a large portion of the timber is in the forest, which is different from the national parks part, then we are going to create far more environmental problems than we have solved in that manner.

□ 1930

Second, I would just say one other thing. If you look at our chart to the left, today we get three-quarters of a billion dollars of our reforestation, which contributes enormously to forest health, from the timber funds, the $3 billion that we take in saving timber. Our States and local communities get almost $1 billion to operate their schools primarily and for their local uses that would have to be made up by the American taxpayer. We have $134 million in erosion control and other programs that would have to come out of the taxpayers' pocket, and many other parts of improvements in our forest that come from the $3 billion we take in from the timber sale program, plus we provide lumber for houses that would have to come from sensitive areas like the rain forest and other parts of the world.

We are provided with one of the best managed forests in the world and we have the best technical science in the world. So if we stop harvesting the national forest, we are going to have a forest health problem and going to have an economic and environmental disaster because of the jobs lost and because of the damage we do to the environment, having to use substitute finite products rather than renewable products.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I appreciate the gentleman yielding and his continued effort to get me to see things his way. As a biologist, I try to get the gentleman to see things my way as well.

I believe that these programs ought to stand on their own. The fact is you go to that auction house, you do not start off with the Government giving you an extra $164 million in order to build the roads.

Mr. TAYLOR of North Carolina. Mr. Chairman, reclaiming my time, what you are saying is the roads are built to government specifications. They either give you the credit for building the roads, or your bid is going to be lower because you are only going to pay a certain amount for that product.

Mr. VENTO. Mr. Chairman, if the gentleman will yield further, first of all, they may be built to government specifications, but there is a variety of reasons for that in terms of what happens with the rain and what happens with the erosion and other factors.

The other issue is we do not pay for the restoration, the closure of the road. We do not pay for the maintenance of the road with that timber harvest. Why are we putting money here if these activities do not pay for themselves? Is it not time to make tough choices?

Mr. TAYLOR of North Carolina. Mr. Chairman, reclaiming my time, does the gentleman recognize that a great portion of the recreation that people go to fish, hunt, camp or picnic, they go to those areas on roads built under the program, as well as a great portion of our trails?

Mr. VENTO. I do not think 379,000 miles of it.

Mr. NETHERCUTT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me try to persuade my friend from Minnesota one more time. I think the focus of this debate has been on timber harvesting and timber harvesting road construction. I think the gentleman should understand that roads in the national forests are used by millions of Americans. They allow them access to over 121,000 miles of hiking trials, 96 wild and scenic rivers, 120 scenic byways, 397 designated scenic wilderness areas, over 18,000 recreational facilities, including boat ramps, campgrounds, and picnic areas. That is the use of roads in national forests.

They provide not only access for recreation, but for wildlife and fisheries projects, for fire protection, and for monitoring water quality. People have to get into these forests and understand what the water quality is. They provide for many other aspects of ecosystem management. For timber harvesting, certainly, but roads are really a necessary tool for environmental management in the national forests.

As with regard to the amount of roads we are building versus those we are eliminating, in 1994 the Forest Service permanently closed, ripped up, restored, almost 2,300 miles among needed roads to productive forest land, as I said, in 1994, but they built only 519 miles. So we have a net loss of roads of 1,780 miles in 1994. That happened also in 1995 and 1996.

Mr. VENTO. Mr. Chairman, if the gentleman will yield, they only have 378,000 miles of road left. We are very concerned about it.

Mr. NETHERCUTT. Mr. Chairman, reclaiming my time, I understand that. But there is a reason we have those roads. It is not just to rape the land and hurt the forest; it is to get people into the recreation areas and the places they are entitled to be in this area. What we are doing is increasing the road construction a very, very little amount for 1997.

I really think it is shortsighted to just say all roads are bad and we have to eliminate roads and put the money someplace else. I think it makes sense to do this.

Mr. VENTO. If the gentleman will yield further, my amendment cuts $28 million out of this account of $164 million. I would just read from page 74 of your committee report. "The committee recommends $97 million for road construction areas, $2 million above the 1996 act. This includes $59 million for timber roads and $26 million for recreation."

So apparently you recognize the difference in this report. You can see the disparity. It is not as though there is a denial of the facts. In other words, you do articulate that. And $12 million for general purpose roads. So the bulk of this money, $50 million set aside again for road credits, timber harvest gives us $164 million total. It is clear that is articulated. This is for the subsidy in terms of what goes on in terms of timber harvest. That is the point here.

Mr. NETHERCUTT. Mr. Chairman, reclaiming my time, I understand the gentleman's point. Really, one cannot just specify only timber roads as being bad. I think there are road systems in this great land of ours that are very valuable to the use of Americans, whether it is timber harvesting, recreation or other reasons. It is a good thing we are fixing some of these roads, they are in disrepair. We are trying to use this money for proper, not improper, purposes, and we ought to reject this amendment. I urge my colleagues to do so.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Vento amendment. The fact of the matter is, we are sitting here with somewhere in excess of 350,000 to 370,000 miles of roads in our forests, and we claim that we have closed 2,300, and we have built 500 miles in the last year. And 600 years from now perhaps we will have closed those roads. All of those roads should not be closed, but let us not pretend by a huge amount of money currently being spent is being spent on road closure, and let us not pretend that all of this money all of a sudden is here for the purposes of recreation.

In fact, there is a line item within the bill that provides $26 million for recreation roads. Not all of the roads that are built in the forest are necessary for hunting and fishing, because in fact if you come with me to the Sierras, if you four-wheel across the Sierras, you have roads that are 50 or 60 yards from one another. Not all these roads are in fact necessary.

But what we have is a situation where if you want to buy timber from the Federal Government, the Government says, "Come in and get it; we will build you the roads or give you a credit for building the roads." That program is costing us $109 million a year.

Now, if you are a private landowner and you have 500 acres or 1,000 acres or whatever to sell of timber, the person who buys the timber comes in and builds the road. The gentleman from North Carolina might be right that they deduct that from the price of the timber, so that is the real value of the timber.

We are like the auction house that says, "You can either pay $100 or $90. Do you want us to ship it or not?" We say, "Pay us $90 and we will pay to ship it." That is what is not fair about this.

What you do not have is you do not have reflection of the real value of timber, because you have the Federal Government subsidizing the activity to extract it. Even if we provide a credit or we build the road, the fact is that 20 and 30 years later we are maintaining those roads. So the cost of that timber far exceeds and continues far beyond the harvest of that timber.

So that is why we find ourselves stuck with more than $1 billion to log these forests over the last several years than the timber sales brought in. And what does that mean? That means that as this committee struggled to meet the demands of the National Park System in this country, they fell $23 million short. As they struggled to repair the elevator in the Washington Monument, as they struggled to do health and safety repair work at some of our parks, as they tried to provide a transportation system and all that, they still fell $23 million short.

Let us not pretend that there is an equivalency here about the maintenance and the care of these national parks and these forest roads. There simply is not. We had that fight last session when we had a park commission bill on this floor. I was a supporter of that. That was one of the worst bipartisan drubbings we had. Why? Because the American public sent a message to every member of this Congress, except me, I guess, and a few others, that somehow they did not even want to consider the closure or the reconstitution of those parks and monuments. What they want us to do is have them open and available and put forth in first class shape.

We cannot report to the American public this summer that that is the condition of our national parks. In California and elsewhere, we have campgrounds that are closed, we have campgrounds that are not accessible, we have repairs that are not made, we have bridges that are not safe, and we have trails that are unsafe for families to walk in those national parks.

That is not to pit the national parks against the national forests, because that is not fair, because in many areas they serve essentially the same purpose. But the suggestion that somehow all of this money is really there so that we can keep the national forest open for hunting, fishing and recreation, just is not the case.

The fact of the matter is, what we have here is a very substantial subsidy that does not exist in the private sector in the timber world. It does not exist in terms of providing us a true reflection of the real cost of these timber sales, and that is why the GAO and others have come to us time and time again and talked about the loss of revenues for the taxpayers in the presentation of this.

We can better use that money in an area of much higher priority for the people of this Nation, and that is to present to them their parks in the seasons that they use them in first class shape for the use by them and their families.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

(On request of Mr. VENTO, and by unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Chairman, the gentleman made a statement that we take in $1 billion less than it costs in the Forest Service in our timber program. Is the gentleman familiar with the GAO report that the gentleman from Illinois [Mr. YATES] requested that said we take in roughly $3 billion, and it costs $1.25 billion to prepare the sale and administer the forest, which gives us a $2.7 billion profit? So, $1 billion goes to State governments, and $1 billion then goes for forest health, reforestation, erosion, and so forth.

Mr. MILLER of California. Mr. Chairman, reclaiming my time, those payments to the State government under our budgeting procedures are not considered a cost to the program. I appreciate that. If you say that is not a cost and you take it off the books, then you are running a surplus.

Mr. TAYLOR of North Carolina. The cost is $1.25 billion according to GAO.

Mr. MILLER of California. That is not an allocated cost.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I appreciate the gentleman yielding, because it is the same GAO study on page 1 that suggests that we collect $3 billion, we distribute $2.7 billion under law, or 90 percent of it goes back out, but it costs $1.3 billion for administering it. So the end result is that we have an outlay of $4 billion that takes place and an influx of $3 billion. So it costs us $1 billion in the 2 years to administer the programs from 1992 to 1994. You have a $1 billion net loss. This is part of it right here.

Mr. MILLER of California. Mr. Chairman, reclaiming my time, the point is we can continue that loss or we can make up a shortfall. This deals with the national parks, this deals with the presentation of these national parks, this deals with the experience that our constituents and their families expect when they go to those parks.

In our Committee on Natural Resources we constantly listen to the concerns about the backlogs in maintenance and effort, and people constantly are coming to our committee and passing authorizations for this program and handing it off to you and the Committee on Appropriations. That is why there is a shortfall. But nobody considered that when they asked us to pass those bills and expand those parks and participate in that.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has again expired.

(On request of Mr. REGULA, and by unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, a couple of things. I would like to give the gentleman a gentle reminder that for 40 out of the last 41 years, the budget has been controlled by his party, and if there is a $4 billion backlog, I believe that that accrued during the time that his party was in charge.

The second point I would make is that the president of his party requested $366 million for repairs and reconstruction of the parks. We put in $369 million. In other words, we put in $3 million more than the president requested. Why? Because we believe, and we agree with the gentleman, repairs and maintenance of the parks, all the functions of these agencies, is vitally important. We have tried to take care of that and address that problem. I just want to get the facts out on this.

Mr. MILLER of California. Mr. Chairman, reclaiming my time, it is not about denying those facts. That is a historical record. As we see on this floor, we have had historically very strong bipartisan support for roads in the forest. That is how the parks have suffered.

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Because as your committee has had its allocation and it has had to divvy it up, the forest interests have been here with their special interest hands out and they have garnered most of the money, and the parks have fallen further and further behind, and we have listened to this in our committees.

It is not a question of which party is in power or not, it is a question of whether we will meet our obligation to the parks. And try as the gentleman might, we were still unable to meet our obligations in terms of the construction requests necessary for the maintenance of these parks. And I do not fault the gentleman, but I think it is a question, as we started out this afternoon, and it seems like 3 days ago that we started talking about setting priorities. We are suggesting this is a higher priority to the American public than the continuation of these roads in the forests would be to in fact provide for the proper maintenance of roads and other facilities inside of the national parks.

I thank the gentleman not only for his comments but for all his hard work and for making all these horrible and terrible and tough decisions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. VENTO].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. VENTO. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. VENTO] will be postponed.

The point of no quorum is considered withdrawn.

Are there further amendments to title I?

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MILLER of California: In the item relating to the DEPARTMENT OF THE INTERIOR-National Park Service-National Recreation and Preservation, insert "(increased by $10,000,000)" after the dollar amount.

In the item relating to DEPARTMENT OF ENERGY-Fossil Energy Research and Development, insert "(reduced by $10,000,000)" after the dollar amount.

Mr. REGULA. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. MILLER of California. Mr. Chairman, reserving the right to object, can we do 15 minutes? I may not use it, but I do not have any idea. I had other requests for time and I do not know if Members will be here or not.

Mr. REGULA. Mr. Chairman, I withdraw my unanimous-consent request and make a unanimous-consent request that all debate on this amendment and all amendments thereto close in 15 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was not objection.

The CHAIRMAN. The gentleman from California [Mr. MILLER] will be recognized for 7½ minutes and the gentleman from Ohio [Mr. REGULA] will be recognized for 7½ minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I yield myself such time as I may consume, and I want to thank the gentleman for his consideration.

For the second time in a row, the committee has recommended zero funding of the urban parks and rehabilitation program. As a result, once again we are seeing a long backlog of restoring the deteriorating urban recreation facilities and that backlog will continue to grow.

In 1995, there were almost 200 applications filed for this inexpensive but important program. Failure to provide any funding for the urban parks program is unacceptable at a time when after-school recreational opportunities for millions of children have disappeared from our cities and suburban communities. We know the hours of 3 to 6 p.m. now are some of the most dangerous times not only for our children, but for our neighborhoods and for our families. The prime hours for gang activities, crime and violence are when children are without school, parental supervision, or constructive opportunities.

A Carnegie task force report entitled "A Matter of Time" found that, other than infancy, the period of early adolescence is the most critically important time for the development because so much physical, social, emotional, and moral development is compressed into such a short period of time with our adolescents.

The National Urban League just recently reported that the hours from 3 to 6 p.m. is the peak time for violent youth crime and sexual activity among adolescents. Parents throughout this Nation are rightly concerned that during these critical hours of each day while these parents are working, and working out of necessity, their children have nowhere to play, nowhere to receive instruction, nowhere to learn proper values and behavior.

All of us can hearken back in my generation to the time when we had after-school recreation programs, where we had city recreation programs, where we would go to the ball field or go to the arts center and do these programs. We could all hearken back to people who helped us, coaches and mentors and people who talked to us about life, talked to us about sportsmanship, talked to us about cooperation. The facilities to provide that in many of our urban areas has fallen into disrepair.

What this program is is a program of partnership where the cities put up 30 percent of the money and make application to the Federal Government to reclaim, to reconstruct, to repair many of the recreational facilities that are in their communities. The communities that have made application are from the entire spectrum across the landscape. They are small towns, they are small cities, they are large urban areas, they are parts of counties that are seeking this kind of effort.

This effort, when we presented it 2 years ago to the Congress, was approved overwhelmingly. It was approved overwhelmingly on a bipartisan basis. It was approved because it had the interest of the private sector, it had the support of major league baseball, it had the support of the MBA, it had the support of the sporting goods manufacturers, and it had the support of law enforcement agencies. It had the support of many of the agencies, of nonprofits, Boys Clubs and Girls Clubs, the Girl Scouts and Boy Scouts, other agencies that provide these services, Big Brothers and Big Sisters to the young people of this country.

We see these crisis hours in our community growing. We see them growing in concerns among parents, parents who unfortunately, because of economic need, are not able to be home in their communities after hours. They are not able to be there to supervise their children.

They are looking for alternatives. We see national summit after national summit. We have seen discussions between the President and young people, between congressional leaders and young people, and always we get back to the fact there is not much to do. When we couple that with what we now see in the crime statistics, this program is a small but important and effective effort to try and to change the destiny of these young people and to reclaim these facilities. That is why this program has received such overwhelming support.

This is not just about big recreational facilities in a few big cities. These cities run from Hialeah, FL; Peoria, IL; Kokomo, IN; Lynn, MA; Grand Rapids, MI; Kalamazoo, MI; Poughkeepsie, NY; Marietta, OH; Chattanooga, TN; Bellingham, WA, and when I have the handout, the list goes on and on and on.

What are these cities asking for? They are asking for this Federal Government to serve a partner and a catalyst because, in fact, this is the money around which an additional effort can be organized to try to reclaim our communities and our neighborhoods.

This is part of the war on crime. This is part of the war on drugs. This is a part of the socialization of our young people. This is a part of getting our young people to appreciate teamwork, participation, and constructive engagement with others. This is a part of transmitting values from adult populations to an adolescent population. This is a part of one generation, an older group of people, mentoring and coaching a younger group of people, about building teams, about building communities, about building volunteer spirit.

These are grants. These grants do not keep these facilities open. These grants allow us to reclaim them, the disuse, the lack of repair and turn them into a catalyst for community action, for community organization and for youth activities.

So I would hope that what we are asking is that we would take $10 million out of the fossil fuel accounts, and many Members who voted against those early amendments have suggested to me that they will vote to support this amendment. This in only 4 percent of that account, but the multiplier effect of these projects that have been submitted from every State across the Nation, the multiplier effect far exceeds, far exceeds that small amount of money and its contribution to the fossil fuel accounts.

We have heard the arguments about the fossil fuel account. We are at a time when that industry clearly has the ability to shoulder an additional burden. Make no misunderstanding about it, this is an American priority. This is about our streets, our neighborhoods, our children and our families. This is about where we live, it is about where our constituents live.

A woman said to me the other day in a town hall meeting, I am so afraid of my neighborhood, an elderly woman. She said, Because they are home, but their parents are not home. There is no nowhere for these children to go. That is when the trouble starts.

That is what the urban parks and recreation program is about. That is what was recognized by the private sector, who joined in their support, and by the sports organizations and by the police organizations as they joined in their support for this effort, as well as many of the oldest nonprofit service organizations that have supported our children throughout the history of this Nation.

Mr. Chairman, I would urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. REGULA. Mr. Chairman, I rise in opposition to the amendment, and I yield myself such time as I may consume.

Mr. Chairman, those are nice sounding words. I was interested when the gentleman said he had overwhelming support. His overwhelming support does not include his President. In the President's budget he made absolutely no request for money for this program. His overwhelming support did not include the former chairman of this subcommittee, the gentleman from Illinois [Mr. YATES].

In 1995, the last time Mr. YATES served as chairman, there was no money put in this program, because even he recognized that these parks are a local responsibility. Our responsibilities are with the national parks. And with 369 units, we have our hands full.

Let me point out that the State parks, the local parks, the tennis courts, the swimming pools are a local responsibility.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, our recollection is that the gentleman from Illinois [Mr. YATES] put money into the bill but it was rescinded by the new Congress. I think that is the history here.

Mr. REGULA. Mr. Chairman, reclaiming my time, I believe the gentleman is correct, we did rescind the fiscal year 1995 funds, but in 1990 and 1993 the gentleman from Illinois [Mr. YATES] had zero funding.

Mr. DICKS. But, Mr. Chairman, if the gentleman would continue to yield, Mr. YATES has been a strong supporter of this.

Mr. REGULA. I understand that, but the point I am making is that while he was a strong supporter in recognizing the priorities in several of those years, he decided that we did not have adequate money and that we should first of all take care of our national parks, and that is the point I would make. And, again, the President did not put it in his budget.

These are local responsibilities. It is nice to do if we have plenty of money. We do not have plenty of money, and I do not think that we should trade the fact that under the fossil research program we can protect our jobs, energy dependent jobs and that we can protect the clean air programs that result from that. We can protect our energy independence.

We should not trade that off for local tennis courts, and that is exactly what this amendment does. It says let us take money out of a program that has already had a 14-percent cut and add it to taking care of local responsibilities. Nice to do, nobody quarrels with that, but it is not the responsibility in this bill to meet those needs.

Therefore, Mr. Chairman, I would strongly oppose this amendment because I think that we need to maintain our fossil energy research program. I think that we need to let the local communities understand that it is their responsibility to build the tennis courts, to build the swimming pools, to do the local parks. I hope that my colleagues will vote against this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. MILLER of California. Mr. Chairman, I yield myself the balance of my time, and in 30 seconds I would say that I always knew the gentleman from Ohio was never a rubber stamp for our President, but let me just say that in this budget we do an awful lot for local communities, because the forest monies we talked about earlier go to schools and public maintenance out west.

We may not want to talk about that in the rest of the country, but the fact of the matter is this entire budget deals with local governments and we can choose. This is a priority. The gentleman may not like this priority, but this is a priority of the American people because this is about their neighborhoods and about crime.

All of the evidence is starting to emerge that these are facilities that our neighborhoods need. That is why this program is included in the crime bill, too. The gentleman might have voted against that, but the fact of the matter is that is what the police chiefs and others have said they wanted in their arsenal to fight crime and to work with young people. I would hope the gentleman would take this and support this amendment.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume, and I would just point out that this is an authorizing problem and I think the authorizing committee should deal with it. We have a responsibility to deal with the national parks and we have a responsibility to deal with the needs of fossil energy research. We have done that to the best of our ability in a very balanced way.

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I think this amendment, while it is a nice thing to do, is not an appropriate response given the priorities that we have had, judgments we have had to make in this bill. I hope my colleagues would oppose this along with these other amendments because we have a balance. Let us not change that. It is not in the best interests of the people of this Nation to do so.

Ms. DELAURO. Mr. Chairman, I rise in support of the Miller amendment which will reduce Federal assistance for the fossil energy industry to help fund parks in urban areas through the National Park Service's National Recreation and Preservation Program.

As the representative of an urban area in Connecticut, there are few greater needs then maintaining and improving parks. Parks benefit everyone in the community, but most of all, it benefits our children. Ours is a time that forces young people to confront adult problems at earlier ages. That's why it's so important that we give our children park space to have fund and enjoy childhood in a safe, clean, and secure setting.

Many, many Connecticut parents in my congressional district have expressed to me the No. 1 challenge they face is having someplace where their kids can go after school. Parents need to know that their kids have someplace safe to go to. They need to know that their children are not out somewhere getting into trouble. Parks offer children the opportunity to have good clean fun and they give parents the peace of mind that their kids are okay.

But this bill contains no funding for urban parks. Zero. Nothing. What message are we sending to the hardworking parents in this country when we deny them this one small opportunity to do something positive about one of their greatest fears?

The Miller amendment is a responsible effort to respond to the concerns of America's hard-pressed parents. For the modest funding level of $10 million, we will provide communities the opportunity to help families cope with the day-to-day pressures that besiege them.

Mr. Speaker, many families in this country are working harder and harder to make less and less. Barely getting by has replaced the American dream as the daily preoccupation. A two-income household was a rarity just a generation ago, and now it is the norm. These families have to keep up with the pressures of the job and raising the kids. It's about time they got a break.

Investing in parks is but a small step to give them that break. Let's provide our communities with safe and clean parks for the kids of our urban families to go. And let's give America's parents a little peace of mind.

I urge my colleagues to vote for the Miller amendment.

Mr. FOGLIETTA. Mr. Chairman, I rise in strong support of the Miller amendment to restore funding for the urban park program. It helps us achieve two goals. First, we can help revitalize and strengthen economically distressed communities making them more pleasant places to live. At the same time, we can reduce urban crime by giving our city youth alternatives to crime, drugs, and gangs.

When Phoenix basketball courts and other recreation facilities are kept open in the summer months until 2 a.m., police calls reporting juvenile crime drop by as much as 55 percent. When the gyms start closing early in the fall, the crime rate goes up again. Midnight recreation programs range from basketball to swimming and have over 170,000 participants, costing an average of 60 cents per youth.

In Fort Myers, FL, juvenile arrests have dropped by 28 percent since 1990 when the city began STARS—Success Through Academics and Recreational Support for young adolescents.

In my own district in Philadelphia, police launched a program to help neighborhood volunteers clean up vacant lots and plant gardens, and burglaries and thefts in the precinct dropped by an astounding 90 percent from 40 crimes per month to an average of 4 per month. The small investment that Mr. MILLER has requested—$10 million—can bring such dividends, bringing green to neighborhoods and reducing crime.

I urge my colleagues to vote "yes" on the Miller amendment.

Mr. OLVER. Mr. Chairman, I rise in support of the Miller amendment to restore funding for the Park Service's National Recreation and Preservation Program.

This program offers urban families brief refuge from the scenic pollution of urban blight, temporary refuge from the degradation of joblessness, and temporary refuge from the fear of stray bullets.

To many of the millions residing in urban centers, Yellowstone is a million miles away—the Grand Canyon—a place they once saw in a film strip in elementary school. But the urban park, the ideal of visionaries like Edward Olmstead, is a place where urban dwellers can find some open space to throw a frisbee, ride a bike, or just feed the pigeons.

Some of our urban parks even offer pools for families to get away from their non-air-conditioned apartments and cool off a bit. They're the places where the likes of a future Michael Jordan or Marcus Camby learn to play basketball. Where the Mo Vaughns hit their first home runs.

The funding in this amendment provides grants for renovation of urban recreation centers. Many of these facilities are in such poor shape that they endanger kids' safety and health.

These grants help repair, reconstruct, and rehabilitate these facilities so that they can remain open to the public.

In the past these grants have provided recreation for the disabled, repaired swimming pools, resurfaced tennis and basketball courts, purchased picnic tables, created arts and crafts areas, fitness trails, and bocci courts for seniors.

I urge you to support the Miller amendment. If you choose to vote against urban parks, and cite the quest for a balanced budget as your reason, just keep in mind the vote last week when this body gave the Defense Department $11 billion more than requested.

If you choose to vote against this amendment, you will certainly know why the swimming pool won't be open this year—and why the water fountain will remain out of order.

Support the Miller amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MILLER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MILLER of California. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from California [Mr. MILLER] will be postponed.

Mr. WALSH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to clarify a point in the report language of the bill.

The report language on the Codes and Standards program would require the

Department of Energy to achieve consensus between interested parties before proceeding with any rulemaking, including those mandated by the Energy Policy Act of 1992.

As Members know, DOE has worked long and hard with manufacturers this year to rethink and revamp its process for promulgating rules to allow much greater industry input into rulemaking. The process improvement efforts will soon come to fruition.

I am concerned that a strict interpretation of consensus conveys to any company, organization or interested individual the right to veto any proposed standard, even if DOE has gone the extra mile to address industry concerns or even if there is a broad industry acceptance of the proposal.

Mr. Chairman, what does consensus mean in this context?

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, consensus in this case means that all participating parties need to be involved in the rulemaking process. We are trying to hold the department's feet to the fire to follow through on its process improvement efforts and then to conscientiously avoid repeating mistakes it has made in the past.

Some of these have included not paying enough attention to ways in which the burden on manufacturers can be eased, failing to incorporate real world market information into their economic analysis and taking inordinately long amounts of time to issue standards.

Our goal is to make sure that DOE solicits and seeks to address the concerns of manufacturers which then have to live with these standards while successfully complying with the law.

Mr. WALSH. Mr. Chairman, can we clarify the language in conference to reflect the requirement for consensus is not just a rephrasing of the moratorium that we had last year but a standard of rigor which will be expected of DOE in future rulemakings?

Mr. REGULA. Mr. Chairman, if the gentleman will continue to yield, I look forward to working with the gentleman to achieve clarification of this report language in conference with the Senate.

Mr. WALSH. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON:

On page 15

Under the item "NATIONAL PARK SERVICE", under the item "OPERATION OF THE NATIONAL PARK SYSTEM", after the 3d dollar amount insert "(increased by $15,579,000)".

On page 50

In the item relating to RELATED AGENCIES—Department of Agriculture—Forest Service—Reconstruction and Construction, insert "(reduced by $20,000,000)" after the first dollar amount.

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. REGULA. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. OBEY. Reserving the right to object, Mr. Chairman, what is the request?

Mr. REGULA. Mr. Chairman, will the gentleman yield.

Mr. OBEY. I yield to the gentleman from Ohio?

Mr. REGULA. Mr. Chairman, that the debate be limited to 10 minutes.

Mr. OBEY. Mr. Chairman, I am reluctant to object, but given the fact that this involves taking money out of roads, I do object.

The CHAIRMAN. Objection is heard.

Mr. RICHARDSON. Mr. Chairman, my amendment increases funding by $15 million for our national parks. It basically makes it the same level as what the Clinton administration requested for the national parks. Let me just state that I am taking these funds from Forest Service roads and not from fossil energy research, as was stated or printed in some document.

Mr. Chairman, when is an increase not an increase? When you add up the funds being appropriated to directly support our national parks. The Committee on Appropriations has made it a point to trumpet that there is a 3-percent across-the-board increase for parks. Members should be aware that providing only a 3-percent increase will mean our national parks will have less money in which to operate in fiscal year 1997 than they had in fiscal year 1996. Why? Because the 3 percent does not even cover such basic operational costs as the pay and retirement cost increases, inflation, and uncontrollables.

In addition, the bill cuts back on the amounts the National Park Service requested for resource stewardship, visitor services, maintenance, and park support, leaving the individual parks to pick up the costs that would otherwise be covered by these programs.

When it comes to our national parks, we can and should do more. The Richardson amendment funds the additional $15.5 million the administration requested in operational increases for individual national parks. Again, what my amendment does is simply raises the amount $15 million to conform with what the Clinton administration requested for this fiscal year.

These are the nuts and bolts funds for our national parks and not the bells and whistles.

The Richardson amendment is only a small down payment on what is needed for our national parks. The amendment funds the rangers, the interpreters, the camp grounds, and the trails. The Committee on Appropriations may say that we cannot afford this, but I find it interesting that they found the money to earmark from park funds $650,000 for Lackawanna County, PA, $200,000 for a study of the Robert Russa Morton High School in Virginia, and $100,000 for a German-American cultural center. Americans expect our national parks to be a funding priority.

I think funding our national parks is a higher priority than spending over $164 million to build more Forest Service roads. Again, I am not decimating the road programs for forests. It is a $15 million decrease that would be moved to the national parks.

There are already a quarter of a million miles of forest roads. We can and should take a small portion of these funds to make sure that our national parks are better cared for.

Mr. Chairman, over the last year in the authorizing committee and in the appropriating committees and in the media and in the public there has been a debate about our national parks. No. 1, everybody agrees that they are important and that they are national treasures. But everybody agrees that they are not being funded properly, that there is crime in some areas, that there is not enough money for law enforcement in our parks. We do not have enough for park housing, for Rangers to maintain many of these jewels. Without necessarily going into the debate we had on a bill that was called the park closure bill, apart from that, I think the very least we should do is fund the parks to what the administration requested.

This is not going to be enough. There are already proposals on the table to raise money for the parks through increased fees. There is also a proposal, a creative proposal the National Park Foundation has initiated which would fund from partnerships between the public and private sector some of the parks. But in the meantime, it just strikes me that we should move these funds from Forest Service roads. There is already a lot of timber harvesting going on. We have got a whole system of roads being built.

The budget is a healthy one for Forest Service roads. Let us just move the $15 million. We are not talking about changing a lot of operations that are existing, move them into the parks. Our parks need the money. We keep having these debates that we are not funding the parks properly.

What my amendment is simply doing, again, it is funding the national parks at the level requested by the

Clinton administration. It is not enough, obviously. We have had stories everywhere where in each State, in each region of the country that somehow our parks are not getting the right funding.

There is not enough money for maintenance. The parks are overcrowded. We have got 260 million Americans visiting the parks again. Let us support the Richardson amendment which just beings the money for the Clinton administration request. It is not coming out of fossil energy as was originally printed.

Mr. REGULA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have heard this song before. It sounds very attractive. We are going to take the money out of the roads, put it in the parks. We talked about 260 million visitors in the parks. Let me point out, once again, that the Forest Service gets twice, double, twice the visitor days of the Park Service. So if we are talking about providing recreation for the people of the United States, it is vitally important that we have adequate, safe roads so they have access to these recreational opportunities.

I think that it is not a good use of the resources available to us to decimate the road program in order to put more money in the parks.

Let me point out we have put an additional $55 million in the parks. This money that is being subjected to being moved is for reconstruction of roads. Why reconstruction? Because if we do not reconstruct these roads, you get a washing effect, gullies that end up silting up the streams. It has an adverse environmental impact on the streams, on the fishing, on the recreational opportunities. I think it is just a poor use of our resources to make this kind of a transfer.

I have to say that we in the subcommittee listened carefully to the priorities of the various agencies. The Members collectively made judgments as to what represented a fair balance among the various needs that confronted us. We gave the parks a lot more money because there is heavy usage.

But also, we gave money, provided money to reconstruct these roads that are absolutely essential to the recreation opportunities of millions and millions of Americans. I think it would be a mistake in judgment now at this point somehow to reduce the environmental protection of our streams that results from reconstructing the roads and also limiting the recreational opportunities of the 300 million people that visit the national forests.

I hope that my colleagues would vote "no" on this amendment. Let us keep this delicately crafted balance that we have between the Forest Service and the parks and between the parks and Fish and Wildlife and the other agencies.

Mr. VENTO. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, this is a good amendment that my colleague, the gentleman from New Mexico [Mr. RICHARDSON] has offered. Even if you took both the Vento amendment and this amendment, you would still have $12 million in road construction and maintenance money for the Forest Service in this budget. The fact is that this then would meet the request of the administration in terms of construction and would meet the request of the administration in terms of operation.

If you want to argue, if you want to meet the needs of the Park Service, I think the people's parks should have a priority over these subsidies that we are providing in terms of the timber harvest, in terms of that they are only doing restoration work. In fact we ought to have no money in this bill for new road construction. We should insist that the Forest Service sales actually pay for themselves, that the bid prices ought to be adequate.

If someone is cutting timber on private land, they do not get a Government subsidy to build roads to that particular timber. They have to pay for it out of the receipts that they get in terms of the timber. Why should we treat our national forests any different than that? We should in other words be dealing with it on the basis of dollars and cents. The fact is that there are innumerable types of assistance and subsidy in terms of management of those forests.

The dollars for recreation are separate dollars in this Forest Service budget for recreation roads, for administrative roads. We are talking about the pure subsidy that goes to the timber, to the sales, to the timber harvests that are given in credits. The fact is we have 379,000 miles of road in the forests.

□ 2015

That is not for recreation; that is for harvesting the timber, and the fact is that those roads represent a tremendous liability. They are destroying our watersheds in these national forests. They obviously represent a great threat to the quality. We ought to be spending the dollars, we need to spend money because past congresses insisted on constructing these roads, not taking care of them, and then requiring restoration dollars in addition to that that we have to pay for it today.

That is why we have got nearly 400,000 miles of these roads, because nobody paid attention to what is going on. It was just put in the roads, cut the timber and not worry about it, and that is the same attitude that is persisting in spending these types of dollars. We have got to hold these timber companies and the way that they treat these forests accountable, and we are not doing that. We are just saying to do it on a basis.

We do not cut all the money out of here for roads and construction. In fact, we leave $125 million, and, as my colleagues know, many would argue it all ought to come out. But we got to send a message here. We got to send a message that the people's parks come first, that they come first in terms of the construction and maintenance needs that they have, that they come first in terms of operation. If we do not pay for operation, for the interpreters, for the Park Service people, we cannot keep them safe.

We had a terrible incident that occurred here in terms of the Blue Ridge Parkway on the Appalachian Trail, where a constituent or person from my State was victimized, and others, and so I think we have got to make more certain that these areas are as safe as possible. We have got to have these dollars in place, and we do not have them today.

We do not have them today, and we can do it. We can do it by changing and sending a message and letting these timber industry folks pay for their own roads by funding the operation of the parks, by funding the construction of the needs we have. We simply have to address this.

We need to send a message tonight by voting for the Richardson amendment and voting for the Vento amendment.

Mr. RIGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my colleagues, I hope we could be clear about what we are talking about in this situation, both with this amendment and also with the earlier amendment by the gentleman from Minnesota [Mr. VENTO], because by transferring money from the Forest Service construction and reconstruction account into the Park Service we are effectively, and perhaps this is an unintended consequence, turning our Federal forest lands into Federal park lands, and in our part of the world we do not need more park land. We have hundreds and hundreds of thousands of acres that are permanently preserved in the Federal and State park system of the California north coast. We have literally thousands of acres that are permanently preserved and are off limits from any timber harvesting of any kind.

So we like to believe that our Federal forest lands in northern California are important, important for providing a resource and a timber commodity that is used by virtually every American, and certainly important in terms of providing jobs in our home districts.

Now let me just tell my colleagues a little bit about timber jobs, since we so easily shift the focus in our debate on this floor from jobs to other issues. But in terms of what we are talking about in terms of jobs, between 1989 and 1994 we have had 223 mills closed, timber mills in the Pacific Northwest. Forty-two of those mills are in my district and that of my neighbor to the east, the gentleman from California [Mr. HERGER]. That means that we have lost nearly 20,000 jobs in our timber industry, and that does not count the indirect jobs, the service and support jobs, that we have also lost. And colleagues, this is catastrophic for us that represent these communities, a point we were trying to make earlier today in the debate on the Dicks amendment. Since 1994, these communities have been decimated.

Now I also want to point out to my colleagues that during the years since the listing of the spotted owl in the Clinton-Gore option, the so-called northwest forest plan, these entire communities have been devastated, and we have yet to demonstrate, and I defy anybody here tonight, we have yet to demonstrate that any of the pain and suffering has been necessary or has had any measurable benefit for the spotted owl. Here is why I am particularly concerned and why I say that this transfer would have the effect of turning these productive forest lands into Federal park land.

This is all part of a recent extremist trend in the so-called mainstream environmental movement in this country. Just a few months ago the Sierra Club, by a vote of 2 to 1 of its membership, voted to ban all logging on Federal forest lands. So I ask how long until the extremists openly call for a total ban on timber harvesting on Federal forest lands? That is why we are worried when there is an attempt to transfer money out of the construction and reconstruction accounts of the Forest Service.

Mr. RICHARDSON. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from New Mexico.

Mr. RICHARDSON. Mr. Chairman, I just want to point out to the gentleman from California [Mr. RIGGS] that we are not giving the Park Service money to purchase new parks. What we are doing is simply funding existing parks. I just want to make that absolutely clear.

And we are not talking about decimating the Forest Service system. We are talking about $15 million. It simply moves the Park Service request to what the administration, the Clinton administration, requested. But it is for funding of individual parks, not purchasing new parks.

Mr. RIGGS. Mr. Chairman, let me ask the gentleman, does he support the position that was recently taken by the Sierra Club?

Mr. RICHARDSON. No, I do not.

Mr. RIGGS. In favor of an outright ban on all logging on Federal forest lands——

Mr. RICHARDSON. No, I do not.

Mr. RIGGS. A position so extreme, that says we should not even harvest a dead, dying, or diseased tree?

Mr. RICHARDSON. Not at all. I have substantial timber harvesting in my State. No, I do not support that.

Mr. RIGGS. Mr. Chairman, I am going to conclude by saying I am very concerned about these amendments because again I think they reflect an environmental policy direction in the Federal Government that is a very real threat to our way of life in northern California. I hope my colleague can understand because this is very sincere, and it is from the heart, why those of us believe that this administration, backed by its democratic allies in the Congress, is still waging a war on the West, and we want it to stop. It has been too much.

The survival of our way of life depends on developing sound environmental laws that are based on sound science and protect private property rights, and I personally am going to continue to fight for those kind of changes. I am going to oppose this amendment and the amendment by the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I just want to assure the gentleman that, first of all, I do not look for a banning of all timber harvest, and this is based more on economics than it is based on anything else. The fact is that I understand the gentleman's need for jobs and employment in this area, but I think, as my colleagues know, the jobs and dollars that are spent in the Park Service also produce jobs. The dollars spent in the Park Service also produce economic activity. It is a question of what these dollars subsidize.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON].

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. RICHARDSON. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON] will be postponed.

If there are no other amendments to title I, the Clerk will read.

The Clerk read as follows:

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, $179,000,000, to remain available until September 30, 1998: *Provided*, That unobligated and unexpended balances remaining in this account at the end of fiscal year 1996 shall be merged with and made a part of the fiscal year 1997 Forest and Rangeland Research appropriation.

Mr. SCHAEFER. Mr. Chairman, I ask unanimous consent to make a point of order on page 61 of title II.

The CHAIRMAN. Is there objection to entertaining a point of order on page 61?

Mr. OBEY. Mr. Chairman, what was the unanimous-consent request?

The CHAIRMAN. The gentleman from Colorado asked unanimous consent to transact a point of order on page 61 of the bill.

Mr. DICKS. Reserving the right to object, Mr. Chairman, could the gentleman from Colorado tell us what the point of order is?

Mr. SCHAEFER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Colorado.

Mr. SCHAEFER. Mr. Chairman, yes, I would be very pleased to.

Page 61, beginning on line 2 and ending on page 61 line 11, based on the ground that such provision would constitute legislation in an appropriation bill in violation of rule XXI, clause 2, of the rules of the House.

Mr. DICKS. Mr. Chairman, we are not there yet.

The CHAIRMAN. Does the gentleman from Washington still reserve his right to object?

Mr. DICKS. This has not been cleared with us. I would have to object at this point.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others and for forest pest management activities, cooperative forestry and education and land conservation activities, $148,884,000 to remain available until expended, as authorized by law.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, for ecosystem planning inventory, and monitoring, and for administrative expenses associated with the management of funds provided under the heads "Forest and Rangeland Research," "State and Private Forestry," "National Forest System," "Wildland Fire Management," "Reconstruction and Construction," and "Land Acquisition," $1,259,057,000 to remain available for obligation until September 30, 1998, and including 50 per centum of all monies received during the prior fiscal year as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 4601-6a(i)): *Provided*, That unobligated and unexpended balances in the National Forest System account at the end of fiscal year 1996, shall be merged with and made a part of the fiscal year 1997 National Forest System appropriation, and shall remain available for obligation until September 30, 1998: *Provided further*, That up to $5,000,000 of the funds provided herein for road maintenance shall be available for the planned obliteration of roads which are no longer needed.

Mr. REGULA. Mr. Chairman, I move to strike the last word.

Mr. CHAIRMAN, it is my understanding that we have rolled these votes. We now have found, and it is my understanding that we would vote these amendments before we go further into title II.

Is that correct?

The CHAIRMAN. The gentleman is correct.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 455, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: The earlier amendment offered by the gentleman from New Mexico [Mr. Richardson], amendment No. 33 offered by the gentleman from Minnesota [Mr. Vento], amendment No. 21 offered by the gentleman from California [Mr. Miller], and the later amendment offered by the gentleman from New Mexico [Mr. Richardson].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. RICHARDSON

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from New Mexico [Mr. Richardson] on which further proceedings were postponed and on which noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were ayes 200, noes 220, not voting 14, as follows:

[Roll No. 254]

AYES—200

Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bartlett
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonior
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Burr
Camp
Cardin
Castle
Chabot
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cummings
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Goodling
Gordon
Green (TX)
Greenwood
Gunderson
Gutierrez
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Horn
Hoyer
Inglis
Jackson (IL)
Jacobs
Jefferson
Johnson (SD)
Johnston
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
Klug
LaFalce
Lazio
Leach
Levin
Lewis (GA)
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martini
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Morella
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Peterson (MN)
Petri
Porter
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Smith (MI)
Smith (NJ)
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Walker
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Williams
Wilson
Woolsey
Yates
Zimmer

NOES—220

Abercrombie
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Barton
Bass
Bateman
Bevill
Bilirakis
Bliley
Boehner
Bonilla
Bono
Borski
Boucher
Browder
Bryant (TN)
Bunn
Bunning
Burton
Buyer
Callahan
Calvert
Campbell
Canady
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
English
Everett
Ewing
Fowler
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Ganske
Gekas
Geren
Gilchrest
Gillmor
Goodlatte
Goss
Graham
Greene (UT)
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Istook
Jackson-Lee (TX)
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kennelly
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lucas
Martinez
Mascara
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Paxon
Pickett
Pombo
Pomeroy
Portman
Poshard
Pryce
Quillen
Radanovich
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Scarborough
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Traficant
Vucanovich
Walsh
Wamp
Watts (OK)
White
Whitfield
Wicker
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—14

Brownback
Clinger
Emerson
Fields (TX)
Gallegly
Lantos
Lincoln
McDade
Payne (VA)
Pelosi
Peterson (FL)
Ramstad
Tauzin
Torricelli

□ 2046

Mr. HAMILTON changed his vote from "aye" to "no."

Messrs. PETRI, BENTSEN, GENE GREEN of Texas, MANZULLO, SMITH of Michigan, BILBRAY, BARTLETT of Maryland, INGLIS of South Carolina, TAYLOR of Mississippi, CONDIT, and ORTIZ changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. VENTO

The CHAIRMAN pro tempore (Mr. Diaz-Balart). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Minnesota [Mr. Vento] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 178, noes 242, not voting 14, as follows:

[Roll No. 255]

AYES—178

Ackerman
Andrews
Baldacci
Barrett (WI)
Bartlett
Becerra
Beilenson
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Campbell
Cardin
Chabot
Chapman
Chrysler
Clay
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
Cummings
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Durbin
Edwards
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford

Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Gordon
Gutierrez
Gutknecht
Harman
Hastings (FL)
Hefley
Hilliard
Hinchey
Horn
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klug
LaFalce
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Morella
Nadler
Neal
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Porter
Portman
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Ros-Lehtinen
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Slaughter
Souder
Spratt
Stark
Stokes
Studds
Talent
Tejeda
Thompson
Thurman
Towns
Upton
Velazquez
Vento
Visclosky
Walsh
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Weller
Williams
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—242

Abercrombie
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barton
Bass
Bateman
Bentsen
Bevill
Bliley
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chambliss
Chenoweth
Christensen
Clayton
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehrlich
Ensign
Everett
Ewing
Fawell
Fazio
Foley
Fowler
Franks (CT)
Frisa
Funderburk
Ganske
Gekas
Geren
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martinez
Mascara
Matsui
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Poshard
Pryce
Quillen
Radanovich
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Rose
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Tanner
Tate
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Traficant
Volkmer
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—14

Brownback
Clinger
Emerson
Fields (TX)
Gallegly
Lantos
Lincoln
McDade
Payne (VA)
Peterson (FL)
Ramstad
Tauzin
Torres
Torricelli

□ 2054

Mr. FOLEY, Mrs. CLAYTON, and Mr. ROSE changed their vote from "aye" to "no."

Mr. COYNE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 21 OFFERED BY MR. MILLER OF CALIFORNIA

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. MILLER] on which further proceedings were postponed and on which the "noes" prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 199, noes 223, not voting 12, as follows:

[Roll No. 256]

AYES—199

Abercrombie
Ackerman
Allard
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonior
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chabot
Chapman
Chrysler
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cummings
Cunningham
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Engel
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Goodling
Green (TX)
Greenwood
Gutierrez
Harman
Hastings (FL)
Hinchey
Hoke
Horn
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kasich
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
LaFalce
LaHood
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Matsui
McCarthy
McDermott
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Morella
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Petri
Porter
Quinn
Rangel
Reed
Richardson
Rivers
Roemer
Ros-Lehtinen
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Skelton
Slaughter
Smith (NJ)
Spratt
Stark
Stokes
Studds
Tanner
Taylor (MS)
Tejeda
Thompson
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Walker
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Weller
Whitfield
Wilson
Woolsey
Wynn
Yates
Zimmer

NOES—223

Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bevill
Bilirakis
Bliley
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
English
Everett
Fowler
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Ganske
Gekas
Geren
Gilchrest
Gillmor
Goodlatte
Gordon
Goss
Graham
Greene (UT)
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Holden
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kelly
Kim
King
Klink
Klug
Knollenberg
Kolbe
Largent

Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Mascara
McCollum
McCrery
McHale
McHugh
McIntosh
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Pickett
Pombo
Pomeroy
Portman
Poshard
Pryce
Quillen
Radanovich
Rahall
Regula
Riggs
Roberts
Rogers
Rohrabacher
Rose
Roth
Roukema
Royce
Salmon
Scarborough
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Traficant
Volkmer
Vucanovich
Walsh
Watts (OK)
Weldon (PA)
White
Wicker
Williams
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—12

Brownback
Clinger
Emerson
Fields (TX)
Gallegly
Lantos
Lincoln
McDade
Peterson (FL)
Ramstad
Tauzin
Torricelli

□ 2103

Mr. McKEON and Mr. WAMP changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. RICHARDSON

The CHAIRMAN pro tempore (Mr. DIAZ-BALART). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 218, not voting 13, as follows:

[Roll No. 257]

AYES—203

Ackerman
Allard
Andrews
Baesler
Baldacci
Barrett (WI)
Bartlett
Becerra
Beilenson
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Campbell
Cardin
Castle
Chabot
Chapman
Chrysler
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cummings
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Duncan
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Gutierrez
Harman
Hastings (FL)
Hefley
Hinchey
Horn
Hoyer
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klug
LaFalce
LaHood
Lazio
Leach
Levin
Lewis (GA)
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Markey
Martini
Matsui
McCarthy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Morella
Nadler
Neal
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Petri
Pomeroy
Porter
Portman
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Rohrabacher
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Souder
Spratt
Stark
Stokes
Studds
Talent
Tejeda
Thompson
Thurman
Torkildsen
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Weller
Whitfield
Williams
Wilson
Woolsey
Wynn
Yates
Zimmer

NOES—218

Abercrombie
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barton
Bass
Bateman
Bentsen
Bevill
Bliley
Boehner
Bonilla
Bono
Brewster
Browder
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Durbin
Edwards
Everett
Fazio
Fowler
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Ganske
Gekas
Geren
Gillmor
Goodlatte
Goodling
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Istook
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kim
King
Kingston
Klink
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lucas
Manzullo
Martinez
Mascara
McCollum
McCrery
McHugh
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Pickett
Pombo
Poshard
Pryce
Quillen
Radanovich
Regula
Riggs
Roberts
Roemer
Rogers
Roth
Roukema
Royce
Salmon
Scarborough
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Tanner
Tate
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Traficant
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
White
Wicker
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—13

Brownback
Clinger
Emerson
Fields (TX)
Gallegly
Lantos
Lincoln
McDade
Peterson (FL)
Ramstad
Tauzin
Torres
Torricelli

□ 2111

Mrs. ROUKEMA changed her vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. KOLBE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. DIAZ-BALART, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that Committee, having had under consideration the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

PERSONAL EXPLANATION

Mr. CLINGER. Mr. Speaker, on June 19, 1996, I was unavoidably detained and missed rollcall votes 254, 255, 256, and 257 during consideration of H.R. 3662, a bill making appropriations for fiscal year 1997 for the Department of Interior and related agencies.

Had I been present, I would have voted "no" on rollcall 254, "no" on rollcall 255, "no" on rollcall 256, "no" on rollcall 257.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3666, VA, HUD AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997

Mr. QUILLEN, from the Committee on Rules, submitted a privileged report (Rept. No. 104–630) on the resolution (H.

Res. 456) providing for consideration of the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□ 2115

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 455 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3662.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, with Mr. DIAZ-BALART, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON] had been disposed of and the bill had been read through page 48, line 19.

The Clerk will read.

The Clerk read as follows:

WILDLIFE FIRE MANAGEMENT

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, and for emergency rehabilitation of burned over National Forest System lands, $411,485,000, to remain available until expended: *Provided*, That unexpended balances of amounts previously appropriated under any other headings for Forest Service fire activities are transferred to and merged with this appropriation and subject to the same terms and conditions: *Provided further*, That such funds are available for repayment of advances from other appropriations accounts previously transferred for such purposes.

RECONSTRUCTION AND CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, $164,100,000, to remain available until expended for construction, reconstruction and acquisition of buildings and other facilities, and for construction, reconstruction and repair of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532–538 and 23 U.S.C. 101 and 205: *Provided*, That not to exceed $50,000,000, to remain available until expended, may be obligated for the construction of forest roads by timber purchasers: *Provided further*, That funds appropriated under this head for the construction of the Wayne National Forest Supervisor's Office may be granted to the Ohio State Highway Patrol, Ohio State Department of Transportation, as the Federal share of the cost of construction of a new facility to be jointly occupied by the Forest Service and the Ohio State Highway Patrol: *Provided further*, That an agreed upon lease of space in the new facility shall be provided to the Forest Service without charge for the life of the building.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l–4–11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, $30,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended: *Provided*, That funding for specific land acquisitions are subject to the approval of the House and Senate Committees on Appropriations.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, $1,069,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94–579, as amended, to remain available until expended, of which not to exceed 6 per centum shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), $92,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 159 passenger motor vehicles of which 14 will be used primarily for law enforcement purposes and of which 149 shall be for replacement; acquisition of 10 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed two for replacement only, and acquisition of 20 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to 7 U.S.C. 2225, and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (d) acquisition of land, waters, and interests therein, pursuant to 7 U.S.C. 428a; (e) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C 558a, 558d, 558a note); and (f) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office, or to implement any reorganization, "reinvention" or other type of organizational restructuring of the Forest Service without the consent of the House and Senate Committees on Appropriations.

Any appropriations or funds available to the Forest Service may be advanced to the Wildland Fire Management appropriation and may be used for forest firefighting and the emergency rehabilitation of burned-over lands under its jurisdiction.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 103–551.

None of the funds available to the Forest Service may be reprogrammed without the advance approval of the House and Senate Committees on Appropriations in accordance with the procedures contained in House Report 103–551.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Notwithstanding any other provision of the law, any appropriations or funds available to the Forest Service may be used to disseminate program information to private and public individuals and organizations through the use of nonmonetary items of nominal value and to provide nonmonetary awards of nominal value and to incur necessary expenses for the nonmonetary recognition of private individuals and organizations that make contributions to Forest Service programs.

Notwithstanding any other provision of law, money collected, in advance or otherwise, by the Forest Service under authority of section 101 of Public Law 93–153 (30 U.S.C. 185(l)) as reimbursement of administrative and other costs incurred in processing pipeline right-of-way or permit applications and for costs incurred in monitoring the construction, operation, maintenance, and termination of any pipeline and related facilities, may be used to reimburse the applicable appropriation to which such costs were originally charged.

Funds available to the Forest Service shall be available to conduct a program of not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by the Act of August 13, 1970, as amended by Public Law 93–408.

None of the funds available in this Act shall be used for timber sale preparation using clearcutting in hardwood stands in excess of 25 percent of the fiscal year 1989 harvested volume in the Wayne National Forest, Ohio: *Provided*, That this limitation shall not apply to hardwood stands damaged by natural disaster: *Provided further*, That landscape architects shall be used to maintain a visually pleasing forest.

Any money collected from the States for fire suppression assistance rendered by the Forest Service on non-Federal lands not in the vicinity of National Forest System lands shall be used to reimburse the applicable appropriation and shall remain available until expended as the Secretary may direct in conducting activities authorized by 16 U.S.C. 2101 (note), 2101–2110, 1606, and 2111.

Of the funds available to the Forest Service, $1,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Notwithstanding any other provision of law, the Forest Service is authorized to employ or otherwise contract with persons at regular rates of pay, as determined by the Service, to perform work occasioned by emergencies such as fires, storms, floods, earthquakes or any other unavoidable cause without regard to Sundays, Federal holidays, and the regular workweek.

To the greatest extent possible, and in accordance with the Final Amendment to the Shawnee National Forest Plan, none of the funds available in this Act shall be used for preparation of timber sales using clearcutting or other forms of even aged management in hardwood stands in the Shawnee National Forest, Illinois.

Pursuant to sections 405(b) and 410(b) of Public Law 101–593, funds up to $1,000,000 for matching funds shall be available for the National Forest Foundation.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes.

Notwithstanding any other provision of law, 80 percent of the funds appropriated to the Forest Service in the National Forest System and Construction accounts and planned to be allocated to activities under the "Jobs in the Woods" program for projects on National Forest land in the State of Washington may be granted directly to the Washington State Department of Fish and Wildlife for accomplishment of planned projects. Twenty percent of said funds shall be retained by the Forest Service for planning and administering projects. Project selection and prioritization shall be accomplished by the Forest Service with such consultation with the State of Washington as the Forest Service deems appropriate.

Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99–663.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95–91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, and for conducting inquiries, technological investigations and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs (30 U.S.C. 3, 1602, and 1603), performed under the minerals and materials science programs at the Albany Research Center in Oregon, $358,754,000, to remain available until expended: *Provided*, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

ALTERNATIVE FUELS PRODUCTION

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

Monies received as investment income on the principal amount in the Great Plains Project Trust at the Norwest Bank of North Dakota, in such sums as are earned as of October 1, 1996, shall be deposited in this account and immediately transferred to the General Fund of the Treasury. Monies received as revenue sharing from the operation of the Great Plains Gasification Plant shall be immediately transferred to the General Fund of the Treasury. Funds are hereby rescinded in the amount of $2,500,000 from unobligated balances under this head.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserve activities, $143,786,000, to remain available until expended: *Provided*, That the requirements of 10 U.S.C. 7430(b)(2)(B) shall not apply to fiscal year 1997.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, $499,680,000, to remain available until expended, including, notwithstanding any other provision of law, the excess amount for fiscal year 1997 determined under the provisions of section 3003(d) of Public Law 99–509 (15 U.S.C. 4502): *Provided*, That $125,000,000 shall be for use in energy conservation programs as defined in section 3008(3) of Public Law 99–509 (15 U.S.C. 4507) and shall not be available until excess amounts are determined under the provisions of section 3003(d) of Public Law 99–509 (15 U.S.C. 4502): *Provided further*, That notwithstanding section 3003(d)(2) of Public Law 99–509 such sums shall be allocated to the eligible programs as follows: $100,000,000 for weatherization assistance grants and $25,000,000 for State energy conservation grants.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Office of Hearing and Appeals, $2,725,000, to remain available until expended.

STRATEGIC PETROLEUM RESERVE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), $220,000,000, to remain available until expended, of which $220,000,000 shall be repaid from the "SPR Operating Fund" from amounts made available from the sale of oil from the Reserve: *Provided*, That notwithstanding section 161 of the Energy Policy and Conservation Act, the Secretary shall draw down and sell in fiscal year 1997 $220,000,000 worth of oil from the Strategic Petroleum Reserve: *Provided further*, That the proceeds from the sale shall be deposited into a special account in the Treasury, to be established and known as the "SPR Operating Fund", and shall, upon receipt, be transferred to the Strategic Petroleum Reserve account for operations of the Strategic Petroleum Reserve.

SPR PETROLEUM ACCOUNT

Notwithstanding 42 U.S.C. 6240(d) the United States share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of to other than the Strategic Petroleum Reserve: *Provided*, That outlays in fiscal year 1997 resulting from the use of funds in this account shall not exceed $5,000,000.

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, $66,120,000 to remain available until expended.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private or foreign: *Provided*, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further*, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That any contract, agreement, or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

No funds provided in this Act may be expended by the Department of Energy to prepare, issue, or process procurement documents for programs or projects for which appropriations have not been made.

In addition to other authorities set forth in this Act, the Secretary may accept fees and contributions from public and private sources, to be deposited in a contributed funds account, and prosecute projects using such fees and contributions in cooperation with other Federal, State or private agencies or concerns.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act with respect to the Indian Health Service, $1,779,561,000, together with payments received during the fiscal year pursuant to 42 U.S.C. 238(b) for services furnished by the Indian Health Service: *Provided*, That funds made available to tribes and tribal organizations through contracts, grant agreements, or any other agreements or compacts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), shall be deemed to be obligated at the time of the grant or contract award and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That $12,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund: *Provided further*, That $353,125,000 for contract medical care shall remain available for obligation until September 30, 1998: *Provided further*, That of the funds provided, not less than $11,306,000 shall be used to carry out the loan repayment program under section 108 of the Indian Health Care Improvement Act: *Provided further*, That funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall remain available until expended for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, or construction of new facilities): *Provided further*, That of the funds provided, $7,500,000 shall remain available until expended, for the Indian Self-Determination Fund, which shall be available for the transitional costs of initial or expanded tribal contracts, grants or cooperative agreements with the Indian Health Service under the provisions of the Indian Self-Determination Act: *Provided further*, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under the Indian Health Care Improvement Act (25 U.S.C. 1613) shall remain available for obligation until September 30, 1998: *Provided further*, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended.

INDIAN HEALTH FACILITIES

For construction, repair, maintenance, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of modular buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act, and the Indian Health Care Improvement Act, and for expenses necessary to carry out such Acts and titles II and III of the Public Health Service Act with respect to environmental health and facilities support activities of the Indian Health Service, $227,701,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities.

ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376; hire of passenger motor vehicles and aircraft; purchase of medical equipment; purchase of reprints; purchase, renovation and erection of modular buildings and renovation of existing facilities; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and for uniforms or allowances therefore as authorized by 5 U.S.C. 5901–5902; and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided*, That in accordance with the provisions of the Indian Health Care Improvement Act, non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, subject to charges, and the proceeds along with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651–53) shall be credited to the account of the facility providing the service and shall be available without fiscal year limitation: *Provided further*, That notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86–121 (the Indian Sanitation Facilities Act) and Public Law 93–638, as amended: *Provided further*, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further*, That the Indian Health Service shall neither bill nor charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the Indian Health Service to implement such a policy: *Provided further*, That notwithstanding any other provision of law, funds previously or herein made available to a tribe or tribal organization through a contract, grant, or agreement authorized by title I or title III of the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), may be deobligated and reobligated to a self-determination contract under title I, or a self-governance agreement under title III of such Act and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That none of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to the eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law: *Provided further*, That funds made available in this Act are to be apportioned to the Indian Health Service as appropriated in this Act, and accounted for in the appropriation structure set forth in this Act: *Provided further*, That funds received from any source, including tribal contractors and compactors for previously transferred functions which tribal contractors and compactors no longer wish to retain, for services, goods, or training and technical assistance, shall be retained by the Indian Health Service and shall remain available until expended by the Indian Health Service: *Provided further*, That reimbursements for training, technical assistance, or services provided by the Indian Health Service will contain total costs, including direct, administrative, and overhead associated with the provision of goods, services, or technical assistance: *Provided further*, That the appropriation structure for the Indian Health Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, title IX, part A of the Elementary and Secondary Education Act of 1965, as amended, and section 215 of the Department of Education Organization Act, $52,500,000.

OTHER RELATED AGENCIES

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93–531, $20,345,000, to remain available until expended: *Provided*, That funds provided in this or any other appropriations Act are to be used to relocate eligible individuals and groups including evictees from District 6, Hopi-partitioned lands residents, those in significantly substandard housing, and all others certified as eligible and not included in the preceding categories: *Provided further*, That none of the funds contained in this or any other Act may be used by the Office of Navajo and Hopi Indian Relocation to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: *Provided further*, That no relocatee will be provided with more than one new or replacement home: *Provided further*, That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d–10.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by title XV of

Public Law 99–498, as amended (20 U.S.C. 56, part A), $5,500,000.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed thirty years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; $317,188,000, of which not to exceed $31,664,000 for the instrumentation program, collections acquisition, Museum Support Center equipment and move, exhibition reinstallation, the National Museum of the American Indian, the repatriation of skeletal remains program, research equipment, information management, and Latino programming shall remain available until expended, and including such funds as may be necessary to support American overseas research centers and a total of $125,000 for the Council of American Overseas Research Centers: *Provided*, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, $3,250,000, to remain available until expended.

REPAIR AND RESTORATION OF BUILDINGS

For necessary expenses of repair and restoration of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $39,954,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or restoration of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

CONSTRUCTION

For necessary expenses for construction, $7,000,000, to remain available until expended.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901–5902); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $53,899,000, of which not to exceed $3,026,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, $5,942,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, $10,875,000.

CONSTRUCTION

For necessary expenses of capital repair and rehabilitation of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, $9,000,000, to remain available until expended.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, $5,840,000.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $82,734,000, shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to organizations and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act, to remain available until expended.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $16,760,000, to remain available until expended, to the National Endowment for the Arts: *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $92,994,000 shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, to remain available until expended.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $11,500,000, to remain available until expended, of which $7,500,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, $21,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $867,000.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99–190 (20 U.S.C. 956(a)), as amended, $6,000,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For necessary expenses of the Advisory Council on Historic Preservation (Public Law 89–665, as amended), $2,500,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher position.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C 71–71i), including services as authorized by 5 U.S.C. 3109, $5,390,000: *Provided*, That all appointed members will be compensated at a rate not to exceed the rate for Executive Schedule Level IV.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92–332 (86 Stat. 401), $125,000.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96–388 (36 U.S.C. 1401), as amended, $29,707,000, of which $1,575,000 for the Museum's repair and rehabilitation program and $1,264,000 for the Museum's exhibitions program shall remain available until expended.

Mr. KOLBE (during the reading). Mr. Chairman, I ask unanimous consent that title II of the bill may be considered read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN pro tempore. Are there any points of order at this time?

POINT OF ORDER

Mr. SCHAEFER. Mr. Chairman, I rise to a point of order on title II.

The CHAIRMAN pro tempore. The gentleman will state his point of order.

Mr. SCHAEFER. Mr. Chairman, I make a point of order against the provisos beginning at page 61, line 2, and ending at page 61, line 11, based on the ground that such provisions would constitute legislation in an appropriations bill in violation of rule XXI, clause 2, of the rules of the House.

The CHAIRMAN. Does any Member wish to be heard on the point of order?

Mr. KOLBE. Mr. Chairman, the majority, the chairman and vice chairman concede this point of order.

Mr. DICKS. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order having been conceded, it is sustained.

Are there any amendments to title II at this time?

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 18 offered by Mr. KENNEDY of Massachusetts: In the item relating to "Forest Service—Reconstruction and Construction"—

(1) after the first dollar amount, insert the following: "(reduced by $12,000,000)"; and

(2) after the second dollar amount, insert the following: "(reduced by $30,000,000)".

Mr. KOLBE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 10 minutes, the time to be equally divided.

Mr. OBEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I rise to offer this bipartisan amendment to the Interior appropriations bill with my colleagues the gentleman from Illinois, JOHN PORTER, the gentleman from Florida, DAN MILLER, the gentleman from Minnesota, DAVID MINGE, the gentleman from California, ED ROYCE, the gentleman from Wisconsin, SCOTT KLUG, and the gentleman from Indiana, JOHN HOSTETTLER.

This is a very bipartisan amendment. I want to pay particular thanks to the gentleman from Illinois [Mr. PORTER] as well as the gentleman from Wisconsin [Mr. KLUG] for their efforts. Mr. KLUG worked very hard on this amendment in years past, as well as Mr. PORTER, and I appreciate their efforts.

One would be surprised to know that there is money in this bill that will go to the Forest Service, but will travel right from the pocket of the taxpayer directly into the pockets of the most profitable timber companies, such as Weyerhaeuser, Georgia Pacific, and International Paper, in the form of federally subsidized timber roads in our National Forest System.

One would think if we are going to allow private timber companies to come in and remove the Federal assets from our forests for their own profit, at the very least these companies would have to pay for their roads that are needed to be made to get to that timber.

The American taxpayer has already paid for 379,000 miles of roads that crisscross our national forests, which is more than eight times the size of our U.S. Interstate Highway System. Enough is enough. We do not need any new taxpayer-subsidized logging roads. If the new roads for logging purposes are warranted, practical, and profitable, why should not the corporate giants build their own roads?

Our amendment would eliminate Federal funds for the Forest Service for the construction of only new timber logging roads in fiscal year 1997. There have been other amendments that have been offered. This is a very specific amendment that only goes for the building of new roads, and the money will be, in fact, rescinded.

Thirty million dollars from this would be cut by the amendment for the purchaser credit program, $12 million from the reconstruction and construction budget of the Forest Service that is used for building new roads and for the administrative costs associated with those new roads.

The amendment only cuts funds from the budget that would be used to build 550 miles of new roads, and we do not touch the funds that would be used for the repair of roads or the existing infrastructure. Nothing in this amendment would keep private companies from building their own roads.

Some may say that this amendment will cause the price of lumber to increase, leading to higher home prices. The fact is that the interest rates alone affect home prices much more than the price of lumber. Only less than 5 percent of the cost of building a home actually goes to the cost of lumber. So anyone who argues that this is going to push up the price of lumber is not following how homes are built.

Our approach is very simple: Let the market dictate. If the roads must be built and should be built, let the companies that want to build the roads go ahead and build them. Why should the American taxpayer have to reach into their back pocket and subsidize roads that are going to be utilized by private companies for the purposes of going and cutting our finest trees, and in many cases cutting them up, mulching them into fiber board, and selling them to somebody else, where we have to buy them back at inflated prices?

The truth of the matter is if we are to stand up, and I appreciate so many of the Members from the Republican side who have joined with me in the offering of this amendment, because I know that just as you are opposed to so much welfare, that you are opposed to welfare on both sides of the equation, and in fact do not believe in so many of your cases that we ought to be providing subsidies to corporations as well. Many Members of the Republican side have been suggesting that in recent months, and we very much appreciate the help and support that they could give us on this amendment.

Finally, I would just like to add how much I appreciate the fact that, again, Mr. PORTER, Mr. KLUG, and so many other fine Republicans like DAN MILLER and ED ROYCE and JOHN HOSTETTLER have joined with us in this amendment. This will be the first time that we really have a chance to defeat the lumber lobby in the Congress of the United States and stand up for the ordinary people who are paying the taxes. This will not cut roads, it will simply make sure that the roads that are going to be cut by the Forest Service are going to be paid for by the corporations that use them for their own purposes.

Let us be honest with the American people and say where we need to build roads to rebuild the old road system, we will pay for it. Where we need to build roads for recreational purposes, we will pay for it. But if the purpose of the road is to be built so that lumber companies can go in and identify trees that they themselves want to chop down, let those lumber companies themselves pick up the tab.

Mr. TAYLOR of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if I had a chance to ask the gentleman a question, I am not sure if he is familiar with President

Clinton's Option 9. Option 9 is for the Pacific Northwest. It is going to be very difficult for the President to carry out his Option 9 without the funds for roads, especially new roads, to meet the commitment to the people of the Pacific Northwest.

Second, Mr. Chairman, this I think is probably the fourth time this evening that we have tried to debunk this myth that is being predicated that there is a subsidy for road building. The timber that is sold in the national forest is sold on a bid. It is not on a negotiated basis; it is sold to the highest bidder in a bid process. The Forest Service usually puts a floor in; that is, a figure below which they will not go.

The bid includes the fact that the Forest Service will give credit for roads to be built for timber harvest, because they want those roads build for specific purposes beyond timber harvest. They want them built for recreational purposes, they want them built for fire protection, they want them built for a variety of reasons.

If a company on a private tract of land wanted to build roads for private timber, they could probably build those roads at a fraction of the cost that the Government wants their roads built, because the Government wants a multiple use in their forest. So they dictate how the roads will be built for the broader use. It adds value to the forest land for recreational purposes and other purposes.

If the credit is not given, then the company bidding will simply lower its bid, all companies bidding will lower their bid to take into consideration the cost of that road, because it is a special road that the Government wants built.

So there is no subsidy, there is no savings. You pay in the front or you pay in the back. You pay the same thing. It is a myth to say that anyone is being subsidized because implicit in the bid itself, when a person bids for that timber, he will bid that price, knowing that he is going to get credit for the road construction. If he were not getting credit for the road construction, he would give a lower price for the timber so that he would be able to cover the Government's road construction, because it is a specifically built road to Government standards for use far beyond timber.

Mr. Chairman, I hope we can put that myth to bed, and then maybe we can get on with real debate on this subject.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I appreciate my good friend yielding. Is it not a fact that a lot of the timber that we are attempting to harvest on Federal forest lands declines in merchantable value, or loses its monetary value altogether because of our inability to get these sales out, because of our inability to harvest these dead, dying and diseased trees in particular?

Mr. TAYLOR of North Carolina. Mr. Chairman, reclaiming my time, certainly in the area of salvage that is true, because the appeal process is getting so long now many companies will not give a high bid for government timber because the process is so lengthy.

Mr. RIGGS. Mr. Chairman, if the gentleman will continue to yield, is it not a fact that some of our friends concerned about so-called below costs sales and concerned about taxpayer subsidies are the same people who are opposed to allowing any kind of expedited logging on our forest lands, including the salvage harvesting of dead, dying and diseased trees?

Mr. TAYLOR of North Carolina. Exactly. The Sierra Club came out recently with a vote two to one against any cutting on government forest lands altogether.

Mr. RIGGS. Did I understand correctly the Sierra Club, the most moderate mainstream environmental organization, the one that enjoys the most moderate mainstream image of all environmental organizations, voted recently two to one to completely ban all logging on Federal forest lands?

Mr. TAYLOR of North Carolina. Exactly. The implications of that is going to be severe, not only economically, because of the thousands of jobs and tens of thousands of jobs to be lost, but environmentally. Because as we pointed out again and again, we use wood products for many things. That table in front of you is an example. If we do not make it out of wood, we make it out of a finite product, usually plastic or metal. Both are finite and harsher on the environment. We also need the plastics for other uses.

We need the renewable resource of wood. Throughout eastern America, the Appalachian hardwood in the Forest Service, I would say 50 percent of the timber, the Appalachian hardwoods that are going to be collected in the future, is going to come from Forest Service lands, supports the furniture industry that not only supplies homes across this Nation, but is a substantial export market for us, value added.

The other factor I would like to point out in the total object we are talking about is all the folks who want to stop harvest in the forest do not tell us what is going to happen to replace all those forest products that the people need and a growing population needs, much less the jobs that will be abolished.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Kennedy-Porter amendment and would suggest that the arguments being made by the other side apparently, after only a brief display, are obviously trying to create a strawman. They do not want to talk about the issue in terms of what is in this amendment. This amendment does not ban harvesting on the national forests. That is not what this amendment does. This amendment takes out some $50 million in terms of subsidy for new road construction for those sales.

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What we are saying is that this ought to make economic sense. I might say it would be a good idea if it made environmental sense as well. It would be a good idea if it made scientific sense, I would suggest, too. And first and foremost, perhaps it would be a good idea if it made ethical sense, that it was the right thing to do in terms of what we do in terms of policy.

So I think the gentleman from Massachusetts, [Mr. KENNEDY], is coming from an economic basis here, but I think in the end it makes a lot of scientific and environmental sense. We have rejected amendments to take and transfer this money out, and this is the consequence that my friend, Mr. KENNEDY, is trying to show, what happens to these forests and what is happening with these roads. Because when they are constructed and we end up with nearly 400,000 miles of roads, they are just left in a bad condition.

This slumping, this taking of the soil that is washing into the streams is destroying the fisheries, destroying the watersheds, leaving behind literally tens of billions of dollars of damage in this country, in our landscape, that we have a responsibility for as stewards, that is left in disrepair.

What is the suggestion of this committee? What is the suggestion on this floor? To construct more new roads. Are we closing down some? Yes, but not nearly enough. Are we containing them at the level that is necessary? Not nearly well enough. And that has been bad policy that has been handed to us today to make a decision.

The decision ought to be to take the money and save this money for the taxpayer and to save this legacy for future generations.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentleman's yielding and his comments. I want to clear up a couple of the inaccuracies that were suggested by the two earlier speakers.

First and foremost, there is $2 million that was requested by the Forest Service to go into our forests to clean up the areas that need to be cleaned up. We have not touched that money. The money that was requested specifically by the Forest Service to meet the concerns of the gentleman from California, [Mr. RIGGS], is left in the budget.

This deals with the fact that in 1995 a GAO report showed that the timber sale program lost an estimated $330 million a year for 3 years for a total of over a billion dollars to the American taxpayer between 1992 and 1994. This is what we are talking about, is whether or not the roads, when they go in, that we can say that we are going to sell as many board feet of timber if we cut the subsidy.

Well, obviously, that is probably true. I will grant my colleagues that. But the truth of the matter is, we are going to save the American taxpayer millions and millions of dollars at the same time. If what we are really about is simply to subsidize timber sales, then why not just write the timber companies a check and to heck cutting down the trees. Keep the trees.

But that is not what we are really wanting to do. What we want to do is hide the fact that underneath this program is a tremendous subsidy that goes to these companies and ends up with the kinds of damage done that that picture demonstrates.

Mr. VENTO. Mr. Chairman, reclaiming my time, I think the gentleman is right. If there were not a subsidy, we would not have the $164 million in the bill that we have before us. It is just economic sense. If these forests cannot pay for themselves, if these forests do not pay to cut these trees down, and I tell my colleagues, our forestry practices are a disaster because of incidents like this.

Go out and fly over the 400,000 miles of roads that they have constructed that are in disrepair and will never be taken care of. At the rate we are going, we are just destroying the environment, is what we are doing, and it does not make economic sense. We would not have to have this money in the bill.

Our forestry practices have resulted in just the prime cuts going. So the areas that remain, yes, they are below cost, because the prime areas have been cut out. It takes money, obviously, to restore these areas today. That is what is going on, is the type of cuts, and what is left simply does not make sense in terms of the economics. That is why we will have to have more and more money each year to deal with this particular problem.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

I must, unfortunately, oppose the Kennedy amendment. In my judgment, there is a correlation between how much money we spend in roads and how much timber harvesting we are able to do. If we cut the timber road purchaser credit program by 60 percent, we are going to drastically reduce timber harvesting in the States that use the timber purchaser credit program. We are also going to cut back the other construction program.

Now, I agree with the gentleman from Minnesota, but if we cut the money for roads, then we are also cutting road maintenance and we are cutting recreational roads. These things all are affected.

These roads are used for multiple purposes. The Forest Service provides more recreational opportunities than our entire National Park System, and we have to have roads to get into these recreational areas.

So we cannot walk away from the truth here. The truth is, if we are going to cut the road program by 25 percent, total, then we are going to dramatically reduce the level of timber harvesting.

Mr. Chairman, I must tell my friend from Massachusetts that there is no subsidy here that I know about, because what happens is, we have two different programs. In some areas, the Forest Service builds the roads, and when they do that, people bid on this timber and they will bid a certain level. In some cases, the timber operator builds the roads, and in that case, he bids less for the timber. That is called purchaser credit.

There are two different systems, but both of them are based on the economics of how much this timber is worth.

Now, I must remind everyone that we have cut timber harvesting in this country by over 50 percent, and in the Pacific Northwest, we have reduced it by 85 percent. This has had a dramatic negative effect on the economies of many areas. To come in now and again cut these timber roads, many of which are used for maintenance and recreation and other purposes, simply is going to cause additional problems.

In fact, most of the money in the President's program for watershed restoration is to take out roads. A lot of this money is used to take out existing roads.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all, let us point out the fact that there have been a couple of statements that are simply not true. This amendment does not cut recreational roads, number one.

When the gentleman talks about the fact that timber sales might go down, the truth is that less than 10 or 12 percent of the total amount of timber that is cut in this country comes from the national forest.

No. 2, the private sales in this country have skyrocketed, so we are not talking about damage done to the lumber industry. What we are talking about is the subsidy program which the GAO——

Mr. DICKS. Mr. Chairman, reclaiming my time.

Mr. KENNEDY of Massachusetts. Well, if the gentleman would just allow me to finish, then he can take back, so I will learn something here, because I am sure I will from the gentleman.

The GAO says that we are going to lose $330 million on this program this year. That is how much they claim is going to be lost.

Mr. DICKS. Reclaiming my time, Mr. Chairman, the people from the Forest Service do not agree with the GAO calculations. And, again, one of the reasons that we are not getting as much return out of our timber harvest is because we have put on all kinds of additional environmental restraints and restrictions in order to protect and do ESA's and do EIS's and all the other things that we have to do to protect the environment. The gentleman agrees that those are important priorities that we ought to do.

Mr. Chairman, again, I want to say it one more time. If we cut the roads program, we are going to then reduce timber harvesting from what the committee approved, 4.9, down about 1.7 less. It would be down to about 3.2. And we have carpenters and all kinds of people out there who depend on the timber coming off the Federal forest lands.

As I told the gentleman and my good friend, we have already cut the timber harvesting program in this country by approximately 50 percent. I think going any further than that is a very serious mistake, and I would urge the House to reject the amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will continue to yield, the only point again I would like to make is that, yes, there are going to be reductions in the number of board feet. Where we go about 4 percent of the total board feet last year out of the timber program that comes out of the national forest program, some of that 4 percent that we get out of the total sales from the national forest program will go down a small percentage. It is a tiny, tiny percentage from the overall number of board feet cut.

The CHAIRMAN. The time of the gentleman from Washington [Mr. DICKS] has expired.

(By unanimous consent, Mr. DICKS was allowed to proceed for 1 additional minute.)

Mr. DICKS. Mr. Chairman, let me say one other thing here. At he request of our former chairman, the gentleman from Illinois [Mr. YATES], the General Accounting Office recently completed a report detailing the allocation of Forest Service timber sale receipts to various funds and accounts and comparing total receipts to outlays for timber sale preparation and administration.

The report covers fiscal years 1992 through 1994. That is 3 years during which timber sales ere at a postwar low. Nevertheless, the report shows nearly $3 billion in timber sale receipts against $1.3 billion in preparation and administration outlays. Therefore, we are covering the cost by approximately $1.7 billion.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman would once again yield, I would just like to point out that that report goes on to say, if the gentleman would read the next page, that those numbers do not take into account the cost of building the roadbed into the forest, which is 70 percent of the cost; it does not take into account something else, too, and it is a phony baloney report.

Mr. HANSEN. Mr. Chairman, I rise in strong opposition to the amendment.

Mr. Chairman, let me point out that I have been on the committee that handles these things for 16 years. I am chairman of the Subcommittee on Forest Service, Public Lands and National Parks. If anyone would care to come to our meetings, we hold hearings on these things on a very regular basis. In fact, there is one tomorrow at 10 o'clock. We have gone over this issue ad nauseam. How much it costs, below-lost timber. It goes on and on and on.

Here is the myth that seems to float around here right now, and it goes this way: Cutting all funds for construction of new forest roads will save the Federal Government $95 million per year or $495 million over 5 years. They tie this argument to the claim that the Forest Service timber sale loses money.

I can tell my colleagues after 16 years on that committee that is completely and unequivocally false.

Withholding these road funds for fiscal year 1997 will preclude needed environmental improvements to the existing road system and will cause the termination of most timber sales on the national forest.

And today, just today, we went over these facts. Listen to these figures, please, resulting in a net loss of approximately $600 million in annual timber sales.

Now, a lot of folks have been wondering, why do we have so many fires around the area? We have fires all over the West and other areas. One of the reasons we are hearing this is because they cannot get to them. It is very romantic to see them jumping out of Cessna 210s and things such as that, but, in reality, how they fight these fires is these guys take these trucks and go up these roads. These roads we are not taking care of. These roads we are not going to build. So this is one of the reasons we find ourselves in that situation.

Eliminating the funding for the Forest Service would virtually half the Forest Service's timber sales program, which is needed to, one, accomplish forest management activities; two, provide an important share of the Nation's wood products. And my friends may have noticed how timber is going up over the years. When I built a home 20, 30 years ago, a 2-by-4 was 87 cents. It is now $4. One of the reasons directly tied to that is because of that.

And being in the construction business myself for many years, I can tell my colleagues that, contrary to what my good friend said, timber is a big part of building homes.

Many accounting firms are looking at this at this particular time, and we have had them before the committee. And what have they testified to? They say one of the reasons the cost of housing is going up is because we are not doing this.

My good friend from Massachusetts made an interesting statement not too long ago. He said, we are going to take care of this timber lobby. That is not the person we are going to hurt. I will tell him who we are going to hurt. If we go back to our districts and look in the faces and eyes of these people with modest incomes who like to hunt and fish and camp and be out in the outdoors and enjoy it, those are the people we are going to hurt.

We are not hurting the lumber industry at all. They are moving out of these areas, and wisely so, because they can do it cheaper. If Members want a great experience, they should go down with the gentleman from California, WALLY HERGER, and look at some of this that is owned by private industry, where they are flourishing and doing very well, and then look what the Federal Government is doing. Old growth forest and fires.

And now we are even kicking the cattle off the ranch because we do not want those to take care of the grass. Funny enough, in Canada they send them up there, paying them $5 a head to eat that grass so it does not burn.

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Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Chairman, the gentleman seems to have a good handle on this issue. Let me ask him this. I am concerned about small communities like I have in my area, I have a lot of national forests in my community, like Phillips, WI that is totally in a national forest. They do not have any power of taxation. What happens when they need some new streets like they do?

Mr. HANSEN. Mr. Chairman, I would like to give the gentleman a classic example. Anybody in here ever heard of Escalante, UT? Escalante, UT has Escalante sawmills in it; 268 people have jobs there. Guess what? The extreme groups came in and they challenged every one of the contracts. No, they will not let them do it. Two hundred sixty-eight people do not have jobs anymore. You want to buy a town? You can buy one. It is called Escalante, UT, because they all went out because people were challenging the road building.

Also Kaibab Industries in Arizona has a place in Utah. They are pretty well out. That is what happens in these little communities when we follow amendments like the one from our good friend from Massachusetts.

Mr. ROTH. Mr. Chairman, if the gentleman will continue to yield, I am interested in what is going to happen if this amendment would pass. What is going to happen to this small community that is within this national forest? They are not going to get a new street. They do not have any power of taxation.

Mr. HANSEN. Mr. Chairman, let me tell my colleagues, of my 16 years in that committee, do you know who uses these roads, it is not these guys. A lot of this was pointed out by the gentleman from Washington. This build them themselves in many instances. Who uses the road is the person who likes to recreate, the person of modest means. That is the person who is going to be hurt.

In answer to your question, those little communities are the ones that suffer. The little communities that are all through the 48 lower States and the other 2, they are the people that will suffer. I think this is a misguided amendment. I have great respect for the gentleman from Massachusetts.

the CHAIRMAN. The time of the gentleman from Utah [Mr. HANSEN] has expired.

(On request of Mr. KENNEDY of Massachusetts, and by unanimous consent, Mr. HANSEN was allowed to proceed for 1 additional minute.)

Mr. HANSEN. I yield to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just like to point out the fact that you had cited this as though all 379,000 miles worth of roads, all the new roads that the repairs that are going to go into 1,850 miles worth of roads, the new roads that are going to be built for recreational purposes, all seem to account for nothing. All of the cuts that you and the gentleman from Washington [Mr. DICKS] are predicting come out of these 550 miles worth of new roads. You have a lot of roads to go out and cut a lot of timber, which is only harvested 4 percent of the total take in this country. So how you can blame this tiny little cut of $50 million for all these terrible things that are going to happen, I think is irresponsible.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I think the gentleman from Massachusetts thinks this is a defense bill. Fifty million in the interior bill is a big deal. It is about one-third of the timber program, timber road program. So this is a big amendment, worse than any of the ones we have seen today.

Mr. HANSEN. Well stated.

Mr. ROYCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment, and there are several points I want to make. The first on purchaser road credits, they are not necessary for timber harvesting. Logging occurs on land managed by the Bureau of Land Management under their lump sales program, which does not involve purchaser road credits.

States also manage their timber sale programs much more effectively. According to the General Accounting Office, States fund their programs with a percentage of timber sales receipts which provides a built-in incentive to promote cost efficiency.

The General Accounting Office also states that while the States' planning processes are fairly straightforward, the Federal agencies' processes are much more lengthy and expensive.

I would lastly also like to note that the House budget resolution that we recently passed calls for market-based decisionmaking in public land management in the area of multiple activities, including the timber road programs. In my view, those of us who supported our budget resolution should also support this amendment.

Mr. KLUG. Mr. Chairman, will the gentleman yield?

Mr. ROYCE. I yield to the gentleman from Wisconsin.

Mr. KLUG. Mr. Chairman, I think my colleague, Mr. ROYCE, has put this in perspective. There has been a lot of emotion on both sides of this issue tonight. I think in the end it really boils down to hard, cold numbers.

Let me go back to the point the gentleman from Massachusetts made earlier in terms of the General Accounting Office study. The General Accounting Office, which essentially is charged by Congress with doing fiscal analysis, came back and said we have lost nearly $1 billion over 3 years in below-cost timber sales. Of that, $245 million was the cost of new road construction.

Again, this amendment does not say you cannot harvest and that timber companies cannot cut down trees. It simply says if they want to do it, they can pay for it.

Let us put in perspective exactly how much mileage we are talking about. There are already 379,000 miles of roads in the National Forest Service which is eight times bigger than the national highway system. We have already built roads from one corner to the next.

It seems to me it should be a fundamental Republican principle that at the very least you break even. What an extraordinarily novel idea, if you actually make money when you sell a Federal resource.

Let me again congratulate my colleague from Illinois [Mr. PORTER], the gentlemen from California, [Mr. ROYCE], and the gentleman from Massachusetts, [Mr. KENNEDY], for trying to bring some common sense and, more than anything else, economic sense to this issue which says, if you are going to do harvesting, go ahead and do it. Let the private companies pay for it. And when you harvest the timber, let us make a buck at it.

Mr. PORTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would have to say that we have spent the last year and a half discussing timber, cattle grazing, mining. And the difficulty I have with all of this is that I never find a time when those who are interested in these industries are willing to give at all in solving some of our budgetary problems in this country. No, we have to continue to subsidize the timber industry. We have to continue to subsidize the cattle ranchers. We cannot change that. We have to continue to subsidize mining interests in our country. There is never any give to solve our country's problems. I wish I could say that there was.

Here we are asking simply to cut $50 million to build 550 miles of new road on top of 379,000 miles of existing road, as Mr. KLUG just said, eight times, eight times longer than the interstate highway system. And we are saying, why not forgo this, why do we not just do this for a year. There are plenty of roads out there that are already in existence. Yet, no, no, we cannot do that. We are already subsidizing them and we have to continue to do it.

I believe very strongly that it is time we look at all of these kinds of subsidies and we say, hey, the Federal taxpayers do not have an obligation to the U.S. timber industry. They do not have an obligation to cattle ranchers to subsidize, nor do they have an obligation to the mining industry.

We have a mining law that has been in existence since 1872, subsidizing an industry. Let us have a time when the interests who come up here and say, yes, we have to balance the budget, but we have got to do it on everybody else's interests but ours, we are going to protect ours ad infinitum. I think it is time that contributions be made.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Utah.

Mr. HANSEN. Mr. Chairman, let me just say that after having hearings on each one of those issues you mentioned, we are trying to come up with a grazing bill that pays more. We have had more hearings that say that they are not being subsidized in both timber, mining and grazing than we have otherwise. I do not know where the gentleman comes up with those figures, because they are surely not the figures we get in front of the committee. That is the line of extreme environmentalists. We do not get that. We sit there for hour after hour after hour going through this. I would like to know where these figures come that you are talking about. I have never seen them, and I have been on that committee for 16 long years.

Mr. PORTER. Mr. Chairman, does the gentleman mean that we are not subsidizing these industries?

Mr. HANSEN. Mr. Chairman, I do not think we are at all. In fact, the facts we have, we are making money on this timber industry to the tune of $600 million this year.

Mr. PORTER. I find the gentleman's arguments incredible, frankly.

Mr. HANSEN. Well, come to the committee then.

Mr. RIGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, let me explain to the gentleman from Illinois, I hold him in high regard, obviously, he is chairman of one of the subcommittees on which I serve on the Committee on Appropriations, but I have to point out in all fairness that the gentleman makes no bones about his environmental bent. He is an opponent of timber salvage harvesting, the idea of harvesting even a dead, dying or diseased tree.

I just want to bring a little bit more factual light to bear on this particular debate. We have had reference made here on this floor tonight to the GAO study. This diagram refers to the GAO study. It talks about the distribution of timber sale receipts for the Federal fiscal years 1992 through 1994. Initial distribution of timber sale receipts which totaled $2.995 billion goes into six funds or accounts.

One is the national forest fund. We will talk more about that in a moment. Second is for reforestation, $736 million. Third, preparation of salvage sales, again, many of the Members making this argument tonight are opposed to the idea of salvaging even dead, dying and diseased trees on national forest lands, even though we have had scientific testimony that it is good for fire suppression purposes and the health of the forest.

One hundred thirty-four million dollars for brush removal and erosion control. Last, the credits that the gentleman from Washington referred to for purchaser built roads, $221 million and 5 million for interest and penalties assessed.

This is the interesting figure over here, and it should concern the gentleman from Illinois, [Mr. PORTER], chairman of the Subcommittee on Labor, Health and Human Services, and Education, because of the $1.34 billion that goes into the national forest fund, $886 million is going to States in which those forests are located. Those are payments in lieu of taxes. Those are going primarily for local public education in those States. Another $134 million is going to roads and trails and $22 million to the Forest Service for road building purposes.

But here is the bottom line; here is the net figure. Defy this number, defy this number. Remaining funds to the Department of Treasury. Could that be any more clear? Two hundred ninety-seven million dollars going to the Department of Treasury. It is a net, it is a net revenue generator to the Federal treasury.

Mr. MILLER of Florida. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Florida.

Mr. MILLER of Florida. Mr. Chairman, I know that paper came out of the GAO report. There is a $1.3 billion cost in addition, so that the net cost to the Federal Government is almost $1 billion. This is the revenue, where it goes.

There is only $300 million going to the Federal Government, but you do not take into consideration on the next page from that chart which shows that $1.3 billion cost. The GAO says there is a net cost of timber sales, not net revenues.

Mr. RIGGS. You are saying there is $1.3 billion in addition to this?

Mr. MILLER of Florida. Of cost to the Federal Government to run the program. Look at the next page of the report.

Mr. RIGGS. This comes right out of the GAO report. As we talked about earlier, I also want to point out that one of the reasons that we have so-called below cost sales is because we do not salvage or harvest these trees in a timely manner. They begin to lose a lot of their monetary value. This is merchantable timber, but if we do not harvest it when it has a monetary value, then of course we are not getting the best return on that particular timber.

One other thing I want to say. I want to ask my colleagues about this. I see that the forest health bill in the other body is now held up over the debate about whether or not we would permit forest health type selective harvesting on Federal forest lands in so-called roadless areas. This amendment prevents us from building any new roads in Federal forest lands. So it is part and parcel of the movement again to turn Federal forest lands into national parklands.

The point I want to make in conclusion, Mr. MILLER and others, you have joined together in your pork busters coalition or the green scissors coalition, do you support the position of the Sierra Club, which is part of the green scissors coalition, which has come out by a vote of 2 to 1 of its membership in favor of a complete ban on all logging on Federal forest lands, an extreme position to put it mildly, a position that says we are not even going to harvest a dead, dying or diseased tree. Does the gentleman from Florida support that position?

Mr. MILLER of Florida. Mr. Chairman, I support Mr. TAYLOR. and his amendment on salvaging timber. That is not the issue we are talking about. The issue we are talking about here is costing the Federal taxpayers money.

Mr. RIGGS. Mr. Chairman, the gentleman is aligned in the green scissors coalition with the Sierra Club which has now taken the position of favoring a complete ban on all foresting on Federal forest lands.

Mr. MILLER of Florida. Mr. Chairman, did the gentleman know that Citizens Against Government Waste favors this amendment. This is not strictly a green scissors vote. It is a green scissor vote and it is a fiscally conservative vote, too.

Mr. RIGGS. I will simply point out that my colleagues, I know they are sincere about this, my colleagues who are behind this, they have not come to those of us who represent these congressional districts to discuss this. You might talk to inside the beltway groups, whether it be Citizens Against Government Waste or the Sierra Club, but you do not come to us and say, tell us about the impacts of doing this, as high-minded and well-intentioned as this might be, Tell us about the economic consequences.

The CHAIRMAN. The time of the gentleman from California [Mr. RIGGS] has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. RIGGS was allowed to proceed for 2 additional minutes.)

Mr. RIGGS. You do not come to us. Instead you rise on the floor in a very high-minded fashion, but you do not consult those of us who represent these districts which are disproportionately impacted by these well-intentioned amendments on the House floor.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Washington.

□ 2200

Mr. DICKS. Now, one of the things that is confusing here: the study that was done by the gentleman from Illinois [Mr. YATES] shows that in the National Forest Fund over that 3-year period we get 1.3 billion. That is, I think that is, the gentleman's figure there on the far right. But then the law requires us to do some things that I would consider kind of good government things with that money if we sent back 25 percent of it to the States. That is 886.7 million.

We then provide roads and trail funds, 134.2 million, and the Forest Service for road building purposes, 22.9. The remaining funds went to the Treasury, 297.7. So those cannot be considered; I mean I do not think those should be considered cost to the programs. Those were Congress' decision to take care of the communities, the counties, where this timber harvesting was done. That is where the vast amount of that money went. And if we look at it from that perspective, we even have a bigger return than the 297.7 in the Treasury. We have a return that looks to me roughly about 1.3 billion.

Mr. RIGGS. Mr. Chairman, reclaiming my time, would the gentleman say that figure one more time?

Mr. DICKS. 1.3 billion.

Mr. RIGGS. Would that be roughly equal to the 1.3 billion that the gentleman from Florida just claimed was the actual outlay by Federal taxpayers for this program?

Mr. DICKS. I think what we have here is about 1.3 in outlays and 1.7 in total dollars that come in above that, so it will be a total of 3 billion.

We have a major return on investment here that was documented by the GAO. The problem is people want to twist these figures and not look at where this money goes. The money went to good government purposes, not the cost of the program.

Mr. MILLER of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me yield first to my colleague, the gentleman from Massachusetts [Mr. KENNEDY], and then I wish to yield to the gentleman from New York [Mr. BOEHLERT].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I think there has been a lot of confusion about how to read these charts and these numbers. The truth of the matter is that the total timber sales receipts were $2.995 billion. They went to the purposes on the chart which the gentleman had showed us in the well. But what he does not show us is that in addition to the timber sales receipts there is another 1.2 billion that went into the fund from the general fund of the United States of America. So that is why, when we add the two together and—excuse me—it is my time here.

Mr. Chairman, if the gentleman from Florida would continue to yield, the truth is that if we add both figures together, we come up with the total amount of revenues that come into the forest system. At that point, then discount the costs that are mandated by the Congress for various actions that we deem as appropriate for the Forest Service to take, and they are substantial, and as the gentleman from Washington [Mr. DICKS] has already indicated, there are things that all of us have signed off on. Then what is done, if we look at the cost of how much we put into the forest versus how much we subtract out of the forest as a result of selling the trees, and it comes out according to—and listen, this thing is on the same page of the GAO account. Here is the cost structure, and here is how much it costs the taxpayer. And according to this report, it costs the taxpayer, 1992, $339.6 million; in 1993, $377.2 million; in 1994, $278.6 million, for a grand 3-year total of $995 million, and that is the true story.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Florida. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I would like to follow up on what my colleague from Massachusetts said. He is right on track and because he is right on track there are a number of organizations that have followed this very closely. These are fiscal watchdog groups, and they support this amendment.

I might point out it is Taxpayers for Common Sense, Citizens Against Government Waste, Taxpayer Assets Program. They are all in favor of this amendment, as too are all of the significant environmental groups like the Wilderness Society and the Natural Resources Defense Council. For good reason, they are all concerned with the responsible management of public lands.

As we work to cut unnecessary spending and balance the budget, it makes good sense to cut those programs that target assistance to large corporations and harm the environment.

That's the opportunity that we have before us today through support of this amendment. Road building is one of the most fiscally and environmentally irresponsible components of the Forest Service's timber sale program.

The Forest Service is supposed to serve the interests of the entire general public that appreciates and values our National Forests, yet 95 percent of the roads constructed under the Forest Service program are used for logging, not recreational or other general purposes. Taxpayers must therefore pay twice—once for road subsidies and again for the environmental damage that results.

Taxpayers have already subsidized a network of forest roads eight times the size of the interstate highway system. This amendment simply prevents the expenditure of taxpayer dollars to build new forest service roads. Funding for maintenance and rehabilitation of the existing 1,850 miles of logging road for use in the fiscal year 1997 timber harvest program will not be affected by this amendment. Nor will the ability of private companies to build new roads with their own money.

An amendment as sensible as this has garnered the support of both fiscal watchdog groups, such as Taxpayers for Common Sense, Taxpayer Assets Program, and Citizens Against Government Waste, and of environmental groups, such as the Wilderness Society and the Natural Resources Defense Council, for good reason. They are all concerned with the responsible management of public lands.

Support U.S. taxpayers and the environment. Support the Kennedy-Porter-Miller-Minge-Royce-Klug-Hostettler amendment.

Mr. MILLER of Florida. Mr. Chairman, I rise today in support of this amendment to cut spending the for Forest Service road construction. This amendment represents exactly what the American people sent us here to do. It is a bipartisan amendment to eliminate wasteful spending. Before we appropriate taxpayer dollars, we must ask the question: Is this the proper function of Federal Government? And should working Americans be forced to spend their hard-earned dollars on this program?

I do not believe that Government needs to provide subsidies to the logging companies. Logging is an important industry, I realize, but it does not need a subsidy. We do not subsidize aluminum companies or concrete companies or brick companies, and yet we have adequate supplies for home construction from those industries. If logging in the national forest makes national economic sense, then let us let market economics establish that. There is the real debate, where logging in many parts of our national forest is economically rational. We can settle that argument very easily by stopping the market-distorting Federal subsidy.

The gentleman from Massachusetts [Mr. KENNEDY] read from the GAO report. It is a $995 million loss for 3 years.

Now we can come up with, oh, this expert said this and this expert said that. That is the reason we have the General Accounting Office, to come up with an arbitrary unbiased statement of what the real costs are. It is costing the American taxpayers.

This is a simple amendment to save $30 million, and we need to send a message to the Forest Service. The Forest Service, and there is a report recently, just as matter of fact today that a letter was sent from the General Accounting Office, saying the books of the Forest Service are a mess. They cannot even tell us, the Forest Service, what it is actually costing. So we have to send a message to get their books in order.

This is a good amendment. It is a fiscally conservative amendment. It cuts spending. It does not shift it to another area. It does not ban logging in the national forest. It is just saving the taxpayers money, and that is what we are here for.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Florida. I yield to the gentleman from California.

Mr. RIGGS. I notice that our friend, the gentleman from New York [Mr. BOEHLERT], when he was talking about the environmental organizations that have endorsed my colleague's amendment skipped right over the Sierra Club, and yet I am looking at an article, a very recent newspaper article, says the Sierra Club, by voting for the first time in its 104-year history supports an end to commercial logging in national forests. Does the gentleman agree with that position?

Mr. MILLER of Florida. That is not the question here. The question is saving the taxpayers money.

Mr. HOSTETTLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to start out by saying I am not opposed to logging on public lands. I am not opposed to timber salvage. I think forestry-related industries are very important to our national and local economies.

But as much as I am for these things, I am against corporate welfare. Mr. Chairman this country is still in the midst of a fiscal crisis. With more than $5 trillion in national debt, we, the elected representatives of this country, are charged with making the choices in priority that will bring the budget into balance. I know very well that these choices are not always popular. But Mr. Chairman, we simply must take stands if we are going to balance the budget—and we must, balance the budget.

This amendment which I am helping offer is a simple solution to a somewhat convoluted Federal program. The amendment strikes $12 million in administrative funding and $30 million in purchaser credits through which the Forest Service subsidizes timber companies as they log on public lands. The subsidy, which of course really comes from the taxpayer, reimburses the companies after they build the necessary roads to harvest timber in national forests.

Now, when a company harvests on privately owned land—they pay for the roads themselves, they pay for the land—and then they sell the product. Well, they get to sell the product they harvest on public land—and they do make a bid for the rights to harvest—but they get all of this help—$30 million of free lumber in 1997, to build the access roads. This is pure corporate welfare.

These roads are not recreational or fire roads, because there are separate line items for these types of roads. And these are not existing roads—as the funding to maintain those is intentionally left alone by the amendment.

Perhaps most importantly, there is nothing in this amendment which would prohibit private companies from paying for their own roads should they wish. Some oppose this amendment by saying that if the amendment becomes law, companies may decide it is not fiscally prudent to build such roads. If this happens, I would ask on behalf of the taxpayers in my district, if the companies don't think it makes sense, why should the Federal Government be doing it?

I help offer this amendment because we need to be diligent in rooting out this kind of spending, if we are to give the taxpayers of this country what, at the very minimum we should give them—a balanced budget. A vote for the amendment is a vote of fiscal responsibility, toward a balanced budget and against corporate welfare.

Mr. BUNN of Oregon. Mr. Chairman, I move to strike requisite number of words.

Mr. Chairman, this has been an interesting debate. I listened as the gentleman from Massachusetts [Mr. KENNEDY] said that only 4 percent of the timber is off the Federal lands, and maybe that does not have a very big impact to Massachusetts, but in Detroit, OR, in Mill City, OR, and Idanha, OR, communities that I represent that are surrounded by Federal forest land, it makes a real big impact, and when they are trying to keep their schools open and they are trying to keep their businesses open, it does have a huge impact on those people.

Earlier we saw a picture of a forest road that had erosion problems, and I think that that is significant, and one of the things that is significant about that is we have changed the method of building the roads, we have increased the cost to prevent the erosion that was pictured there, and, as my colleagues know, if it is simply a question of getting the timber out, timber companies can get in and haul logs out for a fraction of the cost that we demand that they pay, but because we want those roads to be there for years, because we want those roads to be available for camping and hunting and fishing, and I have gone into the national forest, and I have gone hunting and I have gone camping, and I have gone fishing on those lands, on those roads that were paid for with the logging moneys. Those are multiple use, and there may be money in the budget that is designed for recreation, but the money that we require the logging companies to pay to build these roads is also being used for those multiple uses. It is also being used for fire fighting, pulling the logs out.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BUNN of Oregon. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, as my colleagues know, it is interesting to hear the gentleman talk about, and I think eloquently, about the fact that he is concerned about the people in his district and how they are going to be affected by a budget cut which is costing the taxpayer money by providing corporate subsidies to the lumber industry, and all I am pointing out to my colleagues is that we have heard an awful lot of rhetoric in this Chamber about how we ought to be getting rid of the budget deficit.

Now, when they do that, when they cut the health care and the Medicare and Medicaid fund, when they cut the education fund, and when they cut the research and development fund, that comes out of my district, and the people of my district, the poor kids and the working class families in my district get hurt, and all of a sudden when the shoe comes on their foot, all of a sudden, oh, no, no, no. We got to protect that.

All I am trying to point out is what hurts us. It also ought to be shared with people in other parts of the country.

Mr. BUNN of Oregon. Reclaiming my time, Mr. Chairman, we do feel those same cuts to health care, and we do feel the same cuts the gentleman from Massachusetts is talking about, but the thing that he is not talking about is that road is far more than hauling a log to the mill. That road is for fire protection. That road is for hunting and fishing and recreation, and that is not a cost.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BUNN of Oregon. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I just want to say to the gentleman again I appreciate what the gentleman has said here. The bottom line here is the Kennedy amendment will cut timber harvesting on a Federal forest from 4.9 to 3.2 or 1.7 million reduction, and that means a loss of revenue, a loss of jobs, and a very significant impact. And the gentleman simply does not have it understood that there is no subsidy here.

I mean we tried to explain it to him over and over again, but there is no subsidy. People bid on these contracts, they bid on these contracts, and in purchaser credits they bid lower because they have to build the roads.

In the other case they bid more, bid more for the timber, because the Government pays for the roads, and the GAO report says that overall, when we net it all out, we still made $300 million even though we spent $900 million in payments back to the counties when we spent it in two or three other categories that should not be considered cost of producing the timber.

□ 2215

This was done because we decided that they deserved part of the receipts. We could have put them all in the Treasury. If they all went in the Treasury it would be over 23 to 1 in a positive cash flow. So I appreciate the gentleman yielding, and I would urge us to get on and let us vote on the amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BUNN of Oregon. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, the point is, we are subsidizing, according to the GAO, $330 billion to this industry. I feel sorry for the people who potentially lose their jobs as a result, but the truth of the matter is if we want a balanced budget, it has to be shared equally by a lot of people. Cutting this corporate subsidy I think is a step in the right direction.

Mr. BUNN of Oregon. Mr. Chairman, as a member of the committee, I would like to remind the gentleman from Massachusetts that we have made significant cuts in our committee to make sure we do our part to balance the budget, and the GAO does nothing to recognize the subsidy that the timber industry does for recreational industries.

Mr. POMBO. Mr. Chairman, I move to strike the requisite number of words.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just want to try this one more time. I beg the indulgence and patience of my colleagues. If we reduce the number of timber sales on Federal forestlands, we reduce the number of timber sales receipts. That is pretty easy to follow. If we reduce the number of timber sales receipts, we reduce funding for reforestation, salvage, road building purposes, and we reduce the timber yield taxes, which, as the gentleman from Washington just pointed out, go to local counties to help compensate, to help mitigate for the fact that so much of their tax base and land mass is in Federal ownership.

That is where the corporate subsidies are coming into play. That is money that is coming from the successful purchases of these timber sales. If we did not have private parties bidding on these sales and purchasing this timber, much of this money would have to be paid for by the taxpayer out of general revenues. That is the point we have been trying to stress all night when we say this is not a net loss program to the taxpayer. It does not involve a taxpayer subsidy.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to correct something I said. I wanted to say, and I want to make clear, it is 1.7 billion board feet reduction from 4.9 to 3.2. It will cost us hundreds of millions of dollars in revenue. It is 1.7 million if we do not have these roads. We have to have the road structure in order to do these things.

Mr. POMBO. Reclaiming my time, Mr. Chairman, I would say, to clarify what the gentleman is saying, he is saying if we reduce the number of sales that we are going to have less money coming in?

Mr. RIGGS. That is correct.

Mr. POMBO. It is going to cost the Government more money to run the program because they are not having any money coming in?

Mr. RIGGS. That is absolutely correct.

Mr. POMBO. The gentleman is telling me that all of the money that goes to the schools and fire suppression and everything else is still going to be paid for by the taxpayer?

Mr. RIGGS. That is correct.

Mr. POMBO. The money that is coming in from private industry, that is creating thousands of jobs, regardless of the efforts of some of my friends on the other side of the aisle, they still have some timber jobs, that if that money does not come in, that the taxpayer is actually going to get hit worse because there is no more private industry?

Mr. RIGGS. Yes, the gentleman is correct, if the gentleman will continue to yield. If we do not permit any new roads into roadless areas, if we do not permit new sales, then obviously timber sale receipts are going to decline and the distribution of those receipts, much of which goes for many important purposes, not least of which, again, is timber yield taxes to local counties, revenue is going to decline and some of it, not all of it, but some of it obviously will have to be made up by the taxpayers out of general revenues.

Mr. DICKS. Mr. Chairman, if the gentleman will yield further, I would say that at the end of the day we put $300 million in the Treasury. I think that is remarkable. I appreciate the gentleman yielding.

Mr. POMBO. Reclaiming my time, Mr. Chairman, I would like to yield to the gentleman from Massachusetts [Mr. KENNEDY], but I would first like to ask him a question.

If many people have fought very hard to preserve these areas for future generations, in that it is extremely important that we preserve our natural heritage and that we preserve those areas for future generations, but if we do not have any access points into these areas, if we do not have any roads into those areas, how are future generations going to get in to see them?

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. I would point out to the gentleman, Mr. Chairman, that right now he has have 379,000 miles.

Mr. POMBO. Reclaiming my time, Mr. Chairman, I am talking about the roads that the gentleman is specifically saying that we will not build.

Mr. KENNEDY of Massachusetts. if the gentleman will yield, what I am trying to suggest is that in existence today in the national forest system are 379,000 miles of roads.

Mr. POMBO. Mr. Chairman, I am not talking about the roads that are built already. I am not talking about the roads in existence, not the roads that we have already built. We are talking about the roads that the gentleman wants to stop us from building. How are we going to get into those areas for the public to enjoy them?

Mr. KENNEDY of Massachusetts. If the gentleman will yield, this amendment allows, when private companies want to build a road to go harvest lumber, they can go right ahead. They can go right ahead.

Mr. POMBO. Reclaiming my time, Mr. Chairman, the gentleman is saying that he does not want them to do this.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, let me just say this: The gentleman is cutting the timber purchaser credit program by 60 percent.

Mr. KENNEDY of Massachusetts. Baloney.

Mr. DICKS. He is taking that out of the program.

The CHAIRMAN. The time of the gentleman from California [Mr. POMBO] has expired.

Mr. DICKS. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. POMBO] be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. KOLBE. Mr. chairman, I object.

Mr. DICKS. Did somebody object?

The CHAIRMAN. Objection is heard.

Mr. DICKS. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. POMBO] be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would just say, the fact is the program the gentleman is cutting by $30 million is the program called timber purchaser credits, where the timber companies build the roads and then they bid less for the timber to compensate themselves for the roads that have been constructed, so I would say the gentleman is cutting that program by 60 percent. That is hardly a de minimis act. He ought to be adding money to the program, not cutting it.

Mr. POMBO. Reclaiming my time, in conclusion, Mr. Chairman, I would just like to say that this is nothing more than furthering the agenda of locking up our public lands, locking them up to using them for any resources extraction, as well as locking them up so that the American public does not have an opportunity to enjoy our public lands. That is all it is. It is furthering an extremist agenda.

Mr. SANDERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman for yielding to me.

We have heard an awful lot of talk and yakking this evening about this issue. What I would like to point out is that in any way we add up the numbers, when the GAO finished dealing with all of the numbers, they recognized that there were hundreds of millions of dollars' worth of losses in timber sales that are going to companies that are making very fine profits.

We are in a situation where only 4 percent of the lumber that is harvested in the United States of America comes out of our national forests. We have 379,000 miles of existing roads. In this appropriations bill, there is another 1,400 miles of additional roads that they want to fix up. We did not touch them. They want more money to build up roads for recreational purposes. We said fine. All we did was target specifically the new roads that are going to lose money for the American taxpayer. That is all this amendment does.

Mr. Chairman, I would just point out if we go through the $2.9 billion in receipts, $1,3 billion for general appropriations and timber sales, $736 million for reforestation of timber sales, $555 million for timber salvage sales, $134 million for timber brush removal and erosion, $221 million for purchaser road credits, we are already up to the $2.9 billion dollars.

It does not in fact account for the $886.7 million to the State program, it does not take into account the fund for $134 million to build roads and trails, and it does not take into account the $22.9 million, and that then adds up to the $297.7 million in losses.

That is a lot to take in, but the GAO report does not lie. This report tells it like it is. The American taxpayer loses $300 million a year as a result of these tax subsidies that go to these companies, plain and simple. We can dress it up any way we want, but the monkey still dances to the way the music plays, and that tells us that we lose $300 million.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, this is where the gentleman is wrong. Let us say, instead of taking that money and putting it to the national forest fund which takes care of the payment to counties, let us say we put all of that money into the Treasury and then appropriated it for those specific purposes. Then the gentleman would say that the amount going into the Treasury, instead of being $300 million, would be roughly $1.3 billion, and then that would have been the return compared to the cost of the program. The rest of it went to legitimate government purposes. The fact that we took it out of the program and took care of those purposes without sending it to the Treasury is where I think the gentleman confuses himself. Those are legitimate government purposes.

Mr KENNEDY. Mr. Chairman, if the gentleman will yield further, the fact is there are legitimate government purposes, for which this body has already passed laws, that says certain sales percentages are going to be distributed to the localities.

Mr. DICKS. Then do not treat that as a cost of the program.

Mr. KENNEDY of Massachusetts. It is a cost of the program. The truth of the matter is you might have differences, you might want to cut out certain costs. Those you might want to do. If you want to cut out the money going to cities and towns, go right ahead and do that. Right now that is not possible. What is possible is to get rid of the subsidy program that goes to these companies, and that is what this amendment tries to do, plain and simple.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr KENNEDY of Massachusetts. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] will be postponed.

Mr CRANE. Mr. Chairman, I move to strike the last word for the purpose of a colloquy with the vice chairman of the Subcommittee on Interior of the Committee on Appropriations, the gentleman form Arizona [Mr. KOLBE].

Mr. Chairman, as the gentleman knows, I have traditionally offered amendments to this appropriations bill to eliminate funding for the National Endowment for the Arts. I was considering offering an amendment again this year. However, I understand that the Committee on Appropriations set the funding level for the NEA in this bill at $99.5 million for fiscal year 1997. This funding level conforms to the understanding that was reached last year with the chairman of the Committee on Appropriations, the gentleman from Louisiana [Mr. LIVINGSTON], and your chairman, the gentleman from Ohio [Mr. REGULA], as well as the chairman of the Subcommittee on Interior, regarding future funding levels for the NEA.

Under that agreement, the House would fund the NEA at $99.5 million for fiscal years 1996 and 1997, and then zero out funding for the NEA in fiscal year 1998. I have spoken to Chairman LIVINGSTON and he has indicated that he is committed to last year's agreement, and that it would be his intention next year to report out an Interior appropriations bill which would contain zero funding for the NEA in fiscal year 1998. I simply want to inquire of the gentleman whether this would be his intention as well as that of the chairman of the committee.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, speaking on behalf of the chairman of the subcommittee, as well as myself and, I think, the other members or many members of the subcommittee, that certainly is the intention.

Mr. CRANE. If that is the case, Mr. Chairman, I will not offer my amendment this year. Instead, I will simply commend the gentleman from Arizona and my colleague, the gentleman from Ohio [Mr. REGULA], for his hard work on this bill, and for standing by last year's NEA agreement.

Mr. SKAGGS. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Colorado.

Mr. SKAGGS. Mr. Chairman, I thank the gentleman for yielding. I just wish to observe that the agreement being referenced in the gentleman's colloquy was an agreement between the minority and the majority, and the majority and the majority, but not anybody in the minority of the minority, and therefore we did not want it to appear to have been an agreement encompassing the views of the entire body.

Mr. HERGER. Mr. Chairman, I move to strike the last word.

I would like to engage my colleague, the gentleman from Arizona [Mr. KOLBE], in a colloquy.

□ 2230

Mr. Chairman, recently concluded scientific studies of forests within the Sierra Nevada mountains of California indicate that timber harvests, when accompanied by forest thinning, biomass removal and other natural fuels prescriptions, can reduce fire risk and aid overall forest health conditions. These same studies indicate that natural fuels prescriptions are essential to the success of larger fire management strategies, such as developing systems of defensible fuels profile zones. Coordinated efforts of this kind, particularly when mechanical and natural fuel treatments are utilized, can also provide economic benefits to forest dependent communities in the form of merchantable fiber for mills, fuel for biomass cogeneration plants, and other valuable wood products.

Mr. Chairman, is it therefore the gentleman's expectation that funds allocated to H.R. 3662 for forest health and natural fuels treatment in region 5 of the Forest Service should be used, to the extent feasible, for those prescriptions which both achieve forest health objectives and provide useful wood products for forest dependent communities? And is it also the gentleman's expectation that these prescriptions be carried out in the most cost-effective manner possible and as part of larger developed management strategies like timber harvest and large scale fire management plans?

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. HERGER. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I believe I can speak for the chairman of the subcommittee in saying that the gentleman is correct in his statement. The Forest Service should undertake fuels management actions which are done in conjunction with larger management strategies, integrated into national forest plans, and which include treatments such as timber harvest and large-scale fire management planning. The Forest Service needs to integrate its fire management and fuels management activities into a coordinated effort to maximize forest health benefits, economic benefits and overall cost effectiveness.

Mr. HERGER. I thank the gentleman.

AMENDMENT OFFERED BY MR. PARKER

Mr. PARKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 23 offered by Mr. PARKER: In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION"—

(1) after the second dollar amount, insert the following: "(increased by $18,204,000)"; and

(2) after the third dollar amount, insert the following: "(increased by $11,764,000)"; and

(3) after the fourth dollar amount, insert the following: "(increased by $6,440,000)".

Mr. PARKER. Mr. Chairman, the amendment that Mr. FOX of Pennsylvania and I are offering represents a simple case for restoring a degree of equity to the funding levels contained in the Energy Conservation Program at the Department of Energy.

The Energy Conservation Program is funded at $499 million fiscal year 1997. This represents a 7-percent reduction from fiscal year 1996 and a 39-percent reduction from fiscal year 1995. The Energy Conservation Program is divided into a number of functional sectors or subprograms with the funding levels for each one outlined by the Interior Subcommittee.

Neither Mr. FOX nor I are advocating a restoration of funding to prior year levels. We accept and support the original $499 million funding level recommended by the Appropriations Committee.

What we do not accept, and which we seek to address with this amendment is the breakdown of that overall funding level and the allocation of funds to the various sectors within the Energy Conservation Program that has been recommended by the committee.

One of the sectors within the Energy Conservation Program is the State and Community Grants Sector. This is composed primarily of the Weatherization Assistance Program and the State Energy Program.

The State Energy Program basically involves the Department of Energy providing grants to the State Energy Offices who then use these funds to implement State and Federal programs designed to save energy.

Under the Weatherization Assistance Program, the Department of Energy makes grants to the States which are then used to weatherize low-income housing to make them more energy efficient.

Both of these programs offer immediate energy saving potential. Both of them are designed to assist people at the grassroots. Both of these programs represent what I believe is a primary focus of this Congress—sending taxpayer dollars out of Washington and back to the people.

We can accomplish this by simply making further, and I might add, reasonable reductions in two other sectors of the Energy and Conservation Program. We can reduce the industry and transportation sectors by 8 percent below the fiscal year 1997 committee recommendation and move that money to the Weatherization and State Energy Programs.

The industry and transportation Sectors are primarily energy research programs that are largely comprised of partnerships between DOE and the private sector. For example DOE may partner with an automobile manufacturer to develop new electric car technology.

These too are worth endeavors. However, it is not fair to make the level of reductions in the people-oriented programs, like low-income weatherization assistance, in order to limit the reductions to these bureaucracy-oriented research programs.

Since fiscal year 1995, the State Energy Program and the Weatherization Assistance Program combined have taken a reduction of over 53 percent in their level of funding.

On the other hand, the Industry Sector has been reduced about 21 percent from its fiscal year 1995 level, and the Transportation Sector has been reduced 16.5 percent.

The bottom line is that we are seeking with this amendment to show a sense of fairness and to spread these reductions in funding across the spectrum of the programs within the Energy Conservation Program in a more equitable manner.

The $18 million that this amendment reallocates does not even approach the recommendation of the budget resolution for these two people programs nor does it establish actual equity between all of the energy conservation programs. However, it does move toward a fairer distribution of declining funds, it provides the State and Weatherization Programs with a funding level that allows for a degree of continuity in their programs, and it directly assists people—low-income people.

There is no justifiable reason that this amendment should not receive broad bipartisan support and I urge its adoption.

What we are simply saving is that this amendment moves money out of Washington and it sends it back to the States. With this amendment, you have a choice between supporting the Washington Department of Energy bureaucracy and voting "no" or supporting the only Department of Energy programs in this bill which go directly to our constituents by voting "yes."

Mr. FOX of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today as a cosponsor of this amendment with Congressman PARKER which would restore critical funding to the weatherization assistance and State energy conservation grant programs. I would like to commend Chairman REGULA and the committee for their outstanding work on this bill which they have again developed under some of the most stringent budgetary conditions in a long time.

Congressman PARKER and I are offering this amendment to increase funding for the important low-income weatherization assistance and State energy conservation grant programs. Our intention is to increase the level for weatherization to the fiscal year 1996 enacted level and the State Energy Conservation Program [SECP] to the fiscal year 1996 Senate appropriated level. In fiscal year 1996, weatherization assistance took a serious cut of approximately 50 percent—something we did not agree with.

Both the House Budget and Commerce Committees have supported full funding of these programs. There is no consensus to reduce funding for these programs and turn them over to the States. The States need the Federal support of these programs at least at the levels we are attempting to provide through our amendment.

The weatherization program is a cost-conscious, energy conservation program which makes renovations to low-income homes to increase energy efficiency and make health and safety improvements. These improvements make a significant difference in the home heating bills of thousands of families every year. For instance, in the cold climate region, a 1989 study found that first year net savings for natural gas consumption represent a 25 percent reduction in gas used for space heating and an 18 percent reduction in total gas usage. This program can be the difference in whether or not an elderly couple maintains their independence and are able to stay in their own home. Furthermore, regardless of how you feel about LIHEAP, the Weatherization Assistance Program reduces the dependence on LIHEAP funds.

The State Energy Conservation program permits a wide variety of targeted programs to be implemented at the State level, ranging from pollution prevention—such as recycling, small business energy and economic development programs, financing of energy efficiency projects, agricultural energy programs, energy emergency preparedness, etc. For example, these activities help every American by making schools and hospitals more energy efficient which allows more resources to go into education and medical care. A survey recently showed that for every Federal dollar invested, $19 in non-Federal governmental and private funds have been dedicated to these projects.

The gentleman from Mississippi and I are merely attempting to create a more equitable distribution of the budget cuts which have taken place over the last 2 years.

The State grant programs, which are people oriented programs have endured disproportionate cuts, as you can see from this chart. The other sectors are examples of Department of Energy bureaucracy-oriented programs and we feel that this amendment will restore equity to this section of the bill.

I urge Members to support our amendment and these important programs.

Mr. SANDERS. Mr. Chairman, I move to strike the requisite number of words, and in support of the amendment.

Mr. Chairman, it is a national disgrace that large numbers of people in this country, including many elderly people, go cold in the wintertime. That is not what this country is supposed to be about. It is especially stupid that we have a situation where people are living in extremely energy inefficient homes. They lack storm windows, they have cracks in their walls, and they have inadequate heating systems so that the little amount of money that they have that goes into heat ends up being used very inefficiently.

The weatherization program is an intelligent, cost-effective program. It saves money and it helps a lot of people. I commend the authors of the amendment.

Mr. STERNS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of this amendment, offered by Mr. FOX, which will restore funding for the Weatherization Assistance Program.

The Weatherization Assistance Program provides assistance to families who are in the greatest need, particularly the elderly, those with disabilities, and families with children. The assistance provided to these families comes in the form of home insulation improvement, repair and maintenance of heating and air conditioning units, and any number of other home repairs that keep families in their homes.

Mr. Chairman, one of the best ways to conserve energy is to repair damaged or aging roofs, windows, and insulation in any home. Too often, lower income families don't have the resources necessary to make these repairs. The Weatherization Assistance Program has proven effective in ensuring that resources are available, leading to more energy-efficient homes and lower utility bills for those who need it the most.

In 1995, my own State of Florida received close to $2 million, serving 976 homes. Those numbers were literally cut in half for 1996, serving 502 homes. The current 1997 proposals for the Weatherization Assistance Program are cut by an additional $12 million, eliminating service to an additional 50 homes. The amendment by Mr. FOX simply restores funding to last year's level, for a total of $112 million.

I strongly support Mr. FOX's amendment to restore funding to last year's level, and urge my colleagues to support this amendment as well.

Mr. LONGLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to speak briefly in support of the amendment offered by the gentleman from Mississippi [Mr. PARKER] and the gentleman from Pennsylvania [Mr. FOX].

Mr. Chairman, the Weatherization Assistance Program is used to increase the energy efficiency of residences occupied by low-income individuals. I know that there are a number of changes that many in this body would like to see made to these programs, but for whatever reason, those changes are not going to be occurring. On that basis, I think it is appropriate to seek some level of stability in funding for these programs so that to the extent that there are disagreements between the administration and the Congress, that those who are in need of this assistance are not caught in the crossfire. On that basis, I would support the amendment which will introduce consistency and stability in the funding of this very important program.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words and in opposition to the amendment.

Mr. Chairman, I know it is very seductive to take the money out of conservation and put it into weatherization. It has a great appeal. But just remember this. Energy conservation is for all the people. The Energy Conservation Research Program affects everyone, because it means that we save our energy resources so that they are there for future generations.

□ 2245

It means that we develop automobiles that will give us many more miles per gallon. Weatherization affects a very limited number of people and does not solve the problem. I think in terms of national policy, the conservation program has a far greater long-lasting impact, an important and valuable impact that will be beneficial to everyone as opposed to putting some more money on weatherization.

Keep in mind we have already cut substantially from the conservation program. We have funded weatherization, it is four times greater than it was in 1977. We have the State grants of $25 million, and we have tried to have a balance. We have tried to say let us do the research that will develop vehicles that will go many more miles per gallon, that will save energy, that means jobs for the future, that will mean the ability to export our products and compete in the world market, that will be beneficial to the entire economy in the United States, as opposed to weatherization, which has a limited impact.

We have done, I think, very well by weatherization in this bill, and we have tried to have a realistic balance between conservation, fossil energy research, and weatherization. I know it has a great appeal.

Mr. PARKER. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Mississippi.

Mr. PARKER. Mr. Chairman, One of the problems we had was the DOE made decisions, especially in the last few years, where they have maintained their bureaucracy here in Washington at the expense of programs that we were sending back home. They have drastically cut the amounts of money that would go to the States, especially from the weatherization side and also from our State energy officials, and those go directly to our constituents. That is the biggest problem we have got. The DOE, we are just talking about equity here. We are not talking about cutting out the programs that DOE has. We are just talking about being fair about it and having more go to the State, make up some of the difference as far as the losses that we have had because they have cut us so much more drastically than they have cut their own bureaucracy in Washington.

Mr. REGULA. Reclaiming my time, Mr. Chairman, I would advise the gentleman that we have taken out the administrative costs so that the entire $100 million we provide in the bill actually goes out to the weatherization programs in the states. So we have tried to address the very thing that he is describing, and in that process, we have, I think, struck a reasonable balance between conserving energy, doing the research that is necessary to do so, doing the fossil programs and weatherization. So my objection here is that we have already tried to get something that reflects priorities of this Nation in a balanced way.

Mr. PARKER. Mr. Chairman, will the gentleman continue to yield?

Mr. REGULA. Certainly I yield to the gentleman from Mississippi.

Mr. PARKER. I appreciate what has been done in trying to strike that balance. I do not feel we have gone far enough and I think we have shortchanged our States. We have shortchanged our citizens out there, where in this part of the bill which deals with DOE, we have not sent enough back home. That is one of the purposes of this amendment, to I think rectify that situation.

Mr. REGULA. Reclaiming my time, I think we short-change our citizens if we do not continue developing conservation programs, because in the long haul, conservation of energy will be vitally important to this Nation because of our great dependency on energy for economic growth. We hear a lot of people talking about economic growth as the solution to our budget deficits, to the unemployment, to our trade balance. To get economic growth, we have to get energy and we have to use it in a very efficient way. That is the purpose of the conservation program.

Mr. PARKER. Mr. Chairman, if the gentleman will continue to yield, I agree totally with the gentleman about conservation programs and they need to be maintained. One of the problems is that from a percentage standpoint, we have cut these programs going to the States by over 50 percent, whereas on the amount that is staying in the bureaucracy in Washington, we have only cut it around an average of 25 to 30 percent. There needs to be some equity there and we are only making an 8-percent variation there from the standpoint of making that change.

Mr. REGULA. Let me reclaim my time, Mr. Chairman, and simply say that the energy conservation programs are not money going to the Washington bureaucracy. It is going out on matching programs with the private sector that develop, such as the auto industry, to develop fuel-efficient automobiles, which is a great plus for the entire population.

All I am simply saying, as I said earlier, is the conservation programs are beneficial to everybody. They are beneficial to economic growth and so on. Weatherization has a narrow, relatively narrow constituency and we feel that policywise we have struck a good balance in the bill.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the position taken by the distinguished chairman of the subcommittee. I have, of course, no objections whatsoever to the weatherization program. I wish we could strengthen it. But if I read the figures correctly in this bill, what the committee has done is to reduce the energy research and development budget by 10 percent from last year and then by 25 percent from what the President requested, which means about a 35-percent reduction below the President's request, somewhere in that range. Am I correct on that point?

Mr. REGULA. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. BROWN of California. I think the chair of he subcommittee has correctly pointed out that the importance of the energy research and development program is that this is really an investment in the improved efficiency of our economy. This benefits everyone in this country, not the few, important as they may be, who cannot afford adequate weatherization of their homes or who need the additional protection to protect themselves from the extremes of either heat or cold. I want to do something for these people, but I am more interested in helping them and the rest of the people of this country to improve our ability to create jobs, to improve our economy, to be competitive in the world economy. I think this is what in the long run is going to benefit us more than anything else. So I strongly support the position of the committee. I really should not say strongly support. I think we have cut energy R&D too much already and the amendment of the gentleman would take that even further than it has.

I would be happy to yield to the gentleman from Mississippi.

Mr. PARKER. Just to put the figures into perspective, if we look at the three basic divisions that are in this bill, we are talking about State grants and weatherization, DOE, industrial programs in DOE transportation programs. The State grants and weatherization, what we are talking about here, the changes that would be made from 1995 to 1996, excuse me, from 1995 to 1997, it has been cut 46.31 percent. On the DOE industrial programs, it has been cut 26.81. On the transportation programs, 22.21. We are talking about equity here as far as when we are talking about the difference between 22 and 46 percent, that is a major difference, and we are talking about just making up some of the difference, that is all. It is not a major thing.

Mr. BROWN of California. Mr. Chairman, I appreciate the argument of equity that the gentleman makes, and in a perfect world I would probably go along with it, but this is not a perfect world. I have spent too many years trying to further the development of these very important research and development programs in energy to be comfortable seeing them cut by 30 to 35 percent, as they already are in this bill. So again I take the position of supporting.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding to me.

In the administration's position, they say and I quote: Energy conservation programs not only work to improve society's energy efficiency, they also provide a successful means of pollution prevention.

As the gentleman pointed out, not only is it jobs, competitiveness, but we are all concerned about pollution. These conservation programs do a great deal in reducing pollution from our energy sources.

Mr. BROWN of California. Reclaiming my time, the gentleman is truly a great statesman, and I appreciate that.

Mr. VOLKMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I won't take the full 5 minutes, but I come down a little bit different than the gentleman from California on this, because I know from personal relations with many people in my district that the weatherization program has been a very good program, especially for those who cannot afford to fix up their own place. Different from Mississippi where he has the heat, we have got the cold.

When I look at this amendment, the areas that the gentleman from Mississippi is taking the money from is much needed. The weatherization program is much needed money. I see that we are forced into a choice that many of us would not like to have to make, solely because of the budget that has been driven in order to reduce funds, in order to give money to the wealthy. That is all it amounts to. These cuts are not necessary if we just forget the tax bill.

Let us just forget the tax bill, not have one. Then we can have the weatherization, can still reduce the deficits. The Blue Dog budget, the coalition budget provides it, and we can have the energy research programs that we need. But because you all want to have the big tax cut, we cannot do it. So we have to make a choice between making the poor hot in the summertime in the South where they cannot afford air conditioners, they cannot afford any fans, or in the North, where I am from, they can freeze in the winter. Between that, which I do not like, and cutting back on research and development in energy and conservation programs, which I agree with the chairman of the subcommittee, I agree with the gentleman from California, they are very much needed programs, they are the future.

But what you have done with your budget and with your proposed cuts in order to give taxes to the wealthy, you have forced us into this dilemma. I am just going to ask the gentleman on my right, please, let us just forget the tax bill and let us do a budget without the tax bill so that we can still reduce the deficits and we can still have a good weatherization program for the poor and we can still have sufficient funds for research and development.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, there is nothing in this bill that cuts taxes.

Mr. VOLKMER. Reclaiming my time, I know that. I know it is in your budget. I know why you had to make these cuts.

Mr. REGULA. If the gentleman will continue to yield, we made these cuts because we do not want our children and grandchildren to pay for today's programs.

Mr. VOLKMER. The gentleman would not have to do that. If he would have taken the coalition or the Blue Dog budget, he would not have had to do that. We would not be here today making this decision on these type of amendments if you would just forget the tax cut, forget it. Why do you not just forget it? We would not have to make these terrible decisions between choices of very good programs just so you can give money in a tax cut bill.

Mr. REGULA. If the gentleman will yield, I think the gentleman is directing his statements to the Committee on Ways and Means and the Committee on the Budget.

Mr. VOLKMER. No, I am addressing my statement to all of the Members on that side because they almost all voted for that budget that calls for the tax cut in it. I say forget it.

Mr. REGULA. If the gentleman will continue to yield, I think that speech should be given on the budget.

Mr. BOEHLERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize it is late and I am not going to take all of my time, and I am concerned about the recommendation to cut $411.8 million from the weatherization program for next year. Keep in mind, we have cut this program, the weatherization program, almost in half right now and we are asked to strike yet another blow to, I think, a program that is very, very important.

We have just had a very harsh winter. This is a program that is used essentially by the elderly and the disadvantaged, and I think we should try to continue at level funding, which is reasonable considering that we have drastically cut the funding in this year's program.

Mr. Chairman, I rise in strong support of this amendment. I am deeply concerned about the Appropriation Committee's recommendation to cut $11.8 million in weatherization funds for next year. This year, the weatherization program was cut almost in half and now, we are asked to strike another blow to this important program.

I would like to remind my colleagues of the particularly harsh winter we just suffered. Furthermore, let's not forget last year's summer which saw hundreds of our frail citizens die in their apartments while trying to escape the heat. The weatherization program is essential for preventing these tragedies by helping to keep our poor and elderly in a safe environment in the extreme heat of the summer and the bitter cold of the winter.

I understand the need to cut spending and balance the budget. And we all know that balancing the budget isn't easy as almost every program is going to take some cuts. However, I believe that the weatherization program has already taken more than its share of cuts, and further cuts will only serve to threaten the safety and welfare of our poor and elderly neighbors.

I urge passage of this amendment to fund the weatherization program at last year's level.

□ 2300

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. REGULA. Mr. Chairman, what we anticipate doing here is having a vote on the Kennedy amendment, and that will be the last vote of the evening. Then the Sanders amendment will be offered rolled over until tomorrow, along with the vote on this amendment. There will be one more vote, and then we will do colloquies. Once we vote on the Kennedy amendment, we will be done voting for tonight.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. PARKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PARKER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from Mississippi [Mr. PARKER] will be postponed.

AMENDMENT OFFERED BY MR. KENNEDY OF MASSACHUSETTS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 211, noes 210, not voting 14, as follows:

[Roll No. 258]

AYES—211

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Berman
Bilbray
Bilirakis
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Campbell
Cardin
Castle
Chabot
Chrysler
Clay
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
Davis
DeLauro
Dellums
Deutsch
Diaz-Balart
Dingell
Dixon
Doggett
Duncan
Durbin
Ehlers
Engel
English
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fields (LA)
Filner
Flanagan
Foglietta
Foley
Forbes
Ford
Frank (MA)
Franks (NJ)
Frelinghuysen
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Goodling
Gordon
Goss
Greenwood
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Horn
Hostettler
Hoyer
Jackson (IL)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klug
LaFalce
LaHood
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Linder
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Matsui
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moran
Morella
Myrick
Nadler
Neal
Neumann
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Petri
Pomeroy
Porter
Portman
Poshard
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rohrabacher
Ros-Lehtinen
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Shaw
Shays
Skaggs
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spratt
Stark
Stokes
Studds
Talent
Thompson
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Walker
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Woolsey
Young (FL)
Zimmer

NOES—210

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bishop
Bliley
Boehner
Bonilla
Bono
Brewster
Browder
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chambliss
Chapman
Chenoweth
Christensen
Clayton
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
Deal
DeFazio
DeLay
Dickey
Dicks
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Ensign
Everett
Fazio
Flake
Fowler
Fox
Franks (CT)
Frisa
Frost
Funderburk
Gekas
Geren
Gillmor
Gingrich
Gonzalez
Goodlatte
Graham
Green (TX)
Greene (UT)
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hoke
Holden
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kim
King
Kingston
Klink
Knollenberg
Kolbe
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Lipinski
Livingston
Longley
Lucas
Mascara
McCarthy
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Mollohan
Montgomery
Moorhead
Murtha
Myers
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Pickett
Pombo
Pryce
Quillen
Radanovich
Regula
Riggs
Roberts
Rogers
Roth
Scarborough
Schaefer
Seastrand
Serrano
Shadegg
Shuster
Sisisky
Skeen
Skelton
Smith (WA)
Solomon
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Tanner
Tate
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Traficant
Volkmer
Vucanovich
Walsh
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Wynn
Young (AK)
Zeliff

NOT VOTING—14

Brownback
Cox
Emerson
Fields (TX)
Gallegly
Lantos
Lincoln
McDade
Peterson (FL)
Ramstad
Rose
Tauzin
Torricelli
Yates

□ 2318

Messrs. HEINEMAN, FLAKE, SCARBOROUGH, and McCOLLUM changed their vote from "aye" to "no."

Mr. JOHNSON of South Dakota and Mr. LINDER changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded

Mr. SANDERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to do two things. First, I would like to enter a colloquy with the gentleman from Ohio [Mr. REGULA], and then I am going to offer an amendment.

Mr. Chairman, I would like to enter into a colloquy with Mr. REGULA regarding an issue that is very important to the State of Vermont and others interested in conservation and sustainable agriculture. Unfortunately, this bill does not provide funding for the Marsh-Billing National Historic Park that is located in Woodstock, VT. The planned opening for this park is 1998, and the administration's budget included $340,000 in startup funding.

My understanding is that the gentleman would support funding for this historic park should the Senate include funds specifically for this purpose.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, we included $55 million in increases for the National Park Service specifically for operations and backlog maintenance. If our allocation had been greater, I would have recommended an additional $13 million for 39 specific park units recommended in the 1997 budget. These units, including Marsh-Billing, are either new parks or units that have experienced unusually high visitation or boundary extensions.

Should the Senate include funding for this unit, either with a specific earmark or by providing for the $13 million program, I will certainly give serious consideration to supporting the Senate position.

AMENDMENT OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The clerk will designate the amendment.

The text of the amendment is as follows:

> Amendment offered by Mr. SANDERS: In the item relating to "DEPARTMENT OF ENERGY—NAVAL PETROLEUM AND OIL SHALE RESERVES", after the dollar amount insert the following: "(reduced by $11,764,000)".
>
> In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION", after each of the first, second, and third dollar amounts, insert the following: "(increased by $11,764,000)".

Mr. REGULA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BARTON of Texas) having assumed the chair, Mr. BURTON of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 3662, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Mr. REGULA. Mr. Speaker, I ask unanimous consent that during the further consideration of H.R. 3662 in the Committee of the Whole, pursuant to House Resolution 455, one, the bill be considered as having been read; and, two, no amendment shall be in order except for the following amendments, which shall be considered as read, shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and shall be debatable for the time specified, equally divided and controlled by the proponent and a Member opposed:

Mr. SANDERS, regarding weatherization, 20 minutes; Mr. FOX of Pennsylvania regarding weatherization, 10 minutes; Mr. PARKER, regarding weatherization, 10 minutes; Mr. FALEOMAVAEGA, regarding the red squirrel, 15 minutes; Mr. HOEKSTRA, regarding NEA, 10 minutes; Mr. SHADEGG regarding NEH, 30 minutes; Mr. KLUG or another Member regarding timber contracts, 10 minutes; Mr. DEFAZIO, regarding timber sourcing, 10 minutes; Mr. OLVER, regarding funding levels for codes and standards, 10 minutes; Mr. CONDIT, regarding the Endangered Species Act, 10 minutes; Mr. SANDERS, regarding PILT, 20 minutes; Ms. FURSE, Mr. PORTER, regarding timber salvage, 60 minutes; Mr. GUTKNECHT, regarding across-the-board cut, 20 minutes; Mrs. CHENOWETH, regarding grizzly bears, 10 minutes; and Mr. ISTOOK regarding BIA, 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. OBEY. Mr. Speaker, reserving the right to object, I am informed by staff that the gentleman from Illinois [Mr. YATES] also had an amendment that he offered in committee which lost by one vote that relates to telecommunications. I do not know where on that list that amendment ought to be placed, but I would urge the gentleman to amend the motion to make certain that that is provided for for 5 minutes on each side.

Mr. REGULA. Mr. Speaker, if the gentleman will yield to the unanimous-consent request I would add an amendment by the gentleman from Illinois [Mr. YATES] on telecommunications for 10 minutes.

Mr. OBEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

REPORT ON H.R. 3675, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT 1997.

Mr. REGULA, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104-631) on the bill (H.R. 3675) making appropriations for the Department of Transportation and related agencies for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of order are reserved on the bill.

□ 2330

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BARTON of Texas). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

JUNETEENTH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am pleased to rise today to celebrate a major holiday in the African-American community known as Juneteenth. The genesis of this holiday began on January 1, 1863, then President Abraham Lincoln issued the Emancipation Proclamation which freed the slaves. Unfortunately, because of the Civil War being waged along the borders dividing north and south, Lincoln's message of Emancipation was not received by all. Slaves in Oklahoma, Louisiana, Arkansas, and Texas continued their lives in bondage until April of 1865 when the Civil War ended and Union Army troops were sent throughout the south to enforce the freeing of black slaves. One hundred and twenty-one years ago today, Union Army troops led by Gen. Gordon Granger reached Galveston, TX and the news of the Emancipation Proclamation was given.

The memory of this event, affectionately nicknamed Juneteenth, is celebrated each year across the region and is now a State holiday in Texas. This Juneteenth celebration affords us a chance to acknowledge and remember the history of slavery in this country, and honor the many generations that suffered through this terrible era so that their children might live better, more dignified lives. But most importantly, June 19 is a celebration of liberty and opportunity; a time to recognize the many accomplishments and contributions historically made by Americans of African descent; and focus on the many challenges ahead so that we might continue to strive forward together, with the unity and brotherhood of all men and women in America today. Happy Juneteenth.

TRIBUTE TO SFC. DONALD H. DUGAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, tonight I noticed in my clippings that the one businessman who was held hostage in Iran from Sherman Oaks, CA, Mr. Jerry Plotkin, died. He said, when Mayor Tom Bradley called Jerry Plotkin Day in Los Angeles, after his return from 444 days of captivity, that the treatment under the Ayathollah's henchmen in Tehran was horrible from the first day. He lost 40 pounds, began smoking again, and it obviously shortened his life. He died younger than I am.

I looked at that figure, the Election Day was on November 4. They had been in captivity for 444 days. It cost a good man his Presidency, Jimmy Carter, a moral man, a decent man, a man who always tried to tell the truth, unlike some leadership now.

I looked at that clipping about Jerry Plotkin's death and I said, as good a man as Jimmy Carter was personally, he deserved to lose. When the leader of the world's greatest free superpower cannot get American citizens, one businessman and 51 marines and other Government employees and high-ranking State Department people, when he cannot get them out of captivity, he deserves to go down to defeat.

This is not to say that Ronald Reagan turned some magic key and got the 52 hostages home from Iran. But the change of leadership at the top gave the Iranians an excuse to say the Carter years were over. Here is your hostages. We got a fresh start.

This thought hit me, Mr. Speaker. I am wearing the pin of the 1st Armored Division, the main division that is in Bosnia. It is now rumored, and Mr. Christopher and Mr. Perry come right out, our Secretaries of Defense and State, and said, we may have to leave them there longer. This thought hit me, that our men in Bosnia are a form of hostage.

If Mr. Clinton is reelected, they are obviously going to stay. If Mr. Dole is elected, just like Mr. Reagan in 1980, our men are going to come home, men and women from Bosnia.

They are no longer in an armored division. People who know what it takes to keep an armored division up to training speed are now pointing out that you take men out of their M-1 tanks and their Bradley's since last December with no training, it is not an armored division anymore. It is not a mechanized infantry division, it is a light infantry division.

There are 139 days until election night, when we wake up in the morning. If America wants its men and women home from Bosnia, then the best thing they can do is to defeat Bill Clinton and elect the 43rd President of the United States, Bob Dole.

Thinking about our men in Bosnia, I have been promising to do this for a widow, Miriam Dugan from Fort Hood, TX, for months now.

When her husband, who I think is a hero, SFC. Donald Dugan was killed February 3, going beyond his orders to try and defuse a land mine that was set at child-eye level and said to these children, stand back, and told his friends, we are here to make this place safe for Bosnian children, and he said to these children, mine-o, mine-o, boom boom, move back, and then died a few seconds later, this man, who was called McGyver after the TV adventuresome character, here is his picture from the Army Times, Mr. Speaker. If that is not the poster for a manly, tough special forces or armored division sergeant, I do not know what is.

I want to put in the RECORD his widow's letter to the Army Times, who said,

> I would like to thank everyone who has taken the time to express their sympathy for my husband's passing. My family and I hope that everyone who knew him remembers him the way he was and not how he has been represented.

She means by this administration, as though he did something wrong to keep Mr. Clinton's skirts clean.

She said,

> He is deeply missed and thought of often. Donald will always be close to the hearts of his family and his soldiers.

Earlier she said,

> He devoted 17 years serving his country in the U.S. Army. The Army was my husband's life. I am happy he was doing exactly what he enjoyed most when he passed away, working with and protecting his soldiers, his civilians and the children.

I put her statement into the RECORD.

DUGAN WIDOW REMEMBERS HUSBAND, TELLS HIS STORY

> I am writing this letter on behalf of my husband, SFC Donald H. Dugan, and my family.
>
> My husband was killed handling an explosive device while deployed in Bosnia.
>
> I would like to take this opportunity to let everyone know that he was not the type of person that the media has represented him to be. He was portrayed as careless for trying to disarm the explosive when specific guidance had been issued to leave explosives alone.
>
> He was not careless—he was caring. He was a very loving and devoted husband, father and military leader. My husband made the ultimate sacrifice. He gave his life to save others.
>
> Through the many cards and letters that I have received from soldiers who worked with my husband, I believe he attempted to disarm the device to protect children who were playing in the area.
>
> Since he is unable to tell his side of the story, I felt it was necessary to write this letter.
>
> No one will ever know the exact facts of what happened that day, but one fact is certain: he was well loved and respected by his soldiers, comrades, friends and family.
>
> Many unfavorable statements have been made about the circumstances surrounding the death of my husband in Bosnia. The people who made these statements did not know him or the type of man he was. Donald was a selfless man who thought of others' needs and welfare ahead of his own.
>
> He devoted 17 years serving his country in the U.S. Army. The Army was my husband's life, and I am happy that he was doing exactly what he enjoyed most when he passed away—working with and protecting soldiers and civilians. He truly believed in the mission in Bosnia and was happy to go.
>
> I would like to thank everyone who has taken the time to express their sympathy for my husband's passing. My family and I hope that everyone who knew him remembers him the way he was and not how he has been represented.
>
> He is deeply missed and thought of often. Donald will always be close to the hearts of his family and soldiers.

THE SHRINKING MIDDLE CLASS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, there is a rising tide of despair and growing resentment all across this Nation. The American dream is being snuffed out for more and more American families.

This is directly related to the decline of the middle class. The rich are getting richer, but the middle class is being assaulted today by the flight of family wage jobs overseas, by high taxes, by the disparity of income between the rich and the middle class. The middle class has shrunk, as many families no longer have the income to buy a home, save money for their children's education or prepare for their retirement.

The number of millionaires is dramatically increasing. That is great, unless at the same time more people fall out of the middle class to become the working poor, descending into poverty.

Many say that the Republican Party is the party of the rich. I say this Republican Congress is the party with the duty to resurrect the middle class.

My dad quit school and went to work at age 16 on his first job for $1 a day. That was the pay, $1 a day on his first job. Just 10 years later, he made enough working in a mill in Marysville to support a family, built his own house and, 2 years after that, to build his own small commercial fishing boat. And all that was paid for at that time.

Today with both husband and wife working, many families cannot get ahead. They are caught in a cycle of what we have to call the working poor. We must ask ourselves, what is happening to America? What is happening to the American dream? What is the cause? Is it the flood of immigrants who are desperate, who will work for anything, pennies, just to get to live in America? Is it the giant multinational cartels of this era? Is the Government wasteful and inefficient? Is it the former Congresses who voted us $5 trillion of debt? Is it the interest on that debt that now costs hundreds of billions of dollars each year just to pay the interest, hundreds of billions of dollars each year?

I believe this Congress has no more important duty than to find out what went wrong, to report to the American people exactly what went wrong and the steps American must take to fix it.

TRIBUTE TO MAYOR JAMES THOMAS WIGGINTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. BRYANT] is recognized for 5 minutes.

Mr. BRYANT of Tennessee. Mr. Speaker, I would like to inform the House of the passing of one of Tennessee's valuable leaders, Mayor James Thomas Wigginton. Tommy Wigginton, mayor of Michie, TN died earlier this month at the age of 52.

Mayor Wigginton dedicated his life to the service of others. He was a man who portrayed undying Christian principles in everything he did, every day of his life. He was a blessing to his family, his friends, and every citizen of the community of Michie. Mayor Wigginton served the community as mayor, wholeheartedly, for the past 19 years. He was also a benevolent contributor to the lives of the residents of McNairy County, which has a population of more than 23,000 people. Mayor Wigginton played a key role in the education of McNairy County's school children, and he was the transportation supervisor for the McNairy County school system.

Superintendent of Schools Billy Joe Glover said of Wigginton: "Tommy was a valuable part of the department of education. He had really worked hard and had been concerned about drivers, buses, the children and the problems that related to all of them. He worked to do the right thing, the Christian thing in dealing with others. He was constantly concerned that everyone around him be treated fairly."

The residents of Tennessee and the community of Michie owe a great debt to Tommy Wigginton. He was a man who lived every day for the betterment of the community. Tommy was an excellent leader in many aspects of his life. He will be missed greatly by all of the people he affected while on this Earth.

I want to extend my sympathies to his wife, Elizabeth Ann, and his three sons: Tommy, Shea, and Jim, and let them know Tommy's contributions to his community are greatly appreciated.

Let us remember Mayor Wigginton, as a man of honor, honesty, and patriotism.

DONALD DUGAN'S WIDOW'S LETTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, I wanted to yield some time to Mr. DORNAN of California because he was reading a letter of a widow of a great American and he was not through with it.

Mr. DORNAN. Mr. Speaker, I just found another paragraph in Miriam Dugan's letter, the widow of Donald Dugan, the handsome 35-year-old, 17-year Army sergeant who died in the presence of the children that he was trying to save from a land mine.

I just wanted to read the opening of her letter and the whole letter will appear in the RECORD for anybody interested who watches our proceedings on C-SPAN.

> I am writing this letter on behalf of my husband, Specialist First Class Donald H. Dugan, and my family. My husband was killed disarming an explosive device while deployed in Bosnia. I would like to take this opportunity to let everyone know he was not the type of person that the media has represented him to be. He was portrayed as careless for trying to disarm the explosive when specific guidance had been issued to leave explosives alone. He was not careless.

Mr. KINGSTON. I hate to interrupt this great letter but are you saying to me that a war hero, right after Memorial Day, was depicted by the U.S. Army for being careless and irresponsible because he was trying to save children's lives?

Mr. DORNAN. It started the very week Don Dugan died, when I went to a big military dinner and a four-star general says to me, without knowing the facts and did not even know his name, Well, I hear he was way out in front of his troops and he was not doing what was right.

I looked at this four-star and I said, we are not developing a story here so that Clinton bears no blame for sending these people to Bosnia. I said, you better be careful here, general. To have a widow, through the Army Times, have to beg people, Mother of his four children, not to portray him in a bad light. She said, "He was not careless. He was caring. He was a loving and devoted husband, father and military leader. My husband made the ultimate sacrifice. He gave his life to save others."

She talks about the cards and letters she had received from his friends who I told you called him McGyver. Since when does a widow have to beg, do not think ill of my husband who had told his men the day before, the week before and that morning, we are here to save these children in Bosnia from blowing themselves to bits by these mines?

Mr. KINGSTON. This was a woman whose husband went because of the Commander in Chief sending them into harm's way.

Mr. DORNAN. His was one of the first vehicles to cross the Sava River. Get this peculiar thing, of being the first man, he was in A company, A troop of the first company of the first squadron of the first battalion of the first brigade of the First Armored division. He was one of the first to cross the bridge.

The media could highlight with a little brightened circle and say, here is Donald Dugan, one of the first men into Bosnia. He gives his life, and he has probably saved other lives because now everybody is backing off the explosives. There will be kids losing legs and arms and their lives with these land mines that all sides planted there.

To have the widow beg, through the Army Times, Please do not think ill of my husband, he was not careless, he was caring, is symbolic. That is why I say, all of our people in Bosnia on the ground are a form of hostage, relieving European men and women from being there, outside of the NATO mandate that they should take care of this on the ground.

Mr. KINGSTON. The gentleman from Arizona has joined us. I yield to Mr. HAYWORTH.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Georgia. As always, I am heartened and, yes, frankly troubled by the statements of our good friend from California. For once again, our friend from California points up a disturbing pattern of denial on the part of this administration.

□ 2345

As we said on the evening when we debated the whole notion of sending our troops there, this is not for fighting men and women to pull the zebra stripes of the referee in an athletic contest over their camouflage. Our fighting men and women are exactly that. They are not referees, nor are they social workers.

And far more disturbing, my colleagues, in addition to the disinformation, the denial, the disavowal of this man's sacrifice, now word comes that the President of the United States would like to extend this mission in Bosnia past the deadline of 1 year, perhaps to silence critics that said this could have been a political move, or perhaps fitting into a pattern of inconsistency that has beset the foreign policy of this administration, a foreign policy typified by the irrationality——

The SPEAKER pro tempore (Mr. BARTON of Texas). The time of the gentleman from Georgia [Mr. KINGSTON] has expired.

PARLIMENTARY INQUIRIES

Mr. HAYWORTH. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. HAYWORTH. Mr. Speaker, is it in order for this gentleman to make a unanimous-consent request that we continue to speak until 12 midnight?

Mr. DORNAN. Ask for 5 minutes.

The SPEAKER pro tempore. The gentleman from Arizona has the right under the rules to request a unanimous-consent request that he address the House for 5 minutes.

Mr. KINGSTON. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. KINGSTON. Is it not true we are about to end the 5-minute session?

The SPEAKER pro tempore. If there are no other 5-minute requests under the Speaker's previous announced policy, the minority will be recognized for 7½ minutes.

Mr. KINGSTON. And is it not true, if the minority is not here, then we can request unanimous consent to use the balance of the time if the gentleman from Arizona [Mr. HAYWORTH] does not give a 5-minute request?

The SPEAKER pro tempore. The Chair does not know that the statement the gentleman from Georgia made is correct at this time.

Mr. HAYWORTH. I, rather than requesting——

Mr. KINGSTON. No, no.

Mr. HAYWORTH. Ladies and gentlemen, we are consulting on this.

The SPEAKER pro tempore. The gentleman's time has expired.

DISTURBING TRENDS OF THE CLINTON ADMINISTRATION

The SPEAKER pro-tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Arizona [Mr. HAYWORTH] is recognized for until midnight as the designee of the majority leader.

Mr. HAYWORTH. I thank the Speaker pro tempore for taking us through that process which is required because, after all, this House operates by rules, and we attempt to bring some rationality to this process that some would call highly irrational.

But as I was saying a moment ago, what I find completely irrational are the flip-flops of this administration as stewards of our foreign policy for once again, remarkable to me upon my election to this institution was hearing the suggestion, far from modest and far from realistic, that this Nation provide the technology for nuclear reactors to be construed in the outlawed Nation of North Korea. I asked the Secretary of Defense at a brunch we held, and I thanked the Secretary for coming by, and essentially he told me:

> Congressman-elect, you need a better briefing on the subject.

It was my good fortune to run into the Honorable Jean Kirkpatrick, our former ambassador to the United Nations, who was far more candid in her assessment when she said:

> Congressman-elect, you do not need a fuller briefing. You correctly identified the problem.

And it is this disturbing trend of this administration that would put Americans in harm's way, that would deal with the most irrational policy around the world that should give all Americans grave concern, for this administration is typified not by what it can accomplish but how it can explain away its problems this time, what verbal contortions and rhetorical gymnastics can be brought to bear to explain away an unfortunate snafu this time? Woe to us if we fail to develop a rational, consistent foreign policy that has paramount interests of the United States of America as its clearly defined goal.

No good people can disagree, but I maintain this administration, perhaps with the best of intentions, has made the worst of decisions.

I yield to my friend from Georgia.

Mr. KINGSTON. If the gentleman would yield, now on this subject of what is reality I have one that I want to share with you. It is a little bit off the military path, but is true.

Last night I attended a Georgia Farm Bureau dinner in Washington, and the speaker was Clinton appointee Richard Rominger. Now he was speaking on accomplishments of the Clinton administration. Well, as did everyone else in the audience, I thought it was going to be a real short evening with that being the topic, but as it turns out he was claiming everything with the conviction of the rooster taking credit for the rising sun, and so it was rather lengthy.

But one of the things that he said was the Clinton administration is claiming that the national debt has fallen $15,000 per family of four.

Now our colleague, MAC COLLINS, a Ways and Means member and number cruncher, says how is that possible? The national debt has risen for the last 3 years the Clinton folks have had the White House; how could it be falling? And without blinking a shameless Clinton appointee said:

> Oh, it is easy. The annual deficit had been going up at a certain rate, and since it is no longer going up at that rate, then the savings that we calculate, the $15,000 per family, is in the anticipation.

And I said, OK, wait a minute, let me follow this, let me put it in laymen's terms. I weight 170 pounds. Now I have never weighed 190 pounds. But if I add up all the days that I passed up ice cream sundaes and other fattening desserts, I probably would weigh 190 pounds. But according to Clintonomics I have lost 20 pounds, and so I am going to pat myself on the back. And, Mr. HAYWORTH, I know that you are dieting. I just want you to feel better about yourself.

Mr. HAYWORTH. You know, I really do appreciate this new insightful diet plan offered by the administration, and let me pause here to actually give the President some credit because in terms of his diet and exercise regimen in the real world he has done a pretty good job passing up the fast food on several occasions, and I have to give him credit there.

Mr. DORNAN. Not Milwaukee.

Mr. HAYWORTH. Would that he only would help us put this Nation on a fiscal diet to help straighten out the priorities with tax reform for the middle class which he promised and then backed away from; with welfare reform, as the claim was to end welfare as we know it, but vetoing that meaningful welfare reform which we sent him and a myriad of other projects that he campaigned on and then backed away from. I can appreciate his exercise regimen, but I do wish that his exercises in his role as chief executive would have more followthrough and be more in tone with reality. But that new diet plan offered by an assistant secretary——

Mr. KINGSTON. A Clinton appointee, yes——

Mr. HAYWORTH. I guess this is something that will be printed up in the not too distant future and be available in Pueblo, CO, from the consumer folks there: The painless Clinton diet. Not "I feel your pain," but "I can miscompute your calories." Imagine what you would have weighed.

Mr. DORNAN. Mr. Speaker, if the gentleman would yield, the best Director of the Office of Management and Budget in my 18 years here, 20-year span, was Jim Miller, and Jim Miller in President Reagan's last 3 years brought the budget deficit down to $150 billion, down about where we are trying to get it now. Those were the 3 best years of all the Reagan 8 years and the Bush 4 years, which means, using his logic, if Reagan had had a third term and then a fourth term, every family in America would have saved $50,000, $60,000, $70,000, $100,000 because of Jim Miller. He was not able to carry that message in his quest to win the primary in Virginia, but this is like one of the most stunning speeches I ever heard in this house:

The then Speaker, Jim Wright, stood at what was then the majority lectern and said "Ronald Reagan has made a raid on the U.S. Treasury." I got him out in the Speakers Lobby, and I said, "Jim, that is tax dollars not yet collected." This was the Reagan tax cuts of 1982. I said, "It is money not yet collected. You mean money that has not even been taken out of the pockets on the withholding part of the check stub, that has not even be collected yet, is owed by the U.S. Treasury?" And he says, "Yes, that is exactly what I mean."

And I thought this is the difference between the two parties in modern America. They count tax dollars as theirs that have not even been earned yet.

Mr. KINGSTON. If the gentleman would yield for a second, it is not a difference between the two parties, it is a difference between Washington, been in town too long, status quo liberals and the rest of the United States of America.

Mr. DORNAN. And most of the Governors.

Mr. KINGSTON. Because not one household in America would think of economics——

Mr. DORNAN. Can I give you another example that one of the Interior Committee people asked me if I got to the floor before they did?

Bruce Babbitt, Secretary of the Interior, in testifying recently before the Interior Committee, and everyone is choking on themselves trying to hold back the word "lying." It is a tough word. We are not supposed to use it on this floor to one another, and we do not. Words can be taken down. But they are frustrated. They are trying to say to him, "You are not telling the truth."

So they got him afterward, this is your former Governor in Arizona, and they said to him, "Mr. Secretary, you were lying out there." They did use the word then off camera. And you know what his response was? And this ranking Republican majority member on Interior said please tell us on the floor. He said to them, smile ear to ear, you can picture him saying it: "Well, you guys know how the game is played."

Unbelievable.

Mr. HAYWORTH. Let me talk quite candidly about my fellow Arizonian who has a decidedly different interpretation of reality. In a western caucus meeting I brought forth a speech that Governor Babbitt made on two occasions, now as Secretary Babbitt, once at Tufts University, on the other occasion in Colorado Springs, where he essentially said that those of us who have honest disagreements on how best to balance the priorities of the economy and the environment were, quote, guilty of the greatest sneak attack on America since Pearl Harbor, end quote. When I asked him politely, "Now, Governor, do you really believe that?" he gave us the same aw shucks grin and said, "Oh, come on now, J.D., you know how the game is played."

Mr. Speaker, let me make this point, let me make this point to all the American Nation, Mr. Speaker. This is not a game.

Mr. DORNAN. Exactly.

Mr. HAYWORTH. It is a competition in a free society of conflicting philosophies, and when the day comes when one side continues to deliberately distort the truth, then, as in the eloquent words of Robert J. Samuelson last summer in the Washington Post, quoting now:

> The purpose is not to debate, it is to destroy.
>
> That has no place in the free society. If we cannot honestly debate factual material along philosophical lines and have honest disagreements, then I fear for the very foundations of our republic.
>
> When someone will go around the country saying here it is, here is the secret list of parks the Republicans are closing, when there are no secret lists and there are no plans to close the crown jewels of this country, it is inexcusable, and there should be an accounting to the——

Mr. DORNAN. Let me add a bipartisan note to some friendships around here. We all have friendships on both sides of the aisle. A Democrat from Texas who I dearly respect, I am sorry to see him leaving, a Democrat from Michigan who I dearly respect, one of the pro-life leaders on their side, both discussed today with me that pretty soon Clinton is going to have to visit all his friends from jail.

He was talking about indicted, not unindicted, coconspirator Bruce Lindsey, No. 2 man down at the White House staff down there, and this means that they could indict him, but they want to take care of the two bankers that are already indicted, Kenneth Starr special prosecutor, and by naming Bruce Lindsey an unindicted coconspirator they can go after what would otherwise be ruled hearsay evidence and get these two people, and they are going to win indictments against Herbie Branscom and the other banker.

But there is a young handsome guy, about 35 years old, beautiful wife, two or three kids, who my wife looked at him on the cover of Washington Times a few months ago, Ainslie, Jim, or John Ainslie, and she said.

Look at this young man, a young banker, rural banks, small town, Parish, Arkansas. She said his life is destroyed because he got too near Bill Clinton.

I am going back to my original prediction in 1993 and 1994 when I sat in for Rush Limbaugh:

An honorable man named AL GORE I believe is going to be the Democrat nominee and a new Vice President.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RAMSTAD (at the request of Mr. ARMEY) for today and the balance of the week, on account of illness.

Mr. TAUZIN (at the request of Mr. ARMEY) for today, on account of illness.

Mr. YATES (at the request of Mr. GEPHARDT) after 10 p.m. today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:)

Mr. GEREN of Texas, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. TAYLOR of North Carolina) to revise and extend their remarks and include extraneous material:)

Mr. METCALF, for 5 minutes, today.

Mr. MANZULLO, for 5 minutes, on June 20.

Mr. WICKER, for 5 minutes, today.

Mr. GUTKNECHT, for 5 minutes, today.

Mr. RIGGS, for 5 minutes, today.

Mr. COLLINS of Georgia, for 5 minutes, today.

Mr. BRYANT of Tennessee, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. KINGSTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Ms. JACKSON-LEE of Texas) and to include extraneous matter:)

Mr. STOKES.
Ms. JACKSON-LEE of Texas.
Mr. HAMILTON.
Mr. SERRANO.
Mr. COSTELLO.
Mr. MCDERMOTT.
Mr. FAZIO of California.
Ms. NORTON.
Mr. BORSKI.
Mr. STARK.
Mr. VISCLOSKY.
Mr. MENENDEZ.
Mr. CLEMENT.
Mr. KLECZKA.
Mr. WARD.
Mr. TORRES.
Mr. FILNER.
Mrs. SCHROEDER.
Mr. ABERCROMBIE.
Mr. POSHARD.
Mr. PALLONE.

(The following Members (at the request of Mr. TAYLOR of North Carolina) and to include extraneous matter:)

Mr. RADANOVICH.
Mr. WICKER.
Mr. COBLE.
Mr. SMITH of New Jersey.
Mr. CAMP.
Mr. TALENT.
Mr. KNOLLENBERG.
Mr. DIAZ-BALART.
Mr. RIGGS in two instances.
Mr. CUNNINGHAM.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which were thereupon signed by the Speaker:

H.R. 3029. An act to designate the United States courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1136. An act to control and prevent commercial counterfeiting, and for other purposes.

ADJOURNMENT

Mr. HAYWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock midnight), the House adjourned until tomorrow, June 20, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3713. A letter from the Regulatory Review Officer, Agricultural Marketing Service, transmitting the Service's final rule—Apricots Grown in Washington; Temporary Suspension of the Minimum Grade Requirement [Docket No. FV–96–922–1IFR] to the Committee on Agriculture.

3714. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Cranberries Grown in the States of Massachusetts, Rhode Island, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in the State of New York [Docket No. FV–96–929–1FR] received June 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3715. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Irish Potatoes Grown in Colorado; Assessment Rate [Docket No. FV–96–948–1IFR] received June 18, 1996, pursuant to 5 U.S.C. 810(a)(1)(A); to the Committee on Agriculture.

3716. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Fresh Cut Flowers and Fresh Cut Greens Promotion and Consumer Information Order—Postponement of Assessment [Docket No. FV–96–702FR] received June 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3717. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Limes and Avocadoes Grown in Florida; Relaxation of Container Marketing Requirements [Docket No. FV–96–911–41FR] received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3718. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Graps Grown in a Designated Area of Southeastern California; Revision of Container Requirements [Docket No. FV–96–925–1IFR] received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3719. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Irish Potatoes Grown in Washington; Modification of the Minimum Size Requirements [Docket No. FV–96–946–1FR] received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3720. A letter from the Director, Office of Bilingual Education and Minority Languages Affairs, Department of Education, transmitting final regulations—Bilingual Education: Graduate Fellowship Program, pursuant to 20 U.S.C. 1232(f); to the Committee on Economic and Educational Opportunities.

3721. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—Notice of Final Priority and Limitation on Use of Funds for Fiscal Years 1996; Elementary School Mathematics and Science Equipment Program (Fund for the Improvement of Education (FIE)) received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3722. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California—Mammoth Lakes Nonattainment Area; PM10 (FRL–5511–4) received June 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3723. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; State of Michigan (FRL–5525–4) received June 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3724. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Triflusulfuron Methyl; Pesticide Tolerance (FRL–5377–7) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3725. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Sodium Salt of Acifluorfen; Pesticide Tolerance (FRL–5371–4) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3726. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Diquat; Pesticide Tolerance (FRL–5372–5) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3727. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—1,1,1,2-Tetrafluoroethane; Pesticide Tolerance (FRL–5376–3) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3728. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Oxidized Pine Lignin, Sodium Salt; Pesticide Tolerance (FRL–5375–9) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3729. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Quizalofop Ethyl; Pesticide Tolerance for Use on Pineapple (FRL–5373–5) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3730. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Aluminum Tris (O-ethlyphosphonate); Pesticide Tolerance for Use in or on Blueberry (FRL–5374–7) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3731. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Diflubenzuron; Pesticide Tolerance for Use on Artichokes (FRL–5370–8) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3732. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Amendment to the National Emission Standards for Hazardous Air Pollutants for Shipbuilding and Ship Repair (Surface Coating) Operations (FRL–5521–5) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3733. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Plans; Louisiana; Revision to the State Implementation Plan (SIP) Addressing Ozone Monitoring (FRL–5522–6) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3734. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Operating Permits Program Interim Approval Criteria (FRL–5521–4) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3735. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fenoxaprop-Ethyl; Extension of Study Due Date and Time-Limited Tolerances; Correction (FRL–5372–4) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3736. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants for Source Categories: Organic Hazardous Air Pollutants from the Synthic Organic Chemical Manufacturing Industry and Other Processes Subject to the Negotiated Regulation for Equipment Leaks; Clarifications (FRL–5521–7) received June 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3737. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

3738. A letter from the Associate Attorney General of the United States, transmitting a report activities under the Freedom of Information Act for the calendar year 1995, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

3739. A letter from the Secretary of the Treasury, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 1, 1996, and the Secretary's semiannual report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3740. A letter from the Assistant Secretary of Indian Affairs, Department of the Interior, transmitting the Department's final rule—Leasing of Tribal Lands for Mineral Development and Leasing of Allotted Lands for Mineral Development (Bureau of Indian Affairs) (RIN: 1076–AA82) received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of June 18, 1996]

Mr. ARCHER: Committee on Ways and Means. H.R. 3161. A bill to authorize the extension of nondiscriminatory treatment—

most-favored-nation treatment—to the products of Romania (Rept. 104-629). Referred to the Committee of the Whole House on the State of the Union.

[Submitted June 19, 1996]

Mr. QUILLEN: Committee on Rules. House Resolution 456. Resolution providing for consideration of the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-630). Referred to the House Calendar.

Mr. WOLF: Committee on Appropriations. H.R. 3675. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-631). Referred to the Committee of the Whole House on the State of the Union.

BILLS PLACED ON THE CORRECTIONS CALENDAR

Under clause 4 of rule XIII, the Speaker filed with the Clerk a notice requesting that the following bills be placed upon the Corrections, Calendar:

H.R. 2531 A bill to amend the Fair Labor Standards Act of 1938 to clarify the exemption for houseparents from the minimum wage and maximum hours requirements of that Act, and for other purposes.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STUMP (for himself, Mr. MONTGOMERY, Mr. EVERETT, Mr. EVANS, Mr. BUYER, and Mr. FILNER):

H.R. 3673. A bill to amend title 38, United States Code, to revise and improve certain veterans programs and benefits, to authorize the American Battle Monuments Commission to enter into arrangements for the repair and long-term maintenance of war memorials for which the Commission assumes responsibility, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. STUMP (for himself, Mr. MONTGOMERY, Mr. BUYER, Mr. EVERETT, Mr. EVANS, and Mr. MASCARA):

H.R. 3674. A bill to amend title 38, United States Code, to clarify the causal relationship required between a veteran's service-connected disability and employment handicap for purposes of determining eligibility for training and rehabilitation assistance, to transfer certain educational assistance entitlements from the post-Vietnam era educational assistance program to the Montgomery GI bill, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CONYERS:

H.R. 3676. A bill to amend title 18, United States Code, clarify the intent of Congress with respect to the Federal carjacking prohibition; to the Committee on the Judiciary.

By Mr. ENGLISH of Pennsylvania (for himself, Mr. MATSUI, Mr. ROYCE, Mr. RANGEL, Mr. BONO, Mr. GEJDENSON, Mr. DORNAN, Mr. TORRES, and Mr. WAXMAN):

H.R. 3677. A bill to amend the Internal Revenue Code of 1986 relating to the unemployment tax for individuals employed in the entertainment industry; to the Committee on Ways and Means.

By Mr. JACOBS (for himself, Mr. PORTMAN, Mr. CARDIN, Mrs. JOHNSON of Connecticut, Mr. MCDERMOTT, Mr. ENGLISH of Pennsylvania, Mr. COYNE, Mr. BUNNING of Kentucky, Mr. ABERCROMBIE, Mr. STUPAK, Mr. BALDACCI, Mr. EMERSON, Ms. NORTON, and Mr. EHLERS):

H.R. 3678. A bill to extend the Medicare waiver of liability provisions for home health agencies, hospice programs, and skilled nursing facilities; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 3679. A bill to prohibit any increase in the amount of a security deposit paid by a low-income family for rental of a dwelling unit receiving Federal rental housing assistance during the occupancy of the family in the unit; to the Committee on Banking and Financial Services.

By Mr. JONES (for himself, Mr. HOKE, Mr. STUMP, Mr. SOLOMON, Mr. MCHALE, Mr. HUNTER, Mr. MONTGOMERY, Mr. LEWIS of Kentucky, Mr. TORKILDSEN, Mr. WATTS of Oklahoma, Mr. EVERETT, Mr. MCHUGH, Mr. ORTIZ, Mr. HOSTETTLER, Mrs. FOWLER, Mr. LONGLEY, and Mr. KOLBE):

H.R. 3680. A bill to amend title 18, United States Code, to carry out the international obligations of the United States under the Geneva Conventions to provide criminal penalties for certain war crimes; to the Committee on the Judiciary.

By Ms. NORTON:

H.R. 3681. A bill to provide that if an employer provides additional leave to a parent for the birth such employer shall provide the same leave to a parent for an adopted child or a foster child; to the Committee on Economic and Educational Opportunities, and in addition to the Committees on Government Reform and Oversight, and House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. SCHROEDER:

H.R. 3682. A bill to allow certain individuals seeking part-time employment to be eligible to receive unemployment compensation, to require the Secretary of Labor to establish and carry out an annual survey relating to temporary workers, to protect part-time and temporary workers relating to pension and group health plans, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Economic and Educational Opportunities, Government Reform and Oversight, and National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TIAHRT:

H.R. 3683. A bill to amend the Federal Election Campaign Act of 1971 to prohibit use of labor organization dues and fees for political activities, and for other purposes; to the Committee on House Oversight.

By Mr. ENGEL (for himself, Mr. ACKERMAN, Mr. ANDREWS, Mr. BERMAN, Mr. BURTON of Indiana, Mr. CHABOT, Mr. DEUTSCH, Mr. DORNAN, Mr. FORBES, Mr. FRANK of Massachusetts, Mr. GEJDENSON, Mr. HASTINGS of Florida, Mr. KILDEE, Mr. KING, Mr. KNOLLENBERG, Mr. LAHOOD, Mr. LANTOS, Mr. LEVIN, Mrs. LOWEY, Mr. MCCOLLUM, Mr. MCNULTY, Ms. MOLINARI, Ms. ROS-LEHTINEN, Mr. SAXTON, and Mr. TORRICELLI):

H. Con. Res. 190. Concurrent resolution urging the Government of Syria to withdraw its armed forces from Lebanon; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 359: Mr. BEVILL.

H.R. 708: Mr. CUNNINGHAM.

H.R. 878: Mr. YATES and Mr. KASICH.

H.R. 1010: Mr. MATSUI, Mr. DEUTSCH, Mrs. MINK of Hawaii, and Mr. BAKER of Louisiana.

H.R. 1229: Ms. HARMAN.

H.R. 1750: Ms. DELAURO.

H.R. 1776: Mr. CHRISTENSEN and Mr. GEPHARDT.

H.R. 1805: Mr. SAXTON.

H.R. 1863: Mr. LEACH.

H.R. 1899: Mr. YATES and Ms. NORTON.

H.R. 2016: Mr. HOBSON.

H.R. 2026: Mr. GUTKNECHT, Mr. BARCIA, Ms. BROWN of Florida, Mr. BROWDER, Mr. BEREUTER, Mr. GORDON, Mr. KANJORSKI, Mr. THOMAS, Mr. EWING, Mr. GOSS, Ms. ESHOO, and Mr. CHRISTENSEN.

H.R. 2089: Mr. FAWELL.

H.R. 2244: Ms. PRYCE.

H.R. 2246: Mr. GREEN of Texas.

H.R. 2391: Ms. GREENE of Utah and Mr. COBURN.

H.R. 2545: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 2651: Mr. BRYANT of Texas.

H.R. 2705: Mr. FRAZER, Mr. BROWN of Ohio, and Mr. GREEN of Texas.

H.R. 2868: Mr. HOKE.

H.R. 2900: Mr. HINCHEY, Mrs. SEASTRAND, Mrs. CUBIN, Mr. BEVILL, and Mrs. FOWLER.

H.R. 2928: Mr. LATOURETTE, Mr. SALMON, Mr. STOCKMAN, Mr. SMITH of Michigan, and Mr. DUNCAN.

H.R. 3037: Mr. RIGGS, Mr. VOLKMER, Mr. SANDERS, Mr. RAHALL, and Mr. EVANS.

H.R. 3084: Mr. DELLUMS, Mr. ROMERO-BARCELO, Mrs. LOWEY, and Mrs. MINK of Hawaii.

H.R. 3118: Ms. LOFGREN.

H.R. 3119: Mr. BOUCHER.

H.R. 3142: Mr. MINGE, Mr. OXLEY, Mr. DUNCAN, and Mr. MCKEON.

H.R. 3182: Mr. COSTELLO, Mr. JOHNSON of South Dakota, and Mr. RADANOVICH.

H.R. 3195: Mr. BALLENGER and Mr. BURR.

H.R. 3201: Mr. DORNAN, Mr. EHLERS, Mr. COMBEST, Mr. WELLER, Mr. BAESLER, Mr. CHAMBLISS, Mr. LUTHER, Mr. ROBERTS, Mr. STOCKMAN, Mr. PACKARD, Mr. BUNNING of Kentucky, Mr. KLECZKA, and Mr. CALLAHAN.

H.R. 3234: Mr. CRAPO, Mr. TAYLOR of North Carolina, and Mr. SHAW.

H.R. 3244: Mr. FATTAH and Mr. BOEHNER.

H.R. 3252: Mr. TOWNS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CUMMINGS, and Mr. FRAZER.

H.R. 3266: Mr. LUTHER.

H.R. 3277: Mr. CUNNINGHAM, Mr. BAKER of Louisiana, and Mr. SCHAEFER.

H.R. 3303: Ms. LOFGREN.

H.R. 3307: Mr. MCCOLLUM.

H.R. 3324: Mr. BARR.

H.R. 3338: Mr. MCINTOSH, Mr. ROTH, Mrs. THURMAN, and Mr. WALSH.

H.R. 3349: Mr. MASCARA, Mrs. COLLINS of Illinois, Mrs. CLAYTON, Mr. WAXMAN, Mr. PAYNE of New Jersey, and Mr. FRAZER.

H.R. 3384: Mr. EHRLICH and Mr. PETRI.

H.R. 3423: Mr. LEACH and Mr. SOUDER.

H.R. 3450: Mr. DOYLE.

H.R. 3460: Mr. HYDE and Mr. JOHNSTON of Florida.

H.R. 3477: Ms. RIVERS and Ms. LOFGREN.

H.R. 3482: Mr. DELLUMS, Mrs. MINK of Hawaii, Mr. DEFAZIO, Ms. SLAUGHTER, Mr. STEARNS, Mr. FRANK of Massachusetts, Mr. TORRES, Ms. LOFGREN, Mr. EVANS, and Mr. SHAYS.

H.R. 3496: Mr. EHLERS and Mr. DELLUMS.

H.R. 3508: Mr. BAKER of California, Mr. GREEN of Texas, and Mrs. SCHROEDER.

H.R. 3533: Mr. FROST, Ms. VELAZQUEZ, Mr. ACKERMAN, and Mr. HINCHEY.

H.R. 3564: Mr. LATOURETTE, Mr. CANADY, Ms. DELAURO, and Mr. KLECZKA.

H.R. 3568: Mr. WALKER.

H.R. 3602: Mr. EVANS and Mr. HUTCHINSON.

H.R. 3605: Mr. BILBRAY, Mr. HORN, Mr. DREIER, Mr. POMBO, Mr. MOORHEAD, Mr. KIM, Mr. ROYCE, Mr. ROHRABACHER, Mr. DOOLITTLE, Mr. MCKEON, Mr. BAKER of California, Mr. HERGER, Mrs. SEASTRAND, Mr. RADANOVICH, Mr. COX, Mr. CALVERT, Mr. HUNTER, Mr. PACKARD, Mr. CUNNINGHAM, Mr. CAMPBELL, Mr. FAZIO of California, Mr. DOOLEY, Mr. MATSUI, Mr. LANTOS, Mr. BERMAN, Mr. DIXON, and Ms. LOFGREN.

H.R. 3618: Mr. CASTLE, Mr. DELLUMS, Mr. STARK, Mr. FAZIO of California, Mr. BROWN of Ohio, Mr. GREEN of Texas, Ms. NORTON, Mr. DINGELL, Mr. EVANS, and Mr. CONYERS.

H.R. 3619: Mr. PETERSON of Minnesota.

H.R. 3636: Mr. SMITH of Michigan, Mr. DUNCAN, Mr. LINDER, and Mr. QUILLEN.

H.R. 3648: Mr. LANTOS, Mr. FRAZER, Mr. BOUCHER, Mr. EVANS, Mr. UNDERWOOD, and Mr. FROST.

H.R. 3665: Mr. MINGE.

H.J. Res. 180: Mr. GREEN of Texas.

H. Con. Res. 47: Mr. RIGGS and Mrs. MYRICK.

H. Con. Res. 103: Mr. NADLER and Mr. FRAZER.

H. Con. Res. 170: Mr. COX.

H. Con. Res. 177: Mr. MORAN and Mrs. MEYERS of Kansas.

H. Res. 285: Ms. FURSE and Mr. CUMMINGS.

H. Res. 286: Mr. ENGLISH of Pennsylvania.

H. Res. 441: Mr. GILMAN, Mr. LANTOS, Ms. ROS-LEHTINEN, and Mr. ACKERMAN.

H. Res. 452: Mr. FAZIO of California.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1462: Mr. CALLAHAN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3666

OFFERED BY: MR. BARR OF GEORGIA

AMENDMENT NO. 4: Page 70, line 2, after the dollar amount, insert: "(increased by $10,000,000)".

Page 70, line 21, after the semicolon insert: "$10,000,000 for the Clean Rivers and Lakes program under section 314 of the Federal Water Pollution Control Act;"

Page 66, line 8, after the dollar amount, insert the following: "(reduced by $10,000,000)".

H.R. 3666

OFFERED BY: MR. BARR OF GEORGIA

AMENDMENT NO. 5: Page 70, line 21, after the semicolon insert: "$10,000,000 for the Clean Rivers and Lakes program under section 314 of the Federal Water Pollution Control Act;"

H.R. 3666

OFFERED BY: MR. BARR OF GEORGIA

AMENDMENT NO. 6: Page 71, line 4, after the semicolon insert: *Provided further*, That from funds appropriated under this heading, the Administrator may use $10,000,000 for the Clean Rivers and Lakes program under section 314 of the Federal Water Pollution Control Act;"

H.R. 3666

OFFERED BY: MR. BENTSEN

AMENDMENT NO. 7: Page 95, after line 21 insert the following new section:

Sec. 422. None of the funds made available in this Act may be used by the Environmental Protection Agency to issue, reissue, or renew any approval or authorization for any facility to store or dispose of polychlorinated biphenyls when it is made known to the Federal official having authority to obligate or expend such funds that there is in effect at the time of the issuance, reissuance, or renewal a rule authorizing any person to import into the customs territory of the United States for treatment or disposal any polychlorinated biphenyls, or polychlorinated biphynyl items, at concentrations of more than 50 part per million.

H.R. 3666

OFFERED BY: MR. BENTSEN

AMENDMENT NO. 8: Page 95, after line 21 insert the following new section:

Sec. 422. None of the funds made available in this Act may be used by the Environmental Protection Agency to issue, reissue, or renew any approval or authorization for any facility to store or dispose of polychlorinated biphenyls when it is made known to the Federal official having authority to obligate or expend such funds that there is included as a binding and enforceable term of the issuance, reissuance, or renewal a commitment of the recipient of the issuance, reissuance, or renewal not to receive at the facility covered by the issuance, reissuance, or renewal any polychlorinated biphenyls, or polychlorinated biphenyl items, at concentrations of more than 50 parts per million that have been imported from outside the customs territory of the United States for treatment or disposal.

H.R. 3666

OFFERED BY: MR. BENTSEN

AMENDMENT NO. 9: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 422. None of the funds made available in this Act may be used by the Environmental Protection Agency to issue, implement, administer, or enforce any rule or order when it is made known to the Federal official having authority to obligate or expend such funds that the rule or order authorizes any person to import into the United States (pursuant to an exemption under section 6(e)(3)(B) of the Toxic Substances Control Act or otherwise) any waste containing concentrations or more than 50 parts per million (ppm) or polychlorinated biphenyls for the purposes of disposal or treatment.

H.R. 3666

OFFERED BY: MR. BROWN OF CALIFORNIA

AMENDMENT NO. 10: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act for the National Aeronautics and Space Administration may be used for the National Center for Science Literacy, Education and Technology at the American Museum of Natural History.

H.R. 3666

OFFERED BY: MR. BROWNBACK

AMENDMENT NO. 11: Page 28, line 20, after the dollar amount, insert the following: "(increased by $352,000,000)".

Page 61, line 14, strike "$365,000,000" and all that follows through page 64, line 4, and insert "$15,000,000.".

H.R. 3666

OFFERED BY: MR. DURBIN

AMENDMENT NO. 12: Page 65, line 16, after the second dollar amount, insert the following: "(reduced by $1,500,000)".

Page 66, line 8, after the dollar amount, insert the following: "(increased by $1,500,000)".

H.R. 3666

OFFERED BY: MR. DURBIN

AMENDMENT NO. 13: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—COMMUNITY PLANNING AND DEVELOPMENT—COMMUNITY DEVELOPMENT BLOCK GRANTS FUND", after $4,300,000,000" insert "(increased by $300,000,000, which additional amounts shall become available on September 30, 1997)".

In the item relating to "INDEPENDENT AGENCIES—FEDERAL EMERGENCY MANAGEMENT AGENCY—DISASTER RELIEF", after $1,320,000,000" insert "(reduced by $300,000,000)".

H.R. 3666

OFFERED BY: MR. GUTKNECHT

AMENDMENT NO. 14: Page 95, after line 21, insert the following new section:

SEC. 422. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3666

OFFERED BY: MR. HEFLEY

AMENDMENT NO. 15: Page 37, after "$962,558,000" insert "(reduced by $42,000,000)".

Page 69, line 8, after "$46,500,000" insert "(increased by $20,000,000)".

H.R. 3666

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 16: In the item relating to "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE—NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES", after each of the first and penultimate dollar amounts, insert the following: "(reduced by $12,787,000)".

H.R. 3666

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 17: In the item relating to "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE—NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES", after each of the first and penultimate dollar amounts, insert the following: "(reduced by $1,100,000)".

H.R. 3666

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 18: In the item relating to "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE—NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES"—

(1) after the sixth dollar amount, insert the following: "(increased by $30,000,000)"; and

(2) strike the tenth proviso.

H.R. 3666

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 19: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act for the Corporation for National and Community Service may be used for the operation of the Presidio Leadership Center at the Presidio National Park in San Francisco, California, or for the operation of any other training facility.

H.R. 3666

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 20: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act for the Corporation for National and Community Service may be used for training and technical assistance contracts.

H.R. 3666

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 21: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act for the Corporation for National and Community Service may be used for uniforms, site signs, palm cards, or any other national identity activity.

H.R. 3666

OFFERED BY: MR. HOEKSTRA

AMENDMENT NO. 22: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act for the Corporation for National and Community Service may be used to award any grant to any national service program when it is made known to the Federal official having authority to obligate or expend such funds that the amount of such grant exceeds $21,000 per program participant, using the accounting methodology utilized by the Government Accounting Office in its cost study of the Corporation.

H.R. 3666

OFFERED BY: MR. HOKE

AMENDMENT NO. 23: At the end of the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—COMMUNITY PLANNING AND DEVELOPMENT—COMMUNITY DEVELOPMENT BLOCK GRANTS FUND", insert the following:

Of the amount made available under this heading, $5,000,000 shall be available for the John Heinz Neighborhood Development Program under section 123 of the Housing and Urban-Rural Recovery Act of 1983.

H.R. 3666

OFFERED BY: MR. HOKE

AMENDMENT NO. 24: Page 95, after line 21, insert the following new section:

SEC. 422. None of the funds appropriated by this Act may be used for the aircraft consolidation at the Dryden Flight Research Center proposed in May 1995 in the Zero-Base Review of the National Aeronautics and Space Administration.

H.R. 3666

OFFERED BY: MS. JACKSON-LEE

AMENDMENT NO. 25: Page 95, after line 21, insert the following new section:

SEC. 422. None of the funds made available in this Act may be used to provide assistance under section 8 of the United States Housing Act of 1937 when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the assistance will be used for tenant-based assistance in connection with the revitalization of severely distressed public housing; and

(2) the public housing agency to which such funds are to be provided—

(A) has a waiting list for public housing of not less than 10,000 families;

(B) has a jurisdiction for which the Secretary of Housing and Urban Development has determined (pursuant to section 203(e)(2)(A) of the Housing and Community Development Amendments of 1978 or otherwise) that there is not an adequate supply of habitable, affordable housing for low-income families using tenant-based assistance; and

(C) does not include, under its plan for revitalization of severely distressed public housing, replacement of some of the public housing dwelling units demolished with new units.

H.R. 3666

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 26: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING PROGRAMS—ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING", after "$5,372,000,000" insert "(increased by $174,000,000)".

In the item relating to "INDEPENDENT AGENCIES—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—HUMAN SPACE FLIGHT", after "$5,362,900,000" insert "(decreased by $174,000,000)".

H.R. 3666

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 27: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—COMMUNITY PLANNING AND DEVELOPMENT—HOMELESS ASSISTANCE FUNDS", after "823,000,000" insert "(increased by $297,000,000)".

In the item relating to "INDEPENDENT AGENCIES—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—HUMAN SPACE FLIGHT", after "$5,362,900,000" insert "(decreased by $297,000,000)".

H.R. 3666

OFFERED BY: MR. KLUG

AMENDMENT NO. 28: Page 30, line 13, strike ", including" and all that follows through line 17 and insert a period.

H.R. 3666

OFFERED BY: MR. KOLBE

AMENDMENT NO. 29: Strike Section 421 of the bill.

H.R. 3666

OFFERED BY: MR. LAZIO

AMENDMENT NO. 30: Page 19, line 9, after the dollar amount insert "(reduced by $235,000,000)".

Page 19, line 11, after the dollar amount insert "(reduced by $235,000,000)".

Page 20, line 18, after the dollar amount insert "(increased by $235,000,000)".

H.R. 3666

OFFERED BY: MR. LAZIO

AMENDMENT NO. 31: Page 19, line 9, after the dollar amount insert "(reduced by $100,000,000)".

Page 19, line 11, after the dollar amount insert "(reduced by $100,000,000)".

Page 20, line 18, after the dollar amount insert "(increased by $100,000,000)".

H.R. 3666

OFFERED BY: MR. LAZIO

AMENDMENT NO. 32: Page 19, line 9, after the dollar amount insert "(reduced by $84,000,000)".

Page 19, line 11, after the dollar amount insert "(reduced by $84,000,000)".

Page 20, line 24, after the dollar amount insert "(increased by $84,000,000)".

H.R. 3666

OFFERED BY: MR. LAZIO

AMENDMENT NO. 33: Page 19, line 9, after the dollar amount insert "(reduced by $40,000,000)".

Page 19, line 11, after the dollar amount insert "(reduced by $40,000,000)".

Page 20, line 24, after the dollar amount insert "(increased by $40,000,000)".

H.R. 3666

OFFERED BY: MRS. LOWEY

AMENDMENT NO. 34: Page 70, line 21, after the semicolon insert: "$15,000,000 for grants to the State of New York to be used for New York City Watershed Protection;".

H.R. 3666

OFFERED BY: MR. MARKEY

AMENDMENT NO. 35: Page 95, after line 21, insert:

SEC. 422. None of the funds made available to the Environmental Protection Agency under the heading HAZARDOUS SUBSTANCE SUPERFUND may be used to provide any reimbursement of response costs incurred by any person when it is made known to the official having the authority to obligate such funds that such person has agreed to pay such costs under a judicially approved consent decree entered into before the enactment of this Act, and none of the funds made available under such heading may be used to pay any amount when it is made known to the official having the authority to obligate such funds that such amount represents a retroactive liability discount or similar reimbursement for response costs incurred by any person for liability under section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 that is attributable to a status or activity of such person that existed or occurred prior to January 1, 1987.

H.R. 3666

OFFERED BY: MR. MINGE

AMENDMENT NO. 36: Page 30, line 13, strike ", including" and all that follows through line 17 and insert a period.

H.R. 3666

OFFERED BY: MR. PALLONE

AMENDMENT NO. 37: Strike the last proviso under the heading HAZARDOUS SUBSTANCE SUPERFUND.

H.R. 3666

OFFERED BY: MR. ROEMER

AMENDMENT NO. 38: At the end of the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—ADMINISTRATIVE PROVISIONS", insert the following:

The amounts otherwise provided in this title for the following accounts and activities of the National Aeronautics and Space Administration are hereby reduced by the following amounts:

(1) "Human Space Flight", $1,840,200,000.

(2) "Science, Aeronautics and Technology", $308,400,000.

H.R. 3666

OFFERED BY: MR. ROEMER

AMENDMENT NO. 39: In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—HUMAN SPACE FLIGHT", after the dollar amount, insert the following: "(reduced by $75,000,000)".

H.R. 3666

OFFERED BY: MR. ROEMER

AMENDMENT NO. 40: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act for the National Aeronautics and Space Administration may be used to carry out, or pay the salaries of personnel who carry out, the Bion 11 and Bion 12 projects.

H.R. 3666

OFFERED BY: MR. SANDERS

AMENDMENT NO. 41: Page 37, line 13, after the first dollar amount, insert the following: "(reduced by $1,411,000)".

Page 64, line 9, after the dollar amount, insert the following: "(increased by $1,411,000)".

H.R. 3666

OFFERED BY MR. SHAYS

T4Amendment No. 42: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS," after the dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "FEDERAL EMERGENCY MANAGEMENT AGENCY—SALARIES AND EXPENSES", after the last dollar amount, insert the following: "(reduced by $15,000,000)".

H.R. 3666

OFFERED BY: MR. SHAYS

AMENDMENT NO. 43: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS," after the dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—HUMAN SPACE FLIGHT", after the dollar amount, insert the following: "(reduced by $15,000,000)".

H.R. 3666

OFFERED BY: MR. SHAYS

AMENDMENT NO. 44: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS," after the dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—SCIENCE, AERONAUTICS AND TECHNOLOGY", after the dollar amount, insert the following: "(reduced by $15,000,000)".

H.R. 3666

OFFERED BY: MR. SHAYS

AMENDMENT NO. 45: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS," after the dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—SCIENCE, AERONAUTICS AND TECHNOLOGY", after the dollar amount, insert the following: "(reduced by $60,000,000)".

H.R. 3666

OFFERED BY: MR. SHAYS

AMENDMENT NO. 46: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS", after the dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MISSION SUPPORT", after the last dollar amount, insert the following: "(reduced by $15,000,000)".

H.R. 3666

OFFERED BY: MR. SHAYS

AMENDMENT NO. 47: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS", after the dollar amount, insert the following: "(increased by $15,000,000)".

In the item relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MISSION SUPPORT", after the last dollar amount, insert the following: "(reduced by $60,000,000)".

H.R. 3666

OFFERED BY: MR. SHAYS

AMENDMENT NO. 48: In the item relating to "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS", after the dollar amount, insert the following: "(increased by $15,000,000, which additional amount shall become available for obligation on September 30, 1997)".

In the item relating to "FEDERAL EMERGENCY MANAGEMENT AGENCY—DISASTER RELIEF", after the dollar amount, insert the following: "(reduced by $15,000,000)".

H.R. 3666

OFFERED BY: MR. SOLOMON

AMENDMENT NO. 49: Page 95, after line 21, insert the following new sections:

SEC. 422. (a) DENIAL OF FUNDS FOR PREVENTING ROTC ACCESS TO CAMPUS.—None of the funds made available in this Act may be provided by contract or by grant (including a grant of funds to be available for student aid) to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) the maintaining, establishing, or operation of a unit of the Senior Reserve Officer Training Corps (in accordance with section 654 of title 10, United States Code, and other applicable Federal laws) at the institution (or subelement); or

(2) a student at the institution (or subelement) from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(a) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 423. (a) DENIAL OF FUNDS FOR PREVENTING FEDERAL MILITARY RECRUITING ON CAMPUS.—None of the funds made available in this Act may be provided by contract or grant (including a grant of funds to be available for student aid) to any institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) entry to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of Federal military recruiting; or

(2) access to the following information pertaining to students (who are 17 years of age or older) for purposes of Federal military recruiting, student names, addresses, telephone listings, dates and places of birth, levels of education, degrees received, prior military experience, and the most recent previous educational institutions enrolled in by the students.

(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 424. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

H.R. 3666

OFFERED BY: MR. STUMP

AMENDMENT NO. 50: After section 401 (page 88, after line 16), insert the following new section:

SEC. 401A. The amount provided in title I for "Veterans Health Administration—Medical care" is hereby increased by, the amount provided in title I for "Departmental Administration—General operating expenses" is hereby increased by, and each amount of budget authority provided in this Act for payments not required by law for the fiscal year ending September 30, 1997 (other than any amount of budget authority provided in title I and any such amount provided in title III for the American Battle Monuments Commission, the Court of Veterans Appeals, or Cemeterial Expenses, Army), is hereby reduced by, $40,000,000, $17,000,000, and 0.40 percent, respectively.

H.R. 3666

OFFERED BY: MR. TIAHRT

AMENDMENT NO. 51: Page 8, line 8, after the dollar amount, insert the following: "(increased by $20,000,000)".

Page 8, line 19, after the dollar amount, insert the following: "(increased by $20,000,000)".

Page 61, line 14, after each of the two dollar amounts, insert the following: "(reduced to $0)".

Page 64, line 4, after the dollar amount, insert the following: "(reduced to $0)".

H.R. 3666

OFFERED BY: MR. WALKER

AMENDMENT NO. 52: In the item relating to "NATIONAL SCIENCE FOUNDATION—RESEARCH AND RELATED ACTIVITIES", after the first dollar amount, insert the following: "(increased by $9,110,000)".

In the item relating to "NATIONAL SCIENCE FOUNDATION—SALARIES AND EXPENSES", after the second dollar amount, insert the following: "(reduced by $9,110,000)".

H.R. 3666

OFFERED BY: MR. WELLER

AMENDMENT NO. 53: At the end of the bill (before the short title), insert the following new section:

SEC. . (a) DEPARTMENT OF VETERANS AFFAIRS SHARING AGREEMENTS FOR HEALTH CARE RESOURCES.—(1) Subchapter IV of chapter 81 of title 38, United States Code, is amended—

(A) by striking out section 8151; and

(B) by redesignating sections 8152, 8153, 8154, 8155, 8156, 8157, and 8158 as sections 8151, 8152, 8153, 8154, 8155, 8156, and 8157, respectively.

(2) The table of sections at the beginning of such chapter is amended—

(A) by striking out the item relating to section 8151; and

(B) by revising the items relating to sections 8152, 8153, 8154, 8155, 8156, 8157, and 8158 to reflect the redesignations made by paragraph (1)(B).

(b) REVISED AUTHORITY FOR SHARING AGREEMENTS.—Section 8152 of such title (as redesignated by subsection (a)(1)(B)) is amended—

(1) in subsection (a)(1)(A)—

(A) by striking out "specialized medical resources" and inserting in lieu thereof "healthcare resources"; and

(B) by striking out "other" and all that follows through "medical schools" and inserting in lieu thereof "any medical school, health-care provider, health-care plan, insurer, or other entity or individual";

(2) in subsection (a)(2) by striking out "only" and all that follows through "are not" and inserting in lieu thereof "if such resources are not, or would not be,";

(3) in subsection (b), by striking out "reciprocal reimbursement" in the first sentence and all that follows through the period at the end of that sentence and inserting in lieu thereof "payment to the Department in accordance with procedures that provide appropriate flexibility to negotiate payment which is in the best interest of the Government.";

(4) in subsection (d), by striking out "preclude such payment, in accordance with—" and all that follows through "to such facility therefor" and inserting in lieu thereof "preclude such payment to such payment to such facility for such care or services";

(5) by redesignating subsection (e) as subsection (f); and

(6) by inserting after subsection (d) the following new subsection (e):

"(e) The Secretary may make an arrangement that authorizes the furnishing of services by the Secretary under this section to individuals who are not veterans only if the Secretary determines—

"(1) that such an arrangement will not result in the denial of, or a delay in providing access to, care to any veteran at that facility; and

"(2) that such an arrangement—

"(A) is necessary to maintain an acceptable level and quality of service to veterans at that facility; or

"(B) will result in the improvement of services to eligible veterans at that facility.".

(c) CROSS-REFERENCE AMENDMENTS.—(1) Section 8110(c)(3)(A) of such title is amended by striking out "8153" and inserting in lieu thereof "8152".

(2) Subsection (b) of section 8154 of such title (as redesignated by subsection (a)(1)(B)) is amended by striking out "section 8154" and inserting in lieu thereof "section 8153".

(3) Section 8156 of such title (as redesignated by subsection (a)(1)(B)) is amended—

(A) in subsection (a), by striking out "section 8153(a)" and inserting in lieu thereof "section 8152(a)"; and

(B) in subsection (b)(3), by striking out "section 8153" and inserting in lieu thereof "section 8152".

(4) Subsection (a) of section 8157 of such title (as redesignated by subsection (a)(1)(B)) is amended—

(A) in the matter preceding paragraph (1), by striking out "section 8157" and "section 8153(a)" and inserting in lieu thereof "section 8156" and "section 8152(a)", respectively; and

(B) in paragraph (1), by striking out "section 8157(b)(4)" and inserting in lieu thereof "section 8156(b)(4)".

EXTENSIONS OF REMARKS

IN HONOR OF MRS. SALLIE LANGSETH FOR HER INDUCTION INTO THE NATIONAL TEACHERS HALL OF FAME, DEER PARK, TX

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. BENTSEN. Mr. Speaker, I rise to honor Mrs. Sallie Langseth of Pasadena, TX, who will be inducted into the National Teachers Hall of Fame in Emporia, KS, on June 22, 1996. She is one of five educators in the country being inducted into the Hall of Fame. It is a particular honor to recognize Mrs. Langseth because she was named Texas' Teacher of the Year in 1995. I cannot think of a more deserving recipient of this award.

Mrs. Langseth is the first teacher from a Texas school district to be inducted into the National Teachers Hall of Fame. Mrs. Langseth taught in the Pasadena School District from 1969 to 1972 and has since taught in the Deer Park School District. She has distinguished herself through her innovative teaching methods and her dedication to her students, and her ability to help them understand problems. Her teaching goes well beyond the classroom, including hosting study groups in her home and tutoring former students who are having difficulty with their college math courses.

Mrs. Langseth's tremendous dedication in serving her students and our community is consistent with the highest degree of professionalism. I join her students, their parents, her colleagues, and our entire community in thanking her for all that she has done for the young people of Pasadena and Deer Park. She truly belongs in the National Teachers Hall of Fame.

TRIBUTE TO HILBERT L. BRADLEY

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. VISCLOSKY. Mr. Speaker, it is the belief of many that we are all put on this Earth for a reason. Mr. Hilbert L. Bradley has accomplished his mission in life after spending a lifetime working unselfishly to improve the lives of citizens in the city of Gary, as well as the entire State of Indiana. In a congratulatory celebration, the community of Indiana's First Congressional District will gather on Sunday, June 23, 1996, for a testimonial dinner to honor Hilbert. This dinner will take place at Marquette on the Lagoon in Gary, IN.

As an attorney dedicated to his profession, and a community activist dedicated to the well-being of others, Hilbert has tirelessly led the fight for equal opportunity, and civil and human rights protections for all people. He has provided legal counsel in landmark civil rights cases, as well as pro bono services for the NAACP. Hilbert is a noted trial lawyer and has had a distinguished career as a deputy prosecutor, corporation counsel, and interim judge and mediator.

In 1987, Hilbert founded the Indiana Coalition for Black Judicial Officials, and he serves as the group's general chairman today. The organization's purpose is to increase the number of black judicial officials in the State of Indiana. The Indiana Coalition for Black Judicial Officials organizes statewide public awareness campaigns which have resulted in an increased number of black referees and judges pro tem, the election of a black judge to the Lake County Superior Court, the appointment of Robert Rucker, the first African-American to serve on the Indiana Court of Appeals, Fifth District, and Myra Selby, the first female and the first African-American to serve on the Indiana Supreme Court.

Hilbert also cofounded the Fair Share Organization in 1958. Its purpose was to assure that black people receive their fair share of the fruits of American democracy. One major accomplishment of the organization was the employment of the first black managers of a major chain store, the A&P, in Gary.

Outside of the legal profession, Hilbert has reached out to several civic organizations. Hilbert's distinguished memberships include: lifetime memberships of the NAACP and the Kappa Alpha Psi Fraternity; the Urban League of Northwest Indiana; St. Timothy Community Church; Calumet Inn of Court; James C. Kimbrough Law Association; the Lake County Bar Association; the Indiana State Bar Association. He also serves as a board member for the Methodist Hospitals.

Moreover, he has received local and national recognition for having excelled in his profession. In 1994, Hilbert received the National NAACP William Ming Award, the Valparaiso University Black Law Students Association Education and Civil Rights Award, the Omega Psi Phi Inc. Citizen of the Year Award, and the Phi Delta Kappa (Beta Mu Chapter) Outstanding Service and Leadership Award. In 1992, Hilbert was inducted into the Steel City Hall of Fame, and, in 1991 and 1958, he received the NAACP Mary White Ovington Award. Hilbert is the only member to whom the Gary branch has twice presented this award. In 1990, Hilbert was presented with the Gary Frontiers Drum Major Award, the Focus 2000 Great Garyite Award, the NAACP Community Service Award, and the Tolleston Community Council Service Award.

As Hilbert reflects back on his career and community activism, he can hold his head high and be proud of his accomplishments. Hilbert is a true role model for all young professionals and citizens. Mr. Speaker, I ask you and my other distinguished colleagues to join me in honoring Hilbert Bradley for his unselfish dedication to make Indiana's First Congressional District, as well as the entire Nation, a better place in which to work and live.

ZACKY COLD STORAGE GROWTH WARMS FRESNO ECONOMY

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. RADANOVICH. Mr. Speaker, a major California poultry producer, Zacky Farms, is embarking on an expansion plan in cooperation with the city of Fresno, and I am pleased to bring it to the attention of my colleagues.

Zacky Farms is an engine of economic enterprise in my 19th Congressional District. In sharing the following article from the Fresno Bee, written by business news reporter Sanford Nax, I salute the men and women of Zacky Farms and wish them well as they grow and add value to our community.

[From the Fresno Bee, June 6, 1996]

ZACKY FARMS EXPANSION EXPECTED TO ADD 200 JOBS

(By Sanford Nax)

The latest expansion by Zacky Farms will generate 200 new jobs, with more to come as the poultry producer puts even deeper roots into Fresno.

A 75,000-square-foot addition to its Empire Cold Storage plant at East and California streets will add 13 million pounds of storage.

Also, 5,000 square feet of space is being added to the East Street turkey-processing operation in a related project, said Ken Rutledge, vice president and general manager of Zacky Farms.

Together, the two expansions will increase Zacky's local work force by about 200. The poultry processor employs about 2,400 people in Fresno and is one of the largest private employers in the county.

Many of the turkeys supplied to Zacky are raised in Fresno, Tulare, Kings and Madera counties. California is its largest market.

The expansion of the cold-storage plant should be complete in October. The addition to the turkey processing plant should be done in January.

The projects, which will total about $12 million, are among the $124 million worth of investment Zacky plans to make in Fresno in the next 20 years, Rutledge said.

Zacky operates turkey and chicken plants in Fresno, and the investments could lead to 3,400 new jobs over 20 years, city officials said.

Ruledge said an expanded freezer will enable Zacky to store all of its produce internally rather than contracting some of it out to a public freezer as it now does. The additional 5,000 square feet at the processing plant will allow Zacky to consolidate functions that are divided between two buildings, he said.

The expansions also will make Zacky's operation more energy-efficient and will reduce

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

water consumption. "This new equipment is very efficient," Rutledge said.

Zacky's "grand plan" in Fresno is being accomplished with help from city officials through a development incentive agreements.

In such agreements, companies get a credit for some development fees against the projected increase in tax payments. These agreements are common with large manufacturing companies that make significant contributions to the tax base and have large work forces.

"They provide the necessary incentive to encourage expansion and relocation," said Bill Evans, vice president of the Fresno County Economic Development Corp.

Any program that generates new jobs is welcome in a county where the labor pool is expanding at twice the pace of job creation.

Zacky Farms began business in Los Angeles in 1928 and expanded its operations to Central California and the Fresno area in 1971.

TRIBUTE TO PICATINNY ARSENAL

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. FRELINGHUYSEN. Mr. Speaker, when "Braveheart" won the Oscar for best motion picture this year, everyone knew about it, because an Oscar is the top award for the motion picture industry. The Emmys, the Tonys, the Pulitzers, the Nobels, and others are just like it. We recognize these awards and immediately equate them with excellence and unparalleled achievement in a certain field of endeavor. They represent the "creme de la creme," the best of the best. And when people win them, they receive well-deserved recognition.

But 2 weeks ago, a group of neighbors, friends, relatives, and peers in our community who work at Picatinny Arsenal won the top military awards for installation excellence, and no one seemed to notice. In fact, they won the top three awards, including the highly coveted President's award—an extremely rare feat in the military and one which is referred to as the Triple Crown in the hallowed halls of the Pentagon. At the ceremony, I sat next to Senator STROM THURMOND—who's served in the Senate longer than anyone else—and even he was shaking his head in amazement that one base won all the awards.

I was fortunate to have been with base commander Brig. Gen. James W. Boddie, Rockaway Mayor John Inglesino, and a group of Picatinny employees when they received the Army's top award, and I must admit it was an awesome explosion of pride. Military brass up to and including Secretary of Defense William Perry clapped long and loud, saluted time and again, and sat up and took notice of the success of Picatinny Arsenal.

The Defense Department created these awards to recognize excellence and to reward improvement in quality, performance, and productivity. The criteria that is used is exactly the same that private businesses are rated on when being judged for the prestigious Malcolm Baldridge Awards for Quality.

But what makes this achievement much more amazing is that all of this took place during what Secretary Perry called in his remarks "the toughest times in the U.S. military." Indeed, several top officers told stories of the pain and reality of working in the times of base closures and defense downsizing, when both civilian and military employment rolls are being reduced.

"You can't cut excellence," said Lt. Col. Carl Smith, in reference to the shrinking military. Smith is a staff officer who works for the assistant chief of staff for installation management. I asked him how rare it was that Picatinny hit the grand slam of military awards. "It is a milestone, because most of the time the larger installations—the Fort Bennings—are the top-dog winners. To have a smaller installation like Picatinny come in and win all three really is precedent-setting."

I couldn't say it any better myself.

On Memorial Day, we'll salute and remember the men and women who gave the ultimate sacrifice for this Nation. And when we do, we often think of veterans and those who currently serve our Nation in the armed services.

The men and women at Picatinny Arsenal are these people. They build the munitions and armaments that our soldiers in Bosnia and throughout the world are using. They assure that we have the best technology and arms to keep the peace.

When I traveled to Bosnia in December and met with our troops on the eve of their deployment, I saw determination, professionalism, and a willingness to do the job. When Secretary Perry led the thundering and raucous applause to congratulate Picatinny employees for being the best of the best, I saw joy and pride of a job well done.

Congratulations, Picatinny. I salute you, and salute those who gave their lives and those who have defended our country on this Memorial Day.

ACTING TO SHAPE THE FUTURE: MACHASKEE ADDRESSES WORLD NEWSPAPER CONGRESS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. STOKES. Mr. Speaker, just recently, the 49th World Newspaper Congress gathered in Washington, DC. Using the theme, "Vision for the Future," the group addressed the challenges which must be met if newspapers are to retain their vital place in the world.

One of the highlights of the World Newspaper Congress was a keynote address delivered by Alex Machaskee, the president and publisher of the Plain Dealer newspaper which serves my congressional district. Mr. Machaskee has enjoyed a distinguished career at the Plain Dealer, which spans approximately 36 years, serving at the helm as president and publisher since 1990. The newspaper has maintained a daily circulation level of approximately 400,000 and a Sunday circulation of 550,000. Among major metropolitan newspapers in the United States, the Plain Dealer ranks first in circulation penetration in the home county.

In his remarks at the World Newspaper Congress, Mr. Machaskee outlined how the Plain Dealer is meeting the current global competition. He said, in part,

> We are exploring and entering new areas to meet changing needs and a changing world. Indeed, in all that we do, we are acting to shape our future so it does not become necessary to react to save our existence.

Mr. Speaker, I am pleased to share the entire text of Mr. Machaskee's remarks with my colleagues and others throughout the Nation. It represents worthwhile and insightful reading.

ACTING TO SHAPE THE FUTURE

(By Alex Machaskee)

I want to express my thanks to Donald Newhouse, who addressed this Congress in Berlin in 1993 and "nominated" me to provide an update on the message he shared at that time. As you certainly know by now, this year's theme is "Vision for the Future," and those of you who were in Berlin three years ago may recall that Donald conveyed his own "vision for the future" at that time. Donald expressed the hope that his young grandson, Andrew, and his peers will still receive their news from newspapers when they are adults. Grandfather Donald expressed another hope for the future as well—that Andrew wouldn't be his only grandchild! Well, I am pleased to report to you that Donald's vision is already coming true. First, as an industry, we are beginning to successfully address the challenges we must meet if newspapers are to retain their vital place in our world and in the world of our children and grandchildren. Second—and of equal importance to Donald—young Andrew now has a little brother, Alexander, giving Donald two grandsons!

Back in 1993, Donald talked about the need for newspapers to "constantly reinvent ourselves," and he suggested five "seismic changes" that all of us in the industry must address. He mentioned (1) competition from mass marketers; (2) database marketing; (3) consolidation among retailers; (4) magazines and cable television focusing on narrower demographic groups; and (5) the multi-year recession which, fortunately, is now behind us. Donald cited The Plain Dealer as a case study in dealing with these seismic changes. Much of what he talked about was still in process at the time—most significantly the construction of our $200 million, state-of-the-art production and distribution center. So, Donald suggested that an update of our vision of the future might be in order.

Before I bring you up to date, I believe we all could agree that since 1993, two additional factors have had a crucial impact on our industry: the dramatic increase in newsprint prices, which have skyrocketed 55% in the United States since Donald addressed the Congress; and the intensifying competition for people's time and attention, especially from the Internet. Nearly 30 years ago, when I was promotion manager at The Plain Dealer, I told a marketing group: "Intelligent and foresighted planning permits the marketing-oriented newspaper to act to shape its future rather than react to save its very existence." That message is really at the heart of the philosophy that drives us at The Plain Dealer. Throughout our organization, we are acting to shape our future—to protect our news-on-paper franchise and to ensure our role as a primary provider of information for my own grandchildren, as well as Andrew and Alexander.

When we set out several years ago to "reinvent" The Plain Dealer, we determined that we needed to produce a more relevant newspaper for current and potential subscribers and that we had to create the capability to provide quality color reproduction for advertisers, better sectionalizing and more zoning availabilities for target marketing. Key to the strategy we developed was the "reallocation of resources" from redundant manufacturing and distribution activities to areas that would improve the content of the newspaper. We knew that enhancing our core product was the most essential component of our strategy. After all, the finest facilities and technologies in the world mean nothing unless the quality of the content is there.

So we adopted the phrase "Leadership in editorial excellence"—not only as a promotional tagline emblazoned on our trucks but as an attitude. We invested in people, adding 75 reporters and editors at a time when other newspapers were cutting back on stall. We added or enhanced a number of editorial features and sections aimed at specific demographic targets, including minorities, women and teen-agers. We also opened three bureaus in outlying counties as part of our commitment to in-depth coverage of the 125 communities in our primary circulation area. We began to provide more local news and features, including increased coverage of scholastic sports at 176 high schools. "News from around the world and around the corner" became our hallmark as well as a promotional slogan.

Not only did we change our product, but we fundamentally changed the way we produce and distribute it. In the late 1980's we began a planning process to identify and eliminate contract language that was an impediment to effectively managing the work force and implementing changes in technology. Considerable time and effort were put into developing an operational change plan based on how we would operate if we had no contractual limitations and restrictions to deal with. This exercise was particularly important as we planned our new production facility. The end result of that exercise was a 33-page document that served as our guide for setting bargaining goals and objectives and for implementing and managing change over the next several years.

In two very successful rounds of negotiations, we won more favorable contract terms and phased in a program of voluntary buyouts in the manufacturing and distribution areas of our operation. The first major component of the "reinvention" of The Plain Dealer was the phased-in opening of 19 strategically located circulation depots, where newspapers could be trucked in bulk by our drivers for pickup by independent distributors. The distribution of newspapers to depots would allow the use of a two-part run system when the new plant opened, with classified and feature sections being printed early in the evening and main news and sports printed several hours later. The depots were all fully operational a year before the plant opened, giving us ample time to work out bugs in the system.

This transition, which included a $3.5 million conversion of our fleet, meant we had fewer trucks, going to fewer places—so we were able to reduce our driver work force by about 80 positions. Surely the capstone of our "reinvention," however, was the 1994 opening of our Tiedeman Production and Distribution Center. With this plant, we now have the very latest newspaper technologies and capabilities, including electronic prepress pagination, high-speed printing and color capability throughout the newspaper.

The plant brought a high level of automation to our operation, and it resulted in a number of innovations of our own—including the only automated, cart-based loading, storage and delivery system operational in the world today. We are very proud of our facility, and grateful to our very supportive owners. We are also very proud of our people for helping to ensure a virtually problem-free startup. This was a result of the fact that, as I mentioned, we had already converted to the depot system a year earlier. It was also a result of the tremendous effort that went into planning and training.

To train our pressmen, for example, we erected two Goss press units and a folder next door to our downtown facility. Long before the new plant opened, we conducted test runs and produced live product on the new presses, easing the transition not only for the pressmen but for graphic designers and pre-press personnel as well. We went fully operational at the new plant in early April of 1994—and things went so smoothly that it was almost a "non-event." The changeover happened to coincide with the similarly exciting and successful opening of a new ballpark for our red-hot Cleveland Indians in downtown Cleveland. To most of our readers, our front-page headline the next morning seemed to refer to the opening of the ballpark and Cleveland's opening-day victory: "Just perfect," it said. But for us at The Plain Dealer, the headline had a second, more personal meaning.

As proud as we are of the Tiedeman facility, we know that shaping the future requires doing much more than building a new plant. That is why we are constantly "reinventing" and fine-tuning our primary product and the way we produce and distribute it. In the editorial area, we introduced a major graphic redesign in 1994, including not only easier-to-read body type, but a completely new headline face designed for us specifically for offset reproduction. We also continually develop additional features that target specific demographic groups. Over the past 18 months, for example, these have included weekly sections devoted to Family, Personal Finance/Personal Technology, On Campus, Driving and others, as well as Community pages twice a week.

Our teen section, which we call "NEXT," was redesigned and expanded by editors who involved teen-agers extensively in the process. We also have undertaken a number of major special sections for such events as the Major League Baseball playoffs, the opening of the Rock and Roll Hall of Fame and Cleveland's bicentennial celebration.

One project we are especially proud of is "What Makes Cleveland, Cleveland!"—48 pages of color photography featuring our metropolitan area through the eyes of our photographers. This was a very special section for several reasons. For one, it was a great device for showcasing our color capabilities and the talents of our photo staff. Even more importantly, it was great testimony to Editorial and Advertising working together. At the time, a major national retailer, Target stores, was entering the Cleveland market and was looking for a way to top off its marketing plan. Target became the only sponsor of the section, which later earned a major local advertising award as well as the National Printing Industries of America award for best four-color printing on newsprint. All in all, while color is very important, our primary focus is on creating an excellent product, day in and day out.

In "reinventing ourselves," to use Donald's phrase again, The Plain Dealer is rediscovering something that the best community-oriented newspapers of the past knew and practiced—that it is possible to be an aggressive watchdog while simultaneously recognizing pride and achievement in a community. Such undertakings as "What Makes Cleveland Cleveland" and the extensive coverage of the Rock Hall opening and the baseball playoffs come from a newspaper that has also been recognized as a civic watchdog. Our coverage of government investment practices, for example, was credited by banking experts with forestalling an Orange County-style bankruptcy in our home county. And editorially we have been aggressive in demanding reform of the Cleveland public schools.

Our goal is to create an information resource that competitors cannot match in terms of breadth and depth. At times, we can even hold our own against television in terms of timeliness. One of the best examples of that came last fall, when the Cleveland Indians brought our city its first post-season baseball game in 41 years. Things seemed to be working against us all night—the game was delayed several hours by rain, and on top of that it went into extra innings, ending after 2 o'clock in the morning. Many Clevelanders didn't get to bed until 3 o'clock or later. But thanks to the flexibility of our plant, some latitude in our deadlines and a lot of hustle on the part of our staff and our independent distributors, most of our readers woke up just a couple of hours later to the complete game story and color action shots in *The Plain Dealer*.

The power of color is the big story in Advertising. Major retailers tell us that, without question, color ads move more product. One of the most dramatic results, in fact, came from a department store that directly linked a color ad to a 45 percent increase in sales of a particular fragrance. Timeliness of advertising, too, can be dramatically effective. One Friday night last September when the Indians clinched the division championship, The Plain Dealer had special advertising pages ready to put on the presses—*IF* the Indians won. This required reconfiguring the presses on deadline, but planning and teamwork by Production, Advertising and Editorial and the capabilities of the new plant combined to make it possible. As a result, advertisers found crowds of baseball fans waiting for their doors to open on Saturday morning. And within hours, those customers snatched up millions of dollars' worth of championship jackets, T-shirts and caps.

Advertisers are very pleased with results like these, and so are we. In fact, in retail display alone, our color ad revenues were up 17 percent from 1994 to 1995. Color revenues from national advertising, while starting from a smaller base, were up 90 percent. And classified advertisers—particularly auto dealers—are seeing the benefits of using spot and full color. But color isn't the only story, as we continually work to identify appropriate new products and services in an effort to provide marketing solutions for our advertisers. Our Marketing Database now has well over one million names and addresses, appended with a broad array of demographic and lifestyle information from quality sources. In a joint effort between Advertising and Circulation, we are working rapidly toward the day when we can actually deliver an address-specific product. In the meantime, we are constantly exploring opportunities to utilize this wealth of information to help our advertisers achieve their marketing objectives.

Over the winter, for example, we put it to use for a heating and air conditioning distributor. This advertiser was running a print and broadcast campaign focusing on the theme of cold-weather pet care, and he wanted to supplement the campaign with a direct mail piece. His target consisted of dog and cat owners with specific income and demographic criteria. Using our data base, we were able to identify more than 10,000 readers who met these requirements. In our effort to be full-service providers and to develop marketing solutions for our advertisers, we are offering new options that go beyond traditional newspaper advertising. One such option is PDQuickline, our audio-based system that puts an array of information—including information about advertisers' products and services—at callers' fingertips.

Another new product is Star Watch, a nonproprietary, entertainment-oriented publication that carries single-sheet and other inserts to non-subscribers and enhances the effectiveness of advertising in the Plain Dealer. Being a full-service provider also requires the capability to compete successfully for advertisers' commercial printing business. This is a relatively small but growing part of our business, primarily involving supermarket preprints. Speaking of supermarkets, while many newspapers have all but lost food advertising, the leading supermarket chains in our market rank as our number-three and number-four advertisers. Our success in retaining these important advertisers is clearly a result of our ability to provide more than "traditional" newspaper advertising services. Circulation is an area that poses a special challenge for us, because we are in a shrinking marketplace—with a trend of outmigration of people from our core market. Even so, among major metropolitan newspapers in the United States, we rank first in circulation penetration in our home county—with 54% penetration daily and 72% on Sunday. And despite three suggested retail price increases in three years, we have maintained circulation levels of about 400,000 daily and 550,000 Sunday. This is largely a result of gearing the Circulation Division's efforts toward establishing a productive and efficient distribution system that provides both outstanding service and professionalism. Going forward, it requires building our ability to distribute an evermore narrowly targeted product.

We are also working to create an environment that enables our independent distributors to succeed, by improving communications, offering incentives and sponsoring seminars to help them run their operations profitably. And, to reduce the handling of money, we worked with Diebold Incorporated, the nation's leading maker of automated teller machines, to develop an ATM-like machine in which independent distributors can deposit their receipts at the depots. Considerable attention is being focused on single-copy sales, as well. We have worked hard over the past several years to improve our relationships with vendors and to develop the capability to determine by computer just how many newspapers should be placed at each location each day to avoid sell-outs and reduce returns. Our continuing community outreach efforts are helping us learn the concerns of various ethnic and nationality groups as well as young people, our readers of tomorrow. And within The Plain Dealer, we are working hard to get every one of our more than 1,600 employees committed to our vision of being the finest newspaper in the United States. Over the past 18 months, I have met with virtually every one of our employees, usually in groups of no more than 25 over breakfast or lunch. I have found these sessions insightful and invaluable in truly keeping a finger on the pulse of our newspaper.

As I mentioned at the outset, two significant factors have emerged during the past couple of years—newsprint costs and the Internet. In addressing these factors, it is interesting that we find ourselves dealing with "webs" in both cases. At The Plain Dealer, part of our efforts to reduce our newsprint consumption was a reduction in or web width this past February. The conversion went without a hitch, and the change in widths is imperceptible. Nevertheless, we expect savings of upwards of $1 million a year in our newsprint costs. The other "web," of course, is the burgeoning World Wide Web. As part of our vision for the future, we formed a wholly owned subsidiary this past year that specializes in developing Internet sites. In connection with this, we are actively working with advertisers and potential advertisers to identify opportunities for increased business. For example, recently we worked with the local Auto Dealers Association to provide a web site in connection with a major Auto Show.

Our first venture onto the Internet was rockhall.com, our very successful Web site for Cleveland's new Rock and Roll Hall of Fame and Museum. The site has recorded more than 20 million "page impressions" since its debut last August and has been named a "cool site" by many publications. In addition to features about the Hall of Fame and its inductees, the site offers a link that features information on Cleveland restaurants, hotels and museums. At The Plain Dealer, our vision of the future is very clear—the newspaper will remain our core business for as long as we can foresee. In fact, with the support of the Newhouse organization we are betting more than $200 million on this vision, represented by our new plant.

On June 5, 1994, at the formal dedication of The Plain Dealer's Tiedeman Production and Distribution Center, the symbolism was reassuring: it was young Andrew Newhouse who pushed the button to start the presses! Yet, like most of you, we are exploring and entering new areas to meet changing needs and a changing world. Indeed, in all that we do, we are acting to shape our future so it does not become necessary to react to save our existence. Most of us in this room have dedicated our lives to newspapers. For us, nothing beats the roar of the presses, and we believe nothing can ever replace the depth and breadth of information newspapers present. In the current environment, however, we need to work harder than ever to ensure that newspapers remain a vital part of our children's lves—and our grandchildren's lives—as well.

NORTH CAROLINA IS HOME TO A GREAT SOCCER TRADITION

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. COBLE. Mr. Speaker, the State of North Carolina is home to a great soccer tradition, particularly in women's soccer. This year, Mr. Speaker, the Sixth District of North Carolina is proud to add two more chapters to this outstanding tradition.

North Carolina has long divided its schools into classifications to determine sports champions. That way schools of equal size can compete fairly. This system also allows more schools the opportunity to compete for titles and trophies. We are proud to say, Mr. Speaker, that the Piedmont Triad is the home of the North Carolina 1A/2A/3A and the North Carolina 4A women's soccer champions for 1996.

The Ragsdale High School Tigers of Jamestown, NC, captured the 1996 1A/2A/3A State women's soccer championship, and the Whirlies of Grimsley High School in Greensboro, NC, claimed the 4A women's soccer championship. Both teams were crowned champions on June 1 in Raleigh, NC.

In the 1A/2A/3A class, the Ragsdale Tigers captured the State title with a 3 to 0 shutout of the Asheville Roberson Rams, limiting the Rams to just four shots on goal all game. The championship win capped off a brilliant 23–3 season for coach Brien Braswell's squad. The Ragsdale Tigers have been outstanding in the championships, claiming two State titles in the last 3 years.

Congratulations go to Sarah Judy, who won the championship game's Most Valuable Player Award. Mr. Speaker, congratulations on a great season are in order for Coach Braswell, manager Joey Menendez, Trainer Julie Hutchens, and team members Cindy Mullinix, Kyleen Hudson, Kelly Martin, Kristin Wittenborn, Anna Dellosa, Jordan Allison, Erin Beeson, Paige Waggoner, Vickie Cortes, Nicole Brannan, Ashline Green, Christie Dixon, Lindsey Moorefield, Laura Pendergrass, Ryan Andres, Danielle Gain, Emily McCoy, Cari Hammond, Michelle Pizzuro, Becky Garmon, Amanda Holtzman, Meg Herndon, and Kellie Dixon.

To athletic director Mike Raybon, principal Dr. Kathryn Rogers, the faculty, staff, students, parents, and friends of Ragsdale High School, we offer our congratulations for winning the North Carolina 1A/2A/3A State women's soccer championship.

Raleigh also was the site of another Sixth District high school State championship. The women's soccer team of Grimsley high School in Greensboro, NC, captured the 1996 State 4A women's soccer championship, defeating the Raleigh Broughton High School Caps 2 to 1. The victory moved the Grimsley Whirlies to a stellar record of 21–1–1 for the 1996 season.

The State championship was the third in 5 years for the Whirlies, and the win was truly a team effort. As Coach Herk DeGraw put it, "This one is sweet. Everybody stepped up and did their jobs extremely well."

Congratulations go to Laurie Benson, who won the championship game's Most Valuable Player Award. Congratulations are also in order for team members Meagan Renn, Cori Stevens, Lacy Ross, Sarah Ann Davis, Mollie Lynch, Meredith Seawell, Sarah Atkinson, Mikel Casey, Kristy Shumate, Kelly Clark, Jennifer Marsh, Carrie Anderson, Jamie Bombart, Kristen Moody, Courtney Black, Jessica Overby, and Ashley Andringa.

Mr. Speaker, on behalf of the citizens of the Sixth District of North Carolina, let me congratulate the 1996 Grimsley Whirlies on their State championship. Congratulations to head coach Herk DeGraw, assistant coach Susie Williams, announcer Dick Forrester, faculty trainer Joe Franks, student trainer Pablo Torrente, and statisticians Lisa Evans, Zach Wineberg, Tyler Spence, and Mike Cleaver.

To athletic director Bob Sawyer, principal Tom Penlend, the faculty, staff, students, parents, and friends of Grimsley High School, we offer our congratulations on winning the North Carolina 4A State women's soccer championship.

Once again, North Carolina remains a soccer hotbed and the Sixth District is proud to claim two more champions.

NORTH PONTOTOC STUDENT, ABIGAIL HAMILTON, IS DISTRICT WINNER IN RESPECTEEN SPEAK FOR YOURSELF PROGRAM

HON. ROGER F. WICKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. WICKER. Mr. Speaker, more than 15,000 seventh- and eighth-grade students around the country participated in this year's RespecTeen Speak for Yourself social studies curriculum program, which teaches young people about the political process. The program is part of the Lutheran Brotherhood's philanthropic initiative in support of our Nation's youth.

One of the final lessons in the program included having students write their Members of Congress to express their views or offer solutions to issues of interest. The letters were judged by a panel of educators and one winner was chosen in each congressional district. A seventh-grade student from North Pontotoc Attendance Center was selected as the winner from Mississippi's First Congressional District. Her name is Abigail Hamilton. Abigail wrote to me regarding prayer in our public schools.

I wanted to share Abigail's letter with my colleagues and congratulate her for participating in this program.

SPEAK FOR YOURSELF,
Ecru, MS, January 30, 1996.

Hon. ROGER WICKER,
U.S. Representative,
Washington, DC.

DEAR CONGRESSMAN WICKER: How would you feel if one day someone suddenly said you could no longer continue a tradition? Devastated? Grieved? This scenario describes what had been done to students, teachers, and the community of North Pontotoc. A tradition of student-initiated, student-led, prayer was taken from us. For approximately 20 years, we had this type prayer in our school.

On December 20, 1994, Mrs. Lisa Herdahl with the ACLU and People for the American Way filed a lawsuit against Pontotoc County Schools for having student-led, student-initiated prayer over the school's intercom. A court injunction last spring stopped prayer over the intercom. The court date deciding whether to continue student-initiated prayer is March 4, 1996 at federal court in Oxford, Mississippi.

George Washington warned: "reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle." Research proves the accuracy of his warning. Birth rates for teenagers and cases of sexually transmitted diseases have risen since 1962. Also, SAT test scores have plummeted for 18 consecutive years since that year. What happened in 1962? The Supreme Court took prayer out of public school with the Engel case.

I support you co-authoring the school prayer amendment with Congressman Istook from Oklahoma. Please participate in the meeting to force this amendment to the House floor, and do not allow compromises that would defeat the purpose of this amendment. I wouldn't want a government written prayer or mandatory participation in devotion. I trust you are influencing other congressmen to be co-signers of this amendment.

Our Constitution guarantees us freedom of speech and religion. However, should one person be allowed to dictate the beliefs of a community? Thomas Jefferson said: "The will of the majority, the natural law of every society, is the only sure guardian of the rights of man."

Sincerely,

ABIGAIL HAMILTON,
7th grader NPAC.

PRESIDENT VISITS YOUNG RESIDENTS OF HOMELESS SHELTER IN MOSCOW

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. SMITH of New Jersey. Mr. Speaker, I rise to note and commend the President for taking the time during his recent trip to Moscow to meet with, and encourage the work of Alexander Ogorodnikov, a former political prisoner and founder of the Christian Mercy Society. Alexander Ogorodnikov established a private shelter for young homeless from all over Russia who find themselves on the streets of Moscow without a roof over their heads. During the Moscow G–7 Nuclear Security Summit in April, President Clinton visited a number of the residents of the shelter.

Naturally, Mr. Ogorodnikov's work has been very challenging. After 70 years of communism, the institution of private charity has been slow to make a comeback. Resources are scarce; property rights are unclear. Bureaucrats often seem more determined to stifle than assist private initiative. Criminal structures would prefer that idle hands look in the direction of criminal activity for sustenance and livelihood. Nevertheless, Mr. Ogorodnikov has persisted. His efforts have been reported and applauded by the Moscow press, and Mayor Luzkkov's office has been supportive of his work. Some international organizations are providing a measure of assistance.

As Moscow was preparing for the Summit, Mr. Ogorodnikov had invited President Clinton to visit the Christian Mercy Society shelter to observe private charity in action in Russia. This request was forwarded through the Beautiful Hearts charitable organization of Erie, PA, and by many Members of the Congress of both parties. For logistical and security reasons, the President was unable to visit the shelter itself, but Mr. Ogorodnikov and his Beautiful Hearts associates had arranged an exhibit about the shelter at a Moscow hotel where the President had other meetings scheduled. Despite the heavy demands on his schedule, President Clinton graciously visited the exhibit and met with some of the young residents.

Mr. Speaker, the G–7 Nuclear Security Summit was about providing nuclear safety in our uneasy world, about governments cooperating with one another to reduce danger to millions of people. Security can also be a function of mutual understanding and having genuine concern—even across borders—for other human beings, one for another. By visiting the young people of the Christian Mercy Society shelter, President Clinton exhibited that concern on behalf of all of us here in the United States, and I appreciate his kind gesture.

TRIBUTE TO MICHAEL STEVENS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. VISCLOSKY. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to a celebrated community servant, Mr. Michael Stevens. On Friday, June 21, 1996, Michael, along with his friends and family, will celebrate his retirement from the Iron Workers Union Local No. 395 in Hammond, IN. This retirement dinner will be held at St. Elijah Serbian-American Hall in Merrillville, IN.

We are all fortunate to have dedicated people, like Michael, involved in the labor movement in Indiana's First Congressional District. Michael embarked on his distinguished career as an iron worker in local No. 392 in East St. Louis, IL, in June of 1966. He then moved to northwest Indiana and joined Iron Workers Local No. 395 in Hammond in September 1967.

In May, 1974, he suffered from a disabling fall on the job. During his convalescence, Michael earned a degree from Mineral Area College in Missouri. Following his graduation in June 1979, he returned to ironworking out of local No. 395 in September of that same year.

In 1981, Michael was elected to the local No. 395's examining board. In 1981, 1986, and 1991, Michael was elected to represent local No. 395 as a convention delegate. In 1984, Michael was elected as local No. 395's financial secretary-treasurer and he was reelected for three more terms in 1987, 1990, 1993. Michael retired this year after 30 years as a member of local No. 395, 15 years as an officer, and 4 terms as local No. 395's financial secretary-treasurer.

I offer my heartfelt congratulations to Michael, his wife, Bonnie, and his two children, Tina and Byron. They can all be proud, as Michael has worked arduously in the labor movement to make the American dream possible for others. Mr. Speaker, I ask you and my other distinguished colleagues to congratulate Michael, who has proven himself to be a distinguished advocate for the labor movement. I sincerely wish Michael a long, happy, and productive retirement.

TRIBUTE TO WILLIAM SINCLAIR

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. UPTON. Mr. Speaker, I rise today to honor Mr. William Sinclair. Please join me in congratulating Bill as he retires after spending almost two decades as the city manager of my hometown, St. Joseph, MI. For 18 great years he has dedicated his hard work and efforts into making St. Joseph a quality city and a great place to call home.

Bill's career in public service reaches back to 1954 when he began working as a surveyor and cartographer for the city of Detroit. His time in Detroit was interrupted for 2 years by a tour of duty in the U.S. Army. After spending a few more years in Detroit, Bill lent his engineering expertise to the cities of Birmingham and Rochester before calling the west side of the State his new home.

He has also been active in other aspects of the community. Bill has served on the Twin Cities Airport Board, the Harbor Authority, and has been a fixture in the Michigan Municipal League.

Over the past 18 years, local officials, city councils, businesses, and residents, alike, have all correctly sung the praises of this wonderful civic leader. He has been a fixture in our community and an integral part of its growth. His dedication, vision, and commitment has been an important ingredient in the rebirth of the twin cities area.

Mr. Speaker, I have been lucky enough to work with Bill Sinclair on many different occasions. Time and time again I have counted on Bill for his assistance, his advice and his abundant energy. I know that though Bill is officially retiring, looking out for the best interests of the people of the St. Joseph-Benton Harbor area will continue to be a major focal point in his life. Someone this dedicated simply could not have it any other way.

Mr. Speaker, please join with me on behalf of the people of Michigan's Sixth Congressional District in thanking Bill Sinclair for 18 years of dedication to St. Joseph, MI. I wish him and his wife, Hilda, a long, healthy, and happy retirement. All the best, Bill, and thank you for all that you have done.

TRIBUTE TO JIM WEATHERS

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to honor Mr. James J. "Jim" Weathers. Jim answered his Nation's call to arms, served his community, and most importantly raised a family. He provided a sterling example of what we hope to accomplish and strive to be.

Jim served in the U.S. Navy during the Vietnam war. Following his naval service, he participated in the Naval Reserve. As a member of New Lothrop Post 6579 of Veterans of Foreign Wars, he served as 9th VFW District Commander and captain of the VFW State Honor Guard and was instrumental in serving the needs of veterans. He was also employed by General Motors' Buick Motor Division for 32 years, 8 years as a driver.

Jim was born in Owosso, MI, on January 19, 1944, the son of Jerome and Gladys Weathers. He was a 1964 graduate of New Lothrop High School and resided in New Lothrop most of his life. He married Glenda Walworth on November 4, 1967, and raised a family.

Jim was a member of the West Flint Church of the Nazarene. He was also a member of the New Lothrop-Hazelton Township Fire Department and the Tri-County and Shiawassee Bike Club. Jim was very active with the New Lothrop Athletic Department.

Jim's extraordinary life was cut short during a recent biking trip. His family and accomplishments stand as a testimony to his commitment to service, dedication to country, and love of family.

Mr. Speaker, I know you will join me in paying tribute to Jim Weathers for his service to his country, his community, and his family. The people of mid-Michigan will miss him dearly.

TRIBUTE TO MS. IDA CASTRO

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Ms. Ida Castro, an outstanding individual who has dedicated her life to the empowerment of Hispanic women. Ms. Castro was recently appointed by President Clinton as Director of the Women's Bureau of the U.S. Department of Labor.

Mr. Speaker, Ms. Castro was born in Puerto Rico. On the island, she directed job training and job development programs. Later on she taught labor law at Rutgers University in New Jersey, and worked at Hostos Community College in my congressional district, the south Bronx, helping mothers who were receiving Aid for Families with Dependent Children become economically independent through full-time employment.

Ms. Castro has been a long-time advocate of women's issues. She has fought to improve working conditions for women, insure equal pay for equal work, incorporate employment with family needs, and increase job opportunities for women in all fields.

Prior to her appointment as Director, she worked as Deputy Assistant Secretary of Labor for Workers' Compensation programs and later as the Labor Department's Acting Deputy Solicitor. Through her new position at Labor's Women's Bureau, Ms. Castro will continue working to provide better employment opportunities for women and encouraging them to develop their full potential.

Mr. Speaker, I ask my colleagues to join me in congratulating Ms. Ida Castro for her new post as Director of the U.S. Department of Labor Women's Bureau and in recognizing her contributions to the advancement of women in this Nation.

HONORING SAM LENA

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. PASTOR. Mr. Speaker, today I rise to pay tribute to Sam Lena, a beloved public servant of southern Arizona who passed away on March 12, 1996. He will be greatly missed.

Sam Lena was born January 23, 1921, in Evergreen, LA. At the age of 20, he moved to Tucson for health reasons. For the ensuring 55 years, Sam was a distinguished member of the Tucson and the southern Arizona community. He was an outstanding softball player, and was well-known for being a strike-out ace. In one game as the pitcher for the Tucson Elks, he struck out 21 batters in eight innings. Sam was also a respected businessman and dedicated public servant.

His athletic skills and business talents gained him widespread recognition and respect throughout the community. This popularity encouraged him to move into a more formal leadership role. In 1965, he was appointed to the Arizona House of Representatives where he served two elected terms. In 1968 he was elected to the State senate where he served three terms and became a powerful force in southern Arizona politics.

From playing softball as a pitching strike-out ace to his extraordinary effectiveness as a public servant, Sam Lena infused his life with commitment and caring. He worked tirelessly for those groups and issues that were dear to him: Law enforcement, education, health care, social services, and the mentally retarded. Each of these areas benefited throughout Sam's tenure in the Arizona State Legislature, the Arizona State Senate, the Pima Country Board of Supervisors, and as the special assistant to Arizona Governor Rose Mofford while he directed her southern Arizona office.

Sam made government personal. To quote his friend and protege of many years, Pima County Supervisor Dan Eckstrom:

> Sam truly loved the many constituents that he served, from the youngest child to the oldest senior citizen. To him all people were the same. Yet, it was his special love for the indigent and disadvantaged that made him such the great community servant that he was. "Mr. Sam," as he was affectionately called by many, really enjoyed being out with his people, whether it was at the Knights of Columbus Hall, Lena's Liquors, the District 10 Democratic Club meetings, at Safeway, or just on the street, Sam was very approachable, willing to listen and always ready to help. He knew practically everyone in his district and everyone who knew him knew him first as a friend.

Sam Lena worked diligently to ensure that society's resources were available to all. But more importantly, he spoke for those who are often unable to speak for themselves: The poor, the disadvantaged, the downtrodden. In many areas of health care, services to the poor, recreation facilities, education, and services for the mentally retarded, Sam Lena's peace making ability and genius as a consensus builder made new and better programs possible.

In addition to his official duties as an elected and appointed public servant, Sam Lena was an activist for the community. Through his personal efforts on behalf of Kino Hospital, this critically needed community facility has been kept open. As a member of the Pima County Sports Authority, Sam was instrumental in promoting sporting activities, especially spring training baseball and the building of a new southside baseball stadium.

Kino Hospital and the new baseball stadium are a small part of the legacy Sam Lena leaves this community. The greater part of his legacy is the people he helped and encouraged. "Mr. Sam" was a friend, a teacher, a counselor, a mentor. Many community leaders were first befriended and encouraged by Sam Lena. The spirit of community that he engendered continues to grow through those he has mentored.

Sam was always available to counsel and to talk with those who needed a caring friend. We are fortunate that this man of good morale character, simple tastes, and mild manner offered his guidance to so many others. Many were encouraged by his example to emulate these positive characteristics.

To Sam Lena's many friends, to his beloved wife, Tina, to his children, Sam, Jr., Katherine, and Johnny, and his step-children, Christine and David, to his grandchildren, Jennifer, Julieanne, Catherine, Benjamin, Matthew and Sara, to his sisters, Lily and Virginia, and his brothers Buddy and Babe, I extend my sincere appreciation for their willingness to share this great man with so many others. His life is a model for all to follow. I thank Sam Lena for being my friend and for making his city, his county, his State, and his country better for all of us.

CAREGIVERS LEND A HAND

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. KNOLLENBERG. Mr. Speaker, I rise today to honor a special person who has taken on a special task.

Livonia native Vikki Kowaleski, publisher of Caregiver Monthly, and her husband John have dedicated themselves to people who need help.

After a personal experience with the everyday rigors of caregiving in which their ideas were innovative and praised, Vikki and John decided to share their experience.

They developed Caregiver Monthly, a nationwide, Livonia-based newsletter, which is published to encourage, support, assist, inform, and exhort caregivers throughout the world.

Celebrating the first anniversary of their initial publication this month, this first year has been a tremendous success.

Dedicated to helping those who—out of need or even the goodness of their hearts—care for relatives, the elderly, or those unable to care for themselves, Caregiver Monthly focuses on helpful hints and information on many things like nutrition, long-term care, and other important health and personal tips.

Often promoting ways to make caregiving easier, Caregiver Monthly is a very important reading for our dedicated individuals who care for those who need help the most.

Congratulations, Vikki and John, and keep up the great work. Caregiver Monthly is headed in the right direction. Your commitment to caregiving, as well as our outstanding dedication are tribute to your success. It is also an important part of making our community and country a better place.

THE 100TH ANNIVERSARY OF PEACE LUTHERAN CHURCH

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. COSTELLO, Mr. Speaker, I rise today to recognize Peace Lutheran Church in Steeleville, IL. August 9, 1996, marks the church's 100th anniversary.

Their first church was built in 1896 by 27 charter members. Peace considered itself an independent Lutheran congregation affiliated with the Wartburg synod, which it officially joined in 1933. In 1950, the remaining services still conducted in German were discontinued in favor of services conducted in "American." Throughout the years Peace has established a school for seventh and eighth graders, a Sunday school program, a missionary society, two children's choirs, a young women's missionary society, and a prayer group. In 1988, Peace Lutheran Church became part of the Central-Southern Illinois Synod of the Evangelical Lutheran Church in America.

Peace Lutheran Church has contributed to the life of the Steeleville community for a century. Their faith and dedication to their community remains a fine example for the people of Illinois and the country as a whole.

Mr. Speaker, on August 11, Bishop Zenker of the Central-Southern Illinois Synod will join Rev. James R. Lillie and the rest of the Peace Lutheran congregation for their 100th anniversary celebration. I ask my colleagues to join me in wishing them a wonderful celebration and hope that their next century can be as productive as the past century.

WHY CONGRESS NEEDS THE MENTAL HEALTH BENEFIT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. STARK. Mr. Speaker, I know it is not fashionable to seek perks for Members of Congress, but we desperately, desperately need one—and the country would be better for it if we obtained this benefit for ourselves.

We need the mental health parity amendment, because a majority of the Members are clearly suffering from severe mental disconnect. As an institution, we are in need of treatment.

I refer, of course, to the insanity of spending long hours trying to pass the Kennedy-Kassebaum amendment to improve health insurance coverage, while we are also about to pass Medicaid budget cuts which will effectively remove health insurance coverage from millions of Americans.

The Congressional Budget Office estimates that the Kennedy-Kassebaum bill might help about 550,000 people a year when they switch jobs or leave a job which offers health insurance and want to buy a policy of their own. It is a nice little bill and justifiably helps many worthy people. The Medicaid budget bill, on the other hand, will probably reduce Medicaid resources by a quarter of a trillion dollars over the next 6 years, and remove the guarantee of adequate health insurance from millions of children, parents, and grandparents. Thirty-seven million low-income blind, disabled, aged, and low-income children and their families are currently covered by Medicaid. Far more people will be hurt by the Medicaid cuts than will ever be helped by the Kennedy-Kassebaum bill.

If an individual pursued two such diametrically opposed actions, we'd say he was unbalanced and should seek professional help. The Senate in Kassebaum-Kennedy adopted an amendment to provide basically equal coverage of mental and physical health. I understand that that provision is being dropped. That is unfortunate. Members of Congress could use the help.

IN RECOGNITION OF THE SALVATION ARMY'S EFFORTS IN ST. LOUIS

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. TALENT. Mr. Speaker, I rise today in recognition of two outstanding programs that have made a tremendous impact on the St. Louis community: the Salvation Army comprehensive substance treatment and rehabilitation program [CSTAR] and the Salvation Army community in partnership family center [CIP]. These two organizations have worked with a consortium of businesses, service organizations, and governmental groups to provide the St. Louis community at large with invaluable homeless and drug treatment services.

The Salvation Army's CSTAR and CIP programs are part of an effort to help stabilize and empower homeless families and women with chemical dependencies so that they may help themselves. By nurturing a sense of dignity and resourcefulness, these programs enable individuals and their families to re-enter the community as participating citizens. Through the unique programming offered at each of the centers, families are given a foundation to rebuild their lives and eventually relocate into safe and affordable housing.

About a year ago, Congressman WATTS and I began to travel and visit organizations, like these, around the country. We asked the people and community leaders what they needed to run their programs more efficiently and what it would take to revitalize these impoverished communities.

All of the organizations found the Federal Government's involvement in their programs to be burdensome and intrusive. The Government made them jump through bureaucratic hoops, fill out stacks of paperwork, and follow silly, expensive, and troublesome regulations. They asked us to reduce this redtape and allow participants to enter their programs without having to comply with an abundance of requirements and to be able to run their program without being told which portions of the programs were acceptable and which were not.

Based on these recommendations and others from people we met, we introduced legislation designed to empower the institutions that provide structure, rehabilitation and order to low-income neighborhoods. The bill does this by empowering faith-based and other private groups, funding scholarships for low-income children, encouraging private investment and home-ownership, and assisting those neighborhood groups which are restoring structure to their communities.

The American Community Renewal Act allows for up to 100 renewal communities to be established on a competitive basis in both urban and rural areas. To be designated a renewal community, State and local governments would have to work together with neighborhood groups to lessen the burden of rules and regulations that hamper job creation.

There are two tenants of the bill that would directly and positively impact the Community in Partnership Family Center as well as the CSTAR program. The first is a charitable tax credit. Individuals would be able to contribute to the charity of their choice, whose mission is poverty relief, and receive a tax credit of up to 75 percent of a $200 donation. The other provision would allow renewal communities to voucherize their drug and alcohol rehabilitation programs. Participants would have the ability to choose where to receive their treatment—whether private or public. It's no great secret that private programs like CSTAR have tremendous success rates and little recidivism.

Targeting the few pillars of strength in these communities and empowering them is essential to uplifting the deterioration of our low-income communities. CSTAR, the family center, and others deserve the recognition and support from the Federal Government and I believe the community renewal bill does just that.

Mr. Speaker, it is both an honor and a privilege for me to pay tribute to these fine organizations, and commend them upon their efforts to ensure that all residents of St. Louis County have the opportunity to operate in the community as participating citizens. They are an outstanding example not only for the residents of St. Louis County, but to the Nation as a whole.

ACADEMIC HIGH SCHOOL: RANKED AMONG NEW JERSEY'S BEST

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Academic High School. Academic has consistently been ranked one of the best public schools in the State, and has been ranked one of New Jersey's top 21 best high schools by New Jersey Monthly.

At a time when some question the mission of our public school system, Academic High School is an example of what can be done with dedication and commitment to an ideal. Public schools can excel and anyone who doubts this need only take a tour of Academic High School.

Academic High School was established in 1976 as a college preparatory school for highly motivated students. Academic serves an ethnically and racially diverse population. Prospective students must undergo a highly selective screening process. This process is based on the student's elementary school performance, standardized tests, recommendations, attendance, and participation in extracurricular activities. With a student-teacher ratio of 15 to 1, every student's individual academic needs can be addressed. The faculty shows a great deal of dedication to their work. This is exemplified by the fact that 51.9 percent of the teachers hold master's degrees—well above the State average.

The students of Academic High School have consistently distinguished themselves at the Hudson County Science Fair. Academic students have won trips to the International Science Fair on a regular basis. Academic students have distinguished themselves by qualifying as National Merit semifinalists, as well as attending the Governor's Schools and the St. Peter's College Summer Scholars Program. Students also have received the New York Times' Young Citizen Award and placed first in the Kiwanis-Key Club essay contest. With achievements such as these, it is not surprising that 96.9 percent of the graduates go on to attend 4-year colleges, including the most competitive colleges, such as Harvard, Yale, MIT, and Cornell.

Despite the challenges inherent in providing quality, urban public education, Academic High School demonstrates that it can be done. Providing a quality public education takes dedicated teachers, parents, and students working together to build a community school. I want to particularly note the work of School Principal Robert J. Roggenstein, who has worked many long hours to fulfill the school's mission.

I am proud to have a school in my district that serves as a model for other urban schools. I ask that my colleagues rise and join me in honoring this outstanding school.

TRIBUTE TO THE AWARD WINNING STUDENTS OF HILLSBORO HIGH SCHOOL

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. CLEMENT. Mr. Speaker, on April 27–29, 1996, more than 1,300 students from 50 States and the District of Columbia were in Washington, DC, to compete in the national finals of the We the People . . . The Citizen and the Constitution program. I am proud to announce that the class from Hillsboro High School in Nashville represented Tennessee. These young scholars have worked diligently to reach the national finals by winning local competitions in their home State.

The distinguished members of the team representing Tennessee are: Aras Alexander, Meghan Ashford-Grooms, Allison Bradfield, Jennifer Cartwright, Andy Cheatham, Grace Cheng, Alfredo Cisneros, Hillary Condon, Lisa DeBusk, Kimberly Ewton, Marthie Francis, Blythe Gore, Corey Harkey, Eva Lea, Charles McMackin, Katie Newman, Casey O'Shea, Amanda Osteen, Austin Ray, Jamie Richards, Kristin Robertson, James Shadinger, James Shaub, Madeline Short, Eleanor Smith, Jennifer Tlumak, Emily Van Hook, Katie Walton, and Emily White.

I would also like to recognize their teacher, Mary Catherine Bradshaw, who deserves much of the credit for the success of the team. The district coordinator, Holly Brewer, and the State coordinator, Dorothy Skeel, also contributed a significant amount of time and effort to help the team reach the national finals.

The We the People . . . The Citizen and the Constitution program is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. The 3-day national competition simulates a congressional hearing in which students' oral presentations are judged on the basis of their knowledge of constitutional principles and their ability to apply them to historical and contemporary issues.

Administered by the Center for Civic Education, the We the People . . . program, now in its ninth academic year, has reached more than 70,400 teachers, and 22,600,000 students nationwide at the upper elementary, middle, and high school levels. Members of Congress and their staff enhance the program by discussing current constitutional issues with students and teachers.

The We the People . . . program provides an excellent opportunity for students to gain an informed perspective on the significance of the U.S. Constitution and its place in our history and our lives. I wish these students the best of luck in the national finals and look forward to their continued success in the years ahead.

A TRIBUTE TO DARRELL TORGERSON

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. FAZIO of California. Mr. Speaker, I rise today to salute a decorated veteran of public education, Darrell Torgerson, on the occasion of his retirement from active service.

Mr. Torgerson has taught chemistry to students at Mira Loma High School in Sacramento for the past 30 years. Over the course of those three decades, Mr. Torgerson's rare fusion of light-heartedness and dedication to the task at hand has earned him a permanent place in the hearts and minds of countless pupils.

Mr. Torgerson is the kind of teacher in whose eyes the classroom door is never closed, and in whose ears the dismissal bell never rings. Ignoring the common standards of mediocrity, Darrell Torgerson has set the standard for this students by demanding more of himself than was ever asked. Mr. Torgerson has devoted countless hours after school to tutoring both the eager and the frustrated, has worked closely with honor students on their science papers for the International Baccalaureate program, and has coached student teams to numerous victories in various local and national science competitions. His freshman students have made their mark in Sacramento area competitions by regularly taking first place over opposing high school teams made up of juniors and seniors.

We all know that teachers are the guardians of America's future, but we don't hear enough about teachers like Darrell Torgerson, who has been a guardian angel for an entire generation of young people. I commend him on his long and fruitful career, and I wish him the best of luck on the next stage of his life as educator.

INTRODUCTION OF THE PARENTAL LEAVE EQUITY ACT OF 1996

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 19, 1996

Ms. NORTON. Mr. Speaker, today, I introduce the Parental Family Leave Act of 1996, a bill which will ensure that employees who choose to care for a foster child or adopt a child will benefit from the same leave policy as their coworkers who are birth parents. This bill does not mandate that employers provide leave benefits beyond existing law, but rather that if they choose to provide such benefits, they do so for all parents equitably. Because the employers involved are generally larger businesses and the number of children is small, the bill will not burden employers.

The Family Medical Leave Act of 1993 [FMLA] provides that employers must grant up to 12 weeks of unpaid, job-protected leave for adoptive, birth and foster parents to care for a new child. Although some employers go beyond the mandate of the act and provide paid leave or allow paid sick leave to be used by employees with a new child, they often extend these benefits only to birth parents and not to foster parents or parents who adopt. My bill tracks the FMLA, correcting this inequity by providing that if an employer allows additional leave benefits for the birth of a child, the employer shall provide the same leave benefits to parents of a foster child or an adopted child. Thus, my bill does not require employers to provide leave policies beyond the requirement of the FMLA, but provides only for equal treatment for adoptive and foster parents, in keeping with the intent of the original legislation.

The basis for granting parental leave to both foster and adoptive parents overlap, but the circumstances of foster parents and adoptive parents are often different. Foster children are generally older children who have been removed from their own homes. Often they are children with specific needs. Sometimes they have been abused. Thus, a foster parent will normally have a greater challenge of adjustment than a new birth parent. A foster parent must acclimate to a child who already has set habits and personality traits. The foster child is sometimes intimidated by being thrust into her new surroundings. She may have come from dangerous or perhaps life threatening circumstances. In addition, foster care systems, especially those in large cities, are in great disrepair. A recent GAO report reported disgraceful circumstances for the care of many of these youngsters, a situation that is pervasive throughout the United States. The wreckage left behind by failed foster care systems is often reflected in the lives of foster children. They clearly need their parents in their new home as much, and probably more than the newborns who are the major recipients of paid leave.

Adopted children are generally not as old as foster care children and do not generally come to their new families from troubled circumstances. However, because most adoptive parents are caring for an infant, they find themselves in a situation similar to the parents of newborns. There is no reason, therefore, to treat them differently than birth parents.

There are few foster or adoptive parents in any single workplace, guaranteeing that the effects on the employer would be minuscule in keeping with the policy of the FLMA. I urge my colleagues to support this bill to help ensure that foster parents and adoptive parents receive the same opportunity as birth parents to bond with a new child and to acclimate that child to her new family and surroundings.

ZION EVANGELICAL LUTHERAN CHURCH CENTENNIAL ANNIVERSARY

HON. BART STUPAK

OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 19, 1996

Mr. STUPAK. Mr. Speaker, it is an honor for me to bring to the attention of the House of Representatives and the Nation that the Zion Evangelical Lutheran Church or Ironwood, MI, is celebrating its centennial anniversary on June 22, 1996. It was 100 years ago that 20 Lutherans were drawn together by their common faith to form the Church of Ironwood, MI. Today, the congregation has nearly 600 dedicated members who are proudly celebrating the love and faith that has been shared within the congregation and the Ironwood community for the past century.

In 1896, Pastor Michael Kivi was asked to lead the small congregation. He graciously accepted the offer and began his new job for a salary of $20 a month. Thirteen dedicated pastors have served the congregation since Pastor Kivi. Currently, Pastor Francis Strong leads the members in worship and fellowship.

The congregation has been planning the anniversary festivities since 1992. "The History of the Zion Evangelical Lutheran Church," a concise history of the parish, was printed last fall. An original stage play was written for the celebration entitled "Workers in the Vineyard." A centennial feast is being hosted on June 22 for members and friends of the congregation.

Mr. Speaker, on behalf of all northern Michigan, and the entire Nation I would like to congratulate Zion Evangelical Lutheran Church on 100 years of faith, love, and ministry.

FATHER THOMAS PATRICK JOSEPH DOYLE, S.J.

HON. ROBERT A. BORSKI

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 19, 1996

Mr. BORSKI. Mr. Speaker, I rise today to honor Father Thomas J. Doyle, S.J., who will be celebrating the 50th anniversary of his ordination into the Society of Jesus on June 30, 1996.

Father Doyle, a product of the Philadelphia community, attended the Gesu Grammar School, Roman Catholic High School, and St. Joseph's Preparatory School before deciding to serve God and the community. Upon his graduation from St. Joseph's in 1933, Father Doyle entered the Society of Jesus. After performing his priestly studies in Toronto, Canada, he was ordained on June 30, 1946, by James Cardinal McGuligan. Father Doyle returned to Philadelphia to celebrate his first mass at Our Lady of Mercy Church before traveling the world as an educator, mission director, editor, and preacher.

Since returning to Old St. Joseph's Church in 1967, Father Doyle has become a pillar of the Philadelphia Community. He has served as chaplain to the Federation of Irish Societies of the Delaware Valley, the Irish Society, Legion of Mary, Knights of Columbus, and the Ancient Order of Hibernians. Father Doyle was honored as the 1992 Hibernian of the year for his selfless dedication to the community and willingness to help those in need.

Father Thomas Patrick Joseph Doyle epitomizes the Jesuit ideals. Today, I join his friends in offering both thanks and congratulations for his years of dedicated service.

CUTTING SPENDING

HON. LEE H. HAMILTON

OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 19, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 19, 1996, into the CONGRESSIONAL RECORD.

CUTTING SPENDING

Despite much of the political rhetoric in Washington, Congress and the President have made significant progress on reducing the federal budget deficit. For the first time since President Truman, the deficit has been reduced for years in a row. In fact, the projected 1996 deficit ($140 billion) is less than half of the 1992 deficit ($290 billion). Compared to the size of the economy, the U.S. deficit is now lower than that of any other major industrialized nation. However, much more must be done. The challenge facing Congress is to maintain this discipline and stay the course until the deficit is erased. In past months, Congress has taken a number of positive actions.

1996 SPENDING

With my strong support, Congress recently passed the last of the yearly appropriations bills which fund basic government operations. Overall, these bills cut spending $23 billion blow 1995 levels—about 5 percent. I voted to eliminate more than 200 wasteful programs, including the Advisory Commission on Intergovernmental Relations, the modular helium reactor program, a congressional warehouse and parking lot, and many more.

LINE-ITEM VETO

With my support, Congress passed a line-item veto, and the President signed it into law. Under this provision, the President can object to any specific project or program and return it to Congress. Without a two-thirds vote in both the House and Senate, the program would be eliminated. This is an important step in efforts to block wasteful spending and "pork-barrel" projects. I am disappointed that the congressional leadership delayed this provision until 1997 by defeating an effort to make it effective immediately. If this had passed, even more could be saved from spending bills this year.

BALANCED BUDGET AMENDMENT

For the first time in history, the House last year approved a balanced budget amendment to the Constitution. The version that passed the House would require a ⅗ vote of both the House and the Senate to pass an unbalanced budget or to raise the debt limit. It would allow certain exemptions in time of war or national security threat. I voted for this amendment, and am disappointed that it failed in the Senate.

DOWNSIZING GOVERNMENT

With my support, Congress voted in 1994 to cut more than 270,000 federal positions by 1999. We are significantly ahead of schedule, with more than 160,000 positions eliminated, leaving the federal workforce smaller now than at any time since the mid-1960s. We should continue this course, focusing particularly on top-heavy bureaucracies that have the bulk of their employees in Washington, D.C. It has been my personal practice each year to reduce administrative spending for government programs and agencies to lessen the opportunity for waste. During the appropriations process for fiscal year 1996, I supported many amendments to reduce overhead in certain government agencies and programs.

REFORMING GOVERNMENT PURCHASING

Too often we hear about outrageous government purchases of $600 toilet seats or $100 screwdrivers. Centralized management is often inefficient. Last year, with my support, Congress passed legislation to streamline the wasteful government procurement process. The new law reduces paperwork burdens, streamlines acquisition procedures, and cuts government purchasing costs. It encourages federal employees to act like private businesses and purchase certain supplies at a local office supply store if it saves money. It also expands the bidding process to make it more competitive and efficient.

SIX-YEAR BALANCED BUDGET

I voted for a plan to balance the budget in six years. This conservative "Coalition" budget asks all Americans to do their fair share with equitably distributed savings. This plan would cut spending by more than $700 billion. It reforms welfare, protects Social Security, preserves Medicare and Medicaid for the future, maintains investments in education and job training, and cuts corporate subsidies. The Coalition budget would reduce the deficit by $9 billion in 1997, $25 billion in 1998, and continue on a glidepath to a balanced budget in 2002.

Unfortunately, the House defeated this budget and passed a version that would increase the deficit in 1997 and 1998. This is the plan that was supported by House Speaker Newt Gingrich. I voted against increasing the deficit. The main difference between this plan and the Coalition budget is that the Speaker's plan borrows an additional $150 billion to expand certain tax breaks. As a result, the national debt would be billions of dollars higher in 2002 than under the Coalition budget. The Coalition budget demonstrates that it is possible to make tough budget choices while reflecting the values American cherish: responsibility, honesty, fairness, and the promise that the future will be better for our children. The problem with the budget supported by Speaker Gingrich is that increasing the national debt would leave even more of a burden on our children.

It is correct that both the Speaker's plan and the Coalition plan balance the budget on paper, but the Speaker's plan postpones 82% of the deficit reduction until after the 1998 elections. In fact, the President's separate plan makes a similar mistake. History shows that such an approach is a recipe for failure. Time and time again Congress has passed "deficit reduction" plans that postpone serious spending cuts for several years. My position is that we should use the Coalition approach and pay our bills now, and not just promise to pay them later. We should continue reducing the deficit, year by year, in a disciplined, methodical manner.

Unless significant changes are made, the final budget plan is expected to be vetoed by the President. Although the differences between the sides are significant, I think the American people want Congress and the President to continue negotiating to reach agreement on the budget. It is the responsibility of leaders in both parties to put aside partisan differences for the common good of the nation.

Over the past year, both the President and the congressional leadership have moved towards the Coalition budget. There is still time to unite the American people behind a tough, honest, and fair balanced budget that reflects basic American values and invests in our future. It would be a tragedy if the progress that has been made since 1992 is reversed with a budget that increases the deficit in 1997 and 1998. I will continue to urge all of my colleagues to seek a final agreement.

TRIBUTE TO HUGH B. MITCHELL, FORMER MEMBER OF CONGRESS

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. McDERMOTT. Mr. Speaker, I rise today to pay tribute to a former Member of both Houses of Congress, Hugh Burnton Mitchell. Mr. Mitchell died on June 10, at age 89, and his family and friends are gathering at Daybreak Star Center in Seattle to remember him today.

Hugh Mitchell was a true son of the Northwest, and true Democrat. His belief, that government could help people realize their dreams, was at the core of his public service. He was born in Great Falls, MT in 1907, grew up on a dairy farm, and attended public schools. After graduating from Dartmouth College, he engaged in editorial work at an Everett, WA newspaper. In 1933, he joined the congressional staff of U.S. Representative Monrad Wallgren, and extended his service on the Hill for 12 years, including Wallgren's term in the Senate.

When Wallgren was elected Governor of the State of Washington, he appointed Mitchell to serve the balance of his Senate term. Hugh Mitchell was just 37 years old when he was sworn on January 10, 1945—the second youngest U.S. Senator at the time. He was defeated for election in 1946, but was elected to the House in 1948 and served in the 81st and 82d Congresses. He was not a candidate for renomination in 1952, but mounted an unsuccessful bid for the governorship of Washington in 1952.

Mr. Speaker, our country has changed dramatically in the 40 years since Hugh Mitchell graced the floor of this Chamber, but the principle that animated his public service is timeless: that government could and should aid the people he represented. He listened to the people, and tried to put government to work for them.

Hugh Mitchell's congressional career began as World War II was ending; the country's agenda then was similar to that which faces it today in the post-cold war era. Mitchell urged conversion of America's war-related industries to peacetime infrastructure-building, both to put people to work, and to prevent a reversion to the hardships of the Depression.

America's hard-won superiority in science and technology, he believed, should be used to relieve the tensions and miseries of the war-torn world. He supported the Marshall plan for Europe, but also proposed a similar program of engagement in Asia. Had the Congress heeded his prophetic advice, we might have avoided the disastrous route that took our country into conflicts in Korea and Vietnam. "We must make allies in Asia," he warned, "or we are doomed to protracted, costly, and indecisive wars."

His ideas about cultivating constructive cooperative relationships with Pacific Rim countries were part of the long tradition of trade and friendship among the people of the Northwest and their neighbors to the East. Our APEC program today is a culmination of the vision of Washington State advocates such as Warren Magnuson, Henry Jackson, and Hugh B. Mitchell.

Mitchell's legislative agenda also included the careful stewardship of the abundant natural resources of the Pacific Northwest. Adoption of his plan for comprehensive management of the Columbia River Valley by the Congress might have averted the ecological crisis we now struggle to overcome.

Hugh Mitchell's reputation as a far-sighted intellectual is complemented by his legendary attentiveness to the wisdom of his constituents. His civility of discourse and equanimity in the face of adversity sprang from his faith in the democratic process. His pragmatic vision of government of, by, and for the people is a legacy that enhances this body, Mr. Speaker, and I commend it to you.

AMERICA WANTS HEALTH CARE REFORM

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. PACKARD. Mr. Speaker, America's wait for health care reform is nearly over. My colleagues in both the House and the Senate have reached agreement on the Health Coverage Availability and Affordability Act of 1996. This is the health care bill the American people have wanted for years.

The Republican health care reform plan is portable and affordable. Despite the extremist efforts of the Clinton administration to nationalize this Nation's private health care system, the long wait for portable and affordable heath care is over, and, it took a Republican Congress to get it done. Our plan ensures portability, fights fraud and abuse, cuts red tape, increases access, and enhances affordability.

For the first time, working Americans will be able to leave their jobs without having to worry about losing their health care insurance due to preexisting conditions. Up to 25 million Americans per year will benefit from this agreement, which eliminates preexisting condition exclusions for persons with prior health insurance coverage. An additional 4 million job-locked Americans are freed to job hunt because insurance companies will be required by law, to accept persons who had prior health insurance coverage.

This agreement fights fraud and abuse by creating new penalties against those who engage in health care fraud. It creates a national health care fraud and abuse control program to coordinate Federal, State, and local law enforcement actions and funding is increased for investigation, reviews, and prosecutions.

To provide greater access to health care, the agreement fights discrimination in the Tax Code against millions of small, self-employed business men and women by giving them virtually the same rights as large corporations to deduct their health insurance costs. It allows tax deductions for long-term health care needs, and it allows terminally ill patients and their families to receive tax-free accelerated death benefits from their insurance companies.

The President and his liberal allies insist on perpetuating big Government policies and socialized heath care. America rejected it in 1993, and they do not want it today. The Health Coverage Availability and Affordability Act of 1996 ensures portable, affordable health care for working Americans.

It is time the Clinton liberals stop dragging their feet and came to the negotiating table.

DO NOT PUT HARD-WORKING AMERICANS AT RISK

HON. GREG LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. LAUGHLIN. Mr. Speaker, like other Members of this body, I abhor terrorism and support ongoing efforts to reduce the spread of weapons of mass destruction. But I also want to be sure that we do not hurt hard-working Americans in our efforts to achieve foreign policy objectives. From the outset, I have been particularly concerned that enactment of this bill might hurt the citizens of the 14th District of Texas and American families throughout the country.

As the chairman of the Trade Subcommittee knows, I was particularly concerned that the bill, as reported by the International Relations Committee, could have two potentially harmful effects. First, the initial bill would have put at risk the jobs of Americans at totally innocent U.S. subsidiaries of foreign companies. Second, the initial bill could be read to apply retroactively to investment commitments made and contractual obligations undertaken many years ago.

Through the strong leadership and personal intervention of the chairman of the full committee and of the Trade Subcommittee, these concerns have been addressed. I am gratified that the unprecedented innocent subsidiary provision was dropped in its entirely. That change alone will ensure that workers in my district will not have their livelihoods affected by the actions of others that were well beyond their control. Moreover, the bill was redrafted to ensure that the long-standing principle of contract sanctity is preserved. To eliminate any possible interpretive ambiguity, the definition of investment makes clear that the legislation applies only to activities undertaken pursuant to an agreement entered into with the Government of Iran or the Government of Libya (or nongovernmental entities formed by those governments) after the date of enactment. Thus, for example, companies can continue to honor their contractual obligations under existing contracts without fear of being sanctioned. As a result, the supply of services and other subcontracts, farm-in arrangements, and the like in connection with contracts entered into prior to the date of enactment will not expose companies to potential sanctions. Similarly, companies may continue the development of oil resources as contemplated under exploration and production-sharing agreements signed long before introduction of this legislation. By addressing these legitimate concerns of the business community, our committee has preserved an important principle while reducing the likely exposure of U.S. companies and U.S. workers to foreign government retaliation.

As the administration made clear in its testimony before the Trade Subcommittee, it too shares my concerns about the potential unintended consequences of the legislation. I was pleased that the administration indicated that the bill should apply only prospectively, to future contracts and to future investments. With the bill before us today, the administration should be in a better position to ensure that hard-working Americans in the 14th District or anywhere in our great land will not be put at risk.

In closing, I wish to again commend our Committee leadership for producing a bill that maintains long-standing principles, reduces the risk of harmful retaliation, and provides the President with the flexibility needed to ensure that the American economy is not adversely affected by our pursuit of foreign policy objectives.

HONORING "OLD" JOE CLARK

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. ROGERS. Mr. Speaker, I rise today to honor one of southern Kentucky's country music legends, "Old" Joe Clark.

"Old" Joe recently celebrated his 50th year of performing at Renfro Valley, Kentucky's premier country music venue. He has been making us laugh with his unique brand of country humor and skillful banjo-picking for the last half century. He is a true treasure of the Commonwealth.

"Old" Joe came to Renfro Valley after entertaining folks in and around his home of Johnson City, TN. After sharpening his talents in Tennessee, "Old" Joe attracted the attention of Renfro Valley's founder, John Lair. And, as they say, the rest is history.

It did not take long for "Old" Joe's fame to spread throughout southern Kentucky. And, he was soon a part of the national country music scene. He appeare at the Grand Ole Opry and performed with some the Nation's top country stars.

"Old" Joe Clark talents are legendary at Renfro Valley. For 50 years, he has set the standard for an entire generation of country musicians and comedians. Without a doubt, "Old" Joe has left his mark on the Renfro Valley community.

Mr. Speaker, I am very proud to honor "Old" Joe Clark on his 50th anniversary at Renfro Valley. I know that the people of southern Kentucky love Joe and appreciate his lifetime of service to entertain us.

TRIBUTE TO WENDY GUEY, 1996 NATIONAL SPELLING BEE WINNER

HON. MARK ADAM FOLEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. FOLEY. Mr. Speaker, today, I rise to salute an exceptional student from Palm Beach County, FL, Miss Wendy Guey. At 12 years old, Wendy attends the Palm Beach County School of the Arts and was the winner of the 1996 Scripps Howard National Spelling Bee.

Not only a talented pianist and violinist, Miss Guey is also a bright, young lady who calmly spelled vivisepulture to become a national champion. To get through the early rounds, she spelled correctly—parquet, multifarious, and gesticulate. Aside from a small shopping trip, she donated $200 to her school while the rest of the prize money has been put away for college.

This was Miss Guey's fourth National Spelling Bee. In 1993, she came in fourth place at the unbelievable age of 9. This year, she came back after missing two words in previous rounds to win the championship.

Perhaps most importantly, Miss Guey has reached a level that all American students should strive to achieve. Education cannot be emphasized enough; our children need to be prepared to attain the skilled positions that will await them in the future. For the United States to compete on the international level, young individuals such as Miss Guey need to become the role models for all students.

I am proud to recognize Miss Guey for her victory as well as her parents Mr. and Mrs. Ching and Susan Guey of Palm Beach Gardens. We should all be proud to salute Wendy for her achievements and wish her the best of luck in her future endeavors.

POSTAL REFORM

HON. JOHN M. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. McHUGH. Mr. Speaker, the following letter by Postmaster General Marvin Runyon was published in the June 1, 1996 Washington Post as a rebuttal to an earlier Washington Post column calling for the creation of a Government commission to address the complex issues of postal reform. The authors of the original article—Messrs. David Ginsburg, Murray Comarow, Robert Hardesty and David Harris—argued in their guest column, "Delivery for the Postal Service," that postal reform would best be addressed through the creation of a Government commission to report and analyze these important public policy issues. While I do not embrace that conclusion, I included their column in the CONGRESSIONAL RECORD of June 6.

In his rebuttal, Mr. Runyon argues to the contrary and says that the Postal Service cannot wait for results of findings of a commission. Mr. Runyon stresses that the Postal Service has begun to meet the demands of today's mail delivery and that legislative reforms are needed to keep it thriving for years to come. I will be introducing such legislation in the next few days.

[From the Washington Post, June 1, 1996]

ALREADY DELIVERING

(By Marvin Runyon)

Were the Postal Service a private company, it would be the ninth-largest business in the United States. It is bigger than Coca-Cola, Xerox and Eastman Kodak—combined. With more than 750,000 employees in all U.S. states and territories, the U.S. Postal Service is the largest civilian employer in the country—accounting for one out of every 170 U.S. paychecks. Last year, the Postal Service delivered 181 billion pieces of mail—more pieces in a day than Federal Express delivers in a year.

No doubt the complex and amazing U.S. Postal Service faces some serious challenges. But does anyone seriously believe that this calls for creating another government commission?

In their article of May 20 ["Delivery for the Postal Service," op-ed] four friends of the Postal Service—David Ginsburg, Murray Comarow, Robert L. Hardesty and David F. Harris—argue for just such a panel.

The fact is, the Postal Service can't wait for a commission. We've already begun to turn things around.

No tax dollars fill our coffers. And the real price of a stamp, when adjusted for inflation, is about the same today as it was in 1971. But today's Postal Service makes a profit. Last year, we earned $1.8 billion. So far, we're on track to earn between $700 million and $900 million in fiscal 1996.

In 1995 we set a record of 88 percent for on-time delivery. We expect to set a new record when new statistics are released next week. Moreover, we intend to raise our national on-time delivery average for local first-class mail to 92 percent by next year. By 2000, we are aiming for 95 percent or better, with similar improvements in other service categories.

We're also working to raise revenue and exploring the universe of technology. In the coming months, we will be launching hybrid mail services that combine the speed of computer messaging with the security and impact of the U.S. Mail. We'll also be introducing electronic money transfer services, international catalogue shopping, convenient new bill-paying methods and dozens of new services available at our 40,000 post offices.

And we're increasing service, not costs, by reengineering the way we deliver the mail. Last year, we launched a new blueprint for excellence called CustomerPerfect!, which is helping us examine how we deliver the mail every step along the way, from the back dock to the customer's mailbox. At the same time, we're working to reduce labor costs, which account for some 80 percent of our annual budget.

But more must be done. Legislative reform is needed to allow the Postal Service to keep pace with the communications business; for example, to offer business customers volume discounts and customized service contracts. We need the authority to test new products more easily and bring them to market more quickly. And we need changes that will bring labor negotiations back to the bargaining table so we can better control our costs.

The Postal Service doesn't need a commission. It needs to have the shackles of government regulation loosened so it can continue its commitment to excellence.

INS TO BE COMMENDED IN MIAMI

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. DIAZ-BALART. Mr. Speaker, the Immigration and Naturalization Service [INS], created by Congress over a hundred years ago—March 3, 1891—has been charged with the responsibility of providing services under the Immigration and Nationality Act, which among other things includes providing assistance to individuals seeking naturalization—the process by which eligible immigrants become U.S. citizens. Therefore, INS is appropriately involved in the citizenship process as an integral part and I believe that Commissioner Meissner has made significant progress in reducing the extensive processing backlogs for prospective new citizens as interest in naturalization has increased substantially during her term as commissioner.

Although I cannot speak for other portions of the country, in Miami INS has done a commendable job of moving applicants through the citizenship process expeditiously. As a part critic of INS's failure to process applications on a timely basis, I have been encouraged by the important headway INS has made in reducing the average time for completing an application.

Naturalization applications have severely outpaced the capacity of INS—from just over 200,000 in 1983 to over a million in 1955, and thousands of applications had been accumulating in Miami with a mere 22 personnel to process them. To respond to this unacceptable situation, using its own fee revenue, INS has added 158 naturalization personnel to the Miami District staff this year to handle the steadily increasing volume of citizenship applications. In the first half of this year, thanks to the additional staffing provided by Commissioner Meissner, the Miami district has been able to complete close to 30,000 N–400 applications—the standard naturalization form—which is over 1,000 more than the Miami district completed in the entire year for 1995. I have been pleased with this progress and commend Commissioner Meissner's hard work to ensure that naturalization is given the priority it merits.

Through its Citizenship USA project, INS is meeting on a monthly basis in Miami with local organizations to improve community outreach. Groups such as One Nation, the Catholic Legal Immigration Network Inc. [CLINIC], Dade County Schools and the Hispanic Coalition have worked with volunteers and local officials to help the INS facilitate its citizenship activities.

To be eligible for citizenship, an immigrant must be a legal permanent resident for at least 5 years—three if married to a U.S. citizen—exhibit good moral character and understanding of constitutional principles, demonstrate a knowledge of U.S. history/civics and basis English—unless exempted for age or disability—and must pay an application fee of $95 which funds the INS process of examining each case. Thus, naturalization is not an automatic step for every immigrant, and those individuals who have gone to the trouble and effort of playing by the rules and have demonstrated their dedication and desire to be a U.S. citizen deserve the opportunity to be processed on a timely, efficient basis by INS. Although there have been enormous backlogs in the past, I believe that Commissioner Meissner is taking important steps toward helping immigrants naturalize and take full advantage of citizenship in these great United States.

CITRUS TRISTEZA VIRUS

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. RIGGS. Mr. Speaker, northern California, with its benign temperature, is home to many agricultural products, including grapes, stone fruits, vegetables, and citrus. California has 275,000 acres in citrus groves. Roughly 30,000 to 35,000 people are employed in the citrus industry, which means ontree revenues of $546.3 million for the State of California. However, if the brown citrus aphid intrudes into our groves, everything we worked so hard for will be lost.

The brown citrus aphid is the carrier for the citrus tristeza virus or CTV. CTV is a very destructive disease that has already killed over 40 million trees worldwide and is projected to destroy 180 million citrus trees on citrus tristeza virus-sensitive sour orange rootstock in the United States, Mexico, the Caribbean, and other parts of North America. If there is even one strain of the CTV in the rootstock, it will debilitate the trees and will produce extremely low quantities of fruit. If the quantity of citrus decreases, it means millions of dollars in revenue lost for the State of California.

My colleagues in Arizona, Flordia, Louisiana, and Texas share California's understanding of the importance of the threat presented by the brown citrus aphid. If not controlled, the disease will escalate and will affect the U.S. citrus industry, possibly eliminating the United States as a major supplier of fresh fruit and juice concentrate in the world.

Congress has already made a commitment to fight the citrus tristeza virus in the fiscal year 1996 and fiscal year 1997 Agricultural appropriations bills with a $500,000 special research grant. However, I believe more needs to be done. The farm bill, passed earlier this year, created a $3 million cooperative national research initiative to control the citrus tristeza virus and the brown citrus aphid. The program would entail new research and develop technologies needed to manage the disease, provide environmentally and energy-efficient control measures, and reduce the economic losses due to the diseases caused by the CTV. Unfortunately it was not possible to fund the research initiative in this year's appropriations bill. However, if additional monies become available to the committee, I will work to ensure that the CTV research initiative is given strong consideration for funding.

AUNG SAN SUU KYI AND HER WORK IN BURMA

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. ABERCROMBIE. Mr. Speaker, today there was a ceremony commemorating the 51st birthday of Aung San Suu Kyi, the rightful leader of Burma. It highlighted the continuing repression occurring in Burma. As you know, Burma is ruled by a brutal military dictatorship which rejects the mandate of the democratic elections of 1990.

Although Aung San Suu Kyi is no longer under house arrest, the military regime has been stepping up its repressive measures against her and her party, the National League for Democracy. As the sixth anniversary of the democratic election approached, over 200 people were arrested. Recently, the regime released half of the detainees. These arrests were the latest example of the egregious human rights situation in Burma.

Aung San Suu Kyi and members of the National League for Democracy did not give in to the fear of retribution. They held rallies these past two weekends and will continue to meet.

I say to Anug San Suu Kyi, thank you for your courage and devotion to principle, you inspire all of us. You are a very courageous woman, who has endured uncomprehensible hardships. We will continue to help restore you and the rightfully elected parliament to power in Burma and end the horrendous human rights violations.

SALUTE TO THE MISSIONARY EFFORTS OF NINTH AND O BAPTIST CHURCH

HON. MIKE WARD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. WARD. Mr. Speaker, I rise today to salute the Ninth and O Baptist Church of Louisville, KY. This remarkable congregation led by Pastor Rodney Burnette organized relief efforts for the children of a war-torn Bosnia.

Last October, the parishioners of the Ninth and O Baptist Church organized an amazing conglomeration of "shoebox blessings" filled with a variety of gifts for children in Bosnia. They worked in collaboration with the Southern Baptist Foreign Mission Board administrator in Eastern Europe Bill Steele to iron out the specifics of the project. They then appealed to other churches, schools, and community organizations to donate boxes filled with toys, clothes, picture books, and candy for children of ages up to 13 years old.

More than 2,700 boxes were collected as well as over 200 cases of medical supplies and 150 cases of food. Thanks to this extraordinary church group, thousands of Bosnian children had gifts for Christmas. I would like to take this opportunity to commend them for their efforts and their commitment to building bridges of peaceful offerings to the unfortunate victims of war across the Atlantic.

TRIBUTE TO DARLENE CAROL CALVERT

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. FILNER. Mr. Speaker, I rise today to honor a great community leader who passed away last week—Darlene Carol Calvert.

Ms. Calvert dedicated her life to community service. She was active in the Unitarian Universalist Church of San Diego and in its Women's Federation and Project Freedom of Religion. She was coordinator of the Religious Rights Task Force and advisor for Planned Parenthood at her church. She served as founder and chairwoman of the San Diego chapter of the Religious Coalition for Abortion Rights and as a member of the board of directors of the Coalition for Reproductive Choice.

As a woman who had been stricken with polio at the age of 15, she committed herself to ensuring that others in similar situations could enjoy a rewarding and independent life. She was an appointee to the County Committee for Persons with Disabilities, and she lobbied for access to facilities and services for disabled persons.

With a power wheelchair, arm braces and a ventilator to provide oxygen, she lived as independently in San Diego as her health would permit—and she worked at The Access Center, a nonprofit agency that provides services for the disabled, representing her clients in their efforts to also live independently.

Despite being told often that she would never finish college or be employed, she received a bachelor's degree in social work and a master's degree in counseling from San Diego State University. She was employed in social work and chemical dependency counseling, first at Episcopal Community Services and then at the California Youth Authority. She joined The Access Center in 1993 and coordinated a program to buy adaptive equipment for people with severe disabilities.

She was honored with several awards, including the Gallantry Award by the Easter Seal Society, the Unsung Unitarian of the Year Award, the Woman of the Year Award by the Coalition for Reproductive Choice, and the Freedom of Religion Award by the Religious Coalition for Abortion Rights.

But of all the awards, the most significant was the respect and admiration of her friends, family, and community for her community involvement, her passionate advocacy for the disabled, and her desire to make the world a better place for all people with disabilities.

We seldom find a person as dedicated and brave as Ms. Calvert—those who touch us with their perseverance and optimism. My thoughts and prayers go out to her partner, Chris Shelly, to her family, and to her friends in the disabled community and in the San Diego community at large. She will be missed.

THE PART-TIME AND TEMPORARY WORKERS PROTECTION ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mrs. SCHROEDER. Mr. Speaker, we live in a disposable society. We have disposable diapers, cups, plates, utensils, gloves, needles, razors, bags, heat packs, and flashlights. We even have disposable cameras and contact lenses. But we have gone too far. We have entered the age of the disposable worker.

I am talking about the contingent work force, which is made up of part-time workers, temporary employees, independent contractors, day laborers, and others. Let me make it clear. I am not talking about teenagers flipping burgers. Contingent workers can be heads of a households. They can be old or young. But, not surprisingly, they are disproportionately women and minorities.

Employers increasingly view contingent workers as disposable. Contingent workers often provide short-term profits to employers who don't want to pay health insurance, pension benefits, unemployment insurance, and vacation and sick leave. This is not to say that there should be no part-time or temporary jobs. They provide flexibility for both employees and employers. Moreover, there are consciences employers and temporary agencies that set the standard when it comes to pay and benefits for part-time and temporary workers. But the rise in the number of involuntary contingent workers and the recent corporate purging that has taken place paint a gloomy portrait of contingent work in America.

Temporary employment alone grew 10 times faster than overall employment between 1982 and 1990. In 1982 contingent workers constituted a quarter of the labor force. And that number continues to rise.

Not surprisingly, women and minorities are overrepresented in the part-time and temporary work force. For example, the percentage of African-Americans in the temporary work force is double that of the whole work force. Moreover, two out of three temporary workers are women. Women and minority groups, therefore, suffer a disproportionate share of the drawbacks of involuntary part-time and temporary employment—lower per-hour wages than full-time workers; reduced or no employment-based health, retirement, and other benefits; and the constant threat of being released with little or no warning.

Employees who worked for Honeywell Information Systems found out the hard way. After working for Honeywell as a computer programmer for 8 years, Jimmie Ruth and the majority of her department were laid off. She was hired back as a consultant, but the change in status resulted in a loss of benefits and forced her to pay Social Security taxes. She found herself working along side her former coworkers, who had also been hired back without their benefits.

Corporations that replace full-time workers with temporary workers do it to save money. But it can often cost taxpayers money. We all pay higher health costs when uninsured workers receive expensive emergency care rather than preventative medicine. We all pay when employees without retirement plans must depend on public assistance. We all pay when families are unable to reinvest money back into the economy.

There is little proof that replacing core workers with contingent labor benefits companies. According to management research consultant Helen Axel, companies do not always save money by providing contingent employees with lower wages and fewer benefits. The productivity of companies is often negatively impacted by the high turnover rates of contingent employees. The costs and time required for training new waves of temporary employees are not compensated for by trimming wages and benefits.

Cutting jobs has become profitable in another way—fattening the pockets of CEO's. When Robert Allen, CEO of AT&T, announced 40,000 layoffs in January, he made more than $5 million as AT&T stock soared. This is in addition to his $3 million salary. So Allen earned millions for firing thousands.

The Part-Time and Temporary Worker Protection Act address this problem. Simply put, if an employer provides health care and pension benefits to full-time workers, then they must provide partial coverage to contingent workers.

Under the bill, all employees working 500 hours or more per year receive a prorated share of health benefits under the employee sponsored group health plan based on the amount they worked. In other words, an employee who works 20 hours per week is eligible for half of the benefits of a full-time employee.

In addition, employees working 500 hours or more per year are eligible to participate in an employer-provided pension plan at the same prorated rate.

The bill also allows voluntary part-time workers to receive unemployment compensation while looking for part-time work. Currently, in order to receive unemployment insurance, a part-time worker must look for, and accept if offered, full-time work.

Another concern is the misclassification of employees as independent contractors. The Part-Time and Temporary Workers Protection Act limits the IRS's ability to waive employer tax liability for misclassifying employees as independent contractors and prevents Federal and defense contractors from willfully misclassifying employees as independent contractors.

Finally, the bill requires the Bureau of Labor Statistics to conduct an annual survey to determine the level of health and pension benefits for temporary employees, the number of jobs an individual holds, and the number of hours an individual works on each job.

I urge my colleagues to join with me in supporting the Part-Time and Temporary Workers Protection Act of 1996.

TRIBUTE TO 1996 PRESIDENTIAL SCHOLAR BRAD CONNERS

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. KLECZKA, Mr. Speaker, I rise today to pay tribute to Brad Conners, who was named a 1996 Presidential Scholar. As a constituent of mine, it is a special honor to congratulate Brad and his distinguished teacher, Mr. John Burke.

Each year, only 141 students in the country are selected for the prestigious Presidential Scholar award. The competition is fierce, and those that are chosen must demonstrate excellence in academics, leadership, and school and community involvement.

Brad recently graduated from Catholic Memorial High School, where he excelled both in and out of the classroom. Namely, he finished school with an A average and was a member of the academic decathlon team. Coached by Mr. Burke, the team took second place at the State finals. Brad won individual honors, as well, with a gold medal in economics and bronze medals in both fine arts and science.

In addition, Brad participated in football, basketball, and track all through high school. In fact, this year the Catholic Memorial track team took the State championships by one-half of a point thanks to Brad's relay team in the final event. And, somehow he still found the time to coach a youth basketball team in his community.

Brad's parents, Mike and Sheila Conners, are undoubtedly very proud of their son's achievements. I share in their pride and wish Brad the best of luck in his studies at Notre Dame next year.

IN HONOR OF MARIO JIMENEZ

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. TORRES. Mr. Speaker, I ask my colleagues to join me in recognition of the great honor that will be bestowed upon Mr. Mario Jimenez of Whittier, CA.

On June 28, 1996, during the annual graduation ceremony of the university of his hometown, Huitzuco, Guerrero, Mexico, Mr. Jimenez will be named the "Father of the Generation" for the class of 1993–96.

Mario Jimenez, a leader of the community and a philanthropist in my congressional district, has spent many years supporting our local youth and educational initiatives. As a successful businessman in Pico Rivera, Mario has dedicated his time and resources to various programs and activities that promote excellence in education. He is a member of the Congressional Award Council, a national organization that challenges and recognizes young people in my congressional district.

In honor of the following 1996 graduates of the Centro de Bachillerato Tecnologico, I congratulate the candidates to receive a bachelor of science in electricity: Francisco Castrejon Marban, Isahi Flores Garcia, Eden Vladimir Garces Nunez, Ricardo Ernesto Garcia Castro, Jose Alfredo Jimenez Roman, Adrian Lopez Carrera, Jose Esteban Marban Salcado, Rafael Mendoza Pañaloza, Jorge Israel Ortega Figueroa, and Jorge Luis Rivera Roman y Armando Tellez Escamilla.

The following candidates are to receive a bachelor of science in fiscal accounting: Flavio Aguirre Pineda, Lazaro Alonso Astudillo, Edgar Aragon Perez, Heriberto Coronel Flores, Silberto Calindo Garcia, Marlyn Gonzalez Varga, Maribel Ildenfoso Flores, Martha Eugenia Jimenez Elizalde, Rubi Nelly Lagunas Gaytan, Suhail Lopez Garcia, Omar Marban Ocampo, Nayelli Miranda Sanchez, Celina Nieves Nieves, Adson Peralta Bautista, Alicia Rodriquez. Arellano, Claudia Rojas Aragon, and Susana Sonido Gomez.

The following candidates are to receive bachelor of science in administrative information: Nazaria Basilio Saavedra, Alejandro Casarrubias Merino, Violeta Castillo Jaimes, Elida Castro Ayala, Victor Hugo Delgado Hernandez, Antonio Elizalde AVila, Ozcar Encarnacion Jaimes, Flor Figueroa Taboada, Alfonsina Hernandez Castrejon, Matriza Hernandez De La Cruz, Armida Eliona Marban Marban, Gustavo Morales San Matrin, Henrik Adu Nava Figueroa, Andres Nery Robles, Malinal Xochitl Ocampo Cardenas, Nallely Pineda Gonzales, Lorena Rosales Franco, Rocio Segura Eligio, Juan Tabodada Ayala, Alfonso Toledo Figueroa, Isaias Valle Abrego, and Magdalena Villalva Estrada.

The following candidates are to receive bachelor of science in fiscal accounting: Yaraset Maria Alonso Cruz, Candido Barrera Vasquz, Angel Bautista Capistran, Lucero Bustos Quezada, Yaneth Alejandra Bustos Terrones, Daniel Castrejon Hernandez, Conrado Diaz Mota, Luis Alberto Elizalde Marban, Arturo Guevara Dircio, Maricela Jarez Gatica, Maria Aldegunda Lopez Hernandez, Andres Jordan Mendoza Arteaga, Rosales Maricruz Morquecho, Sandra Ocampo Santos, Yareli Perez Herta, Jesus Reza Cruz, Luis Rojas Castro, Betzavet Salinas Mateos, and Maria Del Rosario Santiaguillo Guerrero.

The following candidates are to receive bachelor of science in general medicine: Rossana Castrejon Hernandez, Belen Catalan Chavez, Fatima Janet Catalan Lopez, Sindy De Jesus Tapoya, Magnolia Elizalde Gaytan, Maribel Garcia Munoz, Juan Benito Gaytan Catrejon, Nestor Hernandez Riquelme, Luz Estela Iriarte Salinas, Selene Montanez Dominguez, Maribel Montes Juan, Graciela Peralta Marba, and Maria De La Guadalupe Soto Garcia.

GEYSERVILLE INTERMODAL/ VISITORS CENTER

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. RIGGS. Mr. Speaker, I would like to express my appreciation and support for the recognition given by the Committee on Appropriations to the value of a proposed project in Geyserville, CA, in Sonoma County. In the report accompanying the fiscal year 1997 Agriculture appropriations bill, the committee expresses its expectation that the Department will give consideration to funding this project under the rural business enterprise grants program. While the report makes reference to intermodal transportation and technical assistance requests relating to a train depot in Geyserville, one point merits clarification. In order to fully meet the rural needs of Geyserville, it is important to give equal consideration to funding the construction of a visitor's center and small business incubator, which will be constructed adjacent to the depot.

MFN STATUS FOR CHINA

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. ABERCROMBIE. Mr. Speaker, today I rise to speak out against granting China the most-favored-nation [MFN] status. For many years I have followed the human rights and business violations occurring in China. This past year we have once again seen many problems arise with China.

As my colleagues know, last month the United States customs agents arrested suspects in the United States with ties to China's state-owned munitions companies for smuggling AK–47's and other dangerous weapons into the United States. These same companies are selling nuclear weapons technology to Pakistan and advanced missile technology to Iran.

Many people claim that if we don't grant MFN status to China that American business will be hurt. That's not true. American businesses are hurt by the Chinese Government allowing piracy of copyrighted American goods. These pirated copies are made in factories with the full knowledge of the Chinese Government. Everyone here is aware that a trade war was barely averted yesterday because the United States and China came to an agreement that is designed to crack down on Chinese piracy of compact discs and computer software.

Unfortunately, I don't think the Chinese understand that we are serious about protecting our copyrighted goods. Once again, the Chinese have only been slapped on the wrist for not abiding by agreements made. In the past, MFN status has been granted in hopes that the Chinese Government was going to crack down on the piracy problems and human rights violations. This has not happened yet.

Granting MFN to China does not encourage the Chinese Government to correct their human rights violations. Despite China's robust economy and economic reforms, there continues to be widespread human rights abuses. China still places severe restrictions on freedom of speech, the press, assembly, association, religion, privacy, movement and worker rights. In Sunday's Post, it was noted that China's priority for the next 15 years would be to discredit Tibet's exiled religious leader, his Holiness, the Dalai Lama.

I ask my colleagues to ask themselves—Why would we want to grant MFN status to a country that continues to ignores human rights violations, continues to replicate American copyrighted goods, smuggles guns into our country, and has given nuclear technology to rogue nations? I strongly urge my colleagues to vote against MFN for China.

SIOUX FALLS MAY REPRESENT THE FUTURE OF MOTHERHOOD

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mrs. SCHROEDER. Mr. Speaker, talking family values is one thing. But in yesterday's Los Angeles Times article "Sioux Falls May Represent the Future of Motherhood" Melissa Healy tells us how one community is living them. The article tells how family values and working mothers are coexisting peacefully in Sioux Falls, SD, because, as Ms. Healy points out, the community, its employers and its institutions, "are scrambling to adapt to the needs of working mothers instead of expecting mothers to adapt to theirs." Hats off to the Los Angeles Times and to the moms in Sioux Falls for showing us how a community can work together to help its families thrive.

[From the Los Angeles Times, June 18, 1996]

SIOUX FALLS MAY REPRESENT THE FUTURE OF MOTHERHOOD

(By Melissa Healy)

SIOUX FALLS, SD.—Marjorie Beeck, 31, grew up in small-town South Dakota, and she is not abashed about calling herself traditional. There is no trace of irony in her voice when she volunteers that she has family values; she likes to think most folks in Sioux Falls do.

So when daughter Jessica was born four years ago, Beeck made a decision that she says reflects her deep conviction that family comes first: Seven weeks after giving birth, she enrolled Jessica in day care and returned to her job as a securities broker at Citibank's South Dakota branch.

For Beeck, whose pay nudges her family's annual income just above the nation's median of $33,000, working outside the home could easily be characterized as a choice in name only. Her family needs her income if it is to afford the trappings, and opportunities, of middle-class life.

Yet there's more involved here than economic necessity. The fact is, Beeck likes her job. She likes day care too. She says it has given her children, Jessica and 7-year-old Ryan, "things I couldn't give them at home," including field trips, a structured learning environment and other kids to play with—lots and lots of other kids.

Beeck could easily parlay her skills into a high-intensity, and probably higher-paying, job elsewhere. But she has chosen to stay at Citibank and in Sioux Falls in part because her employer and her community have taken pains to ease the burden on mothers who work outside the home.

"Staying here," she said, "is a measure of my commitment to family values."

Sioux Falls, in fact, might just represent the future of American motherhood.

A surprising 84% of mothers who live here are employed outside the home, according to the 1990 census. Among women with children younger than 6, a whopping four out of five are in the paid work force. In a recent national ranking of the best places for mothers to work, Sioux Falls with its population of approximately 100,000 placed first.

The reason: Local employers such as Citibank are scrambling to adapt to the needs of working mothers instead of expecting mothers to adopt to theirs. Civic leaders are mobilizing private charities an public schools to pitch in. Elected officials are doing their part, providing a model for other cities, and perhaps Washington, to emulate.

As a result, family values and working mothers are coexisting peacefully here in America's heartland.

"I don't think women have to be home to teach their children family values," said Liz Bute, a 37-year-old manager at Citibank whose five children have all spent their preschool years in day care. "I think we're past that."

While it is no simple matter for women to simultaneously keep their careers on track and give their kids the moral foundation they need, she said, it's up to "society as a whole" to share the burden.

That, said Bute, is part of what values are all about. And it is a responsibility that Sioux Falls is taking seriously.

SPECIAL PLACE

At a time when many Americans say they are reexamining some of the fundamental choices made by themselves as individuals—and by society as a whole—the issue of working moms occupies a special place in the national "values" debate.

In the mid-80s, conservative activist Phyllis Schlafly suggested that mothers who remained employed for their own self-fulfillment had contributed to adolescent suicides. As recently as 1991, then-Rep. William Dannemeyer (R-Fullerton) took to the floor of the House of Representatives to denounce the "devastation" that results when "working mothers * * * put careers ahead of children and rationalize material benefits in the name of children."

But a substantial number of working mothers, including many who characterize themselves as political and social conservatives, has rejected that argument. They work not just because they need to, but because they want to. They believe they can continue to work without jeopardizing the physical and psychological well-being of their children, particularly if they get a little help from their employers, their communities and their elected representatives.

Clearly, for women whose families can afford it, curtailing outside work can increase the quantity, as well as the quality, of their involvement in their children's lives. Evidence indicates some women are managing to do so, although their numbers so far don't add up to a significant demographic trend.

But for a majority of American women, the values debate no longer turns on the question of whether they will or won't work outside the home. They simply will, at a rate of almost seven out of 10 nationally.

In places like Sioux Falls, the values debate now turns on the question of how husbands, employers, communities and government will adapt to the reality of a society in which both mothers and fathers draw a paycheck.

"We have an economy that requires women to work and, of course, by choice, women work," said Fran Sussner Rogers, chief executive officer of Work/Family Directions, a Boston consulting firm. "But we've kept our institutions and the places we work running on rules that were made for men with wives at home. And then we've had such ambivalence about whether women should work that we haven't adapted our communities to a new situation."

The solution, Rogers said, is obvious: "Social institutions, not individuals, need to deal with this as a values issue. Working is a necessity, and it's good for us."

Does this mean the end of maternal guilt, and of politicians and activists who prey upon it? Certainly not. But the working mothers of Sioux Falls have a message for public figures who suggest that employed mothers are hurting their kinds and eroding the nation's values: Don't try it here.

"To tell you the truth, it kind of makes my blood boil" to hear politicians who equate stay-at-home moms with family values, said Karla Quarve, a 31-year-old mother of a son in day care and a daughter in first grade.

An auditor at Sioux Falls' Home Federal Savings Bank, Quarve works because she likes her job. And she offers no apologies. Because she has a boss who values her and respects her family responsibilities, she regularly helps out during school and day-care field trips, and always makes it to her daughter's school ceremonies.

Although it could probably afford to do without her income, Quarve said, "I think our family would suffer" if she stayed home. She would be less happy, and the kids would be denied the fun of their day-care center.

"You can still instill values in your children and work," she said.

DRAMATIC RISE

Today, more than two out of three children have mothers who work outside the home, up from just under half in 1972. More dramatic, however, is the rise in women with very young children at home returning to work. In 1980, 38% of mothers with infants younger than 1 worked outside the home. By 1990, that percentage had climbed to 53%. Among women with preschool children, the figure has risen to 67%, from 44% in 1970.

According to a 1995 Harris Poll cited by the Families and Work Institute, 48% of married women in 1995 were bringing in half or more of their family's income, making women a significant financial, as well as emotional, pillar of their families.

The rapid rise in maternal employment has coincided with extraordinary social ferment on a number of fronts: a surging divorce rate, more children born to single moms, a drastic rise in crime, a decline in academic standards and a general sense that the nation's ethical climate has eroded. It was only a matter of time, say some, before mothers who work outside the home got blamed.

"Women have always been seen as the people who are the custodians of morals and values," said Caryl Rivers, co-author of the book, "She Works, He Works: How the Two-Income Family Is Happier, Healthier and Better Off." "They are seen as the people who are supposed to keep the culture tidy. So when it becomes untidy, there is a rush to say to women, 'It's your fault.'"

As a result, Rivers said, "we're loading all the issues of modern society—drugs, crime, violence, rap music—onto the question of whether Mom is home or not."

But it remains a subject of intense debate within academic circles whether children—and with them, society—suffer from that decision.

The early results of the most comprehensive study on the subject, released in April, appear to offer heartening news to women who work outside the home. In the first phase of a study overseen by the National Institute of Child Health and Human Development, psychologists tracked 1,300 families from a child's birth to 15 months. They found that the security of the bond infants form with their mothers is largely unaffected by their having been left in the care of others.

Behavioral scientists have long surmised, though not yet established, that a weak trust relationship between a mother and her infant often marks a child for future trouble. But the study found that only in cases where the mother is judged to be insensitive to a baby's needs does day care—especially extensive day care or poor-quality day care or a succession of day-care providers—adversely affect an infant's attachment to its mother.

A 1993 survey by the Education Department also reflects favorably on working mothers. The study gauged parental involvement in their children's school life—a strong predictor of student behavior and in turn, student achievement. It found that mothers in the workplace are, overall, more likely to be involved in their children's school life—going to plays, volunteering in classes, organizing fund-raising or school functions—than mothers who are not employed.

GOVERNMENT HELP

When it comes to working moms, many Americans appear willing to abandon their customary caution about the wisdom of out side intervention.

In a pool conducted in January 1996 as part of a National Issues Convention sponsored by the University of Texas at Austin, 80% said they believe that government should help with child care and preschool would be a "useful step in strengthening the family."

The Clinton administration and its Democratic allies on Capitol Hill have tried to seize upon such views in their efforts to shore up the party's values credentials. Arguing, for instance, that half of all low-wage workers in America have children, Clinton officials have pressed for a boost in the minimum wage, sought to stave off Republican efforts to restrict the earned-income tax credit for low-income families, and endorsed legislation to make women's pensions more comparable to men's.

"We as a society cannot and should not separate family values from economic values," said Labor Secretary Robert B. Reich. "And what is the most important family value? The ability to keep your family in shelter, food and clothing." On Capitol Hill, Rep. Cynthia McKinney (D-Ga.) is pressing legislation to create a more generous tax credit than currently exists for day-care costs incurred by families with annual incomes ranging from $20,000 to $80,000.

Many in the GOP have sought to improve access to day care as well, especially as a corollary to welfare reform, which would allow states to require recipients to go to work.

Republicans have added $4 billion to bolster welfare recipients' access to day care, and legislation by Rep. Constance A. Morella (R-Md.) would expand poor women's access to day care by providing additional tax credits.

For middle-class parents, Republicans have argued that the broad design of their policy priorities is family-friendly: By balancing the budget, cutting taxes and reducing the deficit, they argue, Republicans would return more money to families, which they could use as they see fit.

WORKPLACE CHANGES

While politicians look for legislative remedies, women increasingly are voting with their pumps and work boots and rubber-soled uniform shoes.

In places like Sioux Falls—a tight labor market in which working mothers enjoy considerable clout—mothers are doing more than merely hoping their kids will not be adversely affected. They are commanding changes in the ways that employers and the community operate, making the care of children easier and higher in quality, and making vital family time better, both qualitatively and quantitatively.

Sioux Falls' largest employer, Citibank, subsidizes a day-care center for its employees just across a grassy field from its sprawling campus. The firm's corporate culture is consciously pro-family. Supervisors try to accommodate the needs of their largely female work force, offering flexible working hours, insurance for part-timers, and a hotline offering employees advice on everything from breast feeding to balancing career and family.

Easing the burden on employed mothers is a challenge the Sioux Falls community is working to shoulder as well. The Sioux Empire United Way spends 20% of its funds to help provide day care, compared with a national average of about 9%. The Sioux Falls public schools have switched many of their parent-teacher conference times to evening hours, and family physicians like Dr. Jerry Walton have altered their hours so they can see many of their youngest patients, with parents in tow, after the standard workday.

Privately funded before- and after-school programs serve 600 children throughout the Sioux Falls school district, with sliding-scale fees for children from lower-income families. The school district has launched a summer-care program that combines learning and fun, and fills the vital child-care gap that working parents of school-age kids find during the summer months.

"We don't take the place of parents, no one could do that," said Dennis Barnett, president of Sioux Falls' Volunteers of America, and organization that funds three day-care centers in the city. "But we are partners with parents in teaching some of these values we would all expect in our children. In many cases, parents choose to have that kind of partner in raising their children."

Some in Sioux Falls would take the concept of partnering with working parents even further.

Mark Britzman, a psychologist and 35-year-old father of two, is laboring to create the Circle of Hope Family Enrichment Center, which he calls a "one-stop shopping center for families."

Britzman's center would provide day care with a holistic twist: When a child is enrolled, his or her family would undergo a family assessment, designed to identify areas of strength and weakness, and would agree to volunteer a certain amount of time to the program.

For families, and especially for stressed-out working mothers, he says, the family enrichment center would be a place to "relax and connect" with an extended network of neighbors and other helpers.

TOP ENVIRONMENT

Sioux Falls recently topped a list of cities with the friendliest environment for working mothers, compiled and published by the women's magazine Redbook. Some observers caution that the city is still far from nirvana for employed moms and their families. Wages for both men and women remain quite low—part of the region's draw to big corporations like Citibank.

For all their growing economic clout in their families and the community, professional women here still react coolly to feminist rhetoric.

Yet it may be that Sioux Falls and other communities like it represent the best available synthesis of our culture's traditional commitment to family and mothers' increasing commitment to work.

"There's a quiet revolution going on in this city," said Susan Randall, development director of Turning Point, a social service agency that works with troubled children.

"There are still the trappings of traditionalism, but the reality is very different."

TRIBUTE TO STEPHEN R. BRASWELL

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, I rise to recognize and honor the retirement of the esteemed Vice President and Chief Ethics Officer of The Prudential, Mr. Stephen R. Braswell.

Mr. Braswell began his career with The Prudential in Jacksonville, Florida in 1963. He held a wide variety of positions before rising to the position of Vice President of Prudential's Group Insurance Department. In 1975, he was transfered to Prudential's Government Relations Division in Washington, DC where he was responsible for Prudential's federal government relations. Mr. Braswell spent five years, working with Congress, the White House, Federal Regulatory Agencies, and the National Trade and Business Organizations. In 1981 Mr. Braswell was named President of Southwestern Operations in Houston, Texas with overall responsibility for ten southwestern states. He also served as Senior Vice President in charge of Human Resources and as President of the Prudential Property and Casualty Company for four years. Mr. Braswell ends his years of service from the New Jersey headquarters as the Senior Vice President and Chief Ethics Officer of The Prudential.

Mr. Braswell has been personally involved in the communities in which he has lived. He served as President of both the Jacksonville, Florida and Houston, Texas Mental Health Associations. He also has acted as Vice Chairman of the Metropolitan YMCA Board and served on the Board of Trustees of the Rice Center, while he was a resident of Houston. His commitment to excellence and dedication to service clearly extend past the realm of his professional commitments. His involvement is admirable.

The retirement celebration honoring Mr. Braswell's many years of service will take place on the twenty fourth of June. Mr. Speaker, please join me in thanking Mr. Braswell for 33 years of service and devotion to the Prudential.

TRIBUTE TO STELLA PODBELSKI KUKULSKI

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. PALLONE. Mr. Speaker, I rise to pay tribute to Stella Podbelski Kukulski of Sayreville, NJ, a valued and cherished member of our community who recently passed away.

Stella Kukulski lived her entire life in Sayreville. She served with distinction as a valued employee for Sunshine Biscuit in Sayreville for 17 years before her retirement in 1981 and as a supervisor for the Marion Dress Company in South River, NJ, where she worked for 40 years. For her involvement in community service, Stella Kukulski was well respected and admired. She served as a member of the Sayreville Saint Stans Seniors Club, the Sayreville Senior Citizens Thursday Club, and as a charter member of the Union of Polish Women Group 81. Her deep faith and generosity was consistently demonstrated as a communicant of Our Lady of Victories Roman Catholic Church in Sayreville, and as member of its Rosary Society.

As a testimony to the high esteem in which Stella Kukulski was held, the New Jersey General Assembly enacted a resolution, introduced by Assemblyman John Wisniewski who represents Sayreville in the State legislature, paying tribute to the memory of Stella Kukulski and extending profound sympathy and sincere condolences to her family.

Mr. Speaker, I am honored to join in paying tribute to Stella Kukulski, an exceptional person who will be deeply missed by all those who knew her.

TRIBUTE TO RALPH MILTEER

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, this evening a retirement dinner is being held in honor of Ralph Milteer. Mr. Milteer is "a man for all seasons." He has spent all of his adult life helping others. When I think of achievers, Ralph is always on my list. His achievements have benefited him personally but more importantly, they have benefited many, many New Jerseyans.

Ralph Milteer is a product of the East Orange, NJ, school system where he attended elementary and high schools. After graduation from Montclair State College Ralph returned to the system as a teacher. For 36 years, he has been affiliated with the same school system in many different capacities. He has been a classroom teacher, a counselor, a coordinator, a director, an administrative assistant, and an assistant principal during his career.

Ralph believes in being prepared and has spent a great deal of his life attending school. He has done a great deal of graduate work and received his Master's degree from Newark State College Graduate School. Coursework at the NASA Center is also a part of his résumé. Ralph has used his experience in the classroom in a great deal of his community work where he has been active in many recreation programs.

Ralph's love of the communities he serves is evident in his work in East Orange and in his hometown of Hillside, NJ. He has been active in the Citizens' Advisory Committee of the Hillside Board of Education, a member of the Hillside Board of Education, and president of the Hillside Democratic Club. Realizing that he could serve his community better from an elected position, Ralph was elected to the Hillside Township Committee where he has served as the Finance Commissioner, the deputy major and major of Hillside for two terms.

Mr. Speaker, I am sure my colleagues will want to join me as I offer my congratulations to Ralph Milteer and extend my best wishes to him and his family for a happy, active and healthy future.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 20, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 21

10:00 a.m.
Foreign Relations
To hold hearings on the nominations of John Christian Kornblum, of Michigan, to be Assistant Secretary of State for European and Canadian Affairs, Madeleine May Kunin, of Vermont, to be Ambassador to Switzerland, and A. Vernon Weaver, of Arkansas, to be the Representative of the United States of America to the European Union, with the rank and status of Ambassador.
SD–419

10:30 a.m.
Foreign Relations
To hold hearings on the nomination of Barbara Mills Larkin, of North Carolina, to be an Assistant Secretary of State.
S–116, Capitol

JUNE 25

9:30 a.m.
Commerce, Science, and Transportation
To hold closed hearings on broadcast spectrum issues.
S–407, Capitol

Environment and Public Works
Transportation and Infrastructure Subcommittee
To hold oversight hearings on the impact of Federal streamlining efforts on General Services Administration leasing activities.
SD–406

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to examine the security status of national computer information systems and networks.
SD–342

10:00 a.m.
Foreign Relations
To hold hearings on the nominations of Leslie M. Alexander, of Florida, to be Ambassador to the Republic of Ecuador, James Francis Creagan, of Virginia, to be Ambassador to the Republic of Honduras, and Lino Gutierrez, of Florida, to be Ambassador to the Republic of Nicaragua.
SD–419

Veterans' Affairs
Business meeting, to mark up S. 1791, to increase, effective as of December 1, 1996, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, and other pending legislation.
SR–418

2:00 p.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To resume hearings to examine prospects for peace in Afghanistan.
SD–106

JUNE 26

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1726, to promote electronic commerce by facilitating the use of strong encryption.
SR–253

Energy and Natural Resources
To hold hearings on S. 1804, to make technical and other changes to the laws dealing with the territories and freely associated States of the United States, on a proposed amendment relating to Bikini and Enewetak medical care, and to hold oversight hearings on the law enforcement initiative in the Commonwealth of the Northern Mariana Islands.
SD–366

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to examine the security status of national computer information systems and networks.
SD–342

Labor and Human Resources
Business meeting, to mark up S. 1221, to authorize funds for fiscal years 1996 through 2000 for the Legal Services Corporation, S. 1400, to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts, proposed legislation authorizing funds for the National Institutes of Health, and pending nominations.
SD–430

Rules and Administration
To hold hearings on proposed legislation authorizing funds for the Federal Election Commission, and on campaign finance reform proposals.
SR–301

Indian Affairs
To hold hearings on proposals to reform the Indian Child Welfare Act.
SR–485

10:00 a.m.
Judiciary
To hold hearings to examine the Department of Justice's handling of "Project Special Delivery".
SD–226

2:00 p.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To continue hearings to examine prospects for peace in Afghanistan.
SD–106

JUNE 27

10:00 a.m.
Judiciary
To hold hearings to examine the recent incidents of church burnings.
SD–226

2:00 p.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To continue hearings to examine prospects for peace in Afghanistan.
SD–106

JULY 11

2:00 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings on S. 1738, to provide for improved access to and use of the Boundary Water Canoe Area Wilderness.
SD–366

JULY 16

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Department of Education.
SD–138

SEPTEMBER 17

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion. 334 Cannon Building

CANCELLATIONS

JUNE 20

9:30 a.m.
Energy and Natural Resources
Parks, Historic Preservation and Recreation Subcommittee
To hold hearings on S. 1424, to redesignate the Black Canyon of the Gunnison National Monument as a national park to establish the Gunnison Gorge National Conservation area, to establish the Curecanti National Recreation Area, and to establish the Black Canyon of the Gunnison National Park Complex.
SD–366

10:00 a.m.
Governmental Affairs
To resume hearings to examine the status of the modernization of the Internal Revenue Service tax information systems, focusing on certain technical problems.
SD–342

JUNE 25

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Library of Congress, and the Government Printing Office.
S–128, Capitol

POSTPONEMENTS

JUNE 21

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1997 for the Sergeant At Arms, and the Government Printing Office.
S–128, Capitol

SENATE—*Thursday, June 20, 1996*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Rev. William B. Mann V, pastor, Our Savior's Way Lutheran Church in Ashburn, VA.

PRAYER

The guest Chaplain, Reverend William B. Mann, V, Pastor of Our Savior's Way Lutheran Church, Ashburn, VA, offered the following prayer:

Let us pray:

Ruler of all, we thank and praise You for this Nation which is our home. We thank and praise You for permitting this Nation to survive armed conflicts, cold wars, threats and rumors of war, and the uncertainties of this nuclear age.

We ask You to urge the leaders and the people of our Nation to pursue always the search for human freedoms. We ask You to bless with wisdom the lawmakers of our Nation, to regulate our Government that it will offer hope and freedom to all who swear allegiance to it.

Forgive us for our waste of natural resources, for the neglect of our own rights and the rights of others. Enable us to conduct ourselves honorably as citizens and to manage the affairs of Government sensibly. Permit this Nation to prosper and to fulfill Your purpose to the good of all. This we ask in the name of our Lord and Savior. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Thank you, Mr. President. Good morning to you.

SCHEDULE

Mr. LOTT. Mr. President, we had announced last night the intention to have a vote at 9:15, but the amendments that were involved in that vote were agreed to and were accepted on a voice vote, so it was not necessary to have a recorded vote.

This morning, the Senate, though, will resume executive session to consider the nomination of Alan Greenspan to be Chairman of the Federal Reserve Board. Under the order, there will be 3 hours of debate on the nomination, with the vote to occur at 2 p.m. today. Following that vote, the Senate will dispose of the remaining Federal Reserve nominees.

Also today, the Senate will resume consideration of S. 1745, the Department of Defense authorization bill. We did make substantial progress on the bill yesterday, and I hope we can continue with amendments and short time agreements during today's session as well. We would like to complete action on the DOD bill this week if at all possible. We will continue working through the afternoon with votes until early evening.

We will recess or leave for the day in time for an event at the White House tonight, and then we will, after consultation with the Democratic leader, make some announcement later today about exactly what will happen on Friday. We will be in session, and we will have to assess where we are as to whether or not there will be votes at that time.

Mr. President, I yield the floor. Seeing no Senator seeking recognition at this point, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JEFFORDS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to executive session to consider the nomination of Alan Greenspan, which the clerk will report.

The assistant legislative clerk read the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System.

The Senate resumed consideration of the nomination.

The PRESIDING OFFICER. There are 3 hours of debate equally divided.

The minority leader is recognized.

Mr. DASCHLE. I thank the President, and I wish him good morning.

Mr. President, let me begin by commending the distinguished Senator from Iowa, Senator HARKIN, for demanding our careful consideration of the nomination of Alan Greenspan for another term as Chairman of the Federal Reserve Board. The Senate has the duty and the obligation to thoroughly review the record of any nominee to such a key post. No one has met that obligation more consequentially than has Senator HARKIN, or has made a greater contribution to this debate.

This debate over Federal Reserve policy, while seemingly distant to many Americans, actually affects the lives of every American family. It affects families trying to buy a house or to make a payment on one. It affects families trying to buy a new car, farm families trying to get a loan to put in next year's crop, small business people trying to get a loan to operate their businesses for yet another year. Even more fundamentally, it affects whether millions of Americans will have a job at all and whether those without jobs can find one.

In judging nominees for the Federal Reserve, their records are the most important factor to consider. Despite some reservations, I believe Mr. Greenspan's performance justifies his reconfirmation.

Congress has mandated that the Federal Reserve conduct its monetary policy to "promote effectively the goals of maximum employment, stable prices and moderate long-term interest rates." We must judge Mr. Greenspan by how well he has fulfilled this mandate and, I must say, his record is mixed.

Back in 1990, under the direction of Chairman Greenspan, the Federal Reserve failed to act quickly enough in lowering interest rates when a recession hit in the summer of that year. Recently released transcripts show that as late as October, Mr. Greenspan still insisted there was no recession. The Fed's failure to understand and respond to the recession made it last longer and run deeper. That recession hit farmers and families in my own State of South Dakota especially hard.

Thankfully, the economy turned around in 1993, and it has remained strong and steady ever since, with inflation remaining under control. That sustained recovery grew out of the President's economic plan of that year, and that plan passed Congress, I remind all of our colleagues, without a single vote from the other side.

While Democrats in Congress and the President led the 1993 fight for the economic plan, Mr. Greenspan helped that plan realize success. He offered encouraging words during the plan's consideration, which helped it gain credibility in the financial markets.

Following its enactment, the Federal Reserve kept interest rates down for a while. As Mr. Greenspan noted later:

> The actions taken [in 1993] to reduce the federal budget deficit have been instrumental in creating the basis for declining inflation expectations and easing pressures on long term interest rates.

So the results speak for themselves. Since 1993, nearly 10 million jobs have been created. These are nearly eight times more private-sector jobs than were created during the entire Bush administration. These are not just any jobs: more than two-thirds of them are high-wage positions—the kinds of jobs you can raise a family on and plan for the future.

Along with jobs, the overall U.S. economy has grown steadily. Again, the Democrats' 1993 economic plan sparked a real turnaround. During the previous 4 years, economic growth averaged just 1.3 percent. But since 1993, the economy has grown by more than twice that rate, averaging more than 3.2 percent each year.

We have cut the deficit in half in the last 4 years. As many of us remember, the deficit stood at a whopping $290 billion in 1992. This year, we have cut the deficit to $130 billion, according to the Congressional Budget Office. Our plan created 4 consecutive years of deficit reduction for the first time since the 1940's.

It remains an open question whether Mr. Greenspan's more recent policies have raised interest rates too high again. Few people realize that in 1 year, from 1994 to 1995, Mr. Greenspan increased the Federal funds rate seven times. In fact, his actions helped to double interest rates over that period of time.

Here are the figures: In February 1994, the Federal funds rate was 3 percent; in February 1995, it doubled to 6 percent. Every homeowner, every farmer, probably most Americans, know what doubling interest rates can mean. Since that time, despite any indication that inflation was threatening to rise, the rate has dropped by only three-quarters of a point, to 5.25 percent.

Senators HARKIN and DORGAN have made a good case before the Senate that Mr. Greenspan has tended to place a higher priority on fighting inflation than creating jobs.

Mr. Greenspan needs to reconsider whether by lowering interest rates the economy could expand more quickly without triggering inflation. Indeed, a number of prominent business leaders and economists argue that unemployment, currently at 5.6 percent, could be pushed to as low as 5 percent without affecting inflation at all. Taking this step would generate an additional 600,000 jobs. This strikes me as a plausible and worthwhile goal which Mr. Greenspan and the entire Federal Reserve should take very seriously.

After all, jobs are a critical part of the Federal Reserve's mandate. Jobs also top the list of priorities for most American families. Jobs are certainly on the top of the list of every member of the Democratic caucus.

I am deeply concerned that many of our colleagues on the other side, led by the distinguished Senator from Florida, Senator MACK, and our former colleague, Senator Dole, have proposed dropping jobs as a Federal Reserve priority. The Federal Reserve generates perhaps the most important economic policy decisions of this country. To remove jobs from their mandate would prove devastating to American workers.

The Mack-Dole bill would limit the Fed to considering only inflation when making its decisions. It directs the Fed to ignore unemployment and focus solely on price stability. Imagine putting this question to a family sitting around a kitchen table: Do you think the most powerful economic institution in this country should be more or less concerned about creating jobs? You can bet the family would say, "Focus more on jobs—more on jobs—not less."

Clearly, one powerful group places a higher priority on controlling inflation than on promoting economic growth. Wealthy investors, wealthy bondholders are hurt far more by small increases in inflation than by increases in unemployment. They are the major constituency for an initiative of this kind. I believe the Fed should pay more attention to working families who are feeling a growing sense of economic insecurity in this country.

While the statistics I have outlined show a strong economy, when I go home I hear a lot of anxiety from farmers, small businesspeople, and families just trying to make a living wage. In fact, wages have stagnated for many middle-class working families. Every year it seems harder and harder just to make ends meet.

The simple fact is that if there is a crunch out there, it is the Fed's crunch.

We need a Federal Reserve to serve as an ally, not an opponent, in the fight for more high-wage jobs. If we really mean to raise living standards and fight for higher wages, the Federal Reserve should consider lowering interest rates now, this year, this month.

But monetary policy is only one part of economic policy. Democrats in Congress are promoting an agenda that goes even further to address the insecurities so many people rightly feel today.

We are fighting for paycheck security, starting with raising the minimum wage now.

We are committed to health security and to controlling health care costs that are eating up workers' compensation gains.

We are developing a legislative package to promote retirement security so that economic security can last a whole lifetime.

At the same time, we have a plan to balance the budget without damaging the economy and without hurting those who need help the most.

As Mr. Greenspan himself advocates, we must continue to invest in education, training, and technological development. The Democratic plan makes those investments in America's future.

On balance, Mr. Greenspan's successful partnership with us in the wake of the 1993 plan merits my support for his reconfirmation. As he himself has noted, the 1993 economic plan "was an unquestioned factor in contributing to the improvement in economic activity that occurred thereafter."

Still, he should take heed of the arguments made so effectively by Senators HARKIN and DORGAN that he needs to do more to promote economic growth. Our goal must be to extend the economic recovery to all Americans—not just the stock and bondholders of Wall Street, but the families and the shops on Main Street.

Essentially, the record of the past 4 years shows that we have created economic growth and jobs. I can support Mr. Greenspan's nomination, but with the caveat that jobs should remain as one of the Fed's top priorities. The hard-working people of this country deserve an agenda that continues to raise their standard of living. That ought to be the responsibility not only of the Congress, but of the Federal Reserve Board as well. I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. One of the things that mystified me in regard to the work that we have done——

The PRESIDING OFFICER. I am sorry to interrupt you. The Senator from Iowa controls the time.

Mr. HARKIN. I yield whatever time he may consume to the Senator from Nevada.

Mr. REID. I thank Senator HARKIN.

One of the things that has mystified me during the work I have been involved in and the study by the General Accounting Office has been the lack of attention by the press and others about what we have found through the General Accounting Office regarding how the Fed is run.

Senator HARKIN, Senator DORGAN, and others, have talked a lot about monetary policy. I respect them and join with them in those statements.

But what I want to talk about today again for a few minutes is what the General Accounting Office found in their study of the Fed. Mr. President, if I were on the Senate floor talking about one of the Federal agencies having overspent their budget, there would be cries for an investigation.

Let us take a closer look. If you really look at what the Fed has done, it is not just a question of overspending their budget, it is a question of their spending being uncontrolled.

For example, within the Fed itself you are reimbursed for travel in many different ways. Unlimited travel expenses are reimbursed. You have a foyer going from a few thousand square feet to 20,000 square feet. That is just the entry room to one of their buildings. There is nothing in it except marble.

The General Accounting Office only peeked at their perks. But what they did find when they took a peek is that, for example, in the Fed system you can get a security system. You know, their vice presidents have them, vice chairmen have them. They have security systems for reasons I do not understand. Some of them have door-to-door travel.

We do not, I indicate again, Mr. President, know exactly what they have. A preliminary report that was issued by the General Accounting Office, their final report, only confirmed further what is going on at the Fed, but nobody seems to care. If this were an agency of the Federal Government or State government, people would be raising their hands.

One of the big things they are looking at now on the House side—it has not hit here yet; I assume it will—is whether Members of Congress, when they go to receptions, sit down and eat a sandwich. If they do, it is a violation of the rules. If they stand, it is OK. If you sit, it is not. That is what we are looking at here. With the Fed, they can do whatever they want to do. It is not a question of sitting or standing. They can do just about anything they want to do.

The Fed operating costs have grown considerably: 50 percent between 1988 and 1994. Salary costs increased 44 percent, travel costs increased 66 percent during that same period of time, but nobody seems to care.

This is an organization that has no oversight. This is an organization that does not have an annual audit. This is an organization that keeps $3.7 billion in a trust fund, a slush fund. They call it a rainy day fund. Why? They said, "We might need it sometime." In 79 years, they have never needed it. The $3.7 billion should be returned to the Federal Treasury. They still have the $3.7 billion. No one seems to much care that they have the money stashed away.

We are going to begin markup of this year's appropriation bills over in the Senate. We are going to get our allocation and then look at military construction and then the defense spending bill, maybe foreign operations. We are going to be fighting for dollars just for little projects. I have a project for $55,000, but we will have trouble funding it. It is extremely essential to saving a lake in Nevada, extremely important to an Indian tribe in Nevada. We probably cannot get that money. Yet, the Fed has $3.7 billion there for no purpose, and nobody seems to care.

The final report of the General Accounting Office, Mr. President, was issued yesterday. "The Federal Reserve System: Current and Future Challenges Require Systemwide Attention." They are not going to have any "systemwide attention" because Members of this body do not seem to care about what is going on at the Fed. This final report issued yesterday confirmed everything found in the preliminary report.

The real news here, in my opinion, is the Fed's unwillingness to accept any of the recommendations made by the independent study. The report demonstrates the absolute arrogance of a tremendously powerful entity that believes it is unaccountable to mere taxpayers. It has every reason to believe that it is unaccountable, because it is.

The Fed has chosen to reject these recommendations. That is their prerogative. We, as a legislative body, have let them get away with it. It is really just a rejection of taxpayer requests, that is all.

The Fed may think they need not bother themselves with these requests from the taxpayer for greater efficiency, and it appears maybe they are right. It is obvious that those of us who believe this nomination should not go forward, we are going to lose, but we are gaining ground. We are going to get more votes than last time. I know that, because I am one of the people that is going to join those who feel that the Fed needs some direction change.

We are not going to go away quietly. We are going to say our piece here today, and then we are going to come back in the weeks ahead with legislation. We are not going to wait until the next nomination process comes through. We are going to go through with the legislation, and we are going to continue.

We are going to call for an annual audit. We are going to call for some of the things that the General Accounting Office thinks should be done. We are going to keep talking about this until the American public gives other Members of this body and the other body the backbone to go forward and do something.

Taxpayers, and I believe this Congress, should no longer tolerate the inefficiency, the mismanagement, and questionable accounting procedures of the Fed. I repeat: inefficiency, mismanagement, and questionable accounting procedures.

Greenspan and the Fed have an unlimited budget. They can spend money however they want. There is no oversight, no investigations, no audits. Budgets can be exceeded within house. What difference does it make? They control the money.

We have heard numerous times that the Fed has said, "We will put the brakes on the economy." I think we should put the brakes on the Fed. That would be the better way to approach this.

Also, the General Accounting Office talks about conflicts of interest, talks about how they let contracts. I repeat, if this were done in the private sector or in another agency of Government, it would be scandalous. But the Fed just does it and turns their head the other way and goes on with their business.

The report raises the legitimate questions about fiscal management within the Fed. Important questions need to be answered, and they have not been answered. They have been requested, but they simply do not answer them, just like they did not answer most of the questions that the General Accounting Office presented.

This report is about ensuring greater accountability to the American taxpayer and improving fiscal responsibility. The Fed has pocketed $3.7 billion in taxpayer money. It claims this quietly held fund is necessary to cover systemwide losses that it has never had and never will have. In its 79-year history, the Fed has never operated at a loss. Excessive salaries increased by 44 percent; 120 top Fed officials earned more than the Chairman in 1994, increasing excessive expenditures; benefits increased by 89 percent since 1980 and were found to be more generous than any other Federal agency; travel expenses, I repeat, increased by 66 percent.

Board members travel in high style, to say the least. Travel reimbursement policies vary from bank to bank, and they are permitted to reimburse either on a per diem or actual costs basis. There is no conformity, no uniformity. A uniform travel reimbursement policy would unquestionably yield greater savings to the taxpayer.

Mr. President, as far as I am concerned, the most important thing is the need for an independent audit. To date, there has been no comprehensive audit of our central banking system. We need permanent annual independent audits. There is a double standard. This report demonstrates the double standard that is practiced by the Federal Reserve. While counseling others to decrease their spending, the Fed has increased theirs.

I conducted a meeting. Mr. Greenspan was there, and he was asked the question: What is the most important thing to do? Cut spending. I guess for every place except the Fed, because while we have cut and hacked away at these budgets coming through here, theirs has done everything but balloon up and fly away. They are bloated. They are gluttonous.

Congress heeded the advice of the Fed and took painful but necessary steps to get the deficit under control, but they did not. The Fed staffing grew, while the rest of the Government shrunk by 2 percent. We tightened our fiscal belts, and the Fed sat down to enjoy all you can eat, in response to the report, that "we are not interested, we will run our own show, you leave us alone."

The Fed has powerful defenders willing to turn a blind eye to any criticism. This General Accounting Office report provides a tough prescription that some may find hard to swallow. But I believe the alternative to treatment is simply an unfair cost to the taxpayer who would continue to be forced to pay.

I yield the floor and express my appreciation to the Senator.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from New York.

Mr. D'AMATO. Mr. President, I want to point out that I think when the Banking Committee considered the nomination of Chairman Greenspan some 4 years ago, there was only 1 vote cast in opposition to Mr. Greenspan. That opposing vote was this Senator. There were no other votes cast against him.

So I rise today to say that I am pleased that the concerns that I had with respect to Chairman Greenspan were proven to be wrong. The Chairman has done a most diligent job—in spite of the failure of the Congress to address the problems of the people of this Nation in a forthright, intelligent way, as it relates to dealing with our spending.

Throughout his tenure, the Chairman, even during turbulent political times, has remained constant and true. Some can be critical—regardless of whether the Congress is in control of the Democrats or Republicans, or split, or regardless of the stewardship of the Presidency, be it Republican or Democrat. However, absolutely essential to the well-being and the economic growth of this country was a necessity to reduce our deficits and to demonstrate that we were going to do this for real, not with make-believe numbers, because we have seen that too often.

Indeed, I remember well the years 1979 and 1980, with inflation rates that made it impossible for small businesses and entrepreneurs to invest in plants or equipment and working middle-class families to purchase homes. I recall fear, consternation, panic. Chairman Greenspan understands and remembers well the lessons of that inflation. It was devastating to the morale of the people of this Nation, to our economic well being, and to our leadership at home and abroad.

With that in mind, he has kept a steady hand at the wheel, instead of taking the politically expedient course of saying: Slash the discount rate. Slash it and let us pump up the money supply and, with that action, create doubts in the domestic and global business community about our resolve against inflation. These doubts will result in the kind of inflation where they used to change the prices of the canned goods so fast they would put one sticker on top of the other. Today, they would not do that. You would not even know they were doing it because they would do it by way of the computer markings. But in the late 1970's, people saw those price changes, felt their effects, and understood the results. I hope we have not forgotten those lessons.

In the late 1970's and early 1980's, prime interest rates were over 20 percent. Who could buy a house? That is the kind of thing we can very easily have today if the Federal Reserve overreacts. What experts does the Congress have who are talking about slashing the interest rates? The politicians who want to go home and say, "We are going to give you everything for nothing." Why do we not cut the discount rate to 1 percent? How about a half-percent? How about a quarter percent? It is now about 5¼ percent. I will tell you what will take place if interest rates are unnecessarily cut while the economy is near its productive capacity. The cuts will fuel a speculative market, inflation and long-term interest rates will soar and young people who want to purchase homes will not be able to buy them.

Mr. President, I am going to make some more remarks. I know the chairman of the Budget Committee is here and he has a very difficult schedule. I believe he would like to speak. I am ready to yield the floor to my distinguished colleague for as long as he wants so that he might make some remarks. But I intend to come back to this debate.

Let us not hold responsible the Chairman of the Federal Reserve for our failures, the failures of the Congress of the United States to address the problems we have. Congress wants to be all things to all people, and never wants to cut anything. Members of Congress want to spend and spend, and then come into this Hall and say that the reason we are having the slowness in economic growth is because Alan Greenspan, in a mean-spirited or shallow way, does not want to cut the discount rate. If you really believe cutting the discount rate is going to solve all of the problems of the Nation, let us cut it. I have not heard people come forth and say that is going to be the answer. I have not seen any economists of any note say that is going to create long-term economic growth. I mean, this is nonsense—absolute, pure pap.

I have to tell you something. If you are really going to get down to saying, let us not confirm Mr. Greenspan because economic growth has not been fast enough, that would be like saying that the Chicago Bulls should not resign Michael Jordan because the Bulls did not beat Seattle fast enough by sweeping Seattle in four games. That is nonsense for the Chicago Bulls, and not confirming Chairman Greenspan would be the equivalent.

We have steady growth now. We have not had the kind of cycle that many have predicted because the economy is in the steady hands of someone who has not yielded to the expedience resorted to by many in politics.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I may speak for a shorter period of time than I thought. My voice seems to be having a little trouble today. Mr. President, in a few hours, the U.S. Senate will confirm three appointees to the Federal Reserve Board. I am very confident that we will do that. We will do it because, to do otherwise, would be foolhardy.

First of all, I am delighted to take this opportunity not only to speak on behalf of Alan Greenspan's renomination as Chairman of the Federal Reserve, but to congratulate him on a masterful job in his previous term—most recently, guiding the economy into the sixth year of expansion.

While many will try to take credit for the upbeat economy right now and for its consistency, I believe it is a reflection of the anti-inflationary policies, which began under Paul Volcker and have continued under Alan Greenspan. Let me repeat. I believe no institution, including the Presidency, including the Congress, deserves more credit for the 6 years of sustained growth in this economy than the Federal Reserve Board, headed by Alan Greenspan. By keeping inflation low, businesses and households alike are able to make investments and savings decisions with greater certainty, permitting more efficient functioning of the economy. Households have been spared the tragedy of having inflation erode their savings nest eggs, while countless home buyers have benefited from lower long-term interest rates which have followed the Fed's disinflationary policies.

Of note, the Volcker/Greenspan tenure has seen economic growth in 12 of the last 13 years. Furthermore, Chairman Greenspan has played a very important role in enhancing banking regulation, ensuring that depositor safety is maintained in the midst of sweeping technologic breakthroughs in electronic banking, smart cards, and home banking.

I am somewhat amazed by Chairman Greenspan's critics, who argue that he is responsible for the low 2.1-percent level of trend economic growth. Now I am as intent upon boosting long-run growth as anyone here. But, it is important to realize that the solution to this long-term growth, which we want, and a higher rate of GDP growth than we have had, does not rest with the current Fed. Numerous academic studies have shown that the best way for central banks to boost growth is by targeting price stability. The United States is already very close to price stability right now, with inflation at or below 3 percent for the last 4 years. As such, there is little more that the current Fed can do to boost long-run growth further. The same was not true in the mid to late 1970's, when rampant inflation was having negative impact on investment and savings decisions. Such economic turmoil prompted a switch in 1979, from an easy money policy to a strong anti-inflation regime under then Chairman Volcker, followed by Chairman Greenspan. This switch brought inflation down over 12 percentage points in 6 years and gave rise to the second longest expansion this century during the 1980's. However, it is this very successful policy of reducing inflation that Chairman Greenspan's critics would change, and charge him with doing less than a good job. This is ironic since excessive monetary easing now would actually harm growth, not enhance it as some will claim. With the economy at full potential, an easing now would only provide a short-run boost, before inflationary pressures resurfaced. This would necessitate subsequent tightening and economic slowdown. It is precisely this type of feast or famine monetary policy that injects economic uncertainty and constrains long-run growth and causes a rollercoaster in the economy instead of sustained growth over long periods of time.

We want more growth. I do, and I talk to more and more people, and they all seem to think we should have more growth than the 2.1 to 2.3 percent GDP growth of late. Just as an explanation, our gross domestic product is like a big pie, perhaps a big cherry pie. What happens is when the pie is getting smaller, you have a recession. When it is growing, you have more jobs, better pay, more resources to split and divide among the various activities, including our working peoples' salary paychecks. This must grow or we have stagnation.

Mr. President, 2.1 to 2.2 percent added to that cherry pie is not sufficient. But what we must do is to urge that the Federal Reserve do just what it has been doing and then we, as policymakers, must do at least four things.

First, we must balance our budget within a reasonable period of time; stop using up the savings of the American people to pay for the debts of our country, rather, making it available for growth and to enhance productivity.

Second, we must throw away the tax policies of today. Throw out the tax laws and start over with a brand new set of tax policies that are progrowth, proinvestment, prosavings—simpler, easier to administer, and not so onerous on American business. We must cut taxes wherever we can.

Then we must take a serious look at all the regulations in the country, and where we find regulations that are not needed, take those burdens away from the economy, thus making room for growth.

And last, we must totally reform the education system of America. There is no question that the education system is not working. There are many who are not getting educated sufficiently for the jobs of today. There are many who need retraining, reeducating. The system seems to be floundering.

I think, just as we need a reform in fiscal policy, we need a reform in education so we can do a better job of helping people get ready for jobs in this economy. I note just today in the paper that some companies are paying a bonus to attract people to come to work in the beginning jobs in our economy, the startup jobs. We need to do a better job of training people, getting them educated enough to take the jobs and then move up to better jobs.

So, it seems to me, we should not say to the Federal Reserve Board: You should do all this and cause the growth, with the obvious problem that that can produce superinflation. We have seen it. We saw the day, in the waning months of the Carter administration, when, if you went to a grocery store you would see, right in the aisles of the grocery store, people changing the prices of food every day because inflation was so high that they had to have their clerks changing prices every single day. That was happening throughout the economy.

America needs low inflation to have sustained economic growth. America does not need a Federal Reserve Board that loosens up the money supply to invite inflation, or pushes interest rates down when they do not belong any further down, just for the sake of a spurt in growth only to be followed by very, very negative impacts on our people.

So, instead of blaming the Federal Reserve, we ought to look clearly at ourselves. We ought to look at what we spend our money for, how much we tax our people. Are we spending enough of the tax dollar in productive activities or are we spending it just exchanging money between our citizens? Do we have an education system that is feeding into our production machine students of all ages ready to take the jobs that we have today, with retraining and high skills being required? Do we have regulations that are too severe, that are not worth the costs that we are imposing?

If we were to do this for ourselves, none of us would be here looking for excuses by blaming the Federal Reserve Board that has caused 6 years of sustained growth, has gotten rid of the roller coaster, gotten rid of the idea that once you have growth you have to have a precipitous downturn that goes way down and lasts for a while. This Federal Reserve has slowed those peaks, which I think is worth a huge amount to the average working man and woman in America.

So, today, I am hopeful in a few hours from now we will overwhelmingly support Alan Greenspan. I will put my remarks in the RECORD regarding the other two candidates, whom I will support. I do not know their effectiveness as Federal Reserve Members because they have not been there. But it does appear to me the President has chosen two others who will, in complement with Alan Greenspan and the others, make a good team to keep America on the right path.

At present, the Fed's main challenge is to preserve low inflation and to keep the economy as close to its potential growth as it can. By doing so, the Fed can ensure that any economic downturns are mild and short-lived. Greenspan has succeeded in this regard, keeping the 1991 recession very shallow, despite widespread pressures in the banking sector. In fact, unemployment rose to only 7.7 percent in 1992, well below the double digit levels seen in the early eighties. Furthermore, with a preemptive strike on inflation in 1994, he was able to achieve an economic soft landing in 1995. He removed any nascent inflationary pressures, allowed firms to pare back their inventory overhang without precipitating a recession and set the stage for continued trend growth of 2.1 to 2.2 percent in coming years.

For those who would still argue that the Fed should run an easier policy in efforts to boost growth, I recommend a trip down memory lane. Remember back to the 1970's. Twice during this period, inflation topped 12 percent in conjunction with oil price shocks. However, the primary driver of these sustained inflation gains was not commodity prices per se, but the Fed's reaction to them. In both cases, then Fed Chairmen Burns and Miller pursued easy money policies to cushion the economy from the impact of the oil shocks. While well-intentioned, such policies exacerbated the situation by ingraining inflation expectations, driving bond yields above 13.5 percent, plunging the dollar, and discouraging investment. There were direct human costs as well. In addition to skyrocketing mortgage rates and the plunging value of private savings, real average hourly earnings fell 3 percent in 1974, and another 2 percent in 1975. After making fractional gains in the late 1970's, they fell another 2.9 percent in 1979 and 4.7 percent in 1980. Clearly, this is not a period upon which we can look back with any favor.

Economic studies have shown that such large inflation spikes do curtail long-run economic growth, because of the disruption to business and consumer savings and investment decisions. Recent crosscountry surveys have shown that a 10-percentage-point increase in inflation per year is consistent with a 0.2 to 0.3 percent lower per capita GDP. Other studies show even larger negative effects. This highlights the economic risks if inflation had remained at high levels into the 1980's.

With the economy on the brink of economic crisis in 1979, President Carter appointed Paul Volcker as Fed Chairman that fall. Realizing the gravity of the situation, Volcker tightened credit appreciably, using money supply targeting as his compass. While there was a painful period of economic adjustment during 1980–82, the situation would have been far worse had inflation continued to spiral out of control. Post 1982, the benefits of the Fed's policy soon became evident. The economy entered the second longest recovery of this century, which lasted from the end of 1982 to the middle of 1990 and the onset of Iraqi-United States military tensions. The economic statistics from the 1980's recovery are nothing short of remarkable. GDP growth averaged 3.7 percent—20.8 million jobs were created. Median family earnings rose over 10 percent. All of this occurred as inflation was finally brought under control, falling from 14.5 percent in 1980 to below 2 percent by 1986, and remaining at relatively low levels thereafter. Interest rates followed suit, with the Federal funds rate falling from highs of roughly 20 percent in 1981 to just under 6 percent in 1986. Indeed, the 1980's recovery might well have extended beyond 1990 had it not been for gulf war tensions and the savings and loan crisis.

There was another essential element to the 1980's recovery, as well, that I haven't mentioned yet. Under Ronald Reagan, we had a government that was committed to reducing the tax and regulatory burden on the American people. Via the tax reform acts of 1981 and 1986, individual effective income tax rates fell 13 percent. Such benefits were well dispersed—the lowest 40 percent saw their individual tax rates fall 31 percent between 1980 and 1990, while the top 40 percent saw a 9-percent decline.

As we entered the nineties, however, only half of the successful recipe for 1980's growth remained. We still had a Federal Reserve committed to low inflation under the tenure of Alan Greenspan. This ensured that growth would remain close to potential with minimal economic disruption. However, what we lost was the pro-growth, low tax, less regulation philosophy of Government. Instead, we inherited President Clinton's high tax, large Government approach. This combination has kept trend growth steady but artificially depressed.

In a reversal of Reagan's efforts to scale back Government intrusion in peoples' lives, President Clinton and congressional Democrats passed the largest tax increase in history in 1993. It saddled average Americans with higher gas prices and lower Social Security take-home benefits, it hurt businesses by altering deductions, and it boosted marginal tax rates for EITC recipients and higher income individuals alike. Thus, it is not surprising that productivity under President Clinton has averaged only 0.5 percent, well below the post 1973 average of 1.1 percent. Such meager productivity growth has kept real wages stagnant, giving rise to much of the economic angst which so many workers have experienced. Just to emphasize this point, real average hourly earnings were $7.40 when Clinton took office and are the same $7.40 today despite 3 years of growth during this period. Furthermore, real median family earnings were lower in 1994 than they were at the bottom of the last recession. The only one consolation is that President Clinton's massive Government takeover over the health sector never occurred. Had it materialized, I fear that productivity, savings, and standards of living would have been even worse than they are. For that, we have congressional Republicans to thank.

Lackluster productivity growth stresses the need for more substantive action on the part of policymakers. One effort that I have devoted enormous effort to is reducing the budget deficit. By bringing the budget to balance in 2002, CBO estimates that growth will be boosted by an additional 0.4 percent over this time period. It will free up savings for investment, it will allow citizens to keep more of their hard earned money, and it will boost standards of living—the overriding goal of all policy. Now some will say that President Clinton shares this goal too, and note that the deficit has declined since he took office. However, I would first call attention to the President's fiscal year 1996 budget, in which he proposed a deficit of $195 billion in the year 2000. He only hopped onto balanced budget efforts after the Republican Congress championed this issue.

Furthermore, I would argue that most of the current deficit reduction and economic growth has occurred in spite of President Clinton not because of him. If one looks at CBO's projection of the 1995 budget deficit when President Clinton took office and compares it to actual numbers, some interesting facts appear. A full 50 percent of this deficit reduction stems came from technical factors, notably from the resolution of the thrift crisis. Another 11 percent came from economic growth, a tribute to Fed Chairman Greenspan more than anything else. The remaining chunk stemmed from higher taxes and user fee hikes. Less than 1 percent came from spending cuts. Now some will argue that debate over why the deficit has fallen is just partisan sniping. Far from it, however. It is crucial to know how the deficit came down in order to assess whether it will stay down. The path of deficit reduction that I have just described does not bode well for future progress. We can't rely on savings from thrift crisis resolution forever. We can't assume that the economy will always be a positive for deficit reduction.

In addition to a balanced budget, there are other needed components for long-run growth strategy as well—overall tax reform and enhanced education and job training opportunities are critical. The current U.S. Tax Code is designed to favor consumption over savings so it should be no surprise that it has given the United States one of the lowest overall savings rates in the G–7. We must alter our Tax Code to favor savings by increasing IRA's and allowing businesses to expense their investments.

We also need to be as concerned with human capital as we are with physical capital. We must look for innovative ways to enhance the training that our children and workers receive. As technology advances, job advancement will be linked to skill levels more and more, serving to widen income differentials unless action is taken. States should be encouraged to experiment with a variety of voucher programs at the primary and secondary level. It does no good to put emphasis on postsecondary education if secondary schools are turning out students without adequate reading and writing skills. We must also work to facilitate the transition of many workers between jobs. This can be done by using State job training vouchers as well as encouraging consortiums of small businesses to provide training to their workers collectively. This has already been done successfully with small business pension programs.

And lastly and very importantly, we must ensure that the Federal Reserve continues to follow an anti-inflationary policy. We should give our full support to Chairman Greenspan as he endeavors to keep inflation low and growth centered around longrun trend. We, as policymakers, should be the ones trying to boost trend growth from here, not the Fed.

Alan Greenspan has done an exceptional job since he first assumed the Chair in 1987, and will undoubtedly continue this track record if reappointed. I encourage all my colleagues to give their full and unwavering support for Chairman Greenspan's reappointment.

I thank my friend, Senator D'AMATO, chairman of the Banking Committee, for yielding. I thank the Senator.

Mr. D'AMATO. Mr. President, I think if anybody has earned the respect of our colleagues on the issues of the Federal budget and domestic spending, it is certainly Senator DOMENICI. It is imperative that we not attempt to attribute slow economic growth to the Fed. That is an easy political ploy, whether it be used by Democrats or Republicans.

I think Senator DOMENICI is absolutely correct. In the area of failing to balance the budget, that is the failure of Congress; that is the Executive's failure; that is the failure of past administrations and the present administration, past Congresses and the present Congress. We have all failed to develop and implement which will bring even greater confidence and economic stability, domestically and worldwide.

If we want interest rates to come down and create better investment opportunities, we need a Tax Code which encourages savings to bring about more capital formation, leading to more jobs and more opportunity. Obviously, as the Senator has touched on, the fact is that we are failing in our educational system to meet the challenges of retraining and providing a trained labor pool. Many businesses cannot get the qualified personnel that they need. As a matter of fact, we hear those who are opposed to some of the proposed immigration reforms because, they say, the reforms would make it impossible to get the kind of talented work pool needed from outside the United States. This is a fact.

So for us to say, well, the reason we do not have a better growth rate than 2.5 or 2.2 percent is because of Chairman Greenspan or that he is opposed somehow to greater economic growth is just fallacious.

Let me address, if I might, the question of the GAO report. We are going to look into this. It is important. Chairman Greenspan acknowledged that the report has touched on a number of areas where they believe they can do better.

I must comment on this business of saying that there is a $3.7 billion slush fund. The Federal Reserve turns over about $20 billion a year in earnings to the Treasury and keeps a reserve—let us say it is $4 billion. To say that this reserve is a slush fund is just not correct. It is wrong. Let me tell you why. You need to understand the nature of this reserve. This is the central bank of the United States. We have had all manner of occasions where the financial system experiences stress and crises. Sometimes there are even significant costs to the taxpayer. For example, we saw in the savings and loans debacle $150 billion of taxpayers' moneys being needed to end that crisis. We have seen worldwide situations that developed when our central bank and others have to move in quickly. We have in terms of deposits insured by the Federal Government roughly $4 trillion—$4 trillion—in the American system. Let me say that the Fed surplus of $4 billion represents one-tenth of 1 percent of those deposits. That is not a tremendous amount for the central bank to hold in the event it has to deal with an emergency. My colleagues who run around and banter that the Federal Reserve has a $3.7 billion fund with some unknown purpose need to understand the ramifications of dealing with a financial system that includes $4 trillion in deposits insured through the FDIC.

I think it is rather irresponsible to somehow equate holding this reserve to the people's money being negligently managed. Indeed, Mr. Greenspan is known as the world's preeminent central banker. President Clinton did not nominate Chairman Greenspan because he is a Republican or a Democrat or a partisan. He nominated him because he deserved the position and he has been universally applauded for his overall performance of the last 8 years.

I want to include at the end of my remarks a number of editorials which illustrate the overwhelming support that Mr. Greenspan enjoys. Again, if we want to do something to bring about more growth, then let us see that the Congress manages the business of the people in a more effective, more efficient way. There is room for agreement and disagreement as to how we can do better, but let us put our own fiscal house in order and we will get interest rates down for the long term. We do not need false stimulation that will give some temporary relief for short-term borrowing costs but ultimately create inflation of double digits once again, causing long-term interest rates to rise so that young families are denied the opportunity of purchasing homes and businesses are unable to figure out their long-term borrowing costs.

That is not the kind of management our Nation needs. We need steady, prudent management of our economy. Most importantly, we have to see that the Congress of the United States makes the necessary reforms in our current tax system which does not reward savings or investment and in fact penalizes savings. Our tax system and our complex system of regulations help retard economic growth and expansion. We have an educational system that has too many bureaucrats and not enough money coming into classrooms and not enough choice for people to make in educating their children. This is particularly true in poor inner cities where we find that the working poor are trapped and do not have the ability to send their children to schools that can give them meaningful educational opportunities to enable them to compete. We have become a nation entrapped in the bureaucracy that comes out of Washington.

So, Mr. President, I rise to strongly support the nomination of Chairman Greenspan. I ask unanimous consent that the articles I have alluded to be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Financial Times, Jan. 29, 1996]

RENOMINATING MR. GREENSPAN

The identity of the person who will hold what is arguably the most powerful post in the United States will shortly be known. If the present incumbent, a major figure in domestic politics, survives the peculiarly American ritual of nomination then a landslide victory can be all but assured. Unfortunately for President Clinton, whose practical authority and command depends so much on the co-operation, often not forthcoming, of others, the position concerned is chairman of the Federal Reserve Board and the person is Mr. Alan Greenspan.

The chairman's present term expires on March 2 and he has indicated a willingness to accept a third period as the world's most important central bank chief. Since his initial appointment by President Reagan in 1987, Mr. Greenspan has built a formidable reputation for himself. He has managed to combine a reputation for vigorous economic orthodoxy with Wall Street and world markets whilst in practice proving rather more flexible than that image would suggest. He has mastered the art of being a political figure whilst not looking one. His genuine internationalism, and capacity to innovate, have earned high praise within the G7 and beyond.

LITTLE OPTION

It is not surprising then that the president not only should renominate him but almost certainly will. Given a Republican Senate, Mr. Clinton has precious little option but to back the current chairman. This is compounded by the failure of previous White House efforts to acquire influence on the Fed through more aggressive nominations.

The first Clinton appointment, Ms. Janet Yellen, was perceived as insufficiently orthodox and has been a marginalised figure throughout her tenure. Mr. Alan Blinder, elevated to vice-chairman, and widely touted as the favoured candidate for chairman, never recovered from a speech that questioned the minimisation of inflation as the board's exclusive mission. He announced his return to academia this month. The president has still to find a replacement for Mr. John LaWare, who quit last year, that the Senate will accept. The administration will be playing with congressional fire again if, as suggested, it offer Mr. Felix Rohatyn as Mr. Blinder's replacement.

GOOD FORTUNE

Whether Mr. Greenspan is wise to court further office is another matter. Central bank governors require luck as well as judgment and he has had an unusually large share of good fortune over the past nine years. To stretch that record for another four years is surely tempting fate.

Yet he must consider the short-term signs to be encouraging. Given last weeks' agreement, the federal government—and hence his office—will at least be open on March 2. It took the merest hint of a credit downgrading from Moody's for previously gung-ho congressional Republicans to make assuring noises on the debt ceiling.

In the medium term, if any multi-year bargain on the federal budget deficit is reached, deliberately restricting fiscal options, then monetary policy and the control of it will become even more significant. Were this fiscal shift enshrined in a balanced budget amendment to the American Constitution, that enhanced significance would become permanent. The Federal Reserve Board is likely to be an increasingly important body in the 21st century.

In such circumstances, the prospective renomination of Mr. Greenspan is especially appropriate. The president would be well advised to announce his intentions immediately.

[From the Washington Post, May 9, 1996]

FED UP

A President nearing the end of his term can expect to have a hard time moving nominations through the Senate, especially if the other party is in the majority. The party reasons that, if only it waits, its candidate may win the next election and be the one to fill the job. It may therefore come as no surprise that President Clinton's nominations of Alan Greenspan to be chairman, Alice Rivlin to be vice chairman and economist Laurence Meyer to fill a vacancy on the Federal Reserve Board are stalled—except that it isn't Republicans doing the stalling.

The nominations are being held up by a small group of Democrats led by Sen. Tom Harkin. Their complaint is that Mr. Greenspan, in his zeal to suppress inflation, has kept the economy from growing as fast as it should and thereby cost the country—working people in particular—jobs and income. Sooner or later they are expected to relent; they don't expect to deny him the nomination so much as to call attention to their argument and—who knows?—possibly soften up the board and cause it to alter course a little.

It's fair enough to make the argument if they want to, and Republicans earlier went much further in deflecting altogether the nomination of investment banker Felix Rohatyn as vice chairman; they argued he was too pro-growth. Of course, the Democrats said in response that it was wrong to make a capable nominee a pawn in a political dispute—and that's as true in this case as it was in that.

All three of these people are excellent choices whose instincts will keep them well within the envelope of acceptable policy. There will always be a debate about how fast the economy can safely be allowed to grow and where the balance point exists between the risks of renewed inflation and lingering slack. The more success the Fed has had in combating inflation lately, the more that risk has seemed to recede, but that hardly means the board's policy has been wrong.

Our own sense is that the board has both less latitude and less fine control over the economy than some of the rhetoric surrounding its decisions would suggest. Its ability to tilt in the direction of growth is further constrained by Congress itself, or by the elected branches generally. The budget deficits they have compiled in recent years have given the board little choice but to lean on the brakes as an offset. Mr. Greenspan seems to us to have done a good job of navigating a narrow channel. As Mr. Harkin's own president is fond of saying, the unemployment and inflation rates are both pretty low just now.

But the real point is that those who believe the mix of risks in the economy has changed a little in recent years, so that it would be both safe and beneficial to shoot for a slightly higher rate of growth, can make that argument in the confirmation process, as to some extent they already have. Merely putting nominations on hold is obstructionism, not debate. It is time for the Senate to liberate Mr. Clinton's three nominees and take a vote.

[From the Washington Post, June 3, 1996]

A JOB FOR THE SENATE

If the Senate has some time to kill when it reconvenes this week—and the Senate is always killing time—we have a suggestion. It could debate and vote on the president's choices to complete the Federal Reserve Board. They have been held up too long.

It was in February that Mr. Clinton announced his intention to nominate Alan Greenspan to another term as chairman of the seven-member panel, Alice Rivlin to be vice chairman and St. Louis economist Laurence Meyer to fill a vacancy. The paperwork went up a few weeks later, the Banking Committee held a hearing March 26 and sent the nominations to the floor the next day. They've languished since because of opposition on the part of, not the majority Republicans, but a handful of discontented Democrats led by Iowa's Tom Harkin.

The opponents think that, in its zeal to suppress inflation, the Fed in recent years has kept the economy from growing as rapidly as it safely could. The slower growth has cost the country income and jobs; so they believe, and in part they blame Mr. Greenspan. It's the ancient argument: Which is the greater danger, the risk of renewed inflation or the consequences of economic slack? Mr. Harkin and the others on his side believe the latter, and want to use the debate on the nominations as a consciousness-raising session. The argument has had to do with how much time they'll be given, but surely that can be worked out. They ought to get it done.

Our own sense has been that the Fed has done a pretty good job of late of steering between the risks of inflation and slack; the inflation and unemployment rates are both pretty low. Its maneuvering room in this regard has also been constrained by Congress itself. The country has had a wide-open fiscal policy in recent years; the deficit is its emblem. The Fed has had little choice but to offset it. The pro-growth types in both parties complain about a policy of constraint that they themselves have helped to force.

Sure, the Senate ought to debate these issues. They're a lot more important than much of what it does debate. But it ought not hold these nominations hostage in the process. The president has chosen well. The nominees are qualified. The senators can talk all they want, and they usually do. But time now to vote as well.

[From the New York Times, June 8, 1996]

THE UNFAIR WAR ON ALAN GREENSPAN

Senator Tom Harkin of Iowa has single-handedly blocked a vote to confirm Alan Greenspan's reappointment as chairman of the Federal Reserve Board. Mr. Greenspan will no doubt be approved, eventually. But the annoying delay could grow worse if, as is now threatened, his confirmation is tied to that of a number of controversial judicial nominations.

The truth is that Mr. Greenspan's record, by testimony of liberal and conservative economists alike, deserves high praise, not Mr. Harkin's thoughtless barbs.

Mr. Harkin accuses Mr. Greenspan of needlessly shackling the economy, and there are some economists and businessmen who agree with him. But the record says otherwise.

The economy has grown during seven of the eight years that Mr. Greenspan has led the Federal Reserve Board. Unemployment has steadily declined. So has inflation—an unusual combination of good outcomes. What Mr. Harkin criticizes is the fact that the steady growth rate has, by comparison with the 1950's and 60's, been relatively slow—about 2.5 percent per year. Mr. Harkin wants growth of 3 or 4 percent.

The sobering fact is that the Fed has no say over long-term growth and employment. Growth is limited to about 2.5 percent a year because of slow population growth and productivity growth, two trends over which the Fed has almost no control. What the Fed does control is the amount of money circulating through the economy, which determines how fast prices rise. The best way the Fed can make sure the economy grows as fast as possible is to remove the fear of inflation from the decisions to work and invest that are made by ordinary citizens. On that score, Mr. Greenspan's record has been very good.

It is true that the Fed can, when the economy is in a temporary lull, bring down interest rates in an attempt to spur investment and boost economic activity back up to capacity levels. But there are fairly strict limits on how far the Fed can go. At some point—economists disagree where—unemployment falls so low that wage and price inflation begin to soar.

Mr. Harkin asserts that the economy could operate without threat of inflation at an unemployment rate well below the current level of 5.6 percent. That may be true. But even if the Fed turned activist, and Mr. Greenspan's critics turned out to be right about inflation, the impact on the economy would be modest and temporary. If, for example, the Fed nudged unemployment down to 4.5 percent, it would mean only that the economy could grow a bit quicker, around 3.5 percent, for about two years. Then growth would slip back down to its long-run potential of 2.5 percent.

A case can be made, in hindsight, that the Fed has erred in the direction of caution the past couple of years. But the errors have been slight and the impact small. The important fact is that Mr. Greenspan has kept the economy on a steady course through turmoil on Wall Street and a war in the Persian Gulf. Mr. Harkin's carping is not just annoying. It is wrong.

[From the Dallas Morning News, Oct 8, 1995]

FEDERAL RESERVE—GREENSPAN DESERVES 4 MORE YEARS AS CHAIRMAN

The job of Federal Reserve Board chairman requires a steady hand, which is why President Clinton should reappoint Alan Greenspan to a third four-year term.

The Fed's main mission is to preserve the value of the nation's currency by managing the money supply. In this, the Fed has performed extremely well under Mr. Greenspan's direction, and often in difficult circumstances. Prudent Fed adjustments of short-term interest rates have helped to keep inflation low during more than four years of unbroken economic growth.

Not that Mr. Greenspan has been without controversy. Mr. Clinton has been known at times to resent his anti-inflation hawkishness. President George Bush felt Mr. Greenspan waited too long to lower interest rates, when a well-timed lowering might have provided an economic stimulus to aid his doomed re-election effort.

But in general, Mr. Greenspan has led the Fed to sound decisions. Despite the fact that his prior appointments were by Republicans, Mr. Clinton should reward him for his impartial and intelligent deliberations.

The choice is important. Over the next six months, Mr. Clinton must fill three vacancies on the Fed's seven-person board of governors. At the same time, Congress is expected to try seriously to eliminate the 26-year string of federal budget deficits.

Because the deficit may at last vanish, the temptation will be for Mr. Clinton to appoint inflation doves. That's not necessarily bad, if Congress actually balances the budget. The nation may need a looser monetary policy to stimulate investment and jobs while the economy adjusts to smaller government.

But, in that event, financial markets will demand a chairman who is a known and respected quantity, a proven inflation fighter, a seasoned dealer with congressman and presidents. Mr. Greenspan is that choice.

If Mr. Clinton deems Mr. Greenspan capable, he should be able to reappoint him. Besides, Mr. Greenspan's 14-year term as a Fed governor doesn't expire until 2002. As long as he's on the board, he should be able to serve as chairman.

The choice is clear: Give the green light to Greenspan.

Mr. D'AMATO. Not to overuse a good statement, but I am going to do it again, Chairman Greenspan has been a success. He should be rewarded, and the people should be protected. He has actually won the championship, much like the Chicago Bulls, and winning that economic championship has not been easy. It has not been a knockout in every sense. He did not sweep the series. But, again, refusing to confirm Mr. Greenspan because economic growth has not been fast enough or high enough would be like the Chicago Bulls saying we are not going to sign Michael Jordan because the Bulls did not sweep in four games but just won the championship in a way that did not meet the expectations of all the critics.

I yield the floor.

Mr. HARKIN. Mr. President, I yield 20 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I had a real good sleep last night so I am well rested and I hear quite well. I heard apparently the Senator from New York compare, was it the Federal Reserve Board to the Chicago Bulls? Did the Senator from New York just compare the Chicago Bulls championship basketball team to the Federal Reserve Board?

Mr. D'AMATO. I did not hear the last comparison that the Senator asked me to comment on.

Mr. DORGAN. I just said I had a good sleep, and I am hearing fairly well this morning. I thought I heard the Senator say that the Federal Reserve Board is kind of like the Chicago Bulls, and apparently one was referring to the fact that the Federal Reserve Board has been champions in winning this battle against inflation and the Chicago Bulls are the world championship basketball team, and I thought, well, maybe I did not hear very well.

Mr. D'AMATO. That is true. I think the Federal Reserve has done an excellent job. They have put us on a strong and steady course, and I would compare that course to any worldwide, to all the other major economies, the Japanese, the Germans, et cetera. I would say that the failure to make an economic sweep comes from the Congress and the failure of us to do our jobs, coupled with the White House—not just this White House but other White Houses as well.

Mr. DORGAN. I thank the Senator for yielding on that point. I thought, heck, I guess I do not understand this debate. If the Fed is like the Chicago Bulls, where is the Dennis Rodman? There would be no one down at the Fed who would be countenanced as having contrary views.

The Federal Reserve Board, as you know, operates behind closed doors and in secret. It is the last dinosaur in our Government making monetary policy decisions that affect everyone. We talk a lot about taxes on the floor of the Senate. When the Fed hikes interest rates, there is a tax imposed on every single American, with no debate or democratic process about whether the families in America should pay these taxes.

There is a tax imposed on every single American when the Fed says behind closed doors, "We're going to keep the Federal funds rates higher than it should be."

Why?

"Because we, as a group of economists and bankers and others who run the Federal Reserve Board are worried about inflation."

What inflation? Five years in a row inflation has come down, not gone up. That is not, I say to my friend from New York, a function of the behavior of the Federal Reserve Board.

The global economy has put downward pressure on wages. Why? Because the global economic system is says that our largest corporations are international citizens. These corporations say we want to consign America's work force, at least the lower two-thirds of the work force in America, to compete with 2 or 3 billion other people around the world, some of whom are willing to work for 10, 12 or 25 cents an hour. This puts downward pressure on wages.

Mr. D'AMATO. Will my colleague yield for an observation?

Mr. DORGAN. I will be happy to yield.

Mr. D'AMATO. First of all, let me say Mr. President, I believe my colleague has brought up, absolutely correctly, the need to have a thorough, thoughtful discussion and review of how the Federal Reserve conducts its business. And I, as Chairman of the Banking Committee which has jurisdiction, promise you that discussion and review. I also welcome your active participation.

My colleague and friend, Senator DORGAN, has not been a Johnny-come-lately to scrutinizing the Federal Reserve. Senator DORGAN has been thoughtful in addressing a number of issues, and just recently brought to the chairman's attention one of his concerns. I wanted to stop at this point and say the Senator is correct. We have to examine the Federal Reserve's operations and look at how much secrecy and confidentiality is required. Senator DORGAN and I both understand there are certain instances where confidentiality is unquestionably warranted, in order to avoid speculative actions in financial markets. I think Congress has to thoughtfully look at these issues and examine them in light of the world markets we have and in light of the communications we have.

I also want to indicate to you that we have responded to the concerns raised by Senator DORGAN in his letter. I do not know if you have gotten a response to your recent inquiry regarding to some of the very disturbing reports on the Los Angeles branch of the San Francisco Federal Reserve. These reports discuss irregularities which involve hundreds of millions of dollars. I have asked the Federal Reserve to respond to these reports. I ask unanimous consent that Senator DORGAN's letter and my letter to the Federal Reserve be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 18, 1996.

Hon. ALFONSE D'AMATO,
Chairman, Committee on Banking, Housing and Urban Affairs, Washington, DC.

DEAR MR. CHAIRMAN: I'm writing to urge that the Senate Banking Committee hold a hearing to thoroughly examine the troubled currency reporting practices recently uncovered at the Los Angeles Branch of the Federal Reserve Bank in San Francisco.

According to recent press reports, Federal Reserve employees at the Los Angeles branch bank knowingly engaged in an ongoing practice of falsifying cash reports sent to the Board of Governors. It is my understanding that the Federal Reserve Board uses this information to help determine the level of money in circulation, to assess currency needs in different parts of the country and for other important reasons.

In the last three months of 1995, there reportedly were errors in currency and coin activities that totaled more than $178 million. It is alleged that this practice has occurred for years and was actually condoned, if not directed, by bank management.

This is simply outrageous if the reports are anywhere near accurate. I think that Federal Reserve officials ought to fully explain to the American people if there are mismanagement and accounting lapses at the Los Angeles branch bank, and tell us what steps, if any, are being taken to prevent this from happening in the future. I also believe the matter should be fully audited by the General Accounting Office. One thing is clear: if we ultimately find out that money is actually missing at the branch bank, American taxpayers are the real losers. That's why we can't allow the Federal Reserve Board to simply brush this matter aside and allow it to become just another case of business as usual when questions arise about Federal Reserve oversight.

Again, I urge you to hold hearing to examine this matter at the first available opportunity.

Thank you for your consideration of my request. I look forward to hearing from you soon.

Sincerely,

BYRON L. DORGAN.

U.S. SENATE,
COMMITTEE ON BANKING HOUSING,
AND URBAN AFFAIRS,
Washington, DC. June 7, 1996.

Hon. ALAN GREENSPAN,
Chairman, Board of Governors of the Federal Reserve System, Washington, DC.

DEAR CHAIRMAN GREENSPAN: I am concerned about recent news reports concerning the operations of the Los Angeles branch of the Federal Reserve.

I urge you to look into the published accounts, to prepare a complete report and explanation, and to expect to utilize the materials in connection with hearings and public discussion of the GAO's final report on the Federal Reserve Board Operations.

Sincerely,

ALFONSE D'AMATO, *Chairman.*

[From the New York Times, June 4, 1996]

FED LOOKS INTO CASH DISCREPANCIES AT BRANCH

(By Dow Jones)

WASHINGTON, June 3—The Los Angeles Federal Reserve bank branch appears to have had trouble counting its money, and a report published today said that cash reports sent to Washington had been doctored to conceal discrepancies totaling tens of millions of dollars.

The alteration of the documents, disclosed in The Wall Street Journal today, was confirmed, The Journal said, by an executive of the San Francisco Fed bank, which oversees the Los Angeles branch. The executive said the discrepancies were being investigated.

Internal documents showed that in the 1995 fourth quarter, employees were "forcing" balances that did not add up, so that the reports sent to the Fed board would appear correct.

Current and former employees say the practice has been going on for at least a year in the cash-handling operation and that far larger discrepancies may have occurred over time. The Los Angeles branch runs one of the largest Federal cash vaults, putting money into circulation and destroying old currency.

But none of the people familiar with the situation said there was evidence that cash was missing.

The apparent management lapses in one of the Fed's most basic and important functions may prove an embarrassment for the central bank at a time when it is already under fire from the General Accounting Office for its spending and management practices, particularly at some of the Fed's 12 district Fed banks.

Although there was no evidence that other branches had problems akin to the Los Angeles branch's, the incident may renew questions about Fed bank management as its chairman, Alan Greenspan, awaits Senate confirmation for a third term.

On Friday, Representative Henry B. Gonzalez, a Texas Democrat and longtime Fed critic, asked the Government Accounting Office, an investigative arm of Congress, for an emergency audit of the Los Angeles cash unit. He asserted that senior managers in Los Angeles had known of "deliberate falsifications" of the cash reports.

The chief operating officer of the San Francisco Fed, John F. Moore, confirmed that "there were some reports that contained inaccuracies that were identified by management in January."

"There were months when the report had to be completed before deadline when they sent it up without substantiating certain numbers," Mr. Moore said.

The Fed board uses cash reports from district banks to track the level of currency in circulation, to order new cash from the United States Mint and to monitor how much has been destroyed and for other statistical purposes.

According to an internal compliance report prepared in January by the staff at the Los Angeles branch, discrepancies varied sharply from month to month. In November 1995, for example, the report sent to the Fed board claimed $61.8 million more than it should have; in December, the figure was too low by $111.1 million.

[From the American Banker, June 4, 1996]

FED BRANCH ACCUSED OF JUGGLING BOOKS

(By Bill McConnell)

WASHINGTON—Managers at the Los Angeles branch of the Federal Reserve Bank of San Francisco falsified their books to cover up accounting errors, Rep. Henry Gonzalez charged Friday.

John Moore, first vice president and chief operating officer at the San Francisco Fed, denied any official coverup, but told The Wall Street Journal that the Los Angeles branch sent incorrect cash reports to Washington. He did not return phone calls Monday.

Rep. Gonzalez, publicizing problems at the Fed's L.A. branch, said on Friday that his staff had uncovered more than $178 million in accounting errors there during the fourth quarter. An aide to the House Banking Committee's ranking Democrat said the branch may have submitted false reports for as long as two years.

The investigation uncovered a variety of mistakes at the branch, which operates one of the government's largest vaults. Errors included $28 million in misclassified cash shipments from the Bureau of Printing and Engraving and $2 million in dollar coins recorded as paper currency.

Rep. Gonzalez asked the General Accounting Office to investigate the branch's currency operations.

[From the Wall Street Journal, June 3, 1996]

LOS ANGELES FED HAS MONEY TROUBLES

(By John R. Wilke)

WASHINGTON.—The Los Angeles Federal Reserve branch appears to have had some trouble counting its money, and has doctored cash reports sent to Washington after finding discrepancies totaling tens of millions of dollars.

The altered reports were confirmed by an executive of the San Francisco Fed bank, which oversees the Los Angeles branch. He said the discrepancies are being investigated. Internal documents show that in the 1995 fourth quarter, employees were "forcing" balances that didn't add up so that the reports sent to the Fed board would appear normal.

Current and former employees say the practice has been going on for at least a year in the cash-handling operation and that far larger discrepancies may have occurred over time. The Los Angeles branch runs one of the largest federal cash vaults, putting money into circulation and destroying old currency.

The apparent management lapses in one of the Fed's most basic and critical functions could prove to be an embarrassment for the central bank at a time when it is already under fire from the General Accounting Office for its spending and management practices, particularly at some of the 12 district fed banks.

Although the problems appear to have been confined to the Los Angeles branch, the incident could renew questions about Fed bank management as its powerful chairman, Alan Greenspan, is awaiting Senate confirmation to a third term.

Rep. Henry Gonzalez, a Texas Democrat and longtime Fed critic, asked the GAO late Friday for an emergency audit of the Los Angeles cash unit. He charged that "deliberate falsifications" of the cash reports were known to senior managers in Los Angeles.

John F. Moore, chief operating officer of the San Francisco Fed, confirmed that "there were some reports that contained inaccuracies that were identified by management in January." He said local managers apparently continued the practice even as they tried to correct the problem, deliberately sending misleading reports to the Fed board.

"There were months when the report had to be completed before deadline when they sent it up without substantiating certain numbers," he said.

Mr. Moore said that no cash was actually missing from the bank. "We balance to the penny all the money coming in and out of the bank everyday." Other Fed employees said that given the huge discrepancies, this assertion couldn't be proved unless separate manual cash tallies were checked. "If they are forcing the balances on these reports, you still have to establish where that cash is," one said. However, none of the people familiar with the situation said there was evidence of missing cash.

According to an internal compliance report prepared by the Los Angeles branch staff in January, discrepancies varied sharply from month to month. In November 1995, for example, the report sent to the Fed board claimed $61.8 million more than it should have; in December, the figure was too low by $111.1 million.

The Fed board uses cash reports from the district banks to track the level of currency in circulation, order new cash from the U.S. Mint, monitor how much has been destroyed, and for other statistical purposes.

Mr. Moore said that there was a $178 million difference "between what our compliance group was able to add up and what was sent to the board" in the cash reports in the 1995 fourth quarter. But he insisted: "This is a statistical problem, not a financial one."

[From the USA Today, June 4, 1996]

CRITIC SAYS FED JUGGLED ITS BOOKS

Federal Reserve employees were ordered to falsify reports to cover up $179 million in discrepancies, a longtime Fed critic alleged Monday.

Rep. Henry Gonzalez of Texas, senior Democrat on the House Banking Committee, claims Fed employees used accounting gimmicks to cover discrepancies in Fed reports the last three months of '95.

The employees work at the Fed's Los Angeles branch, one of the nation's largest currency processing centers. The General Accounting Office has been asked to investigate the allegations, Gonzalez says.

He says the accounting gimmicks covered up shortages of $5.8 million in October and $111.1 million in December between two different reports.

> In November, the report that was changed actually came in $61.8 million higher than another report. That left a net shortfall of $55 million for the three months, although there are no accusations of missing money.
>
> John Moore—chief operating officer of the San Francisco Fed, which oversees the Los Angeles branch—says there have been report inaccuracies.
>
> But new procedures have been put in place to correct the problems, Moore says.

Mr. D'AMATO. Mr. President, I am not suggesting for one second that while I support Mr. Greenspan as Chairman that we should not take a careful look at the practices of the Federal Reserve that, in some cases, are so esoteric. I think we have an obligation to review this, and I say to you, I will support such an endeavor.

Mr. DORGAN. I appreciate that. I think that is a helpful response.

Let me frame this issue the way it should be framed. I said before, and I want to say again, this is not personal with me. In fact, I admire Chairman Greenspan. I think he has performed a substantial amount of service for this country. I disagree fundamentally with the monetary policy that is now employed by the Federal Reserve Board, because I think it artificially restricts economic growth in this country in a way that is unwarranted. I think it serves interests that are not the interests of the producers and workers. It serves the money center bank interests. I think they are fighting a ghost foe. The Fed's fighting inflation that does not exist and claiming credit for bringing inflation down. Again, inflation is being brought down by the pressures of the global economy. So it is not personal with me.

In addition to the issues of monetary policy, the GAO raises, I think, some fundamental questions about the mechanics and the operations of the Reserve Board, and I think those need to be examined. And I appreciate the response of the Senator from New York that he intends to do that.

Let me say that the Senator from Iowa, Senator HARKIN, has only asked that there be a debate and a full discussion about Mr. Greenspan's nomination on the floor. We had people in the Senate who said, "Well, what we would like to do is move these nominations by unanimous consent, and we don't have time for a debate."

The Senator from Iowa, I think, has suffered some significant pressures and criticism by people who said, "What are you doing?"

Well, he was not bowed by that, fortunately. He was doing what he thought was right and what I think is right: Asking that this Senate discuss monetary policy.

We are now discussing it, and we are going to have a vote. Mr. Greenspan, I predict, is going to be confirmed by a wide margin. I personally am not going to vote for his reconfirmation for a second term. It is nothing personal, but I think the Fed is marching in the wrong direction.

I am going to read some quotes, but let me first respond to something said by the Budget Committee chairman. He said if the Congress were more responsible in fiscal policy, we would have better economic growth. I heard that before. Let me respond by reading this.

This is a comment by the former Director of the Congressional Budget Office, Robert Reischauer. He is now with the Brookings Institution. He says:

> Whether or not the supply-siders think cutting taxes will make the economy grow faster doesn't really matter. . . . If Alan Greenspan thinks the economy can't grow faster than 2.2 percent a year without triggering inflation, it isn't going to happen.

That is Mr. Reischauer. If Mr. Greenspan does not want growth rates higher than 2.2 percent, it is not going to happen. I agree with him.

The Federal Reserve Board believes that unemployment should not drop much below 5.5 percent, maybe even 6 percent, because they worry it will trigger more inflation. They believe the economy should not grow more than 2 or 2.5 percent a year, because they worry it will trigger more inflation. I have said they view themselves as a set of human brake pads whose sole mission it is to slow down the economy. My Uncle Joe can do that. Maybe we should put my Uncle Joe on the Federal Reserve Board. He does not have any experience, but he could certainly slow down the American economy.

If the Federal Reserve Board believes that its mission is to slow down the economy, then they are doing just fine, because we have an anemic rate of economic growth. Mr. President, 2 or 2.3 percent economic growth is not the kind of economic growth that is going to provide the opportunity and the jobs that the American people need and deserve. The fact is, we can have a better rate of economic growth without stoking the fires of inflation. Inflation is coming down, not going up.

Let me read some quotes, lest you think it is only myself or the Senator from Iowa who believes this. The chairman of the General Electric Co., John Welch, Jr.:

> We don't see a connection between the numbers out there and what we feel in our business. There is absolutely no inflation. There is no pricing power at all.

Dana Mead, chief executive of Tenneco, who I believe is also chairman of the National Association of Manufacturers:

> I believe very strongly that the Fed should be leaning more toward growth and not be so concerned with the threat of inflation.

I think the numbers support Mr. Mead's contention.

Felix Rohatyn:

> There was a time when 2.8 percent growth would be considered a modest rate of growth. Today, it is considered dangerously robust. Most corporate leaders don't agree with this notion of dragging the anchor just as soon as the economy has wind behind it. They understand that we can sustain high growth based on muscular productivity improvements that they are generating in their own businesses.

Mr. President, this is not about idle debate about theory. This is a debate that reaches every home and every worker in this country. A century ago, we would have been debating interest rate policy from barbershops to barrooms all across this country. The Senator from New York is one of the real historians in our country and serving in this body. You read the financial history of this country and the debate surrounding the large economic issues of this country. You read in the last century that monetary policy and interest rates were a predominant political issue in America.

Over two centuries, there has been a wrestling match between those who produce in America and those who finance production in America. There has always been this wrestling match, this tension. One wants to overcome the other. It is about profits and money.

You look at these two centuries of that struggle, and you find you go a decade or two, and one side has an upper hand, those who finance production have the power and wield the power and have the upper hand; then it turns and the pendulum swings, and those who produce have the upper hand.

We are in a period in this country today where those who finance production not only have the upper hand, but have an abiding ally among those who make this country's money policy. It sounds like theory to a lot of people, but what it means is in every household at the end of every month when every American pays their bills, they are paying a tax. It has been imposed on their family by an institution that keeps interest rates higher than they can justifiably be kept in this country today.

These costs of higher interest rates will cost the American people, not $20, $50, or $100 billion, but hundreds of billions of dollars in extra costs coming out of their pockets. Credit card interest rates are higher, the prime rate is higher, business operating loans are at a higher interest rate, all because they come off the Federal funds rate.

The Federal funds rate is higher now than can be justified. There is no doubt about that. There is no real debate about that, in my judgment. They will say it is higher because they are worried about the threat of inflation.

In North Dakota, for example, North Dakotans will pay close to $400 million over the next 5 years in excess interest costs. That's $80 million a year in excess interest charges because we have those sitting on monetary policy who manage it in a way that keeps interest rates excessively high in order to restrict the rate of economic growth in our country. I fundamentally disagree with that.

I hope, in the context of having a debate about monetary policy and the Federal Reserve Board, that we can perhaps light the fuse that will result in a larger debate in this country about in whose interest are we conducting monetary policy?

We will have some people stand up in this Chamber and say that the fight against inflation is the only fight that counts. Let us evaluate that for just a moment. What has happened to inflation? Inflation has come down 5 years in a row. It now stands at 2.5 percent, and the current Chairman of the Federal Reserve Board says the 2.5 percent may be overstated by 1.5 percent. If that is the case, we have virtually no inflation in America.

In fact, we have one of the prominent economists in our country, who was born out in my part of the country, Glendive, MT, born not so far from the North Dakota side I was on, Lester Thurow, who is an economist whose views I value. He has written a chapter on the subject in a recent book that I think is interesting. He talks about this interest rate policy and the decision by the Federal Reserve Board to fight a foe that Mr. Thurow says no longer exist.

"Beliefs," Mr. Thurow says, "change more slowly than reality. Inflation is largely gone, but inflation fighting still dominates central bank policies." He says, every time the Chairman, Alan Greenspan, admitted that the Fed could not point to even a hint of inflation in the current numbers—he said, the Fed could not point to inflation because there was no inflation. The broadest measure of inflation, the implicit price deflator for the gross domestic product fell from 2.2 percent in 1993 to 2.1 percent in 1994. In the third quarter of 1995, it was running at the rate of six-tenths of 1 percent.

If all these factors are put together that he described in this chapter, "The real rate of inflation, outside of the health care sector, was undoubtedly very low, perhaps even negative during the entire period when Alan Greenspan was worried about inflation. Greenspan could not see any inflation in the indexes because there was no inflation to be seen."

I have described my interest and concerns in the construct of money policy. I hope we will have a Federal Reserve policy that at some point would countenance an honest debate, and inside the Federal Reserve Board, and perhaps come to a conclusion that we have twin economic goals in this country—stable prices and full employment. Not one goal, twin goals.

Let me turn just for a moment to the report that was issued by the Government Accounting Office, the "Federal Reserve System, Current and Future Challenges Require Systemwide Attention." This is the report that the Senator from New York alluded to. I will make just a couple brief observations about it.

It moves from the issue of my disagreement with monetary policy to a couple of issues that relate to how the Fed now functions. The Senator from New York pointed out that the surplus that has been accrued down at the Federal Reserve Board is really kind of an innocent surplus.

It is at $3.7 billion surplus account accrued to meet the needs when the Fed might have a loss. Of course, the Fed has not lost money in the last 79 years, and the Fed in the next 79 years is not expected to lose money. When you are guaranteed by your operations to make money, you are not expected to lose it.

The point that we raised—the point I did not know; and I do not know whether other Senators knew it—is that this surplus, this $3.7 billion that has been squirreled away by the Federal Reserve Board, has increased by over 70 percent between 1988 and 1994, at the very time the Fed was telling everybody else, "Tighten your belt." They say, "This little rainy day fund we have we want to increase by 79 percent." I say: Wait a second. You have not had a loss in 79 years. You are suggesting that everyone tighten their belt. Why are you increasing your surplus down at the Fed by over 70 percent?

That is something I hope that the Banking Committee will evaluate. I did not bring the charts today because I presented them previously. I know the Senator from Iowa is also presenting them. But the charts that show the amount of expenditure at the Fed show that they are expending more and more money on employee benefits, travel and other issues.

Mr. President, I ask for 1 additional minute by unanimous consent from Senator HARKIN's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Just to conclude, I will not discuss it in any greater detail. But this one-of-a-kind report, which took the GAO over 2 years to complete, shows that at a time when the Federal Reserve Board was saying to everyone else, "Tighten your belts, downsize," they were increasing their expenditures rather substantially.

One would say, if this is the house on the hill that operates in secret, with the shades drawn, you cannot see inside, and we finally discover what is going on inside, aside from monetary policy, and the practices inside are not in keeping with what they are counseling the rest of the Government, I think there is something wrong.

Again, I respectfully say in conclusion I am going to vote against Mr. Greenspan. It is not personal. I admire him. I think their monetary policy is wrong. I think there are very serious management practices that need to be addressed. Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I inquire of my distinguished friend and fellow New Yorker, is time being allocated?

Mr. D'AMATO. Mr. President, I certainly yield time to the Senator from New York. I believe he would like to make some remarks in support of Mr. Greenspan. I am wondering if the managers on the other side—if we could not agree to attempt to work out some system whereby we would yield the floor to each other. I would be happy to do that.

Mr. WELLSTONE. Mr. President, I wonder whether I could lean on the other side, and ask unanimous consent to follow the Senator from New York, and we could alternate back and forth.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in emphatic and enthusiastic support for the nomination of the Honorable Alan Greenspan to a third term as Chairman of the Board of Governors of the Federal Reserve System. He is a national treasure. He has served our Nation with principle and wisdom, and as I shall attempt to show in these brief remarks, unprecedented success.

Let me cite four principal reasons he should again be confirmed by the Senate.

The economy is now in the 64th month of an expansion that shows no signs of ending.

Unemployment for May was at 5.6 percent, and has been below 6 percent, which is roughly agreed to be full employment, for almost 2 years.

Inflation is in check, measured by the Consumer Price Index, which economists generally believe overstates inflation. Consumer prices have increased by less than 3 percent per year for the past 4 years. That could, in truth, be more like a 2 percent figure.

Finally, that renowned misery index, the sum of the unemployment rate and the inflation rate, is about 8 percent, the lowest level in a quarter century.

In the course of this debate about whether the economy could be growing faster, I believe it ought to be pointed out that 20 or 25 years ago, the figures I have just cited would have been thought unattainable. It would not have been thought within the range of possible economic outcomes, much less economic management and planning, to produce this combination of 5-year, 6-year expansions, full employment near zero inflation. This could be taught in a textbook as an ideal, and with the full and firm understanding that it would not in our lifetimes, perhaps in any lifetime, be achieved. You would measure your performance by the distance between what was ideal and what, in fact, you could do. I do not think we understand—perhaps it is part of our historical distance—how much social learning has taken place in our country and to what consequence, an area which was thought to be absolutely essential to our economic, socio-political well-being, which is employment.

I speak as someone who entered the Kennedy administration in 1961. I was an Assistant Secretary of Labor for Policy Planning. I know what our highest expectations were in those days. I say to you on this floor they never would have contemplated what we have achieved in this last 10 years or so of American policy.

Mr. President, on the front page of the Washington Post this morning there is a story which may be the first such in the history of this Nation. The headline says: "Labor Shortages May Be Slowing Economy." Referring to the latest surveys of regional economic conditions by Federal Reserve Banks, the subheading states: "Fed Finds Firms in Some Regions Having a Hard Time Filling Jobs."

The article begins:

> Signing bonuses are nothing new for basketball players and Wall Street traders. But hamburger flippers?
>
> Some fast-food restaurants in St. Louis are now paying as much as $250 in signing bonuses for new hires, according to the latest Federal Reserve survey of regional economic conditions released yesterday.
>
> Companies all over the country are going to extra lengths to attract workers, the Fed reports, in the latest sign that the pool of unemployed workers has shrunk to the point that it is limiting economic growth. Unemployment nationally has hovered around 5.5 percent for the past 18 months and in more than half the States this spring it is below 5 percent.

I interpolate, Mr. President, that in Madison, WI, it is now at 1.8 percent. I say that is statistically almost impossible, but that is a fact.

> A Minneapolis company is offering a chance at free vacations in Las Vegas for employees who recruit new hires. Temporary employment agencies in Chicago say more employers are snaring their workers for permanent positions. Banks in Salt Lake City are having a hard time finding tellers.
>
> According to the Minneapolis Federal Reserve Bank, a growing number of firms wanting to hire skilled workers have stopped advertising because they got no responses. "Perhaps we should call them 'discouraged employers,' one Minnesota state official quipped."

Again, Mr. President, 30 years ago, 40 years ago, one of the continued concerns, a legitimate one, on the part of a person working in the field of labor statistics was something called hidden unemployment, which referred to workers who had given up looking for work. By definition, you are not in the work force unless you are working or looking for work. These discouraged workers had dropped out of the work force, but represented unemployment, even so.

Now, we have a phrase "discouraged employers." I am not saying the world has transformed itself, but I am saying in a lifetime in this area, this field, I have never heard the term "discouraged employer" before.

The article goes on to say that Minnesota is now one of the 10 States with a jobless rate of 3.9 percent or less. In the Kennedy administration, Mr. President, in the 3d year, the report of the Council on Economic Advisers made a bold and unprecedented assertion of optimism, in an optimistic age. They said, "We call for a national goal of an unemployment rate of 4 percent." It was not going to happen in our lifetimes, but that is what goals are for. Now here it is: more than half the States are under 5 percent, and 10 States are under 4 percent.

According to the Minneapolis Fed, businesses are now looking more at whether people will be available to work at a new plant, than at whether the company can get incentives or tax breaks to build there.

Mr. President, a century and more of State governments, and local governments, offering tax abatements, cash incentives, to bring the firms into their high unemployment areas and, suddenly we are told, "We do not need your tax abatements. Do you have any workers?"

I quote an official from Minneapolis: "This parallels the dilemma that eastern South Dakota has faced for some time. It is difficult to attract new industry when labor seems short."

Mr. President, I simply want to say, sir, if I may repeat, that in a lifetime of involvement with these matters I have never read such data, or heard such comments. It is a wonderful play on usage—the idea of discouraged employers who cannot find workers. And so, is it inappropriate to attribute these outcomes, in significant measure, to the wisdom and the practical knowledge with which Alan Greenspan has conducted his stewardship of our Nation's monetary policies over the last 9 years? That is not to say—and he would certainly so insist—that he is solely responsible for the performance of the economy in this period.

Without wishing to introduce anything like a partisan note, I still say that much credit is owing to the President, President Clinton, and the 103rd Congress, which enacted a 5-year, $500 billion deficit reduction in the summer of 1993—$600 billion, if you include the effects of the decline in interest rates that came about in the aftermath of the 1993 deficit reduction package.

Alan Greenspan himself has testified that there was an inflation premium on interest rates. With the anxiety—just a touch, but sufficient—of a country going into debt as fast as we would do, could it be that we would someday monetize the debt, which is to say, through inflation, wipe it out? Well, that costs you something in interest rates. When it appeared that we were going in a different and better direction, interest rates came down—bringing additional deficit reduction, and all the advantages of lower interest rates across the economy.

Not since the Kennedy-Johnson administrations, in which we had the longest peacetime expansion of 106 months, have monetary and fiscal policy been so well coordinated. We seem to have learned to manage affairs that were previously thought beyond our reach. Yet rather than celebrating, some of us are complaining that we need to accelerate economic growth. And no one can say that slightly faster growth will lead to higher inflation. Almost certainly, that has to be a concern. Ultimately, if it should, there will be an end to the expansion. You will lose more production in a downturn than ever you will have lost by not speeding to the point where you produce a downturn.

Last week, the distinguished junior Senator from Iowa stated that "* * * the bottomline is that Chairman Greenspan has this long history of focusing solely on inflation to such an extent that all focus on expanding our economy has been lost." My good friend added, "We have a mindset at the Fed that 2 percent growth is acceptable, that the economy cannot grow any faster—maybe 2.5, but that is getting close to the limits—but that we cannot have the 3 percent growth of the 1970's or the 4 percent growth of the 1960's. That is the mindset of the Fed." Might I say that, in the judgment of this Senator—and it will be for the Senate itself to make a collective judgment—the issue is not whether 2.5 percent growth is acceptable, but rather, is any higher rate possible?

There are realities in the world of economics, and there are constraints. Economists of every school, every range of opinion, will agree that growth and capacity or potential of the economy is determined by two basic factors: increases in productivity, output per worker hour; and growth in the labor force.

In the February 1996 Economic Report of the President, the Council of Economic Advisers estimated that for the next several years, productivity growth would be about 1.2 percent per year, and the labor force would grow at about 1.1 percent. You put those two numbers together, and you have about a 2.3 percent possible economic growth for the year.

Do not underestimate 2.3 percent, Mr. President. It means that your total economic product doubles every 30 years or so—an experience that is new to mankind. It may sound low, but if you keep it up, you double your wealth every generation. That is what we are now doing. It is recession, and worse, that puts an end to economic growth, if you think in terms of a generation.

The Senator from Iowa correctly noted last week that, in the 1960's, the economy grew at 4 percent a year, and, indeed, it did. But, Mr. President, at that time, the labor force was increasing at 2 percent a year, and productivity was rising at about 2 percent. So you have that 4 percent potential.

That labor force increases at absolute constraint. We have reached about the limit of labor force participation. It used to be a much lower rate than it is now, and the consequence of women entering the work force in larger numbers has kept us going. But we are now at a very small rate of increase. This is a demographic fact—who was born 20 years ago? You cannot change it through manipulating interest rates or demand or supply. The supply is fixed. Yet, our performance in this situation is extraordinary.

We are actually at full employment. We have a period of economic growth, now in its sixth year of sustained economic growth. We have done so without any of the intrusive Federal Governmental measures that have been associated with response to emergencies in the past.

I do not want to hold the floor longer than this. I have tried to make two points, Mr. President. With Dr. Alan Greenspan as Chairman of the Federal Reserve, we have entered a period for which many persons may properly claim a measure of responsibility, but for which he is uniquely held responsible.

We have entered a period of unprecedented growth—full employment, price stability and year after year after year of growth. What more would be asked? Can we not take some satisfaction in our performance as a country, as a society? We have learned to do this.

We have reached the point, Mr. President, which as a sometime Assistant Secretary of Labor I certainly never thought we would see, and I do not think anybody in Washington 35 years ago would have ever seen, where on the front page of the Washington Post we learn that labor shortages may be slowing the economy—not Alan Greenspan, but, rather, the extraordinary success of accumulated understandings and practices have brought us to the point where there is a shortage of workers, an idea that we would hardly have entertained. And that wonderful phrase —I suppose you have to have been around the subject long enough to appreciate the irony—"discouraged employers." The idea that in eastern North Dakota, as cited here and elsewhere around the country, employers looking for new plant sites are no longer looking for tax breaks and other incentives. They say, "Are there enough workers for the plant?"

Well, can we not, in the midst of a Presidential election and a lot of distress on all sides, recognize what good fortune we have had as a nation and how much Alan Greenspan has contributed to that good fortune?

I thank the Chair for allowing me this extensive time. I thank my friend, the distinguished chairman of the Banking Committee, for indulging me. I hope he feels I have not gone on too long. But I do say, sir, I have gone on about an event that has never happened before and is worth noting.

I finally ask unanimous consent that the article from the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR SHORTAGES MAY BE SLOWING ECONOMY

(By John M. Berry)

Signing bonuses are nothing new for basketball players and Wall Street traders. But hamburger flippers?

Some fast-food restaurants in St. Louis are now paying as much as $250 in signing bonuses for new hires, according to the latest Federal Reserve survey of regional economic conditions released yesterday.

Companies all over the country are going to extra lengths to attract workers, the Fed reports, in the latest sign that the pool of unemployed workers has shrunk to the point that it is limiting economic growth. Unemployment nationally has hovered around 5.5 percent for the past 18 months and in more than half the states this spring it is below 5 percent.

A Minneapolis company is offering a chance at free vacations in Las Vegas for employees who recruit new hires. Temporary employment agencies in Chicago say more employers are snaring their workers for permanent positions. Banks in Salt Lake City are having a hard time finding tellers.

According to the Minneapolis Federal Reserve Bank, a growing number of firms wanting to hire skilled workers have stopped advertising because they got no responses. "Perhaps we should call them 'discouraged employers,'" one Minnesota state official quipped.

In Minnesota, one of 10 states with a jobless rate of 3.9 percent or less, economic development officials say that businesses are looking more at whether people will be available to work at a new plant than at whether the company can get incentives or tax breaks to build there, according to the Minneapolis Fed. "This parallels the dilemma that eastern South Dakota has faced for some time: It is difficult to attract new industry when labor seems short," the report said.

Many Fed officials have expressed surprise that, with the unemployment rate so low, there have not been more problems on the inflation front, with wages rising to attract workers. But the Fed's latest survey turned up only scattered instances in which tight labor markets were causing wages overall to increase rapidly.

Economists and government policy makers aren't exactly sure why labor costs haven't begun to rise more rapidly in response to the nation's low unemployment rate. Some analysts say the best explanation is twofold: Heightened concern among workers about job security in a world of corporate downsizing has made them squeamish about asking for raises. That's coupled with strong resistance by employers to raise overall wages because they know that in a low-inflation economy, it is difficult to raise prices to cover higher costs.

So even though some companies are having to increase their offers of starting wages to get workers, in the aggregate, pay hikes are still modest by historic standards.

And companies aren't going begging for workers everywhere in the country. Indeed, in places such as the District, New York and New Jersey, a southern tier of states stretching from Mississippi west through Texas to New Mexico and most important, California, finding workers isn't as tough as it is elsewhere. Joblessness in California, whose recovery has lagged that of the rest of the nation, is 7.5 percent. Only West Virginia at 7.7 percent and the District at 8.4 percent have higher rates.

To many economists, this is a picture of a nation essentially at full employment. That means that going forward, the economy can grow only as fast as its capacity to produce goods and services grows.

How fast that growth can occur is the subject of much debate these days. Indeed. Sen. Tom Harkin (D–Iowa) delayed the full Senate's vote to confirm Fed Chairman Alan Greenspan to a third term until today so he could hold a public discussion the subject. Harkin believes the economy could grow much faster if Greenspan would only lower interest rates and stop worrying so much about inflation. "A turtle makes progress only when it sticks its neck out, even though that is when it is most vulnerable," Harkin said in an interview. He said that the Fed cannot be sure the jobless rate can't be pushed down to 5 percent or 4.5 percent without making inflation worse.

Few people in official Washington agree with Harkin, though. The Clinton administration, the Congressional Budget Office and many private economists all peg the economy's capacity to grow at a little above 2 percent.

According to White House economist Martin Baily, the administration's estimate of 2.3 percent a year "is based on supply-side factors," meaning labor supply and productivity.

If the economy is at full employment, additional labor is largely a matter of how fast the population is growing, including immigrants. When the post-World War II baby boomers were entering the work force in the 1960s and 1970s, labor supply was increasing roughly 2 percent a year.

Now it is increasing only about 1 percent a year. All other things equal, that difference means the economy's capacity to grow is a full percentage point lower than it used to be.

And gains in productivity slowed sharply after 1973 for reasons economists still can't explain fully. But over the past year, output per hour worked at private nonfarm businesses rose 1.3 percent, exactly the pace the administration foresees for coming years.

At a recent conference on economic growth sponsored by the Boston Federal Reserve Bank, Baily said that Fed policy doesn't directly affect either of these determinants of growth. "I don't think monetary policy in the United States is seen as a significant restraint on economic growth in the next few years," Baily told the conference.

Thomas Hoenig, president of the Kansas City Federal Reserve Bank, said in a recent interview that in his district, where the average unemployment rate is not much above

4 percent, business executives aren't complaining about Fed policy.

The complaint Hoenig hears most frequently, he said, is, "I can't get enough of the type of help I need. I have heard no one say, I could grow faster if you lowered interest rates."

The PRESIDING OFFICER. Who yields time?

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. I know my colleagues on the other side want to be recognized, but I am going to make a request and ask that those who speak on behalf of Mr. Greenspan—I think we have about 31 minutes.

The PRESIDING OFFICER. Thirty-seven minutes.

Mr. D'AMATO. I ask that they hold their remarks down to 5 minutes, if they could. I would be deeply appreciative, because there are a number who have indicated they would like to speak, and so we have a limited period of time. When we do yield on this side, I will yield for the purpose of recognizing those who would speak for up to 5 minutes.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is to be recognized if that time is yielded by the Senator from Iowa.

Mr. HARKIN. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. Fifty-six minutes.

Mr. HARKIN. Mr. President, I ask unanimous consent that I have about 3 minutes to respond to the Senator from New York and that then the Senator from Minnesota be recognized for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, the senior Senator from New York, Mr. MOYNIHAN, talked that if you want growth, you have to have productivity growth and labor growth. He correctly pointed out that right now we have 1.2 percent productivity growth and about 1.1 percent labor growth. That is about 2.3 percent growth per year and there is nothing you can do about it. He correctly pointed out that in the 1960's, as I said last week, we had 4 percent growth, but then we had about 2 percent growth in the labor force and about a 2-percent growth in productivity.

Let me respond to my friend from New York by saying that is the chicken-and-egg argument. Is this something that we have to accept, that productivity growth is only 1.2 percent? I know some have said that is what it is going to be, but based on what? And labor growth of 1.1 percent per year, based on what?

I would refer my friend to an article that appeared in the June 12 Wall Street Journal talking about the million missing men, that there are studies now, they said, that when the Labor Department reported Friday a jobless rate of 5.6 percent and 7.4 million unemployed people, an additional 1 million were not included; many of them are sitting at home too discouraged to hunt for a job. They can be found in all 50 States. Actually, some economists, such as Lester Thurow at MIT, say there may be far more than that out there in the labor force.

Therefore, there is a possibility, I would submit, that labor growth can exceed 1.1 percent per year. That is, if we get off of this old idea the Fed has of NAIRU, the nonaccelerating inflation rate of unemployment, in which it is felt that if we reduce unemployment below a certain level, which they first assumed to be 6, now they are saying may be 5.5 percent, that somehow inflation will not just increase but will accelerate. And, that premptive strikes are needed to block excessive growth.

So I say to my friend from New York that I believe we can have a higher rate of growth in the labor force because there are a lot of people out there not even counted. There are a lot of people out there who are underemployed. There are a lot of women out there who are underemployed at minimum wage part time jobs who could be employed better. So I believe that the labor force can, indeed, grow much faster.

Secondly, in terms of productivity growth, I do not accept that the American work force has to be stuck at 1.2 percent productivity growth. I say that knowing full well we are still the leader in the world in productivity. Our work force is still the leader. We have more output per hours worked than any other country in the world.

Does that mean we can just sit there and say that is OK? Productivity has to do a lot with what is happening in that work force out there right now. There are a lot of workers out there now who have been discouraged because of downsizing. They are discouraged because of wage stagnation. I see it in my own family, my relatives, who are working at manufacturing jobs. They are discouraged, and so their output could be better. Their output per hour worked could be more if in fact they thought their wages were going to go up, if they thought they were going to have a better stake in our economy. We can have more efficient methods to produce goods by the way we structure companies and through technology.

I predict that the productivity growth in America could boom a lot more than what it is. That yields then to more labor growth, more productivity growth, which leads to higher growth in our economy. Those two things will not happen as long as the Federal Reserve continues to adhere to this NAIRU concept and as long as the Fed, every time growth starts to go up, puts on the brakes.

I respect very much the insight of my friend from New York. My premise, and I believe the premise of those of us who are taking the opposite side, is that we can, indeed, grow faster in this country and we can grow faster because we have an untapped labor source and our productivity can, indeed, increase but if and only if the Federal Reserve takes the brakes off and lowers the interest rates in this country.

I thank the Chair. I then yield 15 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair. I am going to actually pick up on some points that have been made by my colleague from New York, for whom I have deep respect, and by my colleague from Iowa. First of all, let me thank Senator HARKIN from Iowa for doing something very important as a Senator. He has insisted that at least we have a debate about economic policy, that we have a debate about monetary policy, that we not just go forward and confirm someone to be Chairman of the Federal Reserve Board without any discussion or debate. I do not think this debate is at all personal. I think each and every one of us has gone out of our way to say that we hold the Chairman in high personal regard. But this is a debate about economic policy. My colleague has taken a lot of criticism for insisting that there be a debate. That is all he has ever asked for. I thank him for doing that. My colleague from North Dakota earlier made an important point, which is, it used to be, back in the 1870's, 1880's, 1890's, and the early part of this century, that there was an important debate about monetary policy. It was not conspiratorial, it was important, because people know that real interest rates and monetary policy can make or break communities' lives. They can make or break families' lives. They have a huge impact, a huge impact on small business people, a huge impact on farmers, a huge impact on whether people can afford to buy a home, a huge impact on whether or not people can afford to take out a loan for their son or their daughter to go on to higher education.

This is a fundamentally important debate we are having. It is not hate; it is debate. I think it is an extremely important question that my colleague has been raising.

When I listen to this discussion, I have to smile, because I do think to a certain extent some of my colleagues, either by accident or by design, are being a bit ahistorical.

Let me also, teacher to teacher, professor to professor, respond to a little bit of what Senator MOYNIHAN said. He never, of course, leaves out a historical analysis, and people in good faith can reach very different conclusions, but I would like to go back to the 1946 Employment Act in our country which called for the Federal Reserve Board to be a part of this and to keep inflation down, but also with the mandate of achieving maximum employment. That was an important piece of legislation.

There was a classic book written called "Congress Makes a Law," by Stephen K. Bailey, all about the Murray-Wagner Act that finally passed in 1946. Full employment, the idea that people should be able to find work, decent wages under civilized working conditions, was the No. 1 issue for the country. The Depression was fresh in everybody's memory, and World War II, in fact, pumped up the economy, and people found it to be a pleasant experience to be able to work. Women were in the work force. Men and women of color were also finding jobs. So after the war was over, the No. 1 challenge for our country was, how do you have an economy that generates jobs for people that are living-wage jobs? That is what it was all about.

I smile when I hear some of the analyses by some economists—not by all—that, as a matter of fact, what we have here is a situation of full employment, because the unemployment rate is 5.6 percent. Therefore, we have full employment.

People in Minnesota and around the country have to just be scratching their heads and wondering what is going on here. Ten blocks from here, why do we not go out and ask people whether or not they think we have full employment. Just ask them. This does not measure subemployment, it does not measure the 1 million discouraged workers, it does not measure people who are working part time because they cannot work full time.

Do you know what else it does not measure? It does not measure all the people who have jobs but not jobs they can count on. It does not measure all the working poor people, who work 52 weeks a year, 40-hours-plus a week, and still make only poverty-level wages.

So, when we hear all these macro figures about how we cannot afford to have unemployment below 5.5 percent, otherwise we will set off this inflationary cycle, this is the old "Phillips curve" argument. It has been discredited over and over again. It is not the experience in our own country. We have had no evidence that we are about to see a cycle of inflation.

What we have instead is a policy that works great for bondholders, great for Wall Street, but does not work well for families in our country. Every time we are about to have a real recovery and every time small businesses are about to have a break or every time farmers are about to have a break or every time homeowners are about to have a break or every time some of the businesses in our country which are interest-sensitive businesses are about to have a break and every time we are about to generate more jobs that people can count on, we have this policy, which I think is outdated and which I think, in fact, helps some folks at the top but puts a squeeze on the vast majority of people in this country. That is what this debate is all about.

When we get to this policy of maintaining and insisting that 2 percent growth is all we can do as a Nation, that we have to always cool down the economy, that we have to have price stability, the question that needs to be asked on the floor of the Senate is the question people ask in cafes in our country: Who exactly is deciding? Who exactly is benefiting? And who is being asked to sacrifice? Who decides that we can only afford economic growth of 2 percent a year? Who decides that interest rates will be kept at this high level and not reduced? And whose farm goes under the auctioneer's hammer? Who goes without a job? Who goes without a job that pays a decent wage? Who goes without a job working under civilized working conditions? Who is not able to pay for higher education for their children? That is what it is all about.

I suggest to my colleagues that this argument that we now have about full employment—my God, just tour the cities. Go to Hartford. Go to Minneapolis. I heard statistics about my State. Yes, the official unemployment level is down, but that does not measure subemployment. I will repeat that. Not the discouraged workers, not people who are part-time workers, and not people who are working but working at jobs they cannot count on—that is what this is all about: living-wage jobs. I can tell you that a much too significant percentage of the population all across this country, including Minnesota, is struggling to make ends meet.

This effort to always cool the economy down, fight this bogeyman of inflation and insist on this stringent monetary policy has made it very difficult for families to do well. That is what this debate is all about.

My colleague from New York talked about the piece that he read today in the Washington Post about discouraged employers. It is interesting to hear about discouraged employers, but I suggest to colleagues, Democrats and Republicans alike, that is only one piece of the story. That is true.

I meet with businesses owners in Minnesota who say the same thing. I meet with small businesses owners and a good many of them say to me, "Paul, we are not worried about the minimum wage raise, but do you know what? We are technology companies and we cannot find skilled workers."

That is true. That is one piece of it. But I also suggest to my colleagues, it is only one small piece of it. The other piece has to do with this effort to keep economic growth down, to argue we can only afford 2 percent a year growth in our economy, to constantly, therefore, make this an economy where we have a recovery but a recovery where people are not able to find the jobs at decent wages.

Mr. HARKIN. Will the Senator yield for a second?

Mr. WELLSTONE. I will be pleased to.

Mr. HARKIN. I thank my colleague for making that point. Yes, there was a story in the paper this morning about discouraged employers trying to find certain specific people to work. There is another story on the front page of the New York Times, also on the front page of the USA Today: "Income Disparity Between Poorest and Richest Rises. Trend in U.S. Confirmed. New Report by Census Bureau Shows Gap Is at Its Widest Since World War II." That is another part of this debate.

Mr. WELLSTONE. Absolutely.

Mr. HARKIN. Because any time you have high interest rates, think about it as a transfer of wealth from the middle class to the richest class. Because, after all, who borrows money? It is our working families. They borrow money to buy a car, they borrow money to buy a house, they borrow money to send their kids to school, and when they pay these exorbitantly high interest rates—and I will get to that in my remarks later—that is a hidden tax on our working families.

So I say people ought to look at this and start asking questions about our monetary policy and how that affects the disparity between the rich and poor in our country.

I thank the Senator from Minnesota for pointing that out.

Mr. WELLSTONE. Mr. President, my colleague essentially made what was my second point. One had to do with the Employment Act of 1946 and what is the mandate of the Federal Reserve Board and how this monetary policy has, in fact, made it impossible for our country to achieve what should be the No. 1 domestic priority, which is an economy that produces jobs that people can count on, jobs at decent wages, living-wage jobs under civilized working conditions where men and women can support their families.

This is the tradeoff. Some people are very generous with other people's suffering. It is great for bond holders, great for Wall Street. It is not great for Main Street. It is not great for wage earners. It is not great for farmers. It is not great for small business people. It is not great for homeowners. It is not great for people trying to afford a higher education for their children. And the second point is precisely this: there is a rather significant correlation between the tight monetary policy and the lopsided economy we have. That is what we have right now. We ought to be focusing on how we can raise the standard of living of middle-class and working families in our country.

I suggest to you one of the reasons we have not been able to do that, one of the reasons that the bottom 60 percent has been standing still and even losing ground over the past 20 years-plus is because of this monetary policy. It is time we debate it and, I must say, that I believe that this policy has been profoundly mistaken with very harsh consequences for the vast majority of working people in this country.

Mortimer Zuckerman, in an editorial in U.S. News & World Report, wrote:

> Alan Greenspan's "dear money" leadership has caused the Fed to exert a monetary choke hold on one of the weakest economic recoveries since World War II at the cost of billions of dollars in lost output and tens of thousands of uncreated jobs.

That is the point I was trying to make.

The renowned economist, James Galbraith, criticizes Greenspan this way:

> He is pathologically adverse to full employment, pathologically overanxious about inflation. His policies are the reasons, for the most part, that unemployment has stayed high and that wages have not raised in the past decade, and he's determined to keep things that way.

Again, that is my point about this whole issue of good jobs and good wages.

Finally, Felix Rohatyn writes:

> Every major American social and economic problem requires stronger economic growth for its solution. This includes improvements in public education, as well as increasing private capital investment and savings, balancing the budget and maintaining a social safety net, improving the economic conditions in our big cities and reducing racial policies as a result.

This, again, is tied in to the whole question of monetary policy. Thomas Palley, of the New School for Social Research, writes:

> Greenspan's "soft landing" has been perfect for Wall Street, keeping the lid on wages while keeping consumer demand strong enough to earn massive profits.

Mr. President, I think Felix Rohatyn is right on the mark. I maintain that this debate is not about one person. This is a debate about monetary policy that should be a front-burner issue in the United States of America. This is policy that can make or break people's lives; that can make or break small businesses; can make or break farmers, I say to my colleague from North Dakota; can make or break middle-class families; can make or break working people.

The key to decent jobs at decent wages, the key to investment in our cities, the key to economic opportunities, the key to improving the standard of living for the vast majority of people in this country is a combination of a number of different things. I suggest that one critical piece is monetary policy.

I believe that Chairman Greenspan's policies have, again, been profoundly mistaken and I think have had serious consequences for the vast majority of people in this country. I would rather stand for Main Street interests. I would rather be on the side of small business people, I would rather be on the side of working families, I would rather be on the side of middle-income Americans, I would rather be on the side of growing this economy, I would rather be on the side of jobs with decent wages, I would rather be on the side of economic fairness, I would rather be on the side of economic opportunity and, for those reasons, I will vote "no."

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, I do not see the distinguished Senator from New York, but I believe pursuant to an earlier agreement, I am to be recognized after Senator WELLSTONE's remarks. I understand we are operating under a 5-minute constraint.

Mr. President, let me paraphrase, if I can. First of all, let me say to my colleague from Iowa, I, too, appreciate the fact he has raised this issue. I think it is important we have a debate and certainly a debate about monetary policy is not inappropriate at all.

Mr. President, I rise today to voice my strong support for the nominations of Alan Greenspan, Laurence Meyer, and Alice Rivlin to the Federal Reserve Board.

Considering the tremendous impact of the Federal Reserve on America's economy, our ratification of these nominees to the Fed Board is, in my view, one of the Senate's most important responsibilities this year.

As members of the Federal Reserve, these three Americans will play an integral role in the economic well-being of the American people.

They will be making critically important economic decisions on the monetary policy of this Nation—decisions that affect each and every American.

Those Americans looking to finance their mortgage; those Americans seeking loans to start a new business; and those citizens searching for a new job—or who fear being downsized out of their current one—will be enormously impacted by the choices we make today.

And, in my view, the American people could not ask for three better choices.

Mr. Greenspan, Ms. Rivlin, and Professor Meyer represent three of America's finest economic minds.

I believe they will serve the American people with distinction, and reflect well upon both the President and the Senate.

Mr. Greenspan, now poised to begin his third term as Chairman of the Federal Reserve, is, in the words of The Economist, "Vested with more influence over the world economy than any man who may be President in 1997."

Whether this is true or not is open to discussion, but I have little doubt that there are few people in this Nation who are more qualified to be Chairman of the Fed than the incumbent.

Under Mr. Greenspan's leadership, the economy has continued to grow at a healthy clip.

In the last 4 years alone, nearly 10 million jobs were created and inflation continues to remain at manageable levels.

Ms. Rivlin, is very well known to almost everyone in this body through her stewardship of the Office of Management and Budget.

And if it doesn't date me too much, also as the first director of the Congressional Budget Office.

And Professor Meyer, though perhaps not as well acquainted on a personal level with my colleagues as the other two nominees, is well known by reputation for both his scholarly knowledge and his practical acumen.

I believe that the President has done an excellent job in selecting these three nominees and he should be commended for presenting the Senate with such laudable choices for service on the Fed Board.

I will not disguise, Mr. President, the fact that I was a strong advocate of Felix Rohatyn to be Vice Chairman of the Federal Reserve Board. That nomination, unfortunately, did not get much of a hearing in the Senate, despite the President's support for him. I thought Felix's addition to the Board would have created a wonderful debate—the kind of debate, in fact, we are having to some degree this morning—within the Federal Reserve Board about growth.

The absence of Felix Rohatyn does not make that debate impossible, but I felt his addition to the Board would have been healthy for the country to have a good discussion about how you achieve a higher growth rate without also fanning the flames of inflation.

Obviously, that did not occur. I have great respect for Felix Rohatyn, and I believe he can still make a significant contribution. I urge my colleagues to follow his writings on growth and how we might achieve it. I point out, as he has said, and this is something with which I totally agree, that while monetary policy obviously has a lot to do with growth, tax policy also is a major element of our growth rates. Investing in the infrastructure of this country has a great deal to do with whether we achieve growth. And, clearly, education and training has a lot to do with whether or not we can grow properly. There is not just one issue. Monetary policy is important, but there are other major elements that contribute to our ability to grow.

Let me just say, Mr. President, to those who are focusing on the interest rate debate, and I certainly have been as critical as others when the interest rates have gone up. I did not think in several instances it was warranted over the last several years. But it is undeniable as well that we have created more than 10 million new jobs over the last number of years in this country, an unprecedented growth rate in employment. We are witnessing the lowest misery index rate in 28 years. That is a combination of inflation and unemployment.

I remember very well what it was like back in the late seventies—you want to talk about a tax; inflation is a tremendous tax on people—when it was 20 percent inflation rates. You talk about jobs and middle-income people and homes, when you have staggering inflation rates, it is crippling to people.

The fact is only a healthy rate of growth in the economy will translate into the fundamental job security that is the cornerstone of our continued economic success.

I think that this should be a paramount question in the Fed's considerations.

How do we go beyond simply maintaining a level of growth to actually increasing the Nation's growth rate? While at the same time, keeping a tight cap on inflation?

These are issues that the Fed needs to focus upon in the weeks and months ahead.

They've done a good job in the past and I believe they will continue to do so in the future.

But, let us be clear on one point: The issue of economic growth may seem esoteric to some but it most certainly is not.

I am a strong advocate that we can grow more than 2 or 2½ percent. Frankly, if we just grow two-tenths of a percentage point more, we would just about wipe out the deficit—two-tenths of a percentage point and we would just about wipe out the deficit.

But I am also very conscious of the fact that it is relatively easy for me as a Member of Congress to be able to advocate that, but also understanding when I advocate certain monetary policies, there can be inflationary implications to it. So I have to be very aware of that as I make those decisions, if I am sitting on the Federal Reserve Board.

So while I get frustrated and I get angry from time to time, we set up a system in this country to insulate, if you will, the Federal Reserve from the vagaries of day-to-day emotions of the country when it comes to these policies. Rather than setting them on a daily basis where we could fluctuate back and forth, we provide some stability to it, so that there is an opportunity for these decisions to be able to work themselves out and then determine the full, broad implications of them.

So while I want to see us grow more—and I think there are things that can be done, such as encouraging savings in the country and not rewarding debt—these stories we have over the last several days of the highest rates of consumer debt in a number of years, I think they are primarily due to the fact that we reward debt, we encourage it, we allow you to deduct it from your taxes. But if you save in this country, you do not get a reward at all.

I encourage all my colleagues to look at a proposal by Senator DOMENICI and Senator NUNN that would contribute toward a tax policy that would contribute significantly toward our savings rate. As Senator MOYNIHAN, the ranking member of the Finance Committee, pointed out, it is fiscal policy as well.

This is not a partisan policy. But the fact of the matter is, we have had 3½ years of consecutive deficit reduction. It is the first time since the Truman administration that has occurred. The size of the Federal work force is coming down. The Federal bureaucracy and the regulations are being reduced. As a result, that is contributing, I think, to the reaction in the markets. That, plus monetary policy, have given us this period of tremendous stability, significant growth, and I think creating new opportunities.

My State, I will tell you quickly, has not been one of those that has benefited from all this in the short term. We are going through the pains of the end of the cold war in a State that is dependent upon defense contract work. We had a tremendous problem with real estate in the Northeast in the mid-1980's. The recession and the credit crunch dealt us a significant blow.

So I know, just when you are talking about the States that have felt the kind of recovery that is being talked about today, my State is not one of them. Connecticut has not been one. We think that will change in the coming years, as we begin to make the transition to an economy not based as heavily as it has been on defense contract work.

But, nonetheless, I happen to believe that a steady, reliable hand here makes some sense. So, Mr. President, while I think it is extremely important for us to have this debate and to discuss monetary policy, I, for one, would like to see us do away with the geographical requirements to serve on the Fed. I think the term of the Fed Chairman ought to coincide with the Presidential term, something my colleague from Iowa has recommended over the years. Those are suggestions that I think are worth debating and, hopefully, adopting here.

But on the fundamental question of whether Alan Greenspan has done a good job at the Fed, despite my disagreements from time to time, I think the strong bipartisan answer ought to be a strong, resounding yes. For those reasons, I will vote for confirmation.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I rise to support the nomination of Alan Greenspan to be Chairman of the Federal Reserve Board. As you can see, this appointment has strong bipartisan support. More than any other appointment that the President will make, this one must foster stability—in our markets, on Wall Street, and on Main Street. That is why the reappointment of Chairman Alan Greenspan is so important.

Mr. President, as my friend and colleague from Minnesota, Mr. WELLSTONE, has just noted, stability on Wall Street has a lot to do with stability on Main Street. Let me show you a chart that shows the stabilizing impact Chairman Greenspan has had on the markets. These are conventional mortgage interest rates, which are the rates working families pay when they purchase a home. As you can see, rates were gyrating from high to low and back again when Chairman Greenspan took office. Yet soon after becoming Chairman, these rates went from wild fluctuations to the smooth, lower mortgage interest rates we now have.

Let us next look at the inflation rate in consumer prices. Again, directly following the beginning of Chairman Greenspan's term you begin to see a lower, less fluctuating inflation rate and therefore lower, more stable consumer prices. What could be more important to Main Street than stable, low consumer prices and stable, low mortgage rates? This is what affects our daily lives in America as much anything else.

Chairman Greenspan's term has shown us the value of low inflation accompanied by predictability and stability. We no longer have a gold standard, but we do have something I would call "The Greenspan Standard." That standard results in low inflation, low interest rates, strong financial markets and, contrary to the arguments of his critics, continued low unemployment.

He is a proven, independent, steady hand at the helm. Everything we are speaking about today says one thing—a steady hand at the wheel. That might be the most important thing we can ask from the Chairman of the Federal Reserve Board.

Regardless of the President's policies, we should all agree that the Chairman of the Federal Reserve Board must be independent. Regardless of political comings and goings in Washington, we need someone who will protect one of the most important indicators of the economic strength of this country. That is the U.S. currency, and that is what Chairman Greenspan has done.

He has resisted pressures to pursue one policy or another for short-term political gain. He has kept his eye on the financial horizon. He continues to speak out for a balanced budget. He is holding down inflation while preserving GDP growth. Everyone has confidence that he can enhance the stability and predictability of the U.S. dollar.

Additionally, it is important for the Chairman of the Federal Reserve to understand crisis management, to foresee economic troubles on the horizon. We must have a Fed Chairman who can sense economic trouble before it happens and act decisively to keep problems from becoming disasters.

That has been one of Alan Greenspan's most important responsibilities at the Fed. People sometimes joke about predicting the weather or predicting the economy because no one can do it perfectly. That is why we need someone like Chairman Greenspan. Since there is no economic crystal ball, his time-tested experience and expertise helps him appreciate the difference between short-term conditions and long-term trends—and thus act accordingly.

If you look at his record, one of the most telling attributes of "The Greenspan Standard" has been his ability to anticipate what could have become major disasters but, because of his steady hand, did not.

For instance, the stock market crash of 1987 did not lead to a recession. That is a phenomenal achievement. It was because we had an experienced, steady Fed Chairman. When that crash came, we could have barreled into a recession. But he was there to cautiously and correctly oversee our Nation's monetary policy.

What about the failures in the thrift industry in the late 1980's? That could have led to the collapse of our entire banking system. But it did not, due in large part to the confidence our Nation had in Fed Chairman Alan Greenspan. He is a proven crisis manager and has always been a steady hand at the wheel.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. HUTCHISON. Mr. President, I will end by saying there is no other person in America who has the confidence of elected officials and economic experts, of Wall Street and Main Street, who can anticipate monetary problems before they reach crisis stage. There is no one else who can measure up to "The Greenspan Standard." For these reasons, I urge the Senate's support. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, how much time do I have?

The PRESIDING OFFICER. Thirty-four minutes. The Senator from New York has 23 minutes.

Mr. HARKIN. Mr. President, I yield 5 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I want to thank the Senator from Iowa for this time. I first want to commend the Senator from Iowa for triggering this debate and initiating this discussion.

We have two elements that contribute to economic policy in this country: Fiscal policy, that is run by the Congress and the President of the United States, and monetary policy, that is governed by the Federal Reserve Board. It is this combination of fiscal and monetary policy that determines the health of the U.S. economy.

Mr. President, when Alan Greenspan was first nominated and the first confirmation vote was held on the floor of this Senate, I was one of two votes in opposition at that time. I was in opposition because I believed Mr. Greenspan's entire record reflected a view that he favored a high interest rate policy.

Mr. President, this has nothing to do with personalities. I personally admire Mr. Greenspan. I find him to be an engaging individual and have enjoyed visiting with him, but I profoundly disagree with his monetary policy of the United States.

His monetary views have been confirmed by his actions as head of the Federal Reserve Board. What could be more clear? In 1994 and 1995, he raised interest rates seven times in a row. Effectively doubling interest rates during that period, or nearly doubling them. He did this based on a threat of inflation.

Mr. President, he was fighting yesterday's war. He was fighting yesterday's battle. He did profound damage to the economy of the United States.

Mr. President, there was no evidence of inflation in 1994 and 1995. As Mr. Greenspan, time after time, led the Federal Reserve Board in a sequence of actions to raise interest rates and, as I say, nearly doubled them.

What was this effect on the U.S. economy? The effect was to take the growth out of this economy, to take the job generation that was moving along at a healthy level, and dramatically reduce it.

Mr. President, this was a profound mistake. History will record that Mr. Greenspan was dead wrong—dead wrong. He is of the old, static view. The old, tired, view that if you do not raise interest rates as jobs are starting to be created, inflation will be kicked off. The problem with that view is the world economy has changed. It has profoundly changed what policymakers in this country think ought to be done.

Mr. President, what could be more clear—we have moved below 6 percent unemployment in this country. That level has traditionally been viewed as the level at which inflation would be triggered. There is no inflation. There was no inflation in 1994 and 1995 when Mr. Greenspan moved to raise interest rates.

Look at the chart of the Senator from Iowa. It shows clearly, in 1994, interest rates were 3 percent; 1995, they doubled to 6 percent. Going back to that time, was there any evidence of inflation anywhere? I ask my colleagues, where was it? It was not at the wholesale level. It was not at the retail level. It was not at the commodity level. There was no evidence of inflation then, nor is there much evidence of inflation now.

The fact is, at the time Mr. Greenspan was taking these actions to dramatically raise interest rates to slow this economy, to kill the job-generating power of this economy, to put our workers in a place where they could start to see raises after 20 years of stagnation, Mr. Greenspan made a profound series of mistakes: raising rates, time after time, killing the energy in this economy, and doing it on an old, tired notion of an economic theory that no longer relates to reality.

Mr. President, what could be more clear? There was no evidence of inflation. There was no evidence of inflation because the economy has changed. The economy has profoundly changed. Now U.S. workers are not just competing against other U.S. workers; U.S. workers are competing against workers worldwide.

All one has to do is go to Indonesia and see people working for $1 a day and go to other parts of Asia and see people working for 50 cents a day to understand why we have seen no real increase in wages in this country for 20 years. Because the world economy has changed, American workers and American businesses are no longer competing just against American workers and other American businesses. They are competing on an international and global-reach basis.

As a result of that, reduced unemployment in this country does not trigger off the kind of wage inflation one saw in the past. What could be more clear? What could be more clear?

Mr. President, business leader after business leader has told us inflation is not present, has not been present, and that we ought not to pursue this high-interest-rate policy. Let me quote John Welch, chairman of General Electric:

> We don't see a connection between the numbers out there and what we feel in our business. There's absolutely no inflation. There's no pricing power at all.

Mr. President, that is John Welch, Jr., chairman of General Electric.

Dana Mead, chief executive of Tenneco Inc.:

> I believe very strongly that the Fed should be leaning more toward growth and not be so concerned with the threat of inflation.

Felix Rohatyn said:

> There was a time when 2.8 percent would have been considered a modest rate of growth; today, it is considered dangerously robust. Most corporate leaders don't agree with this notion of dragging the anchor just as soon as the economy has wind behind it.

They understand how we can sustain high growth based on muscular productivity improvements they are generating in their own businesses.

James Robinson, former CEO of American Express, said:

> Inflation is not a threat in the United States. Nor is it for the foreseeable future. It has been remarkably flat and will remain so unless the Fed or the markets begin spurring inflation with high interest rates. The old domestic indicators, while perhaps important in gaging narrow trends, no longer determine the broader inflation outlook.

Mr. President, what could be more clear? We are engaged in a new world economy where as unemployment falls below 6 percent, it is no longer a trigger for inflationary wage pressures. Why is that? It is because we are now engaged in global competition. Our workers are up against the workers in Mexico who are getting one-third as much. Our workers are up against workers in Indonesia who are being paid $1 a day.

These are new realities. Mr. Greenspan has not adjusted to them. As a result, he has kept interest rates far too high. He is killing economic growth. He is killing a chance for American workers to receive the increases they so justly deserve. This is a flawed economic policy. It ought to be stopped.

I voted against Mr. Greenspan. At that time, there were only two of us voting against his first confirmation. I will vote against him, again, today. I dare say, there will be more than two votes against his nomination this time.

I yield the floor.

Mr. MACK. Mr. President, I inquire as to the amount of time remaining.

The PRESIDING OFFICER. The Senator has 24 minutes, and the Senator from Iowa has 25 minutes.

Mr. MACK. I yield 5 minutes to Senator FAIRCLOTH.

Mr. FAIRCLOTH. Mr. President, I rise in strong support of Mr. Greenspan. I think his reappointment a Chairman of the Federal Reserve Board is one of the most important things we are going to be voting on in this session.

First, let me talk about Mr. Greenspan as an individual. He is a man of unquestioned integrity and honesty. I have come to know him well since my election to the Senate in 1992. The Chairman of the Federal Reserve Board has an incredibly important job. For this reason, I think that having someone with Mr. Greenspan's character and standing is vitally important.

Mr. Greenspan's tenure at the Fed since 1987 has been marked by a great stability in our economy. Since 1991, inflation has not been above 3 percent. Since he was first appointed in 1987, only once has inflation exceeded 5 percent. This is an amazing record of reliability, and it is one the American people have benefited from greatly.

Do we really want to return to the days of 20 percent inflation and 20 percent interest rates, when inflation was ravaging the savings of Americans? I well remember the days, as I had several million dollars worth of automobiles on my floor plan that I was paying that 20 percent on.

I have heard speeches today about the need to create jobs versus inflation. If you look at the front page of the Washington Post, it says, "Labor Shortages May Be Slowing Economy."

We are talking about looking for jobs where they offer a bonus, an incentive to find someone to work in fast foods. Can you imagine? And then they say that we still need people—people are looking for work, and we have unemployment. I can tell you that there is not much unemployment in this country today. Anybody that wants a job can find one. Companies are giving bonuses for low-wage jobs.

What this article says is that we are close to full employment right now. Given this reality, I really fail to see the argument that the Federal Reserve has endangered job growth to keep inflation low. This article suggests that we have both, and I think they are absolutely right.

Mr. President, much of this debate has been about economic growth. There seems to be a belief that someone somewhere has decided that we should not have economic growth, or that it should be at a certain level. Growth in the United States is not artificially set. Our level of growth is determined by the policies we pursue here in Congress.

How much growth can we have when we have spent more than two decades without balancing the budget? How much growth can we have when we are $5 trillion in debt? How much growth can we have when we spend $230 billion a year in interest payments? How much growth can we have when 41 percent of all income taxes sent by our citizens to Washington is used to simply pay the interest on the debt?

If we want growth, we have to unleash the private sector. That is where growth is. But every time someone attempts to make money in this country, this society, we either regulate it or tax it. How can we achieve growth in this type of environment? The irony is that the Federal Reserve policies have served us well by maintaining a low inflation environment.

Can you imagine how much deeper in debt we might be if we did not have low inflation, if we had to borrow money at 10 to 20 percent? Can you imagine the cost to the Federal Government if cost-of-living adjustments had to be paid for runaway inflation? Would job growth simulate revenue to the point to pay for the risk of inflation? I do not see how if, as the Washington Post reports today, we have close to full employment.

I think the issue is clear. We need price stability in the economy. This is the kind of policy that we have had for the past several years, and that is why I think President Clinton chose to renominate Alan Greenspan. Even President Clinton, with whom I do not agree on most matters, sees the wisdom of having him at the helm of the Federal Reserve.

Mr. President, let me conclude that I am in strong support of Chairman Greenspan and urge my colleagues to support him, also.

I yield the remainder of my time.

Mr. MACK. Mr. President, I yield 5 minutes to Senator BOND.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I rise today in support of the nomination of Alan Greenspan as Chairman of the Federal Reserve Board.

As Fed Chairman, Mr. Greenspan has earned the respect of national and international business and financial communities. During his 8-year tenure, economic performance has been remarkable—consumers and businesses alike have benefitted from a lengthy period of stable, predictable prices. Interest rates have reached near historic lows, and millions of Americans have realized their dream of purchasing a home.

Mr. President, I believe Mr. Greenspan's achievements deserve high praise. Let me just take a moment to highlight two basic, but major accomplishments: the economy has grown during 7 of the last 8 years, and both unemployment and inflation have declined.

Mr. President, let me reiterate that praise for Mr. Greenspan's record is not limited to persons on this side of the aisle. In testimony before the Banking Committee, the President's Budget Director stated:

> . . . at the moment, the economy, at last at the aggregate level, is performing extremely well. Unemployment is lower than many economists would have thought possible without igniting inflation, yet inflation is not visibly accelerating . . . The challenge now, both for monetary and fiscal policy, is to keep up the good work and find the continuing set of policies that will enable the U.S. economy to attain maximum sustainable growth as we move into the 21st century.

Mr. President, let me just conclude my remarks with a brief commentary on economic growth.

I have listened to my colleagues argue that current economic growth rates pale in comparison to those in the 1950's and 1960's. The reality, however, is that the Fed cannot control long-term growth and employment. In fact, slow population growth and limited productivity increases, have played major roles in limiting economic growth to 2.5 percent—and we all know the Fed has almost no control over either of these trends.

What the Fed does control is the amount of money in circulation and the price of goods. The Fed can enhance economic growth by removing inflationary fears and encouraging investment. During sluggish economic times, the Fed can cut interest rates and spur investment and boost economic activity. However, there are limits on how far the Fed can go. At some point, unemployment will decline so much that wage and price inflation soar. I need only refer to my earlier comments on employment and growth as evidence of Mr. Greenspan's accomplishments in these areas.

Mr. President, as we all know hindsight is 20–20 vision, and a case might be made that the Fed has erred in the direction of caution the past couple of years. But the errors have been slight and the impact small. The reality is that Mr. Greenspan has kept the economy on a steady course through major national and international turmoil. In light of his leadership, I strongly support the renomination of Alan Greenspan as Chairman of the Federal Reserve Board and urge my colleagues to join me.

Mr. President, again, I strongly support the renomination of Alan Greenspan to be Chairman of the Federal Reserve and the nomination of an outstanding Laurence Meyer, an outstanding Missourian, to serve on the Federal Reserve Board of Governors.

I believe the Federal Reserve, which is only one tool that affects economic growth and inflation in this country, has done an outstanding job with the fiscal policy which has threatened to bring back inflation and stifle job growth. I think the record that has been established by Mr. Greenspan is an outstanding one.

LAURENCE MEYER

Mr. President, I also rise today in support of a fellow Missourian, Dr. Laurence Meyer, for his nomination to the Federal Reserve Board of Governors. With more than 27 years experience in academics, consulting, and economic forecasting, Dr. Meyer is a leading figure in national economic forecasting and development. I believe that his background in the public, private and academic sectors make him uniquely qualified for a position on the Federal Reserve Board.

In my home State of Missouri, Dr. Meyer has played a key role in the development and expansion of the economics department of Washington University. As former university professor and department chairman, Dr. Meyer has been recognized repeatedly for his academic achievements by students and faculty alike. Fellow economists similarly appreciate his expertise, having twice granted him the prestigious Annual Forecast Award for being the most accurate forecaster on the panel for the Blue Chip Economic Indicators.

Having served as an economist at the New York Fed and as a visiting scholar in the St. Louis division, Dr. Meyer also brings a personal, in-depth understanding of the unique role and purpose of the Federal Reserve Board.

As an adviser to each of the last three Presidents, Dr. Meyer has demonstrated an ability that is truly rare in Washington—the capacity to rise above partisan politics. Even today, Dr. Meyer counts among his clients the President's Council of Economic Advisers, the office of OMB, and the Departments of Treasury and Commerce. To balance his perspective, Dr. Meyer also advises our House colleague and Budget Committee Chairman JOHN KASICH on budget-related issues.

Finally, Dr. Meyer also represents the entrepreneurial spirit in all Americans. Almost 15 years ago, this university professor and two former students invented the first macroeconomic model that could be programmed into a personal computer. Today, his business sells models and forecasts to major corporations and governmental agencies across the Nation.

In conclusion, Mr. President, I believe Dr. Meyer's experience in public, private and academic arenas will prove invaluable as we move into the 21st century.

I urge my fellow Senators to support his nomination.

ALICE RIVLIN

The third nominee causes me a great deal of difficulty, because, as I said initially, I felt that Dr. Rivlin had good credentials and had been a good economist that worked at various posts. However, my experiences over the last several months, as we worked on the budget in appropriations, have led me to have grave reservations.

We all know that the President submitted a budget that he says, under CBO scoring, reaches a balance in 2002. It does reach a balance in 2002 if it includes the automatic trigger—the cuts of 10 percent in 2001 and 18 percent in 2002—that they established.

Well, some say the budget the President submitted includes significant cuts even before that. I happen to chair the subcommittee that handles the appropriations for the Veterans' Administration, EPA, NASA, and HUD. When Secretary Brown of the Veterans' Administration came before me, I asked him about the budget that the President had submitted. This, Mr. President, is the budget that has been submitted by the President for the Veterans' Administration. You will note on the chart that, after going up nicely in 1997 during an election year, it falls off precipitously, from over $17 billion to around $13 billion in the year 2000. That is before any triggers occur. I asked the Secretary of the VA, who has complained bitterly about having his budget held flat, how he was going to live with those drastic draconian cuts. I was stunned when he told me that he had been assured by the President and his people that he did not need to worry about those cuts. In other words, we did not have to worry, as we looked at the increases proposed for this year, about what would happen when a quarter of the budget of the Veterans' Administration would be cut out by the year 2000, and they would not be able to build new hospitals and have new programs. How were they going to do it? The Secretary of the VA told me he had been assured that they were not going to make those cuts. I was dumbfounded.

And then the head of NASA came before me, and I asked about the $3 billion dollar-plus cut in NASA budget. He said he had been told not to plan on those cuts because he would not have to make them.

I got similar assurances from the Administrator of the EPA, Carol Browner. She said, "I have been assured that my agency is not going to be cut."

I went into another subcommittee and asked HHS Secretary Donna Shalala how she would live with the cuts, and she outlined a whole list of programs that would not be cut.

Well, Mr. President, nobody would own up to the fact that there had to be cuts. When I presented this budget showing the Clinton budget figures, a representative of the Office of Management and Budget was quoted in a newspaper, the St. Louis Post Dispatch, saying that I was misrepresenting their budget. Misrepresenting their budget? Mr. President, these are the figures. These are the figures—unless the Clinton administration has two sets of books. Under one set of books, they would assure those of us who believe in the compelling need to balance the budget that they really are going to balance the budget. On the other hand, there is another set of books that apparently is shown to department directors and the interest groups they serve, in which they assure them that there are going to be no cuts.

Which is it? I found this to be very troubling. The OMB is presenting two sets of books. This is a shameless charade. The President says that we are going to balance the budget. Yet, he says, no, we are not going to make any cuts. We asked in a letter signed by my colleagues to Dr. Rivlin whether they were going to follow the budget and make the cuts necessary to balance the budget, or whether there was another set of books. The letter that she responded to us with says that we are going to work together and everything is going to come out all right, and we will make the cuts.

Mr. President, I am deeply disappointed in Dr. Rivlin. She is willing to subvert her professional judgment in submitting a budget to the political directives of the White House to avoid any cuts. I regret to say, and I am sorry to say, that I do not believe we can afford to have someone willing to subvert their professional judgment to political directives serving on the Federal Reserve Board. I must oppose her nomination.

Mr. MACK. Mr. President, I yield 1 minute to the Senator from Virginia, Senator WARNER.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I rise to speak on behalf of Mr. Greenspan whom I have known for many, many years.

Today, particularly in this town, the word "character" is being referred to very often. So I thought I would go to the Thesaurus, Roget's Thesaurus. I will quote from Webster's and Roget's Thesaurus.

Webster's, of course, says, "Moral or ethical quality; qualities of honesty; courage, or the like; integrity; reputation." And the Thesaurus says, "Probity, rectitude, upright, integrity, honesty, honor, worthiness," and right on down.

I will put the rest of them in.

But I can tell you. I have known Alan Greenspan very, very well for a number of years. I cannot find any of the definitions relating to "character" in any of the leading sources that conflict in any way with this man's own character. He is a monument to the definition of "character."

And I am privileged to vote to have him continue in the service of this country.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 25 minutes.

Mr. HARKIN. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. HARKIN. Mr. President, first of all, I want to thank Senator DASCHLE and Senator LOTT for making sure that we had this time for debate.

Some of my colleagues have said before—and I have said since this nomination came down to us in March—that what we wanted was some time to lay out the record and to debate monetary policy. I wish we did this more often.

This is not a debate about personalities, or character. I have a great deal of respect for my friend from Virginia. It is not a debate about character at all. I and others happen to think that Mr. Greenspan's performance at the Fed has left us wanting in this country; and that his guidance and direction of the Fed is taking us in a slow growth path that is robbing us of jobs and economic growth in this country. It has nothing do to do with character.

I just happen to think that Mr. Greenspan happens to be wrong. I and those of us who are taking this position are not alone in that assessment.

I will read some quotes from a lot of people that believe that Mr. Greenspan basically has the wrong concept of what is happening economically in America today.

So what is this debate really about? Is this a lot of economic terms? I have been guilty myself. I have thrown out "NAIRU"; "price deflators"; and "CBI's." And people's eyes tend to gloss over when we talk about those things. Sometimes we have to get down to what this debate is really about.

It is about working men and women; it is about small business; it is about our farmers; it is about the middle class; it is about the impact on their lives from a policy of high interest rates—a policy that says that every time we have a spurt in growth the Fed raises its interest rates and slams on the brakes. This debate is about growth in our economy.

There are those who look at the last several years of Mr. Greenspan's stewardship at the Fed and say, "Well, we have had growth." Well, yes. We have. It has been comparatively about a C average. If we are happy with a C average in America, fine. I am not. I believe we can do a B, or an A in America. I believe our workers can be even more productive. I believe technological changes that are rapidly coming on line are going to increase our productivity.

To say that we have reached some plateau of growth is like saying that when the cavemen invented the wheel they said they did not need anything else. I am sure they probably thought at that time that they did not need anything else. They had reached their limits.

We have heard it time and time again—that somehow we have reached our limits of growth in America. I do not buy that for a minute. And I do not buy it—that we can only grow 2 or 2.5 percent when there are so many indicators out there that we can grow at 3 or 3½ maybe as much as 4 percent for a sustained period of time, and not just 1 year.

You look at Mr. Greenspan compared with the years before him. We look at growth from 1959 to 1987 versus 1987–95. What do we find under Mr. Greenspan? We find that in the previous year before Mr. Greenspan real GDP averaged 3.4 percent growth. Under Mr. Greenspan it averaged only 2.2 percent growth.

Income per capita averaged 2.5 percent growth prior to Mr. Greenspan; only 1.2 percent under Mr. Greenspan.

Payroll and jobs: 2.4 percent prior to Mr. Greenspan; 1.7 percent under Mr. Greenspan.

And, productivity: Prior to Mr. Greenspan, our productivity went up at an average rate of 2.3 percent per year; under Mr. Greenspan, it has only been 1.1 percent.

So I guess, if you are happy with this kind of lackluster performance in our economy and what the Fed has been doing, I submit that you probably ought to vote for Mr. Greenspan because that is the direction he is guiding and directing our Federal Reserve policy. I do not think that is acceptable for America. I believe we can do better than that. And it is monetary policy that is doing it. It has nothing to do with our vote here in the Senate or in the Congress. It has to do with what the Fed is doing with interest rates.

Again, I would say that this is not a debate as some have said between high inflation and low growth, that somehow if we grow faster we are going to have high inflation, and, therefore, we cannot have that high growth because we want low inflation.

Mr. President, I refer my colleagues to chapter 9 of Lester Thurow's new book called "The Future of Capitalism." I am going to read certain parts of it because I know that Mr. Thurow has done a very good job in pointing out that the "beast of inflation" has indeed been slain and that we are fighting old battles. As my friend from North Dakota said, Mr. Greenspan is fighting a war that occurred back in the 1970's but we keep dredging it up all the time.

Here is what Mr. Thurow had to say. He said:

> In the 1970s and 1980s fighting inflation became the central preoccupation of the industrial world. . . . The factors that produced inflation in the 1970s and 1980s simply disappeared, and structural changes have occurred to make the economies of the 1990s much more inflation-proof than those of the 1970s and 1980s. . . . But as is often the case, beliefs change more slowly than reality. Inflation is gone but inflation fighting still dominates central bank policies. . . .
>
> The problem can be seen in the activities of the American Federal Reserve Board in 1994 and 1995. At the beginning of 1994 the Fed saw an economy so inflation-prone that even what was by historical standards a slow recovery from the 1991–1992 recession (2.4 percent growth in 1993; 3.5 percent in 1994) represented an overheated economy. Because of this belief, seven times in twelve months, from early 1994 to early 1995, the American Federal Reserve Board boosted short-term interest rates.

How much? One-hundred percent. To this day, when I tell audiences that the Fed increased interest rates under Mr. Greenspan by 100 percent in 1 year, they do not believe me. But this is the fact. Since February 1994, Federal funds rate, 3 percent; February 1995, 6 percent. And what has happened since then? We have only come down three-quarters of a point, and we are still at this very high level.

I am quoting now from Mr. Thurow's article:

> Yet every time, the Chairman, Alan Greenspan, admitted that the Fed could not point to a hint of inflation in the current numbers. The Fed could not point to inflation because there was no inflation. The broadest measurement of inflation, the implicit price deflator for the gross domestic product, fell from 2.3 percent in 1993 to 2.1 percent in 1994.

In the third quarter of 1995 it was running at the rate of .6 percent.

Mr. Thurow goes on:

> If all of these factors are put together, the real rate of inflation outside of the health care sector was undoubtedly very low, perhaps even negative, during the entire period when Alan Greenspan was worrying about inflation. Greenspan could not see any inflation in the indexes because there was no inflation to be seen.
>
> By raising interest rates in 1994, the Fed killed a weak American recovery that had yet to include many Americans and slowed a recovery that was barely visible in the rest of the industrial world.

Well, Mr. Thurow I think laid it out very clearly. As he said:

> The numbers that have increased the Treasury bond rates and 30-year fixed mortgages are not because of inflationary expectations. They reflect an uncertainty and hence the risk premiums that investors must demand to protect themselves from a Federal Reserve Board prone to seeing inflation ghosts where they don't exist.

Mr. President, I ask unanimous consent that this article by Mr. Thurow be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE FUTURE OF CAPITALISM

INFLATION: AN EXTINCT VOLCANO

In the 1970s and 1980s, fighting inflation became the central preoccupation of the industrial world. Wage and price controls were tried in a number of countries, including the United States, but empirically it seemed to be impossible to control inflation without deliberately creating an environment of slow growth and high unemployment. Inflation was not conquered in this war. The factors that produced inflation in the 1970s and 1980s simply disappeared, and structural changes have occurred to make the economies of the 1990s much more inflation-proof than those of the 1970s and 1980s—just as the economies of the 1960s were much more inflation-proof than those of the 1970s or 1980s.

But as is often the case, beliefs change more slowly than reality. Inflation is gone but inflation fighting still dominates central bank policies. They still believe that the natural rate of unemployment—the rate of unemployment at which inflation starts to accelerate—is so high that they and the fiscal authorities must step on the monetary and fiscal brakes long before tight labor markets can push wages up.

The problem can be seen in the activities of the American Federal Reserve Board in 1994 and 1995. At the beginning of 1994 the Fed saw an economy so inflation-prone that even what was by historical standards a slow recovery from the 1991–92 recession (2.4 percent growth in 1993; 3.5 percent in 1994) represented an overheated economy. Because of this belief, seven times in twelve months, from early 1994 to early 1995, the American Federal Reserve Board boosted short-term interest rates.

Yet every time, the chairman, Alan Greenspan, admitted that the Fed could not point to even a hint of inflation in the current numbers. The Fed could not point to inflation because there was no inflation. The broadest measure of inflation, the implicit price deflator for the gross domestic products, fell from 2.2 percent in 1993 to 2.1 percent in 1994. In the third quarter of 1995 it was running at the rate of 0.6 percent.

Having fallen during the previous recession, the producer's price index for finished consumer goods in December 1994 was below where it had been in April 1993 and annual rates of increase decelerated from 1.2 percent in 1993 to 0.6 percent in 1994. In 1994 labor costs rose at the slowest rate since records have been kept, and the core rate of inflation (the rate of inflation leaving out volatile energy and food prices) was the lowest rate recorded since 1965.

The OECD in its end-of-the-year 1994 report saw no inflation ahead in the United States in 1995. Abroad in the world's second biggest economy, Japan, wholesale prices were 8.5 percent below 1990 levels and were still falling in mid-1995.

Officially, the rate of inflation in the consumer price index (CPI) fell from 3.0 percent in 1993 to 2.6 percent in 1994, but Chairman Greenspan had himself testified to Congress that the CPI exaggerated inflation by as much as 1.5 percentage points, since it underestimates quality improvements in goods (in computers, for example, it has performance rising at only 7 percent per year) and since it both has poor coverage and gives no credit at all for quality improvements in services. It is clear that service inflation is much smaller than reported.

An official government commission, the Boskin Commission, has estimated an upward bias of between 1.0 and 2.4 percentage points in the CPI. This is made up of 0.2 to 0.4 percentage points of bias, because the official index fails to keep up with consumers as they shift to cheaper products; 0.1 to 0.3 percentage points of bias, since the official index fails to keep up with consumers as they shift to cheaper stores; 0.2 to 0.6 percentage points of bias, because the index underestimates quality improvements; 0.2 to 0.7 percentage points of bias, since it lags behind in introducing new products; and a formula bias of 0.3 to 0.4 percentage points, due to the mishandling of products that come into the index at temporarily low prices.

If one is willing to assume that the sectors where quality improvements are hard to measure are in fact improving quality at the same pace as those sectors where quality is easy to measure (and it is hard to think of why they should be radically worse performers), the over-measurement of inflation may be closer to 3 percentage points.

In addition, health care inflation cannot be controlled with higher interest rates and slower growth. To know what is going on in that part of the economy that is potentially controllable with higher interest rates, health care inflation rates have to be subtracted from the totals. Since health care accounts for 15 percent of GDP and health care prices are rising at a 5 percent annual rate, mathematically another 0.75 percentage points of inflation (almost one third of 1994's total inflation) can be traced to health care. In reality, more than this amount can be traced to health care, since some of health care inflation gets built into the price indexes more than once. If states raise sales taxes to cover the costs of their health care programs, for example, health inflation shows up once as increased costs for health care and once as a sales tax increase in the consumer price index.

If all of these factors are put together, the real rate of inflation outside of the health care sector was undoubtedly very low, perhaps even negative, during the entire period when Alan Greenspan was worrying about inflation. Greenspan could not see any inflation in the indexes because there was no inflation to be seen.

Nor were there any private inflationary expectations at the beginning of 1994. None of the standard private economic forecasting services were suggesting that inflation would accelerate either. The first unexpected increase in interest rates in 1994 imposed hundreds of millions of dollars of losses on some of the world's most sophisticated investors (George Soros, Citibank), who had been betting that interest rates would fall or remain constant. If they had believed that there was any inflation over the horizon, they would not have placed those bets.

Theoretically, there is no reason why inflation should adversely affect capitalistic growth. Capitalists are smart enough not to suffer from money illusion. Negative effects only appear when inflation gets so high that speculation and inflation avoidance become more profitable than normal business activities and that requires hyperinflation before it occurs. Empirically, there is no evidence that modest rates of inflation hurt growth. Looking at the experience of over one hundred countries for a thirty-year period, a study for the Bank of England found no negative effects on growth for countries that averaged less than a 10 percent per year inflation rate and only very small effects for countries that averaged much more than 10 percent.

An argument can also be made that capitalism works best with something on the order of a 2 percent per year rate of inflation. Anything lower starts to create problems. If prices are falling, one can make money by holding one'e money in the proverbial mattress. To stimulate people to take the default risk of lending requires a positive money interest rate of 2 or 3 percent. As a result, if inflation is negative, real interest rates must be high. Real interest rates reached 13 percent in 1933 because prices were falling. Real interest rates cannot be very low unless there is a modest rate of inflation, and without low real interest rates, investment cannot be high.

In a dynamic economy some real wages need to fall to induce labor to move from sunset to sunrise industries. Real-wage reductions are very difficult and disruptive if they have to take the form of lower money wages. Labor rebels. But real-wage reductions are much easier to accomplish if the employer is simply giving wage increases smaller than the rate of inflation. The real reductions can be blamed on the amorphous system rather than on himself.

The same is true for prices. In any economy it is always necessary to change relative prices. If inflation is very low, that can only happen if many sectors experience falling money prices, but capitalism doesn't work very well with falling money prices. With falling prices there is an incentive to postpone. Why buy or invest today when tomorrow everything will be cheaper? In a world of deflation the pressure to act is sharply reduced. Yet action is what causes economic growth. Zero is simply not the right inflationary target in capitalistic societies interested in growth.

When the Fed started raising interest rates in early 1994, it stated that it had to have higher interest rates now to stop inflation twelve to eighteen months into the future because of the time lags in the economic system. Growth in fact accelerated from 3.1 percent in 1993 to 4.1 percent in 1994 and was very close to what was expected at the beginning of the year. By the end of the year neither had the economy slowed down nor had the signs of inflation become more visible than they had been twelve months earlier.

By September it was clear that 1994's inflation would be much less than the low rates that were forecast at the beginning of the year. The business press was proclaiming that "the inflationary 'ogre' has been banished—maybe for good, certainly for the foreseeable future." Nor was inflation accelerating in 1995, even though monetary policies did not bring about the expected slowdown in economic growth until the second quarter of that year.

The Federal Reserve Board was chasing ghosts. Inflation was dead but the Fed wasn't willing to admit it.

While the 1970s and the 1980s were inflationary decades, the 1990s and the decades beyond are going to be very different. Inflation died in the crash in asset values that began in the mid-1980s with the collapse of the American savings and loan industry. This was followed by a collapse in property values that rolled around the world. A decade later both purchase prices and rents were still far below their previous peaks. The crash in the Taiwanese stock market was followed by a crash in the Japanese stock market.

While capacity utilization rates were rising in the United States during 1994, in a global economy it is world unemployment and world capacity utilization rates that count—not American rates by themselves. In 1994 the world was awash in excess production capacity. The rest of the industrial world was having a very slow recovery from the earlier recession—at the end of 1994 Japanese growth was strongly negative and European growth only marginally positive.

As we have also seen in detail in the last chapter, globally unemployment rates were at levels not seen since the Great Depression. Labor shortages were not going to be driving up wages for a long time to come.

U.S. measures of capacity and hence capacity utilization are also out-of-date. They don't reflect the outsourcing that has happened. Outsourcing means that effectively firms increase their production capabilities without having to invest themselves. But the capacity increases of their supplies remain unmeasured, since the capacity indexes assume that nothing has changed in the proportions of value added contributed by component suppliers and original equipment manufacturers (OEMs).

Investments in new information and computer technologies have also made it possible to get more output out of the same capital with fewer people. That is part of what downsizing is all about, yet downsizing is not reflected in official indexes of capacity.

The Fed also doesn't seem to understand that some important structural changes have occurred that make it impossible for inflation to arise from the grave. The addition of the Communist world to the capitalist world and the effective collapse of the OPEC oil cartel in the aftermath of the Persian Gulf War means that a repetition of the energy, food, or raw material shocks of the 1970s are simply impossible in the 1990s. Oil prices are lower in real terms than they were when the first OPEC oil shock happened in the early 1970s, yet exploration and exports from the old Soviet Union have barely begun and Iraq has yet to be brought back into world oil markets.

The real-wage declines that began in the United States are now spreading across the industrial world. The downsizing of big firms with high wages and good fringe benefits continues at an unrelenting pace. If anything, wage reductions are going to be accelerating. The second world and the rest of the third world will join the small parts of the third world that were export oriented in the 1980s. Downward price and wage pressures from these low-cost producers can only accelerate. In 1994 unit labor costs declined by 2.9 percent in manufacturing and rose by only 0.9 percent in nonfarm businesses.

At the same time productivity growth is running at the highest rates seen since the 1970s. In most of the 1970s and 1980s, service productivity was falling, but now it is rising. Services just aren't going to provide an underlying inflationary push as they did earlier. Wages down, productivity up—that simply isn't the recipe for inflation.

All across America large firms are forging new supplier arrangements such as those recently put in place at Chrysler. The number of suppliers is dramatically reduced, suppliers are guaranteed much larger sales, original equipment manufacturers (OEMs) share information and technical expertise with suppliers on design and manufacturing, but suppliers in return commit to annual price reductions in the components they supply to OEMs. The OEMs in turn pass some of these reductions on to their customers to increase market share.

The world is essentially back to the conditions of the 1960s, with much less inflationary-prone economies. Supply elasticities were high then because of the recovery from World War II and the economic integration forced by the cold war. Now supply elasticities are high because of the integration of the second world into the first world and the decision of most of the third world to replace import substitution with export-led growth.

Since World War II, American firms have typically held prices constant, or even raised them, while distributing the fruits of higher productivity in the form of higher wages or higher profits. But under the pressure of international competition, that system is rapidly eroding. In the 1990s many more of those productivity gains are showing up as falling prices and many less are showing up as rising wages.

Knowing that governments have lost their ability to shorten recessions also radically changes expectations. Producers know that they cannot hold prices constant while waiting for a quick recovery from cyclical downturns. The early 1990s demonstrated that no government would come running to the rescue with large fiscal and monetary packages designed to stimulate demand during recessions. Instead, recessions will be allowed to run their course and governments will simply wait for a recovery. If downturns are sharper and longer, business firms will have to reduce prices if they wish to survive those downturns.

There are no ghosts in the attic. Inflation is not about to rise from the dead.

By raising interest rates in 1994 the Fed killed a weak American recovery that had yet to include many Americans and slowed a recovery that was barely visible in the rest of the industrial world. In just two and a half months after the Fed initiated its actions, interest rates on thirty-year Treasury bonds had risen 1.1 percentage points and those on thirty-year fixed rate mortgages had risen 1.3 percentage points. These rates did not soar because there was a sudden upward adjustment in thirty-year inflationary expectations. These numbers reflect the uncertainty, and hence the risk premiums, that investors must demand to protect themselves from a Federal Reserve Board prone to seeing inflation ghosts where they don't exist.

If the battle against inflation is primary, central bankers will be described as the most important economic players in the game. Without it, they run rather unimportant institutions. It is well to remember that in 1931 and 1932 as the United States was plunging into the Great Depression, economic advisers such as Secretary of the Treasury Andrew Mellon were arguing that nothing could be done without risking an outbreak of inflation—despite the fact that prices had fallen 23 percent from 1929 to 1932 and would fall another 4 percent in 1933. The fear of inflation was used as a club to stop the actions that should have been taken. Central banks are prone to see inflationary ghosts since they love to be ghost busters. While no human has ever been hurt by ghosts in real life, ghost busters have often created a lot of real human havoc.

Since growth did not in fact slow down in the year in which Alan Greenspan was raising interest rates, the question Why worry? can be raised. The answer is of course that higher interest rates often act like sticky brakes. The driver pushes down on the brakes and initially nothing happens. So she pushes harder. Suddenly the brakes grab and the car is thrown off the road. And that is exactly what happened in the second quarter of 1995. Growth effectively stopped.

If the economy's maximum noninflationary rate of growth is 2.5 percent (the Fed's announced target), surplus labor is going to be pushing wages down. Even the manufacturers who have to pay those wages think that a 3.5 percent growth rate could be achieved without inflation.

Our societies tolerate high unemployment since only a minority suffer from that unemployment. Most of the movers and shakers in society know that they will not be affected. Politically, high inflation is much more worrying to those in or seeking office, since it seems to reduce everyone's income. Economists can point out that every price increase has to raise someone's income and that the balance between gains and losses seems to indicate that very few are real-income losers as long as inflation is less than 10 percent per year, but all of that analysis is irrelevant. To the voter it does not seem to be true. They merit wage increases but are cheated by price increases.

The high unemployment necessary to fight inflation is one of the factors leading to falling real wages for a large majority of Americans, but this reality is too clouded by other factors and too indirect to be seen as the cause. Political power lies on the side of those who declare a holy war against inflation. Yet those who do so are indirectly advocating lower real wages for most Americans.

The inflationary volcano of the 1970s and 1980s is extinct, but the mind-set produced by its eruptions lives on. As a result, business firms in their planning have to simultaneously plan for a world where there is no inflation, but there will be periodic deliberate recessions designed to fight imaginary inflations.

Labor will continue to live in a world where governments talk about the need to restore real-wage growth but deliberately create labor surpluses to push wages down. As a result, no one should pay attention when they talk about restoring a high-wage economy with growing real incomes. Wages go up when there are labor shortages, not when there are labor surpluses.

Officially, central banks always hold out the prospect that if they just hold down inflation long enough, they will gain anti-inflation "credibility" with the financial markets and rapid noninflationary growth will

> resume. but it doesn't work. If the German Bundesbank does not by now have "credibility" as an inflation fighter no central bank will ever get this mythical status. Despite its anti-inflation credibility West Germany has had a very slow growth rate—2.3 percent per year from 1981 to 1994. Rapid growth never resumes.

Mr. HARKIN. So, yes, there is a lot of complicated economic terms, statistics, and charts that we can put up here. Let us not get lost in these complexities. We are talking about simple fundamental things—real people, families trying to make a payment on their house, trying to buy a new car, trying to work with their bank to get the funds to put in next year's crops for our farmers, or to operate a small business. We are talking about creating more and better jobs in America, about growing our economy faster, about raising wages.

That is what this debate is about. After all, Mr. President, raising the living standards and real wages of ordinary Americans should be our No. 1 economic challenge, but time and again the policy of the Federal Reserve under Mr. Greenspan has stood in the way. That should not be.

Under current law, the Federal Reserve is obligated to conduct a balanced monetary policy to reconcile reasonable price stability with full employment and strong economic growth and production. But under the Greenspan Fed that balance has been lost.

In 1978, we passed the Humphrey-Hawkins bill which mandated that the Federal Reserve take into account employment, full employment, and production along with inflation in setting its policies. I see my friend from Florida is in the Chamber. He has introduced a bill on the Senate side, the Mack bill, that would remove that consideration from the Federal Reserve, to consider full employment and production and leave the Fed only to consider inflation. I respect his opinions on that, his judgment. We happen to disagree on that. I think the Fed ought to have in its considerations a balanced approach—inflation, yes, but also full employment and production. I would point out that Mr. Greenspan has come out in favor of the Mack bill, to take away from the Federal Reserve requirements in law that we say they must take into account, full employment and production, in their setting of monetary policy. I think that is wrong. And for Mr. Greenspan to support that policy indicates that he again has his eye only on inflation, the "ghost of inflation," as Mr. Thurow says, and not on a balanced policy.

So what has happened? Middle-class Americans have paid the price. We have seen what has happened with interest rates. And we have higher interest rates. Let me just say this very clearly, Mr. President. What we have operating now in America on middle-class families is what I call the Greenspan tax—yes, the Greenspan tax on American families. Higher interest rates are nothing more than a tax on hard-working middle-class families, farmers, and main street businesses.

One of my colleagues was in the Chamber last week and referred to high inflation as an unfair tax on working families. That is true. But high interest rates are also an unfair tax. We do not have any inflation out there, there is none of it on the horizon, and yet we have inordinately high interest rates. The real threat and the real tax today on our middle class, our farmers, and our small businesses is unnecessarily high interest rates. So we need a Fed Chairman who looks at growth and jobs and wages and says we can do better, not saying, oh, 2.2 percent is fine. We can grow much faster than that. And we do it without the threat of inflation. We live in a global economy, a time of unprecedented competition, rapid technological change. All of this means we can have fuller employment, higher productivity without inflation.

We seem to be living in a world that if we begin to do better and our economy begins to grow, that is bad for America, the Fed slams on the brakes, and we cannot grow any faster than that. It is seen as a bad thing. But faster growth and higher wages and more jobs and lower interest rates should not be seen as obstacles. They should be sought out as our goals.

In short, we need a balanced policy based on raising economic growth, increasing jobs, the long-cited continued vigilance against inflation. I do not believe we have gotten that under Mr. Greenspan, and we have seen that common thread throughout his entire record, that all through his entire time Mr. Greenspan has focused on inflation.

Start with 1974. Mr. Greenspan was Chair of President Ford's Council of Economic Advisers. As I discussed in depth last week, in his zeal to fight inflation to cure the recession of 1974, Mr. Greenspan prescribed the wrong medicine. Unemployment skyrocketed, and the recession got even worse.

This is how Jerry Terhorst, President Ford's press secretary, recounted it:

> To be blunt about it, the President has lost confidence in the ability of his economic advisers to predict the economic future. This fall, when he fashioned the anti-inflationary package he presented Congress following the series of economic summit meetings, Ford relied heavily on the forecasts of his consultants, including Economic Council Chairman Alan Greenspan. They assured him that rising prices and production costs were the prime enemy of a healthy America. He was advised that while a recession lurked distantly on the horizon, it was not an imminent prospect that would confront him immediately.

Well, what happened? The recession got worse, unemployment skyrocketed. In two months, the unemployment rate increased by 1.2 percent.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. HARKIN. How much time do I have remaining?

The PRESIDING OFFICER. Nine minutes.

Mr. HARKIN. I yield myself 4 additional minutes.

Greenspan's prognosis of the Nation's economic ills in the 1970's did not comport with what happened, the same way in the 1980's. And I submit for the RECORD an article that appeared in Investors Business Daily called "Greenspan's Rotten Record."

Let us take a look again at what happened to growth during the period of time of former Chairman Volcker. We see growth of 6, 3.3, 4.4. coming out of the recession in the early 1980's. Now, Mr. Volcker had a 2.5 percent growth rate average, but he had a 13 percent inflation rate facing him when he came in. He brought inflation down in half and yet he had still had a 2.5 percent growth during his term even while he brought inflation down in half.

Mr. Greenspan comes in. The real growth during his period of time has been 2.2 percent. Inflation was only 4.1 percent when he came in. It has come down to 3.2 percent—a very small decrease in inflation and yet very low growth. That is what we are talking about, the low growth rate. And again, it has to do with Mr. Greenspan's rationale, what his mindset is.

Last year, I believe it came out, perhaps in an unguarded moment. I do not know. I will read from the hearing record so the record is straight. I have told people before that Mr. Greenspan was in favor of going back on the gold standard and people tell me that is not right. Well, I do not know if it is right or not. I can only take Mr. Greenspan at his own words.

Last year, 1 year ago, not 20 years ago, last year, Senator SARBANES says:

> All right. Now, my next question is, is it your intention that the report of this hearing should be that Greenspan recommends a return to the gold standard?
>
> Mr. GREENSPAN. I've been recommending that for years. There's nothing new about that.
>
> Senator SARBANES. Okay. So, you'd like that. You want to reaffirm that position.
>
> Mr. GREENSPAN. I have always held that system of price stability, which would come from any form of credible type of non-inflationary environment, would be very beneficial to financial system.
>
> Senator SARBANES. And you think we should go on to the gold standard.
>
> Mr. GREENSPAN. I, personally, would prefer it. That would probably mean that there is one vote in FOMC for that, but it is mine.

Again, Mr. Greenspan would like to go back on the gold standard. I would like to see how many people would stand here on the Senate floor and defend this and say we ought to go back to the gold standard. Maybe a few. But that is where Mr. Greenspan is coming from.

Last, Mr. President, it is not just me and a few others on our side. I ask unanimous consent a series of quotes from business leaders on Fed policy be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUOTES FROM BUSINESS LEADERS ON THE FED POLICIES

"We don't see a connection between the numbers out there and what we feel in our business. There is absolutely no inflation. There's no pricing power at all."—John Welch, Jr., chairman, General Electric.

"There's no sign of pricing pressure anywhere . . . This economy can grow more than 2 or 2½%, and we ought to let it do it."—John Welch, Jr., chairman, General Electric.

"This fixation of the Fed on 2.5% gross-domestic-product growth doesn't reflect the enormous productivity gains of the past five years and the fact that with the information age, you can do things faster, better, and smarter. I don't know if the rate of growth we could sustain without inflation is 3%, 3.5% or 4%, but I think we need to see if we can grow the economy at a reasonable fashion."—Tracy O'Rourke (male), CEO of Varian Associates.

"This is the most disappointing recovery we have ever seen . . . Each time we try to do a little better than 2.5% growth, we get slapped down by tight monetary policy. The recovery is lackluster and it shouldn't be."—Kent "Oz" Nelson, CEO of United Parcel Service (UPS).

"I believe very strongly that the Fed should be leaning more toward growth, and not be so concerned with the threat of inflation. . ."—Dana Mead, CEO, Tenneco Inc.

"I would rather err on the side of stimulating the economy and growth rather than dragging it."—Dana Mead, CEO, Tenneco Inc.

"There was a time when 2.8% would have been considered a modest rate of growth; today it is considered dangerously robust. Most corporate leaders don't agree with this notion of dragging the anchor just as soon as the economy has wind behind it. They understand how we can sustain high growth based on muscular productivity improvements they are generating in their own businesses."—Felix Rohatyn.

"Inflation is not a threat in the United States. Nor is it for the foreseeable future. It has been remarkably flat and will remain so unless the Fed or the markets begin spurring inflation with high interest rates. The old domestic indicators, while perhaps important in gauging certain narrow trends, no longer determine the broader inflation outlook."—James Robinson, former CEO of American Express.

"Inflation has begun to recede, despite the unemployment rate remaining below earlier estimates of the NAIRU. The Fed misinterprets the low unemployment rate as an indication that the economy is operating at full potential and grudgingly lowers its implicit assumption of the natural rate; in contrast, I believe the low unemployment rate has occurred as business investment and productivity gains have raised potential output and capacity, while restrictive monetary policy has constrained demand. That suggests inflation will decline further." Mickey Levy, Chief Economist, NationsBank Capital Markets, Inc.

"Monetary policy in this country is controlled by bond traders who live in highrises and are completely out of touch with reality." Jerry Jasinowski, president, Nat'l Association of Manufacturers

"Growth in the 2 percent range is unacceptably low, because the economy can sustain higher levels of growth without inflation. The long-run growth rate consistent with stable inflation is as high as 2.8 percent, using the new chain-weighted GDP measure." Jerry Jasinowski, President, Nat'l Association of Manufacturers

"Economists are fighting a nuclear war with conventional weapons. My concern is that we are using data and statistics and rules of thumb that come from a different business environment than now exists." Robert Cizik, chairman and chief executive, Cooper Industries

"At the Fed, the attitude is to avoid inflation at all costs. But out in the real economy, our people are concerned about the cost—the lost jobs, the lost profits and so on, which over time can be considerable." Martin Regalia, chief economist, Chamber of Commerce

" . . . the No. 1 objective should be growth, not [containing] inflation." Bernard Schwartz, chairman and CEO of Loral Corporation

"The economy clearly has the brakes on now and shouldn't."—Joseph Schell, senior managing director of Montgomery Securities.

Mr. HARKIN. Some have been stated before by Senator DORGAN and Senator CONRAD:

"We don't see a connection between the numbers out there and what we feel in our business. There is absolutely no inflation. There's no pricing power at all."—John Welch, Jr., chairman, General Electric.

"There's no sign of pricing pressure anywhere . . . This economy can grow more than 2 or 2½%, and we ought to let it do it."—John Welch, Jr., chairman, General Electric.

"This is the most disappointing recovery we have ever seen . . . Each time we try to do a little better than 2.5% growth, we get slapped down by tight monetary policy. The recovery is lackluster and it shouldn't be."—Kent "Oz" Nelson, CEO of United Parcel Service (UPS).

"Inflation is not a threat in the United States. Nor is it for the foreseeable future. It has been remarkably flat and will remain so unless the Fed or the markets begin spurring inflation with high interest rates. The old domestic indicators, while perhaps important in gauging certain narrow trends, no longer determine the broader inflation outlook."—James Robinson, former CEO of American Express.

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". . . the No. 1 objective should be growth, not [containing] inflation."—Bernard Schwartz, chairman and CEO of Loral Corporation.

"The economy clearly has the brakes on now and shouldn't."—Joseph Schell, senior managing director of Montgomery Securities.

Mr. HEFLIN. Mr. President, I rise today to support confirmation of Alan Greenspan's nomination to serve another term as Chairman of the Federal Reserve Board of Governors. Although I have not always been completely agreeable with his policies, I think that, generally, he has struck the proper balance in monetary policy in order to stabilize prices and encourage growth short-term growth. In fact, combined with the President's deficit reduction program, Chairman Greenspan's policies helped the Nation out of its last recession.

When we consider this nomination, we must realize that the most relevant indicator of Chairman Greenspan's accomplishment is the success of the economy. Because of the number of factors and variables involved in economic theory, we can stand and debate individual arguments almost endlessly. However, we cannot ignore the fact that the economy has exploded, while inflation has stabilized at its lowest rate in more than a decade. In fact, the combined unemployment and inflation rate is lower than it has been since 1968. This did not occur without leadership, and Chairman Greenspan and President Clinton deserve our applause.

One of the reasons for economic improvement is the recent deficit reduction package. The deficit is an issue I have taken very seriously over the years. When I came to the U.S. Senate, the first bill I introduced was a constitutional balanced budget amendment, and I have supported it ever since. Indeed, I believe that addressing the deficit, and other fiscal problems, is the only way to cure the Nation's economy in the long term.

Although I had reservations, and frankly I believe we can and should do more in the area of deficit reduction, I supported the President's 1993 budget package. This measure is among the most important fiscal steps the Congress has taken in the past decade. In fact, to use Chairman Greenspan's words, this reduction was: "An unquestioned factor in contributing to the improvement in economic activity that occurred thereafter."

This improvement resulted in the creation of 9.7 million new jobs, the vast majority of which are in the private sector. The last few years have seen more construction job growth than any period since the early fifties, and more auto job growth than any period since the early sixties. Further, the unemployment rate has dropped to 5.6 percent—far less than the rate during the early eighties. It is a testament to the importance of a declining annual deficit and movement toward a balanced budget.

However, due to the complexity of our economy, I do not believe that the President's deficit reduction alone caused all of these improvements. According to prevailing economic theory, monetary policy is a more potent factor in the short-term growth of employment and gross domestic product than fiscal policy. Therefore Alan Greenspan does deserve a certain amount of recognition for his recession policies. Maybe it is a credit to Chairman Greenspan, however, that he has shown restraint; he has not failed to appreciate the consequences of easing his monetary policy.

When the Federal Reserve Board decides to embrace an expansive policy, the economy will grow for a while. However, a greater supply of money leads to a lesser demand, or inflation. In the long term, improvements are countered by higher costs and prices, and the economy will again equalize at a reduced level, with higher inflation. In this way, the end result is a negation of the apparent gain. Therefore, monetary policy must strike the proper balance between expansion and tightening. I think Alan Greenspan has always appreciated the importance of this fundamental concept, and he has acted cautiously to enact such a balance.

When the country fell into a recession in 1990, Chairman Greenspan engineered a response to the crisis by initiating a series of interest rate cuts from late 1990 to late 1991, keeping rates low through 1993. Under his direction, the Fed cut the discount rate in half; this was the lowest rate since 1962. In fact, real short-term interest rates were near zero.

Chairman Greenspan said these reductions were necessary to spur economic growth, and growth did follow. His judgment has thus far been sound.

However, Mr. Greenspan rightly believes that the Federal Reserve's most important goal is price stability. It is perhaps this fact which has most fueled his critics.

The harshest criticism Chairman Greenspan has endured came in 1994, when he raised interest rates seven times. Politicians and financial markets concerned about continuing growth argued that Greenspan was an alarmist. Critics maintained that the boon had been insufficient to cause any serious inflation.

Even if we disagree, I think we must admit that his precautions have proved reasonable. Although economic growth has slowed, Chairman Greenspan has managed to stabilize inflation at its lowest rate in more than a decade. He has also lowered interest rates again to adjust for this slowed economic growth.

I would like to add that I do understand some of my colleagues reservations about Greenspan's tight monetary policy. High interest rates have been a difficult obstacle to many Americans—individuals and businesses. In fact, they are closely tied to the Nation's housing markets. They therefore affect homeowners, and they can damage financial institutions, particularly savings and loans. They have severely hurt such large businesses as Chrysler and Lockheed, and notably, they can have a terrible effect on small entrepreneurs, especially farmers, for whom I have a particular concern.

However, I think it is always important to keep things in persecutive.

We might understand Mr. Greenspan's record better if we consider his predecessor's efforts to reduce a staggering inflation during the early 1980's. Success came after the imposition of a seriously unpopular, tight monetary policy—a policy which concerned me greatly.

When Paul Volcker took control of the Board in 1979, he convinced the Federal Open Market Committee to emphasize control of the money supply's growth, and to pay less attention to interest rates. Although he was ultimately successful in bringing down inflation, his policy, in part, caused interest rates to pass 20 percent in 1981. That was quite a cost. It hurt homeowners and businesses across the country.

In fact, I became particularly concerned about the effects of these rates of farmers, many of whom were devastated by the overhead of high-interest loans. I fought to reschedule farm loans especially to ameliorate the pains suffered by small, family farmers.

But at the time, I said that the Fed should not be condemned in its policy, it should be assisted by administration and Congress alike in seeking equitable remedies to fighting inflation. Inflationary controls are, after all, the Fed's most important concern. Instead of reactivity, I believed the Congress had to emphasize tax incentives, and most important, work to balance its budget.

This idea has not changed in 15 years, I still believe that we must not be reactive. We must also remember Chairman Greenspan's tenture has been much less intense than Volcker's. Rather than raging total war on inflation, he has only had to act preventatively. The country is doing well, and we should not condemn the Fed—nor the man—now as we should not have condemned them then.

Instead, the Congress must work to resolve its own fiscal dilemmas. As I have always believed, we, and those who follow, must work toward an enactment of sound policies that include, perhaps foremost, spending within our limits.

Further, it absolutely should be considered that, although it is independent of the Congress and the President, Greenspan does not dictate absolutely over the Fed. Instead, he must achieve a consensus at the Federal Open Market Committee votes. In this regard, he has been called a genius; almost every vote during his chairmanship has been unanimous. Apparently Greenspan's colleagues also consider his judgment sound.

Mr. President, I believe that we should recognize Chairman Greenspan's successes and acknowledge that he has done some good things for the American economy. His efforts contributed to an enormous recovery, and he kept inflation down during the rebound, as it his most important goal.

Much to his credit, I think President Clinton recognizes Chairman Greenspan's qualities, and I think he had some good reasons to nominate him to another term. Perhaps the President's wisdom has once again led him to understand that moderation is the route to sound policy. He did not shy away from selecting a man lauded by Presidents Bush and Reagan when he believed it was the right thing to do.

Mr. President, I believe the Senate should concur with President Clinton's finding that Chairman Greenspan has done a good job and confirm his nomination.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. I yield 3 minutes to the Senator from New Jersey, Senator LAUTENBERG.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I want to first say that few here have more of my respect and friendship than the distinguished Senator from Iowa. We rarely disagree. When we do, sometimes it is a fairly forceful disagreement. This is not in any way to challenge some of the observations that the Senator from Iowa has made about growth. I believe that more growth would be advisable, would be very helpful right now. But I support the nomination of Alan Greenspan to be Chairman of the Federal Reserve in his next term because I think what we have is pretty darned good when you look at the results, and we see indications of it every day, about how good this economy is relative to where we might have been in terms of measuring the economic growth and inflation at the same time.

Inflation is under control. It does not take much, in this former businessman's view, to trigger off a round of inflationary growth that we would not like to see in this country of ours.

When I see in today's papers, the Washington Post: Labor shortage may be slowing economy, not enough people applying for jobs, bonuses being offered to get people to apply for jobs. It does not say that we are overburdened by unemployment.

Any unemployment is terrible in a society. But when you compare what is happening in the United States to, now, the European market, we are almost less than half of where they are. And inflation is very carefully controlled.

Look at the response of what I may say are the knowledgeables, the stock markets. The market keeps growing. Investors think there is value there yet to be realized. We have a very comfortable view, in terms of mortgages, in terms of money. If there is a shortage, it is because much of the money supply that is out there is being absorbed by

Federal debt, and we are all determined to work to reduce that.

But I know Alan Greenspan on a personal basis, which has little to do, frankly, with whether or not I would recommend him, except to say I know him well. He served on the board of my company, ADP, until he came to his position as Chairman of the Federal Reserve Board. I used to hear Alan Greenspan's opinions about things. We had other very distinguished business people on our board—by the way, Republicans more than Democrats; that is just a coincidence; I wanted it the other way, but it did not work that way—distinguished business people who would listen carefully to Alan Greenspan's views on things, to his analysis.

My ex-company—I hate to say that—my company sold the Greenspan database. We used to deliver it. I was in the computer business, and we would deliver that database throughout the country. It was such a desirable piece of information that company after company, institution after institution would be there, ready to buy the services.

The fact of the matter is, Alan Greenspan, by all measures on the record, has done a distinguished job as Chairman of the Federal Reserve System. He deserves to be continued.

For these reasons, Mr. President, I support the nomination of Alan Greenspan to serve his third term as Chairman, and of Alice Rivlin to serve her first term as Vice Chairman, of the Federal Reserve Board of Governors.

In fact, it is hard to meet Alan Greenspan without being impressed with him. He is a very serious man who takes his work seriously, and who understands the critical importance of the office he holds.

Alan Greenspan has ably served our country as Chairman of the Fed since 1987. And in that time he has compiled a record that, by recent historical standards, is impressive.

Mr. President, as I said, I have known Alan Greenspan for many years, and have always had a tremendous amount of respect for him. Before I came to the Senate, I ran a data processing company known as ADP. Alan Greenspan was on our board of directors. And it was in that capacity that I came to appreciate his intellect, his extensive knowledge of business and economics, and his integrity. Inflation today is at 2.9 percent. Unemployment is at 5.6 percent. Not long ago, many respected economists would have scoffed at the likelihood that both these figures could be held down to these levels. Many assumed that unemployment and inflation fluctuated in an inverse relationship. Yet that has not been true in recent years, and Alan Greenspan probably deserves some credit for that.

Mr. President, steering monetary policy is an extremely difficult job that involves a delicate balancing of competing economic considerations. I cannot stand here and say that Chairman Greenspan has never made a mistake. And I understand the views of some of my colleagues that the Federal Reserve ought to adopt a looser, more aggressive monetary policy.

But when you compare the economy's performance with the expectations of the pre-Greenspan era, it is hard to argue against Chairman Greenspan's record.

It is also hard to dispute that Chairman Greenspan's work has won him broad respect and support in the financial community.

Mr. President, Alan Greenspan is one of the most thoughtful and deliberate people I have ever met. He does not speak glibly. He knows what he is talking about, and he chooses his words carefully.

This deliberate approach has served him well as Chairman. And it has contributed to a greater sense of stability and predictability in our financial markets.

That predictability is important if our economy is to function effectively.

So I hope my colleagues will support his nomination. And I trust they will, by a very strong margin.

I end up asking unanimous consent that the piece in the Washington Post yesterday, an op-ed piece by Robert Samuelson, and the article related to employment in the Washington Post be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 19, 1996]

GREENSPAN'S GOOD ECONOMY

(By Robert J. Samuelson)

Probably no government agency has recently performed better than the Federal Reserve. Through short-term interest rates, it influences the economy, and the results seem to speak for themselves. The economy's expansion is now in its sixth year, and since it started, employment has grown by 9 million jobs. Annual inflation remains at about 3 percent, which is where it was in 1991. Alan Greenspan, the Fed's chairman, ought to be basking in acclaim. President Clinton has renominated him to another four-year term. Yet Greenspan still faces a loud chorus of critics.

The complaint is that the Fed is so obsessed with fighting inflation that it has smothered strong economic growth. "The Fed has pursued policies that have limited . . . growth to levels not much more than 2 percent," gripes Sen. Tom Harkin (D-Iowa), who has insisted on a full Senate debate on Greenspan's nomination. Growth could be higher by a percentage point, he says. Some economists and corporate executives agree. In a decade, the extra growth would raise the average American's disposable income another $2,500. What should we make of this?

Not much. It's true that, compared with the past, the economy's growth has slowed. Here are the numbers. Between 1960 and 1973, gross domestic product (the economy's output) increased at an annual rate of 4.2 percent. Since 1973, GDP growth has averaged only 2.5 percent. But it's hard to blame the Federal Reserve, because long-term economic growth stems from two factors—expansion in the work force and improvements in productivity—that the Fed hardly influences. Both have weakened.

Productivity (output per worker hour) grew almost 3 percent a year between 1960 and 1973. Average workers produced that much more—in everything from steel to air travel—each hour than the year before. Since 1973, increases average slightly more than one percent. No one knows what caused the drop. Labor force growth has also slackened because "baby boom" workers are no longer surging into jobs. The Fed can't offset these changes. It can't create more workers or order companies to be more efficient. (Indeed, it's possible that statistics miss some productivity gains; if so, economic growth is underestimated.)

Perhaps a simpler tax system, better schools and streamlined regulations would improve growth, but no one knows by how much—and these matters aren't the Fed's responsibility. Harkin and like-minded critics also forget the 1960s and 1970s, when the Fed tried to spur faster economic growth. The result was a disaster: two episodes of double-digit inflation (culminating in 12.3 percent inflation in 1974 and 13.3 percent in 1979); two crushing recessions (those of 1973–75 and 1981–82) to suppress the inflation; and huge increases in interest rates and real estate speculation that fostered the savings and loan crisis.

As a practical matter, the best the Fed can do is to nudge the economy toward its production potential while resisting higher inflation. Its tools for doing this are fairly crude. It can change only one market interest rate—the so-called Federal Funds rate, which is the rate at which banks make overnight loans to each other. All other interest rates (those on mortgages, car loans or corporate bonds) respond only indirectly and imprecisely to Fed policies. Even so, there's not much evidence that excessively high interest rates have hurt economic growth.

The Fed Funds rate is now 5.25 percent. Assuming inflation is 3 percent, the "real rate" is about 2.25 percent—a level critics think too high. It isn't, says economist William Dudley of the investment banking firm Goldman Sachs. Since 1980, Dudley finds, the "real" Fed Funds rate has averaged 3.3 percent. True, it was lower in the 1970s and, indeed, was often negative (that is, the interest rate was less than inflation). But it was this policy of easy credit that spawned double-digit inflation.

Dudley also points out another flaw in the argument. If interest rates were crushing, then credit-sensitive sectors of the economy—business investment, car sales—would be languishing. Well, they aren't. In 1996, sales of cars and light trucks are running 6 percent ahead of 1995. As for business investment, it has boomed. Between 1991 and 1995, annual spending increased 31 percent. For computers, spending jumped 183 percent; for transportation equipment, it rose 44 percent.

Where Greenspan's Fed has succeeded best is in smoothing economic growth by shifts in the Fed Funds rate. To spur recovery from the 1990–91 recession, the rate was cut, to a low of 3 percent in September 1992 and kept there until early 1994. Then the Fed began raising the rate gradually to prevent a growing economy from worsening wage and price inflation. By early 1995 the Fed Funds rate was up to 6 percent. Since then it's been dropped three times to sustain growth.

Even some occasional Fed critics have been impressed by the success of these maneuvers. "I think [Greenspan's] done a superb job—better than I expected," says economist William Niskanen of the Cato Institute. "at the end of 1994, I thought he was too tight and that there would be a recession in the fall of 1995." There wasn't. Economic growth slowed and then picked up.

Sooner or later, of course, there will be another recession. The Fed isn't all-powerful or all-wise. Long economic expansions generate excesses: overborrowing, overinvesting, speculation, inflation. There are some signs of these now. Stock prices seem to many observers, foolishly high. The American Bankers Association recently reported that credit card delinquencies in early 1996 were at a 15-year peak. It's impossible to keep the economy expanding in a simple, straight line. Still, Greenspan's performance merits another term.

Perhaps the Fed is simply a convenient scapegoat for all manner of economic anxieties. There's nothing wrong with debate if it illuminates important truths. The most important truth here is just the opposite of the critics' complaints. It is that the temptation to spur a little more economic growth at the risk of a little more inflation is self-defeating. it risks higher inflation, higher interest rates and a more unstable economy. The Fed has absorbed this lesson; so should everyone else.

[Washington Post, June 20, 1996]

LABOR SHORTAGES MAY BE SLOWING ECONOMY

(By John M. Berry)

Signing bonuses are nothing new for basketball players and Wall Street traders. But hamburger flippers?

Some fast-food restaurants in St. Louis are now paying as much as $250 in signing bonuses for new hires, according to the latest Federal Reserve survey of regional economic conditions released yesterday.

Companies all over the country are going to extra lengths to attract workers, the Fed reports, in the latest sign that the pool of unemployed workers has shrunk to the point that it is limiting economic growth. Unemployment nationally has hovered around 5.5 percent for the past 18 months and in more than half the states this spring it is below 5 percent.

A Minneapolis company is offering a chance at free vacations in Las Vegas for employees who recruit new hires. Temporary employment agencies in Chicago say more employers are snaring their workers for permanent positions. Banks in Salt Lake City are having a hard time finding tellers.

According to the Minneapolis Federal Reserve Bank, a growing number of firms wanting to hire skilled workers have stopped advertising because they got no responses. "Perhaps we should call them 'discouraged employers,'" one Minnesota state official quipped.

In Minnesota, one of 10 states with a jobless rate of 3.9 percent or less, economic development officials say that businesses are looking more at whether people will be available to work at a new plant than at whether the company can get incentives or tax breaks to build there, according to the Minneapolis Fed. "This parallels the dilemma that eastern South Dakota has faced for some time: It is difficult to attract new industry when labor seems short," the report said.

Many Fed officials have expressed surprise that, with the unemployment rate so low, there have not been more problems on the inflation front, with wages rising to attract workers. But the Fed's latest survey turned up only scattered instances in which tight labor markets were causing wages overall to increase rapidly.

Economists and government policymakers aren't exactly sure why labor cost haven't begun to rise more rapidly in response to the nation's low unemployment rate. Some analysts say the best explanation is twofold: Heightened concern among workers about job security in a world of corporate downsizing has made them squeamish about asking for raises. That's coupled with strong resistance by employers to raise overall wages because they know that in a low-inflation economy, it is difficult to raise prices to cover higher costs.

So even though some companies are having to increase their offers of starting wages to get workers, in the aggregate, pay hikes are still modest by historic standards.

And companies aren't going begging for workers everywhere in the country. Indeed, in places such as the District, New York and New Jersey, a southern tier of states stretching from Mississippi west through Texas to New Mexico and most import, California, finding workers isn't as tough as it is elsewhere. Joblessness in California, whose recovery has lagged that of the rest of the nation, is 7.5 percent. Only West Virginia at 7.7 percent and the District at 8.4 percent have higher rates.

To many economists, this is a picture of a nation essentially at full employment. That means that going forward, the economy can grow only as fast as its capacity to produce goods and services grows.

How fast that growth can occur is the subject of much debate these days. Indeed, Sen. Tom Harkin (D-Iowa) delayed the full Senate's vote to confirm Fed Chairman Alan Greenspan to a third term until today so he could hold a public discussion on the subject. Harkin believes the economy could grow much faster if Greenspan would only lower interest and stop worrying so much about inflation. "A turtle makes progress only when it sticks its neck out, even though that is when it is most vulnerable," Harkin said in an interview. He said that the Fed cannot be sure the jobless rate can't be pushed down to 5 percent or 4.5 percent without making inflation worse.

Few people in official Washington agree with Harkin, though. The Clinton administration, the Congressional Budget Office and many private economists all peg the economy's capacity to grow at a little above 2 percent.

According to White House economist Martin Baily, the administration's estimate of 2.3 percent a year "is based on supply-side factors," meaning labor supply and productivity.

If the economy is at full employment, additional labor is largely a matter of how fast the population is growing, including immigrants. When the post-World war II baby boomers were entering the work force in the 1960s and 1970s, labor supply was increasing roughly 2 percent a year.

Now it is increasing only about 1 percent a year. All other things equal, that difference means the economy's capacity to grow is a full percentage point lower than it used to be.

And gains in productivity slowed sharply after 1973 for reasons economists still can't explain fully. But over the past year, output per hour worked at private nonfarm businesses rose 1.3 percent, exactly the pace the administration foresees for coming years.

At a recent conference on economic growth sponsored by the Boston Federal Reserve Bank, Baily said that Fed policy doesn't directly affect either of these determinants of growth. "I don't think monetary policy in the United States is seen as a significant restraint on economic growth in the next few years," Baily told the conference.

Thomas Hoenig, president of the Kansas City Federal Reserve Bank, said in a recent interview that in his district, where the average unemployment rate is not much above 4 percent, business executives aren't complaining about Fed policy.

The complaint Hoenig hears most frequently, he said, is, "I can't get enough of the type of help I need. I have heard no one say, I could grow faster if you lowered interest rates."

ALICE M. RIVLIN

Mr. LAUTENBERG. Mr. President, I wish to comment on the nomination of Alice Rivlin, our current Director of the Office of Management and Budget.

Mr. President, Alice Rivlin also has enjoyed a long and distinguished career in public service. She played a major role in building the Congressional Budget Office, and establishing CBO as a highly respected institution in this city.

She has had a distinguished career as an economist and policy analyst. And she has served admirably as Director of the Office of Management and Budget.

Mr. President, few objective observers would question the commitment of Alice Rivlin to fiscal responsibility. Her reputation as an advocate for fiscal integrity has been well established for many years.

She also has a reputation as someone who tells the truth. Alice Rivlin is not afraid to tell truth to power. And she is more than willing to ruffle a few feathers in the process. She has done so in the past. And I'm sure she would continue to do so at the Federal Reserve.

Mr. President, Alice Rivlin is a public servant, not a politician. That's the kind of person I would think all Americans should want at the Federal Reserve.

So, Mr. President, I urge my colleagues to support Alice Rivlin's nomination to the Federal Reserve Board. And I hope she can be confirmed by a strong, bipartisan vote.

Mr. SHELBY. Mr. President, I rise today in full support of the renomination of Alan Greenspan to the Chairmanship of the Federal Reserve Board. First nominated in 1987 by President Ronald Reagan, Chairman Greenspan has reduced the consumer price index from almost 7 percent then to about 2.6 percent now. In fact, inflation was below 3 percent in 1995, for its fifth consecutive year, marking the first sustained period of low inflation since the Kennedy administration.

Alan Greenspan has been renominated for a third term as Chairman of the Federal Reserve because he has earned the respect of his peers with a strong record of low inflation and economic stability. Indeed, Mr. Greenspan is currently leading us through a volatile transition from an overheated economy to one operating near capacity without inflation. To understand the importance of this transition, one must know that such a transition has never been achieved in the postwar period.

It has been said the highest honor a man can receive is recognition among his peers. Chairman Greenspan has received just that:

Thomas Juterbock of Morgan Stanley has said, "The market sees Greenspan as the last gatekeeper of rational macroeconomic policy that will preclude inflation."

Allan Meltzer, a professor at Carnegie Mellon University and a well-known Fed watcher, has said, "He's the best chairman the Fed has ever had."

Lawrence Lindsey, a current Fed Governor, has stated, "If the curve you're grading on is 'What's attainable by mortals,' he certainly deserves an A."

Indeed, former Vice-Chairman of the Fed, Princeton professor, and Clinton nominee, Allan Blinder, recently said of Greenspan's policies, "This is perhaps the most successful episode of monetary policy in the history of the Fed." In fact, Mr. Blinder voted with Chairman Greenspan through a long series of rate increases in 1994.

With such high regards, a sound record, and possibly the strongest and safest banking system in history, I believe the renomination of Alan Greenspan as Chairman of the Federal Reserve is imperative to the continuity of monetary policy and certainty of financial markets.

I continue to believe the best monetary policy a country can have is one that strives for price stability and zero inflation. Inflation is a tax, plain and simple. Americans are taxed too much already and should not have the purchasing power of their $1 stolen from them. Hard-working Americans deserve to bear the fruits of their labor, and a strong, sound independent bank is essential to that goal.

Some claim that the Federal Reserve is not accountable to Congress. Some Members in the Senate have even suggested that we politicize the Federal Reserve Bank. I believe that would be the biggest mistake we could ever make. Congress and the President cannot even agree on a balanced budget deal, much less the rate of growth of monetary aggregates or the correct Federal funds rate. Monetary policy should not be subject to the whims of the political cycle.

Without qualification, the Federal Reserve Bank should maintain its independence.

Mr. Greenspan has always been mindful and considerate of Congress, but he has never let the political process manipulate him or the Federal Reserve. His expertise and strong will are needed at the central bank and we should show our appreciation of his diligent work by reconfirming his nomination to the Chair of the Federal Reserve Board.

I believe, Mr. President, these criticisms of the Federal Reserve are nothing more than an excuse not to adopt sound fiscal policies like a balanced budget and a pure flat tax. These criticisms are not based on an understanding of macroeconomic principles. I have not heard any discussions based on the purchasing-power-parity theory, interest-rate-parity theory, or even the rise in commodity prices. It is clear to me Mr. Greenspan is being made a scapegoat for individuals who will not adopt sound fiscal policies.

Lastly, I want to voice my support for the confirmation of Laurence Meyer as a Federal Reserve Governor. He has a sterling academic record as well as a demonstrated professional record as an economic forecaster and will have a great deal to offer the Board.

Mr. GRASSLEY. Mr. President, last week I said that the reappointment of Alan Greenspan is good news for jobs and the economy. Nothing that I have heard during the intervening time has changed my mind.

If we are truly interested in helping the American economy expand. If we truly intend to lower interest rates, then we must balance the budget. We must remove the Federal Government from the head of the line when it comes to borrowing money. It is that simple.

Being Chairman of the Federal Reserve is not an easy job. But Alan Greenspan has more than measured up to that job. He has been on the front line fighting the results of big Government spending. It is this spending that drives up interest rates. It is this spending that hurts ordinary Americans. It is this spending that is our responsibility to bring under control.

Until it is under control, it is Alan Greenspan's responsibility to try to keep the economy stable. It is his responsibility to bring confidence to the marketplace. It is his responsibility to keep inflation in check. He is doing this job well.

Earlier, I used agriculture as an example of the benefit of a balanced Federal budget. According to studies, if the Federal budget is balanced by 2002, the yearly benefit to agriculture would be $2.3 billion due to interest rate reductions. Additionally, increased agricultural cash flow from increased economic activity would be $300 million yearly. This adds up to an increase of $2.6 billion per year for the farm economy if we balance the budget. These studies are based on Congressional Budget Office estimates that short-term interest rates would decrease 1.1. percent and that long-term interest rates would decline 1.7 percent.

This is real interest rate reduction.

Looking at a balanced budget from another point of view, homeowners with an average 30-year home mortgage of $75,000 would have $37,000 over the life of the loan. This would occur with a balanced budget and subsequent interest rate drop of 2 percent.

Or a family with a 4-year car loan of $15,000 would save $900.

It is clearly better to reduce interest rates through congressional action on a balanced budget than a regulatory action by the Federal Reserve. The benefits will be much longer lasting.

In a recent article in the Institutional Investor, Federal Reserve Governor Janet Yellen, a Clinton administration appointee, asks several questions which go to the heart of what Alan Greenspan's opponents are saying. First she asks, if productivity is really increasing to the degree that growth advocates insist and current monetary policy is too restrictive, why is not unemployment rising?

Second she asks, if unemployment is above its natural rate and the potential growth rate is substantially higher than real growth, why is not inflation falling further? She answers these questions with this statement: "The fact that inflation has been relatively stable for the past two years suggests an economy operating in the neighborhood of it potential output."

How well put.

I would also point out that among the Governors of the Federal Reserve who have or are serving with Alan Greenspan there has been no fundamental disagreement about monetary policy. There would be dissention at the Fed if Mr. Greenspan's opponents had any credibility to their arguments at all.

I compliment Chairman Greenspan on his ability, in the light of the fiscally irresponsible Congresses of the past, to give stability to our economy. We have only to look at the record number of new highs that are being achieved by the stock market. This is real economic growth.

As I said last week, if we want to encourage economic growth we have no farther to look than ourselves. Balancing the Federal budget will promote and ensure real economic growth. And balancing the budget is our responsibility, not that of the Federal Reserve. It is time that we accept that responsibility and not try to look for scapegoats.

Let us start by continuing our efforts to bring the budget into balance and by confirming Alan Greenspan as Chairman of the Federal Reserve.

Mr. MACK. Mr. President, this afternoon, the Senate will vote whether or not to confirm Alan Greenspan for a third term as Chairman of the Federal Reserve's Board of Governors. I have listened to the debate about his performance as Chairman, and the claims that his policies have permitted annual economic growth of only 2.5 percent.

Chairman Greenspan's critics say that his pursuit of price stability has compromised the growth of the economy, and they're trying to make him the scapegoat for today's slow growth.

My colleagues are right about one thing, slow economic growth hurts all Americans. It leads to stagnating incomes, fewer job opportunities and widespread insecurity about the future. You should hear the complaints I have been hearing from my constituents in Florida. They are frustrated. They do not understand why America—the greatest country in the world—a country with unlimited opportunity—is falling behind. It is frustrating to me, too, because I know we can do better.

But I think some of my colleagues have seriously misdiagnosed the problem. It is vitally important for us to understand why this economy's performance is so lackluster, and what policies can help it reach its full potential. In my estimation, Alan Greenspan is not the problem. Bad economic policies enacted by the Clinton administration and previous Congresses are.

Since 1978, the Humphrey-Hawkins Act has demanded that the Federal Reserve simultaneously promote full employment, maximum production, and price stability. In other words, the Fed is being told to try to finetune the economy. The failures and problems caused by this divided focus have lad many observers to conclude that an important first step on the road to meaningful economic growth is to have the Fed concentrate solely on what it can actually achieve: price stability.

Let me quote former Federal Reserve governor Wayne Angell, who wrote:

> It is completely appropriate to give our government multiple policy goals, including lowering unemployment, promoting economic growth, and maintaining stable prices. All of these goals contribute to the well-being of our people. There is much to lose, however, in charging the Federal Reserve with all these tasks.

The reason why the Fed can not achieve multiple goals is simple: it only controls one monetary policy tool—the amount of money in the economy. This ability to create money and operate through the monetary base means that the Fed can control inflation. Sure, the Fed can also stimulate economic growth and create demand in the short run by printing additional money, but such growth is not without cost. Because, in the long run, printing excess money always leads to inflation, and thereby diminishes whatever economic gains were realized during the short run.

The Fed can only encourage long-run economic growth if Congress repeals the Humphrey-Hawkins Act. Therefore, I have introduced the Economic Growth and Price Stability Act, to focus the Fed solely on stable prices. This bill would serve to hold down the inflation premium part of interest rates, so that buying a home or a car, or taking out a student loan will be more affordable.

But even if the Fed, and its Chairman, achieve the goal of price stability, that is still no guarantee that Americans will see robust long-term economic growth. Do not get me wrong, price stability is absolutely necessary for growth, but by no means is it sufficient. The presence of harmful fiscal policy can render even the most beneficial monetary policy useless. That is part of the reason American families are feeling such anxiety today: the growth of Government is paralyzing the growth of the economy. In short, the Clinton administration's misguided fiscal policies have put working families in a bind.

Just look at how President Clinton's policies of high taxes and bigger Government have led to this weak economy. Let us compare growth under President Clinton to historical averages, reaching back to the end of World War II. The results are astonishing:

Since Bill Clinton became President, GDP growth has only averaged 2.4 percent at an annual rate. Compare that to the growth rate he inherited: in 1992, the economy grew at a robust 3.7 percent. During the entire decade before President Clinton took office, annual economic growth averaged 3.2 percent. During the last five periods of economic expansion growth averaged 4.4 percent, and economists—believe it or not—call today's economy an expansion. Finally, if you look at economic growth rates all the way back to the end of World War II: growth has averaged 3.3 percent.

President Clinton and his policies have simply failed to measure up. It is what some people call the Clinton growth gap or the Clinton crunch—the difference between the growth America has experienced under the Clinton administration and what we should reasonably have been able to expect, given historical trends. The Clinton growth gap has meant a lower standard of living for every child, every woman, and every man in America. We can do better. We must do better.

We can reverse this trend by balancing the budget, lowering taxes, cutting regulations and generally getting Washington off the backs of the American people. The key to achieving strong economic growth is our remarkable entrepreneurial spirit. The economy can grow faster, but Government needs to step out of the way. Bottom line, it is not the Federal Reserve and Chairman Greenspan who are causing today's economic problems; it is the harmful economic policies of President Clinton, his administration and previous Congresses.

Chairman Greenspan knows what needs to be done. He remains committed to price stability, and agrees that fighting inflation should be the Fed's only focus. But he has been hamstrung by counterproductive fiscal policies and a mandate to make the Federal Reserve all things to all people. He has been asked to do the impossible, and then some people turn around and blame him for the economy's anemic growth rate. That's unfair, and it's simply wrong. President Clinton and his allies here in Congress cannot rationally expect to keep taxing and regulating and spending, while the Fed indulges them by printing more and more money to feed their excess.

Therefore, I wholeheartedly support Alan Greenspan's nomination to a third term as Chairman of the Federal Reserve. I encourage my colleagues to stop looking for a convenient scapegoat for failed economic policies he had nothing to do with. I hope you will join me in voting for his renomination. And we can work together to enact meaningful pro-growth economic policies that will give Americans the kind of robust economic growth they deserve.

I say to my distinguished colleague from Iowa, I had the opportunity last week, as he knows, to listen to his presentation, and I think he is absolutely right in a couple of senses.

The first is that this is a very important debate. Unfortunately, again, you are right in the sense that a lot of this has been discussed on the basis of things really other than the role of the Federal Reserve. There has been a lot of discussion about character and personality. I happen to think a great deal of Chairman Greenspan, but that is not the point. The real issue here is what is the role of monetary policy.

The second point that we agree upon, at least—but it does kind of point out, I think, a difficult position for the administration—is you and I agree completely that it is unacceptable to reach a point in this country that we somehow have to believe that 2.5 percent real growth is something we ought to be proud of. Frankly, we are not going to be able to provide the opportunities to future generations, to our children and our grandchildren if we are going to accept the notion that this country can only grow at 2.5 percent real growth.

What will happen to working families? What will happen to farmers? What will happen to small businesses? What will happen to our families? What will happen to our retirees? I say to my distinguished colleague that I happen to be one of those individuals who, too, was affected by what happened in the 1970's.

I remind him that it was not just the 1970's. Economies of all countries have been fighting this battle against inflation ever since there was the invention of money. But I remember those town meetings in the early 1980's when the folks in my part of the State of Florida were telling me of the destruction they experienced of their savings; that they lost, in essence, one-third of everything they had set aside and worked for throughout their entire lives, disappeared in a matter of 3 or 4 years because of inflation being out of control.

So I think it is important, in fact, I believe that the only objective of the Federal Reserve should be to maintain price stability.

I have heard my colleague, Senator HARKIN, say that there ought to be a balanced approach with respect to the Federal Reserve. I am going to give you my interpretation of what that means to have a balanced approach.

There are those who suggest that the Congress and the administration can be engaged in a series of economic policies that ought to be offset or balanced, if you will, by the Federal Reserve—have higher taxes, more Federal spending, more Washington interference in the workplace, in businesses in America. The end result of that is it slows down economic activity, it reduces productivity, and these same businesses are no longer able to produce at the level that they were prior to the intervention of fiscal policy.

So the theory is, let us have a balanced approach, let us see that the Federal Reserve, in essence, offsets bad fiscal policy. What we get is right back to where we were in the late 1970's, which is referred to as "stagflation." Most people would understand it as too many dollars chasing too few goods, and that drives up inflation.

So what I will say to my colleague, this is a very important debate, because we ought to be focusing in on what is the role of the Federal Reserve, and I suggest probably in the months ahead, we will probably be engaged in a debate about the Humphrey-Hawkins Act. I think it is wrong to give the Federal Reserve a series of objectives. It is like having two bosses, if you will, or multiple bosses.

I see that the Chair is about to announce to me that the time has expired. I wonder if I can ask unanimous consent—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MACK. I ask unanimous consent for 5 additional minutes.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. How much time remains on both sides?

The PRESIDING OFFICER. The Senator from Iowa has 3½ minutes.

Mr. MACK. I ask unanimous consent for 3½ minutes.

Mr. HARKIN. Let's do 5 for both.

Mr. MACK. I ask unanimous consent that we both be given 5 minutes, for a total of 5 minutes each.

The PRESIDING OFFICER. There will be 5 minutes for both sides. Without objection, it is so ordered.

Mr. MACK. Mr. President, as I was saying, I think we will get ourselves engaged in a debate at some future time with respect to what is the central role of the Federal Reserve. But as I indicated a moment ago, it is interesting to me to listen to my colleague from Iowa talk about his dissatisfaction, which I happen to share, with the growth in the economy.

I believe that, with the reassessment of the economic growth in the last quarter from 2.8 percent to 2.3 percent, the growth rate during the Clinton years is somewhere around 2.3, 2.4 percent. But what is interesting about the debate is the fact that President Clinton, during his State of the Union Address before a joint session of the Congress, said that this is the strongest economy that we have experienced in three decades.

So, I am not real sure where the President is heading with this. If he is satisfied with 2.5 percent real growth, I find that shocking, and I think that the workers in America, the families of America who are telling me that they are extremely anxious about their future, about whether jobs are going to be available to them, would reject the notion that somehow or another we should be satisfied with 2.3 or 2.4 percent real growth.

Again, I agree with the Senator from Iowa that the whole purpose of economic policy is to increase the growth rate, to provide jobs, provide opportunity and increase the standard of living for all Americans. The question is how do we do it. Where we differ, frankly, is, I believe that raising taxes, adding burdens to American business, increasing their costs, overregulating, Washington interference slows down that economic activity and reduces opportunity. To have passed a series of policies that do those things and then say on top of that we want the Federal Reserve to compensate it is the worst of all worlds. You slow down economic growth, you slow down production, you increase the money supply and you drive inflation. That is, in my opinion, just the wrong approach to take.

Again, I remind my colleagues that in the late 1970's, one-third of everything that someone had worked for through their entire lives—and I am now talking about the retirees in the State of Florida who have talked to me about this issue, who lost one-third of everything they had earned throughout their entire lifetime and, I might add, a number of those being farmers from the Midwest who had spent their entire life toiling in the field, setting aside money for the day when they might retire—and in a 3- or 4-year period, one-third of everything they had saved disappeared.

So I happen to believe that the Federal Reserve is on the right course, the Federal Reserve should maintain its commitment to price stability, because with price stability, you have created an environment, if we put in place the right kind of fiscal policy, where we can get this country moving again. We can do better, and we must do better.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I yield myself the remainder of the time.

I thank my colleague from Florida. He is a good friend of mine. He is someone who has paid a lot of attention to this issue. Quite frankly, I agree with him on this whole issue of growth. I think we ought to have more debates on how we go about it. I think it is a legitimate area of debate for this Senate to engage in. I hope this debate today—in fact, I intend this not to be the end but the beginning of a process of debating this issue further this year and going on into next year, because it is too important an issue to just sort of shove aside how we go about increasing our growth.

The Senator from Florida is absolutely right. I agree with him. To sit back and say 2.5 percent growth is fine, that is condemning future generations of Americans, and our kids, to low growth, to terrible jobs, to not being able to buy their own homes and to having a good quality of life. I think it condemns America to a lower place among the nations.

We do not have to accept that 2.5 percent growth. I agree with the Senator from Florida. It is way too low. And whether it is the President or whether it is the Fed, whether it is the President's Council of Economic Advisers, his inner circle, or whether it is Mr. Greenspan and the people at the Fed saying that, they are both wrong. I think we ought to think about how we can have higher growth. And I believe we can.

Where perhaps my friend from Florida and I begin to diverge is here. My friend from Florida says that perhaps by decreasing interest rates, we will drive up inflation. He refers time and time again to the 1970's. Economist after economist, business leader after business leader will point to the fact that this is not the 1970's. The world has changed dramatically in the last 20 years. We have a world economy like we did not have 20 years ago. We have jobs offshore. We have production offshore. We have mass wholesaling and pricing in this country, that Wal-Mart experience, as I often call it, that we did not have 20 years ago.

So the whole world has changed. The factors that led to the inflation in the 1970's are not there today. The economy's ability to resist inflation is greater. Economists point to that time and time again. Just as I believe we spent untold billions of dollars refighting World War II during the 1950's and 1960's—I will not get into that—which led to some of the mistakes we made in Vietnam when that war was passed, I think we are spending untold billions of dollars now in taxes on the middle class because we are fighting the inflation war of the 1970's. But it is not there. There is no inflation there.

In fact, some economists will say, if you look at the U.S. economic history from World War II to the present, there really has not been much core inflation. What happened in the 1970's was energy shock. That is the largest factor that drove up inflation. Once we got over that we got back on course again.

So those threats are not there now. The threats that are there now is what, again, was in the paper this morning. People talked about the labor shortages, that they are bidding for jobs. Yes, in certain parts of the country, that is true. There was another story by the same writer in the paper this morning about the "Economy's Growth Gets Right Down to the Bottom Line." What did he point out? That more and more of the growth is going to corporate profits, not to wages. What has that led to, in part? This story in the New York Times this morning, "Income Disparity Between Poorest and Richest Rises." That is what it boils down to.

High interest rates are taxes, just as inflation is a hidden tax on those who have saved. High interest rates are hidden taxes on those who are working today. Are our working families trying to buy a car, educate their kids, buy a home? It is a hidden tax on our farmers. It is a hidden tax on our small businesses. That is why I argue for a balanced approach. We need balance between the concern for inflation and the need to maximize both employment and production.

A 1-percent increase in interest rates means the payment on the average home mortgage on a house costing about $115,000 is about an additional $1,000 a year. That is a tax. For the average Iowa farmer, a 1-percent increase in interest rates is an extra $1,500 in interest payments every year. That is a tax. For the average Iowa restaurant, the cost is $1,000 a year for a 1-percent increase in interest rates. That is where we are. It is sucking the lifeblood out of our small businesses, our farmers, our working families.

Let us get back to fundamentals. Who likes high interest rates? Well, if I have the money to loan, I like high interest rates.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARKIN. Mr. President, I ask unanimous consent for 2 more minutes per side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. But, Mr. President, if you are on the side of working families, and small businesses that have to borrow money to expand, or on the side of manufacturers that need new plants and equipment, or on the side of farmers who need to borrow money to get ahead and to provide for that growth in our economy, you need lower interest rates than what we have right now.

That really is the fundamental issue we are coming down to. The disparity between the rich and the poor grow. The middle class is paying more and more in interest rates. Check how much debt has gone up in our country. I mean privately held debt. People are paying too much on interest charges. To the extent that the Fed keeps that interest rate high, it is an unfair tax on our people. We cannot have the kind of growth we need with the kind of policies at the Fed.

This debate has been healthy. It has nothing to do with personalities, but it has a lot to do with monetary policy. As I have said before, Mr. President, the Federal Reserve System is not an entity unto itself. It is not a separate branch of Government. It is a creature of Congress. Congress has the right, the duty, and the obligation, I believe, to answer the real needs of our people and to provide for growth in our economy.

If that means we need changes at the Fed, then we ought to make those changes, whether it is an individual who leads it or in the way that it is structured and the way that it runs. We here in Congress ought to be making those changes so it can provide for more real growth in our economy.

I thank the President, and I thank my friend from Florida. It has been a good debate. I look forward to more of these as we go through the remainder of the year.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. First, I thank the Senator for his comments. I look forward to the debate as well. I yield 1 minute to Senator BENNETT.

The PRESIDING OFFICER. The Senator from Florida has 1½ minutes left.

Mr. BENNETT. Mr. President, I am interested to find out that Alan Greenspan and the Fed are now responsible for the disparity between the rich and poor, according to this morning's paper.

The fact is, Mr. President, there are fundamental economic laws that have operated in the 1950's, the 1970's, the 1990's, and will operate into the next century. The most fundamental of these is: You cannot repeal the law of supply and demand. Attempts to artificially repeal the law of supply and demand by artificial fiat make us feel good in the short run, but they get us into trouble in the long run. The most significant thing the Fed can do is control the money supply in such a way as to keep prices stable so markets can operate.

When we try to fiddle with markets by Government fiat, we get into all kinds of trouble and end up paying tremendous prices for that later on. I support Chairman Greenspan's nomination, and I support his stewardship at the Fed. I am proud to be a cosponsor with my friend from Florida of the bill to change the Humphrey-Hawkins Act so that the primary focus of the Fed becomes price stability.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida has 1 minute.

Mr. MACK. Mr. President, I yield that minute to Senator SIMON.

Mr. SIMON. Mr. President, I ask unanimous consent that I may address the Senate for 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I did not hear the Senator.

Mr. SIMON. To address the Senate for 5 minutes.

Mr. HARKIN. Mr. President, I ask unanimous consent that I be given an additional 5 minutes.

Mr. MACK. Reserving the right to object, and it is not my intention to do so, I was going to allow the time to expire really, but I ask unanimous consent just for 2 minutes for myself, and then 5 minutes for Senator SIMON, and 5 minutes for Senator HARKIN.

Mr. BENNETT. Reserving the right to object, Mr. President, I had planned to speak in relation to Alice Rivlin once all the time had expired. If the agreement is going to extend time, then I want to be included. If time is going to be allowed to expire, I will await my time and ask for unanimous consent in the due course of events. I ask the Senator from Florida to decide whether he wants to go for that or let me take my chances.

Mr. MACK. If I could add Senator BENNETT for 5 minutes as well. I ask unanimous consent to do so.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, my friend from Utah, this is just to talk about Ms. Rivlin and not the Fed policy? Is the Senator going to talk about Fed policy?

Mr. BENNETT. No. I think we said all we need to say about Fed policy. I do wish to reserve my right at some point to comment about Alice Rivlin.

Mr. HARKIN. What is the unanimous-consent request?

Mr. MACK. The unanimous-consent request is 2 minutes for Senator MACK, 5 minutes for Senator SIMON, 5 minutes for Senator HARKIN, and 5 minutes for Senator BENNETT.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. Who yields time?

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. SIMON. I do not agree with Alan Greenspan on everything, but I think he has served this Nation well. I think it would be a great mistake to turn down his nomination. Where I differ with him is when we talk about full employment. The Fed tends to believe that, in and of itself, is inflationary. The reality, I think, is if you have people working and being productive, that can be deflationary, rather than inflationary.

But our principal problem—there are really two problems.

The Federal Reserve has nothing to do with either of these problems. Indirectly, in terms of interest, when the interest rates are down, that does help, but the problem is fiscal policy. We get our deficits down and interest rates will come down. The Wharton econometric model says if we balance the budget, we are going to have a 3½ percent lower crime rate in this country. Otto Eckstein's old group, I forget the name, says 2½ percent. Everybody says interest rates will be lower if we get the deficit down.

We have a very practical illustration. Mr. President, 30-year T bonds, January 15, 1993, 7.43 percent, and rumors are starting about a Clinton budget; February 12, after the proposal for reduction of the budget is known, interest rates go down to 7.18 percent; February 17, he announced his plan—something is wrong with the dates I have here; it must be February 7—down to 7.07 percent; July 16, it hit 6.58 percent; August 6, Congress passes the legislation, and interest rates are down to 5.9 percent, a 1½ percent drop because of a change in fiscal policy.

Let me just add, it is debt, not only the Federal Government but corporate debt and individual debt, too. We are just not a saving people. The phrase "no downpayment" is almost uniquely an American phrase that we do not find used in other countries. Corporate debt, our taxes, are structured in such a way that we encourage corporate debt. I have a bill I hope someday will pass that says corporations can deduct 80 percent on interest but 50 percent on dividends, so you encourage equity financing rather than debt financing. It is a wash in terms of the Federal Treasury. There are ways we can reduce the fiscal problems.

The second problem is one I do not hear talked about here, but one that the Federal Reserve has to be keenly aware of. That is, we have indexed a great many things. Indexation is in and of itself inflationary. Most nations have not indexed like we have, Social Security being the prime example. So if you have any kind of inflation, indexation feeds the inflation. When, in fact, we have inflation, we ought to be cutting back on expenditures, we will be making more expenditures. I do not care whether it is Alan Greenspan, Lester Thurow, Alice Rivlin, whoever it is, if we do not deal with indexation and fiscal policy, we are not going to have low interest rates that we ought to have.

Finally, Mr. President, I cannot think of anything that would be more disconcerting to the financial markets and cause interest rates to go up more than if we were to reject Alan Greenspan. I think it is important that we confirm the President's appointment. I think it is the right appointment. I think Alan Greenspan has served this Nation well. My vote will be a resounding yes to confirm him.

Mr. MACK. Mr. President, I want to say to my colleague from Iowa, again, the fundamental debate does need to take place about monetary and fiscal policy. This is a debate that right now, frankly, is something that really concerns me. It has been something that has concerned me ever since I came to the Congress 14 years ago, that somehow or another the Congress would have more control over the Federal Reserve. My fear is that Congress has made a mess of fiscal policy. If Congress gets more involved in monetary policy, it would be a disaster for the country. So I start with that premise.

Again, I make reference to what Senator SIMON made reference to earlier, that when there was an impression that we were going to get our fiscal house in order, long-term interest rates, in fact, started to come down. It was not until the President vetoed the Balanced Budget Act that we saw long-term interest rates start to go up. There is a major, major role in this with respect to fiscal policy. It seems to me those individuals who have for years supported more Government, higher taxes, more regulation, more Washington interference, are now trying to say that because the economy is growing at 2.3 percent, somehow or another it is the Federal Reserve's fault. I fundamentally disagree with that.

Mr. DORGAN. Will the Senator yield?

Mr. MACK. If the Senator would allow me, we have had limited time.

The fundamental issue underlying this debate is taking responsibility. Again, I think that there are a number of individuals who want to shift the blame to create Alan Greenspan as the scapegoat for this economy. The reality is, the responsibility is with the Congress. It is what the Congress has done over the last number of years—again, increasing taxes, increasing Washington's interference, more regulation—that has slowed the economy down. The worst thing we can do now is to put more money into the system which creates inflation.

I yield the floor.

The PRESIDING OFFICER (Mr. KYL). The Senator from Iowa.

Mr. HARKIN. I understand I have 5 minutes. I will take 30 seconds. I want to respond to my friend from Florida by saying in 1993 the President offered and we passed a deficit reduction package. It went into effect October 1993. We began reducing the deficit, and the deficit has been coming down ever since. The deficit is now 60 percent lower than when President Clinton took office.

What did Alan Greenspan do? He raised interest rates. I thought it was supposed to be axiomatic, as we reduce the deficit, interest rates will come down. They will only come down if you have a Fed chairman that correctly corresponds Fed policy with monetary policy, with the fiscal policy of America. We have been reducing the deficit. Interest rates are going in the opposite direction. Please, somebody explain this anomaly.

Last, I want to say we have 7.5 million unemployed, 1 million not counted, 4 million part-time workers in America. These are people that can enter the work force. We can have labor growth and we can have that kind of growth without increasing inflation.

I yield the balance of my time to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I wish to make a couple of final points. One I wanted to make to the Senator from Florida, he is absolutely correct about what has happened to long-term rates as the market assesses what might or might not happen in fiscal policy. The point I wanted to make, there are a whole lot of folks who are not financing long term—farmers, business people, and others—and borrow from their banks in short- or intermediate-term credit. Every system is charging higher interest rates than they ought to because the Federal funds rate is above where it ought to be, by everyone's expectation, above where it ought to be where it has historically been, above where it ought to be, given the inflation rate. And as a result, every loan for every farmer and consumer bears a higher interest rate, because the Federal Reserve Board, as a matter of deliberate strategy, says, "We want higher interest rates on these moneys." Why? Because their desire is to slow down the American economy.

The place where we would disagree is the Senator from Florida and others say if we would simply have fiscal policy in order, somehow we would have a higher growth rate. There will not be a higher growth rate in this economy under any condition, period, as long as the Federal Reserve Board decides they will limit growth rates to 2.2 or 2.4 percent. If they start getting nervous, and they start wanting to jump out windows because they see 3 percent growth rates, and they say, "Gee, our economy cannot sustain that robust rate," which would not have been considered robust a few years ago; now it is considered a rate that will overheat the economy, then we will not have that rate.

The one thing the Fed is good at is putting the brakes on the economy. The only question I ask as we conclude this debate is why do we have such low expectations of this economy? Why such low expectations? Why should we not expect our economy, as productivity is improving, as the deficit is being reduced, why should we not have an expectation of this economy to be able to grow at a reasonable rate? The answer is we should. Do not sell the capability of this country short. Do not sell the capability of American workers or American businesses short. Let us allow this country to have a reasonable growth rate which can be done without further fueling the fires of inflation.

I say one other thing to my friends who allege this. This is not a case of some people wanting the Congress to run monetary policy. I do not believe Congress ought to make monetary policy. The Federal Reserve Board makes monetary policy. I happen to fundamentally disagree with the kind of policies at this point that they propose and pursue. But I will suggest some changes to the Federal Reserve Board. I think a little disinfectant with some sunlight would be very helpful to the dinosaur that meets mostly in secret, and imposes higher interest rates on every person in America. So I will impose changes, but not those that put Congress in the captain's chair on monetary policy. It is enormously healthy. We have not had a circumstance where we allowed some in the Congress to say we must reconfirm Mr. Greenspan for a second term with no debate by unanimous consent. That is not a healthy thing to do. I have great respect for Mr. Greenspan and have not said an unkind word about him. I fundamentally disagree with his policies. But I admire him as a person. I am not going to vote for him because I have disagreements with the direction of the Federal Reserve Board. But it is very healthy for us to start talking a bit about what kind of monetary policy will give this country the opportunity to be the kind of country it can be in the future with jobs and growth.

You know, there are two areas where there is almost no discussion on the floor of the Senate—trade policy and monetary policy, both of which have a profound impact on the lives of ordinary Americans. Try to talk about any of them and people say, you know, it is not something we want to talk about.

This is a very healthy thing for us to do. Some say, let us get the Government out of all of this. I say that the Government had to bail out—to the tune of a half-trillion dollars—a savings and loan industry, as all of us understand. They got involved in the junk bond fever of the 1980's and developed schemes by which they could park junk bonds at S&L's. Then they became nonperforming, and the American taxpayers paid the costs. And you want to keep Government out of all of this mess? No. It was created by those not looking over the shoulders of those in that industry.

The PRESIDING OFFICER. All time has expired.

Mr. DORGAN. I thank the Senator from Iowa. I will not conclude my thought. I hope we have another debate to talk about the twin goals of this country—stable prices and full employment, and how we can work with the monetary and fiscal policies to achieve those goals.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I am tempted to go on with this debate, but I think it has probably been exhausted sufficiently on both sides. I will use the time granted to me under the UC agreement to discuss another issue.

NOMINATION OF ALICE RIVLIN

Mr. President, when Alice Rivlin came by my office for a courtesy call prior to her confirmation hearing in the Banking Committee, I told her I would support her confirmation. When she appeared before the Banking Committee, I voted in favor of her confirmation.

I am in the habit of keeping my commitments. It is with great personal sadness, then, that I take the floor to announce that I will, in the coming vote, cast a vote against Alice Rivlin's confirmation. I want to take this time to explain why I have changed positions.

It is, in no way, an attack on Alice Rivlin personally, and, frankly, it is not even an attack on the response that she gave to Senator BOND in his role as subcommittee chairman on the Appropriations Committee. I know he was outraged by the response he received. I have served in the executive branch, and I know that Alice Rivlin was not a free agent in terms of the kind of response she gave. She was under orders from the White House, and she had no choice but to follow those orders or resign. She chose to follow the orders.

She sent a letter that was completely unacceptable to Chairman BOND and, frankly, completely unacceptable to me. I am a member of Senator BOND's subcommittee, and I was there when he asked the questions of the Administrator of the Veterans Administration: "How are you going to administer your program when, according to the President's budget, in the outyears there is not going to be any money?" He received the answer: "I have been assured by the White House that the money will be there, the budget to the contrary notwithstanding." Senator BOND repeated the same question to the Administrator of NASA: "How are you going to manage the program when you get to the outyears and there is not any money?" He got the same answer: "I have been assured by the White House that the money will be there." Senator BOND asked the question of the Administrator of the EPA: "How are you going to fund your program when you get to the outyears and there is no money?" She said: "I have been assured by the White House that the money will be there."

It is very clear that this White House is playing the oldest of Washington's shell game, which is to give you a long-term balanced budget statement and load all of the savings in the years that will come to pass after you are safely out of office, with the full knowledge that Congress will never, ever act in the way that you are projecting they will act. But you can get safely reelected and point back and say, "Congress did not do what we told them."

But it is even more blatant to put that kind of a budget before the Congress and then, at the same time, explicitly tell the managers of the programs: "Manage your programs as if those cuts will never happen, because we know they will never happen."

That is outrageous, Mr. President. It deserves some kind of public protest. It is sufficiently outrageous that I will register that protest in a way I have never registered a protest before. I will publicly break my word, publicly go back on a commitment. I committed to Alice Rivlin that I would vote for her when she called on me. I voted for her within the committee. It pains me deeply to now break that commitment and say that I intend to vote against her, and I will vote against her with the firm understanding that this has little to do with Alice Rivlin and a great deal to do with the Clinton White House. It has little to do with what she did when she was following orders to extend that kind of a response to Chairman BOND, and it has everything to do with the administration that gave her those orders and said: Pretend, dissemble, camouflage, confuse, but do not tell the Congress that which is blatantly obvious to everybody else, which is that this administration does not intend to keep its word on the President's budget.

So, Mr. President, perhaps it is a bit of rationalization on my part, but if the President will not keep his word on his budget and has sent the word directly to his administrators that they shall not keep their word, I think I am justified in breaking my word to Mrs. Rivlin and casting this protest vote, which I will do this afternoon.

I yield the remainder of my time.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, it is my understanding that we will be going back to the Defense authorization bill.

The PRESIDING OFFICER. The Senator is correct.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the Defense authorization bill. The clerk will report S. 1745.

The bill clerk read as follows:

A bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Services, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kyl-Reid amendment No. 4049, to authorize underground nuclear testing under limited conditions.

The PRESIDING OFFICER. The pending amendment is the Kyl amendment.

Mr. GRAMM. Mr. President, I ask unanimous consent to temporarily set aside the Kyl amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4083

(Purpose: To require plans for demonstration programs to determine the advisability of permitting medicare-eligible military retirees to enroll in the Tricare program and the Department of Defense to be reimbursed from the medicare program for the costs of care provided to retirees who enroll)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. ROTH, Mr. INOUYE, Mr. LOTT, Mr. CRAIG, Mrs. HUTCHISON, Mr. THURMOND, Mr. REID, Mr. INHOFE, Mr. ROBB, Mr. MCCONNELL, and Mr. WARNER, proposes an amendment numbered 4083.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title VII, add the following:

SEC. 708. PLANS FOR MEDICARE SUBVENTION DEMONSTRATION PROGRAMS.

(a) PROGRAM FOR ENROLLMENT IN TRICARE MANAGED CARE OPTION.—(1) Not later than September 6, 1996, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress and the President a report that sets forth a specific plan and the Secretaries' recommendations regarding the establishment of a demonstration program under which—

(A) military retirees who are eligible for medicare are permitted to enroll in the managed care option of the Tricare program; and

(B) the Secretary of Health and Human Services reimburses the Secretary of Defense from the medicare program on a capitated basis for the costs of providing health care services to military retirees who enroll.

(2) The report shall include the following:

(A) The number of military retirees projected to participate in the demonstration program and the minimum number of such participants necessary to conduct the demonstration program effectively.

(B) A plan for notifying military retirees of their eligibility for enrollment in the demonstration program and for any other matters connected with enrollment.

(C) A recommendation for the duration of the demonstration program.

(D) A recommendation for the geographic regions in which the demonstration program should be conducted.

(E) The appropriate level of capitated reimbursement, and a schedule for such reimbursement, from the medicare program to the Department of Defense for health care services provided enrollees in the demonstration program.

(F) An estimate of the amounts to be allocated by the Department for the provision of health care services to military retirees eligible for medicare in the regions in which the demonstration program is proposed to be conducted in the absence of the program and an assessment of revisions to such allocation that would result from the conduct of the program.

(G) An estimate of the cost to the Department and to the medicare program of providing health care services to medicare eligible military retirees who enroll in the demonstration program.

(H) An assessment of the likelihood of cost shifting among the Department and the medicare program under the demonstration program.

(I) A proposal for mechanisms for reconciling and reimbursing any improper payments among the Department and the medicare program under the demonstration program.

(J) A methodology for evaluating the demonstration program, including cost analyses.

(K) As assessment of the extent to which the Tricare program is prepared to meet requirements of the medicare program for purposes of the demonstration program and the provisions of law or regulation that would have to be waived in order to facilitate the carrying out of the demonstration program.

(L) An assessment of the impact of the demonstration program on military readiness.

(M) Contingency plans for the provision of health care services under the demonstration program in the event of the mobilization of health care personnel.

(N) A recommendation of the reports that the Department and the Department of Health and the Department of Health and Human Services should submit to Congress describing the conduct of the demonstration program.

(b) FEASIBILITY STUDY FOR PROGRAM FOR ENROLLMENT IN TRICARE FEE-FOR-SERVICE OPTION.—Not later than January 3, 1997, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress and the President a report on the feasibility and advisability of expanding the demonstration program referred to in subsection (a) so as to provide the Department with reimbursement from the medicare program on a fee-for-service basis for health care services provided medicare-eligible military retirees who enrolled in the demonstration program. The report shall include a proposal for the expansion of the program if the expansion is determined to be advisable.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated in section 301, $75,000,000 shall be made available to carry out the demonstration program referred to in subsection (a) if Congress authorizes the program by the end of the Second Session of the 104th Congress.

Mr. GRAMM. Mr. President, let me define what I am trying to do here in basic terms and then outline very briefly the amendment and how it will work. I want to be brief because when you are winning, it is best to accept the victory and not do a lot of talking about it. But let me define the problem.

Twenty and 30 years ago, young Americans took up the country's call by joining the military. What they were promised when they joined the military is that, if they served out to retirement—20 or 30 years—among the benefits they would have is the ability to go into military medicine in retirement and, on a space-available basis, continue the same military medicine that they were accustomed to while they wore the uniform of the country. All over America hundreds of thousands of retirees are in a position today where that commitment was made 20 or 30 years ago. Interestingly enough, it is fulfilled from the moment they retire until they turn 65. But the moment they turn 65, they are now being excluded from the military medical system that they were promised they would have available to them.

The incredible paradox is that they are among the few Americans who have earned not one system of medical care in their retirement but two. They earned access to medical care by serving 20 or 30 years in the uniform of the country. In the middle of their career, Congress decided to have them pay the Medicare payroll tax and qualify for Medicare. So our military retirees now find themselves in a very select group of people where they have earned not one medical benefit but two.

What is now being done is they are being forced to opt to go on Medicare when many of them have grown accustomed to the military medical system and want to stay in it. We have also created two classes of retirees—those below 65 who qualify for military medicine and those 65 and above who lose it. At the very moment when people are turning 65, feeling more vulnerable about their health care, they are being uprooted from a system that they have grown accustomed to.

In addition to that, there is the fundamental fairness issue, it seems to me. Our military retirees serve 20 or 30 years to earn their benefit. We promised it to them, and now we are not living up to our word.

I submit that, if we want others to take up the cause of the country and to wear its uniform, it is very important that we live up to the commitments that we have made to those who have served in the past.

The right thing to do is to give people a choice; to say to every military retiree that when you turn 65 you can opt for the Medicare which you paid for and have Medicare reimburse your medical care through the private medical system of the country, or on a space-available basis, you can continue to use military medicine as you did before you turned 65. Then an agreement should be worked out between Medicare and the Defense Department as to who is going to pay for this medicine. My view is we should have subvention, and Medicare should reimburse our military hospitals. That is what I want. That is what is fair. That is what we promised people. We are living up to our word when we do that.

I have tried for the last 6 months to work out a bill to try to set up an experiment to prove that it does not cost more to give people the right to stay in military medicine, to have a test in three regions of the country—the south-central United States, Pacific Northwest, and Alaska—where we could take States that are quite different and see whether it costs more to have people stay in military medicine, if they choose to, or to simply go into Medicare and be reimbursed.

I thought we might be able to work that out. But with the session getting short, we have worked out a compromise that I believe is generally supported and is going to be accepted, I believe, on both sides. Our compromise will require the administration to submit, by September 6 of this year, a detailed subvention demonstration implementation plan. This will give the administration 2 months to make up their mind how they want to do it and still gives Congress time to act before we adjourn to set up the program this year. We also authorize $75 million of funding, based on Congressional Budget Office scoring, that would be available if in fact the program does cost more than conventional Medicare, which I doubt. This will allow us to move ahead but, on the other hand, not impose on Health and Human Services and the Defense Department a program that they are not fully comfortable with.

My objective here is not to impose a plan that I have written. My objective is to simply provide equity. It seems to me that equity is giving people the right to choose. My goal is that through this amendment, which hopefully we will adopt today, we will plant the seed whereby on September 6 the administration will give us a concrete program that we can adopt to begin the process of living up to the commitments we made to our military retirees. In addition, we also mandate that by January 3 the administration present a feasibility study to allow military retirees to consume medicine in our military hospitals on a fee-for-service basis.

With the combination of these two requirements I think we are making a major step toward living up to the commitments we gave to our military retirees.

I am hopeful that we will be successful with this amendment. I think it is a very important amendment. My view is, when you tell people you are going to do something, you have an obligation to try to live up to it. We can do that with this amendment and with a follow up that will be required from it.

I am delighted to know that the amendment is going to be accepted.

I thank the distinguished chairman of the committee.

I yield the floor.

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Texas for offering this amendment. I think he is doing a great service to the people, in the military establishment especially.

Mr. President, I rise in support of this amendment. Legislation which would enable Medicare eligible military retirees to enroll in the military health care system is the issue about which I receive the most mail from South Carolina.

Military retirees and their families become very comfortable with the military health care system during their many years of service. In many cases, these veterans first experience with health care as adults came at the hands of an Army, Navy, or Air Force physician. Their children were born in military hospitals, untold numbers of colds, bouts of flu, broken bones, and other medical maladies have been treated within the military health care system.

Once these retired personnel reach age 65 and become eligible for Medicare, their status in the military system changes dramatically. Suddenly, through no fault of their own, they are no longer welcome except on a space-available basis. When these veterans of 20 or more years of dedicated, selfless service to the Nation discover that they are not welcome in the military health care system, it is a terrible shock. When servicemembers are recruited, they are told that one of the benefits of their service is health care for life. Throughout their career, when they reenlist, this benefit is reinforced by the career counselors. Whether or not these statements are true or even authorized by the military departments, they are made. Clearly, military personnel believe that health care for life is a benefit of their service.

As Members of Congress, we are accustomed to reading the details of the statutes. We know that there is no statuatory basis for a promise of health care for life if someone serves a full career in the military. We also know that when every American reaches age 65, Medicare becomes the primary health care provider. All of these laws notwithstanding, recruiters, career counselors, commanders, first sergeants, and the military support associations continue to lead servicemembers to believe that they can receive medical care within the military system forever. We have a commitment to live up to the promises made by representatives of the Nation. This amendment goes a long way toward accomplishing that goal.

Mr. President, I want to acknowledge the leadership, vision, and energy that Senator Dole brought to the issue of Medicare subvention. Senator Dole clearly took the lead within the Senate to make Medicare subvention a reality. If he were here today, this would be his amendment. He would be the champion leading the effort not only in the Senate but in discussions with our colleagues in the House of Representatives. I wish he could be here to share his passion for our veterans and to see the amendment move forward. I am sure he is following the issue where ever he is. I am proud to have worked with him to achieve the progress we have. I promise him and our veterans to continue the effort to get Medicare subvention fully implemented.

Mr. President, let me be clear. This amendment is not the end game. I had hoped that we could pass legislation which would have directed implementation of a Medicare subvention demonstration within 90 days of enactment. Unfortunately, the details could not be worked out to the satisfaction of all parties who must agree. We will get there and this amendment moves the effort forward. I congratuate Senator GRAMM again for his persistence in pushing his amendment. I thank Senator ROTH, chairman of the Finance Committee, for his cooperation and commitment to work with us to achieve Medicare subvention. I am confident that, together, we will pass Medicare subvention that will permit the Secretary of Defense and the Secretary of Health and Human Services to fully implement this important program. Only then will we have fulfilled our commitment to our retired military personnel and their families. I urge my colleagues to support this important amendment.

Mr. President, I thank the Chair and yield the floor.

Mr. COATS. Mr. President, I rise in support of this amendment which addresses Medicare subvention, a key issue to the military health care program and Medicare-eligible military retirees and their families.

To understand why Medicare subvention is so vital to the military health care system, it is necessary to understand how Medicare-eligible retirees are treated under the current system. Under Medicare everyone over the age of 65 receives medical coverage through Medicare. Therefore, when military retirees reach the age of 65 they lose their eligibility for CHAMPUS and may .only use military medical facilities on a limited space-available basis. This care is delivered on a nonreimbursable basis, which means that Medicare does not pay for the health care which the Department of Defense provides to Medicare-eligible beneficiaries. The Department of Defense estimates that this cost exceeds $1 billion annually.

As defense downsizing progresses, and TRICARE, the managed care support initiative of the military health system moves toward full implementation, there will be less and less space available in military treatment facilities to provide care to retirees. This means that Medicare-eligibles will be forced out of a system which they understand and have come to rely on.

Medicare subvention would ensure Medicare-eligible military retirees health care by allowing them to enroll in TRICARE. Our military retirees have made great sacrifices for the defense of this Nation and have dedicated many years to military service. Medicare subvention would prevent military retirees and their families from being locked out of a system which they trust, which they understand, and which has been promised to them.

The amendment before us today does not provide authorization for Medicare subvention. It does, however display a commitment to this important initiative. While I am encouraged by the progress that has been made in this area, I also believe that it is necessary to incorporate Medicare subvention into an overall Medicare reform package.

I urge your support of this support amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, we have cleared the Gramm amendment now on both sides, and we are ready to vote on it. I call for a vote.

The PRESIDING OFFICER. Is there further debate on the Gramm amendment No. 4083?

Mr. THURMOND. I suggest we have a voice vote.

The PRESIDING OFFICER. If not there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 4083) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that a staff member of Senator Kyl, Kim Wold, be granted the privilege of the floor this afternoon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

EXECUTIVE SESSION

NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. Under the previous order, the Senate will now return to executive session to consider executive calendar No. 517, which the clerk will report.

The legislative clerk read the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System.

The Senate continued with the consideration of the nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System?

Mr. THURMOND. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Minnesota [Mr. GRAMS] is necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER (Ms. SNOWE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 7, as follows:

[Rollcall Vote No. 165 Ex.]

YEAS—91

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Exon
Faircloth
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wyden

NAYS—7

Conrad
Dorgan
Feingold
Harkin
Kerrey
Reid
Wellstone

NOT VOTING—2

Bumpers
Grams

The nomination was confirmed.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATION OF LAURENCE MEYER, OF MISSOURI, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE

The PRESIDING OFFICER. The question is on the nomination of Laurence Meyer, of Missouri, to be a member of the Board of Governors of the Federal Reserve, which the clerk will report.

The legislative clerk read the nomination of Laurence Meyer, of Missouri, to be a member of the Board of Governors of the Federal Reserve.

The Senate proceeded to consider the nomination.

Mr. D'AMATO. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Laurence Meyer, of Missouri, to be a member of the Board of Governors of the Federal Reserve. The yeas and nays have been and the clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Minnesota [Mr. GRAMS] is necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 166 Ex.]

YEAS—98

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad

Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NOT VOTING—2

Bumpers
Grams

The nomination was confirmed.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. ABRAHAM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATION OF ALICE M. RIVLIN, OF PENNSYLVANIA, TO BE A MEMBER AND VICE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. The question now occurs on agreeing to the nomination of Alice M. Rivlin to be a member of the Board of Governors of the Federal Reserve System and the Vice Chairman of the Board of Governors of the Federal Reserve System, which the clerk will report.

The legislative clerk read the nomination of the Alice M. Rivlin, of Pennsylvania, to be a member of the Board of Governors of the Federal Reserve System and to be a Vice Chairman of the Board of Governors of the Federal Reserve System.

The Senate proceeded to consider the nomination.

Mr. D'AMATO. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? It appears to be sufficiently seconded.

The yeas and nays are ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Alice M. Rivlin to be a member of the Board of Governors of the Federal Reserve System and to be a Vice Chairman of the Board of Governors of the Federal Reserve System? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Minnesota [Mr. GRAMS] is necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 41, as follows:

[Rollcall Vote No. 167 Ex.]

YEAS—57

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Byrd
Chafee
Conrad
Daschle
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Roth
Sarbanes
Simon
Simpson
Snowe
Specter
Wellstone
Wyden

NAYS—41

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Faircloth
Frahm
Gorton
Gramm
Grassley
Gregg
Hatch
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Santorum
Shelby
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—2

Bumpers
Grams

The nomination was confirmed.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the President shall be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. LOTT. Mr. President, I had hoped we would have more Senators still on the floor so I can talk about this. While a great effort is being made by the managers of the bill on both sides, we still have a good way to go on this bill, and we do not have a lot of time to get our work done this year.

I urge Senators on both sides of the aisle, if you have an amendment, please come to the floor and offer it this afternoon. We have an agreement. We are going to go, I believe, to the Pryor amendment next. When that is completed, we would like to go to other amendments.

I am hearing Senators say, they are not ready, they would like to do it next week. We also intend to be in tomorrow. We would like to, after Senators talk in morning business, continue on the DOD authorization bill and get some amendments done.

Senator DASCHLE and I have been talking about exactly how tomorrow will be handled, and we are continuing to work on an agreement with regard to the small business tax package and minimum wage. We are very, very, very close, I think, to having an agreement, although it has been very difficult to get that.

But my point is this: If Senators will not come and offer their amendments during the day on Thursday, will not offer their amendments during the day on Friday, we are going to be in session next Tuesday night and Wednesday night and people are going to be whining about why we are here.

Senator DASCHLE and I are trying to show we want to be different, to be reasonable, get out before too late at night and go home and eat some supper with our families, but if we do not get cooperation during the daytime, it leaves us no option.

So I hope if Senators on both sides of the aisle have an amendment, I cannot imagine you are not ready now but you will be on Tuesday. Again, I urge Senators to do that so we can complete this bill early next week, because we still have the other bills we want to consider, including the possibility of one or two appropriations bills.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Senator PRYOR is recognized.

Mr. PRYOR. I think under the unanimous-consent agreement reached last night, I was to be recognized at this point. Mr. President, if there is no objection, I would like to yield 3 or 4 minutes to the Senator from Nebraska who wants to make a statement, and then also to the Senator from Idaho and the Senator from New Mexico who have an amendment that I understand will be presented and accepted perhaps by a voice vote. Then, if there is no objection, I hope to be recognized. I ask unanimous consent to do so.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Nebraska is recognized.

Mr. EXON. I inquire of the Chair, what is the pending business before the Senate?

The PRESIDING OFFICER. Under the previous order, the amendments are to be laid aside so that the business of the Senator from Arkansas can be considered.

Mr. EXON. And the underlying amendment is a Kyl amendment?

The PRESIDING OFFICER. We have one amendment, No. 4052 of the Senator from Arizona.

Mr. EXON. I thank the Chair. I thank my friend from Arkansas.

VOTE ON THE NOMINATION OF ALICE RIVLIN

Mr. EXON. Mr. President, before I make a comment with regard to the Kyl amendment, which I have talked about previously and will be talking about again at some length, if necessary, I would just like to make a comment that I was rather disappointed in the votes we just had. We just had two controversial nominations: One, Mr. Greenspan and one, Ms. Rivlin.

I was very pleased to see, although the Greenspan nomination was controversial, it had a strong bipartisan flavor of support on a vote of 91 to 7. Frankly, I was quite disappointed at the lack of similar consideration for the other nomination that some people thought was controversial with regard to Ms. Rivlin.

We all know Alice Rivlin and have known her for a very, very long time. Frankly, I was discouraged that the bipartisan spirit that has to be part of the Federal Reserve Board was not accepted nearly as handily as was the Greenspan nomination.

Ms. Rivlin was confirmed by a vote of 57 for and 41 against. I thank those few Members on the Republican side of the aisle who at least, in this instance, showed the same bipartisan support that those of us on this side of the aisle showed for Mr. Greenspan. Frankly, I was quite disappointed and, I think, this is a point in the Senate that should be raised.

There must be sometime when we can lay partisanship aside and recognize and realize that we have a two-party system that still is designed to function here.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4049

Mr. EXON. Mr. President, on the matter at hand with regard to the amendment offered by the Senator from Arizona on the Comprehensive Test Ban Treaty, I indicated in my remarks of yesterday that the administration, and others, who have a firsthand say, had a firsthand look at the Comprehensive Test Ban Treaty are all opposed to the Kyl amendment. I would like to read briefly at this time the letters that I have received from some of the agencies.

First, a letter I received from the United States Arms Control and Disarmament Agency, from Mr. John D. Holum.

Dear Senator EXON: Special Assistant to the President for Legislative Affairs, William C. Danvers, has provided you the Administration's reason for opposing the Kyl-Reid amendment to the FY 1997 Defense Authorization Bill.

As I represent the lead agency in the Comprehensive Test Ban Treaty negotiations in Geneva, I want to emphasize our belief that this amendment could undermine our efforts to negotiate a Treaty that would end nuclear testing for all time by suggesting a possible U.S. interest in resuming testing before the CTBT enters into force, that does not, in fact, exist.

Since the end of President Eisenhower's tenure, the United States has pursued a CTBT as the long-term goal. Now, when such a treaty is in hand, we urge the members of the Senate to oppose this amendment and to reaffirm our country's longstanding bipartisan efforts to achieve a CTBT.

A second memorandum from the Secretary of Energy:

The nuclear weapons testing moratorium instituted by the Hatfield-Exon-Mitchell amendment has made a significant contribution to the U.S. nuclear non-proliferation efforts. During the duration of the moratorium, the U.S. stockpile of nuclear weapons has remained safe and reliable. There is no requirement to resuming testing or even to plan to resume testing for safety or reliability or any other purpose, at this time. The Department of Energy, with the full support of the Department of Defense, has embarked on an ambitious stockpile stewardship program to ensure that the safety and reliability of the stockpile is maintained into the foreseeable future, without nuclear testing. One of the elements of stockpile stewardship is maintaining the readiness of the Nevada Test Site to resume testing if it is in the supreme national interest of the United States to do so. DOE is committed to maintaining this readiness, consistent with Presidential direction. DOE has confidence in the stockpile stewardship program and does not need the authority that this amendment would provide.

President Clinton has already outlined his commitment to maintain the safety and reliability of the nuclear stockpile under the existing moratorium and under a comprehensive test ban treaty. It is premature to make any statutory changes to the existing moratorium legislation. Any changes should be made only in the context of a negotiated and signed comprehensive test ban treaty. Any changes in the current statutory prohibition on underground nuclear weapons testing at this time certainly does not help the negotiation process, and could very well set it back. Achieving a comprehensive test ban treaty is a key to reducing the global nuclear danger including proliferation of nuclear weapons and the spread of nuclear terrorism.

Last, Mr. President, a letter from the National Security Council.

These are of the same date.

DEAR SENATOR EXON: You have requested the Administration's views on the amendment offered by Senators Kyl and Reid concerning nuclear testing and the Comprehensive Test Ban Treaty (CTBT). The Administration is strongly opposed to this amendment.

We believe that the amendment could not come at a worse time. The states that are negotiating in the CTBT negotiations in the Conference on Disarmament (CD) in Geneva have set a deadline of June 28—next Friday—to complete this historic treaty. The amendment could be interpreted by some CD states as signaling a possible U.S. intent to conduct a round of nuclear testing after the CTBT is completed but before it enters into force. The Administration has no such plans or intentions, nor has it requested funding for any such tests. Moreover, the amendment would relax the existing legislative moratorium on U.S. testing just at the time the only remaining state still conducting nuclear tests, China, has announced that it will joint the global moratorium in September.

As you know, we are confident that our Science-Based Stockpile Stewardship will ensure that we can meet the challenge of maintaining the reliability and safety of our nuclear inventory absent nuclear testing. Nonetheless, because he considers this to be a supreme national interest of the United States, the President has pledged that after the CTBT enters into force, he would be prepared to withdraw from the Treaty in the event, however unlikely, that he was informed by the Secretaries of Defense and Energy that a high level of confidence in the safety or reliability of a nuclear weapon type critical to our nuclear deterrent could no longer be certified. There is concern on the part of the amendment's co-sponsors that if such a problem arose after September 30 but before the CTBT entered into force, current law would prohibit remedial testing.

If that were to occur, it is important to recognize that one or more years would be required to prepare for any resumption of nuclear testing at the Nevada Test Site. During this time, we would be able to obtain the necessary funding and legislative relief to carry out the necessary tests.

In short, the Administration believes that the Kyl-Reid Amendment is not only not necessary, but it also entails a genuine risk of delaying or derailing the CTBT negotiations just as we may well be poised to achieve a global ban on nuclear testing.

Signed by the Special Assistant to the President on Legislative Affairs.

Mr. President, I ask unanimous consent that these three letters be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES ARMS CONTROL AND
DISARMAMENT AGENCY,
Washington, DC, June 19, 1996.

Hon. J. JAMES EXON,
U.S. Senate, Washington, DC.

DEAR SENATOR EXON: Special Assistant to the President for Legislative Affairs, William C. Danvers, has provided you the Administration's reasons for opposing the Kyl/Reid amendment to the FY 1997 Defense Authorization Bill.

As I represent the lead agency in the Comprehensive Test Ban Treaty (CTBT) negotiations in Geneva, I want to emphasize our belief that this amendment could undermine our efforts to negotiate a Treaty that would end nuclear testing for all time by suggesting a possible U.S. interest in resuming testing before a CTBT enters into force, that does not, in fact, exist.

Since the end of President Eisenhower's tenure, the United States has pursued a

CTBT as a long-term goal. Now, when such a treaty is in hand, we urge the members of the Senate to oppose this amendment and to reaffirm our country's longstanding bipartisan efforts to achieve a CTBT.

Sincerely,

JOHN D. HOLUM.

STATEMENT OF SECRETARY OF ENERGY HAZEL O'LEARY

The nuclear weapons testing moratorium instituted by the Hatfield-Exon-Mitchell amendment has made a significant contribution to U.S. nuclear non-proliferation efforts. During the duration of the moratorium, the US stockpile of nuclear weapons has remained safe and reliable. There is no requirement to resuming testing or even to plan to resume testing for safety or reliability or any other purpose, at this time. The Department of Energy, with the full support of the Department of Defense, has embarked on an ambitious stockpile stewardship program to ensure that the safety and reliability of the stockpile is maintained into the foreseeable future, without nuclear testing. One of the elements of stockpile stewardship is maintaining the readiness of the Nevada Test Site to resume testing if it is in the supreme national interest of the United States to do so. DOE is committed to maintaining this readiness, consistent with Presidential direction. DOE has confidence in the stockpile stewardship program and does not need the authority that this amendment would provide.

President Clinton has already outlined his commitment to maintain the safety and reliability of the nuclear stockpile under the existing moratorium and under a comprehensive test ban treaty. It is premature to make any statutory changes to the existing moratorium legislation. Any changes should be made only in the context of a negotiated and signed comprehensive test ban treaty. Any changes in the current statutory prohibition on underground nuclear weapons testing at this time certainly does not help the negotiation process, and could very well set it back. Achieving a comprehensive test ban treaty is a key to reducing the global nuclear danger including proliferation of nuclear weapons and the spread of nuclear terrorism.

NATIONAL SECURITY COUNCIL,
Washington, DC, June 19, 1996.

Hon. J. JAMES EXON,
U.S. Senate, Washington, DC.

DEAR SENATOR EXON: You have requested the Administration's views on the amendment offered by Senators Kyl and Reid concerning nuclear testing and the Comprehensive Test Ban Treaty (CTBT). The Administration is strongly opposed to this amendment.

We believe that the amendment could not come at a worse time. The states that are negotiating in the CTBT negotiations in the Conference on Disarmament (CD) in Geneva have set a deadline of June 28—next Friday—to complete this historic treaty. The amendment could be interpreted by some CD states as signaling a possible U.S. intent to conduct a round of nuclear testing after the CTBT is completed but before it enters into force. The Administration has no such plans or intentions, nor has it requested funding for any such tests. Moreover, the amendment would relax the existing legislative moratorium on U.S. testing just at the time the only remaining state still conducting nuclear tests, China, has announced that it will join the global moratorium in September.

As you know, we are confident that our Science-Based Stockpile Stewardship will ensure that we can meet the challenge of maintaining the reliability and safety of our nuclear inventory absent nuclear testing. Nonetheless, because he considers this to be a supreme national interest of the United States, the President has pledged that after the CTBT enters into force, he would be prepared to withdraw from the Treaty in the event, however unlikely, that he was informed by the Secretaries of Defense and Energy that a high level of confidence in the safety or reliability of a nuclear weapon type critical to our nuclear deterrent could no longer be certified. There is concern on the part of the amendment's co-sponsors that if such a problem arose after September 30 but before the CTBT entered into force, current law would prohibit remedial testing.

If that were to occur, it is important to recognize that one or more years would be required to prepare for any resumption of nuclear testing at the Nevada Test Site. During this time, we would be able to obtain the necessary funding and legislative relief to carry out the necessary tests.

In short, the Administration believes that the Kyl-Reid Amendment is not only not necessary, but it also entails a genuine risk of delaying or derailing the CTBT negotiations just as we may well be poised to achieve a global ban on nuclear testing.

Sincerely,

WILLIAM C. DANVERS,
Special Assistant to the President for Legislative Affairs.

Mr. EXON. I thank my colleague from Arkansas.

The PRESIDING OFFICER. Under the unanimous consent agreement, the Senator from Idaho is now recognized.

Mr. CRAIG. Mr. President, let me thank the Senator from Arkansas for yielding me this valuable time.

AMENDMENT NO. 4085

(Purpose: To amend the Waste Isolation Pilot Plant Land Withdrawal Act)

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Idaho [Mr. CRAIG], for himself, Mr. KEMPTHORNE, Mr. DOMENICI, Mr. BINGAMAN, Mr. MURKOWSKI, and Mr. JOHNSTON, proposes an amendment numbered 4085.

Mr. CRAIG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 446, after line 12, insert the following subtitle:

Subtitle E.—Waste Isolation Pilot Plant Land Withdrawal Act Amendments.

SECTION 1. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Waste Isolation Pilot Plant Land Withdrawal Amendment Act".

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Waste Isolation Pilot Plant Land Withdrawal Act (Public Law 102–579).

SEC. 2. DEFINITIONS.

Paragraphs (18) and (19) of section 2 are repealed.

SEC. 3. TEST PHASE AND RETRIEVAL PLANS.

Section 5 and the item relating to such section in the table of contents are repealed.

SEC. 4. MANAGEMENT PLAN.

Section 4(b)(5)(B) is amended by striking "or with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.)".

SEC. 5. TEST PHASE ACTIVITIES.

Section 6 is amended—

(1) by repealing subsections (a) and (b),

(2) by repealing paragraph (1) of subsection (c),

(3) by redesignating subsection (c) as subsection (a) and in that subsection—

(A) by repealing subparagraph (A) of paragraph (2),

(B) by striking the subsection heading and the matter immediately following the subsection heading and inserting "STUDY.—The following study shall be conducted:",

(C) by striking "(2) REMOTE-HANDLED WASTE.—",

(D) by striking "(B) STUDY.—",

(E) by redesignating clauses (i), (ii), and (iii) as paragraphs (1), (2), and (3), respectively, and

(F) by realigning the margins of such clauses to be margins of paragraphs,

(5) in subsection (d), by striking ", during the test phase, a biennial" and inserting "a" and by striking ", consisting of a documented analysis of" and inserting "as necessary to demonstrate", and

(6) by redesignating subsection (d) as subsection (b).

SEC. 6. DISPOSAL OPERATIONS.

Section 7(b) is amended to read as follows:

"(b) REQUIREMENTS FOR COMMENCEMENT OF DISPOSAL OPERATIONS.—The Secretary may commence emplacement of transuranic waste underground for disposal at WIPP only upon completion of—

"(1) the Administrator's certification under section 8(d)(1) that the WIPP facility will comply with the final disposal regulations;

"(2) the acquisition by the Secretary (whether by purchase, condemnation, or otherwise) of Federal Oil and Gas Leases No. NMNM 02953 and No. NMNM 02953C, unless the Administrator determines, under section 4(b)(5), that such acquisition is not required; and,

"(3) the expiration of the 30-day period beginning on the date on which the Secretary notifies Congress that the requirements of section 9(a)(1) have been met.".

SEC. 7. ENVIRONMENTAL PROTECTION AGENCY DISPOSAL REGULATIONS.

(a) SECTION 8(d)(1).—Section 8(d)(1) is amended—

(1) by amended subparagraph (A) to read as follows:

"(A) APPLICATION FOR COMPLIANCE.—Within 30 days after the date of the enactment of the Waste Isolation Pilot Plant Land Withdrawal Amendment Act, the Secretary shall provide to Congress a schedule for the incremental submission of chapters of the application to the Administrator beginning no later than 30 days after such date. The Administrator shall review the submitted chapters and provide requests for additional information from the Secretary as needed for completeness within 45 days of the receipt of each chapter. The Administrator shall notify Congress of such requests. The schedule shall call for the Secretary to submit all chapters to the Administrator no later than October 31, 1996. The Administrator may at any time request additional information from the Secretary as needed to certify, pursuant to subparagraph (B), whether the WIPP facility will comply with the final disposal regulations."; and

(2) in subparagraph (D), by striking "after the application is" and inserting "after the full application has been".

(b) SECTION 8(d)(2), (3).—Section 8(d) is amended by striking paragraphs (2) and (3), by striking "(1) COMPLIANCE WITH DISPOSAL REGULATIONS.—", and by redesignating subparagraphs (A), (B), (C), and (D) of paragraph (1) as paragraph (1), (2), (3), and (4), respectively.

(c) SECTION 8(g).—Section 8(g) is amended to read as follows:

"(G) ENGINEERED AND NATURAL BARRIERS, ETC.—The Secretary shall use both engineered and natural barriers and any other measures (including waste form modifications) to the extent necessary at WIPP to comply with the final disposal regulations.".

SEC. 8. COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS.

(a) SECTION 9(a)(1).—Section 9(a)(1) is amended by adding after and below subparagraph (H) the following: "With respect to transuranic mixed waste designated by the Secretary for disposal at WIPP, such waste is exempt from treatment standards promulgated pursuant to section 3004(m) of the Solid Waste Disposal Act (42 U.S.C. Sec. 6924(m)) and shall not be subject to the land disposal prohibitions in section 3004(d), (e), (f), and (g) of the Solid Waste Disposal Act.".

(b) SECTION 9(b).—Subsection (b) of section 9 is repealed.

(c) SECTION 9(c)(2).—Subsection (c)(2) of section 9 is repealed.

(d) SECTION 14.—Section 14 is amended—

(1) in subsection (a), by striking "No provision" and inserting "Except for the exemption from the land disposal restrictions described in section 9(a)(1), no provision"; and

(2) in subsection (b)(2), by striking "including all terms and conditions of the No-Migration Determination" and inserting "except that the transuranic mixed waste designated by the Secretary for disposal at WIPP is exempt from the land disposal restrictions described in section 9(a)(1)".

SEC. 9. RETRIEVABILITY.

(a) SECTION 10.—Section 10 is amended to read as follows:

"SEC. 10. TRANSURANIC WASTE.

"It is the intent of Congress that the Secretary will complete all actions required under section 7(b) to commence emplacement of transuranic waste underground for disposal at WIPP no later than November 30, 1997.".

(b) CONFORMING AMENDMENT.—the item relating to section 10 in the table of contents is amended to read as follows:

"Sec. 10. Transuranic waste.".

SEC. 10. DECOMMISSIONING OF WIPP

Section 13 is amended—

(1) by repealing subsection (a), and

(2) in subsection (b), by striking "(b) MANAGEMENT PLAN FOR THE WITHDRAWAL AFTER DECOMMISSIONING.—Within 5 years after the date of the enactment of this Act, the" and inserting "The".

SEC. 11. ECONOMIC ASSISTANCE AND MISCELLANEOUS PAYMENTS.

(a) Section 15(a) is amended by adding at the end the following: "An appropriation to the State shall be in addition to any appropriation for WIPP.".

(b) $20,000,000 is authorized to be appropriated in fiscal year 1997 to the Secretary for payment to the State of New Mexico for road improvements in connection with the WIPP.

Mr. CRAIG. Mr. President, this is an amendment that has been offered by myself, Senator KEMPTHORNE, Senator DOMENICI, Senator BINGAMAN, Senator MURKOWSKI, and Senator JOHNSTON. It deals with a very important part of our nuclear waste management in this country, specifically the waste isolation pilot plant in Carlsbad, NM.

In working with all of our colleagues, our effort has been to remove the unnecessary delays and bureaucratic requirements to achieve the major environmental objectives that are so critical to the State of New Mexico, and to save taxpayers' money, while at the same time showing our country that we can move and act responsibly in the area of transuranic waste.

The amendment that we have before us, that will become a part of this pending legislation, will amend the Waste Isolation Pilot Plant Land Withdrawal Act of 1992 in several ways. It deletes obsolete language of the 1992 act. Particularly important is the reference and requirements for "test phase" activities.

Since the enactment of the 1992 act, the Department of Energy has abandoned the test phase that called for underground testing in favor of above ground laboratory test programs.

This amendment, Mr. President, is agreed to by the Department of Energy and by the Environmental Protection Agency. It allows the kind of phase necessary to test to completion to assure all of our citizens, and especially the citizens of New Mexico, that this is a safe and sound facility.

Most important, along with all of this, in streamlining the process, it would remove duplicative regulation and save the taxpayers' dollars. We hope that it will have that effect.

Mr. President, my amendment will clear up several unnecessary and delaying bureaucratic requirements that currently exist in the Waste Isolation Pilot Land Withdrawal Act, Public Law 102-579, so the WIPP facility can be opened. It also meets a major environmental objective while saving the taxpayer money.

The purpose of the WIPP is to provide for the safe disposal of transuranic [TRU] radioactive and mixed wastes resulting from defense activities and programs of the United States. These materials are currently stored at temporary facilities, and until WIPP is opened, little can be done to clean up and close these temporary storage sites.

Idaho currently stores the largest amount of TRU waste of any State in the Union, but Idaho is not alone. Washington, Colorado, South Carolina, and New Mexico also temporarily store TRU waste.

The agreement recently negotiated between the State of Idaho, the DOE and the U.S. Navy states that the TRU currently located in Idaho will begin to be shipped to WIPP by April 30, 1999. This legislation will assure this commitment is fulfilled by clearly stating that it is the intent of Congress that the Secretary of Energy will complete all actions needed to commence emplacement of TRU waste at WIPP no later than November 30, 1997.

We cannot solve the environmental problems at sites such as the Idaho National Engineering Laboratory, Rocky Flats Weapons Facility, Savannah River and others without WIPP. The reason is obvious. Without a place to dispose of the waste, cleanup is impossible, and without cleanup, further decommissioning can not occur.

The goal of this bill is simple: To deliver on Congress' longstanding commitment to open WIPP by 1998.

This bill amends the Waste Isolation Land Pilot Plant Land Withdrawal Act of 1992 in several very significant ways.

It deletes obsolete language in the 1992 act. Of particular importance is the reference and requirements for test phase activities. Since the enactment of the 1992 act, the Department of Energy [DOE] has abandoned the best phase that called for underground testing in favor of above ground laboratory test programs. Thus the test phase no longer exists as defined in the 1992 law and needs to be removed so it does not complicate the ongoing WIPP process.

Most important, this amendment will streamline the process, remove duplicative regulations, save taxpayers dollars—currently the costs to simply watch over WIPP exceed $20 million per month.

This bill does not remove EPA as the DOE regulator of the WIPP. DOE has stated numerous times that it does not want to self regulate. The Department believes that having EPA as the regulator will instill additional public confidence in the certification process and the facility itself, once it opens.

I am skeptical regarding EPA. EPA has a poor record of meeting deadlines. The WIPP, as a facility, is ready to operate now and is basically waiting on EPA's final approval. The schedule DOE has established to meet the opening dates is an aggressive but not entirely workable timetable. It is aggressive only if EPA can accomplish its tasks on time. Because of EPA's demonstrated inability to meet schedules and to avoid imposing unnecessary large financial burdens on the taxpayer, there is a strong sentiment in the Congress to remove EPA from the WIPP regulatory role. Based on assurance made to me by the EPA, my amendment does not follow this course. However, if EPA again falters, I will have to reconsider this position in future legislation.

Idaho and the Nation need to have the WIPP opened sooner rather than later. Each day of delay is costly, nearly $1 million per day in taxpayers dollars, and the potential dangers to the environment and human health resulting from the temporary storage of this waste continue.

It is time to act. We must, if we are to clean up sites such as Idaho's. We must act to dispose of this task permanently and safely for future generations. This amendment clears the way for action.

Mr. MURKOWSKI. Mr. President, I would like to ask permission to engage in a colloquy with Senator CRAIG, regarding his amendment to the Waste Isolation Pilot Plant Land Withdrawal Act. The WIPP Land Withdrawal Act withdrew land near Carlsbad, NM, for construction of a disposal facility for transuranic waste produced by the Department of Energy. That act was reported out of the Committee on Energy and Natural Resources and enacted in 1992. In addition to providing for the withdrawal of the land, the WIPP Land Withdrawal Act imposed many substantive and procedural licensing requirements on the WIPP facility. Many of these requirements are redundant or have become moot as a result of changes in the program, and should be eliminated. S. 1402, a bill introduced by Senators CRAIG and JOHNSTON to amend the WIPP Land Withdrawal Act, has been referred to the Energy and Natural Resources Committee. Does Senator CRAIG acknowledge that this amendment addresses matters within the jurisdiction of the Committee on Energy and Natural Resources?

Mr. CRAIG. Yes, this amendment would alter the language of the WIPP Land Withdrawal Act, which is within the jurisdiction of the Committee on Energy and Natural Resources.

Mr. MURKOWSKI. Although this amendment is within the jurisdiction of the Committee on Energy and Natural Resources, I support the substantive changes made by the amendment and understand that it is important to make these changes in a timely manner. Therefore, I will not object to its inclusion in the Defense authorization legislation.

Mr. CRAIG. Mr. President, I now yield to Senator BINGAMAN from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I do support this amendment. Let me say that when this bill was first introduced in the House, and in the Senate as well, I felt it was fatally flawed in several respects. It did, in its first form, propose to eliminate the regulatory role of the Environmental Protection Agency. It proposed to allow nondefense transuranic waste to go to WIPP, as well as defense-related transuranic waste. It needed the periodic recertification requirement by the Environmental Protection Agency. It deleted authority by EPA to issue criteria.

All of those problems have been solved in the amendment that is now about to be voted on here in the Senate. I am very pleased to see the improvements that have been made. I have been in touch with the Under Secretary of Energy, Thomas Grumbly, to get his comments on this proposed amendment which we are now getting ready to vote on. He indicates that he and his staff have reviewed it in detail and support the amendment.

I have been also in touch with Mary Nichols, the Assistant Administrator for Air and Radiation in the Environmental Protection Agency. She indicates that she is satisfied with this proposed amendment and believes it is something that we should enact.

Mr. President, the foremost concern that I have had, and that I believe most Members have had, in this facility from the beginning has been whether or not we were adequately protecting the health and safety of our citizens as we went forward to design and develop this facility. I am persuaded we are still adequately protecting that health and safety, even under this language. For that reason, I will support it.

I will make the point which needs to be crystal clear that transuranic waste can only be disposed of underground at this facility upon completion, by the Administrator of EPA, of a certification that final disposal regulations have been complied with. That essential safeguard is foremost in this amendment. I think that is very important for the people of New Mexico. I urge my colleagues to support the amendment.

Mr. CRAIG. Mr. President, I yield to Senator DOMENICI from New Mexico.

Mr. DOMENICI. Mr. President, I thank Senator CRAIG. Senator BINGAMAN, it is a pleasure to be with you here on the floor on this issue.

Let me start by reiterating the last comments that Senator BINGAMAN made. What is most important to us, and what is most important to the people of New Mexico, is that as this underground facility proceeds to the point where it may be opened and finally be a repository, that it be subject to the Environmental Protection Agency's most strict requirements with reference to health and safety. As a matter of fact, they must certify it before it can be opened.

I will read for the RECORD an excerpt from a letter dated May 15, 1996, from the EPA, Mary D. Nichols, assistant administrator for Air and Radiation. I ask unanimous consent that the entire communication be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL PROTECTION AGENCY, OFFICE OF AIR AND RADIATION,
Washington, DC, May 15, 1996.

Hon. TOM UDALL,
Attorney General of New Mexico,
Santa Fe, NM.

DEAR MR. UDALL: The purpose of this letter is to follow-up on our telephone conversation of April 1, 1996, and respond to your letter of April 4, 1996, regarding the Environmental Protection Agency's (EPA) role in the regulation of the Waste Isolation Pilot Plant (WIPP).

The Administration is presently formulating its position on H.R. 1663, the "Skeen-Schaefer Bill" amending the WIPP Land Withdrawal Act (Pub. L. 102–579). I appreciated hearing your views about the legislation and am pleased we had the opportunity to discuss these important issues. The Agency believes that the amended H.R. 1663 is a sound bill and makes critical improvements over its antecedent. As you are aware, the Skeen Bill, as originally proposed, severely limited EPA's regulatory oversight of WIPP and, we believe, did not provide adequate protection of human health and the environment. Mr. Schaefer's amendments retain EPA as the independent regulator of the WIPP, eliminates extraneous requirements, and leaves intact the provisions of the 1992 WIPP Land Withdrawal Act (LWA) that require EPA to certify whether the WIPP facility will comply with the disposal regulations in accordance with public rule-making procedures.

You specifically expressed concern about the impact of the proposed legislation on the WIPP certification process. In particular, that review of individual chapters of the Department of Energy's (DOE) compliance application by EPA would require the Agency to commit to a position on the sufficiency of each chapter without public input. While it is true that EPA will review individual chapters prior to receipt of the full application, the Agency will make no determination on the adequacy of any part of the application until: 1) EPA has received the full application from the department; and 2) public comments have been considered. In fact, the Agency has received the first of these chapters and placed it in the certification docket (No. A–93–02) on May 1, 1996. We will be providing written comments to DOE on these chapters. The written comments will also be placed in the public dockets.

You also raised concerns about the effect of the proposed legislation on the public's opportunity to provide comment on DOE's application. As in the past, EPA will continue to foster an open public process. As you will note in the final compliance criteria (40 CFR Part 194), EPA will hold two 120-day public comment periods after it receives DOE's full compliance application. The proposed legislation will not affect the process established in the compliance criteria. Furthermore, EPA never planned for or created any process for formal public comment on the completeness of the application. Therefore, since DOE is providing the Agency with individual chapters prior to submission of the full application, the public will have an additional opportunity to comment on, and additional time to review, the individual chapters, via EPA's public docket.

Additionally, you were concerned that the proposed H.R. 1663 removes the ability of the Administrator to enforce compliance of the WIPP with any law, regulation or permit requirement described in §9(a)(1) of the LWA. We feel that EPA's ability to ensure compliance with these environmental laws is not compromised by removal of this provision since: 1) the environmental laws described in the LWA contain their own enforcement provisions; and 2) 40 CFR Part 194 imposes requirements that DOE perform remedial actions if the Administrator determines WIPP to be in non-compliance with the transuranic waste disposal standards.

Further, with regard to H.R. 1663, you expressed concern about the WIPP being used as a repository for transuranic wastes that did not result from a defense activity. The proposed legislation does not alter the definition of exposure or capacity limits of either remote- or contract-handled wastes set forth in the LWA. If EPA were to certify the WIPP, this provision would allow for disposal of a relatively small amount of waste from a site in West Valley, NY. If WIPP were capable of accepting this waste within the capacity limits of the LWA, it would be imprudent to needlessly spend taxpayer money for a site similar to WIPP for such a small amount of transuranic waste simply because the process which generated the waste was not defense related.

Lastly, I am disappointed that you have elected to bring a legal challenge against EPA's WIPP compliance criteria published on February 9, 1996. The EPA considered the views of all interested parties, including the comments and suggestions made by your office, in deciding the contents of the final criteria. As you know, EPA held two public comment periods totaling 135 days, and conducted a series of public hearings in New Mexico. Ultimately, the Administrator of EPA, exercising her independent judgment, determined the contents of the final criteria. We believe EPA's criteria are sound and will effectively protect public health and the environment.

I want to assure you that EPA will keep communication lines open as it undertakes the public rulemaking proceeding to certify whether the WIPP facility will comply with the final disposal regulations. We recognize the importance of this matter to you and all of the residents of New Mexico.

If you have questions regarding this letter or any other concerns, please contact Frank Marcinowski of my staff at (202) 233-9310.

Sincerely,

MARY D. NICHOLS,
Assistant Administrator for Air and Radiation.

Mr. DOMENICI. This letter is written to the attorney general of New Mexico in response to inquiries. "The Agency believes that the amended H.R. 1663"—I will state here, for all intents and purposes, is the Craig amendment—"is a sound bill and makes critical improvements over its antecedent. As you are aware, the Skeen bill, as originally proposed, severely limited EPA's regulatory oversight of WIPP and, we believe, did not provide adequate protection of human health and the environment. Mr. Schaefer's amendments retain EPA as the independent regulator of the WIPP, eliminates extraneous requirements, and leaves intact the provisions of the 1992 WIPP Land Withdrawal Act (LWA) that require EPA to certify whether the WIPP facility will comply with the disposal regulations in accordance with public rule-making procedures."

I do not think it can be any clearer that the EPA wholeheartedly supports this amendment.

In summary, the amendment is almost identical to language agreed to by DOE and EPA. That agreed-upon language was reported by the House Commerce Committee on April 25 and was recently reported by the House National Security Committee.

The legislation would:

Delete the authorization included in the WIPP Land Withdrawal Act to conduct tests underground at WIPP using transuranic waste.

The DOE decided in 1992 not to conduct such tests.

Require the Secretary of Energy to acquire the oil and gas leases on the WIPP site unless the EPA determines the acquisition is not necessary.

Create an incremental licensing process under which DOE will submit chapters of the license application one at a time, and EPA would comment one at a time. The EPA would make a final, encompassing decision. The EPA could request additional information from the DOE at any time.

At the suggestion of the EPA and DOE, provides that the final disposal regulations for WIPP will be the radiation protection standards at 40 C.F.R. 191, and not the Solid Waste Disposal Act.

The WIPP Land Withdrawal Act required that DOE certify compliance with both, a step DOE and EPA agreed would be redundant.

The legislation allows the DOE to use engineered barriers, natural barriers, or any other measures—this last provision being a new provision—to ensure WIPP complies with the final disposal regulations.

This allows DOE to use waste treatment, such as vitrification, to ensure WIPP's compliance.

Deletes the section of the WIPP Land Withdrawal Act dealing with retrieval of the waste emplaced during the test phase since no waste will be emplaced during a test phase.

States that it is the intent of Congress that the Secretary of Energy make a final decision with respect to the disposal of transuranic waste at WIPP by November 30, 1997.

Provides $20 million per year to New Mexico for impact assistance beginning upon enactment of this legislation.

The waste isolation pilot plant is a permanent disposal facility in a salt bed 2,000 feet below New Mexico for transuranic waste generated in DOE's nuclear weapons complex.

Transuranic waste means waste that includes both radioactive material and solvents, metals, and other refuse from manufacturing.

The WIPP Land Withdrawal Act enacted on October 30, 1992, authorized a 5- to 8-year test phase at WIPP during which transuranic waste could be placed in WIPP and monitored.

Because of the nature of the waste intended for WIPP, the act also made WIPP subject to two sets of regulations: radiation protection standards and the Solid Waste Disposal Act.

In 1993, DOE decided it was not necessary to conduct underground tests at WIPP using transuranic waste.

At the suggestion of DOE and EPA, this amendment makes the WIPP Land Withdrawal Act consistent with the current test phase at WIPP and removes the redundancy of two sets of regulatory standards.

First, the amendment deletes those sections of the WIPP Land Withdrawal Act dealing with tests using transuranic waste.

Second, the amendment, at the suggestion of the EPA, subjects WIPP to the radiation protection standards and removes the application of the Solid Waste Disposal Act. This is necessary to remove the confusion that occurs by imposing two different sets of regulations.

Frankly, it is clear that WIPP can meet with Solid Waste Disposal Act, its 10,000-year radiation protection standards are going to be the real challenge and the relevant regulations.

There are two centers of controversy in that law. First, what hurdles did DOE have to overcome to use transuranic waste for tests in WIPP. And second, what information had to be revealed by those tests for a final disposal decision to be made.

DOE subsequently decided that tests with transuranic waste were not needed.

These changes primarily deal with taking out those provisions of the law dealing with tests using transuranic waste.

The law also required WIPP to meet two different standards for the disposal of waste at WIPP: radiation release standards and solid waste standards.

DOE and EPA now agree that demonstrating compliance with both standards is redundant—they agree compliance is best proven by meeting the radiation release standards.

The original law also provided New Mexico $20 million per year beginning in the first year transuranic waste was shipped to WIPP. The money was to be used for roads and other improvements.

Because no transuranic waste has been brought to WIPP for the tests, New Mexico has lost out on $160 million that would have otherwise been provided. This law starts the flow of that money immediately so New Mexico can make the necessary road upgrades.

I indicate to the Senate that it is clear this waste isolation pilot project, one of a kind, the first ever, can meet the requirements of the Solid Waste Disposal Act. It is not that act that is cumbersome and difficult to achieve, but rather the 10,000-year radiation protection standards. Let me repeat: 10,000-year radiation protection standards. These are the standards that are going to be in effect after this amendment is adopted and becomes law. They are in effect now.

All we are suggesting is the EPA and the Department of Energy thinks this is the only set of standards that we need follow and that those that are found under the Solid Waste Disposal

Act are redundant and not needed in this case.

I thank all who have cooperated in getting us this far. It is time to get this done. This amendment has been reported out on April 25 from a House committee and was reported recently by the National Security Committee in the House. It has had hearings and been looked at over and over by the regulatory agencies. I believe it is time to adopt it.

I yield the floor.

Mr. THURMOND. Mr. President, I rise in favor of this amendment. It is very similar to WIPP legislation introduced last year in the House. That legislation was agreed to by the Department of Energy and Environmental Protection Agency and goes a long way toward breaking down the regulatory log jams that are holding up this much needed facility.

The story of WIPP is a story of false starts and needless delays. The delays in opening WIPP have created a massive backlog of materials that are currently being stored at DOE sites throughout the country—often in drums and boxes—at a very high cost to the taxpayers. These wastes need to be stabilized and prepared for shipment to a permanent and safe repository. The WIPP facility provides a safe and permanent disposal option and we should move forward as rapidly as possible with its opening.

Mr. President, we need this facility. We need it now. This amendment will help move this facility forward and I wholeheartedly support its passage.

Mr. KEMPTHORNE. Mr. President, I am pleased to introduce and support the Craig-Kempthorne-Domenici-Bingaman amendment relating to the WIPP land withdrawal. The proposed amendment will simplify the land withdrawal process in a number of important ways. For example, the amendment will reduce the waiting period between the final certification and opening of WIPP from 180 days to 30 days, improve interaction between the Department of Energy and the Environmental Protection Agency, remove duplicative regulatory requirements, save the taxpayers money, expedite the opening of WIPP, and protect the environment, health, and safety of the citizens of New Mexico. In addition, the amendment is similar to a legislation in the other body which is supported by the Department of Energy and the Environmental Protection Agency. This is a good bipartisan amendment, supported by the administration, and I am pleased to be a cosponsor of this important piece of legislation.

The WIPP facility plays an important role in our Nation's effort to show its citizens that we can deal responsibly with the nuclear waste left over from our victory in the cold war. The WIPP facility will serve as a permanent repository for transuranic waste. The waste will be entombed in a salt cavern that slowly seals itself over time. I have visited the WIPP facility and I met with numerous local and State officials from New Mexico who strongly support this project.

THe WIPP facility will also allow the Federal Government to meet its court-enforceable commitment to the State of Idaho to ship transuranic waste from Idaho by 1999. The proposed amendment will help ensure the opening of this important facility in time to meet this commitment. WIPP will serve as a symbol of our ability to dispose of nuclear material in a safe and rational way.

I want to thank the two able Senators from New Mexico, Senator DOMENICI and Senator BINGAMAN, for their help in drafting this bipartisan amendment. I also want to thank Senators MURKOWSKI and JOHNSTON, chairman and ranking member of the Energy Committee, for their support for this important amendment.

Mr. CRAIG. Mr. President, let me close by thanking all of my colleagues for the cooperation and their participation in getting this amendment to the floor. Without the help of Senator DOMENICI and Senator BINGAMAN, this amendment would not be here today. They are the host States, but they have also been extremely diligent in assuring the citizens of their State that once this is in place, it is environmentally sound and certainly protects, in all ways, their citizens.

In my State of Idaho, the Governors' agreement is now negotiated and completed by a Federal court order. It could not go forward without this amendment. Now we have this amendment in place, protecting all of the environmental concerns involved, solving many of the environmental problems we have in our State.

Let me thank my colleagues for their participation. I ask that the amendment be adopted.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to amendment No. 4085, offered by the Senators from Idaho and New Mexico.

The amendment (No. 4085) was agreed to.

Mr. CRAIG. I move to reconsider the vote.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Arkansas is now recognized.

CONFORMING AMENDMENT TO GATT LEGISLATION

Mr. PRYOR. Mr. President, I will take a very few moments this afternoon to refresh my colleagues' memories as to why we are here again to act on the GATT issue.

When the Congress passed the GATT legislation, we made two changes to U.S. patent law. First, all patents were extended from 17 to 20 years in length. That is the law today for all patents in every industry in this country.

Second, we adopted a grandfather provision which permitted generic competitors in all industries to go to the market on the original 17-year date if they had made a substantial investment and if they paid a royalty to the patent holder.

But according to the U.S. Trade Representative, the Food and Drug Administration, the Department of Health and Human Services, and the Patent and Trademark Office, the Congress accidentally—and I underline "accidentally"—omitted a conforming amendment in the GATT legislation. The CONGRESSIONAL RECORD also documents our very clear intent to apply the GATT treaty universally without any special exceptions.

Mr. President, as a result of our error and this missing amendment, a single industry has now been exempted from the GATT grandfather provision. Every single product, every company, and every industry in this country abide by this law today, except for one particular industry. That is the prescription drug industry.

The omission of this single industry has created a loophole that benefits just a few drug companies, especially Glaxo Wellcome. The loophole, Mr. President, in the GATT legislation has given them a $2.5 billion windfall. That's $5 million a day. As long as we wait and talk and do nothing, these few drug companies are receiving millions every day which are subsidized by the elderly, by the veterans and by the consumers of America. Today, we have an opportunity to put this to an end. We could bring equity at long last to this issue.

Glaxo Wellcome is the largest drug firm in the world. It is today receiving a lion's share of this multibillion dollar windfall through the world's best-selling drug, Zantac.

Today, generic competitors to Zantac who have already made a substantial investment and readied their products for the market have been unintentionally denied access to the marketplace. Today, they have idled their factories and their workers wait for us to act. Today, the consumers of America are being denied cheaper prices for their drugs which they should have received months ago.

The amendment that I offer today, Mr. President, on behalf of Senator BROWN, Senator CHAFEE, and Senator BRYAN, is simply the conforming amendment which should have been a part of the GATT legislation. This is our opportunity to fix a glaring legislative mistake. In the process, we will save American consumers literally billions of dollars, and we will bring our country into full compliance with our treaty obligations.

Let me remind my colleagues how our friend and colleague, Senator PAUL SIMON of Illinois, recently summed up this issue. He said: "This is as classic a case of public interest versus special interest as you could find."

Last December, we brought this amendment to the floor and unsuccessfully sought an up-or-down vote on it. There was an effort to kill the amendment with a sense-of-the-Senate resolution that called for a hearing in the Judiciary Committee. When we withdrew the amendment from consideration, we promised, like General MacArthur, to return.

But there have been many delays and postponements in the last several months and procedural obstacles thrown up by our opponents. For some mysterious reason, the hearing that was promised took more than 2 whole months to schedule. A markup was promised for March. It was postponed three different times for over a month.

Mr. President, here is the price for our opponents' delay. Here is the price that American consumers are paying and putting into the pockets of a few drug companies. As a result of our delay, a few companies have collected $990 million as a windfall. We are just 2 days short of permitting this to grow into a round $1 billion windfall, a windfall which continues because of a congressional mistake we have still not corrected.

We have waited and waited and waited, while the Judiciary Committee held a hearing and markup. The result of all this delay is that now the record simply verifies that a costly mistake has been made which needs correction. Ambassador Mickey Kantor, then our Trade Representative, testified at the hearing that our amendment "would do nothing more than fulfill our obligation to be faithful to what we had negotiated in the GATT treaty." He confirmed that it "would carry out the intent, not only of the negotiations and what the administration intended, but also what the Congress intended."

When the Judiciary Committee marked up the GATT amendment, it regrettably ordered and reported out a fatally flawed substitute version. According to a letter from the Department of Health and Human Services which has been distributed to each Member of the Senate, the FDA and the Department concluded that the Judiciary or Hatch substitute does not close the loophole. In fact, it would be virtually impossible for a manufacturer to obtain FDA approval under the substitute.

To add insult to injury, Mr. President, the substitute version includes a veritable treasure trove of patent extensions and special breaks for other drug companies that are completely unrelated to the GATT loophole. So we have all waited endlessly, enriched a few companies and ended up with a substitute which is worse than the status quo.

I would add, Mr. President, that the committee marked up on May 2. The committee has yet to file a report on the substitute version. In fact, the committee also has guaranteed we delay for months the consideration of our amendment. Moreover, I understand the distinguished committee chairman, Senator HATCH, will offer the substitute version as a second-degree amendment to our own and further delay consideration.

Mr. President, the only compromise in the committee's work is a compromise of the interests of consumers and our Nation's vital health care programs—Medicaid, Defense Department and CHAMPUS, VA, Public Health and Indian Health Service clinics, private health insurers, and the like.

We have a very clear choice before us this afternoon. We can do the right thing. We can do the right thing by voting for this amendment. We can do the right thing by defeating the substitute version offered as a second-degree amendment by the distinguished chairman of the committee, the Senator from Utah.

Many have asked me, Mr. President, why we are offering this amendment on the Department of Defense authorization bill. There is a very simple answer. First, this amendment would save the Department of Defense over $30 million. The Department of Defense has estimated that it spends $900 million a year on prescription drugs for our servicemen, servicewomen, and their families. According to estimates consistent with earlier CBO estimates for Medicaid savings, our GATT amendment would cut those expenditures by over $30 million.

Mr. President, for this reason alone, we think this is a proper place to bring this amendment to the attention of our colleagues with the intention of receiving their consideration and, hopefully, a positive vote.

I also want to summarize, if I might, Mr. President, what I think may become a second-degree amendment to the Pryor-Chafee-Brown-Bryan bill. First, the Department of Health and Human Services, as I have mentioned, has analyzed the substitute. They concluded that "it does not close the GATT loophole" and includes legal requirements that are "nearly impossible to meet" and "present nearly insurmountable obstacles" to fair competition.

Second, the substitute was originally drafted by the brand name drug industry association, PHRMA. We have a copy of the PHRMA draft. As PHRMA wrote, the substitute "protects the interests of PHRMA members"—not consumers, and certainly not taxpayers.

As a result, Mr. President, the Hatch amendment that we may be considering—which looks like a Rube Goldberg design as far as judicial procedure is concerned—may be described better as a Christmas tree. It is a Christmas tree of special interest favors, new multimillion dollar patent extensions and provisions intended to overturn Federal court decisions. This Christmas tree preserves the GATT loophole. It blocks generic competition. It protects the Glaxo windfall. It overturns the Federal courts. It guarantees endless litigation. It rewards companies like Merck, Zeneca, and Wyeth with millions in special protections without giving my colleagues and I a single credible legal or policy justification.

Finally, Mr. President, Professor Leo Levin, professor emeritus of law at the University of Pennsylvania, is one of the world's leading experts on the problems of cost and delay in civil litigation. I thought it would be interesting if we mentioned the opinions of Professor Levin, the former director of the Federal Judicial Center. Here is what Professor Levin thinks of the HATCH substitute:

> My conclusion is that, conservatively, I would expect several years to elapse from the commencement of litigation under the Hatch substitute until final disposition on appeal.

In other words, this is an ironclad guarantee to Glaxo and its compatriots that they can collect their entire $2.5 billion windfall. It is an ironclad guarantee that competition will be locked out and that windfall profits flow to the wrong parties.

There is also a sense-of-the-Senate provision in the Hatch substitute which purports to urge parties to litigate quickly. I am sure my colleague from Utah will say this is a godsend; that it will somehow compel the parties to go to court and resolve their differences quickly so that we can have free and orderly competition.

Here is what Professor Levin concluded about that particular sense-of-the-Senate resolution embodied in the Hatch substitute:

> This is a laudable sentiment but without legal impact. In short, it evidences recognition of the problem but not an effective solution to the problem.

Mr. President, I could talk on and on about this issue. I do not think we need to talk a lot longer about it. I would like to say that I would enjoy proceeding, if we could. I would be more than happy to enter into an agreement on time. I have not actually sent the amendment to the desk. I will do so at the appropriate time. But I see my colleague from Utah standing. I wonder if he has any comment.

Mr. HATCH addressed the Chair.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, do we have a time agreement?

Mr. PRYOR. We do not have a time agreement. I am more than willing to enter into a time agreement for a vote on our amendment to take place.

Mr. THURMOND. What does the Senator suggest as a time agreement?

Mr. PRYOR. Mr. President, I suggest that we have no more than an hour, or perhaps even a 45-minute time agreement. I would like to inquire of my friend from Utah whether this is agreeable.

Mr. HATCH. We are agreeable to 45 minutes.

Mr. THURMOND. Equally divided?

Mr. PRYOR. I am just proposing that.

Mr. HATCH. It is my understanding that Senator PRYOR has an amendment. I believe the Senator from South Carolina will second degree the amendment. I will agree to a 45-minute time limit divided equally on both amendments in order to accommodate my colleague, even though I think I need almost a half-hour to speak on it. But I will agree to 45 minutes.

Mr. SPECTER. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. There has been no unanimous consent offered.

Mr. HATCH. Is the time limit we discussed agreeable to my colleague?

Mr. PRYOR. I would like to make two requests. One, before I agree to such a proposal, I would like to see the amendment in the second degree. I think it would be only fair because the Senator from Utah has had our amendment for many, many months. Second, I would like to ask, should we agree to a time agreement, that I may be immediately recognized should my amendment be tabled or should the second-degree amendment prevail.

Mr. HATCH. I did not hear your whole sentence. Your amendment to be what?

Mr. PRYOR. Should the Hatch amendment be agreed to. I should phrase it that way.

Mr. HATCH. Would the Parliamentarian please state what the offer was?

Mr. THURMOND. Mr. President, could we pause long enough to let him send the amendment to the desk?

The PRESIDING OFFICER. Would the Senator from Arkansas wish to restate the last point that he made?

Mr. PRYOR. Mr. President, I would like to put in a unanimous consent request, that should the Hatch second-degree amendment prevail—and I not get the vote on my amendment—that I might be immediately recognized for an up-or-down vote on my amendment.

Mr. HATCH. If we prevail?

Mr. PRYOR. I would simply reoffer my amendment, and I would like to be recognized for that purpose. And I ask unanimous consent.

Mr. HATCH. If we win, we win; if we lose, we lose. But we prefer to do it in the routine parliamentary fashion.

Mr. PRYOR. Mr. President, that is precisely what I seek. If I may, I think we can resolve this together if I may respectfully suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative check proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I ask my dear friend from Arkansas to correct me if I misstate this. It is my understanding that Senator PRYOR will neither offer his amendment today, nor does he believe anybody else will offer a similar amendment today. We will save the vote for another day, but we will each make a few comments today.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, under the circumstances—and the circumstances are these—I have been waiting since January to offer this amendment. I think, as a Member of this body, I am entitled to have a vote on this amendment. Maybe it is a tabling motion. I am not objecting to that. But I think on this particular amendment and on this language, this Senator is entitled to this body deciding, yes, we do want this amendment or, no, we do not.

That is all I have asked for all year. It is all I am asking for now. It is apparent I am not going to get that, so I am not going to send up an amendment at this time, and I will wait until next week or I might wait until next July or I might wait until next September, whenever. But I am going to offer this amendment, and I hope to get a vote on it. I hope my colleagues will allow me to get a vote on it. I have never second degreed an amendment here in 18 years—never. In fact, I have never even been tempted to. And I am not going to second degree my own amendment. I am not going to get cute, parliamentarily speaking. I hope my colleague from Utah will understand and the managers will understand, but I just do not think it is protecting of my rights now to offer an amendment.

If I may, I would like to ask unanimous consent to add a few cosponsors: Senator BYRD, Senator DORGAN, and Senator LEAHY, all to be original cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I thank the Chair.

Mr. HATCH. Mr. President, I am prepared to put this to a vote today. As I understand it, if the Senator had called up his amendment, then the distinguished Senator from South Carolina would have called up his second-degree amendment, which is certainly both legitimate under the rules and a common practice in the Senate whenever we have some of these very sensitive, difficult matters to consider.

Let me say this, Mr. President. I admire my colleague from Arkansas. We have been friends for years. He feels very deeply about this.

But there are many of us who feel very deeply about our side of the issue.

When the time comes, I will ask my colleagues to vote against the Pryor amendment and to vote for the compromise legislation on the GATT/Pharmaceutical patent issue that was recently adopted by a bipartisan vote of the Senate Judiciary Committee.

I know many here are asking themselves how many times are we going to have to debate this issue? And, for that matter, they are asking why we are considering it on an underlying bill that is, at best, only tangentially related to the subject matter of our amendment.

We considered the Pryor amendment in the Finance Committee last fall as part of the budget reconciliation bill, and the committee rejected it.

We considered the amendment on December 7 as an amendment to the partial-birth abortion ban bill, and the amendment was not adopted.

My colleagues attempted to offer the bill as an amendment to the Kassebaum-Kennedy health insurance bill, and it was withdrawn.

In counterpoint to the efforts of Senator PRYOR, the Judiciary Committee held a February 27 hearing, as I promised.

On May 2, we held a markup, as I promised.

We wanted to hold the markup before then, but consideration of the immigration bill took longer than anyone anticipated.

The point is that we held the markup, and we did it in as expedited a fashion as possible.

I am pleased to say that, with the support of Senators SPECTER and HEFLIN, we were able to forge a bipartisan compromise that was adopted on a 10-to-7 vote.

We are working hard to file a report on this bill. We do not yet have the CBO on-budget estimates, nor do we have their newly required off-budget, unfunded mandates analysis.

In short, to bring the Pryor-Brown-Chafee amendment up at this time would be to attempt to short-circuit the process that is well underway in the Judiciary Committee.

Senator PRYOR's amendment is nothing more than an effort to engender support for an approach that the Judiciary Committee has already considered and rejected.

And while my preference would be to consider the Judiciary Committee compromise as a freestanding measure, it is clear such will probably not be the case.

I have been around this body long enough to know that you cannot always pick the time and place for a debate. If today is the day, so be it.

I thank my colleague for accommodating me in bringing it up at this time and giving me notice. I hope that in the future we can notify each other on this and, as always, treat each other fairly.

I also hope that a great majority of my colleagues will agree with me that the Pryor amendment is unwarranted and that the Judiciary Committee compromise that Senator THURMOND will offer should be adopted by the Senate.

Before I describe why I think the Judiciary Committee compromise is preferable to the Pryor amendment, I just want to recognize the fact that many in this body have spent a considerable amount of time on this somewhat arcane but very important subject.

Although I firmly disagree with Senators BROWN, PRYOR, and CHAFEE on this matter, I respect each of them. They are good Senators. Frankly, I would prefer working together with them rather than in opposition.

In fact, despite our sharp differences on this particular issue, Senators PRYOR, CHAFEE, and I are working closely together on the Finance Committee to ensure adequate funding of community health centers and rural health clinics.

I will miss debating DAVID PRYOR on these tough and complex pharmaceutical issues when he retires from the Senate later this year. The same is true for HANK BROWN, our good friend.

I will also miss Senator HEFLIN, a great friend who has been on the Judiciary Committee almost as long as I have. He studied this issue carefully as well. I fully agree with the observation he made at one of our recent Judiciary Committee hearings that the generic and innovator segments of the industry have much more in common than they have in contention. I was particularly pleased that Senator HEFLIN voted for the Judiciary Committee compromise, although he voted with Senator PRYOR last December.

I also wish to commend especially my colleague from Pennsylvania, Senator SPECTER, with helping to develop the Judiciary Committee compromise proposal. He played a critical role in this effort. I want everyone to understand how much the other members of the Judiciary Committee and I value his leadership in this area.

The issue we are debating today centers on the complex interrelationship between the GATT treaty, the Federal Food, Drug, and Cosmetic Act, and the Patent Code. In particular, the question is how certain transition rules contained in the Uruguay Round Agreements Act apply to pioneer pharmaceutical patents which have been extended by the URAA.

This is a tough, contentious issue. That is because there is an inherent tension involved in setting and adjusting the incentives that will result in both the next generation of breakthrough therapies and in making low-cost generic equivalents available. The American people need both breakthrough innovator products and lower cost generics.

But as former Surgeon General Dr. C. Everett Koop has wisely observed:

> ". . . we must resist the temptations of short-term thinking and look at the big picture. The only way to make a real difference in health care costs—and a real difference in people's lives—is to find cures for AIDS, cancer, Alzheimer's and . . . other diseases. The way to do that is to encourage support for medical innovation.

And make no mistake that retaining incentives for biomedical research is exactly what the Judiciary Committee compromise does.

I am extremely pleased to tell my colleagues that Dr. Koop spoke to my staff this morning and said that he is supportive of the Judiciary Committee compromise that I am offering today.

Let me outline the key elements of the Judiciary Committee compromise proposal that I developed, working, as I have said, in close consultation with Senator SPECTER who has a very deep interest in this issue.

This is important, to lay this out, so people realize it is not quite as simple as the distinguished Senator from Arkansas articulates here on the floor today.

The compromise allows generic drug applications which were submitted to the FDA by June 8, 1995, and were found to be sufficiently complete so as to permit substantive review to be approved for marketing during the GATT transition period.

As with other industries under the URAA, a court must first determine that the generic drug manufacturer met the substantial investment requirement.

This investment could not solely consist of expenditures related to the development and submission of an abbreviated new drug application, or ANDA.

Under the Judiciary Committee compromise, the court would take into account activities that were specifically related to the research, development, manufacture, sale, and marketing, and other activities undertaken in connection with the specific generic drug application.

The Judiciary compromise also includes a provision advocated by Senator BIDEN, to treat patents in force on June 8, 1995, as a result of a Hatch-Waxman restoration extension in the same manner as other patents with respect to URAA patent term modifications.

This is fair and warranted given the fact that Hatch-Waxman restoration extensions are granted in partial compensation for time lost due to FDA regulatory review and should be considered wholly independent from any URAA extension.

Finally, at the request of Senator SPECTER, the Judiciary Committee contains a 2-year marketing exclusivity extension for Lodine, a nonsteroidal antiinflammatory product. This product was under FDA NDA review for over 8 years, and presents a factual case in many respects similar to Daypro, which was recently afforded equitable relief in the continuing resolution that was passed in April.

In addition, the proposal contains sense-of-the-Senate language to urge that litigation be concluded as expeditiously as possible. In this regard, let me just add that Senator SPECTER will work with me to add an amendment that will help us to get there.

As a matter of fact, under the Judiciary Committee compromise, the interest of ensuring prompt litigation is promoted by granting the courts the authority to award equitable compensation from the patentee to the generic drug applicant in consideration for marketing time lost due to litigation.

The message here is simple and clear: Equity is a two-way street.

Pioneer drug firms unjustifiably drawing out litigation will be placed in substantial financial risk if it is determined by the court that equity so requires compensation be paid to the generic manufacturer.

These provisions would not apply to products whose patents would have expired, including any restoration periods under the Hatch-Waxman Act, after June 8, 1998. The purpose of this provision is to prohibit obvious gaming of the system by those who may have submitted generic drug applications far in advance than would have been the case in any normal commercial transaction.

It will be interesting to see once CBO completes its analysis of the FDA data whether some generic firms may have submitted applications for products whose patents expire sometime early in the next century. This hardly strikes me as the type of good-faith activity that seems to be contemplated by the URAA transition rules.

The Judiciary Committee compromise is fair and balanced. I urge all of my colleagues to support it.

I would next like to take just a few moments to explain why I believe that this approach is preferable to the Pryor amendment.

As I have stated on a number of occasions, I have several threshold concerns about the Pryor legislation.

First, it undermines the incentives for biomedical research. Dr. Koop and other leading public health experts recognize that it is only through research that great life-saving and cost-saving medical advances flow. Plain and simple, more research will be conducted under the Judiciary Committee compromise than under the Pryor amendment.

Second, it sets a poor, first example on GATT and will act to encourage our trading partners to drag their feet in implementing the intellectual property provisions of the GATT Treaty. I know the U.S. Trade Representative under the Clinton administration takes a different view but I think former Trade Representative Bill Brock got it exactly right, and I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD as follows:

> It will be difficult, if not impossible, for the United States to force other nations to adhere to the TRIPS agreement if we set this unfortunate precedent. In sum, in exchange for the hope of short term savings, the Pryor proposal could cost all U.S. firms and workers the enormous long term gains we worked so hard to achieve in the Uruguay Round. That is penny wise and pound foolish.

Mr. HATCH. Third, it may subject the Federal Treasury to substantial financial liability under the takings clause of the fifth amendment. On this last point, let me just say that the takings issue was discussed at our February hearing. I was very interested to learn that analysts at CBO have independently raised this issue, so I think it is a very real concern. We should attempt to ensure that it is the generic drug manufacturers and pioneer pharmaceutical firms, respectively, who are financially responsible for paying any court-ordered equitable remuneration and equitable compensation.

In addition to these three major policy concerns that I have just outlined, I also take strong exception to the manner in which Senator PRYOR has attempted to characterize this debate. There are two basic arguments that are repeatedly advanced as justification for the Pryor amendment.

The first is the uneven playing field argument. You have heard it many times in this debate. Somehow only the generic drug industry has not been able to take advantage of the GATT transition rules.

But the truth of the matter is that there are no reported cases of any generic product manufacturer, from any other industry reaching, or for that matter even seeking to reach, the marketplace through the transition rules. If adopted, the Pryor amendment would tilt the playing field by creating a virtually industry-wide advantage being granted to only one industry—the generic drug industry. This can hardly be called leveling the playing field.

The other major argument advanced by the proponents of the Pryor amendment is the alleged unintentional mistake argument. It is said over and over again by my opponents in this debate that adopting the Pryor amendment merely amounts to making a technical correction to achieve an effect that Congress intended all long.

I must say that on the surface this argument has a certain amount of appeal and is easy to understand. The trouble is that it is simply not the borne out by the facts.

It is important for everyone in this body to understand what the Court of Appeals for the Federal circuit found on intent issue last November in the Royce case. Frankly, what they found was that, with my apologies to Gertrude Stein, "there is no there, there." The court said:

> The parties have not pointed to, and we have not discovered, any legislative history on the intent of Congress, at the time of passage of the URAA, regarding the interplay between the URAA and the Hatch-Waxman Act.

There have been many attempts to create after-the-fact legislative history—and additional attempts will no doubt be fabricated in the course of our debate today. But, as with the judges on the Federal Circuit, I am aware of no evidence at the time of passage of the URAA that dispositively resolves, or even hints at resolving, the intent issue in the manner now so frequently, so cavalierly, and—it must be stated—so misleadingly, claimed by my opponents. I know where the bald assertions are but where is the beef? What is this evidence?

Frankly, the intent argument is somewhat galling. How many times has this body debated a supposed technical correction measure, like we did for three hours last December, only to refer the matter back to Committee for further study by a razor thin 49 to 48 vote. Technical correction, my eye.

I am also greatly concerned that the Pryor approach contemplates market entry prior to an opportunity for court resolution of the key determinations surrounding substantial investment and equitable remuneration.

A key principle of the Hatch-Waxman Act, and of section 154(c) of the URAA, is to first determine the rights of the patent holder before a generic competitor may enter the market.

This principle should not be casually set aside.

In contrast to the Pryor amendment, the Judiciary Committee substitute—consistent with the longstanding paragraph 4 certification process under the Hatch-Waxman Act and the plain language of section 154(c)—would respect the innovator's intellectual property by first resolving the substantial investment and equitable remuneration issues.

In this regard, I must register my objection to the recent June 13 letter from Secretary Shalala that seems to interpret the language of section 154(c)(3) as allowing the continuation of infringing activities while the courts resolve the substantial investment and equitable remuneration issues.

This interpretation would be, in my estimation, rejected by the courts because it amounts to de facto compulsory licensing. The protection of prior judicial review is critical.

One of the key reasons why our Nation endorsed the intellectual property provisions of the GATT Treaty—the so-called TRIPS provisions—was to limit the ability of our trading partners to wrongfully devalue American intellectual property through compulsory licensing provisions.

This June 13 administration embrace of compulsory licensing may open up a real can of worms and will send a horrible signal both overseas and to our inventor community here at home.

I have taken too long, I understand. Let me close by simply saying that for the reasons I have given, I hope that my fellow Senators will agree with me that the best course is for the full Senate to adopt the Judiciary Committee compromise. It was hard fought and won in the Judiciary Committee.

It is a fair compromise and one that will benefit the health of the American people and the American public.

Last, but not least, let me just say this: As the author of the Hatch-Waxman bill, this is a very important issue for me. This is something that I believe in or I would not be doing this.

I have been vilified and mistreated and my efforts mischaracterized on this issue. I can live with that, because that has happened to me many times in my political career, as well as to many others here. But I really resent having the issues in this matter mis-characterized in the way some people have done.

I want to say that the generic industry, by and large, has been very fair to me and very decent. I personally appreciate them. I look forward to trying to help them in the future on issues on which they deserve to have help. Unfortunately, this does not happen to be one of those issues.

I hope our colleagues will pay attention to the things that have been said on the floor.

Mr. DODD. Mr. President, I rise today in support of the compromise that the Senator from Utah and chairman of the Judiciary Committee, Senator HATCH, has offered on the GATT pharmaceutical patent issue. I commend him for his leadership on this subject—a subject that is fundamentally an intellectual property issue and that is clearly in the purview of the Senate Judiciary Committee.

This is not the first time we have had this discussion. Earlier this year, the Senator from Arkansas agreed to allow the Senate Judiciary Committee to consider this issue. On February 27 and March 5, the committee held hearings on this issue with a balanced set of witnesses, and reported out a compromise bill on May 2, 1996, on a bipartisan vote of 10 to 7.

The Judiciary Committee bill would allow the FDA to approve a generic drug for marketing prior to expiration of the GATT patent extension, but only after a generic drug manufacturer complied with requirements spelled out in both the GATT implementing law and the generic drug approval process in the 1984 Hatch-Waxman law.

Under this compromise, generic drug manufacturers would not be treated differently than any other generic manufacturer. Like other generic manufacturers, generic drug manufacturers would be required to prove in court that they had made a substantial investment in their product before June 8, 1995. Court determination of substantial investment and the establishment of equitable remuneration to the patent holder is required under the GATT implementing law prior to generic infringement of patents in all industries.

A generic drug company would have to make substantial investments in purchasing land, building a plant, or other capital investments comparable to what generic companies in other industries would have to make in order to qualify under the transition provision. The investment would have to be more than merely the filing of an abbreviated new drug application [ANDA] for regulatory approval with the FDA, although the generic company would be able to include these costs in proving their investment.

At the same time, this compromise provides unique protection to generic drug companies from the cost of potential delays from the court process prior to entering the market. If a generic drug company wins the determination of substantial investment, the court could order the patent holder to compensate the generic company for the delay in selling their product caused by litigation.

What's more, Senators have heard from dozens of patient and physician groups who point out that without the strong patent protections provided by the law, the investments that have yielded critical, life-saving drugs and biomedical products would not have been made. And unless that patent protection is preserved, pharmaceutical companies will have no incentive to continue their vital research.

Indeed, Daniel Perry, executive director of the Alliance for Aging Research wrote that . . .

> Patent rights are the cornerstone of America's biomedical research enterprise. Patents provide a critical incentive for all companies, particularly pioneer pharmaceutical manufacturers, to conduct ground breaking biomedical research.

I would ask unanimous consent that Mr. Perry's and other letters be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1)

Mr. DODD. Mr. President, this is a fair and balanced compromise. The committee took into account the unique benefits generic drug manufacturers receive under the FDA process. Generic drug manufacturers are given the use of the safety and efficacy data that is developed over years of research and at an average cost of $500 million by the brand name pharmaceutical manufacturer. The generic drug industry, in contrast, spends an average of less than $1 million on their products.

The cornerstone of our intellectual property system is that one person or company should not be able to profit unfairly from another's investment, be it in time or money, at the expense of the original person or company. This compromise protects that fundamental right, and I urge my colleagues to support it.

EXHIBIT 1

MAY 20, 1996.

Hon. ORRIN HATCH,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: We are concerned that the Senate may soon consider legislation that would diminish the strong patent terms for pharmaceuticals that resulted when Congress implemented the General Agreement on Tariffs and Trade (GATT). We thank you for your leadership and efforts to preserve strong intellectual property protection. It is vital that all Members of Congress share your understanding of the importance to our patients of strong intellectual property protection, and we ask that you share our concerns with your colleagues.

As gastroenterologists, we have seen first hand the tremendous power of pharmaceutical innovation to forge unparalleled advances in medical care. Prior to the discovery and development of the acid-reducing medicines called H2 antagonists, many patients suffering from peptic ulcer disease had to endure expensive corrective surgery. Since 1977, when the first H2 antagonist was introduced, the incidence of ulcer surgery as well as ulcer-related morbidity has dropped dramatically. This decline in surgery and morbidity has not only benefited our patients, but it has also reduced the overall health care costs for our country since drug therapy is substantially less expensive—not to mention less painful—than ulcer surgery.

The argument in support of changing the GATT patent benefit for pharmaceuticals seems to rest primarily on the potential cost savings to consumers of accelerating the availability of a generic version of one anti-ulcer drug. Such an argument totally ignores the fact that the anti-ulcer marketplace is highly competitive with a wide range of choices, including generics, for patients and physicians.

This argument also ignores the significant cost savings to consumers from advances in medical research. There are new medicines available and coming to the market that can cure peptic ulcer disease. The senior citizen on a fixed income will save far more from the availability of medicines that eradicate the cause of his/her ulcer after a few weeks of therapy than from a less expensive version of a medicine they must continue to take on a daily basis. Fortunately for the patient, the strong patent protection on existing anti-ulcer products has helped fund the research that has made these new medicines possible.

We firmly believe that it is in the best interest of patients to provide strong patent protection. The results of innovative biomedical research funded by patent protection for existing products benefit patients directly. Any attempts to determine the incentives to further research and development is short sighted and leaves patients short changed.

Sincerely,

JOHN H. WALSH, M.D.,
Professor of Medicine, UCLA, Los Angeles, CA.
JAMIE S. BARKIN, M.D.,
Professor of Medicine, Univ. of Miami, Miami, FL.
ROSEMARIE L. FISHER, M.D.,
Professor of Internal Medicine, Yale Univ., New Haven, CT.
STANLEY B. BENJAMIN, M.D.,
Professor of Medicine, Georgetown Univ., Washington, DC.
MALCOLM ROBINSON, M.D.,
Professor of Medicine, Univ. of Oklahoma, Oklahoma City, OK.
JOSEPH W. GRIFFIN, M.D.,
Professor of Medicine, Medical College of Georgia, Augusta, GA.
DAVID L. EARNEST, M.D.,
Professor of Medicine, Univ. of Arizona, Tucson, AZ.
DAVID E. FLEISCHER, M.D.,
Professor of Medicine, Georgetown Univ., Washington, DC.

AMERICAN ASSOCIATION FOR
CANCER RESEARCH, INC.,
New York, NY, October 18, 1995.

Hon. ROBERT DOLE,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: The American Association for Cancer Research (AACR) respectfully requests that you vote against Senator Pryor's effort to reduce patent protection for pharmaceuticals.

The medical researchers in the AACR have devoted their lives to research and innovation in the struggle to eradicate cancer. In this effort, innovative pharmaceuticals and biotechnology products are our most effective tools. Congress steadfast support of scientific discovery and strong patent protection has encouraged the investment in research and development that make these medicines possible. For the sake of patients everywhere, patent protection should not be weakened.

However, Senator Pryor's legislation to reverse the patent protection extended under GATT to one industry asks you to do just that. This bill attempts to grant exceptions to the GATT patent protections; these exceptions if adopted, have the potential to encourage future attempts to further erode patent protections in the United States. We are gravely concerned about the precedent of singling out one industry, especially one that has positioned the United States as the global leader.

The risk of supporting this legislation would be to weaken the incentives for innovation in academia, research institutions, and medical research-based companies. We believe that this will impede our capacity to address the growing epidemic of cancer.

We urge you to use your leadership position to preserve, not destroy, our national capacity to support research and innovation.

Respectfully,

JOSEPH R. BERTINO, M.D.,
President.

ALLIANCE FOR AGING RESEARCH
Washington, DC, October 11, 1995.

Hon. ROBERT DOLE,
Office of the Majority Leader, U.S. Senate, the Capitol Building, Washington, DC.

DEAR SENATOR DOLE: It has come to my attention that, in connection with a proposal sponsored by Senator David Pryor, Congress is considering changes to existing patent law that would erode patent protection in the United States. I ask you to oppose that effort.

America has always sought to protect and foster innovation primarily through our system of patent protection and patent-term restoration. Recently, in accordance with its multilateral obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights negotiated during the Uruguay Round of GATT, Congress amended the Patent Code to harmonize its provisions with international standards. As a result, patent terms for certain eligible products—in all industries—were extended. Under the Pryor proposal, however, Congress would weaken our implementation of GATT's patent provisions.

As the Executive Director of the Alliance for Aging Research, I am concerned by any proposal that would have such an effect. Patent rights are the cornerstone of America's biomedical research enterprise. Patents provide a critical incentive for all companies, particularly pioneer pharmaceutical manufacturers, to conduct ground breaking biomedical research. Patients and their physicians depend upon access to the fruits of biomedical research—access which can only occur if there are adequate incentives for the research to be conducted in the first place. Congress cannot expect the private sector to continue making high-risk investments in research and development if there is no assurance of strong patent protection (and if there is no assurance that the United States will meet its multilateral obligations to provide such protection.)

This is a particularly critical issue for the aging Americans represented by the Alliance. Clearly, the curtailment of biomedical R&D will lead to a downturn in a rate at which biomedical innovations will become available to the public. New incentives for research and innovation such as those provided by GATT must be maintained. Otherwise, Congress will erode the foundations of a system that has made America the leader in the discovery of new medicines.

I urge you to cast your vote in favor of innovation and research for new treatments that will benefit America's elderly.

Best regards,

DANIEL PERRY,
Executive Director.

THE NATIONAL ORGANIZATION ON
FATAL ALCOHOL SYNDROME,
Washington, DC, October 10, 1995.

Hon. BOB DOLE,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DOLE: It has come to my attention that, through an effort by Senator PRYOR, Congress is considering changes to existing law that would chip away at patent protections in the United States, and possibly around the world. I ask you to reject that effort.

This nation has sought to protect and foster innovation since its very beginnings, primarily through our system of patent protections. Most recently, as a result of the General Agreements on Tariffs and Trade, the U.S. changed its patent terms to bring them in line with international standards. Yet Congress is now considering weakening that agreement.

As a member of the National Organization on Fetal Alcohol Syndrome, I find that possibility very disturbing. Patients afflicted with disease look to biomedical research, especially research taking place in America's pharmaceutical industry, for new and better treatments to restore them to health. But this country's huge investments in research and development cannot be maintained without the assurance of strong patent protection, not only in the U.S., but also in other markets around the world.

If Congress begins chipping away at patent protection in the U.S., it begins chipping away at the foundations of a system that has made this country Number One in the world in the discovery of new medicines. It also begins to undermine patent protection standards around the world. And it begins the process of deflating the hopes of millions of patients in this country who depend on medical research to find a cure.

Please, cast your vote in favor of innovation, and against any effort to undermine patent protection in this or any other country around the world.

Sincerely,

PATTI MUNTER,
President.

UNITED PATIENTS' ASSOCIATION
FOR PULMONARY HYPERTENSION, INC.,
Speedway, IN.

Hon. CAROL MOSELEY-BRAUN,
Hart Senate Office Building,
U.S. Senate, Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: I'm writing to you on behalf of 400–500 Americans who suffer from a very rare and very deadly disease known as Primary Pulmonary Hypertension (PPH). Until recently, the best hope for long-term survival from, PPH was through a lung or heart/lung transplant. However, today, thanks to research which dates back to the 1970's, a new drug was recently approved to treat PPH which not only is extending these patients' lives but is allowing them to live full, active and productive lives.

I have learned that some generic companies are now trying to change the law so that they can gain financially by bringing their products to market before the patents on the pioneering companies' products expire. I can attest to the value that research-based companies bring to patients as a result of strong patent protection, and I urge you to oppose these efforts.

While I appreciate the cost savings that generic drugs can offer in the short term, I also know that innovative new therapies for complex, life-threatening diseases will come only from research-based pharmaceutical companies. When it comes to serving patients suffering from deadly orphan diseases like PPH, it is the research-based companies that give us hope.

Glaxo Wellcome recently received approval to market the first medicine that will significantly extend the life, greatly improve the quality of life, and help avoid complex, risky surgery for people suffering from PPH. I know of no generic drug company that would commit the millions of dollars or many, many years of research to discover or develop such a medicine, and it is unlikely that they will ever produce a generic version for a patient population so small. There are many other similar patient populations who depend on the research-based companies to bring these new medicines to market.

The purpose of the General Agreement on Tariffs and Trade (GATT) was to strengthen intellectual property law around the world and bring U.S. intellectual property law into compliance with other industrialized countries. If the GATT resulted in longer patent protection for a few medicines—all of which already face competition from other therapies—that in my view is a benefit for our society.

Our patients have experienced the direct benefits of the tremendous investments that the pharmaceutical industry has made in research and development. Research-based companies need and deserve the incentives provided by strong intellectual property protection. Please do nothing to weaken them.

Sincerely,

JUDITH SIMPSON, R.N., Ed. S.,
President, UPAPH.

AMERICAN SOCIETY OF
TROPICAL MEDICINE AND HYGIENE,
October 13, 1995.

Hon. ROBERT DOLE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR DOLE: The American Society for Tropical Medicine and Hygiene (ASTMH) respectfully asks that you vote against Senator Pryor's effort to reduce patent protection for pharmaceuticals.

The ASTMH members have dedicated their lives to easing the suffering of patients under their care and returning them to health whenever possible. In this effort, modern medicines are among our most effective tools. Congress' steadfast support of strong patent protection has encouraged the investments in research and development that make these medicines possible. For the sake of patients everywhere, those protections should not be weakened.

Yet, legislation which Senators Pryor and Chafee intend to bring to the Senate floor asks you to do just that. They believe that Congress should grant exceptions to the patent protection provided under the General Agreement for Tariffs and Trade, which could encourage future attempts to further erode those protections in the U.S. It would surely encourage other countries to do the same, especially those who are not fully committed to implementing the patent protections required under GATT.

Long-term, we risk weakening the incentives for innovation that bring us new medicines from the labs of academia, research organizations, and pharmaceutical research companies. We risk losing more lives to disease that might otherwise be saved.

We are dedicated to improving the care we provide our patients. Further, our society is dedicated to the research, treatment and eradication of infectious and emerging diseases worldwide. We need to ensure the U.S. capacity to operate in the international arena. We ask that you lend your support by preserving the innovation that helps us to meet that goal. Please demonstrate your support for patent protection and medical innovation by voting against Senator Pryor's amendment.

Sincerely,

CAROLE A. LONG, Ph.D.,
President, ASTMH.

CYSTIC FIBROSIS FOUNDATION,
October 10, 1995.

Hon. ROBERT DOLE,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: I understand Senators Pryor and Chafee are attempting to amend the Hatch-Waxman Act to eliminate extensions for existing pharmaceutical patents granted by GATT. I urge you not to vote for that amendment, but instead to protect existing legislation that preserves incentives for research and development.

As President and Chief Executive Officer of the Cystic Fibrosis Foundation, I have personally witnessed the great suffering endured by patients and their families in their fight against cystic fibrosis. I have also witnessed how, for many patients, modern medicines have brought hope, relief from suffering, and even a return to health—a miracle made possible by biomedical research.

By rewarding ingenuity and encouraging innovation, patent protection makes possible the investment of hundreds of millions of dollars and years of time and effort in medical research, all the while with no guarantee of success. Because of the discoveries born of these investments, the patients we come in contact with every day benefit through saved lives and improved quality of life. Our health care system benefits from a reduction in the overall cost of care.

While we certainly support patient access to lower cost treatments for disease, that short-term benefit pales if it comes at the long-term expense of finding cures to life-threatening illnesses. The current law governing pharmaceutical patents is fair and in the long-term best interest of patients.

On behalf of those patients who still await a cure or effective treatment to alleviate their suffering, I again urge you not to undercut the patent protection that underlies America's best hope for new and better answers to disease.

Sincerely,

ROBERT J. BEALL, Ph.D.,
President and Chief Executive Officer.

ALLERGY AND ASTHMA NETWORK,
MOTHERS OF ASTHMATICS, INC.,
Fairfax, VA, October 12, 1995.

Senator BOB DOLE,
Majority Leader.

DEAR SENATOR DOLE: At a time when health care delivery, research and development are evolving faster than anyone can accurately monitor, Senator Pryor's efforts to lead Congress down a road that chips away at patent protections for U.S. pharmaceutical products will dig a health care grave for Americans.

As the founder of the Allergy and Asthma Network/Mothers of Asthmatics, Inc., a mother of four children, three of whom have asthma, a person who has asthma, and as a member of several NIH and FDA advisory councils. I understand the importance, the bottom line impact, of the hastily constructed and poorly debated proposed changes.

I would be delighted to discuss the magnitude of this issue with you in person or over the phone at your convenience (703-385-4403), however, please vote in favor of a healthier America and against any Pryor and/or Chafee proposals to dilute research and development expenditures. Vote for innovation and oppose any effort to undermine patent protection in this country or any other country.

Sincerely,

NANCY SANDER,
President.

AUTISM SOCIETY OF AMERICA,
Bethesda, MD, October 12, 1995.

Senator BOB DOLE,
U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: I understand Senators Pryor and Chafee are attempting to amend the Hatch-Waxman Act to eliminate extensions for existing pharmaceutical patents granted by GATT. I urge you not to vote for that amendment, but instead to protect existing legislation that preserves incentives for research and development.

While we certainly support patient access to lower cost treatments for disease and disability rehabilitation, that short-term benefit pales if it comes at the long-term expense of finding cures to life-threatening illnesses. The current law governing pharmaceutical patents is fair and in the long-term best interests of patients.

Our organization, representing over 18,000 parents and professionals whose daily lives are touched by autism, has witnessed the great suffering endured by patients and their families in their struggle with autism. I have personally witnessed how, for many children and adults with autism, modern medicines have brought relief from the extreme, often life-threatening behavioral manifestations of autism, resulting in a renewed hope to the families for a better quality of life for their son or daughter. In some instances, the change was dramatic enough that the entire individual's life, and the lives of those family members who love them, have reached a new level of hope and enthusiasm—a "miracle" made possible by biomedical research.

By rewarding ingenuity and encouraging innovation, patent protection makes possible the investment of hundreds of millions of dollars and years of time and effort in medical research * * * all the while with no guarantee of success. Because of the discoveries born of these investments, the patients we come in contact with every day benefit through saved lives and improved quality of life. Furthermore, our health care system benefits from a reduction in the overall cost of care.

The Pryor and Chafee amendment offers a clear choice: a "NO" vote to preserve incentives for innovation that allow that research to continue, or a "YES" vote to undermine the hope of thousands of patients who await the discovery of an effective treatment for disease.

On behalf of those patients everywhere (including some 380,000 individuals with autism) who still await a cure or effective treatment to alleviate their suffering, I again urge you not to undercut the patent protection that underlies America's best hope for new and better answers to disease and life-threatening disabilities.

Sincerely,

SANDRA H. KOWNACKI,
President.

NATIONAL KIDNEY ASSOCIATION,
November 22, 1995.

Hon. CAROL MOSELEY-BRAUN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR MOSELEY-BRAUN: I am writing you as both a constituent, and as the President of the National Kidney Cancer Association. Thank you for your recent vote in support of the enforcement of the General Agreement on Tariffs and Trade (GATT) provision regarding drug patents.

Your action will allow significant pharmaceutical research to continue on numerous diseases, including kidney cancer. As you may be aware, kidney cancer afflicts thousand of individuals each year and at the present time, no cure exists for this disease.

Our greatest hope for a cure is innovative pharmaceutical and biotechnology products, derived from private sector efforts. To find this cure, millions of dollars will have to be spent. It is imperative that Congress provide steadfast support for scientific discovery and strong patent protection for new drugs and therapies. My view is that this new GATT law will encourage further investment in research and development, and make new medicines possible. This new law gives hope to millions around the world, including kidney cancer patients, who currently have no options.

I applaud your courage in opposing efforts to weaken the GATT patent provisions. Keep up the important battle to support research and development of new drugs. Thank you for your determination and insightful leadership.

Sincerely,

EUGENE P. SCHONFELD,
President and CEO.

Mr. THURMOND. Mr. President, the Pryor amendment concerns the complex interrelationship among the GATT Treaty, the Federal Food, Drug and Cosmetic Act, and the Patent Code.

We considered this very issue last December on the Senate floor when Senator PRYOR attempted to have this matter attached to the bill to ban partial birth abortions. The Senate voted at that time to have the Judiciary Committee—that is the committee with proper jurisdiction—to consider this important issue. The Judiciary Committee held a comprehensive hearing on this matter on February 27 of this year and Senator PRYOR testified at that time.

Mr. President, following the hearing in the Judiciary Committee, of which I am a member, the committee amended a proposal similar to Senator PRYOR's amendment with a bipartisan compromise. The Judiciary Committee approved the compromise. This bill will be available for Senate floor consideration in due course. It would be most appropriate to consider Senator PRYOR's amendment at that time. The Department of Defense reauthorization bill is not—and I want to repeat, is not—the proper vehicle on which to debate the Pryor amendment. Unfortunately, we are now having to debate this contentious intellectual property issue.

Our second-degree amendment would reflect a bipartisan compromise agreed upon by the Judiciary Committee. The chairman of the Judiciary Committee, Senator HATCH, has spoken today on the practical effect of this amendment which he drafted with others when this matter was before his committee.

Mr. President, as I noted earlier, this is a very difficult and complex issue which addresses how certain transition rules contained in the Uruguay Round Agreements Act apply to the pioneer pharmaceutical patents which have been extended by the act. The overall approach to this issue is to find an appropriate balance to encourage research and development of breakthrough innovator drugs while making low cost generic equivalents available to the public. The Judiciary Committee approved one approach which many believe reaches the goal of encouraging research and development but also expediting their generic equivalents to the marketplace.

It would be my preference to debate the Pryor amendment when the full Senate turns to consideration of the bill recently approved by the Judiciary Committee. That would seem to me to be the appropriate time to consider the Pryor amendment. Yet, here we are on the Defense bill debating the Pryor amendment in a compressed manner.

We should proceed on this Defense bill, which is vital to our national security.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I know the Senator from Nevada was here ahead of me. If it is all right with him, I will just make a very brief statement.

Mr. BRYAN. By way of response, I am always delighted to hear the enlightened words of my friend from Colorado, and I anxiously await his important comments to the Senate.

Mr. BROWN. I can only wish my wife held me in similarly high esteem. She sometimes finds my talks somewhat too long.

Mr. President, I simply want to add a few words as cosponsor of the Pryor amendment. We have traded it back and forth. I think the distinguished Senator from Arkansas has made a great contribution by bringing this portion of our law up.

It is a complicated area. I would like, with the indulgence of Members, just to briefly try and simplify it, if I can.

We have in the past followed the law. The American law was 17 years of exclusive protection for a patented item. Many countries in the world had a law that said 20 years from the time of filing for that patent. So we differed from the world somewhat. When the trade pact was approved, which this Congress did approve, did ratify, we agreed to go to a system followed by most other countries; that is, 20 years from when you file it instead of 17 years from when it is approved. A modest change.

For some items that are patented, that is, the creator has exclusive protection, that meant they got a longer period of coverage than originally planned, a longer period of coverage than they had when they created the product or invented it, a longer period of coverage than what they budgeted for, a longer period of coverage than what the law said. In other words, when we ratified that treaty and passed the implementing language, we made a retroactive change in the law. Twenty years ago, if you said, "What is the law, what protection do I get?" we changed the law even though you relied on it.

What the GATT Treaty did and we did as a Congress was create an exception that said, look, if you relied on the old law and you invested money in reliance on that law, you should be allowed to compete with that product. So we did give people a serendipitous extension of the patent protection. But we said if someone is harmed by that—that is, they made a substantial investment in competing with you under the terms of the law—we are going to say OK for them, they have a right to compete.

That is all this issue is really about. The issue is whether or not if you as a businessman or businesswoman made an investment in reliance on our law to compete, whether or not you should have a chance to compete.

The way this Congress handled that issue is they drafted a transition rule that said, "Yes, if you made a substantial investment, you relied on that law, you can compete." There was only one product they left out, and that was patented drugs. Every other patented item that this Nation recognizes and gives exclusive protection to got the treatment, got the exception, were allowed to compete if they made a substantial investment. The only one that did not get it was drugs.

Is there a reason to treat drugs differently? I do not think so. That case certainly has not been made in deliberations. The patent protection is not different in length for drugs than it is for anything else in the past. That transition law treated drugs totally different than anything else.

When we inquired about it, all the committees said, "It's an oversight, it's a mistake, we'll correct it." That is all this amendment is. It simply treats drugs the same way we treat everybody else.

How do I feel about it? My sense is that we ought to treat drugs like any other patented item. My sense is, it is only fair if someone has relied on that old law—that is, made an investment, relied on the law—that you honor your obligation. It is the same as giving somebody your word. It is pretty basic. It is pretty simple.

If I say something, and you rely on it, and you invest in reliance on it, I ought to keep my word to you. That is what we did for every other patented item. That is all this amendment does.

Do people who have patented drugs who get a serendipitous 20 additional months, or in that range, oppose the amendment? Of course they do. It is not a surprise. If somebody said, "Here's a check for $100 million"—the money involved in this is big; it is not small; and it may well be in the billions, not millions —of course they are interested in protecting that. I do not fault them. They are defending their rights.

But, Mr. President, our obligation goes much farther than simply helping out a friend or helping out a company that got a serendipitous gift out of this. Our obligation, as Members of the U.S. Senate and Members of Congress, goes to protecting the public.

There is no question that the public benefits by this amendment—no question. There is no question that this is fair because it is the same treatment everybody else got. There is no question that people who relied on the old law and made an investment, in my mind, deserve to be treated like in every other area.

The question is pretty basic. Do you carve out a special gift and exception for a few companies that benefited by this oversight? Or do you treat them the same as everybody else? Mr. President, this Congress ought to be concerned about encouraging competition, not hiding from it. This Congress ought to be concerned about fair treatment.

It is quite true, as the distinguished Senator from Utah indicated, this was considered in Judiciary. It is quite true that the Senator from Utah prevailed. I was unable to persuade the committee of the merits of my position. It is quite true that that measure that he passed is coming out to the floor.

My impression, though, is a bit different than what he described with regard to the condition of the report that is being put together. Our views on it, the views that favor this amendment, have been ready for some time. Certainly we feel that we have played no part in holding up the report. We have been ready to go all this time.

So I appreciate the Senator from Utah raising that point. Inasmuch as there appears to be a misunderstanding about it, we will clear it up this afternoon. Mr. President, let me also extend my thanks to the distinguished Senator from Nevada for his kindness and indulgence. I yield the floor.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I thank the Chair, and I, again, express my appreciation to my colleague from Colorado for an extraordinarily clear and lucid explanation of what must appear to the folks at home, listening to this debate on television, as a very arcane, technical, esoteric kind of an argument. Let me try to distill his thoughts a little further, if I may.

What we are talking about is money, big money, hundreds of millions of dollars, even billions of dollars. When that kind of money is on the table, all kinds of special interests come forward and seek to protect themselves. I want to comment a little bit further on that.

One of my colleagues raised the question as to the propriety of adding this amendment to a Department of Defense authorization bill. I think there is a compelling argument as to why we should do so. The Department of Defense spends each year $900 million on drugs—$900 million. If the amendment authored by the distinguished Senator from Arkansas, of which the Senator from Colorado and I and others are cosponsors, is adopted, we save $30 million each year. So the relevancy of this debate is very much appropriately addressed to a DOD authorization bill.

My colleague from Colorado, I think, did an extraordinary job of explaining the history, and I will not belabor that point other than to make the point, as he did, this industry, the drug industry, through inadvertence and omission, is given separate treatment, separate, distinct and special treatment, that no other industry or product in America receives. It is that inequity that generates the interest of the Senator from Arkansas and others of us to remedy and to correct this.

Our amendment, which was debated sometime last year, had the endorsement of the U.S. Trade Representative, the Patent Office, and the FDA, and would plug this loophole. Since last December, as these windfall profits have continued to accumulate, American consumers, veterans, seniors, and others across the country have continued to pay more than they should pay for certain prescription drugs.

Mr. President, the loophole is open today. We face the same issue. Each and every day, American consumers are paying millions of dollars more than they ought to. So let me suggest, as I view my responsibilities as a Member of this Chamber, it is highly appropriate that we seek to correct this inequity and to provide the relief to which American consumers are entitled and to do so immediately.

When the loophole-closing amendment came to the Senate floor last fall, a vote was taken, a critical vote in which, by a margin of one vote, 48–49 the Senate defeated the amendment that the Senator from Arkansas, the Senator from Colorado and others of our colleagues offered.

A compromise was reached after that vote. The Judiciary Committee would review the GATT treaty problem and report back to the Senate with its recommendation. This was to be a good-faith effort to analyze the issue. It is fair to ask the question, What was the outcome of this review? Well, the Judiciary Committee did report out a substitute bill to our GATT amendment, albeit 5 months after our amendment was voted upon, 5 months in which drug companies have continued to reap windfall profits and 5 months that the American public have been forced to pay higher drug prices than they should have, that the American taxpayer has been required to pay more money for those essential programs offered by the Department of Defense, the Veterans Administration, and other agencies of the Federal Government which purchase prescription drugs on behalf of the clientele which they service.

This substitute is called the Pharmaceutical Industry Special Equity Act of 1996. It has somewhat of an ironic ring to it—the Pharmaceutical Industry Special Equity Act of 1996. Who does it benefit? It benefits the drug industry in a very special way that is inequitable to American consumers and particularly those who are on fixed incomes.

What we are really being asked to support today, in the form of the substitute, is a bill that codifies—in my view codifies —the very GATT treaty mistake that our amendment seeks to correct, a bill that continues the GATT treaty loophole for such drug manufacturers as Glaxco-Wellcome, Inc. and its ulcer/heartburn drug Zantac, the world's best selling drug, which costs twice as much as it should because of this loophole that we seek to close.

More than 100 drugs are being protected from generic drug competition because of this loophole. These include the hypertension drug Capoten, which costs 40 percent more due to the loophole, and the cholesterol-lowering drug Mevacor, the ulcer drug Prilosec, and the antifungal agent drug Diflucan.

It is a bill that ensures that seniors across the Nation will continue to pay more than they should for prescription drugs that they need and that are essential to their health, a bill that ensures taxpayers will pay more than they should to provide prescription drugs for the Medicaid and the veterans medical programs, a bill that creates tremendous legal barriers—in my view, insurmountable barriers—to the generic drug manufacturing industry to ensure that these manufacturers cannot bring to the marketplace lower priced prescription drugs, a bill that ensures the prescription drug manufacturers continue to enjoy their $2.3 billion windfall, plus a bill that extends special patent extensions for two brand name drug companies, Zeneca and Wyeth Ayerst Laboratories, which received a 2-year patent extension for Lodine, its antiinflammatory medicine. What has occurred here? In my view, we have a situation that is worse than before. Not only do some prescription drug companies retain their windfall profits, they are protected from nearly any possibility that any generic manufacturer will be able to compete against them during this extended patent term.

Generic drug manufacturers will be required to prove a substantial investment before being allowed to compete against any brand name drug. The key change, however, is that this substantial investment requirement is being defined much differently, to ensure the generic manufacturers cannot, as a practical matter, compete against any brand-name drug benefiting from the extended patent period under the GATT Treaty.

Before the GATT Treaty, substantial investment was considered to be those expenses and activities involved in developing a submission to compete to the FDA. Under the substitute measure, substantial investment is defined much differently.

In addition, under the substitute bill, a generic manufacturer must prove not only they have a substantial investment, but also they are required to make a determination of the kind of equitable remuneration to the brand name manufacturer before any generic drug can be manufactured.

Mr. President, you do not have to be a rocket scientist to recognize those who are enjoying these windfall profits are not going to be eager to agree as to what equitable remuneration may be. In effect, we create a lawyers' field day to debate what is, in fact, equitable remuneration.

The effect of the change is, first, it will be virtually impossible for any generic manufacturer to meet the new substantial investment standard. Secondly, it will mean that generic manufacturers will be tied up in court proving substantial investment and what is equitable remuneration before they can bring any generic drug to the marketplace. Two obstacles, two hurdles, two barriers that, as a practical matter, are going to be virtually insurmountable.

Who is being forgotten? Who gets hurt in this change? Those Americans particularly that are on a fixed income. That is primarily our senior community. They have been paying and will continue to pay more than they should for lack of a prescription drug alternative.

I am puzzled to think as to why anyone believes it is equitable to force seniors, many on very limited incomes, to pay more for a drug than they should so prescription drug manufacturers can continue to reap the windfall profits that this loophole has created.

I must say I am astonished by the provisions of this Pharmaceutical Industry Special Equity Act—a misnomer, if ever there was one; a special interest provision, if there ever was. My colleagues who talk the virtues of competition in the marketplace surely must find this substitute bill to be a bit beyond the pale.

I remind my colleagues, there is no reason to allow a limited number of prescription drug companies an unintended windfall profit to the detriment of all Americans who depend upon prescription drugs in order to sustain their health. Seniors, veterans, and the most vulnerable in our country cannot fight the brand name pharmaceutical industry on its own. They deserve and need our protection from an industry that is trying to codify a mistake, to perpetuate their windfall profit markets.

I hope my colleagues can see the loophole for the mistake it is and this substitute bill for the larger mistake it would be. We should always remember who is being hurt by the loophole in the State.

We have the ability to end this inequity now. The means to do so is the amendment offered by my distinguished colleague from Arkansas. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

Mr. President, I have found the current controversy to be an extremely complicated one as it has worked its way through the Judiciary Committee in trying to structure an arrangement which would be fair to all sides—fair to those who have made investments in patent pharmaceutical products and fair to those who are relying upon generic drugs.

As has been indicated at some length, we have very substantial investments which were being made to find new pharmaceutical products, to cure many ailments—wonder drugs, so to speak. At the same time, there is an enormously important consideration that generic drugs be available to senior citizens and others who are of modest means, and also to help reduce the tremendous governmental costs involved with health care in America.

The controversy has arisen because of the ambiguity in the term substantial investment and the difficulty in defining equitable remuneration. It is my view that the Congress ought to define those terms, as opposed to leaving the matter to judicial interpretation.

We talk a great deal on the floor of the U.S. Senate about not having judges involved in legislation and about having statutory definitions to express the will of the Congress. This, I think, is a classic case where the Congress really ought to come to grips with the complexities and define what we mean by substantial investment and what we mean by equitable remuneration.

In order to try to reach a resolution of this matter, my staff and I have worked for many months, including long meetings where I have personally participated with representatives from both sides in an effort to try to structure a definition which would be fair and equitable. There has been a consideration that substantial investment would be determined solely by the filing by the generic of the abbreviated new drug application (ANDA) prior to June 8 of 1995.

I am not persuaded that the filing of an ANDA in and of itself is sufficient to constitute a substantial investment. There is a contention that more has to be undertaken in order to constitute the so-called substantial investment.

I have supported the amendment by Senator HATCH in the Judiciary Committee with substantial reservations, waiting until the time the matter reached the floor with the hope we might work out an accommodation among all of the parties. As I have said to the parties privately and also publicly, they have a much firmer handle on the intricacies of these definitions than do we in the Congress. I am still hopeful that a compromise may be worked out.

What I have added to the so-called Hatch substitute is a very tight time line on judicial determination as to what is a substantial investment if we cannot find a legislative definition for substantial investment, and also a provision that any losses sustained by the generic companies for the lack of sales in the interim be compensated by the pharmaceutical companies which have the patents.

Another consideration which I find to be very problematic is the fact this has taken so long. As the distinguished Senator from Arkansas has pointed out, the fact that it takes so long disadvantages the generics and also those who would rely upon the generic products.

I just had a brief conversation with my distinguished colleague from Arkansas, Senator PRYOR, and I told him I thought it might be useful if we had a colloquy on the record. We have had quite a number of conversations and have exchanged correspondence, and at one point several weeks ago Senator PRYOR wrote me a very strong, friendly letter, but a strong letter in the sense of trying to resolve the issue. I responded the very next day because of the importance of the issue. I know the sincerity with which the Senator from Arkansas has dealt with the issue, as, candidly, have we all.

I think it would be useful to discuss with the Senator from Arkansas, the originator of the original legislation, the content of his proposal, which, as I understand it, is to have a determination of substantial investment or the generic filing of the so-called ANDA prior to June 8, 1995.

As I understand it, and I put this in the form of a question to my colleague from Arkansas, is it the intent of his bill that the generic, in order to qualify, would have to establish a substantial investment?

Mr. PRYOR. Mr. President, if I may respond to my friend from Pennsylvania, we all recognize that the question of substantial investment in this particular issue has been of great concern to the Senator from Pennsylvania.

It is true that we have corresponded about this issue. I have attempted to accommodate the Senator's concern in our legislation for a more precise definition of substantial investment. In fact, our original legislation included a provision which very narrowly defined substantial investment. While we, too, sought to provide guidance to the courts, the provision was regrettably attacked by Glaxo and its compatriots as an effort to provide special treatment to their generic competitors. To ensure that all parties understood that our amendment is a simple, straightforward effort to bring a rogue industry into compliance with the rest of the country, we withdrew this language.

Mr. President, as I understand the complex GATT implementing law, the generic competitor has the burden of establishing whether it has made a substantial investment in court. This is my understanding of the present law, and the present law would simply be extended in the area of substantial investment to the inappropriately exempted prescription drug industry if my proposal is adopted.

Mr. SPECTER. Mr. President, if I may follow up on that, I do not fully understand what the Senator from Arkansas just said. Would it be the obligation, then, of the generic manufacturer to show that there had been compliance with the law, that there had been a substantial investment?

Mr. PRYOR. That is absolutely true. The Uruguay Round Agreements Act clearly establishes it is the obligation of the generic competitor to prove a substantial investment before the court. It is the court which determines whether or not a substantial investment has, in fact, been made. This is true for all industries today, except for one.

Mr. SPECTER. Well, since that is the purported intent of the legislation of the Senator from Arkansas, then the sale of the generic could not be made until the court had determined that there was a substantial investment. It is my understanding that the substitute proposed by the distinguished Senator from South Carolina, Senator THURMOND, in collaboration with the distinguished Senator from Utah, Senator HATCH, would do the same thing. The substitute would not accept the filing, but would require the generic manufacturer to go to court and satisfy the court that there had been a substantial investment. Is that not the effect of the legislation of the Senator from Utah?

Mr. PRYOR. Mr. President, I regret I must correct the Senator from Pennsylvania. Both current law and our amendment allows for the sale of generic competitors, contemporaneous to a court determination of substantial investment. In other words, the term substantial investment is defined in the Pryor-Brown-Chafee-Bryan legislation in the present language of the GATT implementing legislation, the Uruguay Round Agreements Act. I thank my colleague for raising a very important point. We are not changing the GATT agreement on substantial investment in any shape, form, or fashion. In fact, by bringing this sole outlier industry into compliance with the rest of the country, one might argue that we are keeping even closer to the spirit and letter of our obligations under that agreement than is the case today.

Mr. SPECTER. Well, if the Senator from Arkansas is prepared to have a judicial determination as to what a substantial investment is before the generic is offered for sale —I see my colleague shaking his head in the negative. I thought that is what the Senator from Arkansas said.

Mr. PRYOR. No, my friend and colleague is mistaken. The present law says that a generic competitor may come onto the marketplace, even though the court has not resolved the issue of whether they have made substantial investment. If, hypothetically, after the generic competitor has entered the marketplace and competed with the patent holder, it is then determined by the court that a substantial investment has not been made, then the court imposes damages upon the generic competitor to render the patent holder whole.

Mr. SPECTER. Well, how is that fee or compensation determined?

Mr. PRYOR. That compensation is determined according to the language of the Uruguay Round Agreements Act, the GATT implementing legislation. On that point, let me reference the letter from the Department of Health and Human Services about the Thurmond-Hatch substitute. This is the agency which would have to implement the substitute. The letter states that "it will be nearly impossible to meet the 'substantial investment' requirement" under the substitute. Elsewhere, it concludes the substitute "defines substantial investment—a matter that the URAA left to the courts—and does so in a manner that would make it virtually impossible for a generic drug company to meet the requirement."

Mr. SPECTER. If the Senator from Arkansas would come back to my question, I am not on the Thurmond-Hatch substitute. My question is on the proposal of the Senator from Arkansas; that is, if you allow the generic to enter the field without a determination by a court of what is a substantial investment, and then, as the Senator from Arkansas said, if there is a later determination that there has not been a substantial investment and the generic company has to pay compensation, how is that compensation determined?

Mr. PRYOR. If I might respond to my colleague, in 35 U.S.C. 284, the situation is this. If, in the extremely unlikely event that a false claim of substantial investment is actually made by a generic competitor coming into the marketplace, the court may award damages in full, plus interest. If for some reason the court felt particularly strongly that the claim of substantial investment was false, fraudulent or otherwise inappropriate, it has further discretion to award treble damages to the patent holder.

Mr. SPECTER. If my colleague will yield, I am not talking about fraud, I am talking simply about a conclusion that there has not been a substantial investment, and then you have a situation where the generic has been selling its product. How is there a determination made as to what the damages are to the pharmaceutical company that has the patent?

Mr. PRYOR. I would answer my colleague with reference to the law as it currently affects every industry but one. The court would determine damages on the basis of lost sales or profits, the length of time expired, and the multitude of other facts which leave the court uniquely suited to make such determinations on a case-by-case basis. I believe that was the compelling logic behind adoption of the GATT language in this respect, and I feel it should be equally compelling for this single, rogue industry.

I would again emphasize that we are not changing the GATT or URAA language as it relates to substantial investment. We are keeping it. We are applying this language to the drug companies, just as it applies to every other company, every other industry, and every other business entity in our country.

Mr. SPECTER. Well, as the Senator from Arkansas outlines, there is going to be a judicial determination, and the question is whether the generic drugs may be sold prior to the time the judicial determination is made, or whether the generic drugs may be sold only after the judicial determination is made.

Under the expedited procedures that I am proposing, it would be a very, very prompt resolution. If the court determines that the generic had a substantial investment and had been denied access to the market for a period of time, then, for the period of time where the generic had been denied access, there would be damages paid. Really, we are very close together, as the Senator and I discussed this, with the essential difference being, who is going to bear the burden of proof in showing substantial investment? Those facts, really, are within the control of the generic manufacturer—after all, it is the generic manufacturer who knows what the generic manufacturer has sold, and it seems to me that there ought to be that determination made.

As I listened to the Senator from Nevada earlier, I understood him to say that there would be a determination of substantial investment prior to the entry into the market of the generic manufacturer. As I had listened to the Senator from Arkansas earlier, it seemed to me that that was the same contention, that there would be a determination of substantial investment prior to the entry by the generic manufacturer.

Mr. PRYOR. As I mentioned earlier, we are not in any way changing the URAA or GATT language. In fact, I look forward to the Senator from Pennsylvania offering language or an amendment to expedite the convoluted process contemplated in the substitute version. I emphasize again the reservations of the Department of Health and Human Services, regarding both the interminable delays in litigation and the unique, unattainable requirements imposed on generic competitors through the substitute version's unworkable definition of substantial investment. And as Professor Levin—I might say, probably known well by the Senator from Pennsylvania—of the University of Pennsylvania has concluded——

Mr. SPECTER. He is a good friend. He is not always necessarily right.

Mr. PRYOR. Professor Levin concluded that the sense-of-the-Senate language in the Hatch substitute purporting to encourage parties to litigate quickly was of little effect. I quote:

> This is laudable sentiment but without legal impact. In short, it evidences recognition of the problem but not an effective solution.

That is from Professor Levin.

So my colleagues and I look forward to the Senator's contribution to this issue. We have already addressed this question with him before. I can say without reservation that any changes proposed in the Senate to expedite litigation under the Hatch-Thurmond substitute would be welcome, as it currently contemplates an entirely unworkable and unbalanced process intended to block competition in the marketplace.

So I look forward to the Senator from Pennsylvania offering that contribution. I look forward to working with him. I agree that we are very close to a meeting of the minds on this particular issue.

Mr. SPECTER. Mr. President, I do intend to pursue the expedited procedure. One of the items that I agree with the Senator from Arkansas on is how much time has passed here. I think that his cause might be advanced by accepting the burden of proof on the generic manufacturer and allowing this litigation to go forward with the provision for expedited procedures, and then damages for any time that the generic manufacturers are denied entry into the market after a substantial investment had been made, as determined in judicial proceedings, because what is happening now is that there have been lengthy proceedings in the Judiciary Committee. We have a very busy calendar.

The managers of this bill want to move ahead with the Department of

Defense authorization bill. But having brought this matter to the floor, it is an important one which merits at least this much discussion. We think that the Members could come to an agreement and find some way to expedite a legislative determination, which even if the burden is shifted to the generics—and they have to establish the judicial determination first—it may be very much more to the Senator's advantage than having this matter go over from today to sometime in the future. And who knows when there will be a determination, given the short year, the election year, the appropriations bills, and all of the work of the Congress will have?

Mr. PRYOR. Mr. President, let me respond. Then I am going to sit down because I am going to Little Rock in just a few minutes.

Mr. SPECTER. Mr. President, maybe I should save my better arguments for later.

Mr. PRYOR. This Senator looks forward to working with him on this matter. We also would like to respond by saying that we hope when the Senator offers an amendment or language in this field, that it will not be a lawyers relief amendment, which the substitute amendment very clearly is in fact and in effect. It would tie up the marketplace in litigation with impossible definitions and insuperable barriers for years and years.

Speaking of expedited procedure, I have been trying since January to get on the floor and have a vote on this amendment—just a simple vote with an hour or 30 minutes equally divided, whether up or down or to table the amendment. But for some reason or another, some of my colleagues on the other side, including some of my very best friends, have prevented this all year.

Before we move forward and before the final vote is cast on this DOD authorization bill, this Senator is going to get a vote on our amendment. We think that it should be voted on. We think that is only fair. And I am going to push for a vote on this proposal on the DOD authorization bill.

The Senator from Pennsylvania probably knows that the Department of Defense buys $900 million worth of prescription drugs every year for servicemen and servicewomen all over the world. They can save $30 million overnight by the passage of the amendment that my colleagues and I have proposed.

I hope our friend and colleague, the Senator from Pennsylvania, will help us find an expedited procedure to bring this amendment to a favorable resolution by letting the Senate vote up or down on it once and for all.

I thank the Senator.

Mr. SPECTER. I thank my colleague for the colloquy. I will try to help him find an expedited procedure. I will not suggest anything that would make a lawyer rich, even though my colleague may be returning to the practice of law after he finishes the distinguished service in this Congress. But it would be my suggestion that Senator PRYOR, Senator HATCH, Senator THURMOND, and the Members sit down and try to work it out, to try to get the parties in the pharmaceutical companies and the generics, where they really understand the intricacies and the facts of the matter, to try to solve this off the floor, because I think that would be in the best interest of the American people.

Mr. KEMPTHORNE. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER (Mr. ABRAHAM). The Kyl amendment No. 4049.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent on behalf of Senator BROWN that he be added as a cosponsor to amendment No. 4055, the Kerrey-McCain amendment regarding compensation for lost commandos.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent to lay aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4089

(Purpose: To waive any time limitation that is applicable to awards of the Distinguished Flying Cross to certain persons)

Mr. KEMPTHORNE. I offer an amendment which would waive the time limitations toward certain declarations for specified persons. I believe the amendment has been cleared on both sides.

The PRESIDING OFFICER. The clerk will report.

The clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE] proposes an amendment numbered 4089.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle D of title V add the following:

SEC. 540. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO SPECIFIED PERSONS.

(a) WAIVER OF TIME LIMITATIONS.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply in the case of awards of decorations as described in subsection (b), the award of each such decoration having been determined by the Secretary of the Navy to be warranted in accordance with section 1130 of title 10, United States Code.

(b) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to awards of the Distinguished Flying Cross for service during World War II as follows:

(1) FIRST AWARD.—First award, for completion of at least 20 qualifying combat missions, to the following members and former members of the Armed Forces:

Vernard V. Aiken of Wilmington, Vermont.
Ira V. Babcock of Dothan, Georgia.
George S. Barlow of Grafton, Virginia.
Earl A. Bratton of Bodega Bay, California.
Herman C. Edwards of Johns Island, South Carolina.
James M. Fitzgerald of Anchorage, Alaska.
Paul L. Hitchcock of Raleigh, North Carolina.
Harold H. Hottle of Hillsboro, Ohio.
Samuel M. Keith of Anderson, South Carolina.
Otis Lancaster of Wyoming, Michigan.
John B. McCabe of Biglerville, Pennsylvania.
James P. Merriman of Midland, Texas.
The late Michael L. Michalak, formerly of Akron, New York.
The late Edward J. Naparkowsky, formerly of Hartford, Connecticut.
A. Jerome Pfeiffer of Racine, Wisconsin.
Duane L. Rhodes of Earp, California.
Frank V. Roach of Bloomfield, New Jersey.
Arnold V. Rosekrans of Horseheads, New York.
Joseph E. Seaman, Jr. of Bordertown, New Jersey.
Luther E. Thomas of Panama City, Florida.
Merton S. Ward of South Hamilton, Massachusetts.
Simon L. Webb of Magnolia, Mississippi.
Jerry W. Webster of Leander, Texas.
Stanley J. Orlowski of Jackson, Michigan.

(2) SECOND AWARD.—Second award, for completion of at least 40 qualifying combat missions, to the following members and former members of the Armed Forces:

Ralph J. Deceuster of Dover, Ohio.
Elbert J. Kimble of San Francisco, California.
George W. Knauff of Monument, Colorado.
John W. Lincoln of Rockland, Massachusetts.
Alan D. Marker of Sonoma, California.
Joseph J. Oliver of White Haven, Pennsylvania.
Arthur C. Adair of Grants Pass, Oregon.
Daniel K. Connors of Hampton, New Hampshire.
Glen E. Danielson of Whittier, California.
Prescott C. Jernegan of Hemet, California.
Stephen K. Johnson of Englewood, Florida.
Warren E. Johnson of Vista, California.
Albert P. Emsley of Bothell, Washington.
Robert B. Carnes of West Yarmouth, Massachusetts.
Urbain J. Fournier of Houma, Louisiana.
John B. Tagliapiri of St. Helena, California.
Ray B. Stiltner of Centralia, Washington.

(3) THIRD AWARD.—Third award, for completion of at least 60 qualifying combat missions, to the following members and former members of the Armed Forces:

Glenn Bowers of Dillsburg, Pennsylvania.
Arthur C. Casey of Irving, California.
Robert J. Larsen of Gulf Breeze, Florida.
William A. Nickerson of Portland, Oregon.
David Mendoza of Mcallen, Texas.

(4) FOURTH AWARD.—Fourth award, for completion of at least 80 qualifying combat missions, to the following members and former members of the Armed Forces:

Arvid L. Kretz of Santa Rosa, California.
George E. McClane of Cocoa Beach, Florida.
Robert Bair of Ontario, California.

(5) FIFTH AWARD.—Fifth award, for completion of at least 100 qualifying combat missions, to the following members and former members of the Armed Forces:

William A. Baldwin of San Clemente, California.

George Bobb of Blackwood, New Jersey.

John R. Conrad of Hot Springs, Arkansas.

Herbert R. Hetrick of Roaring Springs, Pennsylvania.

William L. Wells of Cordele, Georgia.

(6) SIXTH AWARD.—Sixth award, for completion of at least 120 qualifying combat missions, to Richard L. Murray of Dallas, Texas.

AMENDMENT NO. 4090 TO AMENDMENT NO. 4089

(Purpose: To amend title 18, United States Code, with respect to the stalking of members of the Armed Forces of the United States and their immediate families)

Mr. WARNER. Mr. President, I send to the desk an amendment in the second degree.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Virginia (Mr. WARNER), for himself, and Mrs. HUTCHISON, proposes an amendment numbered 4090 to amendment No. 4089.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following new section:

SEC. . MILITARY PERSONNEL STALKING PUNISHMENT AND PREVENTION ACT OF 1996.

(a) SHORT TITLE.—This section may be cited as the "Military Personnel Stalking Punishment and Prevention Act of 1996".

(b) IN GENERAL.—Title 18, United States Code, is amended by inserting after section 2261 the following:

"§ 2261A. Stalking of Members of the Armed Forces of the United States

"(a) IN GENERAL.—Whoever, within the special maritime and territorial jurisdiction of the United States or in the course of interstate travel, with the intent to injure or harass any military person, places that military person in reasonable fear of the death of, or serious bodily injury to, that military person or a member of the immediate family of that military person shall be punished as provided in section 2261.

"(b) DEFINITIONS.—For purposes of this section—

"(1) the term 'immediate family' has the same meaning as in section 115; and

"(2) the term 'military person' means—

"(A) any member of the Armed Forces of the United States (including a member of any reserve component); and

"(B) any member of the immediate family of a person described in subparagraph (A).".

(c) CONFORMING AMENDMENTS.—

(1) Section 2261(b) of title 18, United States Code, is amended by inserting "or section 2261A" after "this section".

(2) Sections 2261(b) and 2262(b) of title 18, United States Code are each amended by striking "offender's spouse or intimate partner" each place it appears and inserting "victim".

(3) The chapter heading for chapter 110A of title 18, United States Code, is amended by inserting "AND STALKING" after "VIOLENCE".

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 110A of title 18, United States Code, is amended by inserting after the item relating to section 2261 the following new item:

"2261A. Stalking of members of the Armed Forces of the United States.".

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the day after the date of enactment of this Act.

Mr. WARNER. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WARNER. Mr. President, this amendment in the second degree I send on behalf of myself and the distinguished Senator from Texas [Mrs. HUTCHISON]. The amendment in the second degree reflects legislation that is badly needed by the whole of the United States. But given certain parliamentary situations at this time, this amendment submitted by myself and Senator HUTCHISON is limited to military personnel and their dependents.

It is my judgment that the Congress has been far too slow to address fully the rising problems associated with the many forms of domestic violence. This amendment directs the Congress' attention to one form, commonly referred to as "stalking." It will enable military personnel and their dependents and families to better deal with this tragic problem, which, regrettably, is on the rise all across our land.

Yesterday I attended a press conference with Senator HUTCHISON, at which time she issued a plea concerning her bill, which is identical in many forms to this bill but applicable to all women across the United States—let her bill go free. It is at the desk, being held at the desk. Yet, all across this great Nation of ours, women every day are in fear for themselves, their families, and their children.

Mr. President, it is time for the Senate of the United States to act. The House has acted, and it is time for the Senate to act.

I have joined with Senator HUTCHISON on her bill, but we were informed—and I say with respect to the managers on the other side of the aisle—that the strongest objection would be issued if Senator HUTCHISON and I were to raise her bill as an amendment to this military authorization bill. Therefore, I, along with Senator HUTCHISON, have carved out from her bill companion legislation which applies to military personnel, their dependents and their families. That is what I have just sent to the desk as an amendment in the second degree.

Military women are in some respects at greater risk than others because so often they are, on the shortest of notice, transferred to other States, other jurisdictions, in a matter of an hour or less, to take on new responsibilities. It is imperative that they be given the maximum protection against this frightful crime.

Further, in my State of Virginia, an integral part of the greater Metropolitan Washington area covering Virginia, Maryland, and District of Columbia, it is a matter of great ease to cross the jurisdictional lines between the three entities. This amendment would provide the most important protection, Mr. President, whereby if a spouse were to obtain a restraining order in a court, that restraining order would be equally effective in other States and jurisdictions.

I want to repeat that. One of the main features of this amendment is to allow that individual menaced by the threat or actuality of stalking to get a court order and to have that court order effective equally in the 49 other States and the District of Columbia.

I bring to the attention of the Senate an article which appeared in the Washington Post just a few days ago dated June 16, 1996. The headline reads "Navy Officer, Husband Die After Shooting at Andrews Air Force Base." This incident happened right here in Maryland. I will read the article in part and ask unanimous consent, Mr. President, the entire article be printed at the end of my presentation of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER [reading]. When military police at Andrews Air Force Base received a warning early yesterday that a man was on his way to the military installation to kill his wife, they raced to close the gates of the base. But a short time later, both husband and wife, a Navy petty officer, lay dead inside their home and an Air Force police officer was seriously wounded. The slain woman was identified by Air Force officials as Melissa Comfort, age 28. Her husband was Michael Comfort, age 34. The couple's two young daughters and another adult who were inside the home for several hours after Michael Comfort arrived were unharmed.

The woman had obtained, Mr. President, a court order. This amendment would provide protection for persons like Petty Officer Comfort and military personnel all over the United States, their spouses and their dependents. It would make it a Federal crime to stalk another person on a military installation. Second, stalkers subject to restraining orders issued in any one State or the District of Columbia would be guilty of a Federal crime if they followed their victim to another jurisdiction and violated the terms of the order. In both of these instances, this amendment would enlist the resources of the Federal Bureau of Investigation to work with local law enforcement in the investigation and such other actions taken by law enforcement in the prosecution of the stalking cases. This amendment would be especially effective for military personnel and their families in this greater metropolitan area, as I stated, because of the close proximity of the three legal jurisdictions.

This extension of the enforcement mechanisms of a court order across State lines is the very heart of this legislation, Mr. President, together with enlisting the very able expertise of the Federal Bureau of Investigation.

This amendment is unquestionably relevant to the issues raised by the annual authorization bill because it is the duty of the Armed Services Committee and the duty of the Senate as a whole to provide military personnel every possible assistance in the prosecution of their duties in wearing the uniform. Protection of military personnel and their families is a key component in maintaining a well-trained and motivated military force. More and more women, fortunately, are joining our Armed Forces. I mention that in the context of the fact that women are by far the primary victims of this type of domestic violence. Congress must, therefore, take care that our support system for which we are responsible—remember, Congress is the one that is responsible for the support system of the U.S. military—is such that they can perform their duties.

Mr. President, I am a strong supporter of S. 1729, the bill that is currently at the desk, sponsored by the distinguished Senator from Texas, Mrs. HUTCHISON, entitled, "Interstate Stalking, Punishment and Prevention Act of 1996." This legislation would do even more to significantly enhance the fabric of laws designed to deter and punish stalking.

First, the measure of the Hutchison bill would make it a Federal crime to stalk another person across State lines or on Federal property. The amendment I am introducing today will address those cases involving the military and their dependents. Hopefully, the Congress will take up the Hutchison bill so that it is applicable to all women. The value of today's procedure is that the Senate will vote on the Warner amendment eventually. It will vote. I predict this vote may well be 100 to nothing, sending the strongest signal that this legislation, which will be adopted for military personnel and their dependents, should be expeditiously adopted for all women across this land.

Stalkers, under both bills, covered by one State's restraining order would face a Federal felony—a Federal felony—if they followed their victims to another State or the District of Columbia and continued to perpetrate the criminal action of stalking.

Third, the relationships other than spouses and ex-spouses would be covered by the Hutchison bill, recognizing abusive relationships can and do happen between persons of the opposite sex who are not married or divorced.

Mr. President, this action by the Congress is long overdue. As I said, the House has acted on a companion piece of legislation to that being held at the desk. There is no reason, in my judgment, why the Senate should not expeditiously act, as has the House of Representatives, to get this bill to the President for signature as quickly as possible.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Washington Post, June 16, 1996]

NAVY OFFICER, HUSBAND DIE AFTER SHOOTINGS AT ANDREWS AIR FORCE BASE

(By Steve Vogel and Arthur Santana)

When military police at Andrews Air Force Base received a warning early yesterday that a man was on his way to the military installation to kill his wife, they raced to close the gates to the base. But a short time later, both husband and wife, a Navy petty officer, lay dead inside their home, and an Air Force police officer was seriously wounded.

The slain woman was identified by Air Force officials as Melissa Comfort, 28. Her husband was Michael Comfort, 34. The couple's two young daughters and another adult, who were inside the home for several hours after Michael Comfort arrived, were unharmed, authorities said.

Just before 2:30 a.m., someone called 911 and reported that Melissa Comfort's life was in danger. Officials have not identified the caller.

After police dispatchers alerted the base about the call, military police sealed off Andrews to try to prevent Michael Comfort from entering, according to Air Force officials. But it is possible that he already may have been on the grounds. Michael Comfort, who is not in the military, did not live with his wife on the base, according to Lt. Karl Johnson, a Navy spokesman, who said Michael Comfort was barred from seeing his wife by a protective order.

"Unfortunately, the individual got in before they locked down, or he jumped the fence," said Mike Beeman, a base spokesman. Beeman said Air Force police took action "moments after" the warning was received.

Two members of Air Force Security Police were sent to check on Melissa Comfort and her daughters in the town house-style duplex in the 4600 block of Maple Court on the western edge of the base. But upon arrival, a man fired a shotgun at the officers, officials said.

"One guy opened fire and then retreated inside the house," Beeman said.

One of the military police officers, security Airman 1st Class Michael Blagoue, was struck in the face and abdomen by shotgun pellets, Johnson said. Blagoue was in stable condition at the base hospital, where he was expected to stay the night, officials said.

The military police fired back at Comfort, Johnson said. "Whether they hit the suspect, we don't know," Beeman said.

Additional gunfire was heard soon afterward from inside the house. Military police surrounded the home and evacuated nearby homes, officials said.

The couple's girls, ages 4 and 2, were inside the home, along with a woman, a family friend who has been stationed overseas. It was not immediately clear whether the woman entered the home before or after Michael Comfort arrived.

"We were told he was holding everybody hostage," Beeman said.

After several hours without contact with anyone inside the town house, police forced their way into the home at 6:10 a.m. and found the friend and the two children unharmed and both Comforts dead from shotgun wounds. Officials could not immediately say why the friend did not try to contact police in the three hours before police entered the home.

"We don't know why they didn't exit the home earlier," Beeman said.

Air Force spokesman could not say in which rooms the dead couple, the children and the friend were found or the location of the children at the time of the shootings.

Johnson said Melissa Comfort, a petty officer second class originally from Fairmont, N.C., who joined the Navy in 1986, was assigned to the Office of Naval Intelligence in Suitland.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, has the Pastore rule expired for the day?

The PRESIDING OFFICER. Yes, it has.

Mr. BYRD. I thank the Chair. Time is not controlled?

The PRESIDING OFFICER. Time is not controlled.

HAPPY BIRTHDAY, WEST VIRGINIA

Mr. BYRD. Mr. President, most people in this city, the majority of my colleagues in this Chamber included, will walk around this harried town today and breathe deeply the sultry air of summer that has settled in upon us, registering only the mingling of Maine Avenue fish markets, tour-bus fumes, and suburban barbecues.

I, however, nudge open my office window and am greeted by the fragrances of breezes that have swept across the Appalachians, up and down the Alleghenies, and have gently settled into the Potomac Valley. My lungs fill with the spicy scents of cool sylvan settings and the sweet bouquet of mountain laurel.

The sounds that most others hear today may be just the clacking of Metro trains, the clamor of commuting workers, and the roar of circling airline traffic.

But through the urban din, I hear the sounds of string bands flowing down the hollows and over the hills, the rush of river rapids, and the laugher of adventurous climbers, scaling Seneca Rocks.

Mr. President, to most, today may mark merely the beginning of another long, sticky summer but to me it is a date that tugs at my soul, calling me home.

This day is the 133rd anniversary of the birth of West Virginia, my beloved home State.

At the time West Virginia was admitted to the Union, America was in the midst of a cruel and bloody civil conflict and West Virginia herself was gripped by a vicious type of guerrilla warfare which saw brothers and sons and neighbors and longtime friends, facing one another across battle lines in mountain skirmishes.

Fortunately, at the war's end, we remained one Nation—bound more strongly than before—and West Virginia, having recovered from her divisive beginnings and settled comfortably into this more solid union, went on to mature into a graceful, independent-minded State.

West Virginia is where I long to be—the land where saffron shafts of sunlight pierce through the early morning mists in spring; where hymns from the religious song books speak louder than guns, and the attendance at family reunions can still swell into the hundreds.

It is a land of hardworking, honest, loyal, patriotic God-fearing people who care about their communities and each other. Since the moment of her birth, West Virginia has undergone great change; yet, as I so often like to boast, she has never lost her grasp on the "old values" that continue to set her apart among the 50 States.

Today, faith resides in her hills just as surely as it did when I was just a boy, living in her southern coal mining communities.

Faith is what has kept us going when hope has been in short supply. But it is hope that shapes our vision of the future and drives us to achieve our dreams.

Mr. President, today, as we celebrate West Virginia's 133d birthday, it is appropriate that we should reflect upon her past. But it is also fitting that we should take this time to measure her progress and look toward her tomorrows.

Therefore, on her birthday, my wish for my State and her people is for the availability of quality education to prepare our workforce for the jobs of the future; access to adequate health care; a continuation of a comfortable quality of life; construction of a more modern, safer transportation infrastructure; and further development of a robust business climate; protection of her natural resources; a comfortable quality of life, and the preservation of those "old values" that will guide her on a successful and honorable path into the next millennium.

While West Virginia may adapt and modernize and enjoy the fruits of economic prosperity, I hope that she will always be the sort of place that fills her native sons and daughters with a longing to be home.

Happy birthday, West Virginia. You are always in my heart.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I thank my friend and colleague.

CHURCH BURNINGS

Mr. PELL. Mr. President, to burn a church is to destroy more than a building. Burning a church strikes at the soul of a community, at it most sacred place. These fires bring terror and tears to communities that often have known all too much of both. And we are all diminished in spirit by the despicable doings of a hate filled few.

Yet even from such a cowardly and vile act, great good has sprung. I note that upon the publicizing of these burnings, there has been an outpouring of support for the beleaguered congregations, both to fund the rebuilding of the churches and to assist in the apprehension of the perpetrators. Reconstruction of the churches has become a community affair, with volunteers from across the Nation.

Those who would burn a church should remember that to do so serves only to awaken a moral imperative to speak out and act against such violence. George Washington reflected the spirit of the Nation when he wrote in a letter to the congregation of Touro Synagogue of Newport, RI, that the Government of the United States "gives to bigotry no sanction, to persecution no assistance." Today, 206 years later, Washington's words echo with renewed fervor across an outraged land.

THE DEATH OF LE MAI, VICE FOREIGN MINISTER OF VIETNAM

Mr. PELL. Mr. President, I wish to note with regret the sudden death last week of Le Mai, the Deputy Foreign Minister of Vietnam. Le Mai hosted me for dinner just 3 weeks ago when I was in Hanoi. I found him to be warm, intelligent, and above all eager to continue the process of improving relations with the United States.

Mai's death comes at a particularly difficult time in Vietnamese politics. The Communist Party is scheduled to hold a crucial party congress at the end of this month, where several important decisions regarding the near future of the country will be made. Mai would have been a strong force pushing Vietnam toward a more open economic system. He told me in Hanoi that Vietnam's biggest mistake so far was imposing a demand economy. He argued that the laws of capitalism "just are" and that Vietnam has developed much since economic reforms were started in the late 1980's. He also would have been a strong force pushing his government toward more friendly relations with the West. He recognized that his country needed political, as well as economic reforms and said he wanted closer relations with the United States in part to help his fellow countrymen better understand our system.

Le Mai was one of the principle architects of the normalization process between the United States and Vietnam and his dedication to moving that relationship further forward was evident in our discussions. He stressed the need for the United States to have an active presence in Southeast Asia, economically, politically and even militarily. He understood the lingering problems that many in both countries have with the bilateral relationship because of the war, but argued that it was important for governments to try to forge policies to get past people's emotions. He recognized, too, the responsibility that he and other leaders in both countries had in creating those policies, telling me that "our generation fought the war, so it is our duty to solve the problems" that resulted from it.

His death is a loss to his country and to the ongoing process of improving relations between our two countries.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

PRIVILEGE OF THE FLOOR

Mr. NUNN. Mr. President, on behalf of Senator JOHNSTON, I request that a member of his staff, Comdr. Paul Gonzales, a congressional fellow, be allowed floor privileges for the duration of debate on the Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. SNOWE. Mr. President, I wish to express my support for S. 1745, the Defense authorization bill for fiscal year 1997. The Armed Services Committee has done an outstanding job by bringing to the full Senate a bill that responsibly addresses this country's national security needs.

Fortunately, the end of the cold war has reduced the most immediate threat of nuclear war. And while it is natural to feel relief that the struggle against Soviet expansionism has been won, it would be naive and short-sighted to conclude that real threats to our Nation's security no longer exist. The end of the cold war has uncapped a host of long-simmering regional conflicts around the globe. Combined with the proliferation of nuclear and missile technology as well as chemical and biological weapons, these limited conflicts carry the potential for far wider consequences. We must recognize that the world is still a dangerous place and that maintaining an adequate level of military preparedness must continue to be a national priority.

The fact is that funding for national defense has been on a dangerous downward track for over a decade. Funding for national defense has fallen by 41 percent in real terms since 1985. The fiscal year 1997 defense budget will be at its lowest level since the Korean war buildup began in 1950.

Even more alarming is the fact that military procurement has dropped by 71 percent over the last 10 years. The practical result is that our service men and women are forced to use aging equipment which will increasingly impair military readiness. The defense budget submitted by President Clinton for fiscal year 1997 would unwisely continue this neglect of our military hardware and would—not for the first time, I might add—postpone spending for critical weapons modernization programs into the future.

The Armed Services Committee deserves credit for crafting a responsible bill that addresses the need for modernization and provides the necessary resources. The $12.9 billion added by the committee to the administration's defense funding request is mainly for additional procurement items including one DDG–51 destroyer, four F–16 fighter planes, six F/A–18's, and one C–17 cargo transport. Nearly 30 percent of the $12.9 billion added by the committee is for accelerated research and development for programs such as missile defense, the new attack submarine, and a new arsenal ship armed with cruise missiles. These add-ons reflect the concerns and priorities of the military services themselves.

While upgrading and modernizing military hardware deserves a high priority, so too does ensuring that our Armed Forces personnel receive the benefits they deserve. The best military equipment in the world is of little value without the highly trained and hard-working service men and women on whom our national defense depends. I am therefore pleased that the fiscal year 1997 Defense authorization bill authorizes a 3-percent military pay raise and a 4-percent increase in the basic allowance for quarters.

Overall, the committee proposes a reasonable level of defense spending in the coming fiscal year, one which I believe acknowledges that defense resources are not unlimited. The committee's recommendation of $267.3 billion in defense spending for fiscal year 1997 is only $2.1 billion above the fiscal year 1996 level in nominal terms. Adjusted for inflation, the committee's recommended defense authorization level is actually $5.6 billion below the current level of defense spending in real terms.

Mr. President, the people of Maine support a strong national defense and they have always been ready to do their part. Maine's Bath Iron Works is one of two private U.S. shipyards that build the Arleigh Burke class destroyer for the Navy. I am pleased that the fiscal year 1997 Defense authorization bill authorizes $3.4 billion for four destroyers in fiscal year 1997 plus $750 million in advance procurement for one additional ship in fiscal year 1998. The advanced procurement for a fiscal year 1998 destroyer is crucial to implementing the Navy's acquisition plan of building three ships per year in each of the 4 years from fiscal year 1998 through fiscal year 2001. As a result of this orderly and efficient procurement plan, the price per ship will drop significantly and the Navy will realize cost savings of $1 billion over the 4-year period.

The bill also adds $45.3 million to continue the Navy's current strength of 13 active and 9 reserve squadrons of P–3 patrol aircraft. Four active and three reserve P–3 squadrons are based at Maine's Brunswick Naval Air Station, the only active military airfield in New England. These squadrons plays an important role in antisubmarine warfare in the North Atlantic sealanes and in the Navy's littoral warfare mission in Europe and the Mediterranean region. One of the active P–3 squadrons based at Brunswick Naval Air Station in Maine is targeted for decommissioning for budgetary reasons, not because there has been any change in the Navy's mission. The funds authorized in this bill will ensure that Brunswick NAS will maintain its current level of four active P–3 squadrons.

Mr. President, S. 1745 embodies a well-balanced approach to our national defense in fiscal year 1997. It preserves our readiness to meet military emergencies, it emphasizes modernization and new weapons procurement, it continues research and development of promising new technologies, and it treats our military personnel fairly. Again, I congratulate the Armed Services Committee on their work, and I urge that the bill be adopted.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY NOMINATIONS

Mr. NUNN. Mr. President, I know the Senator from South Carolina has been working diligently, and he called a hearing. We have a number of very important military nominations out of our committee. They are now pending on the calendar. I know he has also followed that and has been working diligently to try to get all of these nominations approved by the end of business this evening, or certainly by tomorrow.

I both thank him for that, and I emphasize to all of our colleagues how important it is. Many of these positions need to be filled now. We have had these nominations before us for the appropriate time. We have looked into them on the committee. They are very top officials that will be going to various and important positions all over the world.

We have General Kadish, U.S. Air Force, who is one of these.

We have General Kross. General Kross will be going to TRANSCOM.

We have a number of Army nominations.

We have General Tilelli, to be the top military official in a very, very important and volatile part of the world, Korea. He wears two hats, both in U.S. Army and the U.N. Command.

We have General Wesley Clark in the SOUTHCOM position—enormously important.

We have a number of U.S. Army Reserve officers: General Bergson, General Caton, General Kropp, General O'Connell, Colonel Deloatch, to be major generals; Colonel Diamond, to be brigadier general; Colonel Gilley, Colonel Gilliam, Colonel Roan, Colonel Rossi, and Colonel Simmons, to be brigadier generals.

We have Lt. Gen. David Bramlett going to FORCEM, another very important position, commanding all of our Army forces in the United States.

We have General Schoomaker.

We have a number of Marine Corps generals:

Brigadier General Braaten; Brigadier General DeLong; Brigadier General Hanlon; Brigadier General Higginbotham; Brigadier General Karamarkovich; Brig. Gen. Jack Klimp;

Maj. Gen. Carol Mutter, she will become the head of manpower in the Marines Corps. She will also became the highest ranking female to serve not only in the Marine Corps but also in the history of our military. I have met her, have talked to her, and have followed her career—an enormously important general.

I will not name all of these, but I guess the first thing I would like to say to my chairman, Senator THURMOND, is that I appreciate his diligence in trying to get these nominations through, and I hope that we will be able to get all of them through this evening.

I certainly urge my colleagues who may have questions about any of the nominees or have any concerns about the nominees, to basically come to the floor and let us know and state their concerns, and let us see if we cannot follow them and get all of these nominations through.

I think it is important for them to go through. I believe, if any of them do not go through, that it is very important for the leadership of the Senate to schedule a debate and let us debate them. If there are any concerns about any of them, I think we ought to debate it, get the concern out on the floor and have the Senate vote on it.

That would be my hope. I believe the Senator from South Carolina will share that hope.

Mr. THURMOND. Mr. President, these nominations have been before us for quite a time. They all meet the requirements. They should be approved. They are needed in their respective services. I hope that we could get those up as quickly as possible and get them approved.

There is one that is being objected to by a Senator. Maybe we can act on the rest of them. I would like to see all of them acted on, including that one. But maybe we can act on the rest of them so they can go about performing their duties.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. NUNN. Mr. President, there was a unanimous-consent request that was submitted today asking that all amendments be filed today or not be in order. That unanimous-consent request was not agreed to. It is my strong hope, though, that we will be able to have that kind of unanimous-consent request agreed to early next week.

I serve notice on our side of the aisle that we would like all amendments filed by 4 o'clock next Tuesday afternoon. I have talked to the chairman about this. I have talked to the majority leader, Senator LOTT, about this. It is certainly my intention to do everything possible to get that kind of unanimous-consent agreement early next week.

So I serve notice today to all our colleagues, particularly those on the Democratic side of the aisle, from my perspective, that I will do everything in my power to help Senator THURMOND, and the leaders on both sides of the aisle, in their efforts to move this bill next week. The way to do that is to have all amendments that are going to be considered on this bill in by Tuesday at 4 o'clock.

It is my understanding that the majority leader would like to pass this bill next week, as well as the Defense appropriations bill. We have gotten bogged down on nongermane amendments now. It is my hope we can get back on Defense amendments, stick to those and get this bill done next week.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, there is no more important legislation before this Congress than to get this Defense authorization bill passed. We have been pleading with the Members to come in with their amendments. They have been delayed, delayed. Now the time has come to act.

We ask everyone who has an amendment to come forward and present their amendment by Tuesday at 4 o'clock. We are going to begin acting. We would like to have the amendments all in at that time. I urge all of the Members to do that, especially those on the Republican side. Senator NUNN has spoken about the Democratic side. He and I are working together. We are working together for the good of the country with this bill. It is nonpartisan.

We want to get action. We want to get results. We want to help this Nation. To do it, we ought to pass this Defense authorization bill as soon as possible.

Mr. President, I also want to commend our able majority leader for all he is doing to help us get this bill passed. He was a member of this committee at one time, a very stalwart, able member. I am sure he will continue his commitment on this bill. We thank him very much.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I thank the distinguished chairman for those comments. I enjoyed my 8 years on the committee. I will always feel like I am a part of it. As usual, I will continue to take orders and directions from the Senator from South Carolina and the Senator from Georgia, as I have just been doing to try to find ways to move this bill and get some votes and also get some of the issues that really should not be on this bill to be handled in some other way. I am going to work with the distinguished Democratic leader to make sure we do that.

I, too, want to say Members should have their amendments ready. I am glad we are going to move on Tuesday to get that list. We have already notified our Members on our hot line system today as if a unanimous-consent agreement was reached, even though it was not, to get their amendments in. We really need to press that point. I know the Democratic leader is going to be working on that, too. We will work with you.

We are determined we are going to get this bill done before there is any Fourth of July recess. We made a commitment to go out next Friday, but we have work to do, and we are going to get it done next week, even if we do have to stay late at night.

Mr. THURMOND. I think it is well for them to understand, we are going to take no recess until we get this bill accomplished.

Mr. LOTT. Mr. President, I do have some requests now we would like to work through with the Democratic leader.

MORNING BUSINESS

NOMINATION OF KEITH R. HALL

Mr. COHEN. Mr. President, I would like to take this opportunity to endorse the nomination of Mr. Keith R. Hall to be Assistant Secretary of the Air Force for Space. I have known Mr. Hall since 1983, when I was first appointed to serve on the Senate Intelligence Committee. I came to know Mr. Hall particularly well during the period from 1987 to 1990, when I served as the vice chairman of the Intelligence Committee. During that period, the chairman and I relied heavily on Mr. Hall for assessments of the arcane programmatics surrounding the President's budget submissions for the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the National Reconnaissance Office. Throughout this period, Mr. Hall demonstrated exceptional knowledge and expertise, unflagging energy and integrity, and a truly nonpartisan spirit of cooperation with myself and other members of the minority party on the committee.

In 1991, Mr. Hall left the Intelligence Committee to become the Deputy Assistant Secretary of Defense for Intelligence and Security in the Office of the Secretary of Defense. By all accounts, he served very ably in that position, instituting new procedures to try and eliminate potentially wasteful duplication between national and tactical intelligence programs. From May 1995, until February of this year, Mr. Hall served as the Executive Director for Intelligence Community Affairs. In that position, Mr. Hall was directly responsible to the Director of Central Intelligence for developing the President's National Foreign Intelligence Program. I think it came as no surprise to anyone that Secretary Deutch brought Mr. Hall with him from the Defense Department when he became Director of Central Intelligence.

As my colleagues are aware, the National Reconnaissance Office has been the target of substantial controversy in recent years as a result of the costs associated with its new headquarters as well as the accumulation of a vast excess of carry-forward funds that accumulated in various accounts in recent years. Inevitably, these controversies have damaged the morale of the organization, notwithstanding the numerous spectacular achievements of the NRO. There is no doubt in my mind that Mr. Hall will be forthright in all of his dealings with Congress; that he will ensure there is no repetition of such controversies; and that he will be able to maintain and effectively manage the careful cooperation between the Intelligence Community and Defense Department that is necessary for the effective operation of the National Reconnaissance Office.

Mr. Hall has earned the confidence of officials at all levels of the administration and he certainly earned my confidence during his able service on the staff of the Senate Intelligence Committee. He is an outstanding individual and I urge my colleagues to support his nomination.

I ask unanimous consent that a copy of Mr. Hall's complete résumé be printed in the RECORD.

There being no objection, the résumé was ordered to be printed in the RECORD, as follow:

KEITH R. HALL, DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE

Keith R. Hall was appointed Deputy Director, National Reconnaissance Office (NRO) and Acting Director, NRO on 27 February 1996. Prior to his appointment, Mr. Hall had served as Executive Director for Intelligence Community Affairs, assuming that position in May 1995. In this capacity he led a community staff which reported directly to the Director of Central Intelligence providing advice and assistance to the Director in planning and executing his Community management responsibilities. Mr. Hall was then principal architect and co-chairman of the Intelligence Program Review Group process. He was also co-chairman of the Security Policy Forum and with the Vice Chairman Joint Chiefs of Staff, directed the study group which proposed the creation of the Imagery and Mapping Agency.

Mr. Hall has been involved in United States intelligence in various capacities since 1970. He served nine years in Army intelligence where he was assigned to various signals and human intelligence positions, including two tours in which he commanded overseas operational intelligence units. In 1979, having been nominated and competitively selected as a Presidential Management Intern, he resigned from the Army and was appointed to the Office of Management and Budget where he was the budget examiner for the Central Intelligence Agency until 1983.

From 1983 to 1991, Mr. Hall served in a variety of professional staff positions with the Senate Select Committee on Intelligence, eventually serving as Deputy Staff Director. In that capacity, he had primary responsibility for supporting Committee members in the annual budget authorization process involving all United States intelligence activities. As a member of the Committee's senior staff, he also played a key role in other Committee activities including oversight of intelligence programs, interaction with other Congressional and Executive Branch elements, and review of intelligence-related legislation.

From 1991 until his appointment as Executive Director for Intelligence Community Affairs, Mr. Hall served as the Deputy Assistant Secretary of Defense for Intelligence and Security in the Office of the Secretary of Defense. His responsibilities included policy development, resource management, and oversight for all Defense intelligence, counterintelligence, and security activities. In this capacity he served as Chairman of the National Counterintelligence Policy Board and Co-Chairman of the Intelligence Systems Board.

He received his BA in History and Political Science from Alfred University and a Masters in Public Administration from Clark University. Mr. Hall has received several military awards and decorations; the Director of the Office of Management and Budget Award for Professional Achievement, the Central Intelligence Agency Gold Seal Medallion, and the Secretary of Defense Award for Distinguished Civilian Service.

FOREIGN OIL CONSUMED BY THE UNITED STATES? HERE'S WEEKLY BOX SCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending June 14, the United States imported 8,400,000 barrels of oil each day, 400,000 barrels less than the 8,800,000 barrels imported during the same week a year ago.

Americans relied on foreign oil for 57 percent of their needs last week. Before the Persian Gulf War, the United States obtained about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? U.S. producers provide jobs for American workers. Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 8,400,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, I think so often of that November evening long ago, in 1972, when the television networks reported that I had won the Senate race in North Carolina. It was 9:17 in the evening and I recall how stunned I was.

I had never really anticipated that I would be the first Republican in history to be elected to the U.S. Senate by the people of North Carolina. When I got over that, I made a commitment to myself that I would never fail to see a young person, or a group of young people, who wanted to see me.

I have kept that commitment and it has proved enormously meaningful to me because I have been inspired by the estimated 60,000 young people with whom I have visited during the 23 years I have been in the Senate.

A large percentage of them are greatly concerned about the total Federal debt which back in February exceeded $5 trillion for the first time in history. Congress created this monstrous debt which coming generations will have to pay.

Mr. President, the young people who visit with me almost always are inclined to discuss the fact that under the U.S. Constitution, no President can spend a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

That is why I began making these daily reports to the Senate on February 25, 1992. I decided that it was important that a daily record be made of the precise size of the Federal debt which, at the close of business yesterday, Wednesday, June 19, 1996, stood at $5,120,985,354,306.65. On a per capita basis, the existing Federal debt amounts to $19,316.20 for every man, woman, and child in America on a per capita basis.

The increase in the national debt in the 24 hours since my report yesterday—which identified the total Federal debt as of close of business on Tuesday, June 18, 1996—shows an increase of more than $2 billion—$2,784,604,782.12, to be exact. That 1-day increase alone is enough to match the total amount needed to pay the college tuition for each of the 412,901 students for 4 years.

NOMINATION OF ALICE M. RIVLIN

Mr. ABRAHAM. Mr. President, earlier this afternoon, I joined 40 Republicans to oppose the nomination of Alice Rivlin to the Board of Governors of the Federal Reserve. I wanted to take a moment now to explain my vote.

Let me emphasize that my vote should not reflect personally on Dr. Rivlin. Instead, it was exclusively based upon the manner in which the Clinton administration has not been forthcoming regarding its budget submission for fiscal year 1997.

As has been made clear in previous debates, in order to reach balance by the year 2002, the Clinton budget would require dramatic discretionary spending cuts in 2001 and 2002. These cuts would affect programs across the Government, including veterans' health care, medical research, and WIC.

Subsequent to the submission of this budget, several Cabinet Secretaries testified before Congress that the spending cuts required under the President's budget were subject to renegotiation on a yearly basis and should not be taken literally. In other words, the President's own appointees, who helped put his budget together, were claiming that the policies necessitated by that budget were not going to be pursued.

As Director of the Office of Management and Budget, Dr. Rivlin has been requested to account for the conflict between the President's budget and the testimony of his Cabinet Secretaries. As of this afternoon, however, Dr.

Rivlin has been unable to provide what would be termed, in my opinion, as a suitable explanation. That is why I opposed her nomination.

Before I yield the floor, Mr. President, let me make myself clear. I have no misgivings about Dr. Rivlin's fitness or ability to fill the position to which the President has nominated her. Instead, my vote reflects my dismay at Congress' inability to get a straight answer from the administration about whether it stands behind its budget submission or not.

FORMER ALABAMA SENATOR JEREMIAH DENTON AND THE DENTON AMENDMENT PROGRAM

Mr. HEFLIN. Mr. President, former Alabama Senator Jeremiah Denton was recently honored at a luncheon and conference here on Capitol Hill for a significant amendment he sponsored and secured passage of in 1984. The event honoring Senator Denton was hosted jointly by our colleague Senator DEWINE of Ohio and Matthew:25 Ministries in Cincinnati, which operates a relief program for schools, orphanages, and clinics in Nicaragua.

This amendment passed as a part of the Defense authorization bill on October 19, 1984. It allowed, for the first time, the shipment of humanitarian goods from non-profit groups free of charge on military planes on a space-available basis. These goods include school, medical, and agricultural supplies and range from hospital beds to pencils.

Congress approved the legislation in order to resolve various legal questions involved in such shipments and in order to take advantage of unused space on military vessels in Central America in times of crisis. It has since been expanded to encompass most of the world, and to date, more than 10 million pounds of goods have been shipped to needy countries. In fiscal year 1995, the program was used to transport approximately 2 million pounds of humanitarian goods to 21 different countries. It is now known widely as the Denton Amendment Program. Senator Denton was a member of the Armed Services Committee while in the Senate.

Groups such as Gay Construction of Decatur, AL, have used the program to ship 40,000 pounds of medical and school supplies to orphans in Albania. The Episcopal Diocese of Mississippi used it in March 1995 to send 4,000 pounds of medical supplies and clothing to a small village in the Honduras.

Under the Denton program, the Department of Defense pays for the extra fuel used by its planes due to the heavier loads. The U.S. Agency for International Development pays for inspection costs, which are usually very small, and the Department of State monitors compliance of shipments to be certain they are consistent with American foreign policy initiatives.

Senator Denton was once a Navy pilot who was shot down over Vietnam on July 18, 1965. He spent 7½ years as a prisoner-of-war in a camp in Vietnam. He first received national attention during a 1966 interview his captors arranged with a Japanese television station. During this interview, he defied his captors' order to condemn American policy, saying he would support the U.S. Government's position as long as he lived. He also blinked the word "torture" in Morse code into the camera. The message, which was picked up by Naval intelligence officers, was the first confirmation that American POW's were being beaten and generally mistreated by the North Vietnamese. Senator Denton's ordeal was documented in his book, "When Hell Was in Session," which was also made into a movie.

As a military pilot and naval aviator, he had seen the poverty that existed in many countries, especially in Central America. He also knew that there was often empty space on cargo flights and that pilots often made "dry runs" in order to maintain their edge. When he put these facts together, the idea for his amendment came rather easily.

I commend and congratulate former Senator Denton for his strong leadership roles in both the Armed Forces and in the U.S. Senate. I also salute him for the tremendous sacrifices he made for his country during the Vietnam war. The Denton Amendment Program is an outstanding example of how the concern and efforts of one individual can make a real difference in the world.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 12:03 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 1136. An act to control and prevent commercial counterfeiting, and for other purposes.

H.R. 3029. An act to designate the United States courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse."

The enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

At 4:19 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3005. An act to amend the Federal securities laws in order to promote efficiency and capital formation in the financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation.

H.R. 3107. An act to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

MEASURES REFERRED

The following concurrent resolution, previously received from the House of Representatives, was read and referred as indicated:

H. Con. Res. 187. Concurrent resolution expressing the sense of Congress with respect to recent church burning; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following measure was placed on the calendar:

H.R. 3107. An act to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 3525. An act to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3077. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled "Educational Assistance for Members of the Selected Reserve," (RIN2900-AE43) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC-3078. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled "Invention by Employees of Department of Veterans Affairs," (RINAI03) received on June 10, 1996; to the Committee on Veterans' Affairs.

EC-3079. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled "Educational Assistance Programs and Service Members Occupational Conversion and Training Act Program," (RIN2900-AH31) received on June 13, 1996; to the Committee on Veterans' Affairs.

EC–3080. A communication from the President of the Kennedy Center for the Performing Arts, transmitting, pursuant to law, the annual report of the Kennedy Center for 1995; to the Committee on Rules and Administration.

EC–3081. A communication from the Assistant General Counsel, Department of Education, transmitting, pursuant to law, a rule relative to the William D. Ford Federal Direct Loan Program, (RIN1840–AC19) received on June 13, 1996; to the Committee on Labor and Human Resources.

EC–3082. A communication from the Assistant General Counsel, Department of Education, transmitting, pursuant to law, a rule relative to the report entitled "Bilingual Education: Graduate Fellowship Program," (RIN1885–AA21) received on June 13, 1996; to the Committee on Labor and Human Resources.

EC–3083. A communication from the Assistant General Counsel, Department of Education, transmitting, pursuant to law, a rule relative to the report entitled "Fund for the Improvement of Education: Elementary School Mathematics and Science Equipment Program," received on June 18, 1996; to the Committee on Labor and Human Resources.

EC–3084. A communication from the Director, Regulations Policy, Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Revocation of Obsolete Regulations," received on June 17, 1996; to the Committee on Labor and Human Resources.

EC–3085. A communication from the Director, Regulations Policy, Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Revocation of Certain Regulations Affecting Food," received on June 12, 1996; to the Committee on Labor and Human Resources.

EC–3086. A communication from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting, pursuant to law, a rule relative to Personal Protective Equipment for Shipyard Employment (PPE), (RIN1218–AA74) received on June 12, 1996; to the Committee on Labor and Human Resources.

EC–3087. A communication from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting, pursuant to law, a rule entitled "Interpretive Bulletin 96–1 Relating to Participant Investment Education," (RIN1210–AA50) received on June 12, 1996; to the Committee on Labor and Human Resources.

EC–3088. A communication from the Labor Member of the Railroad Retirement Board, transmitting, supplemental correspondence expressing strong support for the bill (S. 1552) to amend the Railroad Retirement Act to permit payment of annuities to certain surviving divorced spouses who are not currently entitled to benefits; to the Committee on Labor and Human Resources.

EC–3089. A communication from the Deputy Executive Director and Chief Operating Officer of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule relative to the valuation of plan benefits in single-employer plans, received on June 11, 1996; to the Committee on Labor and Human Resources.

EC–3090. A communication from the Acting Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the report of settlements for calendar year 1995; to the Committee on the Judiciary.

EC–3091. A communication from the Acting Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, a draft of proposed legislation entitled "The Enhanced Prosecution and Punishment of Armed Dangerous Felons Act of 1996"; to the Committee on the Judiciary.

EC–3092. A communication from the Chairperson of the U.S. Commission on Civil Rights, transmitting, a statement condemning the wave of arson attacks that have damaged or destroyed more than 30 African American churches in recent months; to the Committee on the Judiciary.

EC–3093. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Agency's report under the Freedom of Information Act for calendar year 1995; to the Committee on the Judiciary.

EC–3094. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–279 adopted by the Council on May 7, 1996; to the Committee on Governmental Affairs.

EC–3095. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting, pursuant to law, a rule relative to additions to the procurement list, received on June 18, 1996; to the Committee on Governmental Affairs.

EC–3096. A communication from the Director of the Office of Government Ethics, transmitting, pursuant to law, the rule concerning Public Financial Disclosure, Conflicts of Interest, and Certificates of Divestiture for Executive Branch Officials, received on June 18, 1996; to the Committee on Governmental Affairs.

EC–3097. A communication from the Deputy Associate Administrator for Acquisition Policy, Office of Policy, Planning, and Evaluation, General Services Administration, transmitting, pursuant to law, a report of final and interim revisions to the Federal Acquisition Regulation, received on June 7, 1996; to the Committee on Governmental Affairs.

EC–3098. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3099. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3100. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the rule regarding notification of foreign government personnel, received on June 7, 1996; to the Committee on Foreign Relations.

EC–3101. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a rule relative to shipping and seamen, received on June 10, 1996; to the Committee on Foreign Relations.

EC–3102. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential Determination relative to the Assistance Program for Russia; to the Committee on Foreign Relations.

EC–3103. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–3104. A communication from the Assistant Secretary of Policy, Management and Budget, Department of the Interior, transmitting, pursuant to law, a final rule entitled "Department of the Interior Regulation System; Solicitation Provisions and Contract Clauses," (RIN1090–AA56) received on June 13, 1996; to the Committee on Energy and Natural Resources.

EC–3105. A communication from the Assistant Secretary of Policy, Management and Budget, Department of the Interior, transmitting, pursuant to law, a final rule entitled "Department of the Interior Acquisition Regulations; Forms," (RIN1090–AA57) received on June 13, 1996; to the Committee on Energy and Natural Resources.

EC–3106. A communication from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting, pursuant to law, three final rules including a rule entitled "Public Use Regulations for the Alaska Peninsula," (RIN1018–AD30, 1024–AC27, 1024–AC42) received on June 13, 1996; to the Committee on Energy and Natural Resources.

EC–3107. A communication from the Secretary of Energy, transmitting, pursuant to law, the report of the "Program Update 1995" for the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 1477. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes (Rept. No. 104–284).

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996" (Rept. No. 104–285).

By Mr. STEVENS, from the Committee on Appropriations, without amendment:

S. 1894. An original bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes (Rept. No. 104–286).

By Mr. BURNS, from the Committee on Appropriations, with amendments:

H.R. 3517. A bill making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for fiscal year ending September 30, 1997, and for other purposes (Rept. No. 104–287).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 3364. A bill to designate a United States courthouse in Scranton, Pennsylvania, as the "William J. Nealon United States Courthouse".

By Mr. STEVENS, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 704. A bill to establish the Gambling Impact Study Commission.

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

S. 1636. A bill to designate the United States Courthouse under construction at 1030 Southwest 3rd Avenue, Portland, Oregon, as the "Mark O. Hatfield United States Courthouse," and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HELMS, from the Committee on Foreign Relations:

Treaty Doc. 103–35 Bilateral Investment Treaty between the United States and Jamaica (Exec. Rept. 104–11).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the United States of America and Jamaica Concerning the Reciprocal Encouragement and Protection of Investment, with Annex and Protocol, signed at Washington on February 4, 1994 (Treaty Doc. 103–35).

Treaty Doc. 103–36 Bilateral Investment Treaty between the United States and Belarus (Exec. Rept. 104–12).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the United States of America and the Republic of Belarus Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, Protocol, and Related Exchange of Letters, signed at Minsk on January 15, 1994 (Treaty Doc. 103–36). The Senate's advice and consent is subject to the following declaration, which the President, using existing authority, shall communicate to the Republic of Belarus, in connection with the exchange of the instruments of ratification of the Treaty:

(1) It is the Sense of the Senate that the United States:

(a) supports the Belarusian Parliament and its essential role in the ratification process of this Treaty;

(b) recognizes the progress made by the Belarusian Parliament toward democracy during the past year;

(c) fully expects that the Republic of Belarus will remain an independent state committed to democratic and economic reform; and

(d) believes that, in the event that the Republic of Belarus should unite with any other state, the rights and obligations established under this agreement will remain binding on that part of the Successor State that formed the Republic of Belarus prior to the union.

Treaty Doc. 103–37 Bilateral Investment Treaty between the United States and Ukraine (Exec. Rept. 104–13).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the United States of America and Ukraine Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Related Exchange of Letters, done at Washington on March 4, 1994 (Treaty Doc. 103–37).

Treaty Doc. 103–38 Bilateral Investment Treaty between the United States and Estonia (Exec. Rept. 104–14).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Estonia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, done at Washington on April 19, 1994 (Treaty Doc. 103–38).

Treaty Doc. 104–10 Bilateral Investment Treaty between the United States and Mongolia (Exec. Rept. 104–15).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the United States of America and Mongolia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on October 6, 1994 (Treaty Doc. 104–10).

Treaty Doc. 104–12 Bilateral Investment Treaty between the United States and Latvia (Exec. Rept. 104–16).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Latvia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on January 13, 1995 (Treaty Doc. 104–12).

Treaty Doc. 104–13 Bilateral Investment Treaty between the United States and Georgia (Exec. Rept. 104–17).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Georgia Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, signed at Washington on March 7, 1994 (Treaty Doc. 104–13).

Treaty Doc. 104–14 Bilateral Investment Treaty between the United States and Trinidad and Tobago (Exec. Rept. 104–18).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Trinidad and Tobago Concerning the Encouragement and Reciprocal Protection of Investment, with Annex, with Protocol, signed at Washington on September 26, 1994 (Treaty Doc. 104–14).

Treaty Doc. 104–19 Bilateral Investment Treaty between the United States and Albania (Exec. Rept. 104–19).

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Albania Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on January 11, 1995 (Treaty Doc. 104–19).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS:

S. 1894. An original bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. GRASSLEY:

S. 1895. A bill to amend the Internal Revenue Code of 1986 to allow certain cash rent farm landlords to deduct soil and water conservation expenditures; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT:

S. Res. 267. A resolution to make changes in Committee membership for the 104th Congress; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY:

S. 1895. A bill to amend the Internal Revenue Code of 1986 to allow certain cash rent farm landlords to deduct soil and water conservation expenditures; to the Committee on Finance.

TAX LEGISLATION

• Mr. GRASSLEY. Mr. President, I introduce important tax legislation to improve our Nation's soil conservation and water quality. This measure will extend the conservation expense income tax deduction to farmers who improve soil and water conservation and rent that farmland to family members on a cash basis. This legislation builds upon an existing and successful income tax provision that applies to similar improvements on share-crop rentals. I encourage my colleagues to cosponsor this legislation and thereby endorse an environmental tax policy that uniformly encourages conservation improvements on our Nation's farms.

Among all of our Nation's farmland, 4 out of 5 acres in the United States rely on private landowners and tenants to care for the natural resources. Even though all farmers should be encouraged to become good stewards of the land, current tax policy does not provide incentives to help all private landowners and tenants to make conservation improvements that are consistent with environmental policy. On the one hand, farm landlords operating on a share-crop basis are rewarded with an income tax deduction for soil and water conservation improvements. However, cash rent landlords who make the same conservation improvements are denied a similar income tax deduction. My legislation will eliminate this inequality.

Mr. President, 43 percent of our Nation's farmland is rented. Of that farmland, 35 percent is rented on a share-crop basis, and 65 percent is rented on a cash basis. Share-crop rentals are arrangements where landlords typically contribute the real estate and improvements, and tenants contribute the labor. Cash rentals are also arrangements where landlords usually contribute the real estate and improvements. However, the landlords also contribute labor since these agreements are many times within a family farm environment.

To further compare, share-crop landlords may deduct certain costs paid or incurred for the treatment or moving of earth for soil and water conservation such as leveling, conditioning, grading, and terracing farmland. Likewise, share-crop landlords may also deduct costs incurred to build and maintain drainage ditches and earthen dams. Cash rentals, however, are not provided a tax deduction even though they practice similar conservation methods. In other words, with the substance between these rentals being often the same, the tax treatment of conservation expenses is vastly different.

Mr. President, it may surprise you to know that many family farmers are cash rent landlords. The life cycle of a family farm is one where aging parents gradually pass the family farm to their sons or daughters. In many cases, because the children cannot initially afford to purchase the family farms from their parents, a parent-child business relationship often starts out as a rental. Sometimes it is a share-crop rental, other time they agree to a cash rent relationship.

Unfortunately, our tax and environmental policy toward these two relationships remains irrational. If a landlord share-crops with a stranger, then that landlord can deduct conservation expenditures. However, if a widowed farm-wife cash rents farmland to her daughter and watches over the grandchildren while she is in the field, the grandmother cannot deduct conservation expenditures. Furthermore, a retired father who cash rents to his son and provides labor assistance during harvest is denied a conservation tax deduction.

I believe that our tax policy should encourage and reward sound soil conservation practices regardless of the situation of the farmers. At a minimum, our tax policy should reward family farmers who make long term soil conservation improvements to any of their farmland. In fact, these sound conservation practices have already aided many farmers in reducing our level of soil erosion. The USDA reported in its 1992 Natural Resources Inventory that soil erosion has decreased by 1 billion tons annually. The USDA attributes one half of that decrease to improved conservation efforts by farmers. Nonetheless, our Nation's tax policy requires that family farmers on a cash rent basis bear much of the expense of this successful environmental policy. My legislation fixes this problem. Surely, it will yield even further soil and water conservation of our Nation's most valuable non-renewable resource, farmland.•

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the names of the Senator from Washington [Mrs. MURRAY], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Virginia [Mr. ROBB], the Senator from Massachusetts [Mr. KERRY], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 704

At the request of Mr. SIMON, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 1489

At the request of Mrs. MURRAY, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 1489, a bill to amend the Wild and Scenic Rivers Act to designate a portion of the Columbia River as a recreational river, and for other purposes.

S. 1703

At the request of Mr. MURKOWSKI, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1703, a bill to amend the Act establishing the National Park Foundation.

S. 1802

At the request of Mr. THOMAS, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1802, a bill to direct the Secretary of the Interior to convey certain property containing a fish and wildlife facility to the State of Wyoming, and for other purposes.

S. 1843

At the request of Mr. INHOFE, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1843, a bill to provide for the allocation of funds from the Mass Transit Account of the Highway Trust Fund, and for other purposes.

S. 1890

At the request of Mr. KENNEDY, the names of the Senator from Virginia [Mr. ROBB], the Senator from Florida [Mr. GRAHAM], and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of S. 1890, a bill to increase Federal protection against arson and other destruction of places of religious worship.

S. 1893

At the request of Mrs. BOXER, her name was added as a cosponsor of S. 1893, a bill to provide for the settlement of issues and claims related to the trust lands of the Torres-Martinez Desert Cahuilla Indians, and for other purposes.

SENATE RESOLUTION 85

At the request of Mr. CHAFEE, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of Senate Resolution 85, a resolution to express the sense of the Senate that obstetrician-gynecologists should be included in Federal laws relating to the provision of health care.

SENATE RESOLUTION 263

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of Senate Resolution 263, a resolution relating to church burning.

AMENDMENT NO. 4055

At the request of Mr. KEMPTHORNE the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of amendment No. 4055 proposed to S. 1745, an original bill to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SENATE RESOLUTION 267—TO MAKE CHANGES IN COMMITTEE MEMBERSHIP FOR THE 104TH CONGRESS

Mr. LOTT submitted the following resolution; which was considered and agreed to:

S. RES. 267

Resolved, That notwithstanding any provision of the Standing Rules of the Senate, the following Senators are either added to or removed from the following committees for the 104th Congress, or until their successors are appointed:

Added to:

Armed Services: The Senator from Kansas [Mrs. FRAHM];

Banking, Housing, and Urban Affairs: The Senator from Kansas [Mrs. FRAHM];

Finance: The Senator from Mississippi [Mr. LOTT];

Governmental Affairs: The Senator from New Mexico [Mr. DOMENICI];

Agriculture, Nutrition and Forestry: The Senator from Texas [Mr. GRAMM];

Rules and Administration: The Senator from Mississippi [Mr. LOTT];

Budget: The Senator from Florida [Mr. MACK].

Removed From:

Armed Services: The Senator from Mississippi [Mr. LOTT];

Banking, Housing and Urban Affairs: The Senator from New Mexico [Mr. DOMENICI];

Governmental Affairs: The Senator from Colorado [Mr. BROWN]; and

Budget: The Senator from Mississippi [Mr. LOTT].

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

GRAMM (AND OTHERS) AMENDMENT NO. 4083

Mr. GRAMM (for himself, Mr. ROTH, Mr. INOUYE, Mr. LOTT, Mr. CRAIG, Mrs. HUTCHISON, Mr. THURMOND, Mr. REID, Mr. INHOFE, Mr. ROBB, Mr. MCCONNELL, and Mr. WARNER) proposed an amendment to the bill (S. 1745) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

At the end of title VII, add the following:

SEC. 708. PLANS FOR MEDICARE SUBVENTION DEMONSTRATION PROGRAMS.

(A) PROGRAM FOR ENROLLMENT IN TRICARE MANAGED CARE OPTION.—(1) Not later than September 6, 1996, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress and the President a report that sets forth a specific plan and the Secretaries' recommendations regarding the establishment of a demonstration program under which—

(A) military retirees who are eligible for medicare are permitted to enroll in the managed care option of the Tricare program; and

(B) the Secretary of Health and Human Services reimburses the Secretary of Defense from the medicare program on a capitated basis for the costs of providing health care services to military retirees who enroll.

(2) The report shall include the following:

(A) The number of military retirees projected to participate in the demonstration program and the minimum number of such participants necessary to conduct the demonstration program effectively.

(B) A plan for notifying military retirees of their eligibility for enrollment in the demonstration program and for any other matters connected with enrollment.

(C) A recommendation for the duration of the demonstration program.

(D) A recommendation for the geographic regions in which the demonstration program should be conducted.

(E) The appropriate level of capitated reimbursement, and a schedule for such reimbursement, from the medicare program to the Department of Defense for health care services provided enrollees in the demonstration program.

(F) An estimate of the amounts to be allocated by the Department for the provision of health care services to military retirees eligible for medicare in the regions in which the demonstration program is proposed to be conducted in the absence of the program and an assessment of revisions to such allocation that would result from the conduct of the program.

(G) An estimate of the cost to the Department and to the medicare program of providing health care services to medicare eligible military retirees who enroll in the demonstration program.

(H) An assessment of the likelihood of cost shifting among the Department and the medicare program under the demonstration program.

(I) A proposal for mechanisms for reconciling and reimbursing any improper payments among the Department and the medicare program under the demonstration program.

(J) A methodology for evaluating the demonstration program, including cost analyses.

(K) An assessment of the extent to which the Tricare program is prepared to meet requirements of the medicare program for purposes of the demonstration program and the provisions of law or regulation that would have to be waived in order to facilitate the carrying out of the demonstration program.

(L) An assessment of the impact of the demonstration program on military readiness.

(M) Contingency plans for the provision of health care services under the demonstration program in the event of the mobilization of health care personnel.

(N) A recommendation of the reports that the Department and the Department of Health and Human Services should submit to Congress describing the conduct of the demonstration program.

(b) FEASABILITY STUDY FOR PROGRAM FOR ENROLLMENT IN TRICARE FEE-FOR-FEE-SERVICE OPTION.—Not later than January 3, 1997, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress and the President a report on the feasibility and advisability of expanding the demonstration program referred to in subsection (a) so as to provide the Department with reimbursement from the medicare program on a fee-for-service basis for health care services provided medicare-eligible military retirees who enroll in the demonstration program. The report shall include a proposal for the expansion of the program if the expansion is determined to be advisable.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated in section 301, $75,000,000 shall be made available to carry out the demonstration program referred to in subsection (a) if Congress authorizes the program by the end of the Second Session of the 104th Congress.

THE SENATE CAMPAIGN FINANCE REFORM ACT OF 1996

GREGG AMENDMENT NO. 4084

(Ordered referred to the Committee on Rules and Administration.)

Mr. GREGG submitted an amendment intended to be proposed by him to the bill (S. 1219) to reform the financing of Federal elections, and for other purposes; as follows:

At the appropriate place, insert:

SEC. . WRITTEN CONSENT REQUIRED TO USE UNION DUES AND OTHER MANDATORY EMPLOYEE FEES FOR POLITICAL ACTIVITIES.

(a) IN GENERAL.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by adding at the end the following new paragraph:

"(8)(A) No dues, fees, or other moneys required as a condition of membership in a labor organization or as a condition of employment shall be collected from an individual for use in activities described in subparagraph (A), (B), or (C) of paragraph (2) unless the individual has given prior written consent for such use.

"(B) Any consent granted by an individual under subparagraph (A) shall remain in effect until revoked and may be revoked in writing at any time.

"(C) This paragraph shall apply to activities described in paragraph (2)(A) only if the communications involved expressly advocate the election or defeat of any clearly identified candidate for elective public office."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts collected more than 30 days after the date of the enactment of this Act.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

CRAIG (AND OTHERS) AMENDMENT NO 4085

Mr. CRAIG (for himself, Mr. KEMPTHORNE, Mr. DOMENICI, Mr. BINGAMAN, Mr. MURKOWSKI, and Mr. JOHNSTON) proposed an amendment to the bill, S. 1745, supra; as follows:

On page 446, after line 12, insert the following subtitle:

Subtitle E.—Waste Isolation Pilot Plant Land Withdrawal Act Amendments."

SECTION 1. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Waste Isolation Pilot Plant Land Withdrawal Amendment Act".

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Waste Isolation Pilot Plant Land Withdrawal Act (Public Law 102-579).

SEC. 2. DEFINITIONS.

Paragraphs (18) and (19) of section 2 are repealed.

SEC. 3. TEST PHASE AND RETRIEVAL PLANS.

Section 5 and the item relating to such section in the table of contents are repealed.

SEC. 4. MANAGEMENT PLAN.

Section 4(b)(5)(B) is amended by striking "or with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.)".

SEC. 5. TEST PHASE ACTIVITIES.

Section 6 is amended—

(1) by repealing subsections (a) and (b),

(2) by repealing paragraph (1) of subsection (c),

(3) by redesignating subsection (c) as subsection (a) and in that subsection—

(A) by repealing subparagraph (A) of paragraph (2),

(B) by striking the subsection heading and the matter immediately following the subsection heading and inserting "STUDY.—The following study shall be conducted:",

(C) by striking "(2) REMOTE-HANDLED WASTE.—",

(D) by striking "(B) STUDY.—",

(E) by redesignating clauses (i), (ii), and (iii) as paragraphs (1), (2), and (3), respectively, and

(F) by realigning the margins of such clauses to be margins of paragraphs,

(5) in subsection (d), by striking ", during the test phase, a biennial" and inserting "a" and by striking ", consisting of a documented analysis of" and inserting "as necessary to demonstrate", and

(6) by redesignating subsection (d) as subsection (b).

SEC. 6. DISPOSAL OPERATIONS.

Section 7(b) is amended to read as follows:

"(b) REQUIREMENTS FOR COMMENCEMENT OF DISPOSAL OPERATIONS.—The Secretary may commence emplacement of transuranic waste underground for disposal at WIPP only upon completion of—

"(1) the Administrator's certification under section 8(d)(1) that the WIPP facility will comply with the final disposal regulations;

"(2) the acquisition by the Secretary (whether by purchase, condemnation, or otherwise) of Federal Oil and Gas Leases No. NMNM 02953 and No. NMNM 02953C, unless the Administrator determines, under section 4(b)(5), that such acquisition is not required; and,

"(3) the expiration of the 30-day period beginning on the date on which the Secretary notifies Congress that the requirements of section 9(a)(1) have been met.".

SEC. 7. ENVIRONMENTAL PROTECTION AGENCY DISPOSAL REGULATIONS.

(a) SECTION 8(d)(1).—Section 8(d)(1) is amended—

(1) by amended subparagraph (A) to read as follows:

"(A) APPLICATION FOR COMPLIANCE.—Within 30 days after the date of the enactment of the Waste Isolation Pilot Plant Land Withdrawal Amendment Act, the Secretary shall provide to Congress a schedule for the incremental submission of chapters of the application to the Administrator beginning no later than 30 days after such date. The Administrator shall review the submitted chapters and provide requests for additional information from the Secretary as needed for completeness within 45 days of the receipt of each chapter. The Administrator shall notify Congress of such requests. The schedule shall call for the Secretary to submit all chapters to the Administrator no later than October 31, 1996. The Administrator may at any time request additional information from the Secretary as needed to certify, pursuant to subparagraph (B), whether the WIPP facility will comply with the final disposal regulations."; and

(2) in subparagraph (D), by striking "after the application is" and inserting "after the full application has been".

(b) SECTION 8(d)(2), (3).—Section 8(d) is amended by striking paragraphs (2) and (3), by striking "(1) COMPLIANCE WITH DISPOSAL REGULATIONS.—", and by redesignating subparagraphs (A), (B), (C), and (D) of paragraph (1) as paragraph (1), (2), (3), and (4), respectively.

(c) SECTION 8(g).—Section 8(g) is amended to read as follows:

"(G) ENGINEERED AND NATURAL BARRIERS, ETC.—The Secretary shall use both engineered and natural barriers and any other measures (including waste form modifications) to the extent necessary at WIPP to comply with the final disposal regulations.".

SEC. 8. COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS.

(a) SECTION 9(a)(1).—Section 9(a)(1) is amended by adding after and below subparagraph (H) the following: "With respect to transuranic mixed waste designated by the Secretary for disposal at WIPP, such waste is exempt from treatment standards promulgated pursuant to section 3004(m) of the Solid Waste Disposal Act (42 U.S.C. Sec. 6924(m)) and shall not be subject to the land disposal prohibitions in section 3004(d), (e), (f), and (g) of the Solid Waste Disposal Act.".

(b) SECTION 9(b).—Subsection (b) of section 9 is repealed.

(c) SECTION 9(c)(2).—Subsection (c)(2) of section 9 is repealed.

(d) SECTION 14.—Section 14 is amended—

(1) in subsection (a), by striking "No provision" and inserting "Except for the exemption from the land disposal restrictions described in section 9(a)(1), no provision"; and

(2) in subsection (b)(2), by striking "including all terms and conditions of the No-Migration Determination" and inserting "except that the transuranic mixed waste designated by the Secretary for disposal at WIPP is exempt from the land disposal restrictions described in section 9(a)(1)".

SEC. 9. RETRIEVABILITY.

(a) SECTION 10.—Section 10 is amended to read as follows:

"SEC. 10. TRANSURANIC WASTE.

"It is the intent of Congress that the Secretary will complete all actions required under section 7(b) to commence emplacement of transuranic waste underground for disposal at WIPP no later than November 30, 1997.".

(b) CONFORMING AMENDMENT.—The item relating to section 10 in the table of contents is amended to read as follows:

"Sec. 10. Transuranic waste.".

SEC. 10. DECOMMISSIONING OF WIPP

Section 13 is amended—

(1) by repealing subsection (a), and

(2) in subsection (b), by striking "(b) MANAGEMENT PLAN FOR THE WITHDRAWAL AFTER DECOMMISSIONING.—Within 5 years after the date of the enactment of this Act, the" and inserting "The".

SEC. 11. ECONOMIC ASSISTANCE AND MISCELLANEOUS PAYMENTS.

(a) Section 15(a) is amended by adding at the end the following: "An appropriation to the State shall be in addition to any appropriation for WIPP.".

(b) $20,000,000 is authorized to be appropriated in fiscal year 1997 to the Secretary for payment to the State of New Mexico for road improvements in connection with the WIPP.

HATFIELD (AND WYDEN) AMENDMENT NO. 4086

(Ordered to lie on the table.)

Mr. HATFIELD (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by them to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title XXXI, add the following:

SEC. 3161. PARTICIPATION OF STATE OF OREGON IN REMEDIAL ACTIONS AT HANFORD RESERVATION, WASHINGTON.

(a) PARTICIPATION.—For purposes of remedial actions at the Hanford Reservation, Washington, under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), the State of Oregon shall also be treated as the State in which Hanford Reservation is located under subparagraphs (D), (E), (G), and (H) of section 121(f)(1) of that Act (42 U.S.C. 9621(f)(1)).

(b) MEMORANDUM OF UNDERSTANDING.—The State of Oregon may enter into a memorandum of understanding with the State of Washington, the Site Manager of the Hanford Reservation, and the Administrator of the Environmental Protection Agency in order to address issues of mutual concern to such States regarding the Hanford Reservation. The entry into such a memorandum shall not delay the implementation of section 121 of that Act with respect to the Hanford Reservation.

HATFIELD AMENDMENTS NOS. 4087–4088

(Ordered to lie on the table.)

Mr. HATFIELD submitted two amendments intended to be proposed by him to the bill, S. 1745, supra; as follows:

AMENDMENT NO. 4087

At the end of subtitle D of title X add the following:

SEC. 1044. DEMOCRACY STABILIZATION FINANCIAL ASSISTANCE PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a program to support the strengthening of constitutional democracy in established and emerging democracies throughout the world through the awarding of grants for support of programs for the promotion of education in civics and government in the democratic tradition.

(b) PROGRAMS SUPPORTED.—The Secretary may award a grant to an organization for support of a 5-year program conducted by that organization that promotes cooperation in civics and government education by educational leaders, teacher trainers, scholars in disciplines related to civics and government, educational policy-makers, private citizens, business leaders, and government officials who are of established and emerging democracies and are dedicated to democracy.

(c) MAXIMUM NUMBER OF GRANTS.—The Secretary may award up to four grants under the program.

(d) ELIGIBLE GRANT RECIPIENTS.—To be eligible for award of a grant under this section an organization shall be experienced in the following:

(1) The development and implementation of civics and government education curricula for students in kindergarten through twelfth grade throughout the United States, whether the experience is gained through work with local educational agencies, State educational agencies, or private educational institutions.

(2) The development and implementation of cooperative university-based, college-based, or other school-based in-service training programs for civics and government teachers at the kindergarten through twelfth grade levels.

(3) The administration of international exchange programs for the study of civics and government which involve exchanges of educational leaders, teacher trainers, scholars in disciplines related to civics and government, educational policymakers, private citizens, business leaders, and government officials among established and emerging democracies.

(e) GRANT AGREEMENT.—The Secretary and the recipient of a grant shall enter into an agreement that sets forth such terms and conditions for the use of the grant funds as the Secretary of Defense may prescribe.

(f) USIA INVOLVEMENT.—(1) The Secretary of Defense shall—

(A) obtain the concurrence of the Director of the United States Information Agency in the design of the program under this section; and

(B) consult with the Director in the awarding of grants to particular recipients, including the making of determinations of eligibility and the specification of terms and conditions of grant agreements under subsection (e).

(2) The Director of the United States Information Agency shall have particular responsibility for ensuring that—

(A) programs assisted under this section are not duplicative of other efforts; and

(B) any foreign institutions involved in such programs are creditable.

(g) OVERSIGHT COMMITTEE.—(1) The Secretary of Defense and the Director of the United States Information Agency shall jointly establish a committee for oversight of the grant program under this section. The committee shall be composed of an equal number of representatives of each such official.

(2) The oversight committee shall prescribe the following:

(A) The specifications for solicitations of grant proposals.

(B) The eligibility criteria (consistent with subsection (d)).

(C) The process for reviewing grant proposals, including the criteria for selection of proposals for grant award.

AMENDMENT NO. 4088

At the end of subtitle F of title 10 add the following:

SEC. 1072. NATIONAL WAR AND PEACE COLLEGE.

(a) DESIGNATION OF NATIONAL WAR AND PEACE COLLEGE.—The National War College (located as of the date of the enactment of this Act at Fort McNair, District of Columbia) is redesignated as the "National War and Peace College".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the National War College shall be deemed to be a reference to the National War and Peace College.

KEMPTHORNE AMENDMENT NO. 4089

Mr. KEMPTHORNE proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of subtitle D of title V add the following:

SEC. 540. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO SPECIFIED PERSONS.

(a) WAIVER OF TIME LIMITATION.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply in the case of awards of decorations as described in subsection (b), the award of each decoration having been determined by the Secretary of the Navy to be warranted in accordance with section 1130 of title 10, United States Code.

(b) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to awards of the Distinguished Flying Cross for service during World War II as follows:

(1) FIRST AWARD.—First award, for completion of at least 20 qualifying combat missions, to the following members and former members of the Armed Forces:

Vernard V. Aiken of Wilmington, Vermont.
Ira V. Babcock of Dothan, Georgia.
George S. Barlow of Grafton, Virginia.
Earl A. Bratton of Bodega Bay, California.
Herman C. Edwards of Johns Island, South Carolina.
James M. Fitzgerald of Anchorage, Alaska.
Paul L. Hitchcock of Raleigh, North Carolina.
Harold H. Hottle of Hillsboro, Ohio.
Samuel M. Keith of Anderson, South Carolina.
Otis Lancaster of Wyoming, Michigan.
John B. McCabe of Biglerville, Pennsylvania.
James P. Merriman of Midland, Texas.
The late Michael L. Michalak, formerly of Akron, New York.
The late Edward J. Naparkowsky, formerly of Hartford, Connecticut.
A. Jerome Pfeiffer of Racine, Wisconsin.
Duane L. Rhodes of Earp, California.
Frank V. Roach of Bloomfield, New Jersey.
Arnold V. Rosekrans of Horseheads, New York.
Joseph E. Seaman, Jr. of Bordentown, New Jersey.
Luther E. Thomas of Panama City, Florida.
Merton S. Ward of South Hamilton, Massachusetts.
Simon L. Webb of Magnolia, Mississippi.
Jerry W. Webster of Leander, Texas.
Stanley J. Orlowski of Jackson, Michigan.

(2) SECOND AWARD.—Second award, for completion of at least 40 qualifying combat missions, to the following members and former members of the Armed Forces:

Ralph J. Deceuster of Dover, Ohio.
Elbert J. Kimble of San Francisco, California.
George W. Knauff of Monument, Colorado.
John W. Lincoln of Rockland, Massachusetts.
Alan D. Marker of Sonoma, California.
Joseph J. Oliver of White Haven, Pennsylvania.
Arthur C. Adair of Grants Pass, Oregon.
Daniel K. Connors of Hampton, New Hampshire.
Glen E. Danielson of Whittier, California.
Prescott C. Jernegan of Hemet, California.
Stephen K. Johnson of Englewood, Florida.
Warren E. Johnson of Vista, California.
Albert P. Emsley of Bothell, Washington.
Robert B. Carnes of West Yarmouth, Massachusetts.
Urbain J. Fournier of Houma, Louisiana.
John B. Tagliapiri of St. Helena, California.
Ray B. Stiltner of Centralia, Washington.

(3) THIRD AWARD.—Third award, for completion of at least 60 qualifying combat missions, to the following members and former members of the Armed Forces:

Glenn Bowers of Dillsburg, Pennsylvania.
Arthur C. Casey of Irving, California.
Robert J. Larsen of Gulf Breeze, Florida.
William A. Nickerson of Portland, Oregon.
David Mendoza of McAllen, Texas.

(4) FOURTH AWARD.—Fourth award, for completion of at least 80 qualifying combat missions, to the following members and former members of the Armed Forces:

Arvid L. Kretz of Santa Rosa, California.
George E. McClane of Cocoa Beach, Florida.
Robert Bair of Ontario, California.

(5) FIFTH AWARD.—Fifth award, for completion of at least 100 qualifying combat missions, to the following members and former members of the Armed Forces:

William A. Baldwin of San Clemente, California.
George Bobb of Blackwood, New Jersey.
John R. Conrad of Hot Springs, Arkansas.
Herbert R. Hetrick of Roaring Springs, Pennsylvania.
William L. Wells of Cordele, Georgia.

(6) SIXTH AWARD.—Sixth award, for completion of at least 120 qualifying combat missions, to Richard L. Murray of Dallas, Texas.

WARNER (AND HUTCHISON) AMENDMENT NO. 4090

Mr. WARNER (for himself and Mrs. HUTCHISON) proposed an amendment to the bill, S. 1745, supra; as follows:

At the end of the amendment, add the following new section:

SEC. . MILITARY PERSONNEL STALKING PUNISHMENT AND PREVENTION ACT OF 1996.

(a) SHORT TITLE.—This section may be cited as the "Military Personnel Stalking Punishment and Prevention Act of 1996".

(b) IN GENERAL.—Title 18, United States Code, is amended by inserting after section 2261 the following:

"§ 2261A. Stalking of members of the Armed Forces of the United States

"(a) IN GENERAL.—Whoever, within the special maritime and territorial jurisdiction of the United States or in the course of interstate travel, with the intent to injure or harass any military person, places that military person in reasonable fear of the death of, or serious bodily injury to, that military person or a member of the immediate family of that military person shall be punished as provided in section 2261.

"(b) DEFINITIONS.—For purposes of this section—

"(1) the term 'immediate family' has the same meaning as in section 115; and

"(2) the term 'military person' means—

"(A) any member of the Armed Forces of the United States (including a member of any reserve component); and

"(B) any member of the immediate family of a person described in subparagraph (A).".

(c) CONFORMING AMENDMENTS.—

(1) Section 2261(b) of title 18, United States Code, is amended by inserting "or section 2261A" after "this section".

(2) Sections 2261(b) and 2262(b) of title 18, United States Code, are each amended by striking "offender's spouse or intimate partner" each place it appears and inserting "victim".

(3) The chapter heading for chapter 110A of title 18, United States Code, is amended by inserting "**AND STALKING**" after "**VIOLENCE**".

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 110A of title 18, United States Code, is amended by inserting after the item relating to section 2261 the following new item:

"2261A. Stalking of members of the Armed Forces of the United States.".

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the day after the date of enactment of this Act.

FAIRCLOTH AMENDMENT NO. 4091

(Ordered to lie on the table.)

Mr. FAIRCLOTH submitted an amendment intended to be proposed by him to the bill, S. 1745, supra; as follows:

At the end of subtitle B of title II add the following:

SEC. 223. SOUTHERN OBSERVATORY FOR ASTROPHYSICAL RESEARCH PROJECT.

Of the total amount authorized to be appropriated under section 201(4), $3,000,000 is available for the Southern Observatory for Astrophysical Research (SOAR) project of the Defense Advanced Research Projects Agency.

THE SENATE CAMPAIGN FINANCE REFORM ACT OF 1996

McCAIN (AND OTHERS) AMENDMENT NO. 4092

Mr. LOTT (for Mr. MCCAIN for hmself, Mr. FEINGOLD, and Mr. THOMPSON) proposed an amendment to the bill, S. 1219, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Senate Campaign Finance Reform Act of 1996".

SEC. 2. AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Amendment of campaign Act; table of contents.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

Sec. 101. Senate election spending limits and benefits.
Sec. 102. Free broadcast time.
Sec. 103. Broadcast rates and preemption.
Sec. 104. Reduced postage rates.
Sec. 105. Contribution limit for eligible Senate candidates.
Sec. 106. Reporting requirement for eligible Senate candidates.

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Elimination of Political Action Committees From Federal Election Activities

Sec. 201. Ban on activities of political action committees in Federal elections.

Subtitle B—Provisions Relating to Soft Money of Political Parties

Sec. 211. Soft money of political parties.
Sec. 212. State party grassroots funds.
Sec. 213. Reporting requirements.

Subtitle C—Soft Money of Persons Other Than Political Parties

Sec. 221. Soft money of persons other than political parties.

Subtitle D—Contributions

Sec. 231. Contributions through intermediaries and conduits.

Subtitle E—Independent Expenditures

Sec. 241. Clarification of definitions relating to independent expenditures.
Sec. 242. Reporting requirements for certain independent expenditures.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Restrictions on use of campaign funds for personal purposes.
Sec. 302. Campaign advertising amendments.
Sec. 303. Filing of reports using computers and facsimile machines.
Sec. 304. Audits.
Sec. 305. Limit on congressional use of the franking privilege.
Sec. 306. Authority to seek injunction.
Sec. 307. Reporting requirements for contributions of $50 or more.

TITLE IV—CONSTITUTIONALITY AND EFFECTIVE DATE

Sec. 401. Severability.
Sec. 402. Expedited review of constitutional issues.
Sec. 403. Effective date.
Sec. 404. Regulations.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

SEC. 101. SENATE ELECTION SPENDING LIMITS AND BENEFITS.

(a) IN GENERAL.—FECA is amended by adding at the end the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (c) and (d);

"(2) meets the primary and runoff election expenditure limits of subsection (b);

"(3) meets the threshold contribution requirements of subsection (e);

"(4) does not exceed the limitation on expenditures from personal funds under section 502(a); and

"(5) meets the in-State contribution requirements of subsection (f).

"(b) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—

"(1) IN GENERAL.—The requirements of this subsection are met if—

"(A) the candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) $2,750,000; and

"(B) the candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) INDEXING.—The $2,750,000 amount under paragraph (1)(A)(ii) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1995.

"(c) PRIMARY FILING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate files with the Commission a certification that—

"(A) the candidate and the candidate's authorized committees—

"(i) will meet the primary and runoff election expenditure limits of subsection (b); and

"(ii) will accept only an amount of contributions for the primary and runoff elections that does exceed those limits;

"(B) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

"(C) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b).

"(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(d) GENERAL ELECTION FILING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate files a certification with the Commission under penalty of perjury that—

"(A) the candidate and the candidate's authorized committees—

"(i) met the primary and runoff election expenditure limits under subsection (b);

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (b), whichever is applicable, reduced by any amounts transferred to the current election cycle from a preceding election cycle; and

"(iii) did not accept contributions for the primary or runoff election that caused the candidate to exceed the limitation on contributions from out-of-State residents under subsection (f);

"(B) at least one other candidate has qualified for the same general election ballot under the law of the candidate's State;

"(C) the candidate and the authorized committees of the candidate—

"(i) except as otherwise provided by this title, will not make expenditures that exceed the general election expenditure limit under section 502(b);

"(ii) will not accept any contributions in violation of section 315; and

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that the contribution—

"(I) would cause the aggregate amount of contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b), reduced by any amounts transferred to the current election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii); or

"(II) would cause the candidate to exceed the limitation on contributions from out-of-State residents under subsection (f); and

"(D) the candidate intends to make use of the benefits provided under section 503.

"(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date on which the candidate qualifies for the general election ballot under State law; or

"(B) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(A) 10 percent of the general election expenditure limit under section 502(b); or

"(B) $250,000.

"(2) DEFINITIONS.—In this subsection:

"(A) ALLOWABLE CONTRIBUTION.—The term 'allowable contribution'—

"(i) means a contribution that is made as a gift of money by an individual pursuant to a written instrument identifying the individual as the contributor; but

"(ii) does not include a contribution from an individual residing outside the candidate's State to the extent that acceptance of the contribution would bring a candidate out of compliance with subsection (f).

"(B) APPLICABLE PERIOD.—The term 'applicable period' means—

"(i) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on the date on which the certification under subsection (c)(2) is filed by the candidate; or

"(ii) in the case of a special election for the office of Senator, the period beginning on the date on which the vacancy in the office occurs and ending on the date of the general election.

"(f) LIMITATION ON OUT-OF-STATE CONTRIBUTIONS.—

"(1) REQUIREMENTS.—

"(A) IN GENERAL.—The requirements of this subsection are met if at least 60 percent of the total amount of contributions accepted by the candidate and the candidate's authorized committees are from individuals who are legal residents of the candidate's State.

"(B) SPECIAL RULE FOR SMALL STATES.—In the case of a candidate to which the general election expenditure limit under section 502(b)(1)(B)(i) applies, the requirements of this subsection are met if, at the option of the candidate—

"(i) at least 60 percent of the total amount of contributions accepted by the candidate and the candidate's authorized committees are from individuals who are legal residents of the candidate's State; or

"(ii) at least 60 percent of the number of individuals whose names are reported to the Commission as individuals from whom the candidate and the candidate's authorized committees accept contributions are legal residents of the candidate's State.

"(2) PERSONAL FUNDS.—For purposes of paragraph (1), amounts consisting of funds from sources described in section 502(a) shall be treated as contributions from individuals residing outside the candidate's State.

"(3) TIME FOR DETERMINATION.—A determination whether the requirements of paragraph (1) are met shall be made each time a candidate is required to file a report under section 304 and shall be made on an aggregate basis.

"(4) REPORTING REQUIREMENTS.—In addition to information required to be reported under section 304, a candidate that elects to comply with the requirements of paragraph (1)(B)(ii) shall include in each report required to be filed under section 304 the name and address of each individual that, during the calendar year in which the reporting period occurs, makes contributions aggregating $20 or more.

"SEC. 502. LIMITATION ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—

"(1) IN GENERAL.—The aggregate amount of expenditures that may be made during an election cycle by an eligible Senate candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

"(A) 10 percent of the general election expenditure limit under subsection (b); or

"(B) $250,000.

"(2) SOURCES.—A source is described in this paragraph if the source is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) personal loans incurred by the candidate and members of the candidate's immediate family.

"(3) AMENDED DECLARATION.—A candidate who—

"(A) declares, pursuant to this title, that the candidate does not intend to expend funds described in paragraph (2) in excess of the amount applicable to the candidate under paragraph (1); and

"(B) subsequently changes the declaration or expends such funds in excess of that amount,

shall file an amended declaration with the Commission and notify all other candidates for the same office not later than 24 hours after changing the declaration or exceeding the limits, whichever occurs first, by sending a notice by certified mail, return receipt requested.

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—

"(1) IN GENERAL.—Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $950,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) EXCEPTION.—In the case of an eligible Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) INDEXING.—The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(b)(2).

"(c) PAYMENT OF TAXES.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local taxes with respect to earnings on contributions raised.

"(d) EXCEPTIONS FOR COMPLYING CANDIDATES RUNNING AGAINST NONCOMPLYING CANDIDATES.—

"(1) EXCESSIVE CONTRIBUTIONS TO, OR PERSONAL EXPENDITURES BY, OPPOSING CANDIDATE.—

"(A) 10 PERCENT EXCESS.—

"(i) IN GENERAL.—If any opponent of an eligible Senate candidate is a noneligible candidate who—

"(I) has received contributions; or

"(II) has made expenditures from a source described in subsection (a);

in an aggregate amount equal to 110 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) applicable to the eligible Senate candidate shall be increased by 20 percent.

"(ii) FUNDRAISING IN ANTICIPATION OF INCREASE.—Notwithstanding any other provision of this title, if any opponent of an eligible Senate candidate is a noneligible candidate who—

"(I) has received contributions; or

"(II) has made expenditures from a source described in subsection (a);

in an aggregate amount equal to 50 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the eligible Senate candidate may accept contributions in excess of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) so long as the eligible Senate candidate does not make any expenditures with such excess contributions before becoming entitled to an increase in the limit under clause (i).

"(B) 50 PERCENT EXCESS.—If any opponent of an eligible Senate candidate is a noneligible candidate who—

"(I) has received contributions; or

"(II) has made expenditures from a source described in subsection (a);

in an aggregate amount equal to 150 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) applicable to the eligible Senate candidate shall be increased by 50 percent.

"(C) 100 PERCENT EXCESS.—If any opponent of an eligible Senate candidate is a noneligible candidate who—

"(I) has received contributions; or

"(II) has made expenditures from a source described in subsection (a);

in an aggregate amount equal to 200 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate core //idate, the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) applicable to the eligible Senate candidate shall be increased by 100 percent.

"(2) REVOCATION OF ELIGIBILITY OF OPPONENT.—If the status of eligible Senate candidate of any opponent of an eligible Senate candidate is revoked under section 505(a), the general election expenditure limit applicable to the eligible Senate candidate shall be increased by 20 percent.

"(e) EXPENDITURES IN RESPONSE TO INDEPENDENT EXPENDITURES.—If an eligible Senate candidate is notified by the Commission under section 304(c)(4) that independent expenditures totaling $10,000 or more have been made in the same election in favor of another candidate or against the eligible candidate, the eligible candidate shall be permitted to spend an amount equal to the amount of the independent expenditures, and any such expenditures shall not be subject to any limit applicable under this title to the eligible candidate for the election.

"SEC. 503. BENEFITS THAT ELIGIBLE CANDIDATES ARE ENTITLED TO RECEIVE.

"An eligible Senate candidate shall be entitled to receive—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the free broadcast time provided under section 315(c) of the Communications Act of 1934; and

"(3) the reduced postage rates provided in section 3626(e) of title 39, United States Code.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—Not later than 48 hours after an eligible candidate qualifies for a general election ballot, the Commission shall certify the candidate's eligibility for free broadcast time under section 315(c) of the Communications Act of 1934. The Commission shall revoke the certification if the Commission determines that a candidate fails to continue to meet the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—A determination (including a certification under subsection (a)) made by the Commission under this title shall be final, except to the extent that the determination is subject to examination and audit by the Commission under section 505.

"SEC. 505. REVOCATION; MISUSE OF BENEFITS.

"(a) REVOCATION OF STATUS.—

"(1) IN GENERAL.—If the Commission determines that any eligible Senate candidate—

"(A) has received contributions in excess of 110 percent of—

"(i) the applicable primary election limit under this title;

"(ii) the applicable general election limit under this title; or

"(iii) the limitation on contributions from out-of-State residents under section 501(f); or

"(B) has expended personal funds in excess of 110 percent of the limit under section 502(a),

the Commission shall revoke the certification of the candidate as an eligible Senate candidate and notify the candidate of the revocation.

"(2) PAYMENT OF VALUE OF BENEFITS.—On receipt of notification of revocation of eligibility under paragraph (1), a candidate—

"(A) shall pay an amount equal to the value of the benefits received under this title; and

"(B) shall be ineligible for benefits available under section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) for the duration of the election cycle.

"(b) MISUSE OF BENEFITS.—If the Commission determines that any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title or that a candidate has violated any of the spending limits contained in this Act, the Commission shall so notify the candidate, and the candidate shall pay an amount equal to the value of the benefit.".

(b) TRANSITION PERIOD.—Expenditures made before January 1, 1997, shall not be counted as expenditures for purposes of the limitations contained in the amendment made by subsection (a).

SEC. 102. FREE BROADCAST TIME.

(a) IN GENERAL.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) in the third sentence of subsection (a) by striking "within the meaning of this subsection" and inserting "within the meaning of this subsection and subsection (c)";

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(3) by inserting after subsection (b) the following:

"(c) FREE BROADCAST TIME.—

"(1) IN GENERAL.—Except as provided in paragraph (3), each eligible Senate candidate who has qualified for the general election ballot as a candidate of a major or minor party shall be entitled to receive a total of 30 minutes of free broadcast time from broadcasting stations within the candidate's State or an adjacent State.

"(2) TIME.—

"(A) PRIME TIME.—Unless a candidate elects otherwise, the broadcast time made available under this subsection shall be between 6:00 p.m. and 10:00 p.m. on any day that falls on Monday through Friday.

"(B) LENGTH OF BROADCAST.—Except as otherwise provided in this Act, a candidate may use such time as the candidate elects, but time may not be used in lengths of less than 30 seconds or more than 5 minutes.

"(C) MAXIMUM REQUIRED OF ANY ONE STATION.—A candidate may not request that more than 15 minutes of free broadcast time be aired by any one broadcasting station.

"(3) MORE THAN 2 CANDIDATES.—In the case of an election among more than 2 candidates described in paragraph (1), only 60 minutes of broadcast time shall be available for all such candidates, and broadcast time shall be allocated as follows:

"(A) MINOR PARTY CANDIDATES.—The amount of broadcast time that shall be provided to the candidate of a minor party shall be equal to 60 minutes multiplied by the percentage of the number of popular votes received by the candidate of that party in the preceding general election for the Senate in the State (or if subsection (e)(4)(B) applies, the percentage determined under that subsection).

"(B) MAJOR PARTY CANDIDATES.—The amount of broadcast time remaining after assignment of broadcast time to minor party candidates under clause (i) shall be allocated equally between the major party candidates.

"(4) ONLY 1 CANDIDATE.—In the case of an election in which only 1 candidate qualifies to be on the general election ballot, no time shall be required to be provided by a broadcasting station under this subsection.

"(5) EXEMPTION.—The Federal Election Commission shall by regulation exempt from the requirements of this subsection—

"(A) a licensee the signal of which is broadcast substantially nationwide; and

"(B) a licensee that establishes that the requirements of this subsection would impose a significant economic hardship on the licensee."; and

(4) in subsection (d) (as redesignated by paragraph (2))—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following:

"(3) the term 'major party' means, with respect to an election for the United States Senate in a State, a political party whose candidate for the United States Senate in the preceding general election for the Senate in that State received, as a candidate of that party, 25 percent or more of the number of popular votes received by all candidates for the Senate;

"(4) the term 'minor party' means, with respect to an election for the United States Senate in a State, a political party—

"(A) whose candidate for the United States Senate in the preceding general election for the Senate in that State received 5 percent or more but less than 25 percent of the number of popular votes received by all candidates for the Senate; or

"(B) whose candidate for the United States Senate in the current general election for the Senate in that State has obtained the signatures of at least 5 percent of the State's registered voters, as determined by the chief voter registration official of the State, in support of a petition for an allocation of free broadcast time under this subsection; and

"(5) the term 'Senate election cycle' means, with respect to an election to a seat in the United States Senate, the 6-year period ending on the date of the general election for that seat.".

(b) JURISDICTION OVER CHALLENGES TO BROADCAST MEDIA RATES AND FREE BROADCAST TIME.—

(1) IN GENERAL.—The United States Court of Federal Claims shall have exclusive jurisdiction over any action challenging the constitutionality of the broadcast media rates and free broadcast time required to be offered to political candidates under section 503 of the Federal Election Campaign Act of 1971 and section 315 of the Communications Act of 1934.

(2) REMEDY.—Money damages shall be the sole and exclusive remedy in an action under paragraph (1), and only an individual or entity that suffers actual financial injury shall have standing to maintain such an action.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997.

SEC. 103. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) by striking "(b) The charges" and inserting the following:

"(b) BROADCAST MEDIA RATES.—

"(1) IN GENERAL.—The charges";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) in paragraph (1)(A) (as redesignated by paragraph (2))—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

(4) by adding at the end the following:

"(2) ELIGIBLE SENATE CANDIDATES.—In the case of an eligible Senate candidate (within the meaning of section 501(a) of the Federal Election Campaign Act), the charges for the use of a television broadcasting station during the 30-day period and 60-day period referred to in paragraph (1)(A) shall not exceed 50 percent of the lowest charge described in paragraph (1)(A).".

(b) PREEMPTION; ACCESS.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315), as amended by section 102(a), is amended—

(1) by redesignating subsections (d) and (e) (as redesignated by section 102(a)(2)), as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following:

"(d) PREEMPTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcasting station by an eligible Senate candidate who has purchased and paid for such use pursuant to subsection (b)(2).

"(2) CIRCUMSTANCES BEYOND CONTROL OF LICENSEE.—If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.".

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "the candidacy of the candidate, under the same terms, conditions, and business practices as apply to the most favored advertiser of the licensee".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997.

SEC. 104. REDUCED POSTAGE RATES.

(a) IN GENERAL.—Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and the National" and inserting "the National"; and

(ii) by inserting before the semicolon the following: ", and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;";

(B) in subparagraph (B), by striking "and" after the semicolon;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding at the end the following:

"(D) the term 'principal campaign committee' has the meaning stated in section 301 of the Federal Election Campaign Act of 1971; and

"(E) the term 'eligible Senate candidate' means an eligible Senate candidate (within the meaning of section 501(a) of the Federal Election Campaign Act of 1971)."; and

(2) by adding after paragraph (2) the following:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to that number of pieces of mail that is equal to 2 times the number of individuals in the voting age population (as certified under section 315(e) of the Federal Election Campaign Act of 1971) of the State.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997..

SEC. 105. CONTRIBUTION LIMIT FOR ELIGIBLE SENATE CANDIDATES.

Section 315(a)(1) of FECA (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (A) by inserting "except as provided in subparagraph (B)," before "to";

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(3) by inserting after subparagraph (A) the following:

"(B) if the general election expenditure, primary election expenditure limit, or runoff election expenditure limit applicable to an eligible Senate candidate has been increased under section 502(d), to the eligible Senate candidate and the authorized political committees of the candidate with respect to any election for the office of United States Senator, which, in the aggregate, exceed $2,000;".

SEC. 106. REPORTING REQUIREMENT FOR ELIGIBLE SENATE CANDIDATES.

Section 304(b)(2) of FECA (2 U.S.C. 434(b)(2)) is amended by striking "and" at the end of subparagraph (J), by striking the period at the end of subparagraph (K) and inserting "; and", and by adding at the end the following new subparagraph:

"(L) in the case of an eligible Senate candidate, the total amount of contributions from individuals who are residents of the State in which the candidate seeks office.".

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Elimination of Political Action Committees From Federal Election Activities

SEC. 201. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.) is amended by adding at the end the following:

"SEC. 324. BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES.

"Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make a contribution to a candidate or candidate's authorized committee.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Section 301(4) of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party that—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; and

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities.".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended—

(A) by inserting "or" after "subject;";

(B) by striking "and their families; and" and inserting "and their families."; and

(C) by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee that is established, financed, maintained, or controlled, directly or indirectly, by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—(1) For purposes of FECA, during any period beginning after the effective date in which the limitation under section 324 of that Act (as added by subsection (a)) is not in effect—

(A) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(B) it shall be unlawful for a multicandidate political committee, intermediary, or conduit to make a contribution to a candidate for election, or nomination for election, to Federal office (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees, intermediaries, or conduits to exceed 20 percent of the aggregate Federal election spending limits applicable to the candidate for the election cycle; and

(C) it shall be unlawful for a political committee, intermediary, or conduit to make a contribution to a candidate for election, or a nomination for an election, to Federal office (or an authorized committee of such candidate) in excess of the amount an individual is allowed to give directly to a candidate or a candidate's authorized committee.

For purposes of this paragraph, the term "intermediary or conduit" has the meaning stated in section 315(a)(8) of FECA.

(2) A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (1)(B) shall return the amount of such excess contribution to the contributor.

Subtitle B—Provisions Relating to Soft Money of Political Parties

SEC. 211. SOFT MONEY OF POLITICAL PARTIES.

Title III of FECA (2 U.S.C. 301 et seq.) (as amended by section 201) is amended by adding at the end the following:

"SEC. 325. SOFT MONEY OF POLITICAL PARTIES.

"(a) NATIONAL COMMITTES.—A national committee of a political party (including a national congressional campaign committee of a political party, an entity that is established, financed, maintained, or controlled by the national committee, a national congressional campaign committee of a political party, and an officer or agent of any such party or entity but not including an entity regulated under subsection (b)) shall not solicit or receive any contributions, donations, or transfers of funds, or spend any funds, not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

"(1) LIMITATION.—Any amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is established, financed, maintained, or controlled by a State, district, or local committee of a political party and an agent or officer of any such committee or entity) during a calendar year in which a Federal election is held, for any activity that might affect the outcome of a Federal election, including any voter registration or get-out-the-vote activity, any generic campaign activity, and any communication that identifies a candidate (regardless of whether a candidate for State or local office is also mentioned or identified) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) ACTIVITY NOT INCLUDED IN PARAGRAPH (1).—

"(A) IN GENERAL.—Paragraph (1) shall not apply to an expenditure or disbursement made by a State, district, or local committee of a political party for—

"(i) a contribution to a candidate for State or local office if the contribution is not designated or otherwise earmarked to pay for an activity described in paragraph (1);

"(ii) the costs of a State, district, or local political convention;

"(iii) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of any individual who spends more than 20 percent of the individual's time on activity during the month that may affect the outcome of a Federal election) except that for purposes of this paragraph, the non-Federal share of a party committee's administrative and overhead expenses shall be determined by applying the ratio of the non-Federal disbursements to the total Federal expenditures and non-Federal disbursements made by the committee during the previous presidential election year to the committee's administrative and overhead expenses in the election year in question;

"(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs that name or depict only a candidate for State or local office; and

(v) the cost of any campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, if the candidate activity is not an activity described in paragraph (1).

"(B) FUNDRAISING.—Any amount that is expended or disbursed by a national, State, district, or local committee, by an entity that is established, financed, maintained, or controlled by a State, district, or local committee of a political party, or by an agent or officer of any such committee or entity to raise funds that are used, in whole or in part, to pay the costs of an activity described in subparagraph (A) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

"(c) TAX-EXEMPT ORGANIZATIONS.—No national, State, district, or local committee of a political party shall solicit any funds for or make any donations to an organization that is exempt from Federal taxation under section 501(c) of the Internal Revenue Code of 1986.

"(d) CANDIDATES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office may—

"(A) solicit or receive funds in connection with an election for Federal office unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act; or

"(B) solicit or receive funds that are to be expended in connection with any election for other than a Federal election unless the funds—

"(i) are not in excess of the amounts permitted with respect to contributions to candidates and political committees under section 315(a) (1) and (2); and

"(ii) are not from sources prohibited by this Act from making contributions with respect to an election for Federal office.

"(2) EXCEPTION.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for the individual's State or local campaign committee.".

SEC. 212. STATE PARTY GRASSROOTS FUNDS.

(a) INDIVIDUAL CONTRIBUTIONS.—Section 315(a)(1) of FECA (2 U.S.C. 441a(a)(1)) (as amended by section 105) is amended—

(1) in subparagraph (C) by striking "or" at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following:

"(D) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000;

"(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000;

except that the aggregate contributions described in this subparagraph that may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000; or".

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Section 315(a)(2) of FECA (2 U.S.C. 441a(a)(2)) is amended—

(1) in subparagraph (B), by striking "or" at the end;

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which in the aggregate, exceed $15,000;

"(ii) to any other political committee established and maintained by a State committee of a political party which, in the aggregate, exceed $5,000;

except that the aggregate contributions described in this subparagraph that may be made by a multicandidate political committee to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $15,000; or".

(c) OVERALL LIMIT.—

(1) IN GENERAL.—Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by striking paragraph (3) and inserting the following:

"(3) OVERALL LIMIT.—

"(A) ELECTION CYCLE.—No individual shall make contributions during any election cycle that, in the aggregate, exceed $60,000.

"(B) CALENDAR YEAR.—No individual shall make contributions during any calendar year—

"(i) to all candidates and their authorized political committees that, in the aggregate, exceed $25,000; or

"(ii) to all political committees established and maintained by State committees of a political party that, in the aggregate, exceed $20,000.

"(C) NONELECTION YEARS.—For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which the contribution is made shall be treated as being made during the calendar year in which the election is held.".

(2) DEFINITION.—Section 301 of FECA (2 U.S.C. 431) is amended by adding at the end the following:

"(20) ELECTION CYCLE.—The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the period beginning on the day after the date of the most recent general election for the specific office or seat that the candidate seeks and ending on the date of the next general election for that office or sea; and

"(B) in the case of all other persons, the period beginning on the first day following the date of the last general election and ending on the date of the next general election.".

(d) STATE PARTY GRASSROOTS FUNDS.—

(1) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.) (as amended by section 211) is amended by adding at the end the following:

"SEC. 326. STATE PARTY GRASSROOTS FUNDS.

"(a) DEFINITION.—In this section, the term 'State or local candidate committee' means a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

"(b) TRANSFERS.—Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if the district or local committee—

"(1) has established a separate segregated fund for the purposes described in section 325(b)(1); and

"(2) uses the transferred funds solely for those purposes.

"(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

"(1) IN GENERAL.—Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in section 325(b)(1) that are for the benefit of that candidate shall be treated as meeting the requirements of 325(b)(1) and section 304(d) if—

"(A) the amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

"(B) the State or local candidate committee—

"(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether those requirements are met; and

"(ii) certifies that the requirements were met.

"(2) DETERMINATION OF COMPLIANCE.—For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in paragraph (1)(A)—

"(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee; and

"(B) the committee must be able to demonstrate that its cash on hand contains funds meeting those requirements sufficient to cover the transferred funds.

"(3) REPORTING.—Notwithstanding paragraph (1), any State Party Grassroots Fund that receives a transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from the candidate committee.".

(2) DEFINITION.—Section 301 of FECA (2 U.S.C. 431) (as amended by subsection (c)(2)) is amended by adding at the end the following:

"(21) STATE PARTY GRASSROOTS FUND.—The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for the purpose of making expenditures and other disbursements described in section 325(a).".

SEC. 213. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d) POLITICAL COMMITTEES.—(1) The national committee of a political party, any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) A political committee (not described in paragraph (1)) to which section 325(b)(1) applies shall report all receipts and disbursements.

"(3) Any political committee shall include in its report under paragraph (1) or (2) the amount of any contribution received by a national committee which is to be transferred to a State committee for use directly (or primarily to support) activities described in section 325(b)(2) and shall itemize such amounts to the extent required by subsection (b)(3)(A).

"(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements that are used in connection with a Federal election.

"(5) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in subsection (b) (3)(A), (5), or (6).

"(6) Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).".

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of FECA (2 U.S.C. 431(8)) is amended by inserting at the end the following:

"(C) The exclusion provided in subparagraph (B)(viii) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 shall be reported.".

(c) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end the following new subsection:

"(e) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.".

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Section 304(b)(4) of FECA (2 U.S.C. 434(b)(4)) is amended—

(A) by striking "and" at the end of subparagraph (H);

(B) by inserting "and" at the end of subparagraph (I); and

(C) by adding at the end the following new subparagraph:

"(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;".

(2) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking "within the calendar year"; and

(B) by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

Subtitle C—Soft Money of Persons Other Than Political Parties

SEC. 221. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 215) is amended by adding at the end the following:

"(f) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.—

"(1) IN GENERAL.—A person other than a committee of a political party that makes aggregate disbursements totaling in excess of $10,000 for activities described in paragraph (2) shall file a statement with the Commission—

"(A) within 48 hours after the disbursements are made; or

"(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

"(2) ACTIVITY.—The activity described in this paragraph is—

"(A) any activity described in section 441(b)(2)(A) that refers to any candidate for Federal office, any political party, or any Federal election; and

"(B) any activity described in section 441b(b)(2) (B) or (C).

"(3) ADDITIONAL STATEMENTS.—An additional statement shall be filed each time additional disbursements aggregating $10,000 are made by a person described in paragraph (1).

"(4) APPLICABILITY.—This subsection does not apply to—

"(A) a candidate or a candidate's authorized committees; or

"(B) an independent expenditure.

"(5) CONTENTS.—A statement under this section shall contain such information about the disbursements as the Commission shall prescribe, including—

"(A) the name and address of the person or entity to whom the disbursement was made;

"(B) the amount and purpose of the disbursement; and

"(C) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.".

Subtitle D—Contributions

SEC. 231. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.

Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended by striking paragraph (8) and inserting the following:

"(8) INTERMEDIARIES AND CONDUITS.—

"(A) DEFINITIONS.—In this paragraph:

"(i) ACTING ON BEHALF OF THE ENTITY.—The term 'acting on behalf of the entity' means soliciting one or more contributions—

"(I) in the name of an entity;

"(II) using other than incidental resources of an entity; or

"(III) by directing a significant portion of the solicitations to other officers, employees, agents, or members of an entity or their spouses, or by soliciting a significant portion of the other officers, employees, agents, or members of an entity or their spouses.

"(ii) BUNDLER.—The term 'bundler' means an intermediary or conduit that is any of the following persons or entities:

"(I) A political committee (other than the authorized campaign committee of the candidate that receives contributions as described in subparagraph (B) or (C)).

"(II) Any officer, employee or agent of a political committee described in subclause (I).

"(III) An entity.

"(IV) Any officer, employee, or agent of an entity who is acting on behalf of the entity.

"(V) A person required to be listed as a lobbyist on a registration or other report filed pursuant to the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) or any successor law that requires reporting on the activities of a person who is a lobbyist or foreign agent.

"(iii) DELIVER.—The term 'deliver' means to deliver contributions to a candidate by any method of delivery used or suggested by a bundler that communicates to the candidate (or to the person who receives the contributions on behalf of the candidate) that the bundler collected the contributions for the candidate, including such methods as—

"(I) personal delivery;

"(II) United States mail or similar services;

"(III) messenger service; and

"(IV) collection at an event or reception.

"(iv) ENTITY.—The term 'entity' means a corporation, labor organization, or partnership.

"(B) TREATMENT AS CONTRIBUTIONS FROM PERSONS BY WHOM MADE.—

"(i) IN GENERAL.—For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to the candidate, shall be treated as contributions from the person to the candidate.

"(ii) REPORTING.—The intermediary or conduit through which a contribution is made shall report the name of the original contributor and the intended recipient of the contribution to the Commission and to the intended recipient.

"(C) TREATMENT AS CONTRIBUTIONS FROM THE BUNDLER.—Contributions that a bundler delivers to a candidate, agent of the candidate, or the candidate's authorized committee shall be treated as contributions from the bundler to the candidate as well as from the original contributor.

"(D) NO LIMITATION ON OR PROHIBITION OF CERTAIN ACTIVITIES.—This subsection does not—

"(i) limit fundraising efforts for the benefit of a candidate that are conducted by another candidate or Federal officeholder; or

"(ii) prohibit any individual described in subparagraph (A)(ii)(IV) from soliciting, collecting, or delivering a contribution to a candidate, agent of the candidate, or the candidate's authorized committee if the individual is not acting on behalf of the entity.".

Subtitle E—Independent Expenditures

SEC. 241. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17) INDEPENDENT EXPENDITURE.—

"(A) IN GENERAL.—The term 'independent expenditure' means an expenditure that—

"(i) contains express advocacy; and

"(ii) is made without the participation or cooperation of, or without the consultation of, a candidate or a candidate's representative.

"(B) ITEMS EXCLUDED.—The following shall not be considered to be an independent expenditure:

"(i) An expenditure made by—

"(I) an authorized committee of a candidate for Federal office; or

"(II) a political committee of a political party.

"(ii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

"(iii) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

"(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

"(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

"(iv) An expenditure if the person making the expenditure has played a significant role in advising or counseling the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office.

"(v) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office. For purposes of this clause, the term 'professional services' shall include any services (other than legal and accounting services solely for purposes of ensuring compliance with any Federal law) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

"(C) PERSONS INCLUDED.—For purposes of subparagraph (B), the person making the expenditure shall include any officer, director, employee, or agent of the person.

"(18) EXPRESS ADVOCACY.—

"(A) IN GENERAL.—The term 'express advocacy' means a communication that, taken as a whole and with limited reference to external events, makes an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party.

"(B) EXPRESSION OF SUPPORT FOR OR OPPOSITION TO.—In subparagraph (A), the term 'expression of support for or opposition to' includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action.

"(C) VOTING RECORDS.—The term 'express advocacy' does not include the publication and distribution of a communication that is limited to providing information about votes by elected officials on legislative matters and that does not expressly advocate the election or defeat of a clearly identified candidate.".

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking "or" at the end;

(2) in clause (ii), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that is not an independent expenditure under paragraph (17).".

SEC. 242. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304(c) of FECA of 1971 (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (7); and

(3) by inserting after paragraph (2), as amended by paragraph (1), the following new paragraphs:

"(3)(A) Any person (including a political committee) making independent expenditures as defined in section 301 (17) and (18) with respect to a candidate in an election aggregating $1,000 or more made after the 20th day, but more than 24 hours, before the election shall file a report within 24 hours after such independent expenditures are made. An additional report shall be filed each time independent expenditures aggregating $1,000 are made with respect to the same candidate after the latest report filed under this subparagraph.

"(B) Any person (including a political committee) making independent expenditures with respect to a candidate in an election aggregating $10,000 or more made at any time up to and including the 20th day before the election shall file a report within 48 hours after such independent expenditures are made. An additional report shall be filed each time independent expenditures aggregating $10,000 are made with respect to the same candidate after the latest report filed under this paragraph.

"(C) A report under subparagraph (A) or (B) shall be filed with the Commission and shall identify each candidate whom the expenditure is actually intended to support or to oppose. In the case of an election for United States Senator, the Commission shall, within 2 business days of receipt of a report, transmit a copy of the report to each eligible Senate candidate seeking nomination or election to that office.

"(D) For purposes of this section, an independent expenditure shall be considered to have been made upon the making of any payment or the taking of any action to incur an obligation for payment.

"(4) The Commission may, upon a request of a candidate or on its own initiative, make its own determination that a person, including a political committee, has made, or has incurred obligations to make, independent expenditures with respect to any candidate in any election which in the aggregate exceed the applicable amounts under paragraph (3). In the case of an election for United States Senator, the Commission shall notify each eligible Senate candidate in such election of such determination made within 2 business days after making it. Any determination made at the request of a candidate shall be made within 48 hours of the request.

"(5) In the event that independent expenditures totaling in the aggregate $10,000 have been made in the same election in favor of another candidate or against an eligible Senate candidate, the Commission shall, within 2 business days, notify the eligible candidate that such candidate is entitled to an increase under section 502(e) in the candidate's applicable election limit in an amount equal to the amount of such independent expenditures.".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES.

(a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—Title III of FECA (2 U.S.C. 431 et seq.) (as amended by section 201) is amended by adding at the end the following new section:

"SEC. 325. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES.

"(a) DEFINITIONS.—In this section:

"(1) CAMPAIGN EXPENSE.—The term 'campaign expense' means an expense that is attributable solely to a bona fide campaign purpose.

"(2) INHERENTLY PERSONAL PURPOSES.—The term 'inherently personal purpose' means a purpose that, by its nature, confers a personal benefit, including a home mortgage, rent, or utility payment, clothing purchase, noncampaign automobile expense, country club membership, vacation, or trip of a noncampaign nature, household food items, tuition payment, admission to a sporting event, concert, theatre or other form of entertainment not associated with a campaign, dues, fees, or contributions to a health club or recreational facility, and any other inherently personal living expense as determined under the regulations promulgated pursuant to section 301(b) of the Senate Campaign Finance Reform Act of 1996.

"(b) PERMITTED AND PROHIBITED USES.—An individual who receives contributions as a candidate for Federal office—

"(1) shall use the contributions only for legitimate and verifiable campaign expenses; and

"(2) shall not use the contributions for any inherently personal purpose.".

(b) REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Federal Election Commission shall promulgate regulations consistent with this Act to implement subsection (a). Such regulations shall apply to all contributions possessed by an individual on the date of enactment of this Act.

SEC. 302. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(ii) by striking "an expenditure" and inserting "a disbursement"; and

(iii) by striking "direct"; and

(B) in paragraph (3), by inserting "and permanent street address" after "name"; and

(2) by adding at the end the following new subsections:

"(c) Any printed communication described in subsection (a) shall be—

"(1) of sufficient type size to be clearly readable by the recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which—

"(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement: '__________ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 303. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(g) of FECA (2 U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6)(A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, may prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

"(ii) may maintain and file them in that manner if not required to do so under regulations prescribed under clause (i).

"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.

"(D) The Secretary of the Senate and the Clerk of the House of Representatives shall ensure that any computer or other system that they may develop and maintain to receive designations, statements, and reports in the forms required or permitted under this paragraph is compatible with any such system that the Commission may develop and maintain.".

SEC. 304. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

(2) by adding at the end the following new paragraph:

"(2) Notwithstanding paragraph (1), the Commission may after all elections are completed conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under title VI or to an authorized committee of an eligible Senate candidate or an eligible House candidate subject to audit under section 522(a).".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 305. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

(a) IN GENERAL.—Section 3210(a)(6)(A) of title 39, United States Code, is amended to read as follows:

"(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office.".

(b) APPLICATION OF SAVINGS.—It is the intent of Congress that any savings realized by virtue of the amendment made by subsection (a) shall be designated to pay for the benefits of section 104 (relating to reduced postage rates for eligible Senate candidates) provided under section 104.

SEC. 306. AUTHORITY TO SEEK INJUNCTION.

Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following new paragraph:

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to occur.";

(2) in paragraph (7), by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(3) in paragraph (11), by striking "(6)" and inserting "(6) or (13)".

SEC. 307. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE.

Section 304(b)(2)(A) is amended by inserting ", including the name and address of each person who makes contributions aggregating at least $50 but not more than $200 during the calendar year" after "political committees".

TITLE IV—CONSTITUTIONALITY AND EFFECTIVE DATE

SEC. 401. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 402. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 403. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on January 1, 1997.

SEC. 404. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act not later than 9 months after the effective date of this Act.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Wednesday, June 26, 1996, at 9:30 a.m. to hold a hearing on FEC reauthorization, oversight, and campaign finance reform.

For further information concerning this hearing, please contact Bruce Kasold of the Rules Committee staff at 224–3448.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Thursday, June 20, 1996, session of the Senate for the purpose of conducting a hearing on broadcast spectrum reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. D'AMATO. Mr. President, I ask unanimous consent that the full Committee on Environmental and Public Works be granted permission to continue consideration of pending business in the President's Room, S–216, the Capitol, Thursday, June 20, at approximately 2:30 p.m., immediately following the vote on the confirmation of the nomination of Alice Rivlin to be a member of the Federal Reserve Board.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 20, 1996, at 10 a.m. and 3 p.m. to hold hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, June 20, 1996, at 10 a.m. to hold a hearing on White House access to FBI background summaries.

The PRESIDING OFFICER. Without objection; it is so ordered.

COMMITTEE ON INDIAN AFFAIRS AND THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, June 20, 1996, at 10 a.m. to conduct a joint hearing with the Committee on Banking, Housing, and Urban Affairs on title VII, American Indian Housing Assistance, of H.R. 2406, the U.S. Housing Act of 1996. The hearing will be held in room 538 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONGRESSIONAL BUDGET OFFICE ESTIMATE OF COSTS—S. 1605

• Mr. MURKOWSKI. Mr. President: in compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources has obtained a letter from the Congressional Budget Office containing an estimate of the costs of S. 1605, the Energy Policy and Conservation Amendment Act, as reported from the committee. In addition, pursuant to Public Law 104-4, the letter contains the opinion of the Congressional Budget Office regarding whether S. 1605 contains intergovernmental mandates as defined in that act. I respectfully request that the opinion of the Congressional Budget Office be printed in the CONGRESSIONAL RECORD in its entirety.

The opinion follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC., May 9, 1996.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1605, the Energy Policy and Conservation Act Amendment Act.

Enactment of S. 1605 would affect direct spending. Therefore, pay-as-you-go procedures would apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 1605.

2. Bill title: Energy Policy and Conservation Act Amendment Act.

3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources on April 24, 1996.

4. Bill purpose: S. 1605 would reauthorize certain activities and programs at the Department of Energy (DOE) through 2001. It would revise and extend the statutory guidelines and requirements of the Energy Policy and Conservation Act (EPCA), which outlines federal policies regarding energy emergencies, energy exports, and certain energy conservation initiatives. These amendments would authorize DOE to lease underutilized capacity of the Strategic Petroleum Reserve (SPR) to foreign governments to the extent provided in appropriation acts. Other provisions would remove certain restrictions on joint bidding by major oil companies for leases on the Outer Continental Shelf (OCS), modify various reporting and planning requirements, and enable the state of Hawaii to purchase oil from the SPR under certain conditions.

S. 1605 would authorize the appropriation of such sums as may be necessary for the SPR for 1996 through 2001. It would authorize specific amounts for 1996 for the State Energy Conservation Program (SECP), the Institutional Conservation Program (ICP), the Alternative Fuels Truck Commercial Application Program, and programs under Part C of EPCA (including activities supporting the International Energy Agency, the Committee on Renewable Energy Commerce and Trade, and the Committee on Energy Efficiency Commerce and Trade). The bill also would authorize the appropriation of such sums as may be necessary to implement the conservation grant and alternative fuels programs for 1997 through 2001 and the Part C programs for 1997 through 1999.

5. Estimated cost to the Federal Government: The following table summarizes the estimated budgetary effects of S. 1605. Assuming appropriation of the authorized amounts for 1997 through 2001, we estimate that enacting this bill would result in additional discretionary spending totaling between $1.4 billion and $1.5 billion over that period. CBO anticipates that enacting this bill would affect direct spending by reducing offsetting receipts from bonus bids for OCS leases, but the impact is likely to be small for each fiscal year. On average, we estimate that bonus bids would fall by about $2 million a year over the 1997–2002 period.

[By fiscal years, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATIONS							
Spending under current law:							
Budget authority[1]	325						
Estimated outlays	279	173	57	9			
WITHOUT ADJUSTMENT FOR INFLATION							
Proposed Changes:							
Estimated authorization level	31	291	291	291	286	286	
Estimated outlays		139	255	287	289	287	148
Spending Under S. 1605:							
Estimated authorization level	356	291	291	291	286	286	
Estimated outlays	279	313	311	296	289	287	148
WITH ADJUSTMENT FOR INFLATION							
Proposed Changes:							
Estimated authorization level	31	291	300	309	313	324	
Estimated outlays		139	259	300	310	318	167
Spending Under S. 1605:							
Estimated authorization level	356	291	300	309	313	324	
Estimated outlays	279	313	316	308	310	318	167
CHANGES IN DIRECT SPENDING							
Estimated budget authority		3	2	2	2	1	1
Estimated outlays		3	2	2	2	1	1

[1] The 1996 level is the amount actually appropriated.

The costs of this bill fall within budget functions 270 and 950.

6. Basis of estimate: *Spending Subject to Appropriations*. The estimate of outlays for 1996 is based on amounts actually appropriated for the fiscal year. In the case of the SPR program, we assume that recently enacted appropriations provide the necessary amounts for that program for 1996. The authorizations specified in the bill for conservation grants and the Part C activities exceed the enacted levels for those programs by a total of $31 million. We estimate that the additional authorization would not result in outlays, because we assume that a supplemental appropriation would not be enacted before the end of this fiscal year.

For future years for which authorization levels are not specified, we generally projected spending based on the amounts authorized by S. 1605 for 1996. For the SPR facilities and operations account, we have based our 1997–2001 projections on DOE's current estimate of the program's requirements for 1997 because the 1996 level is inflated by the one-time cost of decommissioning one of the SPR sites. Starting in 1997, we project spending for the SPR at about $220 million a year.

The table shows two alternative sets of authorization levels for fiscal years 1997 through 2001: one without adjustment for anticipated inflation, and a second that includes an adjustment for inflation. For the purposes of this estimate, we assume that future appropriations will be provided before the start of each fiscal year and that outlays will follow historical trends for the respective programs.

For comparability to estimates for 1997 and beyond, the table includes the $287 million gross appropriation for the SPR facilities account for 1996. This SPR account received no new budget authority for 1996 because the entire appropriation was offset by collections of $100 million from a sale of oil from one of the SPR site and by the transfer of $187 million in unobligated balances from the SPR petroleum acquisition account.

Under this bill, DOE could generate income by leasing excess SPR capacity to foreign governments if such leasing is approved in subsequent appropriation acts. If, for example, appropriations actions were to trigger this authorization by the beginning of fiscal year 1998, we estimate that the annual income from such leases would total $1 million in fiscal year 1999 and rise gradually to $11 million by 2002. This provision of S. 1605, however, would have no direct effect on offsetting receipts, because the leasing activity would be contingent upon future appropriations action.

Direct Spending. Under current law, certain major oil companies are restricted from bidding jointly for new leases on the Outer Continental Shelf. CBO expects that allowing such companies to begin bidding jointly on OCS leases would likely reduce the number of bids submitted for OCS lease sales. On average, we expect that this would lower offsetting receipts from bonuses by about $2 million per year over the 1997–2002 period. This estimate is based on information from the Minerals Management Service regarding the most recent OCS lease sale. The effect of the bill's provision on industry competition in future sales could vary, but we expect that the likely impact on bonus bids would be small in any year because relatively few winning bids in each sale are the result of direct competition between companies that are currently barred from submitting joint bids.

7. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. CBO estimates that the OCS provisions in S. 1605 would result in a reduction in offsetting receipts from bonus bids, as shown in the following table.

[By fiscal years, in millions of dollars]

	1996	1997	1998
Change in outlays	0	3	2

[By fiscal years, in millions of dollars]

	1996	1997	1998
Change in receipts	(1)	(1)	(1)

[1] Not applicable.

8. Estimated impact on State, local, and tribal governments: S. 1605 contains no intergovernmental mandates as defined in Public Law 104-4 and would impose no direct costs on state, local, or tribal governments. The bill would extend the authorization for grants to states and localities for energy conservation programs. It would also benefit the state of Hawaii by guaranteeing that it would be allowed to purchase oil from the SPR during a drawdown of the reserve.

S. 1605 would authorize appropriations totaling $56 million for fiscal year 1996 and such sums as may be necessary for fiscal years 1997-2001 for the SECP and ICP programs. In contrast, $26 million was appropriated for 1996 for a program that would consolidate these two programs and provide grants to states. For the purposes of this estimate, we assume that the states would not receive the additional $30 million authorized by the bill, because it is unlikely that a supplemental appropriation would be enacted before the end of the fiscal year.

Under current law, states must match these grant funds at different rates. Based on information provided by DOE, CBO estimates that states would be required to provide matching funds of approximately $5 million in fiscal year 1996. CBO has no basis for estimating the matching requirement in future years.

9. Estimated impact on the private sector: This bill would impose a new private sector mandate as defined in Public Law 104-4. It would eliminate an existing limit on the Secretary of Energy's authority to require an importer or refiner of petroleum products to maintain readily available inventories of petroleum products in the Industrial Petroleum Reserve. The existing authority has not been used and CBO estimates that the Secretary would not use the expanded authority granted by S. 1605. Thus, we estimate that the mandate would impose no additional costs on the private sector.

10. Previous CBO estimate: On April 22, 1996, CBO transmitted a cost estimate for H.R. 2596, a bill to reauthorize the Energy Policy Conservation Act through 1999, and for other purposes, as ordered reported by the House Committee on Commerce on March 13, 1996. Differences between that estimate and the estimate for S. 1605 result from differences in the two bills. In particular, the two bills authorize spending for different years, and, in some cases, for different programs and amounts.

11. Estimate prepared by: Federal Cost Estimate: Kathleen Gramp—SPR and Energy Conservation Victoria Heid—OCS. State and Local Government Impact: Marjorie Miller. Private Sector Impact: Patrice Gordon.

12. Estimate approved by: Robert A. Sunshine for Paul N. Van de Water, Assistant Director for Budget Analysis.•

CONGRESSIONAL BUDGET OFFICE ESTIMATE OF COSTS—S. 1888

Mr. MURKOWSKI. Mr. President, in compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources has obtained a letter from the Congressional Budget Office containing an estimate of the costs of S. 1888, the Energy Policy and Conservation Act Amendments of 1996, as reported from the committee. In addition, pursuant to Public Law 104-4, the letter contains the opinion of the Congressional Budget Office regarding whether S. 1888 contains intergovernmental mandates as defined in that Act. I respectfully request that the opinion of the Congressional Budget Office be printed in the CONGRESSIONAL RECORD in its entirely.

The opinion Follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 20, 1996.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN, The Congressional Budget Office has reviewed S. 1888, the Energy Policy and Conservation Act Amendments of 1996, as ordered reported by the Senate Committee on Energy and Natural Resources on June 19, 1996. CBO estimates that enacting the bill would have no significant impact on the federal budget. Enacting S. 1888 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

S. 1888 would postpone the expiration of the provisions in the Energy Policy and Conservation Act (EPCA) related to energy emergencies from June 30, 1996, to September 30, 1996. This extension would authorize the Department of Energy (DOE) to continue to operate the Strategic Petroleum Reserve, participate in the International Energy Agency, and conduct related activities through the end of fiscal year 1996. Because funds have already been appropriated for these programs for all of fiscal year 1996, CBO estimates that enacting this will would not have any significant impact on the federal budget. Federal spending over the next three months would be affected by the bill only in the event that an energy emergency necessitates additional DOE expenditures for actions authorized by EPCA.

S. 1888 does not contain any intergovernmental or private-sector mandates as defined in Public Law. 104-4.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Kathleen Gramp, who can be reached at 226-2860.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

WEST VIRGINIA BIRTHDAY

• Mr. ROCKEFELLER. Mr. President, this is a proud moment for me and the citizens of the State as we celebrate the 133d birthday of our beautiful home.

On June 20, 1863, West Virginia gained its independence from Virginia in the midst of the Civil War. Since that time when the Nation's brotherhood was severed, West Virginia became the 35th State to enter the Union and has remained a strong and vital part of this country.

Known as the Mountain State, West Virginia is proud of its existence. Its beauty is evident as its rolling hills cover the land and its rivers and lakes surround the valleys. It is a place full of distinct culture and crafts. From the northern panhandle to the eastern panhandle extending down to the border of Kentucky, West Virginia offers some of the Nation's finest workers, industries, and businesses. We continue to welcome new corporate members to our West Virginia family, including most recently Toyota. Each year more visitors come from all over to go skiing, hiking, whitewater rafting, and do many other activities that are first rate in West Virginia. No matter what the season, West Virginia is a beautiful place to live and visit, loved throughout the world.

I could continue forever about what this fine State has to offer and contribute to its people, its visitors, and this country. For the past 133 years, West Virginians have been loyal to the Union and to the State because they are proud of who they are and what they have become. Let us all come together to celebrate this fine day and this wonderful State we call West Virginia.•

TRIBUTE TO MONSIGNOR THOMAS KEYS ON THE 25TH ANNIVERSARY OF HIS ORDINATION AS A ROMAN CATHOLIC PRIEST

Mr. SMITH. Mr. President, I rise today to pay tribute to the founder of the National Scrip Center, Monsignor Tom Keys, on the 25th anniversary of his ordination as a Roman Catholic priest. Monsignor Keys founded the National Scrip Center in 1986 to help save a Catholic high school that was facing a quarter of a million dollars worth of debt. The National Scrip Center provides an innovative gift certificate program to help schools and nonprofit organizations generate revenues for their programs.

Monsignor Keys has given numerous nonprofit organizations across the country opportunities to expand and succeed through the money they raise from Scrip. Since 1986, Monsignor Keys' Scrip Center has grown steadily and now helps over 5,000 organizations across the country. I congratulate Monsignor Keys for all his hard work over the years in establishing Scrip which has become a vital program for so many nonprofit groups. His entrepreneurial spirit has brought community nonprofit groups and businesses together in a remarkable show of unity. He is a role model for all of us to follow.

The National Scrip Center's education, training and fundraising support services have helped a network of 5,700 neighborhood Catholic, Jewish and Protestant private, parochial, and public schools and nonprofit affiliates in more than 30 States.

Under Monsignor Keys' leadership, the center empowers nonprofits to help themselves generate operating funds. One of his primary goals is to provide children and young people with opportunities for affordable quality education. The Scrip Center was first started at the St. Vincent's Parish in Petaluma, CA. Now, the national center is a network of nonprofits raising money for important causes, provides a customer service department, software for marketing and accounting purposes and other services.

I congratulate Monsignor Keys for his vision and determination. The National Scrip Center is a remarkable symbol of his 25 years of dedication to his community as a Roman Catholic priest. I am proud of his efforts and commend his inspiration to nonprofit organizations across the country. He has touched so many lives in the process. Best wishes to Monsignor Keys on his 25th anniversary as a spiritual leader, and I wish him continued prosperity, happiness, and blessings as the Scrip network of nonprofit organizations continues to grow.•

TRIBUTE TO SHELLY LIST

• Mrs. BOXER. Mr. President, today I want to pay tribute to the late Shelly List, a novelist, television writer, and journalist of great distinction, whose work was not only commercially successful, but also highly regarded by critics and other artists.

Shelly List was probably best known to Americans as the producer of the successful and pioneering television dramatic series "Cagney and Lacey." One episode she wrote was nominated for a Humanitas Prize, given for humanizing achievement in television writing.

Other television writing credited to Shelly List, who worked closely with her husband and coproducer Jonathan Estrin, was honored by the Writers Guild of America and earned the Ace Award for Distinguished Writing. The critical acclaim for her work goes on and on.

Shelly List was a humanitarian and community activist, as well. She served on the board of Operation USA, which delivered medical supplies to disaster areas across the globe and she risked her life on trips to war-torn areas. Shelly was a member of the board of the Hollywood Women's Political Committee. She cared deeply about her community and its people, something which was reflected in her writing and in her devotion to important causes.

Shelly, who died in late May at the age of 55, was a longtime resident of the Venice community in Los Angeles, CA. In addition to her husband, she is survived by her brothers, children, and a grandson.

Shelly List was my constituent, a trusted advisor, and a great friend. She was a committed civic leader, a great artist, and a successful businesswoman. I will miss her, as will all Americans who appreciate quality television programming and dedicated community service.

In her memory, I will do all I can in the U.S. Senate to bring compassion and commitment to my work.•

TRIBUTE TO ANDREA GLODDY, JAPAN-UNITED STATES SENATE SCHOLAR FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, I rise today to congratulate Andrea Gloddy, the New Hampshire recipient of the Japan-United States Senate Scholarship. Andrea was selected from more than 500 applicants in the Youth for Understanding International Exchange Program to represent New Hampshire in Japan.

Andrea is from Madbury, NH, and just finished her junior year at Phillips Exeter Academy. In addition to an excellent academic record, she pursues interests in community service, music, photography, and sports. Through her work, Andrea has demonstrated great initiative and a strong interest in world affairs. She plans to attend college and major in International Relations or International Business.

The Japan-United States Senate Youth Exchange selects one student from each State to spend 6 weeks in Japan studying government, language, and culture. During her time in Japan, she will participate in receptions and meetings with government officials in Tokyo and live with a Japanese host family. Andrea will be an outstanding ambassador from the Granite State and help foster understanding between two different cultures.

This scholarship program helps prepare the future leaders of our Nation by increasing their understanding about the world and shaping their global perspectives. I commend Andrea for her hard work, and I congratulate her for this distinguished honor. I wish her success in Japan and in her academic career.•

UNITED STATES LOSES RANK IN GLOBAL GIVING

• Mr. SIMON. Mr. President, a press conference was held yesterday, which included, among other persons, Congressman TONY HALL; the head of AID, Brian Atwood; and Julia Taft, the head of Interaction. Also present were Rudy von Bernuth, executive director of the Council of Voluntary Agencies, and David Beckman, president of Bread for the World.

The press conference called attention to the abysmal record of the United States compared to other nations in our response to world hunger. For example, France, with only 60 million people, compared to our 250 million people, has provided more foreign economic assistance than the United States. And we have a gross national product—national income—that is 5½ times that of France.

Japan, Germany, and France are all ahead of us in absolute dollars given, when once we were by far the leading country.

Not only that, but in terms of the percentage of our national income, we are behind every Western European country, Australia, New Zealand, and Japan. Denmark provides almost 1 percent compared to our one-tenth of 1 percent. Ahead of us are Sweden, Norway, Netherlands, France, Canada, Belgium, Luxembourg, Australia, Switzerland, Austria, Finland, Germany, United Kingdom, Japan, Portugal, Ireland, Spain, New Zealand, and Italy.

I ask to have printed in the RECORD the transcript of the news conference and the article in the Washington Post by Thomas Lippman.

The material follows:

U.S. LOSES RANK IN GLOBAL GIVING

(By Thomas W. Lippman)

The United States, once the world leader in aid to developing nations, has dropped to fourth in the amount of money it spends on such aid and is a distant last among donor nations in the percentage of economic output devoted to foreign aid, according to new figures released yesterday.

Japan, France and Germany contributed more money to Third World development last year than the United States did. America fell to fourth place from second, behind Japan, in 1994.

The United States also was last among the 21 nations in the Development Assistance Committee of the Paris-based Organization of Economic Cooperation and Development in the share of national output devoted to Third World assistance, OECD reports.

Among the countries that contributed more of their gross national product were Portugal, Ireland and New Zealand, negligible economic powers by comparison with the United States, which has by far the world's biggest economy.

The OECD figures were trumpeted at a news conference yesterday by Clinton administration foreign aid director J. Brian Atwood and spokesmen for nongovernmental groups supportive of foreign aid. They used the figures to argue that U.S. aid has fallen too far and that this country is abdicating its global responsibilities.

"Our foreign assistance program accounts for less than 1 percent of our national [federal government] budget, about $34 per taxpaying family," Atwood said. "That's not generous. We should feel ashamed. We are failing to fulfill our responsibilities as a world power. More importantly, we are failing our own national interests and we're failing our own national values."

Atwood's Agency for International Development has been hit especially hard by budget cuts imposed by the Republican-controlled Congress, where many members are hostile to most forms of foreign aid. This morning, Atwood said, AID will begin laying off 200 workers, including veterans with years of experience in the field and foreign language skills, because "we do not have the budget to sustain their employment."

Atwood and his allies—including Rep. Tony Hall (D-Ohio) and Julia Taft, president of the Interaction umbrella organization of volunteer groups—made the same argument they have been making for the past year and half: that it is penny-wise but pound foolish for Congress to beef up defense spending but cut development assistance that could make military interventions unnecessary.

"Many members of Congress, especially the newer ones, they express a deep hostility toward foreign aid," Hall said. "Many elected officials lack the vision and the leadership to make it clear to their voters that the eradication of poverty is in the best interest of everyone, both rich and poor countries."

Congress has not been moved by such arguments. Funds for development and humanitarian assistance—not including military aid—were cut from $8.4 billion in fiscal 1995 to $7 billion this year and are scheduled to decrease a bit more next year—even as the House voted earlier this month to spend $11 billion more on defense than the administration requested.

Using slightly different categories, the OECD credited the United States with $7.3 billion in development aid in 1995. Japan gave $15.5 billion, France $8.44 billion and Germany $7.5 billion. The U.S. figure was one-tenth of 1 percent of GNP, lowest in the contributors' group. The highest was Denmark, at just under 1 percent of GNP.

The role of U.S. assistance in the developing world was narrowed by the heavy concentration of funds going to Israel and Egypt: $2.05 billion of the $7.3 billion was earmarked for those two Middle East nations.

Supporters of foreign aid complain that Americans in general, and many members of Congress, believe foreign aid is a big-ticket item in the U.S. budget that can be slashed to cut the deficit. The reality, Taft said, is that this represents "widespread misunderstanding about how little money really goes to foreign aid."

[From the Federal Document Clearing House]

TRANSCRIPT OF NEWS CONFERENCE, JUNE 17, 1996

(Speakers list: J. Brian Atwood, director, U.S. Agency for International Development; U.S. Representative Tony Hall (D-OH); Julia Taft, president, Interaction; Rudy von Bernuth, executive director, Council of Voluntary Agencies; David Beckman, president, Bread for the World)

ATWOOD. Thank you very much, Julia, and thank you for your leadership and that of Interaction, a group of American non-governmental organizations who do humanitarian and development work. We're pleased that the NGOs that are members of Interaction are partners in delivering assistance to people around the world.

We have a table at the front here full of leaders; David, Rudy, Tony Hall. All, in their own way, have really been leaders in this effort. We're here today to discuss some rather dismal statistics. This is a very sad week for the American foreign assistance program. The Development Assistance Committee of the Organization for Economic Cooperation and Development has this morning in Paris released its 1995 statistics for official development assistance.

The United States has now fallen behind Japan, France and Germany in total aid volume. Our volume has dropped by one-third and we continue to rank last among donor nations as a percentage of our gross national product, as Julia indicated. Tomorrow, USAID will begin a reduction of its workforce. The first of 200 letters will be distributed to our American staff informing them that we do not have the budget to sustain their employment. This comes on the heels of reducing the USAID workforce from 11,500 to 8,700. This is the second largest reduction in the U.S. government.

The services of outstanding development professionals will be lost to the U.S. government, possibly forever. So, at the moment when global development problems are mounting, the United States is severely damaging its institutional capacity to respond. At the same time, the overall contribution of the industrial nations to development has fallen another 10 percent. This is a reduction of 18 percent in the last two calendar years.

International organizations, the United Nations and the international financial institutions, led by the World Bank, are being undermined just as the world faces major real development problems. Eight hundred million people, mostly children, are malnourished. Food shortages in many areas of the developing world have become acute. Insurance companies are paying out record amounts for weather-related damages due to global warming. Millions of families have no access to family planning services, which is causing millions of unwanted pregnancies, maternal deaths and abortions.

Nation-states are failing in greater numbers than ever due to political, economic, environmental and demographic pressures, unleashing a tide of refugees and displaced persons. These problems will only get worse as the world's population grows by one billion people each decade.

These new people can either be consumers, or they can be the wards of the world's rich countries.

That's the choice that we face today. We Americans think of ourselves as generous people. We respond when there is a humanitarian crisis. But the time is over for measuring our generosity simply by our response to disasters.

As Julia mentioned, we're the richest nation on earth. Our economy produces $6 trillion a year in goods and services. Yet our foreign assistance program accounts for less than one percent of our national budget, about $34 per taxpaying family.

That's not generous. We should feel ashamed. We are failing to fulfill our responsibilities as a world power. More importantly, we are failing our own national interests and we're failing our own national values.

I think it's time to wake up and realize that we will not balance our budget without sustained growth in the global economy. We will not balance our budget if the developing world continues to produce failed states that disrupt the global economy. We need to make the investments in development assistance that will preserve our children's health, standard of living, and safety.

If we continue to ignore this responsibility, the world will see increasing chaos, and our generation will be condemned for its short-sightedness. Thank you.

JULIA TAFT. Thank you, Brian. Congressman Hall?

HALL. Thank you, Julia and Brian and David, Rudy. Ladies and gentlemen and friends, today's report—pardon me—really comes at an historic moment. This is a time of enormous opportunities for peace and prosperity. Russia had just held its second election on a record of more economic reform and more trade.

But it's also a time of terrible suffering in countries all over the world. There's well over 23 humanitarian crises that are going on right now. And it's a time of internal chaos that faces other countries where peace technically prevails, such as in Bosnia.

The clearest message in today's report is that while the quality of aid is improving, the quantity of financial resources is slipping dramatically.

Two more reports offer a troubling picture of the future. Four out of every five dollars that next year's foreign appropriation bill cuts are in the programs that target the world's poorest people. It does try to maintain the current commitment to UNICEF and childhood survival programs, but otherwise falls short of even last year's miserly contribution.

The agriculture appropriation bill ignores the sobering fact that wheat and corn prices have doubled, and that prices for other commodities are near all-time highs. This means significantly less food will reach the mouths of hungry children and others next year.

And this is something that really hasn't been focused on. The appropriation bill, the agriculture bill that we passed last year—or I'm sorry, last week—is the lowest percentage of tonnage that I can remember, probably the lowest percentage of tonnage going to hungry people since the start of the program. And it's been cut in half since 1993.

This is doubly shortsighted because the grain we are not providing is grown by American farmers.

Many members of Congress, especially the newer ones, they express a deep hostility towards foreign aid. Many elected officials lack the vision and the leadership to make it clear to their voters that the eradication of poverty is in the best interest of everyone, both rich and poor countries.

The story doesn't end here, though, and, like the spirits of Christmas past and present and future, these trends do not seal our fate. I believe there is a different spirit in our nation, and that this is the spirit that should guide us to a different future. I believe that people are willing to help people help themselves, and there is no shortage of support for food aid and microenterprise programs, and popularly-supported programs that do just that.

Both government programs and NGOs need seed money and nurturing. I believe that people stand ready to help children, especially, and the millions of refugees of wars and weather disasters. Poll after poll supports this readiness, and my own constituents affirm it to me every time I go home. I believe my constituents are proud of the fact that I work on these programs.

As a matter of fact—I've said this to you before, and I can't say enough times—and that a recent poll showed that it was a very wide, very wide poll from the standpoint it had tremendous diversity across the country that people believed that hunger and poverty issues are as important as balancing the budget and health care issues.

There is a consensus emerging among governments, NGOs, churches, and people who are guided by their conscience that we know how to fight hunger and poverty, and that we can beat it if we work together. Despite the critics, there is ample evidence to support the consensus. Some 20 years ago, the world banded together and they wiped out smallpox, and we won. And we are very close to eliminating polio.

Winning that battle will mean that American families will save the quarter billion dollars spent each year on polio vaccines. It will mean that the dozen American children who actually catch polio from the vaccine each year won't anymore. And it will mean that we will save the lives of the thousands of children crippled or killed by polio each year.

In the past 50 years, we have helped raise literacy by a third, cut infant mortality in half, and increase life expectancy from 44 to 62 years. The United States cannot afford to ignore any region or segment of a population, however poor. We are too connected, we are too attuned to the other people we watch on television every night, we're too vulnerable to diseases that begin continents away, and too enriched by exports to nations whose people achieve a healthy standard of living.

Interaction and development initiatives deserve a special commendation for their Relief of Aid Report. It is hard evidence that the quality of aid is improving, and it is a clear call to action for developed countries to focus more resources on hunger and poverty.

Thank you.

Mr. SIMON. Mr. President, the United States should become a humanitarian leader once again instead of dragging our feet. And in the long run our failure to do the generous and right thing will cost our people both in security terms and in economic terms.●

MAKING MAJORITY APPOINTMENTS TO COMMITTEES

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to the immediate consideration of a resolution, which I send to the desk, making majority appointments to committees.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 267) to make changes in committee membership for the 104th Congress.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution was agreed to, as follows:

S. RES. 267

Resolved, That notwithstanding any provision of the Standing Rules of the Senate, the following Senators are either added to or removed from the following committees for the 104th Congress, or until their successors are appointed:

Added to:

Armed Services: The Senator from Kansas [Mrs. FRAHM];

Banking, Housing, and Urban Affairs: The Senator from Kansas [Mrs. FRAHM];

Finance: The Senator from Mississippi [Mr. LOTT];

Governmental Affairs: The Senator from New Mexico [Mr. DOMENICI];

Agriculture, Nutrition and Forestry: The Senator from Texas [Mr. GRAMM];

Rules and Administration: The Senator from Mississippi [Mr. LOTT];

Budget: The Senator from Florida [Mr. MACK];

Removed from:

Armed Services: The Senator from Mississippi [Mr. LOTT];

Banking, Housing, and Urban Affairs: The Senator from New Mexico [Mr. DOMENICI];

Governmental Affairs: The Senator from Colorado [Mr. BROWN]; and

Budget: The Senator from Mississippi [Mr. LOTT].

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Senate Resolution 400, 94th Congress, and Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Intelligence: the Senator from Pennsylvania [Mr. SPECTER], the Senator from Indiana [Mr. LUGAR], the Senator from Alabama [Mr. SHELBY], the Senator from Ohio [Mr. DEWINE], the Senator from Arizona [Mr. KYL], the Senator from Oklahoma [Mr. INHOFE], the Senator from Texas [Mrs. HUTCHISON], the Senator from Maine [Mr. COHEN], and the Senator from Colorado [Mr. BROWN].

MEASURE PLACED ON CALENDAR—H.R. 3525

Mr. LOTT. Mr. President, I ask unanimous consent that H.R. 3525, which was just received from the House, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I note this is the legislation dealing with the church burning issue.

ANTI-CAR THEFT IMPROVEMENTS ACT OF 1996

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2803, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2803) to amend the anti-car theft provisions of title 49, United States Code, to increase the utility of motor vehicle title information to State and Federal law enforcement officials, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to this bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2803) was considered read the third time and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Executive Calendar nominations Nos. 606, 607, 609 and 610 through 632, and all nominations placed on the Secretary's desk.

I further ask unanimous consent that the nominations be confirmed en bloc; that the motions to reconsider be laid upon the table en bloc; that any statements relating to the nominations appear at the appropriate place in the RECORD; that the President be immediately notified of the Senate's action; and that the Senate then return to legislative session.

I note here, Mr. President, that these are military nominations which were reported out of the Armed Services Committee on June 13.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed, en bloc, are as follows:

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Ronald T. Kadish, [redacted] U.S. Air Force

The following-named officer for appointment to the grade of general in the U.S. Air Force while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. Walter Kross, [redacted]

IN THE ARMY

The following-named officer for appointment to the grade of general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Lt. Gen. Wesley K. Clark [redacted] U.S. Army

The following U.S. Army Reserve officers for promotion in the Reserve of the Army to the grades indicated under title 10, United States Code, sections 3371, 3384, and 12203(a):

To be major general

Brig. Gen. Paul C. Bergson, [redacted]
Brig. Gen. Douglas E. Caton, [redacted]
Brig. Gen. Anthony R. Kropp, [redacted]
Brig. Gen. John M. O'Connell, [redacted]

To be brigadier general

Col. Voneree Deloatch, [redacted]
Col. Robert M. Diamond, [redacted]
Col. Alfonsa Gilley, [redacted]
Col. Haywood S. Gilliam, [redacted]
Col. Pierce A. Roan, Jr., [redacted]
Col. Alfred T. Rossi, [redacted]
Col. Richard G. Simmons, [redacted]

The following-named officer for appointment to the grade of general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Lt. Gen. David A. Bramlett, [redacted] U.S. Army

The following-named officer for appointment to the grade of lieutenant general in the U.S. Army while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Peter J. Schoomaker [redacted]

IN THE MARINE CORPS

The following-named brigadier generals of the U.S. Marine Corps for promotion to the grade of major general, under the provisions of section 624 of title 10, United States Code:

To be major general

Brig. Gen. Thomas A. Braaten [redacted] USMC

Brig. Gen. Michael P. DeLong [redacted] USMC

Brig. Gen. Edward Hanlon, Jr., [redacted] USMC

Brig. Gen. Geoffrey B. Higginbotham, [redacted] USMC

Brig. Gen. George M. Karamarkovich, [redacted] USMC

Brig. Gen. Jack W. Klimp, [redacted] USMC

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under the provisions of section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Carol A. Mutter, [redacted]

The following-named officer for appointment as Assistant Commandant of the Marine Corps, Headquarters, U.S. Marine Corps, and appointment to the grade of general while serving in that position under the provisions of section 5044, title 10, United States Code:

To be Assistant Commandant of the Marine Corps

Lt. Gen. Richard I. Neal [redacted]

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Terrence R. Dake [redacted]

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. Jeffrey W. Oster, [redacted]

The following-named officer for appointment to the grade of lieutenant general in the U.S. Marine Corps while assigned to a position of importance and responsibility under the provisions of section 601, title 10, United States Code:

To be lieutenant general

Maj. Gen. James L. Jones, Jr. [redacted]

IN THE NAVY

The following-named officers for promotion in the Navy of the United States to the grade indicated under title 10, United States Code, section 624:

SUPPLY CORPS

To be rear admiral

Rear Adm. (lh) Edward R. Chamberlin, [redacted] U.S. Navy

SENIOR HEALTH CARE EXECUTIVE

To be rear admiral

Rear Adm. (lh) Noel K. Dysart, Jr. [redacted] U.S. Navy

Rear Adm. (lh) Dennis I. Wright, [redacted] U.S. Navy

The following-named officers for promotion in the Staff Corps in the Navy of the United States to the grade indicated under title 10, United States Code, section 624:

MEDICAL CORPS

To be rear admiral (lower half)

Capt. Alberto Diaz, Jr. [redacted] U.S. Navy

SUPPLY CORPS

To be rear admiral (lower half)

Capt. David P. Keller [redacted] U.S. Navy

CIVIL ENGINEER CORPS

To be rear admiral (lower half)

Capt. Peter W. Marshall [redacted] U.S. Navy

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (Selectee) Thomas B. Fargo, [redacted]

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral

Vice Adm. Archie R. Clemins [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (Selectee) Robert J. Natter, [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. James B. Perkins III, [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Herbert A. Browne II [redacted]

The following-named officers for promotion in the Naval Reserve of the United States to the grade indicated under title 10, United States Code, section 5912:

UNRESTRICTED LINE

To be rear admiral (lower half)

Capt. John Nicholas Costas, [redacted] U.S. Naval Reserve

Capt. Joseph Coleman Hare [redacted] U.S. Naval Reserve

Capt. Daniel Lawrence Kloeppel [redacted] U.S. Naval Reserve

Capt. Henry Francis White, Jr. [redacted] U.S. Naval Reserve

UNRESTRICTED LINE (TAR)

To be rear admiral (lower half)

Capt. John Francis Brunelli [redacted] U.S. Naval Reserve

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601, and title 42, United States Code, section 7158:

DIRECTOR, NAVAL NUCLEAR PROPULSION PROGRAM

To be admiral

Vice Adm. Frank L. Bowman, [redacted]

The following-named officer for reappointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Arthur K. Cebrowski [redacted]

The following-named officers for promotion in the Naval Reserve of the United States to the grade indicated under title 10, United States Code, section 5912:

DENTAL CORPS

To be rear admiral (lower half)

Capt. Vernon Paul Harrison, [redacted] U.S. Naval Reserve

JUDGE ADVOCATE GENERAL'S CORPS

To be rear admiral (lower half)

Capt. Clifford Joseph Sturek [redacted] U.S. Naval Reserve

SUPPLY CORPS

To be rear admiral (lower half)

Capt. Steven Robert Morgan, [redacted] U.S. Naval Reserve

CIVIL ENGINEER CORPS

To be rear admiral (lower half)

Capt. Robert Charles Marlay [redacted] U.S. Naval Reserve

The following-named officer for appointment to the grade of admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral

Vice Adm. J. Paul Reason, [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (Selectee) Patricia A. Tracey, [redacted]

The following-named officer for appointment to the grade of vice admiral in the U.S. Navy while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (Selectee) James O. Ellis, Jr. [redacted]

IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Kathleen S. Bohanon, and ending Nancy Melendez Camilo, which nominations were received by the Senate and appeared in the Congressional Record of April 25, 1996.

Air Force nominations beginning James C. Bair, and ending Donald W. Davison, which nominations were received by the Senate and appeared in the Congressional Record of April 25, 1996.

Air Force nominations beginning Thomas R. Bird, and ending William A. Dykes, Jr., which nominations were received by the Senate and appeared in the Congressional Record of May 14, 1996.

Air Force nominations beginning Warren J. Andersen, and ending Mark S. Johnson, which nominations were received by the Senate and appeared in the Congressional Record of May 14, 1996.

Air Force nominations beginning Kenneth D. Allen, Jr., and ending Albert L. Sherburne, which nominations were received by the Senate and appeared in the Congressional Record of May 14, 1996.

Army nominations beginning Loren D. Alves, and ending Joseph F. Yetter, which nominations were received by the Senate and appeared in the Congressional Record of January 22, 1996.

Army nominations beginning Daniel F. Abahazy, and ending 2229x, which nominations were received by the Senate and appeared in the Congressional Record of March 20, 1996.

Army nominations beginning Glen L. Bloomstrom, and ending Richard R. Young, which nominations were received by the Senate and appeared in the Congressional Record of April 15, 1996.

Army nomination of Robert A. Childers, which was received by the Senate and appeared in the Congressional Record of April 19, 1996.

Army nominations beginning Carl E. Dawkins, Jr., and ending Leon I. Steinberg, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1996.

Army nomination of Wayne E. Anderson, which was received by the Senate and appeared in the Congressional Record of May 6, 1996.

Army nominations beginning Timothy J. Coen, and ending Ronald E. Banks, which nominations were received by the Senate and appeared in the Congressional Record of May 6, 1996.

Army nominations beginning Garry F. Atkins, and ending Janice L. Wood, which nominations were received by the Senate and appeared in the Congressional Record of May 6, 1996.

Army nominations beginning Charles C. Appleby, and ending Deborah A. Roman, which nominations were received by the Senate and appeared in the Congressional Record of May 17, 1996.

Army nominations beginning Mitchell L. Brown, and ending Dale P. Foster, which nominations were received by the Senate and appeared in the Congressional Record of May 17, 1996.

Marine Corps nomination of E.D. Elek, which was received by the Senate and appeared in the Congressional Record of May 17, 1996.

Marine Corps nomination of Wade C. Straw, which was received by the Senate and appeared in the Congressional Record of May 17, 1996.

Marine Corps nomination of Thomas J. Felts, which was received by the Senate and appeared in the Congressional Record of May 17, 1996.

Marine Corps nomination of Patrick A. Sivigny, which was received by the Senate and appeared in the Congressional Record of May 17, 1996.

Marine Corps nominations beginning Ronald J. Crabbs, and ending Lawrence R. Wooley, which nominations were received by the Senate and appeared in the Congressional Record of May 22, 1996.

Navy nominations beginning James A. Caviness, and ending William M. Wike, which nominations were received by the Senate and appeared in the Congressional Record of April 25, 1996.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

CAMPAIGN FINANCE REFORM

Mr. LOTT. Mr. President, with regard to campaign finance reform, I now ask unanimous consent that the Rules Committee be discharged from further consideration of S. 1219, regarding campaign finance reform, and that the Senate now turn to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1219) to reform the financing of Federal elections, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 4092

(Purpose: To provide a complete substitute)

Mr. LOTT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. MCCAIN, for himself, Mr. FEINGOLD and Mr. THOMPSON, proposes an amendment numbered 4092.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. LOTT. Mr. President, I ask unanimous consent that the amendment be agreed to and considered original text for the purpose of further amendment; and that no further amendments or modifications be in order prior to the cloture vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4092) was agreed to.

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1219, the campaign finance reform bill:

Trent Lott, John McCain, Judd Gregg, Bob Smith, Rick Santorum, Sheila Frahm, Claiborne Pell, Jeff Bingaman, David Pryor, John F. Kerry, Paul Wellstone, Patty Murray, Fred Thompson, Bob Graham, Herb Kohl, Russell D. Feingold.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate resume the bill for debate only at 2 p.m., Monday, June 24.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask unanimous consent that at 10:30 a.m., on Tuesday, June 25, the Senate resume consideration of S. 1219 for debate only for 2 hours, to be equally divided in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask unanimous consent that the cloture vote occur at 2:15 p.m., Tuesday, June 25.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask unanimous consent that Members have until 2 p.m., Monday, June 24, to file first-degree amendments and 12:30 p.m., on Tuesday, June 25, to file second-degree amendments, notwithstanding the provisions of rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I do want to express my appreciation to all those who have been involved in arranging for this legislation to be brought up in this manner. Senator MCCAIN, Senator MCCONNELL, Senator FEINGOLD, obviously, the Democratic leader, have been involved in these discussions. I think it is appropriate that we have this debate. We have agreed upon a way to consider it that I think will be fair to all concerned.

ORDERS FOR FRIDAY, JUNE 21, 1996 AND MONDAY, JUNE 24, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m., Friday, June 21, further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and that there then be a period for morning business until the hour of 12:30, with Senators to speak for up to 5 minutes each, with the following exceptions: Senator COVERDELL or his designee in control of the first 90 minutes, Senator DASCHLE or his designee in control of the second 90 minutes, with Senator LIEBERMAN in control of 15 minutes of Senator DASCHLE's time; further, I ask unanimous consent that immediately following morning business, the Senate stand in adjournment until the hour of 1 p.m., Monday, June 24, and immediately following the prayer on Monday, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have been expired, the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business until the hour of 2 p.m., with each Senator allowed to speak for up to 5 minutes each; and, further, immediately following morning business, the Senate resume consideration of S. 1219, the campaign finance reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. Mr. President, for the information of all Senators, the Senate will be in session tomorrow for morning business only. I had hoped that we would be able to get some more amendments considered on the Department of Defense authorization bill, but we were having difficulty getting Senators to be available to offer amendments, plus, there were other considerations involved. So we will only have the morning business. There will be no rollcall votes then during the day on Friday. The Senate will then reconvene on Monday, and following the period of morning business, we will resume the campaign finance bill consideration. There will be no rollcall votes during Monday's session of the Senate so that we can have this debate.

A cloture motion was filed on the campaign finance bill today, with that cloture vote order to occur at 2:15 p.m. on Tuesday. As a reminder to all Senators, first-degree amendments must be filed by 2 p.m. on Monday, and second-degree amendments by 12:30 on Tuesday. The Senate will resume the Department of Defense authorization bill next week. Therefore, Senators should anticipate a busy week with rollcall votes throughout each session.

As I indicated earlier, we have not made enough progress on this bill, and if we have to go into the night next week, we will just have to do that. I had hoped not to have to do that, but we have to find a way to get the work completed. We will have to look at that option. Of course, we will discuss that with the bill managers, and certainly with the Democratic leader.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:41 p.m., adjourned until Friday, June 21, 1996, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 20, 1996:

FEDERAL RESERVE SYSTEM

ALAN GREENSPAN, OF NEW YORK, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR A TERM OF FOUR YEARS.

LAURENCE H. MEYER, OF MISSOURI, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THE UNEXPIRED TERM OF FOURTEEN YEARS FROM 2/1/88.

ALICE M. RIVLIN, OF PENNSYLVANIA, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR A TERM OF FOURTEEN YEARS FROM FEBRUARY 1, 1996.

ALICE M. RIVLIN, OF PENNSYLVANIA, TO BE A VICE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR A TERM OF FOUR YEARS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. RONALD T. KADISH, [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL IN THE U.S. AIR FORCE WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. WALTER KROSS [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. WESLEY K. CLARK [redacted]

THE FOLLOWING U.S. ARMY RESERVE OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 3371, 3384 AND 12203(A):

To be major general

BRIG. GEN. PAUL C. BERGSON [redacted]
BRIG. GEN. DOUGLAS E. CATON [redacted]
BRIG. GEN. ANTHONY R. KROPP [redacted]
BRIG. GEN. JOHN M. O'CONNELL [redacted]

To be brigadier general

COL. VONEREE DELOATCH [redacted]
COL. ROBERT M. DIAMOND [redacted]
COL. ALFONSA GILLEY [redacted]
COL. HAYWOOD S. GILLIAM [redacted]
COL. PIERCE A. ROAN, JR. [redacted]
COL. ALFRED T. ROSSI [redacted]
COL. RICHARD G. SIMMONS [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601(A):

To be general

LT. GEN. DAVID A. BRAMLETT [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. PETER J. SCHOOMAKER [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED BRIGADIER GENERALS OF THE U.S. MARINE CORPS FOR PROMOTION TO THE GRADE OF MAJOR GENERAL, UNDER THE PROVISIONS OF SECTION 624 OF TITLE 10, UNITED STATES CODE:

To be major general

BRIG. GEN. THOMAS A. BRAATEN [redacted]
BRIG. GEN. MICHAEL P. DELONG [redacted]
BRIG. GEN. EDWARD HANLON, JR. [redacted]
BRIG. GEN. GEOFFREY B. HIGGINBOTHAM [redacted]
BRIG. GEN. GEORGE M. KARAMARKOVICH [redacted]
BRIG. GEN. JACK W. KLIMP, [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF SECTION 601, TITLE 10, UNITED STATES CODE:

To be lieutenant general

MAJ. GEN. CAROL A. MUTTER [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS ASSISTANT COMMANDANT OF THE MARINE CORPS, HEADQUARTERS, U.S. MARINE CORPS, AND APPOINTMENT TO THE GRADE OF GENERAL WHILE SERVING IN THAT POSITION UNDER THE PROVISIONS OF SECTION 5044, TITLE 10, UNITED STATES CODE:

To be assistant commandant of the Marine Corps

LT. GEN. RICHARD I. NEAL [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER SECTION 601, TITLE 10, UNITED STATES CODE:

To be lieutenant general

MAJ. GEN. TERRENCE R. DAKE [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER SECTION 601, TITLE 10, UNITED STATES CODE:

To be lieutenant general

MAJ. GEN. JEFFREY W. OSTER [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF SECTION 601, TITLE 10, UNITED STATES CODE:

To be lieutenant general

MAJ. GEN. JAMES L. JONES, JR., [redacted]

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE NAVY OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

SUPPLY CORPS

To be rear admiral

REAR ADM. (LH) EDWARD R. CHAMBERLIN, [redacted] U.S. NAVY.

SENIOR HEALTH CARE EXECUTIVE

To be rear admiral

REAR ADM. (LH) NOEL K. DYSART, JR. [redacted] U.S. NAVY.
REAR ADM. (LH) DENNIS I. WRIGHT, [redacted] U.S. NAVY.

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE STAFF CORPS IN THE NAVY OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

MEDICAL CORPS

To be rear admiral (lower half)

CAPT. ALBERTO DIAZ, JR. [redacted] U.S. NAVY.

SUPPLY CORPS

To be rear admiral (lower half)

CAPT. DAVID P. KELLER [redacted] U.S. NAVY.

CIVIL ENGINEER CORPS

To be rear admiral (lower half)

CAPT. PETER W. MARSHALL [redacted] U.S. NAVY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) THOMAS B. FARGO [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. ARCHIE R. CLEMINS [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) ROBERT J. NATTER [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JAMES B. PERKINS III [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. HERBERT A. BROWNE II [redacted]

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE NAVAL RESERVE OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE

To be rear admiral (lower half)

CAPT. JOHN NICHOLAS COSTAS, [redacted] U.S. NAVAL RESERVE.

CAPT. JOSEPH COLEMAN HARE [redacted] U.S. NAVAL RESERVE.

CAPT. DANIEL LAWRENCE KLOEPPEL, [redacted] U.S. NAVAL RESERVE.

CAPT. HENRY FRANCIS WHITE, JR. [redacted] U.S. NAVAL RESERVE.

UNRESTRICTED LINE (TAR)

To be rear admiral (lower half)

CAPT. JOHN FRANCIS BRUNELLI [redacted] U.S. NAVAL RESERVE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601 AND TITLE 42, UNITED STATES CODE, SECTION 7158:

DIRECTOR, NAVAL NUCLEAR PROPULSION PROGRAM

to be admiral

VICE ADM. FRANK L. BOWMAN [redacted]

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

VICE ADM. ARTHUR K. CEBROWSKI [redacted]

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE NAVAL RESERVE OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 5912:

DENTAL CORPS

To be rear admiral (lower half)

CAPT. VERNON PAUL HARRISON, [redacted] U.S. NAVAL RESERVE.

JUDGE ADVOCATE GENERAL'S CORPS

To be rear admiral (lower half)

CAPT. CLIFFORD JOSEPH STUREK [redacted] U.S. NAVAL RESERVE.

SUPPLY CORPS

To be rear admiral (lower half)

CAPT. STEVEN ROBERT MORGAN, [redacted] U.S. NAVAL RESERVE.

CIVIL ENGINEER CORPS

To be rear admiral (lower half)

CAPT. ROBERT CHARLES MARLAY, [redacted] U.S. NAVAL RESERVE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. J. PAUL REASON [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) PATRICIA A TRACEY [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) JAMES O. ELLIS, JR. [redacted]

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING KATHLEEN S. BOHANON, AND ENDING NANCY MELENDEZ CAMILO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 25, 1996.

AIR FORCE NOMINATIONS BEGINNING JAMES C. BAIR, AND ENDING DONALD W. DAVISON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 25, 1996.

AIR FORCE NOMINATIONS BEGINNING THOMAS R. BIRD, AND ENDING WILLIAM A. DYKES, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 14, 1996.

AIR FORCE NOMINATIONS BEGINNING WARREN J. ANDERSEN, AND ENDING MARK S. JOHNSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 14, 1996.

AIR FORCE NOMINATIONS BEGINNING KENNETH D. ALLEN, JR., AND ENDING ALBERT L. SHERBURNE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 14, 1996.

IN THE ARMY

ARMY NOMINATIONS BEGINNING LOREN D. ALVES, AND ENDING *JOSEPH F. YETTER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 22, 1996.

ARMY NOMINATIONS BEGINNING DANIEL F. ABAHAZY, AND ENDING 2229X, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 20, 1996.

ARMY NOMINATIONS BEGINNING GLEN L. BLOOMSTROM, AND ENDING RICHARD R. YOUNG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 15, 1996.

ARMY NOMINATION OF ROBERT A. CHILDERS, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1996.

ARMY NOMINATIONS BEGINNING CARL E. DAWKINS, JR., AND ENDING LEON I. STEINBERG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1996.

ARMY NOMINATION OF WAYNE E. ANDERSON, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 6, 1996.

ARMY NOMINATIONS BEGINNING TIMOTHY J. COEN, AND ENDING RONALD E. BANKS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 6, 1996.

ARMY NOMINATIONS BEGINNING GARRY F. ATKINS, AND ENDING *JANICE L. WOOD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 6, 1996.

ARMY NOMINATIONS BEGINNING CHARLES C. APPLEBY, AND ENDING DEBORAH A. ROMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 17, 1996.

ARMY NOMINATIONS BEGINNING MITCHELL L. BROWN, AND ENDING DALE P. FOSTER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 17, 1996.

IN THE MARINE CORPS

MARINE CORPS NOMINATION OF E. D. ELEK, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 17, 1996.

MARINE CORPS NOMINATION OF WADE C. STRAW, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 17, 1996.

MARINE CORPS NOMINATION OF THOMAS J. FELTS, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 17, 1996.

MARINE CORPS NOMINATION OF PATRICK A. SIVIGNY, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 17, 1996.

MARINE CORPS NOMINATIONS BEGINNING RONALD J. CRABBS, AND ENDING LAWRENCE R. WOOLLEY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 22, 1996.

IN THE NAVY

NAVY NOMINATIONS BEGINNING JAMES A. CAVINESS, AND ENDING WILLIAM M. WIKE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 25, 1996.

HOUSE OF REPRESENTATIVES—*Thursday, June 20, 1996*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. CHAMBLISS].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 20, 1996.

I hereby designate the Honorable SAXBY CHAMBLISS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As You are the creator of the whole world, O God, and have blessed us and ever watch over us, we express our petitions before You seeking Your grace and mercy. We remember those who have special need this day—those in sorrow or sadness, those who need Your healing hand and Your word of blessing, those who look for confidence and trust, those who seek courage and strength. May Your peace, O gracious God, that is always with us, be and abide with all Your people, now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. CHAMBLISS). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Colorado [Mr. HEFLEY] come forward and lead the House in the Pledge of Allegiance.

Mr. HEFLEY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain fifteen 1-minutes per side.

WHY IS CRAIG LIVINGSTONE STILL ON THE WHITE HOUSE PAYROLL?

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Mr. Speaker, why are taxpayers paying Craig Livingstone not to work? He is the guy who was involved in pawing through the private FBI background files on political opponents of President Clinton. Even the director of the FBI, a Clinton appointee, has termed his conduct "an egregious violation of privacy."

Does the buck stop with Livingstone? Do not bet on it. Others at the White House chose to plead executive privilege to cover this stuff up, but Craig Livingstone is the one that the White House has chosen to suspend. His job has now been reorganized out of existence, yet he continues to be paid with taxpayer dollars.

True, there are probably a lot worse things than paying Craig Livingstone not to work, like paying him to continue his sleazy investigations of American citizens. It is not like he has been named as an unindicted coconspirator or something. Still, it is curious that he remains on the White House payroll. Very curious.

REPUBLICAN TAX BREAKS FOR THE WEALTHY

(Mr. PALLONE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PALLONE. Mr. Speaker, I continue to criticize the Gingrich-Dole Medicare cuts because basically they are being used to pay for tax breaks for the wealthy. They open the door for doctors to overcharge seniors beyond current copayment ceilings, and basically force seniors into managed care and eliminate their choice of doctors.

But now these tax breaks are coming at the very time when, in today's New York Times, it is reported that the income disparity between the poorest and the richest continues to rise. The Census Bureau said today that the gap between the most affluent Americans and everyone else is wider than it has been since the end of World War II, and the Bureau has determined that from 1968, when the gap began to widen, to 1994, the last year for which complete data were available, each indicator has shown a pronounced increase between the gap in the income of the well-to-do and those of the poor and working class. So why do we continue to make these Medicare cuts in order to give tax breaks to the wealthy?

The income disparity in this country has never been as great, and it just indicates once again why the Gingrich Republicans and the Republican leadership continue to play to the special interests, and that is the wealthy Americans, with these tax cuts.

UNINDICTED CO-CONSPIRATOR?

(Mr. HEFLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEFLEY. Mr. Speaker, one of Bill Clinton's closest advisers, and best friends, Bruce Lindsey, has been named an unindicted coconspirator in the Arkansas trial of two bankers involved in the Whitewater scandal.

Unindicted coconspirator? Mr. Speaker, when was the last time you heard that term used in relation to the White House? How about 1974. That is right—Watergate.

Mr. Lindsey's designation as a coconspirator is a significant turn of events. What this means is that someone inside Bill Clinton's circle of top advisers has been linked directly to the illegal diversion of funds to Clinton's 1990 campaign for Governor.

Mr. Speaker, Bill Clinton's propensity for unethical, if not blatantly illegal behavior, can no longer be ignored.

Whitewater. Travelgate. Filegate. All of these scandals are just now starting to mushroom and they all demonstrate a White House devoid of any sense of ethical proportion.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind the Member to avoid personal references to the President.

INCOME DISPARITY BETWEEN RICH AND POOR IS STEADILY INCREASING

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, the New York Times today, and other newspapers, point out that the income disparity, that is, the gap between the wealthiest, the poorest, and the middle

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

class, is steadily growing; no secret to many working middle-class Americans. From 1968 to 1994, the rich were indeed getting richer, the poor poorer, and a lot of folks just are not moving anywhere.

So what has been the response in the Gingrich-Dole budget that has passed this House and actually passed the Congress? First was to cut back the earned income tax credit for working families earning under $28,000. That means thousands of West Virginia working families will actually see a tax increase, not a tax cut. Oh, yes, I know about the $500 tax credit that is proposed. However, that will mean that one-third of low-income children will not see a benefit from that, and it will not offset the tax increase that many of our working families will see.

Another response has been to cut Medicare for those who need it the most to pay for a tax break, many of the benefits of which will go to the wealthiest. That does not make much sense.

Finally, for those trying to be upwardly mobile and get an education, the Gingrich-Dole budget would also rein in student loans. They are trying to cut the rungs off the very ladder people are trying to climb up.

SALES OF NUCLEAR TECHNOLOGY TO CHINESE COMPANY

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the White House approved a $140 million sale of nuclear technology to a Chinese company that has already sold nuclear technology to Pakistan and Iran. The White House said do not worry, this time the Chinese Energy Corp. has promised not to do this again. Unbelievable. Who is on first? What is on second?

America gives money to Russia, Russia sells billions of dollars' worth of technology to China, China sells the technology to our enemies. The White House threatens China, then the White House sells nuclear technology to China, and China says do not worry.

Beam me up, here. It is completely evident the left hand at the White House does not know what the far left hand is doing. I yield back the balance of any nuclear reactors that we will be facing in the future.

INTRODUCTION OF AMENDMENT TO FIX THE LAWLESS LOGGING RIDER

(Ms. FURSE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FURSE. Today, Mr. Speaker, we have a chance to do something that the people of this country have been asking us to do for almost a year. We have a chance to fix the infamous lawless logging rider. We will be offering a bipartisan amendment which will be called the Porter-Yates-Furse-Morella amendment. It will go a long way toward fixing that infamous rider. That rider passed with no hearings, no scientific input, in the middle of the night, stuck on another bill, and no one knew the consequences. But soon the people told us the consequences. We heard from grandmothers, Boy Scouts, fishermen, scientists, and local communities. They said the rider had been a disaster, and they were right.

Our amendment, Mr. Speaker, it not antilogging, our amendment is prologging under the law. We have been asked to trust a huge Federal bureaucracy to just do the right thing. Trust us, they say. We say, trust the law. So I hope and we hope that my colleagues will help support this amendment that will fix the lawless logging rider.

DEMAND FOR TRUST ABOUT WHITE HOUSE MISHANDLING OF FBI FILES

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, the Clinton administration has sunk to new depths of incompetency and unethical behavior.

The President is sending his spin machine into overdrive in a massive attempt to prove that his actions were not unethical or illegal, but simply a bureaucratic snafu.

Think about it, Mr. Speaker. This administration is making every effort possible to prove that its actions were incompetent. That is the best news that can come out of their inexcusable mishandling of these files.

Mr. Speaker, we do not need Clinton's spinmeisters to prove to us that this administration is incompetent. We need the Clinton spin doctors to prove to us that they can tell us the honest truth about just one of the Clinton scandals without changing their story on a daily basis. And we need for them to prove to us that this administration is truly sorry and willing to cooperate with us in an effort to find out why the rights of individuals could be so haphazardly violated as they were in this case.

CHURCH BURNINGS

(Ms. McKINNEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. McKINNEY. Mr. Speaker, over the past few days I have spoken with people who have seen the center of their communities destroyed. When a church is burned much more is desecrated than the wood and the bricks. Churches are placed where families and friends meet, hold community events, and pray. In poor areas where people struggle to get through each day, the church is a place to ask for strength , help and perseverance.

Thankfully, despite losing their churches, these people have not lost their spirit. In DeKalb County, where I live, the predominantly white and integrated congregations affected by these cowardly acts must know that there are extremists in this country who wish to divide us. However, now more than ever, we must unite and send a clear message that their efforts to divide us will fail. They may burn our churches, but they will never destroy our spirit.

WHITE HOUSE BREACH OF CITIZENS' PRIVACY WITH FBI FILES MUST BE INVESTIGATED BY INDEPENDENT INVESTIGATOR

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, the Clinton White House is at it again. The most recent incident, involving the breaching of privacy of nearly 500 American citizens, reaffirms a disturbing trend throughout the President's tenure in office. The background check of these American citizens, as requested by the White House, is an outrageous misuse of power. FBI director Louis Freeh said recently, and I quote: "The prior system of providing files to the White House relied on good faith and honor. Unfortunately, the FBI and I were victimized."

In a recent op-ed piece in the Wall Street Journal, a veteran of 26 years with the FBI wrote: "These allegations are more serious than anything we have seen in decades." The Conservative Opportunity Society knows, as every American knows, the FBI cannot investigate itself. It must be an independent investigation. Let us get at it.

MEDICAID REFORM

(Ms. ESHOO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ESHOO. Mr. Speaker, last week the Committee on Commerce wrote a bill, and with it wrote a sad new chapter against children in our country. The Republicans voted down several key amendments, but I want to highlight one in particular this morning.

The bill does state that Medicaid-insured children receive periodic medical examinations. That is the good news. Today, if any medical condition is discovered during screening, it is covered by that insurance. It makes sense, right? Check kids for medical problems and treat them if they are sick. Not according to the Republicans. Their bill says children are to be examined, but there are no provisions for treatment. Imagine the situation this creates. Children will be diagnosed, but no insurance exists for treatment. Are they to get better on their own? Would any of us as parents accept this for our children?

I offered an amendment, Mr. Speaker, which restored the guarantee of treatment for children. All 23 Republicans voted against it. Those votes may have been louder than words in the committee, but I think the American people are going to screen out this policy. Our Nation's children deserve better.

MEDICARE AND TAX BREAKS

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, I am honored to follow my colleague from Arizona because I can tell that they are more interested in election year politics than they are in balancing the budget.

Mr. Speaker, for years the Republicans have complained about Democrats being tax-and-spend liberals for causing the run-up in the budget deficit.

I submit their annual budget. The budget that was passed last week actually raised the deficit.

After 40 years in the political wilderness the Republican Party in consecutive years have shut down the Government and now passed a budget that will increase the deficit. Again I say, increase the deficit.

At the heart of their budget are cuts in Medicare and tax breaks for the wealthy. They want to cut taxes $122 billion while at the same time increasing the deficit. Maybe they need to worry about the FBI investigation. Maybe they need to worry about something other than what the folks elected us here to do, to balance the budget, provide health care for seniors, provide education for our children and to make sure our country is defended.

BLOCKING COMMONSENSE HEALTH CARE REFORMS

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, one way to improve health care and lower costs is by taking power and influence out of the hands of bureaucrats in Washington and returning it to the American people.

A bipartisan majority in the Congress is poised to give the American people more power and control over their medical care by passing the Health Coverage Availability and Affordability Act to make health insurance portable and affordable.

This bill will free workers from the worry that if they lose or change their job they will lose their health insurance. It will provide millions of small business employees, many who now have no insurance, the option to choose innovative, affordable medical savings accounts or MSA's. It will allow tax deductions for long-term health care and it will restore dignity to dying by allowing terminally ill patients and their families to receive tax-free accelerated death benefits.

The White House and one legislator should not stand in the way and deny millions of Americans commonsense reforms including MSA's that will make health insurance more portable and affordable.

DEMOCRATS TO UNVEIL FAMILIES FIRST AGENDA

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, today we saw one more reason why the American people reject Republican tax breaks for the wealthy. The New York Times reports today that the gap between the wealthy and the rest of America is now at its widest point since World War II.

The top 20 percent of Americans now earn more than the 60 percent of middle-class households combined.

People say that the wealthy work hard and deserve to be regarded. And that may be true. But does not the rest of America work hard? Do they not deserve to be rewarded, too?

We can get there. But we are not going to get there with a Republican agenda that cuts Medicare, Medicaid, education, and the environment to pay for tax breaks for the wealthy.

It is time we had a families first agenda that gives a $10,000 tax deduction to pay for college, that protects pensions, that makes health care portable, that raises the minimum wage, that invests in small business, and that helps give working families a raise.

On Sunday, Democrats across this country will unveil our families first agenda. Mr. Speaker, it is time we help families and not hurt them.

FILEGATE

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, every American values his or her privacy. The people who work for this Government are no exception—408 individual Americans who worked for previous administrations, Republicans, had their files taken from the FBI, and we believe that many of them were going to be used for dirty political tricks in the future. Some people say, "Well, it was a political mistake. The White House made a mistake."

It was not one mistake. It was 408 individual requests. Four hundred eight. Bernie Nussbaum, the counsel to the President's name, was on each one of those requests. He said he did not know anything about it. If he did not know anything about it, who requested those files? This is not the book 1984 where Big Brother looked into every one of our lives. This is supposed to be a free democratic society. Yet 408 people had their files, which are supposed to be secret, exposed to others at the White House and many of those things were leaked to other people they should not have been leaked to. This is something that needs to be fully investigated and the FBI should not be the only one to do it.

TAX BREAKS FOR THE WEALTHY

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, today's USA Today reported that the wealthiest 20 percent of U.S. households earned more in the early 1990's than 60 percent of households in the middle class. The New York Times reported that the gap between the most affluent Americans and everyone else was wider than it has been since World War II.

This is frightening news when you consider that the Republican budget passed in the House last week does not just increase the deficit, it also cuts Medicare to pay for tax breaks for the wealthy.

The Republican budget explicitly calls for $176 billion in tax breaks. The leadership will say that that is less than what they asked for the year before. But what the American people do not know is that the Republicans left a loophole that allows for unnamed tax breaks to be inserted later. The chairman of the Budget Committee, JOHN KASICH, has said, and I quote, "We expect a full complement of tax cuts. If there isn't, I will head south."

No wonder the rich are getting richer and the poor are getting poorer.

THE NEED FOR ETHICS AND HONESTY IN GOVERNMENT

(Mr. COX of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX of California. Mr. Speaker, as Republicans and Democrats in this House we disagree about many things, but we should not disagree for a moment on the need for ethics and honesty in Government.

During the administration of Ronald Reagan I worked in the White House, in the counsel's office, as a senior associate counsel to the President. I was proud of the reputation that that independent office in the White House maintained as a post-Watergate creation to make sure that after Richard Nixon and the Watergate offenses, never again was a President in a position of lacking the kind of independent honest advice that was necessary to make sure that there would not be lawbreaking within the White House itself. That office has maintained its reputation in a dignified way through Presidents Ford, Carter, Reagan, and Bush.

Sadly, in this administration the opposite has been true. Most recently the deputy counsel to the President has been named in a criminal indictment as an unindicted co-conspirator. This is not a hard question. Bruce Lindsey must resign. If he refuses to do so, the President himself must demand it. We as Members of Congress interested in honesty and ethics in Government must demand it.

FAMILIES FIRST—THE AGENDA FOR THE FUTURE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, today the Census Bureau tells us something that the average American already knows, and that is, according to census figures, the income disparity between the richest and the poorest in this country is bigger than ever. Bigger than ever, because we have been living under the Gingrich budget which says we must cut everybody in the middle class so the rich can get even more tax cuts, and we must continue to lift the deficit because guess who loans the money to the Government? The rich. So they are getting it both ways. It is absolutely amazing.

And what are we supposed to do? What are families supposed to do, normal families? I guess we are back to trickledown. I do not know about you, but the people in my area have been waiting for trickledown for years now, and they have not even gotten damp.

I think we have finally got to take this families first agenda that the Democrats have come up with and go out there and remind people it is the middle class that built this Government, and it is the middle class that is getting tromped on by this Government. Families first is the agenda for the future.

FILEGATE

(Mr. CHRYSLER asked and was given permission to address the House for 1 minute.)

Mr. CHRYSLER. Mr. Speaker, would it not be interesting to see President Clinton's secret FBI file?

It would answer a lot of questions most Americans have been wondering about for a long time.

We would see his health records, credit history, FBI background interviews, travel history, high school and college records, anti-Vietnam-war activities, and just about everything else we would want to know about his past.

Will we ever see these records? No.

Why not? Because it would be an invasion of privacy. In other words, it would be against the law.

President Clinton, do not violate the privacy of innocent citizens, if we are not allowed to see these records.

CHINA MFN MEANS DEATH OF AMERICAN JOBS

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, Members of this body will soon be asked to vote on most-favored-nation trading status for China.

Mr. Speaker, this softball, this Barbie doll, and this figurine from "Beauty and the Beast," are all manufactured in China with cheap labor, maybe by prison labor, maybe by child labor. Children in China making "Beauty and the Beast" figurines, children in China making Barbie dolls for children in America, 12-year-olds in China making softballs for 12-year-olds in America.

China has run up a huge trade surplus with the United States. By the U.S. Commerce Department's own calculation, that surplus will cost hundreds of thousands of American jobs. This deficit is growing every month and soon will exceed Japan's. The result is the death of American jobs. Hardship for American families, distress in American communities.

Mr. Speaker, China does not play by the rules. Children in China making softballs and Barbie dolls for children in America. Kill MFN.

SUPPORT FAMILIES FIRST, NOT THE GINGRICH BUDGET

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am extremely happy this morning that we finally have the real news that I hope America can attend to, and that is that the rich earn more than all of the middle class. Does anyone realize that there are Americans making $7,800 a year?

Maybe that will cease and desist all of the talk shows who begin to talk about those who do not want to work and those who do not want to do, and begin to understand what the Democrats are speaking about in not cutting Medicare and Medicaid, what the Democrats are speaking about in offering a new agenda for America, and that is families first, so that we can send our young people to college, so that we can keep the Pell grants, so that we can ensure that the environment is safe, and yes, so that we can increase the minimum wage for those individuals who want to take to the work rolls and not to the deadbeat rolls.

I hope that we will reject the Gingrich budget that does not put families first, and that now for once the truth will be known: The rich are getting richer and the poor, yes, are getting poorer, and the middle class are caught in between. Join us in an effort to make sure that this Congress speaks for families first and not support the Gingrich budget.

REPUBLICAN GIMMICKS HURT AMERICA

(Mr. HILLIARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIARD. Mr. Speaker, the right-wing radical Republicans seem to always take the side of the rich and privileged in America. They act as if they really care about America and working families and the middle class. There is no better case in point than Medicare.

The Republicans are using smoke and mirrors, political double talk, and all the gimmicks from the Nixon-Reagan school of politics. But they still would not be able to fool the American public. They know the American public really knows that the Republicans want to kill Medicare because it is the only way that they can save their Republican friends' tax cuts.

The bottom line is that Democrats want to honor the Medicare contract and the Republicans do not. The Medicare contract should be first.

☐ 1030

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole under the 5-minute rule: Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on International Relations; Committee on the Judiciary; Committee on National Security; Committee on Resources; Committee on Science; Committee on Transportation and Infrastructure; and Committee on Veterans' Affairs.

Mr. Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. CHAMBLISS). Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION TO OFFER ADDITIONAL AMENDMENT DURING FURTHER CONSIDERATION OF H.R. 3662, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Mr. REGULA. Mr. Speaker, I ask unanimous consent that during the further consideration of H.R. 3662, notwithstanding the order of the House of Wednesday, June 19, 1996, the gentleman from Michigan [Mr. STUPAK] be allowed to offer an amendment regarding the Pictured Rocks National Park to be debatable for 10 minutes, equally divided.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 455 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3662.

□ 1032

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3662) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, with Mr. BURTON of Indiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Wednesday, June 19, 1996, the bill had been read through page 80, line 4. Pending was amendment No. 28, offered by the gentleman from Vermont [Mr. SANDERS].

Pursuant to the order of the House of that day, the bill is considered read.

The text of the remainder of H.R. 3662, as amended pursuant to House Resolution 455, is as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 303. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 304. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 305. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 306. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless advance notice of such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such Committees.

SEC. 307. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c; popularly known as the "Buy American Act").

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 308. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (Sequoiadendron giganteum) which are located on National Forest System or Bureau of Land Management lands in a manner different than such sales were conducted in fiscal year 1995.

SEC. 309. None of the funds made available by this Act may be obligated or expended by the National Park Service to enter into or implement a concession contract which permits or requires the removal of the underground lunchroom at the Carlsbad Caverns National Park.

SEC. 310. Where the actual costs of construction projects under self-determination contracts, compacts, or grants, pursuant to Public Laws 93-638, 103-413, or 100-297, are less than the estimated costs thereof, use of the resulting excess funds shall be determined by the appropriate Secretary after consultation with the tribes.

SEC. 311. Notwithstanding Public Law 103-413, quarterly payments of funds to tribes and tribal organizations under annual funding agreements pursuant to section 108 of Public Law 93-638, as amended, may be made on the first business day following the first day of a fiscal quarter.

SEC. 312. None of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps program, unless the relevant agencies of the Department of the Interior and/or Agriculture follow appropriate reprogramming guidelines: *Provided*, That if no funds are provided for the AmeriCorps program by the VA-HUD and Independent Agencies fiscal year 1997 appropriations bill, then none of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps programs.

SEC. 313. None of the funds made available in this Act may be used (1) to demolish the bridge between Jersey City, New Jersey, and Ellis Island; or (2) to prevent pedestrian use of such bridge, when it is made known to the Federal official having authority to obligate or expend such funds that such pedestrian use is consistent with generally accepted safety standards.

SEC. 314. (a) None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws.

(b) The provisions of subsection (a) shall not apply if the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before September 30, 1994, and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date.

(c) PROCESSING SCHEDULE.—For those applications for patents pursuant to subsection (b) which were filed with the Secretary of the Interior, prior to September 30, 1994, the Secretary of the Interior shall—

(1) Within three months of the enactment of this Act, file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a plan which details how the Department of the Interior will make a final determination as to whether or not an applicant is entitled to a patent under the general mining laws on at least 90 percent of such

applications within five years of the enactment of this Act and file reports annually thereafter with the same committees detailing actions taken by the Department of the Interior to carry out such plan; and

(2) Take such actions as may be necessary to carry out such plan.

(d) MINERAL EXAMINATIONS.—In order to process patent applications in a timely and responsible manner, upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party contractor to be selected by the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in subsection (b). The Bureau of Land Management shall have the sole responsibility to choose and pay the third-party contractor in accordance with the standard procedures employed by the Bureau of Land Management in the retention of third-party contractors.

SEC. 315. None of the funds appropriated or otherwise made available by this Act may be used for the purposes of acquiring lands in the counties of Lawrence, Monroe, or Washington, Ohio, for the Wayne National Forest.

SEC. 316. Of the funds provided to the National Endowment for the Arts:

(a) The Chairperson shall only award a grant to an individual if such grant is awarded to such individual for a literature fellowship, National Heritage Fellowship, or American Jazz Masters Fellowship.

(b) The Chairperson shall establish procedures to ensure that no funding provided through a grant, except a grant made to a State, regional or local group, may be used to make a grant to any other organization or individual to conduct activity independent of the direct grant recipient. Nothing in this subsection shall prohibit payments made in exchange for goods and services.

(c) No grant shall be used for seasonal support to a group, unless the application is specific to the contents of the season, including identified programs and/or projects.

SEC. 317. The United States Forest Service approval of Alternative site 2 (ALT 2), issued on December 6, 1993, is hereby authorized and approved and shall be deemed to be consistent with, and permissible under, the terms of Public Law 100-696 (the Arizona-Idaho Conservation Act of 1988).

SEC. 318. None of the funds made available to the Department of the Interior or the Department of Agriculture by this or any other Act may be used to issue or implement final regulations, rules, or policies pursuant to title VIII of the Alaska National Interest Lands Conservation Act to assert jurisdiction, management, or control over navigable waters transferred to the State of Alaska pursuant to the Submerged Lands Act of 1953 or the Alaska Statehood Act of 1959.

SEC. 319. No funds appropriated under this or any other Act shall be used to review or modify sourcing areas previously approved under section 490(c)(3) of the Forest Resources Conservation and Shortage Relief Act of 1990 (Public Law 101-382) or to enforce or implement Federal regulations 36 CFR part 223 promulgated on September 8, 1995. The regulations and interim rules in effect prior to September 8, 1995 (36 CFR 223.48, 36 CFR 223.87, 36 CFR 223 subpart D, 36 CFR 223 subpart F, and 36 CFR 261.6) shall remain in effect. The Secretary of Agriculture or the Secretary of the Interior shall not adopt any policies concerning Public Law 101-382 or existing regulations that would restrain domestic transportation or processing of timber from private lands or impose additional accountability requirements on any timber. The Secretary of Commerce shall extend until September 30, 1997, the order issued under section 491(b)(2)(A) of Public Law 101-382 and shall issue an order under section 491(b)(2)(B) of such law that will be effective October 1, 1997.

SEC. 320. Section 101(c) of Public Law 104-134 is amended as follows: Under the heading "Title III—General Provisions" amend section 315(f) by striking "September 30, 1998" and inserting in lieu thereof "September 30, 1999" and by striking "September 30, 2001" and inserting in lieu thereof "September 30, 2002".

This Act may be cited as the "Department of the Interior and Related Agencies Appropriations Act, 1997".

The CHAIRMAN. Pursuant to the order of the House of June 19 and earlier today, no further amendments shall be in order except the following amendments, which shall be considered read, shall not be subject to amendment or to a demand for division of the question, and shall be debatable for the time specified, equally divided and controlled by the proponent and an opponent:

An amendment by the gentleman from Vermont [Mr. SANDERS] regarding weatherization, for 20 minutes;

An amendment by the gentleman from Pennsylvania [Mr. FOX] regarding weatherization, for 10 minutes;

An amendment by the gentleman from Mississippi [Mr. PARKER] regarding weatherization, for 10 minutes;

An amendment by the gentleman from American Samoa [Mr. FALEOMAVAEGA] regarding the red squirrel, for 15 minutes;

An amendment by the gentleman from Michigan [Mr. HOEKSTRA] regarding the NEA, for 10 minutes;

An amendment by the gentleman from Arizona [Mr. SHADEGG] regarding the NEH, for 30 minutes;

An amendment by the gentleman from Wisconsin [Mr. KLUG] or another member regarding timber contracts, for 10 minutes;

An amendment by the gentleman from Oregon [Mr. DEFAZIO] regarding timber sourcing, for 10 minutes;

An amendment by the gentleman from Massachusetts [Mr. OLVER] regarding funding levels for codes and standards, for 10 minutes;

An amendment by the gentleman from California [Mr. CONDIT] regarding the Endangered Species Act, for 10 minutes;

An amendment by the gentleman from Vermont [Mr. SANDERS] regarding PILT, for 20 minutes;

An amendment by the gentlewoman from Oregon [Ms. FURSE] or the gentleman from Illinois [Mr. PORTER] regarding timber salvage, for 60 minutes;

An amendment by the gentleman from Minnesota [Mr. GUTKNECHT] regarding an across-the-board cut, for 20 minutes;

An amendment by the gentlewoman from Idaho [Mrs. CHENOWETH] regarding grizzly bears, for 10 minutes;

An amendment by the gentleman from Oklahoma [Mr. ISTOOK] regarding BIA, for 20 minutes;

An amendment by the gentleman from Illinois [Mr. YATES] regarding telecommunications, for 10 minutes; and

An amendment by the gentleman from Michigan [Mr. STUPAK] regarding Pictured Rocks National Park, for 10 minutes.

Pending is amendment No. 28 offered by the gentleman from Vermont [Mr. SANDERS].

Pursuant to the order of the House of Wednesday, June 19, 1996, the gentleman from Vermont [Mr. SANDERS] and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Vermont [Mr. SANDERS].

For what purpose does the gentleman from Michigan [Mr. HOEKSTRA] rise?

Mr. HOEKSTRA. Mr. Chairman, I ask unanimous consent to call up my amendment out of order, to briefly explain that amendment and enter into a colloquy with the chairman of the subcommittee.

The CHAIRMAN. First of all, there is no order of amendments. Is the gentleman asking that his amendment be put ahead of other amendments that are currently pending?

Mr. HOEKSTRA. Yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. SANDERS. Mr. Chairman, reserving the right to object, I understand it is going to be a very short period of time, is that right?

Mr. HOEKSTRA. Mr. Chairman, if the gentleman will yield, it will be very short.

Mr. SANDERS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is the gentleman from Michigan offering his amendment or just seeking time?

Mr. HOEKSTRA. Mr. Chairman, I would like to offer the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. DICKS. Reserving the right to object, Mr. Chairman, can the gentleman explain to me what is going to happen here? This is on the NEA amendment?

Mr. HOEKSTRA. Mr. Chairman, if the gentleman will yield, this is on the NEA amendment. I will offer the amendment. I will briefly explain the amendment. I will enter into a colloquy with the chairman of the subcommittee and I will withdraw the amendment.

Mr. DICKS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Without objection, the Sanders amendment is temporarily withdrawn and the gentleman from Michigan [Mr. HOEKSTRA] is recognized to offer his amendment.

AMENDMENT OFFERED BY MR. HOEKSTRA

Mr. HOEKSTRA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. HOEKSTRA: In the item relating to "NATIONAL ENDOWMENT FOR THE ARTS—GRANTS AND ADMINISTRATION", after the dollar amount, insert the following: "(reduced by $31,500)".

The CHAIRMAN. Pursuant to the order of the House of Wednesday June 19, 1996, the gentleman from Michigan [Mr. HOEKSTRA] will be recognized for 5 minutes, and a Member opposed will be recognized for 5 minutes.

The Chair recognizes the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank my colleagues on the other side of the aisle for allowing me to take my amendment out of order. I will make this brief.

We have been working on a project that we call the myth of the magical bureaucracy, and it deals with what bureaucrats and the bureaucracy in Washington are being asked to do in America. They are being asked to do a number of different things. We are talking about this city. We are talking about what has happened in this city where we have Independence Avenue, which in many cases now has become Dependence Avenue. It is the avenue that is full of bureaucracy that has moved decision making away from the American people and has moved the decision powers to here in Washington.

These buildings are staffed by what in many cases we call magical bureaucrats. We call them magical bureaucrats because we are asking them to do things which they were never equipped or able in power to do. Today we are talking about a bureaucrat who we have asked to become a film maker, a film maker for the National Endowment for the Arts. The problem that we have with this film maker, this bureaucrat within the National Endowment for the Arts, of the decision-making responsibilities that they have taken from the American people and how they have made these decisions.

Specifically, we want to just highlight one example. It is called the Watermelon Woman. In 1996, after years of debate about the types of arts that were being funded by the American taxpayers, the outrage at the National Endowment for the Arts continues. This film has been described as one of the hottest, as having some of the hottest sex scenes ever recorded on celluloid.

That is not the type of decision making that we want in Washington. It is the highlight of the myth of the magical bureaucrat that magical bureaucrats in Washington know more about art than what the individual taxpayers do. The bill to the American taxpayer, the purchase price of the admission for a ticket to this movie, was $31,500.

My amendment would have been a clear signal to the National Endowment for the Arts that this has to stop. Out of a $99 million budget, $99 million of bureaucrats describing what art is in America, it would have cut and said to the NEA obviously in 1996, you had $31,500 to waste. In 1997, you are not going to get that money again.

After a colloquy with the subcommittee chairman, I will withdraw this amendment because of some other agreements and arrangements that have been made.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. HOEKSTRA. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Let me thank the gentleman at least for having certainly his right to challenge and acknowledge his concerns about the National Endowment for the Arts. Let me add my appreciation for the withdrawing of this amendment and only to say that I stand in support of the National Endowment for the Arts in its broadcast sense, in its independence and its recognition of the symphony and the ballet and the independent small arts groups that reach into the minority community.

Just a last point for the gentleman's kindness, that particular film, though I know raises many different perspectives, the Watermelon Woman was a highly acclaimed film that dealt seriously and realistically with the challenges faced by being a black woman in the entertainment industry. So I would ask indulgence to recognize the need for broad-based art and that we must consider the fact that the National Endowment for the Arts has a long-standing history in reaching to rural America, urban America and certainly to underserved Americans.

Mr. HOEKSTRA. Reclaiming my time, there is no doubt that the NEA has probably done some phenomenal things. I watched this movie, all right, 78 minutes, and I invite any of my colleagues to watch it as well. Describing this as art is using the term very, very loosely. I would not show it to my parents. I would not show it to my wife. I would not want my kids to see it. I do not think any of my friends would want to see it. And we paid for it.

Ms. JACKSON-LEE of Texas. We have had the occasion to have members of our staff review it and look at it, and I do know everything is in the eyes of the beholder. I would only offer to say that art is for those individuals in different categories, and it is received differently. I would simply say that we would have to view art in that manner protected by the first amendment. I appreciate the gentleman's assessment of that particular film, but there are other assessments of it as well.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOEKSTRA] has expired.

Mr. REGULA. Mr. Chairman, I ask unanimous consent the gentleman from Michigan [Mr. HOEKSTRA] have 3 additional minutes.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 19, 1996, the time is controlled.

Without objection, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 3 additional minutes.

There was no objection.

Mr. HOEKSTRA. Mr. Chairman, I yield myself such time as I may consume for the purpose of a colloquy with my subcommittee chairman. I yield to the gentleman from Ohio [Mr. REGULA], the subcommittee chairman.

Mr. REGULA. Mr. Chairman, I appreciate the fact that the gentleman is going to withdraw the amendment, and I have not seen the film. I have read descriptions of it, and I think it probably represents an abuse of discretion in using Federal funds to provide support for this.

Obviously the first amendment runs to the right to free speech, but I do not think it necessarily means that in the use of public money that you can be careless in the way in which it is expended.

I might tell the gentleman in response to his concern that in this report, the following language appears: This appropriation is consistent, we are speaking of the amount that has been appropriated for the National Endowment for the Arts, which is the same for this year as it was in 1996. This appropriation is consistent with the agreement reached on the floor of the House during debate over the fiscal year 1996 Interior appropriation bill in terms of the proposed reauthorization by the House legislative committee of jurisdiction to phase out Federal funding for the National Endowment for the Arts over a 2-year period.

The committee has provided bill language to allow funds to remain available until expended and this gives them the flexibility to close out the agency. But an agreement was reached by our leadership to terminate the agency in 2 years, and this bill reflects that agreement.

Mr. HOEKSTRA. I thank the gentleman for that clarification, based on that agreement and recognizing the expectation that that agreement will take place Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Michigan [Mr. HOEKSTRA] is withdrawn.

Will the gentleman from Vermont [Mr. SANDERS] reoffer his amendment?

AMENDMENT OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SANDERS: In the item relating to "DEPARTMENT OF ENERGY—NAVAL PETROLEUM AND OIL SHALE RESERVES", after the dollar amount, insert the following: "(reduced by $11,764,000)".

In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION", after each of the first, second, and third dollar amounts, insert the following "(increased by $11,764,00)".

☐ 1045

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 19, 1996, the gentleman from Vermont [Mr. SANDERS] will be recognized for 10 minutes and the gentleman from Ohio [Mr. REGULA] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to be offering this amendment, along with its cosponsor, the gentleman from Maine [Mr. LONGLEY]. The amendment is very simple. It transfers $11.764 million from the Naval Petroleum Reserve into the Low Income Weatherization Assistance Program. Last year the weatherization program was hit very hard and was slashed almost in half. Now this bill recommends an additional 10 percent cut on top of last year's decimating cut. Please join us in sending a message that the proposed cut is just too deep.

This is a compromise amendment. The administration requested an increase of funding to $150 million. The committee recommends $100 million. This amendment puts it at about $112 million. The amendment is supported by a broad and varied coalition, the American Public Power Association, U.S. PIRG, the Environmental Defense Fund, and the National Community Action Foundation.

Weatherization funds save money. That is the important point to make. It is a very cost-effective program. Weatherization funds help pay for updating decrepit heating and cooling systems. identifying deadly carbon monoxide leaks and faulty fuel systems, insulating drafty homes, and educating homeowners on energy efficiency. Weatherization funds save money. It is a good, cost-effective investment.

Mr. Chairman, virtually every State in the Nation benefits from the weatherization program. Colder States like Vermont, Maine, and Wisconsin, where the weather gets 20 below zero, we save money and help our people; and warmer States like Louisiana and California and every place else in between also save money through the weatherization program.

Mr. Chairman, I am seriously concerned about the magnitude of cuts to low-income energy assistance. LIHEAP and weatherization have both been under attack. The sad fact is that many hard-working, low-income families and the elderly, many, many elderly people, utilize these programs very effectively. Many of these people simply cannot afford to pay their energy bills and certainly cannot afford to pay for insulation or the needed repairs on their homes. These funds are particularly important to the elderly, whose more fragile health often cannot tolerate extreme temperature changes.

Let me say a few words about the Naval Petroleum Reserve. The NPR's operating funds go to running three oil fields which are jointly operated by the Government and Chevron. The productivity of these fields has been steadily declining since its peak in 1976. The President earmarked the NPR for sale in fiscal year 1997, indicating, "Producing oil and gas is a commercial, not a governmental activity, which is more appropriately performed by the private sector."

That is something that many of my friends on the other side I am sure agree with. Congress apparently agreed, because it passed legislation authorizing the sale of NPR by 1998. The budget resolution that we recently passed recommends that the sale occur as soon as possible.

Mr. Chairman, this is a very important amendment. There are millions of people in this country who simply do not have the resources to keep warm in the wintertime. They need help. Taking the money from the NPR is a good way to do that.

Mr. Chairman, I reserve the balance of my time.

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. THOMAS].

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I am not here to speak to the merits of weatherization or where the gentleman from Vermont wants to spend his money. I believe the chairman of the subcommittee may have some remarks directed to the weatherization programs. Rather, I want to focus on where the gentleman gets his money from.

Ever since I have been in Congress, I have represented Naval Petroleum Reserve No. 1 at Elk Hills. Since the mid-1970's, on order of then President Ford, the Naval Petroleum Reserve has been producing petroleum at the maximum efficient rate. That is, the Government has been trying to run it like a private oil field.

For years, beginning with the Reagan administration, there was suggestion that we sell Elk Hills, since we are producing it as though it were a private operation. We said then that we wanted to make sure that the taxpayers got the maximum benefit of selling this very important natural resource, and that it be sold, because we can maximize the removal of petroleum from the reserve if it is coordinated with all of the private sector holdings surrounding Elk Hills.

With the assistance of, in one of the better bipartisan efforts in the 104th Congress, the two gentlemen from Virginia, Mr. BATEMAN and Mr. SISISKY, we put together a procedure for selling Elk Hills. It calls on experts, a maximum of five, to determine the value. There is a procedure that we are going to go through that we all believe will produce the maximum dollar to the taxpayer in the selling of this asset.

There is a timeline we are operating under, and we have already cut from the 1995 level $43 million, almost 25 percent of the total budget. It is the additional $11 million that concerns us about our ability to maximize for the taxpayers the dollars in the sale of Elk Hills.

I have told you I have represented Elk Hills, and some folks may think I would be giving less than an objective view in analyzing what this amendment would do. Therefore, I would like to read to you from a Department of energy letter than I received late last night, signed by the Assistant Secretary for Fossil Energy. This is the Clinton administration addressing the Sanders amendment.

"The Sanders amendment would severely compromise the prospects for obtaining an appropriate sales price," The letter says.

"The proposed $11 million reduction would eliminate new drilling activity in fiscal year 1997. That would produce $14 million in reduced revenue in 1997 alone, and $31 million in reduced revenue in 1998."

Now, let us say that you go ahead and spend that money for production, and, if you do, the Department chooses then to continue drilling at the field to preserve production. The letter says it will have to take the cut from other activities at the field, such as environmental compliance. If the field is not within its environmental compliance guidelines, it will be of less value to a purchaser.

In short, the letter says, the proposed funding reduction would have a cascading effect. The American taxpayers lose now in terms of revenues to the Government, and they would lose later in terms of the proceeds that go to the Federal treasury when this field is old.

In the old English saying, penny-wise and pound-foolish, the $11 million removed from the Naval Petroleum Reserve is a classic example of that. Again, not speaking to the merits of weatherization, the administration agrees with me that taking $11 million out of the Naval Petroleum Reserve costs the taxpayers immediately next year $14 million, $31 million in 1998, and untold millions to the taxpayers in sprucing up this property, getting it ready for a final sale.

I would tell the gentleman from Vermont that others could speak to the merits of the weatherization, but as far as where he gets his funding, I hope the House, if he proposes to offer this for a vote, would soundly reject the source for his funding.

Mr. SANDERS. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. OLVER.]

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in strong support of the amendment by my colleague from Vermont, Mr. SANDERS, which would increase funding for the weatherization program. This bill's cut in the weatherization program does not seem so bad at first glance. It proposes an 11 percent cut from last year. That is $12 million, from $112 million to $100 million.

But we have to go back and look at the program as it was in fiscal year 1995, when it was $215 million. So it already took a 48-percent cut in going from 1995 to 1996. Now you add another $12 million, 11 percent on top of that. That is quite enough. That is much more than a fair share of cuts for a very important program.

Low-income households in Massachusetts depend heavily upon weatherization. More than 1,700 families get weatherization in my State, and these are working families. These are low-income working families and low-income elderly families. If the program is funded at $100 million, there are going to be hundreds of homes that cannot be weatherized, and 90 percent of those households have incomes of less than $15,000 a year. Proper weatherization of these homes saves these families an average of $300 per year, and that is real money in the hands and pockets of very needy people.

The weatherization is a successful energy conservation program. The money spent pays for itself within 6 or 7 years, and from that time on every penny is pure savings that goes into the pockets of low-income elders and families in those communities.

In addition, this program complements the low-income home heating assistance program, the LIHEAP program, where LIHEAP provides energy to low-income households and weatherization conserves energy in those very same households.

So I urge my colleagues to support this weatherization and support the Sanders amendment.

Mr. REGULA. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio is recognized for 5½ minutes.

Mr. REGULA. Mr. Chairman, I hope that as you evaluate both this amendment and the amendment by the gentleman from Mississippi [Mr. PARKER], that you give some thought to the importance of these two amendments to national policy. Weatherization is popular. It is popular with the people who get to do the jobs, to do the weatherizing, it is popular with the State administrators who get to parcel out the money, because this weatherization money goes out to the State and the State bureaucracy gets the pleasure of handing out our Federal dollars.

So it is popular, and it is billed as an environmental vote. But let me give you the downside of all of this. In the case of the Parker amendment on weatherization, it is going to hit the research that is being done in conservation of fuel. That has got to be popular, too, with the environmental groups. The technologies being developed will reduce pollution. It will give us fuel efficiency. It will clean up air. It will make our automobiles more fuel efficient and environmentally benign. Part of that money goes to develop a new generation of fuel-efficient automobiles, in partnership with the auto industry, and they are spending far more dollars than we are. It will give us turbines that are a lot more fuel efficient.

Do you want to trade those off for putting some storm doors on properties? Long term, the conservation research program will be far more beneficial, in terms of impact on all of the American people, as opposed to a handful that benefit from weatherization. I know it is popular, but we are talking about national public policy, and we should be thinking long term.

Now, the amendment that is before us right now takes the money out of the Naval Petroleum Reserve. We have decided to sell it. Well, if you are going to sell the house, you do not let the boiler and the electrical system deteriorate. You take care of the house until you sell it. That is what we are talking about here. If we take this money out of the Naval Petroleum Reserve, they will not be able to manage that property efficiently, and it will result in a loss of perhaps $1 billion in the sale of this very, very valuable property.

Is that good management? No way. Keep in mind, we are the Board of Directors of the USA, and we have to make decisions that are important in terms of management of our resources, for all the people.

I do not want the taxpayers of this Nation to be deprived of a possible $1 billion from the sale of the Naval Petroleum Reserve because we, here to get an environmental vote, decided to take the money out of that for weatherization for the next 12 months. Keep in mind that we need to take care of this property. We do not have a lot in here. We have the minimal amount to manage that property well until it is put up for sale, a sale that was determined by this Congress should be made.

So I think in both of these amendments we are running the risk of very bad policy, one on Parker in the case of conservation research. We have already taken a big cut out of it. We should not take more or we are going to damage a lot of very important programs to the people of the United States. In the case of the Sanders amendment, we are going to potentially reduce the value of the Naval Petroleum Reserve when we sell it in the near future by many millions of dollars.

□ 1100

Bad public policy. I know it has a great appeal to go home and say, I voted to put storm windows in for somebody or insulate the roof. That is all fine, and we already have $100 million in this bill. It is not as if we shortchanged weatherization; but to dump more money in it and, at the same time, get bad public policy, would be damaging to the long-term effort to develop fuel efficiency, to become independent of other countries. We are already getting half of our petroleum from overseas.

This Congress may in the future have to vote again to send our military people around the world to protect our oil supplies. Members should think about that when they vote on the Parker amendment, and think about the potential loss of value on the Naval Petroleum Reserve when they vote on the Sanders amendment. These will be coming up. They are rolled, and therefore, both of them, each in its own way, has a real downside.

I recognize, of course, the political appeal on weatherization. The administration said they strongly support weatherization but not at the expense of other energy programs. Let me say again, we have taken a real hit on energy. Let us not exacerbate the problem by voting for either of these amendments.

Let me urge all my colleagues to vote "no" on both of the weatherization amendments.

Mr. Chairman, I yield back the balance of my time.

Mr. SANDERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas, Ms. SHEILA JACKSON-LEE.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise to support my colleague, the gentleman from

Vermont [Mr. SANDERS], in his amendment.

Interestingly enough, he comes from way north and I come from the State of Texas. Weatherization programs start and begin with saving lives, and I appreciate my colleague's discussion of opposition on the value of national policy, but I do think it is important to emphasize a national policy of saving lives and, as well, ensuring that corrective measures are taken to provide heat in the winter and cooling in the summer.

Most of the weatherization dollars go into older communities, with older housing stock that, in fact, do not have the wherewithal to secure environmentally safe heating facilities as well as environmentally safe cooling facilities. Do we want to wait and see another long and harsh winter result in the terrible deaths that we saw in Chicago a few short years ago; or the terrible heat loss in my community a few short years ago as well?

This is an effective, fiscally responsible amendment. We should draw together and make sure we support the weatherization program in the best way possible to save lives.

Mr. SANDERS. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. OBERSTAR].

(Mr. OBERSTAR asked and was given permission to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Chairman, 10,000 years ago the last glacier retreated from the North American continent, but every fall it stages a comeback and this year it lasted well into May, when we had 36 inches of ice still on the border lakes in my district with temperatures driven down to 60 below zero.

I want to say to my good friend from Ohio, who casually talked about this money going to some bureaucracy, this money goes to real people, people who are old and poor and hurt in the cold weather of northern Minnesota. If the gentleman thinks that is fun, try living up there on $600 a month in a poorly insulated house when an individual has to choose between eating or heating.

I resent it. This program has been cut from $900 million in 1981 to a bare $100 million today. The gentleman talks about saving some Elk Hills Oil Petroleum Reserve and some national policy. National policy is people, people who are old and poor and who deserve to be helped, who deserve to have something better than a miserably cold winter and the choice of heating, eating, or suffering to death. We should not have that kind of choice in this society, and this is a paltry amount to be shifting into this program of weatherization and home heating assistance.

When we weatherize the home, we cut the heating assistance by 15 percent. We should support this amendment.

Mr. SANDERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in support of the Sanders amendment, which will provide additional funding to the low-income weatherization program.

It is my understanding with regard to the NPR that the private industry sources say that they can cut operating costs between $30 and $40 million. So this $11 million is indeed a paltry sum, as my colleague from Minnesota has talked about. This is not going to break the NPR. It is just not going to do that; that is a fallacy.

The weatherization program provides essential energy assistance, and it provides that in my State of Connecticut to the working poor, to the elderly, to the disabled, to low-income individuals. Without this help, many residents could not afford to heat their homes through the winter, and it gets cold in the State of Connecticut.

Weatherization projects protect the homes from elements and make them more energy efficient. It reduces the costs for these individuals and their families. Last year's support for the weatherization program took a big hit from its regular funding level, and despite the President's request to raise funding of this program to $150 million in 1997, this bill would slash weatherization by 60 percent from 1995 levels.

Let us pass the Sanders amendment, let us help working families.

Mr. SANDERS. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, I am not surprised that some bureaucrat in the Energy Department, who is in charge of the Strategic Petroleum Reserve, would object to having a little money taken out of their program. That does not come as a surprise to me. The question is whether or not we ought to be spending that money a little more wisely.

I think that the amendment of the gentleman from Vermont [Mr. SANDERS] will provide us with the opportunity to do precisely that, spend that money a little bit more wisely. This money would take money out of that Naval Petroleum Reserve and put it into weatherization. For every dollar we spend on this weatherization program, we realize about $1.62 in savings. This saves energy by weatherizing homes.

Of course, on the humanitarian level, which I think is even more critically important, it saves lives. It allows people who are living in cold climates and in uncomfortable conditions to live more comfortably by weatherizing their homes, and also increases their personal security thereby.

So in spite of the fact that someone who is in charge of this particular money now might object to having it go someplace else, I think it is in the best interests of the people of the country to take a little money out of NPR, put it into weatherization and thereby provide a lot more comfort and save some energy for this country.

Mr. SANDERS. Mr. Chairman, I yield 30 seconds to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I will never forget running into a woman in Stevens Point in my district. She was about 90 years old. The only thing that kept her going was the fact that she was living in a home that was built for her by her husband as a wedding present when she was 22 years old.

She lived in a living room, a kitchen, and a bathroom. Everything else was boarded up. She slept on an old, beat-up couch. It was the weatherization program that made it possible for that woman to have some meaning in her life. For us to take that away, we ought to be ashamed of ourselves.

This amendment should pass. It is about time we put people ahead of theory. It is about time we put people ahead of nickles.

Mr. DOOLEY. Mr. Chairman, I ask unanimous consent that each side have 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in strong opposition to this amendment. Some of the prior speakers have said that they could understand why a Department of Energy bureaucrat would object to the cut of a little money. The bottom line is, there has already been $43 million cut out of this budget. That is 23 percent below 1995.

That Department of Energy official maybe made a wise decision. They made a determination that by making this additional $11 million in cuts it is going to reduce the value of a government asset that we are committing to sell. Tell me what businessperson in America would make a decision that would result in the diminishing of the economic value of an asset that they know that they are going to dispose of in the future.

That is the issue at hand here, that we might be finding $11 million additional to go for heating assistance this year, but next year and the following year, when we have seen the diminishing of the value and fewer dollars that are going to be available for any program, we will have even greater difficulty in providing for some of these needs.

Vote "no" on this amendment. It is a poor decision.

Mr. SANDERS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would remind my friend that Chevron has stated that it could cut operating costs by a minimum of $30 to $40 million and extend its producing life, which would ultimately boost revenues.

Most importantly, Mr. Chairman, what we are talking about is that in this great country, the United States of America, there are millions of people who face cold in the wintertime. This is not a question of putting storm windows on; this is a question of maintaining a shred of dignity for low-income senior citizens who just do not have enough money to keep their homes warm and who are living in houses where all of the warmth is running out of deteriorating roofs and walls.

What kind of society are we when we cannot take care of and keep warm the weakest and most vulnerable amongst us? We are talking about $11 million, that is all we are talking about, to keep people warm in America, to keep people from dying in Chicago when the weather there goes above 100 degrees. I do not think that is asking too much.

Mrs. KENNELLY. Mr. Chairman, I rise in support of the Sanders amendment to increase funding for the Low-Income Weatherization Program.

Everyone in this body agrees that Government works best when it helps people solve problems in a cost-effective, commonsense way. Low-income weatherization does that—helping people to conserve energy and preserve their limited incomes.

Because of weatherization, millions of American families do not have to choose between paying high energy bills and paying for food and shelter. This program is particularly important to Connecticut, which has some of the highest heating costs in the Nation. For people in my State, weatherization is proof that Government can make a positive difference in people's lives.

The Sanders amendment correctly recognizes that any national energy policy must ensure that families are not forced to use more energy than they need or can afford. And by keeping weatherization at last year's levels, this amendment rightfully reflects the difficult funding climate in which we operate.

When we are debating a $12 billion bill, $12 million may not sound like a lot of money. But to the families in Connecticut who will benefit from weatherization, this extra funding is precisely the support they need.

I urge my colleagues to support the Sanders amendment to restore funding for weatherization.

Mr. TORKILDSEN. Mr. Chairman, I rise in strong support of the Sanders-Longley amendment to restore much-needed weatherization assistance funds.

My constituents in northeastern Massachusetts and elsewhere in New England suffer from brutal winters that sap household budgets, as they seek to adequately heat their homes.

Two programs help keep low-income homes warm during these months, LIHEAP and the Weatherization Assistance Program. Both have proven to save not only energy dollars, but public health dollars. Studies continue to show that low-imcome people, particularly the elderly, will sacrifice food and other necessities to heat their homes in the winter. The average income of those receiving weatherization assistance is $7,641.

This amendment is not asking for an increase—just level funding. In exchange, families in my district are able to remain self-sufficient, keeping them off public assistance, out of hospital emergency rooms and working at their jobs. In an era of shrinking Federal dollars, LIHEAP and the Weatherization Assistance Program are cost-effective prevention programs that deserve our continued support.

I urge my colleagues to support the Sanders-Longley amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. SANDERS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SANDERS. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from Vermont [Mr. SANDERS] will be postponed.

The point of no quorum is considered withdrawn.

Are there further amendments?

Mr. YATES. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, I take this time in order to have a colloquy with my good friend, the chairman of the committee, with respect to a telecommunications issue in our bill.

The gentleman will recall that I offered an amendment in committee in an effort to make sure that the huge antennas which are necessary for telecommunications would not be constructed in national parks, wildlife refuges, or national forests or places where the public finds enjoyment.

I planned to reoffer this amendment today but, in the interest of time, I will not offer that amendment if I can have the assurance of the chairman that language will be placed in the statement of the managers for this bill directing the Department of the Interior and the Forest Service to promulgate rules assuring public comment on the placement of telecommunications devices on park, refuge, and Forest Service land. Will the chairman agree to that?

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, it is my understanding that this language would not be inconsistent with the telecommunications bill; that there is a provision for public comment, and I think that we should have language in the statement of managers that reinforces what I have been advised is part of that bill.

I think what the gentleman is talking about is very important, because these facilities can be placed on our public lands, parks, and forests, grazing lands, wherever Fish and Wildlife facilities are, and I think allowing for public comment ensures that it will not be detrimental to the public's right to use those facilities.

I would certainly think we would consider that in conference.

Mr. YATES. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. SHADEGG

Mr. SHADEGG. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SHADEGG: In the item relating to "OTHER RELATED AGENCIES—NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES—NATIONAL ENDOWMENT FOR THE HUMANITIES—GRANTS AND ADMINISTRATION". strike "$92,994,000" and insert "$80,000,000, of which at least $28,000,000 be used for state grants."

The CHAIRMAN. Is there a Member who wishes to be recognized in opposition to the amendment?

Mr. YATES. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Arizona [Mr. SHADEGG] will be recognized for 15 minutes and the gentleman from Illinois [Mr. YATES] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Arizona [Mr. SHADEGG].

□ 1115

Mr. SHADEGG. Mr. Chairman, I yield myself such time as I may consume.

Last year this Congress made a commitment to fulfill its obligation to balance the Federal budget. We face a $5.2 trillion debt and a $153 billion deficit. Our commitment was to reduce the subsidy that we provide to the National Endowment for the Arts and the National Endowment for the Humanities. I rise to offer an amendment which fulfills that commitment.

Last year former Secretary of Education Bill Bennett testified before this Congress that we should eliminate the funding for the National Endowment for the Humanities. And former Secretary Lynne Cheney, who headed the National Endowment for the Humanities, also has called for an ending of this Federal subsidy of the humanities.

Many Members of this Congress, Mr. Chairman, campaigned on a promise to balance the Federal budget and to end spending in areas where we cannot afford to continue to spend. As worthy as support of the humanities may be, and this is not about that issue, we simply can no longer afford to continue to subsidize the humanities.

My amendment takes a modest step in that direction. It fulfills the promise we made last year. The bill before us makes a mere 5 percent cut in the funding for National Endowment for the Humanities. At that rate, Mr. Chairman, it will take us 19 years to fulfill our promise to end the subsidy to the National Endowment for the Humanities. Instead of doing that, this amendment offers an increase in that figure. It is a 12-percent reduction in the funding and the subsidy by the Federal Government to the National Endowment for the Humanities. The current subsidy is $110.5 million a year. The bill would reduce that by a mere $6 million a year, taking the figure to $104.25 million. That is a reduction of only, as I said, 5 percent. Instead of that, I suggested we make more progress on fulfilling our promise to phase out this Federal subsidy of the humanities. We cannot achieve it at the pace we are pursuing. Therefore, this amendment cuts $12.9 million.

It is important, Mr. Chairman, to note that this cut of $12.9 million is taken from administration and grants, but is not, Mr. Chairman, taken from State grants. That is, it would come totally out of the Federal portion and would not reduce the amount of the subsidy which the Federal Government provides to the various States for the humanities.

This is a modest proposal which, I suggest, Mr. Chairman, is desperately needed. It fulfills a promise we made to the American people to end the subsidization of the humanities.

I might point out, Mr. Chairman, that during the debate last year, the concern was that the money would not be there to support the humanities if the Federal Government did not do that. In fact, the facts are quite to the contrary. Just within the last few months, Philanthropy News Digest has reported more than $50 million given by foundations to support the humanities in America.

Mr. Chairman, the debate is not about the importance of the humanities to our culture. The debate is about whether or not we can afford to continue to subsidize at the Federal level the National Endowment for the Humanities when the private sector is clearly fulfilling that obligation.

I urge my colleagues to join me and to support this modest amendment to keep our promise, the promise agreed to that we would phase out funding for the National Endowment for the Humanities, that is, the Federal subsidy, over a period of 3 years.

Mr. Chairman, I reserve the balance of my time.

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman is entirely wrong in connection with his assertions about the lack of importance of the National Endowment for the Humanities in our Government and in our social structure.

Cutting the NEH is the wrong place to balance the budget, may I say to the gentleman. I would also say to the gentleman that the agreement that was reached last year by the leaders of his party was with respect to the National Endowment for the Arts. There was no agreement which looked to the elimination of the National Endowment for the Humanities.

I have checked that very closely in the CONGRESSIONAL RECORD with Members who were at the formation of that agreement in the meeting by the leadership of the gentleman's committee. They inform me that their agreement was limited to the National Endowment for the Arts.

Mr. SHADEGG. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Arizona.

Mr. SHADEGG. Mr. Chairman, you are quite correct. No formal agreement was instituted between the parties on precisely how we would phase out.

Mr. YATES. Mr. Chairman, not between the parties, within the gentleman's own party. And there was no agreement with the Democratic Party.

Mr. SHADEGG. Mr. Chairman, if the gentleman will continue to yield, the reference I make is to the fact that many members of this committee, in opposing the Chabot amendment last year, which would have zeroed the funding for the National Endowment for the Humanities, took to the floor and said they supported the position of phasing out the funding over a 3-year period. I have their testimony here from that debate a year ago.

Those committee members stood and said, I agree, we should phase it out over 3 years, I can read the gentleman their testimony, and on that basis oppose the elimination over a 1-year period. For that reason my amendment simply proposes to keep pace with a phaseout over three years and not to eliminate in 1 year.

Mr. YATES. Mr. Chairman, will the gentleman respond to my question. Where is the agreement? This is a statement by Members during the course of the debate indicating they were opposed to the continuation of the National Endowment for the Humanities. That figures. There are a number of Members of the House who are opposed to it.

But I would point out to the gentleman that with respect to his amendment and the amendment offered last year by the gentleman from Ohio [Mr. CHABOT], who sought to eliminate the humanities in its entirety, that this amendment was voted down by the House.

I suggest to the gentleman that the reason for that is because the majority of the House, in both parties, believes that the humanities is a necessary part, not only of our Government but of our social structure. It is the leader of the culture, if my colleague will permit me to use that phrase, for the study of the past.

I do not know that the gentleman has studied the works of the National Endowment for the Humanities. It is an organization that I think has a very necessary purpose. It trains teachers in history and other social studies during the summer. Over 400,000 students in the country received the benefit of the training that those teachers have received.

The National Endowment for the Humanities is the leader in the effort made by practically every university in the country and every library in the country to save our very valuable books and newspapers, which are in danger of dying as a result of the deterioration of the paper upon which they are printed.

The humanities is the leader in the formation of studies of the projects, of the papers of George Washington, the papers of Thomas Jefferson, of Benjamin Franklin, of Adams, of Madison, of Ulysses S. Grant, of Eisenhower, of Thomas Edison.

So I say to the gentleman that I would think it would be catastrophic, and I use that word deliberately. I think it would be catastrophic to the best interests of education in our country if the humanities were to be cut further by the gentleman's amendment.

The humanities was cut by 36 percent last year. We were cognizant of that in our committee when we established the level of appropriation for the humanities this year. I would hope that the gentleman's amendment does not succeed.

Mr. Chairman, I reserve the balance of my time.

Mr. SHADEGG. Mr. Chairman, I yield 3 minutes to the gentlewoman from Idaho [Mrs. CHENOWETH].

Mrs. CHENOWETH. Mr. Chairman, I thank the gentleman from Arizona for yielding me the time.

Mr. Chairman, the National Endowment for the Humanities, although initially started with well-intentioned goals, has become an agency that caters to the liberal, academic elitists and to that end it wastes taxpayers' money.

Lynne Cheney, former chairman of the National Endowment for the Humanities under Presidents Reagan and Bush, has stated that the NEH has become a political haven for the liberal and social elite by funding studies that instead of searching for academic excellence, they explore liberal social engineering.

I think that it is a worthy cause to study the papers of George Washington and other great founders and great people of this country, but I have to point out to the gentleman from Illinois [Mr.

YATES] that George Washington's home, Mount Vernon, is operated completely under private auspices. The Government is not involved in Mount Vernon. It attracts innumerable visitors every year.

Aside from the solid constitutional arguments against congressional authority to fund such agencies and the mere question, is this a proper function of the Federal Government to involve itself in, it totally unreasonable to expect the American taxpayer to pay for studies with little or no practical application. We all must remember that the Federal Government should not be in the business of funding those who wish to promote a certain agenda.

However, the NEH has ignored this point by approving grants for programs such as a $34,000 study of the representation of gender and sexuality in opera and the $4.9 million program of Chairman Sheldon Hackney's pet project entitled, "A National Conversation on American Pluralism and Diversity."

Mr. Chairman, with the median family income in this country of $40,000 and the median family income in the upper reaches of my district of only $19,000 and with out children facing a massive debt in the future, how can we, in good conscience, justify spending money on studies in which the only purpose is a Federal feel good agenda?

We simply cannot do that, Mr. Chairman. The NEH clearly needs to be sent a message. This amendment will do just that.

Let us follow the leadership of Lynne Cheney and tell the NEH, if they cannot responsibly spend taxpayer money, then they should know that this type of behavior will not be tolerated. I urge a "yes" vote on this amendment.

Mr. YATES. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I thank the gentleman for the time.

Mr. Chairman, we are being sold a basic intellectual fallacy in the gentleman's argument this morning, that because private philanthropy is doing a lot, we should assume that it can do it all. That does not follow.

What really is at issue in this amendment, which by its own author's description is merely the next step down the road to eliminating the National Endowment for the Humanities, is the absurd proposition that this great Nation of ours will commit cultural suicide, that we will completely eliminate Federal support for one of the most fundamental needs of an informed democratic society, which is to understand its past.

If that has no practical application, God help us. If we really propose to enter the next century having burned the records almost literally by not attending to their preservation, where are our roots? Where is our grasp of the ideas that are important to this land? That is what is at stake here. Are we going to take the next step to divorce ourselves from the heritage of ideas on which the Nation is built and must grow?

It makes absolutely no sense to talk about practicality here. If it did, why fund the National Science Foundation in basic research? The programs at NEA are the basic research ingredients of the ability of the American people to know where they have come from and, in knowing where they have come from, to have a better idea of where we should be headed. To intentionally, consciously, deliberately, knowingly try to undermine that core need of any civilization, should shock our sense of what is right, our sense of values about our country.

Now, I am delighted at the willingness of private philanthropy to do a little bit more, but no one should be under any illusion that the kinds of things that the National Endowment for the Humanities has as its core responsibility can possibly be undertaken by private philanthropy in this country.

As the gentleman from Illinois has pointed out, the preservation of the records of the country, our newspapers, our books, the bringing together of the papers of the founders and the leaders of our country, politically, culturally, scientifically, this is what this is about.

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Mr. Chairman, for us to go further, we should be adding funds for the Endowment. We are impoverished in this country in our ability to really understand what this civilization, what this great Nation, is about. We are not overfunded. We see that every day in our lives in our districts where there is less and less interest and attention being paid to the ongoing public business of America, in part because we do not understand how we got here.

Mr. Chairman, let us not make that problem worse. Defeat this ill-conceived amendment.

Mr. SHADEGG. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I think the testimony of the last speaker points out a fundamental disagreement. His premise is that without government funding of this National Endowment, we will forget our history and we will forget our ideas. That is simply wrong, and it is a fundamental disagreement between this side and that side.

I would remind the gentleman that before 1965, when the National Endowment for the Humanities was established, we were not forgetting our ideas or our history, nor were we underfunding the research in those areas. I suggest the gentleman's assertion that we need to do this in the Federal Government is simply wrong.

Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. REGULA], the chairman of the subcommittee.

Mr. REGULA. Mr. Chairman, I simply rise to point out to our colleagues on our side of the aisle that I have received a letter from 31 of the Republican Members supporting the $110 million that is in the bill, and I think in fairness we just want to make that information known to the Members on our side.

Mr. YATES. Mr. Chairman, I yield myself 1 minute in order to read to the gentleman from Arizona [Mr. SHADEGG] and to the gentlewoman from Idaho [Mrs. CHENOWETH] a statement that was made by Bill Bennett when he was chairman of the National Endowment for the Humanities. He said this:

> I would say the same Founding Fathers, although they did not have or sponsor a National Endowment for the Humanities, would support the notion of a modest endowment that truly recognized the importance of the humanities to national life. James Madison says that he sees the vision of the future as that of learning and liberty leaning on each other. Learned institutions are the favorite objects of free people, says Madison. That is the justification I want to go back to: An endowment that really does help its citizenry appreciate the intellectual roots of this country, that fosters creativity, imagination, critical thinking about issues that matter, that brings them to an appreciation of art, literature, philosophy. That does have a place in Federal Government and a modest role. It has to do its job. It can't be sloppy. But if it takes its responsibilities seriously, it is well worth supporting, because that is one of the sources of our strength as a Nation, and a Nation, and a source of great pride.

That was the statement by Bill Bennett while he was chairman of the Endowment. He did change his mind when he was out of office and the Democrats were in control, I would say to the gentleman.

Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I want to rise in strong opposition. I have been a strong supporter of the humanities. This is one of those programs where basically most of the activity occurs out at the State level, and we thought the new majority party was interested in restoring power and restoring programs to our local areas, and if we cannot spend this small amount of money compared to what other countries spend, on our history, our civilization, our culture; I mean I think it is just a tremendous mistake.

So I would urge my colleagues to vote against this amendment, to support the money in the bill which is there for humantities, and to support the gentleman from Illinois [Mr. YATES] and the gentleman from Ohio [Mr. REGULA]. I think we have worked out a good agreement.

I do not like the cut that has been made thus far. I think it is too severe. But, please, do not adopt this amendment.

Mr. SHADEGG. Perhaps the gentleman was absent from the floor and does not understand the amendment.

Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. HOSTETTLER].

Mr. HOSTETTLER. Mr. Chairman, I rise today on behalf of all of the people in my district who repeatedly are left scratching their heads over some of the ridiculous things the Federal Government spends their tax dollars on.

I am talking about the National Endowment for Humanities and I am in support of the gentleman's amendment. Mr. Chairman, how, when faced with a $5 trillion national debt that continues to grow, can we continue to spend money on projects like these:

Sex and gender in the middle ages, 1150–1450. This course received $135,000. Let me give a free lesson here and save the money—there were men—and there were women. The fact that we are here today lets us assume some of them had conjugal relations.

Representation of gender and sexuality in opera. This course received $34,000. There's another hint: The sopranos are usually women. The bass voices are men—no charge.

Here is another example of NEH handiwork. The organization decided to grant taxpayer dollars to fund a proposal by the National Center for History in the Schools. Here is some of what this proposal, which is part of Goals 2000, does:

It has plenty of references to Madonna and MTV, but leaves out any mention of George Washington, D-day, the Moon landing and the Gettysburg Address. Diversity is the main theme of the standards, while liberty and prosperity are not even mentioned.

A few years back, Madonna stayed in Evansville, which is in my district. She was filming "A League of Their Own." Madonna decided to repay the city's hospitality by criticizing it apparently because it was not racy enough for her tastes. Not only does Madonna insult Evansville, she insults all standards of decency and good taste. Yet this NEH proposal mentions her more than George Washington. Historical standards that elevate Madonna over Thomas Edison present an inaccurate and distorted characterization of U.S. history. She should not be promoted at taxpayer expense, let alone at the expense of Thomas Jefferson, Albert Einstein, and Paul Revere.

Our children deserve standards that instill in them a sense of their country's unique place in history, both as a model of freedom aspired to by peoples around the world and as a magnet for those seeking freedom and prosperity. There is nothing wrong with learning about mistakes of the past, but these standards would do nothing more than establish a revisionist history. And that is what the NEH is pushing, a revisionist "I am sorry for being American" world view. That is not what the taxpayers of this country want. We should do away with this liberal icon, dedicated to the proposition of promoting shallow pop culture and political correctness to the exclusion of substantive, foundational American history.

Mr. Chairman, I do not doubt that these topics are of interest to some people, and I don't mean to belittle their academic interest, but this is the entire point. The means to determine the merit of such things is entirely subjective, so you have a situation where you are guaranteed to be spending taxpayer dollars on things that huge numbers of taxpayers want nothing to do with. When we have to make the tough decisions about how to deal with a more than $5 trillion national debt, we had better be able to see that places like this are where we must start. There are so many private foundations and other private donors who give money for worthy causes. If no one can be found who thinks a particular project is worthwhile, why should the U.S. taxpayer then have to pay for it? We need to be fiscally responsible. We need to balance the budget.

Mr. SHADEGG. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. CHABOT].

Mr. CHABOT. Mr. Chairman, I rise in strong support of the amendment offered by my friend from Arizona, Mr. SHADEGG. It is consistent with the assurances given during last year's debate that we will take the appropriate steps to phase out taxpayer funding in the National Endowment for the Humanities over a 3-year period. The rather modest reduction proposed in the bill does not appear to be consistent with that assurance that this would be phased out over 3 years.

During last year's consideration of the Interior appropriation bill, I had offered an amendment that would have zeroed out funding for the NEH, but a lot of Members did not support that with an assurance that this would be phased out in 3 years, and that 3-year phaseout seems to be, at best, stalled, and that is one of the reasons we should support Mr. SHADEGG'S amendment.

Mr. Chairman, let us take a look at the National Endowment for the Humanities, and I am not going to argue that it does not do anything that is good, but there are an awful lot of wasteful things done with the American people's tax dollars. It is important to note some of the things.

For example, who can forget the Endowment's $1.7 million national conversation kit designed to teach Americans how to talk to one another? That was a kit that encouraged all of us to watch this little known movie called "Casablanca." It was a good movie, but most of us had figured out long before the NEH told us about it that "Casablanca" was a good movie.

And how about the $135,000 handout to a couple of dozen college professors so that they could take a summer trip to Chicago to talk about sex and gender in the middle ages?

Or that $400,000 grant to a UCLA academic who produced something called the Art of Being Cuna, which I am told is an expressive culture of some islands down in Panama? Fine. But do not take the money out of the hardworking pockets of the American people and the people of my district in Cincinnati to pay for that stuff. If people want to fund it privately, fine, but do not take our hardearned tax dollars to do this.

Mr. Chairman, there are an awful lot of things we need to fund. We are serious about balancing the budget. Support Mr. SHADEGG' amendment.

Mr. SHADEGG. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Oklahoma [Mr. CORBURN].

Mr. COBURN. Mr. Chairman, I wanted to respond to something that the gentleman from Washington had to say. The question was asked whether or not we could afford this. Of course, we can afford this. But that is not the question. The question is: Can our children afford it? The ones that are going to pay back the debt?

Even if there was nothing controversial within NEH, we should not spend money we do not have on a program that is not of human necessity, and that is the question. We lose sight of the fact that we are spending our children and grandchildren's money on something the majority of which, throughout the rest of this country, is done through philanthropy.

Can we afford it? Absolutely we can afford it. Can we do it? Yes. Should we do it? Absolutely not.

I support the amendment and would ask my colleagues to support it as their vote.

Mr. YATES. Mr. Chairman, I yield 30 seconds to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I appreciate the gentleman for yielding this time to me, and I want to correct myself. The gentleman, Mr. SHADEGG's, amendment does not eliminate funding for the National Endowment for the Humanities, it just reduces it by $13 million. But we have already dramatically reduced this program, I think almost by 50 percent, and I think to cut it further would be a very serious mistake.

I would say to the gentleman who was just in the well: I am not sure; he said the National Endowment for the Arts. I assume he meant the National Endowment for the Humanities.

But if we cannot spend a small amount of money to understand our history and civilization, I think that is a tragic mistake.

Mr. SHADEGG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Washington [Mr. DICKS] for setting the record straight with regard to the amendment. It does propose simply a modest cut.

Mr. Chairman, it appalls me. Too many people on the floor of this Congress fail to understand the power of taxation. The power of taxation is the power to put a gun at the heads of the American people and take money from them.

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The average American in this Nation earns somewhere between $20,000 and $30,000 a year. For us to be taking money from them to subsidize the National Endowment for the Humanities, when we face a $153 billion deficit and a $5.2 trillion deficit and when funding from the private sector is abundant, $50 million in funding just in the last few years, Mr. Chairman; by 1992 there were 36,000 philanthropic foundations with $176.8 billion in assets and $10.2 billion in grants in this country for the humanities.

I suggest we cannot continue to subsidize the humanities, and this is a reasonable proposal that keeps us on schedule with a 3-year phaseout, the kind of agreement we made with this Nation. It is not a radical proposal to aliminate the funding for this, even though a case can be made for that. It is, rather, a suggestion that we keep faith with the American people and we quit using the gun at their head to redistribute income for worthy purposes like the humanities, when the private sector can, Mr. Chairman, and is doing it. I urge my colleagues to support the amendment.

Mr. YATES. Mr. Chairman, I yield the balance of my time to the gentleman from Montana [Mr. WILLIMAS].

The CHAIRMAN. The gentleman from Montana [Mr. WILLIAMS] is recognized for 4 minutes.

Mr. WILLIAMS. Mr. Chairman, 31 years ago the Congress of the United States created the National Endowment for the Humanities for a grateful public. On behalf of that public the Congress said this: "An advanced civilization must not limit its efforts to science and technology alone, but must give full value and support to the other great branches of scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future. To fulfill its mission, achieve an orderly continuation of a free society, and provide models of excellence to the American people, the Federal Government must transmit the achievement and values of civilization from the past to the future."

Thirty years ago the Congress gave that charge to the National Endowment for the Humanities, and the endowment has met that charge faithfully, thoughtfully, and innovatively. The National Endowment for the Humanities is a national success.

Mr. Chairman, many Members recognize things quickly for which the national endowment is responsible: Ken Burns' series on the Civil War and Baseball, the TV series "Eyes on the Prize." The former chairman of the committee, the gentleman from Illinois [Mr. YATES], has talked about how the National Endowment for the Humanities has moved to preserve the presidential papers of Madison, Jefferson, and Adams, of Jackson and Grant and Dwight Eisenhower.

It has funded such things as the Center for the Rocky Mountain West, the Delaware History Museum the Academy of Religion in Atlanta, GA. In the last Congress this agency was slashed by 40 percent, more than any other. In this Congress this bill would cut it $5 million more, and now this amendment would cut $13 million more for an $18 million cut, savaging this successful Federal effort.

The current chair of the humanities endowment, Sheldon Hackney, has said this: "I like to think of the humanities as human beings, recording and thinking about human experience and the human condition, preserving the best of the past and deriving new insights in the present.

This country has never needed the humanities more. We not only face the challenges of a new geopolitical situation and the problems of adjusting to economic competition in a new global marketplace, but we face a crisis of values here at home. And, said Chairman Hackney, "The more we know, the more meaningful life is. Such is the gift of the National Endowment of the Humanities to the American people."

This is an important effort. It is small funding. It has been cut 40 percent. Do we not care enough about passing on the scholarly and intellectual achievements of yesterday and today through this tiny Federal effort to our children and their grandchildren?

The National Endowment for the Humanities is a national success story. Reject the gentleman's amendment to cripple this important and critical national effort.

Mr. CLAY. Mr. Chairman, I rise in opposition to the amendment. I think it is vital that we look at the total context of what the National Endowment for the Arts does, and the total benefit it provides for the American people.

In fiscal year 1995, the NEA approved 3,656 grants, out of over 14,000 applications. With those numbers, it is always easy, after the fact, to find one grant to criticize.

Let's look at some of the clear benefits the American people receive from the NEA. These thousands of projects help enrich the cultural life of all Americans. The NEA helps nurture promising artists and promising artists and promising artists and performers from all parts of this Nation, from all 50 States and the territories, from urban centers and from small towns.

The NEA costs each American only 38 cents a year. This investment makes possible a whole world of culture, such as symphonies, chamber music, operas, poetry readings, children's festivals, Shakespeare festivals, museum exhibitions, dance performances, children's museums, and folk festivals.

Modest NEA funding helps leverage additional contributions from other sources. Indeed, each NEA dollar attracts an average of $12 from other sources.

The NEA has played a crucial role in fostering African-American artists and performers. For example, in fiscal year 1995, almost 14 percent of Endowment funding went to fund organizations or projects designed to serve or be relevant to minorities. Furthermore, the success rate of minority-run organizations has been consistently higher than that of the total applicant pool.

Let me also note that NEA Chairman Jane Alexander has recently made a number of management changes. These changes should help ensure more effective use of limited Federal funds.

The NEA has a vital role to play in the cultural life of our Nation. It provides opportunities for artists, including African-American artists, that might not otherwise be available. Let's look at the big picture and not let criticism of one film detract us from the clear benefits of NEA funding.

I urge my colleagues to defeat this amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in strong opposition to this amendment. The National Endowment for the Arts is one of the finest institutions in our Federal Government—and sifting through the trash heap to find grants that some narrow-minded people may take offense at does not change this fact.

Mr. Chairman, this year's alleged controversy revolves around a film entitled "Watermelon Woman" funded in part by the NEA. But if it was not this grant, the Endowment's critics would have dreamed up some other project that outraged them.

The specifics of these grants do not seem to be important to the Endowment's critics. The fact that "Watermelon Woman" was a highly acclaimed film that dealt seriously and realistically with the challenges facing black women in the entertainment industry does not stop the Endowment's critics from issuing unfounded charges that it promotes alternative lifestyles. I wonder how many Members here today have actually watched "Watermelon Woman"? I wonder how many Members realize that the aspects of the film that caused so much controversy are nothing more graphic than one would find in any "R" rated film?

But these facts do not seem to matter. Neither does the fact that the Endowment brings art education into the lives of rural and underprivileged children who would otherwise never be able to participate in the arts.

Or the fact that community theaters throughout the country will be forced to close if their NEA grants are cut even further; or the fact that symphony orchestras will be forced to cancel performances for school groups because of reduced NEA funding; or the fact that every cut to the NEA means less funding for arts education programs in every State in the Union; or the fact that the nonprofit arts community generates $3.4 billion in Federal tax revenue each year; or the fact that the NEA's budget has already been cut by $62 million, nearly 40 percent, from fiscal year 1995.

In my district recently in the community of Acres Homes, the Houston Symphony visited our community center and performed before hundreds of children. That is the benefit of the NEA.

I wonder how many of my colleagues are aware of a recent poll conducted by Lou Harris which showed that 61 percent of Americans would pay an additional $5 in taxes to fund the arts. Right now the average person pays less than 40 cents a year in taxes to support the NEA.

Mr. Chairman, I won't use up more time discussing this dubious amendment, I know other Members would like to be heard. I simply would like to urge my colleagues to vote against this amendment, if offered, and vote for our Nation's culture.

I reserve the balance of my time.

Mrs. MALONEY. Mr. Chairman, I move to strike the last word.

As a lover of the arts, a New Yorker, and proud Representative of a district which is a center of creativity and innovation, I rise in strong opposition to this amendment which cuts the NEH by $12 million, and I also want to voice my deep concern over the intention of this Congress to phase out the NEA and NEH over the next 2 years.

Far too few Members of this body protested the $11 billion unwanted increase we gave the Pentagon, but we are hard-pressed to let the NEA and NEH function on their meager budgets of $99.5 million and $110 million, which were already reduced 40 percent this year.

This is a dangerous time for all educational establishments as current congressional leadership seeks to slash what Americans pride ourselves on, by placing the NEH and NEA on the chopping block.

A recent Harris poll showed that 61 percent of Americans would be willing to pay $5 or more in taxes to support our cultural institutions. Knowing this, I am certain the public would be delighted to continue paying the 38 cents a year it is asked to fund the NEA and NEH at their current levels.

Federal support for the NEA and NEH, although a mere token, makes the arts and humanities more accessible to all Americans.

Other developed countries in the world understand how cultural institutions impact on the lives of their citizens and their advancement as a nation. Comparatively, Britain spends 3 times, France 10 times, and Germany over 12 times what the United States does.

The arts give meaning to our lives while reminding us of our common history as a nation and as a world.

Cutting funds to the NEA and NEH closes off access for the people who might stand to benefit the most, including at-risk youth.

This relatively small Government investment generates $12 for every $1 it spends, stimulating the economy and creating jobs and at the same time offering our children one less reason to fall prey to despair.

The President of the United States, Members from both sides of the aisle, and mayors from all across the country agree on the importance of the arts and humanities. In fact, 187 mayors sent a letter reminding Congress and the President, that, quote, "funding this country's cultural resources is clearly woven into the federal government's broad national mandate" and that the "arts are critical to the quality of life and livability of our cities."

Have the courage and insight to stop the further slashing of funds for these essential cultural organizations which we all know benefit our children while benefiting our economy in numerous ways.

Mr. NADLER. Mr. Chairman, I rise in strong opposition to this amendment. Over the past 2 years, the National Endowment for the Humanities has withstood a 40-percent cut in funding. Yet, it continues to provide services to teachers, students, and the general public to promote the humanities.

There is no controversy as to the morality or quality of the services, provided by the NEH. In 1 year alone, the NEH sponsored 29 teacher institutes and 69 seminars for over 3,000 school teachers from 49 States, Puerto Rico, Guam, and the District of Columbia. These teachers in turn reached over 500,000 students in just one academic year. The NEH media awards will culminate in 70 hours of television and 69 hours of radio reaching close to 244 million Americans.

Cutting the NEH budget even further would exacerbate the assault on public education we have witnessed in this Congress. Hundreds of thousands of school children will suffer from the lack of educational materials normally provided by the NEH. Teachers will not benefit from the seminars offered by the NEH. This House has passed legislation for the V-chip and the Telecommunication Decency Act because people in this body believe there is too much violence and pornography reaching American homes. But now, the millions of people who turn to programming funded by the NEH as an alternative to commercial television and radio—the kind of programming to which Members of this House give lip service—would be denied this valuable programming because of this amendment.

Voting against this amendment is an opportunity to demonstrate a real commitment to better education and family friendly programming. This amendment should be defeated.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise today in strong opposition to the amendment that would literally eviscerate the National Endowment for the Humanities.

Eliminating $12 million from the grants and administration account for the NEH with the expectation that private-sector donors will make up the difference is a misinformed position and a naive proposal.

Corporate giving has declined steadily since 1985, and from 1984 to 1994, donations decreased by about one-sixth in real dollars.

Corporate giving is very market-driven. While I certainly believe businesses have the right to watch out for their bottom lines, we have to acknowledge that the consequences of this are that grants are determined by location and benefit to employees.

This means that that a relatively small number of institutions in a limited number of geographic areas receive a disproportionate share of the funds.

The NEH makes the humanities available to all Americans. Only a Federal agency like the NEH has the size, scope, and expertise to bring the humanities into the lives of all Americans.

Federal funding serves as a catalyst for corporate contributions. Many NEH grants require from $1 to $4 in non-Federal money for every NEH dollar.

Since the NEH began, these grants have attracted $1½ billion in private funds, which demonstrates that the seed money provided at the Federal level stimulates huge increases in private giving.

Moreover, private corporations know that the NEH has the institutional knowledge about disciplines and they rely heavily on the NEH to identify organizations that have a sound organizational structure, as well as the scholastic excellence worthy of further corporate support.

An NEH imprimatur is a stamp of quality and that is what spurs private-sector donations. Without the NEH, there will be no private dollars to be distributed. It is that simple.

In our country's poorest and most isolated areas, cultural and scholastic activities do not attract private-sector donors. Thankfully, the NEH has taken the lead in serving these areas and has wisely invested in the education, the lives, and the futures of the children living in these communities, whose abilities are too often overlooked.

Given that the cost to each American is only 42 cents a year and that the humanities—history, literature, languages, philosophy—are fully two-thirds of America's school curriculum, the NEH is a bargain for taxpayers.

Finally, the local economies of small towns and big cities are stimulated by NEH sponsored exhibits and projects. Supporting the NEH is good business sense and good historical sense. It is as much a sound economic policy as the Government building interstate highways, funding airports, or paying for basic research in agriculture, energy, health, or any other area.

Given that the NEH suffered a 36-percent cut last year alone and that many worthy projects have already been canceled due to this reduction, reducing funds even further would be foolish and shortsighted. Everyone from children just beginning school to the country's greatest scholars depend on these funds.

Mr. BEREUTER. Mr. Chairman, this Member rises today in opposition to the amendment offered by the gentleman from Arizona [Mr. SHADEGG] to decrease funding for the National Endowment for the Humanities [NEH] by $12 million. This appropriations bill provides $104.5 million for NEH, which is consistent with the agreement to eliminate Federal funding of NEH within 3 years. As you know, the amount appropriated by the committee is a 40-percent cut from fiscal year 1995 funding. An additional 11-percent cut would seriously undermine NEH and, most importantly, the State humanities councils that are already working diligently to replace decreasing Federal funds with private contributions.

This Member is most familiar with the National Endowment for the Humanities in the form of the Nebraska Humanities Council which consistently provides high-quality humanities programming at very little cost to citizens of all walks of life in my State. Since 1973, they have funded programs in more than 200 different communities in all of Nebraska's 93 counties—reaching more communities each year. Some of those counties have fewer than 500 residents and have meager cultural resources.

The Nebraska Humanities Council has been especially effective at reaching residents in the 1st Congressional District of Nebraska. This Member's district encompasses Lincoln with its universities, colleges, and museums as well as small towns whose only educational assets are their consolidated schools. The council has developed a humanities resource center with a large speakers bureau, exhibits, films, and videos that enable the smallest communities to benefit from the cultural resources of Nebraska's metropolitan areas. The speakers bureau has been particularly helpful to Nebraska's schools as they comply with a new requirement for multicultural education. Of course, the humanities council does not charge the schools for this valuable educational service.

In closing, Mr. Chairman, this Member urges the defeat of the Shadegg amendment.

Ms. SLAUGHTER. Mr. Chairman, I rise today in strong opposition to the Shadegg amendment. This amendment is representative of the continuous assault on the arts by my colleagues on the other side of the aisle. Frankly, I am amazed at my colleagues' attempts to rob our citizens of one of the most precious aspects of our society.

The National Endowment for the Humanities is the single largest source of support for the humanities. While humanities activities in our Nation would still exist without the NEH, they would not longer be accessible to the entire country. They would in all likelihood be reserved only for the rich who could afford them. What would the constituents of our districts say when there is no NEH to support museums or libraries or to preserve historical documents; when there is no longer an NEH to teach generations to come about history, literature, and philosophy, about who we are as Americans? Last year, NEH was cut by a massive 36 percent. This required the NEH to reduce from 6 grant divisions to 3; from 31 grant programs to 9; and from 276 staff positions to 120. In addition, some grant programs were hurt more than others. The Research and Education Division—including teacher training programs and Presidential papers—was cut by 60 percent.

Through the NEH, in fiscal year 1995, more than 2,600 high school and college teachers attended summer seminars and institutes. Over 400,000 students were taught by these teachers who had better mastery of the subject area, and greater enthusiasm for teaching after participating in this program. With fiscal year 1996 funds, NEH will only be able to support 1,400 teachers, reaching 220,000 students—almost half as many as before. Obviously these facts do not impress my colleagues as evidenced by their attempts to cut funding for the NEH even further.

The NEH has long been attentive to the educational needs of our Nation's children. The public programming made available to children through NEH funding has been wonderful. Sadly, funding for the NEH's public programs have been cut by 40 percent, which means there will be fewer dollars available for children's programming.

Mr. Chairman, I urge my colleagues to defeat this ill-conceived amendment.

Mr. TORKILDSEN. Mr. Chairman, I rise in opposition to this amendment, and in strong support of the National Endowment for the Humanities.

Think about what would be lost if funding for the Endowment were further cut: The papers of Abraham Lincoln, George Washington, Thomas Jefferson, and Benjamin Franklin; 230,000 disintegrating pages of newspaper and 628,000 brittle books; 26 million archaeological and historical objects important to our culture; and scholarships and stipends for students conducting research, and training and institutes for teachers.

If this amendment passes, these programs may simply disappear. Federal support for these projects is central to their survival because past efforts have shown they are not glamorous enough to attract enough private dollars. The private sector can't do it alone.

The 1988 Republican Party platform:

> Republicans consider the resurgence of the arts and humanities a vital part of getting back to basics in education * * * To that end, we will: Support the National Endowments for the Arts and Humanities * * * in their efforts to support America's cultural institutions, artists and scholars.

I urge my colleagues to support this Republican program and vote against this amendment.

Mr. JOHNSON of South Dakota. Mr. Chairman, I rise today to express my strong opposition to an amendment offered by Representative SHADEGG which would further reduce funding for the National Endowment for Humanities. In fiscal year 1996, the Interior appropriations bill cut the NEH budget nearly in half; a cut which I believe will devastate many existing educational programs nationwide. Unfortunately, the Interior appropriations bill for fiscal year 1997 maintains that inadequate funding level, with the end goal of elimination of the NEH by 1998. As the only voice for South Dakota in the House of Representatives, I must speak out against the elimination of programs which help the people of my State preserve the rich and unique cultural heritage of South Dakota and the surrounding great plains States.

NEH programs exemplify the type of public-private partnerships that have traditionally fostered a collective dedication to cultural and historical education. The NEH gives State humanities councils the necessary freedoms to meet local educational needs. In the last 5 years, institutions in South Dakota have received $2.7 million from the NEH and the South Dakota Humanities Council for library programs and exhibits, literary publications, and cultural heritage visitor centers.

The South Dakota Humanities Council relies on the NEH for 90 percent of its funding. That support goes directly to schools and small communities for projects like the "Women Missionaries and Teachers in South Dakota" Program at the Siouxland Heritage Museum, and "Lakota Culture; Interactive MultiMedia" at the South Dakota School of Mines and Technology. At the same time, broader educational projects continue the literary legacy of many of this Nation's most acclaimed authors and long time South Dakota residents, including Laura Ingalls Wilder, who gave us the "Little House" series, and L. Frank Baum, author of the classic "The Wonderful Wizard of Oz." The many NEH-funded heritage fairs and events held throughout my State every year are endorsed by the South Dakota State Arts and Humanities Councils, as well as State and local tourism authorities.

These and countless other worthy public education programs will disappear in my rural State, and the creativity behind this type of education programming will be thwarted if efforts to gut or eliminate the NEH continue.

In the face of severe cuts to the Institute for Museum Services, the only other Federal funding mechanism specifically chartered to work with States in recording, preserving, and educating our children on the American experience, we cannot stand by and allow the complete elimination of the programs vital to public education that are funded through the National Endowment for Humanities.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Arizona [Mr. SHADEGG].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SHADEGG. Mr. Chairman, on that I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from Arizona [Mr. SHADEGG] will be postponed.

Are there further amendments?

AMENDMENT OFFERED BY MR. FALEOMAVAEGA

Mr. FALEOMAVAEGA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

> Amendment No. 6 offered by Mr. FALEOMAVAEGA: Insert after section 320 the following new section:
>
> SEC. 321. None of the funds appropriated or otherwise made available by this Act may be used to permit or facilitate the planning, construction, or operation of a third telescope on Mt. Graham in the Coronado National Forest unless it is made known that the planning, construction, or operation of that telescope first complies with all applicable laws, notwithstanding section 335 of Public Law 104–134.

Mr. KOLBE. Mr. Chairman, I reserve a point of order on the amendment.

Mr. FALEOMAVAEGA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am offering an amendment regarding the construction of the third telescope on the top of Mount Graham in Arizona. The amendment adds new language limiting the appropriation of funds for the further construction of the Mount Graham telescope project until such time as the project complies with all environmental and historic preservation laws. This amendment is also intended to override the provisions of section 317 of this bill, which deems the alternative site for the third telescope to be in compliance with all the environmental laws, even though it isn't. The alternative site that section 317 refers to lies outside of the original boundaries set by Congress.

The reason the Mount Graham project is so controversial is because Mount Graham has been a sacred place of worship for the Apache Indians for thousands of years and because the mount is home to an irreplaceable ecosystem, including the red squirrel.

Section 317 is yet a third attempt to exempt the Mount Graham observatory project from the National Environmental Policy Act, the Endangered Species Act, the National Historic Preservation Act, and other laws. The project was partially exempted from complying with studies under these laws by a 1988 law. The reason these studies were not completed in 1988 was that the proponents were unwilling to list the many alternatives to the project to the American public. A 1984 study listed 38 sites in the continental U.S. superior to Mount Graham. A 1987 study demonstrated that Mauna Kea in Hawaii was a better site than Mount Graham.

The other alternatives are so important because Mount Graham is host to over 18 plants and animals found nowhere else in the world and is a mountain most sacred to the Apache people. U.S. Fish and Wildlife Service studies show that the 7 telescopes authorized in the 1988 law would permanently destroy 25 percent of the best habitat of the endangered Mt. Graham red squirrel. Furthermore, the telescopes descecrate sacred religious ground. The San Carlos Apache Tribe calls this project, "a display of profound disrespect for a cherished feature of our original homeland as well as a serious violation of our traditional religious beliefs." Protecting the religious rights of our people, including Indians, is part of the National Historic Preservation Act. Section 317 would simply waive those protections.

Subsequent University of Arizona studies showed the University had placed its project on the worst spot on Mt. Graham. Its studies also found another observatory site in southern Arizona with clearly superior visibility. The point is that if the university had just waited to finish its homework it would have chosen another site. Instead, in their haste, they committed a monumental scientific siting blunder. The U.S. Courts ruled in 1994 and 1995, that its December 1988 law, as well as NEPA and the ESA.

Similarly, this House, in 1990, held hearings chaired by Congressmen GERRY STUDDS and BRUCE VENTO in which the Fish and Wildlife Service admitted that the "no jeopardy" opinion on which Congress relied in passing the 1988 exemption was carried out in probable violation of law. The point I am making is that the very assumptions we have been basing our actions upon regarding the construction of this project have been wrong. If that is the case, then is it really to much to ask to have someone scientifically review this project, and let the university follow the law like everyone else?

There have been complaints that if we require the university to complete the necessary environmental studies then it will grately delay the project. That is not true. Even if we could begin construction today, the fact of the matter is that it will still take over 3 years to complete the two mirrors for the telescope, more than the amount of time it will take to complete the long-overdue environmental studies the university objects to.

The National Congress of American Indians, representing over 200 tribes in the United States opposes this project. All of the tribes in Arizona, including the Hopi and Navajo support the Apache's opposition. The racial justice working group of the National Council of Churches, representing some 48 million U.S. citizens and some 50 Christian denominations oppose this desecration.

As a final point, I would like to note that since passage of the 1996 omnibus appropriations bill, which contained a similar rider, a 6,000 acre fire burned large portions of the mountain. Perhaps this was a sign from God. At any rate, the fire seriously damaged the remaining habitat of the endangered species living on the mountain. If for no other reason than this, we need to make sure that all of the environmental protections are in place and are followed before we further destroy the top of the mountain.

The American public holds our precious religious freedoms dearly. These are what our country was founded on. I cannot think of another instance where we have been asked to so callously disregard the religious rights of our own citizens. This is intolerable and I urge my colleagues to vote for my amendment.

Mr. Chairman, I include for the RECORD a listing of groups opposed to the Mt. Graham International Observatory, and a letter from the San Carlos Apache Tribe regarding the Mt. Graham Observatory telescope project.

The material referred to is as follows:

GROUPS OPPOSED TO THE MT. GRAHAM INTERNATIONAL OBSERVATORY

NATIVE AMERICAN GROUPS

American Indian Resource Institute.
Apache Survival Coalition.
Association on American Indian Affairs.
Council of Energy Resource Tribes.
Morning Star Foundation.
National Congress of American Indians.
National Indian Policy Center.
National Tribal Environmental Council.
Native American Rights Fund.
Northwest Indian Fisheries Commission.
Red Indian Society of the Americas.
San Carlos Apache Tribe and Council.

INTERNATIONAL GROUPS

Associated Students for Environmental and Economic Development.
Big Mountain Action Group (Germany).
Campagna Nord-Sud (Italy).
Greenpeace (Germany).
Institute of Ecology and Action Anthropology (INFOE, Europe).
International Working Groups for Indigenous People (Denmark).
KOLA (Belgium).
KWLA (Belgium).
Naturschutzbund (Germany).
Pax Christi (Germany).
Robinwood (Germany).
Society for Threatened People (Austria, Switzerland, Italy, and Germany).
Soconas Incomindios (Italy).
Survival International.
Working Group for Indigenous People (Europe).

NATIONAL GROUPS

Animal Defense Council.
Biodiversity Legal Foundation.
Center for Resource Management.
Defenders of Wildlife.
Earth First!
Environmental Defense Fund.
Friends of the Earth.
Great Bear Foundation.
Greenpeace.
Humane Society of America.
Hollywood Women's Political Caucus.
National Audubon Society.
National Bear Society.
National Parks and Conservation Association.
National Wildlife Federation.
National Wildlife Society.
Natural Resources Defense Council.
Preserve Appalachian Wilderness.
Safari Club International.
Save America's Forests.
Scientists for the Preservation of Mt. Graham.
Sierra Club.
Sierra Club Legal Defense Fund.
Student Environmental Action Coalition.
Wilderness Society.
Wildlife Society.

ARIZONA GROUPS

Arizona Arms Association.
Arizona Audubon Council; (Huachuca, Maricopa, Northern Arizona, Prescott, Tucson and Yuma).
Arizona Bear Society.
Arizona Bowhunter's Association.
Arizona Flycaster's Association.
Arizona Game and Fish Commission.
Arizona Muzzleloader's Association.
Arizona Native Plants Society.
Arizona Wilderness Coalition.
Arizona Wilderness Society.
Arizona Wildlife Federation.
Arizona Wildlife Society.
Cochise Conservation Council.
Desert Whitetailers.
Flagstaff Archers.
Friends of Mt. Graham.
Gila Biodiversity Project.
Gray Panthers Partners.
Greenpeace (Arizona).
Mt. Graham Conservation Project.
Rod and Gun Clubs: (Sierra Vista, Sportsman's, Tucson and Yuma Valley).
Sierra Club (Rincon Chapter and Grand Canyon Chapter).
Southern Arizona Hiking Club.
Southwest Center for Biodiversity.
Sportsman's Voice.
Student Environmental Action Coalition (University of Arizona and Arizona State University).
The Great Bear Foundation.
The Nature Conservancy.
Trout Unlimited, Zane Gray Chapter.

RESOLUTIONS OPPOSING THE MT. GRAHAM INTERNATIONAL OBSERVATORY

EUROPE

City Council of Florence, Italy, June 1, 1992.

City Council of Rome, Italy, April 28, 1992.

Council of the Region of Piedmont (Italy), May 5, 1992.

Green Party of Italy.

North American Indian Support Groups, European Meeting, July 18, 1991 and July 25, 1992.

CONSERVATION GROUPS

Arizona Game and Fish Commission.

Nature Conservancy.

Society for Conservation Biology, June 21, 1991.

SAN CARLOS APACHE

Petition signed by 15 San Carlos Apache Spiritual Leaders, April 1992.

San Carlos Apache Tribal Council, December 10, 1991.

San Carlos Apache Tribal Council, July 10, 1990.

NATIVE AMERICAN TRIBES AND REPRESENTATIVES

Hui mālama i nā kûpuna 'o hawai'i nei, August 12, 1992.

International Indian Treaty Council.

Kaibab—Paiute Indian Tribal Council, May 21, 1992.

Keepers of the Treasures, November 15, 1991.

Mohawk Nation, April 19, 1992.

National Congress of American Indians, January 18, 1993.

Native American/Environmentalist Roundtable, November 8, 1991.

Native Lands Institute, May 31, 1992.

Petition Signed by members of 20 Native Nations, during Holy Places Conference, May 30, 1992.

Refugio del Rio Grande Board of Directors, February 23, 1992.

Salt River Pima—Maricopa Indian Community Council, June 24, 1992.

Tohono O' Odham Legislative Council, May 5, 1992.

THE CULTURAL & NATURAL HERITAGE PROJECT,
Portland, OR, December 10, 1995.

Re H.R. 1997 (Interior appropriations) and Rep. Kolbe (R-AZ) Rider to exempt Mt. Graham astrophysical project from all environmental and cultural resource laws.

President WILLIAM J. CLINTON,
c/o Katie McGinty, Council on Environmental Quality, The White House.

DEAR MR. PRESIDENT: On April 29, 1994, you met with some 200 leaders of American Indian tribes at the White House and made the following statements and commitment: "I promise to continue my efforts to protect your right to fully exercise your religion as you wish. Let me talk a minute about the issue of religious freedom because I feel strongly about it . . . For many of you, traditional religions and ceremonies are the essence of your culture and existence . . . No agenda for religious freedom will be complete until traditional Native American religious practices have received the protections that they deserve."

President Clinton, you must keep your promise. The trust responsibilities incumbent on the United States government absolutely require rejection of any attempt to further harm the Apaches' human rights and religious freedom that would unavoidably result from any further developments on Mt. Graham (the Apache long-ago named the mountain dzil nchaa si an, or "big seated mountain"). See also, e.g., Mary Christina Wood, "Fulfilling the Executive's Trust Responsibility Toward the Native Nations on Environmental Issues: A Partial Critique of the Clinton Administration's Promises and Performance," 25 ENVTL L 733 (1995).

The President and your office must act immediately to thwart Rep. Kolbe's malignant efforts on behalf of the University of Arizona and a small, exclusive cadre of special interests to exempt the Columbus Project (aka "the Large Binocular Telescope" or "LBT") from environmental and cultural resource protection laws. The University of Arizona insists on installing this facility on Mt. Graham, despite objective scientific data proving that there are dozens of terrestrial sites better suited for this type of optional astronomy. Don't make the same mistake you made on the timber salvage in July.

The traditional religious and ceremonial uses of Mt. Graham have been documented since as early as the 1930's by noted anthropologist Grenville Goodwin, whose works are published by the University of Arizona Press. The irony is shameful. The Kolbe rider and any others like it should render any legislation fatally defective and require a presidential veto whenever necessary. Please take special note of the unprecedented and historic Inter-Apache Policy on the Protection of Apache Cultures and the accompanying December 1, 1995 inter-tribal letter to the House Appropriations Committee (copy enclosed).

MICHAEL V. NIXON, Esq.

Enclosures.

THE SAN CARLOS APACHE TRIBE,
San Carlos, AZ, September 25, 1995.

Re update of tribe's position on mount graham.

TO WHOM IT MAY CONCERN: On June 13, 1995, the San Carlos Apache Tribal Council passed a resolution to reaffirm their position on its support of the Native American Free Exercise of Religion Act and wholeheartedly opposed the construction of the Mount Graham International Observatory telescope project.

During the January 18-19, 1993, National Congress of American Indians Annual Convention (NCAI) unanimously passed a resolution in opposition of the construction of telescoped on Mount Graham. NCAI is the largest intertribal organization nationwide which represents over 500 tribes and advocates for national regional and local tribal concerns.

The National Council of Churches (NCC) through a resolution passed on March 27, 1995, opposed any construction of new developments on Mount Graham. NCC comprises of over 300 religious denominations in the Country.

It is our understanding the University of Arizona lobbyists are proposing to introduce new legislation which will exempt the University of Arizona for the second time in their attempt to build the Large Binocolar Telescope on Mount Graham. In July of 1995, the Ninth Circuit Court of Appeals ruled against the University of Arizona for violation of Endangered Species Act.

We are, therefore, requesting that you, as our legislators and working body of the United States Government, oppose any riders or exemptions of the 1988 Arizona—Idaho Conservation Act P.L. 100-696 on behalf of the University of Arizona's proposed telescope on Mount Graham.

Sincerely yours,

MARVIN MULL, Jr.
Tribal Vice-Chairman.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Arizona [Mr. KOLBE] insist on his point of order?

Mr. KOLBE. Mr. Chairman, notwithstanding my great respect for the gentleman from American Samoa, and notwithstanding the fact that this issue was debated and considered on last year's Interior appropriations bill, I do make a point of order against the amendment because it proposes to change existing law, and therefore constitutes legislation on an appropriation bill, which, of course, violates clause 2 of House Rule XXI.

That rule states in part: "No amendment to a general appropriation bill shall be in order if changing existing law. * * *" This amendment would, first, give affirmative direction in its effect; second, impose additional duties on Cabinet and executive officials; third, modify existing powers and duties; fourth, does not apply solely to the appropriation under consideration; and fifth, it modifies existing law.

For those reasons, I ask that the Chair give me a ruling on my point of order.

The CHAIRMAN. Is there further discussion on the point of order?

If not, the Chair is prepared to rule.

The gentleman from Arizona [Mr. KOLBE] makes a point of order that the amendment offered by the gentleman from American Samoa constitutes legislation on an appropriations bill in violation of clause 2 of rule 21. The amendment limits funds in the bill for the planning, construction, or operation of a third telescope on Mt. Graham in the Coronado National Forest unless it is made known that the planning, construction, or operation of that telescope complies with all applicable laws, notwithstanding section 335 of Public Law 104-134. The inclusion of the language "notwithstanding section 335 of Public Law 104-134" in the amendment is a waiver of law that would otherwise apply to the operation of this telescope. As such, the amendment changes existing law in violation of clause 2 of rule 21 and is not in order. The Chair sustains the point of order.

PARLIAMENTARY INQUIRIES

Mr. FALEOMAVAEGA. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. FALEOMAVAEGA. Mr. Chairman, would it be appropriate to ask that we have a recorded vote on the point of order?

The CHAIRMAN. No, not at this point. The amendment has been ruled out of order on a point of order, and this amendment is not pending.

Are there further amendments?

□ 1200

Mr. REGULA. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REGULA. Mr. Chairman, am I correct in understanding that the votes will now occur on those amendments that have been rolled up to this point including the one from last night of the gentleman from Massachusetts [Mr. KENNEDY]?

The CHAIRMAN. That was the intent, but the Chair understands that the gentleman has a unanimous-consent request.

Mr. REGULA. Mr. Chairman, I ask unanimous consent that before the Committee of the Whole resumes its unfinished business on the demand for recorded votes on the amendments regarding weatherization offered by the gentleman from Vermont [Mr. SANDERS] and the gentleman from Mississippi [Mr. PARKER] that there be an additional 10 minutes of debate on each amendment equally divided and controlled by the proponent and myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT NO. 23 OFFERED BY MR. PARKER

The CHAIRMAN. Pursuant to the order of the Committee of today, the gentleman from Mississippi [Mr. PARKER] and the gentleman from Ohio [Mr. REGULA] will each control 5 minutes.

The text of the amendment is as follows:

Amendment offered by Mr. Parker: In the item relating to "DEPARTMENT OF ENERGY—ENERGY CONSERVATION"—

(1) after the second dollar amount, insert the following: "(increased by $18,204,000)";

(2) after the third dollar amount, insert the following: "(increased by $11,764,000)"; and

(3) after the fourth dollar amount, insert the following: "(increased by $6,440,000)".

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. PARKER].

Mr. PARKER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the chairman of the committee for working out this agreement so we could cornet some of the confusion that has occurred and make sure all the Members understand what is coming before the body.

Mr. Chairman, I want to take this opportunity to discuss with my colleagues the importance of the amendment that I offered last night with the gentleman from Pennsylvania [Mr. FOX] and acknowledge the floor statements in support of this amendment by the gentleman from Vermont [Mr. SANDERS], the gentleman from Florida [Mr. STEARNS], the gentleman from Maine [Mr. LONGLEY], the gentleman from Missouri [Mr. VOLKMER], and the gentleman from New York [Mr. BOEHLERT].

I want to once again emphasize that this is a bipartisan effort to restore equity to this program and to shift only $18 million to low-income weatherization and the State energy programs from other energy conservation programs. The simple truth is these programs have taken a disproportionate share of the cuts.

This amendment is good for the environment by reducing pollution, it is good for low-income Americans because it allows weatherization of homes, and it is welfare reform because it increases independence of low-income Americans. It helps our States and local governments by allowing them flexibility to leverage other funding sources to do good and effective energy projects.

I would like to clear up some confusion on this amendment and to correct an error that was in the Legislative Digest. First of all, we do not remove money from fossil fuel accounts. Second, these State energy programs and the low-income weatherization programs are energy conservation programs. An impression was given that only energy research and development is energy conservation. This is simply not correct. A broad look at energy conservation shows that in addition to research, we must employ technologies and work with States, local governments, businesses and low-income Americans to get energy efficiency implemented. In fact, the State energy programs and the low-income weatherization program have implemented the largest percentage of energy efficiency programs during the past 20 years of any other energy conservation program in this country. They are clearly the most successful and cost-effective programs at the Department of Energy and they help people directly.

If your goal is to send money back to the States and remove money which supports the bureaucracy in Washington, the logical vote is a "yes" on the Parker-Fox amendment. It helps to create equity in the program at the DOE, it is a commonsense approach, and I urge my colleagues to support this amendment.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FOX], the coauthor of this amendment.

Mr. FOX of Pennsylvania. Mr. Chairman, I want to discuss the importance of this bipartisan Parker-Fox amendment which concerns the low-income weatherization and State energy programs.

Last night a number of Members made very eloquent floor statements in support of these programs. Make no mistake about it, these programs are energy conservation programs. They help people from the homes to the farms to small businesses.

Our amendment is supported by the States and by the community action agencies and by Democrats and Republicans alike because it is good public policy that puts increased amounts of money into weatherizing homes of poor Americans so that they can be independent and not choose between heating and eating.

We are here on the floor of the House to reduce the deficit, to continue to fund only those programs that really matter and help our country move forward. These are key priorities because they help us compete and they reduce cost. These programs put the results of our R&D into the field and create real partnerships.

In summation, I would say, Mr. Chairman, that it restores funding to weatherization and it is also revenue neutral, a very important key point.

Mr. PARKER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the Department of Energy made a decision that what they would do is they would protect the bureaucracy in Washington and they would put the major cuts, the largest percentage of cuts, on the States. Within the categories, the accounts that are in the Interior bill dealing with the DOE, the only moneys which go to the States where the States can actually utilize that money, that goes directly to our constituents, are the ones that go to the State energy officials and the weatherization programs. Everything else stays in Washington in the bureaucracy. Most of it, I must say, is corporate welfare at its worst. All we are talking about is having some equity. Most of the cuts have been put into these accounts going to the States, they have cut them over 50 percent. Around 25 percent of the cuts have stayed in Washington.

We are just talking about equity. We are trying to get more money back to people, to low-income people where we actually can get money back to those individuals and it can do some good. I urge support for the Parker-Fox amendment.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. I thank the gentleman for yielding me the time.

Mr. Chairman, I have gained this honor because I spoke out against these amendments when they were first debated on the floor, and I probably will repeat a little bit of what I said previously.

The cuts that are proposed to be made in order to fund the increases in the weatherization program are out of the energy research and development account in which I have a very strong interest. This is not to say I am opposed to weatherization. I think weatherization has been cut more than I would like, and I would support any move to increase it that does not cut into energy R&D.

What has happened in energy R&D. We have with this bill a 20-percent cut from the levels of 1995, using that as a benchmark, a 10-percent cut from 1996, the current year's figures, and what we have, of course, is a request from the President to increase the 1995 figures by 20 percent or the 1996 figures by 30 percent in order to achieve the great values which occur as a result of this program.

What are these values? I should just mention one or two, for example. The energy conservation research and development program has produced things like the energy efficient windows that have saved taxpayers $1.8 billion in energy costs; energy efficient building design that saved consumers $1.9 billion in energy costs; and energy efficient freezers and refrigerators that have saved consumers $6 billion in the 10 years from 1980 to 1990.

In effect, these are programs which are making this country more efficient both industrially and in terms of homes and appliances and things of that sort, and making us more competitive in the world. It is a poor choice to propose this cut to fund the weatherization program. I ask that the amendment be defeated.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I know this has some attraction, but let me point out we are choosing in a sense whether we want to send the money to the State bureaucracy or whether we want to support energy efficiency research and development. Let me read from a letter from the administration:

> Notwithstanding that, we are concerned that the reductions proposed in the Parker-Fox amendment would severely compromise vital research and development programs, which have already taken substantial cuts,

as was pointed out by the gentleman from California.

As the gentleman said, the weatherization programs are good. We put $125 million into weatherization and state grants. Let me also add, because we have heard some tales of woe about the impact on low-income individuals, that this morning, as I understand it, the full Appropriations Committee approved the Labor, Health and Human Services bill that includes $1.2 billion for low-income heating assistance.

It is not as if we do not have money to provide warmth for those who are in financial difficulties. We put $1.2 billion in to pay their fuel bills. In addition, we have $100 million in our bill for weatherization. So I think we are very sensitive to the problems of the low-income in terms of providing heating, because the total would be $1.3 billion.

As was pointed out by the gentleman from California, we have already cut energy conservation severely over the last 2 years. These are programs that provide for pollution control, for clean air, for energy efficiency, for making automobiles more fuel efficient, programs that are absolutely vital to the future. If you improve energy efficiency, the LIHEAP money that we spend will go further in terms of home heating, in terms of the automobiles for those low-income people that need to get to work.

In the long-term benefits to society, energy conservation research is vitally important to every American. It gives us independence from other energy sources outside the United States. It gives us cleaner air. It will give us more fuel efficient automobiles.

It is not as if all this money is coming from the Federal Government. A great amount of it is coming from the private sector. This is a case of the Government providing a helping hand, and this is consistent with what many of our Members talk about: Let us get the Government out of 100 percent. We have done that. We have said on these programs they have to be matched at least 50 percent, in some cases more, by the private sector.

Mr. Chairman, I think in terms of national policy and even for the poor that it would be much better to approach it the way the committee has. I urge a "no" vote on the Parker-Fox amendment.

AMENDMENT OFFERED BY MR. SANDERS

The CHAIRMAN. Pursuant to the order of the Committee of today, the gentleman from Vermont [Mr. SANDERS] will be recognized for 5 minutes and the gentleman from Ohio [Mr. REGULA] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment is very simple. It transfers $11,764,000 from the naval petroleum reserve into the low-income weatherization assistance programs.

What we should understand is that last year the weatherization program was hit very hard. In fact, it was almost slashed in half. This bill today recommends an additional 10-percent cut on top of last year's decimating cut.

Let us stand with the millions of people in this country who go cold in the winter, people who stifle in certain climates in the summer, whose health is endangered. This is the United States of America and elderly people should not be forced to go cold in America.

□ 1215

Mr. Chairman, I should point out that this is a compromise amendment. The administration properly requested an increase in funding to $150 million. The committee recommends $100 million, and this amendment simply raises that to $112 million.

Mr. Chairman, let me say a word about the Naval Petroleum Reserve from which we take the money. The NPR's operating funds go to running three oil fields which are jointly operated by the Government and Chevron. The productivity of these fields has steadily declined since its peak in 1976. The President earmarked the NPR for sale in fiscal year 1997, indicating, and I quote: "Producing oil and gas is a commercial, not a governmental activity, which is more properly performed by the private sector."

Mr. Chairman, I yield 1½ minutes to my friend, the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Chairman, I thank the gentleman from Vermont for yielding me the time.

It has been a pleasure to work with both the gentleman from Vermont [Mr. SANDERS] as well as the gentleman from Mississippi [Mr. PARKER] and the gentleman from Pennsylvania [Mr. FOX] on this amendment. I guess I want to emphasize the nature of the compromise that we feel should be reached, which would be to maintain funding at the current level and restore the additional cut over cuts that had been made in prior years.

I think the point that I would like to make that is very important is that the weatherization assistance program is used to increase the energy efficiency of residences occupied by low-income individuals. It is not merely a transfer of money to a State bureaucracy. In the case of the State of Maine, the funds are received by the Maine State Housing Authority, which then is the agency in Maine charged with operating the program, distributes the funds to regional community action programs, CCAP agencies which take and process the applications and make the payments.

Now, as I indicated, Mr. Chairman, there are a number of issues that we have been debating over the last year and a half about how to improve and streamline the system. For whatever reason, those innovations and changes have not occurred. We are dealing with the existing distribution system and on that basis, I think it would be terribly unfortunate that those who need this assistance get caught in the crossfire between the administration and the Congress over precisely how we do it. The fact of the matter is, the system has been established, it is functioning, as in this case we are talking about protecting a level of funding for those who need the weatherization assistance, and I think that the most effective way of doing that is through the amendments that have been introduced by both gentlemen. So the question, if there is one, is between how we pay for it, not the fact that we need to do it.

Mr. SANDERS. Mr. Chairman, may I inquire as to how much time is remaining?

The CHAIRMAN. The gentleman from Vermont [Mr. SANDERS] has 1½ minutes remaining, and the gentleman from Ohio [Mr. REGULA] has 5 minutes.

Mr. REGULA. Parliamentary inquiry, Mr. Chairman. As I understand it, I have the right to close.

The CHAIRMAN. The gentleman is correct.

Mr. SANDERS. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois [Mr. GUTIERREZ].

Mr. GUTIERREZ. Mr. Chairman, I think that the issue is a very important one and one that is not only in New Hampshire and Maine but certainly in the city of Chicago. The energy assistance program will help a lot, and I just wanted to remind my colleagues that last summer, over 500 people died during the heat wave in the city of Chicago. Over 500 people, the immense majority of them low-income poor, senior citizens who rely heavily on this program and could really use a tightening up of their windows and their doors, because one of the major reasons, of course, is how do you pay for the electricity to run the air-conditioning and the fans?

Please support this for the heat in Chicago and the cold in New Hampshire.

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me reiterate what the gentleman from Illinois [Mr. GUTIERREZ] reminded us. Last year in the city of Chicago, as I understand it, 500 people died in a sweltering summer. That is not what America is supposed to be. In my State of Vermont and throughout the northern part of our country, there are millions of people, including low-income people, who simply do not have the money to adequately heat their homes. They are living in homes where when they put heat out, the heat is going through the windows, it is going through the roof, it is going through the cracks in the wall. The homes are not insulated.

The weatherization concept is a cost-effective program. What is the sense of putting heat into a house when it is simply going to leak out? Mr. Chairman, over 4.4 million homes have been weatherized with these funds. Over 90 percent of the recipients make less than $15,000 a year and they spend an average of $1,100 on their energy bills.

Our amendment is a sensible amendment. It is an environmental amendment. It is a conservation amendment. Most important, it is a humane amendment. People in the United States should not go cold in the wintertime.

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, I was here in the well earlier and I assumed that the time that we had allotted was the time that was going to be used and apparently we now have more time. I will be more direct than I was earlier.

The idea of taking money out of the Naval Petroleum Reserve, $11 million on top of the $43 million that has been removed on a project which the President has signed that we are going to sell this Government property, is a dumb idea. The Department of Energy itself has said if you take the $11 million, we have two choices. We do not drill like we need to drill to continue the production. That will cost the American taxpayers next year $14 million. He takes $11 million out. Next year, it costs the taxpayers $14 million. In 1998, it costs the taxpayers $31 million because they did not have the money to drill the wells they need to continue to improve the largest Government holding of oil resources in the lower 48.

If they decide they are going to spend money they would have otherwise spent on other projects, it would come out of the environmental fund, which means it may not meet the standards that these people impose for the environment.

Now, you are damned if you do and you are damned if you do not. Weatherization is important, but keeping a natural resource that we are going to sell for potentially $1 billion up the private sector levels to get the maximum taxpayer dollar out of it simply is not a smart thing to do when they have taken $43 million out and now he wants to take $11 million out. Notwithstanding whatever the merits of your weatherization, the idea of going after this is typical fuzzy-headed thinking. Why, at the time you are getting your house ready to sell and the contractor says you have a hole in the roof, it will cost $5,000 to fix, but you will have to lower the price of the House by $10,000, you do not spend the money to make sure that you can get the full market value for the House?

He is taking what we are going to sell and refusing to spruce it up so we can get the highest dollar possible for the taxpayer.

As far as the weatherization program is concerned, there are a number of other areas to find the funds. There are amendments that have approached it in other areas to find the funds. Why he is absolutely insistent upon going after this particular fund, at a time when the Congress—the House and the Senate—and the President have agreed to spruce up this property to get the highest possible taxpayer dollar out of selling that property, is beyond me. Except I remember then that he is on the ballot in Vermont and when he reached this body, his ballot designation was Socialist.

The CHAIRMAN. The gentleman from Vermont.

Mr. SANDERS. Excuse me, Mr. THOMAS. You made a falsehood and I would like an apology. I was on the ballot in the State of Vermont as an independent, always have been, and I would like an apology from you, sir.

Mr. THOMAS. I certainly apologize if the gentleman has never, ever represented himself as representing a socialist point of view.

Mr. SANDERS. I am a democratic socialist. That is very different from what you just said.

Mr. THOMAS. I apologize. The gentleman wishes to be called a democratic socialist.

Mr. SANDERS. Excuse me, I was on the ballot as an independent.

The CHAIRMAN. The time is controlled by the gentleman from Ohio.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent to correct my statement. The gentleman was not on the ballot as a socialist. He was on the ballot in Vermont, as he indicates, as an independent but that he proudly claims he is a democratic socialist.

Mr. SANDERS. Mr. Chairman, I do not need to be told what I proudly claim.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. THOMAS]?

Mr. VOLKMER. Reserving the right to object, Mr. Chairman, I think that the debates thus far all day and yesterday on this bill have not been very rancorous. We have just seen the gentleman from California use some words that I think are not properly descriptive of the gentleman from Vermont. I would hope, under my reservation, to say that this would not continue and that the gentleman from California who used those words would refrain in the future from doing so. I do not think it is appropriate for any Member of the House to try to erroneously designate someone for what they are not.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, so that the Members understand what is going to happen, we are going to have three votes that have been rolled. The first vote will be on the Parker amendment, which adds $18 million to weatherization and it cuts $18 million from conservation research.

The second vote will be on the Sanders amendment, which adds $11.7 million to weatherization and takes $11.7 million from the Naval Petroleum Reserve.

The third vote will be on the Shadegg amendment, which cuts the National Endowment for the Humanities by $12 million.

Let me say to my colleagues if you vote for both weatherization add-ons, you would be adding a very substantial amount to this program over last year's level. I would urge our colleagues to vote "no" on Parker and to vote "no" on Sanders.

On Parker, I think that taking money from conservation research to put into weatherization is not a good long-term national policy. Let me point out again, I am not hard-hearted at all, but we have $1.2 billion in LIHEAP. This is low-income heating assistance. So the people who need this help will get their fuel bills paid, be it electricity, gas, oil, whatever is the case. We also have $100 million in weatherization, and under our budget constraints, I think these are very fair and very reasonable amounts. Energy conservation is extremely important to this nation's future.

On the Sanders amendment, I think the problem there is we are going to sell the Naval Petroleum Reserve. It is worth billions of dollars. On the short term, the administration advises us that they will lose $14 million in revenues. So we are going to take out $11 million and lose $14 million. Not very good management, and we are the managers of this enterprise.

Second, it will be detrimental to the value of the property which will be sold in the near future. To do that is not good management. To put additional money into weatherization, which already has $100 million, and do it in a way that is detrimental to the sale of this property which will generate billions of dollars that could then be available for these programs in the future is not good policy in either the short or long term.

For this reason, I would urge a "no" vote on the Parker amendment, a "no" vote on the Sanders amendment, and there will be the three votes that have been rolled over.

Mr. Chairman, I yield back the balance of my time.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 455, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: The amendment offered by the gentleman from Mississippi [Mr. PARKER]; the amendment offered by the gentleman from Vermont [Mr. SANDERS]; and the amendment offered by the gentleman from Arizona [Mr. SHADEGG].

AMENDMENT OFFERED BY MR. PARKER

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Mississippi [Mr. PARKER] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 204, noes 218, not voting 12, as follows:

[Roll No. 259]

AYES—204

Andrews
Armey
Bachus
Baldacci
Bartlett
Bass
Bentsen
Bereuter
Bilirakis
Blute
Boehlert
Boehner
Bonilla
Bono
Browder
Brownback
Bunning
Burr
Buyer
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Crane
Cremeans
Cummings
Cunningham
Danner
DeLauro
DeLay
Diaz-Balart
Dickey
Duncan
Dunn
Edwards
Ehrlich
Engel
English
Evans
Everett
Ewing
Filner
Flake
Flanagan
Foley
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Goodling
Green (TX)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hancock
Hastert
Hayes
Hayworth
Hilleary
Hinchey
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Jackson (IL)
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
King
Kleczka
Klug
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lightfoot
Linder
LoBiondo
Longley
Manton
Manzullo
Martinez
Martini
Matsui
McCrery
McHale
McHugh
McInnis
McNulty
Metcalf
Meyers
Minge
Molinari
Montgomery
Moorhead
Ney
Norwood
Nussle
Oberstar
Orton
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Peterson (MN)
Petri
Pombo
Pomeroy
Portman
Pryce
Quinn
Rahall
Rangel
Reed
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Rose
Roukema
Sanders
Scarborough
Scott
Shadegg
Shays
Sisisky
Skelton
Smith (NJ)
Smith (WA)
Solomon
Souder
Stearns
Stokes
Stump
Stupak
Talent
Tate
Taylor (MS)
Taylor (NC)
Thompson
Thornberry
Thurman
Tiahrt
Torricelli
Traficant
Upton
Velazquez
Volkmer
Walker
Ward
Watt (NC)
Watts (OK)
Weldon (PA)
Weller
Wicker
Williams
Wise
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—218

Abercrombie
Ackerman
Allard
Archer
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Barton
Bateman
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Bliley
Blumenauer
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Burton
Callahan
Calvert
Clay
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Cox
Coyne
Cramer
Crapo
Cubin
Davis
de la Garza
Deal
DeFazio
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Durbin
Ehlers
Ensign
Eshoo
Farr
Fattah
Fawell
Fazio
Fields (LA)
Foglietta
Forbes
Ford
Frank (MA)
Franks (NJ)
Frost
Furse
Gallegly
Gibbons
Gillmor
Gonzalez
Goodlatte
Gordon
Goss
Graham
Greene (UT)
Hall (OH)
Hansen
Hastings (FL)
Hastings (WA)
Hefley
Hefner
Heineman
Herger
Hilliard
Holden
Hoyer
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kim
Kingston
Klink
Knollenberg
Kolbe
Lantos
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney
Markey
Mascara
McCarthy
McCollum
McDermott
McIntosh
McKeon
McKinney
Meehan
Meek
Menendez
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Obey
Olver
Ortiz
Owens
Oxley
Packard
Payne (VA)
Pelosi
Pickett
Porter
Poshard
Quillen
Radanovich
Regula
Richardson
Rivers
Roemer
Rogers
Roth
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Seastrand
Sensenbrenner
Serrano
Shaw
Shuster
Skaggs
Skeen
Slaughter
Smith (MI)
Smith (TX)
Spence
Spratt
Stark
Stenholm
Stockman
Studds
Tanner
Tejeda
Thomas
Thornton
Torres
Towns
Vento
Visclosky
Vucanovich
Walsh
Wamp
Waters
Waxman
Weldon (FL)
White
Whitfield
Wilson
Wolf
Woolsey
Yates

NOT VOTING—12

Emerson
Fields (TX)
Gephardt
Harman
Johnson (SD)
Lincoln
McDade
Peterson (FL)
Ramstad
Schumer
Tauzin
Torkildsen

□ 1255

Messrs. McINTOSH, HYDE, OLVER, NADLER, and CLAY, Ms. WATERS, Messrs. FIELDS of Louisiana, HEFNER, GALLEGLY, and ARCHER, Ms. ROYBAL-ALLARD, Messrs. DORNAN, MICA, DREIER, COX of California, SANFORD, ROYCE, RUSH, and BISHOP changed their vote from "aye" to "no."

Messrs. GUTIERREZ, SOLOMON, GILCHREST, BEREUTER, and STOKES, Mrs. CHENOWETH, Messrs. ROBERTS, LARGENT, BONO, PALLONE, and DELAY, Mrs. JOHNSON of Connecticut, and Messrs. GILMAN, CUNNINGHAM, and WILLIAMS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SANDERS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Vermont [Mr. SANDERS] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 215, noes 206, not voting 13, as follows:

[Roll No. 260]

AYES—215

Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bass
Beilenson
Bevill
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Camp
Cardin
Castle
Chabot
Chrysler
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooley
Costello
Coyne
Cramer
Cummings
Danner
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Duncan
Durbin
Ehrlich
Engel
English
Ensign
Evans
Fattah
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Frisa
Furse
Gejdenson
Gekas
Gibbons
Gilman
Gonzalez
Gordon
Green (TX)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hastings (FL)
Hayworth
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Hoekstra
Holden
Houghton
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
King
Kleczka
Klink
Klug
LaFalce
LaHood
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lightfoot
Lipinski
LoBiondo
Longley
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Minge
Mink
Moakley
Molinari
Mollohan
Moran
Morella
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pomeroy
Poshard
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Ros-Lehtinen
Roukema
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schiff
Schroeder
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Smith (NJ)
Smith (WA)
Solomon
Spratt
Stokes
Studds
Stupak
Talent
Tanner
Thompson
Thornton
Thurman
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (PA)
Weller
Whitfield
Williams
Wise
Wynn
Yates
Zeliff
Zimmer

NOES—206

Abercrombie
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Becerra
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Campbell
Canady
Chambliss
Chapman
Chenoweth
Christensen
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
DeLay
Diaz-Balart
Dickey
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehlers
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Foley
Fowler
Franks (NJ)
Frelinghuysen
Frost
Funderburk
Gallegly
Ganske
Geren
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hefley
Herger
Hobson
Hoke
Horn
Hostettler
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
Kim
Kingston
Knollenberg
Kolbe
Lantos
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lofgren
Lucas
Matsui
McCarthy
McCollum
McCrery
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Regula
Riggs
Roberts
Rogers
Rohrabacher
Rose
Roth
Roybal-Allard
Royce
Salmon
Scarborough
Schaefer
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (TX)
Souder
Spence
Stark
Stearns
Stenholm
Stockman
Stump
Tate
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torres
Vucanovich
Walker
Waxman
Weldon (FL)
White
Wicker
Wilson
Wolf
Woolsey
Young (AK)
Young (FL)

NOT VOTING—13

Brewster
Emerson
Fields (TX)
Gephardt
Harman
Johnson (SD)
Lincoln
McDade
Peterson (FL)
Ramstad
Schumer
Tauzin
Torkildsen

□ 1304

The Clerk announced the following pair:

On this vote:

Mr. Gephardt for, with Ms. Harman against.

Messrs. LANTOS, PAXON, and POMBO changed their vote from "aye" to "no."

Mr. MORAN changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WATTS of Oklahoma. Mr. Chairman, on rollcall No. 260, I inadvertently voted "yes." I intended to vote "no."

AMENDMENT OFFERED BY MR. SHADEGG

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Arizona [Mr. SHADEGG] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 168, noes 254, not voting 12, as follows:

[Roll No. 261]

AYES—168

Allard
Archer
Armey
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bilirakis
Bliley
Boehner
Bonilla
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards
Ehrlich
English
Everett
Ewing
Franks (CT)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gillmor
Goodlatte
Goodling
Graham
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Heineman
Herger
Hilleary
Hobson
Hoekstra
Holden
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
King
Kingston
Klug
LaHood
Largent
Latham
Laughlin
Linder
Lipinski
Longley
Lucas
Manzullo
McHale
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Montgomery
Moorhead
Myers
Myrick
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Quinn
Radanovich
Riggs
Roberts
Roemer
Rohrabacher
Royce
Salmon
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shays
Shuster
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Visclosky
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wicker
Wolf
Young (AK)
Young (FL)
Zimmer

NOES—254

Abercrombie
Ackerman
Andrews
Bachus
Baesler
Baker (LA)
Baldacci
Barcia
Barrett (WI)

Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Calvert
Cardin
Castle
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Ehlers
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gejdenson
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Goss
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hastings (FL)
Hayes
Hefley
Hefner
Hilliard
Hinchey
Hoke
Horn
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
Lantos
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Livingston
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Molinari
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Nethercutt
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Pryce
Quillen
Rahall
Rangel
Reed
Regula
Richardson
Rivers
Rogers
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schiff
Schroeder
Scott
Serrano
Shaw
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Spence
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Volkmer
Vucanovich
Walsh
Ward
Waters
Watt (NC)
Waxman
White
Whitfield
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Zeliff

NOT VOTING—12

Emerson
Fields (TX)
Gephardt
Harman
Johnson (SD)
Lincoln
McDade
Peterson (FL)
Ramstad
Schumer
Tauzin
Torkildsen

☐ 1312

The Clerk announced the following pair:

On this vote:

Mr. Emerson for, with Ms. Harman against.

Mr. YATES changed his vote form "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. TORKILDSEN. Mr. Chairman, this morning I was in my district on official business. Had I been present, I would have voted on three rollcalls: "yea" on rollcall 259, "yea" on rollcall 260, and "nay" on rollcall 261.

PERSONAL EXPLANATION

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise to inform the House how I would have voted on three votes held on June 20, 1996. On that day I was in meetings and the beeper provided by the House malfunctioned and did not properly alert me to the fact votes were being taken by the full House. Had I been present on rollcall vote No. 259, on the amendment offered by Mr. PARKER I would have voted "yes"; on rollcall vote No. 260, on the amendment offered by Mr. SANDERS I would have voted "yes"; and on rollcall No. 261, on the amendment offered by Mr. SHADEGG I would have voted "no".

PERSONAL EXPLANATION

Mr. BURR. Mr. Speaker, on rollcall vote No. 261 I inadvertently voted "aye" when I meant to vote "nay".

Mr. POSHARD. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Illinois [Mr. POSHARD] is recognized for 5 minutes.

There was no objection.

Mr. POSHARD. Mr. Chairman, the committee report includes language indicating an expectation that the Forest Service will not engage in any below cost timber sales. Does the chairman agree that this provision should be applied to hardwood timber stands but should not preclude the Forest Service from taking out pine stands in order to reforest the Shawnee with native hardwoods.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. POSHARD. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, it is the committee's belief that we should avoid below cost timber sales on the Shawnee, but the removal of pine to restore hardwoods may be done at the lowest cost possible.

☐ 1315

Mr. POSHARD. It is my understanding from forest management that taking out the pines will actually enhance habitat for the Indiana Bat and other species with which the committee is concerned. Does the committee believe that it would be appropriate to remove pine stands and replace them with hardwoods in order to protect that habitat and those species?

Mr. REGULA. That is the committee's view.

Mr. POSHARD. Mr. Chairman, there is further direction regarding clearcutting. Is it the committee's intent to keep the Forest Service from clearcutting hardwood stands?

Mr. REGULA. That is the committee's position.

Mr. POSHARD. Mr. Chairman, I appreciate the committee's indulgence.

AMENDMENT OFFERED BY MS. FURSE

Ms. FURSE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. FURSE: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds appropriated or otherwise made available in this Act (including funds appropriated or otherwise made available for salaries and expenses of employees of the Department of Agriculture or the Department of the Interior) may be used to prepare, advertise, offer, or award any contract under any provision of the emergency salvage timber sale program established under section 2001 of Public Law 104–19 (109 Stat. 240; 16 U.S.C. 1611 note).

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 19, 1996, the gentlewoman from Oregon [Ms. FURSE] and a Member opposed, the gentleman from Ohio [Mr. REGULA], will each control 30 minutes.

The Chair recognizes the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I am here today to participate in a bipartisan amendment which will fix the biggest environmental mistake of the 104th Congress. That mistake is the so-called emergency salvage timber program, passed as a rider last July, which suspended all environmental laws in every national forest in the country.

Now, America is a nation of laws. Americans are law-abiding citizens. But the salvage rider has put logging outside the law. No other industry in this country is allowed to operate outside the law. By circumventing the normal avenues of public input, the rider has reignited a war in the woods.

I do not oppose logging, no one who has cosponsored this amendment opposes logging, as long as it is done in compliance with our environmental laws.

Let me be very clear. State and private citizens must comply with State forest lands on their property. Why should the Federal Government not do the same on Federal lands?

This amendment is a modest amendment. It just asks that we not spend money outside the law.

The salvage rider was not what it seemed. Although touted as an emergency measure to cut dead and dying timber, the rider has been used to clearcut healthy forests, including some hundreds of years old. For example, less than 40 percent of the trees in the Shanty salvage sale in California had any signs of mortality.

I have with me a picture, and my colleagues can see that there is a blue X on this very large, very old tree. This is going to be cut under salvage, not these skimpy little ones on the side. The big one.

Cutting without consideration for environmental law also harms wildlife and fish populations. That is why this rider was opposed by commercial and sports fishing organizations nationwide. This includes the Pacific Coast Federation of Fishermen, the largest commercial fishery organization in the west.

Now, as I say, this is a picture of what these so-called salvage riders are. This is a healthy, 350-year-old ponderosa pine. It is not dead, it is not dying, and yet it would be cut without compliance to environmental laws.

The salvage rider has also been costly to the American taxpayer. It will end up costing the American taxpayer millions of dollars by requiring it to subsidize bargain-basement logging in our national forests.

What our amendment does is fairly modest. It just says that no money can be used by the Forest Service from this appropriation outside of the law. In other words, the Forest Service must log under the environmental laws which were put in by this Congress and other Congresses to say we need some oversight.

One of the problems about giving enormous power to a Federal bureaucracy, which is what the rider did, is that can we really trust that they can do this without some oversight? Our amendment says that there will be oversight, there will be environmental protection, but there will still be logging. We do not oppose logging; we just oppose lawless logging.

Mr. Chairman, I should say right now that hundreds and thousands of Americans support that. In fact, a nationwide poll found that three-quarters of all Americans asked opposed lawless logging, and I urge a "yes" vote on the Porter-Yates-Furse-Morella amendment.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield to me?

Ms. FURSE. I yield to the gentleman from Washington.

Mr. DICKS. I just want to clarify a couple things about the amendment.

Is it the intent of the sponsors of this amendment that it would affect only timber salvage sales that would be offered after October 1, 1996? In other words, it is not going back retroactively?

Ms. FURSE. That is absolutely correct, I say to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Is it the sponsor's understanding that the so-called section 318 sales authority would expire on September 30, 1996?

Ms. FURSE. Yes, they unfortunately would not be affected by this amendment.

Mr. DICKS. Is it also true that the salvage provision enacted last year would expire on December 31, 1996, but for your amendment?

Ms. FURSE. That is correct. That is correct, Mr. DICKS.

Mr. DICKS. Is it the sponsor's understanding that salvage sales offered under her amendment after October 1, 1996, would be conducted under all existing environmental law?

Ms. FURSE. All existing environmental law.

Mr. DICKS. I appreciate the gentlewoman yielding to me on this issue.

Ms. FURSE. Mr. Chairman, I reserve the balance of my time.

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from Alaska [Mr. YOUNG], chairman of the Committee on Resources.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in strong opposition to this amendment. First, let us understand it is being offered primarily for window dressing for the President of the United States because this was objected to by the environmental community saying this was an awful rip-off to the taxpayers. Let us just think for a moment what this does.

This amendment would halt all of President Clinton option 9 sales relief by the rescission law. Now keep this in mind: Even President Clinton sales would be halted. This is what he signed off in the Northwest. He agreed to this. I believe the author of the amendment agreed to it. It would halt all salvage sales and force expensive, time-consuming reprocessing of dead tree sales.

This means sales that should have happened, that timber will rot and burn, rot and burn, and some would say this is natural. Well, I just want to ask my colleagues how many of them have ever gone to a forest fire or fought a forest fire. Alaska has just gone through two big ones, primarily because most of the timber burned that should have been harvested because it was dead. And that is going to happen all over the United States of America wherever there is national forest.

The forest health is in jeopardy because we have a philosophy today that trees will live forever. The idea that 350-year-old ponderosa pine would be healthy is ridiculous. If we cut that tree down, we find it is rotten at least 85 feet into the tree, at least 3 feet across. It is a dying, dead tree. But there will be a new tree if that tree is to be removed in a sound, environmental way. If we let it burn, it will not. Let it burn twice, which it can, there will be no growth for a period of years. In fact there will be about 40 to 50 percent, if this amendment is adopted, of what remaining sales we have left in national forests will be lost.

On top of that, this probably will be litigated, costing the taxpayer money and actually eliminating what chance these small communities have to survive.

Now, we heard a lot about the gentleman from California [Mr. RIGGS] yesterday and his small farmers, his small ranchers because of the murelette. Small mills in the northwest, mills that have been harvesting these timber trees, these salvage trees, will be stopped dead in their tracks. No timber means more mills will be closed in Washington, Oregon, and California.

Jobs. American people will be put out of work. Already now, and think about this, 239 mills employing thousands of Americans have been closed in Washington, Oregon, and California since 1989, a period of 7 years. We have lost an industry. We are importing our fiber today. We have lost an industry, and the jobs are important to this Nation.

But more than that, the taxpayer will pay. We talked yesterday about subsidized roads. We talked the other day about subsidized timber harvesting. We talked about the taxpayer paying. Well, think about it a moment. Already we put thousands, approximately over 100,000, jobs, related taxpaying jobs, out of business because of actions of this Congress, this administration, and those interest groups that decide logging is not part of our society. A renewable resource is no longer to be utilized as it is used around the world. It will also expose this government to millions of dollars in contract breach claims for timber harvested during the last 3 months of the period during the salvage law in effect.

This salvage law will expire December 1996. That is only 6 months away. All we are asking in reality is to implement the act as it was placed in the last session, let it be fulfilled, review it as that time, and if we can show that the salvage act itself has provided jobs, it has increased the health of the forests, we can then address it. But now to politically offer an amendment to make the President look well and good in the environmental community I think is uncalled for.

What has happened with the concept of sound scientific information about the timber? And I have talked to the forest industry scientists and will tell my colleagues today that right now the private timberland, not the Federal timberland, one-third of the land mass is producing two-thirds of our fiber today because it is managed appropriately. The national forest is not being managed. We are allowing that forest to decay, to rot, to fall and, in fact, to burn, and that is not called for.

Ms. FURSE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I thank the gentlewoman for yielding me time, and I compliment her on the great leadership she has shown on this and other important environmental issues.

With the greatest respect for the gentleman from Alaska [Mr. YOUNG], I think he is got it exactly backwards.

Last year in the rescission package in the full Committee on Appropriations, the amendment on salvaged timber was offered. No one, to my knowledge, had any notice that it was going to be offered. It was 7 or 8 or 10 pages long; 13 pages long, I am told. It had never had a hearing anywhere in the Congress, and suddenly it was offered as an amendment to an appropriation bill without anybody realizing the implications of what was involved.

□ 1330

There have been tremendous problems ever since, Mr. Chairman. The salvage timber rider, so-called, has caused a much greater problem than was originally envisioned, and that was a great problem, indeed. As I have learned from my constituents, local and national environmental groups, and local and national news reports, the provision has been interpreted by the logging companies and enforced by the courts much differently than was apparently originally intended. This is a flawed provision that we approved before knowing its full consequences, before any hearings, as I say, before understanding what was being done.

When these problems were realized, we should have addressed them. Now we have waited almost 1 year, and it is certainly time to fix the mistakes that have been caused. As Members will recall, the provision attached to the emergency rescission bill which provides aid to victims of the California earthquake and the Oklahoma City bombing, was to provide for the removal of dead and dying trees for the overall improvement of forest health on Federal lands.

As indicated by the national news, much more is being cut than salvage timber. In fact, I have learned from many sources, including local loggers in the Pacific Northwest, that dead and dying trees are in some cases not being touched, it is the old growth forest that is being harvested under this law. The salvage timber provision is superseding the carefully crafted environmental and natural resource laws that previously regulated logging in the Pacific Northwest.

One of the greatest problems with this provision is the broad-range definition of salvage timber. The definition includes dead, dying, diseased or associated trees. Basically, this definition allows loggers to use their own judgment in determining which timber stands to cut.

I support, Mr. Chairman, the need to keep our great forests healthy, but the salvage timber rider is not attaining this goal. We are misleading ourselves to think otherwise, and it is time to correct this serious problem. I hope Members will support this amendment so we can move into constructing good legislation that will promote the original intention of healthy forest management.

Ms. FURSE. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I thank my colleague for yielding time to me.

Mr. Chairman, I rise in strong support of this amendment, which would prohibit the expenditure of funds to implement the so-called salvage rider.

I use the term "so-called" advisedly because the salvage rider has turned out to have very little to do with salvage logging—that is, with taking dead trees out of forests. In fact, true salvage logging was already permitted before passage of the rider, which was sold to this body under what can most generously be considered false pretenses.

We were told the salvage rider would apply only to dead trees. In reality, healthy, green trees, account for up to 50 percent of some salvage sales.

We were told the salvage rider would increase Federal revenues. In reality, the rider has cost taxpayers millions of dollars by mandating subsidized timber sales.

We were told the salvage rider would have a minimal impact on the environment. In reality, the rider has damaged our Nation's forests while preventing any citizen suits to redress the situation.

In passing this rider, the House was sold a bill of goods. The public interest demands that the salvage rider be reversed so that we stop damaging our forests, sapping our treasury, and silencing public input.

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. BUNN], an excellent member of our subcommittee.

Mr. BUNN of Oregon. Mr. Chairman, I rise in opposition to the Furst amendment. I would like to correct a few things that I believe were inaccurate when they were stated before. I heard it mentioned that there had not been a single hearing. In fact, on February 28, 1995, before this was taken up, there was a hearing. There have been seven oversight hearings since then, four in the field, two in Washington, DC, and one with the Senate.

Also, I think there needs to be a clear understanding that this does not exclude environmental concerns. An environmental assessment is required, a biological evaluation is required, and it is solely at the discretion of the Secretary of Agriculture or the Secretary of the Interior, as appropriate, to decide whether or not to allow these sales to go forward.

So, Mr. Chairman, there may be some concern about whether or not the administration is adequately following the concerns; but it is interesting to me, this is something that we had a hearing on, we have had a series of hearings on. We debated this in the House. We have debated in the Senate. The administration initially vetoed it, came back, worked through the process again. Then the administration went to court to try to block what they signed, apparently saying they did not understand what they signed. Maybe they should pay a little more attention to it.

In fact, it is a good law that is working. Never have we claimed that there would only be dead trees. The idea of dead and dying trees, when there are diseased and dying trees, the needles may not be off, but that tree may be dying and may infest other trees. You may see a green tree or a number of green trees that are, in fact, diseased and need to be harvested to protect others. It is a good bill. This amendment is opposed by the United Paperworkers International Union, the Western Council of Industrial Workers, and the American Forest and Paper Association, among others, because we need the ability to get in and harvest these trees.

The Clinton administration has absolutely dismally failed to deliver on the Northwest forest plan. This has given us some hope that there would be timber in the supply line until we can get that straightened out. It is important to understand that the appeals have been abused in the past, to simply endlessly appeal the salvage logging until those logs have rotted and it becomes a moot point.

We can no longer allow that. We have to expedite those sales, because these are not healthy standing trees that we can debate for the next 5 years and harvest or not harvest. these are trees that are dead or dying, and will rot without this expedited appeal, so I urge Members' opposition to the Furse amendment.

Ms. FURSE. Mr. Chairman, I yield 2 minutes to the gentleman from illinois [Mr. YATES], the ranking member of the subcommittee.

Mr. YATES. Mr. Chairman, I rise in strong support of the amendment offered by the gentlewoman from Oregon [Ms. FURSE] and the gentleman from Illinois [Mr. PORTER]. I had intended to offer a similar amendment, but I defer to my distinguished colleagues.

Mr. Chairman, this amendment would finally end the disaster of the salvage timber rider that was attached to last year's rescissions bill. with respect to what my good friend and colleague on my subcommittee said about having held hearings, there were no hearings by the Committee on Appropriations before this amendment was presented to the Committee on Appropriations as an amendment to the rescissions bill. There may have been hearings later, but none were held, to my knowledge, by the Committee on Appropriations.

Mr. Chairman, the rider contains so-called sufficiently language which shuts out the general public by barring legal challenges and preventing public comment periods. The salvage rider has caused enormous damage to rivers and streams in the Northwest, leading to the death of thousands of trout and salmon.

It is now painfully clear that in short-circuiting the process and exempting timber sales from the environmental laws, which is what the amendment does, which is what the Taylor amendment did, irreparable harm to the fragile ecosystems was caused to our national forests.

This is what some of the newspapers in the area have said. Salem, OR:

> The streams that supply Salem's water run brown with silt and mud—much of it from logging roads and clear cuts. We're drinking, or trying to drink, the mucky runoff from sloppily built logging roads that crisscross our mountains and from forest clear cuts.

Mr. BUNN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oregon.

Mr. BUNN of Oregon. What is the date of that newspaper article, if I may ask the gentleman, Mr. Chairman?

Mr. YATES. It is February 21, 1996.

Mr. BUNN of Oregon. Was that article talking about the floods in the Northwest that had nothing to do with the salvage logging, or was it in fact speaking directly about the salvage logging?

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. TAYLOR], a distinguished member of the subcommittee.

Mr. TAYLOR of North Carolina. Mr. Chairman, my good friend, the gentleman from Illinois, SID YATES, and I have served together on the committee and gone back and forth on questions of forestry. There is enormous pressure in this country from organizations that take in hundreds of millions of dollars, scaring people, and they want to continue to do that. That is why a lot of misinformation has been put out. I am afraid some of my colleagues have gotten hold of it and believed it.

Mr. Chairman, my colleague who got up a moment ago and said that we had cut green trees in salvage, it is absolutely misinformed. I will pay $1,000 cash today if anyone can bring me evidence of any green tree that has been cut under the salvage bill. We are not talking about the 3–18 amendment that was made taking older sales that were set aside long ago and had been under appeal, we are talking about the salvage bill.

For instance, I have seen a piece of information here showing pictures put out by folks who said, "The tree below is more than 700 years ago. It was cut down because Congress passed a salvage rider which has allowed large-scale harvesting of America's oldest and most valuable trees."

I presume that is talking about the 3–18 sales which Mr. Clinton endorsed under his option 9. It has to be, because the picture was made in March of 1995, about 4 months before the salvage legislation passed. So it would be impossible for salvage and difficult for that to be involved in 3–18.

Mr. Chairman, the situation that we find with other pictures, last night we were shown a picture on the floor that purportedly was damaged by logging roads. In the Senate, that picture was used months ago, and it was supposed to be salvage damage. It looks like something out of the 1890's, with tailings from a mine. Soon it will be used in the debate for the Johnstown flood.

I do not know what we are proving by bringing up photographs that purport to show damage in forests that were taken months and sometimes years before the bills were even passed. But clearly this is misrepresentation. The timber salvage legislation that was passed is doing its job. It is doing it slowly, because there is much resistance from the administration; not inside the Forest Service, but from the administration.

We are finding in the South as to disease-infected timber, it is already being put on for sale, and it is important that that be done, because if we have 100 acres of insect-infested timber inside the Forest Service, if you do not take out the host trees, and that includes some green trees, because trees that are dead or the insect has already left, they are hosting in the periphery green trees around it.

So when the forest silviculturist goes in, he has to determine those trees where the host is. Some of those trees are still green, but they will be dead in a matter of weeks or months, so he cuts out the area where the disease, where the insect is, and he harvests that.

The Forest Service has been very careful, being under the watchful spotlight of Congress, it has been very careful to see that nowhere has it abused it, and we cannot find a single example of that abuse that has been presented to Congress, either in our hearings on salvage or in any other area.

We are beginning to remove diseased, dead, and dying timber from the forest. It is being done profitably at the individual sales, and it is being done in a way that is good for the environment. Nowhere can I find these people who rave and rant because of the pressure from environmental organizations that they are saving the forest, can they say what are they going to do when they destroy the use of wood.

The Sierra Club voted 2 to 1, no cutting in the national forests. When we kill the jobs, kill the harvesting of our forests, when we no longer have wood for the tables and the multitude of chemicals and other things we use it for, they do not tell you that we have to replace it with finite, finite materials such as plastic, where the oil has to be imported, where the toxicity and spills in manufacturing as much greater than it is in wood processing, and that is harmful to the environment.

No. The information being put out that I just mentioned, that is false information and misleading information, is what is being used, and serves as environmentalism today. We need honest debate on this question, and we need to keep the timber salvage bill.

Ms. FURSE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the photo that was referred to has no affiliation to this amendment and no relevance to the debate. I am holding in my hand a list of salvage rider sales—107 of these have substantial green tree components. I am not going to hold the gentleman to his $1,000, but there are many, many sales that have a significant amount of green timber.

Mr. Chairman, I yield 5 minutes to my distinguished colleague, the gentleman from Maryland. [Mr. GILCHREST].

□ 1345

Mr. GILCHREST. I thank the gentlewoman for yielding time.

Mr. Chairman, I would like to make sure that I am not here defending any special interest environmental group who may or may not he against all logging or against salvage logging. But I am here as a result of trying to make some sense out of a very complicated issue, logging on our Nation's forests.

It is my understanding that in 1987 there were 11.3 billion board feet harvested off of America's national forests. In 1994 that dropped to 3.4 billion board feet. Perhaps in 1987, 11.3 billion board feet was too much. In 1994, as a result of the forest health problems that we are seeing, the 3.4 billion was not enough. As a result of that, we see some pretty severe problems in our Nation's forests.

What I would like to say, though, which is my problem with the timber salvage sale, is that I realize we have to get the dead and dying trees out, we have to get the insect-ridden trees out, and we have to create a management scheme that is going to make sure that we manage our national forests so that they can recycle themselves and we can get the wood for America, people can have jobs, and we can still have a suitable environmental condition so that our forests will be sustainable for the future.

But the crux of this legislation, the timber salvage legislation, included in it a requirement from Congress that you can virtually eliminate some of those safeguards and best management practices for a healthy forest as far as environmental conditions are concerned.

It was said earlier by the gentleman that the Secretary of Agriculture and the Secretary of Interior have some discretion about how to manage these things, but let me read from a directive. Here is what a Federal court said about the amount of discretion that both of those Secretaries have:

> The Kentucky court noted that sales were exempt from all Federal environmental and natural resource laws, something Congress unquestionably has the power to do.

And then the court went on to say:

> As Congress is the fountainhead for all environmental and natural resource laws, it clearly has the power to create blanket exemptions from those same laws. Although the wisdom of such exemptions might be debated, the authority to exempt is incontrovertible.

That sends a powerful message to the Secretaries of both of those departments to pull back from more suitable, manageable environmental procedures.

I know we have to take those logs out of those forests and we better do it as fast as we possibly can, but we do not want to do it at the damage of other habitat concerns, other environmental concerns, stream concerns, spawning areas for fish. What about other people in those areas and the way they make their living?

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. GILCHREST. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

Mr. Chairman, the act said, and I quote:

> The scope and content of the documentation and information prepared, considered and relied on under this paragraph is at the sole discretion of the Secretary concerned.

If I read that correctly, the Secretary has sole discretion to approve or disapprove a sale.

Mr. GILCHREST. If I could reclaim my time, when this is evaluated that statement sounds pretty promising, but when it is evaluated as far as the interpretation of the courts is concerned, the ramifications of that are not the same from your interpretation of the language to the court's interpretation of the language.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. GILCHREST. I yield to the gentleman from Minnesota.

Mr. VENTO. I appreciate the gentleman from Maryland yielding.

Mr. Chairman, the fact is when this was taken to court, the Secretary was forbidden to use his discretion. He said that this waiver, he could not apply any of these standards, and his attorneys, the attorneys for both the Secretary of Interior and Agriculture, advised them, unless they wanted to go to jail, that they had better meet the volume numbers and the prescriptions of these salvage sales.

The fact is that they tried. That is, Secretary Babbitt and Secretary Glickman both made extraordinary efforts to the point that they were being criticized in some of those hearings as not complying with the timber rider.

Mr. GILCHREST. Mr. Chairman, reclaiming my time, I think, just from my judgment, we have managed the National Forest Service over the years in a way that certainly needs improvement. We all know that there are extreme environmentalists out there certainly that do not want any logging in any national forest. I certainly am not for that. What we need is some commonsense, reasonable management practices injected into the whole process.

I urge support for the gentlewoman's amendment.

Mr. KOLBE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. I thank the vice chairman for yielding me the time.

Mr. Chairman, first of all the gentleman from Illinois [Mr. PORTER], who I guess had to leave, claimed that the timber salvage legislation was some sort of clandestine measure forced upon the Congress in the dead of the night.

I would like him to note that the legislation was the result of 5 months of open legislative debate, lots of give and take, because some of us were involved in those meetings between the administration and the Congress. It expedites the procedures by which agencies, the Bureau of Land Management and the Forest Service, salvage dead and dying trees nationwide and it insulates from judicial challenge green timber sales prepared under the President's own forest plan, the Northwest Forest Plan, which has already been found by the courts to comply with environmental laws.

So what is going on here? The most liberal allies of the administration, those who pander to the extreme fringe of the environmental movement, are applying pressure on the President to reconsider the legislation he signed into law and renege on the commitment he has made to the people of the Northwest in our timber-reliant towns and our timber-reliant counties. That is what is going on here.

So we are talking about now potentially, just as we begin to get salvage sales into the pipeline, shutting down the program altogether, stopping a program that helps with fire suppression, promotes good forest health by removing diseased trees and most importantly puts our people back to work.

I want to go back to that give-and-take, those negotiations between the administration and the Congress, and I want to introduce for the record a letter on White House stationery dated June 29, signed by the President of the United States. It is to the Speaker of the House, NEWT GINGRICH, and it says: "I want to make it clear that my administration will carry out this program," referring to the timber salvage program, "with its full resources and a strong commitment to achieving the goals of the program. I do appreciate the changes" I am speaking directly now to the people who are arguing for this limitation amendment or to repeal the program altogether "that the Congress has made to provide the administration with the flexibility and authority to carry this program out in a manner that conforms to our existing environmental laws and standards. These changes are also important to preserve our ability to implement the current forest plans and their standards and to protect other natural resources."

"The agencies responsible for this program" again BLM and the Forest Service "will, under my direction," says the President of the United States, "carry the program out to achieve the timber sales volume goals in the legislation to the fullest possible extent. The financial resources to do that are already available through the timber salvage sale fund."

That is June 29 of last year.

Less then two months later, August 11, again on White House stationery signed by the President of the United States:

> As you know, I signed the rescissions bill because it helps to reduce the deficit further. However, I opposed the salvage logging provision as it threatens to impair, rather than promote, sustainable economic activity.

In other words, the devil made me do it. It is a little bit like going to Houston and telling an audience of prominent Democratic fund raisers that House Republicans forced the President of the United States to impose the largest tax increase in the history of this country. It is a little bit like the same thing.

Mr. Chairman, I just want to speak for a moment on this amendment because it is absolutely unnecessary. The administration has enough flexibility to address environmental concerns under the legislation as the President pointed out in his June 29 letter.

So while we have timber-dependent communities throughout the West that remain one step from the unemployment line and while the health of our forests in California and across the West continue to decline because they are not managed properly, and that is what this is, it is a forest management program that is good for fire suppression purposes and good for the health of the forest, we now have those out here on the floor calling irrationally for the termination or the repeal of this new program.

Here is why this call is irrelevant. First of all, regarding salvage sales. The administration has the sole discretion to offer salvage sales. Salvage sales are composed by doing an internal administrative environmental review under NEPA and under the Endangered Species Act.

To illustrate this point for the gentlewoman from Oregon [Ms. FURSE], on April 3, a few months ago, the region 5 forester, Lynn Sprague, whom the gentlewoman probably knows and has dealt with, canceled a large salvage sale in northeast California of 2.5 million board feet in the Lassen National Forest.

I have spoken to Mr. Sprague and Mr. Sprague has publicly commented that he cancelled this sale because of, quote, "escalating public concerns in an area that was scorched by a 1994 fire."

There is no reason to terminate this funding or repeal the program that is in fact working. It is environmentally responsible. For 9 months this administration has claimed it is without flexibility when addressing areas affected by the timber salvage law and have demanded that Congress rectify the damaging effect of this legislation, and now it seems the administration does have the flexibility it has so long demanded to enforce this program.

Ms. FURSE. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. McDERMOTT].

Mr. McDERMOTT. Mr. Chairman, this is truly an interesting day because we had the last speaker saying trust the bureaucrats. That is the first time I have ever heard anything like that come from that distinguished gentleman. But the issue here is very simple. The Forest Service has two kinds of sales. One are green sales, one are salvage sales. They have a salvage program that in 1994 amounted to one-third of the sales done, was almost 1.5 billion board feet under that salvage sale. What this rider did, which was without hearings, was to take away any environmental legislation concerns about those salvage sales. It simply said, do whatever you want, disregard every other law on the books with respect to the forest.

The gentleman from Oregon [Mr. BUNN] says there was a hearing. Yes, there was a hearing, I say to the gentleman. It was in the Committee on Agriculture, it was on the health of the forests. This language that was adopted on the floor of the House was never heard in any committee, was never discussed, it was brought out here, dropped on us and it passed.

So the gentleman must not mislead the people in that respect. This language was never before a committee.

The President said that this language that was passed out here, at first he thought he had the capacity to deal with the problems. But the fact was it went to court and he lost that kind of flexibility.

The most recent letter from the White House, March 13, 1996, and this is to one of the Members of the other body, says:

> I write to convey my strong support for your amendment to repeal the timber rider attached to the 1995 Rescissions Act.
>
> Judicial interpretation of the timber rider, as it has been applied to old growth forests, has broadened the Act's requirements to the point that it undermines our balanced approach to ensuring continued economic growth and reliable timber supply in concert with responsible management and protection of our natural resources for future generations. The timber rider must be repealed as soon as possible.

It was done because when it went to court, he lost the capacity to say, this sale cannot happen. What it allowed was the bureaucrats in the Forest Service to take an old green sale, redraw the lines and make it a salvage sale and, therefore, it has no environmental protection. The green sales still have environmental protection but salvage sales do not. So if you draw the lines on the map, add a few trees with a few worm holes in then, you can take away any environmental protection for the forest. This is the essence of this and that is why it should be repealed.

☐ 1400

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds, before yielding to the next speaker, to correct a statement of the last speaker when he said that there was no requirement to follow the law. The law is fairly clear here that the Secretary has to prepare a document for each salvage sale that combines an environmental assessment under the NEPA, the National Environmental Policy Act, and a biological evaluation under the Endangered Species Act. The Secretary must follow the law.

Mr. Chairman, may I inquire how much time there is on both sides here?

The CHAIRMAN pro tempore (Mr. BUNNING of Kentucky). The gentleman from Arizona [Mr. KOLBE] has 12 minutes remaining, and the gentlewoman from Oregon [Ms. FURSE] has 9½ minutes remaining.

Mr. KOLBE. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. NETHERCUTT], a distinguished member of the subcommittee.

Mr. NETHERCUTT. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I want to put this into perspective. This amendment as it relates to Oregon and Washington, I am a member of the Subcommittee on Interior of the Committee on Appropriations. We had a hearing earlier this year with Jack Thomas, the head of the Forest Service testifying. I raised an issue with Mr. Thomas about the Loomis State Forest in Washington State. It has gone from an infestation of mountain pine beetle starting at 50 acres; it is now about 55,000 acres. It is spreading rapidly east toward the Okanogan National Forest.

I said: Mr. Thomas, how do we solve this problem? How do we stop this infestation and the spread of this infestation that is ruining our State forests and is going to threaten our national forests?

This is what he said. He said: This infestation has swept across eastern Oregon, I say to my friend from Oregon, from one end to the other, and stopped when it got to the Cascades and ran out of lodge pole pine.

Basically, I want to draw the attention of this quote to the gentlewoman from Oregon, Ms. FURSE, and the gentleman from Washington, my friend, Mr. McDERMOTT. Basically it is a salvage operation in silviculture. And then he says for the people that are into this, and this is a little hard, a little bit hard to sell publicly, once you have an infestation moving at epidemic proportions and start to see the beetle hits, you will see the pinch tubes on the trees a year or 2 years before a stand starts to go in total. Salvage is the answer, or move ahead of the infestation with green sales.

It is a little hard to sell to the public that we really know that this is going to happen. They do not believe it until they see the dead trees.

Now, let us put this into perspective. This debate that has taken on a flavor of, if you are in favor of salvage timber, saving forests, then you are antienvironmental; and I am offended by that. I think that is incredible for the other side to argue this because that is not fair.

The point is you have got the Loomis State Forest heading east infesting possibly the Okanogan National Forest, the Colville National Forest in my district, and we are now making the lumber and timber communities powerless to do anything about it. This salvage amendment again, it is either green sales to get ahead of the disease or it is salvage timber operations. This is a bad amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. NETHERCUTT. I yield to the gentleman from Washington.

Mr. DICKS. This is one thing I think that is widely misunderstood. People talk about the fact when you do a salvage sale and you have these dead trees laying there, well, they took some green trees. What they forget is that the bug infestation has gone from the dead trees into the surrounding green trees. So, some of those have to be taken in order to stop the infestation from spreading further.

It is not because they are trying to undermine the environmental laws or doing something awful. It is because of honorable silvicultural practices.

Mr. NETHERCUTT. The gentleman is correct. We are trying to save the system.

Ms. FURSE. Mr. Chairman, I yield myself 30 seconds.

We still have laws that can do salvage. I am sure the gentleman from Washington [Mr. NETHERCUTT] knows that. What the salvage rider does is it lifts the laws.

I am all for doing salvage. I think that is a good idea with dead and dying. However, let us not forget that there are laws in the forest to do that salvage environmentally. The salvage rider lifts those laws.

Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentlewoman for yielding me the time.

As my colleagues know, I represent Montana. One of our great industries out there is logging. So, let me be clear, I am for salvage sale logging. I am for it done appropriately. It means a lot to the health of our forests and to our economy. So, I was intrigued when this Congress passed this fast track salvage sale bill, and I have watched it plan by plan, tree by tree. I am here to tell Members we made a mistake and we ought to change it.

Now, let me give a couple of examples on the ground in Montana, in the Northern Rockies, in some of the wildest forest land left in this country.

This House, just 2 years ago, voted to put 1.7 million acres of that land in wilderness. This salvage sale logging bill proposed to harvest trees in that very area, and it was so egregious that for the first time in history, a President of the United States and the Secretary of Agriculture had to reach in and lift this 1.7 million acres of Federal wildland so that it would not be under the chain saw of the salvage sale bill. Both green and salvage, dead, dying, diseased timber was to be harvested in the 1.7 million acres that many Members on both sides voted to put in wilderness.

Let me give another example. There is an area in the Gallatin called the Hyalite. Montanans know the name, H-y-a-l-i-t-e. For years the Forest Service ran through the process in their plans, getting public reaction as to whether or not harvests should go forward in that place, and the Forest Service decided not to do it. Now, with this salvage sale bill, the Forest Service has put the Hyalite back up for harvest. If the Hyalite is harvested, more than 50 percent of the timber will be healthy, green timber that is not about to be diseased, because the diseased and dying trees have stopped being diseased. That disease is over.

In the Flathead Forest up near Glacier National Park is some of the great wildland left in this country. During this planning process, the Forest Service has brought harvest plans. I do not mean under the salvage sale bill. But, during the last 10 years of the cycle, the Forest Service has brought harvest plans, tree-cutting plans through the process and at the highest level of the Forest Service in past years rejected those harvests in certain areas. Now, under the salvage sale bill, that green lumber is going back up for harvest.

Does the Forest Service think it ought to be harvested? Of course not. They rejected those plans over the last 10 years. Now under this bill, because the Forest Service is required, particularly by action in the Senate, to meet a certain volume of timber, they are cutting in places in the wildest land left in this country in an egregious manner.

Let me say it again. I am for salvage sales, but enough is enough. The gentlewoman is right about her amendment. We should stop this while we have the chance.

Mr. KOLBE. Mr. Chairman, I yield 30 seconds to the gentleman from North Carolina [Mr. TAYLOR] for a quick response.

Mr. TAYLOR of North Carolina. Mr. Chairman, I hear time and time again from the other side they are for salvage sales. We had salvage sales. Then we had an appeals process that rendered salvage sales useless because the appeals would go on for years. Most of us know this timber has to be cut within 6 to 24 months. So it rendered the whole question of salvage moot, and they know that, because they want no lumber cut, no timber cut in forests.

Today in the Committee on Resources there was a host of people from Montana. The gentleman says he watches tree by tree. Commissioners and foresters were there testifying saying salvage is the greatest thing that has happened to Montana. I would suggest the gentleman talk to those people. They are probably still in town.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in strong support to the Furse amendment.

Mr. Chairman, let me remind my colleagues that currently over 21 billion board feet of dead and dying timber litter our national forests—enough to build 2 million homes. In some areas 70 to 80 percent of the forests are dead or dying. These deplorable conditions exploded in 1994, as wildfires destroyed 4 million acres of national forest throughout the country including over a half million acres in my own State of California. Common sense demanded enactment of the salvage law to stop this massive destruction of our forests. The salvage law was an emergency, short-term measure intended to jump-start efforts to restore long-term forest health by expediting the removal of dead and dying trees from our forests.

It is the extreme environmentalists, led by the Sierra Club—the richest environmental litigation machine in the world—who are leading the charge to repeal this law and ultimately stop all timber harvests on Federal land—even the harvesting of dead trees.

Mr. Chairman, it is not responsible forest management to let millions of acres of forest rot and die on the stump. I urge my colleagues to act responsibly, to reject the extremism that would rather see a forest burn to the ground than manage it wisely, and help preserve our forests as a healthy, natural legacy for generations to come.

Vote "no" on the Furse amendment.

Ms. FURSE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland [Mrs. MORELLA], a cosponsor of this amendment.

Mrs. MORELLA. Mr. Chairman, I thank the gentlewoman for yielding me the time.

Mr. Chairman, just a little bit of history as a backdrop. It has been over 6 months that my colleague, the gentlewoman from Oregon [Ms. FURSE], launched a campaign and I joined with her, as did many others on both sides of the aisle, to cancel the emergency salvage timber sale rider, aptly named Logging Without Laws. It was signed into law last summer, attached to the fiscal year 1995 supplemental appropriations bill providing emergency relief to Oklahoma City bombing victims.

The rider never received a hearing or a separate vote. It suspends environmental laws pertaining to the cutting of timber on public lands and the results have been expensive to both the taxpayer and the environment. So why do we need to continue it? The Forest Service already has ample authority to do salvage logging without the rider. In 1994, the year before the rider, the age and deceased salvage, 1.5 billion board feet, which is one-third of all Federal timber logged. Then, too, a judicial decision escalated the sales by requiring immediate logging of all previous uncompleted timber sales in the Northwest since 1990.

I certainly have received many letters from people not only in that part of the country but right in Montgomery County, MD. I have one constituent who said he moved to Oregon, could look out his window and he could see these ancient forests being cut. There is a bill that was introduced with 147-plus colleagues to repeal this law gone amok. Passage of the bill would allow forestry issues to be brought up in the proper way before the authorizing House and Senate committees.

I urge my colleagues to allow the Forest Service and Congress to deal with the many important issues involving salvage timber and Forest Service sales, address them with the best science available, with consideration of the environmental economic issues.

Mr. Chairman, I want to respond to something I heard earlier, the so-called forest health justification for suspending laws.

The so-called forest health justification for suspending laws is a sham. Some of these sales are completely green sales in healthy forests; in several other cases, sales which had been regular sales were redesigned—retaining their green component—to be salvage sales. In no case among these sales is there a legitimate rationale based on improving forest health. On the contrary, scientists—including government scientists—repeatedly criticize these sales for their adverse impacts on fisheries, wildlife habitat, soils, and other true measures of forest and aquatic ecosystem integrity. Salvage operations have gone on in our national forests for years and do not depend on suspending the laws.

These sales are money-losers. Except for the sales in the rainforests west of the Cascades, timber sales from very few national forests cover their costs. A recent report by the Government Accounting Office revealed that the National Forest timber sales program lost over $1.0 billion over the period 1992–94. Economics are disregarded with these forest health sales, so as a group they are worse money-losers than normal. Forest Service Chief Jack Ward Thomas has made it clear that there is no way the agency can produce the volume of timber that the forest health rider requires without major sales in roadless areas. But there is a reason roadless areas have not been logged in the past: they are remote, steep, inaccessible, often high elevation, and usually with poor growing conditions. And by definition, they either require the major expense of constructing a road, or helicopter logging which is also costly. It would be hard to design a plan which would more predictably lose money.

ECONOMIC IMPACTS

While a potential boon doggle for large timber companies, PL 104–19 poses a significant threat to local businesses.

Private timber owners are seeing their revenue decline because the new lumber glut stemming from increased subsidized logging on Federal lands.

Commercial and sport fishermen are threatened by impacts unregulated logging will have on fisheries.

Tourism and recreationist businesses which depend on access to national forests people want to see and visit.

Shakespeare said, "To nature none more bound," and Theodore Roosevelt said, "A real conservative will conserve the environment."

Mr. KOLBE. Mr. Chairman, may I inquire again about the time?

The CHAIRMAN. The gentleman from Arizona [Mr. KOLBE] has 6½ minutes remaining, and the gentlewoman from Oregon [Ms. FURSE] has 3 minutes remaining. The gentleman from Arizona has the right to close.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Idaho [Mrs. CHENOWETH].

Mrs. CHENOWETH. Mr. Chairman, I thank the gentleman from Arizona for yielding me the time.

Mr. Chairman, I just want to correct some misinformation that I believe was just delivered. The fact is that if there is a lumber glut in the market in America, it is because we are experiencing so much dumping by Canada of lumber.

□ 1415

Canada is matching 29 percent of the entire market demand in this country, while our forests are subject to fire and disease and insect infestation.

I also want to clear up the fact that this has been brought up for a separate vote. Last September, the Yates amendment was defeated by a vote of 275 to 150. There was a clear vote on this, and indeed just a few weeks ago the Senate voted on the salvage bill to protect the salvage bill.

We sometimes lose common sense in this debate. We talk about ancient forests, but do people not realize that trees have a life cycle just like human beings? They start from a seed. They mature, they grow and breathe, and then they mature and die and fall to the forest floor, and we have what is so aptly called now fuel load. Fuel load means fuel for a lot of fires. Just last year in the Northwest alone, the year before last in the Northwest alone, we experienced 67,000 fires.

Mr. Chairman, if we are not able to treat our forests with the kind of loving care that we treat our gardens and that we prune that which is unhealthy and remove that which does not contribute to the health of the ecosystem, then we are sincerely being negligent of the gem of the Nation, which I believe are our national forests.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. COOLEY].

Mr. COOLEY of Oregon. Mr. Chairman, I rise today in opposition to the Furse amendment.

As chairman of the Timber Salvage Task Force, we had 7 public hearings on this particular bill. I continue to be amazed by the rhetoric surrounding last year's timber salvage amendment. So, for a balanced perspective on this issue, let me quote President Clinton from a letter dated June 29, 1995:

> I do appreciate the changes that the Congress has made to provide the Administration with the flexibility and authority to carry this program out in a manner that conforms to our existing environmental laws and standards.

Mr. Chairman, the President could not have said it better, nor myself. There has been a lot of talk about logging without laws, which is absolutely not true. Let us set the record straight.

First, the timber salvage amendment created an expeditious salvage sale procedure for harvesting dead and dying trees. All dead tree sales still must receive an environmental assessment and a biological evaluation.

Second, the amendment requires the release of about 750,000 board feet of section 318 timber sales in Oregon and Washington. The 750 million board feet is well within the 1.1 billion board feet level of President Clinton's own option 9 in the Northwest for the plan laid out. Most of these 318 sales were the product of negotiation between Government, professional environmentalists, and timber salvage during the 1990 appropriation process and were again approved through biological review in the President's own Northwest forest plan.

These 318 sales have already met the appropriate environmental standards. So let us not talk about this. They have already met those.

Finally, the salvage program insulates the President's option 9 forest plan from further judicial challenges. This plan has already been upheld by the courts and meets existing environmental standards.

Ms. FURSE. Mr. Chairman, I would just like to remark, I am amazed at the trust that the former speaker has put into a huge Federal bureaurcracy with no oversight.

Mr. Chairman, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I rise to support the Furse amendment and to say we should find ways to sustain our forests. We should not find ways to rapidly disregard our environmental standards. This does not mean there are not opportunities to salvage dead and dying timber. But it does suggest that we should not have a salvage program that ignores ecological standards that will sustain our forests.

Ms. FURSE. Mr. Chairman, before I yield to the gentleman from California, I would like to yield 30 seconds to the gentleman from Oregon [Mr. BLUMENAUER].

Mr. BLUMENAUER. Mr. Chairman, I am pleased to add my support for the efforts of my colleague, the gentlewoman from Oregon. One comment I want to make, it seems sort of bizarre for my colleague from Oregon, Mr. COOLEY, to suggest that there were hearings on this. Seven hearings, yes, after the rider was signed into law, after it was passed. That is not how the rest of us in Oregon regard participation.

Ms. FURSE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I rise in strong support of this amendment.

Mr. Chairman, I rise in very strong support of this bipartisan amendment to repeal one of the most far-reaching and environmentally destructive assaults on our national forests in decades.

Last year the Republican majority unleashed a concerted attack on a host of critical environmental protections: Over many objections, including my own, this body voted to allow oil and gas drilling in the Arctic National Wildlife Refuge in Alaska; to gut the Clean Water Act; to cut hundreds of millions of dollars from low-interest loans to local communities that help keep drinking water safe and beaches swimmable; to slash funding for the Environmental Protection Agency, hazardous waste cleanups, and land acquisition for national parks; and to impose a moratorium on programs that prevent the extinction of endangered species.

Included in this shameful list is the so-called timber salvage provision, which was misleadingly touted as being necessary to reduce forest fires by harvesting dead and dying timber. The sad truth is that it is now being used to clearcut healthy forests in the Pacific Northwest.

Hundreds of acres of irreplaceable old-growth forests have been logged in recent months in Oregon and Washington. Because the measure suspends several environmental laws that help minimize potential degradation of our natural resources, this logging is damaging wildlife habitat and fouling rivers and streams, including spawning grounds for endangered salmon.

And, as if the destruction of acre after acre of forests were not enough, the logging rider is going to cost American taxpayers millions of dollars because mandating subsidized timber sales cost the Federal Treasury more than the revenues they bring in. The Congressional Research Service has estimated that this logging will cost $50 million this year alone.

This amendment simply will ensure that timber sales comply with environmental safeguards. It's hardly a radical idea, and it's good for the environment and good for the American taxpayer. I urge its adoption.

Ms. FURSE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, on this subject of timber salvage, I believe there is a unity of purpose. Those of us from the West and those of us who represent States where this is a serious issue have met time and again with the Forest Service about having a robust and necessary salvage program. But this rider took us far beyond that purpose.

This rider took us far beyond a program that was designed around forest health, because this rider went from forest salvage, to timber health, to logging without laws. This is not about expediting the procedures. This is not about the appeals process. In fact, we heard in the hearing this morning that as timber salvage has gone up to 1.5 billion feet over the last couple years, appeals have been coming down. So it was going in the right direction. But impatience and the ingenuity of the Forest Service working together designed these riders so it would eviscerate all of the environmental laws that you have to deal with in providing for the protections of our forest. It did away with the Endangered Species Act, the National Forest Management Act, the Multiple Use Sustained Use Act, the Federal Land Policy and Management Act, the Forest and Range Wood Renewable Resources Act. Those were wiped out with respect to those sales.

And what happened? The foresters got in there, they found a few trees that needed salvage, they found a few acres in trouble, and they started reconfiguring the sales. As the gentleman from Montana pointed out, pretty soon what we had were green sales that were not previously allowed now being allowed under the rubric of salvage, because no environmental laws were provided. So communities lost control over the forest, communities lost control over the scenic areas, communities lost control over mountainsides important to them for tourism, commerce, and for all of those reasons. Why? Because the laws did not have to be applied, because you could identify some salvage.

Salvage is important and salvage is something that we have generally worked on on a bipartisan basis. The purpose of that was for forest health. This is about doing away with logging without laws.

Mr. KOLBE. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I thank my colleagues from Arizona for yielding me time.

Mr. Chairman, I listened with great astonishment as once again rhetoric replaces reality. We should strive for a genuine balance of the environment and legitimate economic enterprises. It is well documented that a fire corridor exists from Idaho to Mexico, and yes, even beyond. But there will be new fires prompted by these new prohibitions, by not allowing the salvage of dead and decaying timber. It is as if the new prohibitionists were lighting entire small communities ablaze. It is an outrage. No on this. Yes to economic vitality, yes to a true economic balance. We can coexist, and we need to eliminate the fire hazard.

PREFERENTIAL MOTION OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. OBEY moves that the Committees rise and reported the bill back to the House with a recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] is recognized for 5 minutes.

Mr. OBEY. Mr. Chairman, I do not intend to take the 5 minutes, but I do simply want to express my frustration about the fact that this amendment need be here at all. I supported the proposal last year which allowed timber companies to get at what we were told was salvage, and I think it was a rational thing to try to do.

My problem is that, as has been indicated by a number of speakers today, that proposal wound up allowing a lot more than was advertised, and a lot more than it was explained as doing, because in addition to allowing legitimate salvage, it also would up allowing about 50 percent of the timber that was taken from those areas to in fact be green timber. That creates a dilemma for people like me who want to see to it that we do not simply allow timber to rot on the ground, and yet we also do not want to see every environmental law in the country waived in order to enable people to get at live trees.

So I would simply use this motion to say to anyone interested in the issue on the floor, that in the future when issues like this arise, it would be very good for both sides if legislation which is proposed actually does what it is advertised as doing, because I am confident if that proposition in fact had been limited simply to straight salvage, as the House was told it was, we would not have had much of the controversy that has surrounded this ever since.

Mr. KOLBE. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. The gentleman from Arizona [Mr. KOLBE] is recognized for 5 minutes.

Mr. KOLBE. Mr. Chairman, we certainly would not have done this. We did have a time agreement. Since we added some time on this, there have been some requests for statements to be made on this.

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. TAYLOR], the gentleman in the subcommittee who is responsible for much of this last year.

Mr. TAYLOR of North Carolina. Mr. Chairman, I appreciated the support of the gentleman from Wisconsin [Mr. OBEY] for this bill, and I would tell him today that he has been misinformed about green timber being cut in the salvage area. The Senate included 318 language for the Pacific Northwest. The President endorsed 318 in his option 9,318, by the way, will expire September 30. Therefore, it is really moot, because this bill probably will not be passed much before September 30. So 318, whether it was good, bad or indifferent, will be moot in a few weeks.

The salvage bill has not had green healthy timber cut. As has been explained by the gentleman from Washington [Mr. DICKS], and I explain also, when you have disease, you cut a periphery area where the insects are in a given tree. I would say to the gentleman from Wisconsin [Mr. OBEY], when you were not on the floor I laid out a challenge offering $1,000 if someone could show us a green tree that had been cut in the salvage areas that was not infected or was not part of that proposal.

The thought that we have had 50 percent of the timber that has been cut so far in the salvage areas has been healthy green timber, unfortunately, has not been the case. The Forest Service is under such pressure, they are watching this stick by stick. Nothing came out in the hearings we had across the country. No accusation was made that a single stem of green timber had been cut in the salvage operation. Much of that has been confused with the trees that were cut in the 318 program in Oregon, which had nothing to do with the timber salvage.

□ 1430

So, Mr. Chairman, I would urge that this amendment be defeated.

Mr. KOLBE. Mr. Chairman, I thank the gentleman for his comments.

Mr. BUNN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from Oregon.

Mr. BUNN of Oregon. Mr. Chairman, we hear a lot of talk about logging without laws. I want to show an example of two sales in my district that took place as a result of this law. There are a lot of laws. Here are contracts with the studies that went into these sales.

We are not logging without laws. We are logging before the logs rot.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I want to thank the vice chairman for yielding to me, and I want to reiterate again that the President wrote the Speaker on June 29 saying that the changes the Congress had made during the course of negotiations on this legislation would allow his administration to, quote, "carry the program out in a manner that conforms to our existing environmental laws and standards."

Another letter signed by the President, August 11:

> The House and the Senate were unwilling to abandon the salvage timber rider, but Congress did accept important changes that will preserve my administration's ability to adhere to the standards and guidelines in our current forest plans.

A letter from Secretary Glickman, dated June 29:

> I want to make clear that the Forest Service will not offer any timber sales under this authority that violate existing environmental standards or the spirit or intent of any environmental laws.

And lastly, March 29 of this year, Secretary Glickman announced an interim rule that provides the Forest Service with the flexibility to offer substitute timber located outside an original sale area on the so-called controversial northwest forest green sales.

This legislation has the necessary flexibility. The Furse amendment is absolutely unnecessary.

Mr. KOLBE. Mr. Chairman, reclaiming my time, I would like to thank the gentleman for his comments, and I want to state under this motion that there have been comments made that there were no hearings on this salvage timber legislation. There were hearings in the authorizing committee. While there may not have been other hearings in the Committee on Appropriations, we debated this extensively in the subcommittee, we debated it extensively in the committee, we debated it extensively on the floor, and we debated it extensively in the conference. This issue has been thoroughly considered.

I would also like to point out this does not affect green timber. This affects only 3 months; 3 months is the only thing affected here, from September to October, of the salvage timber. We have made plans and it is working the way it is supposed to work.

It seems to me to be absolutely the wrong thing to do to try to take it away at this late stage for those final 3 months.

The CHAIRMAN pro tempore (Mr. BUNNING of Kentucky). Without objection, the preferential motion is withdrawn.

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Arizona [Mr. KOLBE] has 2 minutes remaining.

Mr. KOLBE. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. REGULA], the distinguished chairman of the subcommittee.

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, first of all, for the Members, I would advise we plan to roll this vote and the next three for a total of four votes. We are doing this to expedite the bill and the time, so we can get finished in a timely manner. So there will not be any more votes until we have had three more amendments in addition to this one.

Quickly, I want to emphasize that the language in the bill says:

> The scope and content of the documentation and information prepared, considered and relied on under this paragraph is at the sole discretion of the Secretary concerned.

This was a compromise when this legislation was passed to give the Secretary sole discretion to determine what sales would move ahead under the salvage provisions. I think that is a great safeguard that should allay fears that some have and that precipitate this amendment.

Second, here is a 2 by 4 that was sent to me. In 1989, this 2 by 4, per foot, cost 22 cents; 1995, 38 cents. Today, it is probably 45 cents. Now, what does that mean? That means that young people that want to build a home are paying double, almost double for a 2 by 4. It drives up the cost of housing and housing is vital to Americans. That is why it is important that we salvage this timber.

Let me lastly say, I went out, I took a trip and went into a forest in the district of the gentleman from California [Mr. HERGER], and actually went up and looked at salvage operations, and they were working exactly as we anticipated in the legislation. They had devices to stake out the dead trees, which I was advised were worth about $1,000 to the taxpayers because that is the sale price of a Douglas fir, and that means that that will help to hold down the prices of these 2 by 4's, although this is pine, for the homebuyers and, particularly, young people that want to get into a new home.

So I urge Members to defeat this amendment. I think that it flies in the face of what we have tried to do to help people and to salvage something of great value to the American public.

Mrs. MALONEY. Mr. Chairman, as we speak, gigantic environmentally devastating salvage timber sales are planned or are now taking place in virtually every national forest in the country from Virginia to California, New Hampshire to New Mexico, Alabama to Alaska.

This is not only a Pacific Northwest issue. In fact, 90 percent of the logging through the salvage rider is occurring outside the Northwest.

Mr. Chairman, we are faced with one of the biggest environmental disasters in decades. Under the salvage program, loggers have cut down healthy green trees in old growth forests. To make matters worse, illegal timber theft has compounded this problem.

A March 1996, Los Angeles Times investigation exposed rampant timber theft throughout the salvage logging program.

We must stop this lawless logging now and save our national forests. Support the Porter amendment. We must stop this environmental catastrophe.

Mr. McDERMOTT. Mr. Chairman, I rise in support of the Furse amendment to prohibit the Forest Service from spending any fiscal year 1997 funds on the implementation of the timber salvage rider. If passed, Representative FURSE's amendment would not limit the amount of green tree or salvage logging on our national forests. The Furse amendment simply would ensure that timber sales in our Nation's forests comply with the Nation's environmental laws.

As many of you are well aware, the timber salvage rider passed the House in 1995 under the guise of improving the health of the Nation's forests by harvesting dead and dying trees. Unfortunately, the rider was purposely engineered to circumvent existing environmental standards so as to allow the clearcutting of old-growth trees.

By circumventing existing environmental, health, and safety standards, the timber salvage rider jeopardizes the critical habitat areas of endangered wildlife. Other negative impacts resulting from the environmentally negligent rider include the harming of already ailing fisheries and the threatening of the water quality of our Nation's streams and rivers.

The timber salvage rider has economic consequences as well. By threatening the health of the forests and the fisheries, the rider is in turn threatening the sports, commercial fishing, and the tourism industries, all of which are economically important to the Pacific Northwest.

Since January 1995, this Congress repeatedly has attempted to roll back the Nation's environmental, health, and safety standards. Passage of the Furse amendment will help reverse this destructive trend.

Ms. PELOSI. Mr. Chairman, I rise in support of the Furse amendment to prohibit the use of funds for the Forest Service Salvage Timber Sale Program that was enacted in the rescissions bill.

The timber rider has placed a for sale sign in front of our forest resources.

The rider was an ill-conceived, destructive logging plan that has caused devastation to healthy timber and, in some cases, entire forests. The rider was not about selective logging, but logging that often affects a wide landscape of rivers, fish, and wildlife dependent on a forest for survival.

Representative FURSE is to be commended for her fight against this controversial, antienvironment rider. She has been steadfast in the battle and has successfully engaged the attention of over 100 Members in the House to cosponsor her rider-repeal bill.

The indiscriminate scarring of our Nation's forests, some of them old growth, in the Northwest cannot be sustained. This is the same short-term thinking that brought us the clear-cutting solution years ago where entire mountains of forests were obliterated.

We must approach forest management with a view of sustainability and longevity. Anything less than this will only result in further destruction of lands and habitats that, once lost, cannot be restored.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Oregon [Ms. FURSE].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Ms. FURSE. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentlewoman from Oregon [Ms. FURSE] will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MR. ISTOOK

Mr. ISTOOK. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ISTOOK: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act may be used by the Bureau of Indian Affairs to transfer any land into trust under section 5 of the Indian Reorganization Act (25 U.S.C. 465), or any other Federal statute that does not explicitly denominate and identify a specific tribe or specific property, except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) a binding agreement is in place between the tribe that will have jurisdiction over the land to the taken into trust and the appropriate State and local officials; and

(2) such agreement provides, for as long as the land is held in trust, for the collection and payment, by any retail establishment located on the land to be taken into trust, of State and local sales and excise taxes, including any special tax on motor fuel, tobacco, or alcohol, on any retail item sold to any nonmember of the tribe for which the land is held in trust, or an agreed upon payment in lieu of such taxes.

The CHAIRMAN pro tempore. The gentleman from Oklahoma [Mr. ISTOOK] and a Member opposed, each will control 10 minutes.

Is there a Member who wishes to be recognized in opposition to the amendment?

Mr. KOLBE. Mr. Chairman, I rise in opposition to the amendment and would ask unanimous consent that I might yield 5 of the 10 minutes to the distinguished gentleman from Illinois [Mr. YATES], and that he may control that time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Oklahoma [Mr. ISTOOK] will be recognized for 10 minutes, the gentleman from Arizona [Mr. KOLBE] and the gentleman from Illinois [Mr. YATES] will each be recognized for 5 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. ISTOOK].

Mr. ISTOOK. Mr. Chairman, this is an extremely important amendment that has broad support all across the Nation, especially from communities that have found just how direly they are being affected. It is based upon the principle that the Federal Government should not subsidize tax evasion, and certainly should not help some people to make megamillions of dollars by offering a way to others to avoid paying State and local taxes.

Specifically, what is happening, through the Secretary of the Interior and the Bureau of Indian Affairs and their ability, with no restrictions, to transfer land to Indian tribes in trust at prime locations along interstate highways and busy intersections, is establishing a way that the Indian tribes are enriching themselves totally at the expense of the State and local governments, which lose the tax revenue by selling goods to non-Indians, who thereby escape having to pay their sales tax, their gasoline and diesel taxes, and their excise taxes, such as cigarette taxes.

Mr. Chairman, especially because of a U.S. Supreme Court decision last year, the problem is accelerating and soon it will reach beyond the point of no return. The Supreme Court rules that although State and local governments have the authority to tax these sales to nontribal members on the tribal lands, they do not have the authority to enforce it through the usual method of having the seller, the retailer, collect and remit to the local tax collector the taxes that were due.

Because they cannot require this, the tribes are able to freely sell with huge margins between themselves and all competitors. Since the Bureau of Indian Affairs is giving them the way to relocate to prime locations, they can thereby drive competors out of business and the State and local government lose the tax base.

Here is an example, Mr. Chairman. Across this country, on motor fuel sales, the average tax is 20 cents per gallon. A regular dealer would have to sell it for about $1.14 a gallon. The tribe can sell it for 94 cents. If people had the chance to go to one station or the other, and one is 20 cents less a gallon, where would they go?

On cigarettes, for example, the national average tax, or the State tax, is 32 cents a pack. If people had to pay the State taxes, it is $1.91; if they did not, it is $1.59. If people are out to buy a few cartons, where will they go if they have a clear choice?

In addition to that, there is the sales tax gap, on average, about 5 cents a dollar for all purchases. It does not take many sales like this to add up, and that is what is happening. That is why governors across the country have been urging their Members to support this amendment.

New York State calculates it is losing about $100 million a year. My State of Oklahoma, from only 18 tribal gasoline stations, already is losing $13 million a year, and they have not even begun to put in the new locations because of the transfer of the trust lands.

The amendment is very simple. It says the Bureau of Indian Affairs will not make further discretionary grants to tribes unless they show they have an agreement with the State and local government regarding the collection and payment of taxes or in-lieu payments for what their customers owe in those taxes.

Mr. Chairman, I ask adoption of the amendment and I reserve the balance of my time.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, first of all, I want to say I oppose the Istook amendment for a number of reasons: No hearings on this sweeping change in Indian policy, and for that matter, it has not been referred to the Committee on Resources for consideration or review. No tribes have had the opportunity to comment on this major change in Federal Indian policy. Finally, and perhaps most importantly, this language is legislating on an appropriations bill.

Once again, we are setting ourselves up for the problems we experienced last year with legislative-type riders. This may technically be a limitation, but it certainly has policy implications to go far beyond what we in the Committee on Appropriations have considered this year, and that got the bill in trouble last year.

Indian tribes have always been recognized as sovereign nations. The U.S. Government recognizes Indian tribes as independent nations and has encouraged self-determination. This legislation is not only a breach of our trust responsibility to the Indians but a violation of the right of self-governance.

Indian tribes, under treaties and agreements with the United States, were guaranteed the right of self-government within their own territory. This includes the right to regulate and tax or not to tax commercial activity which takes place on Indian land. At the same time, the Congress is reducing Federal spending for Indian programs and encouraging tribes to become more economically self-sufficient. We should not be enacting legislation that clearly would discourage such economic development.

The Istook amendment prohibits BIA from transferring any land into trust for a tribe unless the Secretary of the Interior has been informed that a binding agreement is in place between the tribe and the State that the tribe will collect and pay sales and excise taxes on purchases made by nonreservation members for as long as the land is held in trust. The language would apply to lands already in trust status. As independent nations, tribes are exempt from State laws, including payment of State sales and excise taxes.

Mr. Chairman, I urge Members to vote against this amendment. This is a major civil rights act and should be done much more carefully.

Mr. ISTOOK. Mr. Chairman, I yield myself such time as I may consume, and I would just note briefly that the home State of the gentleman who just spoke, Washington State, has advised us they are already losing $55 million a year in State taxes because of cigarette sales alone on tribal lands.

Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. VISCLOSKY], the cosponsor of the amendment.

□ 1445

Mr. VISCLOSKY. Mr. Chairman, I rise in strong support of the Istook-Visclosky amendment. The amendment is a bipartisan solution to a growing national problem which is the inability of our States to collect sales taxes from individuals who purchase retail items on Indian trust property. This amendment will protect State revenue by ending a Federal policy which erodes a number of States tax bases. Rather than contributing to the current problem by granting new lands to tribes that refuse to collect State taxes on sales of non-Indians, our amendment will guarantee that the Federal Government does not take any action to further erode a tax base in a State.

As this Congress continues to shift additional responsibilities onto the States, I feel it is imperative that the Federal Government not actively work to reduce the tax base of individual States.

This amendment will also promote fair competition and a level playing field, as the gentleman from Oklahoma [Mr. ISTOOK] has also pointed out in his remarks. Because these taxes comprise such a large percentage of the product's cost, it is absolutely unfair to ask non-Indian retailers to compete against an Indian retailer that does not collect the sales tax.

I also think it is very important to emphasize, as my colleague on the other side has just done, what we do not do. This amendment does not impose any State or local tax on Indians. This amendment would not impact on the sovereignty of Indian tribes. This amendment would not affect the ability of tribes to operate businesses on any Indian reservation lands, nor any lands currently held in trust status.

In closing, I would urge my colleagues on both sides of the aisle to support this well-defined limitation amendment.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Alaska [Mr. YOUNG].

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from Alaska.

The CHAIRMAN. The gentleman from Alaska [Mr. YOUNG] is recognized for 3 minutes.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in strong opposition to this Istook amendment.

Since I have been chairman of the Committee on Resources, not a single Member of Congress has introduced a single bill on this subject. What is more, I cannot remember a single bill that has ever been introduced on this subject in the years I have served in the body. That is 24 years.

Since I have been chairman, we have never had a single hearing on this subject. No witnesses have offered any testimony on this subject. No Indian tribe has been given the opportunity to testify. No State has been given the opportunity to testify. In fact, Indian law experts, and I know a lot of them, have raised constitutional questions about this amendment, yet none of them had an opportunity to testify. This is not the way to do legislation.

In short, the Members of this House are being asked to vote on an extremely important change in Federal policy without any advice from anybody. The change in Federal policy is just about as big as you can get. We are talking about granting a taxation jurisdiction over dependent sovereign nations to the States and even to counties. That is something this Congress, we argued this a few weeks ago in the adoption process, this is a congressional responsiblity. We have never done this in 250 years.

Indian tribes are now and always have been a creation of this Nation, dependent sovereign nations. May I suggest, our Founding Fathers recognized these tribes as separate and distinct nations. They entered into treaties with them pursuant to that recognition and created our Constitution so as to continue that recognition throughout the life of our Nation.

States have never specifically been granted taxing jurisdiction over Indian tribes. For Congress to take this gigantic step would be a significant and extreme change in the government-to-government relationship which currently exists, through treaties, in many instances, between the Federal Government and each federally recognized Indian tribe.

The surprise enactment of the Istook language, as far as I am concerned, is a direct violation of this Nation's trust responsibility, I want to stress that, constitutional responsibility to the Indian tribes of this Nation.

It is a violation of the right of self-government of these tribes. Most Indian tribes exist because of treaties entered into between the United States Government and each tribe. These treaties guarantee the rights of the tribes of self-government which, according to numerous judicial decisions rendered over the years, includes the right of each tribe to regulate and tax or not tax commercial activity on Indian lands. The Istook language represents a major change in this long-standing Federal position.

Very frankly, Mr. Chairman, I believe that we ought to uphold our obligation, our commitment. Let us not have any more broken promises. No more trail of tears. No more going back on our word. No more use of the forked tongue.

Mr. YATES. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I want to join in my chairman's statement about the nature of this agreement between the United States and the sovereign nations of the Indian nations of this country. To understand what this amendment does, this is not about negotiating with these tribes, as we do under the Indian Gaming Act or other such. This is to give the States a veto over the operation and the bringing in of after-acquired lands.

What we now have is the ability to negotiate the terms and conditions, should the secretary end up deciding to bring those lands into trust. This completely upsets the balance.

Mr. ISTOOK. Mr. Chairman I reserve the balance of my time.

Mr. YATES. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding time to me.

On this amendment, we are entering the thicket of Indian sovereignty, a very delicate issue. I have read the treaties. I would ask other Members of this body to read those treaties. We are in negotiations. We are trying to work things out. This is in the purview of the Committee on Resources. I would certainly hope that this floor not act precipitously today to enter into an intrusion upon that sovereignty. Let the Committee on Resources study this issue.

Mr. ISTOOK. Mr. Chairman, I would respond to the gentleman from Alaska, I would certainly say that the U.S. Supreme Court, in a decision 1 year and 1 week ago, specified that they do, the States and communities do have the authority to tax sales on tribal lands to non-Indians. It is just the enforcement problem. We are not interfering with tribal sovereignty. Certainly, if the gentleman would like to have hearings, it takes a few months for this bill to work its way through and hearings would be welcomed during that time.

Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I would remind my colleagues that this amendment is new. It applies only to new lands. What do you tell a small community that may have an Indian tribe reserve land in their community and tell those folks, the small business folks and others, whether they will sell gasoline or cigarettes, that I am sorry, they are exempt. You are not. That is not right.

What this amendment tries to do is to level the playing field between legitimate small businesses and businesses that Indians establish and, by the way, it applies only to the sales of non-Indians. It does not apply to within the reservation to their own people.

So I would ask my colleagues to support this. It is a step in the right direction to try and level the playing field for new lands that are so designated so that those businesses, whether they sell cigarettes or gasoline or any other State and local taxes that they may have to comply with, they are on an equal footing with their new competitors. That is why I think that this amendment is a good one. I urge my colleagues to vote "yes."

Mr. ISTOOK. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, the chairman of the Committee on Resources and the ranking member are complaining that this amendment never went through their committee. The problem is, when it comes to Indian affairs, we cannot move gambling legislation, which is ruining America with these Indian reservations. We cannot move adoption legislation because of it. We cannot move this one.

In my home State of New York alone, we are losing over $100 million in revenue. Small businessmen are being discriminated against who own gas stations right next to these Indian reservations. That is wrong, wrong, wrong. We ought to pass this amendment and deal with it. It will never get out of committee anyway. So come over here and vote for it, especially all of you New Yorkers, all 31 of you.

Mr. KOLBE. Mr. Chairman, I yield 30 seconds to the distinguished gentlewoman from Florida [Mrs. MEEK].

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I came to the floor to oppose this amendment. I always do that when I feel there is a hint of discrimination or lack of trust, a lack of fairness in an amendment. I saw it as I came in the door.

I think that we do not want to keep the pattern that America has established before where we take the rights away from the Indians that we promised them. I do not care what kind of rights you are taking away or established, you made treaties with them. Leave it there so there will not be this mistrust which they have already had of the white man. Do something right for the Indians.

Mr. YATES. Mr. Chairman, I yield 30 seconds to the gentleman from Rhode Island [Mr. KENNEDY].

Mr. KENNEDY of Rhode Island. Mr. Chairman, this process is unfair.

First of all, this legislation is authorizing legislation, and it is not going through the committee that authorizes this legislation.

Second, what we are talking about here is a balanced approach between States rights and respect for the sovereignty of Indian nations. This legislation disrespects Indian nations with sovereign rights and you are setting up an unfair system that violates the whole nature of the U.S. Government with native American nations. So I ask Members to vote against the Istook amendment.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from Ohio [Mr. REGULA], chairman of the subcommittee.

Mr. REGULA. Mr. Chairman, as chairman of the committee, I rise in opposition to this amendment. We have to deal with the Bureau of Indian Affairs and the native American problems. Let me read to you from the law of the United States.

> Title to any lands or rights acquired pursuant to this act shall be taken in the name of the United States in trust for the Indian tribe or individual Indian for which the land is acquired, and such lands or rights shall be exempt from State and local taxation.

The point is, we should deal with this in the authorizing process. There should be hearings. There have been no hearings. The 557 recognized tribes have had no opportunity to present their case. They should. I think it is a serious problem. The problem of gaming, the problem of taxation in these places of business are serious problems for a lot of States. I would urge the authorizing committee to hold hearings, let everybody have their say, and then decide what the policy of the United States should be.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, there is a way to work this out by a compact between the tribe and the States. That is what should be done.

Mr. REGULA. Mr. Chairman, that is correct.

Mr. YATES. Mr. Chairman, I yield myself the balance of my time.

Let us not talk about level playing fields. There is no more discriminated people in this country than the Indian people have been and still remain discriminated against.

They talk about, some of the speakers who have spoken before talked about fair competition. This is fair competition. The Indians are a sovereign nation. They are entitled to their businesses. They are entitled to make their livings as they can. They should continue to do anything they can to make their businesses good.

I urge defeat of this amendment.

Mr. ISTOOK. Mr. Chairman, I yield 45 seconds to the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. Mr. Chairman, I have native Americans in my district. I say this respectfully to them and the opponents of this amendment: I really think this is a question of fairness.

We have a 23-cent gas tax in my State. And to allow a native American gas station to collect gas sales from non-native Americans and not pay the tax right next to a gas station that is non-native American that has to collect that tax does not seem fair.

Mr. DICKS mentioned an agreement between the States and the tribes. That is a good thing. We have that in my State. The Yakimas and the Colvilles both have agreements with the State of Washington to collect those taxes and pay them to the State. It is not fair to do otherwise. I urge support of this amendment.

Mr. ISTOOK. Mr. Chairman, I ask unanimous consent that each side be granted an additional minute of debate time.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. DICKS. Reserving the right to object, Mr. Chairman, what about this side over here?

Mr. ISTOOK. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Oklahoma.

Mr. ISTOOK. Mr. Chairman, that is what I said.

Mr. DICKS. Mr. Chairman, it looked like the gentleman was going to add to his over there.

Mr. KOLBE. Mr. Chairman, reserving the right to object, may I say to the gentleman from Oklahoma, we are really under a tight timetable. We have to get this bill done.

I could certainly use an additional minute, but I feel constrained to object.

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The CHAIRMAN pro tempore (Mr. BUNNING of Kentucky). Objection is heard.

The gentleman from Oklahoma [Mr. ISTOOK] has 45 seconds remaining.

Mr. ISTOOK. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the objection consumed probably a minute in and of itself.

Mr. Chairman, the U.S. Supreme Court has said that the statute which the gentleman read before applies to property taxes. We are not touching property taxes. We are not touching the rights of the tribes on the lands that they already have. We are only saying,

> If you want the U.S. Government to take new land that you buy and give it this protected status, then you just don't talk, you make an agreement with the State and local governments about their rights.

What happens when all these businesses go under?

I have got a letter from a supplier in Oklahoma that has 40 stations. They have talked with the tribal attorney. They say, "We can exempt you from so many taxes you'll make an extra $3 million a year." The business can defend itself that way; but when the tax base is gone, funds for schools, for education, for public safety, for highways, they evaporate. It is happening all over the country.

I urge adoption of this simple moratorium amendment to keep the problem under control.

Mr. KOLBE. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Arizona is recognized for 1½ minutes.

Mr. KOLBE. Mr. Chairman, the gentleman from Oklahoma [Mr. ISTOOK] has raised an important issue, and I think we have had a good discussion on the floor today.

The Indian tribes, under the treaties and agreements that they have with the United States, have been given the right of self-government within their own territory. Each tribe has a somewhat different arrangement, but in a very significant way the Istook amendment turns this on its head. Under the guise of tax fairness, the Istook amendment would give State and local governments the ability to restrict placement of land in trust status for tribes, but the reality of this provision is that it precludes any economic development Indian tribes would want to pursue on these lands unless it is approved by State and local governments. This flies in the face of every agreement, every commitment we have made with tribal leaders.

Each of these treaties is a little bit like the enabling acts that brought our States into the union. They are the basic governing law, and we should not with this amendment on an appropriation bill make such a fundamental change to those enabling acts or to those treaties.

Another point that needs to be made is that under the Istook amendment there is no requirement or assumption that States and local governments have to negotiate in good faith. In other words, simply stated, the States have a veto power over the Indian tribes' future. Subjecting sovereign Indian tribes to the whims of State and local government officials is not in accord with prevailing Federal Indian law and policy. It violates the principles of fairness, it violates the principles of the United States Government.

This amendment stands 200 years of Indian law on its head. It does so without hearing, without consultation or input from the tribes, without tax law experts, without understanding the possible ramifications of this major change to Indian law.

My colleagues, the Istook amendment is an unfortunate attempt to undermine Indian ability to govern themselves and achieve economic self-sufficiency. We should defeat this amendment.

Mr. RICHARDSON. Mr. Chairman, I also rise to speak out against this ill-advised amendment. One of the things that we have to keep in mind is that not only is this bad law, from a legal perspective, but it is bad law from a commonsense perspective as well.

First, for all the talk that I have heard this Congress about the needs and the desperate living conditions of the Indians, we have not done anything of any real consequence this Congress to help them out. And, the one tool for economic survival that they do have—casino gambling—we want to take away from them. But, perhaps even more incredible is the fact that I have heard time and time again from other Members that Indians have to start looking for other avenues of economic growth other than gaming. But what happens when they find one? What do we do? We try and close that down too. At some point this simply becomes a matter of fairness. We cannot close off all of their options.

Second, the point is made that these tax moneys are being taken out of the State coffers and that eventually the States are going to have to come to the Federal Government for assistance and that this will cost the U.S. taxpayers. Well guess what? If we do not help out the Indian tribes grow financially, whom do you think pays for it? The same Federal Government. The point is that by cutting off the tribe's economic avenues, we are not saving any money at all.

Third, this is not an issue that I am not familiar with. This is a big issue in my State. But let me be clear, this is something that had been blown out of proportion in terms of revenues lost to the State. My biggest concern is that we do what we can here to help people help themselves—Indians included. If it was the case that Indian tribes were taking the money and spending it on powerboats, trips to the south of France then we would have cause for alarm. But the Indian tribes are smarter than that. They spend this money on the same things that the State spends it on—roads, water, sewer, and schools.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Oklahoma [Mr. ISTOOK].

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. DICKS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from Oklahoma [Mr. ISTOOK] will be postponed.

AMENDMENT OFFERED BY MR. DEFAZIO

Mr. DEFAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

> Amendment offered by Mr. DEFAZIO: In section 319 (relating to timber), strike the first, second, and third sentences.

The CHAIRMAN pro tempore. Pursuant to the order of the House of Wednesday, June 19, 1996, the gentleman from Oregon [Mr. DEFAZIO] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Oregon for 5 minutes.

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is on the issue of log exports. Log exports are the timber industry's best kept secret. While the industry stands united in its attempt to pass riders to appropriation bills that will accelerate Federal timber harvests, they have maintained an informal truce within their ranks on the continued practice of raw log exports from the Pacific Northwest even though the export of raw logs clearly hurts the nonexporting lumber and timber manufacturing companies in the Northwest.

Last year, 1.6 billion board feet of logs were exported from Oregon and Washington to mills in Japan and the Far East. That is more than twice the amount of timber sold on Federal forests during this time. Most of those logs went to supply some of Japan's 16,000 lumber mills, mills that are protected from competition by a dense fabric of trade barriers and subsidies.

In 1990 Congress overwhelmingly approved a permanent ban on the export of unprocessed timber from national forests, BLM and State-owned lands. I was one of the primary authors of that legislation. An important part of that law prohibited a law against an exporting company from purchasing Federal timber for its mills as a replacement for private timber the company is exporting.

Let me repeat that. The law says a company that exports logs and owns domestic timber mills cannot purchase Federal timber as a replacement for private timber it exports. The practice is known as substitution; it is nothing more than a back-door export of Federal timber.

There is one exception, which is called a sourcing area. The Department of Agriculture, the Forest Service, was supposed to upgrade and determine new sourcing areas for the Pacific Northwest with the changes in the forest economy and the prices bid on logs. Unfortunately, last year in the appropriation bill and this year in the appropriation bill is a prohibition on new regulations to implement changes in the sourcing areas.

Now, I will admit, I will be one of the first to admit, the Forest Service is not perfect. I think there are some problems with their proposed regulations, but we have seen no progress since last year, and I am afraid that this year, if another prohibition is adopted, the Forest Service will take it as another opportunity to not act and to further promulgate regulations or improve the regulations that they have proposed.

So it is my hope, in standing to offer this amendment today, that we can begin to get some movement downtown, and hopefully they are listening at the Department of Agriculture and the Forest Service, on reasonable new sourcing regulations to prevent the back-door export of logs from the Pacific Northwest, where it is prohibited under existing law.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I am pleased to engage my colleague from Oregon. The provision in the bill he seeks to address stems from the Forest Resource Conservation and Shortage Relief Act of 1990. The gentleman and I both had extensive involvement in the development and passage of that legislation, which had bipartisan support in both the Oregon and Washington delegations.

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman from Washington for entering into this colloquy.

Would the gentleman agree to work with me and other members of the Northwest congressional delegation to seek an agreement that will allow the Forest Service to move ahead within the next year on regulations that fully implement the ban and deal with the issue of sourcing areas in a reasonable manner?

Mr. DICKS. I would be happy to work with the gentleman and other members of the Northwest delegation toward that end.

One of the objectives of this provision of the bill is to prompt the administration to make a serious effort to address the concern of the exporting segment of the industry.

I would also ask the gentleman to help me to engage the administration in this discussion and hopefully find a solution that satisfies congressional intent and the legitimate concerns of the industry.

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman, and I am hopeful that we will not be back a year from today with the committee attempting to prevent promulgation of regulation, and at that point I will have to go forward with a vote and would have to go ahead, if I succeed, and implement the problematic regulations now pending.

So I am happy to work with the gentleman and try and prod the administration into action on this.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The CHAIRMAN pro tempore. The amendment of the gentleman from Oregon [Mr. DEFAZIO] is withdrawn.

Mr. DICKS. Mr. Chairman, I ask unanimous consent to be recognized for 1 minute.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DICKS. Mr. Chairman, the only point I wanted to make that I could not make in the colloquy is that we have had kind of a tradition in the Pacific Northwest where we prohibit exporting off of our Federal lands and exporting off of our State lands, and one of the positive aspects of the amendment that is in this bill is that we have 100 percent ban on log exports from the State of Washington, and I would remind my good friend from Oregon that because of that ban companies in Oregon are able to buy timber sales in Washington State, which I sometimes regret, but that is the reality of this amendment.

Now, I would also point out that working out this issue is a very complicated one, but I am committed to trying to work it out. But the policy has been, let us not export off of public lands and let the private companies make a decision about exporting off of their private lands, and we will work out the substitution problem. We have always been able to work these things out in the past.

AMENDMENT OFFERED BY MR. GUTKNECHT

Mr. GUTKNECHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GUTKNECHT: At the end of the bill before the short title, insert the following new section:

SEC. . Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

The CHAIRMAN pro tempore. Pursuant to the order of the House of Wednesday, June 19, 1996, the gentleman from Minnesota [Mr. GUTKNECHT] will be recognized for 10 minutes and a Member opposed, the gentleman from Ohio [Mr. REGULA], will be recognized for 10 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I believe that in the last election cycle the people of the United States sent a pretty clear message. I think they wanted us to go to Washington to put the Federal Government on a diet, to balance their budget and to make the Federal Government live within its means, and I want to congratulate the Committee on Appropriations and the chairman of the Interior Subcommittee for all the work they have done in terms of trying to bring the Federal budget under balance, and I congratulate them, for example, in this bill, by reducing spending by $482 million over last year.

Overall I think this is a good bill, but I think we have to refocus on the big picture, and what we did a few weeks ago when we passed the budget resolution conference report is we in fact said that we are going to increase spending by about $4.1 billion over what we had agreed to spend in last year's budget resolution; $4.1 billion.

What we are offering today is an amendment which will reduce spending 1.9 percent across the board, and I intend to offer this amendment on all of the appropriation bills from this point forward, not because they are bad bills, but if we can actually recover that 1.9 percent, we can get back to the budget targets that we set for ourselves a year ago.

We cannot, Mr. Chairman and Members, in good conscience increase the debt load on our children. That has to stop. If we reduce spending just 1.9 percent across the board on the remaining appropriation bills, we can reclaim that $4.1 billion.

I think through shared sacrifice we can go a long way to create a better future for our children, and that is what this is all about. This is not a mean-spirited amendment. It is about keeping our faith with what we said last year, and, Mr. Chairman and Members, remember what some of the debate was about, the budget resolution. Some of our friends on the other side were saying, "You're increasing spending too much."

This is a chance for people on both sides of the aisle to say what we mean, mean what we say, to actually force the Federal Government to stay on that glide path toward a balanced budget. When we talk about putting the Federal Government on a diet, if we compare that to a belt, we are actually asking the Federal Government, through this 1.9-percent cut, to tighten its belt less than one notch.

Mr. REGULA. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we have already done much better than this amendment proposes. We have cut the budget 4 percent from last year, and we have cut the budget 8 percent from the previous year. Just look at it. We are down $500 million from 1996. In 1996 we were down $1 billion from 1995. That is a total cut on very, very popular programs: parks, forests, grazing lands, fish and wildlife facilities, Smithsonian, National Gallery of Art, Kennedy Center, Bureau of Indian Affairs; all very important programs to people. And we have cut from the 1995 appropriation level $1.5 billion. If every committee did that well, we would be well on our way to reducing the deficit. And a very important feature in what we have done is not only have we cut $1.5 billion, but we have eliminated programs that would cost us money down the road because we want to put this country on a glidepath to a balanced budget.

□ 1515

We eliminated, totally eliminated the Bureau of Mines. We were spending about $150 million a year on it. We have eliminated a lot of other popular programs because I recognize, and my colleagues on the subcommittee recognize that the way to get to the balanced budget is to do the things that will reduce costs in the future. That is why we went down $1 billion. Now we are down another half a billion dollars.

The problem with this is it takes a slashing cut across the board. It means, of course, that for example in the native Americans' case, this would cut the ability to open Indian health services. These are treaty obligations that we would provide health services to the native Americans.

Mr. Chairman, these are coming on line. We have the hospitals built, and we would not have the money to staff them. That is not good management. It would eliminate funding in the Bureau of Indian Affairs for children in the school system; 50,000 Indian children would be cut off from their opportunities for education.

Mr. Chairman, all I am saying to my colleagues, this sounds good, and I know that what the gentlemen are trying to do is to replace the money that was lost in budget conference. As I understand it, they are going to offer this amendment to every appropriation bill henceforth. It just happens that we are the first one in which the opportunity has arisen. But it is a poor one to start on, because we have already done the job. We took the 4 percent this year, we took about 8 percent last year. We have been trying to do exactly what the gentleman wants us to do. We have responded to the House budget numbers, not the Senate, but the House budget numbers.

Mr. Chairman, I would urge my colleagues to defeat this amendment. While I understand the intent is good, it has a devastating impact on people, on people programs, such as the native Americans, such as the ability of people to access the parks.

We have tried to do self-help. In our bill last year, in the bill this year, we have provided that the agencies, Fish and Wildlife, Forestry, Parks, that they can levy fees. We have worked toward partnerships on the HCP's in partnership. It is a partnership of State and local to deal with endangered species. We are pushing in the directions you want to go, believe me, as rapidly as we can, but we have treaty obligations. We have obligations to keep the parks open. We do not want people going out to Yosemite and have the sign hanging out, "Sorry, closed." So we are trying to do a responsible job.

I hope my colleagues would vote this amendment down, recognizing that we are making every attempt to address the concerns that the sponsors of this amendment have. We will continue to do so.

Mr. GUTKNECHT. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. SOUDER].

Mr. SOUDER. Mr. Chairman, first I want to congratulate the gentleman from Minnesota for his amendment. I want to reiterate what both he and the distinguished chairman of the committee said, in that this is not targeted in particular at the Committee on the Interior. I do not believe Yosemite will close with a 1.9 percent budget cut, but he has done one admirable job of trying to manage the reduction in the growth of the budget. He has done an admirable job in being fair in his process. I am sorry that we are starting on his bill.

The fact is, however, many of us felt there should not be a bump-up. We did not come here to increase the deficit in our second year. With a change of 1.9 percent in the remaining bills, and if we go back and recoup 1.9 percent in the bills we already passed, in effect we would not have a bump-up. This amendment is a start toward a meaningful reduction. Even if we do this is all the remaining, it does not get all of it back but it moves toward it.

My colleagues on the other side of the aisle, after the Republican budget passed, did a lot of whining and talking on the floor about the deficit going up. I would like to read a few quotes.

The gentlewoman from Colorado [Mrs. SCHROEDER] in the CONGRESSIONAL RECORD said:

> Here we are considering a deficit that is going to be higher than the one we have next year. How can we have a higher one next year than the one we have this year, and then stand there and say it passes the straight face test, to stand around and look at people and say we are really for balancing the budget? This does not work. The real issue is not whether or not you are for the amendment, it is whether or not you can get the deficit under control.

The gentleman from Missouri [Mr. VOLKMER] said:

> Mr. Speaker, they are more interested in reducing taxes for the wealthy than they are in reducing the deficit. I may, let us reduce the deficit before we give any tax cuts for anybody. That is my position. Let's get a balanced budget first.

The gentlewoman from Georgia [Ms. MCKINNEY] said:

> The Republican budget resolution passed last night actually increases the deficit. Republican leaders shut down the government twice just so they could increase the deficit by $40 billion, leaving real deficit reduction to future Congresses.

The fact is, here is the amendment. Here is the way to do it. There would be no bump-up in the deficit; 1.9 percent from here on out, 1.9 percent, less than 2 percent gets rid of what all the talk has been on this floor in Congress about the bump-up. I say we should do it and not just talk about it.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, first of all I would like to tell my colleagues that many of us have had serious reservations about the cuts that have already been made. I think if we look at it, it has been something like $1.5 billion and $2 billion in a $12 billion bill over the last 2 years. This year the committee has cut by 4 percent. We are talking about parks, we are talking about wildlife refuges, we are talking about the Endowment for the Arts and Humanities, we are talking about some of the most important programs.

I would say to my colleagues, I have a real problem knowing that the reason we are going to have to make these cuts is to finance a big tax cut, which nobody in my district wants. I do not think we should have to cut these sensitive programs further. I do not see any of these people coming here and saying, let us do something about entitlements. Why do we want to continue to go after discretionary spending to solve the entire problem of the deficit?

I am with the gentleman from Missouri, HAROLD VOLKMER, last night when he got up and said, you know, we would not have to do this if it was not for the big tax cut. That is what it is. We are going to have to cut into some of the most sensitive programs, Indian health, in order to finance a tax cut that nobody in my district wants. They want us to balance the budget. We are on the course to balancing the budget. I regret the fact, and I know others will mention defense and other things of that nature. But we have done zip on entitlements, and we continue to pound away on discretionary spending.

I wish some of the people who are always up here wanting to do across-the-board cuts, who do not come to the hearings, do not testify before the committee, want to take a meat-axe approach, would put a little of that effort into some of the areas of other Government spending. I think we have done our job here, as we have done every single year I have been on this committee.

It is not discretionary spending that is the problem, it is the entitlements and the tax cut. That is what the gentleman is not focusing on.

Mr. GUTKNECHT. Mr. Chairman I yield 15 seconds to the gentleman from Wisconsin [Mr. NEUMANN] for the purpose of response.

Mr. NEUMANN. Mr. Chairman, I would like to point out to the gentleman that in fact we are $15 billion over our discretionary targets this year, and in fact it is not the tax cuts that are causing the problems, but an increase in discretionary spending of $15 billion.

Mr. GUTKNECHT. Mr. Chairman, I yield 2½ minutes to the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Chairman, I, too, would congratulate our chairman for the job he has done. I agree that they have done great work. But I think his point proves the point by his very own testimony. Last year they cut $1 billion. This year they cut another $500 million. Where did the $500 million come from? They cut $1 billion last year and they can cut $500 million more this year? Why not two pennies' worth? Why not 2 cents more?

It is the same thing in every Government agency: There is so much waste, there is so much to get, that we will find more next year. There will be more next year. There will be more than this $500 million next year, because it is there.

The question comes, it is like the guy on TV in Oklahoma says, "What's the deal?" The deal is we promised to balance this budget. We promised to live within our means and quit sacrificing the future of our children and grandchildren. We have to have the discipline to do that. The true fact of the matter is, as the gentleman from Wisconsin stated, we are spending $14 billion more than what we said we were going to spend a mere 9 months ago. It proves that there is not the discipline in this House to live up to its obligations in terms of the budget and in terms of spending.

All we are saying is cut every additional appropriations program a minimum of $1.9 percent, 2 cents. Everyone knows we have 2 cents worth of waste in the Federal Government. We can, we should, and most of all, we owe that obligation to the future generations whose money we are spending today. It is easy for us to spend it because we are not going to pay it back. It is not easy for them to spend it and it is not easy for them to pay it back. They are going to pay it back by not owning a home, not being able to buy a car, having hyperinflation, and not achieving the living standard anywhere close to what we have.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the pending amendment. This reminds me of the last time I went to donate blood, and they were really short. I donated a pint, they wanted a pint, and then they wanted another pint, but I just could not give anymore. It would do great damage to my health. I think if we did this, it would do great damage to this bill. We have cut $1.5 billion since 1995.

We are moving in the right direction. But look at what we are providing funding for. Is there anything more precious to our heritage than the national parks? I think not. Some great environmental initiatives in here we are treating in a very responsible way: the Everglades, dealing with the clean streams program, dealing with habitat and conservation areas. I think everyone in America who hunts, who bikes, who fishes, who loves this great land of ours, should be very supportive of this bill.

Mr. Chairman, I think the committee, under very difficult circumstances, has come up with a good package. We have made some adjustments on the floor, as I think we should, because the people's House is working its will. This is good legislation. We have cut. To cut further is counterproductive.

Mr. GUTKNECHT. Mr. Chairman, I yield myself such time as I may consume.

I would say to my friend, the gentleman from New York, we are not going asking for a pint, we are asking for a few more drops.

Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Chairman, last week we passed a budget that allows the deficit to go back up again. I heard lots of people talk about why that is wrong and why we should not be doing that. Here is an opportunity to fix the problem. We are going to bring an amendment like this with each one of the remaining appropriation bills. Let us fix the problem. Here is our chance.

Why is the deficit going back up? Because we spent $15 billion in discretionary spending that we were not supposed to spend. Let me put that in English. This Congress, the House of Representatives, literally controls about one-third of the budget. It is called discretionary spending. It is in that part of the budget that we have problems right now. It is in that part of the budget, that is why the deficit went up. That is why we need to correct it in this manner.

Mr. Chairman, this amendment is about 1.9 percent. Listen to the cries we are hearing here on the floor: It is going to hurt this or that or the next thing. Is there anyone outside the city of Washington, DC, that honestly believes there is not 1.9 percent of waste in every Government program? I guarantee Members, standing here today, that there is more than 1.9 cents out of every dollar in wasteful Government spending in this bill that could be cut out without hurting the national parks and without hurting the things that are so near and dear to this country.

I do not believe that a 1.9-percent cut, and this is not a 19-percent cut, this is not even a 2-percent cut, a 1.9-percent cut is actually going to do all of those detrimental things they are talking about. I do not buy it. We can find 1.9 percent of wasteful spending in this appropriation bill and in every one of the remaining appropriation bills. When we do, that is going to put us back on a glide path to a balanced budget.

Mr. Chairman, we owe it to our children and we owe it to our grandchildren to do what is right for the future of the country, and what is right for the future of the country has to be put ahead of our desire to spend more money here in Washington, DC. That is really what this is all about. Let us do what is right for the future, what is right for our children. Let us get ourselves back on a glide path to a balanced budget.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. YATES], the distinguished ranking member of the subcommittee.

Mr. YATES. Mr. Chairman, the gentleman from Wisconsin talked about a $15 billion excess in discretionary spending. The Defense appropriations bill is $13 billion over the President's budget. There is $13 billion of the gentleman's $15 billion, because defense is a part of discretionary spending. Why did the proponents of this amendment not offer their amendment to the Defense bill when the bill was on the floor? They could have achieved a much greater amount of money than they do with a bill of this kind.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, the Defense appropriations bill was voted on at the time at which we voted on the budget resolution, the joint conference.

Mr. YATES. I would say to the gentleman, he still could have offered an amendment.

Mr. COBURN. We certainly would have been happy to, had it come to the floor beforehand.

Mr. YATES. I would say to the gentleman that that is the fault of his leadership, it is not anybody else's.

Mr. NEUMANN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Wisconsin.

Mr. NEUMANN. Mr. Chairman, I would like to point out that we did bring an amendment to the floor that did bring defense spending back to last year's level.

Mr. YATES. I voted for the gentleman's amendment.

□ 1530

Mr. GUTKNECHT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I do not know if anybody read this morning's Washington Post, but there is a great story in there about a doctor who is paid $117,000 a year to sit in an office and see no patients. He is paid by the Federal Government, by the Federal taxpayers.

It seems like every day if we study or look enough, we will find in newspapers, in the national magazines, the media and so forth are telling these stories about the waste of Federal spending. For people to come to this floor and say that we cannot find an additional 1.9 percent, well, I doubt if many people in this room really believe that. I know the people of America do not believe that.

I believe that the chairman has operated in good faith. This is a good faith amendment. It is about keeping faith with our kids. After we passed the budget resolution conference report just a few weeks ago, the Appropriations Committee added $718 million to this bill. We are simply asking to reduce that expenditure by $230 million. That money can be found, it must be found, if we are to keep faith with our kids, if we are to keep faith with our word, if we are to keep faith with the promise that we made last year.

Mr. Chairman, this is an important amendment. It is supported by the Citizens for a Sound Economy, and I suspect many other organizations out there will be studying this vote. I hope Members will keep faith with what they said last year. Please support this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. KOLBE], the vice chairman of the committee, who has done a great job as a member of our committee.

Mr. KOLBE. I thank the gentleman for yielding time.

Mr. Chairman, I appreciate the comments I have heard about we can surely find 2 pennies of waste, and reduce this bill by 1.9 percent across-the-board. I have been there, I have offered these amendments on the floor before on appropriation bills. But I would point out that when I offered those amendments, it was in years when we were increasing appropriations by 3 percent, 5 percent, as much as 7, 8, or 10 percent. We heard about a 1.9-percent cut, that anybody should be able to do that. But, Mr. Chairman, we have cut this bill by 12 percent in the last 2 years. Let me repeat that: We've made a 12-percent reduction.

The last speaker just talked about how there is an individual, a doctor working for a Federal agency. I read that article, about the doctor who is getting paid for doing no work. Does anybody think that by cutting 1.9 percent we are going to solve that problem? No, we have got to go in and change the law, the Federal employment laws. We have got to make it possible for managers to fire people, to get rid of people that are deadwood, to do what managers are supposed to do.

That is the basic problem we have got. We have to change a lot of other laws to get the systemic changes we need. It is not just about changing or reducing the level of funding. This is not the answer. We have made cuts. Twelve percent we have reduced this bill, $500 million this year alone.

Look at how the parks have gone up in the number of visitors. Does anybody believe that we do not need to provide for those crown jewels of our national heritage? We do, and we need to have the funds for that. I urge a "no" vote.

Mr. REGULA. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio is recognized for 1 minute.

Mr. REGULA. Mr. Chairman, I know that this amendment is made in good faith but, as the gentleman from Arizona [Mr. KOLBE] pointed out, we have cut not 1.9 percent, we have cut 12 percent.

The gentleman from Minnesota [Mr. GUTKNECHT] talked about keeping faith with our kids. Keeping faith with out kids also means preserving the heritage of America, the parks, the forests, the public lands, the cultural treasures downtown, in good shape. That is keeping faith, so that they can enjoy the Yosemites and the Yellowstones, so that they do not have to worry about their safety or inadequate facilities.

Keeping faith means managing these facilities well. We have tried to do that while at the same time saving the taxpayers $1.5 billion. That is keeping faith with the future. We have done it with a lot of hard work, and we have not only done it for now but we have done it for the future, by eliminating programs, by not building facilities that will cost a lot of money down the road, but we have put extra money in to fix buildings, to repair roads, to ensure that these kids have a safe environment when they go to visit these national treasures.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GUTKNECHT. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 27 offered by Mr. SANDERS: In the item relating to "BUREAU OF LAND MANAGEMENT—PAYMENTS IN LIEU OF TAXES", after the first dollar amount, insert the following: "(increased by $10,000,000)".

In the item relating to "DEPARTMENT OF ENERGY—FOSSIL ENERGY RESEARCH AND DEVELOPMENT, after the dollar amount, insert the following: "(reduced by $25,000,000)".

The CHAIRMAN, Pursuant to the order of the House of Wednesday, June 19, 1996, the gentleman from Vermont [Mr. SANDERS] and the gentleman from Ohio [Mr. REGULA] each will control 10 minutes.

The Chair recognizes the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I yield one-half of my time to the gentlewoman from Idaho [Mrs. CHENOWETH], the coauthor of this amendment, and I ask unanimous consent that she be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment that is being introduced by the gentlewoman from Idaho [Mrs. CHENOWETH] and myself does two important things that most Members of this body agree with:

First it deals with the very serious problem of unfunded mandates, of forcing citizens in close to 2,000 counties in 49 of our States to pay more in local property taxes than they should be paying because the Federal Government has fallen very far behind in its payment in lieu of taxes on federally owned land.

Mr. Chairman, despite an increase that was granted 2 years ago in the PILT authorization levels, the actual appropriations have been kept nearly level, resulting in a revenue shortfall to local communities in real terms. For fiscal year 1996, for example, local governments will receive only 60 to 70 percent of the payment level which was set in the authorization. This amendment would begin to address this unfunded mandate by increasing the payment in lieu of taxes program by $10 million. Currently the PILT Program provides $113 million. If this amendment passes, we bring the total up to $123 million. The formula by which payments in lieu of taxes are made is a complicated one and each property is treated differently. But, on average, if this amendment is passed, there would be a 9-percent increase in PILT funding for our States and communities.

Mr. Chairman, we have heard a great deal of discussion recently about devolution and our concerns for local communities and local government. I know something about that as the mayor of the city of Burlington, VT for 8 years. In Vermont, many of our communities are hard pressed to pay escalating property taxes. Fifty-one communities in Vermont, close to 2,000 nationally, would benefit by an increase in PILT payments. It is high time that the Federal Government accepted its responsibility to do right by local communities.

Mr. Chairman, I reserve the balance of my time.

Mrs. CHENOWETH. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in support of the bipartisan Sanders-Chenoweth amendment that would not only help restore the payment in lieu of taxes concept to the authorized levels but would also contribute to deficit reduction. This amount would cut $25 million of unnecessary dollars from R&D of fossil fuels, add $10 million to the underfunded PILT Program, and then set aside $15 million for deficit reduction.

Mr. Chairman, the concept and need for PILT is very simple. Rural communities in this country that are heavily made up of Federal lands do not have the benefit of collecting property taxes from private lands. The Federal Government just simply does not pay taxes to counties or local units of government. PILT was established to help fill this gap of the missing revenues in order to keep the counties' ability to supply the necessary and essential services, such as hospitals and roads and bridges and schools and emergency medical treatment and so forth, all of these functions that are vital to our communities, and which are demanded by the citizens of those communities.

Just to emphasize how very important PILT is to districts in the West, let me remind my colleagues of the extraordinarily heavy concentration of Federal lands in the West. For instance, in Idaho, my State, the Federal Government manages and controls 70 percent of the land. This 70 percent of land is therefore removed from the property tax base. That means that the States and counties are unable to collect taxes from this land. Yet our county commissioners are facing a greater demand to provide necessary services. Over the years these counties have come to rely on PILT and now PILT has been cut, Mr. Chairman.

Mr. REGULA. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, let me point out to my colleagues that we have funded PILT at the same level as last year. We did not cut it. It is $135.5 million. We are $12 million over the President's request for PILT. I think we have been as generous as we could given the balances that we have to achieve to get the deficit reductions.

I know this is put in to attract a certain amount of votes, but keep in mind that we are at last year's level which is $12 million over the President's request.

The energy account is $58 million below the President's request. I have spoken to this several times today and yesterday that fossil energy has been cut, and it has been cut dramatically in the last 2 years. These are very important programs. We have contractual obligations where we have said to private sector companies, "We will put up some money, you put up some money to achieve innovative breakthroughs in technology."

Energy is vital to the future of this Nation. You cannot farm those fields if you do not have gasoline that you can buy at a reasonable price. We saw the impact a few weeks ago when suddenly gasoline, I noticed out in my area it was $1.39 a gallon, up probably 20 cents. That is just the forerunner of what could happen. That is why fossil energy research is so vitally important to this Nation's future.

Let us not throw away the long-term need to develop new and innovative technology in the use of energy that is nonpolluting, that will reduce the air emissions, that will give us energy independence. I have been over this record before, but it is extremely important in terms of this Nation's future for all the people. We would have to oppose this amendment strenuously.

Mr. SANDERS. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Vermont [Mr. SANDERS] has 3 minutes remaining, the gentlewoman from Idaho [Mrs. CHENOWETH] has 3 minutes remaining, and the gentleman from Ohio [Mr. REGULA] has 8 minutes remaining.

Mr. SANDERS. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, this payment in lieu of taxes program is about basic fairness. The Federal Government holds large tracts of land in public trust for all Americans, land that is taken out of the local tax base and in return for maintaining this land in the public interest, we make a modest little payment to those local units of government. That payment has not increased in 20 years.

Let me just take Cook County in my district that is 94 percent in public land ownership and off that 6 percent of the remaining land of 900,000 acres, that county has to provide for roads, for search and rescue, for emergency medical care, for surface water, ground water for all the people who come and travel through the area.

St. Louis County has 3,000 miles of county roads. This is a county about the size of the State of Massachusetts. It has to provide emergency medical services, rescue the people who travel from other parts of the United States to see Voyageurs National Park and Superior National Forest. They have accidents and they have health problems and the county has to take care of them, but the rest of the country is not providing an increase in funding.

We have not had an increase in 20 years. We need to have an increase in the funding for the payment in lieu of taxes program to be fair to the people of this country.

□ 1545

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I rise to oppose this amendment.

Once again, here we are for the fourth, fifth, maybe sixth time in which we see amendments which seek to plus up accounts at the expense of the Fossil Energy Program. While I do not stand here on this particular amendment or on any of the others, Mr. Chairman, to say that I oppose the funds which they propose to plus up, once again I am here to urge Members that this cannot be done at the expense of the Fossil Energy R&D Program.

We have taken our hits, Mr. Chairman, over a 20-percent cut, in fossil energy R&D in the last 2 years. Every year we are seeing that amount go down in real numbers. We just cannot afford to give anymore from the fossil energy R&D budget. While these programs that are being proposed in this amendment and others may be worthy programs, to fund them at the expense of our long-term energy interests, at the expense of fossil energy R&D, is simply not acceptable.

Mr. Chairman, I would urge all Members on both sides of the aisle to oppose this amendment, as we have all the other amendments which put fossil energy R&D in jeopardy.

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the $25 million that we are using for these purposes, in other words, deficit reduction and increasing PILT payments to local communities all over America, comes from the fossil energy research and development fund. According to the report of the fiscal year 1997 budget resolution, which passed the House, this is the Republican resolution, let me quote:

> The Department of Energy has spent billions of dollars on research and development since the oil crisis in 1973 triggered this activity. Returns on this investment have not been cost effective, particularly for applied research and development which industry has ample incentive to undertake. Some of this activity is simply corporate welfare for the oil, gas and utility industries. Much of it duplicates what industry is already doing.

Some has gone to fund technologies in which the market has no interest.

That is not BERNIE SANDERS, that is the budget resolution of the Republican majority. Mr. Chairman, this amendment has much to do with honoring our commitment to local communities all over America, including 51 towns in the State of Vermont who are not receiving their fair share of PILT payments from the Federal Government.

We have heard a lot of talk in recent years about devolution, about giving responsibility back to local communities, about our respect for local government. If we respect local government, then we should not cheat them. We should provide the type of payments to which they are due.

As I mentioned earlier, right now the PILT payments come to about 60 to 70 percent of what has been authorized. We are asking, the gentlewoman from Idaho [Mrs. CHENOWETH] and I are asking for $25 million. Of that, $15 million goes straight to deficit reduction, 10 million goes back to the local communities

Mr. Chairman, I would end simply by saying this. If all of the Members who agree with the philosophy of the gentlewoman from Idaho [Mrs. CHENOWETH] would support it, all those who agree with my philosophy would support it, and all of those in-between would support it, we would end up with 435 votes and we would be very happy.

Mr. Chairman, I yield back the balance of my time.

Mrs. CHENOWETH. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Chairman, I thank the gentlewoman for yielding me this time, and I rise in strong support of her and the gentleman from Vermont's amendment.

This is a serious problem all across the country. We can see it in New England, we can see it in the far west, we can see it in Minnesota. It is also a problem in the south. In my congressional district, one-third of all the land in the district is owned by the Federal Government. Some of the counties in my district, more than 50 percent of all the land in those counties is owned by the Federal Government.

The Federal Government pays zero to those local counties in the form of taxes to help support all of the infrastructure that is needed to support the use of that land. The employees who work for the Forest Service, the National Park Service, other Federal Government facilities utilize the local school system, utilize the roads. The visitors do the same thing and yet they do not get anything.

Over the past few years, we have worked very hard to increase the authorized level of support for the Payment In Lieu of Taxes Program. The bill in 1994 amended it to address the revenue shortfall and increase the previous authorization, which right now is 75 cents to 93 cents per acre in 1995, $1.11 in 1996, and $1.29 in 1997.

But the Committee on Appropriations has not increased those payments in accordance with what the authorizing committee has and what this entire Congress has approved, and I would urge this Congress to adopt this amendment and provide the additional support that these communities need.

The CHAIRMAN. The gentlewoman from Idaho [Mrs. CHENOWETH] has 1½ minutes remaining, and the gentleman from Ohio [Mr. REGULA] has 6 minutes remaining. The gentleman from Ohio has the right to close.

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BROWN], the ranking member of the Committee on Science.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding me the time.

I think some of you may be asking why I am standing up here so frequently to defend a budget, an appropriation bill which cuts rather severely into some of my favorite programs, and I think all of you know my concern about research and development programs. The outlook for national research and development over the next 6 years, until 2002, is for a 25-percent cut. In my view, this will be catastrophic for the future of America.

It is going to deprive us of the investments necessary for economic success and world competitiveness. This bill is making a small effort to prevent the faster erosion of this capability, and I commend the chairman for what he is doing to protect some of the key areas of research and development.

Now, some of the areas that the gentleman is protecting are under attack from others who attack them not because they are not good research but because they do not like the fact that it is a partnership arrangement between a mature industry and the Federal Government. I have spoken on this before and pointed out how important it is that we have these partnerships, because there is no incentive for these companies to invest when they are making a profit and their business is good and they really do not need it. But by having the Government pay part of the cost, you leverage that and you encourage them to make the additional investment that they would not make.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, on this committee, we have been building those programs not only for years but for decades, and to take money that they want to take out of these funds would be catastrophic. I agree with the gentleman.

Mr. BROWN of California. Reclaiming my time, my problem here is to try and avoid having Members who have a worthy cause and, frankly, the payment in lieu of taxes is a worthy cause, continually pick away at these programs which are already on a downward trend, that is going to be disastrous for the Nation.

I believe in payments in lieu of taxes. I support them. They benefit my county. But I cannot sit idly by, as you look at the various programs and you see this deep pocket or that deep pocket, which almost invariably ends up being a research program, and you do not understand what is happening to our national research investments over the next 5 years. We are headed in a disastrous direction, and I want to try and stop it, if I can.

Mr. Chairman, I commend the chairman for the efforts that he is making to assist in this.

Mrs. CHENOWETH. Mr. Chairman, I yield the balance of my time to the gentleman from Oregon, my good friend, Mr. COOLEY.

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I have 20 counties in the district I represent. Over 60 percent of the land in those counties is owned by the Federal Government. Needless to say, these counties which are trying to make heads or tails out of their declining budgets are struggling to survive. Unlike other counties, they have no way of raising revenue through property taxes. They rely on payments in lieu of taxes to make ends meet. Unfortunately, for the second year in a row, they have seen these payments frozen by the Federal Government.

In addition, these counties rely on revenues raised by Federal timber salvage to supplement their budgets. But these lands have been locked up by obstructionists and the environmental communities. These groups claim to speak for the conservationists, but they would rather see millions of acres of forestland burn due to poor forest health and not implementing sound forest management practices.

If the Federal Government is gong to insist there be no timber harvests on Federal lands, they must do one of two things: One, increase PILT payments; or two, turn these lands back over to the States for their management.

Mr. Chairman, our counties are having tough choices to make about vital services. It is time for the Federal Government to recognize its responsibility and grant a much needed increase in the PILT payments. I urge tremendous support of this bill.

Mr. REGULA. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me say it was the Subcommittee on the Interior that created PILT. If Mr. YATES recalls, the gentleman from Colorado, Frank Evans, was on the subcommittee, offered the language. We did a little authorizing in those days. On our appropriation bill, we created PILT. It is a good program. There is not any question about that, and both Mr. YATES and I support it.

We have continued to fund it on an increased basis year after year and we kept it whole this year, even though the President recommended a $12 million cut. But we likewise, as Mr. YATES pointed out, have been concerned about the energy security of this Nation. Admittedly, there has been money wasted. That is one of the reasons we are downsizing 10 percent a year. In terms of our committee, one of the areas we have taken the biggest hits, is on fossil energy. But by the same token, as we were reminded a few weeks ago, the energy security of this Nation at best is fragile.

It is fragile because we depend on offshore resources. It means, of course, that our military could be at risk if we do not have access to adequate energy. But more importantly than that is our jobs in this country are tied, every facet of our life is heavily energy dependent, perhaps more than any other nation in the world. We have to find out ways to burn energy and use energy in a more efficient way. We have to find ways to use energy that is nonpolluting.

We are dedicated to clean air, to clean water, to enhance our environment, to do that and still use the energy we need to provide the jobs, to provide economic growth, which is vital to a nation. If you read the literature, without exception economists say the most important thing we can do in the United States to address the deficit problem, to address the problems of unemployment is to have economic growth. Well, what does economic growth mean? It means using more electricity. It means using more natural gas, more coal, more petroleum, and yet at the same time, we want to protect our environment.

We have made great strides. To say that the millions of dollars was wasted is erroneous. The air today is cleaner. The water is cleaner. We have automobiles that get 30 miles to the gallon that a few short years ago were getting 20 or less. So we have made great strides as a result of the money we have invested in technology coming out of this subcommittee, and we have tried to very carefully reduce those expenditures.

Mr. Chairman, I think our funding for fossil energy resources is at a minimum if we care about achieving economic growth, while at the same time protecting our environment. We have had a number of efforts made to reduce our fossil energy. It has become somewhat of an easy target. Let me say, Members, that PILT payments in the future depend on a strong economy to provide the taxes to do so, and all of the other things that we cherish depend on economic growth and the clean environment we want.

So let us not destroy what we have achieved. Many companies have invested a lot of money, along with the Government. We are close to breakthroughs. We have tried to be very careful in keeping alive these programs that we have contractual commitments, and I urge a vote against this amendment.

Mr. POMEROY. Mr. Chairman, I rise to speak on the amendment of Representative SANDERS which would increase the payment in lieu of taxes [PILT] for local governments. Unfortunately, this amendment is structured to provide a $10 million increase to PILT and $15 million return to the Treasury—all funded out of a reduction in fossil energy research and development.

Mr. Chairman, I believe strongly that the $114 million PILT appropriation provided in this bill does not adequately address the needs of our counties. PILT is vitally important to help fund schools, roads, and firefighters in counties with large tracts of Federal lands. In fiscal year 1995, North Dakota received $822,952 for its PILT payments. This amendment would likely increase that amount by about $80,000.

However, the minimal increase in PILT does not come close to offsetting the economic impact of the lignite industry in our State. Federal support for fossil energy research is critical to the economy of North Dakota. The funding this amendment targets—fossil fuel research and development—leads to more efficient use of fossil fuels and benefits all of North Dakota's economy.

What's more this funding is pivotal in finding solutions to environmental problems arising out of the use of these fuels. The Energy and Environmental Research Center in Grand Forks, ND, provides practical solutions to these critical barrier issues. Some of the innovative projects underway at EERC include the control of air toxins, cleanup of mercury-contaminated gas industry sites, cleanup of hydrocarbon contaminated soil and water, emissions control technologies for nearly everything that enters the atmosphere, development of cost-effective analytical techniques for waste site cleanup, and the development of cost-effective small electric generating units for Native villages in Alaska.

The United States, and North Dakota, have an abundance of fossil fuels and will continue to utilize these fuels for our energy needs. The question facing Congress is whether we make the necessary investments to improve our use of these critical fuels.

I firmly believe it is incumbent upon this Congress to provide adequate funding for local governments who are adversely affected by the presence of Federal land. Unfortunately, this amendment's funding offset left me no choice but to oppose it.

□ 1600

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. SANDERS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SANDERS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 455, further proceedings on the amendment offered by the gentleman from Vermont [Mr. SANDERS] will be postponed.

AMENDMENT OFFERED BY MR. STUPAK

Mr. STUPAK. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. STUPAK: At the end of the bill (proceeding the short title) add the following new section:

SEC. . None of the amounts made available by this Act may be used for design, planning, implementation, engineering, construction, or any other activity in connection with a scenic shoreline drive in Pictured Rocks National Lakeshore.

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Michigan [Mr. STUPAK] will be recognized for 5 minutes, and the gentleman from Ohio [Mr. REGULA] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of my amendment, No. 32, as printed in the RECORD. This amendment is a win-win situation which saves the Government and taxpayers $13 million while also saving precious environmental resources. Since we have been debating this bill for quite a while, and this is hopefully a noncontroversial amendment, and I believe it is, I will be brief.

When the Pictured Rocks National Lakeshore was created in 1966, Congress adopted a provision requiring the National Park Service to build a new road through the park along the lake. Such a road would destroy hundreds of beautiful acres of forest, fauna, and precious fragile ecosystem while costing taxpayers an estimated $13 million.

Since 1966, park visitors have been using Alger County Road H–58, which runs through the eastern side of the park and skirts around to the south and west of the park.

I have introduced this legislation and this amendment, if you will, to delete the mandate for the Park Service to build a new road through the park. Instead, I would ask that the Park Service be allowed up upgrade the existing county road, H–58, which runs through part of the park and currently provides adequate access for all park visitors.

This proposal has the support of both local officials and the National Parks and Conservation Association. However, until we can secure passage of this legislation, it is important to prevent the Park Service from moving forward with plans to build a totally unnecessary road at a cost of $13 million and also harm our environment.

Mr. Chairman, I am joined by the gentleman from Michigan [Mr. EHLERS] who has helped me on this legislation. I regret he is not on the floor at this time.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I wanted to advise the gentleman we are always happy to save $13 million, and we are prepared to accept this amendment and congratulate the gentleman for his statesmanship.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, our side, too, will be happy to accept the amendment.

Mr. STUPAK. Mr. Chairman, reclaiming my time, I thank the both the gentleman from Illinois [Mr. YATES] and the gentleman from Ohio [Mr. REGULA] for their acceptance and for helping us out.

Mr. Chairman, I would like to engage the gentleman from Ohio in a colloquy about this.

I want to thank my friend fro Ohio, the chairman of the Subcommittee on Interior, for accepting this amendment. Due to the rules of the House, I could not offer this amendment on another part of the proposal that I have, and that proposal would allow the Park Service to expend funds to upgrade the existing road, H-58, which I spoke of. I am currently working with the Committee on Resources to provide for that authority. I would hope, and would ask, the gentleman from Ohio would be willing to work with me in providing funding for this much-needed upgrade of H-58.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, while I have the floor, I want to advise my colleagues that we are very close to votes on the four amendments that have been rolled over. When those are completed, we are moving toward final passage. So thanks to a lot of cooperation today, we are getting along in pretty good shape.

Now, for the gentleman from Michigan [Mr. STUPAK], I would be glad to work with the gentleman on this proposal.

Mr. STUPAK. Mr. Chairman, reclaiming my time, I thank the gentleman from Ohio.

Mr. STUPAK. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. STUPAK].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OLVER

Mr. OLVER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. OLVER: On page 59, line 24, after the dollar amount insert: "(increased by $4,000,000)".

The CHAIRMAN. Pursuant to the order of the House of Wednesday, June 19, 1996, the gentleman from Massachusetts [Mr. OLVER] will be recognized for 5 minutes, and the gentleman from Ohio [Mr. REGULA] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am offering this amendment with the gentleman from Michigan [Mr. EHLERS] who, as the previous speaker said, he is probably on the way at the very moment. I hope is on the way.

In any case, the amendment that we are offering would add $4 million to the Energy Conservation Program in this bill. These funds are to be used in the codes and standards section within the energy conservation component of the bill, and at least $3 million of those dollars are intended to be used in what I think and what I think very many of us believe is a very important effort to update the State codes, to assist the States in the updating of the energy codes among the 50 States.

These funds are intended to continue implementing the cooperative cofunded incentive grant program of technical assistance that actively assists the States in the process of updating and implementing their residential and commercial codes.

I would point out to the body that none of the programs related to this update of State codes via the cooperative cofunded incentive grants falls under what has been expressed strongly by the committee in the committee report, the concerns of the committee related to the creation of any new standards. There are no new standards in that component at all.

Mr. Chairman, I reserve the balance of my time.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we recognize that the DOE is working diligently to revamp its codes and standards programs. I know both the gentleman from Massachusetts [Mr. OLVER] and the gentleman from Michigan [Mr. EHLERS] have worked on this. This is a bipartisan amendment. We have no objections to the modest increases.

I have talked with our colleague, the gentleman from Mississippi [Mr. PARKER], who is interested in this subject. He advises me he is supportive of getting money into the States to establish their standards, and most of this increase would be to help the States implement the consensus building program outlined in the committee report.

For all of those reasons, we are happy to accept this amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, our side believes this is a good amendment, too, and we are accepting it.

Mr. OLVER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to say that it has been a pleasure to work with my colleague from Michigan, Mr. EHLERS, and to work with the chairman and the ranking member and the staffs on both sides of the aisle.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. REGULA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. OLVER].

The amendment was agreed to.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 455, proceedings will now resume on those amendments on which further proceedings were postponed in the following order:

Amendment No. 11 offered by the gentlewoman from Oregon [Ms. FURSE]; amendment No. 17 offered by the gentleman from Oklahoma [Mr. ISTOOK]; amendment No. 15 offered by the gentleman from Minnesota [Mr. GUTKNECHT]; and amendment No. 27 offered by the gentleman from Vermont [Mr. SANDERS].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 11 OFFERED BY MS. FURSE

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from Oregon [Ms. FURSE] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 209, noes 211, not voting 14, as follows:

[Roll No. 262]

AYES—209

Abercrombie
Ackerman
Andrews
Baldacci
Barrett (WI)
Becerra

Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TX)
Buyer
Campbell
Cardin
Castle
Chrysler
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gordon
Goss
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hilliard
Hinchey
Horn
Hoyer
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klug
LaFalce
Lantos
Lazio
Leach
Levin
Lewis (GA)
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Morella
Murtha
Nadler
Neal
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Porter
Portman
Poshard
Quinn
Rahall
Reed
Richardson
Rivers
Roemer
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Smith (MI)
Smith (NJ)
Spratt
Stark
Stokes
Studds
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—211

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bishop
Bliley
Boehner
Bonilla
Bono
Brewster
Browder
Bryant (TN)
Bunn
Bunning
Burr
Burton
Callahan
Calvert
Camp
Canady
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
English
Ensign
Everett
Ewing
Foley
Fowler
Franks (CT)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gillmor
Gonzalez
Goodlatte
Goodling
Graham
Greene (UT)
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hunter
Hutchinson
Istook
Johnson, E. B.
Johnson, Sam
Jones
Kim
King
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Longley
Lucas
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Paxon
Pickett
Pombo
Pomeroy
Pryce
Quillen
Radanovich
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Salmon
Scarborough
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Traficant
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—14

Emerson
Fields (TX)
Houghton
Hyde
Lincoln
McDade
McIntosh
Parker
Peterson (FL)
Ramstad
Rangel
Roth
Tauzin
Torricelli

□ 1628

Messrs. FATTAH, WILSON, and PETRI changed their vote from "no" to "aye."

So the agreement was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BUYER. Mr. Chairman, on rollcall vote 262, the first amendment, I inadvertently voted "yea." I meant to vote "nay." I ask that the RECORD reflect a "no" vote on rollcall vote 262.

AMENDMENT OFFERED BY MR. ISTOOK

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Oklahoma [Mr. ISTOOK] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 212, noes 206, not voting 16, as follows:

[Roll No. 263]

AYES—212

Abercrombie
Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barcia
Barr
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bilirakis
Bliley
Boehner
Bonilla
Borski
Boucher
Brownback
Bryant (TN)
Bunning
Burr
Buyer
Calvert
Campbell
Canady
Cardin
Chabot
Chambliss
Chapman
Chenoweth
Chrysler
Clement
Coble
Coburn
Collins (GA)
Combest
Condit
Costello
Cox
Crane
Cremeans
Cunningham
Danner
Deal
DeFazio
Dickey
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Everett
Ewing
Flanagan
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frisa
Ganske
Gekas
Geren
Gibbons
Gillmor
Goodlatte
Goodling
Gordon
Graham
Greene (UT)
Hall (TX)
Hamilton
Hancock
Harman
Hastert
Hastings (WA)
Hayes
Hefley
Heineman
Herger
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hutchinson
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Johnston
Kaptur
Kasich
Kelly
Kim
King
Kingston
Klink
Klug
Knollenberg
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Leach
Lewis (KY)
Lightfoot
Lipinski
Livingston
Longley
Lowey
Lucas
Manzullo
Martini
Mascara
McCarthy
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Montgomery
Moorhead
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Oxley
Parker
Paxon
Payne (VA)
Petri
Pickett
Pombo
Poshard
Quinn
Radanovich
Rivers
Roberts
Roemer
Rohrabacher
Roukema
Royce
Salmon
Sanford
Scarborough
Schaefer
Schumer
Sensenbrenner
Shadegg
Shays
Shuster
Sisisky
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Taylor (MS)
Thomas
Thornberry
Thurman
Tiahrt
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (FL)
Zeliff
Zimmer

NOES—206

Ackerman
Andrews
Baesler
Baker (LA)
Baldacci
Barrett (NE)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonior
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Burton
Callahan
Camp
Castle
Christensen
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooley
Coyne
Cramer
Crapo
Cubin
Cummings
Davis
de la Garza

DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Durbin
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Foglietta
Foley
Ford
Frank (MA)
Franks (CT)
Frost
Funderburk
Furse
Gallegly
Gejdenson
Gephardt
Gilchrest
Gilman
Gonzalez
Goss
Green (TX)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hastings (FL)
Hayworth
Hefner
Hilleary
Hilliard
Hinchey
Horn
Hoyer
Hunter
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Jones
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Kolbe
Lantos
Lazio
Levin
Lewis (CA)
Lewis (GA)
Linder
LoBiondo
Lofgren
Luther
Maloney
Manton
Markey
Martinez
Matsui
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Molinari
Mollohan
Moran
Morella
Murtha
Myers
Nadler
Neal
Oberstar
Olver
Ortiz
Orton
Owens
Packard
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Pomeroy
Portman
Pryce
Quillen
Rahall
Reed
Regula
Richardson
Riggs
Rogers
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Scott
Seastrand
Serrano
Shaw
Skaggs
Skeen
Spratt
Stark
Stokes
Studds
Stupak
Taylor (NC)
Tejeda
Thompson
Thornton
Torkildsen
Torres
Towns
Traficant
Velazquez
Vento
Volkmer
Ward
Watt (NC)
Watts (OK)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Young (AK)

NOT VOTING—16

Bono
Emerson
Fields (TX)
Hansen
Houghton
Hyde
Lincoln
McDade
Peterson (FL)
Porter
Ramstad
Rangel
Roth
Tauzin
Torricelli
Waters

□ 1635

The Clerk announced the following pair:

On this vote:

Mr. Emerson for, with Mr. Rangel against.

Mr. MOORHEAD and Mr. HOBSON changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. PORTER. Mr. Chairman, on rollcall No. 263, I was present on the floor and was engaged in conversation with another Member about my subcommittee's bill funding the Departments of Labor, Health and Human Services and Education and inadvertently neglected to vote.

Had I voted, I would have voted "aye."

PERSONAL EXPLANATION

Mr. BONO. Mr. Speaker, during consideration of the fiscal year 1997 House Interior appropriations bill, I was detained and unable to make rollcall vote No. 263, the amendment by Mr. ISTOOK. Had I been able to make the vote, I would have voted against the amendment. In my view, the amendment's policy is unfair to the tribes of this country and undermines tribal sovereignty and the tribal right to self-determination, both of which I strongly support. The amendment reflects a major departure from our efforts to respect tribal sovereignty and self-determination. Such a significant change in policy should not be attached to an appropriations bill, but should be considered thoroughly and thoughtfully through the standard legislative process. For these reasons, I adamantly oppose the policy of the amendment, and would have voted against the Istook amendment and any variation thereof.

AMENDMENT OFFERED BY MR. GUTKNECHT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 128, noes 291, not voting 15, as follows:

[Roll No. 264]

AYES—128

Allard
Armey
Bachus
Baker (CA)
Barcia
Barr
Barrett (WI)
Barton
Bateman
Bilbray
Bilirakis
Boehner
Brewster
Brownback
Bunning
Burton
Camp
Campbell
Chabot
Chenoweth
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Crane
Crapo
Cubin
Cunningham
Danner
Doolittle
Dreier
Edwards
English
Ensign
Ewing
Fawell
Foley
Franks (NJ)
Funderburk
Gekas
Gillmor
Goodlatte
Graham
Gutknecht
Hamilton
Hancock
Hastert
Hayes
Hayworth
Hefley
Heineman
Herger
Hoekstra
Hoke
Horn
Hostettler
Inglis
Istook
Jacobs
Johnson, Sam
Jones
Kaptur
Kasich
Kleczka
Klug
LaHood
Largent
Laughlin
Lewis (KY)
Linder
Lipinski
Lucas
Luther
Manzullo
McInnis
McIntosh
Metcalf
Meyers
Minge
Montgomery
Myrick
Neumann
Norwood
Nussle
Parker
Paxon
Peterson (MN)
Petri
Pombo
Poshard
Radanovich
Roberts
Roemer
Rohrabacher
Royce
Salmon
Sanford
Scarborough
Sensenbrenner
Shadegg
Shays
Shuster
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Taylor (MS)
Thomas
Thornberry
Tiahrt
Upton
Watts (OK)
Zimmer

NOES—291

Abercrombie
Ackerman
Andrews
Archer
Baesler
Baker (LA)
Baldacci
Ballenger
Barrett (NE)
Bartlett
Bass
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bliley
Blumenauer
Blute
Boehlert
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Burr
Buyer
Callahan
Calvert
Canady
Cardin
Castle
Chambliss
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
Cramer
Cremeans
Cummings
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Duncan
Dunn
Durbin
Ehlers
Ehrlich
Engel
Eshoo
Evans
Everett
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Frelinghuysen
Frisa
Frost
Furse
Gallegly
Ganske
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodling
Gordon
Goss
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hastings (WA)
Hefner
Hilleary
Hilliard
Hinchey
Hobson
Holden
Hoyer
Hunter
Hutchinson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaFalce
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Livingston
LoBiondo
Lofgren
Longley
Lowey
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Molinari
Mollohan
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Neal
Nethercutt
Ney
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Rahall
Reed
Regula
Richardson
Riggs
Rivers
Rogers
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Serrano
Shaw
Sisisky
Skaggs
Skeen
Slaughter
Solomon
Spence
Spratt
Stark
Stokes
Studds
Stupak
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zeliff

NOT VOTING—15

Bereuter
Dickey
Emerson
Fields (TX)
Hansen
Houghton
Hyde
Lincoln
McDade
Peterson (FL)
Ramstad
Rangel
Roth
Tauzin
Torricelli

□ 1642

The Clerk announced the following pair:

On this vote:

Mr. Tauzin for, with Mr. Rangel against.

Ms. ROYBAL-ALLARD and Mr. KIM changed their vote from "aye" to "no."

Mr. THOMAS changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SANDERS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Vermont [Mr. SANDERS] on which further proceedings were postponed and on which the noes prevailed by voice note.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 237, not voting 11, as follows:

[Roll No. 265]

AYES—186

Abercrombie
Ackerman
Allard
Baldacci
Ballenger
Barcia
Barr
Bass
Becerra
Bilbray
Blumenauer
Bono
Burton
Camp
Chabot
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clyburn
Coburn
Collins (MI)
Condit
Conyers
Cooley
Costello
Cox
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Deal
DeFazio
Dellums
Deutsch
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Ensign
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foley
Fowler
Fox
Furse
Gallegly
Ganske
Gekas
Gilman
Goodlatte
Goodling
Goss
Gutierrez
Gutknecht
Hamilton
Harman
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hilleary
Hilliard
Hoke
Horn
Hostettler
Hutchinson
Jackson (IL)
Jacobs
Jefferson
Johnson (SD)
Johnston
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kim
Kingston
Kleczka
Klug
Kolbe
LaFalce
LaHood
Latham
LaTourette
Leach
Lewis (KY)
Lightfoot
Lipinski
Lofgren
Luther
Manzullo
Martini
McCarthy
McCollum
McDermott
McHugh
McInnis
McKeon
McKinney
Meehan
Meek
Menendez
Metcalf
Minge
Mink
Myrick
Nethercutt
Neumann
Norwood
Nussle
Oberstar
Obey
Orton
Owens
Pastor
Paxon
Payne (NJ)
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quinn
Radanovich
Rahall
Rangel
Richardson
Riggs
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Roybal-Allard
Royce
Rush
Salmon
Sanders
Sanford
Scarborough
Schroeder
Scott
Sensenbrenner
Serrano
Shadegg
Shays
Skelton
Smith (MI)
Smith (WA)
Spence
Spratt
Stearns
Stockman
Stokes
Stump
Stupak
Talent
Tanner
Tate
Taylor (MS)
Taylor (NC)
Thompson
Thornton
Thurman
Towns
Vucanovich
Walker
White
Williams
Wise
Woolsey
Young (AK)
Zeliff
Zimmer

NOES—237

Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Buyer
Callahan
Calvert
Campbell
Canady
Cardin
Castle
Chambliss
Chapman
Clinger
Coble
Coleman
Collins (GA)
Collins (IL)
Combest
Coyne
Cramer
Crane
Davis
de la Garza
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Everett
Ewing
Fattah
Fawell
Flanagan
Foglietta
Forbes
Ford
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gonzalez
Gordon
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hastert
Hayes
Heineman
Hinchey
Hobson
Hoekstra
Holden
Hoyer
Hunter
Hyde
Inglis
Istook
Jackson-Lee (TX)
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kennelly
Kildee
King
Klink
Knollenberg
Lantos
Largent
Laughlin
Lazio
Levin
Lewis (CA)
Lewis (GA)
Linder
Livingston
LoBiondo
Longley
Lowey
Lucas
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCrery
McHale
McIntosh
McNulty
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Neal
Ney
Olver
Ortiz
Oxley
Packard
Pallone
Parker
Payne (VA)
Pelosi
Pickett
Pomeroy
Porter
Pryce
Quillen
Reed
Regula
Rivers
Roberts
Rogers
Roukema
Sabo
Sawyer
Saxton
Schaefer
Schiff
Schumer
Seastrand
Shaw
Shuster
Sisisky
Skaggs
Skeen
Slaughter
Smith (NJ)
Smith (TX)
Solomon
Souder
Stark
Stenholm
Studds
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Torres
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wynn
Yates
Young (FL)

NOT VOTING—11

Emerson
Fields (TX)
Hansen
Houghton
Lincoln
McDade
Peterson (FL)
Ramstad
Roth
Tauzin
Torricelli

□ 1651

Ms. SLAUGHTER and Messrs. MOORHEAD, GRAHAM, and FATTAH changed their vote from "aye" to "no."

Mr. STOCKMAN, Mr. NUSSLE, Mrs. MEEK of Florida, Mr. TOWNS, and Mr. YOUNG of Alaska changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. HUNTER. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HUNTER. Mr. Chairman, I rise for the purpose of engaging the gentleman from Ohio [Mr. REGULA] in a colloquy.

Mr. Chairman, as the gentleman knows, smuggling in the border region of eastern San Diego County has reached epidemic proportions. A large portion of the border region consists of lands managed by the BLM and National Forest System.

To stem this tide of smuggling, the Border Patrol needs additional border fencing and access to roads on these Federal lands.

I know the gentleman is familiar with the committee's report, which identifies this border region as an area of high priority. It is my hope that it is the chairman's intention to urge strong measures to help stem the massive flow of illegal aliens and narcotics plaguing this area.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, the committee is aware of the smuggling epidemic existing on the Federal lands within this region of eastern San Diego County. It is certainly our intention that the BLM and National Forest Service should accommodate Federal law enforcement agencies by allowing those agencies to construct fences and roads along our international border with Mexico.

Further, please be aware of the committee's intent to strongly monitor the BLM and Forest Service toward these ends.

Mr. HUNTER. I want to thank the gentleman from Ohio [Mr. REGULA] for his support for the building of roads and fences to assist our border patrol agents in California.

Mr. POMEROY. Mr. Chairman, I must reluctantly rise in opposition to this bill in its final form. I am pleased that the committee increased funding above the President's request for fossil energy research and development. It is in the national economic interest to fund this research to ensure use of these resources is both more efficient and environmentally friendly.

One project funded in my State, the Energy and Environmental Research Center in Grand Forks, ND, is a model for providing practical solutions to critical barrier issues.

I believe many areas of this bill have been improved since the House considered the bill for fiscal year 1996. However, the cuts in this bill to the Bureau of Indian Affairs left me with no choice but to oppose it.

Mr. Chairman, I opposed both the House bill and the conference report of the versions of the fiscal year 1996 Interior appropriations. The deep cuts contained in those bills for Native American programs were unjustified and were an abandonment of the Federal Government's trust responsibility to the tribes. The Omnibus Appropriations bill signed into law in April was an improvement, but it still cut funding for the operation of Indian programs by 8 percent from 1995 levels. This bill compounds that hit by cutting funding for these critical programs by another 3 percent.

Mr. Chairman, representing four reservations in my State, I know first hand about the unmet needs of these tribes. Funding in fiscal year 1995 was inadequate to meet the health, education, and training needs of these individuals. To make deep cuts in these programs will leave many tribes with no option but to suspend programs, cut services, and shut their tribal office doors. This is absolutely unacceptable.

I am hopeful that deliberations with the Senate will provide a more acceptable level of funding to our Nation's first Americans.

Mrs. LINCOLN. Mr. Chairman, I rise to advocate changes to our funding priorities within the Forest Service [FS]. As the appropriations for FS programs continue to decline, Congress and the FS need to reevaluate the uses of our Federal dollars.

Currently the return of revenue to the Treasury plays absolutely no role in determining where Federal resources are spent. Therefore, many profitmaking areas do not receive enough money to operate at full capacity, thus minimizing the total revenue to the Treasury. If revenue-generating facilities were able to run at full capacity, they could also help support other Forest Service activities that are important, but that do not return much revenue to the Federal Government.

I have personally witnessed the impact of funding cuts on the operations of facilities in the First Congressional District of Arkansas. Recently, Blanchard Springs Caverns [BSC] in the Ozark National Forest was forced to consider proposals to close the facility 2 days a week during its most heavily used times. BSC, which boasts beautiful stalactite and stalagmite formations, is the jewel of the forest. This limited schedule proposal would have saved around $40,000, but would have resulted in a total loss of approximately $120,330 in revenue to the Treasury. I'm not an economist, but according to these figures, the Treasury would have lost a total of $80,330 in revenue from the limited schedule. These figures do not even factor in the adverse impact on the local community, which is heavily reliant on tourism dollars. This proposal did not ultimately go forward, but with the estimated continued decline in BSC's funding, this will be an ever present problem.

Congress must also refocus on investing in recreational areas. Estimates from the Forest Service conclude that FS facilities contribute a total of $134 billion to the gross domestic product. Of that amount, around $98 billion comes from recreation activities and $7 billion comes from timber sales. However, despite these figures, funding for recreation continues to decline while funding to accommodate timber sales is on the rise. Additionally, we must recognize the ancillary tourism benefits arising from Federal recreational facilities. Tourism is the second largest industry in this country, creating 6 million jobs directly and 5 million jobs indirectly. This results in $380 billion in expenditures and a $22 billion trade surplus. Our Federal lands and facilities are essential components of this industry.

The recent cuts in the Forest Service [FS] accounts have forced forest supervisors to reduce public access to many popular facilities. While funding in this bill slightly increases the funding for the FS's recreational programs, it still will not cover the backlog of maintenance that needs to be done.

Mr. Speaker, as the demand for Federal dollars continues to increase and the availability continues to decline, we must also reevaluate our current budget priorities. While I am a budget hawk and consistently seek ways to reduce wasteful Federal spending, I believe that budget cuts must be fair, particularly to those programs that work. This year, defense appropriations exceeded the administration's request by $11.1 billion—5 percent—and the fiscal year 1996 level by $3.7 billion. A relatively small portion of these increases could have been used by the National Forest Service to fund more trail and facility maintenance, needed facility construction, and basic operations. People in this country use our public lands and resources and they deserve adequate access.

Mr. Speaker, again, I question the wisdom of continually reducing funding for public facilities that are used, enjoyed and actually return money to the U.S. Treasury. Congress must recognize the value of maintaining our public lands.

Mr. REED. Mr. Chairman, I rise in support of H.R. 3662, the Interior appropriations bill for fiscal year 1997. I would like to thank Chairman REGULA and Representative YATES for their work, which has been all the more difficult because of misguided Republican budget priorities.

I realize that this measure has many serious shortcomings. H.R. 3662 makes excessive cuts in important energy initiatives. In addition, the bill's allocation for our national parks falls short of meeting the increasing demand for visitor services, park maintenance, and resource protection. I am disappointed that the Republican majority created these problems by insisting on budget plans that fail to recognize the importance of our parks.

However, this debate has substantially improved this legislation. By approving the Dicks amendment, the House preserved the integrity of the Endangered Species Act. By adopting the Sanders amendment, the House restored needed funds for the low-income home weatherization program, which conserves energy and provides vital assistance to low-income Americans.

Furthermore, this measure helps to preserve a vital part of our Nation's heritage. H.R. 3662 renews the Federal commitment to the Blackstone River Valley National Heritage Corridor, the birthplace of the American industrial revolution. Drawing on the hard work and ingenuity of the region's people, this affiliated area of the National Park System is a model partnership between the private and public sectors that deserves our strong support.

I take pride in the great strides that we are making in the Blackstone Valley, and I will vote to preserve the Federal commitment to these endeavors. I look forward to working with Chairman REGULA, Representative YATES, and our colleagues in the Senate to ensure that the final version of this legislation more effectively protects all of our Nation's environmental resources.

Mr. LEVIN. Mr. Chairman, I strongly object to the Department of Interior funding bill before the House today. Once again, the Republican majority has brought a bill to the floor that shortchanges our nation's Natural resources and attacks the environment.

The priorities of the majority party never cease to amaze me. Just last week, the House approved a defense appropriation bill that provides $11 billion more for military spending than even the Pentagon requested. At the same time, critical nondefense programs such as our national parks are underfunded.

The Interior bill before us today cuts $285 million from the President's request for the National Park Service. Years of lean budgets have forced the park system to defer maintenance and cut staff. As a result, our parks are increasingly falling into disrepair.

Ironically, resources for the park system continue to decline at a time when more and more Americans are visiting our national parks. This year, the number of visits to national parks will rise to 270 million. One national park superintendent put it this way: "Visitors [to the nation's national parks] will notice a major difference in park operations this year. I the years ahead . . . protecting resources and providing for visitor use will be increasingly compromised."

I likewise am concerned that this bill reduces funding for energy conservation programs $235 million below the administration's request. Such a reduction is short-sighted given our Nation's dangerous dependence on foreign sources of energy. These energy conservation programs not only work to improve our country's energy efficiency; they also provide a successful means of reducing pollution.

Because of these and other deficiences in the bill, I urge my colleagues to reject this legislation.

The CHAIRMAN. If there are no other amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GOODLATTE) having assumed the chair, Mr. BURTON of Indiana, Chairman of the

Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3662), making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 455, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. GOODLATTE). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. KOLBE. Mr. Speaker, I demand a separate vote on the so-called Kennedy of Massachusetts amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will redesignate the amendment on which a separate vote has been demanded.

The text of the amendment is as follows:

Amendment: In the item relating to "FOREST SERVICE—RECONSTRUCTION AND CONSTRUCTION"—

(1) after the first dollar amount, insert the following: "(reduced by $12,000,000)"; and

(2) after the second dollar amount, insert the following: "(reduced by $30,000,000)".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SANDERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 211, noes 211, not voting 13, as follows:

[Roll No. 266]

AYES—211

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Berman
Bilbray
Bilirakis
Blute
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TX)
Campbell
Cardin
Castle
Chabot
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
Davis
de la Garza
DeLauro
Dellums
Deutsch
Diaz-Balart
Dingell
Dixon
Doggett
Duncan
Durbin
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Goss
Greenwood
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hilliard
Hinchey
Hoekstra
Horn
Hostettler
Hoyer
Inglis
Jackson (IL)
Jacobs
Jefferson
Johnson (SD)
Johnston
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klug
LaFalce
LaHood
Lantos
LaTourette
Lazio
Leach
Levin
Lewis (GA)
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Matsui
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moran
Morella
Myrick
Nadler
Neal
Neumann
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Petri
Pomeroy
Porter
Portman
Poshard
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Royce
Rush
Salmon
Sanders
Sanford
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shaw
Shays
Skaggs
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Spratt
Stark
Stokes
Studds
Talent
Tejeda
Thompson
Thurman
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Walker
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Woolsey
Yates
Zimmer

NOES—211

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bishop
Bliley
Blumenauer
Boehner
Bonilla
Bono
Brewster
Browder
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Deal
DeFazio
DeLay
Dickey
Dicks
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Ensign
Everett
Ewing
Fazio
Fowler
Franks (CT)
Frisa
Funderburk
Gallegly
Gekas
Geren
Gillmor
Gingrich
Goodlatte
Goodling
Graham
Green (TX)
Greene (UT)
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoke
Holden
Hunter
Hutchinson
Hyde
Istook
Jackson-Lee (TX)
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kim
King
Kingston
Klink
Knollenberg
Kolbe
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Longley
Lucas
Mascara
McCarthy
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Mollohan
Montgomery
Moorhead
Murtha
Myers
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Pickett
Pombo
Pryce
Quillen
Radanovich
Regula
Riggs
Roberts
Rogers
Scarborough
Schaefer
Seastrand
Shadegg
Shuster
Sisisky
Skeen
Skelton
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Tanner
Tate
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Traficant
Volkmer
Vucanovich
Walsh
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—13

Emerson
Fields (TX)
Hansen
Hayes
Houghton
Lincoln
McDade
Peterson (FL)
Ramstad
Roth
Sabo
Tauzin
Torricelli

☐ 1715

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. GOODLATTE). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. YATES. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. YATES moves to recommit the bill, H.R. 3662, to the Committee on Appropriations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. YATES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 176, nays 241, not voting 17, as follows:

[Roll No. 267]

YEAS—176

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer

Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Dooley
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green (TX)
Gutierrez
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pomeroy
Poshard
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates

NAYS—241

Allard
Archer
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Flanagan
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—17

Armey
Baker (LA)
Callahan
Emerson
Fields (TX)
Foley
Hansen
Houghton
Lincoln
McCrery
McDade
Peterson (FL)
Ramstad
Roth
Tauzin
Torricelli
Wilson

□ 1734

Mr. SHAYS and Mr. GORDON changed their votes from "yea" to "nay."

Mr. MINGE changed from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. GOODLATTE). The question is on the passage of the bill.

Pursuant to clause 7 of the rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 242, nays 174, not voting 18, as follows:

[Roll No. 268]

YEAS—242

Allard
Archer
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Condit
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Harman
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martinez
Martini
Mascara
McCollum
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Rahall
Reed
Regula
Rivers
Roberts
Rogers
Ros-Lehtinen
Roukema
Salmon
Sanford
Saxton
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stenholm
Talent
Tanner
Tate
Taylor (NC)
Tejeda
Thomas
Thornberry
Torkildsen
Traficant
Upton
Visclosky
Vucanovich
Walsh
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—174

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Blumenauer
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Conyers
Cooley
Costello
Cramer
Cummings
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Green (TX)
Gutierrez
Hamilton
Hancock
Hastert
Hastings (FL)
Hefner
Hilliard
Hinchey
Hostettler
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Kleczka
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Millender-McDonald
Miller (CA)

Minge
Mink
Moakley
Moran
Nadler
Neumann
Oberstar
Obey
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pomeroy
Poshard
Quinn
Rangel
Richardson
Riggs
Roemer
Rohrabacher
Rose
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sawyer
Scarborough
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stearns
Stockman
Stokes
Studds
Stump
Stupak
Taylor (MS)
Thompson
Thornton
Thurman
Tiahrt
Torres
Towns
Velazquez
Vento
Volkmer
Walker
Wamp
Ward
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates

NOT VOTING—18

Armey
Baker (LA)
Callahan
Emerson
Fields (TX)
Hansen
Houghton
Lincoln
McCrery
McDade
Meek
Olver
Peterson (FL)
Ramstad
Roth
Tauzin
Torricelli
Wilson

□ 1754

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3662, and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. RADANOVICH). Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. FAZIO of California asked and was given permission to address the House for 1 minute.)

Mr. FAZIO of California. Mr. Speaker, I take this time for the purpose of inquiring of the distinguished majority whip about the schedule for next week. I would be happy to yield for whatever description of the schedule he would like to provide.

Mr. DELAY. I thank the gentleman for yielding.

Mr. Speaker, the House has concluded its legislative business for the week. On Monday, June 24, we will meet in pro forma session Of course, there will be no legislative business and no votes that day.

On Tuesday, June 25, the House will meet at 10:30 a.m. for morning hour, and 12 noon for legislative business. Members should note that we do expect recorded votes close to 1 p.m. Please be advised that we will have a full day planned for Tuesday, June 25.

The House will first debate H.R. 2531, the House Parent Exemption Act, which is on the corrections day calendar. We will then take up under suspension of the rules H.R. 3604, the Safe Drinking Water Act. After consideration of the suspension on Tuesday, the House will consider the rule for H.R. 3666, the VA-HUD appropriations, and the bill itself.

On Wednesday, June 26, and the balance of the week, the House will consider the appropriation bill for the Department of Transportation, and possibly for the Departments of Labor and Health and Human Services.

Mr. Speaker, I would also like to remind Members that we may take up a resolution holding the President's aides in contempt of Congress. It is our hope that the President will be forthcoming with the subpoenaed Travelegate documents before next week. However, in the event that these key documents are not provided, we may need to act on the contempt resolution.

Mr. Speaker, we hope to finish legislative business and start the July 4th district period by 2 p.m. on Friday, June 28. Members should be prepared to return to Washington on Tuesday, July 9. We expect recorded votes to be held that day after 5 p.m.

Mr. FAZIO of California. Mr. Speaker, I want to thank the whip for assuring members that 5 o'clock is still the time for votes on that Tuesday return after the Fourth of July break.

Is it likely that given the fact that the Labor-HHS bill is not yet marked up and probably will not be until the end of Tuesday of next week, that we probably are not likely to see it on the floor? Is it realistic that it will be the two appropriations bills, Transportation, VA-HUD?

Mr. DELAY. Well, the reason I said possibly consideration of the Labor-HHS appropriations bill is that hopefully we can work some sort of agreement out between the ranking member, Mr. OBEY, and the chairman, Mr. LIVINGSTON, so that we could go to that bill. If that is not possible, then we may not do the bill next week.

Mr. FAZIO of California. Mr. Speaker, I have another question. Could the gentleman tell me when the first reconciliation bill is likely to hit the floor. I know many thought it would be before us in the next week. I know also that the gentleman from Missouri [Mr. GEPHARDT], the Democratic leader, has written to the Speaker asking for some sort of clarification as to the intent of the majority with regard to welfare, Medicaid, and taxes, whether they would be tied together or come separately, would they or would they not be part of the reconciliation, and what requirements might the Committee on Rules impose as to how we could construct a viable Democratic alternative.

Is the gentleman in a position to give us any understanding about when that might come and how it might come?

□ 1800

Mr. DELAY. If the gentleman would continue to yield, those decisions have not been made as yet, and we are consulting with as many Members as possible to decide which is the best way to proceed.

We expect that the first reconciliation bill, if indeed we split up the reconciliation bill, would come soon after the July 4th break. We have every intention of working with the minority's leadership to make sure that the minority will have plenty of time in which to craft any substitute that they may want to offer.

Mr. FAZIO of California. Mr. Chairman, I appreciate the gentleman's assurance, and I look forward to finalizing the arrangements, because I want to maintain, very clearly, that the minority is very anxious to participate in the discussions, whether we take them up as a package or individually, and we look forward to providing an alternative.

I want to find out from the majority whip, if he can tell us, what will be the fate of the so-called reform week, which we understood was coming that week on our return. We now have backed up several key appropriations bills, we have just heard about the need to bring up the reconciliation bills, and we pick up anecdotally that many of the reforms are falling by the wayside.

I am wondering, is reform week still in our future, or has it perhaps been drifting off into oblivion?

Mr. DELAY. Mr. Chairman, if the gentleman will continue to yield, I would say to him that we want to continue the reputation that we have established in the 104th Congress of being the reform Congress. We have every intention of continuing with our plans for a reform week.

We intend to do a campaign finance reform bill. Unfortunately, we are slipping the schedule on our appropriations bills, and our first priority is to get through the 13 appropriation bills and use the precious floor time for them, but we have every intention of honoring our commitments on reforms, to continue the reforms that we have been working on, sometime in July.

Mr. FAZIO of California. Mr. Chairman, reclaiming my time, I would once again ask the gentleman, as I have the gentleman from California, Chairman THOMAS, and others who may have jurisdiction, if we could be given some understanding about what will be coming to the floor during that week, whenever it is.

It is our experience that when we have task force government in the legislative process, we do not always have an opportunity to participate until, all of a sudden, the legislation is before us. So, I am wondering when we may be informed about what will be the composition of reform week in some detail. Could the gentleman inform us?

Mr. DELAY. As soon as we know, we will let the gentleman know.

Mr. FAZIO of California. I consider that a very candid comment, and I appreciate the response.

One last question, and I will not prolong this. I know a good deal of attention is suddenly being focused on the MFN for China. Could the gentleman tell us when that very important debate, which is really bipartisan in nature, might well come before the body?

Mr. DELAY. Mr. Chairman, I would advise the gentleman that we are trying to work with both sides on the MFN issue. We are going to have a leadership meeting next week and we have been in discussion with our leadership team. There is a possibility that we would do MFN next week if we can get the floor time for it and do it.

We would like to get it on to the floor and moving as quickly as we can, and we think we can do that. Although, we cannot, for certain, say it is going to be next week, there is a possibility it will be brought up next week.

Mr. FAZIO of California. Does the gentleman have any idea how long we might have to debate that, how extensive the time commitment to MFN would likely be?

Mr. DELAY. If we do it next week, it would be several hours, but it would not be the 20 hours as required. We will consult with the minority leadership to make sure that every Member's requests are taken care of, but understanding that floor time is very precious.

Mr. FAZIO of California. Mr. Chairman, I will try to wrap this one up and yield further.

If it is possible, after the first two appropriations bills, VA-HUD and Transportation, are dealt with, if Labor-HHS is not ready, we may well then go to Thursday afternoon, Friday morning consideration of MFN; is that correct?

Mr. DELAY. I would say that that is a real possibility.

Mr. FAZIO of California. And Friday is firm, until 2, next week?

Mr. DELAY. Friday we will be out by 2 p.m. no matter what.

Mr. FAZIO of California. Mr. Chairman, I appreciate very much the input of the majority whip, and if the Speaker would forbear for just a second, I have been asked by the White House to indicate for those going to the picnic tonight that they are urging people to take Independence Avenue to 17th street, right on 17th, cross Constitution and take the first right turn onto the Ellipse.

There is a tremendous potential for a traffic snarl there tonight. Parking is available on the Ellipse and east toward East Executive Drive. If any Members who are listening to this have some concerns about it, call the cloakrooms of the two parties and we will help try to ease transportation.

HOUR OF MEETING ON TUESDAY, JUNE 25, 1996

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, June 24, 1996, it adjourn to meet at 10:30 a.m. on Tuesday, June 25, 1996, for morning hour debates.

The SPEAKER pro tempore (Mr. RADANOVICH). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, JUNE 24, 1996

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE FILEGATE INVESTIGATION

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. HAYWORTH. Mr. Speaker, all Americans should note with pride the fact that the Olympic torch passes through Washington today on its way to Atlanta, GA, but we should issue this warning both to the International Olympic Committee and the U.S. Olympic Committee: "Whatever you do with that torch, please don't stop at the White House." Chances are the torch would get lost and we would not see it for 2½ years. But I am sure that would be just an honest bureaucratic snafu.

Mr. Speaker, in all sincerity, this morning I respectfully request that we include in the RECORD the lead editorial in today's Washington Times entitled "The Filegate Investigation." If we include that in the RECORD, we will come to the conclusion that all sober and fair-minded Americans should share, that with all due respect to the FBI, letting the FBI conduct its own investigation into the Filegate matter would be like letting the fox guard the henhouse. An independent counsel is needed to get to the truth on this subject.

THE FILEGATE INVESTIGATION

Now that Whitewater independent counsel Kenneth Starr has determined he lacks jurisdiction to investigate White House abuse of FBI background files on more than 400 Reagan and Bush appointees, Attorney General Janet Reno is planning to turn over the investigation to the FBI itself. That is less than a satisfactory solution—to put it mildly.

This unprecedented and "egregious"—as FBI Director Louis Freeh describes it—violation of the Privacy Act could not, after all, have happened without FBI cooperation. And this is not the first time that that agency has overstepped the bounds of propriety, if not legality, in its willingness to cooperate with the Clinton White House. Senior FBI officials allowed themselves to be browbeaten by White House staffers into getting involved in constructing the Clintons' cover story for the summary firing of seven travel office employees in May, 1993. And now it turns out that for months afterwards, without batting an eye, they were merrily handling over hundreds of confidential files the White House had no business getting its hands on.

The White House responded to the initial revelations of these privacy violations with typical disingenuousness. While acknowledging it should never have happened, Clinton spokesmen laid it all at the feet of a low-level clerk, who had no idea who did or did not still need White House access and was using an outdated Secret Service list—and an order form stamped with then-White House Counsel Bernard Nussbaum's name. The Secret Service quickly jumped into the fray with the news that their lists of employees are constantly updated, and that active and inactive passholders are very clearly designated—in short, that there is no such thing as an out-dated Secret Service list.

That hardly mattered in any case, once it also became known that the clerk, civilian Army investigator Anthony Marceca, was actually a longtime Democratic hack, who'd been brought on board by and was working under the direction of another veteran Democratic operative, Craig Livingstone, who worked for then-Associate Counsel, Rose Law Firm partner and Clinton crony William H. Kennedy III. All three had every reason to know perfectly well that they didn't need background files on, say, former Secretary of State James Baker.

None of this painful truth has stopped the White House's spin machine from continuing to maintain with a straight face that the illegal intrusion into confidential files by Clinton employees was nothing more than a "bureaucratic snafu." Nor has it interfered with Democrats' unblushing assertions (which will ring a bell with anyone who followed the Senate Whitewater investigations) that any further questions about this scandalous act—and particularly the hearings that began this week in the House Government Reform and Oversight Committee (with more to follow soon on the Senate Judiciary Committee), are "politically motivated."

It's clear despite the PR, however, that the beleaguered folks in the Clinton White House recognize they're in trouble once again. The president and chief of staff have apologized, albeit in classic Clinton style—without admitting to any wrongdoing. Craig Livingstone, it was announced this week, will be going on "requested" paid leave of absence. And White House Counsel Jack Quinn has decreed that henceforth, all security operations will be put under the control of

Charles Easley, a veteran career civil servant who was hired during the Reagan administration.

Admirably free of the Clintonian ethics plague as Mr. Easley undoubtedly is, it's too late to get those 408 FBI background files back in the toothpaste tube. More to the point, his appointment only raises the question why someone like him was not appointed in the first place—if the Clinton administration really had no evil intentions.

And honorable as Director Freeh may be, his agency is too sullied by its part in the Privacy Act violation to carry out a credible investigation. It is troubling, indeed, to say this about yet another Clinton administration scandal, but if anything ever called for the appointment of an independent counsel, this does. Ms. Reno should not delay in seeking such an appointment. Anything else will look too much like setting the fox to guard the henhouse.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HOOSIER HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for 5 minutes.

Mr. MCINTOSH. Mr. Speaker, I rise today to give my report from Indiana.

Every weekend, my wife Ruthie and I travel the second district of Indiana. And so often, people share with me special stories about their friends and neighbors who make our community a better place. These individuals do things all on their own to make us proud.

Now, I like to call these individuals Hoosier heros. Hoosier heros because they reach out and lend a helping hand to those less fortunate.

Mr. Speaker, Brandon Scott Privett of Pendleton, IN, is a Hoosier hero. A Hoosier hero because he generously contributes his time and effort helping senior citizens. Brandon is a 12-year-old boy who moved from Florida to Pendleton—a small Indiana town last May. Brandon, along with his mother and brother, moved in with their grandmother, who is an active member of Pet-a-Pal volunteer program.

The Pet-a-Pal program is an organization that brings animals into the nursing homes, to help brighten the days for lonely seniors. Some 46 volunteers at Pet-a-Pal program bring pets to the nursing homes throughout Madison County. There they visit with the residents and form new friendships and special bonds.

Brandon started visiting a nursing home called the Rawlins House with his grandmother Greta Butts in May. He immediately befriended a gentleman resident of the nursing home, and continued to visit him and other residents daily.

Brandon also started helping the volunteers walk their dogs through the nursing homes and does anything that is asked of him. Brandon has made a special friend with one of the volunteers who is disabled in the use of his arms and has trouble caring for all of the animals himself.

He helps with the dogs and dresses them in their costumes to walk them up and down the halls for the residents to see—sort of a parade. Those who know Brandon will tell you so many good things about this young boy.

Jo Rehm, the Pet-a-Pal coordinator says she has never met a young man who had such an understanding and loving heart for senior citizens.

Brandon is an inspiration to all of us, and he and all of the volunteers in the Pet-a-Pal program are Hoosier Heroes, Hoosier Heroes because they make our communities a better place to live.

Mr. Speaker, that is my report for Indiana today, on July 20.

PET-A-PAL VOLUNTEERS

Deb Arnold, Pam Bennett, Sally Bilyeu, Lisette and Steve Brenner, Bob and Mary Bridgewater, Howard Wile, Carol Loughridge, Terri Towner, Anna May Davis, Sally Wilding, Charlie Grinnell, Sheri Hineman, Roxanne and Argyl Meeker, and Brandon Privett.

Eulala Roettger, Charlie Safford, Dottie Smith, Carrie Smith, Dawn Truex, Nancy Clement, Lee Ann Wallen, Julie Cox, Meg Spangler, Mary Lou Griffey, Esther Gray, John Coulter, Ron Miller, and Mark Reeves.

Betty Bryan, Betty Wainscott, Greta Butts, Sandy Warden, Amy Burton, Avis Witt, Ingrid and Mark Childs, Debbie Swanson, Rick Garrett, Jo Rehm, Kathleen Buck, Jennifer Kokos, Charles and Marsha Ostler, and Bid Pike.

HEALTH CARE SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. HASTERT] is recognized for 5 minutes.

Mr. HASTERT. I have to take a few minutes today to just talk to the House and its membership about an important issue coming before this body. It is called health care security.

It is about people being able to move from job to job, whether they are in group health insurance in one job and moved to group health insurance in another job, or they move from group insurance to individual insurance. If you happen to have, or a member of your family has, a preexisting condition, say, a heart situation or some type of long-term illness, you will not be denied health care.

Now, that legislation has passed this House and it has passed the Senate, and it is time to go to conference, the principals in the other body and the principals in this House, and talk about a way to fashion this bill so that it will gain the support of the President and the signature of the President, and will become law.

The American people want health care security, they want portability. They also want availability in health care and they want affordability in health care. It is something that we have addressed in this piece of legislation. People who are self-employed, they may be truck drivers in my district or barbers or beauticians or farmers or real estate agents or insurance agents even. They would like to be given the same break that big business gets, the same break that if they go out and buy health care for themselves and their family, they can deduct the cost of that health care insurance from their income tax.

If they are beyond just self-employed, if they are a small business, they would like to be able to offer health care insurance to their employees that is actually affordable.

The bill that we have passed through the House and the bill that has passed through the Senate basically does that also. It changes how individual insurance is offered. The House provision has a provision for medical savings accounts. Medical savings accounts are something that many companies offer today; as a matter of fact, there are 17 States across this Nation, including my home State of Illinois, that offer medical savings accounts so that people can choose the health care providers that they want.

□ 1815

They also have an opportunity to make their individual choices. They also have an opportunity to shop the market.

Today in health care, if you have an insurance policy, we always say that there is a third party payer. When you go to the doctor's office and the doctor says, you need X, Y, or Z treatment, if you ask the doctor how much does that treatment cost, he will say, do not worry about it. Your insurance will cover it.

My colleagues, your insurance may cover it, but you never see the bill. You do not know how much you are being charged by the doctor, the hospital, the health care provider. We think the American public ought to be able to enter into that contract, if you will. We think that they ought to be able to deal not only with the provider, the doctor or the health care provider that has offered the service, we think that you can look them in the eye and ask the price and find out what kind of value you are getting for your insurance dollar.

The way to do that is to let people choose medical savings accounts. A medical savings accounts, what happens, if the average cost of an insurance policy in this country, which it is, is $4,500, if you live in Keokuk, IA, it might be a little less than that. If you live in Long Island, NY, it might be a little bit more than that, but the average cost is $4,500. For about $2,200, you can get a $2,000 deductible health care policy, $2,000 deductible, what we call a catastrophic policy.. The balance of that amount will go into a medical savings account.

Now, a medical savings account is like what we would call an IRA or we could call it a medical IRA. In that situation your dollars go into your savings account. The first $2,000 or $2,100 or $2,200, depending on the policy that you buy, will be paid by you. You choose the doctor. You choose it, and if you do not spend it, you get to keep it. That is the deal that the American people want. They want health care security. They want health care affordability, and they want health care availability. It is time to not be blocked by the Senate. It is time that we go to conference and get this job done.

HOWARD TINNEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. FRANKS] is recognized for 5 minutes.

Mr. FRANKS of Connecticut. Mr. Speaker, last Friday night I attended a testimonial in honor of former alderman and police commissioner Howard Tinney of Ansonia, CT. Mr. Tinney has had some medical problems of late and the 400-plus people in attendance at the Rapp's Restaurant wanted to honor him for all the good work he has done for the city of Ansonia and for the State of Connecticut.

As a black Republican for three decades, Howard Tinney has been a political inspiration for many of us, myself included. We actually have a lot in common beyond being black Republicans. We both have grown up in the same city which we live in today. We both have beautiful wives, Donna for myself and Esther for Mr. Tinney. We both have three children. We both have lovely mothers that are alive and well. We both served on the board of directors of our local YMCA's. And we were both all-star athletes, though he was far better than I had ever hoped to be.

We were both the first black Republicans to have been elected to the board of aldermen in our respective cities. Howard served as a police commissioner, and I served as a fire commissioner.

Howard Tinney, however, accomplished his feats more than 10 years before I even got involved in politics. Howard Tinney was a trailblazer. He made it easier for people like myself.

Yes, Mr. Speaker, Howard Tinney has been an outstanding parent, husband, role model, and community leader. We have been blessed to have had the good fortune to have been able to have worked, played, cried, and laughed with a man of Howard's caliber. May God continue to bless you and your family, Howard Tinney.

MEDICAL SAVINGS ACCOUNTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Washington [Mr. McDERMOTT] is recognized for 60 minutes as the designee of the minority leader.

Mr. McDERMOTT. Mr. Speaker, my colleague from Illinois, Mr. HASTERT, has talked recently, very briefly, about the fact that there is a health reform act which is before the Congress and which I think in this instance we both agree is important. It has provisions which allow people to take their insurance from one place of employment to another, that is portability. It prohibits the use of preexisting conditions to bar people from insurance, but unfortunately it is probably not going to pass the House of Representatives; and it is about that issue that I would like to talk.

The Republican health care bill contains provisions granting substantial tax incentives for medical savings accounts. Despite the fact that there is no public clamor for them, Republicans are obsessed with medical savings accounts.

Now, the Republicans in the House want us to believe that MSA's are the way to expand patient choice and to control health care costs, when in my opinion nothing could be further from the truth. The only things that are known for sure about MSA's is that they will provide lavish tax breaks for the healthiest and wealthiest in our society and that this will cause the cost of health care insurance to increase, making it more difficult and less affordable for employers to offer adequate health insurance.

I want to start at the beginning, because we talk about MSA's. I am not sure how many Members of the House, how many members of the general public really understand what the proposal really amounts to. MSA's are nothing more than tax-favored savings accounts for health care expenses, coupled with a high deductible health insurance policy. Under the MSA proposal which the House Republicans have advanced, health insurance for qualified employers either directly or through their employers are allowed to contribute yearly tax-exempt amounts to an MSA, a medical savings account, up to a specific ceiling. The ceilings in the House bill are $2,000 for an individual and $4,000 for a family.

The first question every American has to ask themselves is, do I have $4,000 that I can put into this medical savings account, money out of my pocket that I am going to put into that savings account. To be qualified to have an MSA, all a taxpayer needs to have beyond that money is to have coverage through a high deductible insurance plan.

This way people could use their money in the MSA. They have the high deductible. If they spend up to $10,000 or up to $3,000, whatever the deductibility is, then they would be covered by the insurance. But the first $3,000 or first $10,000, whatever that deductible is, is the responsibility of the individual patient. They have to come up with it.

They had this medical savings account that they can put up to $4,000 in. And when they have medical expenses, they can take that money out and pay the medical expenses toward the deductible which would get up to $3,000.

The problem with this latest insurance fad is that MSAs will do two things. They will destroy the health insurance market as it currently exists, and they will be an immense drain on the Federal Treasury during a time when Congress is supposed to be focused on reducing the national debt.

First, I want to talk about what MSA's are going to do to the current health insurance market and the premiums of those people who are covered by traditional health insurance. The general principle of health insurance is to spread the health care expenses across large groups of people to protect each of us from being bankrupted by unanticipated health care costs. Under today's insurance system, the premiums of younger and healthier workers subsidize the higher health care spending of less healthy, middle aged and older workers.

This is a continuous subsidy cycle. We have been doing it for years in this country. The last 50 years with our health insurance, the younger workers have put in, the older workers have used more of it. The younger workers of today will someday be relying on the workers who follow them to continue that process.

MSA's destroy that traditional concept of insurance by enabling millions of younger healthy people to opt out of this inadvisable subsidy.

With the availability of MSA's younger healthy workers could opt out of the main insurance pool by choosing to take the cheaper catastrophic coverage and keep the unused cash in that MSA as a tax-free savings to be withdrawn at a later date.

A study by the Urban Institute estimates that, if just 20 percent of workers switch to MAS's, the premium cost for the those workers who want to keep their present low deductible health insurance, if you have a policy today with a $200 deductible or $300 deductible, that is a low deductible. If you want to keep that and 20 percent of the policy holders go into MSA's, the cost of insurance would rise by 60 percent for those people who stay in traditional coverage.

Now, what happens then? Well, it is obvious. Some individuals may no longer be able to afford traditional health insurance and businesses will have two choices: either abandon the low cost, low deductible policy or lower their workers' salaries to pay for it.

I brought a couple charts here because it is easy or it is easier to sometimes work with a chart. I want to talk about employer A and employer B. Employer A is a situation that does not exist. You have five employees, one, two, three, four, five, and they all have the same medical experience last year; they each cost $3,000 in health care bills. Total cost, $15,000.

The employer who is buying their policy is spending $16,000 to cover them for their health insurance at an average cost of $3,200 per patient or per employee.

This is a hypotentical. There is no company where everybody in the company spends the same amount. What is more real is employer B. Nice, young, strong person, no problems, did not spend a dime last year. Next person had a throat infection, had a X-ray, had some penicillin, spent $600.

□ 1830

Next person broke their arm. It costs them $1,000. The third person had a complicated pregnancy, and that cost $4,000 in health expenditures, and the last person in the employment had cancer and spent $9,000.

Now if you add those figures up, you come to the same $15,000.

Now the employer is paying $16,000 for the insurance. It is an average of $3,200 per year. Obviously, the young person's insurance is subsidizing the person who got cancer or the person who had a pregnancy that was complicated or the person that had diabetes or the person that had anyone of a number of things. These people who spent very little are actually subsidizing the other people. That is the idea of insurance.

We have the same idea with fire insurance. We all pay property taxes, we put the money into the treasury, they fire firemen, they buy fire engines, they build fire stations, and we hope that our house never burns down. We do not want to spend one single dime on our house. We hope that we do not have a fire and have to have the fire trucks come and put out the fire and spend a lot of money.

The idea of insurance is that we do not know what is going to happen to us in life, and we pool our money to take are of those of us who require some kind of care. It is absolutely the way insurance has always worked.

Now, with this idea of a MSA, you can see that the person who has spent nothing last year—this person spent nothing last year, so they figure let me put this money that I have got into a medical savings account, it is tax free, and I am not going to need any of it, and some day I could use it tax free. It is tax-free money. It is great for a young person who is healthy and strong and does not figure anything is going to happen to him. The next person spent $600 last year; MSA sounds pretty good to them. They did not spend $3,200. So they go into the MSA, the third person goes into the MSA, and the employer is left only with two people to say:

Well, I want the old account, I want to cover my expenditures because we got this complicated pregnancy, and we got now a child with a birth defect, and we are not sure how much this is going to cost, it is going to be a big expenditure, we do not want to be stuck with having to come up with $3,000 or $5,000 or $10,000 a year in that high-cost deductible insurance, we want the present plan.

The person with cancer the same way. They say:

Hey, look. I have got a big problem. I do not know how this is going to turn out. But I cannot go with—I know this medical savings account; I am going to spend every dime in that thing, and I am going to wind up paying more money out of my pocket.

If those three people opt out of the pool, now the employer looks. He has got $13,400 to pay between these two people. He has to buy a policy for $14,000. For two people he is paying $7,000 apiece. And you say, well, what happened to these people here? Well, let me show you what the problem with this whole proposal is.

The employer was spending $3,200 on each one of his employees, and he could, if he is the best—this is the best says scenario—if it was the best employer in the world, he would say, well, I spent $3,200 on him one way, I will spend $3,200 on him this way. A high-cost deductible insurance policy with a $3,000 deductible; in other words you, the individual, are responsible for the first $3,000 out of your pocket; that kind of policy costs $2,000 a year. So the employer says:

Well, I will buy one of those for everybody. That will cost me $10,000, $2,000 for each one of my employees. Now, I still got $1,200, and I will put that $1,200 into their medical savings account.

So now this person says, well, I can put up to $2,000. If I got more money in my pocket, I will put it in there. If I do not have more money, I will try and live off that $1,200 that my boss put in there, and that boss would spend—in effect, he would spend $16,000 just as he spent before. He spends exactly the same amount.

Now, why would an employer offer this to an employee? Well, there is no reason to. It is going to cost him the same whether he offers standard insurance as we know it today, with a risk pool with everybody in it, or offering these MSA's. And the gentleman from Illinois [Mr. HASTERT] was correct. It is possible for employers to offer MSA's today.

Now let us look at why in a worst-case scenario an employer might think it was a good idea to offer a MSA. He has $3,200, and he says to himself, well, I am going to buy him that deductible, that $3,000 deductible, high-deductible plan, that catastrophic insurance. So $2,000 apiece for five of them is $10,000. And then he says, why should I put anything in their medical savings account? Nothing in the House proposal from the Republicans requires him to put in anything; nothing in there, absolutely nothing.

So the person who once had a policy that covered everything and had a $200 deductible now has a $3,000 deductible and has to reach into his own pocket for his family and put his own $4,000 in here. The employer who offers this program, this high-deductible plan, is saving $6,000 a year simply by saying:

Hey, I will buy everybody a high-deductible plan, and then you can open a medical savings account, and you will then be stuck for everything up to and including that $3,000.

Now, if you think about this, you can begin to see why people wonder where this is all going to come out. MSA's are very bad health policy. The extremely high-deductible insurance coverage associated with MSA's of at least $1,500 for an individual and $3,000 for a family will encourage some patients to delay the necessary care and ignore preventive measures. If you put money in a MSA, it is tax free up there, and you say, well, if I spend it, it is my own money; I do not think I will go to the doctor.

Now, if you have high blood pressure and you should go to a followup visit to the doctor, you say, well, I do not think I am going to go. So you wind up having a stroke because you did not control your high blood pressure, and at that point you spend $3,000 in deductible plus whatever beyond that under this high-deductible plan. It is bad health care; not only fiscal policy, but bad health care.

Now, the opponents of MSA's believe that this will lead to unnecessary acute care and higher overall costs because people do not do prevention because they are trying to keep that money in that account, they do not want to go to the doctor, they can stay away, and they are not going to get prevention at all. In addition, between the amount of money an individual has in their MSA and the level at which the catastrophic policy kicks in could yield tremendous financial difficulties for many unsuspecting families and individuals.

If you take this first person—you remember this young person who did not spend any money last year—young people tend to think they are never going to get sick. I got a couple of kids. They think they are going to live forever without trouble, but I got one who is a skier. If you get in a skiing accident, break your leg, and it costs you 10 grand, you suddenly have gone from zero to 1 grand here with nothing in that account to cover it unless you have taken the money out of your own pocket and put it in there. All the deductibles are on you up to $10,000.

So, if you break your leg and it costs you $10,000 and you have nothing in your MSA, it is all out of your pocket. And people do not think in those terms, young people, so they would opt for this MSA, get hooked in, and suddenly wind up with a debt they never anticipated.

MSA's and high-deductible insurance policies that accompany them often can and will define the medical services differently, making it easy for some individuals to exhaust their money in that MSA on things like vision and dental care that are not counted toward the deductible on the high-deductible plan.

So you could have $4,000 in your MSA, spend it on all kinds of medical expenses and then have something bad happen to you and find out that you spent $4,000, but the deductible policy does not count any of that. So then you have to pay another $3,000 in deductible before you are eligible for your insurance plan. There is no connection between what you spend the money from your medical savings account on and what is accepted or counted by the insurance policy.

People will have to read the insurance policy when they spend money out of their MSA to see does this count against my deductible or does it not, and if you figure you are healthy and this is no problem, you are not worried about that.

But unfortunately, young people get leukemia, young people get Hodgkin's disease, young people have all kinds of things happen to them. In fact, middle-aged people who are in good health—you know, as 45 you are going like a bandit, and all of a sudden something comes, the heart attack, and suddenly you go from being healthy and strong and running a marathon and whatever and winding up in a hospital needing coronary bypass surgery which has cost you $30,000 or $40,000. Suddenly things change dramatically, and you got to remember how much you got in there and how much you paid in your deductible.

The connection between those two is not there, and the Republicans are unwilling to write that in as a protection for the consumers, that if you spent this money, it counted against your deductible. They did not want to do that; they wanted to leave that vague so that the insurance companies over here with those high deductibles could define what was covered and what was not.

Now, if this happens to individuals, they could be faced with hundreds of thousands of dollars of unreimbursed medical costs for which they are simply unprepared.

To make matters worse, there is no requirement in this House proposal that employers deposit any money into these employers' MSA's. There is no requirement. People have to be very careful when their employer comes and says:

Hey, would you like an MSA? I am going to buy you a catastrophic plan and then you can put your money in this MSA. That will qualify you. I will buy you this so that will qualify for an MSA.

But there is no requirement they put a single dime in there, so all of the $4,000 for a family or the $2,000 for an individual is the responsibility of the employee. They could simply, the employer could simply, pocket the savings, which is what he does in this instance in the worst-case scenario.

Most health insurance policies today operate on the principle that the employer buys the policy for the employee and the employee is responsible for all the costs below the deductible that is the $200 or $300 and then any required copays. MSA's are an incentive for employers to offer no-insurance insurance because there is no limit on how high the deductible can be. There is nothing to stop an employer from offering his employees a health care plan with a $10,000 deductible.

I am a physician. The American Medical Society sent us out a proposal that is one of these high-deductible plans with a $10,000 limit. Now, maybe doctors can go for that; I mean, maybe they could, but how many of the rest of America could do that? And that is the issue that you have to be careful of in thinking about how great MSA's are. The employer is not required to put a single thin dime into the medical savings account. That is your responsibility. They may put some in if they are really good people, or they may say this is free money, I am putting it back in my pocket, you put it in, Mr. Employee. Now, even if the employer made contributions to his employees' MSA's, there is still a large coverage gap.

To compound that lack of coverage, under a high-deductible plan, once an employee meets the new higher deductible, there is no requirement in the House bill that the high-deductible policies be required to cover 100 percent of medical expenses.

□ 1845

So you have put your $4,000 into the MSA and you spend it and that pays your deductible; so now your insurance plan kicks in, at what, 70 percent of the cost, 80 percent of the cost? Who knows? The Republicans were not willing to demand that once you had spent this money on your medical savings account, that then the insurance had to cover 100 percent. They gave the insurance companies the latitude to say, well, we will cover you up to 80 percent.

So you have now spent $4,000 here, and then you come and your bill is $100,000. If you have a bone marrow transplant at the Hutchinson Cancer Center in Seattle, it will cost you $120,000. So you spend the $4,000. Now your deductible, that is covered, your $3,000 is covered, so then the plan coverage kicks in; $4,000 from $120,000 is $116,000, of which you are going to get 80 percent paid by the insurance company. You pick up 20 percent, or 30 percent, or whatever. There is no consumer protection on these catastrophic plans whatsoever.

The Republicans have based their arguments that MSAs will bring more economic efficiency to the health care market on the false premises, and my dear friend, the gentleman from Illinois [Mr. HASTERT] said it; he said that patients, individuals will have the tools they need, the ability to bargain shop for health care.

Maybe it is because I have been a physician and have seen what kinds of situations bring people into the health care system, but buying health care is not like shopping for groceries. You do not go in there kind of cool and say, shall I have this avocado or this avocado, or shall I buy this breakfast food or that breakfast food, or this steak or that steak, or this loaf of bread. When you are in the ambulance on the way to the hospital, you are in no condition to be shopping for how you are going to spend the money in your medical savings account or anything else that happens to you.

When their own money is at stake, some people might not rush to the doctor at the first sign of a cold, so health care spending can be reduced marginally. You can say, well, I am sniffling, I do not think I need to go to the doctor, because I would have to take it out of my medical savings account. You can make some marginal changes.

But the fact is, the indisputable fact about medical expenditures is that 70 percent of all health spending is done on 10 percent of Americans who are seriously sick. These Americans have heart attacks, AIDS, cancer, complicated pregnancies, liver disease, diabetes, whatever. Catastrophic insurance will cover their health care costs, so the MSA concept will have no impact whatsoever on 70 percent of the health care spending in this country, because most of the money, 70 percent, is on 10 percent. They blow the roof off the costs.

In addition to being an example of an extremely poor health care policy, because it does not encourage people for prevention or follow-up care, MSAs are really a thinly veiled scheme to provide lavish tax breaks for the wealthy. While the lower- and middle-class workers in this country who are worried about their wages, who are worried that their paycheck has not gone up significantly since 1970, they are getting the same amount of buying power today; in fact, less than they had in 1970. They could be hurt by the widespread use of MSAs, as I have already described, because the premiums will go up. If the young and healthy leave, the premiums for the rest of the folks are going to go up, but MSAs will benefit the wealthiest Americans who can afford to pay all of their medical expenses below the high deductibles for catastrophic health plans.

If you make $100,000 or $200,000 a year, $3,000 is not very much. Certainly it is a significant amount of money, but if you make $30,000 a year, which is around the average income, $35,000 in this country, $3,000, $4,000 for paying that deductible is 10 percent of your income. Three percent to somebody making $100,000 is 3 percent. That is the difference.

Wealthy people have a little extra in their pocket, and they can pay these deductibles. They have money to put in the MSA out of their own pocket. There is no doubt that the promise of these generous tax-sheltered personal savings will draw the healthy and wealthy individuals into MSAs. In fact, in my mind, it would be better to call the MSA "medical sheltering accounts."

MSAs offer a number of new tax sheltering opportunities that make it very attractive to people in higher income brackets. Some of these generous tax benefits include an exclusion from income for employer contributions; if your employer is paying for it, I do not have to pay the taxes as an individual; a personal deduction for independent contributions, so as an individual, if I am rich and can put it in, I get a deduction.

If you are making $35,000 you might want to put it in, but where are you going to get it? Between paying for rent and a car and buying food for your family and clothes and trying to help one of your kids go to community college, where are you going to get that $3,000? Where are you going to get that deduction for independent contributions? It also allows tax-free accumulation of interest, exclusion from estate taxes, and penalty-free withdrawals from the MSA's at 59½.

The reason this bill is here is to give these tax breaks. That is why it came though the Committee on Ways and Means. Companies can offer this kind of thing today. They can say, hey, look, let us get out of the regular insurance plan. I will buy you the high-cost deductible. I will put some money in the medical savings account for you. They can do it today, but they cannot get these tax breaks today.

This bill is a tax-break-for-the-rich bill. It is a medical sheltering account. Contributions to the MSA's are deductible tax purposes when made at the time you put them in, and the amounts in the account accumulate tax-free. If this year you put in $4,000, you do not spend it, next year you put in $4,000, it just keeps accumulating, and all the interest is tax-free. This is similar to the way tax benefits are provided for IRA's, the Individual Retirement Accounts, before the Congress limited the deductibility of IRA contributions.

What is interesting about this, it is under the guise of more affordable health care that Republicans are pushing MSA's, which do nothing for health care whatsoever. They destroy the insurance pool, they put people at risk who do not understand how it works, but they are a better sheltering device than individual retirement accounts, really, for the following reasons: IRA's merely provide deferral of your taxes on contributions, but MSA's provide complete tax forgiveness when the amount is used for medical expenses.

No. 2, the IRA provisions contain penalty taxes to force withdrawals after age 70 in order to prevent excess accumulations in IRAs. The MSA provisions do not include any penalties, so individuals could indefinitely accumulate monies in their accounts.

No. 3, wealthy individuals would have incentives to pay their medical expenses from other sources. Since they have $100,000 or $200,000, they put the $4,000 in there tax-free, why not pay the health care benefits out of something else, because making the payments out of the MSA would reduce the amount of assets receiving the favorable tax treatment. Put the $4,000 in there, forget about it, it goes up and continues to make money, and meanwhile you pay it from other monies that you have. A wealthy individual attempting to maximize their tax advantage would be likely to use other assets to pay their medical expenses.

The forth reason is that IRA's are subject to the estate tax. When you die, the government looks at your IRA's and says, we are going to tax a certain amount. MSA's are not. I really find it difficult to think what the rationale for that benefit is. How does exempting funds in an MSA from estate tax relate to encouraging tightly targeted purchase of health care? What is the relationship between exempting from estate tax when you are talking about health care costs?

There is clearly no connection except to give a break. There is no medical policy argument for excluding the MSA's from the estates of the holders of these MSA's. People do not need medical self-insurance reserves when they are dead, nor do their surviving spouses need their accumulated reserves free of tax. This estate tax treatment was not inadvertent. It did not just happen. It was elaborately thought out because of the phobia many Republicans have and small business owners have about estate or transfer taxes.

The estate tax affirmatively encourages rich people not to use that MSA for medical purposes by giving them roughly a 30 percent advantage for letting the money accumulate in that account. It becomes really an IRA. They are still going to pay their deductible over here out of their pocket, but this money is going to go up tax-free and can be drawn out tax-free. This provision undermines the credibility, in my opinion, of the whole MSA propoal.

All of thee new tax sheltering opportunities will result in a drain on our Federal Treasury at a time when the majority in this House says they want to balance the budget. The Joint Tax Committee, House and Senate Joint Tax Committee, controlled by the Republicans, both the House and Senate, says that MSA's will drain the Federal Treasury of more than $2 billion over the next 7 years as the increased savings by the wealthy are placed in MSAs and are therefore sheltered from Federal taxation.

What is worse, the Republicans plan to pay for the budget shortfall caused by the MSA's by taking billions of dollars out of Medicare. Here we are, back to our old friend. We have been saying all along that they want to cut $270 billion out of Medicare to pay for their tax breaks. Here is one of them. The MSA costs $2 billion, and it is coming out of the hides of the health care for senior citizens. That is another reason why this medical savings account is not a good idea for the American public.

Mr. Speaker, I find using Medicare as a piggybank to pay for those MSA tax schemes is particularly disingenuous, considering the fact that the Speaker and the Republicans continue to claim they want to save Medicare. They are taking money away from Medicare to pay for this kind of scheme.

I wash that the Speaker or somebody on the Republican side would come down here and explain how taking money out of Medicare to pay for MSA's helps save Medicare, how taking money away from Medicare is going to make it better. I thought the problem was they were short of dough, and here they are taking another $2 billion out for this kind of scheme that really benefits a very small part of the society.

It seems very odd to me that by taking the billions from Medicare to pay for a tax shelter from which most Americans are priced out of, most Americans are not going to be able to put money in that medical savings account, but the Speaker and the Republicans are acting in the best interests, they say, of the American people and Medicare.

In addition to robbing Medicare, MSA's will clearly only appeal primarily to the wealthy. The Republican-controlled Joint Tax Committee, again, and this is not some lefty group way out there, or some liberal Democrat group that says this, this is a committee run by the Republicans. It is the Joint Tax Committee. It is one of the most conservative staffs in the whole Congress.

They estimate that MSA's will appeal to less than 1 percent of all the people in this country who make $30,000 or less a year, even though those families make up 50 percent of the country. One percent of half the country will be able to take advantage of this, because they do not have $4,000 laying around on the dining room table to put into an MSA. That is ridiculous. Anybody who would stand out here and seriously proclaim this is something that a lot of people can take advantage of simply has never had any kind of difficulties with money.

In contrast to the 1 percent below $30,000, 12 percent of those buying MSA's will have incomes over $100,000. Even though those kinds of people in this country only make up 5 percent of the taxpayers, they will have 12 percent of the benefit.

Mr. Speaker, all these statistics show that MSA's are biased toward the healthy, the ones who do not expect to ever have to use it, or the wealthy, because thousands of Americans do not have the thousands of dollars to put away each year, and cannot afford to incur the substantial out-of-pocket costs that would be created by this medical savings account and these high deductibility catastrophic plans.

□ 1900

On a final note, some consistency needs to be required of politicians. Both the chairman of the House Ways and Means Committee and the Republican majority leader have condemned the current tax structure. They have called for a flat tax: "We have to get a flat tax. Let's get all these deductions, all these tax shelters, let's get all of that out. We'll charge everybody a flat 15 percent." I think the phrase the majority leader used was they want to tear out this present system by its roots so it will never come back. Yet when it comes to MSA's, they are willing to kill this bill that the Senate passed and the House passed by insisting on MSA's because they want to milk the current system in every way possible to benefit their wealthy constituents.

If our current tax system is replaced, many of the tax incentives that I just outlined under the MSA's will no longer exist. So 1 minute they are out here saying "Let's rip out the system and have a flat tax" and on the next day they are saying, "We're not going to pass health care reform unless you stick MSA's in because it's got big benefits for our friends."

The House leadership is holding up the enactment of the health care bill that Senators KASSEBAUM and KENNEDY put together, simply over this issue. The losses that will result from MSA's far exceed the gains. MSA's will drain the health insurance pool of the healthiest and wealthiest. It will cost the Government more than $2 billion at a time when we are supposed to be focusing on balancing the budget.

MSA's do nothing, absolutely nothing, to address the problems of affordable health care. Nothing. They are just another way to give a tax break to the wealthy. For the Speaker and the Republicans to threaten the passage of the Kennedy-Kassebaum health care bill by insisting on the inclusion of MSA's is wrong. It is poor leadership, it is bad politics and, worst of all, it is terrible public policy.

THE ADVANTAGES OF MEDICAL SAVINGS ACCOUNTS

The SPEAKER pro tempore (Mr. MCINTOSH). Under a previous order of the House, the gentleman from Iowa [Mr. GANSKE] is recognized for 5 minutes.

Mr. GANSKE. Mr. Speaker, I have been very interested in listening to the discussion by my colleague from Washington concerning medical savings accounts. My colleague is a physician and I am a physician prior to coming to Congress. I hold a different viewpoint about medical savings accounts and I think it is only fair to express some of the differences in our opinion.

One of the criticisms by the opposition to medical savings accounts is that they would be for the healthy and the wealthy. I think, quite to the contrary, medical savings accounts could function in exactly the opposite way. Let me tell my colleagues an anecdote.

A couple of weekends ago I was flying home from Washington to my hometown of Des Moines, IA. I was sitting next to a middle-aged gentleman who was asking about how the health care reform legislation was coming along. He asked me what I did for a living and I told him I was a Congressman. He said, "Well, I am very interested in medical savings accounts. I really hope that medical savings accounts are part of the health insurance reform plan."

I thought this was a little unusual, for somebody to be so specific about a piece of legislation. I said, "Why are you interested in medical savings accounts?"

Mr. Speaker, he said: "My wife and I have a 7-year-old boy. We live in Minnesota. We have a managed care plan for our health insurance.

"We are constantly having struggles providing care for our 7-year-old boy because he has severe cerebral palsy and he has a lot of special health care needs, and we find frequently that our managed care company does not allow us to get him the type of care that we think is important for him. He has a lot of special needs. We would like to take him to centers of excellence. We do not have that leeway.

"I will tell you, Congressman, if I had tax equitable treatment for medical savings accounts, I would switch into a medical savings account just like that, because if I had a medical savings account, this is how it would work. I could spend the same amount of money.

"Let us say I am spending $5,000 a year for my managed care plan. I could purchase a high deductible plan, say with a deductible of $2,500 or $3,000 a year, for about $2,500. I could then put the other $2,500 into a medical savings account. I would then draw those funds out of the medical savings account to pay the deductible during the year, so there would be effectively no out-of-pocket expense for me in comparison to the amount that I would be spending for a managed care plan. After I would hit the $2,500 of my deductible, I would then be into the catastrophic plan."

My colleague mentioned how there could be deductibles and things like that in those catastrophic plans, and that is true. but most catastrophic plans function as major medical plans. That means that once they have met their deductible, all of their subsequent costs are covered.

"That would mean that if, for instance, our 7-year-old boy is getting too big now for my wife and I to lift all the time into and out of his bed, into the tub, we will need some special lifting equipment, we will need to purchase equipment for our van, we might want to take him to the Mayo Clinic for some cerebral palsy treatment, we would then run up expenses of $2,500. However, we would have that money in the account to pay that deductible, so there would be no disincentive for us to provide the type of treatment that we need to provide for him."

This has been one of the other, I think, myths about medical savings accounts; in other words, that people would avoid taking the type of prophylactic care that they need. But I will tell my colleagues what the advantage of this is, not just in terms of the freedom that it would allow people who have special health care needs, but it also basically addresses the issue of our rapidly rising health care costs in this country because it then gets a connection back between the consumer and the payer.

Under traditional third-party coverage, basically we have always felt like, "Well, gee, the insurance company is paying the bill," so there has been unbridled consumption. If a person has a medical savings account where they can pull the funds out of their medical savings account to pay their bills, they also will have an increased tendency to be a wise consumer.

So I tell various health care groups, physicians, for instance, that quite frankly they may find that they are in a very competitive situation now. In the past when the insurance company pays all of the bills, nobody tends to look at the bills. But if the payment is coming out of the medical savings account, people will tend to look at the bills, and this is why.

Let us say we have a provider on one side of the street who charges $25 for an office visit. On the other side of the street the family practitioner charges $30. If a person is in a traditional health plan, it does not make any difference to them because somebody else is paying the bill. But if they have a medical savings account, assuming the quality is equal, they are likely to go to the provider who charges $25 instead of $30 because they get to keep the $5 difference in your plan.

So there is an incentive now for people to become wise shoppers. There is an incentive for people not to over consume, but there is a mechanism for people to get the kind of medical care that they need because there is a way to pay for it. Even managed care plans in many cases today are moving to deductibles in their plans. There needs to be a mechanism to pay that deductible or we will have a problem with people not getting the kind of care that they want.

Mr. Speaker, I would just finish by saying there are a lot of misperceptions about medical savings accounts. They are not the total solution, but many people in this country today have medical savings account plans, over 1,000 companies in this country. They are saving dollars by it, the people who have the medical savings accounts are very happy with it, and quite frankly I think we would find many people with special health needs choosing medical savings accounts. I do not think they are just for the healthy and the wealthy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Houghton (at the request of Mr. Armey), for today after 3:30 p.m., on account of official business.

Mr. Tauzin (at the request of Mr. Armey), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. McNulty) to revise and extend her remarks and include extraneous material:)

Mrs. Collins of Illinois, for 5 minutes, today.

(The following Member (at the request of Mr. McNulty) to revise and extend his remarks and include extraneous material:)

Mr. Franks of Connecticut, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. Ganske, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. McIntosh) and to include extraneous matter:)

Mr. Zeliff.
Mr. Ehlers.
Mr. Duncan, in three instances.
Mr. Gallegly.
Mr. Gilman.
Mr. Barton of Texas.
Mr. Cunningham.
Mr. Hunter.
Mr. Clinger.
Mr. Roberts.
Mr. Talent.

(The following Members (at the request of Mr. McNulty) and to include extraneous matter:)

Ms. Woolsey.
Mrs. Maloney.
Mr. Visclosky.
Mr. Oberstar.
Mr. Deutsch.
Mr. Payne of New Jersey.
Mr. Hastings.
Mr. Lantos.
Mr. Barrett of Wisconsin.
Ms. Norton.
Mr. Torricelli.
Mr. Frank of Massachusetts.
Mr. Markey.
Mr. Levin.
Mr. Menendez.
Mr. Underwood.

(The following Member (at the request of Mr. McNulty) and to include extraneous matter:)

Mr. Solomon.

A BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 3029. An act to designate the United States courthouse in Washington, District of Columbia, as the "E. Barrett Prettyman United States Courthouse."

ADJOURNMENT

Mr. GANSKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Monday, June 24, 1996, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3741. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Nectarines and Peaches Grown in California; Revision of Handling Requirements for Fresh Nectarines and Peaches [Docket No. FV95–916–4–FIR] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3742. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Specialty Crops; Import Regulations; Peanut Import Regulations; Final Rule [Docket No. FV94–999–2FR] received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3743. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Japanese Beetle; Domestic Quarantine and Regulations [Docket No. 94–087–1] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3744. A letter from the Comptroller, Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act—Air Force violation, case number 92–84, which totaled $22.2 million, occurred in the Headquarters, Space and Missile Systems Center at Los Angeles Air Force Base, CA, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3745. A letter from the Comptroller, Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act—Air Force violation, case number 93–03, which totaled $34.9 million, occurred in the Headquarters of the Air Force Materiel Command at Wright-Patterson Air Force Base, OH, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3746. A letter from the Under Secretary of Defense for Acquisition and Technology and the Director, Operational Test and Evaluation, transmitting the Secretary's certification that full-up, system-level live fire testing of the Amphibious Transport Dock Ship (LPD 17) would be unreasonably expensive and impractical, accordingly the applicability of full-up, system-level survivability tests for the LPD 17 has been waived, pursuant to 10 U.S.C. 2366; to the Committee on National Security.

7. A letter from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting the Department's final rule—Consolidation of Repetitive Provisions; Technical Amendments (Occupational Safety and Health Administration) (RIN: 1218–AB53) received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

3748. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendments of Parts 22, 90, and 94 of the Commission's Rules To Permit Routine Use of Signal Boosters [WT Docket No. 95–70] received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3749. A letter from the Director, Regulations Policy Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Tin-Coated Lead Foil Capsules for Wine Bottles; Correction (21 CFR part 189) [Docket No. 91N–0326} (RIN: 0910–AA06) received June 20, 1996, pursuant to

5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3750. A letter from the Comptroller General of the United States, transmitting a list of all reports issued or released in May 1996, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform and Oversight.

3751. A letter from the Chairman, Federal Election Commission, transmitting a report of activities under the Freedom of Information Act for the calendar years 1994 and 1995, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

3752. A letter from the Public Printer, U.S. Government Printing Office, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, and the semiannual management report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3753. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting the Department's final rule—Indian Country Detention Facilities and Programs (Bureau of Indian Affairs) (RIN: 1076–AD77) received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3754. A letter from the Assistant Secretary for Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Leases, Permits, and Easements (Bureau of Land Management) (43 CFR Part 2920) (RIN: 1004–AB51) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3755. A letter from Program Management Officer, National Marine Fisheries Service, transmitting the National Marine Fisheries Service final rule—Magnuson Act Provisions; Consolidation and Update and Regulations; Collection-of-Information Approval [Docket No. 960315081–6160–02; I.D. 030596B] (RIN: 0648–A117)—received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3756. A letter from the Assistant Attorney General of the United States, transmitting the Department's report on settlements made for damages caused by investigative officers employed by the Federal Bureau of Investigation, the Drug Enforcement Administration, the U.S. Marshals Service, and the Immigration and Naturalization Service for calendar year 1995, pursuant to 31 U.S.C. 3724(b); to the Committee on the Judiciary.

3757. A letter from the Chairman, U.S. Sentencing Commission, transmitting the Commission's report entitled "Sex Offenses Against Children," findings and recommendations regarding Federal penalties, pursuant to Public Law 104–71, section 6 (109 Stat. 774); to the Committee on the Judiciary.

3758. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to modify the project for flood damage reduction at the north branch of Chicago River, IL, pursuant to 31 U.S.C. 1110; to the Committee on Transportation and Infrastructure.

3759. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Miscellaneous Regulations Relating to Liquor, Subparts E and O (95R–039P) (RIN: 1512–AB44) received June 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3760. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Section 1274—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property (Revenue Ruling 96–34) received June 20, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3761. A letter from the Secretary of Commerce, transmitting the annual report of the National Technical Information Service [NTIS] for fiscal year 1995, pursuant to Public Law 100–519, section 212(f)(3) (102 Stat. 2596); jointly, to the Committees on Science and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GILMAN (for himself, Mr. Lantos, Mr. Solomon, Mr. Cox, Mr. Spence, Mr. Hyde, Mr. Smith of New Jersey, Mr. Wolf, Mr. Royce, Mr. Burton of Indiana, and Ms. Pelosi):

H.R. 3684. A bill to prohibit the importation into the United States of goods produced, manufactured, or exported by the People's Liberation Army of China or any Chinese defense industrial trading company; to the Committee on Ways and Means.

By Mr. MARKEY:

H.R. 3685. A bill to require the Federal Trade Commission and the Federal Communications Commission to take action, as necessary, to protect consumer privacy in light of the convergence of communications technologies; to the Committee on Commerce.

By Mr. ABERCROMBIE (for himself, Mrs. Mink of Hawaii, Mr. Faleomavaega, Mr. Underwood, Mr. Frazer, and Mr. Miller of California):

H.R. 3686. A bill to amend the Nuclear Waste Policy Act of 1982 to prohibit the licensing of a permanent or interim nuclear waste storage facility outside the 50 States or the District of Columbia, and for other purposes; to the Committee on Commerce.

By Mr. BARR:

H.R. 3687. A bill to amend Title 5 of the United States Code to provide a civil remedy for the request or receipt of protected records for a nonroutine use by any person within the Executive Offices of the President, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CONDIT:

H.R. 3688. A bill to require that 401(k)-type pension plans be subject to the same prohibited transaction rules that apply to traditional defined benefit pension plans; to the Committee on Economic and Educational Opportunities.

By Mr. HAMILTON (for himself, Mr. Shaw, Mr. Lantos, Mr. Ackerman, Mr. Johnston of Florida, Mr. Faleomavaega, Mr. Wynn, Mr. Moran, and Mr. Frazer):

H.R. 3689. A bill to amend the international narcotics control program under the Foreign Assistance Act of 1961 to establish an additional certification standard for certain illicit drug producing countries and drug-transit countries and to establish an additional reporting requirement under that program; to the Committee on International Relations.

By Mr. HUNTER (for himself, Mr. Cunningham, Mr. Packard, Mr. Young of Alaska, Mr. McKeon, Mr. Bartlett of Maryland, Mr. Riggs, and Mr. Cox):

H.R. 3690. A bill to limit the types of commercial nonpostal services which may be offered by the U.S. Postal Service; to the Committee on Government Reform and Oversight.

By Mr. JOHNSON of South Dakota:

H.R. 3691. A bill to provide for the establishment of a Prescription Drug Price Review Board to identify excessive drug prices, and for other purposes; to the Committee on Commerce.

By Mr. JONES:

H.R. 3692. A bill to promote the restoration, conservation, and enhancement of wetlands through the establishment of a responsible wetlands mitigation banking program; to the Committee on Transportation and Infrastructure.

By Mrs. LOWEY (for herself, Mr. Gilman, and Mr. Shays):

H.R. 3693. A bill to amend the Internal Revenue Code of 1986 to allow a capital loss deduction with respect to the sale or exchange of a principal residence; to the Committee on Ways and Means.

By Mr. NADLER:

H.R. 3694. A bill to prohibit insurers from offering monetary rewards, penalties, or inducements to licensed health care practitioners' on the basis of the health care practitioners' decisions to limit the availability of appropriate medical tests, services, or treatments; to the Committee on Commerce.

H.R. 3695. A bill to prohibit insurers from including provisions in health plans and contracts with health care providers to indemnify the insurer against any liability; to the Committee on Commerce.

By Mr. PAXON (for himself, Mr. Frisa, Ms. Molinari, Mr. King, Mr. Solomon, Mr. Walsh, Mrs. Meyers of Kansas, Mr. Bass, Mr. Houghton, and Mr. Sam Johnson):

H.R. 3696. A bill to amend the Social Security Act to require the Secretary of Health and Human Services to approve or deny on a timely basis an application for a waiver for certain AFDC and Medicaid demonstration projects; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROBERTS (for himself, Mr. Emerson, Mr. Bryant of Tennessee, and Mr. Condit):

H.R. 3697. A bill to exempt from the regulation E requirements, State administration of the Food Stamp Program through electronic benefit transfer systems that provide for distribution of means-tested benefits; to the Committee on Agriculture.

By Mr. Schumer (by request):

H.R. 3698. A bill to reduce violent crime by juvenile offenders; to the Committee on the Judiciary, and in addition to the Committees on Commerce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STEARNS (for himself, Mr. Mica, and Mr. Canady):

H.R. 3699. A bill to establish a demonstration project to authorize certain covered beneficiaries under the military health care system—including the dependents of active duty military personnel and retired members and their dependents—to enroll in the Federal employees health benefits program and to ensure their future health security through the use of medical savings accounts; to the Committee on National Security, and in addition to the Committees on Government Reform and Oversight, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WHITE (for himself, Mr. THOMAS, Ms. DUNN of Washington, Ms. PRYCE, and Mr. ROHRABACHER):

H.R. 3700. A bill to amend the Federal Election Campaign Act of 1971 to permit interactive computer services to provide their facilities free of charge to candidates for Federal offices for the purpose of disseminating campaign information and enhancing public debate; to the Committee on House Oversight.

By Mr. GILMAN (for himself, Mr. FILNER, Mr. STUMP, Mr. MONTGOMERY, Mr. SOLOMON, Mr. DORNAN, Mr. CAMPBELL, Mr. BILBRAY, Mr. FLANAGAN, Mr. TALENT, Ms. PELOSI, Mr. ABERCROMBIE, Mrs. MINK of Hawaii, Mr. EVANS, Mr. MILLER of California, and Mr. GUTIERREZ):

H. Con. Res. 191. Concurrent resolution to recognize and honor the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II; to the Committee on International Relations.

By Mr. BOEHNER:

H. Res. 457. Resolution to amend the Rules of the House of Representatives to prohibit the knowing solicitation, distribution, or acceptance of campaign contributions in the Hall of the House or rooms leading thereto; to the Committee on Rules.

By Ms. NORTON (for herself, Mr. DAVIS, Mr. LATOURETTE, and Mr. MORAN):

H. Res. 458. Resolution expressing the sense of the House of Representatives that the President should request the Department of the Treasury and the Secret Service to work with the Government of the District of Columbia to develop a plan for the permanent reopening to vehicular traffic of Pennsylvania Avenue in front of the White House in order to restore the avenue to its original state and return it to the people; to the Committee on Government Reform and Oversight.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII private bills and resolutions were introduced and severally referred as follows:

Mr. DEUTSCH introduced a bill (H.R. 3701) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of four vessels; which was referred to the Committee on Transportation and infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 783: Mr. CHAPMAN.

H.R. 1050: Mr. FATTAH.

H.R. 1073: Mr. CASTLE and Mr. BERMAN.

H.R. 1074: Mr. DURBIN, Mr. RUSH, and Mr. BERMAN.

H.R. 1226: Mr. GOODLATTE.

H.R. 1386: Mr. DOOLEY and Mr. SKEEN.

H.R. 1462: Mr. RUSH, Mr. CONYERS, Mr. LIPINSKI, Mr. STEARNS, Mr. FRANKS of New Jersey, Ms. GREENE of Utah, Mr. OXLEY, Mr. DELAY, Mr. FLAKE, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1893: Mr. CASTLE.

H.R. 2089: Mr. BURR and Mr. BRYANT of Tennessee.

H.R. 2320: Mr. EVANS, Mr. WATTS of Oklahoma, and Mr. POMBO.

H.R. 2391: Mrs. JOHNSON of Connecticut, Mrs. FOWLER, Ms. DUNN of Washington, Ms. MOLINARI, and Mr. PAXON.

H.R. 2400: Mr. MORAN, Mr. NEY, and Mr. JACOBS.

H.R. 2462: Mr. CAMP.

H.R. 2757: Mr. DURBIN and Mr. DEFAZIO.

H.R. 2807: Mr. MCHALE.

H.R. 2820: Mr. NETHERCUTT.

H.R. 2892: Mr. DEFAZIO.

H.R. 2900: Mr. CREMEANS, Mr. BARTLETT of Maryland, and Mr. CHAMBLISS.

H.R. 2911: Mr. FRANKS of New Jersey.

H.R. 2925: Mr. FRISA and Mr. WATTS of Oklahoma.

H.R. 2976: Ms. PELOSI, Ms. ROYBAL-ALLARD, and Mr. SKEEN.

H.R. 3077: Mr. DEFAZIO, Mr. SAWYER, and Mr. BOEHLERT.

H.R. 3199: Mr. SISISKY, Mr. NEY, Mr. BAESLER, Mr. ROBERTS, Mr. LANTOS, Mr. PACKARD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LIGHTFOOT, Mr. FRANKS of New Jersey, and Mr. BISHOP.

H.R. 3207: Mr. HINCHEY, Ms. WOOLSEY, Mr. FRELINGHUYSEN, Mr. HORN, Mr. ABERCROMBIE, Mr. PICKETT, Mr. CRAPO, Mr. RICHARDSON, Mr. LEWIS of Kentucky, Mr. LINDER, Mr. FOLEY, Mr. MCINTOSH, Mr. ROEMER, Mr. DIAZ-BALART, and Ms. LOFGREN.

H.R. 3211: Mr. HERGER.

H.R. 3226: Mr. DURBIN.

H.R. 3310: Mr. KINGSTON and Mr. BONILLA.

H.R. 3337: Mr. PAYNE of Virginia, Mr. WALSH, Mr. CAMPBELL, Mr. BILBRAY, and Mr. DELLUMS.

H.R. 3338: Mrs. SEASTRAND, Mr. TRAFICANT, and Mr. BOEHLERT.

H.R. 3354: Mr. POMBO.

H.R. 3447: Mr. LEACH, Mrs. SMITH of Washington, and Mr. HAYWORTH.

H.R. 3455: Ms. NORTON, Ms. LOFGREN, Mr. DEUTSCH, Mrs. MORELLA, and Mr. COLEMAN.

H.R. 3468: Mr. MCCOLLUM.

H.R. 3480: Mr. GOODLATTE, Mr. EHLERS, Mr. RAMSTAD, Mr. MCINTOSH and Mr. JACOBS.

H.R. 3567: Mr. DICKEY.

H.R. 3580: Mr. TIAHRT, Mr. LINDER, Mr. WAMP, and Mr. BARTLETT of Maryland.

H.R. 3586: Mr. SOLOMON and Mr. STUMP.

H.R. 3587: Mr. LEACH, Ms. NORTON, Mr. LIPINSKI, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. EVANS, Mr. FLAKE, Mr. OWENS, and Mr. FILNER.

H.R. 3604: Mr. HAYWORTH and Mr. BARRETT of Wisconsin.

H.R. 3622: Mr. GIBBONS, Mr. COMBEST, Mr. BOEHNER, Mr. SMITH of Michigan, and Mr. HAMILTON.

H.R. 3629: Mrs. COLLINS of Illinois, Mr. KENNEDY of Massachusetts, Mr. ENGLISH of Pennsylvania, Mr. JACOBS, Ms. KAPTUR, Mr. STUPAK, Mr. GOSS, and Ms. NORTON.

H.R. 3680: Mr. CHAMBLISS and Mr. DORNAN.

H. Con. Res. 10: Mr. KLINK.

H. Con. Res. 22: Mr. DURBIN.

H. Con. Res. 184: Mr. BARRETT of Wisconsin, Mr. FRAZER, Ms. WOOLSEY, and Ms. SLAUGHTER.

H. Con. Res. 190: Mr. PAXON.

DISCHARGE PETITIONS— ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 12 by Mrs. SMITH of Washington on House Resolution 373: Robert G. Torricelli and Charlie Rose.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3666

OFFERED BY: MR. HOSTETTLER

AMENDMENT NO. 54. Page 64, after line 4, insert the following new item:

ELIMINATION OF FUNDING FOR CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Each amount appropriated or otherwise made available by this title for "Corporation for National and Community Service" is hereby reduced to $0.

H.R. 3666

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 55 Page 95, after 21, insert the following new section:

SEC. 422. None of the funds made available in this Act may be used to provide assistance under section 8 of the United States Housing Act of 1937 when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the assistance will be used for tenant-based assistance in connection with the revitalization of severely distressed public housing; and

(2) the public housing agency to which such funds are to be provided—

(A) has a waiting list for public housing of not less than 6,000 families;

(B) has a jurisdiction for which the Secretary of Housing and Urban Development has determined (pursuant to section 203(e)(2)(A) of the Housing and Community Development Amendments of 1978 or otherwise) that there is not an adequate supply of habitable, affordable housing for low-income families using tenant-based assistance; and

(C) does not include, under its plan for revitalization of severely distressed public housing, replacement of some of the public housing dwelling units demolished with new units.

H.R. 3666

OFFERED BY: MR. KINGSTON

AMENDMENT NO. 56: Page 28, line 20, after "$4,300,000,000" insert "(increased by $300,000,000).

Page 80, line 19, after "$5,362,900,000" insert "(reduced by $150,000,000)".

Page 81, line 8, after "$5,662,100,000" insert "(reduced by $150,000,000)".

H.R. 3666

OFFERED BY: MR. KINGSTON

AMENDMENT NO. 57: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act may be used by any officer or employee of the Environmental Protection Agency to organize, plan, or disseminate information regarding any activity that is not directly related to governmental functions that such officers or employees are authorized or directed by law of perform.

H.R. 3666

OFFERED BY: MR. MARKEY

AMENDMENT NO. 58: Page 95, after line 21, insert:

SEC. 422. None of the funds made available to the Environmental Protection Agency under the heading "HAZARDOUS SUBSTANCE SUPERFUND" may be used to provide any reimbursement (except pursuant to section 122(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) of response costs incurred by any person when it is made known to the official having the authority to obligate such funds that such person has agreed to pay such costs under a judicially approved consent decree entered into before the enactment of this Act, and none of the funds made available under such heading may be used to pay any amount when it is made known to the official having the authority to obligate such funds that such amount represents a retroactive liability discount or similar reimbursement for response costs incurred by any person for liability under section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 that is attributable to a status or activity of such person that existed or occurred prior to January 1, 1987.

H.R. 3666

OFFERED BY: MR. STUMP

AMENDMENT NO. 59: Page 95, after line 21, insert the following new section:

SEC. . The amount provided in title I for "Veterans Health Administration—Medical care" is hereby increased by, the amount provided in title I for "Departmental Administration—General operating expenses" is hereby increased by, and the total of the amounts of budget authority provided in this Act for payments not required by law for the fiscal year ending September 30, 1997 (other than any amount of budget authority provided in title I and any such amount provided in title III for the American Battle Monuments Commission, the Court of Veterans Appeals, or Cemeterial Expenses, Army), is hereby reduced by, $40,000,000, $17,000,000, and 0.40 percent, respectively.

EXTENSIONS OF REMARKS

STOP SUBSIDIZING CHINA'S MILITARY FORCES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. GILMAN. Mr. Speaker, today I have introduced H.R. 3684, which prohibits the importation into the United States of civilian and military goods produced, manufactured, or exported by the People's Liberation Army [PLA] or any Chinese defense industrial trading company. I strongly urge my colleagues support of this initiative which will deprive the PLA and its subsidiaries of the hard currency that supports activities which are inimical to U.S. economic and national security interests.

Two Chinese Government defense firms have been implicated in the largest assault weapons smuggling operation in United States history. Some of the heads of these firms, which sought to smuggle over 2,000 AK–47 semi-automatic weapons into the United States, are relatives of China's top leadership.

Moreover, the PLA and the defense industrial trading organization are responsible for a series of events which are a threat to vital United States interests, including; the recent belligerent gestures toward Taiwan during the first democratic elections in Chinese history; the transfer of cruise missiles to Iran, M–11 missiles and nuclear technology to Pakistan and the purchase by China of SS–18 strategic missile technology and equipment from Russia; the violation of United States-Chinese textile agreements and intellectual property rights [IPR]; and the flagrant human rights violations in the form of the occupation of Tibet, the maintenance of political prisoner camps known as Laogai and the repression of the religious freedom of Chinese Christians. Finally, let us not forget the repression wrought by the PLA on the democratic protesters in Tainamen Square.

Accordingly, enactment of this bill will curb the activities of the PLA which threaten our economic and national security and are an affront to our form of government and free society. Accordingly, I urge my colleagues to cosponsor and support H.R. 3684 and ask that the full text of H.R. 3684 be printed at this point in the RECORD.

H.R. 3684

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

(a) FINDINGS.—The Congress makes the following findings:

(1) According to the Defense Intelligence Agency, the People's Liberation Army of China owns and operates a number of enterprises which produce both civilian and military products.

(2) The General Staff Department of the People's Liberation Army owns and operates Polytechnologies, which is the weapons trading arm of the People's Liberation Army and has a representative office in the United States.

(3) The General Logistics Department of the People's Liberation Army owns and operates a large international conglomerate known as Xinxing Corporation, which also has a representative office in the United States.

(4) The People's Armed Police, which is partially controlled by the People's Liberation Army, is responsible for the occupation and suppression of dissent in Tibet and the execution of prisoners throughout China, and provides guards for the forced labor camp system in Laogai, China, owns and operates China Jingan Equipment Import and Export, which also has a representative office in the United States.

(5) These and other enterprises owned by the People's Liberation Army regularly export a great variety of products to the United States, including, but not limited to, clothing, toys, shoes, hand tools, fish, minerals, and chemicals.

(6) The export of products allows the People's Liberation Army to earn hard currency directly, which in turn can be used to modernize its forces.

(7) The average consumer in the United States is unaware that products they are purchasing were produced by the People's Liberation Army.

(8) Trade with the People's Liberation Army effectively is a subsidy of military operations of the People's Republic of China.

(9) The China National Nuclear Corporation exported illicit nuclear technology to Pakistan in contravention of the Treaty on the Non-Proliferation of Nuclear Weapons and the Arms Export Control Act, thereby contributing to the threat of nuclear war on the Indian Subcontinent.

(10) Naval units of the People's Liberation Army have committed aggression against the Republic of the Philippines and threatened the United States Navy's right of free passage in the South China Sea.

(11) Chinese defense industrial trading companies have transferred cruise missiles to Iran, thereby threatening the safety of United States military personnel in the region.

(12) Representatives of China North Industries Corporation, a Chinese Government organization, have been indicted by the U.S. federal government for smuggling of firearms and conspiracy related thereto, importation of firearms without a license, importation and sale of firearms with obliterated serial numbers, and transfer and possession of machine guns in violation of the laws of the United States.

(13) Representatives of Poly Group, a Chinese Government organization, have also been indicted for engaging in the unlawful activities described in paragraph (12).

(14) Representatives of China North Industries Corporation attempted to sell solid rocket fuel to Iraq in the fall of 1990, contrary to a number of actions by the United Nations Security Council.

(b) POLICY.—It is the policy of the United States to prohibit the importation into the United States of goods that are produced, manufactured, or exported by the People's Liberation Army or Chinese defense industrial trading companies.

SEC. 2. PROHIBITION ON CERTAIN IMPORTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, no good that is produced, manufactured, or exported by the People's Liberation Army or a Chinese defense industrial trading company may be entered, or withdrawn from warehouse for consumption, into the customs territory of the United States.

(b) DETERMINATION OF CHINESE DEFENSE INDUSTRIAL TRADING COMPANIES.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), not later than 30 days after the date of the enactment of this Act, the Secretary of the Treasury shall determine which persons are Chinese defense industrial trading companies for purposes of this Act. The Secretary shall publish a list of such persons in the Federal Register.

(2) PUBLIC HEARING.—

(A) GENERAL RULE.—Before making the determination and publishing the list required by paragraph (1), the Secretary of the Treasury shall hold a public hearing for the purpose of receiving oral and written testimony regarding the persons to be included on the list.

(B) ADDITIONS AND DELETIONS.—The Secretary of the Treasury may add or delete persons from the list based on information available to the Secretary or upon receipt of a request containing sufficient information to take such action.

(3) CHINESE DEFENSE INDUSTRIAL TRADING COMPANY.—For purposes of making the determination required by paragraph (1), the term "Chinese defense industrial trading company"—

(A) means a person that is—

(i) engaged in manufacturing, producing, or exporting, and

(ii) affiliated with or owned, controlled, or subsidized by the People's Liberation Army, and

(B) includes any person identified in the United States Defense Intelligence Agency publication numbered VP-1920-271-90, dated September 1990, or PC-1921-57-95, dated October 1995.

(c) EFFECTIVE DATE.—Subsection (a) shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 45th day after the date of the enactment of this Act.

SEC. 3. DEFINITION.

For purposes of this Act, the term "People's Liberation Army" means any branch or division of the land, naval, or air military service or the police of the Government of the People's Republic of China.

A TRIBUTE TO COACH GALEN JOHNSON, JR.

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. DUNCAN. Mr. Speaker, I recently had the privilege to attend a ceremony in Blount

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

County, TN during which Coach Galen Johnson, Jr. was recognized a one of the leading high school basketball coaches in the country.

Coach Johnson made Porter High School a State basketball power for over a quarter of a century. He had a phenomenal record of success over the years. His overall record consisted of 735 victories, averaging more than 30 wins per season.

Settling for nothing less than 100 percent from his players, Coach Johnson led Porter High to three State championships in 1959, 1963, and 1967. In addition to these championships, his teams were in contention for several other titles as well.

I request that a copy of the State of Tennessee House Joint Resolution No. 543, a resolution to congratulate Coach Galen Johnson, be placed in the RECORD at this point so that I can call it to the attention of my colleagues and other readers of the RECORD.

TENNESSEE HOUSE JOINT RESOLUTION NO. 543

A Resolution to honor and congratulate Coach Galen Johnson, Jr. on the Porter Elementary School gymnasium being named in his honor.

Whereas, the Tennessee General Assembly was pleased to learn that one of the greatest high school coaches of all time, Galen Johnson, who made Porter High School a state power for a quarter of a century, will be specially recognized by having the Porter Elementary School (which used to be Porter High School) gymnasium named in his honor; and

Whereas, his phenomenal record of consistent success as a High School Basketball Coach from 1955 to 1979 has rarely been equaled; and

Whereas, his teams compiled an exemplary overall record of 735 victories and 167 losses, an enviable winning percentage of .815; and

Whereas, his teams won an average of 28 games per season and won 20 or more games for 24 consecutive years, a national record; and

Whereas, his Porter High School teams won three State Championships in 1959, 1963 and 1967, finished State runner-up twice in 1969 and 1978 and third in the State twice in 1964 and 1971; and

Whereas, Coach Johnson guided teams to the State Tournament an incredible 18 to 21 years; and

Whereas, he took teams to the regional tournament 23 of 24 years and placed either first or second in 20 of those 23 years; and

Whereas, his teams never finished lower than second place in the district; and

Whereas, Coach Johnson was chosen District Coach of the Year seven times; and

Whereas, he coached 18 All-State players, including two who were later named AAU All-Americans; and

Whereas, Coach Johnson spent 45 Years as an Active Coach, including his last four as an Assistant Coach at Maryville College; and

Whereas, in 1990 Coach Johnson received the highest honor that a Tennessee Coach can receive when he was named a member of the Tennessee Sports Hall of Fame; and

Whereas, team members, students, parents, fans, sports writers and even opponents have lauded his numerous significant contributions to the Porter High School athletic program and to high school basketball in general, using a long list of appropriate adjectives including "great", "mentor", "character builder", "one of a kind", "determined", "expert", "professional", "outstanding", "adept", "hard worker", "awesome", "extraordinary", "role model", "winner", "one of our best and brightest", "tremendous poise under pressure", "dedicated", "diligent", "rare" and "acclaimed"; and

Whereas, it is fitting that we pause in our deliberations to honor and congratulate Coach Galen Johnson and commend him for his service; now, therefore, be it

Resolved by the House of Representatives of the ninety-ninth general assembly of the State of Tennessee, the Senate concurring, That we honor and congratulate Coach Galen Johnson on the Porter Elementary School Gymnasium being named in his honor and wish him well in his future endeavors; be it further

Resolved, That an appropriate copy of this resolution be prepared for presentation with this final clause from such copy.

THE CATHEDRAL-SECOND BAPTIST CHURCH: DEDICATED TO SERVING PERTH AMBOY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. MENENDEZ. Mr. Speaker I rise today to honor the Cathedral-Second Baptist Church and its work in rebuilding the historic New Jersey city of Perth Amboy. The cathedral's latest contribution to Perth Amboy is the opening of the Donald Hilliard, Jr., Community Affairs Complex. It will open on June 22, 1996.

The Cathedral-Second Baptist Church has a long, proud history of service. Founded in Perth Amboy in 1892, it has provided the residents of the city with a place to congregate and celebrate for over 100 years. Its membership has increased from 125 to over 4,000, and it now offers spiritual, moral, and emotional support in 9 different neighborhoods. The Cathedral-Second Baptist Church provides a number of services, including education through its Cathedral Preparatory Academy, aid to the homeless through its many soup kitchens, and opportunities for community growth through its multimillion dollar Cathedral Community Development Corp. The cathedral and its members continuously display a rich faith, a strong sense of community, and remarkable altruism.

The Rev. Doctor Donald Hilliard, Jr. exemplifies the cathedral's commitment toward building a better community. An esteemed scholar and lecturer, he serves as the senior pastor of the Cathedral-Second Baptist Church. Under his leadership, the church has increased its budget from $73,000 to $3 million and has become one of the fastest growing churches in New Jersey. His Vision 2000 plan provides a food pantry, soup kitchen, and clothing distribution center for the underprivileged in Perth Amboy.

The latest contribution of the Cathedral-Second Baptist Church to the community is the Donald Hilliard, Jr., Community Affairs Complex. The facility includes a senior citizens hall, library, computer center, conference rooms, administrative and executive offices, and three retail stores. It promises to be a wonderful addition to the area.

This new 38,000 sq. ft. edifice is a testament to the ongoing goodwill of the Cathedral-Second Baptist Church and the deep faith and charity of its members. I am proud to have such a devoted organization in my district and ask my colleagues to join me in recognizing its achievements.

TRIBUTE TO GUSTAVO MONTANO ARRIOLA

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. FARR of California. Mr. Speaker, I rise today in recognition of a highly acclaimed cartoonist and cultural advocate who recently announced his retirement. Gustavo Montano Arriola, known to most as Gus, is the creator of the famous cartoon "Gordo." For more than 44 years he maintained a large and faithful following while introducing an American audience to Mexican customs and traditions.

Mr. Arriola began animating directly after high school at Screen Gems, then with Columbia on "Krazy Kat." He pursued his art working in the MGM Cartoon Department on the story sketch of the cat and mouse series "Tom and Jerry," then created the incomparable "Gordo" strip.

Mr. Arriola has earned many awards and honors which exemplify his great contributions to society. In 1957, "in recognition of his pioneering and bringing design and color to a 'new high' in the field of newspaper comic strips," he was awarded a distinguished artist citation by the San Francisco Artists Club. Mr. Arriola was also honored with the Citizen of the Year award from Parade of Nations, Inc., which stated, "'Gordo' exemplified the positive attitudes and educational efforts that best produce intercultural understanding." The California State Assembly and Senate awarded Mr. Arriola with a great honor from the people of California by declaring a "Gus Arriola Day," thus, immortalizing this great man.

Mr. Arriola was also awarded two National Cartoonist Society awards, both in 1957 and 1965 for best humor strip. In addition, he was honored by the Smithsonian Institution in Washington, DC, for his tribute to author Rachel Carson.

Mr. Arriola has also contributed his artwork to support numerous community causes. He has lent his creative talent to the Alliance on Aging, Beacon House, Carmel Art Association, Carmel Foundation, Carmel Public Library Foundation, Community Hospital of the Monterey Peninsula, Crosby Golf Youth Center, Friends of Sunset Foundation, Guide Dogs for the Blind, Hospice of the Central Coast, Monterey History and Art Association, Monterey Jazz Festival, Monterey Peninsula Museum of Art, Ombudsmen, Pacific Grove Art Association, Pacific Grove Museum of National History, Red Cross, Salvation Army, and the Society for the Prevention of Cruelty to Animals. He is a humanitarian willing to help people by contributing his influential work to their issue.

In response to a question about his retirement, Mr. Arriola quotes from the late writer and naturalist John Burroughs stating: "I still find the days too short for all the thought I want to think, all the books I want to read, all the walks I want to take and all the friends I want to see." I continue to wish the best for Gus Arriola, who I know is finding new and creative ways to make his mark on the world.

TRIBUTE TO GRAMERCY NEIGHBORHOOD ASSOCIATES

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mrs. MALONEY. Mr. Speaker, I rise today to pay tribute to the Gramercy Neighborhood Associates which has done so much to improve the quality of life in the Gramercy Park neighborhood of my district.

The Gramercy Neighborhood Associates is primarily involved with the area from Park Avenue South to Third Avenue, and from 17th Street to 22d Street. Thanks to the hard work of the staff, members, and sponsors who make all of the association's work possible, GNA has become a model for a community-based organization.

GNA works to beautify the neighborhood by holding a clean & green day each spring. Also, the association plants and maintains sidewalk trees and tree-garden fences. GNA keeps in touch with the needs of the neighborhood by holding monthly board of directors meetings at which key local issues of safety, traffic, sanitation, and quality of life are discussed and acted upon.

The Gramercy Neighborhood Associates also plays a vital role in the preservation and protection of the Gramercy Park Historic District, and is presently seeking the designation of extensions to the historic district as well as the landmarking of individual buildings of architectural, cultural, or historic merit in the area.

I am proud of the hard work that the Gramercy Neighborhood Associates has put into the community. Mr. Speaker, I ask my colleagues to join with me today in tribute to the Gramercy Neighborhood Associates and all of the hard work that they have done to improve the qualify of life in our community and throughout the city of New York.

THE CROSS IN THE WOODS

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. STUPAK. Mr. Speaker, and Members of the U.S. House of Representatives, it is an honor for me to bring to the attention of this body and the Nation the 50th anniversary of the founding of Cross in the Woods being celebrated on June 23, 1996. The Cross in the Woods is the largest crucifix in the world and is located in Indian River, MI. Made of bronze and redwood and weighing 14 tons, it stands 55 feet high and is 22 feet wide.

The idea for Cross in the Woods began in 1946 when Rev. Charles Brophy, a young priest from Cheboygan County, succeeded in having State officials transfer to Cheboygan County the 13 acres of Burt Lake on which the cross now stands. Once obtained by the county, Reverend Brophy purchased the site from the county for $1.

In 1954, the cross was raised and sculptor Marshall Fredericks began his work of designing and sculpting the crucifix. This is unique to most crucifixes in that it depicts Jesus Christ without a crown of thorns and missing the wound to his side. It was the intention of Mr. Fredericks to have a crucifix showing that Jesus Christ was at peace with his beliefs and the sacrifice he made by dying on the cross.

Over 200,000 citizens from across the country visit the cross annually. In addition, the current pastor at the cross, Rev. Donard Paulus maintains a mailing list of over 20,000 people who receive regular newsletters keeping interested parties informed of ongoing events.

Also located on the grounds is a chapel where services are held weekly that regularly attract a capacity number of parishioners and visitors. Plans are underway for the construction of a church that would provide a view of the cross and other statues located on the grounds.

Mr. Speaker, the Cross in the Woods reminds us that God's ways are opposite of our own human ways. As the cross was a symbol of death in the Roman Empire, it is now a symbol of victory in our faith. For it is said in Romans 8:38–39:

"For I am sure that neither death, nor life, nor angels, nor principalities, nor things present nor things to come, nor powers, nor height, nor depth, nor anything else in all creation, will be able to separate us from the love of God in Christ Jesus our Lord."

A TRIBUTE TO W.E. NASH

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. DUNCAN. Mr. Speaker, Professor W.E. Nash, a great Tennessean, recently passed away at the amazing age of 108.

Professor Nash was a longtime teacher and principal in Athens, TN. He was a dignified and honorable man who embodied all the old virtues that seem sometimes to be in short supply today.

Professor Nash was one of the most respected citizens of McMinn County, TN and was loved by many people. He was a community leader for more than seven decades and was active throughout his life in the Republican Party.

I request that a copy of the article about the life of W.E. Nash which appeared in the Athens Daily Post-Athenian be placed in the RECORD at this point. I would like to call it to the attention of my colleagues and other readers of the RECORD.

[From the Daily Post-Athenian, Apr. 29, 1996]

PROFESSOR NASH DIES AT 108

W.E. Nash, who rose from humble beginnings in Virginia to become an education and community leader in Athens for more than seven decades, died Friday at his home. He was 108.

Nash, known as "Professor Nash" throughout his distinguished career, served 28 years as the principal at the county's school for black students, J.L. Cook School, retired in 1953 at the age of 66.

Among his numerous awards were membership in the Community Builders Hall of Fame and the receiving of an honorary doctorate degree from Tennessee Wesleyan College. He was also the first recipient of the E. Harper Johnson Community Relations Award from the Tennessee Education Association.

Local leaders hailed Nash's commitment to education and his influence.

Vant Hardaway, supervisor of attendance and transportation for the Athens City Schools, said Nash's influence extended beyond the immediate Athens area because Cook School included students from as far away as North Carolina. Nash's commitment to education and values continue to have effect today, he said.

"It's a great loss to so many people because he affected so many lives," Hardaway said.

Residents in the area still refer to the discipline and the values they learned from men like Professor Nash and others, Hardaway said. Even in later years when Nash was unable to be active physically, Hardaway said leaders still looked to him for guidance.

"He still would give advice and counsel," Hardaway said. 'He lived through a real merger of cultures, not just in Athens but definitely in Athens."

J. Neal Ensminger, editor emeritus of The Daily Post-Athenian, said the Athens area owes a debt of gratitude to Nash.

"This community doesn't realize how much it owes to Professor Nash," Ensminger said, praising Nash for being a "stalwart citizen in education and public affairs."

Nash, a native of Lunenburg County, VA., told The Daily Post-Athenian in an 1985 interview he recalled leaving a plantation at the age of 4 where his grandmother had worked as a slave cook and had stayed on after the Civil War. He kept his baby sister until he was 8-year-olds, then worked until he was 17.

In 1904, he was making 50 cents a day hauling supplies in a mule-drawn wagon when he passed by Blackstone Academy the day the white students were leaving for Christmas vacation.

"They were coming down this walk that led from the school house," Nash recalled in the 1985 interview with Fran Ellers, a DPA staff writer at the time. "They had horns they were blowing—they were just having a good time, to tell you the truth. . . . I said, "That looks good. I'd like to be into something like that."

Nash was referred to the all-black Thyne Institute in Chase City, Va., where a student could work his way through school. At the age of 17, he walked 23 miles to Thyne and entered the first grade.

Nash graduated in 10 years and had his application in hand to become a Pullman porter when he was called home to care for his ailing mother. The black residents of his hometown organized a private school and paid Nash to become the teacher.

Later, he won a scholarship from Knoxville College, where he also ran the work program in the afternoons and served as night watchman from 10 p.m. to 3 a.m. It was at Knoxville where he met his future wife, a registered nurse named Willa Mae Pearson.

After graduating in 1922 at the age of 34, Nash came to Athens to lead the black Athens Academy, funded by the United Presbyterian Mission Board in Pennsylvania. The academy burned down in 1925 and Nash was considering other job offers, but community leaders asked him to stay and he agreed.

Construction of the county-funded J.L. Cook School began in 1926, and the school opened Nov. 12 that year with Nash as the principal. The school begin with 150 students, and eight years later the enrollment was at 375 students from McMinn and surrounding counties, including some from as far away as North Carolina.

Nash worked at recruiting students, adding courses and developing an "on-the-job training" program. He also set up a type of employment office through the school, and during the Great Depression he gave the test that qualified Athens men to participate in the Works Progress Administration job corps.

Nash recalled in the 1985 interview that although black schools weren't high on the McMinn County Court's priority list, he had a friend, Judge E.B. Madison, who supported his efforts.

"I would say, 'Judge, now we need badly two more rooms,'" Nash said. "He said, 'Well, how much are you going for?'"

Nash would tell him, and Madison would write a resolution and sign it. Nash, then, would take the resolution from judge to judge until he got nine signatures to secure the approval for the addition.

After retiring as Cook's principal in 1953, he remained active in the community. He was an elder of First United Presbyterian Church, a member of Boaz Masonic Lodge No. 318 and a board member emeritus of Cedine Bible College.

In 1985, he headed the list of local dignitaries invited to sit on the platform at the McMinn County Courthouse during President Ronald Reagan's visit to Athens. He was featured in numerous newspaper articles throughout the region and also received recognition on national television programs.

Nash was preceded in death by his wife. Local survivors include his niece, Zelma McClure, and his nephew, Walter Nash, both of Athens.

Funeral services will be held Tuesday at 3 p.m. at First United Presbyterian Church in Athens with the Rev. Charles Johnson officiating. M.D. Dotson and Sons Funeral Home in Athens is in charge of the arrangements. Complete funeral arrangements are included on Page 2.

In the 1985 interview with The DPA, Nash recalled the influence of his mentor, Booker T. Washington, and the "Let down your bucket where you are" speech delivered in Atlanta, Ga., in 1895.

Nash said he took Washington's advice to heart because he could have left Athens many times.

"But there's good water here," he said. "Real good water."

HONORING PARTICIPANTS OF THE 47TH INTERNATIONAL SCIENCE AND ENGINEERING FAIR

HON. BOB MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to a group of New Jersey students for their participation in the 47th International Science and Engineering Fair [ISEF], held recently in Tucson, AZ. I want to particularly note the accomplishments of two Jersey City students, Archna and Vandna Prasad, both juniors at Academic High School in Jersey City.

The twin Prasad sisters were honored at the fair for their scientific research projects. Archna's research project focused on crustacean and mollusk shell purification systems, which are a natural solution to heavy metal contamination in water. For her efforts, she won a 4-year scholarship to the University of Arizona and three third-place awards. Vandna's research project was centered on the removal of trichlorethylene. For her efforts, Vandna took third-place in the engineering category and a $1,000 award.

I am proud to have such brilliant, dedicated, and hard working students in my district. As a Nation we must be prepared to compete scientifically in the 21st century. With students like Archna and Vandna, I know our country is in good hands for the future. These accomplishments are even more noteworthy because these students were among more than 1,071 participants who presented 989 projects. The participants came from all over the United States and from 40 countries around the world.

I also want to commend the Jersey Journal for enthusiastically sponsoring the Hudson County Science Fair. The fair has become an important showcase for our young scientific achievers. Sponsoring a local event, and sending champions to the national competition demonstrates the Journal's strong ties to the Hudson County community, and I want to thank them for their commitment.

Archna and Vandna have spent many hours working on these projects, and they are a credit to New Jersey and our Nation. I salute them today and wish them much luck in their future endeavors.

TRIBUTE TO DR. KARL PISTER

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. FARR of California. Mr. Speaker, I rise today to pay tribute to a scholar who has pursued excellence in the academic world for his entire life. Dr. Karl Pister first entered the undergraduate program at the University of California at Berkeley more than 50 years ago and is today being honored as chancellor of the University of California at Santa Cruz, a position he has held for the past 5 years.

Dr. Pister first began teaching immediately after he received his Ph.D. in theoretical and applied mechanics in 1952. He began as assistant professor and in the Department of Civil Engineering at Berkeley and after 10 years was promoted to professor in 1962. For the following 18 years, he also served as vice chairman and chairman of the Division of Structural Engineering and Structural Mechanics. He was appointed dean of the College of Engineering, at Berkeley, on July 1, 1980, and led the school to be recognized as one of the Nation's outstanding schools of engineering.

Dr. Pister has been the recipient of numerous prestigious awards. He was twice selected as a Fulbright Scholar, first, in the Department of Mathematical Physics, University College, Cork, Ireland, and then in the Institute for Statics and Dynamics of Aerospace Structures, University of Stuttgart, West Germany. He also was awarded the Wason Medal for Research by the American Concrete Institution, and in 1982, was the recipient of the University of Illinois, Urbana-Champaign, College of Engineering Alumni Honor Award for distinguished service in engineering. In 1988 he was presented with the Vincent Bendix Award for minorities in engineering by the American Society for Engineering Education, and in 1993 he was bestowed the highest honor by the society, the Benjamin Garver Lamme Medal, for his contributions to engineering education. He also was the recipient of the Distinguished Alumni Award from the Engineering Alumni Society of the College of Engineering, University of California, Berkeley.

Dr. Pister has also served the University of California in many other ways. He held the position as chairman of the committees on Senate Policy and Educational Policy of the Berkeley Division of the Academic Senate, and also served as chairman of the University Committee on Education Policy. From 1978 to 1980 he was vice-chairman and chairman of the nine-campus Academic Council and Assembly of the Academic Senate and faculty representative to the board of regents of the University of California.

Dr. Pister is also a member of numerous engineering academies and associations. He is a member of the National Academy of Engineering, and is a fellow of the American Academy of Arts and Sciences and the American Academy of Mechanics, the American Society of Mechanical Engineers and the American Association for the Advancement of Science. Dr. Pister is also an honorary fellow of the California Academy of Sciences.

He currently serves as chairman of the board of directors of the California Council on Science and Technology and is a member of the board of directors for the Monterey Bay Aquarium Research Institute and the board of trustees of the Monterey Bay Aquarium Research Institute and of the board of trustees of the Monterey Institute of International Studies. Pister also serves as chairman of the board of Engineering Education and is a member of the Coordinating Council for Education of the National Research Council.

In addition to my honoring of Dr. Pister's numerous accolades and accomplishments, I would also like to pay tribute to a man of great character. He has made a commitment to a continued vision to lead and a compassion to listen in order to best contribute to the advancement of science and the advancement of our society and Nation. I wish him well in his future endeavors.

TRIBUTE TO VIRGINIA O'TOOLE BAILEY

HON. WILLIAM H. ZELIFF, JR.

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. ZELIFF. Mr. Speaker, let me extend my sincerest congratulations and gratitude to a wonderful woman who is retiring today after a very fulfilling and successful career. Mrs. Virginia O'Toole Bailey has been serving the community of North Conway, NH, for 17 years as the John Fuller Elementary School Nurse.

Over the last 17 years, Mrs. Bailey has provided an invaluable service and has established a strong bond with North Conway and surrounding communities. Mrs. Bailey has looked after and taken care of our children's playground cuts and bruises when we, as parents, could not be there. She has been the security blanket that so many young people need at such a young age.

For all these reasons, I would like to thank Mrs. Virginia O'Toole Bailey on behalf of myself, the students and staff of John Fuller Elementary, the parents, and the town of North Conway for 17 great years of caring and dedication. I also offer my gratitude as a Representative of New Hampshire and I am sure I speak for all my colleagues here in Congress when I say congratulations. Mrs. Bailey will be greatly missed at John Fuller Elementary School.

TRIBUTE TO LAWRENCE B. ALPORT

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. VISCLOSKY. Mr. Speaker, it gives me great pleasure to rise today to pay tribute to a celebrated community servant, Mr. Lawrence B. Alport. On Monday, June 24, 1996, Lawrence's friends and family will gather to celebrate his installation as president of B'nai B'rith District 2. The installation banquet will be held at The Radisson Hotel at Star Plaza in Merrillville, IN.

Since he first joined the organization in 1980, Lawrence has proven to be a great leader within B'nai B'rith. For the past year, Lawrence served as president-elect, as well as a member of the board of governors. Lawrence also served for 3 years as vice president. Lawrence currently serves as vice-chairman for B'nai B'rith's international Community Volunteer Service, and he has held this position for 9 years. Previously, Lawrence served on B'nai B'rith's Membership Cabinet, Fundraising Cabinet, and Leadership Cabinet. In addition, Lawrence served as the president of the Indiana State Association for B'nai B'rith. For B'nai B'rith's America Lodge No. 90, Lawrence served as president, vice-president, secretary, and treasurer.

We are all fortunate to have dedicated people, like Lawrence, involved in the community of Indiana's First Congressional District. In addition to his involvement with B'nai B'rith, Lawrence is a board member of Hoosier Boys Town. He also served as a board member for Northwest Indiana Family Services where he was president for 3 years.

Professionally, Lawrence is the president of David Lawrence Enterprises, Inc., a company he founded in 1993. David Lawrence Enterprises specializes in energy conservation and indoor air quality equipment for manufacturers.

B'nai B'rith is the world's oldest and largest Jewish organization with members in 55 countries. B'nai B'rith has been in existence for over 150 years. District 2 consists of eight surrounding States including Indiana, Kentucky, Ohio, Kansas, Missouri, Wyoming, Colorado, and New Mexico. Locally, B'nai B'rith America Lodge No. 90, which covers all of northwest Indiana, sponsors several community events. Lodge No. 90, which has a B'nai B'rith youth organization, has taken children to baseball games and sponsored a brotherhood essay contest for elementary and junior high students. Lodge No. 90 has also sponsored a teddy bear drive to help acquire teddy bears for hospitals.

I offer my heartfelt congratulations to Lawrence and his wife, Jane Harper Alport, on the eve of his installation as president of B'nai B'rith District 2. They can be proud as Lawrence works hard to preserve Jewish culture while improving the quality of life for Indiana's First Congressional District. I sincerely wish Lawrence a long, happy, and successful term.

LEGISLATION DISAPPROVING THE NRC FROM LOCATING A NUCLEAR WASTE FACILITY

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. ABERCROMBIE. Mr. Speaker, I rise today with other concerned Members of Congress to introduce legislation which amends the Nuclear Waste Policy Act of 1982 to prohibit the licensing of a permanent or interim nuclear waste storage facility outside the 50 States. Specifically, this bill would preclude the Nuclear Regulatory Commission from issuing a license for the storage of radioactive waste or spent nuclear fuel in any of the U.S. territories. Senator DANIEL AKAKA has already introduced a companion bill, S. 1878, in the U.S. Senate.

I have grown increasingly troubled by statements and presentations that have been made by a New York City investment firm, KVR, Inc., that earlier this year made an offer for Palmyra Island, an atoll of more than 40 islets 1,000 miles south of Hawaii. Initially, it was reported that KVR. Inc. talked about using Palmyra for scientific research and hotel development of some kind. However, recent events make it evident that KVR, Inc. wants to use Palmyra for a repository of radioactive waste.

KVR, Inc. has been circulating draft legislation among the administration and Members of Congress to locate a radioactive waste site on a Pacific atoll. According to representative from KVR, Inc. Palmyra is on a short list of candidate sites being considered.

I want to state for the record that I am unequivocally against this initiative.

In order to locate the site at Palmyra the draft legislation waives compliance with the National Environmental Policy Act in regard to the preparation of the environmental impact statement and the Clean Water Act to dredging.

Siting a radioactive waste facility is a serious matter. The environmental consequences cannot be ignored. For too long the Pacific community has been used as a nuclear dumping ground. The United States tested nuclear devices in the Marshall Islands, and we are all having to deal with the enormous costs associated with these tests. More recently, the Government of France conducted a series of nuclear tests at the Moruroa and Fangatauga atolls in the South Pacific, which was opposed by over 160 nations.

Mr. Speaker, my bill is preemptive strike against proposals to designate a radioactive waste site in the Pacific. KVR, Inc. attempts to achieve a laudable goal but at an enormous cost. I want to advise my colleagues that any attempt to go forward with the KVR, Inc. proposal will be vigorously and vehemently opposed.

MASS EVICTION UNIQUE TO SMOKIES

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. DUNCAN. Mr. Speaker, I thought the following recent article from the Asheville Citizen Times about the formation of the Great Smoky Mountains National Park might be of great interest to some of my colleagues and many readers of the RECORD.

MASS EVICTION UNIQUE TO SMOKIES

(By Clarke Morrison)

As a birthday gift on an August day in 1970, Glenn Cardwell drove his 85-year-old father back in time to a place that had been their home.

The sight of the beautiful cove, absent the farmsteads and families that once dotted the rolling landscape, prompted a pained recollection of the forced exodus that cleared the way for the Great Smoky Mountains National Park.

"He said the thing he hated most was losing our neighbors," Cardwell said of his father, Bill, who died a few months after the visit. "You can buy a farm anywhere, but tearing up your community does something to your spirit."

The Cardwells lived at the mouth of Greenbriar Cove near the park's northern boundary, and so were among the last to have their land condemned by the government. They watched as friends and relations moved on.

"They went different directions where the winds of interest were blowing," said Cardwell, a supervisory park ranger who will retire in September. "Some to Virginia, some to Georgia . . . Ten families went to New Mexico. My sadness was watching them leaving us. I remember a lot of them hugging my mother and father and crying."

This mass eviction distinguishes the Smokies, home to farms and communities for more than 100 years, from all but a few national parks. For other major parks such as Yellowstone, Congress merely carved them out of lands already owned by the government. And for the most part, these were places where no one wanted to live anyway.

But land in the mountains of Western North Carolina and eastern Tennessee was owned by hundreds of small farmers and several large timber and paper companies. The Smokies was the first national park to be created totally from privately owned land.

Quite understandably, the farmers didn't want to be pushed out of the family homesteads where they had lived and tilled the soil for decades, and the companies were reluctant to abandon their timber reserves, miles of railroad tracks, systems of logging equipment and villages of employee housing.

There were an estimated 1,200 to 1,400 families that had to be moved out, said Tom Robbins, a park ranger and historian who gives programs at the Oconaluftee Visitors Center near Cherokee.

"Obviously there were hard feelings all the way around, and still are," he said. "People were uprooted.

"Some people tried to look at it from a positive standpoint, particularly those who had farms that were sort of played out. But plenty of people had no desire to sell, but had no choice. It was particularly hard on some of the older people. They figured that was where they were going to die and be buried."

SEEDS OF THE PARK

The idea of a public land preserve in the Southern Appalachians started in the late 1800s, and by the early 20th century the federal government was under pressure to make the concept a reality.

The strongest supporters were based in Asheville and Knoxville, Tenn., and the two groups were competitors over the location of the park. Finally they put aside their differences and agreed it should be in the heart of the Smokies, halfway between the two cities.

The movement was spurred in large part not by conservationists, backpackers or fishermen, but by motorists. Members of newly formed auto clubs wanted good roads through beautiful scenery on which they could drive their cars.

LEGISLATION APPROVED

In May of 1926, President Calvin Coolidge signed a bill that provided for the creation of the Great Smoky Mountains National Park and Virginia's Shenandoah National Park. The legislation allowed the U.S. Department of the Interior to assume responsibility for a park in the Smokies as soon as 150,000 acres of land had been bought.

But the government was not allowed to buy land for national parks, so boosters had to turn their attention to raising money. In the late 1920s the legislatures of North Carolina and Tennessee each appropriated $2 million for land purchases, while individuals and groups contributed another $1 million. But by 1928, the price of the land had doubled and the fund-raising campaign came to a halt.

Finally the needed funds were in hand when a major foundation endowed by John D. Rockefeller pledged $5 million.

However, even with the money in hand, actually acquiring the land proved a tedious task. There were some 6,600 tracts that had to be surveyed, appraised and their price haggled over. Many times, the land had to be condemned in court.

It was tough for many to leave their homes and their ways of life. Some, particularly if they were too old or sick to move, were allowed to remain under lifetime leases. Others were granted shorter leases, but they could not cut timber, hunt or trap.

The park's first superintendent arrived in 1931. Three years later North Carolina and Tennessee transferred deeds for about 300,000 acres to the federal government, and Congress authorized the development of park facilities.

Standing at the Rockefeller Monument at Newfound Gap on the North Carolina-Tennessee line in September 1940, President Franklin Roosevelt formally dedicated the Great Smoky Mountains National Park.

THE PARK'S DEVELOPMENT

By then, much of the early work to develop the park had been accomplished by the Civilian Conservation Corps, an agency formed during the Depression to provide work for the legions of unemployment.

At its peak in the late '30s, the CCC had more than 4,300 young men building roads, trails, stone bridges and fire towers, the park's first campgrounds, as well as the Oconaluftee Visitor Center on the North Carolina side and the park headquarters in Tennessee.

"There wouldn't have been any early development of the park without the CCC," Robbins said.

Work on the park stopped in the early 1940s when America entered World War II, and the National Park Service's budget was cut drastically.

Robbins said the Smokies and the country's other parks saw no significant funding until the mid-'50s when Congress infused the agency with new money for a major, 10-year recovery program.

And the Smokies benefited. It was during that time that the observation tower on Clingmans Dome and the Sugarlands Visitor Center were constructed. Campgrounds and other facilities were renovated.

Since then, it's been a matter of maintenance. Little new has been built in the park over the past 30 years, and the old structures become more worn and in need of repair with each passing year.

WALTER MERCADO: HE MADE A DIFFERENCE IN THE HISPANIC COMMUNITY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Walter Mercado, an icon of the Nation's Latino community. For 26 years, Mr. Mercado has worked tirelessly and selflessly to bring his message of peace, hope, and love to millions of his followers throughout the world and to the Latino community, in particular. I am pleased to note that he will visit my hometown, Union City, on June 21, 1996.

Walter Mercado was born in Puerto Rico. During his youth, he had a great yearning for knowledge. He immersed himself in the arts, studying Spanish dance, ballet, painting, voice, recitation, oratory, music, and acting. Later he came to New York to study under the legendary acting teacher Sanford Meisner. He went on to become one of Puerto Rico's most celebrated and distinguished actors.

After pursuing his studies, Mr. Mercado decided to devote himself to helping others. He made extensive trips throughout the world. Through his top-rated television show on Univision, numerous books and public appearances, Mr. Mercado has raised the quality of millions of lives with entertaining, helpful advice on matters of health, family, love, and finance. In addition, he has been involved in numerous charities because of his concern for the well-being of the community and the world. Mr. Mercado has given special attention to the betterment of children's lives everywhere.

Mr. Mercado combines a flamboyant, outgoing nature with a genuine concern for people. He is not afraid to be outlandish, but he is also sensitive enough to care about his audience. Perhaps, he is so popular, because his audience knows that behind the showmanship is an entertainer with a heart of gold.

It is an honor to have such an outstanding and considerate individual visit my district. Walter Mercado demonstrates the positive influence one person can have on the lives of many. I ask my colleagues to join me in recognition of Walter Mercado, a remarkable man.

PERSONAL EXPLANATION

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. GALLEGLY. Mr. Speaker, yesterday, I was attending a function in my congressional district. As a result, I unfortunately missed several votes. Had I been here, I would have voted "yea" on rollcall 248; "yea" on rollcall 249; "yea" on rollcall 250; "nay" on rollcall 251; "yea" on rollcall 252; "nay" on rollcall 253; "nay" on rollcall 254; "nay" on rollcall 255; "nay" on rollcall 256; "nay" on rollcall 257; "nay" on rollcall 258.

CLINTON WELFARE REFORM

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. PACKARD. Mr. Speaker, it was not a month ago that the President praised the Wisconsin welfare reform plan. Once he got the headlines he wanted, the backpeddle began. The Clinton administration's wavering on Wisconsin's plan is just another in a long history of broken promises on welfare reform.

Throughout 1992, candidate Clinton talked time and again about the need for welfare reform. It has been almost 4 years and his only action on welfare reform has been to veto the reform, not once, but twice. In February of this year, the President supported a bipartisan welfare reform plan unanimously approved by the Nation's 50 Governors—Republican and Democrat alike. Within a month Secretary Shalala said the President would veto the plan.

It is clear the President does not mean what he says. In spite of all of his talk, he is wed to the status quo. By contrast, my Republican colleagues and I are committed to ending welfare as we know it. Congressional Republicans have proposed and passed genuine welfare reform that moves people off of the welfare rolls and onto payrolls.

If we are to have real welfare reform, we must take power out of the hands of Washington bureaucrats and give it back to the people and the States. Not many people, outside of the White House, believe that the Washington welfare bureaucracy—which has presided over the past 30 years of failure—knows more about welfare reform than the States who have proven track records. It is high time the President stopped talking out of both sides of his mouth and began welfare reform in earnest.

TRIBUTE TO TOP COAST GUARD OFFICER

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Ms. WOOLSEY. Mr. Speaker, I rise today to pay tribute to Capt. Eric Staut, commanding officer of the Coast Guard Training Center in Petaluma, CA, who retires this month after 30 years of impeccable service to our country, our Coast Guard, and the Petaluma community.

Captain Staut's extensive accomplishments and experience in the Coast Guard include serving as district chief of operations, law enforcement staff chief, commanding officer of two air stations, and chief of enlisted personnel responsible for the management of the Coast Guard's 30,000 member enlisted force.

I had the pleasure of working with Captain Staut when he was the commanding officer of the Coast Guard Training Center, Petaluma. Through his creative, proactive, and skillful leadership, the training center has become one of the most efficient facilities in the Coast Guard. Under Captain Staut's command, the Petaluma Training Center went from being on the chopping block to receiving the Unit Commendation Award, which is the highest unit award in the Coast Guard. According to the Coast Guard's Commandant who awarded this prestigious commendation, the staff demonstrated dynamic leadership and innovation in the quality of training and support services. It was Captain Staut's natural leadership that helped shape and enrich the minds and hearts of the students and staff who take pride in the work they do and in the place they serve. His leadership, hard work, and dedication have tremendously affected countless lives.

On June 25, 1996, Captain Staut will be relieving his command of the Petaluma Training Center, but he will forever remain a vital link to the history of the Petaluma area, and the west coast, for the honors and successes he brought to the center and for helping keep the only Coast Guard Training Center on the west coast. I urge my colleagues to please join me in saluting Captain Staut, and wishing him and his wife, Carolyn, much success with their future plans.

EAST KENTWOOD HIGH SCHOOL CONTINUES EXCELLENCE

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. EHLERS. Mr. Speaker, I would like to take this opportunity to recognize the outstanding dedication and effort of a group of students and their teacher from my district. The students are from East Kentwood High School and their teacher is Deb Snow. Earlier this spring, Ms. Snow and her 22 students competed in the We the People the . . . The Citizen and the Constitution national finals and won the region three award. The award is presented to five schools, from each of five geographic regions, with the highest cumulative score during the first 2 days of the national finals. This remarkable feat was accomplished while competing against 49 other classes from around the country.

The We the People the . . . The Citizen and the Constitution program encourages high school students around the country to better understand the history and principles of our Nation's constitutional government focusing on the U.S. Constitution and the Bill of Rights. After extensive preparation in their respective schools, students compete in a challenging 3-day competition that includes a simulated congressional hearing. During the competition the students are judged on their oral presentations, their knowledge of constitutional principles, and their ability to apply them to historical and contemporary issues. The program is the most extensive of its kind.

I am extremely proud of the students from East Kentwood who made numerous sacrifices to represent our district and State in this competition. Advancing to the national finals and being recognized as one of the top schools in this competition is no easy task. These students made a commitment to succeed and followed through on their goals. The students who studied long hours to reach the finals were: Katie Bacon, Ryan Brubaker, Dan Bush, Brad Busse, Brian Busse, Nathaniel Cartier, Jamie Cassis, Stacy Corsaut, Michelle David, John Defouw, B.J. Desmond, Brian Dishinger, Ryan Eavey, Chris Frazier, Andrea Hudson, Mark Hulbert, Rachel Katonak, Winnie Lee, Kurt Leland, Chris Magnuson, Emily Peterson, and Beth Zoller.

The students are not the only ones who give their all for this competition. They are fortunate to be under the tutelage of their teacher, Deb Snow, who goes above and beyond the call of duty of preparing students for this competition. Under her leadership, East Kentwood has enjoyed frequent success in the We The People . . . The Citizen and the Constitution program. Her dedication and passion for teaching should serve as an example for other teachers to follow. Congressional district coordinator Donald Fink and State coordinator Linda Start also play important roles in East Kentwood's success. Their guidance and planning efforts were extremely beneficial in helping the team advance to the national finals.

Mr. Speaker, I am delighted to take this time to recognize the outstanding accomplishments of this team. The valuable lessons learned through competition and teamwork will help prepare these students for the challenges that lie ahead in their adult years. I want to thank the students and teacher Deb Snow for serving as excellent representatives of the Third District. Again, my deepest congratulations and my wishes for continued success in the years to come.

A TRIBUTE TO DR. JAMES G. McCLUSKEY

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. DUNCAN. Mr. Speaker, I want to recognize Dr. James G. McCluskey for his 37 years of service as pastor of Wallace Memorial Baptist Church in Knoxville, TN. His leadership and service has truly blessed Wallace Memorial Baptist Church.

Today Wallace Memorial is one of the largest churches in the east Tennessee area with over 3,000 members. It is devoted to its missions outreach which was inspired by Dr. Bill Wallace, after whom the church was named.

Dr. McCluskey joined Wallace Memorial as its pastor in 1959 when there were approximately 45 members. At that point, he had held several different high level positions with many agencies and ministries. He had served as the president of the Tennessee Baptist Convention, the Tennessee Baptist Pastor's Conference, the Tennessee Baptist Youth Evangelistic Conference, the Ridgecrest Baptist Assembly, and senior teacher for Evangelism Explosion International. Additionally, he had traveled to several foreign countries on mission work.

Most importantly, his love for Christ and his mission to share that love with others has guided Wallace Memorial as the church's membership and programs have grown over the years.

Dr. McCluskey has said that the inspiration of his own growth has been "a wonderful wife and family who sustained and were encouraged. She has been the most stabilizing and encouraging. The church will miss her more than they miss me."

Several church members are sad to see the McCluskey family leave. Theresa Wilson described it best when saying:

> For the 14 years that I've been a member of Wallace Memorial Baptist Church and have known Jim and Lib, their ministry has been an example of putting Christ first and self last. Their leadership has always been full of energy and enthusiasm for the Lord and his church. We will sorely miss Jim and Lib and we are thankful for their years of service.

Rev. Jim McCluskey recently told the Knoxville News Sentinel: "The Church is not built on me, but on Christ. The best is yet to be. Move onward, upward and forward and give new leadership the same following they gave me."

I request that a copy of the article that recently appeared in the Knoxville News Sentinel be placed in the RECORD at this point so that I can call it to the attention of my colleagues and other readers of the RECORD.

MOVE ONWARD, UPWARD

(By Bill Maples)

Wallace Memorial Baptist Church at 701 Merchant Drive is a huge edifice. Its auditorium seats hundreds. It has a reputation for its far-reaching mission outreach and for its Christmas and Easter programs. It has 3,162 members.

But its members are feeling a painful sense of loss this weekend. Dr. James G. McCluskey, its pastor for 37 years, is preaching his last sermon on Sunday. He is retiring.

"There are other things I want to do but not in a full-time pastorate," he says. He mentions consulting, teaching, substitute preaching.

Then, too, there are children and grandchildren he and wife, Elizabeth, want to visit more, and some traveling they want to do.

Dr. Roy T. Edgemon, director of discipleship and family in the development division of the Baptist Sunday School Board, will serve as interim pastor.

The church is having a reception at the church Sunday, April 14, from 2 to 4 p.m. The public is invited.

It has been a colorful voyage. Wallace Memorial has grown from 45 members when it was founded in 1952 to more than 3,000 members today. What made it grow so rapidly?

"Wallace Memorial was well-born," McCluskey says. "It was started by Arlington Baptist Church in a growing community. It has had good lay leaders and good followers."

Asked what has been the strength of his own growth, McCluskey says, "A wonderful wife and family who sustained and were encouraging. She has been the most stabilizing and encouraging. The church will miss her more than they will miss me."

Before they were married April 2, 1953, she was Elizabeth Ann Peters of Knoxville. Known to members as "Lib," she is a consultant in working with children with the Sunday School Department of the Tennessee and Southern Baptist Conventions. She has been a trustee with East Tennessee Baptist Hospital since 1989 and is president of the advisory board of the Carson-Newman College of Nursing. The couple has four children and eight grandchildren. One son and one son-in-law are ministers.

Jim McCluskey, as he prefers to be called, grew up in Chattanooga and earned his bachelor's degree from Carson-Newman in 1952. He went on to earn the master of divinity and master of religious education degrees from Southern Baptist Theological Seminary and the doctor of ministry degree from Luther Rice Seminary. He has held two other pastorates, in Squiresville and Lawrenceburg, Ky. He came to Wallace Memorial in 1959.

He has held various high-level board and advisory positions with at least two dozen ministries and agencies during his career, including president of the Tennessee Baptist Convention; denominational speaker at the Tennessee Baptist Convention, Tennessee Baptist Pastors' Conference, Tennessee Baptist Youth Evangelistic Conference, Ridgecrest Baptist Assembly; and senior clinic teacher for Evangelism Explosion International. He has traveled to several foreign countries on mission work.

Wallace Memorial has always emphasized mission work. It has sent forth 42 persons from among its members as spiritual leaders—ministers, ministers of music, teachers and laypeople involved in spiritual missions.

It has sent more than 101 mission teams to foreign and American locations on mission and mercy trips. These included emergency disaster teams sent to hurricane locations. Its annual mission giving is in the hundreds of thousands of dollars.

One impetus for this enthusiasm is the inspiration for the church's name—Bill Wallace, a native of Knoxville who died a Christian missionary martyr in China in 1951. When his body was returned to the U.S., he was buried in Greenwood Cemetery. The funeral was held at Wallace Memorial. A room containing Wallace's memorabilia has been set aside by the church.

Many members have come forward with a farewell word for the McCluskeys. Typical is that of Theresa Wilson: "For the 14 years that I've been a member at Wallace Memorial Baptist Church and have known Jim and Lib, their ministry has been an example of putting Christ first and self last. Their leadership has always been full of energy and enthusiasm for the Lord and his church.

"Jim and Lib have truly made Wallace Memorial feel like a large family through their loving and caring attitudes. Wallace Memorial as a church family has been truly honored to have been under the leadership of Jim McCluskey as our senior pastor for the past 37 years. We will sorely miss Jim and Lib and we are thankful for their years of service."

What message does Jim McCluskey leave with the church? "That the church is not built on me, but on Christ. The best is yet to be. Move onward, upward and forward and give new leadership the same following they gave me."

What message would he give to a starting church? "Focus on meeting people's needs."

What message would he give a starting preacher? "Spend as much time preparing yourself as you do preparing a sermon."

INTRODUCTION OF HOUSE CONCURRENT RESOLUTION 191

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. GILMAN. Mr. Speaker, I am proud to introduce this resolution (H. Con. Res. 191) to provide that long delayed recognition to persons considered to be members of the Philippine Commonwealth Army Veterans and members of the Special Philippine Scouts—by reason of service with the Allied Armed Forces during World War II.

We must correct the grave injustice that has befallen this brave group of veterans, since their valiant service, on behalf of the United States, during the Second World War.

On July 26, 1941, President Roosevelt issued a military order, pursuant to the Philippines Independence Act of 1934, calling members of the Philippine Commonwealth Army into the service of the United States Forces of the Far East, under the command of Lt. Gen. Douglas MacArthur.

For almost 4 years, over 100,000 Filipinos, of the Philippine Commonwealth Army fought alongside the Allies to reclaim the Philippine Islands from Japan. Regrettably, in return, Congress enacted the Rescission Act of 1946. This measure denied the members of the Philippine Commonwealth Army the honor of being recognized as veterans of the United States Armed Forces.

A second group, the Special Philippine Scouts called "New Scouts" who enlisted in the United States Armed Forces after October 6, 1945, primarily to perform occupation duty in the Pacific, have also never received official recognition.

I believe it is time to correct this injustice and to provide the official recognition long overdue for members of the Philippine Commonwealth Army and the Special Philippine Scouts that they valiantly earned for their service to the United States and the Allied cause during World War II.

These members of the Philippine Commonwealth Army and the Special Philippine Scouts served just as courageously and made the same sacrifices as their American counterparts during the Pacific war. Their contribution helped disrupt the initial Japanese offensive timetable in 1942, at a point when the Japanese were expanding almost unchecked throughout the western Pacific.

This delay in the Japanese plans bought valuable time for scattered allied forces to regroup, reorganize, and prepare for checking the Japanese in the Coral Sea and at Midway.

During the next 2 years, Filipino "Scout" units, operating from rural bases, tied down precious Japanese resources and manpower through guerilla warfare tactics.

In 1944, Filipino Forces provided valuable assistance in the liberation of the Philippine Islands which in turn became an important base for taking the war to the Japanese homeland. Without the assistance of Filipino units and guerrilla forces, the liberation of the Philippine Islands would have taken much longer and been far costlier than it actually was.

I urge my colleagues to carefully review this resolution that corrects this grave injustice and provides recognition to members of the Philippine Commonwealth Army and the members of the Special Philippine Scouts.

The full text of the bill (H. Con. Res. 191) is included at this point in the RECORD.

H. CON. RES. 191

Whereas the Commonwealth of the Philippines was strategically located and thus vital to the defense of the United States during World War II;

Whereas the military forces of the Commonwealth of the Philippines were called into the United States Armed Forces during World War II by Executive order and were put under the command of General Douglas MacArthur;

Whereas the participation of the military forces of the Commonwealth of the Philippines in the battles of Bataan and Corregidor and in other smaller skirmishes delayed and disrupted the initial Japanese effort to conquer the Western Pacific;

Whereas that delay and disruption allowed the United States the vital time to prepare the forces which were needed to drive the Japanese from the Western Pacific and to defeat Japan;

Whereas after the recovery of the Philippine Islands from Japan, the United States was able to use the strategically located Commonwealth of the Philippines as a base from which to launch the final efforts to defeat Japan;

Whereas every American deserves to know the important contribution that the military forces of the Commonwealth of the Philippines made to the outcome of World War II; and

Whereas the Filipino World War II veterans deserve recognition and honor for their important contribution to the outcome of World War II: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress recognizes and honors the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II.

IN HONOR OF MANUEL AND MARIA MARIN: AN AMERICAN SUCCESS STORY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Manuel and Maria Marin, a classic American success story. Mr. and Mrs. Marin will be honored at a reception this Saturday at the Sheraton Meadowlands in East Rutherford, NJ.

America is a land of immigrants, and this family exemplifies the immigrant success story. Manuel and Maria arrived in the United States with only the clothes on their backs and a few personal possessions in May 1980. They were searching for a better way of life and an escape from the Communist dictatorship of Cuba. Despite their bad fortune, the Marins dedicated themselves to creating a new life in their adopted homeland. Through their sweat and determination, they were able to scrape up enough funds to open up a grocery store in West New York, NJ, in 1986.

In 10 short years, the Marins' one grocery store has blossomed into a chain of supermarkets throughout New Jersey and Florida. Their success has made them role models for the Hispanic community and the community at large.

Manuel's and Maria's fine character is not only evident in their business success, but also in their devotion to their family and community. In addition to raising two children, Yanina and Yaddiel, the Marins have worked to reunite their family by bringing members over from Cuba. Manuel is very active in the Latin American Kiwanis Club and participates in their many charitable activities. He also provides financial support to other businessmen through Banco Uno, which he founded.

I am very grateful for the Marin family's contributions to the Hispanic community, New Jersey, and our Nation. Their success is proof that, indeed, we are a land of great opportunity for all those willing to seize it. I ask my colleagues to join me in honoring this great family.

TRIBUTE TO STEPHEN P. CLARK

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. DEUTSCH. Mr. Speaker, I rise today to pay tribute to Stephen P. Clark, a man who dedicated his life to serving the public for more than four decades. He served as mayor of the city of Miami from 1967 to 1970 and again from 1993 to 1996. In between he served as mayor of metropolitan Dade County.

In 1970, he resigned as mayor of Miami to win the office of mayor of Dade County. With the exception of 2 years, he held that post until 1993. Once in office he helped transform Dade County from a sleepy tourist oriented county into the growing metropolis it is today. Under his guidance Dade County has become an initial center for banking, business, and the arts in the United States.

As mayor of Dade County, Mr. Clark spurred county improvement projects such as a modern transit system, a cultural center, and a main library. He was instrumental in establishing community wide, public-private efforts, to create jobs and economic assistance. He initiated the Housing Finance Authority, which provides low-cost mortgages for new homeowners. Furthermore, he constantly worked to improve living conditions, create job-training programs for the youth, and facilitate effective community relations amongst Miami's depressed areas.

In 1993, 23 years after resigning from office, Stephen Clark was again elected to serve Miami as their mayor. He initiated measures to save the city millions of dollars while improving and expanding public services such as the fire and police. He worked to improve communication and enhance ties with the community. Under his direction, the city joined forces with Fannie Mae to create an affordable housing plan which provides nearly 70,000 Miami-Dade families with housing opportunities. In 1994, he hosted the Pan American Summit of Hemispheric Presidents, which was attended by 34 heads of state from democratic countries of the Western Hemisphere.

In a time when cities across this Nation have seen shrinking budgets while ever increasing challenges mounted, Stephen Clark was there for metropolitan Dade County. In meeting those challenges head on and conquering them, he touched and improved the lives of millions of Florida residents. Mr. Speaker, Stephen Clark is an example for us all as to what an elected official should strive to become. I thank and praise him for his lifetime of service and dedication.

LINDSEY SEDLACK WRITES A POEM FOR PEACE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. LANTOS. Mr. Speaker, I would like to bring my colleagues' attention to a beautiful poem, "Helping the World," that was sent to me by an eight-year-old girl from my district. The author Lindsey Sedlack, is the great-grand-daughter of Ben Swig, a great humanitarian of the San Francisco Bay area and a longtime friend. Mr. Swig was a benefactor of my cause that needed help, including the Salvation Army and the Jewish Community Federation. This poem by his granddaughter embodies his humanitarian spirit.

Lindsey's awareness of the social problems of our times, the love and sensitivity she brings to these issues and her dedication to make this world a better place for all of us gives us hope for the future. It is a young generation of multitalented individuals like Lindsey who will comprise the next generation of leaders. Mr. Speaker, I ask that her poem be included in the RECORD, and I urge my colleagues to encourge young leadership like Lindsey's.

HELPING THE WORLD

(By Lindsey Sedlack)

If I were wind,
I would blow free.
Wishing the world
was as happy as me.
I would carry seeds
across the world,
making flowers and plants
for boys and girls.
On hot summer days,
I would make a cool breeze
that would cool people down
and russle through the leaves.
I would blow all the war and fighting away wishing that only peace would stay.
I wish that the homeless could have their own town.
I wish that people would stop cutting trees down.
I wish people would stop making animals extinct
and would draw more pictures on paper with ink.
If I were the wind I would blow free
wishing the world
was a happy as me.

PROVIDING COLORECTAL CANCER SCREENING COVERAGE FOR ALL AMERICANS

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. HASTINGS of Florida. Mr. Speaker, when I first became involved in the issue of colorectal cancer screening, I did so not because I am an African-American, but because providing colorectal cancer screening as a covered benefit funded the Medicare Program has the potential to save thousands of lives each year in this country. The statistics on colorectal cancer cannot be ignored. There are about 150,000 new cases of colorectal cancer each year in the United States, and about 60,000 people will die in the United States from that disease each year. Colorectal cancer is the second leading killer of all the cancers. It also is an equal opportunity disease whose victims include Americans of all races, creeds, and ethnic groups.

I recently became aware, however, of a number of medical studies that make me realize that, as an African-American, I have a special reason to be concerned about this issue. These studies have found that colorectal cancer strikes African-Americans differently than it does the general population in the United States. Moreover, these differences are critical with regard to screening to detect this disease. The data in these studies make clear that sigmoidoscopy is not an effective screening procedure for African-Americans. Rather, a barium enema or other procedure that views the full colon is clearly preferred for this population, and perhaps for other groups as well.

In the opening weeks of this Congress, I introduced a bill, H.R. 1046, that would expand the Medicare Program to provide coverage of periodic colorectal cancer screening services. Because this bill provides coverage for all of the currently available screening procedures, it would allow all Medicare recipients at average-risk for colorectal cancer, including African-Americans, to decide to be screened with the more comprehensive barium enema procedure or, if they prefer, sigmoidoscopy. As of last week, the Colorectal Cancer Screening Act has 30 cosponsors in the House of Representatives, from both sides of the aisle, and the key provisions of the bill were included as part of the comprehensive reform of the Medicare Program in President Clinton's most recent budget proposals.

H.R. 1046 is distinguished from other colorectal cancer screening legislation by the fundamental belief that the decision on how to screen each patient should be left to the patient and his or her physician—not the Federal Government. For this reason, H.R. 1046 authorizes Medicare coverage for colorectal cancer screening for individuals at average-risk for colorectal cancer that includes an annual fecal occult blood test [FOBT] and direct screening every 5 years with either a barium enema procedure or sigmoidoscopy. For individuals at high-risk for colorectal cancer, the bill provides an annual FOBT and direct screening every 2 years with either a barium enema procedure or colonoscopy. The bill also authorizes the Secretary of Health and Human Services [HHS] to authorize coverage for new screening procedures as they become available. Unlike other colorectal cancer screening bills that would provide Medicare reimbursement for only some of the currently available screening procedures, H.R. 1046 recognizes that different screening procedures may be appropriate for different individuals. The bill, therefore, provides a range of options and leaves the choice to patients and their physicians.

The validity of this approach is confirmed by the medical studies on colorectal cancer in African-Americans. The studies were unanimous in their conclusions—that "the entire colon of * * * black patients is at greater risk than that of white patients to develop cancer of the colon." They found that colon cancer tends to strike African-Americans more commonly on the right side of the colon than the general population in the United States.

These studies raise serious questions about the approach taken by other colorectal cancer screening bills, which provide coverage only for sigmoidoscopy and not the barium enema. While the barium procedure allows for screening the whole colon, the flexible sigmoidoscope screens only about one-half of the colon. Sigmoidoscopy does not screen the right side of the colon where African-Americans more frequently develop colon cancer. Thus, providing coverage only for sigmoidoscopy puts African-Americans and possible other unidentified ethnic groups at risk. Let me cite the conclusions of several of these studies:

"Current screening recommendations [sigmoidoscopy] may not be effective enough for preventing colon cancer in this population." "Distribution of Adenomatous Polyps in African-Americans," Lisa A. Ozick, MD, Leslie Jacob, MD, Shirley S. Donelson, MD, Sudhir K. Agarwal, MD, and Harold P. Freeman, MD, The American Journal of Gastroenterology, May 1995, p. 758.

"This study points out the potentially discrepant sensitivity and value of this instrument [sigmoidoscope] between black and white patients, suggesting that colonoscopy and/or air contrast barium enema examinations are the screening methodologies of choice in black patients." "Anatomical Distribution of Colonic Carcinomas Interracial Differences in a Community Hospital Population," Houston Johnson, Jr., MD and Rita Carstens, RN, Cancer, 1986, p. 999.

"This study challenges this recommendation [sigmoidoscopy every three to five years] as unsatisfactory for blacks since 50 percent of neoplasms could be missed in blacks compared to only 20 percent in whites." "Site-Specific Distribution of Large Bowel Adenomatous Polyps: Emphasis on Ethnic Differences," Houston Johnson, Jr., MD, Irving Margolis, MD, Leslie Wise, MD, Dis. Colon Rectum, April 1988, p. 260.

"Data support the clinical impression that blacks have relatively more proximal colonic tumors than the general population. They also suggest that early full study of the colon, including barium enema with air contrast or colonoscopy (opposed to flexible sigmoidoscopy), is highly indicated in screening or work up for earlier diagnosis in patients, especially blacks suspected of polyps or carcinoma of the colon." "Anatomic Distribution of Colonic Cancers in Middle Class Black Americans," John W.V. Cordice, Jr. MD, Houston Johnson, Jr. MD, Journal of the American Medical Association, 1991, p. 730.

"Unless barium enema studies or colonoscopic studies are employed, significant numbers of premalignant lesions or early cancers could be missed in a black population if the distribution of lesions found in this study is generally applicable to black populations." "Untreated Colorectal Cancer in a Community Hospital," Dr. Houston Johnson, Jr., Journal of Surgical Oncology, July 3, 1984, p. 198.

These medical studies have caused me to redouble my efforts on this legislation. We need to enact a colorectal cancer screening bill that serves all Americans, and that provides an equal opportunity for all Americans to have a screening procedure that is effective for them, and which will prevent this horrible disease.

Mr. Speaker, I encourage all of my colleagues to reexamine this issue, and to contact me or my staff if you would like to obtain copies of the studies I have cited here, or other studies on colorectal cancer and the alternatives for screening. I also encourage you to join me as a sponsor of H.R. 1046, and to work to establish colorectal cancer screening as a covered benefit under the Medicare program. With this step, we can begin to make serious progress in reducing the avoidable pain, anguish, and excessive medical costs that this disease imposes on all of our citizens.

Colorectal Cancer in African-Americans: Medical Studies Indicate That Screening With Sigmoidoscopy and FOBT Is Inadequate for This Population

A number of recent medical studies have confirmed earlier reports that polyps and colon cancer occur more commonly in the right (proximal) colon of African-Americans, as compared with the general population. These studies raise questions with regard to the adequacy of colorectal cancer (CRC) screening with sigmoidoscopy, given that a sigmoidoscopy procedure examines only the left (distal) side of the colon, and suggest the use of the barium enema or colonoscopy as preferred screening methodologies for African-Americans.

The principal findings of these studies are as follows:

(1) "Distribution of Adenomatous Polyps in African-Americans," Lisa A. Ozick, MD, Leslie Jacob, MD, Shirley S. Donelson, MD, Sudhir K. Agarwal, MD, and Harold P. Freeman, MD, The American Journal of Gastroenterology, May 1995, pp. 758–760.

"Previous research has suggested that polyps and colon cancer occur more commonly in the right colon in African Americans compared with the general population." (p. 758).

"This study supports previous work that suggests that there is a significant shift to the right in the anatomical distribution of polyps in African-Americans. It also shows that the malignant potential is as high for right-sided polyps as it is for those on the left. Current screening recommendations [sigmoidoscopy] may not be effective enough for preventing colon cancer in this population." (p. 758).

(2) "Anatomical Distribution of Colonic Carcinomas Interracial Differences in a Community Hospital Population," Houston Johnson, Jr., MD and Rita Carstens, RN, Cancer, 1986, pp. 997–1000.

"This study points out the potentially discrepant sensitivity and value of this instrument [sigmoidoscope] between black and white patients, suggesting that colonoscopy and/or air contrast barium enema examinations are the screening methodologies of choice in black patients." (p. 999).

"The finding that . . . indeed the entire colon of this population of black patients is at greater risk than that of white patients to develop cancer of the colon is astounding." (p. 1000).

(3) "Site-Specific Distribution of Large Bowel Adenomatous Polyps: Emphasis on Ethnic Differences," Houston Johnson, Jr., MD, Irving Margolis, MD, Leslie Wise, MD, Dis. Colon Rectum, April 1988, pp. 258–260.

In a study at Queens Hospital Center in New York, it was found that "[f]ifty-two black and 46 white patients had 130 adenomatous polyps. . . . A separate racial analysis demonstrated an unexpected pattern of distribution among blacks and whites. Adenomatous lesions were more broadly distributed in all segments of the large bowel for blacks, but were disproportionately concentrated in the sigmoid and rectum of whites." (p. 259).

"The findings of this study underscore the important ethnic differences in the site distribution of adenomatous polyps. The right-sided dominance of neoplastic lesions in blacks emphasizes the importance of total colonic surveillance to detect these large bowel neoplasms in this racial group." (p. 259).

"This study challenges this recommendation [sigmoidoscopy every three to five years] as unsatisfactory for blacks since 50 percent of neoplasms could be missed in blacks compared to only 20 percent in whites." (p. 260).

(4) "Anatomic Distribution of Colonic Cancers in Middle Class Black Americans," John W.V. Cordice, Jr. MD, Houston Johnson, Jr. MD, Journal of the American Medical Association 1991, pp. 730–732.

"Data support the clinical impression that blacks have relatively more proximal colonic tumors than the general population. They also suggest that early full study of the colon, including barium enema with air contrast or colonoscopy (opposed to flexible sigmoidoscopy), is highly indicated in screening or work up for earlier diagnosis in patients, especially blacks suspected of polyps or carcinoma of the colon." (p. 730).

(5) "Untreated Colorectal Cancer in a Community Hospital," Dr. Houston Johnson, Jr., Journal of Surgical Oncology, July 3, 1984, pp. 198–200.

"Generally, sigmoidoscopic examinations are recommended to complement physical examinations and stool blood tests. While this recommendation may be appropriate for white patients, it may not be appropriate for black patients. Unless barium enema studies or colonoscopic studies are employed, significant numbers of premalignant lesions or early cancers could be missed in a black population if the distribution of lesions found in this study is generally applicable to black populations." (p. 198).

TRIBUTE TO LOUISE AND GERALD STEIN

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. BARRETT of Wisconsin. Mr. Speaker, I pay tribute today to two of Milwaukee County's outstanding citizens, Louise and Gerald Stein. As the Milwaukee Chapter of the International State of Israel Bonds organization prepares to honor Louise and Gerald for their many contributions to our community, I would like to take a moment to reflect on the remarkable achievements of this great couple.

Louise was educated as a registered medical technologist, and is exceptionally involved in the Milwaukee Jewish Federation as an officer, and cochair of the Lead Community Project for Systemic Change in Jewish Education. Louise is a past president in the women's division. Louise also serves as a board member of the Jewish Education Service of North America and the Hillel Academy.

Jerry Stein is a distinguished attorney and certified public accountant who for the past 39 years, has worked for the Zilber-Towne Realty family of companies. He is the president and CEO of Zilber, Ltd., which is responsible for all investments and operations of the Zilber companies. Jerry presently serves with distinction as the president of the Milwaukee Jewish Federation and is the past campaign chair. Jerry is also director and past president of the Milwaukee Center for Independence and the Milwaukee Public Museum, as well as past general chairman of Israel Bonds in Wisconsin. Jerry presently continues to serve as a board member of the Jewish Home and Care Center and the University of Wisconsin-Milwaukee Foundation Board. In addition to these endeavors, Jerry selflessly devotes his time to the advisory boards of the Milwaukee Heart Institute, First Bank Milwaukee, University of Wisconsin Milwaukee School of Business Administration and the Marquette University Law School and Multicultural Council.

Louise and Jerry have been married for 36 years and have three daughters and four grandchildren. Their commitment to their faith, family, country, and community is truly extraordinary, and they have been an inspiration to us all.

Mr. Speaker, I commend the Milwaukee Chapter of the international State of Israel Bonds organization on its excellent selection of Louise and Gerald Stein as this year's honorees. I wish Louise and Jerry continued success in all of their endeavors.

INTRODUCTION OF RESOLUTION TO DEVELOP PLAN TO REOPEN PENNSYLVANIA AVENUE

HON. ELEANOR HOLMES NORTON

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Ms. NORTON. Mr. Speaker, today, I am introducing a resolution to develop a plan for the reopening of Pennsylvania Avenue. This resolution, similar to a resolution enacted in the Senate last night, brings together and reconciles House and Senate approaches to the closing of Pennsylvania Avenue. At my request after the closing last year, the House D.C. Subcommittee held hearings on June 30, 1995, and again this year on June 7, 1996. At both hearings, truly devastating damage to downtown traffic and commerce was reported. The victims of the closing are pervasive—residents, commuters, tourists, and businesses. In effect, downtown D.C. is disjoined and disfigured. No large city today, healthy or not—and D.C. is insolvent—could absorb the enormous costs associated with closing the most important cross town street.

Some in Congress had called for an immediate reopening of the avenue. Recognizing that this was impractical and impossible because of the obligations of the Secret Service written into law, I have sought ways to open the avenue while safeguarding the White House and to keep the Park Service from foreclosing the possibility. This has also been the view of D.C. Subcommittee Chair TOM DAVIS, who joins me as a cosponsor today.

The bipartisan resolution we introduce today requires that all the relevant parties participate. Thus, this resolution is the most useful response to the closing. It depolarizes and depoliticizes an issue that has two important sides. It puts everyone to work on solving the problem, rather than facing off against one another, leaving the problem begging for attention. I appreciate the attention that the House and the Senate have given to the effect of the closing on my district and on every American's capital city. I urge all Members to support this resolution.

SUPPORT THE POSTAL SERVICE CORE BUSINESS ACT

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. CUNNINGHAM. Mr. Speaker, I rise today to join my colleague, Mr. HUNTER, in introducing the Postal Core Business Act of 1996. This important legislation works to prevent the U.S. Postal Service [USPS] from unfairly competing with a small business industry, known as the Commercial Mail Receiving Agency [CMRA]. The livelihoods of those who own and operate small commercial packing stores throughout the country, like Mail Boxes Etc. and Postal Annex, are in danger. Approximately 10,000 CMRA businesses may be forced to close their doors due to the USPS' tax-free expansion into services already provided by private packaging stores.

These expanded services include wrapping, packaging, and shipping of items, and the USPS may expand beyond that. The USPS is opening stores throughout the country, many in locations very near private companies who already provide these services. The fact is that the USPS does not fairly compete. They do not charge State or local tax on retail items, they are insured by the Government, and they often do not pay the Federal, State, and local taxes that private companies do. These are only some of the advantages enjoyed by the USPS, creating a playing field tilted against private industry. Moreover, when a customer brings an item to be packaged by the USPS, the USPS requires that the customer send the package through U.S. mail. Commercial mail companies do not require this of their customers.

The legislation we introduce today will allow the USPS to continue improving their goal of timely and effective delivery of mail, but will prevent them from unfairly competing with small business. Under our bill, the USPS will not be able to expand their services beyond what they were offering as of January 1, 1994. This is a reasonable approach to protecting jobs and satisfying American consumers seeking adequate postal services.

The livelihood of Americans is being threatened by the Federal Government. We must prevent small businesses from going out of business at the hand of the Federal Government. This will certainly happen unless the USPS is prevented from unfairly competing with commercial mail companies. I encourage my colleagues to join me in support of this important legislation.

CHAMPION, INC., 75TH ANNIVERSARY

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. STUPAK. Mr. Speaker, and Members of the U.S. House of Representatives, it is an honor for me to bring to the attention of the House of Representatives and the Nation that Champion, Inc. of Iron Mountain, MI, is celebrating 75 years of service to the upper peninsula and the Nation on June 21, 1996. Medio Bacco, an immigrant road-builder opened the doors of Champion Gravel Co. on June 21, 1921. Through the hard work and dedication of Mr. Bacco, his nephew Louis Verrette, and Louis' son, William Verrette, Champion Gravel Co. has become Champion, Inc. and is known today as one of the most successful gravel, redimix, and construction companies in the State of Michigan.

Medio Bacco founded Champion 75 years ago in Iron Mountain, where its headquarters are still located today. In 1927, Mr. Bacco's 14-year-old nephew, Louis Verrette came to him looking for a summer job and was assigned the position of assistant timekeeper for a paving job being completed from the Sturgeon River bridge to the Delta County line. He continued working for his uncle during his summer vacations until he graduated from Michigan Technological Institute in 1934.

Upon graduation Louis joined Champion's Service & Supply Co., located where Champion's Lake Shore Engineering Co., presently stands. After 8 years at the Service & Supply Co., Louis Verrette was called upon to serve his country in World War II. When the war ended, Lt. Col. Louis Verrette returned to his family in Iron Mountain and to Champion where he took over as president. Medio Bacco retired and became chairman of the board.

Champion Gravel Co. saw many changes when Louis Verrette took hold of the reins. On December 6, 1945, Champion Gravel Co. became Champion, Inc. Louis began touring Champion's various gravel plants but was unhappy with their conditions. He vowed to make the necessary improvements to keep the plants producing to capacity. With this improvement underway, Louis Verrette was able to concentrate on expanding the dimensions of the company by developing projects aimed at keeping Champion busy during the winter months when road construction was not possible. As a result, Champion began providing services and supplies to iron and copper mines throughout Michigan and Minnesota.

As Champion grew so did the size of its projects. Throughout the 1950's and 1960's, Champion, Inc. was involved with construction of several military installations throughout Michigan, Wisconsin, and Minnesota. Both Kincheloe Air Force Base and K.I. Sawyer Air Force Base owe thanks to Champion for many of their buildings. Champion has also been instrumental in the construction of the International Bridge at Sault Ste. Marie and most universities constructed or expanded in the last 75 years signed their construction contracts with Champion, Inc.

In 1950 Medio Bacco divested himself of Champion stock, making Louis Verrette chief stockholder. A new waive of opportunities met the company during the 1960's as nuclear construction developed. Cement used for nuclear plants had to meet higher standards than general cement, and Champion's concrete made the grade. The company continued to build and service various nuclear projects across the Nation until 1984.

In 1971, Louis Verrette became chairman of the board and his son, William Verrette, replaced him as president. Champion continued to grow under Bill's supervision. In 1989 and 1990, Champion acquired Herman Gundlach, Co. of Houghton, MI, and Charter, Inc. of Ishpeming respectively. These latest acquisitions have strengthened Champion both financially and geographically. Champion, Inc. currently has satellite offices throughout Michigan, Wisconsin, Minnesota, and Tennessee.

The 75th anniversary celebration being held on June 20 and 21, 1996, is a tribute to Champion's many employees, suppliers, customers, and friends. In reflecting on the last 75 years William Verrette recognizes the company's success is owed to "so many good people * * * our managers, office staff, field personnel, customers, and friends."

Mr. Speaker, I would like to commend Champion, Inc. on their 75th anniversary for the hard work and dedication they have shown the people of Michigan and the Nation. I am pleased that Michigan counts the Verette family as one of our most outstanding families, and that I can count on them as personal friends.

TRIBUTE TO LT. COL. ANTHONY F. QUAN

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. UNDERWOOD. Mr. Speaker, I would like to commend Lt. Col. Anthony F. Quan of the U.S. Army for his outstanding contributions to the island of Guam through his outstanding military service. I also offer my sincerest congratulations on his recent graduation from the U.S. Army War College.

I have personally known Tony Quan for many years. He was born in Agana on September 19, 1950, to Frank D. and Maria C. Quan. His wife, the former Flora Baza, is a lady well known on the island as the "Queen of Chamorro" music and as the first Guam beauty queen to bring home an international title. Tony and Flora are the proud parents of four children, Anthony, Jr. (T.J.), Edwin, Jomia, and Jessica.

Although Tony's distinguished military record and training seem to stand out among his numerous accomplishments, several aspects of his notable career are also worth mentioning. He received his commission from the U.S. Army soon after graduating with a degree in civil engineering from Marquette University. He has also been awarded two masters degrees, an MS in civil engineering from Marquette in 1974 and an MA in public administration from Shippenburg University in 1996. In addition to his service with the U.S. Army and the Guam National Guard, Tony also worked in various capacities for the Government of Guam and the private sector.

On Guam, the personal accomplishments and success of native sons and daughters are always celebrated and adopted as triumphs for everyone in the community. As a graduate of the U.S. Army War College, Lieutenant Colonel Quan has attained the highest level of educational training offered by the U.S. Army. He has brought great recognition not only to himself but also to the island of Guam and its people. On behalf of the people of Guam, I congratulate Lt. Col. Anthony F. Quan for his outstanding achievements. We commend his efforts, hard work, and contributions to the island.

KEN HAAG, FRIEND AND TALENTED ARTIST

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. VENTO. Mr. Speaker, a friend and talented artist, Ken Haag, passed away May 16, suddenly and unexpectedly, at his Eastside Saint Paul home. Ken's loss will be heartfelt by the entire community and neighborhood. Ken Haag poured his great energy and talent back into the State of Minnesota, our Eastside neighborhood, and his wonderful family.

Ken was a constant and joyful volunteer. He lent real meaning to the role of citizenship, working as an artist but deeply involved in music, education, environment, and housing activities. He was a modern day renaissance man.

Ken took special pride in his high school experience. His artistic talent was recognized by establishing a scholarship program at Saint Paul's Johnson High School.

Ken Haag's distinctive art works depicting wildlife and Minnesota settings benefited many publications. Especially notable were the Minnesota Department of Natural Resources Volunteer covers.

Ken's cultural roots were Scandinavian, and for over three decades he was a loyal member of Saint Paul's Swedish Male Chorus. Ken was a real pioneer—a quiet, no-nonsense activist who was often at the cutting edge of issues.

Ken attained good success and continued to live and thrive, and give back to our community much more than he ever received. Ken will be missed. Thanks, Ken.

I encourage my colleagues to read the following article about Ken Haag, which appeared in the Saint Paul Pioneer Press on May 18.

[From the St. Paul Press, May 18, 1996]

MAGAZINE ARTIST KEN HAAG DIES

(By Anne Brataas)

A memorial service for St. Paul wildlife and sporting magazine artist Ken Haag will be at 4:30 p.m. Tuesday at Gustavus Adolphus Lutheran Church, 1669 Arcade St., St. Paul.

Haag, 63, died early Thursday of a heart attack in his East Side St. Paul home.

A St. Paul native, Haag graduated from Johnson High School and the Minneapolis School of Art and Design, served in the U.S. Navy and attended Gustavus Adolphus University.

"He was always drawing," his wife, Barbara, recalled. "Even as a little kid, he would copy what he saw in the funny papers." Since 1985, Haag had created the cover artwork and illustrated articles for Sports Collector's Digest. He illustrated nature guides for Picture magazine of the Minneapolis Sunday Tribune from 1963 to 1969 and created the cover art for the Minnesota Volunteer magazine from 1963 to 1975.

In addition to art, Haag particularly enjoyed baseball, music and nature, and was an avid observer of waterfowl on St. Paul's Lake Phalen. He was a past president of the Minnesota Bird Club and a member of the Zumbrota Covered Bridge Society.

For 32 years, he was a member of the St. Paul Swedish Male Chorus.

Among other community activities, Haag staffed the annual Festival of Nations' Swedish booth and served as president of the Phalen Lake Elementary School PTA for the 1976–77 school year.

He also chaired the Minnesota Environmental Citizens Control Agency speakers bureau from 1969 to 1972 and the East Side's Volunteer Housing Committee in 1975.

In 1991, a Ken Haag Art Scholarship was begun in his honor at Johnson High School. It awards $250 each year to a student who demonstrates outstanding artistic ability to be used for further art education.

Haag had already selected this year's winner before his death. His children will present the award in his memory and dedicate a portion of the memorials received for future scholarships.

Haag is survived by his father, Hans of St. Paul; his wife, Barbara; four daughters, Camille Farinella of St. Paul, Michelle Beaulieu of North St. Paul, Dorinne Foster of Maplewood and Kendra Haag, St. Paul; one son, Chad Haag, St. Paul; six grandchildren; and two sisters, Jan Cruz of Hugo and Grace Potter, St. Paul.

A private family funeral is planned.

THE REASON WE'VE MADE ELWHA A PRIORITY

HON. RICK WHITE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. WHITE. Mr. Speaker, I consider myself one of the luckiest Members of this Chamber. My home is in the Puget Sound region of Washington State and I don't think there is a more beautiful area in this whole country. Our entire region is surrounded by water and mountains.

Like the people in my district, I take our environment seriously. That is why I think we need to do a better job of preserving and protecting our environment than we are doing right now. In order to do that, we have to spend our environmental money where it can have the greatest positive impact.

One example of how we can spend our money more efficiently is in restoring wild salmon runs to our Northwest rivers. The Federal Government now spends hundreds of millions of dollars every year to improve salmon runs on these rivers. Unfortunately, much of this money is wasted. We don't really know how to restore salmon runs in urban or heavy farming areas, and we end up spending lots of money with very little to show for it.

One place where our money could really make a difference is on the Elwha River on the Olympic Peninsula. Almost all of the Elwha, from Mount Olympus to the Strait of Juan de Fuca, flows through the Olympic National Park. This environment is in the same pristine condition it was 100 years ago, when all five species of wild salmon returned to the river every year by the hundreds of thousands.

The Interior bill that we are debating today is a massive bill that will determine how some of our money will be spent next year. Given the scope of this bill, I'm especially pleased that the Elwha project has been made one of the bill's three top priorities. In fact, the bill includes language that recognizes the Elwha River represents a unique opportunity to restore salmon runs in the Northwest without compromising our goal to balance the Federal budget.

This is a perfect example of what this Congress is all about—smart spending.

The first step in restoring salmon to the Elwha requires that we purchase the two dams that have been built on the river. Over the past month, I've had the pleasure of working with Chairman REGULA, Chairman LIVINGSTON, Congressman NORM DICKS, the senior Senator from Washington State, SLADE GORTON as well as members of the Washington State delegation in an attempt to get some of the funds we need to move this project forward. We still have a lot of work ahead of us, but at least we are making progress.

The bill that we will vote on today not only contains language making the Elwha project a top priority, it also gives the President the ability to use some of the money contained in this bill to purchase the Elwha dams. That is good news because the administration has made this project a priority. By passing this bill today, we give the administration the chance to turn their talk into action by using some of the money in this bill to buy the dams.

In these times of tight budgets it's a tragedy to waste a single dollar that is designated for the environment, because it may be difficult to replace that dollar in the future. If we can continue to keep focused on spending our environmental money where it can really have an impact, we will improve our environment so that it can be enjoyed today and in the future.

SUPPORT THE POSTAL SERVICE CORE BUSINESS ACT

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. HUNTER. Mr. Speaker, I rise today to introduce legislation to protect a small business industry from unfair Government competition. These small businesses exist in every congressional district and employ tens of thousands of people. The Government agency which is competing with them is one of the largest organizations in the world—the U.S. Postal Service [USPS]. My bill will insure that the Postal Service does not compete with these small businesses, while still maintaining the viability of the Postal Service to maintain its core business: the delivery of mail.

Over the last 15 years, the American marketplace has fostered many new industries; one of these is the commercial mail receiving agent [CMRA]. The average American knows these businesses by their brand names: Mail-Boxes, Etc; Postal Annex; PostNet; Pakmail; and Parcel Plus. Together these franchise organizations represent over 4,000 store owners in all parts of the country, with an additional 6,000 stores which are not affiliated with any franchise organization. The CMRA industry is about 10,000 strong.

What are CMRA's? This industry provides value added and ancillary services to postal customers and serve as mini-offices for many home-based businesses and sales people. Specifically, CMRA's provide the materials and help their customers safely pack parcels to ensure safe delivery; they help customers identify the most efficient and cost effective manner to send their packages; they oversee mailboxes and offer personalized postal services to their customers; and these are just to name a few. Over 15 years ago, Tony DeSio saw the need for these services within his community of San Diego County, and he opened the first Mailboxes Etc. The rest, as they say, is history.

These services simply were not provided at the USPS, however, given the rate by which this industry has exploded in less than two decades, there were clearly a need within our communities. This new kind of postal store provided these services and provided them quickly and efficiently. In a very short time, this one small store has grown into an industry of nearly 10,000 small business men and women who every day provide these services to their friends, neighbors, and customers.

So what is the problem here, Mr. Speaker. So far, this story sounds like the American dream. Every day, American small business owners invest their own capital and work to achieve the American dream. That would be the case in this instance if it were not for one major problem: the Postal Service which has enormous taxpayer supported advantages, has decided to directly compete with this industry.

Mr. Speaker, that is simply wrong. I am a big supporter of the U.S. Postal Service. Like every other Member of this body and every American, I depend upon the hard work and dedication of the Postal Service employees for the timely delivery of my mail 6 days a week, and I want a strong USPS. I do not think it is fair, however, that the Postal Service should start targeting small businesses for its revenue. This CMRA industry is home grown, and it should not be preyed upon by the U.S. Government.

After all the USPS is a government industry with the following enormous advantages:

The USPS does not charge tax on its retail items—that is a 5–10 percent advantage right there.

The USPS is self-insured as an agency of the U.S. Government—these small business CMRA's have to purchase insurance.

The USPS does not have to make a profit—there is nothing that requires them to be profitable as far as I know. When they are under threat of not breaking even, they request a postal rate increase.

The USPS borrows money from the U.S. Federal Reserve at the most favorable rates—CMRA's have to borrow money at market rates.

The USPS has a statutory monopoly on the delivery of first class mail, the revenue of which can be used to subsidize other services.

Perhaps the biggest advantage of all is its size. If the Postal Service was a private business, it would be ranked as the 12th largest business in the Nation, and 33d largest in the world.

Is it right that the Postal Service should enter into competition with small businesses with all of these inherent advantages? Would the Congress stand by and allow Ford to maintain a monopoly, while letting them use their profits to compete against small businesses on a different front? Would the Congress let Exxon compete with small businesses if it had limited sovereign immunity and was represented by the Department of Justice? The answer is a resounding no.

Mr. Speaker, the Postal Service has a job to do—deliver the mail and sell postage. That is what it was designed to do by the Founding Fathers. These core services are what the Postal Service is good at, and what it should continue to do. Offering ancillary services only detracts from their core mission.

My bill, the Postal Service Core Business Act, specifically prohibits the USPS from getting into the CMRA business. It addresses the question of what is the proper role for the Postal Service in areas where private industries already provide the service. That role is to stay out of private businesses way and let the marketplace work.

My bill is remarkably simple. The Postal Service is prohibited from competing with private industry, like the .CMRA's, unless the Postal Service was offering the service nationwide as of January 1, 1994. The purpose of the bill is to draw a clear line as to what the USPS can and cannot do.

Such a line is necessary. I am familiar with reports of postal executives stating that they need to get into retail businesses to protect the Postal Service. That is simply not true. This is an agency which made $1.5 billion last year and has stated that it expects to make in excess $500 million this year. This is not a suffering agency.

Furthermore, the USPS is an agency which does not seem to understand its mission. Representatives of the Postal Service have lauded the organization as the country's largest retail distribution system with 50,000-plus outlets, and announced their intention to increase its retail revenue by $1 to $1.5 billion in the next few years. This is wrong. All of those outlets were built with taxpayer money and stamp revenue. The U.S. Government and the taxpayer built this system, but not to be a competitor with the private sector.

Mr. Speaker, this is a vital bill. I again voice my strong support for the Postal Service, I want to help it remain strong and vital. Competing in industries which the private sector has created is not the way to meet their goal. My bill would redirect the Postal Service to its core mission: Mail delivery and stamp sales. That's why I call the bill the Postal Service Core Business Act of 1996. American corporations have learned that to be successful, they must concentrate on their core business. The Postal Service needs to understand this too.

Congress has the ultimate authority over the Postal Service. The House Postal Service Subcommittee, chaired by my friend and colleague, JOHN MCHUGH, is beginning to craft postal reform legislation. I hope that the subcommittee will give my bill serious consideration. This issue needs to be addressed. A vital Postal Service is critical to our Nation's future, but Congress must not stand by and let a giant Government agency destroy a whole industry of small private businesses. It is interesting to note that all of these CMRA's stores are independently owned and operated. There is not one franchise organization which runs stores as a corporation. This makes the industry very unique, and has directly contributed to their profitability.

Mr. Speaker, there is not a single congressional district without at least one of these CMRA stores within its borders. Therefore, I urge my colleagues to join me in this legislation, which will most assuredly effect a small business within their hometown. This bill is pro-Postal Service and pro-competition. Every American has the right to the American Dream. These small business owners look to us to insure that their dream is not taken from them.

COMMUNICATIONS PRIVACY AND CONSUMER EMPOWERMENT ACT

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. MARKEY. Mr. Speaker, I rise to introduce the "Communications Privacy and Consumer Empowerment Act. The issue of privacy in the information age and in particular, children's privacy protection, is quite timely as the Nation becomes ever more linked by communications networks, such as the Internet. It is important that we tackle these issues now before we travel down the information superhighway too far and realize perhaps we've made a wrong turn.

Thomas Mann once said, "A great truth is a truth whose opposite is also a great truth."

The great truth of the Information Age is that the wire—and I use the term "wire" as shorthand for any telecommunications infrastructure such as phone, cable, computer, or wireless networks—the wondrous wire that brings new services to homes, businesses, and schools will have a certain Dickensian quality to it: It will be the best of wires and the worst of wires.

It can uplift society as well as debase it. It can allow people to telecommute to work and obtain distance learning classes. New digital technologies and other innovations allow corporations to become more efficient workers more productive, and businesses to conduct commerce almost effortlessly in digital dollars.

This same technology however, will avail corporate America of the opportunity to track the clickstream of a citizen of the Net, to sneak corporate hands into a personal information cookie jar and use this database to compile sophisticated, highly personal consumer profiles of people's hobbies, buying habits, financial information, health information, who they contact or converse with, when and for how long. In short, that wondrous wire may also allow digital desperadoes to roam the electronic frontier unchecked by any high technology sheriff or adherence to any code of electronic ethics.

It is this issue of hijacking personal information that we are concerned about and we are obviously concerned when kids are the target.

The issue of child and adult privacy in an electronic environment, must find its ultimate solution in a carefully conceived and crafted combination of technology, industry action, government oversight or regulation.

Without question, the issues posed by advances in digital communications technology are tremendously complex. Again, how best to protect kids is a complex issue. How to put teeth into privacy protections is also important to figure out. What may have worked for privacy protection or parental empowerment in the phone or cable or TV industry may not adequately serve as a model when these technologies converge. Therefore I believe we must pursue other alternatives.

We must recognize that children's privacy is a subset of a parent's privacy rights. The bill I am introducing today is premised on the belief that regardless of the technology that consumers use, their privacy rights and expectations remain a constant. Whether they are using a phone, a TV clicker, a satellite dish, or a modem, every consumer should enjoy a Privacy Bill of Rights for the Information Age. These core rights are embodied in a proposal I have advocated for many years and I call it "Knowledge, Notice and No."

In short, consumers and parents should get the following three basic rights:

First, knowledge that information is being collected about them. This is very important because digital technologies increasingly allow people to electronically glean personal information about users surreptitiously. I would note here that many Internet browsers, for example, use "cookies"—a technology that can identify and tag an online user—unbeknownst to the user—and keep track of what Web sites a person visits.

Second, adequate and conspicuous notice that any personal information collected is intended by the recipient for reuse or sale.

Third, and, the right of a consumer to say "no" and to curtail or prohibit such reuse or sale of their personal information.

The National Telecommunications and Information Administration [NTIA] has been actively studying how to safeguard telecommunications-related personal information. "Privacy and the NII," an analysis completed by NTIA in October of 1995, documented a number of areas where personal privacy protections varied depending upon which network carrier provided a telecommunications service. For example, the Cable Act requires cable operators to notify subscribers at the time of subscription of the operator's information practices and generally prohibits an operator from disclosure of personal data. Such protections, however do not extend to video services offered by DBS providers or wireless cable operators. Under the legislation I am introducing today, the FCC will be tasked with harmonizing the privacy protections across board so that strong, tough privacy policies exist regardless of the technology that a consumer uses to obtain a service.

The bill is structured in a way that will first ascertain whether there are technological tools that can empower consumers and parents. The bill also requests the agencies to determine if there are industry standards and practices that embody this electronic Privacy Bill of Rights. Where technological tools don't exist, or where a particular industry refuses to embrace this code of electronic ethics in a way that solves the problem, then the Government is obliged to step in and reinforce protection of privacy rights.

I implore the industry to act swiftly because the current situation is utterly unsustainable. The same libertarian quality that has stimulated such rapid growth of the Internet gravely threatens to cripple its promise. It is chaotic, free, and open, but has spawned an exponential increase in commercial voyeurism that is tearing privacy rights asunder. While Jack Kerouac would have a fine time joyriding from site to site on the World Wide Web, I believe that many, many citizens of the Net would be particularly troubled to find that their personal data—their usage of the World Wide Web itself—can be and is being tracked. At risk is consumer confidence in the medium. When consumer confidence plummets so will economic activity on the Internet.

My legislation will establish "Knowledge, Notice, and No" as the goal and will require Government action where the technology or the industry fail to adequately protect consumers and kids.

CONGRESSIONAL BLACK CAUCUS HOLDS HEARINGS ON CHURCH BURNINGS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. CLAY. Mr. Speaker. Today the Congressional Black Caucus [CBC] held hearings on the rash of church burnings occuring across the Nation. The list of panelists included government officials, civil rights leaders, religious leaders, the Fraternal Order of Police, and the Anti-Defamation League. Each made a significant contribution to the dialog on increasing the Federal response to the church burnings. However, one of the most poignant and thought-provoking statements was submitted by the youngest member of the Caucus, Hon. JESSE L. JACKSON, Jr.

I commend Congressman JACKSON'S remarks to my colleagues with hopes that his words will be as enlightening to Members as they were to those in attendance at today's hearing.

STATEMENT BY CONGRESSMAN JESSE L. JACKSON, JR.

Mr. Chairman, I want to commend you for calling these hearings. They are necessary. They are important. They are informative and help to educate and arouse the American people and elected officials to corrective action.

I want to commend the Justice Department, and especially Deval Patrick, the Assistant Attorney General for Civil Rights, for his tireless and ceaseless efforts at investigating these crimes against God and humanity.

The Congress deserves some credit for passing a stronger law on Tuesday that gives the Department of Justice greater leverage in prosecuting those who engage in the desecration or destruction of property belonging to religious institutions.

I want to thank President Bill Clinton for his forthright leadership in going to South Carolina and seeing first hand the crisis and meeting with the victims whose church has been destroyed. That is a necessary and effective use of the bully pulpit of the presidency.

What has happened? Over 63 African American churches have been burned over the past five years. Other churches, with African American members, have been burned. There has been a pattern. The firebombed churches have almost all been very small rural churches located in isolated areas.

Why is this happening? Is it a legal conspiracy? The jury is still out—and the investigation is still on—with regard to a legal conspiracy.

Is it a cultural conspiracy? And what is meant when someone says that? Let me try to explain. I am from Chicago and a big Chicago Bulls fan. When Michael Jordan shoots a 3-point shot, Chicago fans jump in excitement because Michael Jordan just made a basket. But guess what? Michael Jordan fans in Los Angeles, Dallas, Miami and all around the country jump up too—a kind of cultural conspiracy, if you will—because, in basketball terms, Michael Jordan represents the common denominator through which all of his fans relate.

What's the parallel to church burnings? When we talk about cultural conspiracies with respect to church burnings, we are talking about some politicians, some radio and television talk-show hosts, and other hate mongers around the country fanning the flames of economic insecurity and race hatred, fanning the fears of racial animosity with anti-affirmative action, anti-majority-minority, anti-immigration propaganda from the very top of our nation, creating a kind of racial cultural conspiracy.

In 1964, in reaction to Brown v. Board of Education decision in 1954 and the resulting civil rights movement, Barry Goldwater, a Republican, ran his presidential campaign talking about States' rights. It was a way of saying that States had a way around the equal protection clause of the Constitution of the United States.

In 1968, in response to the 1967 and 1968 riots and the anti-Vietnam mass protests, Richard Nixon, a Republican, ran his campaign on a law and order theme.

In 1972, George Wallace, a Democrat, ran his campaign in reaction to attempts to desegregate the schools, on an anti-busing platform.

In 1976, even Jimmy Carter, also a Democrat, gave a speech in Indiana talking about ethnic purity.

In 1980 and 1984, Ronald Reagan talked about welfare queens; and in 1988 it was George Bush who used Willie Horton.

Even our current President, in 1992, used Sister Souljah in his bid to become the President of the United States.

This year we heard Pat Buchanan, a presidential candidate, equate "We Shall Overcome" with whistling "Dixie." He said those who sing "We Shall Overcome" and those who whistle "Dixie" are both involved in freedom movements.

Well, if whistling "Dixie," protecting the Confederacy, and "We Shall Overcome," fighting for equal protection under the law, can be equated, it suggests that either we are all missing the boat or that something is taking place within our nation that has not been healed (even) since the Civil War.

The Republicans took control of Congress in 1994, and, Tom Wicker reports in his new book, Tragic Failure, "on January 23, 1995 . . . in the ornate hearing room of the House Rules Committee, the victorious Republicans removed a portrait of former Representative Claude Pepper of Florida, a renowned white liberal Democrat. That was understandable, but the new Republican committee chairman, Gerald Solomon of New York, had order the Pepper portrait replaced by that of another Democrat, the late Howard Smith of Virginia, a last-ditch segregationist and in his many years as Rules Committee chairman one of the most powerful opponents of the civil rights legislation of the sixties."

All of the above were seeding the clouds of racism; all were using race to manipulate voters; all were engaged in a cultural conspiracy to exploit the racial fears and insecurities of the American people. Such words and actions help to set a national climate that appeals, not to the best in us, but to the worst in us. And that climate rubs the sticks, strikes the spark, and fans the winds, that eventually bring us the burning down of Black churches.

Even this year, expect affirmative action to be the centerpiece of another political strategy to manipulate the American people onto a so-called race issue—which really isn't a race issue, since white women have been the biggest beneficiaries of affirmative action. But it will divert attention away from issues of substance. We need jobs and a full employment economy. We need a single-payer national health care system. We need affordable housing for all of our people. We need an educational system that prepares our young people to work in the 21st century. We need our national infrastructure rebuilt—our roads, sewers, bridges, airports, seaports and rails. We need our cities rebuilt. We need family farmers restored to their land. We need our environment cleaned up.

That is what we need, but what we will likely get is diversion—affirmative action, California Civil Rights Initiative, proposition 187-type issues scapegoating immigrants and more.

That is why this hearing is so important. This hearing helps to clarify what is really going on. It helps to identify what politicians are really doing. It helps to educate the American people so they can insulate themselves from such diversion and, hopefully, demand more of those running for public office in 1996.

So I want to thank you again, Mr. Chairman, for your insight and wisdom in calling for this hearing. And thank you for inviting me to participate.

TRIBUTE TO JUAN C. TENORIO

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. UNDERWOOD. Mr. Speaker, back home in Guam this month, the architectural/engineering firm of Juan C. Tenorio Associates, Inc., is celebrating its 25th anniversary. It is a significant milestone for a company president, Mr. Juan C. Tenorio, a fellow Chamorro who believed in himself and worked hard to achieve success. His is a classic American success story, and I am proud to relate it here for the RECORD.

From his simple beginnings on the island of Saipan, Mr. Tenorio moved to Guam at the age of 14. At age 20, he enrolled at Marquette University in Milwaukee, WI, to study civil engineering. While there, he also signed up for ROTC. Juan Tenorio graduated in June 1962. After a brief stint with the Los Angeles road department, Mr. Tenorio joined the U.S. Army. He spent 30 years with the Army Corps of Engineers, active and reserve, and retired as a full colonel. After earning his engineering license in California, Mr. Tenorio returned to Guam. Even before his arrival, word had spread in Guam that a native son was coming home as a licensed civil engineer. Almost immediately, Mr. Tenorio was urged to take on the directorship of GovGuam's Department of Public Works. After serving as director for 2 years, Mr. Tenorio struck out on his own. The rest, as they say, is history.

In 1971, the firm of Juan C. Tenorio began as a three-man operation in a shared office space. Its first year revenue was only $30,000. Today, Juan C. Tenorio and Associates employs more than 50 people and grosses several millions annually. Its design projects include major infrastructure improvements in

Guam and Saipan, hotels, shopping centers, marinas, golf courses, resort complexes, and Guam's new Southern High School. As noted by Juan C. Tenorio's chief designer, Francisco Z. Diamzon, "When you combine the experience and expertise of the staff, you'll find that there is over 120 years of experience in this company. I am happy and proud to say I am part of that team." As company president and team leader, Juan remains a hands-on practitioner of the engineering profession.

Juan C. Tenorio was the first Chamorro licensed civil engineer to venture into business. His success paves the way for other up-and-coming young professionals. His determination and commitment, his professionalism and personal integrity, have earned him the admiration and respect of the people of Guam and the Northern Marianas. I gladly join them in extending hearty congratulations and best wishes for many more years of success to Juan and his family, his wife Charlene and daughters Christina, Lisa, and Tico, and to the staff and management of Juan C. Tenorio & Associates, Inc. May your next 25 years bring continued growth and prosperity.

STOP THE FIRES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. RANGEL. Mr. Speaker, I rise to express my outrage and that of good Americans across this great country at the wave of suspicious fires that have swept at least 30 churches in the South in recent months. Churches and synagogues are the cornerstones of our communities, providing the moral and spiritual cultivation that our society so desperately needs. I ask all my colleagues in the House to voice their condemnation of these deplorable acts. Vandalizing places of worship is not a partisan issue.

I also call on all the moral leaders of our Nation and those of every religious background to stand against these acts of terror. Every synagogue, mosque and church is vulnerable to the same acts of terrorism committed against our black churches and it is crucial that leaders of every religious denomination speak out against the vandalism of our Nation's houses of worship.

It is a shame that the history of violence and intimidation toward black people in this country is repeating itself. Will we allow hate groups such as the Ku Klux Klan, the Aryan Nation, skinheads, and other white supremacist organizations to rise again? Will we allow the historic achievements of our courageous freedom fighters who sought to create a nation of fairness and racial harmony to be further defamed?

In our society, arson of a church attended predominately by African-Americans carries a unique and menacing threat to individuals in our Nation who remain physically vulnerable to acts of violence and intimidation because of their race. Such threats are intolerable and individuals responsible for such acts must be aggressively pursued and apprehended.

As churches burn from flames of hate and intolerance, there are those in our society who would dismantle civil rights legislation and affirmative action that have provided assistance to groups in our Nation who have been discriminated against due to their race, sex, or religious beliefs.

We as a Nation must not allow the practice of scapegoating others because they are of a different race or nationality or poor to continue. Our Nation was built on diversity and we must refute any beliefs that condone or support an atmosphere of blame and intolerance against those in our society who are defenseless, particularly our sick, poor, and aged. Just as the churches, synagogues, and mosques shelter our weak and defenseless, we as Americans have an obligation to protect those houses of worship from vicious attacks.

I commend President Clinton and Attorney General Janet Reno on their quick responses to investigate these criminal acts of terrorism and I hope those who make such treats will be prosecuted and will serve sentences commensurate with the cowardly and despicable nature of their actions.

RECOGNITION OF FOUR OUTSTANDING BUSINESS LEADERS

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. TALENT. Mr. Speaker, I rise today to recognize four individuals from Missouri's Second Congressional District who are being honored by the St. Charles Chamber of Commerce and by the city of St. Charles, MO, for excellence in their businesses and community-oriented projects.

Mr. Bob J. Kirkwood, proprietor of Lewis & Clark's Restaurant and the Trailhead Brewing Co., has been named the 1996 Small Business Person of the Year by the St. Charles Chamber of Commerce. Through his hard work and leadership, Lewis & Clark's has grown into one of the most successful restaurants in the St. Louis area. In 1995 he opened the Trailhead Brewing Co., which is also experiencing phenomenal growth in its first year. Mr. Kirkwood has also been a leading advocate for other restauranteurs and small business owners through his work with the National Restaurant Association.

Mr. Manuel E. Joaquim of Findett Corp. has been recognized as the 1996 Employer of the Year in Manufacturing. Findett Corp. is a custom manufacturer of specialty chemicals for major corporations across North America. Under Mr. Joaquim's leadership, Findett's sales have increased rapidly over the past 5 years. His employees also participate in numerous civic and community projects around the St. Charles area.

Mr. Jim Trenary of Jim Trenary Chevrolet has been recognized as the 1996 Employer of the Year in Retailing. Trenary Chevrolet, which opened in October of 1993 with 12 employees, currently has 43 employees with plans to expand and improve its facilities. Mr. Trenary has been in the automobile business 29 years, and he has served on numerous civic and business organizations in the St. Charles area.

Mr. Ray Pickett of Pickett, Ray, & Silver, Inc. has been named the 1996 Employer of the Year in Service. Mr. Pickett's company specializes in civil engineering, land planning, surveying, and construction management for numerous types of developments. Pickett, Ray, & Silver has experienced rapid growth, while providing highest quality of products and services to its customers.

Mr. Speaker, these gentleman and their companies are to be commended for their dedication to their customers, communities, and their country, I ask that you join me in congratulating them on these fine achievements.

RECOGNIZING SAME SEX MARRIAGE IS IN THE INTEREST OF THE MAJORITY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. FRANK of Massachusetts. Mr. Speaker, I recently received a letter from a former congressional staffer who passed along to me a column she had found in the Cleveland Plain Dealer on the subject of the pending same sex marriage bill. I think the article is an eloquent and forceful explanation of a point of view which very much ought to be understood by the Members before they vote on this legislation, and I ask that it be reprinted here.

[From the Cleveland Plain Dealer, June 9, 1996]

SAME-SEX MARRIAGES DESERVE RECOGNITION; PARTNERS NEED THE CHANCE TO LIVE IN PEACE

In a nation wracked by child abuse, domestic violence and divorce, it's hard to believe that politicians would spend their energy condemning people for loving each other. But that's exactly the effect of the so-called Defense of Marriage Act, which would prevent the U.S. government from recognizing same-sex marriages, even if those marriages are legal in individual states.

The act's congressional sponsors describe it as "protection" for the American family. However, as a married man, I am unable to discern the threat. On the contrary, I have come to believe that legalizing gay unions would actually strengthen the institution of marriage.

I did not always hold this conviction. As a teenager, I was bombarded with the same messages about homosexuals as most Americans. And I absorbed those messages: Gays were strange, perverted, lacking in morals. Besides, in my obsession with my own burgeoning heterosexuality, it seemed unfathomable that any male would not be sexually interested in females.

In the ensuing years, my opinions began to shift as I learned about the origins of sexual orientation. But I didn't change much until about age 25. That's when I met Bob and Scott.

Bob was a co-worker of Kelly, my girlfriend whom I would later marry. One day, Bob asked Kelly if we would like to join them for dinner. Kelly accepted readily, but my discomfort was palpable. On the way there, I asked Kelly what I should do if either of these men tried to hug me.

My uneasiness lasted throughout the evening. And even today, more than a decade later, it still creeps up on me at times. But as I got to know Bob and Scott, and other gay people since then, I reached this conclusion about homosexual relationships: They are not much different from heterosexual ones.

At their essence is the same kind of spark that exists between straight couples. They go through the same excitements and disappointments. And, like their straight counterparts, gay relationships are far more about respect, trust and commitment than they are about sex.

The most significant difference between gay and straight relationships, I discovered, was the atmosphere in which they exist. The love between straight people is celebrated and affirmed; gay love is attacked and condemned.

Legalizing homosexual marriages would diminish these attacks. It would take the wind from the sails of the true sexual bigots, encouraging an evolution in attitude similar to the one we have experienced with interracial and inter-religious unions. Gay people, at least to some extent, would be freed from their embattled status.

But the benefits of gay marriage, I believe, would extend beyond the gay community.

The rest of us would benefit because legitimizing gay marriage would bolster the institution of marriage. How? By reminding all of us that at its core, marriage is not so much about gender, or sex, or politics, but about caring, maturing, committed love.

FOOD STAMPS AND THE ELECTRONIC BENEFIT TRANSFER SYSTEM

HON. PAT ROBERTS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. ROBERTS. Mr. Speaker, today I am introducing legislation concerning the Food Stamp Program and the electronic benefit transfer [EBT] system, on behalf of myself and BILL EMERSON, the chairman of the Department Operations, Nutrition, and Foreign Agriculture Subcommittee, who is an expert in the food stamp and EBT programs. We are introducing this bill, along with other members of the Committee on Agriculture, because we believe that EBT systems, in which food stamp benefits are provided through a debit card system instead of coupons, are the preferred choice of delivering food benefits. The inspector general of USDA, in his testimony of February 1, 1995, before the committee, made it clear that EBT systems, while not eliminating trafficking in food stamps, were superior to coupons and a tool that can be used in tracking down persons abusing the Food Stamp Program.

It is vital that States be allowed to proceed with implementation of EBT systems for the Food Stamp Program. An element that is standing in the way of implementation of EBT is a Federal Reserve Board rule known as regulation E. This rule, among other provisions, would create a new entitlement to the replacement of food stamps for persons receiving their benefits under an EBT system. The bill we are introducing provides that regulation E will not apply to the Food Stamp Program.

The National Governors' Association supports exemption of State and local EBT programs from the regulation E provisions and have stated their opposition to unfunded mandates that are created by the liability provisions of regulation E. The National Governors' Association also stated that without this exemption, States will not be able to move forward with EBT.

For more than 10 years the U.S. Department of Agriculture [USDA], at the direction of Congress, has been investigating the feasibility, cost-effectiveness, and general impact of using an electronic benefit transfer [EBT] system to issue food stamp benefits. Paper coupons are replaced and recipients use a debit-like card at the grocery store checkout. Counties in several States, including Pennsylvania, Minnesota, New Mexico, and New Jersey have implemented EBT and Maryland, Texas, Utah, and South Carolina have EBT systems statewide.

USDA has found that EBT administrative costs are lower than coupon issuance costs; that food stamp benefit loss and trafficking are reduced; grocery store costs are reduced; food stamp participants prefer EBT; and financial institutions also prefer EBT and their costs are reduced.

Law enforcement officials have spoken in favor of EBT because it provides an electronic trail of abuses in the program. While trafficking is not eliminated under an EBT system, incidental street trafficking is reduced considerably.

States want to move ahead with EBT. Regulation E rules stand in their way. Until recently, USDA viewed regulation E as inappropriate for the Food Stamp Program. USDA, in May 1993, stated its opposition to the applicability of regulation E to its programs because those programs do not fall under the jurisdiction of that regulation; legislation and regulations for the USDA programs already have provisions for benefit recipient rights and protection; and regulation E may reduce benefit recipient's services.

However, in June 1995, the Federal Electronic Benefits Transfer Task Force, represented by officials from the Office of Management and Budget, the USDA, and the Department of Health and Human Services, stated its opposition to removing regulation E applicability for the food stamp and other assistance programs. This is very unfortunate and this position is contrary to the positions of the National Governors' Association, the National Conference of State Legislators, the National Association of Counties, and the American Public Welfare Association.

According to a 1993 Department of the Treasury study, application of regulation E for State EBT systems would cost States over $800 million per year for Aid to Families with Dependent Children [AFDC], food stamp and general assistance programs. This represents an unfunded mandate to the States and many States have said they could cease EBT program planning and operations if regulation E is applied to them.

For these reasons we are introducing this bill today and urge our colleagues to support it.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Encouragement of Electronic Benefit Transfer Systems Act".

SEC. 2. AMENDMENT.

Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended by adding at the end the following:

"(7) ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

"(A) IN GENERAL.—The disclosures, protections, responsibilities, and remedies established under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b), and any regulation or order issued by the Board of Governors of the Federal Reserve System in accordance with such Act, shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

"(B) REPLACEMENT OF BENEFITS.—Any regulation issued by the Secretary regarding the replacement of benefits under this Act, and liability for replacement of benefits under this Act, and liability for replacement of benefits under this Act, under an electronic benefit transfer system shall be similar to the regulations in effect for a paper food stamp issuance system.

"(C) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—As used in this paragraph, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits determined under this Act, or other benefits or payments, by establishing accounts to be accessed electronically by recipients of the benefits, including through the use of an automated teller machine, a point-of-sale terminal, or an intelligent benefit card.".

THANK YOU, WILLIAM C. AYRE

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. BARCIA. Mr. Speaker, the heart of our democratic system of Government is local government. People concerned about the current situation and future of their communities depend upon local government to meet their most immediate needs. And the success of local government depends upon dedicated individuals who are willing to deal directly with both the people and the issues on a daily basis.

For the past 18 years, Genesee Township, within my congressional district, has had the good fortune to be ably represented by William C. Ayre, as the Township's Supervisor. He is retiring after 18 years of commitment to making Genesee Township a constantly better place, and he is being recognized for his service tomorrow evening.

William Ayre is one of those individuals who works at causes in which he believes. In addition to having been Township Supervisor for the past 18 years, he has also served on several Genesee County committees, the Mass Transit Authority, the Genesee County Economic Growth Alliance, the Flint Area Narcotics Group, as well as several positions within the Michigan Townships Association. In fact, he served as the president of the Michigan Township Association in 1995, as well as a member of the Board of Directors of the National Associations of Towns and Townships.

His commitment is no surprise to anyone who knows him, as best evidenced by his 36 year marriage to his wife, Sandra. His two children and seven grandchildren who have seen his commitment to his community, and know of his dedication to this nation through his service in the Air Force, including 3 years in Germany, have had the kind of guidance and role model that we hope for for all children.

Mr. Speaker, as William Ayre continues his commitment to his community by now moving on to another position with the Genesee County Road Commission, I ask that you and all of our colleagues join me in thanking him for his years of service, and wishing him the very best in all that lies ahead for him and his family.

ALBANIA TAKES A GIANT STEP BACKWARD IN DEMOCRACY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. PORTER. Mr. Speaker, on May 26 the world watched as Albania, Europe's poorest country, which for decades has suffered under a fanatical strain of communism, held its first elections since the Democratic Party defeated the former Communist Party. But what we saw did not even remotely resemble the makings of democracy. The elections were riddled with fraud, coercion, and other violations before, during, and after the voting. To put it simply, these elections were neither free nor fair. According to a June 6 article in the Washington Post these elections were the most flawed elections held in Eastern Europe since 1989.

Mr. Speaker, when compared to the authoritarian ways of its brutal past, Albanians have made commendable strides in both economic and social reform. But lingering human rights problems and the inability to develop certain democratic institutions raise very serious questions regarding Albania's future.

These recent elections, which are the culmination of an emerging pattern of authoritarian tendencies, should stand as a loud, clear signal to the world that Albania has strayed from the course of democracy. Albania's failure to embrace democracy threatens the stability of the entire Balkan region.

As a champion of democracy throughout the world, the U.S. Government must not, and cannot, ignore the fact that this election was neither free nor fair. It is incumbent upon us to speak out against oppression and subversion of democratic institutions in the struggling countries which are attempting to build them. We must hold accountable those who perpetrate election abuses, or democracy will never take root in Albania.

Mr. Speaker, I urge my colleagues to join me in working to increase security in the Balkan region by urging the Albanian Government to hold elections which are free, fair, and subject to international monitoring. The Albanian people deserve the opportunity to exercise their new democratic ideals, and they deserve our full support.

RECOGNITION OF THE HONORABLE FLOYD FLAKE AND BISHOP DONALD HILLIARD

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1996

Mr. TORRICELLI. Mr. Speaker, on Saturday, June 22, 1996, the Cathedral Second Baptist Church in Perth Amboy, NJ will have a ribbon cutting ceremony for the Donald Hilliard, Jr. community affairs complex. The building will be named in honor of Bishop Donald Hilliard, the pastor of the Cathedral Second Baptist Church.

My friend and colleague, Congressman Floyd Flake, will be the featured guest speaker of Saturday's grand event. Reverend Flake not only represents the sixth congressional district in the State of New York but also is the distinguished pastor of Allen AME Church, Jamaica NY, which boasts more than 6,000 members.

Rev. Congressman Floyd Flake, a man with a vision of empowerment for the African-American people, no doubt will provide an inspiring message on Saturday. As pastor of Allen AME Church, a post he assumed in 1976, he has founded the Allen Housing Development Fund Corp., Allen Christian School and Multipurpose Center, Allen Home Care Agency, Allen Housing Corp., and the Allen Neighborhood Preservation and Development Corp. Furthermore, through numerous other clerical, civic, and community organizations, Reverend Congressman Flake has sought to provide spiritual sustenance reaching far beyond the walls of church. He also shows his tenacity in the House of Representatives as he fights for racial justice and equal rights for all Americans.

Similar to his colleague, Bishop Donald Hilliard, an active and dynamic leader, has also sought to improve the life of not only his members, but of the surrounding area of Perth Amboy, as well. Bishop Hilliard, who currently serves as the senior pastor of the Second Baptist Church of Perth Amboy and Bishop elect of the covenant fellowship of pastors, churches, ministries, and the cathedral assemblies, has nurtured and watched his church grow from a membership of 135 to more than 4,000. Furthermore, he has witnessed the church's budget increase from $73,000 to $3,000,000 annually. Not only does this make his church one of the fastest growing in the State, but is has been cited as a model church for growth by American Baptist churches, U.S.A., as well.

Since 1983, when Rev. Dr. Donald Hilliard was called to pastor the Cathedral Second Baptist Church, both the congregation and church have experienced tremendous growth. The successful purchase and renovation of the historic Majestic theater in downtown Perth Amboy has provided a new house of worship for Bishop Hilliard and his members. The cathedral blends turn of the century elegance with state-of-the-art technology to provide its worshipers with a unique combination of history and future dreams. The church also purchased the historic ELKS lodge, directly across the street from the cathedral, which now has been converted into the Family Life Enrichment Center. This facility is complete with an elegant banquet hall with adjoining kitchen facilities, a library, a learning center, and a computer lab. Renovations are continuing on the third and fourth floors which will house offices, classrooms, a lecture hall, and a liturgical dance/cultural arts studio.

Mr. Speaker, while Bishop Hilliard came to the Cathedral Second Baptist Church with such credentials as his Bachelor of Arts from Eastern College and Master of Divinity from Princeton Theological Seminary, he still found time to complete his Doctorate of Ministry from the United Theological Seminary, Samuel D. Proctor Fellow.

This dynamic speaker has ha the honor of speaking at various churches, conferences, and conventions across the United States and Nigeria, West Africa. He was a visiting lecturer at Boston University, an adjunct professor at Princeton Theological and New Brunswick Theological Seminaries and adjunct faculty at Essex County College.

For more than 12 years, Bishop Hilliard has served as a member of the National Baptist Convention, U.S.A. The national conventions consist of more than 30,000 churches and 8 million Baptist members across the country. He is also affiliated with the American Baptist churches, U.S.A., the Progressive National Baptist convention, the NAACP, United Negro College Fund, served on the advisory board for the Ronald McDonald children's charity, Multicultural advisory board at Eastern College, St. David's, PA, National Advisory Board at the United Theological Seminary, Dayton, OH, Perth Amboy Chamber of Commerce, Middlesex County Youth Services Commission Minority Subcommittee and the Perth Amboy Special Improvement District Committee. Moreover, he has received an award from Soul Brothers Inc. Community Award for outstanding efforts in uplifting the community, the Ronald L. Rice Award for outstanding human services from the NUAC of New Jersey, he was inducted into the Martin Luther King Jr. Humanitarian Award from Drew University, Madison, NJ, he was inducted into the Martin Luther King Jr. Board of Preachers at Moorehouse College, named executive of the year by Perth Amboy Chamber of Commerce. He was selected as the distinguished alumnus of the year, 1995, by Princeton Theological Seminary and the Evangelism Award by American Baptist Church, U.S.A.

This exceptional pioneer was licensed into the Gospel ministry in 1976 and ordained in 1978. He is married to Minister Phyllis D. Thompson Hilliard and the father of three daughters, Leah Joy, Charisma Joy, and Destiny Joy.

Mr. Speaker, it is an honor and a pleasure to pay tribute to the Cathedral Second Baptist Church in Perth Amboy, NJ, its great leader, Bishop Donald Hilliard Jr., and their distinguished guest, and my illustrious colleague, the Rev. Congressman Floyd H. Flake.

SENATE—*Friday, June 21, 1996*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

The eyes of the Lord run to and fro throughout the whole earth, to show Himself strong on behalf of those whose heart is loyal to Him.—II Chronicles 16:9.

Almighty God, we want to be Your loyal people who receive Your strength. You know what is ahead of us today and will provide us with exactly what we need in each hour, each circumstance. We rejoice in the knowledge that You will neither be surprised by what happens nor incapable of sustaining us in our challenges. You will show us the way all through this day. Therefore, we resist the temptation to be anxious and worry. Instead we accept Your wisdom for our decisions, Your love for our relationships, Your hope for our discouraging times, replenished energy for our exhausted times, and renewed vision for our uncertain times. We dedicate this day to You. Protect us from the pride that refuses to admit our need, not only to walk more closely with You, but to be open to Your encouragement through others. May we all live this day as a never to be repeated opportunity to glorify You by serving our Nation. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized, the distinguished Senator from Georgia.

SCHEDULE

Mr. COVERDELL. Mr. President, today, the Senate will be in session for a period of morning business only. No rollcall votes will occur during today's session. When the Senate completes its business today, it will stand in recess until Monday. No rollcall votes will occur during Monday's session. However, the Senate will be debating the campaign finance reform bill. A cloture motion was filed on that bill yesterday and, under the order, that rollcall vote will occur at 2:15 on Tuesday, June 25.

The Senate will also resume the defense authorization bill next week. Therefore, all Senators can anticipate rollcall votes throughout next week.

Mr. President, it is my understanding that the period from 9:30 until 11 o'clock is dedicated to morning business, which I will control, or those that I would designate.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. STEVENS). Under the previous order, there will now be a period for the transaction of morning business. The first 90 minutes are under the control of the Senator from Georgia.

Mr. COVERDELL. Mr. President, I will yield 5 minutes to my colleague, the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

OWNERSHIP OF RADIO STATIONS

Mr. SIMON. Mr. President, back when we had the telecommunications bill up, I had an amendment that would have permitted some enlargement of ownership in radio stations, but kept a cap on. The bill we passed took the cap off completely. In this morning's newspapers, on the front page of the New York Times and Washington Post, are stories about Westinghouse buying a huge chunk of American radio. The business section of the New York Times says: "Westinghouse would own 32 percent of top markets."

That is not a healthy thing. I would like to read the honor roll. I say to my colleagues on the other side, I regret there are only two Republicans listed here, because we end up in partisan mode so often in this body, and I am sure this is one of those cases where others might have voted with us if that had not happened. But those who voted for limitation, and not taking the cap away are: Senator DANIEL AKAKA; Senator JOE BIDEN; Senator JEFF BINGAMAN; Senator BARBARA BOXER; Senator BILL BRADLEY; Senator DALE BUMPERS; Senator ROBERT BYRD; Senator KENT CONRAD; Senator MIKE DEWINE; Senator CHRIS DODD; Senator BYRON DORGAN; Senator RUSS FEINGOLD; Senator DIANNE FEINSTEIN; Senator TOM HARKIN; Senator JESSE HELMS, who has some background in this business of radio; Senator BENNETT JOHNSTON; Senator TED KENNEDY; Senator JOHN KERRY; Senator BOB KERREY; Senator FRANK LAUTENBERG; Senator PAT LEAHY; Senator CARL LEVIN; Senator JOE LIEBERMAN; Senator BARBARA MIKULSKI; Senator PAT MOYNIHAN; Senator PATTY MURRAY; Senator CLAIBORNE PELL; Senator DAVID PRYOR; Senator HARRY REID; Senator CHUCK ROBB; Senator JAY ROCKEFELLER; Senator PAUL SARBANES, and Senator PAUL WELLSTONE. Voting "present" was Senator NANCY KASSEBAUM.

That was a great mistake, lifting that cap off completely. Now, we are in a situation where one corporation, or even one individual, theoretically, could control radio in this country. I think it is not a healthy thing. I do not know what happens, but I hope that in the next session of Congress—and I recognize it will not happen in this session—there will be some kind of a cap put on. I do not think it would be a healthy thing if one corporation, for example, in Alaska, or Georgia, or Washington, or Delaware, or Illinois, held all the radio stations. I think this tendency toward concentration of ownership is not a good thing for our country, and I simply want to commend my colleagues—particularly, Senators MIKE DEWINE and JESSE HELMS, who went away from the party lines to vote for that amendment. I commend them, particularly.

I thank my colleague from Georgia for yielding the time.

HEALTH CARE REFORM

Mr. COVERDELL. Mr. President, we are now in the 61st day of the objection of Senator KENNEDY to the appointment of Senate conferees for health care reform—a commonsense health care reform issue. It raises the question, why ought not everyday citizens be given the opportunity to share in the massive benefits that this health care reform proposal would bring to America? Why would they be denied this? What does the bill do, and why can we not get on with it and get this job done? I know every American across the country is asking that question.

Under this legislation, for the first time, working Americans will be able to leave their jobs without having to worry about losing their health insurance due to a preexisting condition. The question to Senator KENNEDY is: Why not get on with this and just do it? We have been talking about it now for years. It makes health care coverage more available and affordable for small businesses and the self-employed. Why not just get this done? Let us move on with this.

It allows tax deductions for long-term health care needs, nursing home coverage, home health care coverage, and allows terminally ill patients and their families to receive tax-free accelerated death benefits from their insurance companies. That allows a family in a time of enormous crisis an option to help deal with that crisis. Why not just do it? Let us get this done.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

We have been badgering around here now 61 days trying to get conferees appointed so that we can move on with the business of helping the American family in the critical health insurance market.

Here is the point. It creates a medical savings account program—the House version does, the Senate did not; there are many, many Senators who want to agree with the House—effective next January, according to the compromise proposal people are trying to work out, for self-employed and those who work for small businesses with 50 or fewer people. I have heard several versions of this. I know it is a moving target. But medical savings accounts are a creature of the market that many, many people want to take advantage of.

This is the principal reason, although there are others, apparently, that Senator KENNEDY has raised ongoing objections to. The bill fights fraud and abuse with new and tough provisions in the health care market.

So here we go. We make it possible for families to take insurance benefits and endless job lock, where somebody might get a chance to have a new job but they cannot move because they are afraid they will lose their insurance. This corrects that. Let us just do it.

It makes health care coverage more available and affordable to small businesses and the self-employed. This is something America needs. Let us just do it.

It allows tax deductions for long-term health care needs. It lets people in a time of tragedy accelerate benefits. It creates, yes, a new medical savings account, which is a version where the ensured has an opportunity to lower their costs, and they actually became paying consumers in the marketplace. It fights fraud and abuse.

We should do these things for the country. By the time we get back, we will have waited 63 days just to appoint conferees.

So America is sitting out here waiting and waiting, and families are suffering and suffering and suffering because the Congress will not get on and pass this meaningful reform.

Who supports this commonsense health reform approach? It is a wide range of support. The American Hospital Association, Farmers Health Alliance, National Association of Manufacturers, National Federation of Independent Businesses, National Association for the Self-employed, Alliance for Affordable Health Care, American Small Business Association, as well as many others, have endorsed this commonsense approach to making the health insurance market a friendlier place, an easier place for America's families and America's businesses. And they are all put on hold because the Senator from Massachusetts and the White House are objecting to an open market and a new product for the market called medical savings accounts.

Mr. President, the Senator from Massachusetts, Senator KENNEDY, has had a lot of things to say about these medical savings accounts. There is an article in Investors Business Daily written by John C. Goodman, who says this:

> Medical savings accounts give people a new way to pay for health care. The option is a high deductible health insurance paired with a personal savings account. The individual uses his or her account to pay for routine and preventive medical care while the policy pays for major expenses. Individuals who have money left over in the MSA at the end of the year can withdraw it, or roll it over to grow with interest.

This is a great idea. This is a way in which many Americans have saved thousands of dollars in automobile insurance. They bought policies where they have high deductibles so they pay lower premiums, and they are in a sense self-insuring and paying for small costs themselves so that they can lower their overall cost. So the idea has been brought over to the health insurance market.

Some 2,000 employers have adopted some version of an MSA already. Senator KENNEDY from Massachusetts says that MSA's are only for the healthy. The Rand analysis says no. It says no, that that allegation from the Senator from Massachusetts is not correct.

Rand researchers conclude that MSA's would be attractive to those who expect to face high health care costs. That is because potential out-of-pocket expenses under traditional health insurance, which requires deductibles plus copayments, are higher than under MSA plans.

Senator KENNEDY says MSA's are only for the wealthy. There are just reams of research that say that is not the case. We have example after example, person after person, school bus drivers, secretaries in a library, in MSA plans. These are not wealthy people. And they are coming to the Congress and saying, "Give us these options, make MSA's copartners in the health insurance market so that our costs are deductible."

Mr. President, I am going to yield at this point after this opening statement. I am going to yield to the Senator from Washington, who I appreciate very much being here this morning.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. How much time is yielded to the Senator from Washington?

Mr. COVERDELL. I yield up to 10 minutes.

The PRESIDING OFFICER. The Senator from Washington is recognized for up to 10 minutes.

Mr. GORTON. Mr. President, I am convinced that the Senator from Georgia is correct in his analysis in what he has told us here in the Senate. We have now waited for more than 2 months facing a filibuster even of a procedural motion formally to appoint a conference committee to settle a set of vitally important health care issues for the people of the United States.

Mr. President, there is little controversy over the desirability of portability of health care insurance, over certain restrictions on health care limitations because of preexisting conditions and a number of other features of the bill that passed the Senate. But the senior Senator from Massachusetts is so vehemently opposed to a concept called medical savings accounts that he and those who support it will not even permit a debate in the Senate, a vote in the Senate, on the issue.

The Senator from Georgia pointed out that this is not a new concept. It is very much like the automobile insurance that all of us purchase in which we can make a set of value judgments and choices. Do we want to pay a high premium and have even minor damage to our automobiles paid for by the insurance companies, or are we willing to accept a high deductible up to an amount which we feel we can afford to pay ourselves in return for a much lower premium for an automobile insurance policy that will take care of the situation if our car is totaled or badly damaged?

A medical savings account is essentially the same thing except because we place such a high value on health care insurance that we will offer certain tax advantages to that high deductible health care insurance, saying that people can save an amount of money up to that deductible on a tax-free basis to pay for the everyday health care insurance costs out of it and end up having the money itself if they do not actually use it and, at the same time, have a catastrophic health care plan which will keep families from bankrupting, or from tremendous financial distress in the case of major health care needs.

One of the reasons that many people lack health care insurance today is the fact that they are in States or communities with community ratings, which means that young people with young families are required to pay far more for standard health care insurance policies than they are likely to use. And so they choose to have no insurance at all, running a very real risk in the process. As a consequence, if this proposal works, more people will have health care insurance against a catastrophic event in their lives than have it today.

Perhaps the true objection of the senior Senator from Massachusetts is that as more people are insured against health care disasters in a free and voluntary system, there will be less demand for the nationalized health care system that he so vehemently supported in the last Congress and which failed when the American people decided that they did not want the Government of the United States to be running their health care.

Personally, I think that may be the real objection, because it appears to me that there can almost be no other, to at least an experiment involving those who are self-employed or those who are employed by small businesses, many of which do not provide health care for their employees at the present time. If we go into this experiment and if this experiment works, more companies will provide health care for all of their employees on this catastrophic basis because it will cost them less. More employees will be encouraged to say more of us who are all consumers of health care will pay more attention to what it costs and we may end up with a far more efficient system than we have today.

Right now, we are not only being denied that experiment, we are being denied even those other elements on which there is full agreement because one group of Members of this body says, no, this is such a terrible idea; it is so dangerous to let people make their own choices that we will stop the whole thing, the entire health care reform in order to prevent this from taking place.

I appreciate the opportunity to speak on this issue and seek the attention of the Senator from Georgia, who was kind enough to lend me this time, to ask him as a leader in this effort whether or not he agrees with these sentiments. Does the Senator from Georgia not agree that perhaps the central real objection here is an objection to allowing people a greater degree of choice over how they fund their health care, a greater degree of choice over ways in which insurance may be provided, a greater degree of attention to costs, simply a greater degree of control over their own lives?

Mr. COVERDELL. I think the Senator from Washington has very eloquently described this condition and the source of the disagreement because, after all, it was the senior Senator from Massachusetts and his colleagues who came forward with an all-inclusive Federal takeover of medicine, and the medical savings account is the antithesis of it because there is a freedom there, the freedom to the buyer of the insurance. There is an access in the system and, indeed, it will reduce dramatically the number of people who do not have insurance.

I tell you a clue, a clue to the objective on the other side is that in the negotiation as to whether to allow the experiment, one suggestion was that the only business that could buy an MSA was one that already had a low deductible plan now. So it was actually constructed, the suggestion is constructed to prevent small businesses that have no insurance from exercising the MSA option.

Mr. GORTON. To try to see to it that we did not have more people covered by health care insurance.

Mr. COVERDELL. Correct.

Mr. GORTON. But have a statistic that you could go out and argue we need a national system, we need a national health care system because there are millions of people who are uninsured, rather than reduce that number by this new and constructive experiment.

Mr. COVERDELL. First of all, those who oppose it have articulated their opposition and I think with specious arguments. Second, they want caps on it, they want parameters all around it, so you can draw the conclusion that the effort is to prevent people from getting to this kind of coverage.

Mr. GORTON. I have only one more comment and I wonder if the Senator from Georgia agrees with this proposition. Does he not believe, as I do, that if this bill were to come back to the Senate with this modest experiment on medical savings accounts included, it would have a significant majority of the votes of the Members of this body, Democrats as well as Republicans, and would easily go to the President, and that one of the reasons for this filibuster is to prevent that majority view from prevailing and to prevent the embarrassment of the President either having to veto this proposal as he has threatened to do or actually to back off and sign it?

Mr. COVERDELL. I think we can safely draw that conclusion.

Mr. GORTON. I thank the Senator from Georgia for yielding me this time.

Mr. COVERDELL. I thank the Senator from Washington. I think he has made a very, as I said, eloquent statement with regard to this debate.

I now yield up to 10 minutes to the distinguished Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for up to 10 minutes.

Mr. ROTH. Mr. President, as my distinguished colleagues have already pointed out, we have been waiting for nearly 2 months to move forward on critical health insurance reform legislation. The holdup, we are told by the White House and some of our colleagues on the other side of the aisle, is this provision to create a tax-free medical savings account as a health insurance option for Americans.

Tax-free medical savings accounts are something Americans want, although you would never know it from the hyperbole being used by some of my colleagues on the other side of the aisle. A poll released this month shows that 77 percent of working Americans would start a medical savings account if MSA's were available to them. Americans who have MSA's like them, and Americans who do not have MSA's want them.

MSA's exist now. They have been tested by thousands of companies with great success. What we want for MSA's is equal tax treatment with other types of employer-provided health insurance for the self-employed, the ability to contribute to a medical savings account and receive a 100-percent deduction for their contribution up to $2,000. This provision would end the current Tax Code discrimination against MSA's by ending the taxation on MSA deposits.

Republicans in the House and Senate have been willing to compromise on MSA's. We have addressed many of the administration's and Senator KENNEDY's concerns about MSA's. We have put forward proposals that are small, small enough to be considered as demonstration projects. This was one of the often-stated criteria of the White House and some of our Democrat friends. The American Hospital Association this week endorsed our compromise. Both of the latest compromises extending MSA's to companies with either 50 or 100 or fewer employees would extend this tax free status to the segment of the work force that has the highest number of uninsured employees—small businesses.

MSA's are of such importance in our effort to address our health concerns that on September 8, 1992, several of my distinguished colleagues signed a letter calling for the introduction of MSA's as part of their bill.

Let me quote a portion of that letter.

> Unlike many standard third-party health coverage plans, medical cost savings accounts would give consumers an incentive to monitor spending carefully because to do otherwise would be wasting their own money. Once a Medical Savings Account is established for an employee, it is fully portable. Money in the account can be used to continue insurance while an employee is between jobs or on strike. Recent studies show that at least 50 percent of the uninsured are uninsured for four months or less. . . . Today, even commonly required small dollar deductibles (typically $250 to $500) create a hardship for the financially stressed individual or family seeking regular, preventative care services. With Medical Savings Accounts, however, that same individual or family would have this critical money in their account to pay for the needed services.

Mr. President, these are important arguments that were made for MSA's over 3 years ago. They are equally—if not more—important today. And that letter was signed by Senators BREAUX, Boren, DASCHLE, LUGAR, COATS, and NUNN—a formidable bipartisan coalition of Senators taking a necessary stand on a critical issue.

Medical savings accounts promote portability. It's that simple. After a few years of relatively low health expenses, the excess funds in an MSA can be available for an unexpectedly high health care cost. Those funds can be available for health care during times of unemployment, and they can provide extended coverage for long-term needs. These, of course, are critical issues when it comes to portability.

The MSA is an attractive alternative for families. It gives the American family the greatest flexibility in choosing its own health care provider. With MSA's, you, the patient, are able to select the doctor or provider you desire, without interference by the bureaucracy. And this can be very important to people, especially when confronted with serious illness or disability.

MSA's provide flexibility for families to purchase insurance in the event the family loses its job or if it wants to buy long-term health insurance. Under our legislation taxpayers will be able to use money in their medical savings accounts without penalty to make COBRA payments—to continue their catastrophic health insurance policy in the event they lose their jobs.

MSA's allow funds from the account to be used to purchase long-term care insurance. Thus, MSA's help provide nursing home care, which, in turn, helps relieve those costs borne by Medicaid.

MSA's will go a long way toward containing health care costs. They will encourage consumers to shop wisely, to reject unnecessary treatment and conserve scarce medical resources. Why? Because with MSA's it's the consumer and not some third party who pays the bills.

Medical savings accounts will offer millions of employees and self-employed individuals an affordable health care option. A high-deductible insurance policy coupled with an MSA is less expensive than traditional insurance.

The American Academy of Actuaries reports that MSA's will be attractive to small businesses and their employees as well as to self-employed Americans. Many of these individuals do not have health coverage, and MSA's have the potential to increase health insurance coverage among this group.

Medical savings accounts are proven. They have been used, and they have been used successfully by hundreds of companies all across America. These companies have found that by empowering their employees to take charge of their own care, spending costs have declined.

Unfortunately, the companies currently using MSA's are limited because our tax laws basically penalize employees who choose to be covered by MSA's. Under current law, at the end of the year, employees have to include the full amount of the money deposited into his or her MSA in their taxable income. This is absurd. These people are being hit for being responsible, for being self-reliant, for taking charge of their own health care needs.

This must be corrected, Mr. President. In a campaign of disinformation the administration claims that MSA's will be a tax break for the rich. This is not true. Companies that provide MSA's find them to be very popular among their low- and middle-income employees. In fact, the Joint Committee on Taxation reports that 78 percent of MSA users will have incomes of less than $75,000.

As Congressmen TORRICELLI and JACOBS wrote in a letter to the President, dated April 17:

> You also should know that the current contract of the United Mine workers provides its members with MSA's. We do not believe the UMW qualifies as healthier and wealthier than the general population—a charge leveled by uninformed MSA opponents.

The administration predicts that MSA's will discourage preventive care. In fact, Mr. President, many companies with MSA's find the opposite to be true. Medical savings accounts encourage people to get preventative care because they have money in their account to pay for this care. It is interesting to note that many traditional low deductible insurance policies do not cover preventative care.

The administration asserts that MSA's will be attractive to the young and, healthy, leaving the less healthy to pay higher insurance premiums. Unfortunately for the administration, this again is not true. The hundreds of companies that offer MSA's to their employees find them to be attractive to workers of all health status. This is because an MSA provides first dollar coverage for many medical expenses not otherwise covered by traditional low-deductible health insurance.

Mr. President, it is interesting to note that 12 States and at least 1 city have passed medical savings account legislation and dozens more are moving to pass similar legislation. It is the Federal Government that must now move ahead with this idea.

Again, the need to move ahead is nothing new. Three years ago, Senators DASCHLE, BREAUX, BOREN, AND NUNN joined Senators LUGAR and COATS to pass what they firmly believed was a much needed program. Today that program is needed—now more than ever.

I urge my Democratic colleagues to end their blockade of health insurance reform, and work with us to make affordable health insurance a reality for more Americans.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator from Delaware for his very authoritative remarks on this MSA account and on health care reform in general. We appreciate his dedication to this work. I yield up to 10 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for up to 10 minutes.

PRIVILEGE OF THE FLOOR

Mr. FRIST. Mr. President, I ask unanimous consent that a legislative fellow on my staff, Dr. Jonelle Rowe, be granted the privilege of the floor for today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. Mr. President, I join my colleagues today to expand a bit upon the Health Insurance Reform Act, where it stands today, but focusing on the area under discussion—which is currently, in essence, being filibustered—and that is the medical savings account issue. On both sides of the aisle it is apparent that, for the first time, at least since I have been here over the last 2 years, we are very close to passing a health insurance bill that is market based, that is incremental, and that reaches out to many people who do not have health insurance today, directly and indirectly. But even more important, I think, and more specifically, this bill addresses the issues of portability and preexisting illness for people who do have health insurance today and who are in group plans; portability being if you are in a group plan now and you have insurance, and either you lose your job or you go from one job to another job, you can take that plan with you.

It is not quite that easy, but you will have access to a health care plan when you switch jobs or if you lose your job, and that is the portability concept. The preexisting concept being, if you have heart disease and have had a heart attack, you can still get insurance if you go from one job to another.

The Senate has debated again and again, before I was in this body, these issues, really for the past 6 years. There is general agreement on these two particular issues.

But today that bill, which is a positive bill, the Kassebaum-Kennedy bill, is being held up by this filibuster on medical savings accounts.

We hear a lot about medical savings accounts, and it is important that, on both sides of the aisle, people understand what they are.

It is very, very simple. A medical savings account is a high-deductible, say $2,000, catastrophic insurance plan. So, if you have medical expenses that are greater than, for example, $2,000, your catastrophic insurance plan would kick in and you would have coverage for your health care expenses.

That high-deductible catastrophic plan is coupled with a tax deductible personal savings account, in which you would take, for example, $2,000 a year over which you have some sort of tax relief, and that is placed in a personal medical savings account.

It is out of that personal medical savings account, a little bit like a medical IRA, that you can draw to pay for your routine medical expenses, whether it is going to the dentist or paying for prescriptions or paying for that annual checkup or paying for that treatment of heart disease, whatever it is. The point is, you have access to that money and you use that money, you have control over that money. It empowers the individual.

I say that as background, because the issues that are debated on this floor again and again are: Will it save money? Will there be just healthy people coming in or will it be just the sickest people coming in? What will it do to the insurance industry?

There was a wonderful article that the Senator from Georgia referred to earlier that was published just this past week in the Journal of the American Medical Association. That article was this past week. The article itself is called "Can Medical Savings Accounts for the Nonelderly Reduce Health Care Costs?" At this juncture, Mr. President, I ask unanimous consent that an excerpt from the study be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

[From the Journal of the American Medical Association, June 1996]

CAN MEDICAL SAVINGS ACCOUNTS FOR THE NONELDERLY REDUCE HEALTH CARE COSTS?

(By Emmett B. Keller, Ph.D.; Jesse D. Malkin; Dana P. Goldman, Ph.D.; Joan L. Buchanan, Ph.D.)

Objective.—To understand how medical savings account (MSA) legislation for the nonelderly would affect health care costs.

Design.—Economic policy evaluation based on the RAND Health Expenditures Simulation Model.

Setting.—National probability sample of nonelderly noninstitutionalized households.

Participants.—Persons in 23,157 sampled households from the 1993 Current Population Survey.

Interventions.—Medical savings account legislation would allow all Americans who are covered only by a catastrophic health care plan to set up a tax-exempt account that they can use to pay medical bills not covered by their health insurance. The interventions we evaluate differ in the deductibles of the catastrophic plan and in whether the employee or employer funds the MSA.

Main Outcome Measures.—Changes in national health expenditures and net social benefits of health care.

Results.—If all insured nonelderly Americans switched to MSAs, their health care expenditures would decline by between 0% and 13%, depending on how the MSAs are designed. However, not all nonelderly Americans would choose MSAs; taking into account selection patterns, health spending would change by +1% to −2%.

Conclusions.—Medical savings account legislation would have little impact on health care costs of Americans with employer-provided insurance. However, depending on the size of the catastrophic limit, waste from the excessive use of generously insured care could be reduced, and MSAs would be attractive to both sick and healthy people.

Mr. FRIST. Mr. President, it is a fascinating article, and I had the opportunity to meet here in Washington with the principal author on this particular study, Dr. Emmett Keeler. We had a chance to talk about the study. I do think Members on both sides of the aisle should read it. In the conclusions, in the abstract, it goes on, but the last sentence basically says:

> Depending on the size of the catastrophic limit, waste from the excessive use of generously insured care could be reduced, and MSAs would be attractive to both sick and healthy people.

I just quote from the conclusions. I do encourage my colleagues to read this study. The cost issue talked about is a great model. It is developed from a policy standpoint projecting ahead. I think that is terribly important to do.

I do think we need to come back and say, fundamentally, that we are not going to be able to answer whether it is going to cost a little bit more or a little bit less with the data that is out there today. Therefore, I would like to turn to what nobody talks about—the policy people do not talk about, the think tanks do not talk about. I have not heard it yet in the debate over the last 18 months on this Senate floor. I have not heard it among the think tanks in Washington. I have not heard it talked about among the economists. And that is the perspective of where health care is delivered, and that is at the physician-patient level. It simply has not been talked about yet.

The debate here 3 years ago, or 4 years ago, when we were debating the one-size-fits-all Clinton health care plan, failed in this regard as well. There were about 500 people involved, much of it was behind closed doors. The public did not have input in those discussions, and real-life people and physicians were not even in the room, people who are involved in that doctor-patient interaction everyday.

Why is it important to look at that level? And this is the key point that people miss or do not talk about, and that is because it is at that level that behavior is actually changed, the behavior of the patient who comes in who is suddenly empowered to ask certain questions. Why? Because they are spending their own money. Not like today, in most cases, where the insurance company is paying for it or the public dole is paying for it, or Medicare is paying for it or Government is paying for it. It changes the dynamics of that relationship because we have empowered that individual who is coming in, knowing they are going to be drawing money from their personal savings accounts in order to buy health care, to buy health care services.

Let me give you my own experience as a physician who has been involved in the field of medicine for the last 20 years before coming to this body. And it is this: When somebody comes into that office and they have chest pain and they are spending their own money and not spending the insurance company's money or spending the Government's money, they ask three questions. Those three questions are asked very directly, looking you in the eye. Basically, they are:

"What are your credentials, Dr. FRIST?"

Second: "How much do you charge?" Why do they ask that? Because they are going to be paying for it out of their own personal savings account.

And third: "What kind of results do you have?" "Are the results good or bad?" "How do you compare to other people?"

Why? Because that individual coming into the office is empowered for the first time because it is their money they are spending.

How are these questions really asked? People will come in, with regard to credentials, and they will look at your wall to see where you graduated from school. All of us, when we go into a doctor's office, see the diplomas, but they go beyond that:

"Where did you do your internship?"

"Where did you do your residency training?"

"Do you participate in writing peer review articles in your journals?"

"Do you participate in your professional societies?"

"Are you board certified?"

Those are the sort of questions that are asked, once you empower somebody who comes into your office.

What is the end effect of that? The effect of that to me as a physician, when people ask me those questions, is to do what? Is to take off a week, a year and do that continuing education course. If I do not have my boards, it is for me to go back and pass my boards or get board certified, because they are asking me that question. If enough people ask me that question, I know they are going to be going to the board-certified surgeon rather than the nonboard-certified surgeon.

That is the power of having an individual—many individuals—come into your office and ask you what your credentials are.

No. 2, that person is going to come in, because that money is coming out of their personal savings account, which, if they are not going to spend it, rolls over to the next year by the bill we are proposing, they are going to ask, "How much do you charge?"

I guess it was 4 weeks ago I went camping with my son, and we did not have a flashlight. So I went down to a store here locally and looked at the flashlights. There were $25 flashlights that had emergency lights, buttons you could push, actually had a horn on it, down to the little $3 flashlight, down to the $1 little pen light. I asked, "How much do you charge? What do you get for that?"

In truth, that is what we are doing when a patient comes in and they say, "How much do you charge to do a heart transplant?" You would think people ask that all the time. It really was not until about 1988, maybe 1987, that the first patient, having been doing heart transplants since the early eighties, came into my office and said, "Dr. Frist, how much is this heart transplant going to cost me?"

Why do most people not ask? Because Medicare will pay for it, Medicaid would pay for it, large insurance companies will pay for it. They knew they never would have to pay for it.

This fellow came into my office. "Why do you ask," because I did not know exactly how much a heart transplant cost. Nobody ever asked me.

Here, I was doing as many heart transplants as anybody in the State of Tennessee. But nobody ever asked me. I said, "Why do you ask?" He said, "Because I'm going to have to pay for it. I do not have any insurance. I'm not 65 years of age, so Medicare is not going to kick in. And I'm not poor enough for Medicaid to kick in. It is coming out of my pocket."

What was my response? My response was, "I don't know exactly how much it is. I know how much my surgical fees are, but I don't know how much the hospital charges, I don't know how much the pathologist charges or the rehabilitation specialist or the physical therapist. But I'll find out."

So what did I do? I went back, pulled everybody into a room—transplantation is fairly complex. It involves lots of people. For the first time—I was the director of this transplant center—for the first time we had all these physicians in the room deciding how much a heart transplant should cost, based on the services they deliver; where in the past people just got the bills, passed them to the insurance company, paid, with no questions asked, or sent them to the Federal Government, and there were no questions asked.

My point is, if you have one person coming in, asking the right questions, it changes my behavior, but also the behavior of the whole transplant center, of all the physicians that had, for the first time, gotten in the room.

The third question that people ask, beyond how much you charge, is, what is your outcome? Because people want to know the value. Just like when I went to buy those flashlights, do I want a flashlight that will work for 1 year, 5 years, 1 month, 3 months? You ask the question. For the first time, if somebody is paying for it themselves, they will say, "What are your results?" not "Am I going to live or die," but "How do you compare to"—I was in Tennessee—"How do you compare to Alabama or Georgia or Baltimore, other transplant programs? What is your outcome? When do people go back to work? What is your rate of infections? What is the rate of rejection over the period of the first month?" People just do not typically ask those questions. But the empowered patient does.

And what do I have to do? All of a sudden, I say, people are going to be looking at me and comparing my quality of care, my standards—I think my infection rate is the best in the country, but I do not know. Nobody has ever asked me or forced me to report that data. You do not have to report that data. But with that one person asking me, I start collecting, all of a sudden, that data.

So do my colleagues in Georgia and Alabama. We start comparing each other. Why? Because that patient that is looking for a heart transplant, that is going to change their life, is going to go shopping around. If he is going to be paying $100 or $150 or $1,500 he is going to be shopping around. How is it going to change—this is my point—my behavior, the health care industry behavior? What does it do? It is going to cost me more because I have to hire a nurse to help me collect that data. I have to put it in a computer. I might have to put it in a computer, but it improves the quality of care broadly.

The point of all this is, that medical savings accounts, to work, you do not have to have 20 percent of the American population come into the medical savings accounts to have a huge impact on the value of health care. You do not have to have 10 percent take advantage of it or 5 percent or 1 percent.

The real beauty of it is that one person coming into my office and asking the right questions—what are your credentials? How much do you charge? What are your outcomes?—changes my behavior in the way I treat that individual, but also the way I treat all of the other 95 percent of the people in the health care system, because I go back and get continuing education, I start recording my data that can be compared to other people. I have an incentive to do what? Deliver a higher quality of care to all Americans because we have empowered those individuals through medical savings accounts.

I say all this, because what I want the other side to do—the other side is filibustering this bill of preexisting illness, of portability, using this guise of medical savings accounts. I just ask the other side to do a simple thing. And that is, to forget the policy for awhile, even forget the policy studies and the economic studies, because it is going to be hard to make a decision just on that, but tonight or this afternoon call your physician, call the physician who delivered your child, call the physician who fixed your broken arm, call the physician who treats your heart disease or your family's heart disease, and just ask them a very, very simple question. And that question is, "By empowering individuals to have some control over their health care dollar"—and that is all medical savings accounts do—"will it change the way you practice medicine? Will it result in a higher quality of medicine? Will it empower that empowered individual to ask you different questions than the person who has no incentive to ask the questions, like 'How much do you charge?' or 'What are your outcomes?'" And if that physician, if that health care provider, if that nurse comes forward and basically says, "Yes, it will improve quality, it will improve value," then I encourage you to drop this filibuster and endorse medical savings accounts and support this bill.

Thank you, Mr. President. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Tennessee for his remarks. He has introduced a matter into the debate we have not heard before, and that is very basically from the provider standpoint, what happens when the consumer has a role to play for the first time. It was very enlightening. I appreciate the comments from the Senator from Tennessee. I yield up to 10 minutes to the Senator from Ohio.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Ohio is recognized for 10 minutes.

Mr. DEWINE. Mr. President, let me first thank my colleague from Georgia for putting this time together, and also congratulate my colleague from Tennessee. I have heard this MSA discussion many, many times, but I do not think I have ever heard it as eloquently expressed as he has just expressed it.

There is just no substitute for personal experience, and there is no substitute for coming to this floor and knowing what you are talking about. Senator FRIST clearly has demonstrated that he knows what he is talking about. As my colleague from Georgia has said, he has really put a different perspective on this. What empowerment means is, not only are dollars going to go further, but the quality of medical care is going to go up, consumers are going to be able to choose, and there is going to be a reaction on the other side of that table or the other side of that examining room where the doctor may in fact change some of the things that he or she does.

So that was, I think a very, very great testimonial to the power of empowerment, giving people the right to make their own decisions and the reason why, frankly, we need to end this 61-day filibuster that has been occurring on this floor. We need to move this bill forward. We need to get the conferees appointed. So I just urge my colleagues on the other side of the aisle, who have been holding this up, to stop it and let us move forward. Let us get the conferees appointed and let us move forward.

Mr. President, last month the Ohio General Assembly approved legislation to establish medical savings accounts.

The Ohio legislation permits Ohio families to make contributions to an MSA, and then deduct the contributions from their State taxes. In effect, the State of Ohio is telling people, "We want you to save, we want you to save for the future when it comes to your own health care. And we think that you, the Ohio taxpaying family, would do a better job of deciding how to spend your health insurance dollars than the Government bureaucracy would."

I think it is time here in Congress that we did the same thing, we follow the lead of Ohio and some other States that have passed similar legislation. Mr. President, it is a simple fact of human nature. People will make wiser choices when they are spending their own money. As my colleague from Tennessee said, he gave ample examples of that, real-world examples of how people come in and see the doctor and ask the right questions.

An MSA is basically, Mr. President, an IRA targeted specifically at health care expenses. An MSA gives the health care consumer both the freedom and the incentive to shop intelligently for health care services.

Here is basically how an MSA would work for a typical working American family. The worker's employer puts, let's say, $2,000 a year tax free into the worker's medical savings account. The worker uses that $2,000 to pay for checkups, emergency treatment, and whatever other medical necessities arise during the course of that year. If the worker's family has medical costs above $2,000, catastrophic coverage would pay for it, catastrophic coverage would then kick in. If the family's medical costs are lower than $2,000, the family could keep whatever money is left over. It would be theirs.

This is a major improvement over current standard practice, I believe in a number of ways. First, MSA's offer first-dollar coverage. They pay the first dollar of cost the family incurs, the immediate expenses they face at the doctor's office or at the emergency room.

Under the current system, workers have to pay—the current system today—workers have to pay a high deductible or high copayments for their medical care. The MSA will cover—will cover—that cost for them. To the typical American family, this is very important. There are not too many Americans, Mr. President, who have hundreds of dollars just sitting around in a bank account waiting for a medical emergency.

Washington Post columnist Jim Glassman tells the story of a woman named Penny Blubaugh, who earns $16,000 a year as a secretary in the Danville, OH, school system. Her daughter stepped on a nail in their garage, and Penny took her to the emergency room.

Cost: $375 for the emergency room, $70 for the x rays, for a total cost of $445. That is $445 that Penny did not have. Fortunately, Penny was in an MSA, and MSA paid the bill—no deductible, no copayment. They paid the bill—first dollar coverage. That, Mr. President, is a dramatic concrete benefit to the typical working family that participates in an MSA.

The second benefit to both the individual working family and the country as a whole is the opportunity to save money. If the money in an MSA is left unused, at the end of the year the working family gets to keep it. I can imagine no better incentive for intelligent consumer choices when it comes to health care. A family spending its own money with the prospect of keeping whatever is unspent will mean that money simply is not wasted.

It is simple, common, basic sense. It is also the conclusion of a study that was conducted by the Rand Corp. between 1974 and 1982. Will people make very bad choices, denying themselves essential care to save a few dollars? We do hear that argument being made. The Rand Corp. study found that was not true. People would not do that. People would not act against their own self-interest.

Mr. President, if you give an American family some resources and freedom, they will tend to make the right choices. What we need in American health economics is more people making the right choices. For too long we have limited the freedom of American health care consumers to make these right choices. It should not be a surprise, therefore, that we have rapidly rising health care costs at a time when inflation, in general, is pretty much under control.

A recent Cleveland State University study examined 27 Ohio businesses, each with under 200 employees, that offered MSA's to their employees. The results were remarkable—a triumph of cost containment that demonstrates how promising the MSA alternative really is.

On average, individuals in the MSA plan had lower out-of-pocket health care costs than those who had the more traditional kind of health insurance. The average savings were $317 for individuals who used MSA's and $1,355 for families who used MSA's. The employers saved, too. On average, employers saved 12 percent more than they would have from the traditional plans, had they been in the traditional plan.

That, Mr. President, is the right direction for America. That is why, as of last year, 17 States had passed MSA laws. That is why Ohio moved forward with MSA legislation just this past month. That is why we are here today, pressing for the enactment of this extremely promising approach on the Federal level.

I again urge colleagues who have been blocking this now—we are in our 61st day of a filibuster—to let us move forward, appoint the conferees, let the American people have the benefit of these MSA's, which we clearly think, and the evidence is very strong, will make a difference.

I again thank my colleague from Georgia for setting up this time. I yield the floor.

Mr. COVERDELL. I thank the Senator from Ohio for his statement on this very important matter. I yield up to 10 minutes to the senior Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I was pleased to be here during the period of presentation of the distinguished occupant of the chair. As a physician, the Senator from Tennessee brings a great deal of information to us in a direct way.

I might say, as I begin my comments, starting in 1987 there was a group of us that decided we would meet once a week while the Senate was in session to review the problems of health care and insurance reform. It has been most enlightening to this Senator to be a participant, particularly with regard to these medical savings accounts. When they first came up, I realized what a great thing it would be for my State to have them put into Federal law.

In my State, over 90 percent of the employers are small businesses. Community ratings often give us very high health insurance costs. Many of these small businesses, though they would like to do so, just cannot afford to provide health insurance coverage for their employees. We live on the edge, under very costly circumstances. It is very difficult for these employees to bear the cost of health insurance. Many times they are like that person that the Senator from Tennessee indicated that came to his office: They are without health insurance, and oftentimes face real difficult problems.

I do believe the concept of a catastrophic insurance really fits into the frontier problems, because the situation often develops that our people would like to deal with someone they know, not only as a physician but as an insurance carrier. Catastrophic insurance is available through almost all small insurance firms. It is something you can deal at home with, and have a strong relationship with a person who has sold you the insurance.

For that reason, I am pleased to be a cosponsor of the Kassebaum-Kennedy bill. I think it is high time Congress got around to passing this bill.

I personally do not believe it should be a right of any Senator to object to the appointment of conferees. I think that ought to be a matter of right of the leadership to say when conferees should be appointed, and they should not be subject to any debate. We are being held up now by a debate on whether or not conferees should be appointed. This is probably one of the most important bills we will work on during this Congress. Time is running out.

This objection to allowing medical savings provisions in this bill is what is really holding up the Kassebaum-Kennedy bill. Under a compromise worked out by the House and the Senate, only employers with 50 or fewer workers and those who are self-employed could participate in medical savings accounts. Most employers who have used medical savings accounts that I have heard of know them as the Senator from Tennessee indicated: Medical savings accounts concepts allow people to choose their own doctors, hospitals, and their on form of care. They encourage preventive health care and eliminate out-of-pocket costs.

Medical savings accounts allow people to use their savings to buy other forms of health insurance like nursing home coverage or long-term care. Medical savings accounts allow individuals to control their own health care dollars and to support the free enterprise system.

There is just no question that this is a kind of provision that ought to be in a health care insurance reform bill. It is a very limited one, very limited. It will benefit thousands of Alaskans who change their jobs and lose their jobs, enabling them to maintain vitally important health insurance coverage for themselves and their families.

In my State, Mr. President, 65 percent of our women of childbearing age work out of the home. They are women that, because they go in and out of the work force in order to take time off to bear their children, often end up without insurance coverage during the very period of their life they really need it. This medical savings account concept ought to be involved in this law to help us meet the problems of those women in our work force.

It will also benefit Alaskans who have the so-called preexisting conditions, which in the past have prevented many Alaskans from getting health insurance coverage because they have changed their jobs or they have gone through a period of unemployment. When they go to a new job or they go back to work, they find their health insurance is not available because when they reapply, they now have a preexisting condition which was covered under their prior insurance policy, but they lost coverage. I do not think many people realize how many, many individuals in a State like ours change jobs, work part time, and find themselves without coverage because of this problem of preexisting condition.

The Kassebaum-Kennedy bill is a moderate, sensible approach to improving our health insurance system. Its benefits will be felt by some 25 million Americans in total, according to a report of the GAO.

I cannot believe that this could be a program only for the rich, if it is going to apply to 25 million Americans. I can say, without question, that it will affect hundreds of thousands of Alaskans, despite our small population.

Of particular importance is that this will make health insurance available to Alaskans who are self-employed by making it more affordable, by increasing the deduction for health insurance premiums from the current 30 percent to 80 percent over a 10-year period. I do not think anybody has mentioned that. This will bring about a change. As we all know, currently self-employed people can only deduct 30 percent of their health insurance premiums. This bill before us now will gradually change that so that discrimination against self-employed people, as far as health insurance premiums, is eliminated over a 10-year period.

I might also mention a substantial benefit to Alaskan seniors. Long-term care insurance policies would receive the same tax treatment as traditional health insurance under this bill. Unreimbursed long-term care expenses would be treated as medical expenses for itemized deduction purposes—a change, Mr. President, which will make a substantial change in the ability of people to pay for long-term care, particularly for the children of those people who need long-term care. They are the ones that are paying these expenses.

This legislation will not affect the right of Alaskans to receive health care from chiropractors or alternative medicine people. My office has received a slew of telephone calls from Alaskans who fear this legislation because of the fraud and abuse provisions added through the amendment to title V. They feel that that amendment would stop them from seeing a health provider of their choice, especially under the Medicare Program. I think I should assure Alaskans and all Americans that that is not true. I support the right of Americans and my Alaskan people to seek health care from alternative health providers. This bill will allow Alaskans and all Americans to get health care from the provider of their choice, including alternative medicine and chiropractors licensed by the State.

I believe this legislation will make a vital contribution to the well-being of thousands of our people in my home State, who now have the prospect of losing health care for themselves and their families when there is an interruption in their employment.

I urge the Senate to name conferees and get this bill to conference and to the President as soon as possible. This should not be an election year political issue. This is an issue which should rise above politics. I challenge anyone in the Senate to defend holding up this bill.

Thank you, Mr. President.

Mr. COVERDELL. Mr. President, I thank the Senator from Alaska. I particularly appreciate his knowledge of the parliamentary nature of this body and his expertise. When the Senator from Alaska says we have a bolt out of whack on our policy here, the bolt is probably out of whack. I join the Senator in an effort to get that straight.

Mr. President, the remarks of the Senator from Tennessee reminded me of a friend in the medical practice that I know in Georgia. Several years ago, we were musing, and he talked about a time when the exchange might involve something other than money. Somebody might offer, in some of the rural areas of our State, crops or produce. He said it was always a very serious negotiation, determining what the cost of the medical procedure would be.

Now, you are dealing with a far more sophisticated process. But the Senator from Tennessee makes me remember that. He said that the customer—or the patient—really paid attention when they were about to contract for a medical service. He was convinced that that interaction between the patient and the doctor, and the patient and other medical providers, was the missing element and was a core reason for the geometric escalation in medical costs.

Senator GRAMM from Texas addressed this issue in the health care debate, and he said that if we bought groceries the way we buy medical services, he would eat a whole lot better, and so would his dog.

Mr. President, we have been joined by the Senator from Utah, who chaired the health care task force that the Senator from Alaska was referring to a moment ago.

I yield up to 10 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I thank the Senator from Georgia. I am interested that he refers to the Senator from Texas and his comment about groceries, because I have a somewhat similar analogy that I think illustrates the issue we are talking about here.

Come with me in your mind's eye, Mr. President, to a job interview at an imaginary company that operates under the principle that we use for health insurance in this country today. You are going through the interview, and you have arrived at a salary discussion and arrangement. You know your job duties. Now you say to your prospective employer, "Tell me about the benefit package that you have." Your employer says, "Well, Mr. FRIST, we have a wonderful clothing care system here at XYZ Industries. You will really like it. Clothing, of course, is absolutely essential to your survival. It goes back as long as civilization because people have had to have clothing to protect them from the elements. We have the greatest clothing program in the world."

You say, "Wonderful, I will come to work for XYZ Industries, and under your clothing benefit plan, I will be properly taken care of." Then you come to clothe your family and you are told, "Well, at XYZ, we cover two suits a year and one sport coat." You say, "Well, I would like to buy two sport coats." They say, "No, you cannot have it. Our benefit package only covers two suits and one sport coat. And, by the way, we only provide for black shoes and not brown shoes to go with those suits. Now, under the benefits that are covered by our clothing plan, we will cover walking shoes, but not running shoes. And there is a limit, of course. We have cost containment, as clothing costs have been going through the roof. There is a limit on the number of pairs of socks that will be covered under your clothing plan that we have decided is the appropriate number of socks." And you then get a memo through the mail that says, "Our clothing costs at XYZ industries have gone out of sight, and so we have changed to a clothing maintenance organization, and now we have made a deal with Sears Roebuck. You go down to Sears Roebuck and they will provide all of your clothing."

You have to go through a clothing counselor, who will meet you when you walk through the door of Sears, and he will size you up and may say, "Well, before we will replace the suit you are wearing, we will make the decision that it has more wear left in it and, therefore, we will not authorize a new suit until there is more wear and tear in the knees of the suit that you currently have on."

That is how we will get some cost containment and cost control. I could go on and on. But I think you understand, Mr. President, how absurd this looks to American workers and American wage earners. They would say, "Please, Senator, eliminate this vision and take us back to the present circumstance where our employer does indeed pay for all of our clothes, but he does it by giving us some money. And we decide how many suits we want. We decide what color shoes we want. We decide whether we want to shop at Sears, or Nordstrom's, or the Gap, or Wal-Mart, or wherever. Leave it up to us to make the choices."

We do not do that in health care. The health care circumstance is just as I have described it with clothing. No, you cannot decide that you want this kind of treatment because it is not covered under our plan. You cannot decide you want this particular doctor. We have decided that we are going in another direction. What if we did the same thing with health care that we do with clothing, or food, or shelter, or transportation, or any of the other necessities of life, and said, "You make your own decisions and pay for it with dollars that you have set aside in savings"?

What if we recognized that we have, in fact, destroyed the insurance principle in health care by saying we are not ensuring against risk; we are, in fact, paying for everything?

Let me shift analogies for just a minute. I have said on the floor before in the health care circumstance that I have a homeowner's policy on my home, and it is a wonderful policy. If my house burns down, I get everything I need. The paintings on the wall get replaced. The silver in the drawers in the kitchen gets replaced. The dishes, my clothes—everything that is destroyed in the fire gets replaced. The fire is a catastrophe. I have insurance against catastrophe. But there is nothing in my homeowner's policy that covers the cost of mowing the lawn. There is nothing in my homeowner's policy that covers the cost of repainting the front door when the dog scratches it.

Do you know how much my homeowner's policy would cost if I had to file an insurance claim every time I wanted the lawn cut? "How do you pay, Senator BENNETT, for the cost of mowing the lawn and painting the front door?" I have a savings account, and I pay American money to the son of my next door neighbor to come over and mow the lawn. And insurance is reserved for catastrophe.

I am insured against catastrophe, and my insurance policy is very, very reasonable. Why are we not smart enough to do that with health care, and say, all right, the little things that we handle in health care we pay for out of savings, and we have insurance to cover the catastrophic circumstances?

I have talked to insurance people. I have said, what is the number that we need as a deductible in order to make this kind of a system work? We have heard, for medical savings accounts, the figure of $3,000. The insurance people say the difference between a $1,500 deductible and a $3,000 deductible is de minimis. It really does not make that much difference. If you had a $1,500 deductible, you are only saving pennies, if you go to a $3,000 deductible.

I then went to the leading hospital in Salt Lake City. I said, "What would happen if every bill that was less than $1,500 was paid for in cash?" They kind of blinked at me because they assumed that everything that comes in gets paid for by filing an insurance claim. They said, "Senator, 80 percent of our emergency room admissions come to less than $1,500." I said, "How much administrative savings would you have if you didn't have to process insurance claims for that 80 percent of your business?" They said, "Good heavens, it would save us enormously."

We have a control group that we can refer to, Mr. President, that demonstrates the wisdom of paying for things with cash as opposed to filing insurance claims for a flu shot, filing insurance claims for an office visit, filing an insurance claim for everything that comes along. You may have heard of it. I hope more people have heard of it. The Shriners Hospital system. The Shriners are a fraternal organization that raises money that it spends to take care of children who cannot pay. The only requirement for you to get into a Shriners Hospital is that you do not have the capacity to pay for the treatment. That is it. You have to be sick, of course. But if you are sick, and you do not have the capacity to pay for your treatment, you can get into a Shriners Hospital.

Here are the numbers from the Shriners Hospital in Salt Lake City, UT: 4 percent of their budget goes for administration; 96 percent goes for health care. Why? Because they do not deal with a single insurance company, and they do not deal with a single Government agency. They do not have to fill out any forms or screen anybody for eligibility beyond convincing themselves that these people cannot pay.

What is the cost of treatment in the Shriners Hospital? Here is the number: $95 a day. I have said this, somehow you are missing a decimal point. It has to be $950 a day. That is what it cost in a modern hospital: $95 a day because they do not have any of these administrative costs. It does not pass the Bob Newhart test.

I ask unanimous consent that I might have another 3 minutes to explain the Bob Newhart test.

Mr. COVERDELL. Mr. President, I yield the Senator from Utah 3 minutes.

Mr. BENNETT. Here is the Bob Newhart test. Have you ever heard Bob Newhart discuss, as if he had no previous experience at all, the smoking of tobacco with Sir Walter Raleigh?

Bob Newhart is on the phone, and he is saying, "Let me get this straight, Walt. This is a weed, right? This has no food value, and you want to bring it over here? Tell me, Walt, what do you do? You roll it up? And, yeah, OK, Walt. Now you stick it in your ear. Right? No, no. You stick it in your mouth? Come on, Walt. What do you do with it? You roll this weed up and stick it in your mouth? Yeah, Walt. You set fire to it, and you start breathing the fumes?"

Bob Newhart has made a great comedy career out of doing that kind of analysis of the stupidities of the things that we do in our lives. Our medical system of insurance does not pass the Bob Newhart test.

I have tried to put it in that context by saying this is what would happen if we bought clothing the way we buy health care, if we had to file an insurance claim for the cost of mowing the lawn, and everybody laughs. But that is where we are, and the people who are opposing medical savings accounts are the people who do not realize the absurdity of the present circumstance, who have gotten themselves in the mindset that since we have done it this way, this is the way it always has to be. If you can only step back and look at it honestly, you realize how many problems you solve if you say that health insurance should be like car insurance and homeowners insurance and flood insurance and earthquake insurance and tornado insurance. Health insurance should insure us against a catastrophe, just as we use money to make the decision whether we want brown shoes or black shoes, just as we use money to make our own decisions on whether we want to replace the suit or wear a sport coat. We should use money to say, "I am going to get a flu shot; I am going to take care of this hangnail; I am not going to file an insurance claim with all of the administrative costs connected with that."

It is just plain common sense, and it more than passes the Bob Newhart test.

I thank the Chair. I yield the floor.

Mr. COVERDELL. Mr. President, I thank the Senator from Utah not only for these remarks but for the extended effort that he has made on the issue of reform for our health care system. The Senator from Utah has dedicated many, many hours to that.

We have been joined by the Senator from Iowa, and in a few moments we are going to hear from him on this vital question. I do want to point out in the national journal Congressional Daily this morning it says, "A group of moderate to conservative House Democrats Thursday sent a letter to President Clinton urging him to accept some form of compromise on medical savings accounts in health insurance reform legislation." The letter was authored by Representative GARY CONDIT, Democrat of California, and it asks the President to sign off on the evolving Republican compromise already accepted by Senate Labor and Human Resources chairwoman, Senator KASSEBAUM of Kansas.

Mr. President, I am going to ask unanimous consent the time under our control be expanded by up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. I now yield to the Senator from Iowa for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

(Mr. COVERDELL assumed the chair.)

Mr. GRASSLEY. Mr. President, I congratulate each of my colleagues under the leadership of the Senator from Georgia for discussing this very important issue of making sure that we get health insurance reform legislation through, that this reform legislation operates in a way so it minimizes Federal Government bureaucracy interference in the marketplace and in the doctor-patient relationship, and that we eventually reduce the cost of health care.

I think every one of these are motives for this legislation, in addition to creating a situation where people who can afford health insurance and are denied health insurance because of preexisting conditions will be able to have that guarantee of health insurance and its renewability, and also for the individuals who find it difficult in bargaining with the insurance companies for an affordable package, and also for small businesses that have a difficult time doing that, that we allow these people to come together in health insurance purchasing cooperatives to be able to do this. So I thank the Senator from Georgia for promoting this discussion at this particular time.

Regardless of all the good aspects of this bill, there is one aspect holding it up, and it is an aspect of the bill that I very much support, and that is the drive for the medical savings accounts. When I say it is a drive for medical savings accounts, it is not a drive within Congress for medical savings accounts. Medical savings accounts are an established fact of the delivery of health care in America because they have been proven out there in the private sector, but they do not have the advantages that other types of health insurance or vehicles for paying for health care have like their tax deductibility.

So if we are going to promote medical savings accounts which are proven worthy and effective in the private sector already, then they ought to have the same tax treatment that a lot of other instruments we have used for a half century have had in order to give people effective health coverage. And so this debate is about medical savings accounts. All the other good things in this bill are kind of forgotten. All the attention is on medical savings accounts, I think for one simple reason, and that one simple reason is that there are people in Washington who still believe that Washington knows best, and they do not want a system of medical savings accounts where the individual is going to make the decision of spending money on health care. They only think it can be a big insurance company or some Washington bureaucrat that can make this judgment for the individual. The success of medical savings accounts proves that tradition wrong, the tradition that Washington knows best. And so we need this legislation. It should not be held up.

Mr. President, the American people are waiting for final action on the Kennedy-Kassebaum health insurance reform legislation. They have been waiting 2 full months.

The American people want this legislation enacted because they understand that it promises portability of health insurance. They want it enacted because they understand that it would limit the practice of denying health insurance coverage to people because of preexisting conditions.

This legislation passed the House on March 28. It passed the Senate on April 23. We should have sent it to the President weeks ago, Mr. President. Why have we not?

We have not because some obstinate Senators of the other party refuse to allow the conference between the House and the Senate to proceed. They refuse to allow it to proceed because they oppose the medical savings accounts provisions. They refuse to allow it to proceed despite concessions on the MSA provisions by the Republican leadership. They refuse to allow it to proceed because the President will not tell them he wants to sign it with an MSA provision in it.

I say some Senators of the other party because many Members of the other party have supported medical savings accounts. Many still do. Thirty-eight Democrats in the House of Representatives voted for the House health insurance reform bill which included medical savings accounts. I understand the Democratic Representatives BOB TORRICELLI and ANDY JACOBS wrote to the President 6 weeks ago to urge him to support MSA's. In the past, leading members of the other party have spoken favorably of MSA's. Two short years ago, in 1994, Representative GEPHARDT is quoted as saying on CNBC: "I think its a great option." Then, just today according to Congress Daily, a group of moderate-to-conservative Democrats in the House of Representatives sent a letter to President Clinton asking him to sign off on the evolving GOP compromise on MSA's.

I am having a hard time understanding why some Senators are putting up such die-hard opposition to medical savings accounts, Mr. President. And I am having a hard time understanding why the President of the United States will not tell his troops in the Senate that he will sign a bill with an MSA provision in it.

Because they are a good idea. They are basically IRA's. Everybody understands IRA's. Medical savings accounts are IRA's that can only be used to pay for medical care. Individuals who have a medical savings account would also have to purchase conventional health insurance with a high deductible. This high deductible health insurance policy would protect them against truly catastrophic health care costs.

They are a good idea for several reasons:

They should make health care coverage more dependable for those who have them because they are completely portable.

Medical savings accounts are easy to administer compared to conventional insurance or to managed care plans. Therefore, administrative savings will be realized when people use them.

They put the patient back into the health care equation. People with MSA's would have complete freedom to choose their doctor. Because patients would be spending their own money, doctors would be under pressure to provide economical treatment and to discuss with their patients the costs and the benefits of particular treatments to a greater degree than they do now.

They would level the health insurance playing field by making the tax treatment of health insurance fairer. Now, employers who pay for health insurance for their employees get a tax break for what they spend. The employees get a tax break for what is essentially compensation. But in those businesses which can not afford health insurance, neither the employer nor the employee gets tax help from the Federal Government. The self-employed, who pay for their own health insurance, get no help from the Federal Government.

Medical savings accounts should increase personal savings. The tax benefit associated with Medical savings accounts should be a strong incentive to save.

They will ultimately contribute to retirement savings for many people. In the future, many people would become eligible for Medicare with substantial medical savings account balances. These could be withdrawn for any purpose at age 65.

Finally, they will help cover long-term care expenses because one of the permitted uses will be for the purchase of long-term care insurance.

Mr. President, the Republican congressional leadership has offered the President and the Democrats a compromise. The compromise would limit the opportunity to have an MSA to where the core uninsurance problem is—in the small business community and among the self-employed.

Still, some Senate Democrats refuse to let us send the Kassebaum bill to the President.

They say that the MSA provisions are in the bill only as a pay-off to a single insurance company. This is really one of the most preposterous allegations made in this debate.

A single insurance company? Then why are the MSA provisions supported by the farm community, including the American Farm Bureau Federation, Communicating for Agriculture, the National Wheat Growers, the National Grange, the National Milk Producers Federation, and the National Cattleman's Beef Association?

Why are they supported by the small business community, including the National Federation of Independent Businesses, the Business Coalition for Affordable Health Care which includes the National Association of the Self-Employed, the U.S. Federation of Small Business, the U.S. Business and Industrial Council, the National Food Brokers Association, and many other business groups.

Why are the MSA provisions supported by many physician organizations, led by the American Medical Association? Why are they supported by not just one, but several insurance companies?

A single insurance company? I do not think so, Mr. President. It is clear to anyone who wants to open their eyes. The medical savings account concept, and the specific provisions in the Kassebaum bill, are supported by a broad coalition of Americans.

Those holding up the bill say that MSA's will be used only by the young and the healthy. They say that the sick will prefer regular insurance or HMO's. Maybe they really believe it. But now we have evidence to the contrary from a recent study by the Rand Corp. The Rand study concluded that MSA's could be attractive to both the sick and the healthy.

In fact, the Rand study concluded that MSA's might not reduce health care costs as substantially as MSA proponents have claimed. Why not? Because they probably would be attractive to the sick. Furthermore, those who are sick will probably prefer to have the unrestricted freedom of choice of doctor that would come with an MSA.

If the sick and the poor would use MSA's, it hardly seems likely that MSA's would fragment the insurance pools because of adverse selection, another concern of those opposed to MSA's.

Those holding up the Kassebaum legislation argue that MSA's would appeal only to the wealthy. But Rand concluded that the "median user would be only slightly wealthier than people in conventional insurance plans and HMOs. * * *" Furthermore, a recent survey by the Marketing Research Institute of 1,000 workers found that a large majority of lower income workers, if given the choice, would choose MSA's.

What is really going on here, Mr. President, is that the Senators trying to stop medical savings accounts really do not want individual citizens to take charge of their own health care. They do not want the system to be controlled and driven by individual consumers in cooperation with their doctors. They are frightened to death that medical savings accounts will prove so popular with the citizenry that there will be an irresistible demand to make them available to everybody. If that happens, their dream of a nationalized health care system will be impossible to realize.

In any case, Mr. President, it seems to me that we can add medical savings accounts to the things a great many Americans want in the Kassebaum-Kennedy health insurance reform bill. Many other Americans are probably more concerned about the Kassebaum bill's portability provisions. Or about the bill's limits on the ability of insurers to deny coverage to people because of preexisting conditions. These citizens are going to have a very hard time understanding why some Senators, and the President, are denying these reforms because of opposition to the medical savings account compromise the Republican leadership is offering them.

The American people are going to get none of these reforms unless the Senators obstructing the legislation stop playing dog in the manger, and get out of the way so the American people can have the benefits of the legislation. The President needs to tell his troops in the Senate that he wants to see this bill enacted. He should tell his troops to let the conferees be appointed and to accept the MSA compromise he's been offered.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado should be advised the next 90 minutes is controlled by the Democrat leader or his designee.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask also since the time has gone over 12 minutes or 13 minutes, let me extend it past the 12:30 hour so there is equal time for both.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH INSURANCE REFORM

Mr. REID. Mr. President, what we have seen take place here in the last hour or 45 minutes is what has been going on in the Senate for the last 8 or 10 months. We cannot do things quite perfect enough. There is always some kind of a problem.

With the balanced budget, we agreed to a balanced budget but there was always a poison pill that was involved. The poison pill with the balanced budget was Medicaid, Medicare, whacking the environment. It was not good enough that the President and Democrats agreed there would be a balanced budget in 7 years using the figures from the CBO. That was not good enough. What they had to do was the majority had to ruin it. They ruined it with their poison pills, with excessive cuts in Medicare and Medicaid.

Welfare reform—remember, we had a welfare reform bill. It passed here in a bipartisan basis. But the majority in the House and Senate decided they wanted to block grant Medicaid. They wanted to cut off a million disabled children from welfare. That made it so we could not pass welfare reform.

Minimum wage, something that is long overdue, about 90 percent of the American public think it is the fair thing to do, to increase the minimum wage, but, no, they have to tie on to that something called the TEAM Act, some kind of small business exemption which is a disguise, that is all it is, to, in effect, gut the minimum wage. Everyone knows the jobs in America are not created by General Motors, Lockheed and the big corporations, but by small businesses. So what is the poison pill that the majority attaches to minimum wage? We will make a small business exemption with the minimum wage; we will do indirectly what we cannot do directly.

So everything that comes out that is good for the American public, the majority throws in a poison pill. They have done it with their small business exemption with the minimum wage. They have done it with the TEAM Act.

We should be on the floor here, talking about the things that we do on a bipartisan basis. The American public is not concerned about big government or small government, they are concerned about good government. And good government means we must act together.

We could do that with health care reform. Everyone knows that on the Kennedy-Kassebaum bill the senior Senator from Massachusetts represents one constituency, the senior Senator from the State of Kansas represents another constituency, and they got together. People who are senior Members of this body got together and came up with a bill that was not everything that everyone needed, that did not take care of all the problems with health care delivery in this country, but certainly it went a long way to answer two of the major problems that face the American public and that is, what do we do about portability of health insurance and what do we do about preexisting conditions?

The Kennedy-Kassebaum bill took care of that. It basically said we can help get portable insurance. If you have a job and you have insurance and you quit your job, leave your job, you can take your insurance with you. If you have a preexisting condition you can have an insurance company insure you. They cannot refuse you. Everyone in America has had conditions with family, loved ones or neighbors, who have problems with preexisting conditions. It may be a bad back, it may be diabetes—these conditions are such the insurance companies simply turn people down. The Kennedy-Kassebaum bill said no, you cannot do that anymore.

Here we go again, just like as has happened for the past 18 months. We have something which can solve a problem on a bipartisan basis and another poison pill comes along. This time it is MSA's. Mr. President, MSA's is something we should take a look at. Everyone has acknowledged, on the minority side, we are willing to take a look at MSA's. Let us do a pilot project. Let us see how they would work. Everything that has been said about MSA's by the majority may be right. I mean, I think we should take a look at it. They may be right. But whether they are right or wrong, why do we not go ahead and do what Kennedy-Kassebaum originally said we should do, take care of portability and take care of preexisting conditions? That would go a long way to solving the problems of health care delivery in America today.

No, we cannot do that because now we are not talking about a balanced budget and ruining that with Medicare and Medicaid devastating cuts; we are not talking about minimum wage and the poison pill thrown in there with the small business exemption; we are not talking about welfare reform, the poison pill there block-granting Medicaid and eliminating about a million handicapped children. No, what we are doing now is we have another poison pill with health care reform that is the medical savings accounts. We are not willing to test, do a pilot project on medical savings accounts. We want it all. If we cannot get it all we are going to ruin portability and preexisting conditions.

I, personally, believe that medical savings accounts should be tested. I think there is some merit to them. We should have a demonstration to project to see what the benefits and drawbacks are of MSA's. But the insurance reform bill which the Senate overwhelmingly passed did not contain MSA's and the addition of MSA's is now preventing a bipartisan step toward real health care reform. We failed to pass real health care reform 2 years ago. But we did learn something at that time. We must approach health care reform step by step. We cannot get everything we want. But it seems the majority is saying we want everything that we think is appropriate. If we do not get it, we are going to kill health care reform.

The Kennedy-Kassebaum bill primarily targets two hurdles to insurance coverage for the American public: Hurdle No. 1, preexisting conditions; No. 2 is portability. By addressing these two major barriers to insurance coverage we can help 25 million Americans.

We can stand on this floor and debate for weeks, months how good or bad MSA's are. But let us do that and at the same time take care of 25 million Americans and take care of preexisting conditions and portability.

The Kennedy-Kassebaum bill is a straightforward measure combining items from the 1994 health care debate that are both noncontroversial and bipartisan. We should not be holding up this bill with a debate over MSA's.

I think, when it is all said and done, after we do the demonstration projects, I think I would probably support MSA's.

But we really do not know just now. Why do we not go ahead and pass what is good, and that is Kennedy-Kassebaum. The majority attempts to add MSA's to the benefit, some say, of special interests. I think that this special-interest legislation may just be threatening the coverage of preexisting conditions and portability, because this is the poison pill they found to kill that program.

If the majority is serious about helping millions of Americans maintain their health coverage, they should abandon their attempts to attach this overall, all-encompassing MSA provision to S. 1028.

The debate today is not about MSA's. That can wait for another day. The debate is about whether Congress is going to help individuals who change or lose their job to help maintain health coverage.

We can pass this bill today, Monday, Tuesday, Wednesday of next week if the majority will agree to stop loading this bipartisan bill with amendments that can be debated at another time.

Mr. President, there is a real question about what we are doing here. What are the dangers of MSA's? Some of the concerns I have, that I hope with the demonstration project can be overridden, is that they siphon off the healthy and the wealthy and the young. They fragment and undermine the current insurance market, and they cause premiums to rise for others. They discourage cost-saving preventive care. They lack consumer protections. They increase employer health care spending, and they cost taxpayers, some say, almost $2 billion. In fact, who says that is the Joint Committee on Taxation.

What the majority will not talk about today on this floor, or any other time, about MSA's and the reason, perhaps, they are unwilling to go forth with a demonstration project, is that the MSA provision added in the House bill contains no standards for high-deductible catastrophic plans that accompany these MSA's, forcing many individuals to pay more in out-of-pocket costs than they might expect.

Here are some costly facts about this catastrophic insurance plan that the majority will not be talking about during this debate. For example: Once the deductible is reached, not all costs are covered.

Even after an individual or family meet their high-deductible, most catastrophic plans require a copayment for health care services. The majority wants individuals to think all their health care will be covered. That is not the fact. They think they should be covered free of charge once the high deductible is finally reached. It just will not happen.

Also, only medically necessary services are covered. So many of these plans only pay for those medical expenses that are medically necessary. As determined by whom? Of course, by that all-knowing insurance company.

Furthermore, insurers may count only medically necessary services defined as indicated by the insurer toward the deductible. If it is not covered by the insurer, the individual will get no credit for the payments they have made toward the deductible.

We heard a lot 2 years ago when we debated health care reform, and one of the things that the health insurance industry—and their spending over $100 million in advertising trying to confuse and frighten the American public, which they did—one of the things they talked about a lot was people would lose their choice of physicians. Well, those in the majority should understand that here is a question with MSA's about whether you lose your choice of physician.

Individuals are free to choose their own doctors while paying for medical care in full. However, under their insurance plan, they may have to pay more to stay with their own family physician. Many catastrophic plans require individuals to use specific doctors, and if they are not willing to use specific doctors, they pay more, thereby adding unexpected costs after meeting that high deductible.

Another problem we need to look at—and the reason we think there should be a demonstration project and we should go forward with portability and preexisting conditions and leave this debate for a later day, and that later day would be based upon having a demonstration project or projects where we would have all the information that can answer these questions that are being raised today by this Senator—exclusions to services coverage.

Many of these plans currently on the market today contain a long list of services not covered by the plan. Some plans exclude pregnancy and routine newborn care among their exclusions. Individuals would be responsible for the cost of these services, even if the deductible has been reached. Should we not look at this in a demonstration project?

I say to my friends in the majority, if you can answer all these questions, then we should all be here joining arms and going with MSA's. Why do we not pass what we think is good? That is, the portability, preexisting conditions.

Another problem: Employers are not required to contribute to the savings account. There is nothing in the House bill to require employers to contribute an amount to cover the deductible or make a contribution at all, forcing the individual to cover much, if not all, of their medical expenditures.

Finally, with a demonstration project, we could determine if employers could contribute to the premium cost or merely provide information about plans available. Individuals alone may have to cover the cost of the insurance again.

So, I say the time is here to help millions, 25 million people. Let us set up some demonstration projects around the country and see if the MSA's work, and then pass quickly, on a bipartisan basis, the Kennedy-Kassebaum bill. That is what we should do. It would provide protection for 25 million Americans who need that protection.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield such time as I might use. I ask the Chair to notify me when 20 minutes is up.

The PRESIDING OFFICER. The Chair will advise the Senator when 20 minutes is up.

Mr. KENNEDY. Mr. President, I rise on the floor of the Senate to address the issues of medical savings accounts. I want to address some of the observations that have been made by some of our colleagues this morning, and over the last few days; and that have also been raised in a number of their statements and speeches and press releases in the newspapers.

Mr. REID. Will the Senator yield for a question prior to my leaving the floor?

Mr. KENNEDY. Yes, I yield.

Mr. REID. I say to my friend, who has had a lot of experience in this body, if the medical savings account provision were dropped, how long do you think it would take to pass this bill?

Mr. KENNEDY. I think, as suggested by the Senator's question, I think we could pass that in just a few moments here in the Senate. I expect that would be true in the House of Representatives as well. It would pass well within a day and be on the President's desk by tomorrow and put into effect to protect the 25 million Americans who have some disability and give protections to millions of Americans who are moving from job to job to guarantee that portability.

The Senator is accurate in his questions. Why aren't we doing today what was passed out of our committee with a unanimous vote of Republicans and Democrats several months ago; and passed the Senate of the United States by 100 to 0, and could pass the Senate of the United States by 100 to 0 again this afternoon? We could send it to the President to be signed into law and provide relief to the 25 million American families that have some preexisting condition and know that they will be excluded from any kind of health insurance; or know that if they stay with a small group, that the costs for their insurance will go through the roof; or that they will be excluded or canceled. They could be canceled after having paid into their insurance program for a lifetime under the existing rules.

We heard a lot of talk about freedom here this morning and over the last few days. Well, there will be freedom for the insurance company to drop that family. There will not be freedom for the family to look after a child that has cancer. There will not be freedom for a husband to look after a wife who has breast cancer. But there will be freedom for the insurance company to drop them.

So I hope we will have an opportunity to talk a little bit about what freedom really means. It is bandied around here loosely and generally by people who have been in the vanguard of undermining Medicare and Medicaid and protection for children. But I will get to that in a few moments.

Mr. REID. I ask the Senator one more question. Does the Senator see a pattern, as I see a pattern, that during the past 18 months the majority, every time we are on the verge of passing something meaningful, that a poison pill is thrown into the mix?

We passed Kennedy-Kassebaum 100 to 0, and suddenly we have MSA's. A balanced budget, we agree on all the terms. The President agrees to the year 2002, to use Congressional Budget Office figures. Welfare reform passed here, I do not know, almost 100 to 0, big numbers, 80, a vast, vast majority passing it, and suddenly we have block granting of Medicaid and cutting off handicapped children. The minimum wage, which 90 percent of the American public wants. We have the small business exemption. Is it just me or does the Senator see a pattern here that we are not being able to pass meaningful legislation in this body because of these poison pills?

Mr. KENNEDY. I will add to the Senator's list. We have a very important program to which Senator KASSEBAUM provided great initiative. It had been worked out over the period of the last 2 to 3 years in human resources, to restructure and reorganize all the youth training and job training programs, to eliminate—there are 148 different programs, $20-odd billion in those programs, 11 different agencies, and we had tried to work to consolidate those programs. It overwhelmingly passed in the Senate by more than 90 votes. I think it was 92 to 4 or something of that nature. Now we find out that we are stalemated in the conference.

We passed our immigration bill. That was passed in a bipartisan way by more than 90 votes. It is so interesting listening to my Republican colleagues talk about the inappropriateness by some of us to resist a stacked deck of conferees, when I happen to be a conferee on the immigration bill, and have never even been invited to a single conference, while the Republicans are meeting day after day.

Or whether it has been on the issue of health care, there are a whole series of different items that we have passed overwhelmingly. And now they are getting caught up, whether it is immigration or the job training or the health care program. They have all passed overwhelmingly. Now for some reason, as the Senator points out, there is a desire to refuse to permit the process to work.

There was enough credit in here for our Republican friends. They could get a share of the credit. It is true that this President has supported this program. The American people have elected this President. They might not like that. But the President ought to be entitled to sign those pieces of legislation and not have that successful effort of bipartisanship, which had been part of this effort here, to be effectively denied. So I thank the Senator for raising this point because it is an extremely important one.

Mr. President, let me just start off by observing that what this issue is really all about, is to see where we are in the course of this debate and discussion on the underlying legislation, the Kassebaum-Kennedy bill. As I pointed out on other occasions, this legislation was developed with the leadership of Senator KASSEBAUM in the wake of the 1994 debate on comprehensive health care. I hope comprehensive health care is still an objective of the American people. I know that there are those in this body who believe that we should not, as a matter of national policy, try to get quality health care for the American people that they can afford. I know that this is an offensive idea to many of them.

I still believe that we ought to find ways to accomplish this in a manner that maximizes the involvement of the individual and the private sector. In the areas where there are gaps there would be a public role, particularly for the neediest individuals in our country. I am referring to working families and their children who are on the lower rungs of the economic ladder. Families that work hard 40 hours a week, 52 weeks a year, knowing that their child is without health insurance. They worry that their child will be injured playing in a sport or will fall from a bicycle, or have a skating accident, and they will not have the resources to be able to pay for medical care. We need to provide relief from that kind of anxiety.

I know that I will still feel strongly about that as long as I am in the U.S. Senate. We have not been able to do that yet. But, Mr. President, as I have pointed out on other occasions, under the leadership of Senator KASSEBAUM, what we have effectively done is taken the common elements in all the various proposals of Republicans and Democrats. I remind my Republican friends, go back and read Bob Dole's programs. Read JOHN CHAFEE's programs or read the other Republican programs.

They will find that portability and also preexisting conditions provisions were common to all of those. How many times do we have to repeat those statements by the Republican Presidential nominee that said: Let us just try and find the common ingredients and pass them. He said it before. He said it on the floor. He has said it repeatedly. That is all we are trying to do here: find the common ground, and pass legislation. That is what we did in our Labor Committee. That is what we did on the floor of the U.S. Senate.

That is what we should be doing here this afternoon. The President ought to be signing these provisions into law. And every day we delay, Mr. President, every hour we delay, we are saying to those families, 25 million American families, "No. We're more interested in the politics, the politics of this issue." If you want to have an MSA program that goes beyond a demonstration that is a true test, bring it up tomorrow. Bring it up next week. Let us debate that issue at another time. But why tag it on here? Why tag it on here?

Why are you not going to give that relief for 25 million Americans? "We're going to deny you, workers, hard-working Americans. We're going to deny you because we want it our way. We want a stacked conference committee. And we're telling you now, we're either going to take it our way or no way." That is what this debate and discussion is about.

Who are those wonderful Members? Whose interests are being advanced by the medical savings accounts? Well, let us see who is on their side and who is saying, "No. We shouldn't go ahead. Consider the MSA's at another time."

Who are the ones that are saying, "Go ahead. Please, Congress, go ahead and pass the Kassebaum-Kennedy bill"? Who are they? They are the organizations that represent the disabled individuals in this country. We made progress with the Americans With Disabilities Act. We have made progress on disability policy with regard to education. We have made progress in mental health research at NIH.

Who are those that are saying, "Put this off to another day?" Is it all of the representatives of the disability groups. I challenge the other side. I challenge the other side, next time they organize and put out their briefing sheets so that they will all have the same talking points in the morning, answer the question. Tell us which leaders in the disability groups are supporting your program. Give us one organization. We are not asking for 10 or 5. Give us one organization—one organization—that supports your position. Just give us one organization.

Who do you want to stand with? The Golden Rule Insurance Co.? They left the State of Vermont when it outlawed their abusive practices that were so egregious that they nearly constituted fraud.

We will have Members come out here, "We will document the fraud and spend time going over that."

I suggest to my colleagues they go over and read how they left the State of Vermont. They are the principal supporters, they are the principal gainers in medical savings accounts. We know that. They have already contributed hundreds and thousands of dollars, over a $1.5 million to our Republican friends, to our Republican friends that are the principal spokesmen for the medical savings accounts.

All right, so they have the Golden Rule that supports it. Who else? Find us a serious senior citizen group. Find us one. The elderly understand what this is all about. They understand what is going on here. They understand that the principal critics of the position that we are supporting here today are the same ones that want to cut back on the Medicare Program.

I watched very briefly the debate here this morning. They are the principals that voted aye in cutting back the Medicare Program, to raise the premiums, double the deductibles. Where were all of these voices when we were talking about protecting Americans for freedom? They were stripping away the standards to protect the elderly in the nursing homes. Where were all those voices then? "We want to protect freedom, but we will not protect freedom for the senior citizens that go to nursing homes. We will take those guarantees and those protections away from them. We will take those away from them, and we are going to also take away the various additional protections for children under the Medicaid Program—5 million."

Find me one Senator that has spoken out in opposition to medical savings accounts; not one of them this morning voted against knocking 5 million children out of our Medicaid system, 85 percent of whose parents work 40 hours a week, 52 weeks of the year. Do not tell us who is on whose side in terms of protecting Americans' health care. Each and every one of them that spoke out here this morning were prepared to cut out children in the Medicaid Program.

They have cut back about 20 percent of the mental health assistance program. They permitted double buying of our elderly people under the Medicare Program when it came back from the conference report.

It goes on and on. And all for what? To take those savings and give them for tax breaks—tax breaks. Who are you kidding about your concern about freedom and competition in the health care system when you are busy undoing the present program, when your Republican leader in the House of Representatives, Mr. GINGRICH, said you want to have Medicare wither on the vine, and the Republican nominee has indicated he is proud of the fact he voted against Medicare in the beginning, and he has restated it again.

We are supposed to believe those individuals who do not believe in Medicare, who have been assaulting Medicare, who have been assaulting Medicaid and protections for children and senior citizens, that, all of a sudden, here they are, they are so concerned, because certain Senators will not permit us to try out a new program, a new program that is allegedly going to provide freedom.

This Senator is not going to let them have the freedom to go to the Federal Treasury, because that is what you are asking about. They can have all the freedom today to sell their medical savings account.

Understand this: My colleagues who have been complaining about our positions on medical savings accounts, they can go out and sell them today, and some of them do. But, no, no, that is not what they want. They want the freedom to go into the Federal Treasury, put their hand in the pocket of every working family and the pocketbook of every working family. What do we mean by all that?

Mr. REID. Will the Senator yield?

Mr. KENNEDY. I will finish this one thought.

It is very interesting that the Joint Tax Committee estimates that the costs to the Federal Treasury would be $3 billion in additional deficits over a 10-year period.

The PRESIDING OFFICER. The Chair advises the Senator from Massachusetts he has used 20 minutes.

Mr. KENNEDY. I yield myself 10 minutes additional.

The Federal Treasury says the additional deficits for 10 years is $3 billion; $3 billion for a test with one million people.

What is the suggested program that is being supported by Mr. GINGRICH? Mr. President, 43 million American working families. That is a test? Three billion for one million people—he is talking about a range of 43 million Americans. It is the freedom of Golden Rule to put its hand in the Federal Treasury and take out billions of dollars. That is the freedom that those individuals are talking about in terms of medical savings account.

I am happy to yield to the Senator.

Mr. REID. Mr. President, the Senator has been talking about freedom. I have a quote that the Senator did make, and I ask if the Senator recalls this statement having been made from the majority leader of the U.S. House of Representatives, DICK ARMEY, who says, "Medicare has no place in a free world."

Do you recall that statement having been made by the majority leader of the House of Representatives saying, "Medicare has no place in a free world"?

Mr. KENNEDY. It has a familiar ring to it, Senator.

Mr. REID. Just so there is no misunderstanding, I want to state what was said by the Republican nominee for the U.S. Presidency in October of last year: "I was there fighting the fight"—a direct quote—"one of 12 voting against Medicare, because we knew it wouldn't work in 1965."

Is that the reference that the Senator made?

Mr. KENNEDY. It is exactly the reference. We have leaders that are now out there every day with their mimeograph machines saying those really blocking this program are the same ones that were opposing the Medicare Program before, oppose it now, cutting back and putting at risk our senior citizens, and also other health programs of this past budget.

Mr. REID. Briefly, does the Senator from Massachusetts recognize this direct quote by the Speaker of the House in October of last year:

> Now, we didn't get rid of it in round one because we didn't think it was politically smart, but we believe Medicare is going to wither on the vine.

Is that the reference the Senator was making?

Mr. KENNEDY. The Senator is exactly correct. They are the ones that want to put these medical savings accounts in, same ones that want to do that.

Mr. REID. I will close by giving the direct quote of the majority leader of the U.S. House of Representatives:

> Medicare has no place in a free world. Social Security is a rotten trick. I think we are going to have to bite the bullet on Social Security and phase it out over time.

Now, we have heard from the Republican nominee, we have heard from the Speaker of the House of Representatives, we have heard from the majority leader of the House of Representatives. I think it indicates where they stand on Medicare and Medicaid, and I think the reference made to how they feel about health care reform is pretty clear, is it not?

Mr. KENNEDY. It certainly is, Senator. I appreciate you bringing together these points. But the point about it is, we are trying to determine who is on whose side here. Who is on the side of working families, and who is on the side of the special interests? Special interests, Golden Rule. Special interests, Golden Rule.

What I was mentioning just a moment or two ago is that we have challenged the other side to find out any reputable group that represents the disabled, who are at such risk from the cutbacks proposed by our Republican friends, find the senior citizens, and come back here this afternoon after our time is up, and give us those examples of those senior organizations. Give us those quotes of our seniors that say that this is a good idea.

You cannot get them. They are not there. They are not there. They are not there from the disabled groups. They are not there from the seniors groups. They are not there from the representatives of workers—the 128 million American families that are working in this country and their principal representatives—you cannot get it. Then do not bring that phony mine workers study that you have. You keep trotting that mine workers study out, and it is absolutely wrong. They have denied it and said it is completely inaccurate and wrong.

So, Mr. President, on the one side we have the disabled, the elderly, the representatives of the working, and the principal spokesman for children. Why children? Because what you are going to find out is that, under these programs, they will not pay for preventive care programs for children. It is going to discourage preventive care, which is a scandal for children in our country—an absolute scandal. With our infant mortality being the 18th or 20th—or 22d, I guess, this year, in terms of the world. The fact is that we produce 80 percent of the vaccines in the world, and we still have a quarter of the children not vaccinated. We are still not providing the comprehensive screening for children.

Those numbers are being reduced every year in the last 4 years. The number of uninsured children in my State of Massachusetts—160,000—has doubled. It has doubled in the last 4 years. Have we heard any of those people that are out there now saying they want medical savings accounts? Where were they when we were talking and battling about children and the priorities earlier this year? Where were they speaking about it? Oh, no, we want freedom, medical savings accounts. We want freedom.

Now, Mr. President, is this just the position of those that allegedly speak for the disabled or for the consumers in this country? Find a consumer organization that wants to go down to the rope with the medical savings accounts, full-blown medical savings accounts, which are untested, untried.

They used to have the old adage in medicine to "do no harm." Well, this is a turkey, Mr. President, that has not been tried, has not been tested, and could cause premiums to go up. It is a threat to insurance that exists for millions of Americans at this time. That is believed to be so.

We are asked to buy this pig in a poke. We are saying, let us debate it and discuss it at another time. Let us agree on what is a reasonable test and pilot. Many of those who support the Kassebaum-Kennedy bill do not even think we ought to do that. But there are Members on our side and on that side, as well, that think we ought to have a trial and a test. I would not oppose that trial and test if it meant the passage of this bill. But, I will tell you, I am not going to buy on and sign on for an untested, untried program that can threaten—not only will wealthy individuals just be able to purchase it, and healthy individuals will benefit by it, but I am not going to represent to people in my State who have some health insurance today and risk their premiums escalating and going out of sight.

The PRESIDING OFFICER. The Senator has used his additional 10 minutes.

Mr. KENNEDY. I yield myself 7 more minutes, Mr. President.

Mr. President, I will just mention here, this is sort of an isolated position. I ask those who come and are addressing the status of this where we are with this issue.

Today, we found that the House leader, Mr. ARMEY, urged the White House to "call off Senator KENNEDY on the health care bill." And then, "Why is Senator KENNEDY stopping health care reform?"

Then we had the Business Coalition for Affordable Health Care, an ad hoc committee established 3 years ago to lobby against the President's comprehensive health care. They say, "Senator KENNEDY is killing the health care bill today to socialize American medicine tomorrow." I did not believe, when we had a 100 to 0 vote, that those supporting the Kassebaum-Kennedy bill were going on to socialized medicine.

You better get it straight, Business Coalition. We had a 100 to 0 vote on the position that I take today, saying the bill that passed in the Senate should be passed now, today. And you are saying, "Senator KENNEDY is killing the bill in order to socialize medicine"?

All I want to do is pass what we passed. Then we have the Coalition for Patient Choice. It is interesting that they all came out the same day. Included in that was, "Yes, KENNEDY would kill health reform. He still wants big government."

All I want is what Senator KASSEBAUM stated that she wants, too, on health care. Also, we have the Eagle Forum. That is a well-known organization on health care, and the Christian Coalition, and Phyllis Schlafly knows a lot about it. She has testified frequently on health care. Then the list goes on. You can expect it from the Republican National Committee. The list goes on.

Well, Mr. President, I would ask those groups to take a look at some of these editorials, take a look at the Washington Post editorial by Robert Samuelson and his analysis on MSA's. Look at the L.A. Times editorial on June 6. Take a look at the New York Times on May 30. Take a look at the Dallas Morning News. Take a look at the Baltimore Sun of April 25. Take a look at the Washington Post on June 3.

Take a look at the June 13, Tacoma, WA, News Tribune:

> Stick to the basics in the New Health Bill.

It says:

> Many medical economists warn MSAs would be used mostly by healthy and more affluent people, leaving older and sicker people in the common insurance pool. That would force insurance rates up for everybody else . . . The original Kassebaum-Kennedy bill was a good one. More than 20 million Americans would benefit from its modest reforms. Save the fight over MSAs for the next Congress . . .

Come on, Mr. President. Do you think the News Tribune is for socialized medicine?

Here is the San Francisco Chronicle article of June 10:

> There may well be some merit to MSAs to the extent they encourage health consumers to be more cost-conscious. But that possible benefit is still outweighed by the virtual certainty that MSAs would encourage healthy and wealthy Americans—those who could afford the high-deductible catastrophic coverage—to abandon the prevailing insurance system, making it even more expensive for the poorer and less healthy Americans left behind.

The Harrisburg Patriot wrote:

> While the idea of medical savings accounts has a lot of appeal on the surface, the Congressional Budget Office, the National Association of Insurance Commissioners, and other experts in health insurance have warned that it poses dire consequences for the overall health care system. MSAs would remove significant amounts of money from a pool of funds that go to pay the Nation's health care bill, while their tax-deductibility would pose another drain on the Treasury . . . They ought to be considered separately.

A June 10, Columbus Dispatch article, entitled "Clean Health Bill; Get Rid of Those Two Killer Amendments," says that MSA's could "appeal only to healthy people, throwing seriously ill people into a pool whose costs would escalate. This proposal should be in separate legislation, so the clamor it kicks up would not endanger the Kassebaum-Kennedy bill."

These are just a sample of the commentary from around the Nation. It is time for Republicans to stop playing special interest politics.

I welcome being their target quite frankly, Mr. President. I do not resent it. If they want to target me, I am glad to get in and debate this, and will at any length at any time that they want to. The fact of matter is we mentioned 15 or 20 recent editorials, and they are in there every day. Maybe we ought to come up—I think I will—and start putting them in from every part of the country representing every different group.

Why is it that just the Republican National Committee and the Business Coalition and Phyllis Schlafly care more about the American health care system than all of the other kinds of commentaries that are coming from all parts of America and from all different groups? Why are all these people wrong? And they are right?

Finally, Mr. President, I would just hope that when our friends come out to talk about this issue I hope they will come out and address some of the questions that are raised about this program. They have a $5,000 deductible and $7,500 per couple. Are we to assume that the employer is going to provide the money up to $5,000? Absolutely not. It is not in their program. If it is, they ought to come on out and tell us. Who do they think is going to contribute the $5,000? Guess who? The workers are going to contribute, and then the workers will be able to take back. How many working families are going to be able to afford $5,000 per individual, or $7,500 in their family to put that aside? Come on. Come on. Freedom? Freedom? Come on.

Then what happens if the doctor charges $8,000 but the insurance company only recognizes $5,000 because of a fee schedule? Will the insurance company help you out? How about answering that question. I am waiting to hear the answer. Will that insurance cover that particular problem? Are there no limits? Are there no lifetime ceilings? I am waiting to hear the answer. You do not hear them talk about the substance of this proposal. You do not hear them talk about that because it is not there. All you have to do is look at what the Golden Rule Insurance Co. has done and other companies are doing. They stop there, and the person is stuck with the additional. The deductible is not the same thing as a cap. How much will the individual have to pay after they finally reach the $5,000?

Mr. President, I hope our friends who are supporting their position over there about the MSA's tell us about the deductible. How much does the individual have to pay after they finally reach the $5,000? Does that mean there is no co-pay? I have not heard them talk about that. They are trying to suggest that once you get to $5,000 you are not going to have a co-pay. They find the Golden Rule Insurance Co. does not guarantee. That is not guaranteed by their proposal. What is going to be the co-pay on that $5,000? Why do you not talk about out of pocket limits? What are "out of pocket limits"? Out of pocket limits occur in most of all of the programs that are out there—that an individual pays up to so high and then does not pay anything above it. Are there any out of pocket limits in the MSA's? I hope that those who are supporting it are talking about it.

Is the sky the limit? No. There are no out of pocket limits as there are in many of the insurance companies at the present time; an important consumer issue. Maybe our friends who are so enamored of this great freedom of getting into the Federal Treasury are going to talk about that issue.

Mr. President, is there anything in their bill that requires the insurer to cover all the services that they need? One of the continual choruses that we heard last year from those that are opposed to health insurance was, "Let us have the list of services that are covered." Are they prepared to give us the services that are going to be covered? I cannot tell you how often we heard that talked about, and we provided that last year. Do you think any of us have any idea about what services are going to be covered and what are going to be excluded before we put in a program that is going to raise the Federal Treasury and maybe applicable to a third of the working families of this country? Absolutely not. No one has talked about that.

What services are going to be covered? Are they going to be different from what the IRS recognizes as being a legitimate medical deduction if an individual has medical expenses? Is this going to mean that is going to be a contribution to the deductible, or the co-pay for the purposes of insurance? That is going to make a lot of difference to a lot of families. Maybe they could elaborate a little bit on some of this.

Mr. President, is there anything in the bill that requires the employer to contribute one thin dime to MSA's to cover the $5,000? I hope they will address that. Are they saying that with the $5,000 deductible that the employer is going to contribute to and give benefits to the working families to begin to say, "OK, that is not such a bad deal"? Absolutely not. Absolutely not. They are not saying that they will provide one nickel up to the $5,000.

So, Mr. President, I welcome the chance to go through these questions because we ought to have a good discussion and debate. Certainly before we put in anything like this, we ought to have the answers to some of these questions. We do not have them now. We do not have them; no Senate hearings, no report, no deep analysis, nothing—nothing except the strong lobbying of the Golden Rule.

Mr. President, when you put in the MSA's you are providing, the way that this is structured at the present time, a lavish tax break for the rich, the handout to the Golden Rule Insurance Co.; the threat to the existing health insurance premiums for working Americans.

Make no mistake about it, Mr. President, after this goes into effect, the next thing they are going to do is move it over into Medicare. Our seniors understand that. The seniors understand that. The relentless assault and attack on the Medicare Program. It just does not stop. They go at it any which way they can. They went at it in this last Congress, and are continuing now with these unjustified cuts because they wanted tax breaks for the wealthy. Now they are at it again.

So, Mr. President, I welcome the chance to speak on this issue and to include those editorials in the RECORD. We will have more to say. I just say in the final minute, why do we not just pass the Kassebaum-Kennedy bill? That has the overwhelming support. I think it is the one piece of legislation that has come out of a committee unanimously, Republicans and Democrats. It came to this floor and passed unanimously. Senator Dole's amendment was accepted to expand deductibility for small business. We welcomed it. We also provide extended long-term care—we support it—to provide some provisions to deal with terminal illness, which is the humane approach on it. Senator Dole has added an important ingredient to this bill. Senator KASSEBAUM, the distinguished chairman, was the one who wrote this legislation. Senator Dole has amended this legislation. We are supporting this program. Why not just pass the program? Why not just pass it and let the President sign it. And if we want to come back and debate the medical savings account, let us do that. Let us have votes on those particular provisions. Let us let the Senate make its will on it.

But, please, Mr. President, do not say no to the 25 million Americans who have some form of preexisting condition and every single day that we delay they are at risk. I do not know how you quantify in terms of dollars their anxiety worrying about illness and sickness, wondering where the next nickel or dime was going to come from so as to not bleed the education funds for their children or eat up the retirement funds of their parents. That is happening in every city of America. And that is being held up by these various groups that pontificate as to who is more concerned about the health care of the American people. That is wrong.

I continue to believe that medical savings accounts are the poison pill that could kill health reform. The House and Senate Republican so-called compromise offer on medical savings accounts is a capitulation to House Republicans, who are more interested in creating an issue and serving a special interest constituency than in passing needed reform.

Discussions are continuing to see whether a genuine compromise can be reached, without jeopardizing the health insurance that protects millions of Americans today. I hope these negotiations will be successful. But the American people need to understand why the current Republican proposal is unacceptable—and why medical savings accounts in the form proposed by the House Republicans are too extreme and have no place in this consensus bill.

Medical savings accounts are an untested idea. Their great danger is that they are likely to raise premiums and make health insurance unaffordable for large numbers of citizens. Medical savings accounts will clearly discourage preventive care and raise health care costs. They are a multibillion-dollar tax giveaway to the healthy and wealthy at the expense of working families and the sick. Their cost could balloon the deficit by tens of billions of dollars.

With all of these obvious defects, it would be irresponsible for Congress to impose medical savings accounts on the Nation without testing the idea first. The entire controversy today is over whether NEWT GINGRICH and the other extremists in the House Republican leadership are willing to accept a reasonable test of their controversial idea.

The current Republican offer is a sham. Their cynical negotiating attitude is my way or the highway. Take it or leave it. They would obviously rather attack me than defend their indefensible proposal, which is no compromise at all—it is merely a transparent figleaf over their cynical attempt to force their untested bad idea on the Nation.

Let's look at the record. Let's count the defects in the Republican plan on medical savings accounts.

First, the Republican plan allows deductibles as high as $5,000 per individual and $7,500 per family. That means a family needing medical care must spend $7,500 out of their own pocket before their insurance pays a dime. I ask Mr. GINGRICH—"How many families can afford to pay this much for medical care, and why in the world would you give a special tax break for a policy providing such meager protection?"

Medical savings accounts are described as providing catastrophic protection. Once you hit the cap, they say, you do not have to worry about how to pay the doctor or hospital.

Actually, almost all conventional insurance policies already have a feature like this—called a stop-loss—which caps your maximum spending for covered services. Even among policies offered by small businesses, which are typically less generous than those provided by large companies, 90 percent have a stop-loss. And for virtually all of these plans, the stop-loss is less than $2,000.

Contrast that to the House Republican plan. Protection does not even start until you have spent $5,000—and there is no stop-loss. None whatsoever. The plan even allows the insurer to charge a 30-percent copayment for charges in excess of the deductible.

Forty thousand dollars doctor and hospital bills are usual for a significant illness or surgery. In such cases, patients would owe $15,500 for bills the policy would not pay. Under a conventional current plan, their costs would be limited to $2,000 or less.

Instead of attacking the Democratic messengers who bring this bad news, why don't the House Republicans explain to the American people why their plan has no stop-loss requirement? How can they possibly defend their view it's all right to make a family pay $7,500 before their insurance covers them at all—and then leave them exposed to unlimited further costs even, after they have paid the first $7,500?

The House Republicans claim that people can cover these huge gaps in their insurance protection by using their medical savings accounts. Perhaps their wealthy friends—who will get the GOP elephant s share of the tax breaks under this plan—will be able to afford high medical costs. But how are working families supposed to set aside the $5,000, $10,000, $20,000 or even more that they would need to give them true protection in the event of a serious illness? There is nothing in the Republican plan that requires employers to contribute even one thin dime to a medical savings account for their workers.

It is no coincidence that the leading proponents of medical savings accounts are the Golden Rule Insurance Co. and other insurance firms with close ties to the House and Senate Republican leadership that have been the worst abusers of the current system. These firms specialize in selling medical savings accounts. They have given millions of dollars in political contributions to try to get their way.

Golden Rule's record, in particular, is so shameful that Consumer Reports ranks it near the bottom of all companies because of its inadequate coverage, frequent rate increases, and cruelty in canceling policies.

These defection policies are a scandal, and the companies know it. In fact, Golden Rule had to pull out of Vermont, because it was unwilling to compete on the level playing field created by that State's insurance reform.

So what happened next? Responsible insurers—Blue Cross and Blue Shield took over the policies. They found that one in four Golden Rule policies included unfair fine print. Arms, backs, breasts, and even skin were often excluded from coverage. Newborn babies were excluded, unless they were born healthy. Clearly, Congress should not be conferring lavish tax subsidies on that kind of disgraceful insurance coverage. Yet that is exactly what Republicans want to unleash on the American people.

The details of the Republican plan will shock the American people when they understand it. That is obviously why the Republican leadership is engaged in this unseeingly campaign to whisk their defective plan into law, before its flaws can be discovered. And that is why I intend to do all I can to insist on a fair test of their proposal.

By any standards, medical savings accounts are a dubious experiment with the American people's insurance coverage.

The most troubling aspect is the skimming factor—the risk that medical savings accounts will price conventional insurance out of reach of most American families, by encouraging the healthiest people to leave the insurance pool. As premiums rise for everyone else, more and more working families will be forced to scale back their coverage or drop their insurance altogether.

Ask the people who have studied these plans In the words of the Congressional Budget Office, medical savings accounts "could threaten the existence of standard health insurance."

Mary Nell Lehnhard, senior vice-president of Blue Cross and Blue Shield, concluded that MSA's will destroy "the whole principle of insurance."

Separate studies by the American Academy of Actuaries and the Urban Institute found that premiums for conventional insurance could increase by 60 percent—60 percent—if medical savings accounts become widespread.

The Republican leadership pretends that their current compromise offer is nothing more than a test—a fair attempt to deal with concerns about medical savings accounts before they are sold broadly. But it is nothing of the kind. Under their proposal, medical savings accounts could be sold to all small businesses and the self-employed immediately. MSA's would start out with a massive market consisting of more than 40 million workers—one-third of the Nation's entire labor force. I continue to believe that the so-called compromise is not a test—it's a travesty.

Experts agree that the small business sector of the health insurance market is the most vulnerable to the disruption that medical savings accounts would cause. The Joint Tax Committee itself has concluded that sales of medical savings accounts would be concentrated in small and medium-sized firms.

The proposal would clearly go beyond the bounds of what is acceptable, even if it stopped there. But it doesn't. After 3 years, in which medical savings accounts would be launched in this vast market, they would be open to everyone else, unless both the House and Senate vote to stop the expansion.

In addition, instead of a neutral and objective evaluation of the first massive phase, the evaluators would be chosen by the chairmen of the Senate Finance Committee and the House Ways and Means Committee, who are both strong proponents of MSA's. That is a stacked deck, and the Republicans know it.

The strongest opponents of medical savings accounts are organizations representing working families, senior citizens, consumers, and the disabled. They are the ones who have the most to lose if the current system of insurance is weakened or destroyed. We know whose voices should be heard when Congress decides this issue—not the voices of greedy special interests, but the voices of those who depend on adequate insurance to get the care they need at a price they can afford.

The American people need the basic bipartisan insurance reforms included in the Kassebaum-Kennedy bill. These reforms will guarantee that Americans will not lose their coverage or be subjected to exclusions for preexisting conditions when they lose their job, or change jobs, or because their employer changes insurance carriers. They deserve to know that their insurance cannot be canceled if they become sick. They should be protected against the worst abuses of the current system.

The Kassebaum-Kennedy bill passed the Senate by a bipartisan vote of 100–0. If it were sent to the President today, it would be signed into law tomorrow. It should not be held hostage to the partisan, special interest Republican agenda that would foist an untried and dangerous concept on the American people.

Last week, I placed into the RECORD editorials from a number of leading newspapers around the country on the danger of medical savings accounts. Today, I would like to place additional editorials in the RECORD demonstrating the broad public opposition to MSA's.

The Tacoma, WA, News Tribune published an editorial on June 13, entitled, "Stick to the Basics in New Health Bill." It says,

> Many medical economists warn MSA's would be used mostly by healthy and more affluent people, leaving older and sicker people in the common insurance pool. That would force up insurance rates for everybody else. . . . The original Kassebaum-Kennedy bill was a good one. More than 20 million Americans would benefit from its modest reforms. Save the fight over MSA's for the next Congress. . . .

The San Francisco Chronicle wrote on June 10 that,

> There may well be some merit in MSA's to the extent they encourage health consumers to be more cost-conscious. But that possible benefit is still out-weighed by the virtual certainty that MSA's would encourage healthy and wealthy Americans—those who could afford the high-deductible catastrophic coverage—to abandon the prevailing insurance system, making it even more expensive for the poorer and less healthy Americans left behind.

The Harrisburg Patriot wrote that

> While the idea of medical savings accounts has a lot of appeal on the surface, the Congressional Budget Office, the National Association of Insurance Commissioners and other experts in health insurance have warned that it poses dire consequences for the overall health-care system. MSAs would remove significant amounts of money from the pool of funds that go to pay the nation's health-care bill, while their tax-deductibility would pose another drain on the Treasury . . . They ought to be considered separately.

A June 12 editorial in the Columbus Dispatch was entitled, "Clean Health Bill; Get Rid of Those Two Killer Amendments." It says that MSA's could

> . . . appeal only to healthy people, throwing seriously ill people into a pool whose

costs would escalate. This proposal should be in separate legislation, so the clamor it kicks up would not endanger the Kassebaum-Kennedy bill.

Mr. President, I ask unanimous consent that the editorials I mentioned be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Tacoma (WA) News Tribune, June 13, 1996]

STICK TO BASICS IN NEW HEALTH BILL

So close, and yet so far. Only a few months ago it looked like Congress might pass a modest health insurance bill that would help millions of Americans worried about their health coverage.

Now it looks like election-year politics could doom the effort. Republicans and Democrats would rather have a campaign issue than successful legislation.

The strategy behind the bipartisan legislation crafted by Sen. Nancy Kassebaum (R-KA.) and Sen. Ted Kennedy (D-Mass.) was to follow the KISS rule: Keep it Simple, Stupid. That way Congress could avoid getting sucked into another morass like the one that swallowed the Clinton administration's massive health care package.

Kassebaum, chairman of the Senate labor and Human Resources Committee, and Kennedy, the committee's ranking Democrat, won strong bipartisan support for their proposal, which sailed through the Senate in April. The Senate measure allows people losing or changing jobs to continue their health coverage; the bill also forbids insurers to refuse coverage for pre-existing conditions.

But the House version includes a provision for medical savings accounts, which couple high-deductible catastrophic health insurance policies with tax-exempt savings accounts. Proponents content MSAs would promote individual choice and responsibility in making personal health-car decisions.

The concept is attractive, but many medical economists warn MSAs would be used mostly by healthy and more affluent people, leaving older and sicker people in the common insurance risk pool. That would force up insurance rates for everybody else. Even Kassebaum thought MSAs were too untested to include in the Senate bill.

But MSAs have become a kind of Holy Grail to House conservatives, who insist MSAs be included even it means a certain presidential veto. This week Senate and House leaders agreed on a compromise that initially "restricts" MSAs to self-employed workers and employees of businesses with 50 or fewer workers. After two years, everyone else would become eligible, unless Congress intervenes.

Kennedy and the White House have signaled they might accept a limited test of MSAs. But the Republican proposal is hardly limited; Anywhere from 25 to 40 million people would be eligible, and expansion in two years would be almost automatic. That's no test.

The original Kassebaum-Kennedy bill was a good one. More than 20 million Americans would benefit from its modest reforms. Save the fight over MSAs for the next Congress and the next president.

[From the San Francisco Chronicle, June 10, 1996]

KEY TEST FOR DOLE

House and Senate conferees have come within one stubborn whisker of passing the most significant health-care reform since the Clinton administration's national health insurance proposal went down in flames in 1994. But the window of opportunity could slam closed with the Tuesday retirement of Senate Majority Leader Bob Dole, whose legislative skills are needed one final time.

The problem is the medical savings account provision that House Republicans added to the Kennedy-Kassebaum Health Insurance Reform bill. That bill's main objectives are to make insurance "portable" when workers change or leave jobs and to make it more difficult for insurers to refuse coverage to people with pre-existing medical problems. Those provisions would greatly enhance the health security of millions of Americans who are otherwise vulnerable to falling into the ranks of the uninsured whenever they change or lose jobs.

Because the Senate bill would mend a gaping crack in the health insurance system—and do so without favoring any special interests—it has won broad bipartisan support: it passed 100 to 0. The problems have been with the House version, which was loaded down with some hot-button GOP proposals that would—and should—elicit a sustainable presidential veto.

While most of the veto bait has been negotiated away—including the Senate's call for "parity" on mental health coverage—Republicans have shown little willingness to compromise on the most contentious issue, the medical savings accounts.

The MSA concept, which Dole favors, appeals mainly to healthy and well-to-do consumers, who could use a tax-deductible savings account—similar to an IRA—to cover the costs of routine medical expenses, such as checkups and minor treatments, as an alternative to health insurance. The accounts would be coupled with high-deductible insurance plans to deal with costly, catastrophic illness.

There may well be some merit in MSAs to the extent they encourage health consumers to be more cost-conscious. But that possible benefit is still far out-weighed by the virtual certainty that MSAs would encourage healthy and wealthy Americans—those who could afford the high-deductible catastrophic coverage—to abandon the prevailing insurance system, making it even more expensive for the poorer and less healthy Americans left behind.

While President Clinton has properly threatened to veto any bill containing MSAs, he has also left the door wide open to an obvious compromise: permitting a pilot MSA program in specific states for a long enough period to ensure that they will not add to health insurance costs and thereby increase the number of the uninsured.

Some form of that approach is what Dole now has to sell to House Republicans if the 104th Congress—and candidate Dole, himself—is to take credit for accomplishing at least a portion of the health-care reform that the president tried and failed to do. If he fails, we all lose.

[From the Harrisburg (PA) Patriot, Apr. 3, 1996]

TOO MUCH REFORM—HOUSE AMENDMENTS WEIGH DOWN EFFORT TO MAKE HEALTH-CARE INSURANCE PORTABLE

It represents the most modest of health-care reform, so modest it is almost embarrassing. But progress, however small, in helping people deal with medical expenses is welcome progress nonetheless.

There is little visibly active opposition to the bipartisan proposal jointly sponsored by U.S. Sens. Edward M. Kennedy, D-Mass., and Nancy Kassebaum, R-Kan. Nonetheless, their basic proposal to ensure that people do not lose health coverage when they change or lose their jobs is in some trouble.

Last week, the House of Representatives approved a bill incorporating the basic features of the Kennedy-Kassebaum bill. But also included were a number of odd controversial items that dramatically alter the scope of the legislation.

Without much debate or consideration, the House tacked on a scheme that would provide for tax-deductible medical savings accounts and another that would cap punitive damages in medical-related lawsuits at $250,000, or three times economic damages, whichever is greater.

President Clinton has indicated that he could not accept a bill with either of these provisions. The Senate is expected to vote on the legislation this month.

While the idea of medical savings accounts has a lot of appeal on the surface, the Congressional Budget Office, the National Association of Insurance Commissioners and other experts in health insurance have warned that it poses dire consequences for the overall health-care system.

MSAs would remove significant amounts of money from the pool of funds that go to pay the nation's health-care bill, while their tax-deductibility would pose another drain on the Treasury.

But the important point here is not whether MSAs or capping punitive damages represent good or bad ideas. It is that they generate sufficient objection to threaten to sink the modest Kennedy-Kassebaum effort that most lawmakers agree has the potential to help many of the 25 million Americans who change jobs every year.

This legislation will not help the 41 million Americans who already are uninsured, though it may serve to limit their numbers from growing.

To the extent that more far-reaching reforms are proposed, such as MSAs, limiting punitive damages or genuine health-care reform, they ought to be considered separately.

If they aren't, it's pretty clear with will happen. There will be no reform, just as nothing materialized out of the major effort to pass health-care reform in 1994.

Modest though it is, the Kennedy-Kassebaum bill is better than no reform at all.

[From the Columbus Dispatch, June 12, 1996]

"CLEAN" HEALTH BILL; GET RID OF THOSE TWO "KILLER" AMENDMENTS

It sounded so simple. Congress would pass a modest health-care reform bill. Most significantly, it would prevent insurers from denying coverage for pre-existing conditions. Also, workers would be able to change jobs or start their own businesses without losing health insurance.

This is the kind of scaled-down legislation that was suggested when various well-financed lobbies smothered the admittedly too-ambitious bill from the Clinton administration two years ago.

The current measure is sponsored by Sen. Nancy Kassebaum, Republican from Kansas, and Sen. Ted Kennedy, D-Mass. This is Kassebaum's last year in the Senate, and she sees the bill as her farewell accomplishment. Former Senate Majority Leader Bob Dole, the presumptive GOP presidential nominee, also supports the bill, but his leaving takes him out of the loop for using his influence.

Unfortunately, ominous storm clouds are forming. Several "killer amendments" may doom this altogether worthy effort. The amendments make sense to many, but they are not universally admired and any one might doom the bill.

The solution? Strip the legislation down, so it is a "clean bill," dealing only with the modest approaches in the original proposal.

A provision for medical savings accounts is the most contentious item in the plan. This would allow people to build up tax-free accounts to pay medical bills. Sounds constructive.

But there is some concern this would appeal only to healthy people, throwing seriously ill people into a pool whose costs would escalate. This proposal should be in separate legislation, so the clamor it kicks up would not endanger the Kassebaum-Kennedy bill.

Also, states have the option of passing their own MSA laws, as Ohio just did. President Clinton has threatened to veto the bill if it contains the MSA provision.

The other sticky measure would require employers to provide coverage for mental illness. While this sounds sensible, there is enough opposition so that this, too, could kill the whole bill.

Mental-health coverage could be accomplished on the state level, as is being attempted in Ohio.

Experts say there are hidden costs in mandated mental-illness coverage. There has been a welcome suggestion that a national commission be appointed to research this issue and make recommendations.

Interest groups could make spirited defenses for medical savings accounts and mental-illness coverage. Indeed, the former has had the benefit of expensive lobbying. But keeping touchy items in the health-reform legislation is a sure way to defeat the whole bill. Better to settle for half a loaf. That, at least, would provide some nourishment.

Mr. KENNEDY. These editorials are just a sampling of commentary around the Nation. It is time for Republicans to stop playing special interest politics with health insurance reform. The Kassebaum-Kennedy bill passed by a bipartisan vote of 100–0. It should not be blocked because some Republicans want to line the pockets of their campaign contributors.

Mr. DORGAN. Mr. President, there has been an interesting discussion, and an energetic discussion, I might say, in this Chamber this morning. Early on this morning, beginning I believe at 9:30 for 1½ hours we had a team come to the floor of the Senate, and it is a disciplined team, all headed the same direction, all pulling in the same harness, to tell the country that the problem with the health care bill, the so-called Kassebaum-Kennedy bill that has been addressed this morning, is that the Democrats are holding it up because of something called MSA's, or medical savings accounts.

In truth, of course, the Kassebaum-Kennedy bill, which is a very important bill, is being held hostage by people who voted for it; 100 to nothing it passed this Chamber, by those who insist that they want to add something to it, and if they cannot add something to it they will not let it pass.

Let me describe briefly what this bill is. Most of it has been described. Let me go back a bit, if I can, to put it in perspective. I come from a small town, 300 people, in southwestern North Dakota, down near farming and ranching country, and we had one doctor in my hometown. He was a wonderful doctor named Dr. Simon Hill. He came to my hometown in the early 1900's, and he practiced medicine until he was nearly 80 years old.

When he was practicing medicine in my hometown in the mid 1900's, there was no Medicare Program. A fair number of people had no insurance. What they had for health care in my hometown was one doctor. He had an office. He had the drugstore on the ground floor. His doctor's office was above the drugstore. When people came to see him, he would lock the drugstore and walk upstairs to the examining office, or if people were too sick to come to see him, he would get in his car and drive to see them. He did, like most doctors did back then, make house calls. And if people did not have any money and were sick, Doc Hill still drove out to their place and administered medicine, administered health care, and if they had no money but had a couple of laying hens or fryer chickens, they gave him a couple of chickens or a half a beef. If they were people with a fair amount of money, he would charge them an arm and a leg, I guess.

He ran his own health care system in my little town. He charged those who could afford a substantial amount and gave free health care to all those who had no money, and that is the way the health care system worked in Regent, ND, because one doctor did health care 24 hours a day for some 60 years.

Now, was it a good health care system? It was the best he could do. My neighbor had a toothache. We had no dentist, so his dad, Alvin, took his son, Alton, to Doc Hill, who pulled his tooth. Doc Hill was not a dentist, but he pulled his tooth. It turns out he pulled the wrong tooth, but he did not get sued because we did not have a lawyer in my hometown either.

It was a wonderful system—simple, administered by one person who was humane and knew what the needs of the community were.

Back then, when someone had a cardiac problem, they were likely to die when they had a heart attack. We were also 55 or 60 miles from a hospital. When someone had a problem with cataracts, they could not see. When someone had a problem with their hips, they went into a wheelchair. If someone's knees gave out, they could not walk; they, too, were in a wheelchair.

Of course, what has happened over time is Dr. Hill died, and my hometown does not have a doctor anymore. Health care changed dramatically, some of it in wonderful ways, breathtaking changes. Now, if someone has a cardiac problem, eats too much fat all of their lives or has a hereditary problem with their heart and it gets all plugged up, what they do is they lay that person out on a table and unplug the heart muscle and invest $50,000 or $75,000 and sew the person up and the person feels like a million dollars 6 weeks later. Now they replace the knees. Now they replace the hip. Now they offer cataract surgery, and that person walks and sees and lives a new life with open heart surgery.

All of that is wonderful. It is remarkable. It is expensive. Most all of, it comes from breathtaking research done at the National Institutes of Health and elsewhere, I would say, with substantial Federal grants in order to achieve these health care breakthroughs and new technologies. All of it is wonderful. But, of course, what has happened in the intervening years is health care has also become very, very expensive. It is full of near miracles because of this breathtaking new medical technology, but it is also very expensive.

We have a lot of folks in this country who have no health care coverage at all. Upwards of 40 million Americans are walking around today with no health care coverage, and if they get sick, they do not have any money to pay and they do not have insurance to cover it.

We also have a fair number of people in this country who work at a job somewhere and they have a health insurance policy in a group plan through their employment. But, of course, if they leave that employment, they lose that insurance. There are a fair number of people who cannot afford under any circumstances to leave their job because they have someone in their family with a preexisting condition. And if they leave that job and lose that health care insurance, they will never get another policy anywhere. I have a daughter with a cardiac problem. My expectation is that if I did not have health care coverage here and went out on the open market to try to buy health care coverage, no one is going to ensure someone with a preexisting condition, with a cardiac problem. Millions and millions of Americans confront that condition every day, a preexisting condition for which they cannot now get health care insurance, a job that they are now locked into because if they leave they cannot take their insurance with them.

So Congress did something to address that. Congress said let us pass a piece of legislation called the Kassebaum-Kennedy bill that does a series of things that have great merit. Among them, you can take your health care with you when you change jobs.

That makes an enormous amount of good sense. Among them is that a preexisting condition shall not be a cause for denying health insurance coverage to a family. Boy, that is going to help millions and millions of families in this country.

So we passed that piece of legislation, and everyone now knows what the vote was because Senator KENNEDY this morning has talked about it several times. The vote in this Senate, which is very, very rare, was 100 yeas and zero nays. By 100 to nothing, the Senate said let us pass this legislation that does the right thing to address these health care problems—100 to 0. That was many months ago. Why, after many months, having passed a bill 100 to 0, do we not have that bill back through here out of a conference and to the White House for signature? Why is that bill not now law? It is very simple; because there are some who insist on holding that bill hostage because they have other things that they want to load onto that bill. They are saying if we cannot put what we want on that bill, if we cannot add to it, then you are not going to pass the bill. We insist, we demand that medical savings accounts be added to that bill.

Let me describe medical savings accounts from my perspective. I do not have the foggiest idea whether these things called medical savings accounts are good or bad. I do not know, nor do I object to some sort of demonstration project or some kind of approach that would give us the ability to determine will this sort of thing, the medical savings account, be good for our health care system or be inherently bad for our system. I do not know the answer to that.

There is one company that has marketed these things aggressively. They have been heavy, heavy contributors to Speaker GINGRICH and others, and they have just pushed and pushed and pushed this issue. But I am not one who automatically says this is a bad thing to do. I do not know. We probably ought to find out does this work or does it not work. I do not object to some kind of demonstration project to find that answer. But I do object to those who believe we should hold hostage the Kassebaum-Kennedy bill, with the meritorious health care changes that are desperately needed by many families in this country—hold that hostage to the medical savings account legislation.

We had, I think, six or eight speakers come to the floor in the first hour and a half this morning, arranged by the majority. That has been happening often. There is nothing wrong with that. It is a deliberate strategy to get a number of people to say the same thing, say it loud, say it often, and get the American people to believe what they are saying is somehow where we are. It is not where we are with respect to this important issue on health care.

We are deadlocked on Kassebaum-Kennedy, an important health care measure that will help millions and millions of American families, because we have people in this Chamber who are doing to this bill what they have done to every other piece of legislation that has had merit in the last 1½ years or so. They are saying yes, that might have merit, we might support that, but we will not allow it to move unless we add our burdens to it, even though what they are adding to it they know represent the kind of poison pills that will doom the legislation.

It is now Friday. On Tuesday, we could pass, once again 100 to 0, 100 to 0 the fundamental health care reform that is embraced in the Kennedy-Kassebaum bill. We can do that. We should do that. But we probably will not do that, notwithstanding what six or eight people said earlier this morning. We probably will not do that because those folks are saying we must insist on having medical savings accounts attached to it or we will not support it any longer. That makes no sense at all. I hope there will be a compromise reached, there will be common ground found, so those who hold this kind of bill hostage will decide and understand, finally, the foolishness of doing so.

It is not just this bill. It is a whole series of other initiatives. The minimum wage—should we adjust the minimum wage? Yes, I think so. It was 1989, was the last time it was adjusted. We have a couple of million people, 40 percent of whom are the sole breadwinners in their family, who work for the minimum wage.

It is easy for someone to stand up here and blithely say the minimum wage doesn't matter, it is a bunch of kids frying hamburgers. It is a bunch of school kids. There are school kids working for minimum wage. I do not disagree with that. But 40 percent of the people on minimum wage are the sole breadwinners of their households. I ask you to read some of the letters from those folks who are struggling to try to make ends meet.

The kind of troubles some families have are pretty hard for some people here to understand, I think. A family wrote to me some while ago that I described. I read, late one evening, a four-page handwritten letter from a woman in North Dakota. Her trailer house burned down. They lost everything. She described the troubles she and her husband have had, people who have not had the opportunity for education, people who have four children, who lost everything. They struggle, they work for minimum wage. Their only complaint was that she was hoping maybe we could see some adjustment in the minimum wage at some point, it has been 6 years they have been frozen at the bottom of that ladder. She said,

> You know, I do not know how to tell my sons who want to play summer baseball I do not have the $25 to pay for their registration, let alone buy them a baseball glove.

These issues sound like theory here in this Chamber, but they are real to people who are trying to make a living; trying to deal with family issues and family needs every single day.

The interesting thing I find is this. This floor is crowded, literally cluttered with traffic when we are talking about things that help the big interests in this country. When you talk about some tax break that is going to help the biggest economic interests, the biggest corporations, you can hardly get in this place. Everybody is rushing down to vote "aye."

We have proposals now that say we want a balanced budget amendment but we also want tax cuts. Of course, much of which will go to those who already have plenty in this country. The bulk of those tax cuts are going to go to the upper income folks, people who are making hundreds of thousands of dollars a year. In fact, last year we offered an amendment that said, if you insist on proposing tax cuts at a time when we have deficits, let us at least agree on one thing. Let us agree we will limit the tax cuts to those families under $100,000 in income. The answer was, "No, of course not, we will not do that." It was rejected by a partisan vote.

"All right, if you will not do that, how about at least limiting the tax cuts to families making less than a quarter of a million dollars a year?" They said, "No, we will not agree with that. We insist the tax benefits we are going to give go to people earning over a quarter of a million dollars a year."

We said, "All right, what about a million? Would you at least limit the tax cuts at the time when we have deficits and you are demanding we cut people's taxes, would you at least limit them to people whose incomes are less than $1 million a year? Would you at least do that?" The answer was, "No, no, we do not want to do that."

Why would the answer be no? Because the bulk of the benefits are going to go to those very upper income folks and they know it. That is the problem around here. We have a lot of needs and we have a lot of things to do. We should balance the budget. But, in my judgment, you do not balance the budget by starting with tax cuts.

I know it is popular. I have a couple of children who love to eat desert before dinner. But to suggest that tax cuts come before we balance this Federal budget, especially tax cuts that are so fundamentally opposed to what we are trying to do—let me give an example, a tax cut that says let us make it easier to move American jobs overseas. Let us spend $300 million of the American taxpayers' money by giving that in tax breaks to companies who will take their American jobs and move them overseas. Think of this. We are up to our neck in debt, we are struggling to figure out how do we reduce the Federal deficit, and we have people coming to the floor of the U.S. Senate saying—at the time when not only do we have this debt but we are losing jobs, our manufacturing base is being diminished, jobs are moving overseas, we have people saying—"By the way, we want to change the Tax Code so we provide more tax benefits to those who move their jobs overseas."

This simply does not add up. It is an agenda that does not relate in any way to the interests or needs of people who are working for a living and struggling, trying to make it in this economy.

I think you can summarize the baskets of issues in about three areas that we need to address and address appropriately in this Congress. We can, I suppose, just fight for the rest of the year and quibble and have a tug-of-war and accomplish nothing, which would not very well serve the interests of this country, in my judgment. Or we can find ways to decide on something, for example like the Kassebaum-Kennedy bill, which everyone in this Chamber believes has merit because every single person voted for it. The vote was 100 to nothing. We can decide, all right, we cannot agree on everything but we can agree on that.

Instead of spending all day trying to figure out what we cannot agree on, let us spend part of the day trying to figure out what we can agree on and advance that and pass it and make it law. That is exactly what we ought to do on the Kennedy-Kassebaum health bill. We know we agree on that. We have already had the vote. There was not one person in this Chamber who disagreed. So, instead of exerting all of our energy trying to figure out where we disagree, why do we not exert some energy to understand where we agree and move it to the President and make that law?

Mr. President, tens of millions of families will benefit by the preexisting condition, by the portability of insurance—tens of millions of families are waiting for this legislation to pass. It is being held hostage by those who say that if they cannot add their provision to it, if they cannot add their idea on MSA's, we are not letting it go anywhere.

That is inherently selfish, in my judgment, to say, "If I don't get my way, you can't have your way." It just does not make sense to me to continue to believe that the right approach for our country is to put the brakes on good proposals, good ideas that the American people want and deserve.

I think you can break these things down into three areas that I discussed before: First is kids; second is jobs; third is values. Kids, jobs, and values. If we address those, all of us, we ought to have a common interest. There ought not be much difference in how we would respond to the needs of American children, between Republicans or Democrats. We all ought to understand this.

All of us ought to have one goal. We all ought to believe that, with respect to our kids, our future is in educating our kids. Thomas Jefferson once said, anyone who believes that a country can be both ignorant and free believes in something that never was and never can be.

Everyone in this Chamber, I expect, should believe that we want to have the best education system in this world—the best in the world, not second place, not 10th place, the best education system in the world. Now, if that is our goal, then let's just spend the rest of the year to figure out how do we work with others in our country who are involved in our education system to accomplish that goal. How do we accomplish having the best education system in the world, because that determines who wins in the international economic competition, and the international economic competition means you are going to have winners and losers. The winners are going to have jobs, expanding economies and opportunities, and the losers are going to suffer the British disease of long, slow economic decline that we saw at the end of the last century.

So, educate our kids? Does it make sense then when we understand something that works, like a Head Start Program where you take a 3- or 4-year-old kid coming from a home of poverty, from a circumstance of disadvantage, and we say to them, "We're going to invest money in you in a Head Start Program, and we know it works, and it makes life better for those kids," does it make sense for us to say, "Look, there are 60,000 of you who have names, Jim, Bill, Mary, Donna, and we've got news for you; we can no longer afford to have you in a Head Start Program"? Does that make sense?

Does it make sense, especially at a time when we are saying, "By the way, we have money to give tax breaks, especially to people over $1 million a year in income, but we can't afford to keep 60,000 of you kids in a Head Start Program"?

The answer is, no, of course, it does not make sense. It is nuts. It does not make any sense to establish priorities that are so far out of bounds. Our kids matter. Investment in our kids matters to all of us.

The Head Start Program works. I use that simply as an example of the need, the desperate need, to get our priorities straight.

Jobs: No one comes to the floor on any regular occasion and talks about the merchandise trade deficit in this country. The merchandise trade deficit is higher than our fiscal deficit. What does that mean? Jobs that used to be here are elsewhere. Jobs that used to be American jobs are now in Malaysia, Indonesia, Sri Lanka, Bangladesh. I know the American people contribute to this. You cannot wear Mexican shorts and Chinese pants and shirts made in Taiwan and television sets made in Thailand and drive cars made in Japan and then complain about, "Where have American jobs gone?" People do that, but you cannot do that.

American jobs are leaving to go to where the international enterprises want to produce, where they can pay a dime an hour, a quarter an hour, 50 cents an hour, $1 an hour to compete against American workers, where we pay a living wage, minimum wage to those who work in factories that are safe because we demand they be safe, compete in circumstances where we will not allow 12-year-olds to work in textile mills because we have child labor laws.

The jobs have left this country because we have not dealt with our trade problem in a straightforward way, but you cannot get many people on this floor to talk very thoughtfully about that. People just do not want to discuss it.

But the issue of jobs is at the root of interest of families that are going to sit down for supper tonight and talk about their lives and their future and what they want for their kids. It is going to be, "Are we going to have an opportunity to get a good job that pays a good income?"

Values? The fact is the American people are very concerned about collapsed values in this country. Just go out the door and look around a bit—the rate of crime, the rate of violent crime—and understand what is happening.

Look at the accelerated rate of teenage pregnancies and understand what is happening. Look at the number of people who have fathered children in this country and, once having fathered the child, said, "Sayonara, I'm out of here," and takes no responsibility for that child and refuses to make a payment.

Collapsed values? You bet. Teenage pregnancy, deadbeat dads, crime epidemic, epidemic of violent crime—these are the issues that we have to work on, and we have to work on them in a way that responds to the way the American people want us to respond to these issues.

Welfare reform: That is part of the values issue. It is also part of kids, but two-thirds of people on welfare in America are kids under 16 years of age.

But with respect to values, it seems to me our public policy ought to be—there ought not be great debate about this—to say those who are able-bodied in the welfare system have a responsibility to work.

We have offered a proposal called the Work First Program. What we have said is, we want to turn welfare offices into employment offices. We are not interested in paying welfare. We are interested in making sure people who are able-bodied go to work. But while doing that, we insist that we not subject America's children to lives of poverty and circumstances that none of us in this room would allow our children to live in.

We cannot decide that while we solve the welfare problem, we are going to say to the poorest people in this country, and especially poor children, "By the way, you're not entitled to health care if you're sick." Does that make any sense to anybody, at a time when we are talking about tax cuts for the upper-income folks in this country? It does not to me.

This week—the reason I recite some of this—is on the floor of the Senate, on the heels of the proposal for a constitutional amendment to balance the budget, which I will not go into, but it misuses the Social Security trust fund to balance the budget, on the heels of that, with all of the people saying, "We want to balance the budget," the first jump out of the chute this week is, again, adding money, adding hundreds of millions of dollars, for a star wars program. Yes, a star wars program. We cannot afford the basic things, but we can afford a star wars program.

It seems to me at some point we are going to have to reconcile in this Chamber what we say with what we do. At some point, we ought to try to figure out, as I said when I began, what we agree on rather than what we disagree on, and at least enact those things and move those things that represent common interest.

Finishing where I started, one area of common interest, I think, is the Kassebaum-Kennedy bill, unless those who voted for it were not voting their hearts. Mr. President, 100 people voted for Kassebaum-Kennedy to reform this health system in a way that will benefit every American family. One hundred Senators voted for it, and now it is being held hostage in some legislative prison because someone is insisting that something else be added to it or they will simply not allow it to move. What an outrage.

I hope next Monday or Tuesday that those who are insisting they get their way or we will not have health care reform will finally decide that is not in the public's interest. Let Kassebaum-Kennedy move and bring your bill up the following day. That is just fine. None of us object. You can do that. We are going to have a vote on that.

If you have the votes here, you win. We do not weigh votes here. We count votes. If you want to bring it up, bring it up, but do not hold hostage a health care reform bill that this country needs that passed this Chamber 100 to 0.

Mr. President, I have gone on longer than I needed to. I know that my colleague, Senator LIEBERMAN, is on the floor. I ask unanimous consent that Senator LIEBERMAN be allowed to speak for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. I thank the Chair, and I thank my friend from North Dakota. Mr. President, I appreciate his final request, and I express to him and my colleagues my fervent desire not to use—particularly I express this to the occupant of the chair—it is my fervent desire not to use the full 20 minutes.

(The remarks of Mr. LIEBERMAN pertaining to the submission of Senate Resolutions 270 are printed in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

FILEGATE

Mr. BROWN. Mr. President, I want to express a concern about the recent discussion, both publicly and in Congress, concerning what has become to be called Filegate—that is, the questions regarding the use of FBI files and the secret, confidential material contained therein.

I am deeply troubled. I am troubled because it appears that the reaction of the White House is not to be forthcoming with regard to this crisis. My belief is that the appropriate responses is for the White House to, frankly and directly, respond to the issues, spell out what they did, indicate their corrective action, and put this question behind us. It is not one that should occupy a lot of time with regard to the congressional inquiries. It is not one that should occupy a lot of time with regard to public concerns. It ought to be dealt with and put out of the way.

To that end, Senator HATCH, as chairman of the Judiciary Committee, addressed a letter involving pertinent questions to the White House and to the Chief of Staff, Mr. Panetta. That was on June 13. It had included in it what I thought were fair questions, ones reasonably raised by the questions that are involved and asked for the appropriate information.

That letter was answered on the 19th, 6 days later. But Chief of Staff Panetta did not choose to respond. Instead, he delegated that to one of the counsel, Jack Quinn.

Mr. President, I think that is unfortunate. This is an important matter, and while it can be dealt with quickly, I think it does deserve the attention of the Chief of Staff. I think it is unfortunate that he choose not to address it. Jack Quinn answers the letter.

I want to express my concern about the answers. Frankly, Mr. President, what happened in those answers was simply to stonewall the questions. I know that is a harsh and strong judgment, and I invite Members to make their own decisions about whether or not it is accurate. But I want to share with the Members—just for the questions that I felt were relevant questions that were reasonable to ask under the circumstances—the answers. Members can make up their own minds.

I ask unanimous consent that the letter from the chairman of the Judiciary Committee, Senator HATCH, and the response letter from Jack Quinn of the White House, be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, June 13, 1996.

Hon. LEON PANETTA,
Chief of Staff to the President, The White House, Washington, DC.

DEAR MR. PANETTA: I have several questions concerning the White House's acquisition of various FBI files, such as those of Billy Dale, as well as at least 330 other individuals, including persons who worked at the White House under Republican Administrations who no longer had access to the White House. I would appreciate your prompt response to these questions:

1. Please list the names and titles of those persons who had the authority, in December 1993, to send a memorandum under Bernard Nussbaum's name to the FBI requesting the FBI to send its background files to the White House.

2. Please provide a copy of the December 20, 1993 memorandum on White House stationary to the FBI requesting background files on Mr. Billy Dale.

3. A. Who caused this memorandum to be sent to the FBI and for what purpose(s)?

B. Did anyone direct, request, or otherwise cause such individual to send the memorandum to the FBI, and if so, please identify any such person by name and title.

C. Who is the person referenced in paragraph 4 of the June 9, 1996 declaration of Anthony Marceca (enclosed)?

4. A. When were the FBI files on Mr. Dale received by the White House?

B. Who at the White House received the FBI files on Mr. Dale?

C. Where have the FBI files on Mr. Dale been stored since their arrival at the White House?

D. Who had access to the FBI files on Mr. Dale at the White House since their arrival at the White House?

E. Did everyone who had access to the FBI files on Mr. Dale have to "sign out" the files when viewing them?

F. Did anyone at the White House review the FBI files on Mr. Dale, and, if so, please identify any such person by name and title.

G. Did any such person provide information from these files to other persons, and, if so, please identify any such other person by name and title.

5. A. Please identify by name and title any person(s) who directed the initiation of "Project Update," referenced in paragraph 3 of the June 9, 1996, declaration of Anthony Marceca, and identify by name and title all persons who participated in "Project Update."

B. Did Mr. Marceca request files from the FBI on individuals not included in "Project Update?"

6. In updating security files at the White House for purposes of continuing to grant access to the White House, is it routine for the White House to request all of the FBI files on each individual, regardless of how far back in time the date of the file?

7. With respect to the requests for the FBI files for at least 330 individuals based on, according to news accounts, outdated lists of White House pass holders provided by the Secret Service:

A. Please provide a copy of the lists upon which these requests were made.

B. Please identify by name and title the person or persons who sent the requests for FBI files, based on these lists, from the White House to the FBI.

C. Please identify by name and title those persons in the chain of custody who provided the lists to the person(s) who sent the requests for files to the FBI.

D. Please identify by name and title anyone who reviewed any of these FBI files after their delivery to the White House, and the date of such review.

E. Please identify by name and title anyone who was provided information based on any of these FBI files, and the name and title of anyone who provided such information to such individual(s).

F. Please identify by name and title the person(s) who discovered the error of relying on the lists from which these requests to the FBI were made.

G. On what date was the error of relying on these lists discovered?

H. Upon discovery of the error, what action(s) were taken and on what date(s)?

I. Upon discovery of the error, why weren't the files immediately returned to the FBI?

J. Please identify by name and title the individual who halted the requests for FBI background files based upon the list reportedly provided by the Secret Service.

7. A. Why did Ms. Beth Nolan, of the White House Counsel's office, send a memorandum dated August 19, 1993 to the Department of Justice inquiring as to whether the White House Counsel could release information from FBI background checks on the seven White House Travel Office employees fired on May 19, 1993?

B. Did the White House receive any oral or written response to this memorandum? If so, please identify by name and title anyone who provided such a response, the date of such response, and any written record of such response.

C. Was any information from FBI files on these seven employees disseminated by anyone in the White House?

8. Has the White House requested FBI files on any member of Congress or any person employed by Congress, other than in connection with an employment related security clearance check or a background review for purposes of possible employment within the Executive Branch, or appointment to the Judicial Branch?

9. Please provide a copy of all White House Counsel policies or guidelines on contacts between the White House and the FBI.

Sincerely,

ORRIN G. HATCH,
Chairman.

THE WHITE HOUSE,
Washington, DC, June 19, 1996.

Hon. ORRIN G. HATCH,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR CHAIRMAN HATCH: This letter is in response to your letter of June 13, 1996 to Leon Panetta.

As you know, the investigation of the FBI files matter has been handled by both the Office of the Independent Counsel and the Federal Bureau of Investigation. The White House has been cooperating fully with these investigations. As a result, we are not undertaking our own investigation or conducting file searches. However, we will provide the information we have available that bears on your inquiries.

1. We have not undertaken to determine the identity of all persons with authority to request background files from the FBI in December 1993. In December 1993, the Office of Personnel Security's Director was Craig Livingstone, the Executive Assistant was Mary Anderson, and the staff assistant was Lisa Wetzl. Also detailed to that Office was Anthony Marceca. Mr. Livingstone reported to Mr. William Kennedy, Associate Counsel to the President, who in turn reported to Mr. Bernard Nussbaum, Counsel to the President.

2. We are not aware of any memorandum on White House stationery regarding Billy Dale that was sent on December 20, 1993. However, the request to the FBI for copies of Mr. Dale's previous reports is attached.

3. With respect to your questions about the request for Mr. Dale's file, please see the attached declaration of Anthony Marceca. We believe that the person referred to in paragraph 4 of Mr. Marceca's declaration is Nancy Gemmell.

4. Regarding the receipt and maintenance of Mr. Dale's file, please see the attached statement of Jane Sherburne.

5. Regarding your questions about "Project Update," in addition Mr. Marceca, we understand that Lisa Wetzl, Executive Assistant to the Director of Personnel Security, also worked on the Update Project.

6. With respect to whether it is routine for the White House to request prior FBI reports for all holdover employees, we understand from the recently completed FBI Report that it is indeed routine to request all prior FBI reports.

7. To the extent we have information responsive to your questions about the requests for and chain of custody of any of the mistakenly obtained FBI reports, please see the Sherburne statement, the Marceca Declaration and the attached Declaration of D. Craig Livingstone. Further, we understand that Lisa Wetzl is the person who identified Mr. Marceca's mistake.

8. The memorandum that Ms. Nolan wrote to Walter Dellinger at the Department of Justice did not request advice on the release of FBI background information. Instead, as part of its investigation into the Travel Office matter, the General Accounting Office had requested the personnel files (which do not include FBI reports) of the seven fired individuals. Ms. Nolan was seeking advice as to whether fulfilling that request would be appropriate. Copies of relevant documents, which have been provided to the House Government Oversight and Reform Committee, are attached for your information. We are not aware of a written reply.

9. We have no information responsive to your question about requests for FBI reports on Members of Congress or their staffs.

10. Enclosed is a statement released by then-White House Counsel Bernard Nussbaum which governs contacts between the White House and the FBI in the event of a potential investigation. We will provide other materials that may be helpful to you under separate cover as soon as possible.

In addition to responding to your questions, I believe it would also be helpful if I explained to you the measures taken by the White House in the wake of the mistaken and inappropriate request for FBI background investigation information in late 1993 and early 1994.

As indicated above, the White House has requested and received background investigation reports from the FBI for many years. The information is sought and used to assist the White House in making determinations about the suitability of individuals for access to the White House for employment or other official purposes.

Plainly, the requests for background investigation information that are the subject of your hearing were wrong. Based on representations made to us to date, it appears that the requests were the product of innocent errors. Obviously, if we learn otherwise with respect to White House staff, we will act swiftly and decisively.

After learning of this situation last week, President Clinton informed me in the clearest terms that he wanted (1) the American people to know the truth about what happened in this matter, (2) disciplinary action to be taken, as appropriate, and (3) policies and procedures to be initiated that would guarantee to the American people that this mistake could not happen again.

I will address each of these points in turn.

First, we have made clear that the White House not only welcomes but also encourages a complete and vigorous investigation into the matter by the appropriate law enforcement office. As you know, the Attorney General has directed the FBI to conduct a prompt and thorough investigation. I have said publicly and I say here again that the White House welcomes that investigation, and we will work cooperatively with the FBI to facilitate the prompt completion of its investigation.

Second, the President's directive that any appropriate disciplinary action be taken will be implemented based upon the facts developed in the upcoming review by the FBI. Earlier this week, Craig Livingston, who headed the personnel security office, asked to be placed on paid administrative leave, and we agreed that that was appropriate. Mr. Livingstone will not return to the White House unless and until this matter is clarified to the satisfaction of the Chief of Staff. If he does return to a position in the Administration, it will be to one that is appropriate and not to the White House Office of Personnel Security, which, as described below, has been absorbed into the Executive Office of the President (EOP) Security Office.

Third, at the direction of the President, I have instituted new policies and procedures to prevent any recurrence of the events in question. We are confident that these reforms will help restore public confidence in the integrity of the personnel security system. These new procedures, which are as rigorous as they are unprecedented, include requirements that:

Control of the White House background investigation process be placed in the hands of a personnel specialist who is a career, nonpolitical employee;

Current, express, written consent of an individual be obtained before the White House seeks his or her background investigation information from the FBI;

The Counsel to the President or a specifically designated Counsel's Office attorney approve each White House request to the FBI for background information;

The security or vetting officer who initiates the request certify that the request is made for official purposes only; and

Access to background investigation information is authorized only to those White House employees designated in writing by the Chief of Staff and the Counsel to the President.

No prior Administration had in place policies and procedures designed so effectively to prevent the type of mistake that occurred in this matter. The Report of the FBI General Counsel, dated June 14, 1996, found that the procedure by which the FBI provided background investigation information to the

White House "has changed remarkably little over the intervening three decades" since the Johnson Administration. I am confident that our reforms will more effectively safeguard the privacy of the individuals whose background files are sought and obtained by the White House.

Below, I elaborate on some of the key changes in our policies and procedures:

On June 14, 1996, I initiated a series of reforms focusing on the process by which the White House requests background investigation information from the FBI. We will now require that White House requests to the FBI background information be made only with the express written consent of the individual who is the subject of the investigation. The individual's consent must be signed within thirty days of, and must accompany, the White House request to the FBI. No information may be obtained without the individual's consent except in extraordinary circumstances set forth in a letter of justification to the FBI from the Counsel to the President concurred in by the Attorney General or the Deputy Attorney General.

Each request to the FBI must also be approved and signed by the Counsel to the President or a specificially designated Counsel's Office attorney whose regular duties require the review of such information. In addition, each request must be signed by the Counsel to the President or a specifically designated Counsel's Office attorney whose regular duties require the review of such information. In addition, each request must be signed by the security or vetting officer who initiates the request, and that person must certify that the request is made for official purposes only. These new reforms also require identification of the specific reason why the information is being requested.

Today, I also recommended a restructuring of the personnel security functions at the White House to further accomplish the President's objective of ensuring that the mistake will not happen again. I suggested—and Chief of Staff Leon Panetta and the President agreed—that the administrative personnel security functions currently performed by the White House Office of Personnel Security be incorporated into the EOP Security Office. This change will be implemented immediately.

The EOP Security Office currently conducts personnel security functions for all EOP offices except for the White House Office, the Office of the Vice President, the Office of Policy Development, the National Security Council, and the Executive Residence. The restructuring announced today will bring the administrative personnel security functions for those offices within the purview of the EOP Security Office so that the EOP Security Office will have unified authority over all EOP personnel security functions.

The EOP Security Office is currently supervised by Charles "Chuck" Easley, a career employee who has served for ten years as the EOP Security Officer since joining the office in the Reagan Administration. Before coming to his current job, Mr. Easley had a twenty-year career in the U.S. Army, including eight years as the Technical Security Advisor to the Security Officer of the Joint Chiefs of Staff. Mr. Easley heads a career staff at the EOP Security Office and reports to the Associate Director for Human Resources Management of the Office of Administration, a career personnel specialist.

The EOP Security Office will perform its work on White House personnel in accordance with the procedures announced last Friday and described above. In addition, access to the background investigation information will be limited to those EOP and White House employees so authorized in writing by the Chief of Staff and the Counsel to the President whose assigned duties require the review or processing of such information.

I believe that the reforms we have now instituted will restore the public's confidence in the integrity of the process by which the White House decides who appropriately may have access to the White House complex.

Sincerely,

JACK QUINN,
Counsel to the President.

Mr. BROWN. Mr. President, the first question that I thought was quite clear and, perhaps, most appropriate was this: Basically, who had authority to request the FBI files?

That is a reasonable question and one that I think is important in order to understand the issues that came about.

What did the White House answer in response to that question? Let me read it:

> We have not undertaken to determine the identity of all persons with authority to request background files from the FBI in December 1993.

Then they go on to explain they have statements from some of the people involved.

Mr. President, that is not an answer. A reasonable, direct question was asked, and it was absolutely stonewalled in the White House response. Mr. President, that is not adequate. The American people understand mistakes can be made, but they do not understand a stonewall from the White House with regard to those questions that arise.

The second question dealt with the chain of custody of the list. They are referring to the list that was put together that requested files from the FBI, the custody and who had that list. That is a reasonable question, and it is my belief that that is an appropriate one to try to identify and get answers to.

Here is the White House response:

> To the extent we have information responsive to your questions about the requests for and chain of custody of any of the mistakenly obtained FBI reports, please see—

And they list statements by people. When you look at those statements, they are not responsive to this question at all. Some of the statements do not even deal with the question or even relate to the question. What the White House has done to a reasonable question for the chain of custody, who had the list, is simply stonewalled. Mr. President, that is not adequate. Nor do I think it is in the interest of the White House to simply stonewall reasonable questions.

The third question: Were the FBI files' information disseminated by White House employees?

Mr. President, that is a reasonable question. Did they—which is really a violation of the law—disseminate the highly confidential information included in those files outside the White House?

How did the White House choose to answer that? Well, the fact is, they answered it in the same style they used in the last question, in No. 7 of their response. They refer you to statements that are not responsive. It is a reasonable question, and it is relevant to potential criminal activity, and it is totally stonewalled by the White House.

The Hatch letter asks: Has the White House requested FBI files on any Members of Congress or employees of Congress?

That is a reasonable question, and here is the answer:

> We have no information responsive to your question about requests for FBI reports on Members of Congress or their staffs.

What does that mean? Mr. President, that is a stonewall. That is a total refusal to deal with the questions that are reasonably asked and raised by this inquiry.

Those are four specifics, but there are others.

I note that on CNN news this morning it was reported that a source close to Mr. Livingstone told CNN that Livingstone said the White House has another list that contains the names of top key Republicans whose FBI files they want or may have requested. But the White House has chosen not to share this list with the press.

Mr. President, I have no idea if that is accurate. I assume in due course we will understand. But it comes back and relates to the fact that the committee asked. Had they requested White House files, FBI files, on Members of Congress, or its employees? The White House absolutely stonewalled the question. My sense is this, Mr. President: It is in the interest of this Nation—both Democrats and Republicans—to get this issue behind us, and the White House ought to respond to the questions, get the facts out, solve the problem and move on. But, if they continue to follow the course of totally stonewalling this inquiry, it will not inure to their benefit, and it will not be taken as an appropriate action by the American people.

Mr. President, my own sense is, just as in Watergate, that a dose of honesty and candor is absolutely the best thing that the White House can do.

I mention the following things because I am concerned that the White House has chosen not to follow that path of honesty and candor.

That is a serious charge. Let me be specific, because I think it merits specifics.

In response to the questions about this issue about Travelgate, the White House on June 6 came back and said, "Yes. Files were requested, but the GAO did it." This is on Billy Dale. They blamed the requesting of the files on the GAO. The facts turn out that the GAO denied it. And it turns out that the GAO did not do it at all. The White House statement was inaccurate.

On June 6 the White House indicated that they had requested 338 files. Mr. President, that was inaccurate. On June 13 the same White House admitted that they had really requested 132 more for a total of 470 files. Mr. President, that statement was inaccurate.

On June 15, the FBI Director indicates that the White House had requested 481 files. Now the reports are that that may be too low as well.

Is the point how many files they requested? Well, it is relevant. We ought to know it. But I think it is much more important that the White House has chosen not to be forthcoming and give us accurate answers on these questions.

On June 10 the White House said that this whole incident was an accident because the Secret Service had given them an outdated list. That is, the request had gone in and included names that were inappropriate because the Secret Service had given them the wrong list. But on June 13 the Secret Service responded, and indicated and pointed out that their system is incapable of providing a list that the White House used to request files. The statement of the White House on June 10 appears to be inaccurate. It appears to have been impossible for the Secret Service files to produce the list that the White House said that they got because of inaccurate action on the part of the Secret Service. Moreover, it appears that their suggestion that they could not have a current list from the Secret Service was inaccurate; the Secret Service had produced a number of lists updated that could not have possibly included any of those names.

Finally, Mr. President, the White House has said this was a low-level bureaucratic mistake. That is the White House explanation—a "low-level bureaucratic mistake."

Mr. President, I will leave it up to Members and their own judgment. Mr. Livingstone's position was head of White House personnel security. That is not a low-level bureaucrat. Head of security at the White House is not a low—level bureaucrat. He was paid $65,000 a year, or thereabouts, at least from the indications we have gotten from the committee. I do not believe—Members can make their own judgment—that someone paid $65,000 a year is appropriately called a low-level bureaucrat.

Mr. President, the point is not just that the White House has made inaccurate statements, or the White House has refused to answer questions.

The point is this: Where do we go from here? My hope is that the White House will do a couple of things: Get the facts out, be honest, and let us get this issue behind us.

Mr. President, I yield the floor.

STALEMATE IN THE WORKFORCE DEVELOPMENT/CAREERS ACT CONFERENCE

Mr. PELL. Mr. President, I am deeply concerned by very partisan, political tone that is beginning to cloud deliberations over the Workforce Development/Careers Act legislation now in conference. The blame for this development cannot be placed at the doorstep of any individual or any political party. I am afraid that everyone is at fault, and that there is enough blame for everyone.

I voted for the Senate bill in committee and on the floor. I did so for several reasons. It brought a sweeping reform and a consolidation of a multiplicity of existing programs that simply were not working very well. It represented a new and innovative Federal-State partnership in administering programs that are so very important to the education and training needs of our Nation. And most important to me, it contained a series of very strong vocational and adult education provisions.

Unfortunately, the bill that is being developed in conference differs considerably from the one the Senate passed. The concept of a new Federal-State partnership that was a key element of the Senate bill is gone. The Senate provision that continued support for School To Work Programs appears doomed. A strong within-State formula that sends vocational education funds to those districts most in need is endangered.

Equally important, the need for reform is being lost in a battle for political gain. The lines of differences are hardening, and there is an all-or-nothing attitude beginning to develop on all sides. We have a Republican majority in both Houses of Congress and a Democratic administration. Yet, instead of a good give and take, instead of compromises in which both sides, we are reaching a stalemate that literally ignores the needs of millions of adult and young people who need these education and training services and who could rightfully care less who gets the credit.

Mr. President, I deeply regret this situation. I would implore both sides to erase the lines that have been drawn in the sand, and get back to the table in a serious spirit of bipartisanship. I would urge my colleagues on the other side of the aisle to refrain from anything that might be labeled a "Republican" bill. I would urge my fellow Democrats in both the Congress and the administration to refrain from an uncompromising insistence on provisions that will ultimately doom this important legislation. I would ask everyone to lay their political labels aside and move ahead with one thing in mind: the need to produce a good bill that helps Americans who need our help.

PRESIDENT CLINTON'S FOREIGN POLICY ACHIEVEMENTS

Mr. PELL. Mr. President, 1996 is fast emerging as one of the most critical years of the post-cold-war period. Earlier this year, Taiwan concluded Presidential elections, taking a firm step toward a pro-democratic course under China's watchful eye. India and Israel recently held elections that resulted in dramatic shifts of power in both countries. Russia just concluded the first round of balloting in its Presidential elections, and a second round is scheduled shortly in which Russians will face a stark choice between the West-leaning Yeltsin and the former communist Zyuganov. Later this year, Bosnia is scheduled to hold elections as well, the outcome of which may well determine whether that war-torn, fragmented country will continue to exist.

As President Clinton said recently, "we live in a moment of hope." The demise of the cold war, the emergence of democratic trends across the globe, advances in telecommunications and the exchange of information—all of these are helping to create a new international environment, which will force a realignment in the fundamental relationship between States, and augurs for a more stable and cooperative world.

As we complete what appears to be a transition period into an era of unprecedented opportunity, the world will look to the United States—as the only true remaining superpower—for guidance and moral authority. Any President of the United States, of course, immediately plays an epic role on the world's stage. But President Clinton seems to be paying a more critical role than most.

During the past 4 years, the Clinton administration has worked assiduously to exert influence over and capitalize on the momentous changes that have occurred. President Clinton's solid record of achievement, I would argue, demonstrates beyond all doubt that he has the requisite vision and courage to steer the ship of state into the next century. If you will permit me, I will give a brief tour of the international horizon to underscore my point.

In Europe and the former Soviet Union, the Clinton administration has achieved some of its greatest foreign policy successes. Clinton's active engagement in Bosnia—a mine field where Presidents, policymakers, and pundits once feared to tread—has brought a halt to the bloodshed and killing in one of Europe's most destructive and intractable conflicts. The presence of U.S. troops—whom early critics predicted would be drawn into a fighting war—has proven to be the key ingredient in setting the stage for the return of stability. In the next several months, the administration looks to be equally engaged in ensuring that the proper circumstances arise for free and fair elections to take place, which would go a long way toward paving the way for a U.S. withdrawal and bringing the issue to a close.

Russia follows close on Bosnia's heels as a major foreign policy success. The recent conclusion of the first round of the Presidential elections is a remarkable development in and of itself. For the first time in Russia's history, a Russian leader has endeavored to seek reelection, further strengthening prospects for the emergence of a Russian democratic culture. And the Clinton administration's policy of engaging—without actually endorsing—Yeltsin appears now to have been brilliantly conceived and well implemented.

Turning to Asia, one simply cannot neglect China. China is the most important country in the region, and the United States-China bilateral relationship is one of the most critical in the world. Our relations with China are so complex and multifaceted that it is difficult to do them justice in so brief a discussion. I would only say that in such an intricate relationship, there are bound to be successes as well as failures. I, for one, credit the Clinton administration for pursuing a better trade relationship with China, which can promote cooperation, and ultimately progress, in other areas. I think the agreements on trade the administration has achieved so far constitute a good foundation, but the key challenge from here is to ensure that agreements are enforced and commitments honored in order for broader progress to come.

Elsewhere in Asia, the administration's actions with regard to North Korea deserve special mention and commendation. It is indeed no small matter that the Clinton administration has, in essence, prevented one of the world's most dangerous rogue states from going nuclear. In doing so, the administration has set a strong precedent and learned invaluable lessons that it can apply to other aspiring nuclear powers.

In the Middle East, the Clinton administration has made a superb effort to stabilize the region and broaden international acceptance of Israel. Israel's peace agreements with Jordan and the Palestinians represent achievements that are, in my view, irreversible. I am sure that the election of a new government in Israel will prompt some changes in the calculus for a comprehensive peace, which ultimately should include Lebanon, Syria, and the Persian Gulf States. But I would argue that whatever changes occur are more likely to have an impact on the timing, rather than the inevitability, of normal relations between Israel and the Arab States.

In the Western Hemisphere, the Clinton administration can say with pride that democratically elected governments exist in every country of the region save one. And the one exception, Cuba, has become the target of particularly vigorous sanctions effort, which the administration hopes will hasten the fall of the Castro regime and open the way for the transition to democracy. Although I must confess to having opposed the tightening of sanctions, I cannot argue with the administration's intent.

The administration's effort to restore Haitian President Aristide to power represents, of course, a milestone in the hemisphere's transition to democracy. In Haiti, much as in Bosnia, this administration inherited a seemingly insoluble problem, to which it brought energy, courage, creativity, and ultimately, a resolve to use justifiable force, and thereby achieved its goal.

Finally, Mr. President, I would say a word about Africa, where United States interests have not been so easily defined as they have elsewhere, and which consequently has suffered occasionally from a lack of attention from Washington. Not so with the Clinton administration, which has made a real effort to promote stability, encourage the emergence of democratic trends, and disburse U.S. assistance effectively to promote sustainable development. The obvious high point is, of course, the peaceful transfer of power and the domestic election of President Mandela in South Africa. But there are equally important—if lesser known—success stories such as Botswana, which enjoys a freely elected government and recently graduated altogether from United States assistance.

To sum up, each of the highlights that I have touched upon represent significant achievements in their own right. In and of themselves, they command respect and recognition of a job well done by the Clinton administration in the foreign policy area. Collectively, they provide overwhelming evidence that the administration is up to the challenge of leading the United States into the next millennium, which holds promise for tremendous opportunity for our country and its citizens.

PROGRESS IN THE MIDDLE EAST PEACE TALKS

Mrs. HUTCHISON. Mr. President, I wish today to emphasize the hope all Texans and all Americans have for continued progress in the Middle East peace talks as heads of state of Arab countries begin a summit meeting in Cairo, Egypt.

These leaders are meeting the same week that Prime Minister-elect Benjamin Netanyahu presented his new cabinet to the Israeli Knesset for approval. Prime Minister-elect Netanyahu has expressed his own support for peace by listing as a guideline of his new Government that "Israel will work to broaden the circle of peace with all of its neighbors."

Mr. President, the United States must continue to be an important influence for peace in the Middle East and throughout the world. President Clinton himself recently stated that he hopes the Arab leaders who attend this summit will "give Mr. Netanyahu an opportunity to constitute his government and set a policy and not presume that we can't pursue peace."

Under these circumstances, Mr. President, I know that it is the hope of my colleagues here, and people all across America that the governments attending the summit in Cairo, and governments throughout the Middle East, reaffirm their commitment to a comprehensive peace in the Middle East.

I believe, too, that it will be particularly important that these leaders express their willingness to work with the democratically elected government of Israel to pursue a meaningful peace.

Mr. President, through great courage on all sides, we've made significant strides toward peace. We hope and pray that we continue down that path.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, June 20, 1996, the Federal debt stood at $5,108,536,115,006.17.

On a per capita basis, every man, woman, and child in America owes $19,268.73 as his or her share of that debt.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:13 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3662. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes.

MEASURE REFERRED

The following bill was read the first and second time by unanimous consent and referred as indicated:

H.R. 3662. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1997, and for other purposes; to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-611. A resolution adopted by the Council of the City of Toledo, Ohio, relative to the minimum wage; to the Committee on Labor and Human Resources.

POM-612. A concurrent resolution adopted by the Legislature of the State of Delaware; to the Committee on Labor and Human Resources.

"HOUSE CONCURRENT RESOLUTION NO. 38

"Whereas improving patient access to quality health care is a paramount national goal; and

"Whereas the key to improved health care, especially for persons with serious unmet medical needs, is the rapid approval of safe and effective new drugs, biological products, and medical devices; and

"Whereas minimizing the delay between discovery and eventual approval of a new drug, biological product, or medical device derived from research conducted by innovative pharmaceutical and biotechnology companies could improve the lives of millions of Americans; and

"Whereas current limitations on the dissemination of information about pharmaceutical products reduce the availability of information to physicians, other health care professionals, and patients, and unfairly limit the right of free speech guaranteed by the First Amendment to the United States Constitution; and

"Whereas the current rules and practices governing the review of new drugs, biological products, and medical devices by the United States Food and Drug Administration can delay approvals and are unnecessarily expensive; Now, therefore, be it

"*Resolved by the House of Representatives of the 138th General Assembly of the State of Delaware, the Senate concurring therein*, That the State Legislature respectfully urges the Congress of the United States to address this important issue by enacting comprehensive legislation to facilitate the rapid review and approval of innovative new drugs, biological products, and medical devices, without compromising patient safety or product effectiveness; and be it further

"*Resolved*, That copies of this Resolution be transmitted forthwith by the Clerk of the House or Secretary of the Senate to the President of the United States, the Speaker of the United States House of Representatives, and President of the United States Senate, and to each member of the United States Senate and the United States House of Representatives."

POM-613. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Labor and Human Resources.

"HOUSE CONCURRENT RESOLUTION 259

"Whereas, household energy costs for heating, cooling, electricity, and other needs account for a sizable portion of living expenses for low-income families; and

"Whereas, in 1980, to assist low-income families with energy needs, Congress established the Low-Income Home Energy Assistance Program (LIHEAP) as part of the Crude Oil Windfall Profit Tax Act of 1980; and

"Whereas, LIHEAP provides block grants to the 50 states, the District of Columbia, Puerto Rico, and Indian Tribal organizations to assist eligible households in meeting the costs of home energy; and

"Whereas, under the program, states make payments directly to eligible households or to home energy suppliers on behalf of eligible households, and payments may be provided in cash, fuel, prepaid utility bills, or as vouchers, stamps, or coupons that may be used in exchange for energy supplies; and

"Whereas, in addition to providing assistance for heating and cooling needs, eligible LIHEAP households may also receive funds for weather-related and supply shortage emergencies; and

"Whereas, LIHEAP recipients are among the poorest households in America, with nearly three-fifths having an annual income of less than $6,000; and

"Whereas, while critical, LIHEAP benefits only cover about 30 percent of the energy costs of LIHEAP recipients; and

"Whereas, families whose utilities are disconnected because they cannot pay their bills face such risks as food spoilage, lack of sanitation, or eviction, that can lead to hopelessness: Now, therefore, be it

"*Resolved by the House of Representatives of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1996, the Senate concurring*, That Congress is urged to continue the Low-Income Home Energy Assistance Program; and be it further

"*Resolved*, That certified copies of this Concurrent Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and Hawaii's Congressional Delegation."

POM-614. A concurrent resolution adopted by the Legislature of the State of Iowa; to the Committee on Labor and Human Resources.

"SENATE CONCURRENT RESOLUTION NO. 109

"Whereas, improving patient access to quality health care is a paramount national goal; and

"Whereas, the key to improved health care in many cases and especially for individuals with serious unmet medical needs, is the rapid development and approval of safe and effective drugs, biological products, and medical devices; and

"Whereas, minimizing the delay between discovery and eventual approval of a new drug, biological product, or medical device derived from research conducted by innovative pharmaceutical and biotechnology companies could improve the lives of millions of individuals; and

"Whereas, current limitations on the dissemination of information about pharmaceutical products reduce the availability of information to health care professionals and patients, and may be viewed as interfering with the right of free speech guaranteed by the first amendment to the Constitution of the United States; and

"Whereas, the current regulations and practices governing the review of new drugs, biological products, and medical devices by the United States Food and Drug Administration may delay approval and are unnecessarily expensive: Now, therefore, be it

"*Resolved by the Senate, the House of Representatives concurring*, That the Iowa General Assembly respectfully urges the Congress of the United States to address this important issue by enacting comprehensive legislation to facilitate the rapid review and approval of innovative drugs, biological products, and medical devices, without compromising patient safety or product effectiveness; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and to each member of the United States Senate and House of Representatives."

POM-615. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Labor and Human Resources.

"JOINT RESOLUTION

"Whereas, improving patient access to quality health care is a paramount national goal; and

"Whereas, the key to improved health care, especially for persons with serious unmet medical needs, is the rapid approval of safe and effective new drugs, biological products and medical devices; and

"Whereas, minimizing the delay between discovery and eventual approval of a new drug, biological product or medical device derived from research conducted by innovative pharmaceutical and biotechnology companies could improve the lives of millions of Americans; and

"Whereas, current limitations on the dissemination of information about pharmaceutical products reduce the availability of information to physicians, other health care professionals and patients, and unfairly limit the right of free speech guaranteed by the First Amendment to the United States Constitution; and

"Whereas, the current rules and practices governing the review of new drugs, biological products and medical devices by the United States Food and Drug Administration can delay approvals and are unnecessarily expensive: Now, therefore, be it

Resolved, That We, your Memorialists, respectfully urge the Congress of the United States to address this important issue by enacting comprehensive legislation to facilitate the rapid review and approval of innovative drugs, biological products and medical devices, without compromising patient safety or product effectiveness; and be it further

Resolved, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the honorable William J. Clinton, President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Maine Congressional Delegation."

POM-616. A resolution adopted by the Senate of the Legislature of the State of Missouri; to the Committee on Labor and Human Resources.

"SENATE RESOLUTION 1326

"Whereas, improving patient access to quality health care is a paramount national goal; and

"Whereas, the key to improved health care, especially for persons with serious unmet medical needs, is the rapid approval of safe and effective new drugs, biological products, and medical devices; and

"Whereas, minimizing the delay between discovery and eventual approval of a new drug, biological product, or medical device derived from research conducted by innovative pharmaceutical and biotechnology companies could improve the lives of millions of Americans; and

"Whereas, current limitation on the dissemination of information about pharmaceutical products reduce the availability of information to physicians, other health care professionals, and patients, and unfairly limit the right of free speech guaranteed by the First Amendment to the United States Constitution; and

"Whereas, the current rules and practices governing the review of new drugs, biological products, and medical devices by the United States Food and Drug Administration can delay approvals and are unnecessarily expensive; Now, therefore, be it

"*Resolved by the Senate*, That we respectfully urge the Congress of the United States to address this important issue by enacting comprehensive legislation to facilitate the rapid review and approval of innovative new drugs, biological products, and medical devices, without compromising patient safety or product effectiveness; and be it further

"*Resolved*, That properly inscribed copies of this resolution be transmitted forthwith to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and to each member of the Missouri Delegation of Congress."

POM–617. A joint resolution adopted by the Legislature of the State of New Hampshire, to the Committee on Labor and Human Resources.

"HOUSE JOINT RESOLUTION 21

"Whereas, the United States Department of Education has shown a tendency toward direct, federal control of schools and to reorganize education into a centralized function which cannot adequately address the needs and desires of the states and their local communities; and

"Whereas, the inhabitants of the states and their local communities are better suited to control within their means, curricula and costs within their own domain; and

"Whereas, the funds now being expended by the United States Department of Education can be better employed if sent directly to the states and their local communities: Now, therefore, be it

"*Resolved by the Senate and House of Representatives in General Court convened:* That the United States Department of Education be abolished, and that the funds now distributed by the Department be granted directly to the states on a per capita basis, without restriction, except that these funds shall be applied only to public education; and That copies of this resolution be sent by the house clerk to the President of the United States, the Speaker of the House of Representatives, the President of the United States Senate, and New Hampshire's congressional delegation."

POM–618. A resolution adopted by the House of Representatives of the Legislature of the Sate on New Hampshire; to the Committee on Labor and Human Resources.

"HOUSE RESOLUTION 61

"Whereas, a key to improve health care, especially for persons with serious unmet medical needs, is the rapid approval of safe and effective drugs, biological products, and medical devices; and

"Whereas, minimizing the delay between discovery and eventual approval of new drugs, biological products, or medical devices derived from research conducted by innovative pharmaceutical and biotechnology companies could improve the lives of millions of Americans; and

Whereas, the current rules and practices governing the review of new drugs, biological products, and medical devices by the United States Food and Drug Administration can cause unnecessary delay and expense: Now, therefore, be it

"*Resolved by the House of Representatives*, That the Congress of the United States is hereby urged to address this important issue by enacting comprehensive legislation to facilitate the rapid review and approval of innovative new drugs, biological products, and medical devices, without compromising patient safety or product effectiveness; and That copies of this resolution, signed by the speaker of the house, be sent by the house clerk to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the New Hampshire congressional delegation."

POM–619. A joint resolution adopted by the Legislature of the Commonwealth of Virginia to the Committee on Labor and Human Resources.

"SENATE JOINT RESOLUTION NO. 75

"Whereas, the epidemic of violence which has engulfed this country has spread to children and has spilled over into every realm of society, including our local public elementary and secondary schools; and

"Whereas, public school officials have endeavored, by engaging in broad-based discussion and solution development, to ensure safe and healthy environments, conducive to learning, in the Commonwealth's schools; and

"Whereas, however, many disciplinary measures have been, and may be necessary in the future, to provide disincentives to unacceptable behavior; and

"Whereas, public schools have a statutory responsibility for educating students with disabilities, pursuant to the Federal Individuals with Disabilities Education Act and long-standing state law; and

"Whereas, Virginia has always been proud of her history of enlightened and progressive policies for students with disabilities, establishing state law for education of handicapped students long before the federal law was enacted, and operating programs and facilities to educate such students at state expense; and

"Whereas, however, in recent years the Commonwealth has been engaged in a legal tug of war with the federal government because of its policy of equal application of disciplinary requirements; and

"Whereas, the Commonwealth is presently under a hearing officer's order to provide free appropriate educational programs to all students with disabilities, including those students who have engaged in violent or dangerous behavior and have subsequently been suspended or expelled; and

"Whereas, although Virginia will comply with dignity to this order, this matter is still being contested, and many experts and other citizens believe that violence can only be curbed in the public schools by providing equitable and strong measures for the discipline of all students, including those students with disabilities who have been suspended or expelled and whose behavior is unrelated to their handicaps: Now, therefore, be it

"*Resolved by the Senate, the House of Delegates concurring*, That the Congress of the United States be urged to provide, in the reauthorization of the Individuals with Disabilities Education Act, disciplinary flexibility to state and local education agencies in order that they might more easily be able to ensure safe and healthy learning environments in the Commonwealth's public schools; and be it

"*Resolved further*, That the Clerk of the Senate shall transmit copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Virginia congressional delegation in order that they may be apprised of the sense of the General Assembly of Virginia."

POM–620. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Labor and Human Resources.

"HOUSE JOINT RESOLUTION NO. 82

"Whereas, for the purposes of serving students who are educationally at-risk, the Commonwealth has received a separate federal appropriation for each program targeted to assisting educationally at-risk students and public schools, although such programs are related; and

"Whereas, accountability for the use of these separate pools of funds often results in the duplication of services, inefficient service delivery, and inconsistency because of the lack of communication among schools and agencies serving the same groups of children; and

"Whereas, the regulations governing such programs are difficult to change, limiting program effectiveness and efficient service delivery to eligible students and schools; and

"Whereas, the 1995 reauthorization of the Improving America's Schools Act of 1994 (IASA), provided states an opportunity to submit one consolidated plan for the coordinated use of programs and moneys for educationally at-risk students; and

"Whereas, the Board of Education elected to submit a consolidated plan to include all eligible programs under the act; and

"Whereas, this comprehensive approach to delivering educational services to children is more effective and efficient, reduces duplication of services, and facilitates and enhances communication among schools and agencies administering such educational programs and providing related support services; and

"Whereas, the opportunity to coordinate these educational and support services will impact the academic achievement of the children served in a measurable and positive way: Now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress of the United States and the President be urged to support consolidated state plans under the Improving America's Schools Act of 1994 for federally supported programs for educationally at-risk students; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution to the President of the United States, the Speaker of the House of Representatives, the President of the United States Senate, the Virginia Liaison Office, and the members of the Virginia Congressional Delegation to apprise them of the sense of the General Assembly of Virginia."

POM–621. A petition from a citizen of the State of Texas relative to a Constitutional convention; to the Committee on the Judiciary.

POM–622. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Judiciary.

"HOUSE JOINT RESOLUTION 30

"Whereas federal courts have ordered a state or political subdivision of a state to levy or increase taxes; and

"Whereas such an order violated fundamental principles of separation of powers under which the legislative branch is charged with the enactment of laws; and

"Whereas such an order, coming from a federal court, severely undermines the independence of each of the states; be it

"*Resolved by the Alaska State Legislature,* That the Congress of the United States is requested to prepare and present to the legislature of all the states an amendment to the Constitution of the United States that would prohibit a federal court from ordering a state or political subdivision of a state to increase or impose taxes in substantially the following language: Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or political subdivision thereof, or an official of such state or political subdivision, to levy or increase taxes; and be it further

"*Resolved,* That the legislatures of all the states are invited to join with Alaska to secure ratification of the proposed amendment."

POM–623. A concurrent resolution adopted by the Legislature of the State of Iowa; to the Committee on the Judiciary.

"HOUSE CONCURRENT RESOLUTION 28

"Whereas, status offenses consist of conduct which is not criminal when committed by adults, such as truancy and running away from home; and

"Whereas, the decriminalization of status offenses has given children of all ages a license to decide what is best for themselves, regardless of whether or not they place themselves in jeopardy or have the ability to handle that license; and

"Whereas, parents and families are acutely experiencing the effects of this idealistic, illusory, and ineffective public policy which has led to the undermining of parental responsibility thus contributing to a breakdown in family discipline; and

"Whereas, temporary, secure detention of status offenders before they engage in a dangerous or unhealthy lifestyle is a part of society's responsibility to protect children who are at risk, and the exercise of which is prevented by the status offender mandates: Now therefore, be it

"*Resolved by the House of Representatives, the Senate concurring,* That Congress should repeal the decriminalization of status offenses mandate contained in the federal Juvenile Justice Delinquency Prevention Act of 1974 and return control over juvenile justice to the states; be it further

"*Resolved,* That copies of this Resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and all of the members of Iowa's congressional delegation."

POM–624. A joint resolution adopted by the General Assembly of the Commonwealth of Kentucky; to the Committee on the Judiciary.

"JOINT RESOLUTION

"Whereas, convened in New York City, the very First Congress of the United States on September 25, 1789, submitted a proposed amendment to the United States Constitution to the state legislatures for their consideration, in pursuance of Article V of that Constitution, which reads as follows:

'Twenty-Seventh Article of Amendment

No law, varying the compensation for the services of the (U.S.) Senators and (U.S.) Representatives, shall take effect, until an election of (U.S.) Representatives shall have intervened.' and which had been presented to the state legislatures for ratification without a time constraint upon its consideration; and

"Whereas, this particular constitutional amendment became the Twenty-Seventh Article of Amendment to the U.S. Constitution during the morning hours of May 7, 1992, when the Legislature of the State of Michigan supplied the thirty-eighth approval of it; and

"Whereas, on May 18, 1992, the Archivist of the United States issued a proclamation, published in 57 Fed. Reg. 21187–8, which officially declared the 202-year-old constitutional amendment to have become part of the U.S. Constitution; and

"Whereas, on May 20, 1992, both the United States Senate and the United States House of Representatives separately adopted resolutions in which each body expressed its agreement that the 202-year-old constitutional amendment had validly become the Twenty-Seventh Article of Amendments to the U.S. Constitution; and

"Whereas, subsequent to the determinative ratification furnished by the Michigan Legislature, the Twenty-Seventh Article of Amendment was then postratified by the legislatures of the following states on the following dates: New Jersey on May 7, 1992 (during the afternoon hours) (138 Cong. Rec. S6846); Illinois on May 12, 1992 (138 Cong. Rec. H3729, H3739, S6846, S8387–8); California on June 26, 1992 (138 Cong. Rec. H10100, S18271, E2237); Rhode Island on June 10, 1993 (139 Cong. Rec. H4681, S9981–2); Hawaii on April 29, 1994 (140 Cong. Rec. H3791, S7956); and Washington on April 6, 1995 (141 Cong. Rec. H9743, S7917); and

"Whereas, the purpose of the Twenty-Seventh Article of Amendment is in keeping with the desires of the people of this Commonwealth that pay raises for members of the U.S. Congress be deferred until a biennial election of the U.S. House of Representatives has intervened, so as to avoid conflicts of interest and appearances of impropriety; and

"Whereas, it is not at all unusual for state legislatures to continue to act upon an amendment to the U.S. Constitution well after that amendment has become part of our federal charter. In 1976, for instance, the Kentucky General Assembly postratified the Thirteenth, Fourteenth, and Fifteenth Articles of Amendment to the U.S. Constitution more than a full century after all three of them had already been incorporated into the nation's highest law; Now, therefore, be it

"*Resolved by the General Assembly of the Commonwealth of Kentucky:*

"Section 1. In pursuance of Article V of the U.S. Constitution, and in conformity with the 1939 ruling of the U.S. Supreme Court in the landmark case of Coleman v. Miller, the Twenty-Seventh Article of Amendment to the U.S. Constitution, as quoted above, is hereby postratified by the Kentucky General Assembly so that this Commonwealth's special stamp of approval may be affixed thereto.

"Section 2. The Secretary of State of the Commonwealth of Kentucky shall cause true and correct copies of this Joint Resolution to be sent to the Archivist of the United States, in accordance with Pub. L. No. 98–497, to the Vice President of the United States, and to the Speaker of the United States House of Representatives, with the respectful request that it be officially published in the Congressional Record."

POM–625. A resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on Judiciary.

"RESOLUTION

"Whereas, in a five-to-four decision on April eighteenth, Nineteen hundred and ninety, the United States Supreme Court extended the power of the judicial branch of government beyond any defensible bounds; and

"Whereas, in Missouri v. Jenkins (110 Sup. Ct. 1651 (1990)), the United States Supreme Court held that a Federal court had the power to order an increase in State and local taxes; and

"Whereas, this unprecedented decision violates one of the fundamental tenets of the doctrine of separation of powers, that the members of the Federal judiciary should not have the power to tax; and

"Whereas, in response to this decision, several Members of Congress have introduced a constitutional amendment to re-establish a principle that has been well-settled: judges do not have the power to tax; and

"Whereas, the passage of such constitutional amendment (first by a two-thirds majority in both Houses of Congress and then by three-fourths of the several States' legislatures or conventions) would serve not only to reverse an unfortunate decision, but also to reassert the legislature's constitutional role in maintaining a strong tripartite system of government, a system in which each of the branches is constrained by the others; and

"Whereas, such proposed constitutional amendment is a long overdue response to a Federal judiciary that, in the pursuit of seemingly good end, fails to recognize the constitutional limits on its power; and

"Whereas, in addition to being introduced in the United States Congress such constitutional amendment has also been proposed by several States; and

"Whereas, the text of such proposed constitutional amendment reads: 'Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a State or political subdivision thereof, or an official of such State or political subdivision, to levy or increase taxes'; and

"Whereas, such amendment seeks properly to prevent Federal courts from levying or increasing taxes without representation of the people and against the people's wishes. Therefore be it

"*Resolved,* That the Massachusetts Senate hereby memorializes the United States Congress to propose and submit to the several States for ratification no later than January first, Nineteen Hundred and Ninety-six, an amendment to the Constitution of the United States, the text of which amendment shall read:

" 'Neither the Supreme Court nor any inferior Court of the United States shall have the power to instruct or order a State or political subdivision thereof, or an official or such State or political subdivision, to levy or increase taxes'; and calls upon the Massachusetts congressional delegation to use immediately the full measure of its resources and influence in order to ensure the passage of such amendment to the Constitution of the United States, which provides that no court shall have the power to levy or increase taxes; and further proposes that the legislatures of each of the several States comprising the United States which have not yet made similar request apply to the United States Congress requesting enactment of such amendment to the United States Constitution; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the * * * to the Vice President of the United States as the Presiding Officer of the Senate, the * * * of the House of Representatives, each member of the Massachusetts Congressional delegation, * * * officer and minority party leader in each house of the legislatures of each State * * *."

POM–626. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on the Judiciary.

"SENATE JOINT RESOLUTION NO. 146

"Whereas, with each passing year this nation becomes deeper in debt as its federal government's expenditures repeatedly exceed available revenues, so that the federal public debt is now approximately $4.9 trillion—or $19,000 for every man, woman, and child; and

"Whereas, the annual federal budget has not been balanced since 1969, demonstrating an unwillingness or inability of both the legislative and executive branches of the federal government to spend in conformity with available revenues; and

"Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the federal budget should not be manipulated to present the appearance of being in balance, while, in fact, federal indebtedness continues growing; and

"Whereas, believing that fiscal irresponsibility at the federal level, which is resulting in a lower standard of living and endangering economic opportunity now and for the next generation, is the greatest threat which faces our nation; and

"Whereas, Thomas Jefferson recognized the importance of a balanced budget when he wrote "The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves"; and

"Whereas, the principal functions of the Constitution of the United States include: promoting the broadest principles of a government of, by, and for the people; setting forth the most fundamental responsibilities of government; and enumerating and limiting the powers of the government to protect the basic rights of the People; and

"Whereas, the federal government's unlimited ability to borrow involves decisions of such magnitude, with such potentially profound consequences for the nation and its People, today and in the future, that it is appropriately a subject for limitation by the Constitution of the United States; and

"Whereas, the Constitution vests the ultimate responsibility to approve or disapprove of amendments to the Constitution of the United States with the People of the several States, as represented by their elected Legislatures; and

"Whereas, opposition by a small minority within Congress and, on occasion, by the President, has repeatedly thwarted the will of the People of the United States that a Balanced Budget Amendment to the Constitution of the United States should be submitted to the States for ratification, while large majorities of both Houses of Congress already have prepared, considered, and voted for such amendment: Now, therefore, be it

"*Resolved by the Senate, the House of Delegates concurring*, That the Congress of the United States be urged to submit a balanced budget amendment to the United States Constitution to the states for ratification. The Congress is encouraged to expeditiously pass and propose an amendment that would require, in the absence of a national emergency, that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and, be it

"*Resolved further*, That the Legislatures of each of the several States be urged to apply to the Congress requesting the proposal for ratification of an appropriate amendment to the Constitution of the United States; and, be it

"*Resolved finally*, That the Clerk of the Senate transmit copies of this resolution to the President of the United States Senate, the Speaker of the House of Representatives of the United States, each Member of the Virginia Congressional Delegation, the Chairmen of the National Conference of State Legislatures, the Council of State Governments and the American Legislative Exchange Council, and the presiding officers of both Houses of the Legislatures of each of the other States in the Union."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DODD:

S. 1896. A bill to amend the Family and Medical Leave Act of 1993 to apply the Act to a greater percentage of the United States workforce and to allow employees to take parental involvement leave to participate in or attend their children's educational and extracurricular activities, and for other purposes; to the Committee on Labor and Human Resources.

By Mrs. KASSEBAUM (for herself, Mr. KENNEDY, Mr. JEFFORDS, Mr. PELL, and Mr. HATFIELD):

S. 1897. A bill to amend the Public Health Service Act to revise and extend certain programs relating to the National Institutes of Health, and for other purposes; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LAUTENBERG (for himself, Mr. BROWN, and Mr. LIEBERMAN):

S. Res. 268. A resolution expressing the sense of the Senate with respect to the summit of Arab heads of state being held in Cairo beginning on June 21, 1996; to the Committee on Foreign Relations.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 269. A resolution to authorize testimony and representation of former Senate employee in Ward v. United States; considered and agreed to.

By Mr. LIEBERMAN (for himself, Mr. LUGAR, Mr. BIDEN, Mr. SPECTER, Mrs. FEINSTEIN, and Mr. MOYNIHAN):

S. Res. 270. A resolution urging continued and increased United States support for the efforts of the International Criminal Tribunal for the former Yugoslavia to bring to justice the perpetrators of gross violations of international law in the former Yugoslavia; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DODD:

S. 1896. A bill to amend the Family and Medical Leave Act of 1993 to apply the act to a greater percentage of the U.S. work force and to allow employees to take parental involvement leave to participate in or attend their children's educational and extracurricular activities and for other purposes; to the Committee on Labor and Human Resources.

THE FAMILY MEDICAL AND PARENTAL INVOLVEMENT LEAVE ACT OF 1996

• Mr. DODD. Mr. President, in my nearly 16 years as a U.S. Senator few accomplishments have given me as much pride as the day in February 1993 when President Clinton signed into law the Family and Medical Leave Act.

Passage of this legislation was an exhausting, lengthy, and sometimes exasperating process. But in the end, through the hard and courageous work of Senators from both sides of the political aisle, the vast opportunities for family and medical leave were made available to millions of Americans.

In an era when the American people bemoan the lack of bipartisanship and compromise in Washington, when they decry the blatant and nasty partnership, the Family and Medical Leave Act stands in sharp contrast.

Family and medical leave is an issue that truly goes beyond partisan political differences. It is something that every American, be they Democrat or Republican, can relate to and understand.

Enactment of the Family and Medical Leave Act in 1993 threw millions of struggling Americans a lifeline. It made it easier for people to balance the responsibilities of work with their responsibilities to their family. And most important, it said to the American people: If you or a loved one becomes ill, you won't be forced to choose between your family and your job.

But, my involvement with the issue of family and medical leave did not end with its enactment. There is more work to be done.

Across America, working families, teachers, and school boards continue to lament the lack of parental involvement in their children's lives. With more and more families working outside the home, with mothers and fathers too busy and too stressed from working long hours, children are losing the guiding hand they need from their parents.

The Family and Medical Leave Act performed a genuine need among America's working families to allow them take leave in times of medical and family emergency. This legislation would continue that process by providing parents with the time they need to make a difference in their children's education.

For that reason, I am today introducing legislation that would build on our earlier successes while at the same time offering greater leave opportunities and flexibility to our Nation's families.

First, it would lower the threshold of coverage to include worksites with 25 or more employees. Today, 40 percent of private sector employees remain unprotected by the Family and Medical Leave Act because their worksite does not meet the current 50-or-more employee threshold.

Second, the bill would grant eligible parents 24 hours of unpaid leave per year to participate in their children's school or community group activities. Parents would provide their employers with at least 2 weeks notice and could take only 4 hours per month, unless otherwise agreed to by the employer.

These are commonsense reforms that build on the successes of the Family and Medical Leave Act while providing expanded opportunities for American families.

For those of my colleagues who doubt the success of the Family and Medical Leave Act, I urge them to examine a recent bipartisan report, which indicates that the success of the Family and Medical Leave Act is clear cut.

When this legislation passed in 1933, provisions of the bill established a commission to examine the impact of the act on workers and businesses. The commission's analysis spanned 2½ years, including independent research and field hearings across the country to hear first hand about the act's impact from individuals and businesses.

Additionally, through the Bureau of Labor Statistics, we commissioned two major research surveys to gauge the impact of family leave policies on employees and employers. These surveys provided us with the first statistically valid, nationally representative data on the impact on the legislation.

And, the overall findings of this commission are quite clear—family and medical leave is an overwhelming success. What's more, according to the commission's final report, the law represents "A significant step in helping a larger cross-section of working Americans meet their medical and family caregiving needs while still maintaining their jobs and economic security."

Due to this legislation, Americans have significantly greater opportunities to keep their health benefits, maintain job security, and take leave for longer and for greater reasons.

While the American people have seen expanded opportunities under this legislation, there is plenty of good news for America's businesses as well.

The conclusions of the bipartisan report are a far cry from the concerns that were voiced when this law was being considered in Congress. The vast majority of businesses—over 93 percent—report little to no additional costs associated with the Family and Medical Leave Act. More than 92 percent reported no noticeable effect on profitability. And nearly 96 percent reported no noticeable effect on growth.

Additionally, 83 percent of employers reported no noticeable impact on employee productivity. And of those that have seen an effect nearly as many are as likely to note a positive effect as a negative one. In fact, 12.6 percent actually report a positive effect on employee productivity from the Family and Medical Leave Act.

While the benefits of family leave have been clear, millions of Americans continue to face painful choices involving their competing responsibilities to family and work. Those not covered by FMLA are still often told that they must choose between sick family members and their jobs. And parents, who want to participate in their children's school and community activities, even to attend parent-teacher conferences, find their employment responsibilities are forcing them to make impossible choices.

More and more parents are simply too busy to take the time necessary to play an active role in their children's education. This comes at a time when not only is a strong education so important to our Nation's youth, but ample evidence indicates that parental involvement in school activities has a dramatic impact on academic performance.

Studies have shown that academic achievement is much higher at schools when parents are strongly involved. In fact, a recent study by the Department of Education found that parental involvement is a key factor in the development of children's reading skills. And a Carnegie Corp. study released this spring found that, "Parents who want their children to do well in school must remain involved in their education through the middle and high school years."

So many parents, however, simply don't have the time to participate in school and community activities while balancing responsibilities to their job. A survey of 30,000 PTA leaders found that 89 percent of parents do not get involved in their children's education because they do not have enough time. Yet another study indicates that 66 percent of employed parents report that they don't have enough time for their children. And as the number of single-parent families, and families where both parents have to work, continues to rise the constraints placed on parents are only going to increase.

The bill that I introduce today represents a genuine and commonsense effort to tackle these problems. It would take a giant step toward widening the opportunities provided under the Family and Medical Leave Act while giving parents the chance to play a greater role in their children's education.

While I'm fully aware this is an election year, I introduce this legislation with the hope and expectation that we can put aside our political differences and build on the success of the Family and Medical Leave Act.

It's common sense that hard working people should not only be able to play a role in their children's lives, but face family crises without losing their jobs. The American people understand the need for these provisions and I urge all my colleagues to join me in supporting this critically important legislation for our Nation's working families.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COVERAGE OF EMPLOYEES.

Paragraphs (2)(B)(ii) and (4)(A)(i) of section 101 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2611 (2)(B)(ii) and (4)(A)(i) are amended by striking "50" each place it appears and inserting "25".

SEC 2. PARENTAL INVOLVEMENT LEAVE.

(a) LEAVE REQUIREMENT.—Section 102(a) of the Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)) is amended by adding at the end the following:

"(3) ENTITLEMENT TO PARENTAL INVOLVEMENT LEAVE.—

"(A) IN GENERAL.—Subject to section 103(f), an eligible employee shall be entitled to a total of 4 hours of leave during any 30-day period, and a total of 24 hours of leave during any 12-month period, in addition to leave available under paragraph (1), to participate in or attend an activity that—

"(i) is sponsored by a school or community organization; and

"(ii) relates to a program of the school or organization that is attended by a son or daughter of the employee, including foster children.

"(B) DEFINITIONS.—As used in this paragraph:

"(i) COMMUNITY ORGANIZATION.—The term 'community organization' means a private nonprofit organization that is representative of a community or a significant segment of a community and provides activities for individuals described in subparagraph (A) or (B) of section 101(12), such as a scouting or sports organization.

"(ii) SCHOOL.—The term 'school' means an elementary school or secondary school (as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), a Head Start program assisted under the Head Start Act (42 U.S.C. 9831 et seq.), and a child care facility licensed under State law.".

(b) SCHEDULE.—Section 102(b)(1) of such Act (29 U.S.C. 2612(b)(1)) is amended by inserting after the second sentence the following: "Leave under subsection (a)(3) may be taken intermittently or on a reduced leave schedule."

(c) SUBSTITUTION OF PAID LEAVE.—Section 102(d)(2)(A) of such Act (29 U.S.C. 2612(d)(2)(A)) is amended by inserting before the period the following: ", or for leave provided under subsection (a)(3) for any part of the 24-hour period of such leave under such subsection".

(d) NOTICE.—Section 102(e)(1) of such Act (29 U.S.C. 2612(e)(1) is amended by adding at the end of the following: "In any case in which an employee requests leave under subsection (a)(3), the employee shall provide the employer with not less than 7 day's notice, before the date the leave is to begin, of the employee's intention to take leave under such subsection.".

(e) CERTIFICATION.—Section 103 of such Act (29 U.S.C. 2613) is amended by adding at the end the following:

"(f) CERTIFICATION FOR PARENTAL INVOLVEMENT LEAVE.—An employer may require that a request for leave under section 102(a)(3) be supported by a certification issued at such time and in such manner as the Secretary may by regulation prescribe.".

SEC. 3. PARENTAL INVOLVEMENT LEAVE FOR CIVIL SERVANTS.

(a) LEAVE REQUIREMENTS.—Section 6382(a) of title 5, United States Code, is amended by adding at the end the following:

"(3)(A) Subject to section 6383(f), an employee shall be entitled to a total of 4 hours of leave during any 30-day period, and a total of 24 hours of leave during any 12-month period, in addition to leave available under paragraph (1), to participate in or attend an activity that—

"(i) is sponsored by a school or community organization; and

"(ii) relates to a program of the school or organization that is attended by a son or daughter of the employee, including foster children.

"(B) As used in this paragraph:

"(i) The term 'community organization' means a private nonprofit organization that is representative of a community or a significant segment of a community and provides activities for individuals described in subparagraph (A) or (B) of section 6381(6), such as a scouting or sports organization.

"(ii) The term 'school' means an elementary school or secondary school (as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), a Head Start program assisted under the Head Start Act (42 U.S.C. 9831 et seq.) and a child care facility licensed under State law.".

(b) SCHEDULE.—Section 6382(b)(1) of such title is amended by inserting after the second sentence the following: "Leave under subsection (a)(3) may be taken intermittently or on a reduced leave schedule."

(c) SUBSTITUTION OF PAID LEAVE.—Section 6382(d) of such title is amended by inserting before ", except" the following: ", or for leave provided under subsection (a)(3) any of the employee's accrued or accumulated annual leave under subchapter I for any part of the 24-hour period of such leave under such subsection".

(d) NOTICE.—Section 6382(e)(1) of such title is amended by adding at the end the following: "In any case in which an employee requests leave under subsection (a)(3), the employee shall provide the employing agency with not less than 7 day's notice, before the date the leave is to begin, of the employee's intention to take leave under such subsection.".

(e) CERTIFICATION.—Section 6383 of such title is amended by adding at the end the following:

"(f) An employing agency may require that a request for leave under section 6382(a)(3) be supported by a certification issued at such time and in such manner as the Office of Personnel Management may by regulation prescribe.".•

By Mrs. KASSEBAUM (for herself, Mr. KENNEDY, Mr. JEFFORDS, Mr. PELL, and Mr. HATFIELD):

S. 1897. A bill to amend the Public Health Service Act to revise and extend certain programs relating to the National Institutes of Health, and for other purposes; to the Committee on Labor and Human Resources.

THE NIH REAUTHORIZATION ACT OF 1996

Mrs. KASSEBAUM. Mr. President, I rise today to introduce legislation which supports the important work of the National Institutes of Health. This bill, the National Institutes of Health Revitalization Act of 1996, will reauthorize the ongoing work of this outstanding Federal research institution.

We all can take great pride in the exceptional contributions that the NIH has made to the improvement of the health of our citizens.

NIH grants constitute the bulk of support for biomedical research throughout this country—almost $10 billion every year, distributed in nearly 25,000 separate grants. This unique investment of talent and dollars has one simple, overriding goal—the advancement of the health of Americans.

This agency is, indeed, an extraordinary success story. To cite just one illustration: An NIH grant made possible the discovery of the BRCA-1 gene, a genetic marker for an important form of breast cancer. Such a discovery offers great promise for new strategies for diagnosis and treatment of breast cancer and other serious illnesses.

As long term commitment to further support of research into the mysteries of the human genetic code, this bill authorizes the creation of the National Human Genome Research Institute. The elevation of the National Center for Genome Research to institute status, while budget neutral, will ensure a continued focus of NIH resources for this important work.

Mr. President, in addition to reauthorizing the lifesaving work of the two largest institutes, the National Cancer Institute and the National Heart, Lung, and Blood Institute, the bill authorizes a number of other important institutes and initiatives. Among them is research into new and resistant infections such as tuberculosis; and an Office of Rare Diseases to support research on over 2,000 uncommon diseases that, together, afflict thousands of Americans.

Another critical area that this bill addresses is the education and training of the next generation of clinical researchers, the biomedical scientists who perform research that directly involves patients. This bill provides for greater support for expert training of young biomedical scientists who have elected the difficult, and increasingly competitive, careers in scientific inquiry. In addition, it provides important resources for the 75 general clinical research centers that exist in academic medical centers throughout the country.

The role of NIH in clinical research is critical, since academic health centers in the 21st century will be posed with an unprecedented challenge: how to maintain their research mission in the face of a fundamentally changed health care system. These changes are the consequence of dramatic market shifts that are taking place in health care in this country. They have a potentially deleterious effect on the irreplaceable work of this country's academic health centers. Cost competition has made it particularly difficult for the continuation of many of these established institutions that frequently care for the sickest, as well as the poorest, citizens of our communities.

This bill also makes substantial efforts to reduce administrative excess and duplicative infrastructure at NIH. It reduces redundant committees and reports. Every dollar saved from unnecessary administrative burdens is another dollar freed up for support of biomedical research.

By its very nature, ever-expanding scientific knowledge places pressure on the limited resources for biomedical research support. Accordingly, this bill provides for a Biomedical Research Trust Fund within the Treasury. This trust fund is a first small step toward affording additional funds for the indispensable research mission in this era of shrinking Federal resources.

In conclusion, Mr. President, reauthorization of the important work of the National Institutes of Health represents for the American people an investment beyond compare or valuation. I am pleased to welcome Senators KENNEDY, JEFFORDS, PELL, and HATFIELD as original cosponsors of this legislation. I urge my colleagues to support the adoption of the National Institutes of Health Revitalization Act of 1996.

Mr. KENNEDY. Mr. President, I strongly support the NIH Revitalization Act of 1996. The National Institutes of Health is the premier health care research center in this country and the world. Reauthorizing a strong NIH should be a bipartisan goal.

This bill reauthorizes the present Institutes, and provides a framework for the NIH to respond more effectively to the health issues of today and the future.

Clinical research is addressed by incorporating many of the provisions of the Hatfield-Kennedy clinical research enhancement bill. General Clinical Research Centers, which serve as an infrastructure for clinical research and training, are authorized. Clinical Research Career Enhancement Awards and Innovative Medical Science Awards are created to support individual careers and research projects in clinical research. In addition, existing research assistance, training and loan repayment programs are expanded to include those involved in clinical investigations.

The human genome project which has been so productive becomes the National Human Genome Research Institute. The Office of Rare Diseases is formally established. A national fund for health research is created to provide additional financial resources. A number of other changes are made to streamline the administrative processes at NIH.

All of us recognize that a number of concerns require further discussion. NIH's desires for maximum flexibility have been addressed. We must also meet the research and treatment needs of particular diseases. I look forward to working together to find ways to address Parkinson's disease, the pediatric research initiative, and diabetes.

We must also find ways to deal with the impact of managed care on medical training, education, and research. That problem that was the topic of our final NIH hearing this year.

Investment in health care research is one of the soundest investments we can make in the Nation's future. The NIH Revitalization Act of 1996 is designed to maintain and strengthen our return on this investment, and I look forward to working with my colleagues on both sides of the aisle to secure its enactment.

Mr. HATFIELD. Mr. President, I am honored to join my friend and colleague from Kansas, Senator KASSEBAUM, in sponsoring legislation to revitalize the crown jewel of medical science in this country, the National Institutes of Health. Senator KASSEBAUM deserves the Nation's gratitude for her commitment to biomedical research and her efforts to ensure that the wealth of this country is measured by the health of its citizens.

The NIH has enhanced the health of our Nation immeasurably, and through the efforts of its scientists and staff continues to place us on the cutting edge of biomedical research. Yet, as all of us in this body know so well, all institutions must evolve if they are to continue to thrive. The legislation introduced today provides the elements necessary for the NIH to evolve successfully in the years to come.

Every year, medical researchers uncover more mysteries of the human body. Because of their efforts, today we have therapies, drugs and technologies that were unimaginable just a decade ago. Of great importance to all Americans is the outcome of our investment in biomedical research. We want to know, what has been cured lately? How have the billions we invest in NIH each year reached Americans and eased their suffering? How has the chasm between the scientist in the laboratory and the physician administering treatment been bridged? To address that gulf, I believe we must heighten our support for translational—or clinical—research. To that end, I introduced S. 1534 this year, the Clinical Research Enhancement Act of 1996. This bill will increase funding for clinical research, improve training for persons planning clinical research careers, and modify the focus of the NIH to make it more receptive to clinical research proposals.

I am very pleased that Senator KASSEBAUM has included components of S. 1534 in her legislation. The bill authorizes the General Clinical Research Centers which are the frontline troops not only in the training of clinical researchers but in performing many of the clinical studies in our academic medical centers. The 75 current centers have never been authorized despite their continued congressional support since 1965.

The bill also establishes two new award programs: the Clinical Research Career Enhancement Awards and the Innovative Medical Science Awards. These awards will provide both young and established investigators with the resources needed to bridge unfunded periods while promoting continued clinical research and training. At present training opportunities for persons considering clinical research careers are few and fragmented.

The bill also expands loan repayment opportunities for young physician scientists to pursue research careers. Currently the average medical school graduate has a debt of $63,000. This burden has resulted in a decline of physician researchers to just 2.2 percent of the physician population of the United States.

Last year, Congress acknowledged the importance of biomedical research when it restored proposed cuts to the NIH budget for 1996. As a result, we are now enjoying a 5.7-percent increase in funding for the NIH. However, we have far to go in stabilizing funding for medical research, and we must now turn our attention toward insuring sustainable growth in the coming years.

I am pleased that Senator KASSEBAUM's legislation also includes my bill, S. 1251, to establish a national fund for health research. This fund will supplement annual appropriations to the NIH by contributing public and private donations to enhance research grants. While the language in this bill does not specify a funding source, I am hopeful that when the bill comes to the floor we will have several options to consider to secure its financial future. I have proposed a 25-cent increase in the tobacco tax, as well as a voluntary Federal income tax checkoff in the past, and would be willing to look at other options in the future such as some sort of managed care set-aside. I believe this proposal marks the beginning of a longer-term strategy for biomedical research funding and I am gratified by its inclusion in this bill. Senator TOM HARKIN has been my longtime partner in this matter and I know he is as pleased as I am that the foundation for the fund has today been further advanced.

Finally, Senator KASSEBAUM has included one additional piece of my legislative portfolio, S. 184, a bill to establish an Office for Rare Disease Research at the NIH to assist our citizens who have the misfortune of suffering from uncommon diseases. This legislation has already passed the Senate this year, only to languish in the House. I am hopeful that this vehicle will carry it through to enactment.

This legislation, Mr. President, is essential for the continued effective functioning of the National Institutes of Health, and for the continued health of our citizens. I believe this legislation deserves our strong support and I urge my colleagues to endorse its contents. At this time, I would like to publicly commend Senator KASSEBAUM's staff, David Stevens, Kent Bradley, and Ann Rufo, for their work in crafting this revitalization package. They have been mentors to my staff and have represented Senator KASSEBAUM with great dedication and commitment in putting this vital piece of legislation together.

ADDITIONAL COSPONSORS

S. 901

At the request of Mr. BENNETT, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 901, a bill to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to authorize the Secretary of the Interior to participate in the design, planning, and construction of certain water reclamation and reuse projects and desalination research and development projects, and for other purposes.

S. 1794

At the request of Mr. GREGG, the names of the Senator from Wyoming [Mr. THOMAS], the Senator from Michigan [Mr. ABRAHAM], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of S. 1794, a bill to amend chapter 83 of title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction.

SENATE JOINT RESOLUTION 56

At the request of Mr. HELMS, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 56, a joint resolution disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China.

SENATE RESOLUTION 268—RELATIVE TO THE SUMMIT OF ARAB HEADS OF STATE BEING HELD IN CAIRO

Mr. LAUTENBERG (for himself, Mr. BROWN, and Mr. LIEBERMAN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 268

Whereas, Benjamin Netanyahu was elected to the position of Prime Minister of Israel on May 29, 1996;

Whereas, Prime Minister-elect Netanyahu presented his cabinet for approval to the Israeli Knesset on June 18, 1996;

Whereas, the guidelines of the new Government of Israel specifically state: "The Government of Israel will work to broaden the circle of peace with all of its neighbors.";

Whereas, Egyptian President Mubarak has invited heads of state in Algeria, Bahrain, Comoros, Djibouti, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the United Arab Emirates, Yemen, and the Palestine Liberation Organization to attend an Arab summit in Cairo beginning on June 21, 1996; and

Whereas President Clinton has stated his hope that Arab leaders who attend this summit will "give Mr. Netanyahu an opportunity to constitute his government and set a policy and not presume that we can't pursue peace."; Now, therefore, be it

Resolved, That the Senate urges the governments attending the June 21, 1996, summit in Cairo and other governments in the Middle East to—

(1) reaffirm their commitment to a comprehensive peace in the Middle East;

(2) express their willingness to work with the democratically elected Government of Israel in the pursuit of a meaningful peace; and

(3) refrain from statements directed against the new Israeli government that might create an atmosphere in the region unfavorable to a continuation of the peace process.

Mr. LAUTENBERG. Mr. President, it had been my expectation that the Senate would have already taken up and passed a resolution to express the sense of the Senate about the summit of Arab heads of state, which began in Cairo today. It is cosponsored by Senators LIEBERMAN and BROWN.

The resolution is straightforward. It urges heads of state and representatives of Arab countries attending the Cairo summit and those which may not attend the summit to reaffirm their commitment to a comprehensive peace in the Middle East. It urges them to express their willingness to work with the democratically elected Government of Israel in the pursuit of a meaningful peace. Finally, it urges them to refrain from statements directed against the new Israeli Government that might create an atmosphere in the region unfavorable to a continuation of the peace process.

The resolution had been cleared by the Senate Foreign Relations Committee, all Democratic Senators, the Democratic leadership, and Members on both sides of the aisle. It was poised for approval by full Senate. However, at the last minute, the junior Senator from Texas, Senator HUTCHISON, objected to the Senate taking up the resolution because of an entirely unrelated matter. As a result, Mr. President, this resolution on the Middle East was blocked. And that is very unfortunate because many of the nations meeting in Cairo are countries intent on destroying Israel. Many are avowed enemies of Israel. Apart from Senator HUTCHISON's objection—which, again, is over an unrelated issue—there appears to be virtually unanimous support in the Senate for my resolution, and the message it sends.

Mr. President, on May 29, 1996, Benjamin Netanyahu was elected the new Prime Minister of Israel. Shortly after his election, and before he established his new government, the Government of Egypt decided to convene a meeting of most members of the Arab League.

At the invitation of Egyptian President Hosni Mubarak, heads of state from 19 Arab countries were invited to meet in Cairo. Representatives from Algeria, Bahrain, Comoros, Djibouti, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the United Arab Emirates, Yemen, and the Palestinian Liberation Organization were invited to attend the summit.

While I have no objection to meetings by members of the Arab League, heads of state and government representatives attending the meeting in Cairo have nothing to be gained by limiting options for peace discussions with the newly elected Government of Israel before its policies have even been officially formulated. They have nothing to gain by issuing provocative statements and attempting to back the democratically elected Government into a corner. Restraint—not harsh rhetoric directed against the new Israeli Government that might create an atmosphere in the region unfavorable to a continuation of the peace process—should prevail.

President Clinton has stated his hope that Arab leaders who attend this summit will give Mr. Netanyahu an opportunity to constitute his government and set a policy and not presume that we can't pursue peace. That is sage advice.

While the Arab countries may be experiencing some anxiety in light of the change of the Israeli Government, it would be a mistake to let extremist countries like the Sudan, Libya, and Syria dominate the agenda of this meeting. It would be a mistake to close doors, shut off options, and establish preconditions for the continued pursuit of peace.

Mr. President, the world will be watching this meeting very carefully in the hope that the Arab countries will remain partners with Israel in the pursuit of a comprehensive peace in the Middle East. The road to a comprehensive peace is never easy, and all must conduct themselves with care and diplomacy to avoid potential misunderstandings.

Mr. President, the United States is not prejudging the new Israeli Government. The Arab leaders meeting in Cairo should not either.

I ask unanimous consent that the text of an outstanding editorial called "The Arabs and Mr. Netanyahu" which appeared in the New York Times last week be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE ARABS AND MR. NETANYAHU

Nineteen Arab leaders plan to meet in Cairo next week for a show of unity in the wake of Benjamin Netanyahu's selection as Prime Minister of Israel. The gather is a reminder that the prospects for peace in the Middle East depend as much on the conduct of Arab leaders as that of Mr. Netanyahu in the weeks ahead.

In responding to the new Israeli government, Arab leaders should avoid inflammatory words and actions as Mr. Netanyahu refines his course. No Arab interest would be served by provoking Israel to abandon the peace effort.

Most of the Arab leaders headed for Cairo are involved, at one level or another, in the new diplomacy of engagement with Israel initiated by the Bush Administration in the days following the Persian Gulf war. Jordan and the Palestinians have joined Egypt in signing formal peace agreements with Israel. Several other North African and Persian Gulf states have extended limited degrees of diplomatic recognition.

No fewer than 15 Arab countries plus the Palestinians regularly meet with Israeli representatives to discuss vital regional issues like water and economic development. Saudi Arabia, while it has regrettably shied away from recognition, has invested its considerable diplomatic and economic weight behind these regional peace efforts.

The emerging Arab peace camp, so visible at Yitzhak Rabin's funeral and the antiterrorism summit meeting at Sharm el-Sheik, should not step forward once again to counsel restraint. More belligerent voice, like that of the Libyan leader, Col. Muammar El-Qaddafi, and the militantly Islamic Sudanese regime, will also be present in Cairo. Groups like Hezbollah in Lebanon and Hamas and Islamic Jihad in Gaza and the West Bank may try to use terrorism to force Israel to break off the peace talks that these groups have always rejected.

Syria rests somewhere between the peace camp and the enemies of peace. With Mr. Netanyahu withdrawing the Israeli offer to return the Golan Heights and suggesting that he is more interested in strengthening relations with Jordan and Egypt than with Syria, the Syrian President, Hafez-al-Assad, is determined to avoid isolation. He hopes the summit meeting with stiffen King Hussein's resolve to resist any Israeli offers of authority over areas of the West Bank or Muslim religious sites in Jerusalem. He also wants Washington to continue serving as an intermediary between Israel and Syria.

Egypt would like to reassert its traditional leadership in Arab affairs by bringing together those countries that have already made peace with Israel and those that have not.

The Palestinian leadership, for its part, has little choice but to proceed down the diplomatic road on which it has embarked. While Mr. Netanyaghu has said he doubts the finality of Mr. Arafat's break with terrorism, the Israeli leader has no interest in pushing Palestinians into the arms of Mr. Arafat's chief rivals, Hamas and Islamic Holy War.

Despite Mr. Netanyahu's promise to expand West Bank settlements, and his opposition to Palestinian statehood, there remains much for Israel and the Palestinians to discuss, including economic and water issues, security and a timetable for Israel's partial withdrawal from Hebron.

With Mr. Netanyahu forming a government and Arab leaders regrouping, careless threat or provocative statement from either side could deepen the mutual distrust that already exists. Mr. Netanyahu has spoken with care and diplomacy since his election. The Arab leaders should do no less.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, today, Senator LAUTENBERG, the Senator from New Jersey, submits for himself, myself, and Senator LIEBERMAN a resolution that deals with the Arab summit that has been called for on June 21. It calls together a number of Presidents and leaders of countries in the Middle East. Presumably, included in their discussions will be the peace process and its progress thus far.

That meeting, taking place in Cairo, is an important meeting. The resolution that Senator LAUTENBERG and I and Senator LIEBERMAN have offered today expresses concerns about that. I think President Clinton expressed many of our concerns, as well, when he stated his hope "that the Arab leaders who attend the summit will give Mr. Netanyahu an opportunity to constitute his government and set policy and not presume that we cannot pursue peace."

I think that is terribly important. I had hoped this resolution would be considered today and adopted unanimously. Unfortunately, there have been some problems getting that unanimous-consent process today. I do not believe it relates to the substance of the resolution in any way.

Our resolution suggests three things, and I believe all Members of the Senate join in this.

One, that the governments in the Middle East should reaffirm their commitment to a comprehensive peace in the Middle East.

Mr. President, that is vital. If economic and civil rights progress is to be made in the Middle East, peace has to be the lubricant that brings it to the forefront.

Second, we believe that the Government should express their willingness to work with the democratically elected Government of Israel in the pursuit of meaningful peace.

Mr. President, we acknowledge and understand that countries disagree over their policies. But the fact is that Israel has a democratically elected government. We believe they ought to be respected and given the opportunity to work with those other leaders for peace.

Third, the resolution calls on Middle Eastern governments to refrain from statements directed at the new Israeli Government that might create an atmosphere in the region that is unfavorable to the continuation of the peace process.

Mr. President, it is in everybody's interest to move ahead with peace and the peace process. We hope very much that not only the summit that takes place on the 21st, but the activities of all the governments will be to that end.

SENATE RESOLUTION 269—RELATIVE TO AUTHORIZING TESTIMONY AND REPRESENTATION OF FORMER SENATE EMPLOYEE

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 269

Whereas, in the case of *Carol Ward* v. *United States*, Civil Case No. 95–WY–810–WD, pending in the United States District Court for the District of Colorado, testimony has been requested from William T. Brack, a former chief of staff to Senator Hank Brown;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved, That William T. Brack is authorized to testify in the case of *Carol Ward* v. *United States*, Civil Case No. 95–WY–810–WD (D. Colo.), except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent William T. Brack in connection with his testimony in *Carol Ward* v. *United States*.

SENATE RESOLUTION 270—RELATIVE TO THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA

Mr. LIEBERMAN (for himself, Mr. LUGAR, Mr. BIDEN, Mr. SPECTER, Mrs. FEINSTEIN, and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 270

Whereas the United Nations, recognizing the need for justice in the former Yugoslavia, established the International Criminal Tribunal for the former Yugoslavia (hereafter in this resolution referred to as the "International Criminal Tribunal");

Whereas United Nations Security Council Resolution 827 of May 25, 1993, requires states to cooperate fully with the International Criminal Tribunal;

Whereas the parties to the General Framework Agreement for Peace in Bosnia and Herzegovina and associated Annexes (in this resolution referred to as the "Peace Agreement") negotiated in Dayton, Ohio and signed in Paris, France, on December 14, 1995, accepted, in Article IX, the obligation "to cooperate in the investigation and prosecution of war crimes and other violations of international humanitarian law";

Whereas the Constitution of Bosnia and Herzegovina, agreed to as Annex 4 of the Peace Agreement, provides, in Article IX, that "No person who is serving a sentence imposed by the International Tribunal for the former Yugoslavia, and no person who is under indictment by the Tribunal and who has failed to comply with an order to appear before the Tribunal, may stand as a candidate or hold any appointive, elective, or other public office in Bosnia and Herzegovina";

Whereas the International Criminal Tribunal has issued 57 indictments against individuals from all parties to the conflicts in the former Yugoslavia;

Whereas the International Criminal Tribunal continues to investigate gross violations of international law in the former Yugoslavia with a view to further indictments against the perpetrators;

Whereas on July 25, 1995, the International Criminal Tribunal issued an indictment for Radovan Karadzic, president of the Bosnian Serb administration of Pale, and Ratko Mladic, commander of the Bosnian Serb administration and charged them with genocide and crimes against humanity, violations of the law or customs of war, and grave breaches of the Geneva Conventions of 1949, arising from atrocities perpetrated against the civilian population throughout Bosnia-Herzegovina, for the sniping campaign against civilians in Sarajevo, and for the taking of United Nations peacekeepers as hostages and for their use as human shields;

Whereas on November 16, 1995, Karadzic and Mladic were indicted a second time by the International Criminal Tribunal, charged with genocide for the killing of up to 6,000 Muslims in Srebrenica, Bosnia, in July 1995;

Whereas the United Nations Security Council, in adopting Resolution 1022 on November 22, 1995, decided that economic sanctions on the Federal Republic of Yugoslavia (Serbia and Montenegro) and the so-called Republika Srpska would be reimposed if, at any time, the High Representative or the IFOR commander informs the Security Council that the Federal Republic of Yugoslavia or the Bosnian Serb authorities are failing significantly to meet their obligations under the Peace Agreement;

Whereas the so-called Republika Srpska and the Federal Republic of Yugoslavia (Serbia and Montenegro) have failed to arrest and turn over for prosecution indicted war criminals, including Karadzic and Mladic;

Whereas efforts to politically isolate Karadzic and Mladic have failed thus far and would in any case be insufficient to comply with the Peace Agreement and bring peace with justice to Bosnia and Herzegovina;

Whereas in the so-called Republika Srpska freedom of the press and freedom of assembly are severely limited and violence against ethnic and religious minorities and opposition figures is on the rise;

Whereas it will be difficult for national elections in Bosnia and Herzegovina to take place meaningfully so long as key war criminals, including Karadzic and Mladic, remain at large and able to influence political and military developments;

Whereas on June 6, 1996, the President of the International Criminal Tribunal, declaring that the Federal Republic of Yugoslavia's failure to extradite indicted war criminals is a blatant violation of the Peace Agreement and of United Nations Security Council Resolutions, called on the High Representative to reimpose economic sanctions on the so-called Republika Srpska and on the Federal Republic of Yugoslavia (Serbia and Montenegro); and

Whereas the apprehension and prosecution of indicted war criminals is essential for peace and reconciliation to be achieved and democracy to be established throughout Bosnia an Herzegovina: Now, therefore, be it

Resolved, That (a) the Senate finds that the International Criminal Tribunal for the former Yugoslavia merits continued and increased United States support for its efforts to investigate and bring to justice the perpetrators of gross violations of international law in the former Yugoslavia.

(b) It is the sense of the Senate that the President of the United States should support the request of the President of the International Criminal Tribunal for the former Yugoslavia for the High Representative to reimpose full economic sanctions on the Federal Republic of Yugoslavia (Serbia and Montenegro) and the so-called Republika Srpska, in accordance with United Nations Security Council Resolution 1022 (1995), until the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb authorities have complied with their obligations under the Peace Agreement and United Nations Security Council Resolutions to cooperate fully with the International Criminal Tribunal.

(c) It is further the sense of the Senate that the NATO-led Implementation Force (IFOR), in carrying out its mandate, should make it an urgent priority to detain and bring to justice persons indicted by the International Criminal Tribunal.

(d) It is further the sense of the Senate that states in the former Yugoslavia should not be admitted to international organizations and fora until and unless they have complied with their obligations under the Peace Agreement and United Nations Security Council Resolutions to cooperate fully with the International Criminal Tribunal.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President of the United States.

Mr. LIEBERMAN. Mr. President, I do rise today on a serious matter. That is to submit, along with several colleagues, a resolution which we hope will advance the twin causes of peace and justice in the former Yugoslavia. I am very proud to be joined in introducing this resolution by a bipartisan group of colleagues, Senator LUGAR, Senator BIDEN, Senator SPECTER, Senator FEINSTEIN, and Senator MOYNIHAN.

Unfortunately, because of the ups and downs of Senate scheduling, I do not think that any of these distinguished colleagues are able to be here today to join me to speak on this resolution, though Senator BIDEN did address the subject generally and mentioned the imminence of this resolution when he spoke on the floor on Wednesday. I hope my colleagues will have the opportunity to speak to the resolution in the days and weeks ahead.

Last October President Clinton honored us in Connecticut by speaking at the University of Connecticut, at the opening of the Thomas J. Dodd Library and to commemorate the 50th anniversary of the Nuremberg trials that followed World War II. At that time, last October, while war still raged in the former Yugoslavia, in Bosnia, President Clinton spoke these very eloquent words. "Some people," he said, "are concerned that pursuing peace in Bosnia and prosecuting war criminals are incompatible goals. But I believe," President Clinton said, "they are wrong. There must be peace for justice to prevail, but there must be justice when peace prevails."

I could not agree more. A very powerful principle stated very eloquently by President Clinton.

Later last year, a few months later, the United States, led by former Assistant Secretary of State Richard Holbrooke, in an extraordinary act of diplomacy, following the force that the United States operation had applied to the forces on the ground, particularly the aggressive forces in Bosnia, the parties to the conflict were brought together in Dayton, OH.

The peace agreement for Bosnia resulting from those talks in Dayton was signed in Paris just about 6 months ago. There followed the deployment of the NATO-led Implementation Force, or IFOR, including within it 20,000 of America's finest soldiers. The work of IFOR has been a clear success in ending the war, in separating the forces, and in monitoring the actual withdrawal of the previous combatant forces to within agreed areas under the Dayton peace agreement.

But, Mr. President, unfortunately the process of rebuilding Bosnia as a unified, multiethnic state has been much slower and much more difficult. I suppose that should not be shocking when one considers the scars of war, the way in which the war took a country that had become in so many parts of it so magnificently multiethnic and brought out and raised to the surface historic ethnic antagonisms that had previously existed.

But even in that effort toward recreating Bosnia, progress has been made. Yet many, understandably, have called for the elections that are planned, pursuant to the Dayton agreement, for September 14 to be delayed because the conditions do not yet exist for them to be free and fair. War criminals are still in power, refugees and displaced persons are unable to return to their homes, and freedom of movement is still severely limited by the nationalistic barriers that have been created in one community or another within Bosnia.

But I believe strongly that our focus should not be on when the elections should take place. Rather we, together with the majority of people in Bosnia and in the international community who favor peace and reconciliation, must redouble our efforts to create the right conditions for the elections to go forward as scheduled.

Mr. President, to do so, to rebuild that peace and reconciliation that I am convinced the overwhelming majority of Bosnians long for so deeply, we must deal with the problem of indicted war criminals, particularly Karadzic and Mladic, former President and military chief of the Bosnian Serb aggressors.

These two, as is well known, remain at large. They are able to influence political and military developments. As the President said so well in the statement that I quoted, there can be no peace without justice in the long term. To secure that peace the time has come for this body to restate that the apprehension of these indicted war criminals must be an urgent priority. It is time for concerted action to bring these indicted war criminals to justice.

So the resolution we are introducing today is really quite direct and simple. It restates the clear obligation under the Dayton peace agreement and U.N. Security Council resolutions of all the parties in the former Yugoslavia, including in particular both the Federal Republic of Yugoslavia, with its capital in Belgrade, and the Bosnian Serb entity called Republika Srpska, to cooperate with the International Criminal Tribunal.

Mr. President, the most urgent element of that requirement is that the indicted war criminals, particularly Karadzic and Mladic, must be detained and brought to justice. That must be reaffirmed and remain an urgent priority, in the words of the resolution we have introduced. To do that, the resolution calls for four separate actions.

First, it finds and urges that the International Criminal Tribunal, the war crimes tribunal, merits continued and increased American support to do its work. The tribunal faces daunting challenges in collecting and analyzing evidence to ascertain exactly what crimes were committed and by whom. But if this work is not done, the peace that is enjoyed in Bosnia will forever be a hollow peace and in fact it will not be a lasting peace.

Second, the resolution expresses the sense of the Senate that the President should support the request of the President of the International Criminal Tribunal, the war crimes tribunal, for reimposition of economic sanctions on the Federal Republic of Yugoslavia with its capital in Belgrade and on the Bosnian Serbs for their clear failure to carry out the responsibilities they accepted in signing the Dayton peace agreement, which is to say, their failure to cooperate with the tribunal in the apprehension and the bringing to justice of these indicted war criminals.

There are many flagrant pieces of evidence of this. Some months ago there were television pictures of General Mladic in a parka skiing as if he was some American on a weekend jaunt in the winter to northern New England, in my part of the country, or perhaps Colorado or Utah or other parts of the country. An indicted war criminal, a man with blood on his hands, specifically indicted for being the leader involved in the slaughter of at least 6,000 people—6,000 people—in Srebrenica after the fall of that undefended city, allegedly a safe haven in Bosnia.

Most recently, of course, Karadzic has been seen repeatedly walking around, seemingly free, in the Republika Srpska. General Mladic recently carried out the responsibility of attending a funeral in Belgrade—quite publicly. Authorities clearly knew he was coming, and he was not arrested.

I think it is clear that the Serbian authorities, in this case, particularly President Milosevic, have failed to act. That failure to act is clear, and it is inexcusable.

The High Representative, Carl Bildt, overseeing so much of the civilian reconstruction effort, has the clear authority to reimpose sanctions if the Federal Republic of Yugoslavia or the Bosnian Serbs, are failing significantly—that is the term used—to meet their obligations under the peace agreement.

There can be no doubt that the continued leadership roles of Karadzic, Mladic, and others are a significant violation of the Dayton agreement. Mr. President, this resolution calls for reimposition of full economic sanctions, which we believe is long overdue.

Third, the resolution expresses the sense of the Senate that the NATO-led implementation force, or IFOR, in carrying out its mandate, should make it an urgent priority to detain and bring to justice persons indicted by the International Criminal Tribunal. I know that some will be concerned that this call for IFOR action to arrest war criminals could lead to a situation similar to the hunt for Aideed in Somalia, which had tragic consequences. That, Mr. President, I assure my colleagues, is not the intention of those of us who have sponsored the resolution. The resolution is drawn with real clarity and concern to make sure that is the case. The detention of war criminals, in fact, has always been part of the IFOR mandate. The IFOR's authority to arrest war criminals has never been in doubt. But the kind of house-to-house search carried out in Somalia is not called for by this resolution.

In fact, from what I have heard Secretary Perry and General Shalikashvili say, IFOR is already mandated and, in fact, is doing just what it should be: patrolling more widely and aggressively to restrict the freedom of movement of war criminals, as well as to improve the freedom of movement of ordinary, peaceful citizens. If an IFOR patrol encounters Karadzic or Mladic or any other indicted war criminal, IFOR personnel should bring to bear the necessary resources to effectively detain those war criminals and to bring them to justice.

We did not want to go into this level of detail in this resolution because, frankly, we do not believe the Senate should be expressing such detailed directions about on-the-ground military operations. The intention of this resolution is to make clear that an agreed upon aspect of the IFOR mission—to detain war criminals and bring them to justice—must remain an urgent priority and must be carried out effectively.

Mr. President, the reason this function is so critical, so central, to the IFOR mission is that otherwise all the extraordinarily courageous and effective work done by this 60,000-person force, 20,000 of whom are Americans, all the work they have done to separate the parties, to move them back into agreed upon areas, to create the context for peace, will all be for naught. All the effort, all the money spent, in my opinion, will all be worth nothing and have no lasting affect unless these war criminals are apprehended, because so long as they are free, their freedom makes a mockery of the Dayton agreement. It is an insult, a wound, to those hundreds of thousands of people who lost relatives or who were forcibly removed from their homes during the war.

The fact is that so long as people like Karadzic and Mladic, indicted war criminals, remain free, peace will not take hold in the former Yugoslavia. That is why we are restating, as this resolution does, that the apprehension, the detention, and bringing to justice of these war criminals must remain an urgent priority as part of the IFOR mission in the former Yugoslavia.

Fourth, finally, recognizing that the lack of full cooperation on war crimes goes beyond the so-called Republika Srpska, the resolution calls for all States in the former Yugoslavia—this involves people on all sides ethnically—to be denied membership and participation in international organizations until and unless they are operating fully with the tribunal.

Mr. President, as we have found over the course of the conflict in the former Yugoslavia, which threatened to grow wider and threaten stability more broadly in Europe, if the sound of the trumpet—if I may paraphrase the Bible—is uncertain, who will follow into battle? If the sound of the trumpet is uncertain, who will hear what is behind the trumpet?

If we allow these outrageous, provocative acts by indicted war figures roaming free to go unresponded to, they will act more outrageously. The latest proof of this is in the newspaper this morning. Page A-30 of the Washington Post carries a Reuters story from Belgrade: "A local board of the Serb Democratic Party nominated Radovan Karadzic today as candidate for president of the Bosnian Serb Republic in elections to be held later this year, Serb media reported."

Can you imagine that? Can you imagine the outrage here? This is as if, at the end of World War II, someone in one of the countries that the allies defeated nominated a leader in that country who had fought the war against us to be a leader of the postwar country. Can you imagine the reaction in the United States of America if that had happened?

Here these people are nominating Karadzic, in direct and outrageous violation of the Dayton agreement, to run for President. This is specifically prohibited by the Dayton agreement, but reminds us that unless we continue to keep the apprehension of these criminals as an urgent priority, unless we begin to tighten the screws again by reimposing economic sanctions on Belgrade and tightening the area of mobility that these war criminals have enjoyed in the past, as I am encouraged to believe we are now doing, this whole effort will have been for naught.

This resolution, my cosponsors and I believe, gives the Senate an opportunity to make clear the importance we place on the full and successful completion of the IFOR mission, which is to say to remove the conditions that will bring about clearly a return of war and genocide and the absence of peace with true justice in Bosnia.

In closing, I want to thank my colleagues who joined me in cosponsoring this resolution. I hope that other colleagues of both parties—there is nothing partisan about this at all—will take a look at the resolution and decide to cosponsor and join us as supporters.

Mr. President, I do also want to offer personal thanks to Frederic Baron who is working in my office as a fellow on loan from the State Department, who really represents a quality of service, as I have seen in my office, the highest standards of intellect and of principle that characterizes the American Foreign Service. I thank Frederic for the role he played in assisting me in putting this resolution together.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, July 11 at 9:30 a.m. in SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on the issue of competitive change in the electric power industry. It will focus on the FERC wholesale open access transmission rule, Order No. 888.

Those who wish to testify or to submit written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Presentation of oral testimony is by committee invitation. For further information, please contact Shawn Taylor or Howard Useem at (202) 224–6567.

ADDITIONAL STATEMENTS

DEDICATION OF THE PENCE RECEPTION CENTER AND GIFT SHOP

• Mr. FRIST. Mr. President, on Sunday, June 9, as part of Tennessee's year-long bicentennial celebration, I traveled to Kingsport, TN, to deliver remarks at the dedication of the Pence Reception Center and Gift Shop, a part of Netherland Inn complex. I ask that my remarks be printed in the RECORD.

The remarks follow:

DEDICATION OF THE PENCE RECEPTION CENTER AND GIFT SHOP, KINGSPORT, TN

It's always great to be home in Tennessee, but it's even more wonderful when being here gives me the opportunity to help celebrate Tennessee history, and pay tribute to Tennessee volunteers. And what could be more appropriate—in this place that was once a favorite stop on the Old Great Stage Road from Washington City to Nashboro—than that I should also travel from Washington to be here with you today.

Two hundred years ago, our pioneer forefathers banded together to forge a new future for the Southwest Territory. Like the path to the West, the road to Statehood was replete with obstacles—from land disputes with North Carolina to Party disputes that held the territory's Statehood petition hostage to Presidential politics. But the spirit of Tennessee's founding fathers prevailed, and on June 1, 1796 Tennessee became the 16th state in the Union.

One hundred years ago, our Centennial celebration highlighted that pioneer spirit for Tennesseans—and for all the world. Today, with ongoing Bicentennial celebrations like this one in every city and county, that legacy is being carried forth—not just to another generation and into another century, but into the next millennium! What a proud heritage to pass along.

Over the past 100 years, we've watched this area change from one that was almost entirely agricultural to one with modern cities and industrial development. But the Tennesseans who live here have retained their roots in the land, just as the neighborhoods in which they live still retain much of the charm of early America.

Another thing that has not—and will not—change is our volunteer spirit. Ever since that day in 1848, when Governor Brown called for 3,000 volunteers to help win the war with Mexico and 30,000 charged to the fight, our reputation as "The Volunteer State" has gone unchallenged.

Nothing better exemplifies that spirit than this cabin which we dedicate today. Like the entire Netherland Inn complex, it is rich with stories of selflessness and volunteerism—from the foresight of Joe Wimberly, who first proposed the idea of making the Pence cabin part of the Netherland Inn complex, to the generosity of the Carl Brauns who donated it, to the tireless efforts of the entire crew of the Bent Nail Construction Company—and countless others—who helped make this project possible, especially Mr. Ben Brown.

For thirty years, Ben Brown has been a tireless advocate for the Netherland Inn, and this project is but one example of his dedicated support. As Karyn and I—and I'm sure many others—have discovered, once Ben makes a commitment to someone or some project, that support never waivers. We could not have a better friend, nor Kingsport a better community leader, than Ben Brown.

As a result of all your efforts, the Pence cabin will now be preserved forever, not only as a part of Tennessee history, but as a monument to Tennessee's volunteer spirit.

This year, when so much history is being made in Washington, when we are struggling to restore our Nation to the kind of land envisioned by our Founding Fathers—a land where taxes are low and government is limited, where states have rights, and people have power—I can't help but appreciate even more the rich history of our State and the contributions it has made to our national heritage.

Think about it—right here in this place three Presidents of the United States stopped frequently on their trips to and from Washington—Andrew Jackson, Andrew Johnson, and James K. Polk.

And on a personal note, as a native Nashvillian, I am personally indebted to Col. John Donelson because if he hadn't taken his flotilla of flatboats from Kingsport to Big Salt Lick, my home town of Nashville might never have been founded—and who knows where I would have been born!

Tennessee has a proud history to look back on. But let's not forget that we also have a bright future before us. The volunteers of Tennessee are no longer living on the frontier, but their pioneering minds and spirits continue to drive them toward success. When our descendants celebrate the next hundred years of Tennessee history, I know that they will be just as proud of their ancestors as we are of ours today.

Thank you all for coming. God bless you, and God bless the great State of Tennessee!•

MARTINEZ-GARCIA-NERIO-REYES AMERICAN LEGION POST 500

• Mr. LEVIN. Mr. President, on June 29, 1996, American Legion Post 500 will celebrate its 50th anniversary. In November 1945, after returning from service in World War II, Mexican-American veterans in the Saginaw area began meeting to exchange stories of their experiences during combat. These veterans decided to organize and were later recognized as the Latin American Club for Veterans.

Many Mexican-Americans came to Michigan during the 1920's to work in the fields, on the railroads, and at the auto plants. These migrants experienced many difficulties arising from cultural differences and their inexperience with the English language. After the war, Mexican-Americans in the Saginaw area continued to experience prejudice and discrimination. The members of the Latin American Club for Veterans felt it was important to have a stronger voice in Saginaw to serve the Mexican-American community. Therefore, they decided to apply for a chapter charter in the American Legion.

On April 20, 1946, Latin American Legion Post 500 was chartered. It was later decided to rename the post after the first four Mexican-Americans killed in World War II. The names of Louis Martinez, Julian Garcia, Sifred Nerio, and John Reyes live on today at American Legion Post 500. Since its inception, over 1,000 veterans serving in World War II, Korea, Vietnam, and Desert Storm have been members of the post.

In addition to assisting veterans, the post has been involved in helping the community. The post supports sports teams, donates food to the needy, and sponsors a program where boys travel to Lansing for a week to learn how our State capitol works. I know that my Senate colleagues join me in honoring the Martinez-Garcia-Nerio-Reyes American Legion Post 500 on its 50th anniversary.•

SALUTE TO IOWA GIRLS' BASKETBALL

• Mr. GRASSLEY. Mr. President, every year in March, the State of Iowa comes to a virtual halt. Streets are quiet, schools are dismissed, and small towns are all but deserted. It is not some end-of-winter blizzard that clears the streets and shuts down communities. It is the annual pilgrimage to Veterans' Auditorium in Des Moines for the Girls' State Basketball Tournament.

Some States have a such strong tradition in high school athletics that certain sports become part of the State's identity. Like boys' basketball in Indiana and football in Texas, girls' basketball has been a key factor in shaping the identity of Iowa. The enthusiasm with which Iowans follow their girls' high school basketball teams is a testament to Iowa's competitive and community spirits.

Iowa was a pioneer in the growth of girls' basketball. Today's players owe a great deal to those early players and teams for the survival and development of the girls' game. Iowa girls started playing basketball in 1893, just 18 months after Dr. James Naismith created the game. Girls' basketball gained rapid approval from Iowans. By the turn of the century, basketball was the most popular sport for girls in Iowa. The sport was played indoors and outdoors, in church basements and on empty cattle pastures, wherever there was room to fit two basketball goals.

The popularity of girls' basketball in Iowa may have helped save the sport from extinction. In the 1920's, women and girls were discouraged from playing competitive sports because it was seen as too strenuous and unladylike. Girls' basketball virtually vanished from the rest of the country. But Iowans took great pride in the success of their girls' basketball teams. Communities banded together to support girls' basketball, and the sport remained as popular as ever in Iowa. In the 1970's and 1980's, Iowa's basketball success was used as a model for other States in expanding sports opportunities for girls.

Iowa's State tournament was first staged in 1920. It is the oldest continuously held girls' basketball championship in the United States. The State tournament has consistently been played before capacity crowds, drawing fans from all corners of Iowa. The tournament has developed a national and even international following. News media from across the State and around the country gather in Des Moines to cover the girls' tournament. In 1990, the tournament even attracted a film crew from Japan. The television contract for the Iowa girls' basketball tournament is the largest for any girls' or boys' high school sport in America.

From 1920 through 1984, Iowa high school girls exclusively played the six-on-six version of basketball. The six-on-six girls' game was such an important part of Iowa culture that national newspapers, television stations, and magazines rushed to Iowa in 1993 to cover the final six-on-six tournament. Iowa girls now play the common five-on-five style of basketball, and Iowans still flock to see their daughters and sisters compete annually for the State championship.

Whether they were trained in the five-on-five or six-on-six game, Iowans have had a national impact on girls' basketball. This success has continued beyond the high school level. Since 1935, more than 100 Iowans have been named to the Amateur Athletic Union or Collegiate All-American women's basketball teams. Some of the country's most notable girls' and women's basketball players have come from Iowa. Denise Long of Union-Whitten High School set the national high school scoring record in 1969 with more than 6,000 career points. Lynne Lorenzen of Ventura broke that same record in 1987 by scoring over 6,700 points. At the college level, Molly Goodenbauer of Waterloo led Stanford University to the 1992 national championship, and was chosen Most Outstanding Player of the NCAA Tournament. And Karen Jennings of Neola Tri-Center High School was named National Player of the Year at the University of Nebraska in 1993.

Girls' basketball has been a source of community pride and honor in Iowa for more than 100 years, from small towns like Mediapolis and Auburn, to the cities of Cedar Rapids and Des Moines. The sport has become an expression of Iowa's qualities of competitiveness, teamwork, and determination. But above all else, girls' basketball has allowed the State to showcase one of its most precious resources—the young women of Iowa.•

THE 80TH ANNIVERSARY OF THE U.S. ARMY VETERINARY CORPS

• Mr. INOUYE. Mr. President, I rise today to pay tribute to the U.S. Army Veterinary Corps on the occasion of its 80th anniversary.

Established on June 3, 1916, the Veterinary Corps has distinguished itself through exemplary service in two world wars, the Korean and Vietnam conflicts, Operation Desert Storm, and, most recently, in the peacekeeping operation in Bosnia. The responsibilities of the Veterinary Corps have evolved from that of equine medicine for the cavalry of 1916 to diverse roles encompassing not only the traditional role of animal medicine but also food hygiene and quality assurance, prevention of diseases transmissible between animals and man, and medical research and development.

The professional excellence of the 396 officers serving in the Veterinary Corps is exemplified by the fact that 186—47 percent—of these officers are board certified in at least one specialty recognized by the American Veterinary Medical Association.

As the Department of Defense Executive Agent for Veterinary Services, the U.S. Army Veterinary Corps is responsible for providing its expertise to all of the military services on a worldwide basis. Through the assurance of a safe and wholesome food supply, animal disease prevention and control, animal-facilitated therapy for hospitalized service members and families, and medical and subsistence research and material development, the contributions of veterinarians as health care providers are essential to the well-being of the soldier, sailor, airman, and marine. It is indeed a pleasure for me to salute the U.S. Army Veterinary Corps in recognition of its innumerable contributions to our national defense, and to extend my congratulations to the members of the Veterinary Corps, past and present, upon this 80th anniversary.•

TRIBUTE TO STANLEY O. BROWN

• Mr. BOND. Mr. President, I rise today to pay a special tribute to Mr. Stanley O. Brown. It is a great pleasure to recognize Mr. Stanley O. Brown for his 36 years of loyal service to the Missouri League of Savings Institute and its members.

Mr. Brown joined the Missouri League of Savings Institute in Jefferson City, MO, on February 1, 1960. Since then his dedication and constructive counsel to the State's savings and loan industry have made an invaluable impact on the State of Missouri and our Nation's banking institutions. His inestimable contributions and respected professional experience will be sorely missed when he retires from his position as vice chairman of Missouri League of Savings Institute on June 30, 1996.

Prior to his vice chairmanship of the Missouri League of Savings Institutions, Mr. Brown served as president of the Staff Leadership Conference and was a member of both the Missouri League's Legislative Committee and the Missouri League's Insurance Trust Committee.

It is an honor to congratulate Mr. Stanley Brown on his long-lasting commitment to the Missouri League of Savings Institutions and to the State of Missouri. I wish him the best of luck in all his future endeavors and continued good health and happiness.•

BIPARTISAN WELFARE REFORM

• Mr. HARKIN. Mr. President, a couple of days ago the Mason City Globe-Gazette in my State of Iowa published an excellent editorial calling on national policymakers to put partisan politics aside in order to pass bipartisan welfare reform. I couldn't agree more.

Over the past 3 years I have talked time and time again about the need to enact bipartisan welfare reform which demands responsibility from day one, requires work and releases welfare families from the cycle of dependency. The Iowa family investment program provides us with an effective model for achieving these goals. Since Iowa began implementing the welfare reforms in October 1993, the number of people working has almost doubled, the welfare caseload had declined, and welfare costs are down. I call that a triple play.

Those are good reasons to look at the Iowa experience as we craft legislation, but I commend the Iowa experience to my colleagues for another reason. In 1993, Iowa enacted sweeping changes to the welfare system and did so with very strong bipartisan support. In fact, the Iowa plan received only 1 dissenting vote from the 150-member Democratically controlled general assembly and was signed into law by our Republican Governor. It shows that it is possible to work together on welfare reform and the State of Iowa is better because of it.

In 1994 I sought to take a page from the Iowa play book and went to work with my Republican colleague from Missouri, Senator KIT BOND to develop bipartisan welfare reform legislation modeled on innovations occurring in our respective States. The result was the first bipartisan welfare reform legislation in that session of Congress. The bill was reintroduced again last year.

For the most part partisan wrangling prevailed in 1995. There were a few instances of bipartisan cooperation, but they were quickly overtaken by political gamesmanship.

There is one lesson to be learned from the past year and half—confrontation and partisanship is a prescription for failure. The only way we can truly accomplish welfare reform this year is to stop the political games and join forces across the aisle to craft bipartisan welfare reform which accomplishes the goals that the American people support—a welfare system that puts people to work and gets them off public assistance quickly and permanently.

Mr. President, I ask that the text of the editorial be printed in the RECORD, and urge my colleagues to hear its message.

The editorial follows:

[From the Mason City (IA) Globe-Gazette, June 18, 1996]

REFORMING WELFARE AND PARTISAN POLITICS SHOULD BE SEPARATE

It's true that in many cases, public opinion changes faster than the politicians.

That's certainly the case with welfare reform, according to a recent Associated Press poll.

The poll shows that most Americans favor converting welfare into a work program and that half are ready to pay more taxes to make jobs available.

The poll also shows that most Americans wish to limit welfare funds to single mothers, and to put single mothers on a work plan.

Those types of plans are being tested in several states, including Iowa and Wisconsin. The reform agenda is clogged, however, in the Washington political system.

A welfare system that puts people back to work, and aims to get them off welfare is a good idea. The only exception that should be added is that the system include some compassion.

One of the reasons welfare reform hasn't taken off in Washington has to do with political posturing.

Both Democrats and Republicans are turning the debate into a class issue. That's not where the issue belongs.

For example, both Democrats and Republicans make a major issue out of single mothers. Truthfully, however, single mothers make up only a small percentage of the welfare recipients.

Both sides also talk about welfare recipients as if they spend their lives on the dole. The truth, however, is that most welfare recipients move in and out of the system. A small percentage spend an extended amount of time on welfare.

A welfare reform plan that includes work or schooling instead of hand-outs is a good idea. Limiting welfare recipients to two years of benefits is also an improvement.

Both Democrats and Republicans have said they would support plans similar to those currently in use here and in Wisconsin.

But nothing will really happen until highly partisan politics are removed from the picture.●

UNANIMOUS-CONSENT AGREEMENT—S. 1219

Mr. BROWN. Mr. President, I ask unanimous consent that the time for debate on the campaign finance reform bill scheduled for the morning of Tuesday June 25 be equally divided between the two leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING TESTIMONY AND REPRESENTATION OF FORMER SENATE EMPLOYEE

Mr. BROWN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of a Senate resolution submitted earlier today by the majority leader and the Democratic leader.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 269) to authorize testimony and representation of former Senate employee in *Ward* v. *United States.*

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, in the case of Ward versus United States, a civil action for damages resulting from alleged improper disclosure of tax-return information by the Internal Revenue Service, the plaintiff has requested testimony from a former chief of staff to Senator BROWN. While he was employed by Senator BROWN in the summer and fall of 1993, the former chief of staff provided consistent services to the plaintiff by contacting the IRS on her behalf. The plaintiff is seeking testimony from the former chief of staff describing his conversations with Internal Revenue Service employees. Senator BROWN believes that it is appropriate for his former chief of staff to submit an affidavit and to testify in this proceeding.

Mr. President, this resolution would authorize the former chief of staff to provide testimony in this case, and would authorize the Senate legal counsel to represent him.

Mr. BROWN. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that a statement of explanation be included in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 269) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 269

Whereas, in the case of *Carol Ward* v. *United States*, Civil Case No. 95–WY–810–WD, pending in the United States District Court for the District of Colorado, testimony has been requested from William T. Brack, a former chief of staff to Senator Hank Brown;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved, That William T. Brack is authorized to testify in the case of *Carol Ward* v. *United States*, Civil Case No. 95–WY–810–WD (D. Colo.), except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent William T. Brack in connection with his testimony in *Carol Ward* v. *United States.*

AUTHORIZATION FOR THE USE OF THE CAPITOL GROUNDS

Mr. BROWN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 153 that has just been received from the House.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 153) authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BROWN. Mr. President, I ask unanimous consent that the resolution be considered and agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 153) was agreed to.

PROGRAM

Mr. BROWN. Mr. President, for the information of all Senators, under the order of last night the Senate will reconvene at 1 p.m. on Monday, June 24. The Senate will be debating the campaign finance reform bill during Monday's session. However, no rollcall votes will occur during that day.

A cloture motion was filed on the campaign finance reform bill last night, with the cloture vote ordered to occur at 2:15 on Tuesday, June 25.

As a reminder, Senators have until the hour of 2 p.m. on Monday in order to file first-degree amendments, and until 12:30 on Tuesday in order to file second-degree amendments.

The Senate will also be resuming the Department of Defense authorization bill next week. Therefore, Senators can expect a busy session with rollcall votes throughout.

UNANIMOUS-CONSENT AGREEMENT

Mr. BROWN. Mr. President, I ask unanimous consent that the morning business period during Monday's session be equally divided between the two leaders or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 2 P.M.

Mr. BROWN. Mr. President, I ask unanimous consent that the RECORD remain open today until 2 p.m. for statements only.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 1 P.M., MONDAY, JUNE 24, 1996

Mr. BROWN. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 1:18 p.m., adjourned until Monday, June 24, 1996, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate June 21, 1996:

THE JUDICIARY

ANDREW S. EFFRON, OF VIRGINIA, TO BE A JUDGE OF THE UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES FOR THE TERM OF 15 YEARS TO EXPIRE ON THE DATE PRESCRIBED BY LAW, VICE ROBERT E. WISS.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER, ON THE ACTIVE-DUTY LIST, FOR PROMOTION TO THE GRADE OF BRIGADIER GENERAL IN THE U.S. MARINE CORPS IN ACCORDANCE WITH SECTION 5046 OF TITLE 10, UNITED STATES CODE:

THEODORE G. HESS [redacted]

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 12203 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE:

LINE

To be lieutenant colonel

LARRY D. BIGGERS [redacted]
WILLIAM F. BLACKWELL, JR. [redacted]
MARGARET A. BRADLEY [redacted]
JOHN J. DERRICO [redacted]
JAMES B. DODD [redacted]
RUDOLF M.C. EYERER [redacted]
STEVEN J. FILO [redacted]
ROBERT S. FOX [redacted]
ROBERT W. FRITSCH [redacted]
TERRY L. FRITZ [redacted]
DAVID M. HENRY [redacted]
ALLISON A. HICKEY [redacted]
RALPH A. HIGGINS [redacted]
SHEILA F. HOOTEN [redacted]
TERRY L. LAWSON [redacted]
JOSE R. LOPEZ-VAZQUEZ [redacted]
GARY J. MOE [redacted]
JANET F. NOBLE [redacted]
THOMAS F. ROUNDTREE [redacted]
PETER J. ROWEN [redacted]
MARK F. SEARS, [redacted]
STEVEN T. SMITH [redacted]
BRUCE H. SWEZEY [redacted]
JOHN P. SWIFT [redacted]
WAYNE L. THOMAS [redacted]
ALBERT M. WOOLLEY, JR. [redacted]

JUDGE ADVOCATE GENERALS DEPARTMENT

To be lieutenant colonel

CHARLES E. TUCKER, JR. [redacted]

CHAPLAIN CORPS

To be lieutenant colonel

EDWARD D. PETERSON [redacted]
WILLIAM T. YATES [redacted]

MEDICAL CORPS

To be lieutenant colonel

JUAN R. CARRERAS [redacted]
JOHN J. MCGRAW [redacted]

IN THE ARMY

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

GREGORY K. AUSTIN [redacted]
CRAIG G. BIRCHARD [redacted]
BEN W. CARR, JR. [redacted]
IVONNE CORDERO-MURATTI [redacted]
DAVID E. GLINES [redacted]
JAMES D. HAMILTON [redacted]
PAUL E. HARMAN [redacted]
JERALD L. KEUTER [redacted]
JAMES A. KRUECK [redacted]
JIMMIE M. MCDONALD [redacted]
TERRILL K. MOFFETT [redacted]
THOMAS A. MORTON [redacted]
GARRY D. PATTERSON [redacted]
GERALD T. RANDKLEV [redacted]
CHARLES E. ROCKWELL, JR. [redacted]
DENNIS M. SAVAGE [redacted]
DANNY C. SHORT [redacted]
RONALD A. SNEAD [redacted]
ANTHONY M. VALLOMBROSO [redacted]

ARMY NURSE CORPS

To be colonel

GAIL A. DEAL [redacted]
GEORGETTE E. THURMOND [redacted]

CHAPLAIN CORPS

To be colonel

EVAN J. JONES [redacted]

DENTAL CORPS

To be colonel

JERRY V. BREWSTER [redacted]
PETER C. KNUDSON, [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

JAMES F. BUTLER [redacted]

MEDICAL CORPS

To be colonel

ANDREW G. BUSTIN, JR. [redacted]
MARIN GARZA [redacted]
DENNIS A. R. LARAVIA, [redacted]
MICHAEL S. MCINTOSH [redacted]
MARK L. VANDEWALKER, [redacted]
LARRY F. WILSON [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

JAMES M. HART [redacted]
RONALD E. HOOKS [redacted]
PETER F. KUTCH [redacted]
EDWARD A. LEACOCK [redacted]
TOM C. LOOMIS [redacted]
TERRELL W. MATHEWS [redacted]
SEBASTIAN P. PUGLISI [redacted]
FELIPE R.RENDON, JR [redacted]
WILLIAM S. SOBOTA, JR. [redacted]
XAVIER STEWART [redacted]
FRANK T. WILK [redacted]

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

JOANNE C. SLYTER [redacted]

ARMY NURSE CORPS

To be lieutenant colonel

MARY E. KELLY [redacted]

CHAPLAIN CORPS

To be lieutenant colonel

KENNETH G. KIRK [redacted]

DENTAL CORPS

To be lieutenant colonel

TIMOTHY J. COEN [redacted]
MARIA D. TERRER-NICHOLS [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

MICHAEL J. TUOHY [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

ROBERT M. TRAYNOR [redacted]

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION S624, TITLE 10, U.S.C. THE OFFICER IDENTIFIED WITH AN ASTERISK (*) IS ALSO NOMINATED FOR REGULAR APPOINTMENT IN ACCORDANCE WITH SECTION 531 OF TITLE 10, UNITED STATES CODE:

CHAPLAIN CORPS

To be major

*GREGORY B. BAXTER [redacted]

MEDICAL CORPS

To be major

HERBERT L. SUTTON [redacted]
PETER K. BAMBERGER [redacted]
RAYMOND D. GREASER [redacted]
STEVEN D. PICERNE [redacted]
MARY F. SIPPELL [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE-DUTY LIST, FOR PROMOTION TO THE GRADE OF MAJOR IN THE U.S. MARINE CORPS IN ACCORDANCE WITH SECTION 624 OF TITLE 10, U.S.C.

MARK D. ABELSON [redacted]
MARK A. ADAMS [redacted]
ALBERT R. ADLER [redacted]
MARK L. AEPPLI [redacted]
MICHAEL J. AHERN [redacted]
PETER W. AHERN [redacted]
JOHN A. AHO [redacted]
JEFFREY A. AIVAZ [redacted]
MARK L. ALEXANDER [redacted]
BENJAMIN P. ALLEGRETTI [redacted]
AARON T. AMEY [redacted]
CRAIG A. AMUNDSON [redacted]
DAVID C. ANDERSEN [redacted]
DAVID J. ANDERSON [redacted]
GREGORY D. ANDERSON [redacted]
JOEL D. ANDERSON [redacted]
JAMES A. ARCHER [redacted]
GLENN R. ARMAGOST [redacted]
TIMOTHY T. ARMSTRONG [redacted]
JAY T. ARNETT [redacted]
JEFREY M. ARNOLD [redacted]
JEFFREY K. ARRUDA [redacted]
MICHAEL L. ARTBAUER [redacted]
SEAN W. ASH [redacted]
DAVID N. ASHBY [redacted]
JOSEPH F. AUGUSTINE III [redacted]
JOE D. BAKER II [redacted]
WILLIAM H. BAKER, [redacted]
DONALD P. BALDWIN, [redacted]
KATHY A. BANNICK, [redacted]
EDWARD D. BANTA [redacted]
DARRYL G. BARNES [redacted]
TIMOTHY E. BARNHILL, [redacted]
KEVIN M. BARTH [redacted]

HAROLD C. BASS [redacted]
STEVEN B. BEAL [redacted]
HENRY BEAZLEY, [redacted]
BARRY W. BECKNER [redacted]
THOMAS R. BELLEVILLE [redacted]
CHRISTOPHER P. BENDEN [redacted]
DEBRA A. BEUTEL [redacted]
JEAN BINKMCGRATH [redacted]
MITCHELL S. BIONDICH [redacted]
MICHAEL A. BISZAK [redacted]
ANDREW K. BLACKHURST [redacted]
TRENT BLACKSON [redacted]
MICHAEL A. BLACKWOOD [redacted]
JAMES M. BLAIR [redacted]
FREDDIE J. BLISH [redacted]
ANTHONY E. BLOUNT [redacted]
THOMAS G. BOGARD [redacted]
WILLIAM K. BOLDEN [redacted]
MATTHEW J. BONNOT [redacted]
MICHAEL J. BOSSE [redacted]
MARTIN E. BOUVERON [redacted]
ROBERT L. BOWDEN III [redacted]
STUART W. BRACKEN [redacted]
WILLIAM P. BRANNEN [redacted]
DAVID A. BRANNON [redacted]
MICHAEL W. BRELAND [redacted]
RANDAL S. BRELAND [redacted]
MARK A. BRENNAN [redacted]
RAND A. BRINKMAN [redacted]
STEVEN P. BRODFUEHRER [redacted]
ETOY D. BROWN [redacted]
JAMES E. BROWN [redacted]
JAMES R. BROWN III [redacted]
WILLIAM R. BROWN [redacted]
MICHAEL J. BROWNE [redacted]
THOMAS D. BRUCE [redacted]
MICHAEL P. BRUEN [redacted]
ERIC V. BRYANT [redacted]
BRYAN K. BUCKLES [redacted]
WILLARD A. BUHL [redacted]
DAVID L. BURCHINAL [redacted]
MARK W. BURDETTE [redacted]
CLAUDE J. BURG [redacted]
DENNIS T. BURKE [redacted]
SEAN J. BURKE [redacted]
RODNEY D. BURNETT [redacted]
ROBERT E. BUSHTA [redacted]
TERENCE E. BUSMIRE [redacted]
JEFFREY J. BUTLER [redacted]
BRENNAN T. BYRNE [redacted]
BRIAN J. BYRNE [redacted]
VERNON F. CALDWELL [redacted]
THEODORE E. CALDWELL, JR. [redacted]
ALTON E. CAMPBELL [redacted]
JIMMY D. CANADA II [redacted]
MAX CARAMANIAN [redacted]
CHRISTOPHER G. CARLSON [redacted]
THOMAS CARNESI III [redacted]
JERRY A. CARPENTER [redacted]
CARL W. CARRELL [redacted]
JEFFERY S. CARUSONE [redacted]
CHRISTOPHER D. CASADOS, [redacted]
ANDREW S. CAUTHEN [redacted]
JAMES J. CAVAGNARO [redacted]
KENNETH R. CHAMBERS [redacted]
ROBERT J. CHARETTE [redacted]
CARLEN T. CHARLESTON [redacted]
ERIC T. CHASE [redacted]
GLENN N. CHEATHAM [redacted]
CHARLES G. CHIAROTTI [redacted]
ALBERT K. CHILDS, JR. [redacted]
STEPHEN A. CHILL [redacted]
STEPHEN S. CHOATE [redacted]
RODNEY M. CHOI [redacted]
JOHN M. CHRISTENSEN [redacted]
JAMES P. CHRISTOPHERSON [redacted]
JAMIE E. CLARK [redacted]
LARRY CLAYTON [redacted]
CRAIG R. CLEMENT [redacted]
ROBERT C. CLEMENTS [redacted]
ROBERT W. COATE [redacted]
GREGORY K. COHEN, [redacted]
BRIAN C. COLEBAUGH [redacted]
ROBERT C. COLLINS [redacted]
TERRY L. COMPTON [redacted]
RANDALL M. CONNARD [redacted]
NORMAN L. COOLING [redacted]
CHRISTOPHER P. COSTELLO [redacted]
STEPHEN A. COX [redacted]
EDWIN B. COYL III [redacted]
KRISTA J. CROSETTO [redacted]
DENNIS M. CUNNIFFE [redacted]
WILLIAM R. CUNNINGHAM [redacted]
TIMOTHY M. CURRY [redacted]
TIMOTHY B. CUTRIGHT [redacted]
BRIAN P. CYR [redacted]
RONALD E. DAHART [redacted]
THOMAS F. DALEY [redacted]
JOHN J. DALY [redacted]
JAMES G. DAVIDSON [redacted]
BRIAN J. DAVIS [redacted]
JOSEPH P. DAVIS [redacted]
JEFFREY E. DEAROLPH [redacted]
JOHN A. DECATO [redacted]
PAUL B. DECKERT [redacted]
PATRICK J. DELONG [redacted]
PAUL R. DEMERS, [redacted]
ROBERT R. DEMING [redacted]
JOSEPH G. DENNISON [redacted]
PETER J. DEPATIE [redacted]
CURTIS C. DEPPNER [redacted]
DANNY A. DEREDITA [redacted]
DAVID P. DEWAELE [redacted]
RICHARD L. DIDDAMS, JR. [redacted]
JAMES T. DILLON [redacted]
NORMAND J. DILLON, JR. [redacted]
STEPHEN R. DINAUER [redacted]
PAUL D. DONAHUE [redacted]
DREW T. DOOLIN [redacted]
THOMAS J. DORAN [redacted]
RICHARD C. DOWLER [redacted]
FRANCIS A. DOWSE [redacted]
JEFFERSON L. DUBINOK [redacted]
BYRON W. DUKE [redacted]
STEPHEN E. DUKE [redacted]
JAMES F. DURAND [redacted]
JOHN M. DURKIN, JR. [redacted]
WILLIAM J. DVORAK [redacted]
RICHARD E. EARL [redacted]
THOMAS B. EIPP [redacted]
GEORGE M. ELLIS [redacted]
ROBERT N. ELLITHORPE [redacted]
DANIEL W. ELZIE [redacted]
SHAWN A. ENGEL [redacted]
ANDREW C. ENTINGH [redacted]
YORI R. ESCALANTE [redacted]
PAUL F. EVEN [redacted]
DOUGLAS H. FAIRFIELD [redacted]
DAVID A. FALK [redacted]
CHARLES R. FERGUSON, JR. [redacted]
RONALD R. FINELLI [redacted]
BARRY J. FITZPATRICK, JR. [redacted]
DAVID A. FLYNN [redacted]
RALPH A. FOBELL, JR. [redacted]
PAUL J. FONTANEZ [redacted]
PATRICK W. FORD [redacted]
MATTHEW S. FORSTHOEFEL [redacted]
JOHN G. FORTI, JR. [redacted]
CHRISTOPHER C. FOSTER [redacted]
GREGORY T. FRAZIER [redacted]
JOHN W. FREDA [redacted]
JOHN H. FREEMAN [redacted]
KIRK L. FREUND [redacted]
GRANT V. FREY [redacted]
CHRISTOPHER W. FUNKHAUSER [redacted]
STEPHEN J. GABRI [redacted]
JEFFERY E. GAMBER [redacted]
JOHN R. GAMBRINO [redacted]
JOHN J. GAMELIN [redacted]
ROGER A. GARAY [redacted]
RANDALL E. GARCIA [redacted]
RUBEN J. GARZA [redacted]
CINDY H. GATS [redacted]
PAUL G. GAYAN [redacted]
PETER T. GAYNOR [redacted]
GREGORY T. GDANSKI [redacted]
ERIC L. GEISSLER [redacted]
KEIL R. GENTRY [redacted]
ROY E. GENTRY, JR. [redacted]
GREGORY N. GLASSER [redacted]
MATTHEW G. GLAVY [redacted]
GUY P. GLAZIER [redacted]
ROBERT L. GLENDENING [redacted]
TODD M. GLENN [redacted]
HAL M. GOBIN [redacted]
WILLIE R. GOLDSCHMIDT [redacted]
THOMAS C. GONTER [redacted]
GILBERTO C. GONZALEZ [redacted]
DAVID R. GOODELL III [redacted]
MARK G. GOODMAN [redacted]
KERRY T. GORDON [redacted]
THOMAS A. GORRY [redacted]
DAVID G. GOULET, [redacted]
SCOTT T. GOWELL [redacted]
KIMBERLY A. GRAHAM [redacted]
JOSEPH P. GRANATA [redacted]
KEVIN T. GREEN [redacted]
DAVID S. GREENE [redacted]
RICHARD L. GREENWOOD [redacted]
BOBBY G. GREGORY, JR. [redacted]
JAMES D. GRIFFIN II [redacted]
MICHAEL S. GROEN [redacted]
MICHAEL S. GROGAN [redacted]
BRETT J. GROSSHANS [redacted]
STEVE D. HAGERTY [redacted]
PATRICK W. HALL [redacted]
MARK HAMESTER [redacted]
JEFFREY W. HANNAY [redacted]
ERIC G. HANSEN [redacted]
STEVEN M. HANSON [redacted]
TIMOTHY G. HANSON [redacted]
BLAISE D. HARDING [redacted]
GARY L. HARDY [redacted]
WILLIAM J. HARKIN II [redacted]
WILLIAM J. HARKINS, JR. [redacted]
GERALD F. HARPER, JR. [redacted]
THOMAS J. HARTSHORNE [redacted]
JOHN F. HAVRANEK [redacted]
ROBERT L. HEAD [redacted]
ROBERT M. HEIDENREICH [redacted]
KENNETH S. HELFRICH [redacted]
MARK HELMUS [redacted]
CLARKE D. HENDERSON [redacted]
SAMUEL L. HENRY JR. [redacted]
MARK A. HENSEN [redacted]
DALE W. HERDEGEN [redacted]
ANTHONY R. HERLIHY [redacted]
EDWARD G. HERNANDEZ [redacted]
WILLIAM K. HERSHBERGER [redacted]
MARCUS O. HEWETT [redacted]
BRUCE T. HILGARTNER [redacted]
JEFFREY M. HINES [redacted]
CHARLES O. HOBAUGH [redacted]
DANIEL C. HODGES [redacted]
JAMES A. HOGBERG [redacted]
THOMAS G. HOLDEN [redacted]
STEWART H. HOLMES [redacted]
ALEXANDER H. HORAN [redacted]
JAMES G. HORTON [redacted]
MICHAEL J. HOWER [redacted]
NANCY E. HURLESS [redacted]
ROBERT B. HUTCHINSON, [redacted]
TIMOTHY J. HYDE [redacted]
TODD C. HYSON [redacted]
KEVIN M. IIAMS [redacted]
STEVEN M. IMMEL [redacted]
WILLIAM J. INSERRA [redacted]
RICHARD C. JACKSON II [redacted]
JOHN M. JANSEN [redacted]
KIRK B. JANSEN [redacted]
JOSEPH M. JEFFREY II [redacted]
EDWARD M. JEFFRIES, JR. [redacted]
ALTO L. JERKINS III [redacted]
JEFFREY A. JEWELL [redacted]
ANTHONY J. JOHNSON [redacted]
HAROLD J. JOHNSON III [redacted]
JAY E. JOHNSON [redacted]
KIM C. JOHNSON [redacted]
MICHAEL J. JOHNSON [redacted]
MICHAEL W. JOHNSON [redacted]
ROBERT A. JONES [redacted]
STEVEN P. JONES [redacted]
DEWEY G. JORDAN [redacted]
BRIAN T. JOSTEN [redacted]
DARREN S. JUMP [redacted]
ERIC R. JUNGER [redacted]
JAMES J. JUSTICE [redacted]
JOHN F. KAMMEIER [redacted]
JEFFREY A. KARNES [redacted]
JOHN E. KASPERSKI [redacted]
STACY D. KAUCHER [redacted]
STEPHEN H. KAY [redacted]
PETER J. KEATING [redacted]
GEORGE A. KELLING [redacted]
MICHAEL A. KELLY [redacted]
BRIAN D. KERL [redacted]
ERIC P. KESSLER [redacted]
MICHAEL P. KILLION [redacted]
LAWRENCE E. KILLMEIER, JR. [redacted]
JAMES C. KING II [redacted]
KEVIN D. KING [redacted]
MICHAEL G. KIRBY [redacted]
SAMUEL A. KIRBY [redacted]
ERIC R. KLEIBER [redacted]
GREGORY F. KLEINE [redacted]
PATRICK E. KLINE [redacted]
DARRICK M. KNIGHT [redacted]
DAVID C. KNUTH [redacted]
GARY D. KOCH, JR. [redacted]
MICHAEL K. KOZIK [redacted]
JEFF J. KRIEGER [redacted]
JAMES F. KROMBERG [redacted]
BERNARD J. KRUEGER [redacted]
VINCENT C. KUCALA [redacted]
DANIEL C. KUDLICKI [redacted]
MARC J. LACLAIR [redacted]
DAVID B. LADEN [redacted]
JASON J. LAGASCA [redacted]
MARC H. LAMBERT [redacted]
BRYANT E. LANDEAN [redacted]
JACK J. LANDRETH [redacted]
RICHARD E. LANICEK [redacted]
PHILIP S. LARK [redacted]
TERENCE J. LARKIN [redacted]
JOSE A. LATORRE [redacted]
MARK D. LAVIOLETTE [redacted]
RANDY J. LAWSON [redacted]
DUANE M. LEGAN [redacted]
JAMES J. LENEGHAN [redacted]
MICHAEL K. LENNON [redacted]
ERIC J. LEVESQUE [redacted]
JIMMY W. LEWIS [redacted]
SAMUEL LIMA [redacted]
JOHNNY E. LINDSEY, JR. [redacted]
LAURA LITTLE, [redacted]
THOMAS E. LITTLE [redacted]
TODD L. LLOYD [redacted]
BRIAN D. LONG [redacted]
RICHARD S. LONG [redacted]
ROBERT C. LORIA [redacted]
OWEN R. LOVEJOY II [redacted]
JAMES B. LOVING [redacted]
ROBERT D. LOYND [redacted]
FRANK LUSTER III [redacted]
MATHEW P. LUTZ, [redacted]
TODD W. LYMAN, [redacted]
TIMOTHY P. LYNCH [redacted]
DUGALD E. MACDONALD [redacted]
COLIN J. MACFARLANE [redacted]
SCOTT N. MACFARLANE [redacted]
MARY J. MACGREGOR, [redacted]
TIMOTHY J. MACKENZIE [redacted]
KEVIN P. MAHNE [redacted]
JOAQUIN F. MALAVET [redacted]
JOHN P. MANGOLD [redacted]
JOHN D. MANZA [redacted]
WILLIAM C. MAPLES [redacted]
JOSEPH C. MARELLO, JR. [redacted]
DIANE M. MARQUIS [redacted]
BRADFORD L. MARTIN [redacted]
RONALD J. MARTIN [redacted]
SCOTT W. MARTIN [redacted]
JEFFREY P. MARTINEZ [redacted]
DANIEL E. MASUR [redacted]
THOMAS F. MAY [redacted]
JAMES S. MAYBERRY [redacted]

SEAN P. MCBRIDE [redacted]
CHRISTOPHER R. MCCARTHY [redacted]
CHARLES B. MCCLELLAND [redacted]
HENRY J. MCCLURG [redacted]
CHARLES W. MCCOBB [redacted]
MARC D. MCCOY, [redacted]
CLIFTON J. MCCULLOUGH [redacted]
KIRK A. MCDANIEL [redacted]
JAMES A. MCDONALD III [redacted]
MICHAEL V. MCDONALD [redacted]
MATTHEW D. MCEWEN [redacted]
RUSSELL O. MCGEE [redacted]
JAMES E. MCGINLEY [redacted]
PATRICK M. MCGINN [redacted]
THOMAS D. MCGINNIS [redacted]
MARK D. MCGRAW, [redacted]
JAMES A. MCKENNA [redacted]
BRYAN D. MCKINNEY, [redacted]
GREG D. MCMANUS [redacted]
KEITH A. MEISENHEIMER [redacted]
DANIEL D. MENDIOLA [redacted]
JEFFREY L. MERCHANT [redacted]
STEVEN L. MERCHANT [redacted]
GERALD A. MERRIMAN II [redacted]
LAUREN R. MIHLON [redacted]
GLEN MILES [redacted]
RICHARD O. MILES, JR. [redacted]
GERALD J. MILLER [redacted]
KURT L. MILLER [redacted]
PAUL A. MILLER [redacted]
ROBERT M. MILLER [redacted]
SCOTT T. MINALDI [redacted]
EDWARD H. MINCHIN III [redacted]
CHRIS W. MINER [redacted]
JOSEPH D. MISTRETTA [redacted]
MARK W. MITCHELL [redacted]
DANIEL P. MONAHAN [redacted]
JEFFERY M. MONIZ [redacted]
MICHAEL W. MONTESANTI [redacted]
VINCENT K. MOONEY [redacted]
JAMES T. MOORE, JR. [redacted]
KEITH M. MOORE [redacted]
HERBERT G. MORAN III [redacted]
LOUIS D. MORET [redacted]
ROGER J. MORIN, [redacted]
DONALD C. MORSE [redacted]
JEFFREY K. MOSHER [redacted]
MATTHEW S. MUCKELBAUER, [redacted]
WILLIAM F. MULLEN III [redacted]
JAMES M. MULLINS, SR. [redacted]
JEFFREY A. MUNSHAUR [redacted]
MICHAEL L. MURPHY [redacted]
MICHAEL P. MURTHA [redacted]
HOWARD W. NELSON, [redacted]
ANTON H. NERAD, [redacted]
JOHN G. NETTLES, [redacted]
BRUCE W. NEUBERGER [redacted]
BARRY C. NEULEN [redacted]
BRUCE E. NICKLE [redacted]
CHRISTEN A. NIELSEN [redacted]
JAMES E. NIERLE [redacted]
WILLIAM J. NIX [redacted]
MICHAEL W. NOBLIT, [redacted]
BRENT A. NORRIS, [redacted]
CRAIG J. NYSVEN [redacted]
MARK K. OBERG [redacted]
JOHN L. OBRIEN [redacted]
EDWIN V. ODISHO II [redacted]
CHARLES E. ODONNELL [redacted]
LAWERENCE J. OLIVER [redacted]
RONALD D. OLKO, [redacted]
JAMES S. OMEARA [redacted]
ALAN J. ORR II [redacted]
MICHAEL J. OUZTS, [redacted]
PETER F. OWEN [redacted]
BEN H. OWENS, [redacted]
JOSEPH W. OZMER II [redacted]
BRIAN S. PAGEL [redacted]
RICK A. PAGEL [redacted]
KEITH W. PANKHURST [redacted]
DANNY D. PANTALEO [redacted]
CHRISTOPHER J. PAPAJ [redacted]
HOWARD T. PARKER, JR. [redacted]
JOHN R. PARKER [redacted]
MICHAEL B. PARKYN [redacted]
BILLY PARSON [redacted]
BENTON O. PASCHALL [redacted]
TIMOTHY A. PASTVA [redacted]
GABRIEL PATRICIO [redacted]
BENJAMIN C. PATTERSON [redacted]
NOELE PATTERSON [redacted]
STANTON H. PATTY, JR. [redacted]
RUSSELL A. PAULSEN [redacted]
FRANKLIN O. PAYNE [redacted]
DAVID PERE, [redacted]
ANTONIO P. PETERSEN [redacted]
ALVIN W. PETERSON, JR. [redacted]
DONNA J. PETIT [redacted]
MICHAEL A. PETRUZZIELLO [redacted]
JOSEPH J. PETTO [redacted]
ANDREW J. PFIESTER [redacted]
GEORGE D. PICKETT [redacted]
TIMOTHY J. PIERSON [redacted]
CHRISTOPHER C. PLANETA [redacted]
THOMAS D. PLEITGEN [redacted]
LAYTON R. PLUNKETT [redacted]
MICHAEL D. POCKETTE [redacted]
RAYMOND M. POINSETTE [redacted]
GEORGE D. POINTON [redacted]
ROBERT F. PRESSLY [redacted]
ROBERT T. PRIOR [redacted]
THOMAS R. PROTZELLER [redacted]
SCOTT M. QUINLAN [redacted]
JAMES S. RAMIREZ, JR. [redacted]
MICHAEL R. RAMOS [redacted]
JAMES D. REED II [redacted]
KEVIN F. REILLY [redacted]
JEFFREY S. RENIER [redacted]
JOHN V. RESCHAR, JR. [redacted]
LORETTA E. REYNOLDS [redacted]
LAMONT W. RHONDEAU [redacted]
PHILLIP J. RIDDERHOF [redacted]
MIGUEL A. RIVA [redacted]
KEVIN C. ROGERS [redacted]
PHILIPPE D. ROGERS [redacted]
DALE A. ROLAND [redacted]
FRANKLIN J. ROSA [redacted]
DONALD M. ROSS [redacted]
STEVEN A. ROSS [redacted]
DAVID S. ROWE, [redacted]
THADDEUS A. RUANE [redacted]
AMANDO RUIZ III [redacted]
THOMAS W. RUSSELL [redacted]
SPENCER RUTLEDGE III [redacted]
THOMAS S. RUTLEDGE [redacted]
LAWRENCE S. RYDER [redacted]
PHILIP G. RYNN [redacted]
SHAUN L. SADLER [redacted]
STANLEY W. SALAMON [redacted]
SHARON M. SALATHE [redacted]
RUSSELL A. SANBORN [redacted]
JOEL S. SAUER [redacted]
TIMOTHY L. SAWICKI [redacted]
ROSS E. SCANIO [redacted]
CHRISTOPHER J. SCHLAFER [redacted]
KIRK D. SCHLOTZHAUER [redacted]
DONALD C. SCHOPPE [redacted]
PAUL C. SCHRECK [redacted]
JOHN M. SCHULTZ [redacted]
CALLISTUS T. SCHWEIGER [redacted]
DOUGLAS J. SCOTT [redacted]
TIMOTHY P. SEGNERI [redacted]
SCOT S. SEITZ [redacted]
WILLIAM R. SELLARS [redacted]
BRUCE A. SHANK [redacted]
KEVIN E. SHANLEY [redacted]
RICHARD S. SHAW [redacted]
PAUL A. SHELTON [redacted]
MICHAEL G. SHERRILL [redacted]
RICHARD N. SHIZURU [redacted]
SHANNON A. SHY [redacted]
GREGORY L. SIMMONS [redacted]
STEVEN A. SIMMONS [redacted]
AARON T. SLAUGHTER [redacted]
BARTON S. SLOAT [redacted]
JAMES S. SMITH [redacted]
JAY C. SMITH [redacted]
KEITH G. SMITH [redacted]
RANDY D. SMITH [redacted]
RICHARD C. SMITH, [redacted]
RUSSELL H. SMITH [redacted]
STUART J. SMITH, [redacted]
MATTHEW J. SMITHMECK [redacted]
THOMAS G. SMYTH [redacted]
WILLIAM B. SPAHN [redacted]
MICHAEL J. SPERRY [redacted]
EDWARD N. SPICKNALL [redacted]
TODD R. STANDARD [redacted]
DOUGLAS T. STEELE [redacted]
DENNIS H. STEGALL [redacted]
ERIC J. STEIDL [redacted]
BRADLEY W. STEPHENS [redacted]
ERIC B. STONE, [redacted]
ROGER L. STONE, [redacted]
DANNY R. STRAND [redacted]
ROGER M. STRAUSS [redacted]
LESLIE E. STRICKLAND [redacted]
JOSEPH R. STROHMAN [redacted]
CHARLES W. STUBBS, [redacted]
DANIEL J. SULLIVAN [redacted]
THOMAS G. SULLIVAN [redacted]
TIMOTHY L. SULLIVAN [redacted]
DIANNE L. SUMNER [redacted]
JOHN D. SUMNER [redacted]
KEVIN M. SUTHERLAND [redacted]
SHAWN T. SUTHERLAND [redacted]
DELSIE L. SWEARINGEN [redacted]
CLINTON L. SWETT [redacted]
JOHN D. SWIFT [redacted]
DAVID A. TAGG, [redacted]
CLARENCE S. TALAMANTES, [redacted]
CHARLES D. TAPPA [redacted]
JAMES R. TAYLOR [redacted]
JAMES S. TEEPLES [redacted]
JOSEPH L. TERRY [redacted]
DON M. THANARS, [redacted]
JOSEPH J. THOMAS [redacted]
REGINALD C. THOMAS [redacted]
MARK A. THOMPSON [redacted]
LESLIE A. TIPTON [redacted]
RICHARD P. TIRRELL [redacted]
DONALD D. TOLBERT, JR. [redacted]
GREGORY M. TOLLIVER [redacted]
RAYMOND TOLOMEO [redacted]
ARTHUR TOMASSETTI [redacted]
SHERRY A. TOMLEY [redacted]
NORBERT J. TORRES [redacted]
MICHAEL A. TRABUN, [redacted]
WILLIAM A. TUCKER [redacted]
CHALRES J. TULANEY [redacted]
MARK M. TULL [redacted]
JEFFREY I. TURK [redacted]
RUSSELL G. TYSINGER, [redacted]
BRAD E. VALDYKE [redacted]
ALVIN J. VANSTEENBERGEN [redacted]
BRADLEY C. VICKERS [redacted]
MONTY A. VOLD, [redacted]
TODD W. VOSPER [redacted]
DAVID A. VOSTEEN [redacted]
GREGORY A. WAGAMAN, [redacted]
SCOTT A. WALKER, [redacted]
RONALD D. WALLACE [redacted]
JOHN S. WALSH [redacted]
THOMAS W. WARD, [redacted]
JEFFREY D. WARREN [redacted]
WALTER R. WATSON [redacted]
STEPHEN M. WAUGH [redacted]
DANIEL J. WAWRZYNIAK [redacted]
JAMES P. WEDGE [redacted]
RICHARD H. WEEDE [redacted]
JOHN C. WEHNER [redacted]
LARRY W. WEIDNER II [redacted]
STEVEN B. WEINBERG [redacted]
DAVID C. WEIR, [redacted]
MARK A. WERTH [redacted]
CHRISTINE H. WESELY [redacted]
LAWRENCE A. WHALEN, [redacted]
KEVIN H. WILD, [redacted]
LEE B. WILLARD [redacted]
EARNEST WILLIAMS III [redacted]
SCOTT P. WILLIAMS [redacted]
TERRY V. WILLIAMS [redacted]
RICHARD W. WILLIAMSON [redacted]
PERRIN D. WINKELMAN [redacted]
ANTHONY L. WINTERS [redacted]
MARK R. WISE, [redacted]
JEFFREY A. WOLFF [redacted]
ROBERT C. WOMELSDORF [redacted]
LEWIS E. WOOD, [redacted]
JEFFREY R. WOODS [redacted]
KEVIN T. WOOLEY [redacted]
MARK A. WORKMAN [redacted]
JUSTIN A. WRIGHT [redacted]
JOHN E. YOUNG, [redacted]
JEFFREY R. ZELLER [redacted]
PETER D. ZORETIC [redacted]